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Number:	061/2020
Relates to:	☐ Equity Market
	☒ Equity Derivatives
	☐ Commodity Derivatives
	☐ Interest Rate and Currency Derivatives
DATE	10 March 2020

SUBJECT:	TREATMENT OF INVESTEC LTD (INL) CORPORATE ACTION - UNBUNDLING 16 MARCH 2020 (EX-DATE)

Name and Surname:	Matthias Kempgen
Designation:	Head - Derivatives Operations, Post Trade Services

Members notice is drawn to section 13 of the JSE Derivatives Directives, Equity Derivatives Contract Specifications, which states:

13. Corporate Events

The JSE reserves the right to adopt any procedure or to adjust any single stock future or option on a single stock future, in a manner it deems fit, to deal with any extraordinary corporate events that may occur from time to time in relation to a share that is the underlying instrument of the equity option and to notify position holders, derivatives members and any other interested parties, of such event and the procedure or adjustment adopted. Such events include, for example, mergers, take-overs, unbundling, capitalization issues and rights issues.

The implication of this is that anybody trading in Single Stock futures or options in which the underlying stock is the subject of an extraordinary corporate event should be aware that the JSE may make adjustments to the Single Stock futures and options.

Unbundling

Investec Limited (INL) shareholders will receive 1 **Ninety One Limited (NY1)** share for every 2 **Investec Limited (INL)** shares held.

With regards to this corporate action, the following adjustments will be made to all contracts with the underlying of INL on Monday, **16 March 2020 (Ex-Date)**. The adjustments will be made to positions as at close of business on Friday, **13 March 2020 (LDT)**.

Please note:

The new basket future contract **BSK083** will be created during the EOD batch process on LDT 13 March 2020 and will be available for trading on Ex-Date 16 March 2020.

1. **Futures positions**

    -   The JSE will list the new basket future contract **BSK083** which will contain the following constituents:

        Investec Limited (INL) / Ninety One Limited (NY1)

    -   Positions in Investec Limited (INL) as held on close of business on Friday, 13 March 2020 (LDT) will be closed out at a value of zero and new positions will be created in the new basket future contract at a value of zero on 16 March 2020 (Ex-Date).

E.g. If you had 10 futures contracts in Investec Limited (INL), the JSE will close out this position at a value of zero and open a new position of 10 futures contracts in the new basket created.

    -   The new basket futures contract will comprise of INL and NY1 shares in the following ratio:

        1 New Basket Future Contract = (2 INL Contracts + 1 NY1 contract) x Nominal (100)

    -   The MTM price of the new basket future contract will be determined by calculating the fair value of:

        A notional basket containing 2 INL contracts + 1 NY1 contract

    -   At expiry date the future will be physically settled according to the following ratio:

        1 New Basket Futures Contract = (2 INL shares + 1 NY1 share)

    -   The final settlement price of the new basket futures contract at expiry will be determined as follows:

        (2 * INL share price) + 1 * NY1 share price).

2. **Option positions**

    -   The JSE will make the same adjustments to option positions as made to futures positions above.
    -   Strike prices will remain unaffected.

3. **ECFD Contracts**

    -   For every 2 Investec Limited (INL) ECFD you will receive 1 Ninety One Limited (NY1) ECFD.

Should you have any queries please contact **ClearOps@jse.co.za** or +27 11 520-7349.
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