

Brochure

Prepared by: YETU GROUP

Review of DRC business opportunities

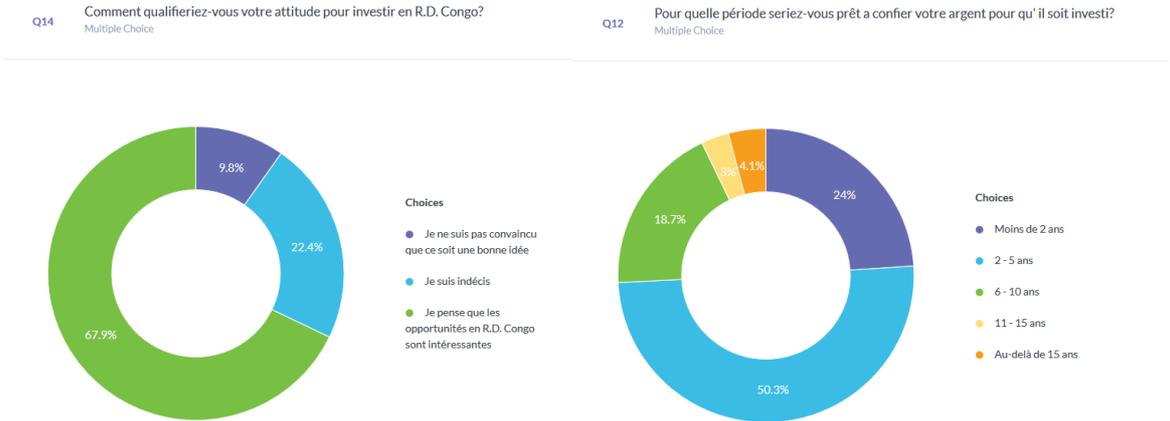
1. INTRODUCTION AND OBJECTIVES

Yetu Group is the organisation of the Congolese Diaspora gathered under a single vehicle with a view of enhancing returns on investments into the Democratic Republic of Congo by reaching greater economic and social impacts. Our ambition is to be the leading catalyst for the attraction of capital to the D.R. Congo and our mission is to empower our people as well as our businesses. We seek:

- A. To maximise shareholders' value;
- B. To spread the risk of investing in the D.R.C.;
- C. To leverage our assets in order to become an influent development partner in the D.R.C.;
- D. To create the channels that will allow the investors to have a tangibly positive impact on the Congolese economy.



Informed by an in-depth study of over 1,000 members of the Congolese expatriate community worldwide, Yetu Group has become aware of a positive attitude, by a significant majority of the Diaspora, to profitably invest in the D.R.C in projects with investment horizons of up to 5 years, as illustrated by the below charts:



Consequently, Yetu Group aims to respond to this interest by sourcing bankable ventures which meet investors' criteria, and to present them to the Diaspora via special-purpose vehicles. The first of such vehicles, Yetu Property Investment Club (PIC) Limited Liability Partnership (L.L.P.), is a syndicate which allows its members to invest in property internationally, starting from the Congolese market of Kinshasa, precisely in the area of Gombe, the richest district of the third fastest growing city in Africa. With investments starting at \$1,000, the property investment club makes it easy and affordable for its members to invest in property in this fashionable part of Kinshasa, the administrative and economic heart of the capital of the Democratic Republic of Congo.



2. THE MARKET



A panoramic view of Gombe

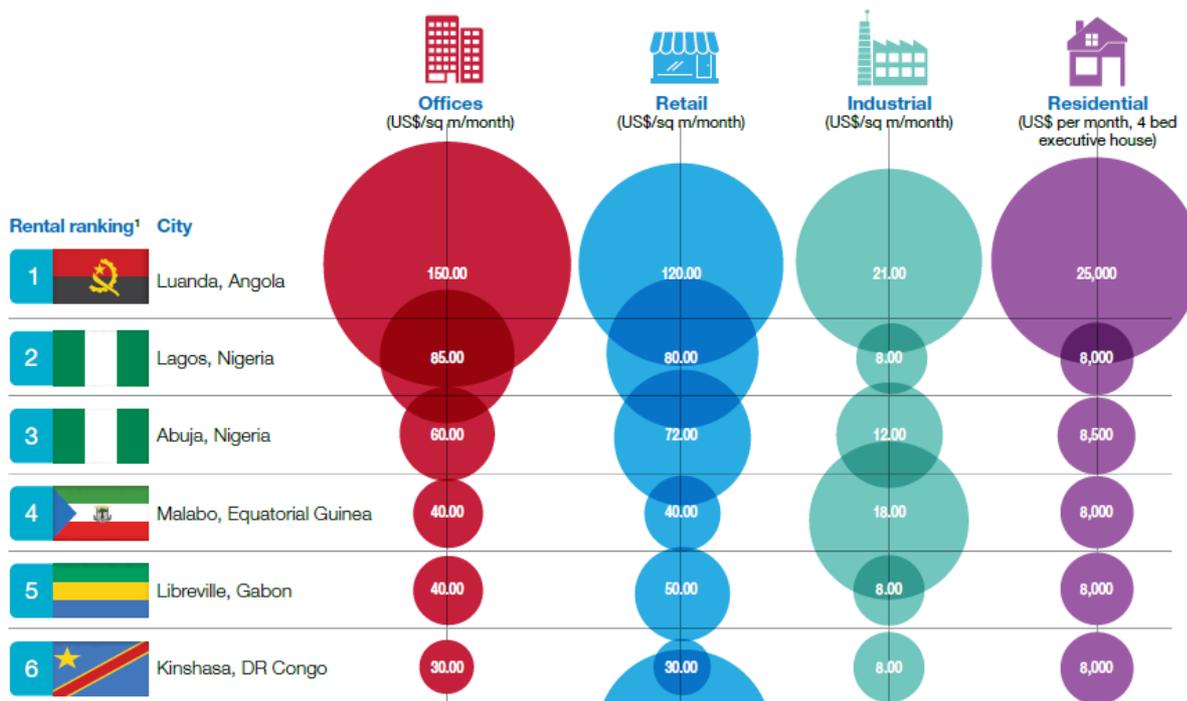
McKinsey Global Institute (MGI - a worldwide management consulting firm)'s report of September 2016 titled *Lions on the Move II: Realizing the potential of African Economies* notes that between 2010 and 2015 Africa's overall GDP growth averaged 3.3 percent, higher than the world's average of 2.9 percent: "the fundamentals across the whole continent are strong, and long-term growth projections are good... Companies looking to grow across the continent should look for opportunities in six sectors that MGI finds have "white space"—wholesale and retail, food and agri-processing, health care, financial services, light manufacturing, and construction." This is because governments will need to focus on six priorities, one of which is to ensure healthy urbanization, now that the region is expected to have a larger workforce than either China or India by 2034. As a result, Africa is projected to enjoy the fastest urbanization of any region in the world because productivity in cities is more than double that in the countryside, owing to the fact that cities offer better access to infrastructure, education, and new markets. Higher productivity translates into higher incomes, thus leading to higher consumption by households and businesses. Therefore, the rate of economic growth has a strong correlation with urbanization.

Since 2010, of the largest 30 African economies, the Democratic Republic of Congo feature in the list of those experiencing accelerating growth. According to the Centre for Affordable Housing Finance 2016 report, the Democratic Republic of Congo, covering an area of 2,344,858 km² for a population of over 70 million, suffers from an acute residential shortage:

“Housing demand in D.R.C. outweighs housing supply, and the backlog is estimated at 3,945,555 million houses countrywide, that is 263,039 houses to be built per year. Kinshasa alone has a housing deficit estimated at 54.4% of the overall national deficit. As a result of improved socio-economic conditions, population growth, urbanisation and internal migration housing demand will keep increasing in the city. The majority of housing in the D.R.C. is developed by households themselves. The planned districts represent 22.9 percent, while self-built districts represent 77.1 percent. Most private housing developments, especially low cost housing, are characterized by non-compliance to local development master plans and municipal building standards. Almost 70 percent of urban fabric extensions are unlawful and over 70% of urban population live in slums, of which 50% percent do not have access to water, clean sanitation system and waste disposal.”

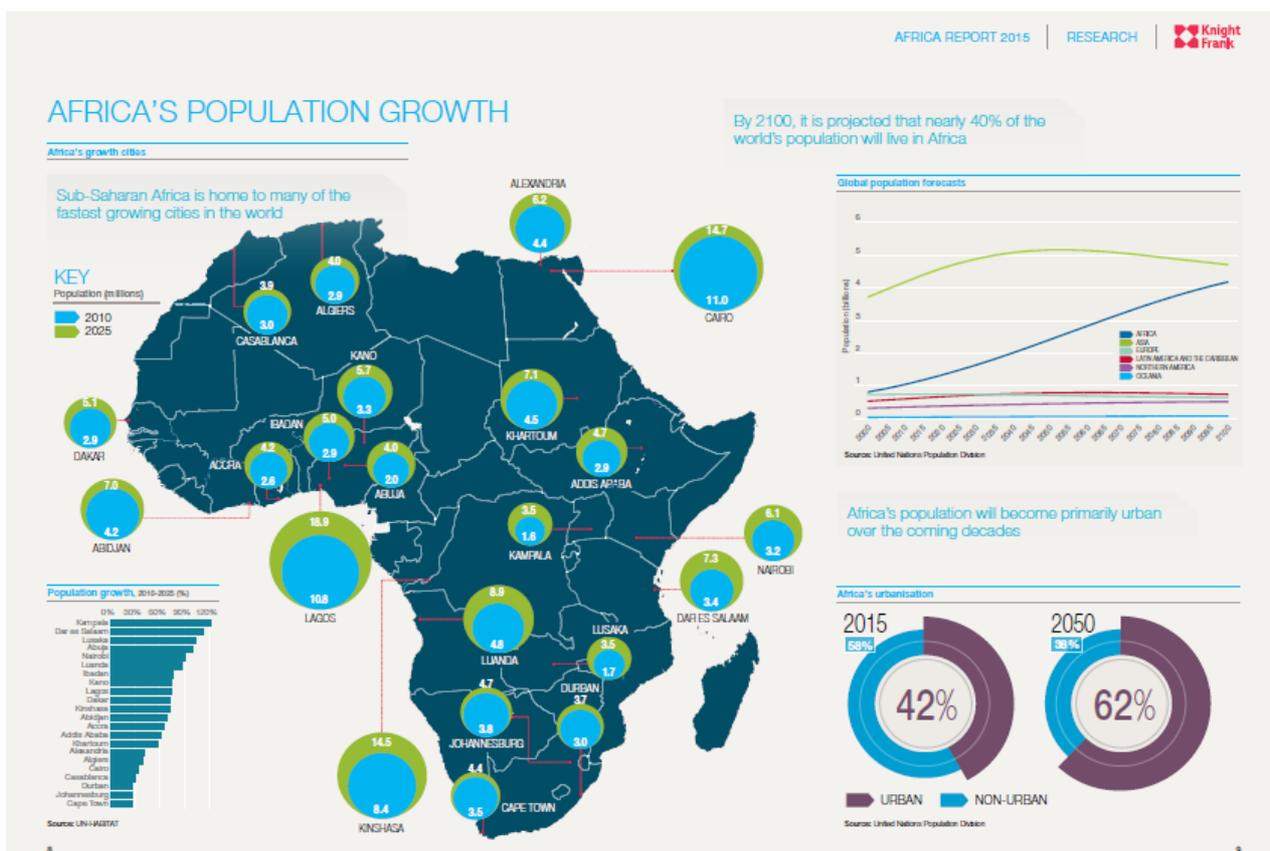
This housing sector is distinguished by a very small number of developers, owing to the difficulties of accessing adequate finance: “total commercial bank deposit is estimated at US \$4 Billion”. Hence, housing supply is extremely limited; in cases where there is a supply, it is restricted and afforded by the minority elite.

AFRICA PRIME RENT RANKING

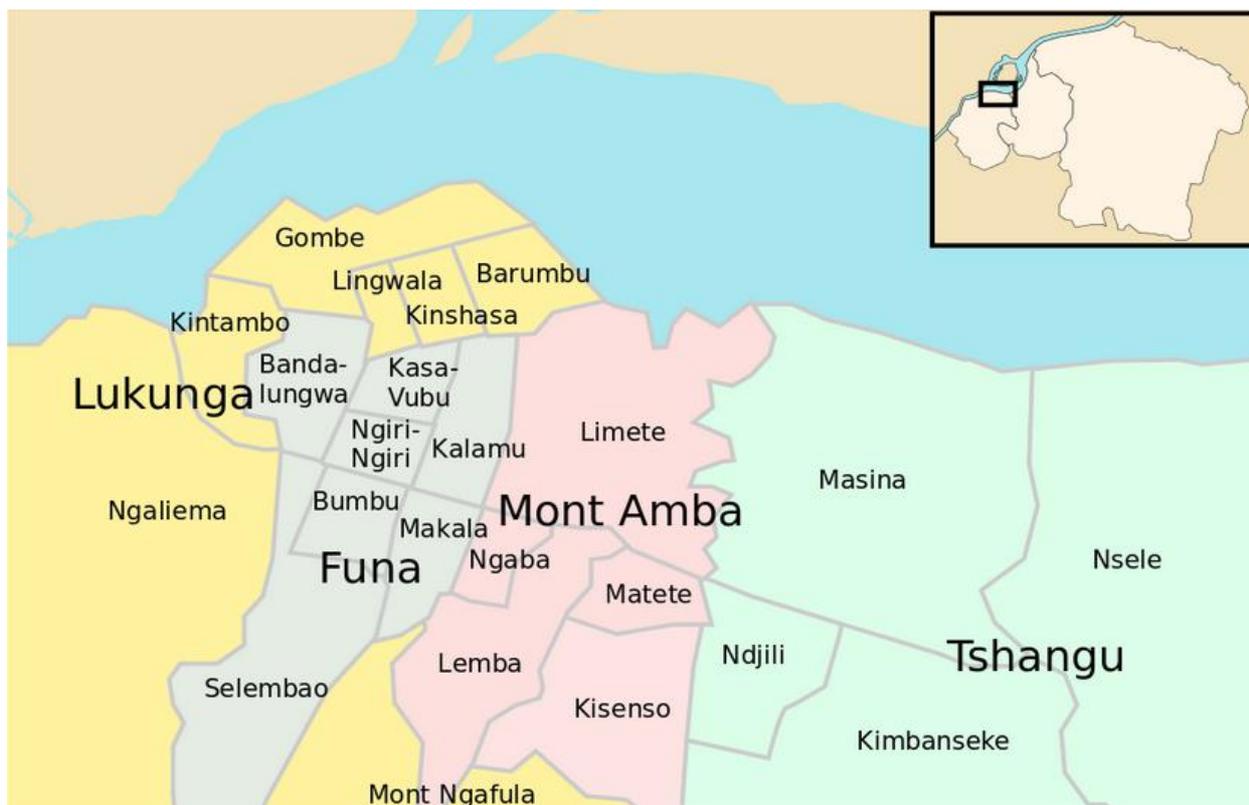


This diagram, reproduced from Knight Frank’s Africa Report 2015, demonstrates that out of 35 countries in Africa, the DRC has the 6th highest rental return

Kinshasa, formerly known as Léopoldville, started as a trading post founded by Henry Morton Stanley in 1881. Over the following years until 1960, when the modern Congolese state was born, the post steadily grew into a town with a population numbered at the hundreds of thousands. Nowadays however, Kinshasa is firmly established as Africa's third-largest urban area after Cairo and Lagos. Knight Frank, a leading firm of property professionals, estimates that by 2025 Kinshasa will host over 14 million people, further cementing the demographic trend of urbanization across the African continent.



Yet, for all its growth, present-day Kinshasa still wears the same make-up of the colonial town that harboured the administration of the Belgian Congo. The decades-long lack of investment and planning in the infrastructural development of the capital of the D.R.C. since 1960, has resulted in considerable pressure on the few arteries that lead to the economic, administrative and diplomatic hub of Gombe, which is planted in the western-most corner of the city, overlooking the Congo River. In the absence of additional transport links to relieve the burden of the few functional roads that connect Kinshasa, commuters are forced to endure endless congestions during peak hours of traffic. The resulting costs of commuting and productivity losses are at the origin of the massive exodus of the elite, from the suburban area of Mont Ngaliema and Mont Ngafula, towards Gombe, the city centre . Furthermore, since the early 2000s, the advent of the diplomatic sector, driven mainly by MONUSCO (the United Nations Mission to the Congo) and several Non-Governmental Organisations, has dramatically altered the demographic mix of Gombe and introduced additional security to the area as well as a greater sense of refinement unknown to the remaining part of the capital. These factors combine to reinforce Gombe as the prime destination for those who seek to set themselves apart from the madding crowd.



The 24 communes of Kinshasa
