



# White Paper



# ZABERCOIN

An Asset Backed Cryptocurrency

# **ZABERCOIN, AN ASSET BACKED CRYPTOCURRENCY – THE FUTURE OF REAL ESTATE**

## **INTRODUCTION**

Tim Berners-Lee, the inventor of the world wide web stated: “We need diversity of thought in the world to face the new challenges”.

In today's modern world people still must deal with three main factors impacting negatively on international payments and access to credit. Transactions across international borders using traditional money, referred to as fiat money are normally complicated, time consuming and expensive.

In 2009 Satoshi Nakamoto introduced Bitcoin as a digital analogue to gold: limited in supply, but secured by modern cryptography. Digital money, referred to as cryptocurrency is an electronic payment method which can be transferred between users with the help of computers, smartphones and the internet.

### **Blockchain technology**

The main innovation behind cryptocurrencies is that, instead of relying on trusted third parties such as central and commercial banks, transactions are recorded and propagated in a distributed ledger known as a blockchain.

In 2016, the Finnish Central Bank organised a seminar about blockchain in its bid to support local research projects on this technology. The seminar attracted participants such as local academics, regulators, and companies.

The technology behind blockchain is busy changing money, business and the world. The promise of blockchain technology is simple: cut out the middleman and help secure financial transactions through a distributed ledger system. This results in fully decentralised transactions together with relatively low transaction fees.

### **Cryptocurrencies**

Bitcoin and alternative cryptocurrencies are progressively enjoying widespread adoption and have been the investment buzzword since its creation. Experts in the field of cryptocurrencies believe that this upward trend will continue and even escalate in the years to come. Cryptocurrencies have the unique potential to challenge existing systems of currency (fiat currency/traditional money) and payments.

Cryptocurrency transactions are dependable, restriction-resistant, permission-less and private. Once a transaction is confirmed by the blockchain network, it becomes permanent and final. Therefore, a dispute process does not have the authority or power to charge it back like with other forms of money transfer.

Many other alternative cryptocurrencies have been developed and introduced to improve on Satoshi's original vision. Despite significant recent developments and innovation, the market for cryptocurrencies remains very small and specialised.

## **Initial coin offering (ICO)**

The concept of crowdfunding or collective fundraising has been done for a long time. For example, in 1885 in the United States funds were raised in this manner to erect the Statue of Liberty in New York City.

ICO is a means of crowdfunding via the use of cryptocurrency as an alternative to the painstaking and regulated capital-raising process required by venture capitalists, banks or stock exchanges. While cryptocurrencies have been booming, so have ICOs, possibly on an even bigger scale. From an investment point of view, ICOs are more than worth getting involved in. ICOs are an alternative to crowdfunding, and have the potential to transform the way companies capitalise themselves.

There are a few reasons for the increasing interest in ICOs namely:

- Its accessibility to the public
- A good chance of buying cheap tokens and seeing them appreciate over time
- The attraction of more investors from all over the world resulting in less centralisation which is what cryptocurrency is all about
- Stimulating creativity since every ICO project aims to bring something new to the table

In the past, investors participating in the pre-ICO have been rewarded generously by the company in question. A pre-ICO allows investors to buy tokens before the official crowdfunding begins.

In the year to come more and more ICO offerings are expected monthly as this technology becomes more mainstream. Subsequently, it will become much more challenging making the right choice when you want to invest in a solid and promising cryptocurrency ICO in future.

## **Fiat currency – unpredictable and volatile**

The history of fiat currency, also called traditional money, is characterised by uncertainty, unpredictability and volatility. The average lifespan of fiat currency is as short as 27 years. Inflation poses a serious threat to fiat money. Inflation causes a general increase in prices and a fall in the purchasing power of money. Central banks have the power to print as much money they feel fit. This phenomenon together with the destructive effects of inflation cause the purchasing power of fiat money to experience a steady decline. The British pound, the world's oldest fiat currency is an excellent example of this. For example, it has lost 99.5 percent of its value since inception approximately 1200 years ago.

## ZABERCOIN: UNIQUE AND FUTURISTIC

One of the main concerns asked around the world is whether cryptocurrencies have intrinsic or real values. Some people believe that it may even have a zero value.

Zabercoin is an asset backed cryptocurrency – the future of real estate using blockchain technology. Zabercoin combines blockchain technology with physical asset investments like real estate and lucrative properties more specifically located in emerging markets where earnings growth remains profitable. The potential for growth remains high which will be explained and demonstrated thoroughly in this document.

Zabercoin limits your exposure to the downside risk. Zabercoin has a floor price right from the time of its inception. Each Zabercoin token will be backed by lucrative property such as real estate making this cryptocurrency unique and sustainable with sound recurring income re-invested to ensure future growth, research and development. These tokens will be accessible and convertible via exchanges to ensure liquidity.

Zabercoin prides itself with a very strong and dynamic management team with over 100 years of experience combined in the asset management space.

Cryptocurrencies fundamentally and drastically change the way banking is done by removing synthetic and man-made barriers caused by legacy financial institutions. Therefore, cryptocurrencies, including Zabercoin allow for:

- Verifiable and accurate peer-to-peer payments all over the world
- Nominal transaction fees and processing time compared to banking in fiat currencies
- Cutting out most middlemen institutions means less fees and bigger return
- Securing financial privacy by means of payments between pseudonymous or onymous parties. Therefore, both parties use assumed names for identification purposes
- Non-reversible and permanent transactions preventing chargebacks and fraud

When the question is raised whether or whether not fiat money has any intrinsic value, clarity is found when reference is made to the Nixon shock of 1971. The most significant measure undertaken by the US President at that time was the unilateral cancellation of the direct international convertibility of the US Dollar to gold. Since then the exchange rates of national currencies have been free floating. Therefore, it is not accurate to claim that fiat money has an intrinsic value. It is backed by the government issuing it, but that is not intrinsic value. With central banks having the power to print as much currency as they please, combined with the destructive effects of inflation, the purchasing power of fiat money experiences a steady decline. It is therefore safe to say that fiat currency is made valuable by a government's artificial monetary policy. Inflation is a general increase in prices and fall in the purchasing value of money.

When the coins go on sale at the Initial Coin Offering (ICO), there will ONLY be 10,000,000 tokens available to buy.

Following the ICO, anyone will be able to buy and sell Zabercoins freely through several international channels or platforms.

- Zabercoins are indestructible and stable, and can be kept securely in your cryptographically wallet
- Zabercoins have an intrinsic value because it is backed by physical assets with profitable earnings
- The Zabercoin ecosystem offers merchant applications (apps) and payment processing services, allowing Zabercoins to be an excellent medium of exchange all around the world.

Real estate has long been a favoured investment class due to its hands-on quality. As currencies come and go, real estate always has and will always have a willing seller and a willing buyer.

Added advantages for Zabercoin users:

- Diverse asset type investment for a much-reduced commitment in various geographical areas
- Added premium to the value of Zabercoin because of its usage and on-going market demand
- The intrinsic value of Zabercoin will stand through the test of time since it will always remain an asset backed digital currency
- The limited number of only 10,000,000 Zabercoins will ensure a healthy and gradual growth in its portfolio with no middlemen making it scalable and ascendible and above all very cost effective.

Real estate is probably the industry that has produced the most millionaires over time.

## **MISSION STATEMENT**

To establish Zabercoin as the preferred real estate digital token by providing a competitive advantage to the investor by outstanding levels of professionalism, ethics, integrity, service, expertise, innovation and ambition in the global blockchain cryptocurrency real estate market environment.

## **REAL ESTATE INVESTMENT PHILOSOPHY**

### **Dynamic and “hands-on” management team**

The Zabercoin management team strongly agrees with what Justin Trudeau, the Prime Minister of Canada said: “Diversity is the engine of invention. It generates creativity that enriches the world”.

We believe that successful real estate investing requires first-hand knowledge and experience of the real estate itself. Zabercoin believes in a Top-down value investing approach and thus first assess the EM country and macroeconomics for investing before getting involved in the project itself. Value investing has outperformed all other investment styles (momentum, size, quality etc) over time and forms the foundation for our investment decisions.

The Zabercoin management team demonstrates specialised property development expertise and has excellent knowledge of the changing real estate market environment with extensive experience in large-scale, complex transactions, both locally and globally.

Zabercoin maintains a “hands on” asset management philosophy. The team is involved in all capital investment decisions and is expected to interact regularly with property managers and other service providers protecting the interests of our investors.

We believe superior cash flow and long-term returns can be achieved through active, “hands-on” strategic asset management. Zabercoin combines a “hands on” investment strategy with an experienced team to maximize results for our investors.

### **Investor focus**

Our approach to investment management focuses first and foremost on the Zabercoin investor, and integrates the experience and resources of the team managers to maximize investment results.

We provide investment opportunities for both institutional and individual capital. Therefore, whether you are an institutional or a private investor, Zabercoin has the investment option that will meet your needs.

Our team managers maintain focus and discipline when carrying out investment plans allowing them to reassess investment strategies in the light of both changing market conditions and evolving investor objectives.

Our investment philosophy focuses on research and analysis as well as added value to the investor.

### **Research and analysis**

We will be guided by the application of forecasts and thorough qualitative and quantitative research and analysis of relevant data. We believe research provides a disciplined and consistent framework for making informed investment decisions.

All investments are thoroughly screened before and after investment to assess their potential. We understand real estate as a financial asset, and apply techniques to analyse risk, and to identify and take advantage of market mispricing.

Investment strategies are monitored annually and reviewed as market conditions evolve.



## **Added value**

We strive to add value at each stage in the investment process which targets under-priced markets expected to maximise performance for a given level of risk.

The team believes in a top-down asset management approach. This means that a variety of economy-wide phenomena (macroeconomics) such as inflation, price levels, rates of growth and unemployment and the growth domestic product (GDP) of a country will be thoroughly evaluated before considering any prospective project. The gross domestic product (GDP) is one of the best ways to measure a country's economy.

We strongly believe in a value investing style where the interests of the company and the investor always take preference in decision-making.

Good asset selection, and active management are fundamental drivers of investment performance. Real estate investment is unusual in that value can be added after purchase, and we seek to maximise these opportunities.

## **Emerging market focus**

Emerging markets are defined as economies with low to middle per capita income and are usually considered fast-growing economies.

The core business of Zabercoin is to focus on the acquisition of well-located and lucrative properties in emerging markets (EM) that will generate significant income and escalate in value.

Although the focus of Zabercoin management will remain with the acquisition of property within emerging markets, other profitable and lucrative projects outside EM will also be considered and accommodated in its investment plan.

All properties acquired in both EM and other markets should at least have:

- favourable long term prospects, and
- sustainable competitive advantages

The key to the success of Zabercoin lies in obtaining good properties that can be bought at attractive prices and holding them over long periods of time. Our goal is to beat the market over time. We believe emerging markets are well placed. For example, as these economies and real estate markets improve, buyers enter the market and drive up acquisition prices.

In real estate, we seek to buy at a discount to replacement cost which is an important measurement of intrinsic value.

As an asset class, real estate has historically delivered superior risk adjusted returns with less volatility than other asset classes. The ability to provide consistent cash flow while preserving capital makes commercial real estate an attractive investment alternative.

Real estate investments have many appealing characteristics:

- Attractive overall returns with moderate risk
- Good source of stable income
- Provides a hedge against inflation
- Favourable tax profile

### **Investment process**

Our strength will lie in staying disciplined and remaining true to our investment process. We will be guided by the following three criteria:

- Discipline: Adhering to our Investment Philosophy
- Information: Understanding current trends affecting the industries where Zabercoin has ownership while maintaining an intimate knowledge of all its assets
- Evaluation: Constantly monitoring the market for new buying opportunities (intrinsic value vs. market price).

Throughout the investment process we follow a shared, transparent and standardised research-based approach across all real asset categories.

### **Integrated and effective risk management**

At Zabercoin we are intensely focused on the risk/return trade-off and we believe this focus and attention will reap the necessary fruits to the investor and the company in future. Zabercoin will follow a fully integrated risk management approach. This means that legal, risk and compliance, and finance and operations are fully integrated in all phases of the investment process to deliver the best possible service to our investors. Internal control systems and active risk management are therefore regarded as central management mechanisms at Zabercoin.

### **Competitive advantage**

In a nutshell Zabercoin offers a significant competitive advantage to the potential investor based on key drivers:



- Dedicated and proficient management team
- Integration of our quality research outputs into the investment process
- Proven track record in investment management
- Responsible investing
- Standardised processes
- Internal control systems and integrated risk management

Since real estate investment generally represents a long-term investment horizon, this means that our investors can rely on Zabercoin's commitment from the beginning, taking responsibility for the full life time of the investment.

### **Corporate Social Responsibility (CSR)**

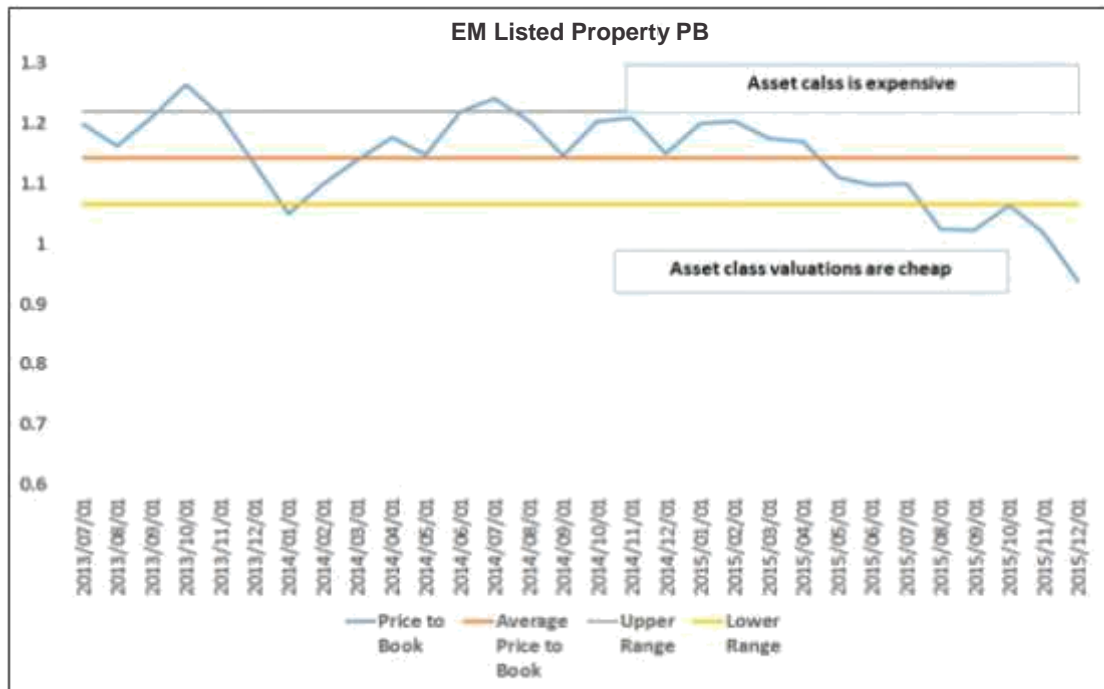
The Zabercoin management team is convinced of the growing importance of sustainability in terms of being able to offer investors a good return compared to the market. In pursuing Corporate Social Responsibility (CSR), Zabercoin makes conscious choices to find the right balance between the economic, social and environmental aspects of all internal and external business activities.

Being a responsible investor means we are committed to incorporating key principles of Corporate Social Responsibility (CSR) into our organisation:

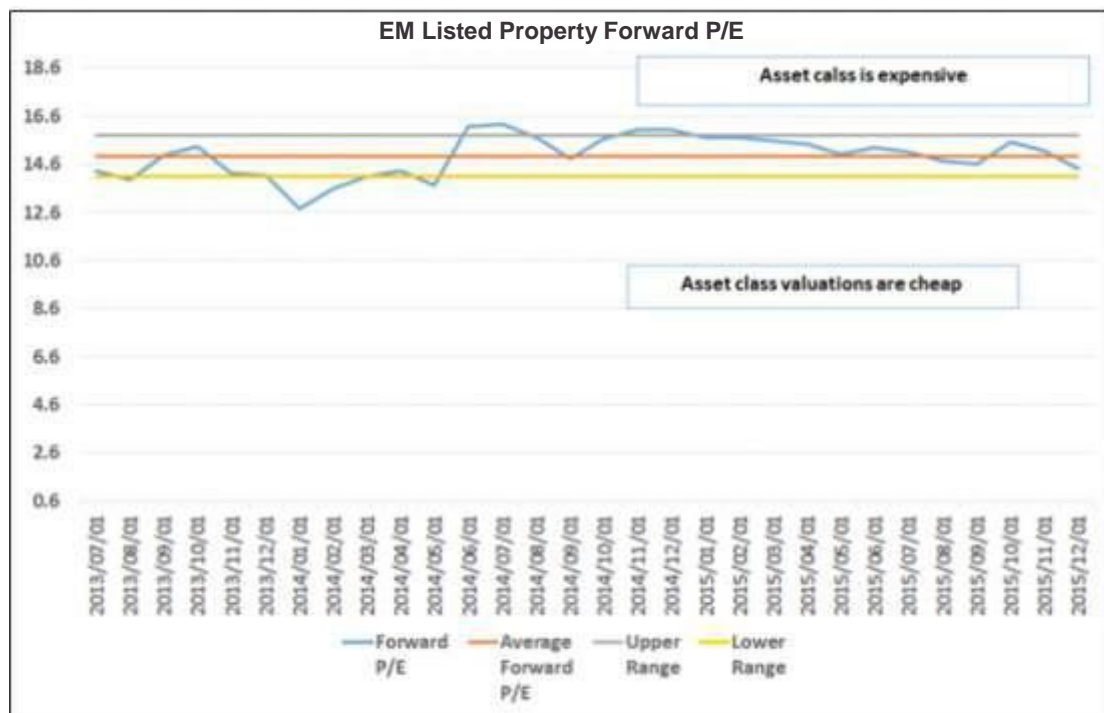
- Responsible investing – At Zabercoin we strive wherever possible to reduce the environmental impact of the assets we manage and accentuate sustainability in our communication with investors
- Ethical business conduct – We pursue CSR-driven decision-making and seek transparency throughout all our business operations
- Sustainable operations – We embody the change we wish to see in the world by creating the best possible working environment and conditions for our employees and seek to reduce the environmental impact of our business operations as much as possible
- Commitment to society – We strive to contribute to society by donating to and sponsoring social causes as a company, and encouraging our team to do likewise
- Focus on green energy for the environment in housing projects – one of Zabercoin's team members wrote a thesis on renewable energy in real estate for his Master's degree at Tshwane University, Pretoria, South Africa.

### **VALUATIONS AND POTENTIAL IN EMERGING MARKETS (EM)**

An emerging market is defined as an economy with a low to middle per capita income and is a fast-growing economy. On an earnings yield basis, which speaks more to the equity side of local listed property, the South African listed property market currently looks marginally cheap, as the current earnings yield is above average. We refer to this as the “equity side of property”, as most of the commonly accepted valuation metrics for equities, are closely linked to underlying earnings.

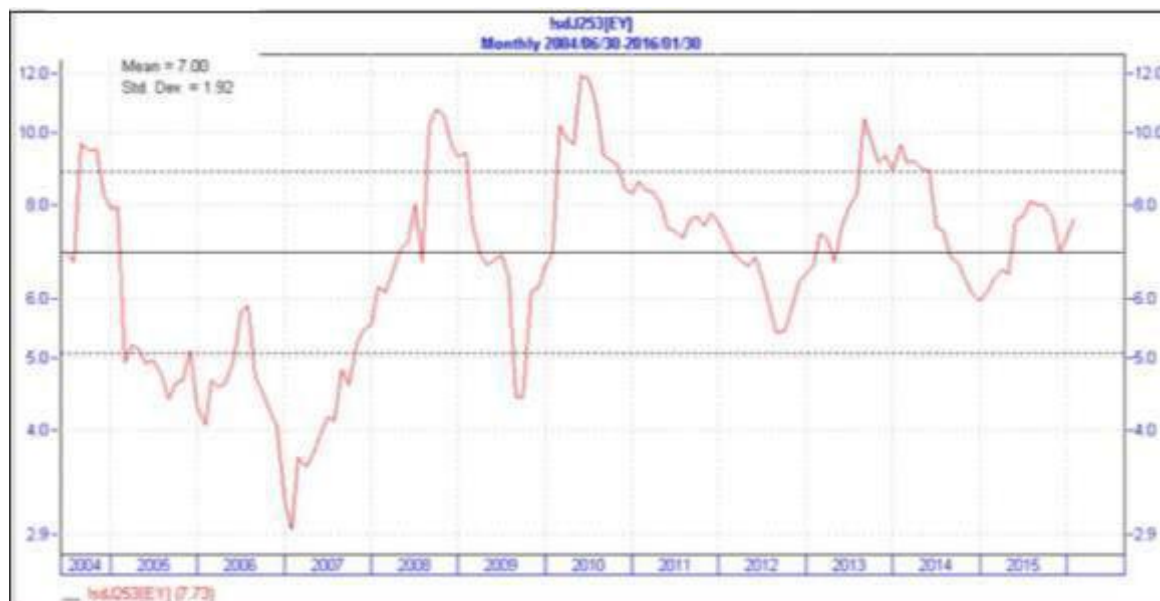


SOURCE: Prudential Asset Management and Boutique Investment Partners

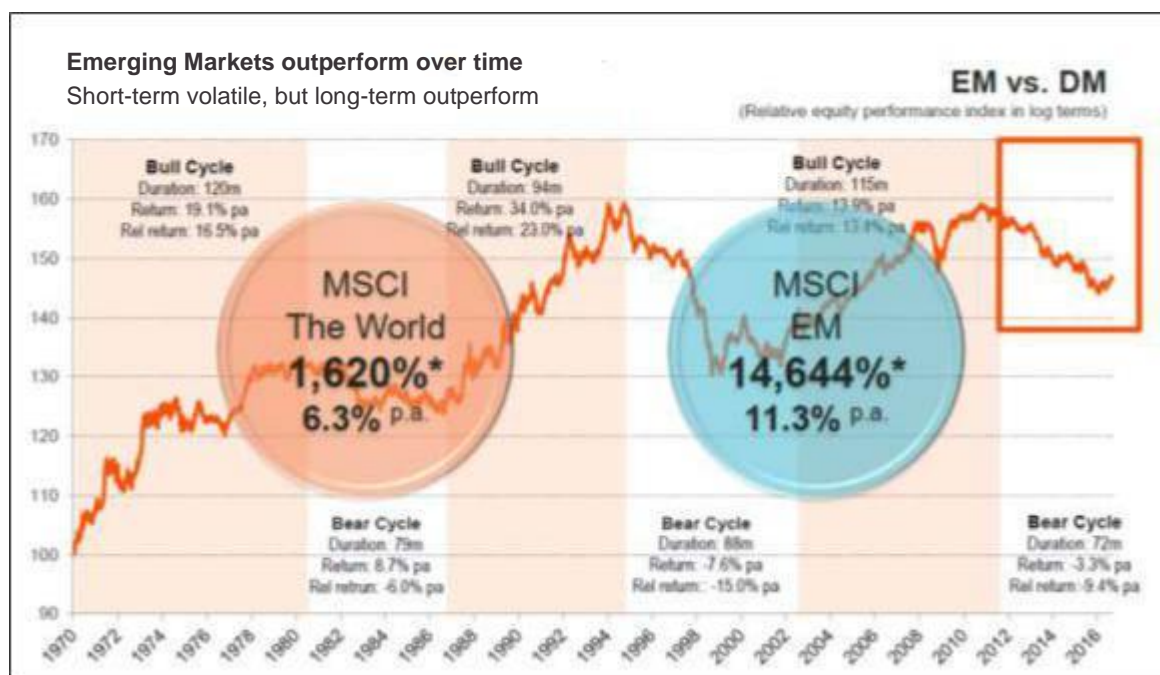


SOURCE: Prudential Asset Management and Boutique Investment Partners

EM listed property is trading at significant discounts on forward price/earnings (P/E) ratio. The P/E ratio is the ratio of a company's stock price to the company's earnings per share. This ratio is used in valuing companies.

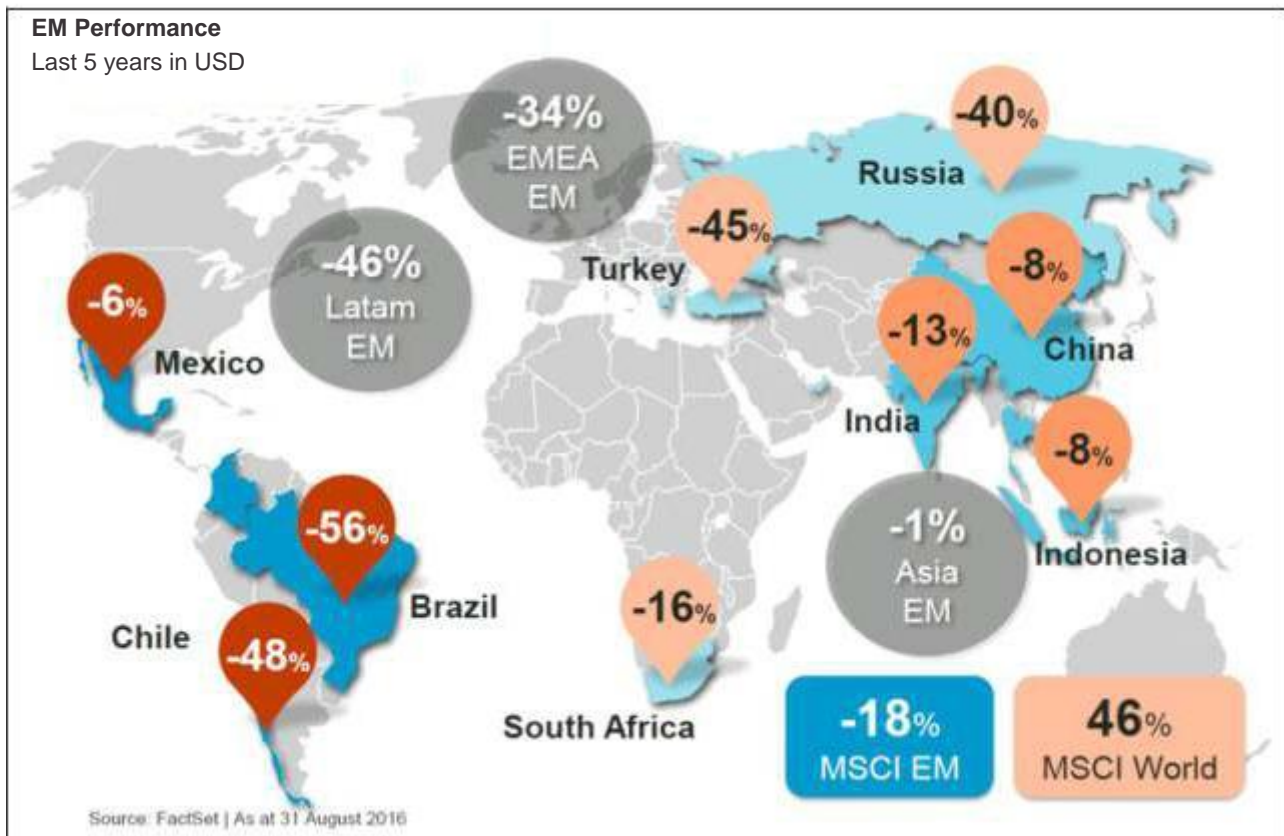


SOURCE: Prudential Asset Management and Boutique Investment Partners

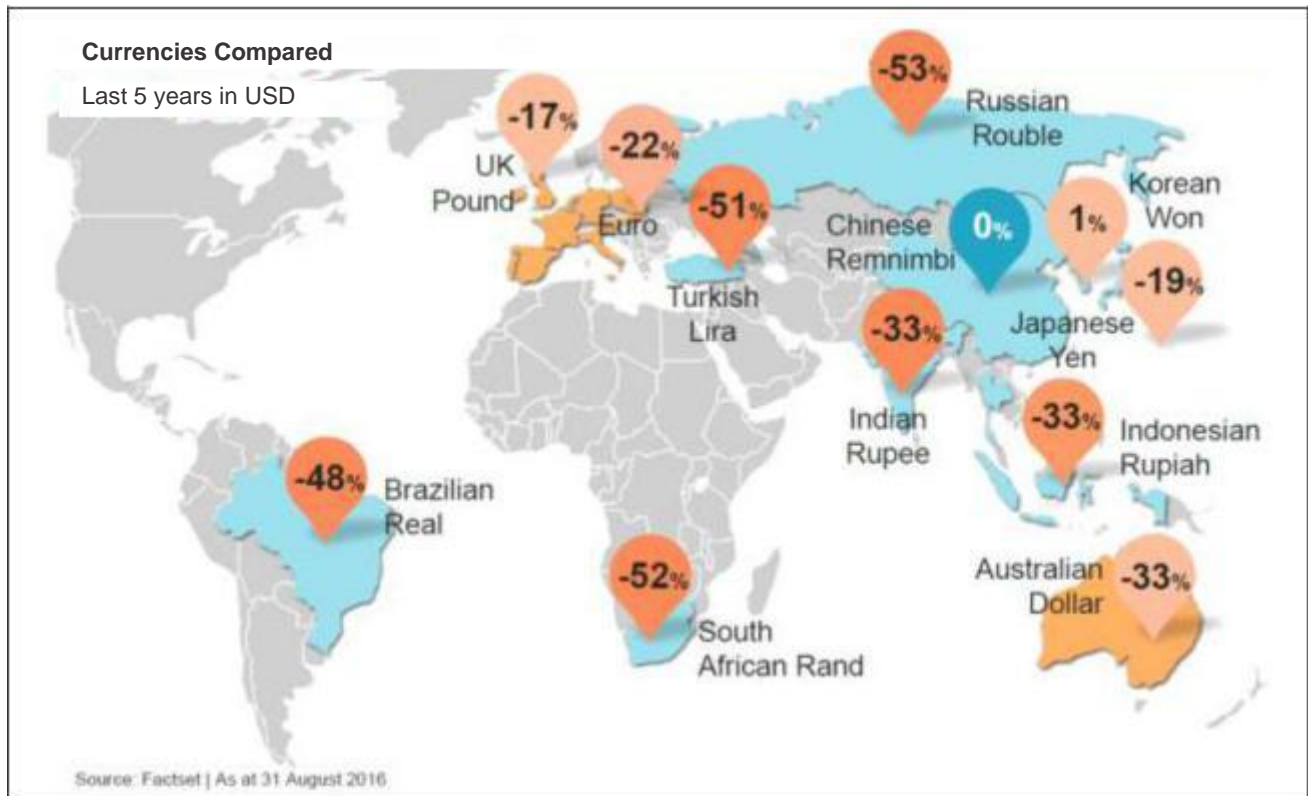


SOURCE: Prudential Asset Management and Boutique Investment Partners

Over the past 5 years, emerging equity markets (EM) have lagged developed equity markets (DM) in US dollars:

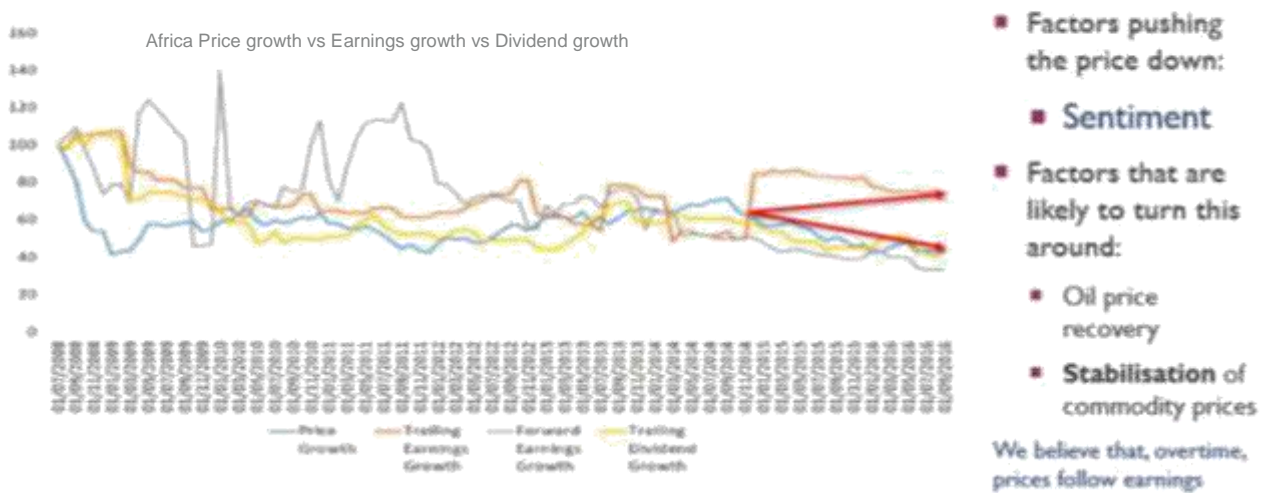


Even during this worldwide under-performance some regions showed very strong and upward earnings growth, and therefore showed significant improvement in worth and valuations. The underlying currencies have not reflected this vigorous earnings growth, and have therefore been sold very aggressively as the investor view or opinion has been mostly pessimistic and negative.





## Price Growth vs Earnings Growth vs Dividend Growth



SOURCE: Prudential Asset Management and Boutique Investment Partners

## EM Cheap relative to DM

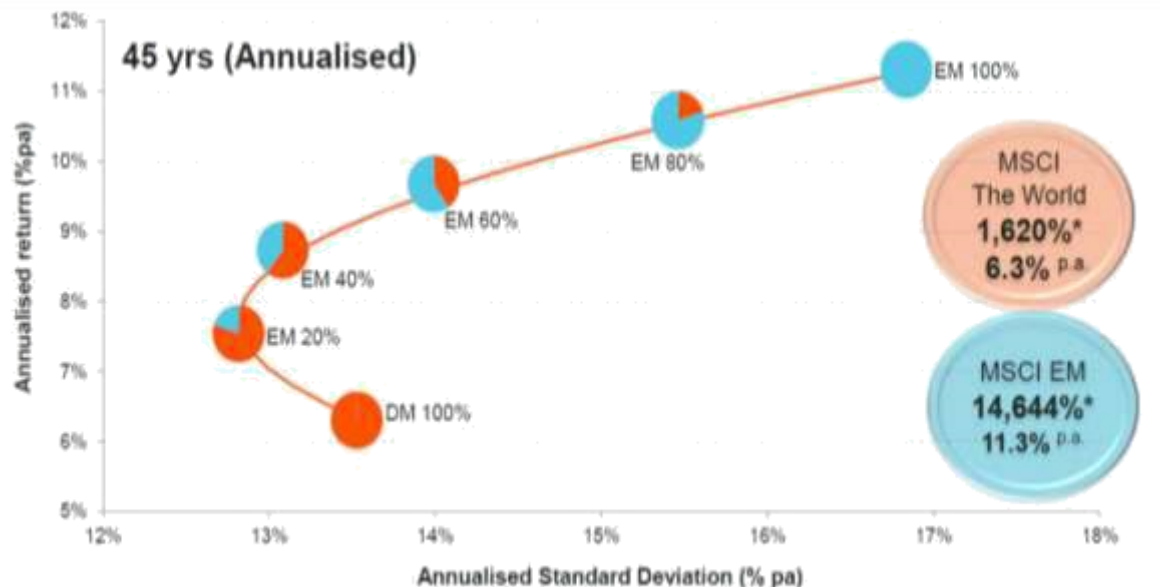


Source: Haver Analytics, Barclays Research | As at 31 August 2016



## EM are good diversifiers

EM have historically been excellent diversifiers



Source: FactSet, DataStream, Bloomberg, Goldman Sachs Global Investment Research. All figures are daily USD total returns since 1970

When we refer to the term “diversifier” we refer to the risk that is spread for the investor. The gross domestic product (GDP) is the best way to measure a country's economy. The acronym CPI stands for consumer price index which is a measure of the average change over time in prices paid by consumers for a market basket of consumer goods and services.

## Growth Outlook for 2017 (GDP Range)

**Developed Markets**  
1.75% to 2.25%

**Emerging Markets**  
5.0% to 5.5%



SOURCE: Prudential Asset Management and Boutique Investment Partners

## Real GDP Growth (%YOY)

## CPI Inflation (% YOY)

	2015	2016	2017 FORECAST	2015	2016	2017 FORECAST
DM <sup>1</sup>	2.1	1.6	1.75-2.25	0.2	0.8	1.75-2.25
U.S.	2.6	1.6	2.0-2.5	0.1	1.3	2.0-2.5
Eurozone	2.0	1.7	1.5-2.0	0.0	0.2	1.25-1.75
UK	2.2	1.8	1.75-2.25	0.0	0.7	2.5-3.0
Japan	1.2	1.0	0.75-1.25	0.8	-0.1	0.25-0.75
EM <sup>2</sup>	4.7	4.8	5.0-5.5	3.8	3.5	3.0-3.5
China	6.9	6.7	6.0-6.5	1.4	2.0	2.25-2.75
Brazil	-3.8	-3.6	0.5-1.5	9.0	8.8	4.0-5.0
Russia	-2.8	-0.2	0.75-1.75	15.6	7.1	4.0-5.0
India	7.2	6.9	7.0-8.0	5.9	4.9	4.0-5.0
Mexico	2.6	2.3	1.25-1.75	2.7	2.8	5.0-5.5
World <sup>3</sup>	3.0	2.6	2.75-3.25	1.3	1.7	2.25-2.75

Note: All data for real GDP and headline inflation are year-over-year (YOY) percentage changes.

<sup>1</sup> DM is the GDP-weighted average of U.S., eurozone, UK and Japan.

<sup>2</sup> EM is the GDP-weighted average of China, Brazil, Russia, India and Mexico.

<sup>3</sup> World is the GDP-weighted average of all countries listed in table above.

Source: Bloomberg, PIMCO calculations

SOURCE: Prudential Asset Management and Boutique Investment Partners

## Why Africa?

### Africa USD Total Returns

Table 1: Three year correlation matrix of the monthly total returns across Africa

	Egypt	Ghana	Kenya	Morocco	Nigeria	Rwanda	Tanzania	Tunisia	Uganda	Botswana	Zimbabwe	South Africa	MSCI EM	MSCI World	
Egypt	1.00														
Ghana	-0.07	1.00													
Kenya	0.28	0.24	1.00												
Morocco	0.19	0.30	0.23	1.00											
Nigeria	0.21	0.18	0.34	0.31	1.00										
Rwanda	0.05	0.34	-0.03	0.20	0.07	1.00									
Tanzania	0.43	-0.15	0.46	0.17	0.36	0.11	1.00								
Tunisia	0.07	-0.01	-0.09	0.13	0.18	-0.02	0.14	1.00							
Uganda	0.34	0.23	0.67	0.17	0.16	0.45	0.03	0.47	1.00						
Botswana	0.18	0.39	0.04	0.45	-0.08	0.40	0.37	-0.36	0.02	0.12	1.00				
Zimbabwe	0.27	0.14	0.43	0.24	0.27	0.44	0.20	0.24	0.24	0.57	0.45	1.00			
South Africa	0.27	-0.18	0.22	0.24	0.49	-0.02	0.02	0.08	0.24	0.14	-0.42	0.23	1.00		
MSCI EM	0.28	0.22	0.34	0.27	0.41	0.26	0.04	0.12	0.24	0.28	-0.02	0.33	0.67	1.00	
MSCI World	0.24	0.14	0.17	0.15	0.14	0.17	-0.15	0.12	0.31	0.32	0.32	0.34	0.74	0.35	1.00

SA has a rel. strong correlation to MSCI EM!!





















To enjoy the full benefits of diversification, it should not be SA OR Africa...but SA AND Africa  
Low correlations to other markets (off-benchmark investment)

SA has a rel. strong correlation to MSCI EM!!

Strong correlation to MSCI World too!!

SOURCE: Prudential Asset Management and Boutique Investment Partners

Even during this worldwide under-performance some regions showed very strong and upward earnings growth, and therefore showed significant improvement in worth and valuations. The underlying currencies have not reflected this vigorous earnings growth, and have therefore been sold very aggressively as the investor view or opinion has been mostly pessimistic and negative.

	Sub-Saharan Africa	South Africa	US	UK
Offices	2 million m <sup>2</sup> 	15 million m <sup>2</sup> 	745 million m <sup>2</sup> X 50 	105 million m <sup>2</sup> X 7 
Shopping Malls	0.5 million m <sup>2</sup> 	21 million m <sup>2</sup> 	416 million m <sup>2</sup> X 20 	150 million m <sup>2</sup> X 7 
Population	830 million 	52 million 	318 million 	64 million 
Size of GDP (US Dollars)	961.5 billion 	353.91 billion 	17,081 billion X 17 	2,660 billion X 2 
Expected GDP Growth	5.7% per annum 	3.3% per annum 	1.9% per annum 	5.7 per annum 

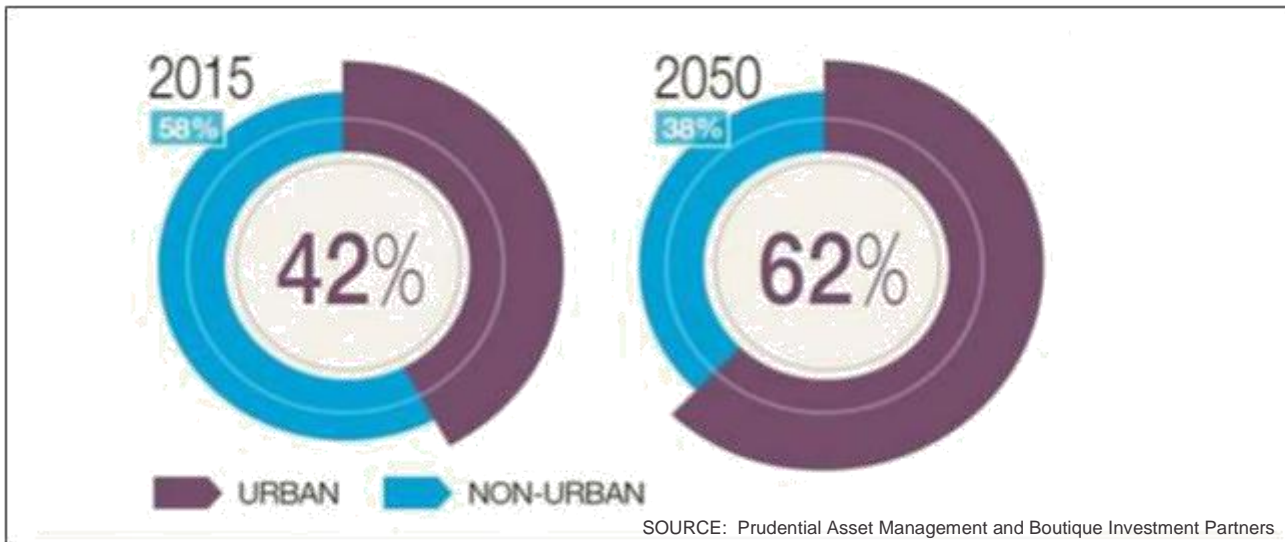
SOURCE: Prudential Asset Management and Boutique Investment Partners

Relative to most other regions, Sub-Saharan Africa continues to experience strong underlying aggregate demand for listed property. This should provide strong support for both the yield as well as capital component of this investment opportunity. Yield is the amount produced of an agricultural or industrial product.

### Key structural factors supporting this investment opportunity are:

- Relatively superior expected GDP growth
- Strong urbanisation trend as reflected below
- The rise of the middle class
- Improved institutions and governance structures - zero tolerance for corruption, focus on improved conditions for doing business
- Oil importers continue to enjoy reprieve - reduction in inflation in the Eastern Africa Community, removal of subsidies in Morocco and Egypt
- Stronger banking sectors - higher scrutiny by central bankers, higher capital adequacy requirements, more transparency
- Commitment to improve infrastructure
- Growing, resourceful, under-supplied population
- Positive, but often slow structural reforms

SOURCE: Prudential Asset Management and Boutique Investment Partners



## POSSIBLE OPPORTUNITIES - STRONG EARNINGS GROWTH AND VERY ATTRACTIVE VALUATIONS

### EGYPT – ONTO A NEW PATH

- Agreed to a significant number of reforms, pushed largely by the International Monetary Fund (IMF)
- Devalued its currency (Egyptian pound) by 57.5% overnight
- Raised interest rates 300 basis points (bps)
- Removed subsidies on gas and reduced them on fuel
- Raised >\$12bn... in first 3 weeks, more than \$55bn since then
- Improved tax regime to attract investors
- Travel bans falling away leaving room for upturn in tourism
- Fast track infrastructure programme
- Government continues to improve roads, housing and health infrastructure
- High interest rates and inflation make operating environment challenging in the short term

The IMF is an international organization working to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth and reduce poverty around the world.

Basis point (bps) refer to a common unit of measure for interest rates and other percentages in finance. One bps is equal to 1/100th of 1% (1% = 100 bps) and is used to denote the percentage change in a financial instrument.

### NIGERIA

- Easing of policy uncertainty around the currency (naira)
- Multiple exchange rates in force but converging/linking/intersecting

- New window allows free trade for foreign investors
- Many still concerned however and waiting in the wings
- Improved relations in the Niger Delta
- Respite/halt/standstill of oil production
- Oil price holding steady enough
- Economy adjusting to new normal
- Lower growth, high interest rates, inflation
- Power shortages continue to constrain local manufacturing

## **MOROCCO**

- Stability continues in Morocco
- Sensible and advisable macroeconomic planning allowing country to take advantage of global developments
- Subsidies such as fuel subsidies, have been removed, pegged/fixed currency (dirham) removed
- Continued attraction of foreign direct investment (FDI)
- Regional expansion especially into Francophone Africa
- Political reform stalling/hampered, may bring pressure point

A foreign direct investment (FDI) is an investment in the form of a controlling ownership in a business in one country by an entity based in another country. It is thus distinguished from foreign portfolio investment by a notion of direct control.

Francophone Africa refers to French-speaking African countries.

## **KENYA: LONG TERM POSITIVE, SHORT TERM RISK**

- Infrastructure development
- Investment driven growth – roads, power, ports, transport
- Power in East Africa – Kenya will become self-sufficient by fiscal year 2018 (FY18) while Rwanda, Uganda and Tanzania are improving)
- Economic diversification
- Agriculture, services, construction
- Vibrant innovative Small and Medium Sized Enterprises (SME) sector, strong Information
- Technology (IT) skills
- Regional integration
- Cross border trade, skills movement and common infrastructure development
- Interest rate cap constraining liquidity and private sector credit extension
- Elections will be something to watch

A fiscal year (FY) is a period that a company or government uses for accounting purposes and preparing financial statements.

Economic diversification is generally taken as the process in which a growing range of economic outputs is produced.

Regional integration is a process in which neighbouring states enter into an agreement to upgrade cooperation through common institutions and rules.



## CHINA

At the beginning of 2017, the outlook of the Chinese economy, like the US, was less promising and rather disappointing. The not so strong economy caused commodity prices (over a YTD horizon) in China to drop. This was not really a surprise since commodities are generally sensitive to expected economic growth trends.

However, despite the bad start in 2017 the underlying economic growth potential of China remains strong and vigorous. This should have a positive effect on commodity prices as the year progresses and cause them to reach higher levels.

Sales in real time measures of industrial activity such as railway freight traffic, heavy construction equipment and electricity, are still sloping upward at a healthy tempo. Due to a weaker currency and an improvement in global growth, exports in China are also accelerating.

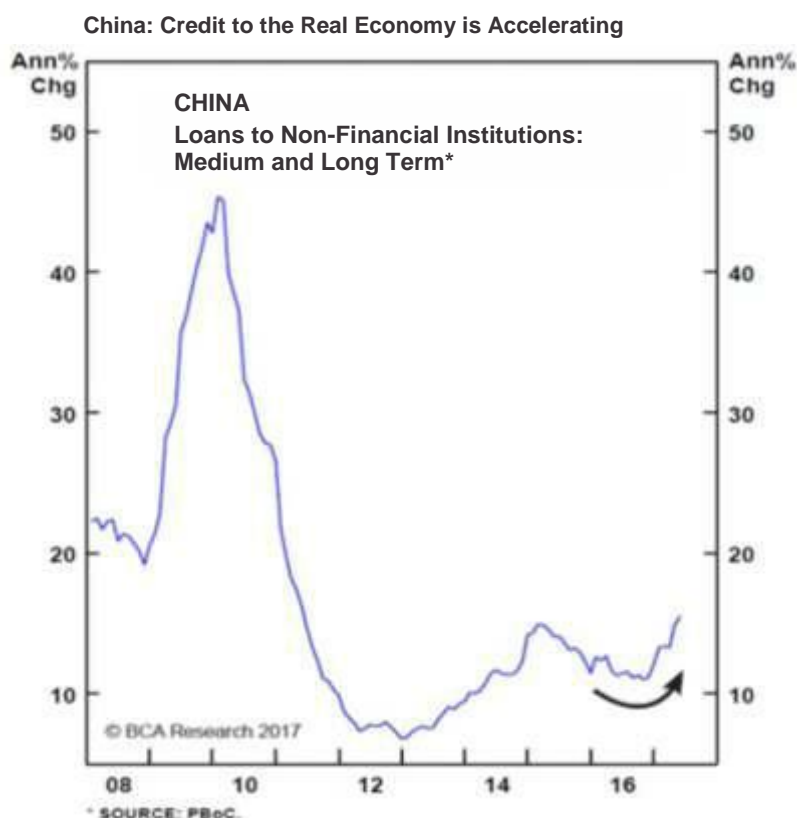
Even though house and retail prices continue to rise in China, more and more households can afford to buy new homes.

The chart below illustrates that medium and long-term financing to non-financial corporations (which is a key driver of private-sector capital spending), as well as physical commodity demand, has accelerated over the past 8 months.

This acceleration occurred despite the concern about a potential rapid pull back in the Chinese economic growth recovery due to the policy makers' regulatory efforts to cool down a potentially overheating property market. It is therefore expected that the progressive and on-going global wave will continue to lift commodity prices higher, despite a disappointing start to 2017.

Ahead of their very important congress at the end of the year, the Chinese government recently applied further fiscal stimulus to its economy to support China's economic growth.

In addition, this implementation of policy in China should support the worldwide or international economic growth backdrop and provide continued support to commodities and international cyclical assets overall.





## **SOUTH AFRICA**

Technically South Africa found itself in a recession due to economic growth slowing down for two consecutive quarters, without having to go through economic contraction or shrinkage. However, the South African economy spluttered back to life in the second quarter of 2017 lifting the GDP by 2.5% quarter-on-quarter.

One of the contributory factors causing the “technical recession” is that there has been a change in the way GDP is being calculated in South Africa. For example, the calculation had always been done by the South African Reserve Bank but now it has become the responsibility of Statistics South Africa.

Clear signs indicate that local interest rates will be cut in the very near future. For example, real interest rates remain very high, suggesting that monetary policy remains a headwind to economic growth recovery.

Policy uncertainty remains elevated, and is posing another headwind to growth.

Due to the rife and undesirable political risk in South Africa both a consumer and business confidence crisis have been created. The confidence crisis in both these sectors has resulted in lower and decreasing consumption and corporate investment in the country. Currently a dampened aggregate demand and consequently deflationary pressures exist in South Africa.

Italy is referred to as the most recent “sick-man” of Europe. If history is anything to go by, Italy is a very good example of how risky it can be to play into the negative sentiment surrounding any economy. Here reference is made from the perspective of setting an investment strategy. Sometimes only one uninformed or injudicious policy announcement causes a consumer and business confidence crisis, policy uncertainty crisis and heightened levels of political risk in a country.

If one does not have confidence in or support the recent constructive mind-set shift towards Italy, which country will be the most suitable to invest in? France, Egypt or perhaps Nigeria?

The most critical issue or factor that holds South Africa back economically is its current political development and lack of an informed policy announcement. Therefore, any level of pessimism really ought to be pragmatic.

Unless one believes that the market is no longer an efficient-news-discounting-mechanism, one should not discount the notion that all this political noise is public knowledge, and is thus likely all priced in. Stable commodity prices have improved terms of trade and a recovery in the agricultural sector has kept GDP at least non-contractionary and positive.

Currently South Africa does not experience strong and vigorous economic growth improvements as appears to be the case in other major developed and emerging economies.

South Africa will benefit and remain constructive from a strong global economic growth back-drop, especially because it is a small and open economy. This is already evident in the earnings growth that has been registered in a few isolated areas of the local equity market thus far.

According to the Rand Merchant Bank (RMB) in South Africa, the scheduled conference of the highly predictable ruling political party, the African National Congress (ANC) in December 2017, creates uncertainty on both the economic and political front. The following table is an attempt of the ANC to sketch various scenarios of what are likely to happen in South Africa over the next 12 to 24 months.

The key insights from the table below include that investors will have to “ride the storm” by taking calculated risks across attractive opportunities while the local market is expected to remain unpredictable and erratic despite the very favourable and positive global outlook.

Fundamentals will have to override emotions and sentiment, because it will get harder and harder to predict political outcomes; on both the local and global front.

According to RMB, the South African Rand (ZAR) is expected to move sideways while bonds are expected to rally. South Africa will show some economic growth even though this will be volatile and erratic. Interest rates are expected to drop and we may see a ratings downgrade.

### Scenarios for the next 12 to 24 months

		Local Economy		
		Bull run (20%)	Muddle through (50%)	Rapid deterioration (20%)
Global Economy	Non-inflationary acceleration (15%)	Rand + Bond prices + Economy + Repo – Ratings –	Rand + Bond prices + Economy + Repo – Rating –	Rand – Bond prices – Economy – Repo – Ratings –
	Mild acceleration (40%)	Rand + Bond prices + Economy + Repo – Rating –	Core scenario: Rand – Bond prices + Economy + Repo – Ratings –	Rand – Bond prices – Economy – Repo – Ratings –
	Inflationary acceleration (15%)	Rand – Bond prices – Economy + Repo – Ratings –	Rand – Bond prices – Economy + Repo – Ratings –	Rand – Bond prices – Economy – Repo + Ratings –
	Renewed slowdown (20%)	Rand – Bond prices + Economy – Repo – Ratings –	Rand – Bond prices + Economy – Repo – Ratings –	Rand – Bond prices – Economy – Repo – Ratings –
	Geopolitical stress (10%)	Rand – Bond prices – Economy – Repo – Ratings –	Rand – Bond prices – Economy – Repo – Ratings –	Rand – Bond prices – Economy – Repo + Ratings –

Sources: RMB Global Markets (data as at July 2017)

– implies a sideways move. “Rand +” implies rand strength; “Repo +” implies rate increases

The current synchronized acceleration in global economic growth is expected to continue to support corporate earnings over the next 12 months.

Consensus for global earnings growth is currently as follows:

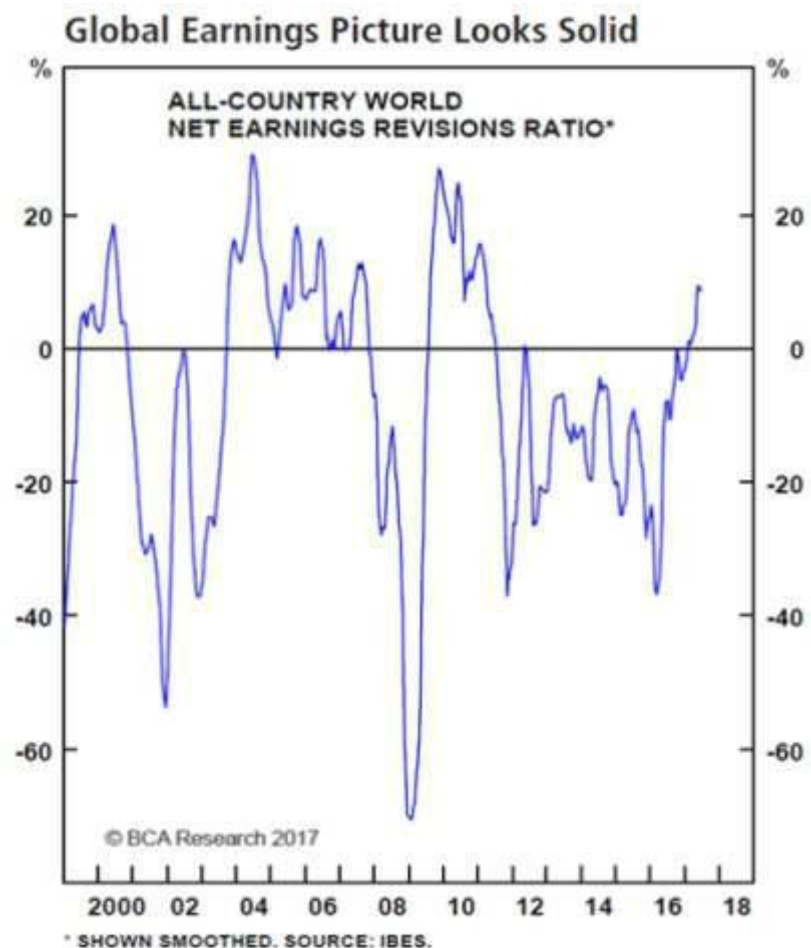
- 14% in 2017, and
- 11% in 2018.

Earnings growth in Emerging markets (EM) has accelerated sharply and is currently forecast as follows:

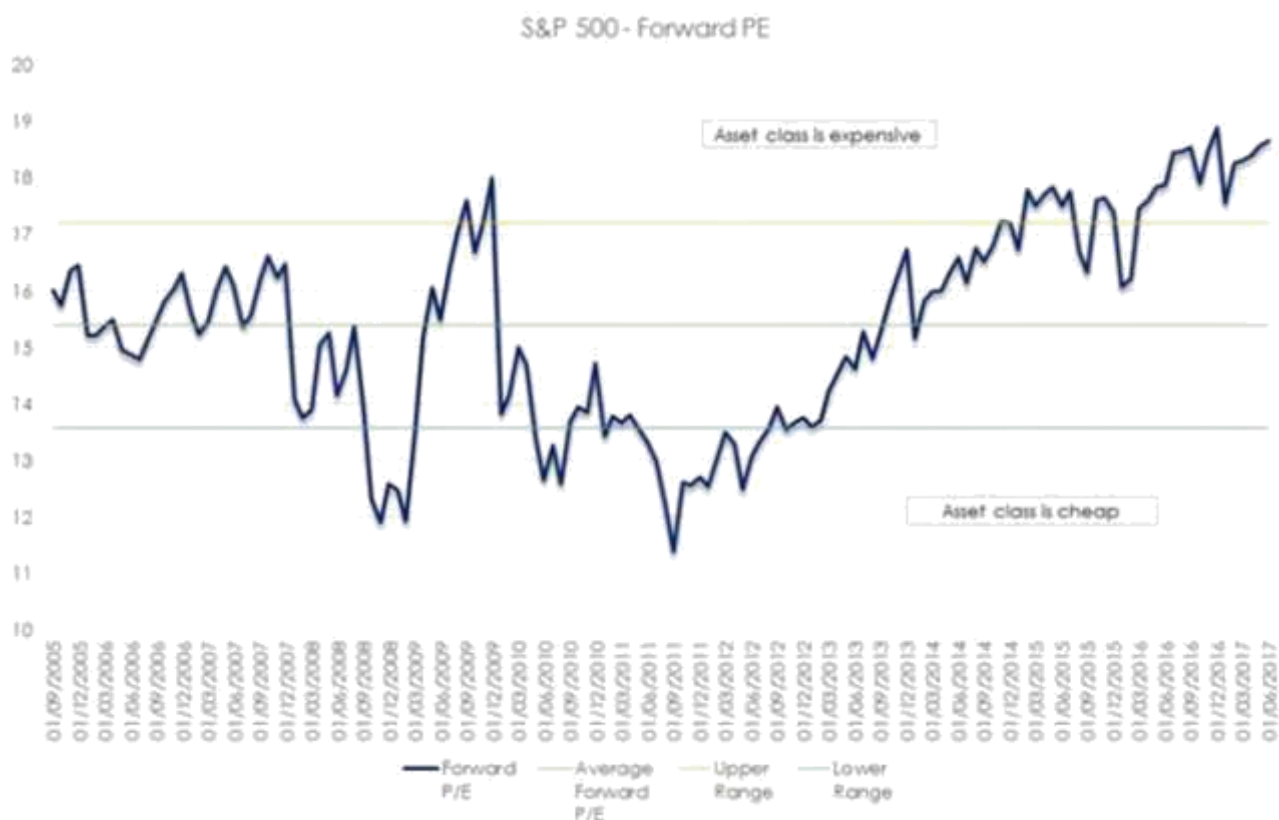
- 20% in 2017, and
- 11% in 2018.

The favourite EM economies according to BCA Research:

- Russia
- Central Europe
- Korea
- Taiwan
- Thailand
- China
- India



SOURCE: Prudential Asset Management and Boutique Investment Partners



SOURCE: Prudential Asset Management and Boutique Investment Partners

## TAX INCENTIVES BENEFITING ZABERCOIN INVESTORS

Tax incentives such as Article 13 Sex of the Income Tax Act No. 58 of 1962 in South Africa will be utilised to benefit Zabercoin users. Article 13 states the following important points:

The South African Revenue Service (SARS) permits a significant tax benefit on residential property under section 13 Sex of the Income Tax Act No. 58 of 1962. This incentive allows the purchasers of residential units to “write-off” a percentage of the cost of buildings, or improvements thereof, acquired or built after 21 October 2008. The following criteria applies:

- The taxpayer must own at least five (5) residential units. A residential unit refers to a building or self-contained apartment, mainly used for residential accommodation with the exclusion of structures used for business purposes, for example hotels.
- All units must be situated in South Africa.
- Residential units must be new and unused. For example, buyers of apartments that had previously been occupied would not qualify for this incentive.
- The units must be used solely for trade (i.e. residential letting).
- This prevents housing claims for personal use.

## Residential allowance

A 5% deduction is allowed under the Act for normal residential units. An even greater depreciation of 10% is permitted in the case of low cost accommodation. The Act defines low cost accommodation as a stand-alone unit to the value of up to R300 000 or an apartment to the value of up to R350 000. Furthermore, the owner may not charge a monthly rental rate more than 1% of the amounts. Note that the additional 5% claim is a bonus for low-cost units and only applies if the normal 5% deduction is allowed. The allowance is claimable until the full cost of the unit is written off.

### Cost on which the allowance is based

The “total cost” used for the calculation is the lesser of the actual cost incurred or the market value on the date at which the transaction was concluded. This limitation is in place to prevent taxpayers buying or building a unit at inflated prices from connected parties to obtain a greater tax deduction. Furthermore, there will be no deduction permitted if the taxpayer has previously claimed a deduction under another section of the Act.

Where taxpayers buy the residential unit without erecting or constructing the unit, or “acquire an improvement to a residential unit”, the cost is calculated as follows:

- 55% of the total cost (acquisition price) where a new unit is acquired, or
- 30% of the acquisition price where an improvement is acquired.

Taxpayers need to remember that should they dispose of the property, any allowance previously made available will be regarded as recovered or recouped upon disposal. Also, any amount received more than the cost of the property will be liable to capital gains tax.

### Example:

CJW (Pty) Ltd buys a block of 20 apartments on 1 January 2015. The apartments are not new. It spends R1 million on the improvement of each apartment. After all the improvements have been done the company sells the apartments to individuals for R4 million each, including Value Added Tax (VAT). The selling price of each apartment is made up as follows:

- Cost of apartment (excluding improvements) – R3 000 000
- Cost of improvements of each apartment (new and unused) – R1 000 000

Mr. H buys five of the apartments and lets them all to tenants for R12 000 each per month. Mr H can claim the residential allowance per apartment as follows:

- R4 million x 5 units x 30% = R6 000 000 (deemed cost of improvements)
- Section 13 Sex allowance: R6 000 000 x 5% = R300 000 per annum

If CJW (Pty) Ltd had constructed the units and sold them to Mr H for R4 million each, as new and unused, Mr H's residential allowance per apartment would be:

- $R\ 4\ \text{million} \times 5\ \text{units} \times 55\% = R\ 11\ \text{million}$
- Section 13 Sex allowance:  $R11\ \text{million} \times 5\% = R550\ 000\ \text{per annum}$

If Mr H had only let 3 units in the first year he would not be entitled to the allowance. He would only be entitled to claim the allowance in the first year that 5 units were used by him or his trade. The allowance is not apportioned for part of a year.

Apart from the intrinsic value of each Zabercoin, the sustainable income stream from either rental income or company earnings strengthens the likelihood or probability of an upward trend in terms of the Zabercoin price over time, making Zabercoin a good investment for any potential or current user.

## **CONCLUDING REMARKS ON THE GLOBAL OUTLOOK**

The global economic growth outlook is currently very constructive; at least over the next 12 months. This warrants a “pro-growth investment strategy” and suggests that, in the context of the initial chart in this commentary, the capital allocation bias will be towards the growth assets bucket.

However, if economic growth remains strong, the inflation risk scenario portrayed above could start playing out in the second half of 2017, and the Federal Reserve Bank/US Central Bank (FED) will receive the green light to raise interest rates in line with its famous dot plots. A dot plot is a statistical chart consisting of data points plotted on a simple scale.

The market is not prepared for this because it is currently discounting only 27 basis points (bps) worth of interest rate hikes over the next 12 months. One basis point is equal to 1/100th of 1%.

Continued strength in the US labour market is both constructive and destructive if the recent June 2017 US labour numbers are anything to go by.



## TECHNICAL SPECIFICATIONS

### ZABER ICO DETAILS

Token long name: ZABERcoin  
Token short name: ZAB

### STANDARD PRICE

1 ETH = 35 ZAB

### TOKEN PRICE IN ETH FOR PRE-ICO

Minimum pay 10 ETH.

Permanent 75% bonus.

Actual finish price, include bonus - 1 ETH = 61,25 ZAB

### TOKEN PRICE IN ETH FOR ICO

Minimum pay 0.1 ETH.

Different bonuses, see the table below.

1 ETH = 35 ZAB (0% bonus) to 52,2 ZAB (50% bonus).

### PRE-ICO DURATION - 15 DAYS

From: 10 November 2017 11:00:00 UTC (unixtime=1510311600)

To: 25 November 2017 11:00:00 UTC (unixtime=1511607600)

### ICO DURATION - 46 DAYS

From: 1 December 2017 11:00:00 UTC (unixtime=1512126000)

To: 16 January 2018 11:00:00 UTC (unixtime=1516100400)

### FUNDRAISING IN ETH + BTC

The day before the start of the round, the target is transferred from US\$ to ETH at the current exchange rate and it is put into a smart contract as soft and hardcap.

For example, if the exchange USD/ETH at November 9 is \$297, we set:

Softcap:  $250\,000 / 297 = 842$  ETH

Hardcap:  $50\,000\,000 / 297 = 168\,350$  ETH

Exchange rate update: one day before each round (Nov 9 and Nov 31).

If the investor pays in ETH - this directly increases the total amount of the fee (to control soft and hardcap) and he instantly receives the ERC20 tokens from the smart contract.

If the investor pays in non-ETH currency (BTC), then such payment is fixed in the smart contract (for tracking soft and hardcap) within 15 minutes - first, according to the current live exchange rate, BTC is transferred to ETH, then, depending on the date of the transaction, the bonus is calculated and the final stake is calculated to the tokens. Later tokens are transferred to an Ethereum wallet.

When translating tokens, we specify the TX of the original transaction in non-ETH network (original Bitcoin TX - ID of transaction), so that any person can check the validity of the payment of the tokens (all data and source will be open on the [www.etherscan.io](http://www.etherscan.io)).

## **ROUND 1, PRE-ICO FUNDRAISING**

Softcap: US \$0 in ETH equivalent (total for all currencies).

Hardcap: US \$15 000 000 in ETH equivalent (total for all currencies).

## **ROUND 2, ICO FUNDRAISING**

Softcap: US \$250 000 in ETH equivalent (total for all currencies).

Hardcap: US \$50 000 000 in ETH equivalent (total for all currencies).

In the second round, we will set A as: 50M - the amount collected at Round 1.

For example, if we fundraised \$5 000 000 in Round 1, we will set hardcap to \$45 000 000 in Round 2 for control purposes.

TOTAL hardcap: US \$50 000 000 in ETH equivalent.

## **BOTH ROUNDS**

TOTAL HARDCAP: US\$ 50 000 000 in ETH equivalent.

As soon as the round commences, the founders no longer have the right to set: the start / end date of the round, the base price, bonus mark-ups, etc. (nothing cannot be changed or somehow affected).

If a round is not going to A, then all investors take the money back (the founders cannot pick them up in case of failure).

## **BONUS FOR ROUND 1, PRE-ICO**

Permanent 75% bonus.

Actual finish price, include bonus - 1 ETH = 61,25 ZAB

## **BONUSES FOR ROUND 2, ICO:**

Each purchase in the ICO gives bonus number of tokens according to the table. Prices at the rate of 1 ETH = \$ 300.

Bonus	Week	FROM (UTC)	TO (UTC)	Rate	Price
50%	1	01.12.2017 11:00:00	08.12.2017 11:00:00	52,50	\$5,714286
40%	2	08.12.2017 11:00:00	15.12.2017 11:00:00	49,00	\$6,122449
30%	3	15.12.2017 11:00:00	22.12.2017 11:00:00	45,50	\$6,593407
20%	4	22.12.2017 11:00:00	29.12.2017 11:00:00	42,00	\$7,142857
10%	5	29.12.2017 11:00:00	05.01.2018 11:00:00	38,50	\$7,792208
0%	6+	05.01.2018 11:00:00	End of round	35,00	\$8,571429

The number of tokens for sale is 80%. The number of tokens for Zabercoin management is 20%. When issuing tokens for money additional number of tokens is issued. At any given time, based on the total number of tokens their distribution will always remain 100%:

ICO round	: 80% of the tokens
Zabercoin management	: 20% of the tokens (frozen for one year)
TOTAL	: 100%

Only 20% of the total number of tokens will be retained by management in the registered trading company to ensure their vested interest and to secure on-going product research and development stimulating future growth and to act in the best interest of the Zabercoin holder.

## TOKEN EMISSION

- During the ICO prices will fluctuate from \$4,9 to \$8,6 while bonuses from 75% to 0% will be offered. The final number of tokens depends only on the amount contributed by investors. Tokens are issued directly at the time of payment
- The smart contract guarantees that there will be no other issues. No additional tokens will be issued thereafter.

The Zabercoin blockchain block size limit is 1MB with a 1-minute block time, on average.

Lawyers' transfer fees for properties purchased and costs occurred during on-going research and product development, will be paid via Zabercoin. Three of the initiatives for future research and development programmes include the following:

- Improving on the concept of by using blockchain technology to develop a more cost-effective structure
- Rolling out a method of paying transfer fees on properties via Zabercoin
- Investigating the viability to form a ledger for property transfers and ownership

In total, there will ONLY be 10,000,000 coins available. The ICO will be launched on November 1st, 2017, and will close when all the coins are sold or at 16 January 2018 when the ICO ends.

If the tokens do not sell out, there will be a new total supply of Zabercoin equal to the amount of Zabercoin sold during the ICO. After that, no more coins will ever be issued.

Each Zabercoin token will be backed by physical assets in Zabercoin (Pty) Ltd, registration number, 2017 / 377595 / 07. Investor interest will always remain priority.

Earnings will be reinvested to ensure maximum growth and to capitalise on compound growth. Albert Einstein, world renowned physicist, referred to compound growth as the 8th wonder of the world. This is clearly demonstrated in the graph below:

Year	Initial capital Investment(USD)	Growth per annum in dollars	Assumed growth percentage	End Value of Investment in dollars
1	10 000.00	1 400.00	14%	11 400.00
2	11 400.00	1 596.00	14%	12 996.00
3	12 996.00	1 819.44	14%	14 815.44
4	14 815.44	2 074.16	14%	16 889.60
5	16 889.60	2 364.54	14%	19 254.15
6	19 254.15	2 695.58	14%	21 949.73
7	21 949.73	3 072.96	14%	25 022.69
8	25 022.69	3 503.18	14%	28 525.86
9	28 525.86	3 993.62	14%	32 519.49
10	32 519.49	4 552.73	14%	37 072.21
11	37 072.21	5 190.11	14%	42 262.32
12	42 262.32	5 916.73	14%	48 179.05
13	48 179.05	6 745.07	14%	54 924.11

The financial statements of the property and business portfolio will be published on the website on an annual basis.

After the ICO, you will be able to buy and sell Zabercoins through any cryptocurrency exchange where Zabercoin is listed.

## **CURRENT DEVELOPMENT PROJECTS IN PROCESS:**

### **PROJECT 1: Plot 99 Equestria, Pretoria, South Africa**

The acquisition and development of this lucrative property in the capital of South Africa demonstrates the knowledge, experience, skills and expertise of the Zabercoin management team. The team already has proven to be experts in their respective fields with tangible and traceable track records of dedication, ambition and success.

This 3-ha piece of land has been rezoned, water license approved and ready for development into an eco-estate of 53 luxurious units. This land is situated in the heart of the east of Pretoria. It is no secret that Pretoria-East has become the most lucrative and sought-after real estate in the province of Gauteng. The land is ideally located within a close range to schools, hospitals, shopping malls and major roads.



Zabercoin team members: Etienne Pretorius (right) and Juan Engelbrecht (left) on site during the water license application



Illustration of completed units – neighbouring stand

## Investment Overview

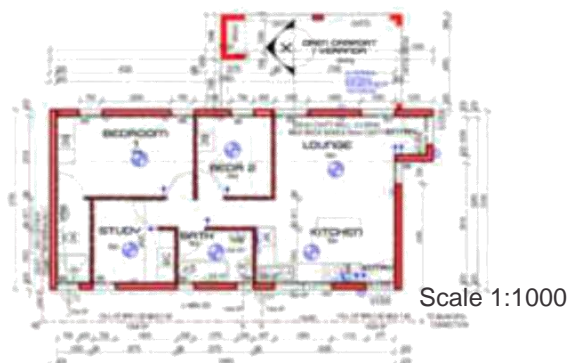
- Expected growth rate on capital invested : 20%
- Monthly rental income per unit : R12,500 (USD/ZAR = 1:14.1)
- Building cost per square metre : R10,000
- Selling cost per square metre : R15,000
- Solar geysers and solar panels will be installed on the roof resulting in cost saving and more environment friendly housing.



## Cost breakdown of development

	Description	Total incl vat	Area	Rate m <sup>2</sup>	%
1	Prelim, General & Prof Fees	R 2 854 961.55	5250	R 543.80	0.05
2	Earth Work & Excavation	R 2 070 998.30	5250	R 394.48	0.04
3	Concrete Work	R 4 590 817.31	5250	R 874.44	0.08
4	Brick Work	R 5 964 195.10	5250	R 1 136.04	0.11
5	Doors	R 7 286 758.90	5250	R 1 387.95	0.13
6	Window Frames	R 1 217 822.10	5250	R 231.97	0.02
8	Roofing & Ceiling	R 11 134 149.21	5250	R 2 120.79	0.20
9	Plaster & Screed	R 1 653 759.32	5250	R 315.00	0.03
10	Woodwork & Ironmongery	R 4 506 970.86	5250	R 858.47	0.08
11	Plumbing	R 2 949 879.03	5250	R 561.88	0.05
12	Tiling & Floor Finish	R 1 425 051.60	5250	R 271.44	0.03
13	Electrical & Gas	R 948 560.51	5250	R 180.68	0.02
14	Painting	R 598 902.25	5250	R 114.08	0.01
15	Exterior & Site Work	R 1 002 810.69	5250	R 191.01	0.02
16	Tools & Equip	R 1 251 445.83	5250	R 238.37	0.02
17	Other	R 24 494.61	5250	R 4.67	0.00
18	Labour & Wages	R 6 768 510.00	5250	R 1 289.24	0.12
19	Interior Deco	R 336 000.00	5250	R 64.00	0.01
20	<b>TOTAL Construction Cost</b>	<b>R 56 586 087.16</b>	<b>5250</b>	<b>R 10 778.30</b>	<b>1.00</b>

## PROJECT 2: Partnership with IGrow Wealth at Fourleaf Estate, Port Elizabeth, South Africa



Our partnership with the CEO of IGrow Wealth brings about the following outstanding benefits:

- No agent fees will be payable
- Strong rental income

The Fourleaf Estate is situated very near to the Baywest Mall in Port Elizabeth, South Africa. Various public schools are nearby and the Curro Private School Westbrook is just five minutes away.

Purchase prices start from an unbelievable R645 000 per unit, with rental income from R5 300 p/m, which offers the property investor a gross yield of up to 10%.

### **Investment Overview**

- Purchase price: from R645 000 – R885 000 (USD/ZAR = 1:14.1)
- Rental Income: from R5 300 – R7 300 per month
- Levy: approximately R450 per month
- Rates & taxes: from approximately R240 per month
- Rental Assist: exclusive to our token holders, R1 000 per month for 12 months will be paid to investors from date of registration
- Massive tax incentive for investors - 13sex of the Income Tax Act applies where up to 72% of the purchase price can be written off for tax purposes against your income



### **PROJECT 3: Government Town Establishment, Potchefstroom, South Africa**

Only experienced property developers will be able to notice the value and potential of this type of property development. In South Africa government strives to establish fair living standards for all its people by increasing the living standards of the less fortunate. There is a huge demand from especially the black community to move out of their shacks and move into Reconstruction and Development Programme (RDP) housing.

The land for this project has been identified in the Potchefstroom area in South Africa. A similar project like this already has been successfully executed by the management team in the past. The governmental budget allocated for this project is very attractive and more than adequate. The physical development is not included in the project. The team is only responsible for the establishment of the town as seen in the steps below.

Land size per opportunity: 12 Hectares

Number of opportunities: 5

#### **Investment Overview**

- Land worth estimate done by agents before project inception: R 2 000 000.00 per opportunity
- Running cost over 14 months R1,600,000 including EIA's etc. as seen below
- Selling to government for roughly R7,600,000 after town establishment
- BEE, Corporate Governance in place
- Our management have done new project deliverables, timeframe and work program:

The detailed toe planning solutions have been finalised for a 14-month timeframe from inception until completion of township approval.

### **Phase 1: Inception phase**

- Appointment of sub consultants
- Side boundaries and contour plans
- Land surveyor certificate
- Project management

### **Phase 2: Detailed site investigation report**

- Geotechnical report
- Civil services report
- Electrical services report
- Traffic study
- Environmental impact assessment
- Heritage Impact assessment
- Agricultural potential study
- Conveyance Certificate
- Draft layout plan
- Project management

### **Phase 3: Submission of township establishment application**

- Submission of application
- Advertising the application
- Circulation of application for comments
- Incorporating feedback /comments received
- Project management

### **Phase 4: Evaluation of approval**

- Evaluation of application
- Compilation of item for council
- Principle approval from council
- Project management

### **Phase 5: finalisation and approval**

- Compilation of conditions of establishment
- Preparation of section 125 Maps
- Project management

## **Phase 6: General plan**

- Peg stands and LG diagram
- Submission of general plan for approval
- Project management

## **Phase 7: Open Township register**

- Legal input
- Opening of township register
- Project management

## **Phase 8: Services**

- Engineering services contract
- Installation of services
- Project management

## **Timeframe: 14 months:**

Project will be placed in market within the timeframe to ensure handoff and ROI.

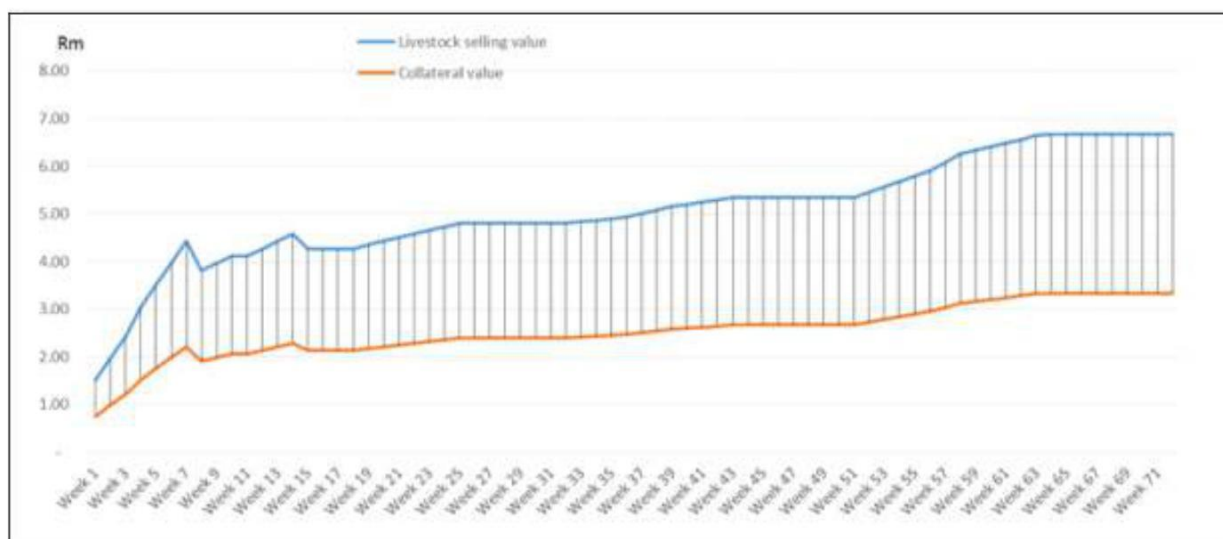
## **PROJECT 4: Agriculture project, Bela-Bela, South Africa**

- One of the most luxurious and prestigious game farms in the Bela-Bela area (former Warmbaths), South Africa has been identified for an agricultural development project
- The size of the farm consists of 1400 ha. The normal purchasing cost per hectare in that area ranges between R15,000 and R20,000 (USD/ZAR = 1:14.1)
- A fair estimate of the value of this farm will therefore be around R25,000,000
- The current selling price is currently R12,000,000 due to financial difficulty of the farm owner
- The Zabercoin management team intends to operate a sheep feedlot and obtaining offtake agreements with the largest sheep abattoir in the country. We expect to make around 25-35% return on investment per annum on the sheep feedlot with combination of wool and meat
- Another venture planned on the farm will be to acquire an exemption for buffalo farming.



- The minimum requirement for an exemption is a farm size of at least 400 ha. Buffalo farming in South Africa demonstrated a 100% return on investment over the past 5 years.
- Game breeding has been known to be a very lucrative industry. Some of our management team members have their own game farms where they gained valuable experience in this field.

We have in-depth financial forecasts and models which support these statements available on request.



Project 5: Green hospital (Due to NDA we may not disclose more detail at this stage)



## CONCLUSION

### ZABERCOIN, AN ASSET BACKED CRYPTOCURRENCY – THE FUTURE OF REAL ESTATE

Zabercoin is an asset backed cryptocurrency. Therefore, with Zabercoin we combine the blockchain technology with physical asset investments like real estate and lucrative companies more specifically located in emerging markets (EM) with recurring income re-invested to ensure growth, research and development. Zabercoin limits your exposure to the downside risk of many existing cryptocurrencies. Zabercoin has a floor price right from the time of its inception. Each Zabercoin is backed by lucrative property and therefore we can safely state that it will always have a real or intrinsic value that will give peace of mind to the investor and user.

Zabercoin is the future of real estate. The mission of Zabercoin is to become the preferred real estate digital token in the global blockchain real estate market environment.

Zabercoin prides itself with a very strong and dynamic management team with many years of experience combined in the asset management, property development, investment, IT, finance, business, law and cryptocurrency space.

## OUR ROADMAP

### **10 November - 25 November 2017:**

PRE-SALE (min 10 ETH); 75% bonus

### **1 December 2017 – 16 January 2018:**

PUBLIC ICO (min 0.1 ETH); (different bonuses ranging from 50% to 0%)

### **1 April 2018:**

Purchasing lucrative property in South Africa to benefit from Art 13 Sex

### **1 May 2018:**

List Zabercoin on Cryptocurrency exchanges worldwide (already approved by hitBTC, GCEX and Livecoin.

### **1 January 2019:**

Purchasing Property in other emerging markets (EM) countries.

### **1 July 2019:**

- Development and extensive research on a decentralised blockchain based property ledger which records all real estate contracts, registrations and linked bills
- Using blockchain technology to develop a more cost-effective structure for decentralised open source bookings eco-system for renting hotel rooms, private properties and accommodation similar to AirBNB

- Using ZAB Tokens as a payment method for transfer cost on properties - approved already in principle by Barnards Incorporated Legal firm.

## **BUSINESS PLAN AND 4-PHASE DEVELOPMENT AND GROWTH PATH OF ZABERCOIN**

- 1. Purchasing lucrative property** in especially emerging markets (EM) with great valuations. Although the focus of Zabercoin management will be to buy property within emerging markets, other profitable and lucrative projects outside EM will also be considered in its investment plan. Zabercoin makes use of all legal tax incentives like Article 13 Sex of the Income Tax Act of RSA to ensure sustainable and profitable rental income and maximum growth for the investor right from the start.

### **Our investment philosophy in brief:**

At Zabercoin we strive to add value at each stage in the investment process which targets under-priced markets expected to maximise performance for a given level of risk. The management team adopts a top-down asset management approach. This means that a variety of economy-wide phenomena (macroeconomics) such as inflation, price levels, growth rates and unemployment of a country will be thoroughly evaluated before considering any prospective project. We strongly believe in a value investing style where the interests of the company and the investor always take preference in decision-making. Good asset selection, and active management are fundamental drivers of investment performance.

- 2. Developing a decentralised blockchain based property ledger** which will record all real estate contracts, registrations and linked bills. With this ledger, Zabercoin will be able to provide property owners and potential buyers an accurate and seamless record of valuations and property ownerships. In comparison with Windeed, a centralised South African service provider, Zabercoin will be unique in providing a decentralised global service by effectively making use of the blockchain.
- 3. Developing a decentralised open source bookings eco-system for renting hotel rooms, private properties and accommodation** using blockchain. In comparison, Zabercoin will charge only 4% for a guest and 2% for a host. Half (50%) of above revenue will go to the users by managing the properties on their decentralised Zabercoin account technology making it more cost effective for the host and guest and incentivising the users.

AirBNB currently has a market cap of approximately 30Bn USD. They charge a guest between 6-12% and a host 3% after a successful stay. They expect to generate a revenue of over 10Bn USD by 2020.

In comparison, Zabercoin will charge only 4% for a guest and 2% for a host. Half (50%) of above revenue will go to the users by managing the properties on their decentralised Zabercoin account portal as an incentive. By incentivising users there will be no need to market and by using blockchain technology administration costs will be very low. If Zabercoin, at a third of the price and incentive model to users/agents as well, can obtain only 10% of the market share of AirBNB it will value Zabercoin at 3Bn USD on this basis alone. If Zabercoin can raise 30m USD it will result in a 100x return on investment!

**4. Using Zabercoins as payment method for transfer costs on properties.**

Barnard Inc Lawyers already approved this as a payment method. South Africa alone has over 80,000 transfers per annum and we intend to incentivise users as well. Bitcoin is seldom referred to as “digital gold” – an industry of 8.2 trillion USD. Zabercoin aims to become a digital real estate token – an industry of more than a 200 trillion USD.

Sally Krawcheck, a digital financial advisor said: “Greater diversity drives better business results”



## Zabercoin 2 Phases

Bitcoin is seldom known as "digital gold" – a 8.2 trillion USD industry  
Zabercoin is aiming to become a digital real estate token – a over 200 trillion USD industry

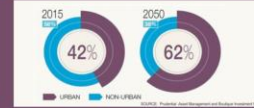


### Our investment philosophy

Zabercoin adopts a top-down investment process focusing on emerging market (EM) property markets. Furthermore Zabercoin's team believes in a valuation style as it has been proven to be the best over the long term. In addition, Zabercoin makes use of all legal tax incentives like Article 13 Sex of Income Tax Act of RSA ensuring maximum growth for the investor.

	Sub-Saharan Africa*	South Africa	US	UK
Offices	2 million m <sup>2</sup>	15 million m <sup>2</sup>	140 million m <sup>2</sup>	100 million m <sup>2</sup>
Shopping Malls	0.5 million m <sup>2</sup>	21 million m <sup>2</sup>	410 million m <sup>2</sup>	100 million m <sup>2</sup>
Population	400 million	52 million	310 million	64 million
Size of GDP (US Dollars)	161.3 billion	153.91 billion	17,281 billion	2,460 billion
Expected GDP Growth	5.7% per annum	1.3% per annum	1.8% per annum	0.7 per annum

SOURCE: Prudential Asset Management and Boutique Investment Partners



The idea is to create strong rental income to ensure future development and growth.

**Each token represents a share in an underlying company to ensure that the investor has an intrinsic value in terms of his investment and not only part of the hype.**

## Zabercoin has 4 phases of development and growth:



Purchase of lucrative property in Emerging markets with great valuations and make use of tax secrets and generating sustainable rental income to develop and ensure your investment is a success from day 1!



Implement a decentralised open source bookings eco-system for renting hotel rooms and accommodation using blockchain technology making it more cost effective for the host and guest and incentivising the users

Airbnb has a market cap of 30Bn USD and aim to generate revenue in excess of 10 Bn USD per annum



Implement a decentralised blockchain based property ledger which records all real estate contracts, registrations and linked bills

Windeed is a similar but centralised version in South Africa giving buyers and indication of valuations and property ownerships

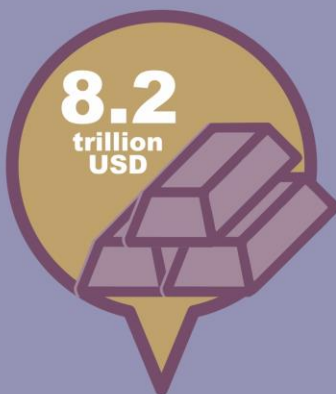


Using zabercoins as payment method for transfer cost on properties.

Barnard Inc Lawyers already approved this as a payment method.

South Africa alone has over 80,000 transfers per annum and we intend to incentivise users as well.

## Digital gold comparison:



Bitcoin is seldom known as "digital gold" – a 8.2 trillion USD industry



Zabercoin is aiming to become a digital real estate token – a over 200 trillion USD industry

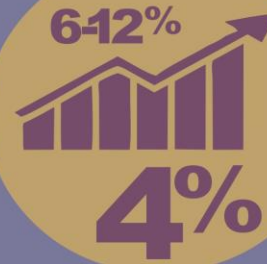


## 2

Zabercoin  
Phase 2  
explained



Implementation of a cost effective decentralised open source bookings eco-system for renting hotel rooms and accommodation using blockchain technology similar to Airbnb



The AirBNB market cap is around 30 Bn USD.  
They charge a guest between 6-12% and host 3% after a successful stay.  
They expect to generate a revenue of over 10 Bn USD by 2020.



Zabercoin will charge 4%  
for guests and 2% for hosts



# 50%

50% of above revenue will go to the users managing the property on their decentralised Zabercoin account portal as an incentive.

# 0%

By incentivising Zabercoin users, there will be no need to market (word-of-mouth) and by using blockchain technology administration costs will be very low.

# 100x

If Zabercoin, at a third of the price and incentive model to users/agents as well, is able to obtain only 10% of the market share of AirBNB it will value Zabercoin at 3Bn USD on this basis alone. If Zabercoin is able to raise 30m USD it will result in a 100x return on investment!

# Zabercoin Model



## REFERENCES

- [1] (2002) Property Management, Vol. 20 Issue: 1
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