



COASTAL EQUITIES LIMITED

12J VENTURE CAPITAL COMPANY - STUDENT ACCOMMODATION FUND

COASTAL EQUITIES LIMITED
(incorporated and registered in the Republic of South Africa)
(Registration Number 2016/476883/06)
("Company")



A Section 12J Venture Capital Company as defined by the Income Tax Act
No 58 of 1962, as amended

PROSPECTUS

A general public offer to subscribe for 500,000 Investor Shares of no par value at an
issue price of R1,000 per Investor Share.

Opening Date of the Offer	25 January 2019
Closing Date of the Offer	28 February 2019

Managed by: Coastal Asset Management Proprietary Limited

An English copy of this Prospectus was registered by the Commissioner of CIPC on
25 January 2019.



COASTAL EQUITIES LIMITED

(incorporated and registered in the Republic of South Africa)

(Registration Number 2016/476883/06)

("Company")

The definitions and interpretations commencing on page 10 of this document apply to this entire document, except where the context indicates a contrary intention.

THE ATTENTION OF THE PUBLIC IS DRAWN TO THE FACT THAT THE INVESTOR SHARES ON OFFER ARE UNLISTED AND ARE NOT READILY MARKETABLE, AND SHOULD BE CONSIDERED TO BE A RISK-CAPITAL INVESTMENT.

The Directors and the Manager are precluded from acquiring Investor Shares due to the risks associated with being considered "Connected Persons" in relation to the Company (as defined in section 1 of the Income Tax Act). Section 12J(3A) of the Income Tax Act sets out the sanctions in the event that a Connected Person invests in the A Shares and, amongst others, specifically provides for this exclusion and states that, if after 36 months from the date of first issue of the Investor Shares, a "Connected Person" in relation to the Company has incurred expenditure in respect of a Venture Capital Share (ie the Investor Shares), then the Commissioner of SARS must, after due notice to the Venture Capital Company, withdraw any approval in terms of subsection 12J(5) with the effect from the date of that approval by the Commissioner of that company as a Venture Capital Company in terms of that subsection.

This Prospectus includes forward-looking statements. Forward-looking statements are statements that include, but are not limited to, any statements regarding the future financial position of the Company and its future prospects and generally are identified by the use of forward-looking words such as "aim", "anticipate", "believe", "estimated", "expect", "forecast", "foresee", "intend", "likely", "may", "planned", "potential", "project", "should", "targets", "will" or similar words and phrases.

These forward-looking statements have been based on current expectations and projections about future results which, although the Directors believe them to be reasonable, are not a guarantee of future performance.

Risk factors that may cause the Company's actual achievements, performance or results to differ materially from any future achievements, performance or results expressed or implied in the forward-looking statements include, among other things, economic decline and foreign currency risk. Risk factors are described in Annexure A of this Prospectus.

On the date of issue of this Prospectus, the Company is authorised to issue one class of Ordinary Shares, one class of Investor Shares and 1,000,000,000 unclassified Shares, of which (following the subscriptions in terms of the Offer) it is anticipated that 1,000 Ordinary Shares and 500,000 A Shares will be in issue.

The Directors and officers, whose names are given in paragraph 2 of Section 1, accept full responsibility, collectively and individually, for the accuracy of the information given in this Prospectus and certify that, to the best of their knowledge and belief, no facts have been omitted which would make any statement false or misleading, they have made all reasonable enquiries to ascertain those facts and that this Prospectus contains all information required by law.

The Advisors, whose names are included in this Prospectus, have given and have not, prior to registration, withdrawn their written consent to the inclusion of their names in the capacities stated and, where applicable, to their reports being included in this Prospectus.

Auditors



Manager and Promoter

***Coastal Asset Management Proprietary
Limited***

Administrator

PRESCIENT
FUND SERVICES

Attorneys & Tax Advisors



This Prospectus is only available in English. Copies of this Prospectus may be obtained during normal business hours from the registered office of the Company set out in the "Corporate Information and Advisors" section of this Prospectus or the Company's website (www.coastalequities.co.za) from the date of issue hereof, being 25 January 2019.

CORPORATE INFORMATION AND ADVISORS

Business and Registered Office Address

Coastal Equities Limited

Registration Number: 2016/476883/06

Registered Office:

Office 301, Cowey Park
91 - 123 Cowey Road, Essenwood
4001

Primary Place of Business:

Office 301, Cowey Park
91 - 123 Cowey Road, Essenwood
4001

Manager and Promoter

Coastal Asset Management Proprietary
Limited

Registration Number: 2018/402907/07

Registered Office:

Office 301, Cowey Park
91 - 123 Cowey Road, Essenwood
4001

Primary Place of Business:

Office 301, Cowey Park
91 - 123 Cowey Road, Essenwood
4001

Administrator

Prescient Fund Services Proprietary Limited

Prescient House, Westlake Office Park
Otto Close,
Westlake, 7945

Tel: 021 700 3600

P.O Box 31142
Tokai, 7966

Attorneys and Tax Advisors

Werksmans Attorneys Inc.

Registration Number: 1990/007215/21

The Central
96 Rivonia Road
Sandton
2196

Private Bag 10015
Sandton, 2146
Tel: 011 535 8000

Auditors

SNG Grant Thornton, Durban

Practice Number: 946016

2nd Floor, 4 Pencarrow Crescent
Pencarrow Park
La Lucia Ridge Office Estate
4901

P.O. Box 950
Umhlanga Rocks 4320
Tel: 031 576 5500

GENERAL STATEMENTS

If you are in any doubt about the contents of this document, you should consult with your own independent accounting, investment, legal, tax or other relevant advisor when contemplating any investment decisions described in this document.

The information contained in this document has been prepared to assist in forming an initial view of the Offer. The document does not purport to contain all the information that an Investor may require, nor is it intended to replace any form of financial, legal or technical due diligence. The content hereof may not be used and/or relied upon for any purpose other than to evaluate whether or not you wish to participate in the Offer.

Furthermore, the information contained in this document constitutes factual information as contemplated in section 1(3)(a) of the Financial Advisory and Intermediary Services Act No 37 of 2002 (as amended) and does not constitute an express or implied recommendation, guidance or proposal that any particular transaction in respect of the Investor Shares is appropriate to the particular investment objective, financial situation or need of a prospective Investor.

While all efforts have been made to ensure the accuracy of the information provided in this document, neither it nor any of the information contained in it has been independently verified, and neither the Company nor the Manager gives any guarantee, representation or warranty, whether express or implied, in relation to the accuracy or completeness of the information, or that reasonable care has been taken in compiling or preparing the information.

Investments in the Company by taxpayers who are not Connected Persons in relation to the Company will qualify as a deduction from income in terms of section 12J of the Income Tax Act. In the event of any conflict or inconsistency between the terms of this Prospectus and the Company's MOI, the terms of the MOI will prevail. If it is necessary to amend the MOI in order to procure the enforcement of any of the provisions of this Prospectus or to carry into effect the intent of this Prospectus, the Directors will apply all reasonable endeavours to procure that the MOI is so amended.

Disclaimer

The contents of this Prospectus do not constitute and should not be construed as accounting, investment, legal, tax and/or other advice. For advice on these matters, the Directors recommend that you consult your preferred accounting, investment, legal, tax and/or other advisor about any information contained in this Prospectus.

The CIPC registers a prospectus in terms of Chapter 4 of the Companies Act. The Commission takes no responsibility for the contents of the Prospectus, makes no representations as to the accuracy or completeness of this Prospectus and expressly disclaims any liability whatsoever for any loss howsoever arising from or in the reliance on any part of the contents of this Prospectus.

Warning

Venture capital investments are speculative by their very nature and prospective Investors should refer to Annexure A of this Prospectus concerning certain of the potential risks.

Date of issue: 25 January 2019

This Prospectus is only available in English. Copies of this Prospectus may be obtained during normal business hours from the registered office of the Company set out in the "Corporate Information and Advisors" section of this Prospectus or the Company's website (www.coastalequities.co.za) from the date of issue hereof until **28 February 2019**.

TABLE OF CONTENTS

DEFINITIONS AND INTERPRETATION	10
SECTION 1 - INFORMATION ABOUT COMPANY	15
1 NAME, ADDRESS, INCORPORATION AND OBJECT (REG 57).....	15
2 DIRECTORS, OTHER OFFICE HOLDERS AND MATERIAL THIRD PARTIES (REG 58).....	16
3 HISTORY, STATE OF AFFAIRS AND PROSPECTS OF COMPANY	21
4 SHARE CAPITAL OF COMPANY	26
5 OPTIONS OR PREFERENTIAL RIGHTS IN RESPECT OF SHARES (REG 61)	28
6 COMMISSIONS PAID AND PAYABLE IN RESPECT OF UNDERWRITING OF SHARE ISSUES (REG 62)	28
7 MATERIAL CONTRACTS (REG 63)	29
8 INTEREST OF DIRECTORS AND PROMOTERS (REG 64)	29
9 LOANS (REG 65).....	30
10 SHARES ISSUED OTHERWISE THAN FOR CASH (REG 66(A), 66(B)).....	30
11 PROPERTY ACQUIRED OR TO BE ACQUIRED (REG 67).....	30
12 AMOUNTS PAID OR PAYABLE TO PROMOTERS (REG 68)	31
13 PRELIMINARY EXPENSES AND ISSUE EXPENSES (REG 69)	31
SECTION 2 - DETAILS OF OFFER AND OFFERED SECURITIES.....	32
2 TIMETABLE OF OFFER (REG 71)	32
3 PARTICULARS OF OFFER (REG 72).....	33
4 TERMS AND CONDITIONS OF APPLICATION.....	34
5 MINIMUM SUBSCRIPTION IN TERMS OF OFFER (REG 73)	38
6 RESERVATION OF RIGHTS.....	40
7 RESULTS OF ALLOCATIONS	40
SECTION 3 - STATEMENTS AND REPORTS RELATING TO OFFER	41
2 REPORT BY DIRECTORS AS TO MATERIAL CHANGES (REG 75)	41
3 STATEMENT AS TO LISTING ON STOCK EXCHANGE (REG 76)	41

4	REPORT BY AUDITOR (REG 77)	41
5	REPORT BY AUDITOR OF COMPANY (REG 78)	42
6	REPORT BY AUDITOR OF COMPANY (REG 79)	42
	SECTION 4 - ADDITIONAL MATERIAL INFORMATION	44
2	PROCEDURE TO CLAIM TAX DEDUCTION OF INVESTMENT	45
3	LITIGATION STATEMENT	45
4	CORPORATE GOVERNANCE	45
5	EXPERTS' CONSENTS	45
6	DIRECTORS' RESPONSIBILITY STATEMENT	46
7	FINANCIAL ADVICE	46
8	RISK FACTORS OF VENTURE CAPITAL INVESTMENTS	46
9	COMPLAINTS PROCESS & TREAT YOUR CUSTOMERS FAIRLY OUTCOMES	49
10	CONFIDENTIALITY	49
11	INVESTORS NOT RESIDENT IN SOUTH AFRICA	49
12	DOCUMENTS AVAILABLE FOR INSPECTION (REG 53(A)(B)(D)(E))	50
13	PROFESSIONAL INDEMNITY AND FIDELITY INSURANCE COVER	51
	SECTION 5 - INAPPLICABLE OR IMMATERIAL MATTERS	52

ANNEXURES

ANNEXURE A - RISK FACTORS

ANNEXURE B - DIRECTORS SERVICE CONTRACTS

ANNEXURE C - SALIENT POINTS OF MANAGEMENT AGREEMENT

ANNEXURE D - FSP LICENSE

ANNEXURE E - SARS LETTER OF APPROVAL

ANNEXURE F - AUDITOR'S LETTER

DEFINITIONS AND INTERPRETATION

In this Prospectus, unless otherwise stated or the context indicates otherwise, the words in the first column have the meanings stated opposite them in the second column, and related expressions have corresponding meanings; words in the singular include the plural and *vice versa*; words denoting one gender include the other genders; and words denoting natural persons include artificial or juristic persons (whether or not incorporated) and *vice versa*.

"Act" or the "Companies Act"	the Companies Act No 71 of 2008, as amended;
"Advisors"	collectively, the Administrator, the Attorneys and the Auditors;
"Administrator"	Prescient Fund Services Proprietary Limited (registration number 1998/023727/07), a private company incorporated and registered in accordance with the laws of South Africa, full details of which are contained in the "Corporate Information and Advisors" section of this Prospectus;
"Applicant"	each person whose name appears in an Application Form (provided that there is not more than one Applicant per Application);
"Application"	the offer by an Applicant to subscribe for Investor Shares pursuant to the Offer, by means of completing an Application Form and delivering it to the Company (or as otherwise indicated in this Prospectus);
"Application Form"	the application form in respect of the Offer that is attached to, and forms part of, this Prospectus and which must be completed by all Applicants if they wish to acquire Investor Shares pursuant to the Offer;
"Attorneys"	Werksmans Inc. (registration number 1990/007215/21), a personal liability company incorporated and registered in accordance with the laws of South Africa, full details of which are contained in the "Corporate Information and Advisors" section of this Prospectus;
"Auditors"	Grant Thornton South Africa Proprietary Limited (registration number 2013/053367/07), a private company incorporated and registered in

	accordance with the laws of South Africa, full details of which are contained in the "Corporate Information and Advisors" section of this Prospectus;
"Board" or "Directors"	the directors of the Company for the time being and from time to time, which, as at the Last Practicable Date, comprises the persons identified in paragraph 2 of Section 1;
"Business Day"	any day other than a Saturday, a Sunday or a statutory holiday in South Africa;
"Closing Date"	the closing time and date of the Offer, expected to be 28 February 2019, but which may be amended by the Company by way of the publication of a supplementary prospectus;
"Commission" or "CIPC"	the Companies and Intellectual Property Commission;
"Common Monetary Area"	collectively, the countries of South Africa, Namibia, Lesotho and Swaziland;
"Company"	Coastal Equities Limited (registration number 2016/476883/06), a public Venture Capital Company incorporated and registered in accordance with the laws of South Africa, full details of which are contained in the "Corporate Information and Advisors" section of this Prospectus;
"Connected Person"	a connected person as defined in section 1 of the Income Tax Act;
"Distribution"	has the meaning given to this term in the Companies Act;
"FAIS"	Financial Advisory and Intermediaries Services Act No 37 of 2002, as amended;
"FSCA"	the Financial Sector Conduct Authority established pursuant to the Financial Sector Regulation Act No 9 of 2017, as amended;
"FSP"	a 'financial services provider', as defined in section 1 of FAIS;
"Group"	the Company and its subsidiaries for the time being and from time to time, it being recorded

	that the Company had no subsidiaries as at the Last Practicable Date;
"Income Tax Act"	the Income Tax Act No 58 of 1962, as amended, including all schedules thereto;
"Investment Portfolio"	the portfolio of investments created by investing the proceeds raised from the issue of the Venture Capital Shares;
Investor"	an individual, trust, company or other legal entity who or which subscribes for Investor Shares pursuant to the Offer;
"Investor Shares"	the class of 'A' ordinary shares of no par value, as described in paragraph 4 of section 1, which the Company is authorised to issue, targeted at retail investors to include high net worth individuals, trusts and companies seeking to gain the benefits of investing in a section 12J VCC;
"King Code"	has the meaning given to this term in paragraph 4 of Section 4;
"Last Practicable Date"	16 January 2019, being the last practicable date prior to the finalisation of this Prospectus;
"Management Agreement"	the agreement concluded between the Manager and the Company on or about 6 December 2018, in terms of which, among other things, the Manager is appointed to administer and manage the Company and its Qualifying Investments, the material details of which are set forth in Annexure C;
"Manager" or "Promoter"	ManCo, which is the Manager and Promoter of the Company and the full details of which are contained in the "Corporate Information and Advisors" section of this Prospectus;
"ManCo"	Coastal Asset Management Proprietary Limited (registration number 2018/402907/07), a private company incorporated and registered in accordance with the laws of South Africa;
"MOI"	the memorandum of incorporation of the Company from time to time, drafted in accordance with the Companies Act and section 12J of the Income Tax Act;
"Offer"	the offer for subscription for Investor Shares, the

	terms of which are contained in this Prospectus;
"Offer Period"	the period from (and including) 25 January 2019 to (and including) 28 February 2019, subject to any extension of the Offer Period determined by the Board;
"Offer Price"	R1,000 per Investor Share;
"Ordinary Shareholder"	the holder of issued Ordinary Shares, being, as at the Last Practicable Date, the Manager;
"Ordinary Shares"	the 1,000 ordinary shares of no par value which the Company is authorised to issue;
"PA"	the Prudential Authority established pursuant to the Financial Sector Regulation Act No 9 of 2017, as amended;
"POPI"	the Protection of Personal Information Act No 4 of 2013, as amended;
"Prospectus"	this prospectus and its annexures, issued on 25 January 2019;
"Qualifying Company"	a company satisfying the conditions of a "Qualifying Company", as defined in section 12J of the Income Tax Act;
"Qualifying Investment"	an investment in the shares of a Qualifying Company;
"Qualifying Share"	an equity share issued to the Company by a Qualifying Company;
"R" or "Rand"	South African Rand, the official currency of South Africa;
"Register"	the securities register of Shareholders maintained by the Company in accordance with section 50 of the Companies Act;
"SARS"	the South African Revenue Service;
"Shareholders"	the registered holders of Shares for the time being and from time to time;
"Shares"	the shares which the Company is authorised to issue for the time being and from time to time, including the Ordinary Shares and the Investor

	Shares as at the Last Practicable Date;
"South Africa" or "SA"	the Republic of South Africa;
"Tax Advisors"	the Attorneys;
"Venture Capital Company" or "VCC"	a venture capital company, as defined in section 12J of the Income Tax Act; and
"Venture Capital Shares"	the Investor Shares.

COASTAL EQUITIES LIMITED
(incorporated and registered in the Republic of South Africa)
(Registration number 2016/476883/06)
("Company")

PROSPECTUS

Muhammad Moosa
Misumuzi Phakama Nhassengo
*Jennifer Lynn Jubber**

*non-executive

SECTION 1 - INFORMATION ABOUT COMPANY

1 NAME, ADDRESS, INCORPORATION AND OBJECT (REG 57)

- 1.1 Coastal Equities Limited (registration number 2016/476883/06) is a public Venture Capital Company duly incorporated and registered in accordance with the laws of South Africa. It was originally incorporated on 4 November 2016 as a private company, but was subsequently converted to a public company on 18 October 2018.
- 1.2 The Company's registered office and primary place of business are set out in the "Corporate Information and Advisers" section of this Prospectus (reg 57(1)(b)).
- 1.3 ManCo is the holding company of the Company and holds all of the issued Ordinary Shares of the Company. The registered office and primary place of business of the holding company of the Company are set out in the "Corporate Information and Advisers" section of this Prospectus (reg 57(3)).
- 1.4 As at the Last Practicable Date, the Company had no subsidiaries (reg 57(3)).
- 1.5 The Company was established to enable investors to acquire a shareholding in new companies, which are in the process of being formed, with the objective

of fully deploying its capital within three years for the purpose of (i) owning and operating a diverse portfolio of property-backed student accommodation operations across South Africa; and (ii) forming strategic relationships with established, reputable student accommodation operators. The Company is and will be managed (through ManCo) by an experienced management team that aims to deliver above average investment returns.

1.6 The purpose of this Prospectus is to provide potential Investors with information about the Company and the Offer, in order to raise capital to expand the Company's investment activities and take advantage of its strong pipeline of opportunities.

2 **DIRECTORS, OTHER OFFICE HOLDERS AND MATERIAL THIRD PARTIES (REG 58)**

2.1 **Directors, Proposed Directors and Prescribed Officers**

2.1.1 The Board presently comprises two Directors, neither of whom is independent. Jennifer Lynn Jubber is a non-executive director. Details relating to the management of the Company are set out in paragraph 2.2.

2.1.2 The full names, business addresses, occupations and positions of the Directors and prescribed officers, all of whom are South African citizens, are set out below (reg 58(2)(a)) -

2.1.2.1 Name: Muhammad Moosa (reg 58(2)(a))

Business Address: Office 301, Cowey Park
91 - 123 Cowey Road, Essenwood
4001 (reg 58(2)(a))

Occupation: Businessman (reg 58(2)(a))

Position: Executive Director (reg 58(2)(a))

2.1.2.2 Name: Misumuzi Phakama Nhassengo (reg 58(2)(a))

Business Address: Office 301, Cowey Park

91 - 123 Cowey Road, Essenwood
4001 (reg 58(2)(a))

Occupation: Businessman (reg 58(2)(a))

Position: Executive Director (reg 58(2)(a))

2.1.2.3 Name: Jennifer Lynn Jubber (reg 58(2)(a))

Business Address: 11 Ridgegrove
48 Mazisi Kunene Road
Glenwood, Durban
4001 (reg 58(2)(a))

Occupation: Financial Advisor/Businesswoman (reg 58(2)(a))

Position: Non-Executive Director (reg 58 (2)(a))

2.1.3 The Directors are precluded from acquiring Investor Shares due to the risks associated with being considered "Connected Persons" in relation to the Company. Section 12J(3A) of the Income Tax Act specifically provides for this exclusion and states that, if a Connected Person has incurred expenditure in respect of a Venture Capital Share (ie the Investor Shares), then the Commissioner of SARS must, after 36 months and after due notice to the Venture Capital Company, amongst others, withdraw any approval in terms of subsection (5) with the effect from the date of that approval by the Commissioner of that company as a Venture Capital Company in terms of that subsection.

2.2 **Advisors and Administrator (reg 58(2)(b))**

2.2.1 The Administrator is Prescient Fund Services Proprietary Limited, whose name and address are set out in the "Corporate Information and Advisors" section of this Prospectus. The Company is represented by the Administrator (reg 58(2)(b)(iii)).

2.2.2 The names and business addresses of the Advisors are set out in the "Corporate Information and Advisers" section of this Prospectus (reg 58(2)(b)(i) and (ii)).

2.2.3 Other than as disclosed in this Prospectus, the Advisors did not have any interest in the Company as at the Last Practicable Date.

2.3 **Additional Information Relating to Directors**

2.3.1 Directors are elected by an ordinary resolution of the Shareholders and serve for an indefinite period (that is, until that Director resigns from office or is lawfully removed from office). No person holds any right relating to the appointment of any Director (reg 58(3)(a)).

2.3.2 Directors are entitled to remuneration in their capacity as directors, provided that the remuneration is approved by way of a special resolution of the Shareholders passed within two years of the date on which such remuneration is paid to the Directors in accordance with the Companies Act and the MOI of the Company (reg 58(3)(b)).

2.3.3 The borrowing powers of the Company exercisable by Directors are limited and restricted by the MOI, in that the Directors are not allowed to borrow any amount in excess of R10,000,000 in any single transaction or a series of inter-related transactions without the prior written approval of Shareholders holding 60% of the issued Shares, or by way of a Special Resolution of the Shareholders which has been supported by Shareholders holding not less than 75% of the issued Shares. The Company adopted the MOI on 18 October 2018 in substitution for the MOI that existed at the time of its incorporation, and the substance of the borrowing powers of the Directors were varied as part of this process. Any future variation of the borrowing powers of the Directors would require an amendment to the MOI approved in accordance with the Companies Act and the MOI by way of a special resolution of the Shareholders which has been supported by Shareholders holding not less than 75% of the issued Shares and, if that variation affects the rights or interests of any other Class of Shares, a special resolution of the holders of such Class/es (reg 58(3)(c)). The borrowing powers of all Qualifying

Companies exercisable by the directors of those Qualifying Companies will not be limited or restricted by each Qualifying Company's respective memorandum of incorporation.

2.4 **Management of Company (reg 58(3)(d))**

2.4.1 The Company is managed by ManCo, the Manager, whose business and registered address is listed in the "Corporate Information and Advisors" section of this Prospectus (reg 58(3)(d)(i)).

2.4.2 The Manager has an experienced management team with extensive management experience, including -

2.4.2.1 evaluating and selecting suitable investment opportunities;

2.4.2.2 capital raising and transaction implementation;

2.4.2.3 student accommodation, hospitality construction, development and management;

2.4.2.4 providing post-investment management services; and

2.4.2.5 identifying and implementing exit opportunities.

2.4.3 The Company entered into a Management Agreement with the Manager on or about 6 December 2018. The Manager has been appointed, among other things, to identify suitable investment opportunities for the Company; to manage the negotiation and conclusion of those opportunities; and to administer the back-office functions of the Company (including keeping the financial records of the Company) (reg 58(3)(ii)). The material terms of the Management Agreement are summarised in Annexure C.

2.4.4 The Company and the Manager have agreed in the Management Agreement that the Manager is entitled to receive as a management fee an amount equal to 2% of the net asset value of each Qualifying Company in each financial year, as reflected in the unaudited

management accounts of that Qualifying Company for the financial year in question.

2.4.5 In addition, -

2.4.5.1 prior to the time at which an investor into the Company has received (before the payment of any taxes) an amount equal to his Risk Capital, the Manager is entitled to receive a fee equal to an amount of 20% of any distribution (as this term is defined in the Companies Act No 71 of 2008) payable by the Company to that investor that exceeds a return of 10% in the year in question; and

2.4.5.2 once an investor into the Company has received (before the payment of any taxes) an amount equal to his Risk Capital, the Manager is entitled to receive a fee equal to an amount of 20% of any amount payable by the Company to that investor in respect of his shares in the Company (whether as a distribution (as this term is defined in the Companies Act No 71 of 2008) from the Company or as proceeds on the disposal of his shares in the Company).

2.4.6 The Company shall pay the Manager a monthly fee of R25,000 (excluding VAT and reviewable annually) in respect of each investment held by the Company in a Qualifying Company in the immediately preceding month as consideration for the Manager seconding a non-executive director employed to that Qualifying Company, which non-executive director is required to perform the services of a non-executive director for that Qualifying Company.

2.4.7 The Manager is entitled to conclude such separate contractual agreements and arrangements as it deems necessary, pursuant to which the Manager may share the fees received by it with persons who introduced Investors to the Company from time to time.

2.4.8 The Company and/or the Manager will not charge a once off capital raising fee on funds raised for the Investor Shares issued pursuant to the Offer.

- 2.4.9 The Manager will not receive any free Investor Shares as a result of capital raising activities on behalf of the Company.
- 2.4.10 The Manager is required to carry the costs incurred in evaluating investment opportunities that are not implemented (reg 58(3)(d)(iii)).
- 2.4.11 The Management Agreement continues indefinitely until it is -
- 2.4.11.1 terminated by either party on six calendar months' prior written notice to that effect to the other Party, provided that neither party is entitled to terminate the Management Agreement prior to the date on which ManCo ceases to hold 100% of the issued Ordinary Shares of the Company; or
- 2.4.11.2 terminated by either party immediately on written notice to that effect to the other party on the happening of a defined "Insolvency Event" in relation to such other party.

3 HISTORY, STATE OF AFFAIRS AND PROSPECTS OF COMPANY

3.1 History of Company (reg 59)

3.1.1 Overview (reg 59(2)(b) and 59(3)(a))

- 3.1.1.1 The Company was incorporated as a private company on 4 November 2016 and converted to a public company on 18 October 2018 (reg 59(3)(a)(i)). It has not commenced business as at the Last Practicable Date (reg 59(3)(a)(ii)). As such, there has been no material change in its business during the past three years (reg 59(3)(b)).
- 3.1.1.2 The primary investment objective of the Company is to -
- 3.1.1.2.1 establish and maintain Section 12J status to enable Investors to retain the tax benefit on their gross capital investment;
- 3.1.1.2.2 invest into a broad range of Qualifying Companies which own and operate a diverse portfolio of property-backed student

accommodation and hospitality operations across South Africa, that preserve and grow capital value whilst generating income that will allow the Company to maximise annual dividends and provide attractive investment returns to Investors;

3.1.1.2.3 generate an attractive risk adjusted returns for Investors over the life of their investment;

3.1.1.2.4 use the capital raised to assist in reducing South Africa's current student beds shortage, thereby promoting education and stimulating economic growth; and

3.1.1.2.5 form strategic relationships with established, reputable student accommodation operators and assist in the development and growth of their businesses.

3.1.2 Nature of business

3.1.2.1 The Company is licensed as a Financial Services Provider in terms of section 7, read together with section 8, of FAIS and is the holder of a FAIS Category I license under licence number 48979. It is therefore authorised to render investments of a non-discretionary nature. A copy of its FSP licence is contained in Annexure D.

3.1.2.2 The Company is also registered with SARS as a Venture Capital Company in terms of section 12J of the Income Tax Act under reference number 0123.

3.1.2.3 The Company does not fall within the ambit of the Collective Investment Schemes Control Act No 45 of 2002, as amended.

3.1.3 Strategic partners in Company

3.1.3.1 Manager

3.1.3.1.1 ManCo is the management company for the Company. ManCo is responsible for the management and control of the Business

of the Company, including *inter alia*, managing the Company's investments, its administrative, financial, accounting, employment and secretarial functions. There is no additional charge for these services over and above the remuneration disclosed in paragraph 2.4.4 of Section 1. ManCo may make a profit on these transactions. Should ManCo choose to outsource any of these functions, there will be no charge to the Company or the underlying Qualifying Companies for these charges.

- 3.1.3.1.2 The Directors of the Company are responsible for the setting up and maintenance of the section 12J VCC structure. The Directors are responsible for the reporting to the PA, the FSCA and SARS (as applicable), as well as the maintenance of the accounting records, tax records, compliance and Investor relations functions. There is no additional charge for these functions that are fulfilled by the Directors. Where external consultants are used, those charges will be billed to the Company.
- 3.1.3.1.3 At the Last Practicable Date, the current -
- 3.1.3.1.3.1 directors of ManCo are Mohamed Uraaz Essa and Muhammad Moosa; and
- 3.1.3.1.3.2 shareholders of ManCo are -
- 3.1.3.1.3.2.1 Essa Holdings Proprietary Limited (registration number 2016/011964/07) with a 45% shareholding;
- 3.1.3.1.3.2.2 Muhammad Aziz Ahmed Moosa Family Trust (trust registration number IT000766/2015(N)) with a 45% shareholding; and
- 3.1.3.1.3.2.3 Misumuzi Phakama Nhassengo with a 10% shareholding.

3.1.3.2 Administrator

The Company has appointed Prescient Fund Services Proprietary Limited as its Administrator. The Administrator was established in 2010 and is licensed with the Financial Services Board in South Africa as a Category 1 FSP, providing an Intermediary Service. The Administrator is also registered in terms of Section 13B of the Pension Funds Act. The Administrator offers specialised, independent outsourced administration and platform services to management companies, asset managers, multi-managers, collective investment schemes, life companies, retirement funds, hedge funds and other institutional investment providers.

3.1.3.3 Attorneys and Tax Advisors

The Company has appointed Werksmans Inc. as its legal and tax advisors.

3.1.3.4 Commercial bankers

The appointed commercial bankers of the Company are First National Bank Limited, a division of FirstRand Bank Limited.

3.1.3.5 Subsidiaries

The Company does not, as at the Last Practicable Date, control any subsidiary entities as defined in section 3 of the Companies Act.

3.2 **Material Changes (reg 59(3)(b))**

The Company has not commenced operating since the date of its incorporation and, as such, there have been no material changes in the business of the Company during the past three years.

3.3 **Prospects (reg 59(3)(c))**

Directors' opinions on prospects

The Directors have identified potential investments to deploy capital over a period of three years to co-invest in Qualifying Companies that operate property-backed student accommodation businesses, which have underlying consistent revenue streams. Based on this, the Directors are of the opinion that the Company has a substantial pipeline of Qualifying Companies in which to invest that are reasonably likely to generate the returns indicated in this Prospectus and that will meet the criteria of Qualifying Investments in section 12J of the Income Tax Act.

3.4 State of Affairs (reg 59(3)(d))

The Company is a new company and, therefore, does not have any financial records on which the Directors can express an opinion.

3.5 Principal Immovable Property Owned or Occupied (reg 59(3)(e))

The Company does not own any immovable property or (as at the Last Practicable Date) own any interest in a company which owns immovable property. The Company operates out of offices occupied and used by ManCoat Office 301, Cowey Park, 91 - 123 Cowey Road, Essenwood, 4001. ManCo has agreed, in the light of the terms of the Management Agreement, not to charge the Company rental for its occupation and use of these premises. In addition, the Company will have the right to occupy and use these premises for so long as the Management Agreement remains in place.

3.6 Capital Commitments, Lease Payments and Contingent Liabilities (reg 59(3)(f))

The Company does not have any capital commitments, lease payments and/or contingent liabilities with respect to the purchase, construction or installation of buildings, plant or machinery.

3.7 **Turnover, Profit and Loss and Dividend Policy (reg 59(3)(g))**

3.7.1 The Company is a new company and, therefore, does not have any financial records on which the Directors can express an opinion. It has never declared or paid any dividends to its Shareholders.

3.7.2 It is intended that, going forward, any surplus yield derived from the operations of Qualifying Companies into which the Company has made Qualifying Investments, and/or the profits made on the disposal of any those Qualifying Investments, is Distributed to Shareholders to the extent that the Board considers this prudent.

4 **SHARE CAPITAL OF COMPANY**

4.1 The authorised and issued share capital of the Company as at the Last Practicable Date and before the Offer is set forth below (reg 60(a)(i)) -

Authorised

1,000 Ordinary Shares

500,000 'A' ordinary shares of no par value

1,000,000,000 Unclassified Shares

Issued

1,000 Ordinary Shares

4.2 The Ordinary Shares confer voting rights on the Ordinary Shareholders, but do not confer any rights to participate in or receive any Distributions from the Company.

4.3 Each Investor Share confers on the holder thereof the right to receive any Distribution that is declared in respect of the Investor Shares (whether alone or together with one or more other classes of Shares (other than the Ordinary Shares)), whether during the existence of the Company or on its dissolution.

- 4.4 The Board has the discretion to determine by way of a resolution when, how often and in what amounts to declare and/or pay Distributions in respect of the Investor Shares.
- 4.5 Subject to the requirements of the Companies Act, the Directors are entitled to declare a Distribution in respect of the Investor Shares (whether alone or together with one or more (but not all) other classes of Shares) where -
- 4.5.1 the Company receives a payment or transfer (whether in cash or *in specie* and irrespective of the nature of that payment/transfer) from a Qualifying Investment that was acquired or funded using the proceeds (whether in whole or in part) of the subscription for the Investor Shares; and/or
- 4.5.2 the Company disposes of all or any part of a Qualifying Investment that was acquired or funded using the proceeds (whether in whole or in part) of the subscription for the Investor Shares.
- 4.6 If the Directors are entitled, and resolve, to declare a Distribution to the holders of the Investor Shares (whether alone or together with any one or more other classes of Shares) at any time, then the holders of the Investor Shares will receive an amount equal to that holder's percentage shareholding *inter se* of the entire Distribution so declared, calculated with reference to the total number of holders of any class/es of Shares that are entitled to participate in the relevant Distribution, in priority to the holder/s of any other class/es of Shares which the Company is authorised to issue and which either do not rank prior to or *pari passu* with the Investor Shares or are not entitled to participate in or receive any portion of the relevant Distribution declared in respect of the Investor Shares (whether alone or together with one or more (but not all) other classes of Shares).
- 4.7 In the light of the above, and generally speaking, the holders of the Investor Shares have the exclusive right to Distributions from assets attributable to the Investor Shares, but not from the assets attributable to any other class of Shares created or issued from time to time, bearing in mind that the Ordinary Shares have no right to participate in or receive any Distributions from the Company, whether during its existence or upon its dissolution.

- 4.8 The authorised and unissued Investor Shares are under the control of the Directors, subject to section 41 of the Companies Act and the provisions of the MOI.
- 4.9 The Manager is the holder of all of the issued Ordinary Shares. Apart from what is mentioned above, the Ordinary Shares do not carry any special rights when compared to the Investor Shares that are to be issued pursuant to the Offer (reg 60(a)(iii)).
- 4.10 On 18 October 2018, as part of the process to convert the Company from a private company to a public company and in anticipation of the Offer, the Company adopted the MOI and, in so doing, created the Investor Shares and the unclassified Shares (reg 60(b)).
- 4.11 No Shares have been offered to the public since the date of incorporation of the Company (reg 60(c)).
- 4.12 The resolutions passed by the Board on or about 18 October 2018 (ie prior to the issue of this Prospectus) include the approval and authority to allot the Investor Shares to Investors.

5 OPTIONS OR PREFERENTIAL RIGHTS IN RESPECT OF SHARES (REG 61)

The Company is not party to any contract or arrangement (or proposed contract or arrangement), whereby an option or preferential right of any kind is (or is proposed to be) given to any person to subscribe for any Shares in the Company.

6 COMMISSIONS PAID AND PAYABLE IN RESPECT OF UNDERWRITING OF SHARE ISSUES (REG 62)

- 6.1 The issue of the Investor Shares is not underwritten. As such, there have been no commissions paid or payable in respect of underwriting by the Company from the date of its incorporation up to the Last Practicable Date.
- 6.2 Except for referral fees that the Company shall pay to lead generators for capital raising purposes, no other brokerages, commissions or discounts have

been paid, nor have any other special terms been granted, in connection with the issue of Shares by the Company.

7 MATERIAL CONTRACTS (REG 63)

Save for the Directors' service agreements, as disclosed in Annexure B, and the Management Agreement with the Manager, as disclosed in Annexure C, there are no existing or proposed contracts, whether oral or written, entered into or proposed to be entered into by the Company for directors' and managerial remuneration, royalties or secretarial and technical fees or services, whether as at the Last Practicable Date or within the two years immediately before the Last Practicable Date.

8 INTEREST OF DIRECTORS AND PROMOTERS (REG 64)

8.1 Save as disclosed elsewhere in this Prospectus, no consideration has been paid, or agreed to be paid, to -

8.1.1 any Director or related party;

8.1.2 another company in which a Director has a beneficial interest or of which that Director is also a director; or

8.1.3 any partnership, syndicate or other association of which the Director is a member,

to induce the Director to become a Director, to qualify as a Director or for services rendered by the Director or by a company, partnership, syndicate or other association, in connection with the promotion or formation of the Company (reg 64(2)(a)).

8.2 At the Last Practicable Date, none of the Directors or the shareholders of the Manager held Shares directly in the Company. As mentioned above, the Directors are precluded from acquiring any Investor Shares in the Company.

8.3 No properties have been acquired or disposed of by the Company since its incorporation and, therefore, the Directors had and continue to have no

interests in properties acquired or disposed by the Company since its incorporation (reg 64(1)(b)(iii)).

8.4 No material loans have been made by the Company to any of its Directors or managers and the Company has furnished no security for and on behalf of any of its Directors or managers (reg 64(1)(c)(ii)).

8.5 The Directors have no interests in material contracts or transactions with the Company other than those disclosed in this Prospectus.

8.6 At the Last Practicable Date, none of the existing Directors set forth in 2.1.2, except for Muhammad Moosa, are directors of ManCo, however, nothing precludes the possibility of additional Directors becoming directors of ManCo in the future.

8.7 The Directors may, in future, also become directors of the Qualifying Company/ies.

9 **LOANS (REG 65)**

At the Last Practical Date, the Company had no material loans payable and had not advanced any material loans to any party.

10 **SHARES ISSUED OTHERWISE THAN FOR CASH (REG 66(A), 66(B))**

There have been no Shares issued other than for cash since the Company's incorporation.

11 **PROPERTY ACQUIRED OR TO BE ACQUIRED (REG 67)**

11.1 Since the date of the incorporation of the Company and up to the Last Practicable Date, the Company has not acquired any immoveable property or fixed assets.

11.2 Whilst the Company does not plan to acquire any immoveable property, it does intend to acquire, out of the proceeds of the Offer, Qualifying Companies that own, purchase and develop immovable properties as fixed assets and which are material to the business.

12 AMOUNTS PAID OR PAYABLE TO PROMOTERS (REG 68)

In the last three years, no fees of any nature whatsoever have been paid or are proposed to be paid to the Manager as a capital raising fee in terms of the Management Agreement.

13 PRELIMINARY EXPENSES AND ISSUE EXPENSES (REG 69)

- 13.1 The Company is a new company and, except for those budgeted expenses detailed in 13.2, the Company does not have any financial records in respect of any preliminary expenses incurred within three years before the date of the Prospectus.
- 13.2 An amount of R300,000 has been budgeted for the expenses of the Offer on full subscription.

SECTION 2 - DETAILS OF OFFER AND OFFERED SECURITIES

1 PURPOSE OF OFFER (REG 70(A))

1.1 The purpose of the Offer is -

1.1.1 to raise an amount of R500,000,000 (but not less than R50,000,000) to co-invest in Qualifying Companies that own and operate property-backed student accommodation businesses which have underlying consistent revenue streams and the underpin of capital growth during the investment period;

1.1.2 to increase the stated capital of the Company to enable it to invest in Qualifying Companies;

1.1.3 to expand the capital base of the Company;

1.1.4 to broaden the shareholder base of the Company;

1.1.5 to fund the growth aspirations of the Company;

1.1.6 to enable the Company to take advantage of the strong flow of attractive investment opportunities currently being seen by the Manager, by inviting members of the public, financial institutions, pension funds, business associates and employees of the Company to invest directly in the Company; and

1.1.7 to establish the Company as a leading Venture Capital Company.

1.2 Any amounts raised in excess of the projected issuing expenses will still achieve the Company's goal of increasing its capital base (reg 70(b)).

2 TIMETABLE OF OFFER (REG 71)

The dates and times for the opening and closing of the Offer are set forth below -

Details	2019
Opening date of the Offer on (09:00)	25 January 2019

Closing Date of the Offer (17:00)*	28 February 2019
Deadline for Applications (17:00)	28 February 2019
Last date for transfer of funds	27 February 2019
Share certificates and tax certificates in respect of the Investor Shares to be dispatched	29 March 2019

*The Directors reserve the right to extend the Closing Date, by means of publishing a supplementary prospectus, at their discretion. The Offer will close earlier than the dates stated above if fully subscribed or otherwise at the Director's discretion.

3 PARTICULARS OF OFFER (REG 72)

- 3.1 The Offer comprises an offer to the public to subscribe for 500,000 Investor Shares of no par value at an issue price of R1,000 per Investor Share, each having one vote per Investor Share. None of the Investor Shares is secured and the Investor Shares as a whole are of a different class to the existing Ordinary Shares in issue (reg 72(1)(a)-(d)).
- 3.2 The Directors consider the issue price of each Investor Share to be justified by the prospects of the Company.
- 3.3 Applicants may apply for Investor Shares by completing the Application Form attached to and forming part of this Prospectus.
- 3.4 Application Forms must be completed in accordance with the provisions of this Prospectus and the instructions as set out in the Application Form.
- 3.5 The Company's capital structure and alterations to the share capital since incorporation and preceding the date of this Prospectus are set forth in paragraph 5 of Section 2.
- 3.6 Applicants must apply for a minimum of 100 A Shares up to a maximum of 19.9% of the number of A Shares issued pursuant to the Offer.
- 3.7 All Application Forms should be delivered to -

e-mail address: pevcc@prescient.co.za
physical address: Prescient House

Westlake office ParkOtto Close
Westlake, 7945

registered mail: P.O. Box 31142
Tokai, 7966

3.8 Proof of payment is to be received by the Company by not later than 17h00 on the Closing Date.

3.9 Applications will be regarded as complete once the Company has received payment in freely-available cash by way of electronic funds transfer into the following bank account (no cash deposits will be accepted) -

Account Name: Coastal Equities Limited

Bank: FirstRand Bank Limited

Branch: Florida Road

Branch Number: 220526

Account Number: 62715858447

3.10 Applications are irrevocable once received by the Company. No receipts will be issued for Applications and/or payments received.

4 TERMS AND CONDITIONS OF APPLICATION

4.1 Applications are regarded as complete only once payment has been received. If Applications are received in excess of the maximum subscription under the Offer, then the Directors reserve the right to use their absolute discretion in determining the allocation of successful Applications.

4.2 The Company may allot and issue Investor Shares at any time after it has received a completed Application and the payment in connection with that Application. The contract created by the acceptance of an Application under the Offer is conditional on the subscription becoming effective.

- 4.3 The Company reserves the right to retain share certificates and Application monies pending receipt and clearance (if applicable) of a successful Applicants' monies.
- 4.4 The Company may treat Applications as valid and binding, even if they are not made in all respects in accordance with the prescribed instructions and the Company may, at its discretion, accept an Application in respect of which payment is not received by the Company prior to closing of the Offer. If any Application is not accepted in full or if any contract created by acceptance does not become unconditional, the Application monies or, as the case may be, the balance thereof will be returned (without interest) by returning the Application monies to the bank account from which the Application monies were sent. In the meantime, Application monies will be held by the Company in a separate account. Multiple Applications by Investors are permitted.
- 4.5 By completing and delivering an Application Form, each Applicant -
- 4.5.1 offers to subscribe for the number of Investor Shares specified in the Application Form or such lesser number of Investor Shares for which the Application is accepted, on the terms of and subject to the conditions contained in this Prospectus, including the terms and conditions in this paragraph 4 of section 2, and subject to the MOI of the Company;
- 4.5.2 agrees that the Application may not be revoked or withdrawn;
- 4.5.3 agrees that he is not entitled to receive a certificate in respect of the Investor Shares until he makes payment in cleared funds for those Investor Shares and that payment is accepted by the Company in its absolute discretion (which acceptance is on the basis that the Applicant indemnifies the Manager against all costs, damages, expenses, liabilities and losses arising out of or in connection with the failure of the Applicant's payment to be received by the Company);
- 4.5.4 agrees that, in respect of those Investor Shares for which the Application has been received and is not rejected, the Application may be accepted at the election of the Company by notification of acceptance thereof by the Company or the Manager on behalf of the Company;

- 4.5.5 authorises the Company to deliver share certificate/s in respect of the number of Investor Shares for which the Application is accepted to the address set forth in his Application Form;
- 4.5.6 authorises the Company to transfer any amount to be returned to him to the bank account from which the Application monies were sent;
- 4.5.7 agrees that all Applications, acceptance of Applications and contracts resulting therefrom are governed by the laws of South Africa and agrees that nothing limits the right of the Company or the Manager to bring any action, proceeding or suit arising out of or in connection with any such Application, acceptance of Applications and contracts in any other manner permitted by law;
- 4.5.8 confirms that, in making an Application, he is not relying on any information or representation in relation to the Company other than the information contained in this Prospectus and, accordingly, he agrees that no person responsible solely or jointly for this Prospectus, or any part hereof, or involved in the preparation hereof, has any liability for that information or representation;
- 4.5.9 irrevocably authorises the Company and/or the Manager (or any person authorised by either of them), as his agent, to do all things necessary to effect registration of any Investor Shares subscribed by or issued to him into his name and authorises any representative of the Company or the Manager to execute any document required therefor;
- 4.5.10 agrees that, having had the opportunity to read this Prospectus, he is deemed to have had notice of all information and statements concerning the Company and the Investor Shares contained herein;
- 4.5.11 agrees that all documents sent by post to, by or on behalf of the Company are sent at the risk of the Applicant;
- 4.5.12 agrees, on request by the Company or the Manager on behalf the Company, to disclose promptly in writing to the Company or the Manager,

as the case may be, any information which the Company or the Manager may reasonably request in connection with his Application, including, without limitation, satisfactory evidence of identity to ensure compliance with money-laundering regulations, and authorises the Company and the Manager to disclose any information relating to his Application as they consider appropriate;

4.5.13 declares that the Application Form has been completed to the best of his knowledge; and

4.5.14 declares that a loan has not been made to him or any of his associates, which would not have been made, or not have been made on the same terms, but for his offering to subscribe for, or acquiring, Investor Shares and that the Investor Shares are being acquired for *bona fide* commercial purposes and not as part of a scheme or arrangement, the main purpose of which is the avoidance of tax.

4.6 No person receiving a copy of this Prospectus or an Application Form in any territory other than South Africa may treat the same as constituting an invitation or offer to him, nor should he in any event use that Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to him or that Application Form could lawfully be used without contravention of any regulations or other legal requirements. It is the responsibility of any person outside of South Africa wishing to make an Application to satisfy himself as to the full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in that territory and paying any issue, transfer or other taxes required to be paid by that territory. The returns indicated are based on after-tax returns for South African residents for individual Investors in the top income tax bracket. No indications are able to be made for non-South African Investors.

4.7 The basis of allocation is determined by the Company in its absolute discretion after consultation with the Manager. The Directors reserve their right to reject, in whole or in part, and/or to scale down and/or to ballot any Application or any part thereof, including Applications in respect of which any verification of

identity which the Company or the Manager consider may be required for the purposes of money-laundering regulations has not been satisfactorily supplied. Dealings prior to the issue of certificates for Investor Shares are at the risk of the Applicants. A person so dealing must recognise the risk that an Application may not have been accepted to the extent anticipated or at all.

- 4.8 The Company may use its website to publish statutory documents and communications to Shareholders, such as the annual report and accounts, as its default method of publication. It is the Company's intention in the future to provide, as far as possible, all Shareholder communications *via* electronic communications, either *via* e-mail or *via* the Company's website (www.coastalequities.co.za) to all Shareholders who have not specifically elected to receive the information in hard copy (ie paper) form. This will reduce the number of communications sent by post and will result in cost savings to the Company. It will also reduce the impact that the unnecessary printing and distribution of reports has on the environment. Shareholders will be notified, by e-mail, each time the Company places communications on the website.
- 4.9 An Applicant may choose to receive e-mail notifications or, alternatively, hard copies of the Company's Shareholder communications, and he is to fill in the relevant contact details in Section 1 of the Application Form. Should the Investor subsequently wish to change his election, he can do so at any time by contacting the Manager.

5 **MINIMUM SUBSCRIPTION IN TERMS OF OFFER (REG 73)**

The statistics of the Offer are set forth below -

Details	R
Minimum amount to be raised by the Company*	R50,000,000
Maximum amount to be raised by the Company*	R500,000,000
Estimated net proceeds after the Offer	R499,700,000

*The Directors reserve the right to waive the condition as to the minimum amount to be raised pursuant to, and/or to increase the size of, the Offer, in their absolute discretion and subject to the publication of a supplementary prospectus.

5.1 The minimum amount that the Directors intend to raise in terms of the Offer is R50,000,000 (reg 73(1)).

5.2 The Offer is not underwritten and the Company will not issue fractions of Investor Shares.

5.3 Any excess amount raised will achieve the Company's goal to increase its capital base (reg 70(b)).

5.4 The Directors intend to apply the monies raised pursuant to the Offer as follows -

5.4.1 to pay the expenses listed in 13 of Section 1;

5.4.2 to pay for the following items as part of the budgeted working capital expenditure -

	Monthly	Annual
Compliance costs	R6,000	R72,000
Licensing fees	R1,000	R12,000
Accounting and admin costs	R15,000	R180,000
Insurance	R3,000	R36,000
Audit fees	R2,000	R24,000
Totals	R27,000	R324,000

5.4.3 there are no commissions payable in connection with the Offer and the Company has not borrowed any monies in connection with the preparation of this Prospectus or the Offer which it needs to repay once it has raised funding from the Offer (reg 73(4)).

5.5 If the minimum amount of R50,000,000 is not raised pursuant to the Offer, then the Offer will become null and void, all moneys received will be returned to Investors within seven days after the Closing Date and no Investor Shares will be issued pursuant to the Offer.

5.6 If the Offer fails, an announcement to this effect will be made on the Company's website within seven days after the Closing Date.

6 **RESERVATION OF RIGHTS**

The Directors reserve the right to accept or refuse any Application/s, either in whole or in part, or to abate any or all Application/s in such manner as they may, in their absolute and sole discretion, determine.

7 **RESULTS OF ALLOCATIONS**

7.1 **Notification of Allocations**

The Company will notify Applicants of the allocation of Investor Shares within five days after the Closing Date by way of e-mail.

7.2 **Over Subscriptions**

If any Application is rejected or accepted for a lesser number of Investor Shares than was applied for, the Company shall refund any surplus Application monies received within five days after the Closing Date.

7.3 **Issue of Investor Shares**

All Investor Shares to be issued in terms of the Offer will be issued at the expense of the Company.

SECTION 3 - STATEMENTS AND REPORTS RELATING TO OFFER

1 STATEMENT OF ADEQUACY OF CAPITAL (REG 74(2)(a))

The Directors are of the opinion that the issued capital of the Company, both before and pursuant to the Offer, is adequate for the business of the Company for at least 12 months from the date of issue of this Prospectus.

2 REPORT BY DIRECTORS AS TO MATERIAL CHANGES (REG 75)

As at the date of issue of this Prospectus, there have been no other material changes in the assets and liabilities and/or the financial and trading position of the Company since its previous financial reporting period.

3 STATEMENT AS TO LISTING ON STOCK EXCHANGE (REG 76)

No application has been made to any stock exchange for the listing of the Investor Shares to be issued pursuant to the Offer.

4 REPORT BY AUDITOR (REG 77)

4.1 Regulation 77 of the Companies Regulations requires the Auditor to prepare a report if the proceeds, or any part of the proceeds, of the issue of the securities or any other funds in terms of the Offer are to be applied directly or indirectly in the purchase of any business undertaking. This report must include statements in respect of -

4.1.1 the profits or losses of the business undertaking in respect of each of the three financial years preceding the date of this Prospectus; and

4.1.2 the assets and liabilities of the business undertaking at the last date to which the financial statements of the business undertaking were made out.

4.2 This report is not required in the present circumstances since the Directors do not propose to acquire any existing business undertaking using the proceeds of the issue of the Investor Shares raised pursuant to the Offer.

5 REPORT BY AUDITOR OF COMPANY (REG 78)

- 5.1 Regulation 78 of the Companies Regulations requires the Auditor to prepare a report if the proceeds, or any part of the proceeds, of the issue of the securities or any other funds in terms of the Offer are to be applied in any manner, whether directly or indirectly, resulting in the acquisition by the Company of any securities in another juristic person with the direct or indirect result that the other juristic person becomes a subsidiary of the Company (reg 78(1)).
- 5.2 This report must include statements in respect of -
- 5.2.1 the profits or losses of the other juristic person in respect of each of the three financial years preceding the date of this Prospectus;
- 5.2.2 the assets and liabilities of the other juristic person at the last date to which the financial statements of the other juristic person were made out;
- 5.2.3 how the profits or losses of the other juristic person would, in respect of the shares acquired, have concerned Shareholders of the Company if the Company had held the shares so acquired at all material times; and
- 5.2.4 what allowance would have fallen to be made, in respect of the assets and liabilities so dealt with, for holders of other shares if the Company had held the shares so acquired at all material times.
- 5.3 The Company intends to use the proceeds from the Offer in the manner contemplated in Regulation 78. However, the Qualifying Companies into which Qualifying Investments are made will all be newly-established companies without any historical financial performance or records. Accordingly, the provisions of Regulation 78 do not apply in the present circumstances.

6 REPORT BY AUDITOR OF COMPANY (REG 79)

Regulation 79 of the Companies Regulations requires the Auditor to prepare a report on the profits and losses, dividends and assets and liabilities of the Company. Since the Company is a new company, there are no financial records

indicating the profits and losses, dividends and assets and liabilities of the Company and we attached a confirmatory letter from the Auditors to this effect as Annexure F.

SECTION 4 - ADDITIONAL MATERIAL INFORMATION

1 TAX DEDUCTIBILITY OF INVESTMENT IN THE COMPANY

1.1 Section 12J of the Income Tax Act allows Investors to deduct from their income the full amount of their investment in the Company in the tax year in which the investment is made.

1.2 This tax relief mitigates the investment risk and significantly enhances the potential return.

1.3 The tax impact is best demonstrated as follows -

Investment	Individuals	Trusts	Corporates
Gross Investment	R1,000,000	R1,000,000	R1,000,000
Tax Relief	R450,000	R450,000	R280,000
Net Investment	R550,000	R550,000	R720,000
Effective % Tax Relief	45%	45%	28%

*Dividends received by South African resident corporates are not subject to dividends tax to the extent that they have complied with the relevant formalities.

**The above is based on an individual earning in excess of R1,500,000 in the tax year in which the investment is made.

1.4 If an investment in the Company exceeds the Investor's income in the year that the investment is made, the tax loss created can be carried forward to subsequent years.

1.5 The Company intends to return realised investment surpluses to Shareholders by way of dividends. Dividends paid will be subject to dividends tax, to the extent that the Investor is an individual or trust. If the Investor is a South African resident company and it has complied with the formalities, then that dividend will not be subject to dividends tax.

1.6 A return of capital limited to the amount of the initial investment will not be subject to income tax as a recoupment in the hands of an Investor, provided that the investment has been held for no less than five years.

- 1.7 Capital gains on the disposal of any share held by Investors in the Company, as well as original capital returned to Investors, will have capital gains tax consequences. The base cost for capital gains tax purposes will be zero.

2 **PROCEDURE TO CLAIM TAX DEDUCTION OF INVESTMENT**

- 2.1 Investors are entitled to deduct the full amount of their investment in the Company from their income in the tax year ending 28 February 2019. A provisional taxpayer is entitled to claim the deduction in the provisional submission in February 2019. A non-provisional taxpayer will deduct the investment in the 2019 income tax submission.
- 2.2 The Company will send a certificate to substantiate a claim for the tax deduction to Investors within six weeks after the Closing Date (if the Offer becomes effective).
- 2.3 Investors can claim the tax relief by claiming the deduction in their 2019 income tax returns.

3 **LITIGATION STATEMENT**

There are no legal or arbitration proceedings, including any proceedings that are pending or threatened, of which the Company is aware, that may have or have had, in the 12 months preceding the Last Practicable Date, a material effect on the Company's financial position.

4 **CORPORATE GOVERNANCE**

The King IV Report on Corporate Governance ("**King Code**") is intended to govern public listed companies and is not binding on private or unlisted public companies. The Company has put certain mechanisms in place that relate to corporate governance as contemplated in the King Code, but does not apply the requirements of the King Code strictly.

5 **EXPERTS' CONSENTS**

Each of the Advisors listed in the "Corporate Information and Advisors" section of this Prospectus has consented in writing to act in the capacities stated and to their

names appearing in this Prospectus and have not withdrawn their consent prior to the publication of this Prospectus.

6 DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names are given in paragraph 2 of Section 1, collectively and individually, accept full responsibility for the accuracy of the information provided in this Prospectus and certify that, to the best of their knowledge and belief, there are no facts relating to the Company that have been omitted which would make any statement relating to the Company false or misleading, that all reasonable enquiries to ascertain those facts have been made and that this Prospectus contains all information relating to the Company required by law.

7 FINANCIAL ADVICE

- 7.1 This Prospectus constitutes objective information about the Company. Nothing contained in this Prospectus should be construed as constituting any form of investment advice or recommendation, or any guidance or proposal of a financial nature, in respect of any investment. Nothing in this Prospectus should be construed as constituting the canvassing for, or marketing or advertising of financial services by the Company.
- 7.2 Investors should be cognisant that the value of, and potential income generated from, an acquisition of Investor Shares in the Company may appreciate as well as depreciate. Investors may not realise the initial share acquisition price. If an Investor is in any doubt, he should seek advice from his financial advisor, accountant, attorney, banker or other professional advisor.

8 RISK FACTORS OF VENTURE CAPITAL INVESTMENTS

- 8.1 All the information in this Prospectus should be considered by potential Investors before making a decision to invest in the Company. Venture capital investments are considered to be speculative and are considered to be more suitable for investors in a high-income bracket, who are prepared to accept the risks inherent in investments of this nature.
- 8.2 Prospective Investors should carefully consider their financial position and make every effort to familiarise themselves with the consequences of

- non-attainment by the Company of the objectives outlined in this Prospectus. It may be prudent to seek independent financial advice regarding this investment.
- 8.3 Prospective Investors should be aware that the past performance of investments and/or other funds managed by the Manager should not be regarded as an indication of the expected or future performance of the investments to be made by the Company.
- 8.4 Prospective Investors should also be aware that the value of the Investor Shares may fluctuate and that their investment/s may not realise a profit. There is no certainty about the amount and timing of future Distributions or that the Company will declare, make or pay any Distributions.
- 8.5 Changes in legislation relating to Venture Capital Companies may restrict or adversely affect the ability of the Company to meet its objectives.
- 8.6 There can be no assurances that the Company will meet its objectives. Changes in Qualifying Investments may adversely affect or restrict the ability of the Company to meet its objectives.
- 8.7 In order to comply with section 12J of the Income Tax Act, the Company must spend at least 80% of its expenditure on equity shares in Qualifying Companies, which must be unlisted and have a book value of assets of not more than R50,000,000 after the Company investment. These companies may have a higher risk profile than larger, listed companies.
- 8.8 Qualifying Investments made by the Company will be in companies whose shares are not listed and will therefore not be readily marketable. Whilst the Company may, in exceptional circumstances, buy back Investor Shares from the holders thereof, it is not obliged to do so.
- 8.9 Venture Capital Shares are illiquid and purchasers of Venture Capital Shares from existing Investors will not qualify for the section 12J income tax deduction.

- 8.10 An investment in the Company should be considered as a medium to long-term investment. If a Shareholder wishes to 'cash out' his investment prematurely, the Directors will endeavour to place the Investor Shares with an alternate investor on his behalf, but cannot guarantee that this will happen.
- 8.11 Shareholders who do not hold Venture Capital Shares for a minimum period of five years will be subject to a recoupment of tax on their initial investment in the year in which the Venture Capital Shares are sold.
- 8.12 The ability of Investors to secure the tax relief under section 12J of the Income Tax Act depends on their individual circumstances and that tax relief is based on current legislation, practice and interpretation.
- 8.13 An Investor will incur a recoupment to the extent that he sells his Investor Shares within five years of the date of their issue to him.
- 8.14 In addition, should any one Investor be considered a Connected Person in relation to the Company, where for example an Investor holds more than 20% of any class of the issued Investor Shares, then the income tax deduction as contemplated in section 12J(2) of the Income Tax Act will not be allowed in the hands of the Investor. In addition, the Company's VCC status may be withdrawn and an amount equal to 125% of the expenditure incurred by an Investor to acquire Venture Capital Shares must be included in the income of the Company in the year of assessment in which the approval is withdrawn.
- 8.15 The Company is prohibited from owning more than 70% of the equity shares in any one of the underlying Qualifying Companies, as per the definition of Qualifying Company in section 12J(1) of the Income Tax Act.
- 8.16 Returns will be affected, *inter alia*, by the property market and the student accommodation industry in South Africa. Naturally, any changes to future tax rates will also affect the after-tax returns received by Investors. All of these factors have been taken into account in the modelling of the returns, but future movements in these factors are unknown at the time of this Prospectus.

9 COMPLAINTS PROCESS & TREAT YOUR CUSTOMERS FAIRLY OUTCOMES

- 9.1 The Company is committed to service excellence and values the relationship with its Investors. The 'Treat Your Customers Fairly' culture is embedded in our business.
- 9.2 In terms of FAIS, Investors may lodge a complaint with Jennifer Lynn Jubber, who is the key individual of the Company at Office 301 Cowey Park, 91 - 123 Cowey Road, Essenwood, 4001. The Company is committed to an effective and fair resolution of any complaints. The Company's complaints resolution procedure is available on request.

10 CONFIDENTIALITY

The Company will not disclose or use any confidential information obtained from Investors, except to the extent permitted by the Investor/s concerned or required by Applicable Law. Policies and procedures in terms of POPI are in the process of implementation.

11 INVESTORS NOT RESIDENT IN SOUTH AFRICA

- 11.1 Investors not resident in South Africa should seek professional advice as to the consequences of making an investment in a Venture Capital Company, as they may be subject to tax in other jurisdictions as well as in South Africa.
- 11.2 The following summary is intended as a guide only and is, therefore, not comprehensive. If you are in any doubt as to the exchange control/financial surveillance or tax consequences of an investment in a Venture Capital Company, please consult your professional advisor.
- 11.2.1 Emigrants from Common Monetary Area
- 11.2.1.1 A former resident of the Common Monetary Area who has emigrated from South Africa may use blocked Rand to subscribe for Investor Shares in terms of the Offer.

- 11.2.1.2 All payments in respect of subscriptions for Investor Shares by emigrants using blocked Rand must be made through an authorised dealer in foreign exchange.
- 11.2.1.3 Share certificates will be restrictively endorsed as "NON-RESIDENT".
- 11.2.1.4 If applicable, refund monies in respect of unsuccessful Applications, emanating from blocked Rand accounts will be returned to the authorised dealer administering those blocked Rand accounts for the credit of that Applicant's blocked Rand account.

11.2.2 Applicants resident outside Common Monetary Area

- 11.2.2.1 A person who is not resident in the Common Monetary Area should obtain advice as to whether any government and/or legal consent is required and/or whether any other formality must be observed to enable an Application to be made in terms of the Offer.
- 11.2.2.2 This Prospectus is accordingly not an Offer in any area or jurisdiction in which it is illegal to make such an Offer. In those circumstances, this Prospectus is provided for information purposes only. Share certificates will be restrictively endorsed as "NON-RESIDENT".

12 **DOCUMENTS AVAILABLE FOR INSPECTION (REG 53(A)(B)(D)(E))**

Copies of the following documents are available for inspection at the registered offices of the Company at any time during business hours on weekdays until and including the date that is 10 business days after the Closing Date -

- 12.1 the MOI;
- 12.2 the material agreements disclosed in this Prospectus;
- 12.3 the written consents of the Advisors named in this Prospectus to act in those capacities; and
- 12.4 the reporting accountant's report.

13 **PROFESSIONAL INDEMNITY AND FIDELITY INSURANCE COVER**

As required in terms of FAIS, professional indemnity insurance cover of R1,000,000 has been procured for the Company.


SECTION 5 - INAPPLICABLE OR IMMATERIAL MATTERS

The following paragraphs of the Companies Regulations dealing with the requirements for a prospectus are not applicable or are immaterial to this Prospectus -

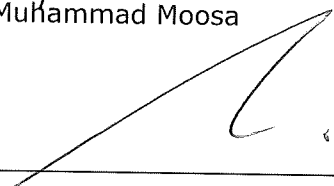
- 1 Regulation 55;
- 2 Regulation 57(2) and (3)(b);
- 3 Regulation 59(2)(a), (3)(d)(ii), (e), (f), (g) and (4);
- 4 Regulation 60(c);
- 5 Regulation 61;
- 6 Regulation 62;
- 7 Regulation 64(2)(b)(i), (ii) and (c);
- 8 Regulation 65;
- 9 Regulation 66;
- 10 Regulation 67;
- 11 Regulation 68;
- 12 Regulation 70(b);
- 13 Regulation 72(2) and (3);
- 14 Regulation 74(2)(b);
- 15 Regulation 78;
- 16 Regulation 79(1), (3) and (4); and

17 Regulation 80.


Signed in Durban by each Director of the Company on or about
21 JANUARY 2019.



Muhammad Moosa



Misumuzi Phakama Nhassengo



Jennifer Lynn Jubber

ANNEXURE A - RISK FACTORS

This Annexure describes the risk factors that are considered by the Directors to be material in relation to the Company -

RISK	EXPLANATION OF IMPACT OF RISK ON PERFORMANCE / REPUTATION OF THE COMPANY	LEVEL	MITIGATING FACTOR
Economic, governmental, fiscal and political conditions	<p>The state of the economy will change over time in line with the economic and business cycles.</p> <p>Any changes of governmental, fiscal, monetary (including, <i>inter alia</i>, changes in the exchange rate) or political policy could materially affect, directly or indirectly, the operation of the Company.</p>	Low	<p>The directors of the Company will carefully monitor and adapt to fiscal, governmental, political or monetary policy (including, <i>inter alia</i>, changes in the exchange rate) that could materially affect, whether directly or indirectly, the business and operations of the company.</p>
Uncertainty	<p>Having limited knowledge of current conditions or future outcomes.</p>	Low	<p>The Directors will only consider investments of which they have a good understanding and can add value and influence to the underlying investments.</p> <p>There can be no guarantee that suitable investment opportunities will be identified in order to meet the Company's objectives.</p>
Changes in legislation	<p>Legislation risk includes changes to section 12J legislation.</p>	High	<p>The section 12J VCC regime is subject to a sunset clause terminating on 30 June 2021. It is reasonable to assume that SARS will review the efficiency of the regime and a decision will be then made as to whether it should be extended.</p>

			The Directors will continue to monitor changes in legislation.
Illiquid shares	The Investor Shares issued to Investors are illiquid.	High	<p>Full disclosure is made to Investors that Investor Shares subscribed for are illiquid.</p> <p>At the discretion of the Board, the Company may repurchase Investor Shares at an appropriately discounted value. In terms of section 12J, no repurchase should be made within five years of the purchase date, as this would result in a recoupment of the deduction.</p>
Fraud risk / internal control risk	The Company does not have an internal audit function.	Low	<p>Management accounts are produced monthly and reviewed by the Directors.</p> <p>It is not deemed necessary by the Directors to implement an internal audit function due to the size of the Company.</p> <p>External auditors annually provide a management report on internal controls to the Directors.</p> <p>All cash resources are maintained independently by the Administrator and the Directors of the Company do not have access to these funds except to instruct the Administrator to acquire shares in Qualifying Companies and/or pay any costs associated with the administration and/or operations of the Company and/or any Qualifying Company.</p>
Credit Risk on deposits	Credit risk consists mainly of cash deposits, cash equivalents and trade debtors.	Low	The Company only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty.

Credit risk on customers	Credit risk consists mainly of customers failing to pay the underlying Qualifying Company, thereby creating the risk of a bad debt.	Medium	The Company will set a credit limit on each targeted customer and prior approval will be required for any transaction exceeding that limit.
Interest Rate Risk	Financial assets and liabilities that are sensitive to interest rate comprise cash balances and gearing, if any.	Low	Funds not yet invested are deposited in short and medium-term interest bearing accounts.
Operational Risks	<p>The operational risk is that investment decisions are not properly evaluated and considered.</p> <p>Post investment management not conducted with adequate diligence and care.</p>	<p>High</p> <p>High</p>	<p>The mandate of the Directors and the Manager ensure that investment decisions are properly considered and evaluated prior to investments being made.</p> <p>The Manager will procure the appointment of a non-executive director to the board of Qualifying Companies as a condition of investment.</p>
Liquidity Risk	The risk that funds will not be available to meet future investment requirements.	High	<p>The Company manages liquidity risk through ongoing review of future funding obligations.</p> <p>The Company has also created 1,000,000,000 unclassified Shares, which the Directors are able to classify and issue as and when new investment opportunities arise.</p>
Capital Risk	To safeguard the Company's ability to continue as a going concern to provide returns for Shareholders and benefits for other stakeholders and to maintain optimal capital structure to reduce the cost of capital.	Medium	<p>In order to maintain or adjust the capital structure, the Company may issue new Shares in a different Class (from among the unclassified Shares) or sell assets to increase cash and cash equivalents.</p> <p>The Company is seeking to raise a minimum of R50,000,000 through the Offer. To the extent that less capital than the target</p>

			is raised, the Investment Portfolio may be less diversified than if the Offer had been fully subscribed.
Compliance with existing or future laws and regulations	<p>The Company intends to invest in Qualifying Companies that operate in a highly regulated industry. Any failure to comply with these laws or regulations could result in increased capital expenditure or operating costs or the imposition of criminal or civil liability or restrictions on the Company's operations or the operations of the underlying Qualifying Company that could have a material adverse effect on the businesses, results of operations and financial conditions. These laws and regulations and interpretations thereof may change, sometimes dramatically, as a result of a variety of factors, including political, economic or social factors.</p> <p>The Company may indirectly incur significant costs to comply with existing or new legislation, which applies to the operations of the underlying Qualifying Companies going forward, and may become subject to liability to the extent there is a change in law or interpretation of law</p>	Medium	The Directors will obtain adequate legal advice in respect of existing or future laws and regulations in respect of any investments to mitigate future complications.

	<p>applicable to past practices. The need to comply with new, evolving or revised laws or regulations, or new, evolving or changed interpretations or enforcement of existing laws or regulations, may have a material adverse effect on a particular Qualifying Company's business and results of operations.</p>		
<p>Higher risk inherent in investment in unlisted securities</p>	<p>The Company intends to invest in securities that may not now (and may never) be publicly traded or listed on a securities exchange. Companies whose securities are unlisted are not subject to the same disclosure and other investor protection requirements that are applicable to companies with listed securities. These investments may be difficult to value (which valuation may also be subjective) and to sell or otherwise liquidate, and the risk of investing in such companies is generally much greater than the risk of investing in listed or publicly traded companies, because of the lack of liquidity.</p>	<p>Medium</p>	<p>The Directors will only consider Qualifying Investments if they have a good understanding of, and can add value and influence to, these underlying investments. One of the requirements of the Company is to have its executives appointed to Qualifying Companies boards in order to oversee the operations of those companies.</p> <p>There can be no guarantee that suitable investment opportunities will be identified in order to meet the Company's objectives.</p>

ANNEXURE B - DIRECTORS SERVICE CONTRACTS

NAME OF DIRECTOR	COMMENCEMENT DATE	TERMINATION DATE	PERIOD	NOTICE PERIOD	REMUNERATION
Muhammad Moosa	25 July 2017	N/A	N/A	N/A	R0
Misumuzi Phakama Nhassengo	6 December 2018	N/A	N/A	N/A	R0
Jennifer Lynn Jubber	26 February 2018	N/A	N/A	N/A	R60,000

ANNEXURE C - SALIENT POINTS OF MANAGEMENT AGREEMENT

The following is a summary of the salient, material terms of the Management Agreement. This summary includes paraphrases of the actual wording of the Management Agreement, based on the Directors' interpretation and commercial intention in concluding the Management Agreement.

- 1 The Management Agreement was concluded between the Company and ManCo ("**Parties**") on or about 6 December 2018 ("**Signature Date**").

- 2 The Management Agreement continues indefinitely until it is -
 - 2.1 terminated by either Party on six calendar months' prior written notice to that effect to the other Party, provided that neither Party is entitled to terminate the Management Agreement prior to the date on which ManCo ceases to hold 100% of the issued Ordinary Shares of the Company; or
 - 2.2 terminated by either Party immediately on written notice to that effect to the other Party on the happening of a defined "Insolvency Event" in relation to such other Party.

- 3 In terms of the Management Agreement, ManCo has been appointed, on an exclusive basis, as the Company's manager in respect of the business of the Company (being a financial services provider with its primary focus on Investments into Qualifying Companies that own and operate property-backed student accommodation businesses which have underlying consistent revenue streams).

- 4 The services provided by ManCo in respect of the Management Agreement ("**Services**") include (but are not limited to) -
 - 4.1 identifying suitable Investment opportunities for the Company;
 - 4.2 managing the negotiation and conclusion of identified Investment opportunities; and
 - 4.3 administering the back-office functions of the Company (including keeping the financial records of the Company).

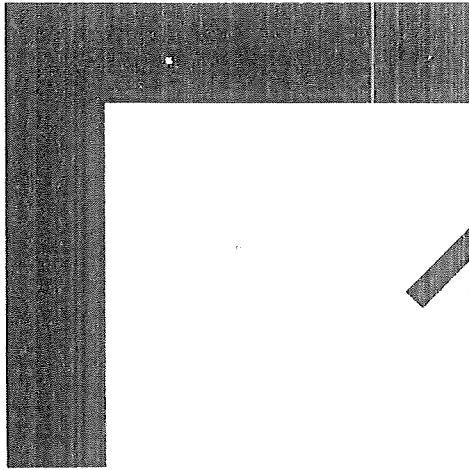
- 5 As consideration for the Services, ManCo is entitled to receive as a fee an amount equal to 2% of the net asset value of each Qualifying Company in each financial year, as reflected in the unaudited management accounts of that Qualifying Company for the financial year in question.

- 6 In addition, -
 - 6.1 prior to the time at which an investor into the Company has received (before the payment of any taxes) an amount equal to his Risk Capital, the Manager is entitled to receive a fee equal to an amount of 20% of any distribution (as this term is defined in the Companies Act No 71 of 2008) payable by the Company to that investor that exceeds a return of 10% in the year in question; and

 - 6.2 once an investor into the Company has received (before the payment of any taxes) an amount equal to his Risk Capital, the Manager is entitled to receive a fee equal to an amount of 20% of any amount payable by the Company to that investor in respect of his shares in the Company (whether as a distribution (as this term is defined in the Companies Act No 71 of 2008) from the Company or as proceeds on the disposal of his shares in the Company).

ANNEXURE D - FSP LICENSE

[See attached.]



Financial Sector
Conduct Authority

FINANCIAL SECTOR CONDUCT AUTHORITY

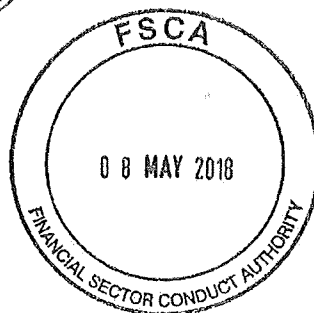
LICENCE No. 48979

It is hereby certified that with effect from 8 May 2018

COASTAL EQUITIES (PTY) LTD

**is licensed as a financial services provider
in terms of section 8 of the Financial Advisory and Intermediary Services
Act, 2002 (Act No. 37 of 2002) ,
subject to the conditions and restrictions set out in the Annexure**


.....
For Financial Sector Conduct Authority



ANNEXURE E - SARS LETTER OF APPROVAL

[See attached.]



South African Revenue Service

MUHAMMAD MOOSA
COASTAL EQUITIES (PTY) LTD
UNIT 301 COWEY PARK
91 COWEY ROAD
ESSENWOOD
DURBAN
4001

VENTURE CAPITAL COMPANY

Approval of Application

Enquiries should be addressed to SARS:

Contact Detail

Legal Counsel
Legal Advisory: Specialist Support
Maxwell Drive, Megawatt Park, Sunninghill, Sandton
Private Bag X170, Rivonia, 2128

Name: Mxolisi Radebe
Tel: 011 602 3839
Email: VCC@sars.gov.za

Details

Tax Reference No.: 9006192265
VCC No.: 0123
Date: 2018-07-31

Always quote this reference
number when contacting SARS

Dear Public Officer

Thank you for your application to register as a Venture Capital Company (VCC) in terms of section 12J of the Income Tax Act No 58 of 1962 ("the Act").

We are pleased to inform you that your application has been successful and the company is now an approved VCC.

Your reference number is 0123. Please quote this reference number as well as your tax reference number when communicating with SARS.

Please note that should the company at any stage fail to comply with the provisions of section 12J of the Act the approval may be withdrawn and the company could become liable for the inclusion in its income of 125% of the expenditure incurred by the investors for the issue of shares in the company.

Should you have any queries relating to this letter, please contact the SARS official mentioned above.

Please refer to the VCC reference guide on the SARS website for guidance.

Sincerely

ISSUED ON BEHALF OF THE SOUTH AFRICAN REVENUE SERVICE

ANNEXURE F - AUDITOR'S LETTER

[See attached.]



Grant Thornton

An instinct for growth™

Coastal Equities (Pty) Ltd
Office 301 Cowey Park
91-123 Cowey Road
Essenwood
4001

30 October 2018
Our Ref: EYL\ln

Chartered Accountants (SA)

Grant Thornton Durban
2nd Floor
4 Pencarrow Crescent
Pencarrow Park
La Lucia Ridge Office Estate
La Lucia 4019

P O Box 950
Umhlanga Rocks 4320
T +27 (0)31 576-5500
F +27 (0)31 576-5555
www.granthornton.co.za

Dear Sirs,

COASTAL EQUITIES (PTY) LTD
REGISTRATION NUMBER: 2016/476883/07

We hereby confirm that we are the appointed auditors of the above-mentioned company.

To the best of our knowledge and per management the company has no assets or liabilities and has not conducted business as of and up to 30 October 2018 since its date of incorporation.

We trust you will find this in order and should you have any further queries please do not hesitate to contact our offices.

Yours faithfully
GRANT THORNTON
Practice No: 905690

E Y Lakhii
Partner

Coastal Equities Limited
Office 301 Cowey Park
91-123 Cowey Road
Essenwood
4001

16 January 2019

Our Ref: EYL/ln

SNG Grant Thornton

2nd Floor, 4 Pencarrow Crescent,
Pencarrow Park, La Lucia Ridge
Office Estate, La Lucia, 4019
P.O. Box 950,
Umhlanga Rocks, 4320
T: 031 576 5500

COASTAL EQUITIES LIMITED
REGISTRATION NUMBER: 2016/476883/06

We hereby confirm that we are the appointed auditors of the above-mentioned company.

To the best of our knowledge and per management the company has no assets or liabilities and has not conducted business as of and up to 16 January 2019 since its date of incorporation.

We trust you will find this in order and should you have any further queries please do not hesitate to contact our offices.

Yours faithfully
SNG GRANT THORNTON
Practice No: 946016


E Y Lakhani
Director



COASTAL EQUITIES LIMITED

(incorporated and registered in the Republic of South Africa)
(registration number 2016/476883/06)
(the "Company")

MANDATE AND APPLICATION FORM

To be completed by those Investors wishing to participate in the Offer. The definitions and interpretations commencing on page 10 of this Prospectus apply, *mutatis mutandis*, to this Application Form.

WHEREBY IT IS AGREED:

1 AUTHORISATION

- 1.1 The Company is the holder of a FAIS Category I license, under license number 48979, and is authorised to make investments of a non-discretionary nature in respect of investments governed by section 12J of the Income Tax Act under reference number 0123.
- 1.2 The Investor hereby irrevocably authorises the Company to act on its behalf.
- 1.3 The Company will, in terms of this mandate, have full discretion to manage the affairs of the Company and the Investor's investment, as more fully disclosed in the Prospectus.
- 1.4 The Company is authorised to invest in, and switch from any of the following financial products in terms of the FAIS Category I FSP, -
 - 1.4.1 Shares in Qualifying Companies; and
 - 1.4.2 Securities and Instruments: Shares.
- 1.5 The Company may make use of the services of its staff, or that of a management company, to execute certain administrative functions.

2 INVESTMENT OBJECTIVES

- 2.1 The investment objective of the Company is to invest in Qualifying Companies, as defined in section 12J of the Income Tax Act, and generate sufficient returns from the Investment Portfolio to provide attractive long-term risk-adjusted returns within a tax-efficient vehicle.

- 2.2 Venture Capital Companies are restricted to investment in South African resident companies only in terms of the Income Tax Act.

3 INVESTMENT POLICY

- 3.1 Initially, whilst suitable Qualifying Investments are being identified, the funds will be invested in a portfolio of non-Qualifying Investments, including cash deposits and money market funds.
- 3.2 The Board and the Manager will review the Investment Portfolio on a regular basis to assess asset allocation and the need to realise investments to meet the Company's objectives or maintain its section 12J status.

4 REPORTS

Audited annual financial statements, as well as all legally prescribed documents, will be provided to the Investor electronically or by registered post, at the Investor's discretion.

5 RISK DISCLOSURE

- 5.1 The Company will use its discretion to invest on the Investor's behalf with care and diligence. There is, however, a high risk associated with investing in Venture Capital Companies. The value of the investments may rise as well as fall, and there is a risk that the Investor may suffer financial losses. The Investor accepts and agrees that he does not have a claim against the Company or the Manager in the event of the realisation of this risk, unless he can prove that the losses were due to dishonesty, fraud, misconduct or gross negligence by the Company or the Manager or their respective staff.
- 5.2 The Investor is aware that the investment is of a long-term nature and adverse tax consequences might arise if the Investor disposes of his Investor Shares in the Company prior to the fifth anniversary of the date on which he acquired those shares.

6 REGISTRATION OF INVESTMENTS

- 6.1 The Company will register the investments that it holds, in the name of the Company, from time to time, or in the name of an FSCA approved nominee company that the Company may nominate.
- 6.2 The Investor must deposit his investment into the Company's bank account, as detailed below (no cash deposits will be accepted) -

Account name:	Coastal Equities Limited
Bank:	FirstRand Bank Limited
Branch:	Florida Road
Branch Number:	220526

Account Number: 62715858447

7 **ACCRUALS**

All cash received in respect of Investments, including dividends and interest, will be reinvested, unless at the Company's discretion it resolves to declare dividends or repay capital to Shareholders.

8 **FEES AND EXPENSES**

8.1 **Annual Management Fee**

8.1.1 The Manager is entitled to receive an annual management fee equal to ManCo is entitled to receive as a fee an amount equal to 2% of the net asset value of each Qualifying Company in each financial year, as reflected in the unaudited management accounts of that Qualifying Company for the financial year in question.

8.1.2 In addition, -

8.1.2.1 prior to the time at which an investor into the Company has received (before the payment of any taxes) an amount equal to his Risk Capital, the Manager is entitled to receive a fee equal to an amount of 20% of any distribution (as this term is defined in the Companies Act) payable by the Company to that investor that exceeds a return of 10% in the year in question; and

8.1.2.2 once an investor into the Company has received (before the payment of any taxes) an amount equal to his Risk Capital, the Manager is entitled to receive a fee equal to an amount of 20% of any amount payable by the Company to that investor in respect of his shares in the Company (whether as a distribution (as this term is defined in the Companies Act) from the Company or as proceeds on the disposal of his shares in the Company).

8.2 **Performance-Related Incentive Fee**

There is no performance-related incentive fee payable to the Manager from the Company.

8.3 Capital Raising Costs

The Manager does not charge the Company a fee for capital raising activities. The Company is responsible for all the related costs, including the drafting of the Prospectus, marketing expenses and other setup costs, including reporting accountant's fees, secretarial and CIPC fees.

9 VOTING ON BEHALF OF THE COMPANY'S INVESTORS

The Directors of the Company will vote on behalf of the Investors in respect of the Company's investment in Qualifying Companies.

10 TERMINATION OF MANDATE

10.1 The Investor understands that the term of the investment is for a minimum of five years if he is to enjoy the full benefit of the tax incentives granted by section 12J of the Income Tax Act.

10.2 Any amendment of any provision of this mandate must be in writing and by means of a supplementary or new agreement between the Company and the Investor.

11 DECLARATION REGARDING FUNDS AND INVESTMENTS

11.1 The Investor declares that all funds and investments placed under the Company's management in terms of this mandate are from a legitimate source and are not the "proceeds of unlawful activities", as defined in the Prevention of Organised Crime Act No 121 of 1998, as amended.

11.2 The Investor further warrants that, where required, all funds placed under the Company's management in terms of this mandate are declared in terms of the Income Tax Act.

11.3 The Investor confirms and declares, having been duly and properly advised and informed of the full implications of his actions and having considered same, that -

11.3.1 he is aware of the fact that a full analysis could not be undertaken and that there may thus be limitations on the appropriateness of the advice or information;

11.3.2 he has carefully considered whether the advice or information on its own is appropriate considering his financial situation, needs and objectives; and

11.3.3 to prevent the risk of concluding a transaction that is not appropriate to his financial situation, objectives and needs, he has declined the offer of a

needs analysis and has decided to continue with the Application in this Application Form.

12 **EFFECTIVE DATE**

This mandate takes effect on receipt of a signed Application Form from the Investor, together with the investment funds.

*****SIGNATURE PAGE TO FOLLOW*****

Signed at _____ on _____ 2019
for **COASTAL EQUITIES LIMITED**

who warrants that he is duly
authorised hereto

Signed at _____ on _____ 2019

Witness:

Witness:

Signed at _____ on _____ 2019
for **Investor**

Name

Signed at _____ on _____ 2019

Witness:

Witness:

Application Procedure

Below are a basic set of instructions for completing the Application Form. Please contact the Manager or your professional advisor if you are unsure about how to complete or submit this Application Form.

Please note that, for legal reasons, the Manager is not able to provide advice on the merits of the Offer or give any personal financial, investment or tax advice.

SECTION 1

Please insert your full name/name of entity, permanent residential and postal address, mobile and work telephone numbers, and date of birth, e-mail address and identity/registration number in Section 1 of the Application Form. Your tax number is required to ensure you obtain your income tax relief.

Joint Applications are not permitted, but couples may apply separately.

SECTION 2

Please note that the minimum Application amount is R100,000 and the maximum Application amount is the amount payable for 19.9% of the Investor Shares issued pursuant to the Offer.

Specify the amount to be invested in Investor Shares under the number of Investor Shares.

Payment by electronic transfer should be made to the following account, using your initials and surname as the reference:

Account name:	Coastal Equities Limited
Bank:	FirstRand Bank Limited
Branch:	Florida Road
Branch Number:	220526
Account Number:	62715858447
Reference:	Initials, Surname of Investor

SECTION 3

Please complete this part of the Application Form if you wish to have Distributions paid directly into your bank account.

SECTION 4

Read the declaration below and sign and date the Application Form.

If this Application Form is completed and signed by the Investor named in Section 1:

By signing this Application Form, I HEREBY DECLARE THAT -

- I. I have received the Prospectus and have read the terms and conditions of the Offer contained in the Prospectus and agree to be bound by them;
- II. I will become the beneficial owner of the Investor Shares of the Company issued to me under the Offer;
- III. I have read and understood the risk factors set forth in the Prospectus; and
- IV. to the best of my knowledge and belief, the personal details I have given are correct.

If this Application Form is completed and signed by an authorised financial intermediary or any other person apart from the Investor:

By signing the Application Form on behalf of the individual whose details are shown above, I make a declaration on behalf of that individual on the terms of sub-paragraphs (I) to (IV) above, and attach the power of attorney under which I have authority to sign on behalf of that Investor.

Offer for Subscription for Investor Shares in Coastal Equities Limited

Before completing this Application Form, you acknowledge that you have read the Prospectus, have accepted and signed the mandate and agree to the terms of the Offer. The Offer opens at **09h00** on **25 January 2019** and the Closing Date in respect of the Offer is **17h00** on **28 February 2019** (or such later date and time as the Directors may notify on the Company's website).

I/We accordingly hereby irrevocably offer to subscribe for the following number of Investor Shares in accordance with the terms and conditions of the Offer contained in the Prospectus -

SECTION 1			
TITLE (MR/MRS/MISS/OTHER)		SURNAME	
FORENAMES IN FULL/ENTITY NAME			
DATE OF BIRTH	IDENTITY/REGISTRATION NUMBER		
TAX NUMBER	E-MAIL		

RESIDENTIAL ADDRESS	POSTAL ADDRESS
TELEPHONE (WORK)	TELEPHONE (MOBILE)

SECTION 2		
I wish to subscribe for the following number of Investor Shares on the terms and conditions contained in this Application Form, read together with the Prospectus and the MOI of the Company:		
Number and Class of Investor Shares	Price Per Investor Share	Total Value
	R1,000	
<p>The minimum Application amount is R100,000 and the maximum Application amount is the amount payable for 19.9% of the Investor Shares issued pursuant to the Offer (subject to the limitations of the maximum amount specified in the Prospectus and this Application Form).</p> <p>Payment by electronic transfer must be made into the following bank account, with the initials and surname of the Investor as the reference (no cash deposits will be accepted) -</p> <p>Account name: Coastal Equities Limited Bank: FirstRand Bank Limited Branch: Florida Road Branch Number: 220526 Account Number: 62715858447 Reference: Initials, Surname of Investor</p>		

SECTION 3
Distributions to be paid into your bank account
<p>All distributions on Investor Shares in the Company may be paid directly into bank accounts. If you wish all future Distributions on Investor Shares in the Company to be paid into your bank account, please complete the mandate instruction form below.</p> <p>Distributions paid directly to your account will be paid in cleared funds on the Distribution payment dates. Your bank statement will identify details of the Distributions, as well as the dates and amounts paid.</p> <p>Please forward, until further notice, all Distributions that may from time to time become due on any Investor Shares now standing, or which may hereafter stand, in my name, in the securities register of the Company to the bank account listed below. I understand that,</p>

if my Application is not accepted in full, the balance of Application monies may also be repaid (without interest) to the bank account listed below.

Bank: _____

Branch: _____

Branch code: _____

Account name: _____

Account number: _____

SIGNATURE: _____

DATE: _____

The Company and/or the Manager do not accept responsibility if any details given by you are incorrect.

SECTION 4

Applications are irrevocable and may not be withdrawn once submitted. Please refer to the terms and conditions of the Offer contained in the Prospectus. Investors should consult their banker, broker or other professional advisor regarding this Offer.

The completed Application Form may be scanned and emailed to pevcc@prescient.co.za; Attention: Heinrich Loubser, to be received by no later than 17h00 on 28 February 2019 (or such later date as the Directors may determine).

SIGNATURE: _____

DATE: _____