



January 16, 2024

To the Members of Fortune 500 Klub

It is with profound honour and privilege that I write to you this first official letter about our Club!

I intend to make this an annual tradition as a way of providing you with a succinct report of the progress we are making and share our ambitions to grow the Club into one of the most globally recognized investment platforms premised on the singular purpose of building financial freedom for our members.

When Michael Woiri (BP1-00001), Benjamin Katana (BP2-00023) and I were tasked to steward the inception phase of the Club, this is what we understood to be our shared responsibility to you. At the time of writing this letter, 1,072 members have invested via the Club platform generating UGX1.7 billion in investment funds. As you recall, we have set ourselves ambitious targets: at least 20,000 fortune investors by 2030 mobilizing at least UGX2 billion (US\$500,000) in investment funds monthly, and establish a business ecosystem of micro, small and medium size enterprises through our member-owned business database. We thank each one of you for your continued expressions of confidence and good will as we build and invest together.

In writing this letter, I draw inspiration from our incredible team of club administrators - Stephen Kasumba , William Rugaama, Daphine Natumanya, and Alexandra Kamatsiko – the exceptional talents that work behind the scenes to ensure your investments are recorded, reconciled, and secured. I also recognize the incredible contributions of our Board Chairman for Fortune Financial Services Richard Baguma, Chief Executive Officer of Fortunetech Jerome Nuwabaasa and Joan Larok, Board Chairperson of Fortune Financial Services.

Nothing can beat the power of togetherness.

In 2018, when a couple of us conceived the idea of Fortune 500 Klub at a fireplace conversation, our conviction was that together, we would be able to think big and pursue big ideas beyond what we could do individually. Fast forward, five years later, the Fortune 500 Klub has become a vehicle through which a boda boda cyclist invests in Government of Uganda treasury bills, a student member acquires interest in a prime real estate property and a hairdresser is investing in a fintech start-up. The potency of unity makes everything possible. Our three investment categories have dismantled traditional barriers to collective investments thus promoting inclusion and facilitating both vertical and horizontal integration among our membership.

We are a member-owned club.

Whenever I invite friends and acquaintances to join the Club, the recurring question is: what interest are you offering us if we give you, our money? Fortune 500 Klub is different from many funds and investment products that promise interest to their clients. The Club was conceived as a member-owned club bringing together a network of individuals committed to invest and succeed together. Each member owns their monthly investment contributions and the revenues that accrue from investing the funds. Think of the Club as a piggy bank where we all drop our money, and every

member knows how much they have dropped in. However, in contrast to a sealed piggybank, that remains untouched until opened, our funds are invested to generate revenues that accrue to each one of us based on our respective investment portfolios.

Celebrating our diversity

When we conceived the idea of Fortune 500 Klub, we wanted to break down all barriers that limit investment opportunities, especially for young people. We wanted to flatten the income ladder and inspire those in the low-income bracket to invest with those middle and higher-income bracket. We wanted to break down professional and occupational barriers that define the character of many investment clubs in Uganda. The essence of our organizational philosophy lies in the high-end businessman, a lawyer, a doctor, an academic, and a politician investing alongside a school-going young person, a hairdresser, a boda boda cyclist or a taxi driver, thereby creating value for one another. We seek to break down traditional geographical barriers to collective investment. Indeed, our expanding digital operations are breaking down geographical barriers enabling Ugandans across the country and in the diaspora to invest together creating the possibility of the Club growing into a regional and global collective investment powerhouse.

Remaining true to our founding principles

The growth of the club is bound by three foundational principles. We are a wallet-friendly investment model designed to make investment exciting. We are an inclusive investment platform and we have been able to break down geographic, demographic, gender, and all other forms of barriers to investment. We are committed to the pursuit of financial freedom for our members. In 2024, we will accelerate the development of our digital platforms to enable members to access and make decisions regarding funds in their revenue accounts.

Making money work for us to achieve financial freedom.

The Fortune 500 Klub was conceived with the singular purpose of enabling any person who joins to achieve the highest degree of financial freedom. Our commitment is to challenge the prevalent belief that Africans work for money until we die. Fortune 500 Klub embodies the idea that we can make money work for us. This is precisely why we adopted an investment model that enables a working-class professional, a private businesswoman, a hairdresser, a boda boda cyclist, or a school-going young person to invest together. By encouraging Fortune Investors to enrol their children in the Club, we are creating an avenue for these youngsters to transcend the boundaries of our family and social networks, embedding in them an investment culture, and hence nurturing the next generation of investors.

Making our Special Purpose Investment Vehicles (SPIVs) work

A fundamental aspect of our business model is to invest members funds through Special Purpose Investment Vehicles (SPIVs). When our investment task teams agree on a potential business opportunity, a SPIV is incorporated with all the attendant corporate attributes, to execute the business.

In 2022, Fortune Financial Services (FFS) was incorporated as our premier financial services company dedicated to serving our members and other clients with trust, purpose, professionalism, and dignity.

During the same year, Fortunetech was incorporated as our vehicle to lead the Club's business operations in the tech space.

In 2023, Fortune Real Estates Ltd was incorporated to lead the club's investment in the real estate space. By the end of the year, the Board concluded our first real estate deal with an acquisition value of approximately UGX1 billion.

Looking ahead to 2024, we intend to continue to diversify the investments of the Club and to strike a balance between short, medium, and long-term investments. Our short and medium-term investments are designed to return money more regularly to your revenues accounts while the long-term investments are designed to generate higher premiums for members.

Priority investment areas for the club

Over the course of 2023, we engaged in a series of consultations with business professionals worldwide. Through these engagements, we identified four major sectors that are poised to significantly shape the global economy over the coming years. These sectors are: agriculture, technology, energy and mining. Of these, it is only agriculture where an individual may be able to pursue investment on their own. Even then, many of us are not able to do such business at scale without external capital. Most importantly, the other three sectors are fundamentally capital-intensive. I am confident that the investment platform we are building provides the basic resources for us to play in these sectors - something we would never dream of as individuals. As a Club, we now possess the concentration of resources in terms of diversity, professional expertise, and the power of numbers to invest in various ventures in these, and many other sectors of the economy.

What should we look out for in 2024?

As we embark on our 6th year of operations, we are confident about the promise and the opportunity that is unfolding before our eyes. We invite you to look out for the following developments for which you can hold us accountable, provided each one of us plays our part and ensures we are in good standing regarding our monthly minimum investment commitments.

1. Consolidating governance and managing growth

In many conversations with members and "investment club experts", I have had many people attribute our organic growth to our unconventional organizational model. Michael Woira, Benjamin Katana and I have remained your Trustees working to make sure every aspect of the Club is running. In doing this, we have been assisted by an incredible team of administrators and IT professionals. But as the Club has grown in membership, investment portfolio, and SPIVs, we will revisit and consolidate our governance arrangements to ensure effective management of growth and sustenance of trust that remains the critical resource for the club.

Two ongoing processes will help inform the governance innovations needed to manage growth:

Last year, we outsourced an audit firm - Dickson Associates - to undertake a comprehensive audit of our operations for the last 5 years. This aims to establish appropriate baseline financial management data for all our financial operations, reinforcing our commitment to financial discipline and transparency.

We are embarking on the exercise of valuing the Club. Today, we know our numbers in terms of members and investment funds and how they are growing. However, we need to know our full value considering the data, digital and physical assets that we have accumulated. From this exercise, we will be able to get a professionally derived value of the Club which will enable us to measure our growth over the coming years and to improve our credit rating.

2. *Fortunetech will become an active player in the tech and fintech space*

I am happy to inform you that Fortunetech stands at the cusp of substantial expansion, guided by a dynamic Board of Directors under the leadership of Richard Ssewakiryanga. Through this SPIV, we are challenging ourselves to be the most innovative Club spearheading the introduction of diverse tech solutions into the market and leveraging the latest advances in technology to propel digitization of investment club operations in Uganda and the region. In 2024, Fortunetech has a target of onboarding at least 50,000 users and handling a transaction volume of at least UGX5 billion across the company tech-enabled platforms, achieving a growth value of at least 24 percent by December 2024..

3. **Fortune Financial Services (FFS) will expand lending operations to members and increase its market presence**

Having established the basic governance infrastructure, Fortune Financial Services is set to expand its lending operations and increase market presence. In 2024, our target is to increase the capitalization of the Company to at least UGX500 million (US\$150,000) with a projected return on investment of 24 percent for the year. We will also revisit the legal structure of the Company with a view to opening it up for direct participation by members.

4. **We will double your value in Fortune Real Estates Ltd**

Fortune Real Estates Ltd, under the leadership of Ms. Joan Larok achieved a milestone by successfully concluding its inaugural real estate deal in a record 4 months after its incorporation. The swift execution of underscores the efficacy of the Company's investment operations. This early success not only established the Company's credibility but also sets a promising precedent for future transactions. With our eyes firmly focused on increasing return on your investments, Fortune Real Estates Ltd is pursuing a target of doubling the value of company stock currently estimated at UGX 1 billion (US\$250,000) to UGX 2 billion (US\$500,000) by December 2024. The Company's growth strategy involves strategic property acquisitions, meticulous portfolio management, and proactive engagement with real estate market dynamics.

5. **We will prioritize enabling real-time access to revenues for members**

In our relentless pursuit of financial freedom for members, we have set ourselves a pivotal target: *providing real-time access to revenues via the Club's web and App platforms by June 30, 2024.* Enabling real-time access to revenues goes to the heart of our foundational objective of enabling the financial freedom of our members. We look forward to a moment when you will be able to access your revenues to pay school fees for your child, cover your lunch bill in a restaurant, settle your medical bill when you visit your physician or buy gas at a petrol station to drive to your next hustle.

You are the fuel that drives the Club's pace of growth.

While the incredible teams that work extra time to grow the Club are our engine, you as members are the fuel that powers that engine. The timeliness of your monthly investment contributions, your rate of compliance, and your ideas deliver the energy that powers us to run all the affairs of the Club. We are relying on each one of us to clear all our outstanding arrears and improve our monthly compliance culture in order to accelerate the growth of our Club and make our mission of expanding our financial freedom a reality.

Therefore, in 2024, we are asking you to do three specific things and let the train roll:

- i) Ensure there is at least a transaction on your account every month - do not mind so much the amount. For the members with smartphones, the app can handle transactions as low as UGX5,000. So, you can do these transactions from the comfort of your handset.

- ii) Commit to progressively clear your arrears - the most exciting position to be in is when your account is in good standing. By not being compliant, your lost revenues are going to keep accumulating and you will soon realize that you are one of the members delaying our financial freedom. Substantially reducing our arrears account will increase the flexibility of the Club to invest and grow your money much faster than we have been able to do hitherto.
- iii) Prepare to participate in club activities - get involved and be part of the engine to drive the club. Don't miss the regular Fortune Investors Roundtable Series. Be available to serve on the boards of SPIVs when you are approached. Let us build and succeed together.

Finally, I want to pledge to you, on behalf of our Admin team and the directors of all our SPIVs, that the phenomenal growth that the Club has achieved will be sustained and accelerated in 2024. We are not taking our feet off the pedal. Ours has been a learning experience. As I always mention to many of you, Fortune 500 Klub has been like building the road and constructing the bridges as we go along. While we may not have answers to many of your questions, we have absolute clarity of the nature of success that awaits us beyond the horizon - financial freedom for each one of us achieved through harnessing the power of togetherness. I invite each one of you to join and we work together to grow Fortune 500 Klub into a globally recognized brand.

A very happy new year to you and your families.

Godber Tumushabe
CHAIRMAN
Fortune 500 Klub

Kampala, Uganda
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