

IPsx Wholesale

The International Property Securities Exchange



Reimagining real estate investment

IPsx is the world's first regulated stock exchange dedicated to the initial public offering and secondary market trading of companies owning single institutional grade real estate assets and multiple assets with commonality. It represents a major evolution in the real estate market.

For investors, IPSX transforms real estate investment, for the first time enabling direct investment into institutional grade real estate assets via a public market.

For real estate owners, IPSX provides an alternative capital markets product on a fully regulated basis, expanding the universe of potential investors.

IPsx delivers new and attractive opportunities for both real estate owners and investors providing flexibility, liquidity and transparency along with speed of execution and real time valuation.

IPsx has been recognised by the Financial Conduct Authority as a Recognised Investment Exchange, providing both real estate owners and investors with the protections of a regulated market.

At its most simple, IPSX reimagines the connection between real estate owners and real estate investors.

IPSX Wholesale Key Benefits

For Issuers

1. Access to new investors

- ◆ IPSX allows investors to buy shares in IPSX issuers through brokers, meaning that they can now acquire fractional ownership of much larger assets which historically may have been more narrowly held or inaccessible to institutional investors via a public market

2. Flexibility

- ◆ Owners of real estate are usually faced with a limited set of choices – keep the asset, sell the asset entirely or enter into a potentially complex Joint Venture agreement with a new partner
- ◆ IPSX provides issuers with significantly more choice and flexibility. IPSX Wholesale does not prescribe a minimum free float. The loan-to-value measurement has an upper limit of 80% (compared to 40% on IPSX Prime)
- ◆ All issuers have 'real assets' as their underlying assets. By this we mean that they will hold - or develop - buildings or infrastructure which could be used for purposes such as commercial, retail, student accommodation, health care, residential (such as large-scale rent to buy) or airports
- ◆ The asset must generally have a minimum value of £50m

3. Speed of execution

- ◆ Average time to complete a private market asset sale in the UK is in the region of 6 months
- ◆ The process of selling the shares to investors by way of an initial public offering on IPSX can be completed in as little as 8 weeks

4. Structural efficiency

- ◆ IPSX Wholesale provides commercial real estate owners with an onshore UK market that can accept a variety of different corporate structures within a highly flexible regulatory environment
- ◆ IPSX Wholesale provides an immediate solution for offshore funds that are looking for a UK venue providing the reputational benefits of being quoted on an onshore FCA regulated stock exchange along with the option to access the structural benefits of being a UK REIT. The issuers may be JV REITs and/or newly formed REITs
- ◆ Issuers owning assets which they intend to extend, repurpose or retrofit can be admitted to IPSX Wholesale for fundraising, provided they anticipate the asset becoming stabilised and income-producing within a suitable timeframe

5. Two Market Models

IPSX has two market models under which shares admitted to trading on IPSX Wholesale may be traded. The market models are:

Market Maker Model

- ◆ Shares which trade under the Market Maker model will have at least one market maker who will provide two-way prices for the share throughout the trading day

Broker-Driven Model

- ◆ Shares which trade under the Broker-Driven model will not have market makers. Instead, brokers will publish firm quotes for orders in such shares
- ◆ Issuers admitted to trading on IPSX Wholesale will have the choice of which market model their shares are traded under

For Investors

Only Institutional Investors may invest in IPSX Wholesale admitted issuers. These are:

- ◆ Eligible counterparties
- ◆ Per se Professional clients
- ◆ Elective Professional clients

Elective Professional Clients are broadly defined as a client that has expertise, experience and knowledge in light of the nature of the transactions envisaged, and is capable of making his own investment decisions and understanding the risks involved.

1. Access to a new product

- ◆ IPSX allows direct exposure to underlying commercial real estate assets which have previously not been available in public markets
- ◆ Investors therefore can now enjoy access to a diversified public market proxy for direct investment in institutional grade real estate

2. Transparency

- ◆ IPSX requires that issuers publish detailed information at the single asset level that is not ordinarily available to investors in REIT shares
- ◆ This will encourage far greater transparency enabling investors to make better informed decisions

3. Liquidity

- ◆ Under the Market Maker Model, market makers will make two-way prices in shares admitted to IPSX Wholesale throughout the trading day
- ◆ Under the Broker-Driven model, IPSX Trading Members will be appointed by issuers to represent the trading interests of Cornerstone investors
- ◆ This means that investors will always know how to access the market for an issuer's shares

4. Regulation and Protection

- ◆ IPSX is regulated as a Recognised Investment Exchange by the FCA in line with the other leading UK exchanges
- ◆ IPSX operates IPSX Wholesale and ensures that all investors benefit from high levels of investor protection and regulatory oversight

5. Higher Returns

- ◆ IPSX Wholesale has been designed for holding structures which may be more complex, and deliver returns comprising more capital return relative to income, than those traded on IPSX Prime, including Joint Venture ("JV") REITs, development and regeneration projects
- ◆ IPSX Wholesale is therefore only suitable for institutional investors

How IPSX works

IPSX operates two markets. IPSX Prime admits to trading issuers owning underlying single commercial real estate assets or multiple assets with a sufficient degree of commonality.

Our second market, IPSX Wholesale, is exclusively for institutional investors. Accordingly, whilst IPSX Wholesale issuers share the same broad features of IPSX Prime issuers, the types of issuers eligible for admission could include more complex ownership structures, more complex legal arrangements, or more unusual tenancy arrangements. This could include trading JV REITs.

In order to be admitted to IPSX Wholesale, an issuer must meet the Exchange's Admission Standards. These include: the appointment of an IPSX Lead Adviser and Approved Valuer; the sale of shares in the company at the point of admission (there is no prescribed minimum free float); a maximum of 80% leverage; and, if not required to produce a prospectus, issuing an Admission Document for approval by IPSX.

Next steps

IPSX Wholesale is now open to applications for admission to trading. Speak to one of our team, contact details overleaf.



To discuss next steps, contact:



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