

Real Estate Investment Trust

(Incorporated as a Trust in Zimbabwe and registered with Trust Deed number MA1675/2022)

ABRIDGED PROSPECTUS

Relating to the Offer for the sale of 255,323,000 units in Tigere REIT at an Offer Price of ZWL 28 per unit.

							
Promoter Frontier Real Estate Development (Pvt) Ltd	REIT Manager Terrace Africa Asset Management (Pvt) Ltd	Independent Accountants and Auditors PKF Chartered Accountants Zimbabwe	Transfer Secretaries ZB Transfer Secretaries (Pvt) Ltd	Financial Advisor Intelego Investment Consultants (Pvt) Ltd	Trustee ZB Bank Limited	Legal Advisor DLA Piper Africa Manokore Attorneys	Sponsoring Broker MMC Stockbrokers (Pvt) Ltd

DATE OF PUBLICATION: 28 OCTOBER 2022

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This is an Abridged Prospectus and should be read in conjunction with the full Prospectus available at the Registered Offices of the Company, as well as on the company's website and the Zimbabwe Stock Exchange (ZSE) website. Details of the Prospectus and the listing can also be downloaded from www.tigerepropertyfund.com or www.zse.co.zw

1. INTRODUCTION

The Tigere REIT is a duly incorporated and licensed Real Estate Investment Trust (REIT) whose Units are to be listed on the ZSE. The REIT has been seeded with newly completed retail property assets in line with the Finance (No. 2) Act of 2020's qualifying requirement for tax exemption status to REITs. The two properties that will be seeded to the Fund are Highland Park (Phase 1) and Chinamano Corner, both properties located in Harare, Zimbabwe. The REIT will target a 5%-7% Net USD income Yield on NAV, with further opportunity for growth through capital appreciation. The principal investment attractions into the Fund are as follows:

- Exposure to high quality property assets
- De-risked and pre-tenanted properties and an exciting development pipeline to benefit investors
- Stable income, tax efficient and liquid investment
- Experienced team with strong ESG values

2. THE CASE FOR THE REIT

The economic growth of a nation is supported by a vibrant commercial infrastructure both industrial and retail properties to drive production and trade. The development of quality commercial property is more than imperative in Zimbabwe as the economy is set for a path of recovery that is expected to revitalise significant economic activity. The participation of local beneficiaries in the development and ownership of such property fosters an inclusive capital growth and sources of passive income for average Zimbabweans. This presents a strong case for a well-structured REIT that allows participation of investors with minimum capital requirement, offering value preservation and stable return on capital through income distributions and capital gains. The Tigere REIT will offer a unique opportunity to investors by giving them exposure to high quality retail property assets in strategic locations with growing demand across Zimbabwe. The Fund will target to achieve a minimum income yield which will be backed by a diversified tenant mix of quality tenants and active asset management.

3. TERMS OF THE LISTING

The Promoter intends to sell a total of 255,323,000 REIT units in Tigere Property Fund at an Offer Price of ZWL 28.00 per unit by way of an offer for units to the investing public. At conclusion of the Initial Public Offer (IPO), it is envisaged that the entire issued Units of 719,323,000 will be listed on the ZSE. The promoter reserves the right to postpone or withdraw its Offer for Sale and subsequent listing due to any circumstances which may be deemed to be prejudicial to the promoters' or investors' interests during the Offer Period. Should this occur, all subscriptions received during the offer period shall be refunded in full.

4. RATIONALE FOR THE LISTING

The summary reasons for the listing are as follows:

- To attract focused and permanent capital for the Promoter to develop further assets.
- To support the Insurance and Pensions Commission ("IPEC") and Ministry of Finance and Economic Development ("MoFED") in their efforts to provide liquidity and deepen the savings pool through REIT products;
- Provide retail and institutional investors quality and liquid commercial real estate investment vehicle;
- Stimulate growth of the Zimbabwean economy through infrastructure development and job creation;
- To deepen Zimbabwe's capital markets by providing new investment vehicles
- To provide a mechanism for portfolio diversification for investors

5. SUMMARY TIMETABLE OF EVENTS

Opening date of the Offer at 09:00 hours	Friday, 28 October 2022
Closing date of the Offer at 1600 hours	Friday, 18 November 2022
Results of the Offer published	Monday, 21 November 2022
Last date for refunds (over subscription)	Wednesday, 23 November 2022
Tigere REIT units listed on the ZSE	Wednesday, 23 November 2022

6. SUMMARY DETAILS OF SEED PROPERTIES

Highland Park - The Property is situated in Highlands with its formal address being 1 Arcturus Road, Highlands, Harare with consolidated stand number 1006 of Highlands. The development, with a gross lettable area of approximately 6,704 square meters with 221 parking spaces, comprises 27 Retail tenants including a fuel station.

Chinamano Corner - The Property is situated at the corner of J. Chinamano Avenue and Sam Nujoma leading directly out of the Harare CBD with its formal address being 23 J. Chinamano Avenue. The tenant mix consists of 13 shops which includes a pharmacy, convenience retail, florist and multiple food tenants. A Puma fuel station acts as a key attraction to the site allowing for a steady stream of clientele throughout the day.

7. GOVERNANCE OF THE REIT

The REIT is established through a Trust Deed with ZB Bank Ltd as the Trustee and Terrace Africa Asset Management (Pvt) Ltd as the REIT Manager. The REIT Manager has also established an Advisory Board for the REIT comprising the Promoter, representatives of investors in the Fund and identified independent experts to oversee the Fund's governance and offer strategic advice to the REIT Manager. The initial Advisory Board members are as follows:

Name	Age	Nationality
Michael Philip Craft	49	Zimbabwean
Michelle Chiganze	37	Zimbabwean
Isaac Isaki	39	Zimbabwean
Bongai Zamchiya	45	Zimbabwean
Antony Howard Benatar	56	Zimbabwean
Charity Chirume	31	Zimbabwean

8. FINANCIAL INFORMATION

Below are extracts from the Prospectus relating to financial forecasts for the REIT

All figures in USD	Tigere Property Fund		
	FORECAST YEAR 1 14 Months	FORECAST YEAR 2 12 Months	FORECAST YEAR 3 12 Months
Forecast Statement of Comprehensive Income			
Revenue	1 948 247	1 734 275	1 804 760
Utilities income	302 349	274 441	278 099
Utilities expense	(328 905)	(296 424)	(304 601)
Net Property Income	1 921 692	1 712 292	1 778 257
Other Income	-	-	-
Total income	1 921 692	1 712 292	1 778 257
Total operating expenses	(388 212)	(392 444)	(400 238)
Distributable income before fair value adjustments	1 533 480	1 319 847	1 378 019
Fair value adjustments	-	-	-
Finance costs	-	-	-
Total comprehensive income	1 533 480	1 319 847	1 378 019
Key Forecasted ratios	YEAR 1	YEAR 2	YEAR 3
Occupancy	94%	95%	96%
Rent per sqm	\$14.26	\$14.82	\$15.50
% Leases contracted in USD	75%	78%	82%
% GLA national tenant	74%	77%	81%

- These forecasts have been supplied in USD
- Leases are assumed to be in place over the life of the lease and escalations have been indicated
- All exchange rates are at the time of preparing the forecast
- There are no revaluation gains recorded in the forecast period
- All investments are at the discretion of the REIT Manager and Advisory Board, as such no assumptions have been made on the utilisation of cash

9. COSTS OF THE LISTING

The total Initial Estimated Expenses associated with the Listing of Tigere REIT on the ZSE are expected to amount to approximately US\$770 902 which relates to professional fees as well as regulatory, advertising, printing and postage charges. The costs also include stamp duties related to the property transfers into the REIT.

10. ACCOUNTING PERIOD, REPORTING AND DISTRIBUTION OF INCOME

The REIT shall have annual accounting period year ending 31 December and The REIT Manager shall prepare a yearly accounting report and publish within three months of the conclusion of each accounting period. The REIT Manager, will at least on a semi-annual basis prepare and publish reports containing details about the Fund's property portfolio and any developments in the past reporting period. The REIT Manager shall distribute the net income of the Fund as follows:

- At least 80% (eighty percent) of all distributable income per annum shall be distributed not later than three months after the end of each accounting period;
- More Frequent interim distributions may be made such that the total distributions in a year shall be at least 80% of the annual distributable income

11. AUTHORISATIONS FOR THE LISTING

The REIT is duly licenced by the Securities and Exchange Commission of Zimbabwe in terms of the Collective Investments Schemes Act (Chap 24:19). In a letter dated 21 October 2022, the Listings Committee of the ZSE approved the listing of Tigere REIT on the ZSE.

12. DOCUMENTS AND CONSENTS AVAILABLE FOR INSPECTION

During the IPO period, copies of the following documents will be available for inspection on any Business Day at the offices of the Trustee or the REIT Manager.

- Trust Deed;
- Material Contracts as outlined in the Prospectus
- Valuation reports obtained on request in respect of the real estate assets;
- Any expert reports in relation to the Issuance of the Fund's units and its properties;
- Expert Consents.

13. LITIGATION STATEMENT

The Property Fund is not involved in any litigation or arbitration proceedings which may have a significant effect on the financial position of the Fund, nor is the Property Fund aware that any such proceedings are pending or threatening.