



Real Estate Investment Trust

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

ABRIDGED CIRCULAR TO UNITHOLDERS

Relating to investment evaluation of asset information and the seeking of approval for the acquisition, from Modern Touch Investments (Private) Limited, of 100% of Highland Park Phase 2 by the Tigere Property Fund, through the issuance of 351,282,000 new Tigere REIT Units.

AND INCORPORATING

A NOTICE OF AN EXTRA ORDINARY GENERAL MEETING

To be held via online Teleconference on Thursday the 29th of August 2024 at 09:00 hours, which notice was published on Wednesday the 14th of August 2024 in accordance with the requisite provisions of the ZSE Listing Requirements and is set out at the end of this document. Unitholders are asked to complete and return the attached Form of Proxy in accordance with the instructions printed thereon, as soon as possible, but not later than forty-eight hours (48 hours) before the time of the EGM.



Date of Issue: Wednesday 14th of August 2024

ACTION REQUIRED

- Unitholders are invited to attend the Extraordinary General Meeting ("EGM") convened by the EGM Notice contained herein;
- Unitholders who are unable to attend the EGM, but wish to be represented thereat should complete and sign the Proxy Form included in this Abridged Circular;
- Unitholders are invited to attend the Extraordinary General Meeting ("EGM") convened by the EGM Notice contained herein;
- Unitholders who are unable to attend the EGM, but wish to be represented thereat should complete and sign the Proxy Form included in this Abridged Circular return to the Transfer Secretaries by 0900 hours on the 27th of August 2024;
- If you are in any doubt as to the action you should take, please consult your stockbroker, fund manager, or other professional advisor.

Event	Date
Notice of EGM published	Wednesday, 14th of August 2024
Circular distributed to Unitholders	Wednesday, 14th of August 2024
Last day of lodging Forms of Proxy for the EGM at 0900hrs hours	Tuesday, 27 th of August 2024
Tigere REIT EGM at 0900hrs	Thursday, 29 th of August 2024
Publication of EGM resolution results	Monday, 2 nd September 2024

Valuation of Highland Park Phase 2	A market value of US\$10,825,000, as determined by the Independent Property Valuer
Total Value of purchase Consideration	Total Net Asset Value of target property being purchased of US\$11,294,810, inclusive of US\$602,350 in cash, less tenant deposits of US\$132,540
Number of Units to be Issued	351,282,000 units shall be issued in lieu of the purchase. The newly issued units will represent 32.8% of the post-transaction number of units in issue upon completion of the transaction.
Enlarged Number of units in issue upon transaction closure	1,070,605,000 Units
Implied Issuance Price	The implied issuance price per acquisition unit is USD0.0322, which is a 2.9% premium on the fund's NAV as at 31 December 2023
Tigere REIT NAV per unit at 31 December 2023	USD0.0313

4. Brief overview of Highland Park Phase 2

The target property is situated on Lot 230 of Highlands Estate of Welmoed, held under deed of transfer No. 7750/2022. Following the completion of Phase 1 in June 2022, there was a request by consumers for an improved food and beverage offering as well as additional convenience stores such as banks and a pharmacy. Phase 2 was subsequently developed for the purpose of satisfying this excess demand. Construction on phase 2 started in November 2022 and was completed in December 2023.

Lettable Area (m ²)	Completion	Key Tenants	Occupancy	Weighted Average Lease Expiry (WALE)	Proforma Net Income p.a.
2,930 m ²	December 2023	Booties, Spur Rocomamas	100%	3.63 years	US\$949,668

37% of Highland Park Phase 2's income is generated by entities operating under the Simbisa Brands umbrella. Exposure to large listed multinational tenants (FCB, CBZ and Simbisa) provides diversification of risk and stability in rental income for the asset. Additionally, as a sub-anchor tenant, Booties Pharmacy, offers an inelastic demand-driven business model owing to its solidified position as a leading brand within the pharmaceutical industry.

The target property's tenant mix therefore aligns with the fund's overarching objective of providing an 'attractive risk-adjusted, hard-currency yield with low expense ratio and consistent dividend flow.

5. Transaction structure & pricing

Subject to Unitholder approval, the Tigere REIT and its board proposes to acquire a 100% interest in Highland Park Phase 2 currently held by Modern Touch Investments. The target property, situated on stand Lot 230 Highlands Estate of Welmoed, will be acquired at a total purchase consideration of US\$11,294,810 (Eleven Million Two Hundred and Ninety-Four Thousand, Eight Hundred and Ten United States Dollars) ("Transaction Consideration"). The total purchase consideration and settlement of the Proposed Transaction is based on the aggregate net asset value of the target property, and has been calculated on the following basis:

- Valuation of US\$10,825,000, as indicated by the Independent Valuer, Knight Frank Zimbabwe.
- Cash of US\$602,350, less tenant deposits held of US\$132,540
- The Transaction Consideration shall be settled through the issuance of new Tigere REIT units calculated on the basis of a negotiated asset swap agreement between the Tigere Property Fund and Modern Touch Investments (Private) Limited;
- Modern Touch Investments has agreed to settle the property-related costs in the transaction, being stamp duties and conveyancing fees.

Given the outcome of the aforesaid negotiation between the two parties, the Tigere Property Fund will issue 351,282,000 new Tigere REIT units ("the Acquisition Units") in exchange for the Highland Park Phase 2 assets.

6. Effects on Income yield

Below is a high-level summary of the proposed transaction

	Audited Tigere FY23 Results	Tigere FY23+ HP2 Combined
Net Income	1,104,736	2,054,404
Investment Property	22,360,000	33,185,000
NAV	22,546,948	33,841,758
Net Investment Property Yield	4.94%	6.19%
Net Asset Value Yield	4.90%	6.07%
Basic and Diluted EPS (US Cents)	0.1536	0.1919

Highland Park Phase 2 is being purchased at an acquisition yield of approximately 8.41%. The yield accretive nature of the transaction is further displayed in the table above. The Tigere REIT investment property yield and yield on NAV will increase to 6.2% and 6.07%, respectively. The earnings per share metric shows a 25% post-transaction increase, thereby providing additional evidence of the acquisition's accretive nature.

7. Rationale for the transaction

The decision made by the REIT Trustee and Manager to acquire Highland Park Phase 2 is based on the asset's ability to increase the yield generated by the REIT and provide further counterparty lease diversification and NAV growth in line with the REITs investment objectives. The organic growth of the fund will further support the realisation of economies of scale and increased cost savings. The detailed rationale for the acquisition is outlined below:

7.1 Yield Accretion

Highland Park Phase 2 currently generates an income yield on NAV of 8.8% per annum while Highland Park Phase 1 and Chinamano Corner have a combined yield on NAV of 4.9%. The acquisition will therefore result in a consolidated yield of 6.07% per annum for the Tigere Property Fund. The increased yield will benefit unitholders through higher distributable income per unit owned.

Notes:

- The dates stated above are subject to change at the discretion of the REIT Trustee and any such change will be communicated through the Zimbabwean press or the Tigere REIT website.
- All times given in this Circular are local times in Zimbabwe.
- If the EGM is adjourned or postponed, Forms of Proxy submitted in respect of the EGM will remain valid in respect of any adjournment or postponement thereof.
- If the proposed Transaction is approved by Unitholders at the EGM, update announcements will be made on progress regarding completion of any outstanding Conditions Precedent.
- Upon receipt of this Abridged Circular, the recipient should:
 - Read this Document in conjunction with the full circular. If you are in doubt as to the action you should take, you should immediately seek advice from your stockbroker, fund manager, legal advisor, accountant, or other professional advisor; and
 - Attend the EGM to be held at 09:00 hours on Thursday the 29th of August 2024 and vote on the resolutions that will be required to give effect to the proposed Transaction as presented in this Circular.

Unitholders who are unable to attend the EGM, but who wish to be represented thereat, should complete and sign the Proxy Form included in this Document and ensure that it is either lodged at the offices of the Transfer Secretaries at 21 Natal Rd, Avondale, Harare, Zimbabwe, or scanned and emailed to pmberikwavo@zb.co.zw so that it is received by the Transfer Secretaries by 09:00 hours, on Tuesday the 27th of August 2024.

Documents Available for Inspection

Copies of the following documents will be available for inspection between 16th of August 2024 and 29th of August 2024 during normal working hours, at the offices of the Lead Transaction Advisor & Sponsor as well as at the REIT Manager's Registered Offices, at the addresses set out in the "Corporate Information" section at the beginning of this document:

- The Tigere Property Fund Trust Deed;
- The Independent Property Valuers' Report on Highland Park Phase 2 as at 19th July 2024;
- Highland Park Phase 2 Title Deed in favour of Modern Touch Investments (Private) Limited;
- The Sale and Purchase Agreement entered into with Modern Touch Investments (Private) Limited;
- The independent Reporting Accountants Reports on the audited financial statements for the financial years ended 31st December 2023 and 31st December 2022 for Tigere REIT;
- The Fairness and Reasonable Opinion by the Independent Financial Advisor;
- Tigere Advisory Board and Advisory Board Investment Committee approval
- The written consents of the Advisors; and
- The ZSE approval letter for the distribution of the Circular.

DETAILS OF THE PROPOSED TRANSACTION

1. Background

The Tigere Property Fund ("Tigere REIT" or "the REIT") is a closed end fund established and approved by SECZIM as a Real Estate Investment Trust on 14th July 2022 and duly registered by notarial deed in the Deeds Office on 11th August 2022 under MA Number 1675/2022. The fund was listed on the ZSE during November 2022.

The overall strategy of the REIT is to generate income and capital growth through the acquisition of eligible and income generating real estate investments. These real estate investments will be used to generate a return for the Unitholders. The REIT will generate this return by investing in both accretive completed real estate acquisitions and new development activity (such that value of development activity shall be no greater than 20% of NAV) to deliver on its mandate. The Tigere REIT shall further have infrastructure development goals to drive economic growth within the regions it operates in. Ultimately it is the goal of the Tigere REIT to ensure stable income generation through investment in quality real estate assets backed by long term leases.

2. The Proposed Transaction

On the 22nd of July 2024 the Tigere Property Fund and Modern Touch Investments entered into a Purchase Agreement in terms of which the Tigere Property Fund shall acquire a 100% interest in Highland Park Phase 2 which is currently held by Modern Touch Investments, to be settled exclusively through the issuance of new Tigere REIT units to be allotted to Modern Touch Investments.

The proposed acquisition of Highland Park Phase 2 from Modern Touch Investments is a related party transaction for the purposes of the ZSE Listings Requirements because Modern Touch Investments is an associate company to Frontier Real Estate Development (Pvt) Ltd, which is a significant Unitholder, holding 39.2% of the voting rights in the Tigere REIT at the time of issuance of this Circular. Consequently, Frontier Real Estate Development (Pvt) Ltd will be precluded from voting at the EGM on the resolution regarding the Proposed Transaction.

3. Disclosure

Frontier Real Estate Development (Private) Limited is a pan-African real estate development company that finances and owns a portfolio of strategically located sites including, retail malls, logistics centres, fuel stations and other commercial properties - all currently operating within the SADC region. The company is owned by three trusts with beneficial interests, namely Roimba Trust (33.33%); Celsia Trust (33.33%) and Lemnos Trust (33.33%). Directors of Tigere with common interest in Frontier include Michael Phillip Craft and Anthony Howard Benatar.

7.2 Lease Diversification

Highland Park Phase 2 adds a diverse mix of quick service restaurants to the tenant portfolio of the REIT. The additional Phase 2 product offering has already improved foot traffic in Highland Park Phase 1, which is a testament to the synergistic benefit of the proposed Transaction.

7.3 Strategic Location

Given the adjacency of Highland Park Phase 2 to Highland Park Phase 1, the acquisition allows the consolidation of the two assets to form a unified shopping centre for continued growth.

7.4 Synergies with Highland Park Phase 1

There are substantial economies of scale generated through the acquisition of Highland Park Phase 2. Synergies such as shared complex infrastructure - roads, IT and office system, sewerage infrastructure, traffic lights and shared parking with Phase 1 will boost the overall yield for both assets. Further cost savings can benefit the REIT through the sharing of utility and operational costs including cleaning, security, landscaping and maintenance works

7.5 NAV Growth

The Tigere REIT has an ambitious yet achievable target to reach a net asset value of US\$100m within the next five years (by 2028) as part of its accretive yield growth strategy. The acquisition of Highland Park Phase 2 will increase the current NAV from US\$22,538,025 to approximately US\$33,841,758 upon completion of the transfer. Hence, this represents a major step towards achieving the aforesaid objective. The REIT has consistently communicated its intent to fund growth through the issuance of new units.

7.6 Tigere REIT Cost Synergies

The Tigere Property Fund will have a lower relative fee as a percentage of NAV. Certain fixed costs and fees will provide economies of scale as the fund grows. Items such as valuation, audit, legal and annual ZSE listing fees will provide for relative savings. This will improve the basic and diluted earnings per share and benefit overall distributions to unitholders.

8. Transaction Structure

The transaction has been agreed as an effective asset swap between buyer and seller. In exchange for the completed Highland Park Phase 2 development, the Tigere Property Fund (buyer) will issue new Tigere units to Modern Touch Investments (Private) Limited. Despite the currency denomination differences between the two assets, an agreement of this nature was made possible due to the USD-earning power of the Tigere Property Fund. The Seller was amenable to receiving Tigere REIT units due to the historic liquidity and frequent USD dividends which make them suitable as a medium of exchange.

9. Conditions Precedent

The Proposed Highland Park Phase 2 acquisition is subject to the fulfilment of the following conditions precedent:

Condition Precedent	Status
Approval of the Transaction by Modern Touch Investments Board of Directors.	Fulfilled
Approval of the Transaction by the Tigere REIT Advisory Board.	Fulfilled
Agreement by the Parties of a 12-month USD-backed income guarantee	Fulfilled
Approval of the Transaction by unitholders of Tigere REIT Limited at the EGM to be held on Thursday the 29 th of August 2024 in terms of the EGM Notice.	Outstanding

10. Regulatory Issues

This Abridged Circular is issued in compliance with the ZSE Listings Requirements. The Listings Committee of the ZSE met and approved the Proposed Transaction on 9th of August and granted approval for the publication of the Abridged Circular, EGM Notice and the distribution to Unitholders of this Circular in respect of the Proposed Transaction.

11. Expert' consents

MMC Capital, Kreston Zimbabwe, PKF Chartered Accountants, and ZB Transfer Secretaries have given, and have not withdrawn, their consents to the issue of this Circular with the inclusion of their logos, names and reports in the forms and contexts in which they appear

APPENDIX I: NOTICE OF EXTRAORDINARY GENERAL MEETING 'EGM'



(A Real Estate Investment Trust duly registered in the Deeds Office on 11 August 2022 under Deed Number MA 1675/2022)

NOTICE IS HEREBY GIVEN THAT the Extraordinary General Meeting of members of Tigere Real Estate Investment Trust Fund ("Tigere REIT" or the "REIT") will be held via teleconference on 29th August 2024, at 0900hours. Members will be asked to consider, and if deemed fit, to pass with or without modification, the resolutions set out below:

AS SPECIAL RESOLUTIONS:

1. The Proposed Transaction

"THAT the Tigere REIT and its advisory board be and are hereby authorized to acquire Highland Park Phase 2 by way of a unit placement. In particular, the fund will issue 351,282,000 new Tigere REIT units to Modern Touch Investments (Private) Limited ('the seller') in exchange for the Highland Park Phase 2 asset.

AS ORDINARY RESOLUTIONS:

2. Managers' authority to give effect to the above resolutions

"THAT the Tigere REIT's Advisory Board, Trustee and Investment Committee be and are hereby authorized to do any and all such things as may generally be required or necessary to give effect to the above Special Resolution."

TIGERE REIT MANAGER

Brett Abrahamse, Managing Director, Terrace Africa Asset Management

APPENDIX I: FORM OF PROXY



I/We

(Name in block letters)

Of

(Detail of holder)

Being the holder of _____ units in the REIT hereby appoint _____ (Name of Proxy)

As my/our proxy to act for me/us at the EGM for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat, and at each adjournment or postponement thereof, and to vote for and/or against the resolutions and/or abstain from voting in respect of the units in the issued share capital of the Company registered in my/our name in accordance with the following instructions:

SPECIAL RESOLUTIONS		For	Against	Abstain
1.	Acquisition of Highland Park Phase 2 "THAT the Tigere REIT and its advisory board are hereby authorized to acquire Highland Park Phase 2 by way of a unit placement. In particular, the fund will issue 351,282,000 new Tigere REIT units to Modern Touch Investments (Private) Limited ('the seller') in exchange for the target property, Highland Park Phase 2".			
ORDINARY RESOLUTIONS		For	Against	Abstain
1.	REIT Managers' Authority to give effect to the above special resolution "THAT the Tigere REIT's Advisory Board, Trustee and Investment Committee be and are hereby authorized to do any and all such things as may generally be required or necessary to give effect to the above Special Resolution".			

Every person present and entitled to vote at the EGM shall, on a show of hands, have one vote only, but in the event of a poll, every share shall have one vote.

Signed this _____ Day of _____

Signature (s) _____

Assisted by me

Full name(s) of signatory/ies if signing in a representative capacity (see note 2) (PLEASE USE BLOCK LETTERS).

NOTES TO THE FORM OF PROXY

- A Unitholder may insert the name of a proxy or the names of two alternative proxies of the Unitholder's choice in the space provided, with or without deleting "the Chairman of the EGM", but any such deletion must be initialed by the Unitholder. The person whose name appears first on the form of proxy will, unless his/her name has been deleted, be entitled to act as proxy to the exclusion of those whose names follow.
- A Unitholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that Unitholder in the appropriate space/s provided as well as by means of a cross whether the Unitholder wishes to vote, for, against or abstain from the resolutions. Failure to comply with the above will be deemed to authorize the proxy to vote or abstain from voting at the EGM as he/she deems fit in respect of the entire Unitholder's votes exercisable thereat. A Unitholder or his/her proxy is not obliged to use all the votes exercisable by the Unitholder or by his/her proxy, or cast them in the same way.
- A deletion of any printed matter and the completion of any blank spaces need not be signed or initialed. Any alteration or correction must be initialed by the signatory/ies.
- The Chairman shall be entitled to decline to accept the authority of a person signing the proxy form:
 - under a power of attorney
 - on behalf of a company unless that person's power of attorney or authority is deposited at the offices of the Company's transfer secretaries, or the Registered Office of the Company, not less than 48 hours before the meeting.
- If two or more proxies attend the meeting then that person attending the meeting whose name appears first on the proxy form and whose name is not deleted, shall be regarded as the validly appointed proxy.
- When there are joint holders of units, any one holder may sign the form of proxy. In the case of joint holders, the senior who tenders a vote will be accepted to the exclusion of other joint holders. Seniority will be determined by the order in which names stand in the register of members.
- The completion and lodging of this form of proxy will not preclude the member who grants this proxy form from attending the EGM and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof should such member wish to do so.
- Please ensure that name(s) of the member(s) on the form of proxy and the voting form are exactly the same as those on the share register
- Frontier Real Estate Development Private Limited and Terrace Africa Staff Incentive Scheme, will abstain from the vote because they are related parties.