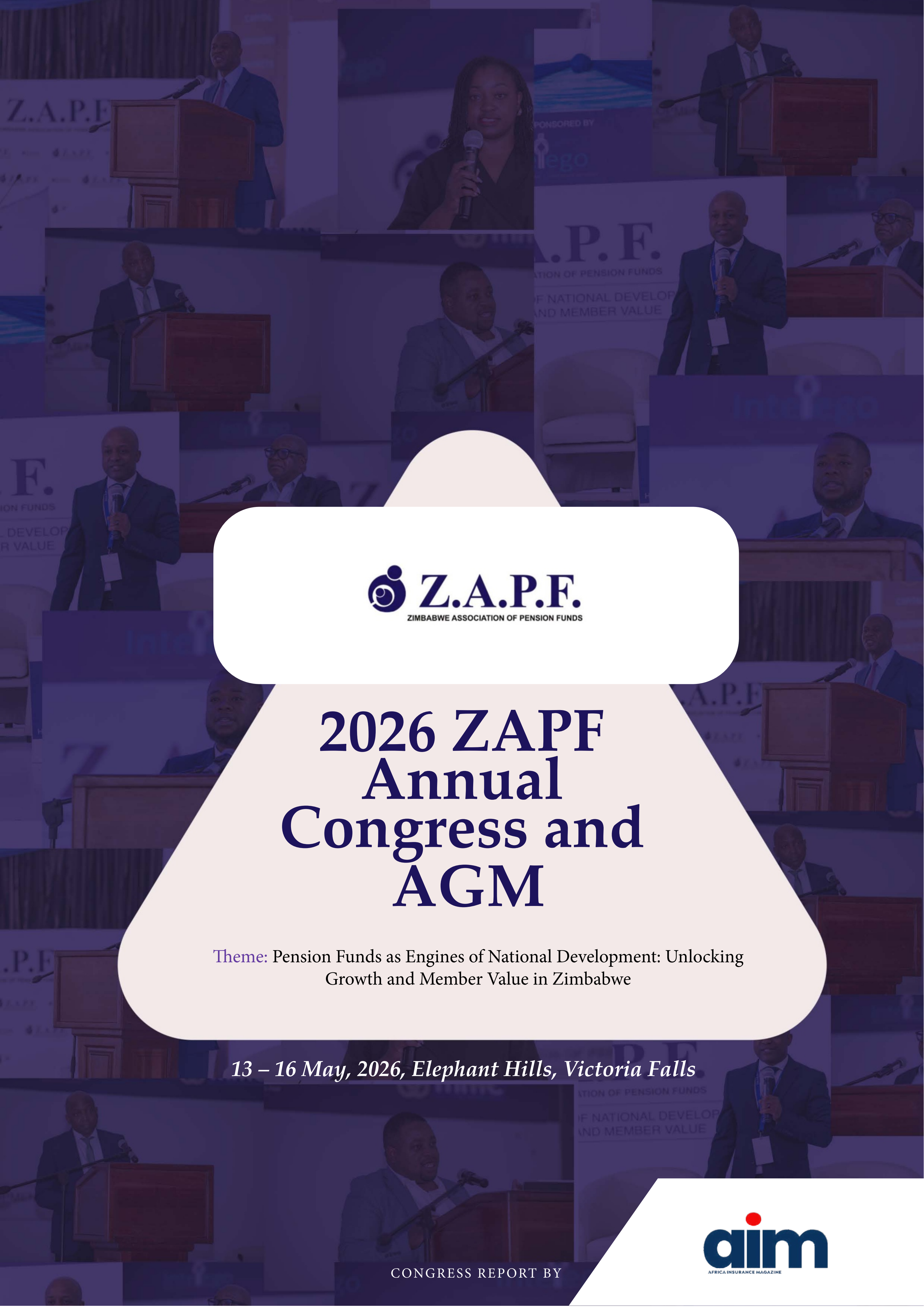

Z.A.P.F.
ZIMBABWE ASSOCIATION OF PENSION FUNDS

2026 ZAPF Annual Congress and AGM

Theme: Pension Funds as Engines of National Development: Unlocking Growth and Member Value in Zimbabwe

13 – 16 May, 2026, Elephant Hills, Victoria Falls

CONGRESS REPORT BY

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AFRICA INSURANCE MAGAZINE

ZAPF Annual Congress:

a platform designed to inspire new ideas and strengthen the industry's shared commitment – building a resilient and sustainable pension funds industry

Phoebe Chawasarira, Chairperson, ZAPF

The welcome remarks at the 2026 ZAPF Annual Congress were given by the chairman of the association, Phoebe Chawasirira. She warmly acknowledged all the distinguished guests, Ministry of Finance, Economic Development and Investment Promotion representatives, Reserve Bank of Zimbabwe representatives, Insurance and Pensions Commissioner of Zimbabwe represented by Mr. Cuthbert Munjoma.

In her address she said;

"We are honored and pleased to host such a remarkable gathering of stakeholders and industry leaders, united by a shared commitment to strengthening our pension industry and improving the welfare of our members. This year's theme, "Pension Funds as Engines of National

In a rapidly evolving economic landscape, collaboration among regulators, pension funds, Government, and industry stakeholders becomes essential. Aligning pension fund investments with national development priorities under Vision 2030 presents an opportunity for the industry to become a true partner in economic transformation while unlocking member value.

Development: Unlocking Growth and Member Value," is both relevant and thought provoking. It challenges us to look beyond our traditional roles and reimagine pension funds not only as custodians of retirement savings, but as active contributors to economic transformation and national development.

As Zimbabwe continues its journey towards Vision 2030 and the aspiration of becoming an upper middle-income economy, pension funds have an increasingly important role to play. Beyond providing security in retirement, pension funds can support national development through strategic investments in infrastructure, housing, energy, healthcare, agriculture, and other productive sectors of the economy. In doing so, pension funds stimulate economic growth, create employment opportunities, and contribute to long-term national stability, while at the same time generating sustainable returns for members.

However, this role must always be balanced with the core responsibility of protecting our members' savings, rebuilding and preserving confidence in the pension industry.

Achieving the right balance between protecting our members' retirement savings and pursuing growth opportunities requires innovation, prudence, sound governance, and responsible investment practices.

In a rapidly evolving economic landscape, collaboration among regulators, pension funds, Government, and industry stakeholders becomes essential. Aligning pension fund investments with national development priorities under Vision 2030 presents an opportunity for the industry to become a true partner in economic transformation while unlocking member value.

As we engage over the course of this congress, I encourage each one of us to participateactively, share insights openly, and challenge traditional thinking. Let this platform inspire new ideas and strengthen our shared commitment to build a resilient and impactful pension sector."

She further acknowledged the invaluable role played by the Ministry of Finance, Economic Development and Investment Promotion and the regulator, IPEC in guiding, supporting, and giving an oversight to steer the pension industry towards stability, growth, and progressive development. "Your presence here today underscores the importance of partnership in achieving our shared goals," said Phoebe.

The success of the congress is anchored on partnership through industry and partners. Phoebe extended sincere appreciation to all the corporates that partnered with the association, "to our sponsors, I extend our sincere appreciation for making this event possible. Your support is invaluable."

She concluded her remarks by officially welcoming guests and opening the 51st ZAPF Annual Congress and AGM. She highlighted the significance of the congress and called on all participants to be intentional in all engagements and collectively share and exchange insights that unlock the full potential of pension funds as engines of national development, while ensuring that lasting value and security to the members is delivered.

A call for pension funds to be engines of national transformation

Hon. David K. Mnangagwa, Deputy Minister, Ministry of Finance, Economic Development and Investment Promotion

The pension funds industry converged for the 2026 Annual Zimbabwe Association of Pension Funds (ZAPF) Congress and Annual General Meeting, an occasion the Deputy Minister of Finance, Economic Development and Investment Promotion described as a defining moment for the sector and for the country at large. In a keynote address that set the tone for the gathering, the Deputy Minister called on pension funds to embrace a bigger national role: not merely as custodians of retirement savings, but as active partners in building Zimbabwe into an upper middle-income economy by 2030.

The address arrives at a moment when Zimbabwe's economy is showing signs of sustained growth, and the Deputy Minister was direct in linking that momentum to the role pension funds must now play. According to the Deputy Minister, the industry is not a passive observer of this growth but one of its engines, with a responsibility to sustain resilience and long-term stability across the economy.

A pillar for NDS2 & Vision 2030

Central to the Deputy Minister's message was the positioning of pension funds as a pillar for achieving the second National Development Strategy (NDS2) and Zimbabwe's broader ambition of attaining upper middle-income status by 2030. The pools of long-term capital held by pension funds, the Deputy Minister argued, are uniquely suited to financing the kind of patient, large-scale investment that national development goals demand.

From roads to revenue: a model for cash-generating investment

Perhaps the most concrete proposal in the speech was a call for pension funds to invest more deliberately in cash-generating infrastructure developed in partnership with government. The Deputy Minister offered a clear illustration of how this could work in practice: a pension fund could finance the repair or construction of a road, and in return be granted the right to operate a tollgate, generating a revenue stream that recovers the investment over time.

This kind of arrangement, the Deputy Minister suggested, offers a template for channelling pension assets into projects that are both commercially viable for fund members and materially useful for the country's infrastructure needs. It is a model that ties the fortunes of pension funds directly to the nation's development trajectory, rather than treating the two as separate pursuits.

Deliberate collaboration between government and industry

The Deputy Minister was emphatic that none of this can happen by accident. There is a need, the speech stressed, for deliberate and structured collaboration between government and the pension funds industry to accelerate investment and development across the nation. This framing positions the relationship between the state and pension funds not as a regulatory arrangement alone, but as a genuine partnership aimed at unlocking capital for national projects.

Custodians of capital: real value over paper wealth

A recurring theme of the address was the responsibility that comes with managing other people's retirement savings. The Deputy Minister reminded delegates that pension funds are custodians of capital, and that this status carries an obligation to prioritise real value over paper wealth.

The distinction was presented as a guiding principle for investment decisions going forward, encouraging funds to look beyond instruments that exist mainly on balance sheets and toward assets that hold tangible, lasting worth for fund members and the broader economy.

Sustainability, innovation & technology

The Deputy Minister also called on the industry to shift towards sustainable investments, framing this as essential not just for environmental and social outcomes but for the long-term durability of pension portfolios themselves. Alongside this, the speech urged pension funds to embrace innovation and leverage technology to elevate their core mandate: protecting the common worker and providing a dependable safety net for retirement. In the Deputy Minister's view, modernising how the industry operates is not optional, but a necessary step in fulfilling that mandate more effectively.

The time to transform is now

Closing the address, the Deputy Minister struck a tone of urgency, declaring that the time to transform the industry is now and that the mandate to drive national development and secure investment is a collective one. Pension funds, the Deputy Minister said, should be safe, stable and central to the well-being of the people they serve. It was a call that tied together the speech's many threads: prudence and ambition, protection and growth, the individual saver and the national economy, all bound into a single mandate for an industry being asked to see itself in a bigger light

An open letter to the pension funds industry professionals

Tawanda Chituku, Managing Director, Next Vantage Holdings than they are about retirement 30 years from now.

And perhaps that explains why globally:

- ✓ pension freedoms are rising,
- ✓ flexible withdrawals are increasing,
- ✓ preservation is weakening,
- ✓ and pension systems are increasingly being asked to provide not only retirement security — but financial resilience.

So maybe the real question for us today is not: "How do we administer pension funds more efficiently?" **But rather:** "How do we redesign pension systems so they remain relevant to modern members?"

Because the pension fund of the future may need to become:

- ✓ more intelligent,
- ✓ more behavioural,
- ✓ more adaptive,
- ✓ more personalized,
- ✓ and perhaps even more human.

Which brings us to the subject of today's discussion:

"From Pension Administration to Pension Intelligence: Using Analytics and AI to Improve Retirement Outcomes."

Yours faithfully,
Tawanda Chituku,
Neighborhood Actuary

A concerned actuary trying to convince people not to cash out their retirement savings.

Dear Colleagues, We need to talk.

The world for which many pension systems were originally designed no longer exists.

The traditional pension model assumed:

- ✓ one employer for 40 years,
- ✓ predictable salary increases,
- ✓ stable inflation,
- ✓ disciplined preservation,
- ✓ and retirement at 60, followed shortly thereafter by lawn maintenance and grandchildren.

Unfortunately, our members appear to have chosen a different path.

Today's member:

- ✓ changes jobs frequently,
- ✓ withdraws savings early,
- ✓ survives inflation shocks,
- ✓ works informally,
- ✓ lives longer,
- ✓ and occasionally treats pension savings as an emergency liquidity facility.

In fact, recent international pension research suggests that many retirement systems are no longer fully aligned with the realities of modern life.

Here in Zimbabwe, the market may have already given us another important signal.

Over the past two decades, one of the most successful financial products has not been the pension product.

It has been the funeral product.

Which, if we are being honest, tells us something profound about the psychology of financial fear.

Members are often more immediately worried about:

- ✓ funeral costs,
- ✓ medical emergencies,
- ✓ school fees,
- ✓ inflation,
- ✓ and month-end survival,

Strengthening the pillars: IPEC's regulatory agenda for Zimbabwe's pension sector

Cuthbert Munjoma, Director, Pensions and Life, Insurance and Pensions Commission (IPEC)

Against the backdrop of a sector at an inflection point, Cuthbert Munjoma, Director of Pensions and Life at the Insurance and Pensions Commission (IPEC), delivered a sweeping regulatory update to delegates at the ZAPF Annual Congress. The presentation canvassed ten interconnected areas of focus; from governance and fund design to the newly gazetted IPEC Amendment Act, painting a picture of a regulator firmly committed to modernising Zimbabwe's pension architecture while holding trustees, administrators, and service providers to higher standards of accountability.

The address was both a report card and a roadmap. Where progress has been made, Munjoma acknowledged it. Where systemic vulnerabilities persist, the Commission signalled its intent to act. The overarching message was clear: the pension sector's credibility and its ability to serve members through and beyond retirement depends on coordinated reform across the entire value chain.

Governance: quality, accountability and transparency

IPEC opened with governance and with good reason. With 97% of pension funds operating as defined contribution (DC) schemes, members bear investment risk directly. The commission highlighted concerns around the composition and quality of fund boards, the management of related-party relationships across administration, custodianship, asset management and actuarial functions, and whether members are receiving genuine value for money from service providers.

Key regulatory actions undertaken:

- ✓ Issuance of Circular 35 of 2025 on governance of preservation, annuity and umbrella funds,
- ✓ Establishment of an Industry Integrity Committee with a U/S rating framework,
- ✓ Publication of the Trustees' Toolkit guidelines under Circular 25 of 2025,
- ✓ Enhanced member communication standards,

The direction is unmistakable: trustee governance must be professionalised, conflicts of interest actively managed, and accountability to members treated as a non-negotiable obligation, not a compliance checkbox.

Administration efficiency: consolidation, technology and scale

Zimbabwe's pension fund landscape remains fragmented, with numerous smaller funds operating at sub-optimal scale. This fragmentation drives up costs, undermines data integrity, and limits the sector's collective investment capacity. A high ratio of inactive to active funds with large proportions of deferred members' relative to active contributors compounds the efficiency challenge.

IPEC's prescription centres on three levers:

Consolidation: smaller funds should migrate into umbrella arrangements that achieve economies of scale and reduce per-member administrative costs.

Syndication: funds should explore coordinated investment approaches, either directly or through asset managers, to access larger and more diversified opportunities.

Technology: a shared ICT system for pension funds would address persistent data integrity problems and reduce duplication.

IPEC amendment act: a strengthened regulatory framework

The most significant development reported at the congress was the gazettal of the IPEC Amendment Act No. 2 of 2026 on 24 April 2026. The Act represents the most substantial enhancement of IPEC's regulatory powers in many years, and its provisions carry significant practical implications for the sector.

Key features of the amendment act include:

- ✓ Expanded regulatory scope, bringing NSSA and Medical Aid Schemes within IPEC's supervisory remit,
- ✓ Establishment of a Policyholder and Pension Scheme Member Protection Fund, providing a formal backstop for members in the event of fund failure,
- ✓ Accreditation of service providers; including actuaries, asset managers, custodians, auditors, and investment advisors thereby creating minimum competency and conduct standards across the service ecosystem,
- ✓ An Asset Register for Pension Funds, enhancing transparency and oversight of fund assets.

The Act signals a maturation of Zimbabwe's pension regulatory framework and a regulator increasingly willing to use its powers proactively.

Pre-2009 compensation: restoring confidence through fair redress

Perhaps no issue carries more symbolic and practical weight for Zimbabwe's pension sector than the matter of Pre-2009 compensation, the redress owed to members whose retirement savings were effectively destroyed in the hyperinflationary era. Munjoma acknowledged this directly: resolving pre-2009 claims is critical for restoring public trust and confidence in the entire pension system.

The regulatory agenda on this front involves reviewing Statutory Instrument 162 of 2023 to address implementation challenges that have prevented timely disbursement. Government has committed to gazette the necessary legislative amendments and to disburse its own contribution to the compensation process. Funds and administrators are expected to prepare their own systems and processes to be ready for disbursement when the legislative framework is in place.

Collaboration as the cornerstone

Munjoma closed with a call for collaboration among funds, between the industry and IPEC, and across all stakeholders in the pension value chain. The reforms required are complex, interconnected, and cannot be achieved by any single actor working in isolation.

IPEC reaffirmed its commitment to progressive regulation that places the interests of insurance and pension consumers at the centre of every decision. The commission is not seeking to burden an already stretched industry with compliance costs for their own sake. It is seeking to build a pension system that Zimbabweans can trust — one that accumulates capital with discipline, invests it with purpose, and delivers it with integrity when members need it most.

When long-term capital meets financial intermediation: a new growth model

Lawrence Nyazema, Group CEO, CBZ Holdings Ltd

"The real challenge is not the absence of money — it is the failure to mobilise, organize, and deploy existing savings through effective financial intermediation into productive national assets."

Zimbabwe stands at a pivotal economic crossroads. Despite years of financial instability and capital market volatility, the country possesses more domestic capital than is widely acknowledged. The real challenge is not the absence of money — it is the failure to mobilise, organise, and deploy existing savings through effective financial intermediation into productive national assets. Pension funds, as systemically important pools of long-term capital, are central to addressing this challenge and unlocking a new growth model for Zimbabwe.

The African capital landscape: context and the core problem

Africa holds over US$4 trillion in domestic capital spread across commercial banks, pension funds, insurance companies, public development banks (PDBs), sovereign wealth funds (SWFs), and foreign exchange reserves. Within this landscape, pension funds are the second-largest source of capital on the continent, accounting for approximately 14% of total domestic capital — a significant but chronically underleveraged pool.

Despite this enormous resource base, the continent suffers from a structural misallocation problem. The vast majority of pension and insurance assets across Africa are heavily concentrated in low-risk, low-return instruments: treasury bills, government bonds, cash, money market instruments, and real estate. Critically little flows into infrastructure, manufacturing, or small and medium enterprise (SME) financing — the very sectors that drive long-term economic transformation.

Compounding this, over US$530 billion in African savings is invested outside the continent, much of it in US treasuries, OECD reserve instruments, and dollar-denominated assets. In effect, Africa exports raw materials and imports prosperity. The continent's capital is financing development elsewhere.

Nyazema further argued that; the core issue, therefore, is not capital availability — it is whether Africa can organise its existing domestic savings and deploy them through effective financial intermediation, at scale, into productive national assets.

Zimbabwe's capital pool: strength hidden by dysfunction

Zimbabwe's capital situation is more promising than its economic narrative suggests. The country's domestic capital exceeds US$26 billion, with sovereign-linked assets managed by Mutapa Investment Fund accounting for US$16 billion. This demonstrates clearly that Zimbabwe is not a capital-poor nation, it faces quality, deployment, and intermediation challenges.

Pension assets in Zimbabwe currently stand at approximately US$2.8 billion, yet they remain severely underleveraged for infrastructure and industrial financing. The reasons for this are structural and historical:

Zimbabwe's pension system evolved to survive, not to invest. Decades of hyperinflation, currency collapse, and economic instability transformed pension funds from growth vehicles into survival mechanisms. Fund managers prioritised inflation hedging, liquidity preservation, and capital protection above all else. The result is a system designed for defence, not development.

Trust is Zimbabwe's biggest capital problem. The collapse of the local currency and the destruction of pension value in the hyperinflationary period of the 2000s shattered member confidence in long-term fixed-income instruments. This explains the current investment profile:

Investment property dominates at 35% of pension allocations, effectively becoming Zimbabwe's unofficial pension preservation strategy, substituting for eroded confidence in financial instruments.

Recommendations

Based on the submissions made by Nyazema during the annual ZAPF congress, the following reforms are foundational for the pension funds industry in Zimbabwe to convert its survival capital into genuine development capital which is an engine for growth and national development:

Rebuilding trust through transparent governance

The single greatest barrier to capital mobilisation in Zimbabwe is not regulatory or technical — it is trust. Pension fund governance must be professionalized, independently audited, and made fully transparent to members. Accountability is the prerequisite for unlocking long-term capital deployment.

Reducing property concentration decisively

A 35% allocation to investment property reflects a preservation strategy, not an investment strategy. Regulatory guidance should incentivise progressive reallocation from property into diversified, productive instruments, with appropriate transition timelines.

Developing new asset classes and instruments

The pension funds should work with regulators, the Zimbabwe Stock Exchange, and development finance partners to create new investable instruments: infrastructure bonds, agriculture REITs, commodity-linked ETFs, private debt funds, and SME growth funds. Without a supply of investable assets, capital reallocation cannot happen.

Consolidate the pension industry

Facilitate and incentivise mergers among smaller pension funds to create larger, better-resourced institutional pools. Scale is not optional — it is what enables direct investment, lower fees, internal expertise, and genuine capital market impact.

Formalising gold and mobilising diaspora capital

Develop structured vehicles — such as gold-backed bonds or savings instruments — to formalise Zimbabwe's informal gold economy and channel it into the regulated financial system. Similarly, create accessible, credible investment vehicles to capture diaspora capital that currently flows around the formal system.

Path forward

Nyazema concluded his keynote address by emphasizing that when long-term pension capital meets effective financial intermediation, Zimbabwe's growth model changes fundamentally. The capital exists. The task now is to deploy it wisely, transparently, and at scale.

The $2 trillion question: turning Africa's pension capital into transformation fuel

Maxwell Gomera, Resident Representative & Director, Africa Sustainable Finance Hub – UNDP

Addressing the distinguished industry leaders and practitioners at the Zimbabwe Association of Pension Funds Annual Congress, Maxwell Gomera started his presentation with a powerful Zambezi River metaphor. The Zambezi river is Mighty not because of any single drop of water, he observed, but because millions of drops move in the same direction, with a shared purpose. That, he argued, is exactly what Zimbabwe's and indeed Africa's pension fund industry must learn to do.

Maxwell's presentation on the $2 trillion question, challenged conventional thinking about how Africa finances its own development. At the heart of Gomera's argument was a bold reframing: Africa is not capital-scarce. It is systems-poor. The continent holds an estimated $2 trillion in pension assets, money accumulated from the labour of African workers, yet the bulk of it flows into short-term instruments, government paper, and offshore assets, largely bypassing the long-term infrastructure, energy, and economic transformation that African societies need.

The presentation drew on three intersecting trends reshaping the global and continental investment landscape: the urgency of long-term national development financing, the accelerating global energy transition which is redrawing sectoral boundaries and opportunity maps, and the need for a fundamental shift in how pension funds define their purpose and measure success.

Embracing the shift of a century

Gomera did not frame his recommendations as incremental adjustments. He called for a shift of a century; a root-and-branch rethinking of what pension funds are for, how they are structured, and how they measure value. He laid out five interlocking recommendations for the industry.

Recommendations

Boldly review the mandate of pension funds

The first and most foundational recommendation was a call to revisit the legal, regulatory, and philosophical mandate governing pension funds, not timidly, but boldly. Current mandates, largely inherited from colonial-era frameworks or transplanted from developed-market models, often prioritise liquidity and short-term capital preservation in ways that actively prevent long-term productive investment.

Gomera challenged trustees and regulators to ask: what are pension funds actually for? If the answer is to secure dignified retirement for members, then the economy those members retire into matters just as much as the balance sheet they retire with. A mandate fit for Africa's moment must create space for patient capital, investments in infrastructure, housing, renewable energy, agriculture, and industrialisation that mature over decades, not quarters.

Build better

The second recommendation was deceptively simple: build better. This means constructing the internal architecture of pension funds; governance, investment expertise, risk frameworks, and data systems to match the ambition of long-term productive investment. Too many funds lack the in-house capacity to evaluate infrastructure deals, assess green energy projects, or structure blended finance vehicles.

As a result, they default to what they know: listed equities and treasury bills. Gomera's call to "build better" is a call to invest in the institutions themselves; attracting talent, upgrading systems, and developing the analytical muscles required to put capital to transformative work.

Create national investment platforms

Individual pension funds acting alone are often too small to anchor large-scale national projects. Gomera's third recommendation was the creation of national investment platforms, pooled vehicles through which multiple funds can co-invest in projects of national significance.

This is where the Zambezi metaphor comes alive. A single pension fund may be a tributary. A national platform can be the river. By aggregating capital, sharing risk, and creating standardised deal structures, national platforms unlock the scale needed to finance power grids, transport corridors, housing programmes, and digital infrastructure. Crucially, they also create the kind of long-duration, inflation-linked assets that pension funds actually need to match their long-term liabilities.

Commission opportunities: don't wait for them

The fourth recommendation was a direct challenge to the passivity that characterises much of the industry. Gomera urged pension funds to stop waiting for bankable projects to appear on their desks and start commissioning the opportunities themselves.

This means engaging proactively with government, development finance institutions, and the private sector to shape project pipelines, co-design investment

This is not a call to abandon fiduciary duty. It is a call to understand it more fully, to recognise that systemic risks like climate change, inequality, and infrastructure deficits are financial risks too, and that the long-term health of pension fund portfolios is inseparable from the long-term health of the economies in which they operate.

structures, and build the ecosystems within which investable opportunities can emerge. The most sophisticated institutional investors in the world: pension funds in Canada, the Netherlands, Australia, do not sit and wait. They originate. Africa's pension funds must develop the same disposition: not merely capital allocators, but active architects of the investment landscape.

Broaden what member value within the pension funds industry

The fifth and perhaps most philosophically far-reaching recommendation was a call to expand the very definition of member value. Traditionally, pension fund performance is measured almost entirely through financial returns, the balance sheet each member retires with. Gomera argued this framing is too narrow.

Member value must encompass the economy members retire into. A pensioner with a well-funded account who retires into an economy with crumbling infrastructure, high unemployment, energy poverty, and a degraded environment has not been well-served by their pension fund. Conversely, a fund that earns marginally lower returns but invests in the productive transformation of its home economy may deliver far greater real-world wellbeing to its members over the long run.

This is not a call to abandon fiduciary duty. It is a call to understand it more fully, to recognise that systemic risks like climate change, inequality, and infrastructure deficits are financial risks too, and that the long-term health of pension fund portfolios is inseparable from the long-term health of the economies in which they operate.

Closing reflection and call to action

Maxwell Gomera closed where he began, with the mighty Zambezi river metaphor. The river does not ask whether its drops are large enough to matter individually. It simply moves, collectively, in one direction. Africa's pension funds hold $2 trillion in trust for the continent's workers. The question is not whether that capital exists. The question is whether the industry has the courage, the systems, and the shared purpose to direct it toward the transformation Africa needs.

The call to action made with Gomera is within reach but only if the industry is willing to ask bolder questions, build better institutions, and reimagine what it truly means to serve its members.

Opportunities within mining for pension funds: a case for patient capital in Zimbabwe's most productive sector

Isaac Kwesu, CEO, Chamber of Mines of Zimbabwe

Zimbabwe's mining sector is no longer simply a resource extraction industry, it is the cornerstone of the country's entire economic transformation agenda. With US$8 billion in annual mineral exports, a 14.5% direct contribution to GDP, and a multiplier effect of approximately three times on the broader economy, mining is unambiguously Zimbabwe's most strategically significant productive sector.

Yet despite this outsized role, the sector faces a critical and well-defined financing gap: US$15.5 billion is required over the next five years to meet production targets, fund exploration, build beneficiation infrastructure, and power the industry's growth. The chamber of mines CEO highlighted that, this is where Zimbabwe's pension funds long-term, patient pools of capital in search of productive deployment enter the picture.

The convergence of mining's capital needs and pension funds' investment mandate is not coincidental. It is a structural opportunity that, if properly organised and governed, can simultaneously transform pension member outcomes and accelerate Zimbabwe's national industrialisation agenda.

Sector overview: scale and significance

The mining sector currently generates:

- ✓ US$8 billion in annual mineral exports; representing more than 45% of the country's total foreign currency earnings,
- ✓ US$7.7 billion (14.5%) direct contribution to GDP, with a multiplier effect of approximately 3x across the broader economy,
- ✓ 60,000 formal jobs and over 500,000 informal jobs making mining one of the country's largest direct and indirect employers,
- ✓ US$1.7 billion in contributions to the fiscus annually approximately 20% of total government revenues.

Growth outlook: the 2030 trajectory

The mining industry grew by 7.3% in 2025, underpinned by strong performance in gold, coal, and platinum group metals (PGMs). Looking ahead, the sector is projected to grow by approximately 10% in 2026, with output increases expected across: gold (+12%), PGMs (+11%), and lithium (+127%).

The gap between ambition and capital

The path from current output to 2030 targets faces several structural constraints, with capital shortage identified as the primary barrier. Additional constraints include:

- ✓ Power shortages across infrastructure and energy supply,
- ✓ Insufficient beneficiation and value addition capacity,
- ✓ Local content and economic empowerment requirements,
- ✓ Environmental management obligations.

The sector requires a minimum of US$15.5 billion over the next five years to capitalise operations and meet production and investment targets across exploration, infrastructure, energy provision, beneficiation, and local content development.

This financing need represents a structural opening for long-term institutional capital — the kind that pension funds are uniquely positioned to provide.

The investment opportunity: where patient capital meets mining

The CEO at the Chamber of Mines, Isaac Kwesu, highlighted six specific areas during his presentation where pension funds capital can be productively deployed in partnership with the mining sector. These are not theoretical opportunities, but structured bankable opportunities:

Enabling infrastructure: rail, roads, water, and energy

Mining operations are fundamentally dependent on infrastructure. Transport networks, power generation and transmission capacity, and water infrastructure are not supplementary — they are prerequisites for viable mining operations. Pension funds, with their long investment horizons perfectly matched to infrastructure asset lives, can partner the mining industry to co-fund these projects. Infrastructure investments typically generate stable, long-term, inflation-linked cashflows — an ideal profile for pension liabilities.

Retooling local suppliers: capitalizing the mining value chain

Pension fund capital is structurally suited to mining's needs. Long tenors, patient capital, and the ability to take on illiquidity premium align precisely with what mining development, infrastructure, and beneficiation projects require. The institutional match is natural.

Mining companies depend on a wide ecosystem of local suppliers: providers of personal protective equipment (PPE), consumables, spare parts, chemicals, logistics, and technical services. Many of these suppliers are undercapitalised and unable to scale to meet mining sector demand. Pension funds can partner with financial institutions and mining companies to capitalise local suppliers through structured credit facilities, trade finance, and supply chain finance generating returns while building the domestic industrial base.

Beneficiation facilities: moving up the value chain

Zimbabwe has historically exported raw and semi-processed minerals, surrendering significant value to downstream processors in other countries. The national beneficiation agenda; processing, smelting, and refining minerals domestically requires substantial capital investment in processing plants, smelting facilities, and refining operations. These are long-term industrial assets with strong growth potential and, critically, they align with Zimbabwe's broader industrialisation objectives. Pension fund investment in beneficiation creates equity stakes in what will become high-value industrial infrastructure.

Expansion capital: equity and convertible instruments

Pension funds have an opportunity to provide equity capital or convertible loan facilities to mining companies for expansion, new establishment, and capital equipment importation. These instruments offer potentially superior returns compared to traditional asset classes and allow pension funds to participate directly in the upside of Zimbabwe's mining growth story.

Case Study: Kavango Resources Gold Mine Development Facility: A consortium of Zimbabwe-registered pension funds provided a US$5 million convertible loan facility to Kavango Resources, convertible into shares on the Victoria Falls Stock Exchange (VFEX). This transaction demonstrates that the pathway from pension capital to mining investment is not theoretical — it is already operational and producing results.

Key takeaways

Mining is Zimbabwe's most strategic productive sector. With US$8 billion in exports, 14.5% of GDP, and a 3x multiplier effect, no other sector offers comparable economic leverage. Pension fund participation in mining is participation in the engine of national development.

The capital gap is well-defined and investable. A US$15.5 billion five-year requirement across clearly identified mineral sub-sectors, with PGMs, lithium, iron and steel, and chrome as the largest needs provides a structured, actionable investment pipeline, not a vague aspiration.

Pension fund capital is structurally suited to mining's needs. Long tenors, patient capital, and the ability to take on illiquidity premium align precisely with what mining development, infrastructure, and beneficiation projects require. The institutional match is natural.

Multiple investment structures are available and proven. From convertible loan facilities (as demonstrated by the Kavango Resources case study) to equity participation, infrastructure bonds, green bonds, supply chain finance, and real estate, there is no single pathway; there is a menu of options suited to different risk appetites and mandate constraints.

Recommendations for pension funds

Establish a dedicated mining investment allocation

Pension funds should create a formal allocation to the mining sector within their alternative investment mandates. A starting target of 5–10% of assets under management, deployed across the investment pathways described, would begin to shift the portfolio toward higher-yielding productive assets.

Engage the chamber of mines as a deal origination partner

The Chamber of Mines has already developed structured vehicles (including the environmental rehabilitation product and equity participation frameworks) and is actively brokering relationships between pension funds and mining companies. Pension fund trustees and CIOs should establish a formal engagement protocol with the Chamber to access this pipeline.

Prioritise convertible instruments for initial deployment

For pension funds new to mining investment, convertible loan facilities offer a risk-managed entry point: downside protection through the loan structure, upside participation through the equity conversion option, and liquidity potential through listing on VFEX. The Kavango Resources facility is a replicable model.

Co-invest through consortia to manage concentration risk

Individual pension funds may lack the scale to lead large mining investments. Forming investment consortia as demonstrated by the multi-fund Kavango facility allows pension funds to participate in larger deals while managing concentration risk and sharing due diligence costs.

Develop green bond appetite for environmental rehabilitation

Pension funds should proactively engage with the Chamber's insurance-based environmental rehabilitation product and advocate for the development of long-tenor green bonds backed by mining rehabilitation obligations. This asset class offers attractive yields, genuine ESG credentials, and excellent duration matching for long-dated pension liabilities.

A partnership for national transformation

The alignment between the pension funds industry and the mining sector is crucial to foster development and national growth. Mining needs patient, long-term capital. Pension funds need productive, yield-generating assets beyond the inflation hedges and property holdings that currently dominate their portfolios.

For pension funds the message is unambiguous: mining is not a peripheral or exotic alternative investment, it is the productive core of Zimbabwe's economy, and it is open for business.
The opportunity is not to speculate on commodity prices. It is to finance real, long-duration industrial assets, infrastructure, beneficiation plants, power projects, worker housing, supplier businesses, and environmental systems that generate stable returns, contribute to member retirement security, and build Zimbabwe's economic future simultaneously.

Patient capital. Diversified returns. Shared prosperity. This is the case for pension funds in Zimbabwean mining.

Zimbabwean horticulture: growing pension funds, growing a nation

How Zimbabwe's $2B export opportunity in fresh produce can become the most compelling and patriotic investment in local pension portfolios

Mandla Mataure, Operations Manager, Horticultural Development Council (HDC)

The case for horticultural investment

- $2B+: confirmed export potential across key crops
- 600K: jobs to be created at full scale
- $531M: total investment needed across all sectors

Zimbabwe does not have a market problem. The UK wants more Zimbabwean blueberries. The EU wants more citrus. The Gulf wants avocados. The demand is there the capital to grow supply is not.

This was the central argument delivered by the Horticultural Development Council (HDC) operations manager, Mandla Mataure at the annual congress. The presentation made a compelling case that Zimbabwe's pension funds are uniquely positioned and perhaps uniquely obligated to fill that capital gap and profit from doing so.

HDC, formed in 2020 as the apex industry body for horticulture, represents 85% of Zimbabwe's horticultural exports through its membership of existing exporters, new farmers, trade companies, and nine commodity associations including CCAZ, EFGAZ, and Zimbabwe Berry Growers Association.

The scalable structure: the

HDC Hub & Spoke (Inclusive Production) Model

A central structural innovation in the HDC's investment pitch is the Hub & Spoke model. Rather than investing directly in individual smallholder farms which multiplies risk pension funds are invited to finance the hub: a pack-house or market facility that connects dozens of smallholder farmers to export markets. The hub provides surrounding farmers with access to financial services, agronomic extension, technology, capacity building, and critically, product payment pathways. Investing in the hub multiplies social impact without multiplying investment risk, the infrastructure serves multiple farmers simultaneously.

"For pension funds: investing in a hub means your capital finances the infrastructure that connects dozens of smallholder farmers to export markets thereby multiplying social impact without multiplying investment risk."

Commercial pathways already proven

Mataure highlighted active commercial relationships already operating within this model, including boxed vegetables via Montgomery Processors, mange tout and sugar snap via Kuminda and Takura, coffee via Zimbabwe Coffee Mill, and citrus via Sable/Dodhill — demonstrating that the pathway from farmers to export hubs is not theoretical.

Ways pension funds can participate

HDC moved beyond broad sector advocacy to present four concrete, actionable instruments taking funds from passive exposure to active partnership.

Horticulture Investment Fund (HIF): a blended finance vehicle where pension capital is deployed alongside development finance institutions such as AgDevCo, BII, AfDB, and EIB, providing risk-sharing and institutional credibility,

Infrastructure bonds: USD-denominated income instruments with cold chain, packhouse, and irrigation/solar assets as collateral thereby offering security and returns in hard currency,

Direct farm equity: equity stakes in established (not greenfield) farms with confirmed off-take agreements already in place, reducing development and market risk significantly,

Value-chain finance: short-duration, proof-of-concept working capital and inventory finance to vetted agri-SMEs, with built-in due diligence provided through HDC membership and oversight.

Key takeaways

The presentation closed with a crystallised summary of its core argument:

- **The market already exists:** global buyers want more Zimbabwean blueberries, citrus, avocados and fresh produce,
- **The constraint is production capital:** farmers need long-term capital to expand productive capacity, irrigation, cold chain and infrastructure,
- **Local pension money is the best fit:** patient local capital aligns naturally with agricultural investment cycles and keeps returns in Zimbabwe,
- **The opportunity is large and measurable:** over $2B export potential, 600,000 jobs, and scalable investment opportunities already identified,
- **The farmers are proven exporters:** existing growers already supply export markets with audited operations, certifications and market linkages,
- **HDC is the institutional gateway:** the council provides industry coordination, vetted pipelines, government alignment and investor facilitation.

A convergence of commercial and national interest

"Zimbabwean horticulture grows your fund. Your fund grows Zimbabwean horticulture."

The HDC's presentation to ZAPF was more than a sector pitch, it was a restructuring of the narrative around where Zimbabwe's pension capital belongs. By framing horticulture not as a high-risk agricultural bet but as a patient-capital opportunity with verified markets, proven operators, and institutional support, HDC made a case that is simultaneously commercially rigorous and nationally strategic.

For pension trustees navigating the dual mandate of fiduciary duty and social impact, the HDC submits that, this is one of the rare occasions where both point in exactly the same direction.

Full IFRS adoption: pain points for pension funds, regulatory evolution, and capacity-building priorities under IPEC's 2025 Financial Reporting Guideline

Tariro Mhuka, Partner, AMG Global Chartered Accountants, Zimbabwe

Tariro called on the industry to address the six pain points systematically, invest in the six capacity-building priorities, and embrace full IFRS compliance as the foundation of a stronger, more trustworthy pensions industry. She submits that, funds that do so will not merely survive regulatory scrutiny they will build the institutional quality that serves members better, sustains trustee reputation, and earns the confidence of regulators, employers, and beneficiaries alike.

Zimbabwe's pension funds are confronting a watershed moment in financial reporting. The Insurance and Pensions Commission of Zimbabwe (IPEC) issued the Financial Reporting Guideline for the pensions industry in September 2025, effective for financial years ending 31 December 2025.

For the first time, full International Financial Reporting Standards (IFRS) compliance is mandatory for every fund with no carve-outs, no exemptions, and no flexibility on core requirements including IAS 29 (Financial Reporting in Hyperinflationary Economies).

Tariro focused on examining the six critical pain points that pension funds across Zimbabwe face in achieving full IFRS compliance. Her presentation traced the regulatory evolution from the flexible, principle-based circulars of 2020–2022 to the strict, prescriptive Guideline of 2025; maps the specific technical and operational challenges that make compliance demanding; outlining the cost of non-compliance; and proposing a structured capacity-building action plan.

The 2025 Guideline is not a burden — it is an opportunity to build a more transparent, credible, and member-protective pension sector in Zimbabwe.

Sixkeypainpoints: the compliance challenge

Pension funds across Zimbabwe face six recurring, interconnected challenges in achieving full IFRS compliance. Each pain point compounds the others making a holistic response essential. Rising costs are an overarching consideration cutting across all six pain points, from system upgrades and external valuers to actuarial fees and training investment.

- ✓ Hyperinflation and IAS 29 application,
- ✓ Data quality and system limitations,
- ✓ Fair value measurement challenges,
- ✓ Actuarial valuation gaps,
- ✓ Dual currency reporting,
- ✓ Skills gap and limited IFRS expertise,

Key takeaways

The regulatory bar has risen

Circular 24 of 2025 and the 2025 Guideline eliminate all previous carve-outs. Full IFRS compliance is now mandatory for every fund, with no exceptions and no flexibility on IAS 29 application. This is not a temporary measure; it reflects IPEC's long-term direction.

The pain points are interconnected

Hyperinflation, data quality, fair value, actuarial gaps, dual currency, and skills deficits are not isolated challenges they compound each other. Addressing them holistically, rather than in isolation, is essential for maximum compliance impact and cost-efficiency.

Investment in capacity pays off

Funds that invest in skills, systems, and governance will produce reliable financial statements, earn stakeholder confidence, and meet IPEC expectations, turning compliance into a competitive advantage rather than a burden. The cost of non-compliance, qualified opinions, regulatory escalation, member harm, far exceeds the investment required.

Recommendations

Based on the six pain points, the regulatory analysis, and the capacity-building framework presented by Tariro at the 2026 ZAPF Annual Congress, the recommendations to the industry:

Conduct an immediate IFRS gap assessment

Every pension fund should commission a structured IFRS gap assessment against the 2025 Guideline requirements covering IAS 29 restatement, fair value processes, actuarial disclosures, dual-currency reporting. The output should be a prioritised remediation plan with assigned ownership and timelines.

Begin IAS 29 training without delay

IAS 29 is the most technically demanding requirement and the one most likely to result in audit qualifications. Finance teams must be trained in item classification, restatement index application, equity adjustments, and internal checklist development before the year-end reporting cycle begins. Boards should also receive trustee-level IAS 29 briefings.

Upgrade legacy systems to support IFRS-ready data

Funds still relying on Pastel, EasiPol, or manual spreadsheet systems should urgently upgrade or integrate these platforms. The investment in audit-ready data systems reduces post-year-end correction costs, error risks, and enables the automated reconciliations that IFRS compliance demands.

Establish structured IFRS reporting calendars

Adopt a formal IFRS reporting calendar with milestones covering actuarial engagement, fair value assessments, IAS 29 restatement, sub-fund reconciliations, and disclosure drafting. Rushed, last-minute reporting is the primary driver of errors, omissions, and audit qualifications.

Treat compliance as a strategic investment, not a cost

Boards and management should reframe IFRS compliance as a strategic investment in fund credibility, member protection, and regulatory standing not as an administrative burden.

Funds that lead on compliance will earn stakeholder confidence, attract stronger governance talent, and be better positioned for the regulatory environment ahead.

The path forward

Zimbabwe's pension sector stands at a defining inflection point. The IPEC 2025 Financial Reporting Guideline does not introduce new IFRS standards, it enforces standards that have always been applicable and removes the pragmatic accommodations that allowed non-compliance to persist.

Tariro called on the industry to address the six pain points systematically, invest in the six capacity-building priorities, and embrace full IFRS compliance as the foundation of a stronger, more trustworthy pensions industry. She submits that, funds that do so will not merely survive regulatory scrutiny they will build the institutional quality that serves members better, sustains trustee reputation, and earns the confidence of regulators, employers, and beneficiaries alike.

The 2025 Guideline is not a burden, it is an opportunity to build a more transparent, credible, and member-protective pension sector in Zimbabwe. The investment in compliance is the investment in the sector's future.

Capital markets as a cornerstone: how Zimbabwe’s exchanges are unlocking pension fund value

Justin Bgoni, Group Chief Executive Officer, Zimbabwe Stock Exchange Holdings

In a market environment shaped by years of macroeconomic turbulence, currency volatility, and shifting investor confidence, Justin Bgoni, Group CEO of ZSE Holdings, brought a message of measured optimism to the ZAPF Annual Conference.

His presentation: **Capital Markets as a Cornerstone for Pension Funds,** made the case that Zimbabwe's capital markets have not merely survived the headwinds of the past decade; they have responded by evolving into a richer, more diversified ecosystem capable of serving the long-term investment needs of pension funds far more comprehensively than before.

The address traced a clear arc: from an honest accounting of the challenges that have battered both the Zimbabwe Stock Exchange and pension portfolios, through the strategic reforms and product innovations ZSE Holdings has introduced in response, to a forward-looking opportunity map spanning equities, REITs, ETFs, commodity-linked instruments, and the emerging Victoria Falls International Financial Centre.

Throughout, the underlying argument remained consistent; **capital markets are not peripheral to the pension fund mandate, they are central to it.** Bgoni submitted that, Zimbabwe's exchanges, offer pension funds a route to long-term real value preservation, diversification, and direct participation in national economic growth.

Key takeaways

The challenges are real: but so is the resilience

Bgoni opened without euphemism. Zimbabwe's capital markets have faced a formidable set of structural headwinds: persistent inflationary and currency volatility, policy uncertainty across successive monetary regimes, reduced foreign participation, liquidity constraints, and a pattern of corporate delistings that narrowed the investable universe.

For pension funds, the consequences have been tangible: pressure on real portfolio returns, asset-liability mismatches, liquidity management difficulties, and an intensifying need for inflation-hedging instruments. Acknowledging these realities was deliberate.

The exchange's credibility as a partner to the pension industry rests on its willingness to engage honestly with the environment and on the evidence that it has responded constructively rather than passively.

ZSE has transformed into a multi-platform capital markets ecosystem

One of the presentation's most important reframes was the repositioning of the ZSE, not as a single equities exchange, but as a diversified capital markets group. The group now spans multiple platforms and asset classes:

- **VFEX:** the Victoria Falls Stock Exchange, providing USD-denominated listings and investment products designed for both local and international investors,
- **ETFs:** Exchange Traded Funds offering low-cost, diversified access to equity and thematic investment themes,
- **REITs:** Real Estate Investment Trusts providing listed exposure to income-generating property,
- **Commodity-linked products:** including gold-backed ETFs and a pipeline of additional thematic instruments,
- **ZEEX:** an alternative capital raising platform for companies outside the traditional listing framework,

Technology infrastructure: upgraded trading platforms and market systems to support modern institutional requirements

This breadth matters for pension funds. A pension portfolio that can access equities, real estate, commodities, and offshore structures through a single regulated domestic marketplace has meaningfully more tools for managing risk, matching liabilities, and capturing long-term returns than one confined to traditional listed equities alone.

The Victoria Falls International Financial Centre (VFIFC)

The most forward-looking element of Bgoni's presentation was the introduction of the VFIFC; an offshore-oriented financial hub designed to attract international capital, financial services firms, and cross-border investment structures into Zimbabwe through

Victoria Falls. Operating in a USD environment with tax and regulatory incentives calibrated for international investors, the VFIFC is positioned as a regional offshore financial gateway.

For pension funds, the VFIFC opens a range of potential pathways: access to offshore investment structures and global products, diversification away from local currency exposure through USD-based vehicles, and exposure to structured products and alternative investment instruments that the domestic market has historically struggled to support. As the VFIFC matures, it has the potential to meaningfully expand the product range available to Zimbabwean institutional investors and deepen the country's integration into regional and global capital flows.

The way forward: diversify, innovate, engage

Bgoni highlighted six priorities for the evolution of pension fund capital market participation over the coming decade:

- Greater diversification across products, platforms, and currencies, moving beyond a ZWG equity bias,
- Increased utilisation of listed collective vehicles; ETFs and REITs as efficient, regulated building blocks of institutional portfolios,
- Active participation in infrastructure and prescribed assets, engaging strategically rather than treating compliance as a constraint,
- Long-term strategic asset allocation frameworks, moving from reactive to deliberate portfolio construction,
- Stronger engagement between pension funds and the Exchange, a collaborative relationship rather than a transactional one,
- Support for new instruments; commodities, sustainability-linked products, and offshore structures as the innovation pipeline matures.

The overarching message was one of partnership. Zimbabwe's capital markets cannot fulfil their potential without deep, sustained institutional participation. And pension funds cannot fulfil their mandate, preserving and growing member wealth across decades, without the diversification, liquidity, and growth exposure that capital markets provide. The relationship is not incidental. It is foundational.

Closing reflection

Justin Bgoni's presentation at the ZAPF Annual Conference made a clear and evidence-based case: Zimbabwe's capital markets have evolved significantly, and the opportunity set available to pension funds today spanning two exchanges, multiple asset classes, and an emerging international financial centre is richer than it has ever been.

The challenge for the pension fund industry is to engage with that opportunity set deliberately, with long-term strategic frameworks, and with the conviction that sustained capital market participation is not just a compliance matter but a core driver of member value.

Capital markets, as Bgoni concluded, remain the cornerstone for pension funds delivering both member value and national development. The infrastructure exists. The products are multiplying. What is needed now is sustained, purposeful participation.

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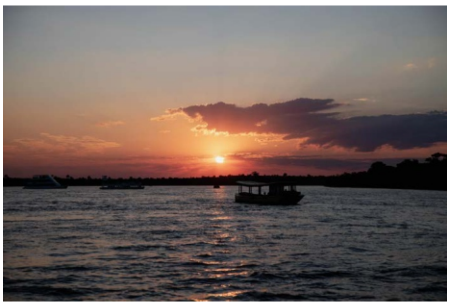

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