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MUTAPA INVESTMENT FUND

Newsletter

VOLUME 1 | ISSUE 01

WHO WE ARE

Mutapa Investment Fund (the Fund) is the Sovereign Wealth Fund of Zimbabwe established by an Act of Parliament Chapter [22.20], as amended. It is the strategic investment arm of the Government of Zimbabwe which was capitalised with the transfer of selected state-owned enterprises and investments under the Government portfolio.

Our Vision

To secure a successful future for Zimbabwe.

Our Mission

To preserve and grow wealth on a sustainable basis from the Fund's portfolio companies and investments for Zimbabwe's current and future generations.

THE SOVEREIGN WEALTH FUND OF ZIMBABWE

Editor's Note

Rugare Dhobbie

We are delighted to present the inaugural edition of the Mutapa Investment Fund newsletter, your premier source for uncovering the vast investments in our dynamic and rapidly growing economy as we stride towards achieving the Sustainable Development Goals by 2030.

In this inaugural edition, we highlight key sectors poised for growth, carefully vetted by our team of experts to ensure exceptional quality and potential returns on investment. Our country offers a unique blend of stability, innovation, and growth, aligning with our heritage-based education 5.0 framework, making it an attractive destination for investors seeking to diversify their portfolios.

At Mutapa Investment Fund, we are committed to providing a supportive environment for investors, with a streamlined regulatory framework and attractive incentives. We are in the process of facilitating a significant loan of US$431 from the African Export-Import Bank (Afriexirnbank) to support National Railways of Zimbabwe's infrastructural rehabilitation efforts, demonstrating our ability to drive impactful projects. This is just the beginning of our journey to transform our economy into an upper-middle-income economy by 2030.

As we embark on this path, we are resolute in shaping the future of Zimbabwe. We invite you to join us on this exciting journey and discover the immense opportunities waiting to be unlocked.

Enjoy your read!

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OUR PURPOSE

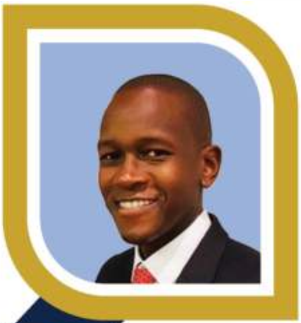
The Fund's purpose is to preserve and grow wealth for Zimbabwe from investee companies under its ambit. The Fund is therefore designed to lay a strong economic foundation to anchor the long-term sustainable growth of the economy in line with the aspirations of Vision 2030 of transforming Zimbabwe into a prosperous Upper Middle income Country that provides high quality of life to all its citizens by 2030.

The Fund achieves its mandate by providing strategic leadership and oversight to its portfolio companies. This is necessary to drive economic growth, create jobs, and generate value and wealth for the nation. As a strategic investment arm, we are committed to leveraging on the balance sheets of our portfolio companies, applying sound corporate governance, and fostering partnerships with global investors to achieve sustainable economic development.

Our aspiration is to secure a prosperous future for Zimbabwean citizens by enhancing the quality of their livelihoods and contributing to the nation's development objectives and generational wealth. With a focus on long-term value and wealth creation, we are dedicated to building a robust and diversified portfolio that reflects the country's dynamic economy and investment opportunities.

BOARD OF DIRECTORS

Chipo Mtasa
(Chairman)



Lesley Ndlovu
(Vice Chairman)

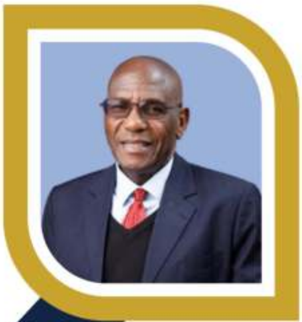
John P. Mangudya *(CEO)*

Simba Chinyemba *(CIO)*

Farai Mutamangira

Prasad Bhamre

Charity C. Jinya



Bartholomew Mswaka

Thembelihle Khumalo

Marc Holtzman

Nqobile Ndlovu

Douglas Hoto

SENIOR MANAGEMENT

John .P Mangudya
(Chief Executive Officer)

Simba Chinyemba
(Chief Investment Officer)

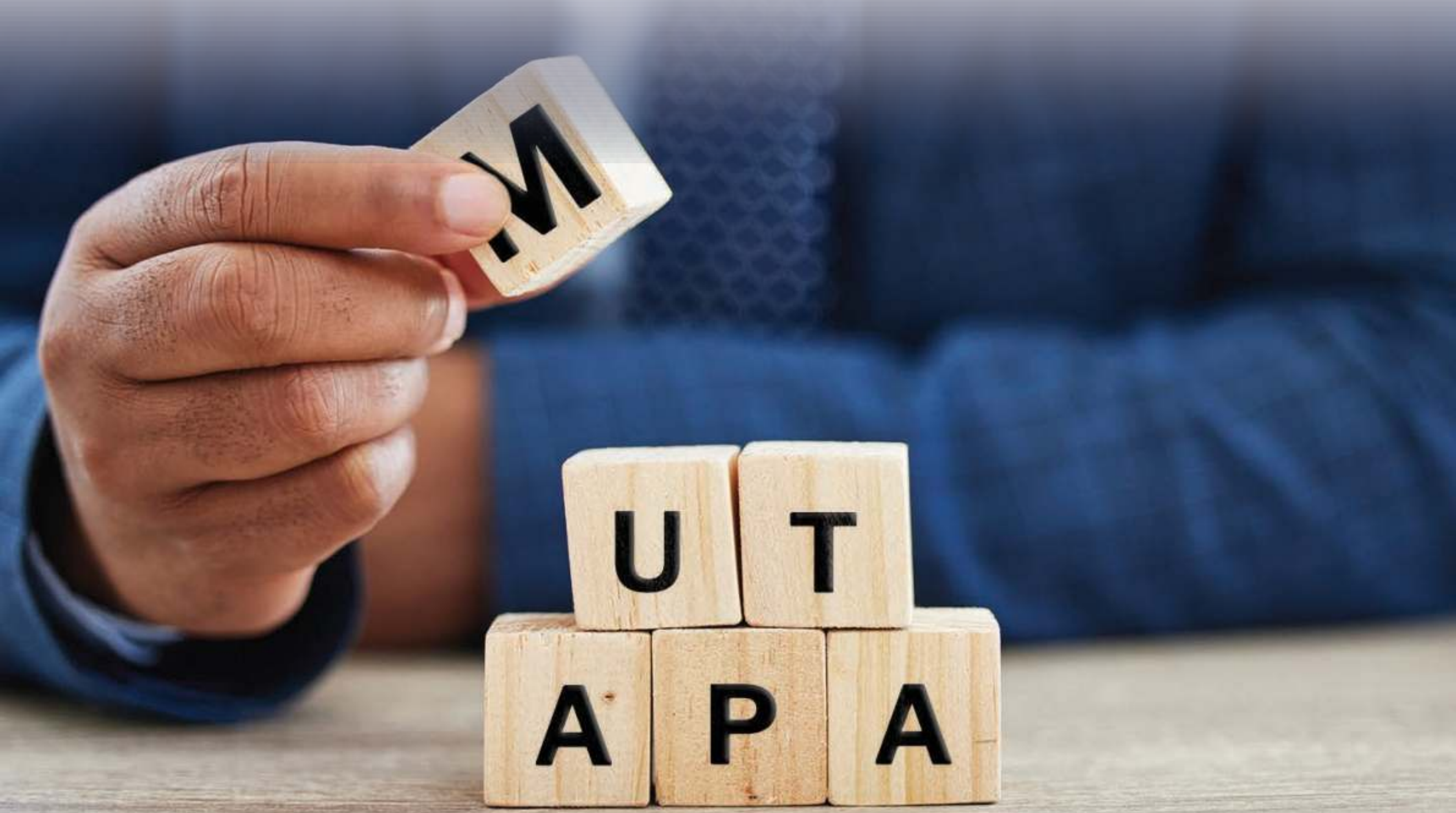
Ernest Denhere
(Deputy Chief Investment Officer)

Varaidzo Zifudzi
(Chief Legal Officer and Company Secritary)

Rugare Dhobbie
(Head Corporate Affairs and Communications)

Florence Chibasa
(Head Human Resources and Administration)

Crosswell Gwamure
(Head Internal Audit)



OUR VISION

To secure a successful future for Zimbabwe.

OUR MISSION

To preserve and grow wealth on a sustainable basis from the Fund's portfolio companies and investments for Zimbabwe's current and future generations.

OUR VALUE

The Fund is guided by its values of:

Accountability
We take responsibility of everything we say and do.

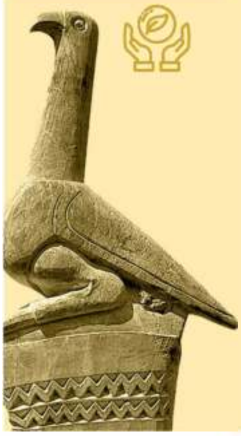
Transparency
Open and honest full disclosure.

Excellence
Focus on achieving outstanding performance.

Commitment
To consistently deliver on the promise of value and wealth creation and to meet the objectives of the Fund.

Integrity
We strive to do what is right, even when it is hard.

Sustainability
We are dedicated to achieving the needs of current generations without compromising the needs of future generations - we care about the environment, social and governance (ESG) matters.



Mutapa Investment Fund (MIF)

A word from the CEO's desk,

Dr. John Panonetsa Mangudya.

Q: What is Mutapa Investment Fund, and what significance does it hold for Zimbabwe?

A: The Mutapa Investment Fund (the Fund), is a sovereign wealth fund of Zimbabwe established by the Government of Zimbabwe as a long-term strategy to deepen the economic development of Zimbabwe for the benefit of current and future generations. The Fund is a critical component of the country's economic development strategy, designed to preserve national assets, generate returns, and create generational wealth. By leveraging on its portfolio of state-owned enterprises, the Fund aims to transform the economy by increasing production, improving productivity, and enhancing the overall well-being of Zimbabweans.

Q: What is the vision behind the Fund?

A: Our vision is to secure a successful future for Zimbabwe through exploiting or sweating the assets of the Fund. We believe that by building a strong foundation for long-term growth, we can create a more sustainable and resilient economy that benefits all Zimbabwean citizens.

Q: How do you plan to resuscitate struggling entities under the Fund?

A: We will conduct diagnostic assessments to evaluate their needs, the status of their corporate governance structures and develop strategies tailor-made for each entity. We will then work closely with the boards and management teams of portfolio companies to identify areas of improvement, implement corrective actions, and provide targeted support where necessary. Our approach will focus on strengthening corporate governance, improving operational efficiency, and enhancing financial performance.

Q: What were some of the results from the diagnostic assessments?

A: Our assessments revealed that many of our entities require improvements in corporate governance, including the need for diversity of board members and transparent decision-making processes. We also identified opportunities for consolidation and clustering of similar entities to improve efficiency, reduce costs and duplications. Some of the entities require funding to enhance their performance.

Q: Do you see some of these entities being merged or consolidated after the diagnostic assessments?

A: Yes, we see potential for consolidation and clustering of entities in order to realize maximum benefit from the entities under the Fund.

Q: How do you envision ordinary Zimbabweans benefitting from the Mutapa Investment Fund?

A: Ordinary Zimbabweans will benefit from the Fund in several ways.

Firstly, when the entities become commercially viable and profitable, they will reduce their dependence on government support, freeing up resources for other government priorities.

Secondly, increased production will lead to more employment opportunities and a more stable and resilient economy.

Thirdly, our efforts will contribute to achieving the objective of the National Development Strategy and the aspirations of Vision 2030 by increasing Gross Domestic Product (GDP) and per capita income.

Resultantly, the Fund is expected to increase generational wealth to enhance the welfare of Zimbabweans.

Q: Which natural resources are under the fund?

A: Our portfolio includes critical resources such as lithium, gold, platinum, chrome, coal, and agricultural assets. We will prioritize beneficiation of these resources to ensure that they benefit the local economy and generate foreign exchange earnings for use by the economy.

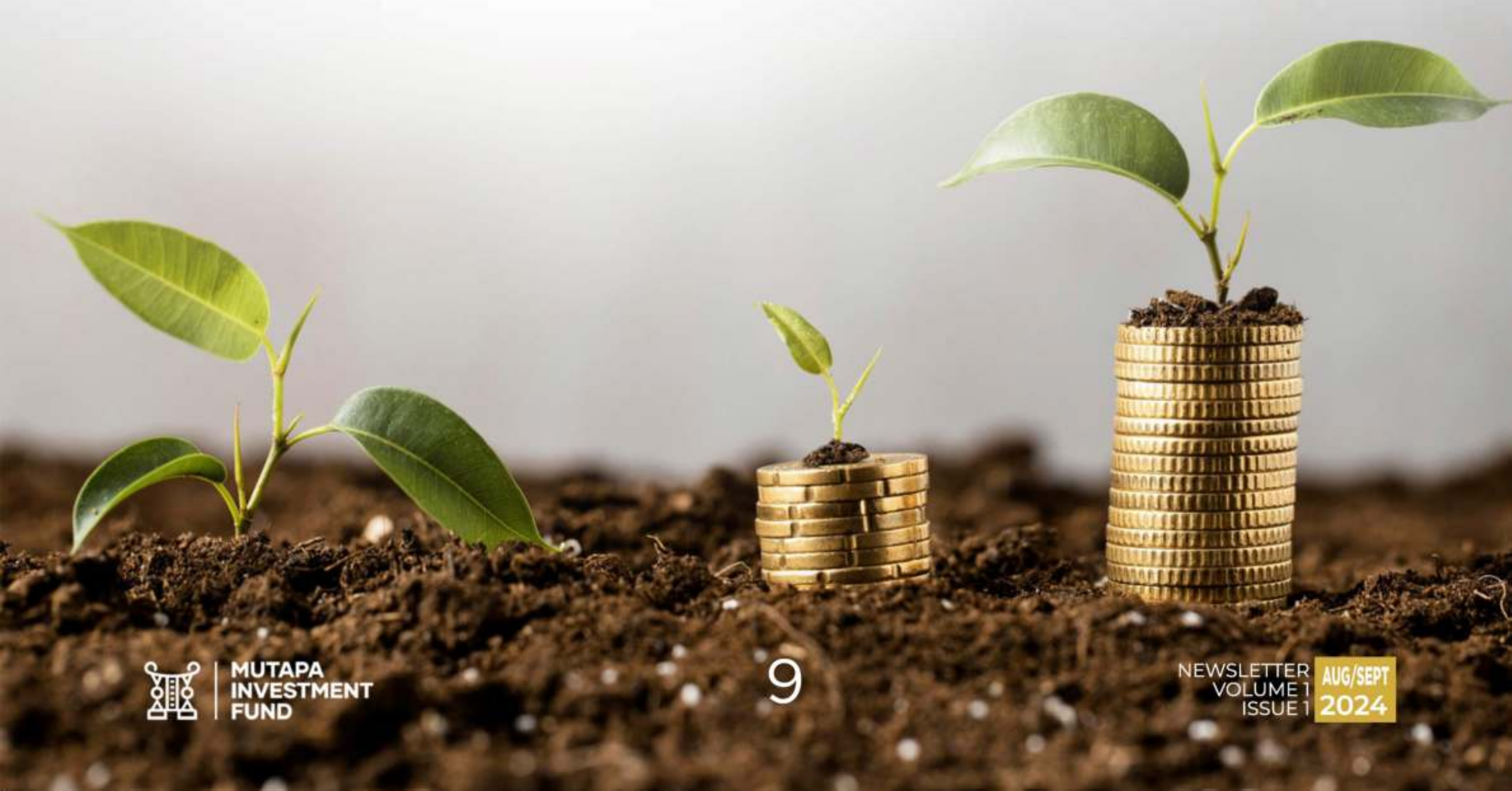
Q: How does the Mutapa Investment Fund fit into Vision 2030?

A: The Fund is fully aligned with the objectives of the National Development Strategy and Vision 2030's goal of transforming Zimbabwe into a prosperous upper-middle income country. By investing in the state-owned enterprises, we are working towards increasing production capacity, improving productivity, and creating a more prosperous future for all Zimbabweans.

Our Diverse Portfolio

The Fund operates in multiple sectors of the economy that include thirty (30) investee companies and more than thirty (30) subsidiaries of these portfolio companies.

- Mining resources
- Energy & Trading
- ICT, Transport & Logistics
- Agriculture & Industrials
- Financial Services
- Real Estate



Mining Resources

Mining Companies

Our mining portfolio is critical to the extraction of natural resources that fuel Zimbabwe's economy. They extract valuable resources that contribute to the country's economic growth and development. We are committed to ensuring responsible and sustainable mining practices that benefit the people of Zimbabwe and the environment.

Our Mining Companies

Kuvimba Mining House (Pvt) Ltd

- Great Dyke Investments (Pvt) Ltd
- Zimbabwe Alloys Limited
- Jena Mines (Pvt) Ltd
- Elvington Mine (Pvt) Ltd
- Shamva Gold Mining (Pvt) Ltd
- Sandawana Mine
- Bindura Nickel Corporation
- Freda Rebecca Gold Mine (Pvt) Ltd
- Bio Metallurgical Zimbabwe (Pvt) Ltd
- Kwekwe Consolidated) Pvt) Ltd
- Honmestake Mining and Technical Services
- Mineral Development Limited

Hwange Colliery Company Limited [36.77%]

Global Platinum Resources [20%]

Zisco steel

- Buchwa iron mine
- Lancashire Steel.

Aurex Holdings

- Aurex Pvt Ltd
- Aurex Diamonds (Pvt) Ltd.

Generation Minerals

- Karo Platinum Project [15%]

Defold

- Zimbabwe Consolidated Diamond Company (ZCDC) (Pvt) Ltd
- Transminerals (Pvt) Ltd
- Kamativi Tin Mines (Pvt) Ltd

ENERGY & TRADING

Energy:

Our energy companies are essential to powering Zimbabwe's economy. With a portfolio that includes ZESA, Zimbabwe Power Company, and other energy-related entities, we are committed to providing reliable and affordable energy solutions to our customers.

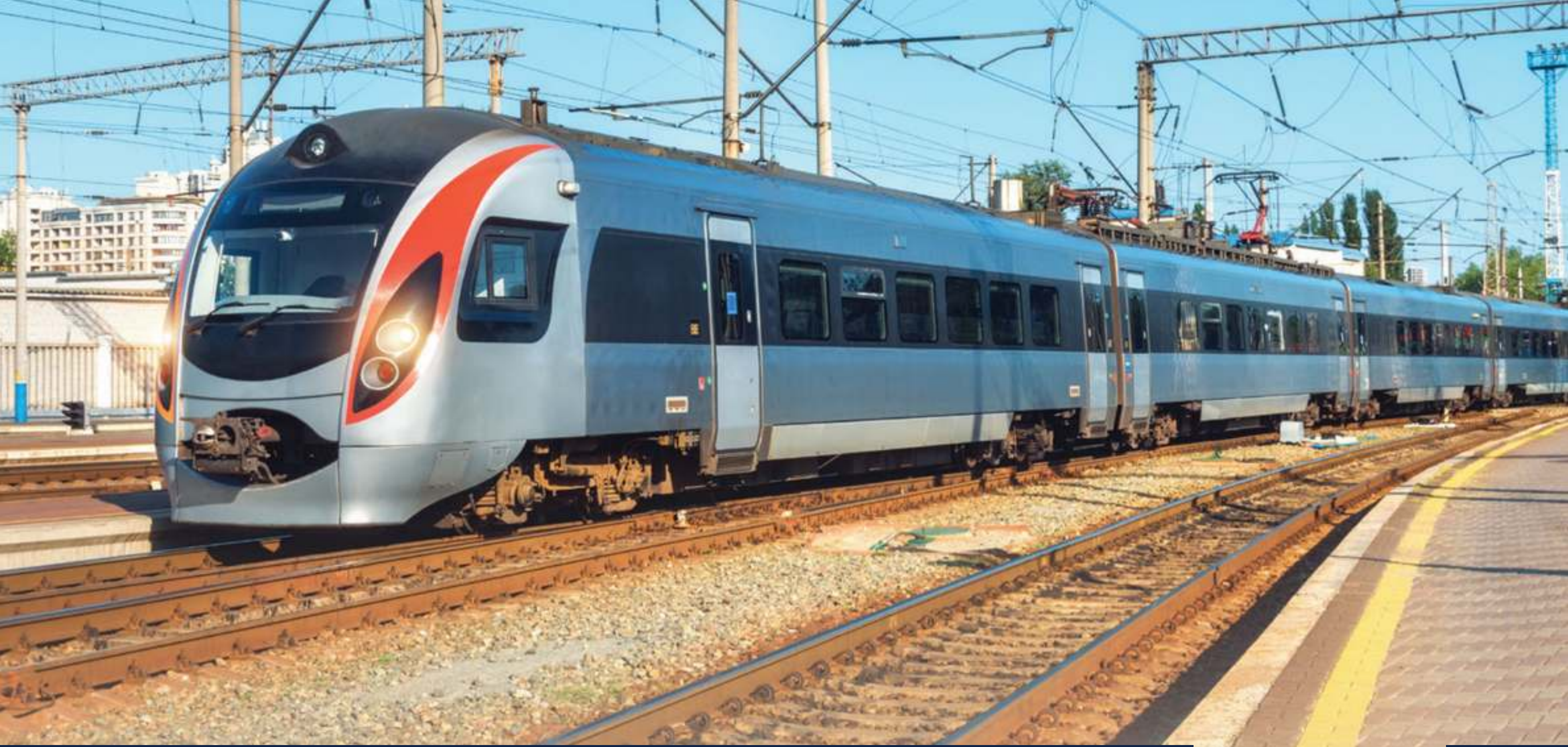
ZESA Holdings (Pvt) Ltd

- Zimbabwe Electricity & Transmission Distribution Company
- Zimbabwe Power Company (Pvt) Ltd
- PowerTel Communications (Pvt) Ltd
- ZESA Enterprises (Pvt) Ltd

Trading:

Our trading portfolio companies are involved in the refinery and trading of gold and the distribution of fuel and electricity

- **Fidelity Gold Refinery (Pvt) Ltd**
- **Petrotrade (Pvt) Ltd**
- **Genesis Energy (Pvt) Ltd**



ICT, Transport & Logistics

ICT
Telecommunication Companies

Our telecom companies are at the forefront of connecting Zimbabweans and driving economic growth. They provide essential communication services to the nation, connecting people and businesses across the country and with the rest of the world. With a portfolio of three companies, we are committed to providing high-quality communication services to individuals and businesses across the country.

- **NetOne Cellular (Pvt) Ltd**
- **TelOne (Pvt) Ltd**
- **Telecel Zimbabwe (Pvt) Ltd**

Transportation Companies

Our transportation companies are essential for the movement of goods and people across Zimbabwe. With a portfolio comprised of National Railways of Zimbabwe, Air Zimbabwe, and Zupco, we are committed to providing safe and efficient transportation services that meet the needs of our customers. Our transportation companies play a vital role in the movement of goods and passengers, ensuring that the economy remains globally connected and efficient.

Air Zimbabwe (Pvt) Ltd

National Railways Holdings Zimbabwe

- National Railways of Zimbabwe (Pvt) Ltd
- Emerging Railway Properties
- Road Motor Services (RMS)
- Zimbabwe Zambia (Pvt) Ltd

Zimbabwe United Passenger Company (ZUPCO)

Logistics
National Oil Infrastructure Company

- Petrozim Line (Pvt) Ltd
- INPETRO SAR
- Fuel Ethanol Company ofZimbabwe (Pvt) Ltd

AGRICULTURE & INDUSTRIALS

Agriculture Companies

Our agricultural companies are critical to feeding Zimbabwe's growing population. With a portfolio that includes Cottco, Arda Seeds and Cold Storage Company Limited (CSC). We are committed to promoting sustainable agriculture practices that benefit both our customers and the environment. Our agriculture companies focus on increasing commercial farming for domestic demand and export, promoting food security and economic growth.

Manufacturing Companies

Our manufacturing companies are essential to producing goods that meet the needs of Zimbabwe's consumers. With a portfolio that includes Chemplex Corporation, Willowvale Motor Industry Developement, Silo investments, Allied Timbers, and other manufacturing entities, we are committed to promoting industrial development and economic growth in the country. Our manufacturing companies produce essential goods and services, promoting industrial development and economic growth.

Industrial Development Corporation of Zimbabwe

- Chemplex Corporation
- Dorowa Minerals Limited
- Zimbabwe Phosphate Industries
- G&W Industrial Minerals (Pvt) Ltd
- Zimbabwe Fertilisers Limited [50%]
- Sable Chemicals Limited [36%]
- GD Haulage (Pvt) Ltd
- Allied Insurance Company (Pvt) Ltd [64.3%]
- Ginhole Investments Limited
- Willowvale Motor Industries (Pvt) Ltd
- Deven Engineering (Pvt) Ltd
- Sunway City (Pvt) Ltd [99.98%]
- Motira (Pvt) Ltd [99.86%]
- Zimbabwe Grain Bag (Pvt) Ltd [49%]
- Sino-Zimbabwe Cement Company [35%]
- Amtec (Pvt) Ltd [27.5%]
- Modzone Enterprises (Pvt) Ltd [17.62%]
- Afroran Spinners (Pvt) Ltd [17%]
- Suface Investments (Pvt) Ltd [10%]
- Wetblue Investments

Cotton Holdings Limited

- Cotton Company of Zimbabwe Limited

Cold Storage Company Limited (CSC)

Allied Timbers (Pvt) Ltd

- Allied Timbers Saligna (Pvt) Ltd

ARDA Seeds (Pvt) Ltd

Silo Food Industries Limited
AgriFoods
AgriMix
Victoria Foods
Farm & City
Vetco
Crest Breeders International
SunCrest Chickens
Hubbard Zimbabwe
Langford Estates 1962 (Pvt) Ltd

FINANCIAL SERVICES & REAL ESTATE

Our financial institutions provide critical banking and savings services to individuals, government and businesses across Zimbabwe, promoting economic stability and growth. With a portfolio that includes People's Own Savings Bank (POSB), Export Credit Guarantee Corporation of Zimbabwe (ECGC), AFC Holdings Limited and Homelink, we are committed to promoting financial inclusion and stability in the country.

CBZ Holdings [15.6%]

Peoples Own Savings Bank (Pvt) Ltd

AFC Holdings Limited
- AFC Commercial Bank
- AFC Land and Development Bank
- AFC Leasing Company
- AFC Insurance Company

Export Credit Guarantee Corporation of Zimbabwe (ECGC)

ZIMRE Holdings Limited
- Credsure
- ZIMRE Capital
- Emeritus Reinsurance
- Fidelity Life Assurance
- ZIMRE Property Investments
- United General Insurance Limited [20%]
- CFI Holdings Limited [40%]
- Special Auto Underwriters Assoc. of Zimbabwe [20%]
- Stalap Investments

Mutapa Investment Fund facilitates Afreximbank US$431m loan for NRZ.

The Fund is working with NRZ to secure a US$431 million loan from the African Export-Import Bank (Afreximbank) to support the National Railways of Zimbabwe (NRZ) in its infrastructural rehabilitation efforts. This landmark deal was confirmed by MIF CEO Dr. John Mangudya during the June 2024 Afreximbank Annual Meetings in the Bahamas.

Dr. Mangudya expressed confidence in NRZ's General Management praising her zeal, drive and passion for transforming NRZ's fortunes. He called for support from both the NRZ Board and the Fund to transform the fortunes of this national transport backbone.

The loan facility will be used to rehabilitate railway infrastructure and purchase new rolling stock, a crucial step towards the rehabilitation of Zimbabwe's strategic rail network. Dr. Mangudya emphasized that the facility will be self-liquidating through take-or-pay off-take arrangements between NRZ and its customers, ensuring no recourse to the fiscus. The facility which will have a 12-year tenor will provide a stable and predictable framework for NRZ's transformation.

The rehabilitation of NRZ is expected to significantly enhance Zimbabwe's logistics landscape, improving efficiency across various economic sectors and reducing pressure on the roads. The upgraded rail network will boost connectivity between key production zones, domestic markets, and international trade hubs, fostering economic opportunities and trade growth.

Why this matters

Zimbabwe's strategic rail network which is critical for domestic, regional, and international trade, has been facing significant challenges due to outdated infrastructure. The rehabilitation efforts aim to address these issues and improve the overall functionality and efficiency of the rail network system.

This investment is not only a game-changer for NRZ but also has far-reaching benefits for the broader economy. A revitalized rail network will:

- Enhance connectivity between production zones, domestic markets, and international trade hubs.
- Reduce pressure on the roads, improving road safety and reducing congestion
- Boost economic opportunities and trade growth
- Improve competitiveness and efficiency across various economic sectors

Other sovereign wealth funds that have made headway investments in transportation infrastructure to drive economic growth include the following;

The Abu Dhabi Investment Authority (ADIA) has invested in Dubai's metro system, enhancing the city's transportation infrastructure.

ADIA

The Kuwait Investment Authority (KIA) has invested in Kuwait's airport expansion project, boosting the country's air transportation capabilities.

KIA

The State Oil Fund of Azerbaijan (SOFAZ) has invested in Baku's metro system, improving the city's public transportation network.)

STATE OIL FUND OF THE REPUBLIC OF AZERBAIJAN

Message of Hope

The Fund is proud to play a role in supporting NRZ's transformation strategy through this significant loan facility. We believe that this investment will have a lasting impact on Zimbabwe's economy and look forward to continuing our partnership with NRZ as they work towards a brighter transport and logistics future for Zimbabwe.

Unlocking Opportunities in Zimbabwe's Vibrant Economy through collaboration

As we continue to navigate the complex landscape of global investment, the Fund remains committed to its mission of revitalizing Zimbabwe's national assets for the benefit of the country. As we strive to enhance efficiency and performance within our portfolio companies, we are committed to actively seek investors to partner with in our portfolio companies.

Our Chief Investment Officer, Simba Chinyemba, recently highlighted our openness to entertaining offers for some of our investee companies at the Zimbabwe Capital Markets and Investment Promotion Conference in London on 14 June 2024. He emphasized that some of the companies under the Fund's management are underperforming and require revitalization.

"We are engaging with investors who are serious about investing in Zimbabwe, understand our dynamics, and are committed for the long term," Chinyemba said.

Mutapa Investment Fund (MIF)

Chief Investment Officer (CIO)

Simba Chinyemba

Opportunities Abound

He emphasized that the Fund was actively seeking investors who share our vision for a thriving Zimbabwean economy. Our extensive portfolio includes companies in various sectors, such as energy, transport, mining, banking, telecommunications, and agriculture. We are open to entertaining offers for some of our holdings and exploring opportunities for outright joint ventures or purchasing certain assets that align with national interests.

A Strong Track Record

Under MIF's management, our portfolio companies have shown significant potential for growth. With a strong focus on turnaround strategies, we are confident that our assets can be revitalized for the benefit of all stakeholders. Our engagement with investors who are committed to long-term partnerships has yielded positive results, and we are eager to continue this momentum.

Why Invest in Zimbabwe?

Zimbabwe presents a unique opportunity for investors looking to tap into a growing market with vast potential. Our economy is poised for growth, driven by a young, dynamic and educated population, a growing middle class, and a rapidly expanding agricultural sector. With MIF's expertise and guidance, investors can navigate the complexities of doing business in Zimbabwe and reap the rewards of this dynamic market.

Concessions and Asset Purchases

Potential investments might involve concessions such as joint ventures, Build Operate and transfer (BOTs) or selling some of these assets if it aligns with national interests. Chinyemba mentioned that the specific assets being considered are dependent on the fund's turnaround strategies for the portfolio companies.

A Bright Future Ahead

MIF is committed to creating a brighter future for Zimbabwe through sound investment decisions. As Chinyemba concluded, *"MIF is open for business. We welcome investors to come to Zimbabwe. The opportunities are immense, and the investment risk in Zimbabwe is much less than the perceived risk."*

Mutapa Investment Fund (MIF)

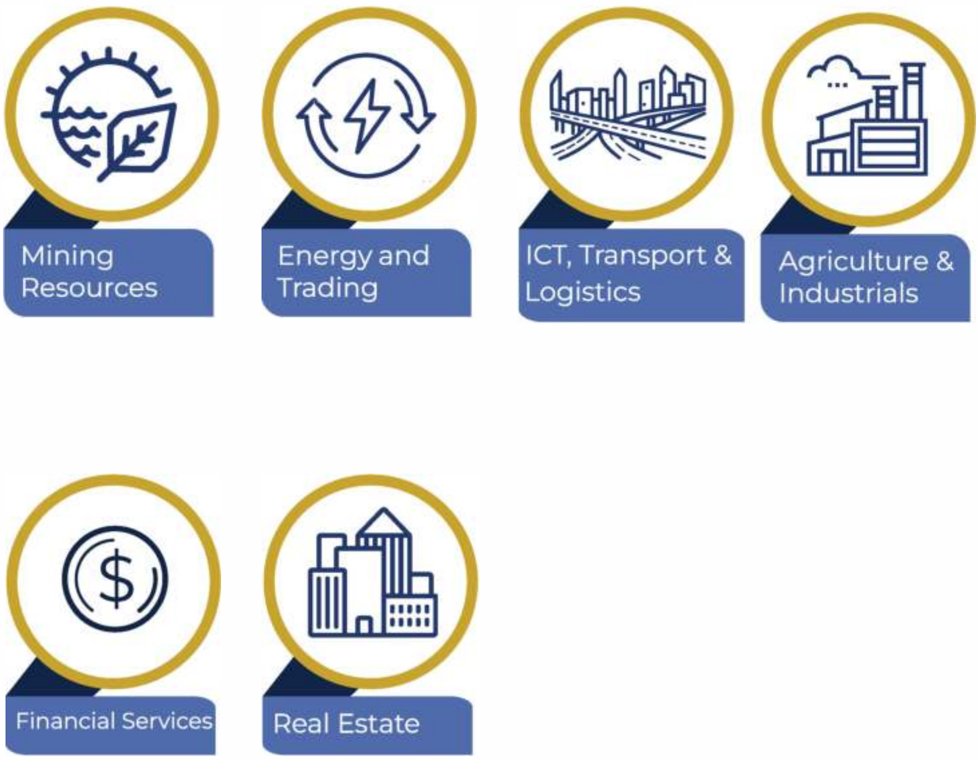
Deputy Chief Investment Officer

Ernest Denhere

Unlocking the Potential of State-Owned Enterprises: Mutapa Investment Fund's Strategic Clustering Approach

As part of its efforts to revitalize State-owned Enterprises, the Fund has successfully clustered 62 entities, including subsidiaries and state-invested enterprises, into six key strategic sectors to optimize benefits. This strategic restructuring aims to streamline management and drive growth across the portfolio. By grouping similar entities together, the fund can identify areas of improvement, streamline strategies, and allocate capital more efficiently.

The six clusters are:

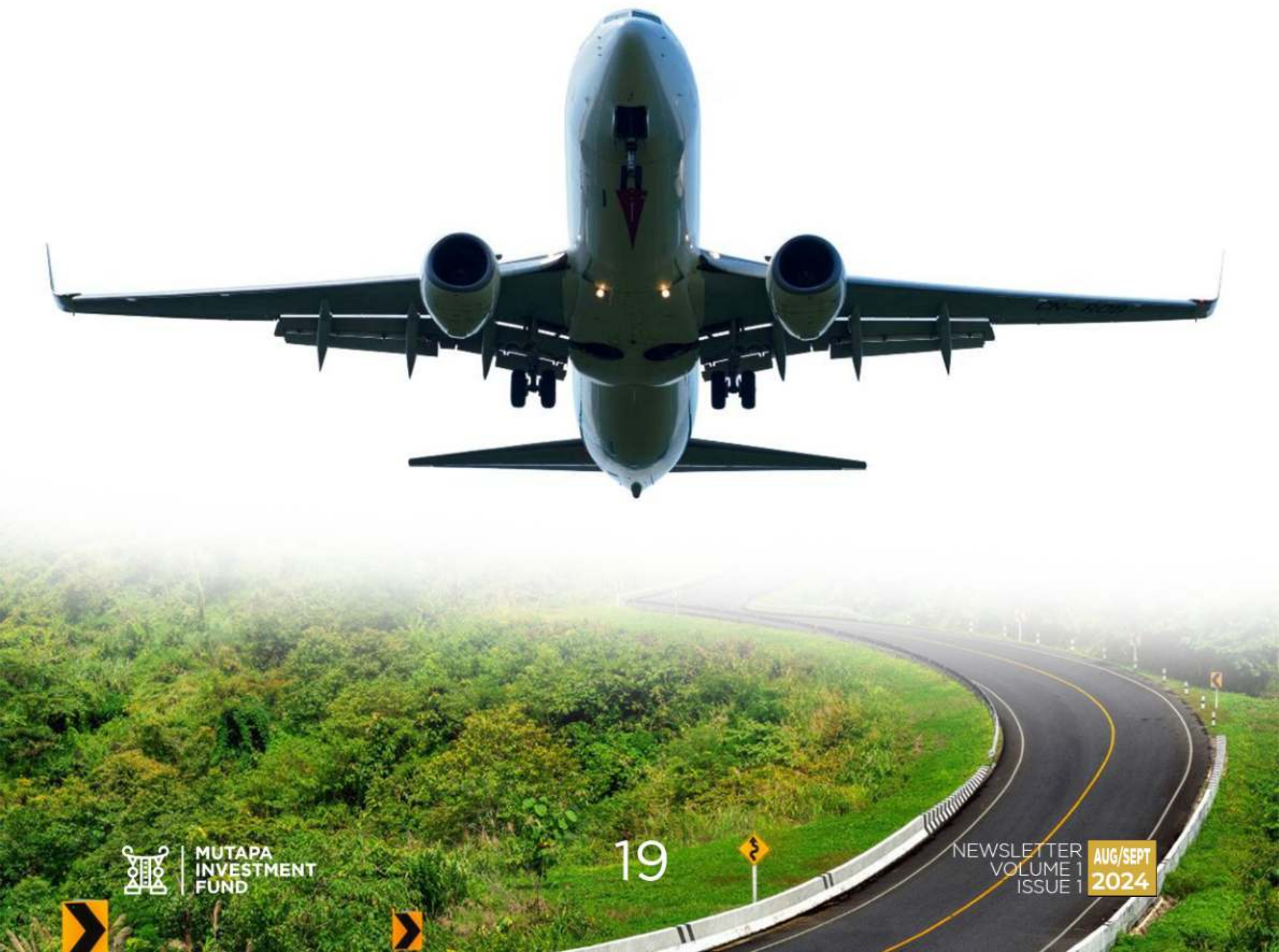


This strategic approach is expected to enhance the profitability of state-owned enterprises and parastatals under the Fund's ambit, while increasing investment assets for the public. By bringing together struggling and already profitable entities, the Government aims to convert them into viable companies that can anchor the country's economic growth.

At a CEO Africa Roundtable annual meeting in Victoria Falls in June 2024, the Fund's Deputy Chief Investment Officer, Enerst Denhere, highlighted the importance of clustering in driving strategies across the portfolio. "We have set an investment strategy for the Fund and have clustered our portfolio into six areas to bring functionality and drive strategies into different portfolio entities," he said.

The Fund is currently focused on maximizing its portfolio by identifying quick wins and allocating capital efficiently. Ernest emphasized that infrastructure, mining, and energy are key sectors that need attention to bridge the current energy deficit and achieve the government's Vision 2030 aspirations.

The Fund's strategy is centered around infrastructure, mining, and energy – key enablers for economic growth. In line with the government's Vision 2030 aspirations, the Fund aims to bridge the current energy deficit and drive growth.



Mutapa Investment Fund: A Beacon of Hope for Zimbabwe's Economic Revitalization

As we mark a significant milestone in the annals of Zimbabwe's mining history, we are pleased to advise of the signing of a term-sheet agreement between Cluff Africa Limited and the Mutapa Investment Fund. This landmark agreement grants Cluff Africa a 45% stake in the Sandwana Mining permits, paving the way for a potentially game-changing investment in Zimbabwe's mining sector.

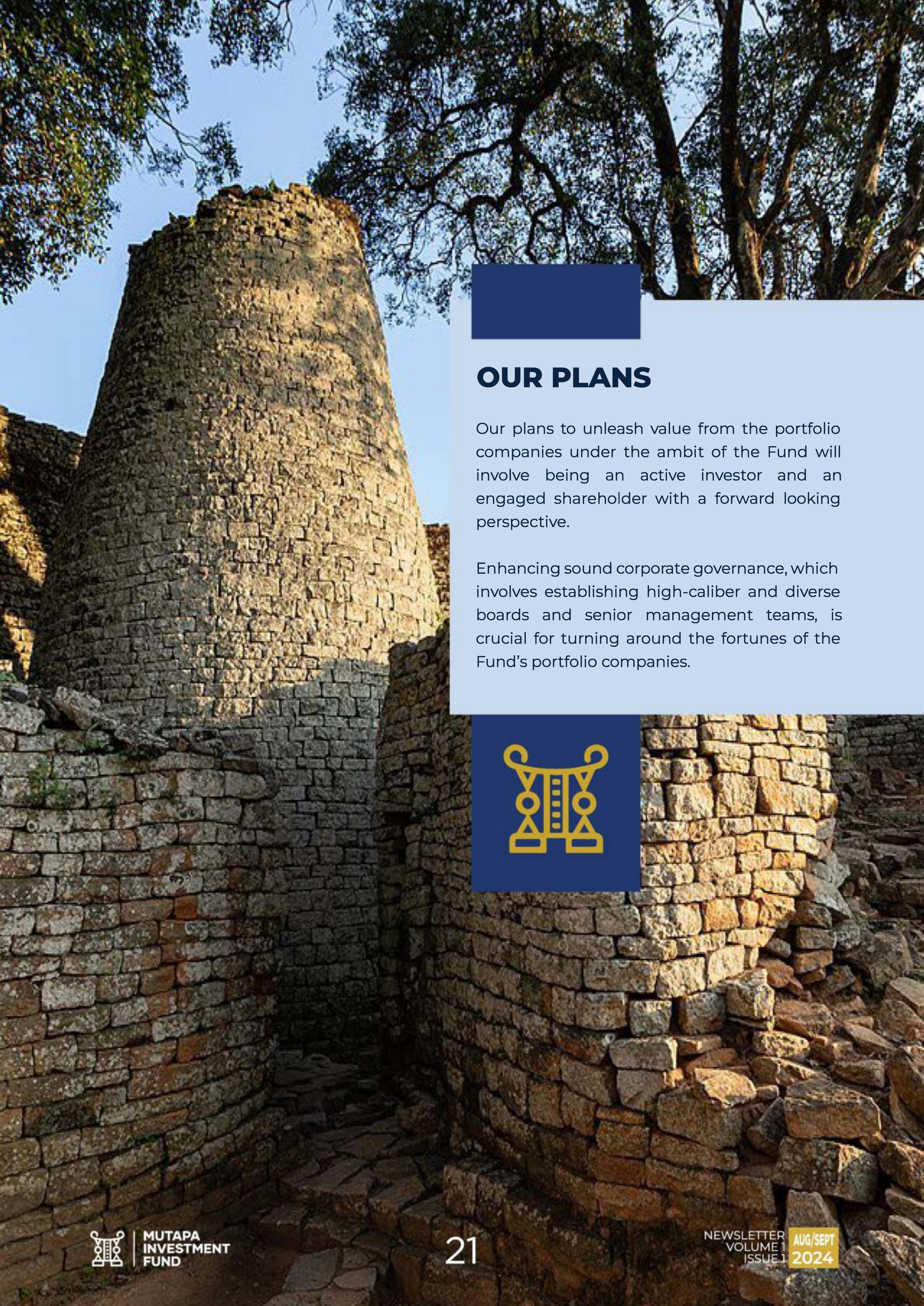
The partnership, facilitated by an invitation extended by His Excellency President Dr. Emmerson D. Mnangagwa, is a testament to the growing confidence in Zimbabwe's investment climate. As a rich country in mineral resources, Zimbabwe has long been poised for economic revitalization, and this partnership is a crucial step towards realizing that vision.

The agreement is not only a vote of confidence in Zimbabwe's mining sector but also a demonstration of the country's ability to attract foreign investment. The involvement of Cluff Africa, a seasoned player in the industry, underscores the potential of Zimbabwe's mining sector to rival its global counterparts.

As Cluff Africa initiates a reverse circulation drilling program to define an inferred resource, we are reminded of the significance of this partnership. This endeavor has the potential to unlock significant value not only for investors but also for the broader economy of Zimbabwe.

Stay tuned for more updates from MIF

We shall keep you updated and informed on progress with investment development under the Fund's portfolio companies.



OUR PLANS

Our plans to unleash value from the portfolio companies under the ambit of the Fund will involve being an active investor and an engaged shareholder with a forward looking perspective.

Enhancing sound corporate governance, which involves establishing high-caliber and diverse boards and senior management teams, is crucial for turning around the fortunes of the Fund's portfolio companies.

www.mutapainvestmentfund.co.zw

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