



Equity Capital Resources Unit Trust:
ZICA Property Fund



Equity Capital Resources Unit Trust

Current Status as at 30th April 2019

▶ Total Number of Unit Holders	3,200
▶ Total Number of Units in Issue	14,406
▶ Total Investment available US \$	143,635

Method of Subscription

- ▶ Payment can be made directly to the ZICA Property Fund Custody account with Standard Chartered Bank Plc;
- ▶ Members can subscribe to the Units via the following options:
 - ▶ Monthly,
 - ▶ Quarterly,
 - ▶ Annual payments.

7 Year Holding Period

- ▶ The minimum holding period is 7 Years including the construction period;
- ▶ The holding period is mainly for accumulation and investment into the project;
- ▶ In the event of an exit during the holding period as a way of accumulation process an exiting member must find a buyer to acquire their investment at the available NAV.

Mandatory Subscription

- ▶ The structure of the ZICA Property Fund allows the members to invest over a period of time and accumulate the amount needed for investment into the ZICA Property Fund;
- ▶ Units are base on Class A for members and Class B for non members;
- ▶ Minimum contribution of US \$ 2,500 over a five year period;
- ▶ ZICA and its Members entitled to hold at least 50% into the Fund;
- ▶ Payment can be made directly to the ZICA Property Fund Custody account with Standard Chartered Bank Plc.

Investment beyond life....

- ▶ Since this is an investment, the rules of intestate in the event of death will apply for all subscribing members based on the accrued NAV at the point of determination;

So What is the Latest Development?

- ▶ Preliminary terms and conditions for a partnership agreement between ZICA and Time Project Property through ZICA Properties Limited has been executed;
- ▶ Transaction documents include:
 - ▶ Binding Development and Ownership Partnership Agreement
 - ▶ Development Agreement
 - ▶ Shareholders subscription agreement.

Developing and Ownership Partnership Agreement

- ▶ ZICA and Time Projects Property;
- ▶ To develop ultra modern mixed use property under an SPV to be jointly owned in equal proportionate;
- ▶ Joint Ownership of 20 Years;
- ▶ Total Area for development is 14,134 Sqm;
 - ▶ Initial target development of 2,500 GLA in phased out development.

ZICA Contribution & Participation

- ▶ Land contribution of US \$ 3.176 Million;
- ▶ Will appoint 50% of Board Members and the Chairperson;
- ▶ Will handle the finance, taxation, accounting, administration and corporate services;
- ▶ ZICA Ceding or assigning a 55 year sub lease to the SPV for the extent of the land under transaction for development of the property;
- ▶ ZICA will have the first right of refusal to buy out Time's equity stake at the termination of the 20 year agreement, through the ZICA Property Fund.

Time Project Contribution and Expectation

- ▶ Will inject cash contribution of US \$ 3.17 Million for a 50% equity stake in the partnership for initial target GLA;
- ▶ Will appoint 50% of the Board Members and also the Executive Director;
- ▶ Will serve as project, development Manager and assume full development risk;
- ▶ Will secure 75% of preleasing within a stipulated time;
- ▶ Rental Income on any unlet areas at practical completion assessed at market to be guaranteed by developer for three years.

Exit Options

- ▶ Fixed period partnership of 20 Years;
- ▶ ZICA will have first right of refusal for 100% share acquisition of Time in the SPV, failing then the agreement is extended for a further 10 Years;
- ▶ Time on the 20th Anniversary of the Development and Ownership Agreement can extend to 21 years from the date of signing the binding term sheet;
- ▶ Time will have the first right of refusal in the case of a divestment by ZICA.

Condition Precedent

- ▶ ZICA provide a 55 year sub lease agreement from the Show Society of Zambia;
- ▶ Time to provide proof of funds within a 24 Months period from the date of signing the binding agreement;
- ▶ Execution of a development agreement and shareholders agreement as per the terms of the transaction;
- ▶ ZICA Property Fund - to co-invest into the project.

Milestone Activities

- ▶ ZiCA Property Fund in accumulation stage at U S \$ 143K.
- ▶ Executed DOPA between ZICA and Time Projects Property.
- ▶ Yield rate of 8% based on the DOPA with Time Projects Property for the SPV.

Who is Time Project Property

- ▶ Time Projects (TIME) is one of Botswana's leading Project Managers, Property Developers, Property Managers and Asset Managers.
- ▶ TIME has had a significant impact on the changing landscape of the capital city of Gaborone and many of the other major cities and towns in Botswana.
- ▶ Buildings developed by TIME are noted for the added value they have created to the overall environment by virtue of the architectural styling, attractive aesthetics, high quality standards and excellent investment value that are the hallmark of a "TIME development."
- ▶ TIME have recently opened up an office in Lusaka, Zambia.

Advantages of using Time Projects

- ▶ Commercial focus;
- ▶ Experience in Property Development;
- ▶ Focus on program and progress;
- ▶ Strict transparency in dealings with all of the contracting parties.

Time Line with Time Project

- ▶ Feasibility 24 Months....
- ▶ Construction 36 Months....
- ▶ Guaranteed rentals 36 Months for unlet spaces....

Contact Information

- ▶ Equity Capital Resources Plc
- ▶ 4th Floor Godfrey House
- ▶ P O Box 37184
- ▶ Lusaka Zambia
- ▶ Email: fungai@ecrzambia.com or nathan@ecrzambia.com
- ▶ Phone: 0211 227518 or 0211 840313

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