



Equity  
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Member of the Lusaka Stock Exchange

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ZICA PROPERTY FUND

FUND MANAGERS REPORT

31 DECEMBER 2020

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FOR: ZICA 2021 AGM

09<sup>TH</sup> OCTOBER 2021

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# INTRODUCTION

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- The Zambia Institute of Chartered Accountants (ZICA) Property Fund
  - Part of the Equity Capital Resources Unit Trust (ECRUT)
  - USD denominated Unit Trust
  - Fund meant for construction of real estate
  - Minimum holding period of seven (7) years.
  - Close-ended fund
    - ✦ Can only be traded through the Fund Manager
    - ✦ After the minimum holding period of 7 years.

## 2. INTRODUCTION

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- During the year, the Fund Manager
  - Changed custodial facilities
    - ✦ From Standard Chartered Bank
    - ✦ To Stanbic Bank Zambia
      - Currently the market has only two custodians
- This year marks 13<sup>th</sup> Anniversary of the ECRUT
  - As an investment vehicle in Unit Trust for our retail institutional clients

# FUND PERFORMANCE

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- Contribution segmentation as at 31/07/2021

DETAILS	≤	≤	≤	≤
	USD110	USD300	USD500	USD2,150
Amount	198,581.00	2,027.00	42,417.00	26,133.00
Number of Unit Holders	4,149	8	85	19

# FUND PERFORMANCE

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- ZICA Property Fund Performance/Movement

Year	2019	2020	31/08/2021
Gross Funds	206,197.00	275,561.00	287,414.00
Net Funds	203,465.00	271,484.00	280,557.88
Number of Units	20,220	25,979	26,669
Unit Price	10.06	10.45	10.52

# FUND PERFORMANCE' CONT'D

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- **As at 31<sup>st</sup> December 2020**
  - Gross asset value stood @ USD275,561.00
  - Compared to USD206,197.00 the same period in 2019
  - Representing a 33.59% growth
  
- **As at 31<sup>st</sup> August 2021**
  - Gross asset value stood @ USD287,414.00
  - Representing 4.3% growth compared to close of the year 2020.

# 4 YEAR CONTRIBUTION TREND

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## Member contribution

- USD23,556.16 in 2018
- USD178,358.22 in 2019
- USD68,019.00 in 2020
- USD7,217.32 as at 31<sup>st</sup> August 2021.
  - The growth of the fund in 2019 is attributed to the mandatory subscription that was imposed by ZICA

Details	2018	2019	2020	2021	Total
Members Contribution	23,556.16	178,358.22	68,019.00	7,217.32	277,150.70
Percentage Change	100%	757%	-381%	-106%	



# ASSETS HELD AS AT 31/12/2020

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ISSUE DATE	MATURITY DATE	INSTITUTION INVESTED	NOMINAL VALUE	INTEREST RATE	MARKET VALUE	ASSET CLASS
22/08/20	05/09/21	Xtenda	80,000	7%	81,613	FD
06/09/20	27/08/21	My Bucks	39,953	10%	41,058	FD
06/08/20	27/07/21	My Bucks	43,400	10%	45,029	FD
13/02/20	14/02/21	MFZ	49,965	7%	52,583	FD
25/04/20	25/04/21	MFZ	34,625	6.5%	36,285	FD
	31/12/20	Cash	18,993	N/A	18,993	Cash
Total			266,936		275,561	

*PLEASE NOTE THAT ALL THESE INVESTMENTS HAVE SINCE MATURED AND FUNDS ARE IN THE BANK ACCOUNT AWAITING PLACEMENT.*

# MEMBER REGISTER

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- **As at 31<sup>st</sup> December 2020**
  - Issued units 25,898
  - Represented by 4,098 Unit Holders.
- **As at 31<sup>st</sup> August 2021**
  - Issued units 26,669
  - Represented by 4,261 Unit Holders.
- **NOTE:**
  - Register is available for inspection and verification by members

# NET ASSET VALUE

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- Opening balance as at 1<sup>st</sup> January 2020
  - USD203,465.00
  - Closed the year at \$271,484.00
  - Accrued expenses at the year end were \$4,077
    - ✦ Already netted off in the above balances. The fund gross contribution for the period (2020) under review was \$58,355.00.

DETAILS	2019	Q1	Q2	Q3	Q4
Net Asset at start of period		203,465	227,394	258,597	265,003
Net Asset at close of period	203,465	227,394	258,598	265,002	272,014
Net asset at close of quarter		215,501	242,996	261,800	271,484
Profit for the quarter		1,122	1,177	1,935	3,409
Fund Return (ARR)		0.52%	0.48%	0.74%	1.26%

## FINANCIAL PERFORMANCE (INCOME)

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	2020 (USD)	2019 (USD)
Revenue from placement	11,820	4,446
Administrative expenses	(4,177)	(2,935)
Profit for the year	<b>7,643</b>	<b>1,511</b>

*Source ZICA Property Fund-31 December 2020 audited accounts (HLB Zambia)*

# FINANCIAL PERFORMANCE (STATEMENT OF FINANCIAL POSITION)

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	2020 (USD)	2019 (USD)
<b>ASSETS</b>		
Bank and cash balances	18,993	19,848
Held to maturity	256,568	186,289
Sundry receivables	0	60
<b>Total assets</b>	<b>275,561</b>	<b>206,197</b>
<b>UNIT HOLDERS FUND</b>		
Unit holds funds	271,484	203,465
<b>LIABILITIES</b>		
Sundry payables	4,077	2,732
<b>Total unit holders funds and liabilities</b>	<b>275,561</b>	<b>206,197</b>

*Source ZICA Property Fund-31 December 2020 audited accounts (HLB Zambia)*

# FINANCIAL PERFORMANCE

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- **Unit Price:**
  - USD10.06 at the start of the year 2019
  - USD10.45 at close of the year 2020
- **Return on Investment (ROI):**
  - 0.74% in 2019
  - 2.82% in 2020
- **Expense Ratio:**
  - 1.42% for 2019
  - 1.52% for 2020

# CONCLUSION

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- **ZICA contributions have shown;**
  - There has been minimal growth since inception, particularly in 2020 & 2021
  - The fund will only see significance growth once all members participate as they do with subscription.
  - Members should view the ZICA Property Fund both as an investment and also as an obligation they owe to the institute for all the benefit that have accrued to them by virtual of being Accountants and ZICA members.

# ZICA PROPERTY FUND RECEIPTS ACCOUNT

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- Account name: ECRUT ZICA Property Fund Receipts Account
  - Account number: 9130004461855
  - Bank: Stanbic Bank Zambia Limited
  - Branch: Industrial Branch
- ***PLEASE NOTE THAT THIS IS WHERE YOU NEED TO DEPOSIT YOU FUNDS FOR THE ZICA PROPERTY FUND.***



FINALLY

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*THE END*

*I THANK YOU ALL*