

ANSWER ALL QUESTIONS**30 MARKS HAVE BEEN ALLOCATED****120 MINUTES HAVE BEEN ALLOCATED****ALL WORKINGS TO BE SHOWN****Question 1****(5 Marks)**

Funeka bought 1,000 shares in Aurora REIT for R350 a share, and a year later sold it for R390 a share. In the course of the year, the company paid cash dividends of R18.0 per share.

- a. What is the capital gain earned on the investment?
- b. Calculate the Ending Market Value of the investment.
- c. Calculate the Holding Period Yield of the investment.

Question 2**(10 Marks)**

Khanyiso wishes to create an index of property companies which specialise in student housing. Data for the selected companies is linked below. One of the selected companies, Seville REIT had a 4-for-1 forward split in the course of the year:

[DATA: 2025 CON3052S CLASS TEST](#)

Using the data provided:

- a) Construct a price-weighted index to track the performance of student housing investments. Set the beginning index value to 1,000. **(6)**
- b) Calculate the price return based on the indexes created in (a) **(4)**

Question 3**(10 Marks)**

The spreadsheet linked below contains the total returns of two REITs: Delta Property Fund and Octodec Investments. The spreadsheet also contains the SAREIT index returns, which measures the performance of all REITs in South Africa.

[DATA: 2025 CON3052S CLASS TEST](#)

Using this data:

- a) Construct a total return index with a base value of 1,000 for the two REITs and the SAREIT index.
- b) Graph the total return indexes created in (a).
- c) Calculate the Arithmetic and Geometric Mean rates of return for two companies and the SAREIT portfolio.
- d) What can you say about the results obtained?

Question 4**(5 Marks)**

You are interested in investing in two REITs, Eleusis Real Estate and Lamia Property Trust. Calculate the arithmetic and geometric average rates of return based on the historical returns below:

Year	Eleusis (%)	Lamia (%)
2016	9.00	8.00
2017	7.00	7.00
2018	-1.00	3.00
2019	5.00	2.00
2020	7.00	4.00
2021	6.00	5.00