Z.A.P.F 2026 | SECOND QUARTER ISSUE

PENSION MAGAZINE

Golden Years Fragile Futures

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OLDMUTUAL

OLD MUTUAL INVESTMENT GROUP ZIMBABWE'S STRATEGIC ROLE IN ALTERNATIVE INVESTMENTS ACROSS KEY ECONOMIC SECTORS

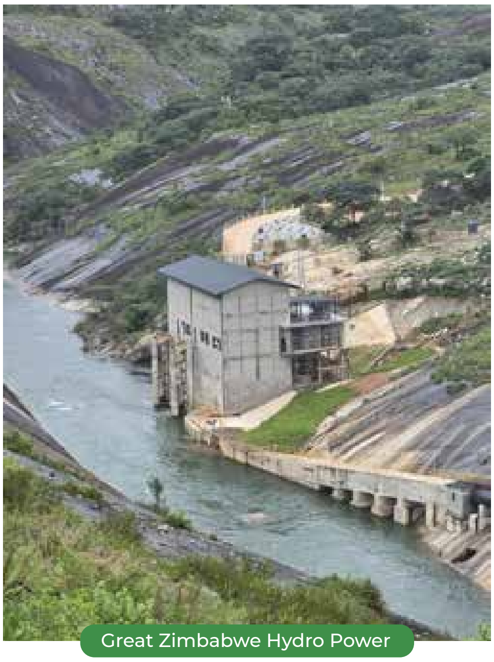
Old Mutual Investment Group Zimbabwe (Private) Limited (OMIG) continues to play a pivotal role in shaping the country's investment landscape through a focused and disciplined approach to alternative investments. Over the years, OMIG has built a robust capability in alternative investments, designed and tailor-made to align with the long-term growth, risk appetite, and diversification objectives of pension funds. Our alternative investments strategy is currently focused on private equity and real assets, with investment exposure across various sectors and industries identified as growth nodes and drivers of future economic growth.

What sets OMIG apart is not only the diversity of our investment portfolio but also the strength of our alternative investment process. Each identified opportunity undergoes rigorous due diligence to assess investment rigour across financial, technical, legal/regulatory, operational, environmental, and social aspects. Post-investment, we undertake value-adding activities designed to enhance the investee company's performance in pursuit of growth and investment returns. These value creation activities at a minimum include performance monitoring, strategy formulation and implementation, management engagement, board participation, corporate governance structuring, balance sheet optimisation, new markets development and commercial aspects management

We have delivered a range of high impact projects across strategic sectors, creating value for both investors and the broader economy. Highlighted in the table are some of the projects investments we have undertaken on behalf of our customers.

Energy Sector	Manufacturing & Confectionary Sector	Hotel & Tourism Sector	Real Estate Sector - Agriculture value chain	Multi sectoral
Centragrid (Pvt) Limited - a 25MW solar energy plant located in Nyabira.	**Glytime Foods** - manufacturer and distributor of healthy breakfast cereals, snacks and confectionaries.	**Palm River Hotel** - 73 roomed 5-star hotel located on the banks of the Zambezi River, Victoria Falls.	**TSL Warehouse** - A Grade A multi-purpose industrial warehouse measuring 15,000m² and an office block measuring 2,000m² located in Workington, Harare. This facility is fully occupied under a long-term lease contract with a prominent tobacco merchant.	**Takura Fund II** - Private equity fund with investments in Cairns, Lobels, Montana Meats, Introwise, Cailomarketing and Cailogistics
Great Zimbabwe Hydro - a 5MW hydro power station adjacent to the Lake Mutirikwi Dam Wall in Masvingo.	**Lobels Holdings Limited** - manufacturer and distributor of bread and confectionery items.	**Monomotapa Hotel** - is a 4-star hotel situated in Harare. The hotel features 243 rooms and suites with panoramic views of the city.	**Southerton Property** - a multi-purpose warehouse facility for the handling and storage of tobacco measuring 9,250m² and located in Workington, Harare. The facility is fully occupied under a long-term lease contract with a prominent tobacco merchant.	**Takura Fund III**- Private equity fund with investments in Star Africa, Grain Co, Amalgamated Brands, Radar, Davis Granite
Kupinga Renewable Energy - 1.6MW hydro power station in Chipinge	**Manica Boards & Doors** - located in Mutare, the business is a manufacturer and distributor of fibreboards and doors.	**Caribbea Bay Resort** - a 3-star premier hotel destination comprising 84 rooms and stand-alone cabanas. It is located on the shoreline of Lake Kariba.	**Zimcampus** - a mixed-use student accommodation facility with a total of 516 residential rooms in Bulawayo.	

For further insights into our capabilities, please contact us on Tel: +263 242 308320, +263 242 308300; email: omig@oldmutual.co.zw website: https://www.oldmutual.co.zw/old-mutual-investment-group/


Great Zimbabwe Hydro Power


Zimcampus


Centragrid

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CHARTING THE PATH TO VALUE, RESILIENCE AND MEMBER TRUST

Welcome to this edition of the Zimbabwe Association of Pension Funds (ZAPF) Pension Magazine. The Zimbabwean pension industry stands at a defining historical juncture. As stewards of long-term capital, our core mandate remains unchanged: to safeguard retirement savings and deliver a dignified post-employment life for millions of Zimbabwean workers. Yet, achieving that mandate in today's economic climate demands an aggressive departure from "business as usual".

In recent years, the sector has been tested by macroeconomic fluctuations, currency reforms and inflationary pressures that have strained traditional asset allocations and challenged member confidence. In this edition, we pivot from simply managing risk to actively creating and preserving value.

Key Focus Areas in This Issue

- **Rethinking Asset Allocation & Alternative Investments:** With traditional equity and commercial property markets undergoing structural shifts, fund managers are looking toward high-impact, tangible assets. From green energy initiatives (solar and hydro) to housing, agriculture and private equity through investment pitching platforms, alternative investments are emerging as vital inflation hedges that simultaneously build national infrastructure.
- **Rebuilding Member Trust Through Transparency:** Pensions are, at their heart, a promise between today's labour and tomorrow's security. Restoring trust requires radical transparency, clear communication on net returns, active stakeholder engagement and addressing historic prejudice compensation frameworks.
- **Regulatory Compliance & Governance:** As regulatory frameworks evolve—from risk-based ESG integration—trustees and principal officers must adopt proactive governance frameworks that keep funds nimble, compliant and member-centric.

Authored By Sandra T Musevenzo [ZAPF - Director]

- **Financial Literacy as an Instrument of Empowerment:** A well-informed pension member is an empowered investor. Unpacking practical strategies for trustees and employers to bridge the knowledge gap, demystify pension accumulation and foster financial acumen across all career stages is vital for our industry.

"We are no longer just custodians of capital; we are architects of social security in a volatile world."

The sustainability of Zimbabwe's retirement promise rests on the collective wisdom, conviction and innovation of everyone in our ecosystem—trustees, fund managers, administrators, regulators and policy makers. The articles in this issue offer actionable insights, critical debates and forward-looking strategies designed to equip you for the road ahead. We extend our sincere gratitude to our contributors, advertisers and member organizations for their dedication to elevating the industry standards. We invite you to dive into these pages, engage with the ideas and join us in shaping a resilient, value-driven pension landscape.

Enjoy the read!

Sandra Tinotenda Musevenzo [Director General]
Zimbabwe Association of Pension Funds

Your Actuarial, Insurance and Pension Partners

Mureriwa Actuarial Outsourcing Services (MAOS) provides professional actuarial and financial outsourcing solutions to pension funds , life assurances , short term insurances and medical aid funds across Zimbabwe. Our experienced team delivers accurate, reliable, and cost-effective services, helping clients enhance efficiency, access specialist expertise, and

MAOS provides the following actuarial services:

- Design and pricing of pension funds -setting and reviewing of contribution rates.
- Drafting and certification of pension rules.
- Actuarial valuations -Statutory actuarial valuations, Interim actuarial valuations, Peer review actuarial valuations.
- Regulatory reporting support.
- Advisory role on investment strategy and risk management frameworks.
- Calculation of all your Pension Benefits: Withdrawal, Health, Early Retirement, Death Benefits and Transfer Values.
- MAOS is the Statutory Actuary to more than 30 pension funds in Zimbabwe, with combined assets exceeding US$800 million out of the industry's total assets of approximately US$3.11 billion.
- Expert conversion of pension schemes between Defined Benefit (DB) and Defined Contribution (DC) arrangements, ensuring compliance and a smooth transition.
- We also serve as the Statutory Actuary to five (5) of Zimbabwe's 21 Short term insurers, two (2) of the country's 12 Life Assurance companies and 4 Medical Aid Funds.

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THE SIREN'S SONG OF THE HERD:

Why Chasing Investment Trends Anchors Pension Funds To Mediocrity

Authored By Stalin Rinifati -Nivteil Capital [Operations & Research Consultant]

"WORLDLY WISDOM TEACHES THAT IT IS BETTER FOR REPUTATION TO FAIL CONVENTIONALLY THAN TO SUCCEED UNCONVENTIONALLY."

- JOHN MAYNARD KEYNES

The General Theory of Employment, Interest and Money

There is an ancient, quiet comfort in the crowd. For the pension fund trustees tasked with safeguarding the twilight years of Zimbabwe's workforce, consensus feels like a fortress built of granite. When fund managers gather across boardroom tables in Zimbabwe, exchanging solemn nods over the latest "imperative" market fad — be it an unbridled rush into speculative real estate, frantic currency-hedging instruments, or the sudden, intoxicating allure of whatever asset class dominates current cocktail-hour gossip—it feels comfortably safe to nod along. Yet, history gently reminds us that the crowd is rarely a sanctuary; more often, it is a stampede moving toward a precipice.

The Allegory of the Blind Shepherd and the Mirage

Imagine a weary traveller navigating the sun-drenched expanses of the Kalahari. Thirst-stricken, he catches sight of a glittering lake on the horizon—a shimmering oasis promises relief. A second traveller sees him running and joins the sprint. Soon, a hundred travellers are sprinting together, each taking comfort in the collective enthusiasm of the rest. "Surely," reasons the hundredth runner, "so many sensible souls would not run so fast toward nothing." Yet, as any seasoned desert wanderer knows, the shimmer is merely bent light—a mirage born of heat and desperation. When the thundering mass finally reaches the spot, they find only dry sand, burnt lungs and depleted reserves. In pension fund management, trend-chasing is the institutional equivalent of sprinting toward a mirage. By the time a trend is loud enough to dominate the headlines and captivate boardroom agendas, the excess alpha (excess return on investment relative to a benchmark) has already been fully extracted by the early discoverers. What remains for the late-arriving herd is the exorbitant purchase price, elevated systemic risk and the inevitable mean reversion (the financial tendency of asset prices to return to their historical average).

A Light-hearted Interlude: The Economist's Dog

To illustrate the folly of reactive investing, consider a brief joke often shared in the halls of financial academia:

An institutional fund manager and an economist were walking around Sam Levy Village when they passed a pet shop. In the window sat a dog with a sign: "Value: $1,000,000."

The fund manager gasped. **"Who on earth would pay a million dollars for a dog?"**

The next week, they walked past again, and the dog was gone. The economist smiled triumphantly. **"See? I told you it was a hot asset class. It sold!"**

"Fascinating," said the fund manager. **"Did someone pay a million dollars in cash?"**

"Oh, no," replied the economist.

"The owner traded it for two five-hundred-thousand-dollar cats."

When fiduciaries trade assets based purely on momentum rather than underlying, intrinsic value generation, they risk populating their portfolio with proverbial million-dollar dogs—valuable only because everyone momentarily agreed to pretend they were.

The Paradox of Trend-Chasing: Why the Math Fails

Why does following the crowd so reliably produce sub-par or downright dismal long-term yields for pension funds? The mechanism is as mathematical as it is psychological.The Premium of Late Entry: Buying into a trend requires purchasing assets after their prices have been bid up by early movers. You are effectively buying at the peak of the valuation curve.

1. The Friction of Liquidity: Pension capital is inherently massive and lumbering. A large fund cannot enter or exit a crowded market trend without moving the market against itself, incurring severe execution friction.
2. The Erosion of Diversification: When every pension scheme rushes into identical "trending" asset classes, true portfolio diversification dissolves into a illusion. The assets become highly correlated during market downturns.

Thought-Provoking Questions for the Boardroom

Trustees evaluating the stewardship of generational wealth must ask themselves the uncomfortable questions:

• Are we allocating capital into this asset class because our long-term fundamental analysis demands it, or because we fear looking foolish if our peers outperform us this quarter?

• If this investment were completely illiquid and unquoted for the next ten years, would we still comfortably hold it today based on its cash-flow generation alone?

• Are we mistaking cyclical macroeconomic tailwinds for investment genius?

Returning to First Principles: The Solitary Oak

In a world obsessed with ephemeral speed and quarterly rankings, pension funds are uniquely built for the long horizon. A pension portfolio should not resemble a fleeting garden of annual flowers—vibrant today, withered by winter—but rather a solitary oak tree. It deepens its roots quietly, withstands the howling gales of market volatility and bears fruit steadily across decades. True fiduciary excellence lies not in the frantic pursuit of the glamorous, but in the disciplined, rigorous commitment to intrinsic value, prudent asset liability matching and the quiet courage to stand apart from the crowd.

When the sirens of the latest market trend sing their alluring song, the wisest stewards are those who tie themselves to the mast of sound investment principles—protecting the dignity and retirement futures of Zimbabwe's working nation.

THE ACTUARY'S IRON:

Harmonizing the Ledger and the Lunge- How to Balance Workloads and Workouts

"NO MAN HAS THE RIGHT TO BE AN AMATEUR IN THE MATTER OF PHYSICAL TRAINING. IT IS A SHAME FOR A MAN TO GROW OLD WITHOUT SEEING THE BEAUTY AND STRENGTH OF WHICH HIS BODY IS CAPABLE."

- JOHN MAYNARD KEYNES

To navigate the contemporary corridors of Zimbabwean pension fund administration is to inhabit a realm of relentless arithmetic. We are the custodians of deferred dreams, balancing actuarial liabilities against volatile market equities, orchestrating liquidity ratios and ensuring that the promises of tomorrow remain firmly anchored in the fiscal realities of today. Yet, in our zeal to audit every row of the ledger, we frequently commit a catastrophic error of accounting: we write off our own bodies as fully depreciated assets.

We sit ensconced behind mahogany desks, steeped in spreadsheets, watching the sun traverse the sky above Harare or Bulawayo, only to leave our offices depleted, our spines compressed and our cardiovascular reserves bankrupt. We balance every portfolio except the one that houses our own mortality. How, then, do we harmonize the brutal demands of our workloads with the rejuvenating discipline of the workout?

The Tale of Two Fund Managers

Consider the fable of two fund managers in the heart of the capital:

- Tapiwa the Relentless viewed exercise as an unpardonable expenditure of billable time. He treated his body like an infinite line of credit, constantly drawing down on sleep and movement to satisfy immediate operational demands. By forty-five, Tapiwa's wealth was vast, but his physical capital was so depleted that a flight of stairs felt like ascending Mount Nyangani. His cognitive sharpness waned, dimmed by chronic fatigue and low-grade inflammation.
- Chipo the Harmonious, faced with identical market pressures, recognized that human energy is not a static reserve, but a dynamic, self-replenishing fund. She scheduled her physical conditioning with the same inviolable solemnity reserved for a Board meeting.

Authored by Coach Zivanai Chigumba

While Tapiwa spent his evenings putting out operational fires, Chipo was forging physical resilience. When economic volatility hit, who possessed the stamina, clarity, and visceral fortitude to steer their institution through the storm?

Chipo's workouts were not a distraction from her work; they were the capital investment that underwrote her performance.

The Actuarial Science of the Sweat

Let us unpack this through the language of the pensions' industry. Physical exercise is not a luxury expense; it is a vital sinking fund set aside against the inevitable wear and tear of time.

THE VITAL BALANCE SHEET

Consider the biological compounding interest of a simple morning routine:

• The Investment: 45 minutes of resistance training or a brisk run along a tree-lined avenue.

• The Dividend: A surge of neurotrophic factors that enhance memory, lower basal cortisol levels and sharpen analytical reasoning for the remaining 15 hours of the day.

When we claim we are "too busy" to train, we are making an elementary error in capital allocation. We are refusing to spend 3% of our day to increase the efficiency of the remaining 97%. It is the administrative equivalent of refusing to pause an assembly line for maintenance because we are too busy manufacturing broken parts.

A Moment of Levity

They say that money doesn't sleep—but then, neither does an over-caffeinated trustee at 2:00 AM worrying about inflation-hedged yields!

Why did the pension administrator bring a barbell to the audit? Because they heard the portfolio needed some heavy lifting, but they realized the only thing getting stretched was their deadline!

In all seriousness, if we can decipher complex regulatory compliance frameworks and forecast thirty-year demographic shifts, surely we can decipher how to fit thirty minutes of physical effort into our daily schedule.

The Allegory of the Bow and the String

Imagine a master archer's bow. If left unstrung, it retains its form, but it cannot launch an arrow. If left strung continuously under maximum tension, its wood eventually fatigues, loses its elasticity and snaps when called into action.The professional who works without physical outlet is a bow left permanently under maximum tension. The physical workout is the intentional unstringing and re-tensioning of the mind-body apparatus. When you lift a weight, run a trail, or stretch on a mat, you switch off the analytical prefrontal cortex and engage the primal motor systems. You allow the cerebral strings to relax so that when you return to the desk, your shot flies true.

Reclaiming Your Vitality: A Strategic Blueprint

Balancing work and fitness requires neither ascetic self-denial nor hours in an elite gymnasium. It requires systematic orchestration:

1. Treat Workouts as Non-Negotiable Debentures: Block off time in your calendar for physical conditioning with the same sacred status as a regulatory submission.
2. Embrace Micro-Interventions: If an hour-long session is impossible, divide it. A 15-minute walk after lunch and 20 minutes of bodyweight exercises before dusk yield immense biological dividends.
3. Capitalize on Active Commutes and Micro-Breaks: Swap sit-down status meetings for walking discussions where feasible.

A Thought-Provoking Conclusion

Custodians of retirement spend their lives prompting others to prepare for their twilight years. But ask yourself this sobering question: What value is a pristine, well-funded pension portfolio if the body inheriting it is too broken to enjoy the sunset?

Let us lead our pension funds not merely with intellectual rigor, but with physical vitality. Step away from the desk, step onto the track or the gym floor and invest in the one asset class that yields immediate, non-taxable, lifetime returns: your health.

The Vital Balance Sheet

SEDENTARY DRAINS	EXERCISE AS CAPITAL
Postural Compression	Structural Integrity
Cognitive Brain Fog	Enhanced Neurogenesis
Burnout & Fatigue	Stress Cortisol Buffer
Deferred Health Deficit	High-Yield Energy Return

Authored By Calvin Munyanyi

CARBON CREDITS AS AN ALTERNATIVE INVESTMENT FOR ZIMBABWEAN PENSION FUNDS

Global warming and climate change are looming crises that havebeen discussed on various platforms that affect all nations, whether great or small. Whilst most people have tuned out the urgent warnings that something needs to be done, we cannot escape the facts: the Earth is warming up at an accelerating rate of 0.27 degrees per decade; in 2025, global average temperatures reached 1.37 degrees above pre-industrial levels.

These numbers don't mean much to those outside the scientific community, but the socioeconomic consequences of a fraction of a degree increase on a planetary scale are dire: heat waves, rising sea levels, food insecurity, changing weather patterns, and extreme weather events such as severe droughts and excess rainfall. The effects are more relatable and are now always on the news.

In Southern Africa, the 2026/2027 agricultural season faces a "Super" El Niño where sea temperatures are forecast at 2 degrees higher than average. In comparison, El Niño events are announced where sea temperatures are only 0.5 degrees above average.

The primary cause of global warming is industrialization with its release of greenhouse gases like carbon dioxide into the atmosphere. The aviation industry, as an example, emits a little shy of a billion tonnes of carbon dioxide each year! So, should humans stop industrialisation? Should people stop using aeroplanes? Should we stop driving our cars and walk everywhere? Of course not!

To help mitigate the greenhouse gas crisis, a market was created where those unable to materially reduce emissions in the short run can help fund the reduction of greenhouse gas emissions elsewhere by those that can materially reduce emissions through the use of advanced technologies, emission-reducing processes or clean energy solutions. Therefore, greenhouse gas emitters such as aviation companies can offset their massive carbon footprint by buying 'carbon credits'.

A carbon credit is a standardised, tradable claim to have reduced, avoided or removed 1 metric tonne of carbon dioxide or its equivalent greenhouse gas emissions. Carbon credits are generated by verified projects that do either of these things. The actual emissions reduced or removed are verified by an independent auditor, and a trusted carbon registry issues the corresponding number of carbon credits into the project developer's account. The developer can then sell these credits to corporations or governments looking to offset their own carbon footprints.

If a company owns one carbon

credit, it is allowed to emit one metric tonne of carbon dioxide or equivalent greenhouse gases. This might be a tonne above their emission regulatory limits in a cap-and-trade system or their own voluntary sustainability targets. Carbon credits are therefore a standard and verifiable way of transferring emission rights from one party to another - from the reducers to the emitters. It is an indirect way for emitters (like the aviation companies) to fund projects that reduce greenhouse gas emissions to offset their own emissions.

Carbon credits give a financial incentive for reducing emissions. The World Bank reports that in 2025, carbon pricing mobilised over US$100 billion globally. Turns out saving the planet is a lucrative business. The Zimbabwean government has created a regulated environment under Statutory Instrument 48 of 2025 (Carbon Trading (General) Regulations, 2025), for local companies to plug into this global carbon credit space under the purview of the Zimbabwe Carbon Markets Authority (ZiCMA) as the central oversight body.

Pension funds can invest in the carbon market by sponsoring green projects. These projects generate carbon credits by removing, reducing or avoiding emission of carbon dioxide and other greenhouse gases into the atmosphere. Such carbon credit-generating projects include, but are not limited to, the following:

- **Reforestation and Afforestation:** These projects involve planting trees in deforested areas (reforestation) or in regions that have not been forested for a long time (afforestation).
- **Renewable Energy Projects:** This category includes solar, wind, hydro, and biomass energy projects that replace fossil fuel-based energy sources.
- **Methane Capture:** Projects that capture methane emissions from landfills, agricultural operations, or wastewater treatment facilities prevent this potent greenhouse gas from entering the atmosphere.
- **Innovative Technologies:** Emerging technologies such as installing energy-efficient cookstoves in rural communities, biochar production and direct air capture are also gaining traction.

These investments generate USD cash flows throughout the project's lifespan. The returns are lucrative, driven by global initiatives to combat global warming, leading to an increasing demand for carbon credits. Investment in carbon credits also provides a diversification from traditional and local asset classes, as income from carbon credits generated is coming from abroad, thereby providing more security for pensioners' assets.

As a new asset class, carbon credits are regulated, independently verified, uniquely issued and recorded in recognised registries, which helps give investors confidence in their authenticity and ownership. Once issued, they can be held securely over the long term rather than being immediately sold, allowing pension funds to preserve value and choose the timing of disposal. They are also transferable instruments that can be sold on demand to corporations, governments or intermediaries in an increasingly active global market, spanning both compliance markets created by regulation and voluntary markets driven by corporate net-zero commitments. With high-quality credits remaining in limited supply and global demand expected to grow as climate targets tighten, carbon credits may help provide long-term stability, liquidity and growth potential for pensioners' assets.

To enable local pension funds to participate in this growing carbon credit market, the GreenLeaf Africa Climate Fund was launched in 2025. GreenLeaf is a regulated, USD-denominated collective investment scheme registered with the Securities and Exchange Commission of Zimbabwe (SECZ) that converts verified emission reductions from rural Zimbabwean cookstoves into recurring, hard-currency carbon-credit revenue. The Fund is managed by Redwood Asset Management, with Kreston Zimbabwe as the Trustee and Ingenium Capital as the Advisor and Sponsoring Broker. The GreenLeaf Africa Climate Fund intends to list on the the Victoria Falls Exchange (VFEX) before year's end and has already been registered with the Victoria Falls International Financial Centre (VFIFC). The fund will generate high-quality carbon credits by installing low-emission cookstoves and solar lights in rural areas of Zimbabwe, bringing environmental and socio-economic benefits while generating high investment returns.

For more information on the GreenLeaf Africa Climate Fund, contact *calvin@redwood.co.zw or grace@redwood.co.zw.*

UNLOCKING THE VAULT: WHY PENSION FUNDS MUST STEP INTO THE PITCHING ARENA

Article Authored by Nyasha Seremani [Impact Hub Member]

"THE VOYAGE OF DISCOVERY CONSISTS NOT IN SEEKING NEW LANDSCAPES, BUT IN HAVING NEW EYES." – MARCEL PROUST

For decades, Trustees of pension funds in Zimbabwe have occupied roles akin to that of medieval keep-keepers. Heavily burdened by the ghosts of hyperinflation, currency transitions and macroeconomic volatility, trustees have understandably retreated behind thick, stone ramparts of ultra-conservative investments: brick, mortar. Yet, as any seasoned sailor will tell you, a ship in harbour is safe, but that is not what ships are built for.

While the fortress of traditional assets offers familiar shelter, the surrounding economic landscape has transformed into a dynamic, tech-infused savannah. Today, a quiet revolution is taking place at the intersection of capital and innovation. Across Africa, Investment Opportunity and Business Funding Pitching Competitions—often dismissed as mere theatrics for starry-eyed entrepreneurs—have evolved into high-velocity engines of value creation. For the trustees of pension funds, looking through these pitching arenas is no longer a novelty; it is a fiduciary imperative.

The Metaphor of the Orchard: Pruning Old Trees vs. Planting New Seeds

Imagine a village that relies on an ancient apple orchard for its winter stores. For forty years, the trees yielded predictable fruit. But over time, soil nutrients shift, weather patterns mutate and the old trees begin to produce smaller, sparser harvests.

What does a prudent orchardist do? They do not chop down the entire forest in a fit of panic, nor do they stubbornly water dry stumps expecting a miracle. They establish a nursery—a dedicated, carefully tended space where dozens of raw, unproven saplings are tested against the elements. Most will prove ordinary, but a choice few will bear the resilient, high-yielding fruit required to nourish the village for the next forty years.

Pension funds are the custodians of Zimbabwe's national orchard. Traditional equities and real estate are your mature trees—vital, stabilizing, but increasingly constrained by market saturation and illiquidity. Pitching competitions represent the nursery. They are structured, high-volume showcases where the most vibrant, high-growth saplings—from renewable energy innovators and agri-tech disruptors to fin-tech pioneers—are paraded before keen-eyed observers.

Why Pitching Competitions? The Fiduciary Power of the Arena

To the uninitiated, a pitch competition looks like a gladiatorial spectacle of fifteen-minute slide decks and persuasive rhetoric. To the astute investor, however, it is a masterclass in deal-flow curation and risk mitigation.

1. The Ultimate Filter for Asymmetric Information
Why waste hundreds of hours hunting for needle-in-a-haystack venture opportunities when an arena brings fifty vetted needles directly to your magnet? Pitch competitions act as an initial, rigorous filter. Organizers perform the preliminary heavy lifting—sifting through hundreds of applicants to isolate companies with validated business models, scalable economics and audited traction.

2. Pricing Power through Competitive Discovery
Consider an old Zimbabwean joke about a merchant who tries to sell a rare parrot in a quiet village:

A man brings a brightly coloured parrot to the local market and demands US$10,000 for it. The villagers laugh. "Why is it worth US$10,000?" they ask. He replies, "Because it's the only one here!" The next week, a market organizer gathers fifty different parrot breeders in the town square. Suddenly, the first merchant drops his price to US$500, while a truly exceptional bird that speaks three languages fetches US$2,000.

In isolated, private deal negotiations, valuation is often an opaque guessing game. Pitch competitions subject startups to immediate, transparent market valuation. When multiple institutional players observe a live pitch, competitive discovery ensures pension funds aren't paying "sole merchant" premiums for ordinary assets.

3. Co-Investment and Syndication Networks
Pitch events are rarely winner-take-all affairs. They bring together retail investors, family investment trusts, international development finance institutions (DFIs) and corporates. By participating as judges, panellists, or seed sponsors, pension funds can structure syndicated deals—sharing the due diligence burden and risk exposure with seasoned international co-investors while maintaining local governance oversight.

A Thought-Provoking Paradox: The Cost of Playing It Safe. Consider this sobering question:

If a pension fund preserves 100% of its capital in nominal terms while the underlying economic ecosystem loses its productive capacity, has that pension fund truly fulfilled its fiduciary responsibility to its retirees?

True fiduciary duty is not merely the preservation of nominal paper capital; it is the generation of sustainable real purchasing power over a 20- to 30-year horizon. When pension funds participate in business funding competitions—allocating even a modest 0.02 to 0.05 of their asset base toward high-potential pitching champions—they achieve two crucial outcomes:

1. Asset Diversification: Unlocking exposure to high-margin, venture-scale returns that act as a natural hedge against possible systemic domestic inflation.
2. Ecosystem Regeneration: Injecting patient capital directly into real-economy enterprises that build infrastructure, create employment and expand the national tax base—the very economic engine that funds future pension contributions!

From Passive Observers to Active Market Architects

Zimbabwe's institutional investment landscape stands at a crossroads. The path of inertia—resting solely on listed equities and properties—is a slow retreat into diminishing yields. By embracing Investment Opportunity and Pitching Competitions, ZAPF members can transform their role from passive capital hoarders into active market architects.

Key Next Steps for Pension Fund Trustees

• Establish a Venture & Innovation Allocation: Dedicate a modest, ring-fenced percentage of managed assets specifically for opportunities sourced through recognized pitch platforms.
• Join the Judging Panels: Sit in the evaluator's chair. Direct exposure to incoming pitch cohorts provides invaluable market intelligence on emerging industry disruptions before they hit the mainstream radar.
• Form Investment Syndicates: Partner with local incubators and international DFIs to co-invest in pitch winners, leveraging external technical expertise to derisk early-stage participation.

TRADITIONAL DEAL SOURCING	PITCHING COMPETITION MODEL
High Sourcing Friction	Pre-Vetted Deal Flow
Bespoke Due Diligence	Standardized Pitches
Opaque Pricing	Competitive Pricing
Isolated Evaluation	Collaborative Syndication

Navigating the Silent Missteps of Sunset Wealth

By Thabani Ndlovu – Pensioner (Retired Banker)

There is an ethereal, quietly terrifying beauty to the twilight of one's career. For decades, the professional runs a relentless marathon—a daily pilgrimage through boardroom corridors, agricultural furrows or industrial hearths. Then, with a silver handshake and a polished timepiece, the music stops. The horizon broadens, offering the long-promised expanse of leisure. Yet, as Seneca famously observed in On the Shortness of Life: *"They lose the day in expectation of the night, and the night in fear of the dawn."*

In my consultations with trustees, fund managers and gray-haired veterans of the corporate realm, I often witness a poignant phenomenon: the tragedy of the master builder who constructs a magnificent citadel, only to leave its gates unguarded against the quiet erosion of financial miscalculation. Retirement ought to be a sabbath, not a siege. Yet, so many pensioners find themselves navigating a of their own design, haunted by ghostly specters of what might have been.

The Allegory of the Baobab and the Seedling

Consider the ancient baobab tree towering over the veld. It does not bloom in a fortnight; its immense trunk is an archive of centuries—storing precious moisture against the inevitability of drought. Now, imagine a seasoned traveller who, upon reaching the golden years, decides to chop down his baobab to build a grand fleet of canoes, convinced the rivers will always run deep. He sails briefly in magnificent splendour, only for the rains to cease. Left stranded in the mud with neither shade nor water, he realizes too late that he traded long-term sanctuary for transient spectacle. In financial parlance, this is the perilous lure of capital depletion via lump-sum euphoria. Upon commuting a pension, the sudden influx of liquidity can feel like an eternal spring. Yet, spending principal as if it were yield is the quickest path to financial drought.

The Four Great Regrets of the Golden Twilight

1. The Siren Song of "High-Yield" Mirages

A classic joke among pension fund trustees tells of an old gentleman who approached his broker and asked, "Can you put my nest egg into something completely risk-free that pays fifty percent a year?" The broker replied, "Certainly, sir—it's called 'Fantasy Island,' and departure is at midnight." Driven by the desire to multiply wealth rapidly after active income ceases, retirees often fall prey to speculative ventures—exotic agricultural schemes, unvetted real estate partnerships or seductive peer-to-peer lending contracts.

• The Metaphor: It is akin to sailing a mahogany vessel into uncharted, reef-strewn waters without a compass, solely because someone on the shore promised gold on the seabed.

• The Lesson: In retirement, preservation of capital supersedes the aggressive pursuit of alpha. Wealth built over forty years can be dissolved in forty days by the acid of avarice.

2. The Unhedged Monolith: The Danger of Single-Asset Devotion

To anchor one's entire post-retirement livelihood to a single asset class—be it exclusively fixed-income papers or a solitary commercial property—is an exercise in perilous hubris. "Do not put all your eggs in one basket," cautions the proverb, to which the prudent trustee adds, "...and do not build your basket out of paper when the clouds are gathering." Without structural diversification (spanning inflation-hedged equities, resilient real estate and hard-currency reserves), inflation acts as a silent termite, hollowly consuming the interior of a pension fund while leaving the facade seemingly intact.

3. The "King Lear" Complex: Over-Generous Altruism

Perhaps the most heartbreaking mistake is born not of greed, but of unbounded affection. Pensioners frequently liquidate reserves or guarantee massive liabilities to fund adult children's entrepreneurial gambits or lavish lifestyles.

• A Thought-Provoking Question: *If you disarm yourself in the middle of the winter, who will keep you warm when the blizzard arrives?*

• The Reality: While filial devotion is noble, becoming a financial martyr ensures that when economic storms hit, both parent and child end up cap-in-hand. An annuity is designed to sustain you; it is your personal oxygen mask in the altitude of old age.

4. The Inertia of the Unadjusted Sail

Many enter retirement with the expenditure habits of their peak earning years. They attempt to maintain a fleet of vehicles, sprawling estates with exorbitant maintenance costs and lavish entertainment schedules. *"When the wind changes direction, the wise sailor does not curse the gale—he adjusts his sails."* Failing to recalibrate one's lifestyle to a finite, deterministic income stream within the first 24 months of retirement is equivalent to running an engine at maximum RPM when the fuel tank has ceased refilling.

A Socratic Interlude for the Prospective Pensioner

Before signing the final retirement papers or committing your commuted pension payout, ask yourself these crucial questions:

1. Are my yield calculations based on real, inflation-adjusted returns or merely nominal illusions?
2. If my largest single income source vanished tomorrow, would my remaining portfolio support my baseline living expenses for five years?
3. Am I mistaking a temporary puddle of cash for an endless river of revenue?

The Path to an Unclouded Sunset

The architecture of a serene retirement does not require mystical foresight; it demands disciplined stewardship, radical intellectual honesty and professional guidance.

Let us view our pension funds not as treasure chests to be plundered for an immediate banquet, but as delicate, living ecosystems. Nurture them with judicious asset allocation, shield them from speculative blights and respect the immutable laws of compounding and preservation. As the great Warren Buffett succinctly summarized:

"Rule No. 1: Never lose money. Rule No. 2: Never forget Rule No. 1." May your golden years be characterized by the quiet contentment of a well-anchored ship, resting safely in harbour while the winds blow harmlessly overhead.

The Three Silent Erosions

1. The Mirage of Liquidity	Misinterpreting capital as disposable income
2. The Altruism Trap	Funding dependents at the expense of solvency
3. The Inflationary Termite	Leaving assets dormant in low-yield vaults

HOW PENSION FUNDS CAN TAP INTO ZIMBABWE'S DEVOLUTION DIVIDEND

"THE BEST TIME TO PLANT A TREE WAS TWENTY YEARS AGO. THE SECOND BEST TIME IS NOW."

-AFRICAN PROVERB

Article Authored by Themba Nkosi – Rural Businessman

The

Tale of the Two Gardeners

Once in a sun-drenched valley, two gardeners inherited vast reservoirs of water. The first gardener, cautious to a fault, poured all his water into a single, majestic oak tree standing at the centre of the estate. The oak grew tall, yet its roots choked on their own congestion, while the surrounding orchards wilted into dust. The second gardener was wiser. Recognizing that the estate's true richness lay scattered across its diverse soil contours, he constructed channels to distribute the water to the dormant citrus groves on the northern hills, the alluvial riverbanks in the east and the mineral-rich plains to the south. In time, while his neighbour guarded a lone, root-bound giant, the second gardener harvested a year-round bounty from every quadrant of his land.

For decades, the institutional capital of Zimbabwe's pension sector has mirrored the first gardener. We have tethered our portfolios to the glass towers of Harare and the well-trodden equities of the Zimbabwe Stock Exchange and the Victoria Falls Stock Exchange—a phenomenon economists call capital hyper-centralization. Yet, under the herald of the national Devolution Programme, the waters of economic opportunity are being redirected toward our ten provinces. The fundamental question facing every trustee and chief investment officer today is plain: Will our funds remain tethered to the over-cultivated center, or will we build the aqueducts that irrigate the hinterlands for generational returns?

The Devolution Paradox: Beyond the Capital's Horizon

Why do actuaries and investment officers resemble ancient cartographers who wrote "Here be dragons" across every unmapped territory beyond the city limits? There is an old joke in the financial corridors of Sam Nujoma Street: Ask a pension fund manager to assess risk in a rural district and he will request a three-month feasibility study; ask him to buy a downtown high-rise with a 30% vacancy rate, and he will sign the purchase order before lunch.

This urban myopia comes at a steep price. While capital city yields plateau under the weight of utility bottlenecks and saturated commercial markets, the provinces present an unploughed field of fecund economic activity. Devolution is not merely a political slogan or an exercise in administrative decentralization; it is an economic restructuring that transfers fiscal autonomy, infrastructure mandates, and resource ownership directly to local authorities. When a provincial office gains the

statutory mandate to develop solar mini-grids, construct modern agro-processing hubs or construct toll roads linking agricultural belts to trade corridors, it creates something institutional investors crave above all else: long-duration, inflation-hedged, cash-generative real assets.

Three Pillars for Maximizing Devolution Returns

To transform provincial potential into actuarial solvency, institutional investors must move from passive observation to structured deployment.

1. Provincial Debt Instruments & Municipal Bonds

For too long, local authorities have relied solely on central government disbursements and municipal rates to fund capital projects. By partnering with local councils to structure devolved municipal bonds and special-purpose vehicle (SPVs) debt, pension funds can secure predictable, long-term yields backed by ring-fenced revenue streams—such as water tariffs, toll gates and market fees.

Thought-Provoking Question: *If pension funds willingly underwrite sovereign debt, why do we hesitate to finance the very municipal water treatment plants that guarantee the health—and productivity—of our own pension contributors?*

2. Strategic Real Estate at Emerging Growth Points

Devolution is shifting administrative weight outward. As provincial capitals expand to accommodate regional administrative courts, university campuses and decentralized government ministries, demand for modern civic real estate, student housing and commercial parks in regions like Manicaland, Masvingo and Matabeleland North is surging. Investing in these high-growth nodes offers a double benefit:

- Capital Appreciation: Entering nascent markets before land values peak.
- Economic Magnification: Stimulating local employment, which expands the active pension contributor base.

3. Agro-Industrial and Resource Infrastructure

Zimbabwe's provinces are rich in distinct economic endowments—tobacco and timber in the east, lithium and platinum along the Great Dyke, horticulture in the central plains, and livestock in the south. However, shipping raw produce to urban centres or abroad forfeits the most lucrative portion of the value chain. By financing localized cold-storage facilities, processing plants and off-grid renewable power plants, pension funds capture the higher margins of value addition while creating resilient economic ecosystems in the hinterlands.

The Actuarial Imperative: Prudential Courage

"RISK COMES FROM NOT KNOWING WHAT YOU'RE DOING."

-WARREN BUFFETT

Cautious trustees often invoke their fiduciary duty as a reason to avoid provincial investments. But let us be clear: fiduciary duty is not synonymous with inertia. True prudence does not mean fleeing from perceived risk into the warm embrace of guaranteed real losses caused by inflation and market concentration. Devolution provides pension funds with the ultimate hedging tool against macro-economic volatility: asset diversification across distinct economic zones.

Action for Trustees of Pension Funds

The path forward requires collaborative innovation:

1. Syndication over Solitude: Individual funds may lack the capacity to perform due diligence in distant districts. By forming investment syndicates through the Zimbabwe Association of Pension Funds (ZAPF), funds can pool resources, share risk and command equity stakes in major provincial infrastructure projects.

2. Standardized Risk Assessment: Credit Rating agencies can lead the charge in creating standardized credit-rating and risk-assessment frameworks tailored specifically to Zimbabwean local authorities.

3**. Policy Engagement:** Collaborating with the Ministry of Finance, Economic Development and Investment Promotion, and the Ministry of Local Government to to establish credit-enhancement mechanisms and guarantees for pension-backed devolution projects.

Conclusion

The Horizon Beckons

The history of economic development teaches us that wealth flows to where capital builds capacity. If we restrict our investments to the narrow confines of established urban centres, we are merely trading old claims on existing wealth. But when we direct the collective strength of Zimbabwe’s pension savings toward the roads, granaries, energy grids and factories of our provinces, we create new wealth. Let us step out from the shadows of capital-centric caution. The provinces are calling—not for charity, but for investment; not for patronage, but for partnership. In answering that call, Zimbabwe's pension funds will secure not only robust returns for their members, but a prosperous, balanced and resilient economic future for the nation.

IPEC–ZAPF 2026 Second Quarter Meeting Update to Members

Purpose: Quarterly engagement between IPEC and ZAPF to review industry developments, compliance issues, policy reforms, and strategic priorities.

Date: 10 June 2026

OPENING REMARKS AND INDUSTRY OUTLOOK

The Commissioner welcomed new ZAPF council members and emphasized that building a safe, trusted, and sustainable pensions industry requires close collaboration between regulators and industry players. The Commissioner also acknowledged IPEC's 20th anniversary activities and expressed gratitude to stakeholders for their participation.

Article Authored by Sandra Tinotenda Musevenzo-Director General [ZAPF]

KEY ISSUES DISCUSSED

1. Pension Benefits Improvement

• Pension benefit enhancement remains a top priority for IPEC.

• As of 31 March 2026, the average monthly pension benefit was equivalent to **85 loaves of bread**, compared to **97 loaves in December 2025**. The decline was attributed to distortions caused by year-end bonuses.

• On an annual basis, benefits improved significantly from **39 loaves in March 2025** to **85 loaves in March 2026.**

• Current distribution shows:

20% of pensioners receive less than US$10 per month.

59% receive above US$50 per month.

• IPEC plans to review the minimum pension framework and align benefit improvements with asset performance. Stakeholders were urged to submit comments.

2. Preservation Funds

• The **Preservation Funds Guideline** became effective on 31 March 2026.

• Most provisions should already be implemented.

• The transfer of assets into fund names has an extended deadline **of 1 January 2027 due** to operational complexities.

• Compliance with these guidelines will be a focus during inspections.

3. Pre-2009 Pension Compensation

• Compensation for pre-2009 pension losses remains unresolved and poses reputational risks for the industry.

• Discussions with the parent ministry and the Attorney General's Office are ongoing.

• Regulatory amendments are expected to unlock progress, and IPEC remains optimistic about finality.

4. New Pension Regulations

• The Pension and Provident Fund Regulations are at an advanced stage and expected to be gazetted soon.

• Pension funds were advised to begin reviewing and revising their rules proactively.

5. Compliance and Statutory Submissions

• Submission rate for 2025 audited financial statements stood at 74%, below IPEC's expectations.

• Actuarial valuation report submissions were also very low.
• Delays affect IPEC's statutory reporting obligations to the Ministry of Finance and Parliament.
• Pension Funds are encouraged to ensure timely submissions of annual returns.

6. Contribution Arrears
• Contribution compliance declined from 44% to 43% in Q1 2026.
• 15 employers cleared arrears, while 30 submitted payment plans.
• Non-compliance among smaller employers is increasing.
• IPEC will intensify enforcement, including use of garnishee powers.

7. IPEC Amendment Act (2026)
• The Act, effective 24 April 2026, introduced significant changes:
o Expanded IPEC's mandate to regulate medical aid societies and NSSA, and related entities.
o Established a Policyholders and Pension Fund Members Protection Fund.
o Required guidance on treatment of unclaimed benefits.
o Opened opportunities for collaboration between occupational pension schemes and medical aid societies.

8. Regulatory Sandbox
• Applications for Cohort 2 opened on 15 May 2026 and close on 31 August 2026.
• The Commissioner noted slow participation from the pensions sector compared to short term insurance.
• Pension funds are encouraged to submit innovative solutions to enhance inclusivity and sustainability.

9. Retirement Planning Tool
• IPEC issued Retirement Planning Tool 2 through Circular 9 of 2026 and expects administrators and pension funds to distribute it to members.

10. Shared ICT System
• Progress on the shared ICT system has been slower than expected.
• Stakeholders are expected to:
o Review the original motivation document.
o Consider alternative models.
o Reach consensus on the preferred system design.

11. Policy Advocacy
• ZAPF submitted policy recommendations on monetary policy, budget processes, and other economic issues.
• Preparations are underway for submissions to the Mid-Term Fiscal Review which were done before the 17 June 2026 deadline.

12. Medical Outreach
• A medical outreach programme is planned for July 2026 in Matabeleland North Province, with fundraising scheduled during June.
• Pension funds are encouraged to support this initiative as corporate social responsibility.

13. Electronic Supervisory System
• IPEC is finalizing procurement of a service provider to develop an electronic supervisory system.

14. Expense Framework
• Compliance improved from 84% to 91%.
• The framework is under review pending further industry submissions.

CAPITAL MARKETS AND INVESTMENTS

15. Delisting of Companies from the ZSE
• Concerns raised included:
o Reduced investment opportunities for pension funds.
o Increased concentration risk.
o Valuation challenges when listed companies become unlisted.
• The Commissioner directed that:
o The issue be treated as an action item.
o IPEC and stakeholders gather data on pension fund exposures.
o Engagement continue with securities regulators to protect minority investors.

GOVERNANCE AND REGULATORY ISSUES

16. Regulations vs Guidelines
• Concerns were raised about reliance on guidelines in the absence of gazetted regulations.
• IPEC explained that delays are due to processing at the Attorney General's Office.
• Guidelines, developed through stakeholder consultation, serve as interim regulatory instruments.

KEY TAKEAWAYS FROM THE ZAPF CONFERENCE

• Greater portfolio diversification.
• Increased investment in ETFs, REITs, commodities, horticulture, mining, and infrastructure.
• Greater use of AI for scenario analysis, compliance, and predictive analytics.
• Stronger governance and member communication.
• Alignment with Zimbabwe's **National Development Strategy 2**

• Actuarial valuation report (NDS2).

FINAL MESSAGES

• Trustees must appoint individuals with appropriate expertise to oversee specialized investments.
• Trustees carry significant responsibility and accountability for investment decisions.
• Capacity building should remain a priority for the industry.

ZAPF UPDATES

• Reaffirmed commitment to collaboration with IPEC.
• Announced the appointment of a new Capacity and Stakeholder Manager, Maureen Tsodzo.
• Confirmed a strategic review scheduled for **8 July 2026** to guide the 2026–2027 agenda.

Submitted for and on behalf of the Association

Sandra Tinotenda Musevenzo
Director General