



INVESTOR'S GUIDE

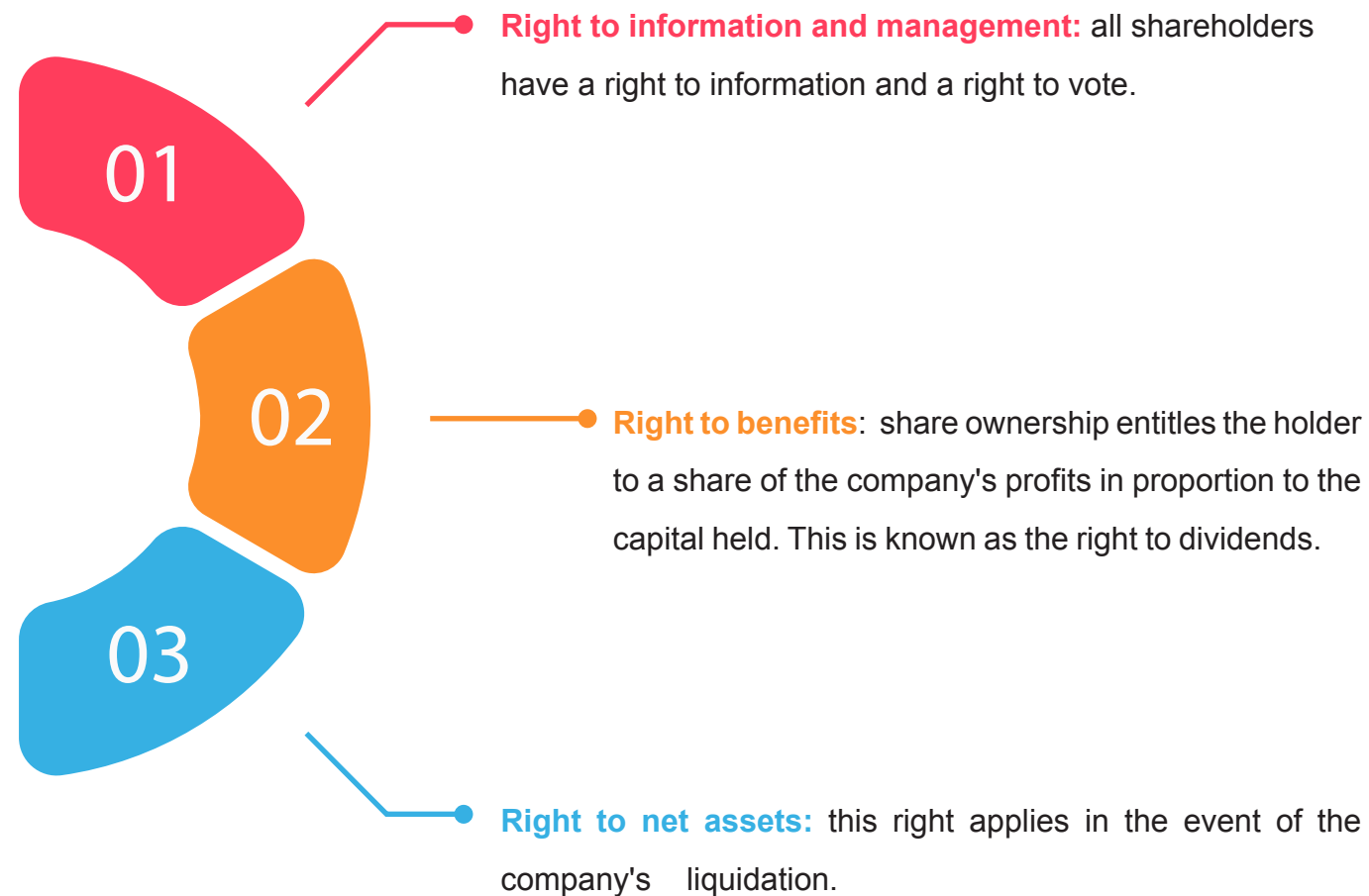
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Securities

Shares

Shares are securities representing ownership in a company. Each share represents a fraction of the company's capital.

Share ownership confers certain rights on the holder. These rights fall into three categories:



Preferred non-voting share

The related dividend is paid in priority to ordinary shares. By waiving their voting rights, holders of Preferred non-voting share's benefit in return from a priority dividend.

Preferred non-voting share's may not represent more than one-third of the company's capital.

Investment certificates :

This results from the split of the ordinary share into two separate securities:

the investment certificate, which includes all the financial rights associated with the ordinary share.

the voting certificate, which represents the other rights attached to the ordinary share.



The investment certificate is a preferred non-voting share that allows the listed company to raise capital without changing its shareholding structure.

The issuance of investment certificates is limited to one-third of the company's capital.

The return on equity

The return on an equity security has two components:

- Dividends
- Capital gains and their opposite, capital losses, which only occur when the security is resold.



Dividends

Shareholder remuneration. In practical terms, at the end of each financial year, on the recommendation of the Board of Directors, the General Meeting decides whether or not to distribute all or part of the profits to shareholders. The amount to be distributed is divided by the number of shares comprising the company's capital.

Capital gains and losses

Capital gains are equal to the difference between the sale price of a share and its purchase price. If this difference is negative, i.e. if the sale price is lower than the purchase price, this is referred to as a capital loss.

Taxation

Dividends are taxable, taking capital losses into account.



capital gains on the sale of listed shares are exempt provided that the shares are held for one year after the year of acquisition or subscription.





Debt securities

The company issues debt securities called bonds.

The government, which can also use the stock market to raise funds, issues Treasury bills or national debts.

The bondholder therefore becomes a creditor of the company. The bond provides guarantees of remuneration and repayment.

Bonds are remunerated according to an interest rate on the face value.

This rate is set contractually when the debt security is issued. It can take two forms:

- a) A fixed interest rate remains constant throughout the term of the loan,
- b) A variable interest rate fluctuates according to a reference rate.

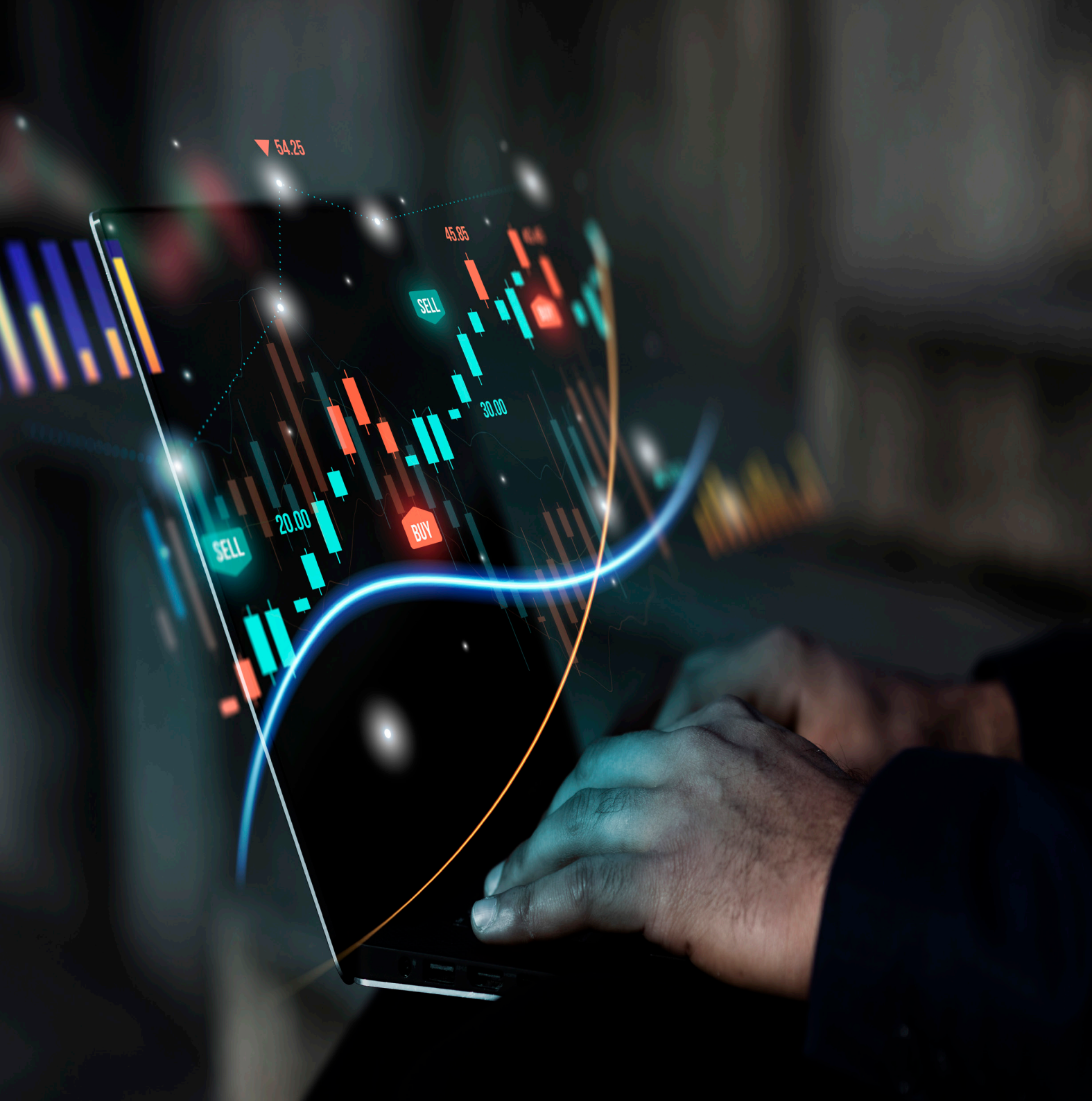
Bonds and Treasury bills

Bonds are repaid according to the terms set out in the contract: this can take several forms:

- Amortization in annual installments,
- Repayment of the principal in a lump sum at maturity; this is known as bullet repayment. The bondholder then receives interest at predefined intervals.
- Repayment in a single installment at maturity, including the principal and interest for zero-coupon bonds.

Taxation

Interest is taxed as income from movable capital: RCM. This tax takes the form of a withholding tax.



Hybrid securities

Companies can also issue hybrid securities, as these borrow some of their characteristics from bonds and others from shares.

Hybrid securities combine the relative advantages of bonds with the potential gains of shares.

- **Profit participation certificate**

Their remuneration includes a fixed portion and a variable portion based on a benchmark, which may be the company's profit or turnover. This remuneration is set by the issue contract.

- **Bonds convertible into shares**

These are bonds that can be converted at the holder's discretion into shares created by the issuing company at the time of the exchange.

UCTIS

Undertakings for Collective Investment in Transferable Securities (UCTIS)

UCITS are structures designed to manage various financial products within securities portfolios on behalf of investors who do not wish to invest directly in the stock market on an individual basis, but who wish to benefit from diversification and the expertise of professional managers.

The main types of UCITS are open-ended investment companies and mutual funds. A mutual fund does not have legal personality. This is its main difference from an open-ended investment company. Like an open-ended investment company, its management is entrusted to a professional, and its assets to a custodian.

Like an open-ended investment company, a mutual fund is subject to the supervision and control of the Financial Market Council under the same terms and conditions.

Share Savings Plan

The Share Savings Plan is a medium- and long-term savings plan. Its tax advantages make it a very attractive financial product.

- **Definition**

The Share Savings Plan is an account funded by deposits made by its holder, which are used to purchase shares in listed companies, BTAs, or units in Share Savings Plan-dedicated UCITS.

The Share Savings Plan can be opened with a bank or stockbroker by an employee, a person engaged in a commercial or non-commercial activity, etc.

It can be managed directly by its holder, who decides on the purchase and sale of securities. Its management can also be entrusted to a bank or stockbroker. An agreement between the designated professional and the Share Savings Plan holder will specify the management policy to be followed.

- **Taxation**

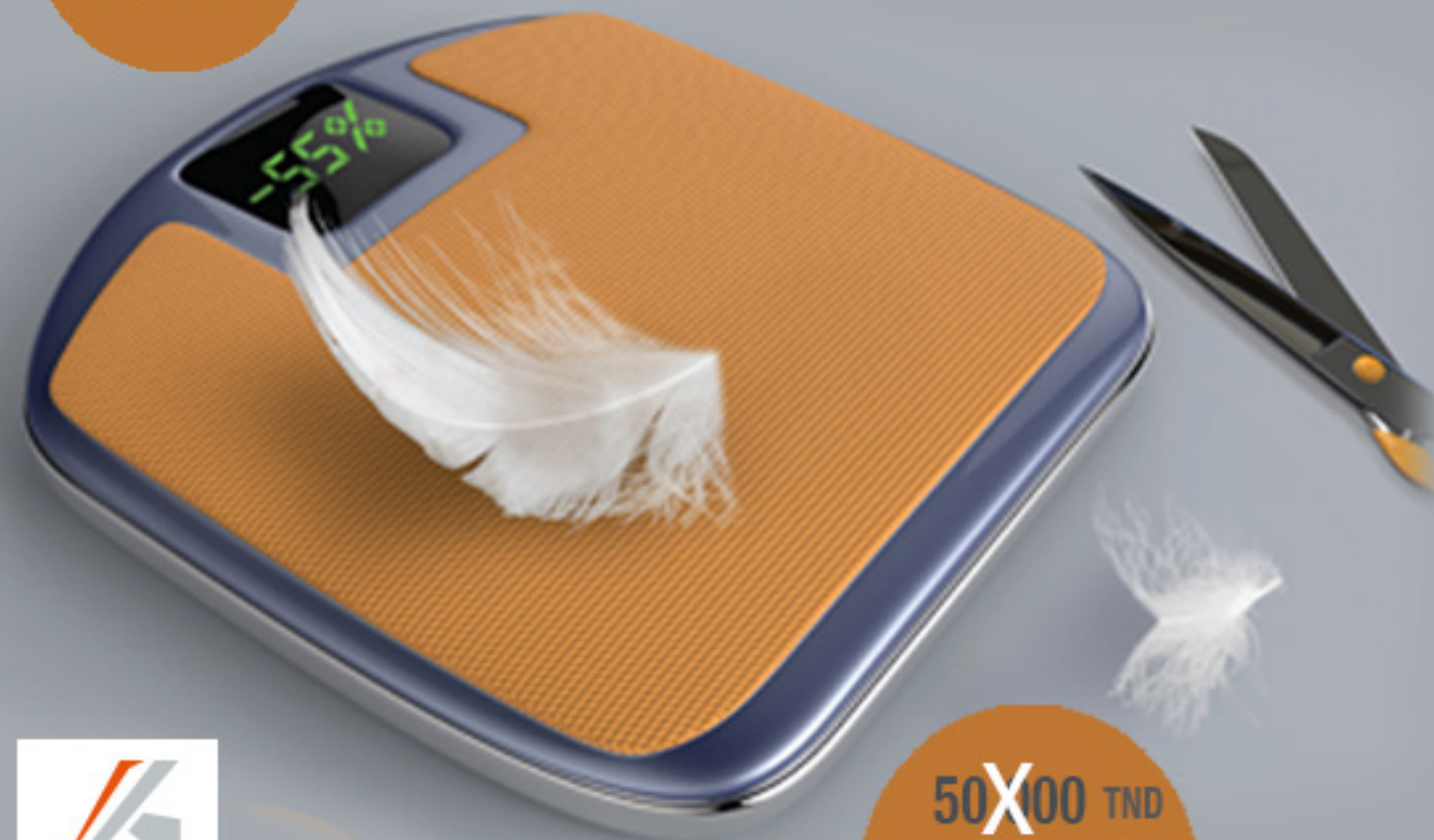
The Share Savings Plan holder may deduct their deposits from their income tax base up to a certain limit. The tax reduction must comply with the minimum tax rule.

For more information, visit our website: tunis-stockexchange.com
"Investor Information" section

Share Savings Plan

Savings that reduce your taxes

~~40%~~
55%
Less taxes



~~50X100~~ TND
100 000 TND
Deductible amount



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