



**REVITUS**

REDESIGN | RENOVATE | REGENERATE

# REIT PROSPECTUS

November 2023





# REVITUS PROPERTY OPPORTUNITIES REAL ESTATE INVESTMENT TRUST

A collective investment scheme constituted in Zimbabwe as a real estate investment trust (REIT) under a trust deed dated 08 July 2021 and registered with the Securities and Exchange Commission of Zimbabwe on 13 August 2021 under registration number SECZ1011245

## PROSPECTUS

Prepared under the Securities and Exchange Act [Chapter 24:25], the Collective Investment Schemes Act [Chapter 24:29], and the Zimbabwe Stock Exchange ("ZSE") Listing Requirements relating to the issue by public offer for subscription of 121,378,791 units at a price of the ZWL400.00 each ("the units")

### Promoter & Underwriter



### Fund Advisor



### Trustee



### Fund Manager



### Property Manager



### Project Managers



### Auditors



### Sponsoring Brokers



### Legal Advisors



### Transfer Secretaries



This Prospectus together with the documents specified herein, having been approved by the Issuer and the REIT Trustee, have been approved by the Securities and Exchange Commission of Zimbabwe and the Zimbabwe Stock Exchange. Copies of this Prospectus (in English only) can be accessed at [www.cbz.co.zw](http://www.cbz.co.zw) or [www.zse.co.zw](http://www.zse.co.zw)

**Date of Issue: Thursday 15 November 2023**

## Important Information

The Revitus Property Opportunities Real Estate Investment Trust Fund ("the Fund") is licenced and regulated by the Securities and Exchange Commission of Zimbabwe (SECZ). This licencing and regulation, however, is not an endorsement or guarantee of the Fund or its performance by SECZ nor is SECZ responsible for the contents of this Prospectus and its Supplements.

This document comprises a prospectus (the "Prospectus") relating to the Revitus Property Opportunities Income Real Estate Investment Trust Fund (the "Revitus I-REIT") and has been prepared in accordance with Section 42 of the Collective Investment Schemes Act, 1997 (the "Act").

This Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is unauthorised or to any person to whom it is illegal to make such offer or solicitation. It is the responsibility of each person wishing to make an application hereunder to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental or other approvals which may be required or the observance of other formalities which need to be observed. It is also a policy of the Fund to prohibit the sale of I-REIT Units ("Units") to any investor to whom such sale would be unlawful in Zimbabwe or who is not exempt from taxation under the tax laws of Zimbabwe. The Fund has, and intends to exercise, the right to force the redemption of any Units sold in contravention of any of the prohibitions described in this Prospectus.

Investors should note that because investments in securities can be volatile and their value may decline as well as appreciate, there can be no assurance that the Fund will be able to attain its objective or that Units, when redeemed/sold, will be worth more than when they were purchased. The price of Units as well as the income may fall as well as rise to reflect the changes in the Net Asset Value of the Fund. The principal risk factors associated with investment in the Fund are set out in the section of this Prospectus titled "Risk Considerations".

Neither the delivery of this Prospectus nor the offer, issue or sale of Units in the Fund shall under any circumstances constitute a representation that the information given in this Prospectus is correct as at any time subsequent to the date hereof. This Prospectus will be updated by the Fund Advisor to take into account any material changes and any such amendments will be notified in advance to the SECZ.

Certain statements contained in or incorporated by reference in this Prospectus other than historical facts may be considered forward-looking statements. Any such forward-looking statements are subject to unknown risks, uncertainties and other factors and are based on a number of assumptions involving judgments with respect to, among other things, future economic, competitive and market conditions, all of which are difficult or impossible to predict accurately. To the extent that our assumptions differ from actual results, our ability to meet such forward-looking statements, including our ability to generate positive cash flows from operations, make distributions to unitholders, and maintain the value of our real estate properties, may be significantly hindered.

## Important Dates

<b>Publication of Prospectus</b>	<b>Wednesday 15 November 2023</b>
<b>Opening date for the offer</b>	<b>Thursday 16 November 2023</b>
<b>Closing date for the offer</b>	<b>Thursday 07 December 2023</b>
<b>Allotment date</b>	<b>Tuesday 12 December 2023</b>
<b>Publication of offer results</b>	<b>Wednesday 13 December 2023</b>
<b>Last date of refunds in case of oversubscriptions</b>	<b>Thursday 14 December 2023</b>
<b>Listing date</b>	<b>Friday 15 December 2023</b>
<b>Commencement of trading on ZSE</b>	<b>Monday 18 December 2023</b>

This timetable is tentative and is subject to changes, which may be necessary to facilitate implementation procedures. The application period for the Offering will open and close on the dates stated above or such later date(s) as the Directors of the REIT Manager together with the Promoter in their absolute discretion may mutually decide.

Where there are changes in the dates stated above or where the closing date of the application is extended from the original closing date, the notice of such change(s) or extension(s) will be advertised in widely circulated daily newspapers within Zimbabwe. Should there be any extension of the closing date, balloting, date of despatch of notice of allotment of Offer Units under the Offering, and the Listing will be extended accordingly.

## Caution

In making your investment decision to invest in REIT securities you should be aware that there is very limited, if any, recourse to the assets of the issuer or the trustee. Your investment in REIT securities and as a REIT securities holder in the REIT is as an equity investor. Distributions and return of capital are not guaranteed and are entirely dependent on the performance of the assets of the Real Estate Investment Trust Fund. Your rights in most cases will be limited solely to the assets of the Real Estate Investment Trust Fund. If the trustee is authorized to borrow on behalf of the Trust, then your rights to distributions and to the assets will rank after the payments to lenders. The trustee, Fund manager and other parties are also entitled to receive payment of fees and expenses ahead of payments to REIT securities holders who invest in REIT securities.

## Responsibility Statement

This Prospectus together with the documents specified herein, having been approved by the Issuer and the REIT Trustee, have been approved by the Securities and Exchange Commission of Zimbabwe and the Zimbabwe Stock Exchange. Copies of this Prospectus (in English only) can be obtained from [www.cbz.co.zw](http://www.cbz.co.zw) or [www.zse.co.zw](http://www.zse.co.zw).

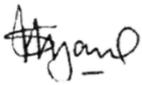
This Prospectus is issued in accordance with Section 118(6) of the Securities and Exchange Act [Chapter 24:25] as read with section 42 of the Collective Investment Schemes Act [Chapter 24:19] and the Collective Investment Schemes (Internal Schemes) (Amendment) Regulations, 2019 (No. 5) and in compliance with the ZSE Listing Rules.

The Promoter, Trustee and Manager assume full responsibility for liability for any statements and representations included in this Prospectus, including the statements of other parties and experts, except opinions issued by the respective experts.

The Financial Adviser, the Sponsoring Broker and other professional advisors have reasonably satisfied themselves as to the completeness and accuracy of the information provided by the Promoter, Trustee and Manager and accordingly no liability is accepted in relation to information that the Promoter, Trustee, and Manager have omitted to provide.

The Trustee and the REIT Manager, hereby declare that this Prospectus and the Scheme Documents comply with all the relevant Acts and REIT Regulations.

The directors of the REIT Manager have, collectively and individually, made all reasonable inquiries and confirm to the best of their knowledge and belief that there are no false or misleading statements or omissions of other facts which would make any statement in this Prospectus false or misleading and have duly authorised the undersigned to sign this declaration on their behalf.



Signed.....

Solomon Nyanhongo  
Managing Director, Stanbic Bank Limited



Signed.....

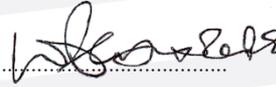
Tendai Muzadzi                      Managing Director, CBZ Asset  
Management (Private) Limited t/a Datvest

We, the Legal Advisor and the Fund Advisor, hereby state that this Prospectus and the Scheme Documents comply with the Act and the REIT Regulations.



Signed.....

Dickson Mundia  
Partner, Mundia & Mudhara Legal Practitioners



Signed.....

Welcome Mavingire  
Managing Consultant, Intellego Investment Consultants  
(Private) Limited

## Corporate Directory

### Promoter

#### National Railways of Zimbabwe Contributory Pension Fund

Mezzanine Floor, Parkade Centre, Fife St & 9th Avenue, BOX 1887, Bulawayo.

**Tel:** +263292888278-81 or +263292888209/023

**Email:** [nrzpension@nrzcpf.co.zw](mailto:nrzpension@nrzcpf.co.zw)

### Fund Advisor

#### Intellego Investment Consultants (Pvt) Ltd

Block D, Smatsatsa Office Park

Borrowdale, HARARE

**Tel:** +263 242 783069-71; +263 8677020279

**Email:** [info@intellego-ic.com](mailto:info@intellego-ic.com)

**Website:** [www.intellego-ic.com](http://www.intellego-ic.com)

### Trustees

#### Stanbic Bank Zimbabwe Limited

Stanbic Centre

59 Samora Machel Avenue, HARARE

**Tel:** +263 867 7004288 / +263 242 79920051;

**Email:** [zimccc@stanbic.com](mailto:zimccc@stanbic.com)

**Website:** [www.stanbicbank.co.zw](http://www.stanbicbank.co.zw)

### Fund Manager

#### CBZ Asset Management (Pvt) Ltd t/a Datvest

CBZ Wealth Management Centre,

Stand No. 312, Corner Edinburgh / Campbell Road, Pomona, Borrowdale, Harare

**Tel:** + +263 (242) 886807-11 Cell: +263 772 241 279/ 80

**Email:** [tmuzadzi@cbz.co.zw](mailto:tmuzadzi@cbz.co.zw)

**Website:** <https://www.cbz.co.zw>

### Property Manager

#### Dawn Property Consultancy (Pvt) Ltd

8<sup>th</sup> Floor Beverly Court, 100 N. Mandela Avenue, HARARE

**Tel:** +263 4 707101-9; **Email:** [info@dawnprop.co.zw](mailto:info@dawnprop.co.zw)

**Website:** [www.dawnpropertyconsult.co.zw](http://www.dawnpropertyconsult.co.zw)

### Legal Advisors

#### Mundia & Mudhara Legal Practitioners

6 Mold Crescent, Kensington, HARARE

**Tel:** +263 4 792473; **Email:** [info@mundiaandmudhara.com](mailto:info@mundiaandmudhara.com)

**Website :** [www.mundiaandmudhara.com](http://www.mundiaandmudhara.com)

### Auditors

#### BDO Zimbabwe Chartered Accountants

Kudenga House

3 Baines Avenue, Avenues, HARARE

**Tel:** +263 242 703876-8 ; **Email:**

**Website:** [www.bdo.co.zw](http://www.bdo.co.zw)

### Sponsoring Brokers

#### IH Securities (Pvt) Ltd

Block 3, Tunsgate Business Park, 30 Tunsgate Road, Mount Pleasant, Harare, Zimbabwe

**Phone:** +263 (242) 745 119, +263 (242) 745 133, +263 (242) 745 139, +263 (242) 745 937

**Mobile:** +263 (86) 44110474

**Email:** [info@ihsecurities.com](mailto:info@ihsecurities.com)

**Website:** [www.ih-group.com](http://www.ih-group.com)

### Transfer Secretaries

#### Corpserve Registrars (Pvt) Ltd

2nd Floor, ZB Center

Cnr 1st and Kwame Nkrumah Avenue

Harare, Zimbabwe

P. O Box 2208, Harare, Zimbabwe

**Phone Number:** +263 242 751 559 – 61

**Email:** [corpserve@escrowgroup.org](mailto:corpserve@escrowgroup.org)

**Website:** [www.corpserveregistrars.com](http://www.corpserveregistrars.com)

# Table of Contents

Important Information .....	i
Important Dates .....	i
Publication of Prospectus .....	i
Opening date for the offer .....	i
Closing date for the offer .....	i
Allotment date .....	i
Publication of offer results .....	i
Last date of refunds in case of oversubscriptions .....	i
Listing date .....	i
Commencement of trading on ZSE .....	i
<b>1. Salient Fund Information .....</b>	<b>1</b>
1.1 Terms Of The Offer .....	2
1.2 Issue Units .....	2
1.3 Use Of Proceeds .....	2
1.4 Underwriting .....	2
1.5 Rationale For The IPO And Listing .....	2
<b>2. Background and Introduction .....</b>	<b>3</b>
2.1 Zimbabwe’s Commercial Property Market – An Overview .....	3
2.2 The Case for a Property Regeneration Fund .....	3
<b>3. Details About the Revitus Property Opportunities Fund .....</b>	<b>4</b>
3.1 Promoter .....	4
3.2 Trustee .....	4
3.3 Fund Manager .....	4
3.4 Fund Advisor .....	4
3.5 Property Manager .....	5
3.6 Legal Advisor .....	5
3.7 Auditors .....	5
3.8 Sponsoring Brokers .....	5
3.9 Transfer Secretaries .....	5
3.10 Advisory Board .....	5
3.11 Other Service Providers .....	6
3.12 Registration, Title and Custody .....	6
3.13 Structure of the REIT .....	6
3.14 Fee Structure .....	7
3.15 Valuation, Pricing and Distributions .....	7
3.16 Entry and Exit .....	7
3.17 Reporting .....	8
3.18 Meetings of Unit Holders .....	8
3.19 Winding-up .....	8
<b>4. Investment Considerations and Guidelines .....</b>	<b>9</b>
4.1 Investment Objectives and Strategies .....	9
4.2 Targeted Investors .....	9
4.3 Targeted Investments and Portfolio Composition .....	9
4.4 The Seed Properties .....	10
4.5 Property Deal Pipeline .....	14
4.6 Investment Attractions .....	14

4.7	Risk Considerations .....	14
4.8	Investment Policies and Restrictions .....	16
5.	Financial Information .....	17
5.1	Forecast Financials .....	17
6.	Pertinent Investor Information and Disclosures .....	18
5.2	Conflicts of interest .....	18
5.3	Data protection and privacy .....	18
5.4	Indemnification.....	18
5.5	Material Contracts .....	18
5.6	Litigation Statement .....	18
5.7	Voting Rights .....	18
5.8	Tax and Regulatory Compliance .....	19
5.9	Trust Deed .....	19
5.10	Documents Available for Inspection.....	19
Appendix - Investor Subscription Pack .....		20
i)	For Existing ZSE Direct Clients: .....	22
ii)	For Non-Existing ZSE Direct Clients: .....	22



## Definitions and Interpretations

<b>Applicable USD:ZWL Exchange Rate</b>	The applicable USD:ZWL exchange rate is the prevailing RBZ Interbank Mid-Rate on the day of allotment.
<b>Business Day</b>	A day other than a Saturday, Sunday or a public holiday.
<b>Commercial Property</b>	A property used mainly for business purposes, as opposed to residential use.
<b>Distressed Property</b>	Property that is damaged or in poor physical condition and/or has been performing poorly due to voids, low collections, weak covenants and lack of proper maintenance or renovations.
<b>Fund</b>	The Income-Real Estate Investment Trust Fund registered under the Collective Investments Schemes Act [Chapter 24:09] which in this case is the Revitus Property Opportunities Real Estate Investment Trust Fund.
<b>Fund Advisor</b>	The entity tasked with advising the Promoter and Fund Manager on key investment issues regarding the setting up and management of the Fund, being in this case Intellego Investment Consultants (Pvt) Ltd.
<b>Fund Manager</b>	The entity tasked with managing and administering the Fund on behalf of the investors or Unitholders, being in this case Datvest (Pvt) Ltd.
<b>Gross Asset Value</b>	The gross value of the property assets and un-invested cash held by the Fund from time to time.
<b>IFRS</b>	International Financial Reporting Standards
<b>Initial Offer Price</b>	Price at which units shall be initially issued and sold at to investors. It is calculated as the Net Asset Value per Unit as at the latest date before the issue of units.
<b>Initial Public Offer</b>	Initial Public Offer
<b>I-REITs</b>	Income Real Estate Investment Trusts, a special category of listed companies that own and operate income-producing properties and usually enjoy special tax status.
<b>Money Market</b>	A market for short-term fixed income or debt instruments. Participation on the money market is usually done through banking institutions.
<b>Net Asset Value</b>	The value of all the assets of the Fund, less all the liabilities and/or expenses of the Fund as calculated at a particular point in time.
<b>Net Asset Value per Unit</b>	The Net Asset Value divided by the number of Units then in issue.
<b>Net Initial Yield</b>	The net annualised income receivable at the time of acquisition of a property, divided by the gross cost of acquiring the property, expressed as a percentage.
<b>Portfolio</b>	The assets held by the Fund from time to time, comprising properties and cash.
<b>Portfolio Property</b>	A building, or part thereof, owned by the Fund as part of its investment portfolio.
<b>Promoter</b>	The entity responsible for the setting up of the Fund and contributed the seed assets, in this case National Railways of Zimbabwe Contributory Pension Fund (NRZCPF).
<b>Property Manager</b>	The property manager will be responsible for identifying the target properties to acquire for the Fund in accordance with the set criteria, manage refurbishments and leasing of the properties. Dawn Property Consultancy (Pvt) Ltd is the property manager of the Fund.
<b>Qualifying Contributors</b>	Qualifying Contributors are owners of distressed properties who qualify to contribute these properties into the Fund in exchange for units. Qualifying Contributors are restricted to non-tax paying entities, particularly pension funds with exceptions considered by the Advisory Board.
<b>Quoted Price</b>	Most recent bid and ask prices for units on the ZSE.

<b>SECZ</b>	Securities and Exchange Commission of Zimbabwe, the licensing authority and regulator of Real Estate Investment Trust funds in Zimbabwe.
<b>Trustee</b>	Represents the interests of investors to ensure that the Fund is properly managed. It also keeps custody of the documents of title for the underlying investments. Stanbic Bank Zimbabwe Limited is the Trustee of the Fund.
<b>Unit holder</b>	A registered holder of one or more I-REIT Units in the Fund.
<b>USD or US \$</b>	Dollar, the United States of America currency.
<b>Valuation Date</b>	The last business day of each calendar quarter or such other day as may be determined by the Fund's Investment Policy.
<b>ZWL</b>	Zimbabwean Dollar
<b>ZSE</b>	Zimbabwe Stock Exchange



# 1. Salient Fund Information

This summary presents the salient features in relation to the initial public offer and listing of the units of the Revitus Property Opportunities Real Estate Investment Trust Fund. The detailed information on the Issuer and the terms and conditions of the proposed listing are set out in this Prospectus

<b>Name of the Fund</b>	Revitus Property Opportunities Real Estate Investment Trust Fund	
<b>Registration</b>	Licenced by the Securities & Exchange Commission in terms of the Collective Investment Schemes Act Chapter 24:09.	
<b>Class of Fund</b>	Real Estate Investment Trust (REIT)	
<b>Promoter</b>	National Railways of Zimbabwe Contributory Pension Fund	
<b>Trustee</b>	Stanbic Bank Zimbabwe Limited	
<b>Fund Manager</b>	CBZ Asset Management (Pvt) Ltd t/a Datvest	
<b>Property Manager</b>	Dawn Property Consultancy (Pvt) Ltd	
<b>Governance</b>	To establish an Advisory Board comprising the Promoter, representatives of minority investors in the Fund and identified independent experts to assist the Trustee in overseeing the Fund and approving key property acquisitions, appointment of service providers and valuations.	
<b>Investment Objective and Strategy</b>	The REIT Scheme will own eligible real estate investments that are income generating. This will be achieved through actively acquiring 'distressed' properties, reconfiguring them and turning them around to improve rental income and capital values thereby, generating a return for the Unitholders of the REIT Scheme. At least 80 percent of the Total Asset Value will be invested in eligible "distressed" properties.	
<b>Targeted Investors</b>	Institutional and retail investors	
<b>Portfolio Composition</b>	Commercial properties including CBD office and retail, office parks and selected industrial properties with flexible tenancy and potential of being reconfigured, remodelled and turned around. A portion of the Fund is reserved as cash or near cash assets to cater for renovations and other liquidity requirements and will form part of the total investment portfolio.	
<b>Investment Restrictions</b>	The Fund shall not invest in properties without title deeds. The Fund shall not invest in land for speculative purposes Investment in equities, bonds or other quasi-equity instruments may only be done in pursuance of the property acquisition or renovations.	
<b>Fund Size</b>	Shall be the total value of REIT's assets at a point in time.	
<b>Entry and Exit</b>	Purchase of Units at the Initial Offer Price or secondary purchase of units at the Quoted Price thereafter. Unitholder can exit by trading their units on ZSE at the quoted prices.	
<b>Distributions</b>	Quarterly distributions. Amount distributed being excess cash from net rentals less fees and provision for renovations. Total distributions in a year shall be at least 80% of all distributable income to the Unitholders at the end of each accounting period.	
<b>Taxation</b>	Income realised from the properties under the REIT are tax-exempt. However, investors may be taxed when they receive distributions in the form of dividends.	
<b>Fee Structure</b>	Fees for the Fund Manager, Trustee, Property Manager, Auditor, and other service providers combined are capped at 20% of the net rental income of the Fund. The fees are fully set out under Section 2.12 Fee Structure.	
<b>Formation and Listing Costs</b>	All costs incurred in connection with the formation of the Fund and or incidental to, the Initial Public Offer, will be paid by the Fund. These costs are set out as follows:	
	Transaction costs	1% of IPO funds raised
	Miscellaneous costs	0.5% of IPO funds raised
<b>Valuation and Pricing</b>	Quarterly valuations and pricing. At least one independent valuation per annum.	
<b>Key Investment Attractions</b>	<ul style="list-style-type: none"> <li>▪ Prescribed Asset status</li> <li>▪ Tax-exemption status</li> <li>▪ High potential returns from active management and turnaround</li> <li>▪ A more liquid avenue of gaining property exposure</li> <li>▪ Flexibility and divisibility</li> </ul>	
<b>Key Risk Considerations</b>	<ul style="list-style-type: none"> <li>▪ General investment risks – market, credit, liquidity, political</li> <li>▪ Property investment risks – investment quality, leasing, renovation,</li> <li>▪ Fund specific risks – operational, financial, regulatory/compliance, pricing.</li> </ul>	

## 1.1 Terms Of The Offer

<b>Issue Units:</b>	Revitus Property Opportunities I-REIT intends to raise a total amount of <b>ZWL 48,551,520,000</b> (Forty-eight billion five hundred and fifty-one million five hundred and twenty thousand Zimbabwe Dollars) through an Initial Public Offering (IPO) of <b>121,378,791 Units</b> in the Fund at a subscription price of the <b>ZWL400.00 per unit</b> . On conclusion of the IPO, it is envisaged that the entire issued units of the REIT totalling <b>368,326,243</b> will be listed on the ZSE.
<b>Eligibility:</b>	The offer is open to all Zimbabweans and non-Zimbabweans, individuals and corporates, who meet the eligibility criteria to invest and hold units in registered Collective Investment Trusts
<b>Application Process:</b>	Prospective investors in the Fund shall complete and submit the Subscription Form in the Annexures, having read and understood the terms set out therein. Each Application Form, accompanied by proof of payment, may be submitted physically or electronically to the Transfer Secretaries or any Stockbroker. Applications through C-Trade and ZSE Direct platforms shall be as per prompts set in the respective platforms.
<b>Minimum Application:</b>	Applications shall be for a minimum of 1,000 units
<b>Basis of Allotment</b>	Allotment of units will be based on the number of Units and amount paid for.
<b>Allotment of shares paid for in USD currency:</b>	Subscriptions paid in foreign currency will be converted to ZWL at the prevailing RBZ Interbank Mid-Rate on the day of allotment. The resultant ZWL subscription will be the basis for the computation and allotment of units. In the event of over-subscription, the REIT units shall be allocated to Applicants on a pro-rata basis.

## 1.2 Issue Units

The issued Units of the Fund before and after the IPO is set out below:

	<b>Number. of Units</b>	<b>Holding</b>
Before the Offer (held by the Promoter)	246,947,453	67%
Issued in terms of the Offer	121,378,791	33%
<b>After the Offer</b>	<b>368,326,244</b>	<b>100%</b>

## 1.3 Use of Proceeds

The Fund will utilise the proceeds of the IPO as set out below:

	<b>ZWL</b>
Property refurbishments	41,929,736,000
Legal and conveyancing fees	5,341,072,000
Transaction Advisory fees	480,712,000
Other listing expenses	800,000,000
<b>Total</b>	<b>48,551,520,000</b>

## 1.4 Underwriting

The IPO is underwritten by the National Railways of Zimbabwe Contributory Pension Fund (NRZCPF). NRZCPF is the Promoter of the REIT and one of the largest self-administered, stand-alone pension funds in Zimbabwe.

## 1.5 Rationale for The IPO And Listing

1. To raise capital to fund the renovation and revitalisation of portfolio properties in order to enhance their income-generating capacity;
2. Enhance the pension benefits for NRZCPF members through uplifting the values of the underlying property portfolio;
3. Act as a catalyst for the re-generation of Central Business Districts (CBDs) of major urban areas that are on the verge of urban decay;
4. Provide smaller institutional and retail investors with an opportunity to own commercial real estate, which used to be the preserve of large institutional investors.
5. Facilitate liquidity in real estate owned by larger institutional investors through unitisation and listing
6. Assist pension funds and insurance companies comply with the prescribed asset and asset exposure guidelines set by the Insurance and Pensions Commissions (IPEC);

## 2. Background and Introduction

### 2.1 Zimbabwe's Commercial Property Market – An Overview

Over two decades of economic challenges saw Zimbabwe's commercial property market experience a decline in demand for space particularly in the office sector as businesses downsized or closed down. The retail subsector has been relatively resilient largely due to limited availability of quality space. The industrial property subsector has persistently underperformed due to subdued manufacturing activity, fluid operating environment and rising volumes of imports.

#### Recent Commercial Property Sector Trends . . .

Property development has been sluggish in the commercial property sector compared to residential developments. Notable property developments have mainly been owner occupied offices in suburban areas. The lethargic growth in commercial property development coupled with lack of routine renovations and maintenance has resulted in a rapid deterioration of some of the major buildings that used to define the streetscape of the cities and towns in the country. Most high-rise buildings are now in a rundown state characterised by, among other things, low occupancy, non-functioning elevators, worn out furnishings and exteriors, poor parking facilities, dirty and congested alleys.

#### The CBD Opportunity . . .

The state of the Central Business District (CBD) has resulted in businesses relocating to surrounding office parks and suburban residential areas to escape the congestion, lack of parking space and dilapidated amenities that have become synonymous with the CBD. The migration has left CBD buildings with high vacancy rates despite the centrality to economic activity that the CBD brings to most businesses. Furthermore, the CBD has a more robust infrastructure which contributes to the convenience of residing and doing business in it. This presents an opportunity to salvage some distressed properties at considerable discounts, reconfiguring them to improve rental income and capital values with a long-term view.

#### Sector Outlook . . .

The economic stability that the country has started witnessing is poised to bring about a sustained rebound in economic activity and growth. The commercial property subsector will be one of the key beneficiaries of economic recovery. Investments in new property developments is on the back of investors' need to preserve value and grow it in the long term. Similarly, investments in currently distressed properties will allow capital appreciation and growth in earning capacity as the economy recovers.

Most investors in the commercial property sector are institutions, dominated by pension funds who alongside listed property companies directly own the majority of the CBDs' high-rise buildings. Indirect investment structures for institutional investors such as property unit trusts and Real Estate Investments Trusts (REIT) are not yet established compared to neighbouring countries such as South Africa and Botswana. This presents a strong case for the development of such structures.

### 2.2 The Case for a Property Regeneration Fund

The depressed state of CBD properties and exodus by a number of entities from the CBD to suburban areas presents an opportunity for a contrarian investor to purchase those properties, inject some capital and repurpose them to suit current trends or new uses in response to a changes in demand patterns within the CBDs. Whilst larger businesses may be exiting the CBDs, there is emerging demand from Small and Medium Scale Enterprise (SMEs) as well as the informal sector who prefer being located in the CBDs for the convenience of their customers.

This therefor presents an opportunity for a Fund that pools together investors seeking an exposure to commercial real estate and purchase targeted distressed properties that have significant turnaround potential. Such properties would be acquired, reconfigured, remodelled and renovated positioning them for improved occupancy, rental income and capital value.

#### The Long-term Objective . . .

Qualifying owners of distressed properties would also be given an opportunity to contribute their properties into the Fund and benefit from the potential upside, diversification and scale economies that comes with the turnaround and pooling initiatives.

The Fund will acquire a diversified portfolio of commercial properties particularly office and retail properties. The deteriorated condition of most of these properties present an opportunity for a specialist fund that focuses on acquiring them at a discount to replacement cost, yet with minimal re-investment into remodelling the properties and changing the tenant mix, the potential to attract high quality tenants and improve rental yields and capital value growth is immense.

Commercial properties, particularly CBD buildings, are poised for a significant recovery in line with anticipated economic recovery and growth, more so with current efforts by local authorities to decongest and spruce up the city centres. The Fund will contribute to these efforts for the ultimate benefit of its investors. Traditional offices in city centres are no longer fashionable and it is timely to repurpose these buildings into uses that are in demand given current consumer trends.

## 3. Details About the Revitus Property Opportunities Fund

### 3.1 Promoter

National Railways of Zimbabwe Contributory Pension Fund (NRZCPF) is the Promoter of the Fund and is responsible for sponsoring the setting up and provision of initial seed properties for the establishment of the Fund. Consequently, they assume majority shareholding in the Fund.

NRZCPF is one of the largest self-administered pension funds in the country with approximately USD 440 million in fund assets, its property portfolio consisting of some of the country's iconic CBD buildings. NRZCPF was established in 1949, the National Railways of Zimbabwe being the fund's sponsoring employer and its members comprising of staff members from the National Railways of Zimbabwe, Railways Employment Council and Road Motor Services. NRZCPF currently has a total of 16 800 members including pensioners, dependants, active and deferred members.

**NRZCPF's Board of Trustees is comprised of the following:**

Stanley Mlambo	Lithin Ndlovu
Takunda Madanha	Stewart Muzandaka
Tanatswa Manyimo	Lindinkosi Justice Hove
Juniel Manyere	Honest Mudzete
Daniel Chikwaya	

### 3.2 Trustee

Stanbic Bank Zimbabwe Limited is the Trustee of the Fund responsible for representing the interests of unit-holders/investors to ensure that the Fund is properly managed. It also keeps custody of the documents of title for the underlying investments (title deeds for the properties).

Stanbic Bank Zimbabwe Limited is a duly registered commercial bank in Zimbabwe and among its business units is Stanbic Bank Investor Services, a SECZ licensed Trustee and a leading provider of third party custodial services.

**Stanbic Bank Zimbabwe Limited's Board of Directors is made up of:**

Gregory Sebborn (Chairman)	Jonathan Charles Holroyde Wood
Muchakanakirwa Martin Luther Mkanganwi	Nellie Raquael Farai Tiyago
Kingston Kamba	Valentine Tawanda Mushayakarara
Solomon Nyanhongo	Greg Brackenridge
Betty Murambadoro	Tafadzwa Mahachi
Dr. Tapiwanashe James Museba	

### 3.3 Fund Manager

The Fund Manager for the I-REIT is CBZ Asset Management (Private) Limited, trading as Datvest. Datvest is a wholly owned subsidiary of CBZ Holdings Limited and is one of the leading and well-established investment management firms in the country, tracing its beginnings back to 1990. Datvest manages investment portfolios for pension funds, corporates and high net-worth individuals alongside retail clients served through unit trusts. The company brings a wealth of expertise and experience to the Revitus Property Opportunities I-REIT and is responsible for:

- Carrying out the administration of the I-REIT Assets including the management of the portfolio of investments in accordance with the provisions of the Trust Deed and the Act.
- Keeping and maintaining records of the I-REIT at all times.
- Ensuring that the units in the I-REIT are priced in accordance with the provisions of the Trust Deed, Regulations and the Act.
- Making available for inspection to the Trustee or any auditor appointed by the Trustee, the records and the books of accounts of the Fund Manager, giving either oral or written information as required with respect to all matters relating to the Fund Manager, its properties and its affairs.

**CBZ Asset Management's Board of Directors is constituted of:**

Never Mhlanga	Heena Joshi
Mirirai Moyo	Blessing Mudavanhu
Tawanda Gumbo	Conrad Mukanganga
Tendai Muzadzi	Jack Smith

### 3.4 Fund Advisor

Intellego Investment Consultants (Pvt) Ltd is the appointed Fund Advisor undertaking the following roles:

- Putting together the structure of the I-REIT.
- Producing the Prospectus

- Assisting in the Fund registration process, obtaining the prescribed asset status and marketing the I-REIT to prospective scheme participants and/or investors.
- Overseeing the investment activities of the REIT and provide advice to the Advisory Board and Manager on an on-going basis regarding the portfolio structuring, key acquisitions or disposals as well as the on-going repurposing and value-addition to properties within the REIT.

Intellego Investment Consultants(Pvt)Ltd is a licensed investment advisory firm advising over 70 self-administered pension schemes in the country. Intellego also provides a wide array of capital markets and strategic transaction advisory services to corporate, institutional and government clients in Zimbabwe and the region.

### 3.5 Property Manager

Dawn Property Consultancy (Pvt) Ltd (DPC) is the Property Manager of the Fund. DPC is a registered realtor managing over 320,000 square metres of commercial space in Zimbabwe, 90% of which is owned by pension funds.

As the property manager, DPC will be responsible for the following:

- Identifying the target properties to acquire for the Fund in accordance with the set criteria.
- Managing the refurbishments of properties.
- Leasing properties and tenant management.

### 3.6 Legal Advisor

Mundia & Mudhara Legal Practitioners is the appointed Legal Advisor of the Fund responsible for advising the Fund on all legal and regulatory matters. The law firm is an established legal practice with expertise across a broad spectrum of Zimbabwean commercial law practice, including corporate law, banking and finance, taxation and property law.

### 3.7 Auditors

BDO Zimbabwe Chartered Accountants(Pvt)Ltd, the appointed tax advisors and auditors, are responsible for giving an independent opinion on the financials, pricing, taxation and all affairs of the Fund.

BDO Zimbabwe Chartered Accountants, is a member firm of BDO International Limited and forms part of the international BDO network of independent member firms.

### 3.8 Sponsoring Brokers

IH Group is a proudly Zimbabwean home grown financial services boutique firm that offers brokerage (IH Securities) and advisory services (IH Advisory) to local and international clients. IH Group' s service offering is focussed on one principal market, Zimbabwe.

IH Securities has been mandated by the fund to carry out all brokerage related functions.

### 3.9 Transfer Secretaries

Corpserve is the appointed transfer secretaries to the fund and is responsible for all the securities register management duties.

Corpserve Registrars (Pvt) Limited is a member of the Escrow Group of companies which is a diversified fin-tech group offering Securities Trading & Settlement solutions, Banking & Payment solutions, Registry Maintenance & Investment Administration solutions. The Group has operations, directly and indirectly in 10 countries within Eastern & Southern Africa.

### 3.10 Advisory Board

An Advisory Board will be set up consisting of representations from the promoter, other investors in the Fund and identified independent experts. The main purpose of the Advisory Board is to oversee the general administration and management of the Fund. The Advisory Board will monitor and provide advice to the Trustee, Fund Manager and other service providers to the Fund in support of the development of strategy, policy and activity as well as act in a consultative capacity for the Manager and Trustee on key decisions.

Responsibilities of the Advisory Board will include:

- Ensuring the proper establishment and licensing of the Fund and on-going maintenance of license and REIT tax-exemption status.
- Oversee the general administration and management of the Fund.
- Set the broad strategy of the Fund and ensure its implementation by the Fund Manager and other service providers.
- Oversee the engagements and activities of the Trustee, Fund Manager and other service providers of the Fund as well as executing the necessary Agreements and terminating their Mandates in line with the provisions of the Trust Deed.
- Approving all properties proposed for acquisition and or disposal by the Fund and the consideration thereto.
- Approving all matters set in the Trust Deed before they are presented for approval by unit holders.
- Oversight over service providers who report to the Board and attend by invitation.
- Approve all external valuations of the properties before incorporation in the pricing of the Fund.

The initial Advisory Board members are as follows:

#### Sen. Dr. Bekithemba Mpfu

Bekithemba is a seasoned real estate professional who has held various strategic positions both locally and internationally. He is currently the CEO of Trifecta Capital, a South African company specialising in real estate investments. He has also held various positions including Research Committee Chair at SAPOA

(South African Property Owners Association), Expert Panel member of the South African REIT Association and is a board member of the Zimbabwe REIT Association.

Bekithemba is a holder of a PhD in Finance and Econometrics and was a Senior Lecturer in Real Estate Investment, Economics and Finance at the University of Witwatersrand as well as Associate Dean for Post Graduate Courses in Construction and Real Estate at the College of Estate Management (University of Reading).

**Patience B. Dhlwayo**

Patience is the current Chief Executive Officer and Principal Officer of the NRZCPF. She holds various leadership positions among them Chairperson of Zimbabwe Association of Pension Funds (ZAPF) and Board Member of ZimREIT. Patience holds an Executive MBA from NUST and recently attained an MSc in Leadership and Strategy with the London Business School.

**Chipo G. Hlabangana**

Chipo is the Chief Finance Officer of NRZCPF. She is also a Board Member of ZimREIT. She has held various leadership position in the Zimbabwe Association of Pension Funds. Chipo is a holder of a MSc. in Finance and Investments and an MBA from the University of Manchester.

Other board members shall be appointed to represent minority investors in the Revitus as per provisions of the Trust Deed. The Legal Advisor and Fund Advisor shall be in attendance during meetings of the Advisory Board to provide expert advice on an on-going basis.

**3.11 Other Service Providers**

The Fund have appointed specialist service providers to provide their services in the value addition activities on properties through renovations and refurbishments. The service providers include but not limited to;

- Property Valuers
- Architects
- Engineers
- Quantity Surveyors

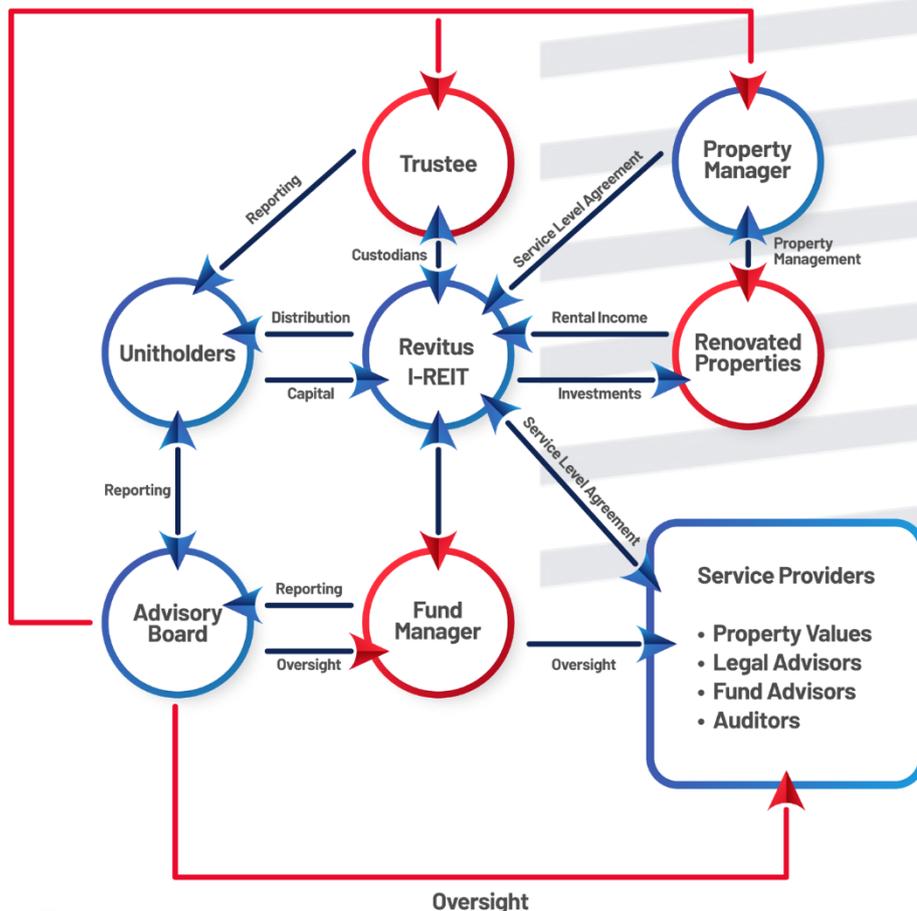
Such service providers may provide services to the Fund from the time of acquisition of the properties and on an on-going basis as the Manager, Trustee and Advisory Board may consider fit.

**3.12 Registration, Title and Custody**

All the title deeds for properties owned by the Fund will be registered in the name of the Fund or an entity wholly-owned by the Fund and kept under the custody of the Trustee.

**3.13 Structure of the REIT**

The following schematic diagram presents the structure of the Fund:



### 3.14 Fee Structure

All fees payable by the fund are to be capped at 20% of rental income to the Fund and will be subject to the provisions stated in the Trust Deed. Investors into the Fund will incur the following costs:

- 3.14.1 Fund Management Fee** – The Fund Manager fees to cover the day-to-day management of the Fund will be governed by the Trust Deed. The fee is currently set at 5% of the gross rental income of the Fund, subject to a proviso that the fee shall not exceed 1% of the Fund's Net Asset Value per annum.
- 3.14.2 Trustee Fee** – This will be paid to the Fund's Trustees for services relating to trusteeship and safe custody of the Fund's assets as governed by the Trust Deed. The fee is currently set at 2.5% of the gross rental income of the Fund with a proviso that the fee shall not exceed 0.5% of the Fund's Net Asset Value per annum.
- 3.14.3 Property Manager Fee** – This will be paid to the Fund's Property Manager for services relating to managing properties and collection of rentals in line with their Service Level Agreement signed with the Manager. The fee is currently set at 7.5% of the gross rental income of the Fund.
- 3.14.4 Fund Advisor Fee** – This will be paid to the Fund Advisor for their on-going advisory services to the Fund and Advisory Board. The fee is currently set at 2.5% of the gross rental income of the Fund with a provision that the fee shall not exceed 0.5% of the Fund's Net Asset Value per annum.
- 3.14.5 Audit Fee** – This is a fee paid to the auditors of the Fund and will be quoted by the Auditors in accordance to the number of hours worked in conducting an Audit. It is anticipated that the maintenance of a reserve equivalent to 0.1% of the Net Asset Value of the Fund will be sufficient to cater for any scheduled or ad hoc audits of the Fund.
- 3.14.6 Valuation Fee** – This represents the fees paid to the valuers of the underlying properties for their services. These fees are to be quoted in accordance with the valuation needs of the Fund and the guidelines set by the Valuers Council of Zimbabwe.
- 3.14.7 Brokerage and Other Fees** – Other fees such as legal and conveyancing fees, agents' commission, specialist service provider fees, project management costs, letting fees and other fees incurred pursuant to the acquisition, refurbishments and/or disposal of the portfolio properties will be borne directly by the Fund.

### 3.15 Valuation, Pricing and Distributions

On the recommendation of the Fund Manager and subject to the provisions of the Trust Deed and the Regulations governing REITs, the Trustee shall distribute income received by the Fund to unitholders on a regular basis, with the distribution being made by the Distribution Date, a minimum of eighty per centum (80 percent) of the net after tax income, if any, of the Fund, from cash held in the fund which is surplus to the investment requirements or from realized capital gains on the disposal of real estate assets where such funds are not intended to be used for reinvestment. Such distributions are made after taking into account any immediate cash flow requirements such as funding for renovations/reconfigurations and fees payable. Whenever the Fund Manager decides to retain some of the money for purposes of renovations/refurbishments, this is communicated to all unit holders as are all major decisions such as acquiring or disposing portfolio properties.

All the portfolio properties are independently valued at the time of acquisition to ensure the transaction price reflects market fundamentals. The initial valuation of the Fund is, however, based on the actual cost of acquiring the property, not the appraised value. The valuation of the Fund immediately after this IPO shall be the total Net Asset Value of the Fund based on acquisition cost plus the amount of funds raised through the IPO.

On an on-going basis, the Fund's portfolio will be appraised internally on a quarterly basis with independent external valuations conducted annually. The Fund Manager will ensure that valuations are done timeously and appropriately. The external valuations will be conducted by an independent entity selected on the basis of competence, reputation and understanding of property unit trust funds which extend the application of similar competences to newly introduced REIT Schemes. The valuations may include all or some of the following methodologies:

- **Investment Approach** – This is an approach based on the capitalisation of income, based on the principle that rents and capital values are inter-related. Hence given the income produced by a property, its capital value can be estimated.
- **Comparison Approach** – This entails carrying out a valuation by directly comparing the subject property under consideration with similar properties, which have been sold or are on the market. Professional judgement is then exercised to take cognisance of the fact that properties in the transaction were not exactly comparable in terms of size, quality and location.
- **Discounted Cash-flow Analysis** – This is based on the principle that the value of a property is indicated by the "present worth of future benefits." The future benefits of income-producing properties, such as retail and office buildings, are the net income estimated by a forecast of income and expense along with the anticipated proceeds from a future sale. These benefits can be converted into an indication of market value through a capitalization process and discounted cash flow analysis.
- **Cost Approach** – This entails applying an applicable replacement cost per square metre on the plinth areas of each building element or calculating the cost of building a modern substitute. The gross replacement costs assume a building is completed and paid for by the owner at current contractual rates. It does not include any finance charges or any element representing the opportunity costs of the funds employed.

The Net Asset Value (NAV) of the Fund will be calculated from total valuations of the underlying portfolio properties less applicable fees such as management, trustee, audit and valuation fees. Dividing the NAV by the total number of units in issue will result in the NAV per unit, which each investor can multiply by the number of units they own to derive the value of their investment. Pricing of units is published daily on the Fund Manager's website whilst the NAV is updated on a quarterly basis, after the revaluation of the underlying property portfolio.

### 3.16 Entry and Exit

- **Initial Offer Price** – At the time of the listing, units shall be issued and sold to investors at the Initial Offer Price calculated based on the Net Asset Value (NAV) per unit as at the latest date before the issue of units.
- **In-Kind Contribution** – Qualifying Contributors who own qualifying distressed properties can contribute such properties into the Fund under agreed terms in exchange of equivalent units.

- **Lock-in Period** – The Promoter and Qualifying Contributors with 10% and above unitholding in the Fund are subject to a 12 months lock-in period before disposing of their units.
- **Quoted Price** – Most recent bid and ask prices for units on the ZSE. The quoted price may be influenced by market factors as well as prospects of the Fund, and therefore may not fully reflect the Fund's Net Asset Value.
- **Exit** – Unitholders can exit their investment, all or in part, by trading their units on ZSE at the quoted prices.

### 3.17 Reporting

Following a valuation, the Net Asset Value per Unit will be published on the Fund Manager's website and the Fund Manager shall prepare and publish quarterly reports/newsletters to the investors within 30 days after the end of the quarter. Such newsletter shall, among other things, include the following;

- Brief commentary about developments on the property market in Zimbabwe;
- Acquisitions and/or disposals made during the quarter;
- Details about each of the Fund's portfolio property as well as any developments in the past quarter e.g., renovations, tenancy, etc.;
- Details about income, expenses and distributions to be made by the Fund.

Audited accounts and a report in relation to the Fund will be sent to Revitus-REIT unit holders within three months of the conclusion of each accounting period. Such accounts and reports will contain a statement of the Net Asset Value of the Fund and of the investments comprised therein as at the year end and such other information as may be required by the regulator.

The Fund shall seek to comply with any reporting directives issued by the regulator and the securities exchange from time to time.

### 3.18 Meetings of Unit Holders

The Trust Deed contains detailed provisions for meetings of Unitholders. In summary;

- Meetings may be called by the Trustee, the Fund Manager, the Promoter or the Unitholders of at least 10% in value of the Units in issue on not less than 14 days' notice.
- The meetings shall be presided over by the Trustee and Fund Manager is entitled to receive notice and attend, but may not vote at such meetings.
- Notices of meetings will be posted or emailed to Unitholders. Unitholders may appoint proxies, who need not themselves be Unitholders. The quorum for such meetings shall be at least 10% of the units represented in person or proxy.
- On a poll every Unitholder present in person or by representative or proxy shall have one vote for every Unit for which he is registered as the Unitholder. Voting rights may be amended in the same manner as any other provisions of the Trust Deed.
- An Extraordinary Resolution is a resolution proposed as such at a meeting of Unitholders at which a quorum is present and passed by a majority of 75% of the total number of votes cast.

### 3.19 Winding-up

The Trust Deed contains detailed provisions of circumstances under which the Fund can be wound up and the procedures to be followed. In summary, the Fund is wound up in the event of any of the following:

- The Fund manager is of the view that the quantum of redemption requests that have built up shall result in the Fund being run down to an unmanageable level and likely to result in a significant loss in value for the Unit Holders who are not redeeming.
- The Fund is amalgamated with another.
- Approval for winding up is approved by 75% of Unitholders and endorsed by the regulator.
- The license for the Fund or Management Company is withdrawn by the regulator.

## 4. Investment Considerations and Guidelines

### 4.1 Investment Objectives and Strategies

The purpose of the Revitus I-REIT Fund is to provide investors with a professionally managed means of participating in the higher yielding sector of the Zimbabwe commercial property market; combined with the potential for capital growth. The I-REIT Fund acts as a pooled investment medium for its unit holders.

The strategy of the Revitus I-REIT Fund is to add value to investors by actively purchasing distressed properties and turning them around, thus enabling its investors to benefit from both the resultant capital gains and enhanced rental income. The Company will seek to diversify risk by holding a mixed portfolio of retail, office, industrial and other property in urban areas throughout Zimbabwe, with focus mainly on CBD office and retail properties.

### 4.2 Targeted Investors

Targeted investors comprise of both institutional and retail investors. Potential institutional investors could be larger and small pension funds with different property investment exposure profiles while retail investors are any individuals seeking an exposure in the commercial property asset class:

- 4.2.1 Larger pension funds** – Large, more established pension funds ordinarily have high exposures to commercial properties. Such exposures may have been magnified by the dollarization of the economy that left property as the main asset class whilst other asset classes such as money market were decimated. This, coupled with high incidences of non-remittance of pension contributions by employers, has resulted in most of these funds facing severe liquidity crises. Revitus I-REIT Fund seeks to help alleviate this challenge by providing an avenue for these pension funds who are qualifying contributors to hive off some of the properties they consider depressed and entrust the management of such to specialists in exchange for units in the I-REIT Fund. The unitised nature of the I-REIT Fund thus provides liquidity to such pension funds and an effective mechanism to rebalance the allocation to property as an asset class.
- 4.2.2 Smaller pension funds** – Many small pension funds have minimal exposure to commercial property as an asset class largely because of the high capital outlays required to acquire indivisible direct property. Yet property is an important part of a well-diversified pension fund investment portfolio, owing to its long-term nature, stable returns and low correlation with equities and fixed income investments. Through unitisation, Revitus I-REIT Fund provides an opportunity for smaller pension funds to participate in commercial real estate with minimal investment and also enjoy enhanced liquidity and diversification that comes with the structure as compared to direct investment in property. The I-REIT Fund thus provides an effective mechanism to seek exposure into the property asset class.
- 4.2.3 Other institutional investors** – these include other liquid institutional investors that have appetite in REITs, corporates, insurance companies, investment managers, other collective investment schemes and other cash rich entities willing to invest in property.
- 4.2.4 Retail Investors** – Retail investors who are otherwise limited in investing into direct property investments due to the high capital outlay required and the subsequent high concentration risk have an opportunity to invest in a diversified property portfolio through the I-REIT that offers constant income and is tradable.

### 4.3 Targeted Investments and Portfolio Composition

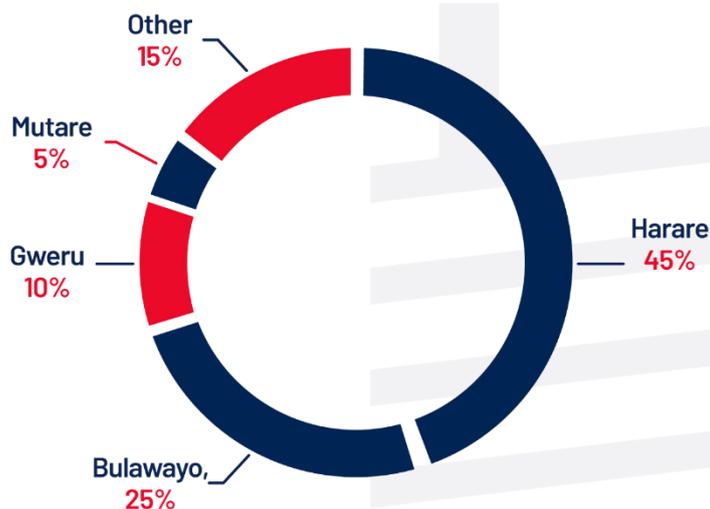
Revitus I-REIT Fund will primarily invest in commercial property that meets the following criteria:

- **Commercial use** – The I-REIT Fund will invest in pre-existing properties that are used or intended to be used for commercial and licensed residential. As such, the focus will be on urban areas where there is greater commercial and investment activity.
- **Title deeds** – Only properties with title deeds will be considered.
- **Discount to replacement cost** – The property should be selling at a discount to replacement cost owing to its distressed state that would have resulted in low occupancies, low rentals and low collections.
- **Turnaround potential** – Only properties with potential of being turned around through reconfiguration and active asset management will be included in the I-REIT Fund.
- **Rental income** – The properties will be selected on the basis of their ability to generate rental income hence no investments will be made for speculative reasons.
- **Flexible tenancy** – The target will be primarily mixed use buildings with flexible tenancy. This enables the managers to reconfigure the properties and easily change tenants.

Currently the targeted buildings are mainly office buildings due to their depressed nature and potential for turnaround, and may be converted into licensed residential, small retail and offices depending on feasibility studies conducted per each property.

The target portfolio mix may, however, change from time to time in line with market developments cognisant of the primary objective of acquiring distressed properties and turning them around. Geographically, the target exposure will be biased towards the major cities in the country in line with economic activity as shown below:

### Revitus REIT Target Portfolio Distribution



#### 4.4 The Seed Properties

The Promoter, NRZCPF has seeded five properties into the Fund, which will be refurbished and repurposed in phases. The funds to be raised in this IPO (Phase 1) will be targeted at refurbishing Chester House whilst the remaining properties – Electra House, Atlas House, Pioneer House and Africa House will be done over 2 phases

#### REVITUS PROPERTY OPPORTUNITIES I-REIT SEED PROPERTIES (PHASE 1)

PROPERTY	TYPE	LOCATION	DESCRIPTION	NET LETTABLE AREA (M <sup>2</sup> )	PROPERTY VALUE (USD)
 <b>Chester House</b>	Commercial	88 Speke Avenue, Harare, Zimbabwe	The improvements include a multi-storey building comprising ground and mezzanine floor retail; nine floors of offices from the second to the tenth levels; and plant rooms on the roof.	<b>Total:</b> 4,306m <sup>2</sup> <b>Retail:</b> 606m <sup>2</sup> <b>Offices:</b> 3,700m <sup>2</sup>	<b>Market Value:</b> \$1,760,000  <b>Gross Replacement Value:</b> \$7,520,000

##### 4.4.1 Seed Property 1 - Chester House

The property is known as Lot 4 of Stand 715A Salisbury Township measuring a land area of 1,012m<sup>2</sup>, registered as title deed number 760/2023 with the registered owner being REVITUS Property Opportunities Real Estate Investment Trust.

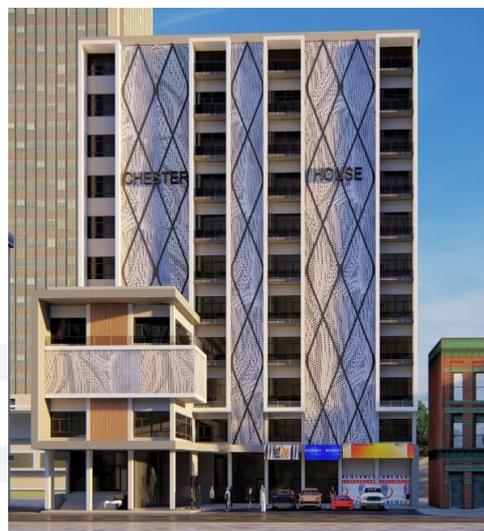
Located in the Harare CBD (88 Speke Avenue, Harare), the property falls under Local Development Plan number 22, Zone 1B (I) - Commercial Use (Special Offices). This property is a multi-storey building comprising ground and mezzanine floor retail; nine floors of offices from the second to the tenth levels; and plant rooms on the roof. The Net Lettable Space is approximately 4,306m<sup>2</sup>.

##### Details of proposed property improvements and rental rates

The building will be repurposed from office use to licensed residential, which can include long-stay apartments, lodges and hotels. The proposed facility will have apartments and other supporting facilities like restaurant, shared work-space and entertainment lounge (bar). Accommodation list comprises of reception, shops, circulation space, 75 apartments, laundry, shared work spaces, restaurant and bar. Below is a depiction of the property in its current state and the envisaged look after revitalisation;



Before Revitalisation - 2023



After Revitalisation - 2024

\* town planning approvals for change of use have already been sought and are in place.

### Revitus Property Opportunities I-Reit Seed Properties (Phase 2)

PROPERTY	TYPE	LOCATION	DESCRIPTION	NET LETTABLE AREA (M <sup>2</sup> )	PROPERTY VALUE (USD)
<b>Electra House</b> 	Commercial	49 Samora Machel, Harare, Zimbabwe	The improvements include a multi-storey building comprising basement stores and plant rooms; ground floor retail; first floor offices and caretaker's quarters; ten identical office floors from the second to the eleventh levels; and lift and plant rooms on the roof.	<b>Total:</b> 6,012.48m <sup>2</sup> <b>Retail:</b> 687.54m <sup>2</sup> <b>Basement:</b> 800m <sup>2</sup> <b>Offices:</b> 4,524.94m <sup>2</sup>	<b>Market Value</b> \$4,400,000  <b>Gross Replacement Value</b> \$12,380,000
<b>Pioneer House</b> 	Commercial	Five Street/Eighth Avenue, Bulawayo, Zimbabwe	The improvements include a multi-storey building comprising ground floor and mezzanine retail, eleven typical office floors served by three passenger lifts.	<b>Total:</b> 6,803.25m <sup>2</sup> <b>Retail:</b> 706.94m <sup>2</sup> <b>Offices:</b> 6,096.31m <sup>2</sup>	<b>Market Value:</b> \$2,270,000  <b>Gross Replacement Value:</b> \$13,470,000

#### 4.4.2 Seed Property 2 – Electra House

The property is known as Lot 1 of Stand 3570 Salisbury Township measuring on land, an area of 1,388m<sup>2</sup> and registered as Title deed number: 596/2023 with the registered owner being Revitus Property Opportunities Real Estate Investment Trust.

Located in the Harare CBD (49 Samora Machel Avenue, Harare), the property falls under Local Development Plan number 22, Zone 1B(I)- Commercial Use (Special Offices). This property is a multi-storey building comprising basement stores and plant rooms; ground floor retail; first floor offices and caretaker's quarters; ten identical office floors from the second to the eleventh levels; and lift and plant rooms on the roof. The Net Lettable space is approximately 6,012m<sup>2</sup>.



**Before Revitalisation - 2023**



**After Revitalisation - 2024**

#### 4.4.3 Seed Property 3 - Pioneer House

The property is known as stand 286 Bulawayo Township measuring a land area of 1,110m<sup>2</sup>, registered as title deed number 450/2023 with the registered owner being Revitus Property Opportunities Real Estate Investment Trust.

Located in the Bulawayo CBD (Five Street, Eighth Avenue, Bulawayo), the property falls under city of Bulawayo Local Plan no 4 Central Area, Zone 1A, Business Core: Shops and Offices. This property is a multi-storey building comprising ground and mezzanine floor retail; eleven typical office floors served by three passenger lifts. The Net Lettable Space is approximately 6,803.25m<sup>2</sup>.

##### Details of proposed property improvements and rental rates

The building will be repurposed from office use to licensed residential\*, which can include long-stay apartments, lodges and hotels. The proposed facility will have apartments and other supporting facilities like a restaurant, shared work-space and entertainment lounge (bar). The accommodation list comprises of janitor and caretaker rooms, reception, shops, circulation space, 75 apartments, laundry, shared workspaces, restaurant, bar, gym and games room. The design concepts include landscaped balconies and an African feel to the lift lobby. Below is a depiction of the property in its current state and the envisaged look after the refurbishments and repurposing;



**Before Revitalisation - 2023**



**After Revitalisation - 2026**

### Revitus Property Opportunities I-Reit Seed Properties (Phase 3)

PROPERTY	TYPE	LOCATION	DESCRIPTION	NET LETTABLE AREA (M <sup>2</sup> )	PROPERTY VALUE (USD)
<b>Africa House</b> 	Commercial	Five Street/ Tenth Avenue, Bulawayo, Zimbabwe	The improvements include a multi-storey building comprising ground floor retail and nine typical office floors served by three passenger lifts and a goods lift.	<b>Total:</b> 5,833.00m <sup>2</sup> <b>Retail:</b> 847.00m <sup>2</sup> <b>Offices:</b> 4,986.00m <sup>2</sup>	<b>Market Value</b> \$2,440,000  <b>Gross Replacement Value</b> \$11,100,000
<b>Atlas House</b> 	Commercial	53 Robert Mugabe Road, Harare, Zimbabwe	The improvements include a multi-storey building comprising a basement; ground floor retail; five floors of offices from the first to the fifth levels; and plant rooms on the roof.	<b>Total:</b> 2,459.70m <sup>2</sup> <b>Retail:</b> 599.50m <sup>2</sup> <b>Basement:</b> 243.60m <sup>2</sup> <b>Offices:</b> 1,616.60m <sup>2</sup>	<b>Market Value</b> \$1,300,000  <b>Gross Replacement Value</b> \$4,920,000

#### 4.4.4 Seed Property 4 - Africa House

The property is known as stand 19909 Bulawayo Township of Stand 13805 Bulawayo Township measuring a land area of 1,388m<sup>2</sup> and registered as Title deed number 892/2023 with the registered owner being Revitus Property Opportunities Real Estate Investment Trust.

Located in the Bulawayo CBD (Five Street, Tenth Avenue, Bulawayo), the property falls under city of Bulawayo Local Plan no 4 Central Area, Zone 1C, Business Core: Shops and Offices. This property is a multi-storey building comprising ground floor retail and nine typical office floors served by three passenger lifts and a goods lift. The Net Lettable Space is approximately 4,306.00m<sup>2</sup>.



Before Revitalisation - 2023



After Revitalisation

#### 4.4.5 Seed Property 5 – Atlas House

The property is known as stand 2372 Salisbury Township measuring a land area of 595m<sup>2</sup>, registered as title deed number 473/2023 with the registered owner being Revitus Property Opportunities Real Estate Investment Trust.

Located in Harare (53 Robert Mugabe Road, Harare), the property falls under Local Development Plan no 22, Zone 1A Business Core: Commercial Use (Shops). This property is a multi-storey building comprising ground floor retail and nine typical office floors served by three passenger lifts and a goods lift. The Net Lettable Space is approximately 2,459.70m<sup>2</sup>



Before Revitalisation - 2023



After Revitalisation

#### 4.5 Property Deal Pipeline

The Fund has developed a pipeline of prospective properties to be added into the portfolio for intended renovations and repurposing. The Fund is currently in discussions with respective owners consisting of other larger pension funds with a mix of retail and industrial properties.

#### 4.6 Investment Attractions

Property investments generally help enhance and transform economies through infrastructure developments, in the process boosting economic development and employment creation. Investors in such an asset class, however, also benefit from enhanced returns and lower risk.

Key attractions of this Fund to potential investors include:

- **Returns** – By acquiring properties at a discount to replacement cost and adding value to them, the I-REIT Fund seeks to achieve higher returns than would ordinarily be achieved from plain-vanilla property investments. Such returns will be both in the form of enhanced rental income and capital gains from the revaluations of the property.
- **Liquidity** – Being unitised, the I-REIT Fund not only provides an avenue for pension funds to dispose of some of their properties but is also more liquid as compared to direct investment in property. The units being tradable, offer a much shorter time to realize value as compared to disposing direct commercial property which can even take longer than a year.
- **Accessibility and Flexibility** – Unitising also makes it affordable for smaller pension funds to invest in property with the added flexibility of partially disinvesting unlike in direct property investment where an investor is either fully invested or not invested at all.
- **Diversification** – Property provides a good avenue to diversify one's investment portfolio. The Fund itself also provides investors with instant exposure to a number of buildings within the commercial property sector.
- **Compliance** – The I-REIT was accorded Prescribed Asset Status hence by affording pension funds the opportunity to fully or partially dispose some of their properties, the Fund in the process helps such pension funds to comply with asset allocation guidelines set by the regulators as well as minimum investments in prescribed assets, which would otherwise take very long to achieve in the case of direct property.
- **Specialist skills** – Investing through the Fund will enable investors to leverage on unique, specialist skills in reconfiguring and turning around under-performing properties for better occupancies and rental yields. The Property Manager, Dawn Property Consultancy Limited, is a leading property-owning and management company thus providing investors' access to a group with intricate knowledge of the property market.

#### 4.7 Risk Considerations

Like any other investment, investing in this I-REIT Fund is subject to various risks, including but not limited to adverse changes in economic conditions and adverse local market conditions such as the liquidity crunch facing tenants. Environmental laws and regulations, zoning laws and other legislation also need to be taken into consideration. These risks, either individually or in combination, may cause either a reduction in the income or an increase in operating and other costs which may materially affect the financial position and returns of specific Fund investments and the Fund generally.

Some of the specific risk factors include:

#### 4.7.1 General Investment Risks

These include the following:

- **Market risk** – This is the risk arising from movements in financial markets which may adversely affect the market value of investment securities. Maintaining a well-diversified property portfolio would help reduce exposure to this risk.
- **Credit risk** – The risk that entities who owe money to the Fund may fail to repay on time. These may include tenants, buyers who may purchase properties from the Fund or any counterparty for money market investments/placements. Careful selection of tenants and counterparties will be used to manage this risk.
- **Interest rate risks** – Because of their inverse relationship, increases in interest rates generally affect property prices negatively and increases the cost of funding any developments and renovations. The Fund will seek to minimise the impact of any increases in interest rates by keeping borrowings to a minimum and ensuring any such exposures are spread over the long-term.
- **Liquidity risk** – The risk that the market value of the assets may not be realised due to inability to find ready buyers of the assets on the market. The unitised nature of the Fund will enable it to take on smaller investors, thus minimising the liquidity risk exposure.
- **Political risk** – This risk arises from policy changes or political interventions that may adversely affect the existence and/or ownership or market value of investments in general. Changes in legislation, especially taxation laws, may also affect the demand and value of the properties. The Fund will retain the services of legal and taxation experts to help anticipate and manage such risks.

#### 4.7.2 Risks Associated with Property Investments

Property investments are also subject to certain unique risks which may affect the value of the investments or the ability of investors to realise value from their investments. Such risks include:

- **Investment quality risk** – This arises from the decrease in demand for business space. Consequently, changes arise in the level of demand and the location of that demand, the physical nature of the space required and the type of occupation desired. This risk manifests itself through falling net rent, unexpected repair costs, capitalisation rate rises and lower than expected income growth. Ensuring high quality properties with flexible tenancy helps manage the risk.
- **Leasing and Covenant strength risk** – A property held for lease may run the risk that it may fail to realise the anticipated lease rentals owing to failure to find tenants or having tenants who fail to pay the rentals. In addition, the tenant may fail to meet all or major terms of the lease agreement. The Fund will seek to minimise such risks by carefully selecting properties at strategic locations where demand for leasing is high, owning properties that are not specialised hence can be leased to different types of tenants and also have varying lease terms. This is augmented by tenant diversification and careful selection of anchor tenants.
- **Depreciation risk** – This is the risk arising from obsolescence, which is the decline in utility not directly linked to usage or environmental factors. For example, it could be from the changing nature of organisational space requirements. Many buildings are very old and face problems in space configuration when companies choose to downsize. The Fund will seek to target buildings already exposed to such risk hence already have pre-solutions for issues such as space configurations, utilisations and renovations.
- **Renovation risks** – Properties acquired by the Fund will require renovation in order to turn them around and meet its investment objectives. Renovation activities, however, involve the risk that construction may not be completed within budget or on schedule because of cost overruns, work stoppages, shortages of building materials, the inability of contractors to perform their obligations, defects in plans and specifications or other factors. In addition, delay in completing the renovation of a property may result in increased interest and construction costs and the potential loss of previously identified tenants. Reputable, qualified and skilled project managers and contractors will be used with close supervision to manage the risk.
- **Abort costs** – The nature of real estate acquisitions and disposals may entail considerable expenses that may be incurred without the completion of an acquisition, disposal, or leasing of a real estate property. This may include due diligence in relation to potential acquisitions that do not proceed. In addition, conditions precedent may not be satisfied and transactions may be aborted after incurring material expenses. All such expenses will be payable by the Fund and may reduce the returns that would otherwise be received by a Unitholder.

#### 4.7.3 Risks Associated with investing through Real Estate Investment Trust Funds

Some of the risks associated with making the investments through a REIT fund include:

- **Operational risk** – This involves the risk of loss arising from inadequate controls within the Fund or system failure that may adversely affect Unit holders. The use of independent Trustees and Auditors helps minimise exposure to such risks.
- **Financial risks** – The use of leverage to satisfy temporary liquidity requirements may expose the Fund to financial risk, especially in the event of failure to repay the money so borrowed or an increase in interest rates which may adversely affect the Fund. Any such borrowings will be used after careful consideration and have been limited to 30% of the Fund to help manage the risk.
- **Regulatory and Compliance risk** – The Fund is regulated by the Securities and Exchange Commission of Zimbabwe. To protect the investing public, SECZ may impose stringent regulations which may adversely affect the smooth operation and decision making of the Fund and in the event of non-compliance, may incur heavy penalties. The Fund Manager intends to fully comply with all regulatory requirements and actively engage the regulator where it is uncertain.

- **Reputational risk** – The reputation of the Fund is critical for its continued existence and ability to attract investors. Poor performance by the Fund Manager or general negative publicity about the Fund can result in investors redeeming their units, which may result in the Fund failing to meet the cash-flow demands from the investors within the promised timeframes as it may be forced to sell property assets, which may take longer. To manage reputational risk, the Fund will retain reputable managers and advisors, and will maintain good communication channels with the Unitholders and the media.
- **Pricing risk** – Investors may run the risk that the valuations and prices they rely on when investing in the Fund may either be manipulated or erroneously calculated. The Fund has retained Fund Advisors and an independent Trustee to verify all unit calculations and hence reduce exposure to this risk.

## 4.8 Investment Policies and Restrictions

The Fund Manager has put in place policies, guidelines and limits, summarised below, to govern the investment activities of the Fund with a view to achieving the objectives of the Fund whilst seeking to minimise exposure to the risks outlined above. Any variations to limits, restrictions or any prohibitions set hereunder shall require the consent of at least 75% of the Unitholders.

- 4.8.1 **Diversification** – The Fund Manager will ensure that the Fund’s investment portfolio is adequately diversified geographically, across different commercial properties lease and tenant profile. In line with this objective, no single property may account for more than 20% of the Fund’s Net Asset Value at acquisition. Further, not more than 25% of the gross annual rentals for the Fund may be receivable from a single tenant or group of companies. The Fund will seek to achieve the desired diversification and the target portfolio mix within a 24-month period after listing.
- 4.8.2 **Income Yield** – Whilst the Fund Manager will also ensure growth in the value of the acquired properties after turning them around, the primary aim of the Fund is to enhance rental yields from the portfolio properties. Properties will thus be selected for inclusion into the Fund on the basis of their ability to generate rental income taking into account their initial and projected rental yields post turnaround.
- 4.8.3 **Renovations** – Although it is acknowledged that the Fund primarily acquires properties with a view to reconfiguring and turning them around through renovations, such renovations/refurbishments may not exceed 50% of the cost of each property.
- 4.8.4 **Taxation** – The Fund will be managed as to maximise the use of available tax reliefs and allowances, in addition to ensuring the tax-exempt status is maintained for the ultimate benefit of the Unitholders.
- 4.8.5 **Leverage** – The Fund may borrow temporarily in special circumstances such as where there is need to meet redemption requests from exiting Unitholders in anticipation of certain cash-flows or pre-investment of expected cash-flows. Such borrowings, which may be secured against the assets of the Fund, shall not exceed 30% of the Net Asset Value of the Fund. In cases where this limit is exceeded as a result of a change in the Net Asset Value of the Fund, the Manager shall take all reasonable steps to correct the position as soon as is reasonably practicable and in the best interests of Unitholders.
- 4.8.6 **Prohibited Investments** – To ensure consistency with its objectives, the Fund shall not invest in the following:
  - Properties with no title deeds;
  - Land for speculative purposes;
  - Equities, bonds or other quasi-equity instruments other than in pursuance of an acquisition of a targeted property or renovations.

## 5. Financial Information

### 5.1 Forecast Financials

In order to present the Fund's potential financial performance, this Prospectus includes the forecast income statements, cash flows and balance sheet for a projection period of 5 years. The projections are based on the base case assumptions of likely future operational performance, taking into consideration, the anticipated broad operating environment, risks and industry dynamics.

The underlying assumptions and their consequent results may or may not prove to be correct, more-so in the medium to long term, and prospective investors should be guided accordingly. No representations, expressed or implied, are made as to the accuracy of such statements, estimates and projections. Presented below are the forecast financials:

#### Forecast of Income Statement (USD)

	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Gross Rental Income</b>	<b>532,795</b>	<b>1,360,204</b>	<b>3,611,652</b>	<b>6,215,761</b>	<b>6,402,234</b>
Allowance for vacancy and collection losses	159,838	408,061	1,083,496	1,864,728	1,920,670
<b>Net Rental Income</b>	<b>372,956</b>	<b>952,143</b>	<b>2,528,156</b>	<b>4,351,033</b>	<b>4,481,564</b>
Operating Expenses	79,919	204,031	541,748	932,364	960,335
<b>Operating Profit</b>	<b>293,037</b>	<b>748,112</b>	<b>1,986,408</b>	<b>3,418,669</b>	<b>3,521,229</b>
Maintenance Reserve	26,640	68,010	180,583	310,788	320,112
<b>Net Income Available for Distribution</b>	<b>226,397</b>	<b>680,102</b>	<b>1,805,826</b>	<b>3,107,881</b>	<b>3,201,117</b>

#### Forecast of Financial Position (USD)

	Year 0	Year 1	Year 2	Year 3
<b>Assets</b>				
Total assets	18,416,312	18,442,952	26,510,962	35,277,565
<b>Liabilities &amp; Unitholders' Equity</b>				
Equity & reserves	18,416,312	18,442,952	26,510,962	35,277,565
<b>Unitholders equity</b>	<b>18,416,312</b>	<b>18,442,95</b>	<b>26,510,962</b>	<b>35,277,565</b>
<b>Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Equity &amp; Liabilities</b>	<b>18,416,312</b>	<b>18,442,952</b>	<b>26,510,962</b>	<b>35,277,565</b>

#### Key Forecast Assumptions

The forecast financials and financial analysis are based on the following key operating assumptions:

- Forecasts are in USD
- To maintain REIT status, the fund must pay out at least 80% of the taxable income as dividends to investors
- A 5% provision has been made for a maintenance reserve
- The phase 1 property will be refurbished in year 1; phase 2 properties in year 2 and the remaining phase 3 properties in whilst the other 2 properties will be refurbished in year 2 and the remaining 2 in year 4 of operation
- The phase 2 and phase 3 properties will continue to earn rental income on current operations prior to renovations.
- There are no revaluation gains assumed in the forecast period
- The properties are operated by a selected reputed operator

## 6. Pertinent Investor Information and Disclosures

### 5.2 Conflicts of interest

The Trustee, Fund Manager, Property Manager, Fund Advisor, Auditor, Valuer and other Service Providers to the Fund or corporations with which they are associated with may from time to time act in a similar capacity in relation to, or be otherwise involved in, other funds established by parties other than the Fund which have similar objectives to those of the Fund. It might happen that any of them may, in the course of business, have possible conflicts of interest with the Fund. In such cases, each will, at all times, have regard in such event to its obligations to the Fund and will endeavour to ensure that such conflicts are resolved fairly.

Where the Trustee, Fund Manager, Property Manager, Fund Advisor, Auditor, Valuer or any other service provider is aware of a potential conflict of interest with the Fund, such conflicts should be disclosed to all relevant parties including the Trustee and the board of directors of the Fund Manager, and where possible, to all Unitholders, in the event that such conflicts cannot be avoided. In addition, the Fund Manager will not initiate the acquisition or sale of investment properties between the Fund and any other fund that it manages.

The Fund Manager or any of its affiliates or any person associated with the Fund Manager may invest in, directly or indirectly, or manage or advise other property funds or accounts which invest in assets which may also be purchased or sold by the Fund. Neither the Fund Manager nor any of its affiliates nor any person connected with it is under any obligation to offer investment opportunities of which any of them becomes aware to the Fund or to account to the Fund in respect of (or share with the Fund or inform the Fund of) any such transaction or any benefit received by any of them from any such transaction, but will allocate such opportunities on an equitable basis between the Fund and other clients.

When determining the Net Asset Value, the Trustees may rely on valuations provided or attributed to any asset or liability by the Fund Manager. All valuations undertaken by the Valuer in respect of investment properties will be made in accordance with the regulations that govern real estate agents and valuers in Zimbabwe.

### 5.3 Data protection and privacy

The Fund Manager may hold personal data relating to past and present Unitholders. Such information may be kept on the Fund Manager's computer system and/or manually. The Fund Manager is required to specify the purposes for which it will hold personal data and will only use such information for the purposes set out below:

- To process investor's personal data (including sensitive personal data) as required by or in connection with their investment in the Fund including processing personal data in connection with credit and money laundering checks on investors;
- To communicate with investors as necessary in connection with their affairs and generally in connection with their investment in the Fund;
- To transfer individual data to advisors, trustee, auditors and other service providers who assist in the provision of services to investors; and
- To process personal data for the Fund Manager's internal administration.

By becoming registered as a Unitholder in the Fund, an entity becomes a data subject and is deemed to have consented to the processing by the Fund, the Fund Manager or its advisors/service providers of any personal data relating to them in the manner described above.

Any investor in jurisdictions with applicable banking secrecy or other privacy laws may be required to waive the benefits of such laws in order to participate in the Fund. The Fund may not be bound by such laws and may need investors to provide to the Fund such additional non-public information that the Fund may request from time to time.

### 5.4 Indemnification

The Fund Manager, any individual to whom the Fund Manager has given/delegated any of its responsibilities, the Trustee, the Property Manager, the Fund Advisor, the Legal Advisor, the Promoter and their respective employees, officers and agents shall be indemnified and held harmless out of the assets of the Fund against all claims and demands, including costs and expenses arising from or incidental to such claims and demands, incurred by an indemnified party by reason of any contract entered into or in any way in discharge of its duties and obligations to the Fund, except as may arise from an indemnified party's fraud, negligence or wilful act or default.

### 5.5 Material Contracts

The REIT has entered into contracts with various service providers, including architects, engineers and quantity surveyors involved in the design and project management of the envisaged refurbishment and repurposing of the acquired buildings.

### 5.6 Litigation Statement

The REIT 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 REIT Manager and Trustee aware that any such proceedings are pending or threatening.

### 5.7 Voting Rights

Each Unitholder shall be entitled to contribute and vote during meetings called by the Trustee or requisition such meetings of Unitholders as set out in the Trust Deed. A unitholder is also entitled to appoint a proxy to vote in his/her stead.

## 5.8 Tax and Regulatory Compliance

Any income realised by the Fund shall be exempt from taxation provided it remains compliant with the criteria set out under the Finance (No. 2) Act of 2020. However, dividend distributions to Unitholders may be subject to tax depending on the tax status of the Unitholder.

The Fund is licensed and regulated under the Collective Investment Schemes Act, that provides, among other things, that it is governed by a Trust Deed executed between a Fund Manager and Trustee whose role include the running and oversight of the REIT respectively.

## 5.9 Trust Deed

Copies of the Trust Deed may be obtained from the Fund Manager free of charge or may be inspected free of charge during normal working hours at the offices of the Fund Manager or the Trustee.

Subject to the prior approval of SECZ, the Trustee and the Fund Manager may modify, alter or add to the provisions of the Trust Deed if the Trustee feels that the modification or addition either:

- does not materially prejudice the interest of the Unitholders and will not increase the costs and charges payable out of the Trust; or
- is necessary for compliance with any fiscal, statutory or official requirements; or
- is made to correct a manifest error.

Any other modification or supplement requires the approval of an extraordinary resolution passed at a meeting of Unitholders. No modification or addition may impose on any Unitholder any obligation to make a further payment or to accept any liability in respect of his units.

## 5.10 Documents Available for Inspection

The following documents are available for inspection at the offices of the Trustee or REIT Manager during normal working hours upon giving seven days written notice:

- Trust Deed
- Material Contracts entered into by the REIT
- Valuation reports of the properties
- Concepts and designs for the refurbishment and repurposing of the properties
- Reports on feasibility studies done
- Experts Consents

# Appendix - Investor Subscription Pack

## REVITUS PROPERTY OPPORTUNITIES FUND - INVESTOR SUBSCRIPTION PACK

This agreement (or "application form") relates to an offer for subscription of Revitus Property Opportunities Fund equivalent to common units of no-par value in the issued share capital of Revitus Property Opportunities Fund (the "Fund" or the "REIT") at a subscription price of ZWL 400.00 per unit. This application form, when completed, should be submitted by email to [corpserve@escrowgroup.org](mailto:corpserve@escrowgroup.org) and copied to [advisory@ih-group.com](mailto:advisory@ih-group.com) with the original documents provided as instructed in Section A, subsection 3 below under the Terms and Conditions. The Revitus Property Opportunities Fund reserves the right to reject any application for subscription, in whole or in part.

### To the Fund:

I/We, the undersigned, confirm that having read the Prospectus, hereby irrevocably apply for and request you accept my/our application for the under-mentioned number of units, at a subscription price of the ZWL400.00 per unit. I/We undertake to make payment as required for the number of Units applied for. I/We understand that my/our application may be refused in full or in part without reasons being given for such refusal.

#### (A) APPLICANT DETAILS

Title: <u>Mr.</u> , <u>Mrs.</u> , <u>Miss</u> , <u>Dr.</u> , <u>Rev.</u> , <u>Other</u>											
<b>Surname / Name of Company</b>											
<b>First Name(s)</b> ONLY FOR INDIVIDUALS											
<b>Passport/ Identity Number / Company Registration Number</b>											
<b>Postal Address</b>											
Email Address					Telephone Number						
<b>Units Applied For</b>											
<b>Number of Units</b> The minimum application is 1000 units. And in multiples of 100 thereafter (Enter figure only – not words).											
<b>Maximum Amount Paid in ZWL/USD (should be equal to the full number of Units applied for multiplied by the Unit price)</b> Enter figures only – not words						<b>ZWL/USD</b>					
<b>Applicant's Bank Account Details for Payments of Refunds, Dividends, and any other Income</b>											
<b>Bank Name</b>					<b>Branch Code</b>						
<b>Branch Name</b>				<b>SWIFT Code</b>							
<b>Account Number</b>											
<b>Custodian Name</b>					<b>ZSE ACCOUNT NUMBER</b>						

PLEASE SIGN AND DATE THIS FORM BELOW, WHEN YOU HAVE COMPLETED YOUR DETAILS.

Signature(s):	Date:

#### (B) REVITUS PROPERTY OPPORTUNITIES ZWL BANK ACCOUNT DETAILS FOR PAYMENT OF SUBSCRIPTION FUNDS

<b>Bank Name</b>	STANBIC BANK ZIMBABWE LIMITED				<b>Branch Code</b>	3102							
<b>Branch Name</b>	INVESTOR SERVICES			<b>SWIFT Code</b>	S	B	I	C	Z	W	H	XXX	
<b>Account Name</b>	REVITUS PROPERTY OPPORTUNITIES FUND												
<b>Account Number</b>	9	1	4	0	0	0	4	9	7	7	6	4	4

#### (C) REVITUS PROPERTY OPPORTUNITIES NOSTRO (USD) BANK ACCOUNT DETAILS FOR PAYMENT OF SUBSCRIPTION FUNDS

<b>Bank Name</b>	STANBIC BANK ZIMBABWE LIMITED				<b>Branch Code</b>	3101							
<b>Branch Name</b>	INVESTOR SERVICES			<b>SWIFT Code</b>	S	B	I	C	Z	W	H	XXX	
<b>Account Name</b>	REVITUS PROPERTY OPPORTUNITIES FUND												
<b>Account Number</b>	9	1	4	0	0	0	7	8	5	2	4	3	5

## 1. Subscription Terms And Conditions

### A. APPLICATIONS

1. Application lists will open at 0800 on Thursday, 16 November 2023, and will close at noon on Thursday, 07 December 2023.
2. Copies of completed application forms must be emailed to corpserve@escrowgroup.org and copied to <advisory@ih-group.com>
3. Original applications must be mailed or delivered by hand to Corpserve (Private) Limited, P.O Box 2208, Harare.
4. Original applications received after the closing date will not be accepted.

### B. PAYMENTS

This offer is open to both local and foreign investors. Applicants should make payments to NRZ REIT- DATVEST CAPITAL ZWL or FCA designated bank accounts indicated in (B) and (C) above and provide evidence that payment has been made.

#### PLEASE NOTE THAT 3<sup>rd</sup> PARTY DEPOSITS ARE NOT ALLOWED

Subscriptions for the Units may be done in either ZWL or USD currencies. Shareholders who wish to subscribe to the Units in ZWL currency should deposit the funds in the ZWL account as set out in B above, while Shareholders who wish to subscribe to the Units in USD currency should deposit the funds in the Nostro account as set out in C above.

**Please note that; - the offer price is ZWL400.00 per unit. The gross amount subscribed in USD currency will be converted to ZWL currency at the interbank rate ruling on the Allotment Date, Tuesday 12 December 2023**

### C. OTHER TERMS AND CONDITIONS

1. Applications must be for a minimum of 1000 Units and multiples of 100 thereafter. Original application documents including proof of payment must be submitted before the closing time of the offer for the application to be accepted.
2. Any material alterations on the application form, other than the deletion of alternatives, must be authenticated by the full signature of the applicant.
3. Applications will be irrevocable and may not be withdrawn.
4. ONLY ONE APPLICATION WILL BE ACCEPTED FROM AN APPLICANT OR JOINT APPLICANT. Applicants other than the recognised nominee companies who submit more than one application render themselves liable to have ALL their applications rejected.
5. Persons or companies applying in a nominee capacity must disclose their principals' names, ID numbers addresses, and the number of Units applied for each principal.
6. Applicants warrant and undertake that neither they nor their principal, beneficiary or any affiliate are a politically exposed person or the subject of any sanctions, regulatory actions or criminal prosecutions.
7. No receipts or remittances will be given for applications.
8. The Fund reserves the right, at its discretion, to refuse any application for any shares and/ or to abate applications on a basis to be determined by it.
9. If an application is accepted for a lesser number of units than that applied for, Corpserve (Private) Limited will notify the applicant accordingly.
10. Should the number of Units notified to be allotted not correspond with the payment received, Corpserve (Private) Limited shall adjust the Units applied to meet the funds received.
11. Notification of the number of Units allotted shall be notified by Corpserve (Private) Limited to successful applicants.
12. Applicants are required to lodge KYC documents in support of applications with Corpserve (Private) Limited. Individual investors must provide a certified copy of their ID or valid passport and proof of residence (in the form of a utility bill not more than 3 months old) while a company/institution must provide company registration documents such as a CR16 and certified copies of IDs/valid passports and proof of residence of its directors or other controlling individuals. Please ensure that original and emailed copies of applications are accompanied by original and copy KYC documents respectively.
13. The Company reserves the right not to allot shares to; Applicants whose payment has not been received by the receiving bank at the close of the offer. Applicants who fail the Anti Money Laundering (AML) verification check.
14. In the event of an oversubscription and part allotment of the original shares applied for, Corpserve will deliver the Allotment Letter and the corresponding refund in the bank account number captured in the application form of the Investor

**Eligibility:** The offer is open to all Zimbabweans and non-Zimbabweans, individuals and corporates, who meet the eligibility criteria to invest and hold units in registered Collective Investment Trusts.

## 2. Subscription Processes

### Available Subscription Methods

Investors have an option to apply for the Offer for Units through the conventional processes (Physical Application) or through the online process (Appropriate IPO Technology). The details of the two options mentioned above are provided below:

#### I. ONLINE PROCESS

Online option will be delivered through C-TRADE and ZSE Direct. The online process will greatly simplify the IPO application process for both retail and institutional investors across all geographical locations eligible to participate in this offer. The steps involved under each of the two channels mentioned above are mentioned hereunder:

## C-TRADE

A capital markets innovation that provides for financial inclusion, seamless primary and secondary market trading of security instruments through the participation of both retail and institutional investors in financial and capital markets. The innovation is delivered through Mobile Application, USSD and Web Portal channels.

### i) Existing Account Holder.

Under the C-TRADE, the first step is to log onto the platform (for existing account holders) through either the Mobile Application or Web Portal channel using valid credentials and follow the following Customer Journey:

- Log on to C-TRADE.
- Select C-TRADE LIVE.
- Fund your C-TRADE Wallet
- Click on IPO Button.
- Select REVITUS PROPERTY OPPORTUNITIES FUND IPO Offer.
- Click on Bid.
- Enter the number of shares you would like to subscribe.
- The system will automatically calculate the consideration.
- Once satisfied, click on Place Order.

### ii) Non-C-TRADE Account Holder.

Investors who do not have an existing C-TRADE account should create their accounts through Mobile Applications (IOS & Android), USSD or Online. The investors will observe the following process:

- Investor inputs the following KYC details: First Name, Surname and ID Number.
- Investor provides details of his/her Bank Account in Zimbabwe. This parameter serves two purposes:
  - The investor's full KYC records are held by and obtainable from the referred bank in Zimbabwe.
  - The referred bank account is the account into which IPO refunds and future dividend payments and other income to the investor will be paid by the REVITUS PROPERTIES OPPORTUNITIES FUND.
- In respect to account registrations on mobile (USSD) platforms, C-TRADE shall lock the registered account to the mobile number used in the registration. This parameter serves two purposes:
  - The registered account will not be accessible through any other mobile number except the mobile number that originated the account.
  - The investor's full KYC records are held by the Mobile Network Operator ("MNO") through which the account has been opened.
- On creation of a C-TRADE account, the C-TRADE engine will automatically interrogate the AML & CFT database to verify that the prospective investor is not on sanctions list provided by RBZ and constantly uploaded and updated by the Investment Administrator. Where the created accounts are on the sanctions list, these will be reported to Investment Administrator with a direction to terminate the account.
- C-TRADE sends an account creation confirmation once the account has been verified and approved (for a new account).

## ZSE DIRECT

ZSE Direct serves as an accessible, user-friendly online and mobile platform designed to provide a comprehensive array of functionalities for users engaging in the trading, buying, and selling of securities listed on the Zimbabwe Stock Exchange (ZSE). The Platform offers a flawless interface for investors, enabling them to not only view their CSD holdings but also participate actively in the dynamic world of securities trading. It encompasses tools and features that allow for the examination of market trends, the execution of trades, and the management of investment portfolios. With its user-centric design and accessibility through web and mobile interfaces, ZSE Direct empowers users with the means to make informed investment decisions and take part in the vibrant marketplace of ZSE-listed securities.

### i) For Existing ZSE Direct Clients:

You can access the ZSE Direct through our Web platform or download the application on Google Play Store and on Apple Store. Below are the steps to access the NRZ-REVITUS IPO on the platform:

- Login to your ZSE direct account
- Click on the IPO tab and complete the registration form
- Specify the number of units you need to subscribe to
- After the review of the terms and conditions, investors submit their form
- Upon submission, the user is directed to a page displaying banking details for the IPO
- Investors select a payment method, conduct the transaction, attach the proof of payment (POP), and submit the payment form.
- A success message confirms the transaction, redirecting the investor to a table listing the applied IPOs.

### ii) For Non-Existing ZSE Direct Clients:

Visit the ZSE Direct through the Web platform [www.zsedirect.co.zw](http://www.zsedirect.co.zw)

- Click on the IPO tab to begin the account registration process.
- Complete the account creation form with your personal details
- Create a password then proceed to read and accept the Terms and Conditions.
- Once done click on submit
- Enter your banking details
- Upload your proof of residence in PDF format.
- Upload a picture of yourself and a picture of your national ID.
- Verify your email through the verification link

After finishing the registration, proceed to log in.

- Login to your ZSE direct account
- Click on the IPO tab and complete the registration form
- Specify the number of units you need to subscribe to
- After the review of the terms and conditions, investors submit their form
- Upon submission, the user is directed to a page displaying banking details for the IPO
- Investors select a payment method, conduct the transaction, attach the proof of payment (POP), and submit the payment form

## II. PHYSICAL APPLICATION PROCESS

The offline process is the traditional mode for applying for IPO shares whose process is given below:

- The first step is to download the IPO application form available from any of the following websites  
[www.corpserveregistrars.org](http://www.corpserveregistrars.org)  
[www.cbz.co.zw](http://www.cbz.co.zw)  
[www.ih-group.com](http://www.ih-group.com)  
or use the application form enclosed in the Prospectus that has been widely distributed.
- Investors have to fill out the mandatory details like the name, ID details, Shares Applied for, Amount Paid, Custodian Bank, ZSE Depository Account Number, Bank Account Details and Investor's Address.
- The duly filled Application Form must be submitted to Corpserve Transfer Agents or the Sponsoring Broker
- Investors will process their payments into the NRZ - REVITUS subscription account and directed under Section 5.7 ("Payment of Subscription Amount"). To authenticate the payment done, Investors should accompany their application with proof of payment from the bank upon submission of the application.
- Upon receipt of the application form and payment, Corpserve will process the application into the IPO system.
- At the close of the offer and upon allotment, Corpserve will issue Allotment Letters to all the qualifying shareholders.



# REVITUS

REDESIGN | RENOVATE | REGENERATE

upcs



CBZ Wealth Management Centre, Cnr  
Edinburgh/Campbell Rd,  
Pomona, Borrowdale, Harare  
P.O Box HG 480, Highlands, Harare

revitusreit.co.zw    