Z.A.P.F

PENSION

MAGAZINE

April 2023

OPPORTUNITIES

THEME:

Navigating the evolving landscape of retirement security

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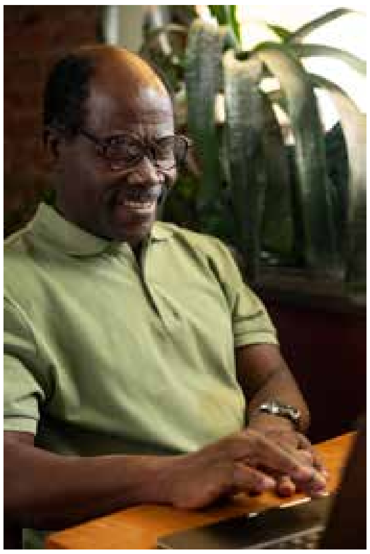


Navigating the Evolving Landscape of Retirement ....Security

Welcome to another edition of the ZAPF Pension Magazine, your trusted resource for all things pensions! As we settle into 2024, the world of retirement continues to transform. In this issue, we will delve into these ever-changing dynamics, equipping you with the knowledge and strategies to secure better retirement outcomes amidst various challenges.

The traditional model of a guaranteed pension after decades of service is becoming increasingly uncommon. Demographic shifts, economic uncertainties and rising healthcare costs are putting a strain on pension systems worldwide. This necessitates a proactive approach from individuals to safeguard their financial future. On the other hand, the VUCA environment is presenting challenges to Defined Contribution Pension Funds' investment portfolios. What are the solutions then?

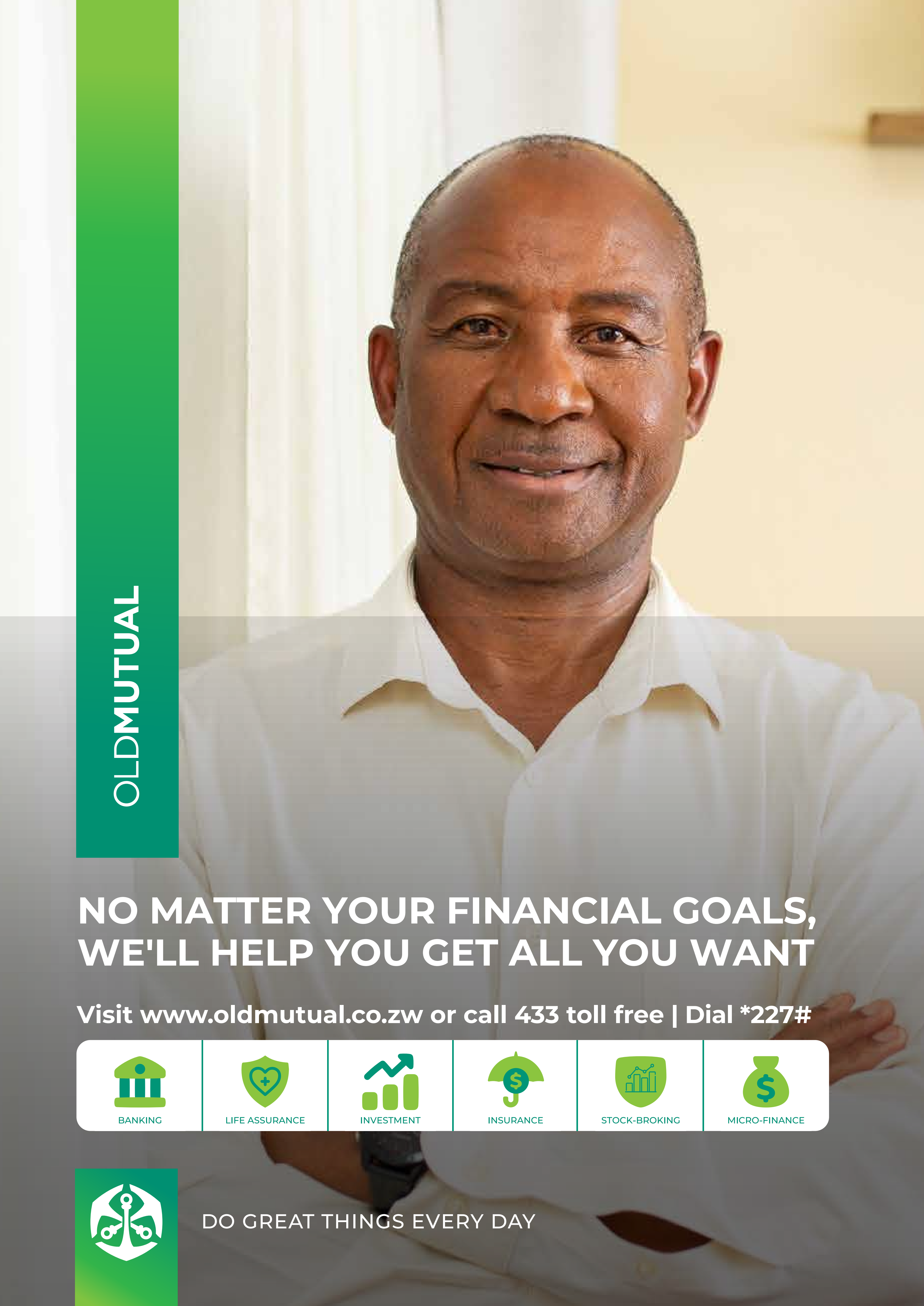
This issue empowers pension stakeholders to take charge of retirement journeys. We explore various strategies to maximize pension benefits, including investment choices. We equip you with the knowledge to make informed investment decisions based on your risk tolerance and time horizon.

The ZAPF Pensions Magazine is committed to fostering a community of informed trustees and retirees together with those planning for retirement. We encourage your participation. Together, we can navigate the evolving landscape of retirement security and ensure a fulfilling future. This issue is just a chapter of your journey. We will continue to provide insightful content, expert advice and resources throughout the year.

Stay tuned!

Your Sincerely

Sandra Tinotenda Musevenzo
Director General
ZAPF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Investing your retirement funds in property is a BAD IDEA

...unless you read the fine print carefully

Property investment holds such allure – long-term gains, rental income and intergenerational wealth. However, like any investment, venturing into the world of bricks and mortar requires careful planning and research. This is especially true because skipping out on due diligence and feasibility study can turn your dream property into a financial nightmare. The key culprit? Not doing your homework, writes Zimbabwean investment consultant Malvin Chidzonga.

Real estate's appeal is undeniable. However, this perception of stability often overshadows the underlying complexities. Real estate is a long-term game, demanding significant upfront investment and ongoing costs. The market itself is subject to external forces, just like any other investment vehicle. Economic downturns, interest rate fluctuations, abundant land in places like Africa and even local infrastructure projects can significantly impact property values and rental yields.
So, what exactly happens when you dive headfirst into real estate without proper preparation? Here are some of the biggest pitfalls you might encounter:

OVERPAYING FOR THE PROPERTY
One of the most common mistakes is simply paying more than a property is worth. Without understanding the local market, recent sales data and comparable properties, you might be swayed by a seller's inflated asking price. This not only eats into your potential profits but also makes it harder to sell later at a fair market value. Without a firm grasp of market value, you risk falling prey to emotional buying or manipulative tactics. A lack of comparable property research can leave you overpaying for a home, significantly impacting your potential return on investment (ROI). This can make it difficult to find tenants or sell the property when the time comes.

BLINDSIDED BY HIDDEN COSTS:
Buying a property is just the first step. Ongoing costs like property taxes, maintenance, repairs, insurance and potential vacancy periods can eat into your rental income or force you to dip into your savings. Failing to factor in these expenses beforehand can lead to negative cash flow, making the investment a financial burden. For example, certain locations which are prone to floods or which are in wetlands can influence the insurance premiums for properties in those areas to be

higher than other areas. In addition, engineering or building costs in wetlands could be higher than other areas if you buy land without proper homework or expert consultation.

PICKING THE WRONG LOCATION:
Location, location, location – this mantra holds true in real estate. A seemingly charming property could be located in a declining neighbourhood with high vacancy rates, limited rental potential or prone to flooding. Understanding demographics, future development plans and crime rates in the area can significantly impact the success of your investment. I know of a family which sold their house to another family because the selling family had information about a Church which was going to build a Church just close to their house. Think about the disadvantages of noise and vehicle traffic besides the benefits of being close to a Church.

IGNORING STRUCTURAL ISSUES:
A beautiful facade can hide a multitude of sins. Skipping a thorough inspection by a qualified professional could leave you saddled with expensive repairs for structural problems, faulty electrical wiring or a leaky roof. These unforeseen costs can derail your financial plans and leave your property unrentable.

UNPREPARED FOR UNEXPECTED EVENTS:
The real estate market is not static. Economic downturns, interest rate fluctuation and even changes in government regulations can all affect property values and rental income. Without a financial buffer and contingency plans these unexpected events ca leave you vulnerable and
force you to sell at a loss.

THE DOMINO EFFECT:
HOW THESE MISTAKES CAN SPIRAL OUT
The consequences of these missteps can have a domino effect, creating a financial crisis for unprepared investors.. Here's a potential scenario:
•You purchase a property without proper research, overpaying by 20%.
•Hidden maintenance issues surface, requiring additional repairs that drain your savings.
•The neighbourhood experiences a decline in rental demand, leading to vacancies and a loss of rental income.
•Interest rates rise, increasing your monthly mortgage payment.
Suddenly, what seemed like a sound investment becomes a money pit. You are struggling to cover the mortgage, property taxes and repairs while facing a stagnant or declining property value. In worst-case scenarios, you might be forced to foreclose, losing your initial investment and damaging your credit score.

THE LEGAL LABYRINTH: UNDERSTANDING THE CONTRACT
Real estate contracts can be complex legal documents. Don't just skim through them – understand every clause.
Here are some key areas to pay close attention to:
•Inspection Clauses: Ensure the contract allows for thorough inspections, including for hidden defects, pests and potential structural issues.
•Repair Responsibilities: Clearly define who is responsible for repairs – landlord versus tenant – for specific issues.
•Termination Clauses: Understand the terms for terminating the lease with a tenant, including potential penalties or notice periods.
•Warranties and Guarantees: Be aware of any warranties offered by the seller and understand their limitations.

How to Invest in Real Estate Wisely
So, how do you avoid these pitfalls and ensure your real estate venture is a success? Here are some essential steps to take before diving in:
Knowledge is power. Read books, attend workshops and take online courses to understand the fundamentals of real estate investment. Learn about market trends, financing options, property management and the legal aspects of buying and selling property. Surround yourself with experienced professionals. A qualified real estate expert can help you navigate the market, find suitable properties and negotiate a fair price. A lawyer can ensure all contracts and paperwork are in order and a property inspector can uncover any hidden problems. Don't rely on gut instinct or a seller's pitch.

Research the local market, analyse recent sales data for comparable properties and understand the demographics of the neighbourhood you are considering. Don't skimp on a professional property inspection. This can reveal structural issues, potential safety hazards or code violations that could impact your investment significantly. Create a realistic budget that includes the purchase price, closing costs, ongoing maintenance, property taxes, insurance and potential vacancy periods. Don't forget to consider the impact of potential interest rate fluctuations.

Real estate can be a powerful tool for building wealth. However, ignoring the fine print can turn a dream investment into a financial burden. By understanding the hidden costs, potential pitfalls and the legal complexities, you can approach property investment with a well-informed and cautious eye. Remember, knowledge is power. Empower yourself with the right information to make informed decisions and turn real estate into a great investment.

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Why select internationally affiliate auditors for pension fund?

| By Sophia Chekenyu |

Pension funds hold the vital responsibility of managing billions of dollars in assets, entrusted to them by individuals who rely on these funds for their future financial security. Ensuring the utmost transparency an d accountability in these funds is paramount. One way to achieve this is by engaging internationally affiliated audit firms for their independent audit. Internationally affiliated auditors offer significant advantages that can directly benefit pension fund members and stakeholders.

ENHANCED EXPERTISE AND BEST PRACTICES:

Global audit firms operate across diverse markets, exposing them to different regulatory environments. This broad exposure translates to deeper expertise in tackling intricate auditing challenges. They are often at the forefront of adopting best practices and methodologies honed in different jurisdictions, providing greater assurance of adherence to international standards and best-in-class audit procedures. This, in turn, enhances the credibility and reliability of their audits, fostering greater trust among stakeholders.

SPECIALIZED KNOWLEDGE AND RESOURCES:

Pension funds often invest in a variety of asset classes, including international holdings. Internationally affiliated firms possess specialized knowledge and resources dedicated to specific sectors or regions. They have teams well-versed in navigating the nuances of foreign markets and diverse regulatory environments, allowing for a more comprehensive and thorough audit of a pension fund's international investments. This specialized knowledge minimizes the risk of overlooking potential issues and ensures greater protection for pensioners' investments.

STRONGER INDEPENDENCE AND OBJECTIVITY:

Internationally affiliated firms, with their established global networks and strong ethical codes, are often perceived as having a greater degree of independence and objectivity. This is particularly important for pension funds, where conflicts of interest and insider knowledge can pose significant risks. Their independence fosters greater public trust in the audit process and the financial health of the fund.

TECHNOLOGICAL ADVANCEMENT AND INNOVATION:

Global audit firms invest heavily in developing and leveraging cutting-edge technological solutions for audits. This includes advanced data analytics, artificial intelligence, and automation tools that enable more efficient and deeper analysis of financial data, leading to a greater ability to identify potential risks and uncover irregularities. This technological edge enhances the effectiveness and efficiency of audits, ultimately benefiting pension funds by promoting better risk management and safeguarding their assets.

GLOBAL COLLABORATION AND KNOWLEDGE SHARING:
The collaborative nature of international networks allows for cross-border knowledge sharing and exchange of best practices among affiliated firms. This not only benefits individual firms but also elevates the overall quality of audits conducted by all affiliates. Pension funds gain from this network through exposure to cutting-edge auditing techniques and insights from diverse markets, further strengthening the quality and robustness of their audits.

IMPROVED GLOBAL REPUTATION AND MARKET ACCESS:
Engaging a globally recognized audit firm can enhance a pension fund's reputation and credibility among its stakeholders. This positive perception can potentially open up new avenues for diversification, ultimately benefiting the financial health of the fund and the members it serves.

CONCLUSION:
Engaging internationally affiliated auditors for pension funds can offer a multitude of positive benefits. Their deeper expertise, specialized knowledge, increased independence, technological advancements and global network collaboration significantly enhance the quality and effectiveness of audits. While cost and cultural aspects require careful consideration, the overall value proposition for safeguarding pension fund assets and member's future financial security is undeniable. Ultimately, the decision should be based on a comprehensive evaluation of the specific needs and context of each pension fund, with the primary goal of ensuring the highest possible level of transparency, accountability and financial security for its members.

Audit Manager- Kreston Zimbabwe Chartered Accountants (An independent member of Kreston Global).

RETIREMENT

A retirement planning pitfall 1

| Do not put them in one basket |

It is nearly a jubilee of expectation and immense longing for an elusive economic paradise in the heart of a nation draped in the glooms of political hullabaloo. The tempo of its economic uncertainty persistently and constantly keeps throbbing, it always sounds like the good is about to happen but the clock keeps ticking and the black hair keeps getting replaced by the grey hair, shockingly the generation which was born free of colonialism is also now shaving grey hair still hopeful, albeit the elusive promised paradise keeps moving. Many questions come to mind; was the land reform the right move? Probably yes ……I vividly in hindsight see that it was inevitable and probably necessary, perhaps we had to choose between sanctions or keep birthing our children into squashed few thatched huts in compounds and or in our Tribal Trust Lands. The Lancaster agreement delicacy was trendy at that time.

In my calm nights, I dream of a nation with no hyperinflation, sanctions and corruption. It sounds like all I need is time and chance for me to enjoy the paradise- the earthly good life. As I said before, I am 67 years old turning 68 and I have been planning for my retirement until 2008/9. Suddenly, all that I had worked for like in an overcast, rainy and dark night was swallowed by the epoch and the tall white ghost of dollarization, it was however inevitable since the ugly vampire head of hyperinflation had kept influencing our insomnia. I needed so much of my then present life in order to have the future. We had to survive.

Did I make mistakes by investing all my earnings in money market investments? Probably Yes, I did, and it was a grave mistake. It was a pitfall to be avoided, I should have foreseen the risk and I should have diversified my portfolio. I should have invested in the money market, in the stock market and in the property market among other assets, surely, I would not have lost everything, specifically having the property as a key ingredient in the portfolio.

I send a stern warning to the young and those investing for retirement, to diversify their portfolios, they should not put their eggs in the same basket, even if it is real estate. Think about what happened to the CBD high-rise office buildings in Harare and the residential properties in China, with Evergrande defaulting on its bond payments because of no take-up of its properties. I would call investment concentration risk is risky.

In Zimbabwe, like muchongoyo dance, the political landscape increasingly and incessantly spins, casting a veil of unpredictability that shrouds the very essence of stability. A tempest of routine election disputes is of the hurricane nature, it whistles through the corridors of power, leaving citizens in a constant state

of anticipation, unsure of the next twist in these mysterious narratives.The politically sensitive currency, was once an unwavering companion, but now snaps with the winds of any trivial policy change, its value is now a mere ghost of stability. In Zimbabwe Inflation has been prefixed “Hyper!”, it is more like a plague or rather a pandemic, specifically confined within our boarders. It is now a common word that needs no definition to all citizens, and the cost of living is like a shape-shifting ghost, evoking a constant struggle for financial balance. Budgeting in this turbulent theatre demands a delicate choreography. The script of income and expenditure is penned in disappearing ink, rendering long-term plans a momentary mirage.

Citizens, burdened with the heavy cloak of economic load, find themselves navigating a maze where each turn may reveal an unforeseen and unusual challenge, an unexpected toll on their financial balance. Investing becomes a poetic gamble. The market, an unpredictable partner, responds not to logic but to the accidents of a shifting economic breeze. Diversification becomes not just a strategy but a survival instinct, a way to weather the tornados of erratic policy shifts and economic tempests. Saving, once a beacon of security, now stands on quicksand, we once had Beverly shares, Post Office Savings books etcetera.

The deeply terrible nature of the country casts a long, gloomy shadow on traditional savings, as inflation devours the hard-earned reserves. The act of preserving wealth becomes an intricate dance, a delicate balancing act on the tightrope of economic shakiness. In the embrace of this deeply troubled nation, the dance of budgeting, investing, and saving transforms into an intricate ballet, where each step is a negotiation with the unknown and the build-up of uncertainty echoes through the hearts of its resilient inhabitants.

In conclusion, you must choose your dance-dance to: amapiano in South Africa, Borrowdale in Zimbabwe, Bush Dance in Australia and Dragon dance in China. Our key word in this environment is diversification, let your portfolio be an omelette, pick this and that, do not invest only in cattle lest they all succumb to January disease.Advice: do spend any extra day further before investing, do not blame the government neither should you blame sanctions. Zimbabwe is endowed with natural resources, fertile soils, water bodies and close to free land. Choose your dance, dance in the tempest, this is your country, whether you whine or no.Learn to diversify by the product where your money is, in cattle, gold, stocks and property, further learn to diversify by location where you have some stocks or property in some other stable economies through offshore investments. Diversify your investment.

Amos Kumwenda is a Financial Coach and writes in his own capacity. His writings do not amount to financial advice. Before you invest you need to be profiled and get proper guidance.

How to get things done

|By Musawenkosi R.C Dzheka|

Whenever you make your request, put it in a form that will convey to the other person the idea that they will benefit. One could give a curt order like this: 'John, we have customers coming in tomorrow and I need the stockroom cleaned out. So, sweep it out, put the stock in neat piles on the shelves, and polish the counter.' Or we could express the same idea by showing John the benefits he will get from doing the task: ' John, we have a job that should be completed right away. If it is done now, we won't be faced with it later. I am bringing some customers in tomorrow to show facilities. I would like to show them the stockroom, but it is in poor shape. If you could sweep it out, put the stock in neat piles on the shelves, and polish the counter, it would make us look efficient and you would have done your part to provide a good company image' way his stockroom looks and is interested in contributing to the company image, he will be more likely to be cooperative. It is naïve to believe that this method will always yield positive results but, in this way, it is easier to reduce the risk of rebelliousness from the targeted individual. It is easier to get something done if you make the other person happy about doing the thing you suggest. Assuming you know that John has pride in the way his stockroom looks and is interested in in contributing to the company image, he will be more likely to be cooperative. It is naïve to believe that this method will always yield positive results but, in this way, it is easier to reduce the risk of rebelliousness from the targeted individual. It is easier to get something done if you make the other person happy about doing the thing you suggest.

What we lack as a nation are not technical skills, we have a bunch of those but the ability to communicate with each other effectively without cutting each other's throats is still a bit far from us. The above example is from Dale Carnegie's famous book "How to Win Friends and Influence People". It is a book all regulators and economic players across different industries should read. One of the main reasons why compliance is low when it comes to different regulations and instructions from regulators is because of how the directives are delivered to the recipient. Tax compliance is low in the nation, monetary and fiscal authorities are finding it difficult to de-dollarize the economy, prescribed assets compliance for pensions industry is low, pensions industry is finding it difficult to cope with the compensation process, the list is endless. In times like these we should question ourselves if the approach being used is the right one. All of the above are relevant initiatives but somehow it is difficult for our regulators to drive the point home in an understandable manner to industry.

Sugar tax to pool fund for cancer machines, 10% margin for pricing goods in order to try and contain prices and inflation , being the sole distributor of foreign currency in the economy in order to contain exchange rate depreciation , requesting QPD payments in local currency to push demand for the ZW$, digital gold tokens to cater for the market which cannot afford physical gold, deadlines for de-dollarization, hefty penalties and deadlines for non-compliance with pensions compensation framework , the list is endless. Sensible intentions are rooted in all of these policies and directives but the manner in which everything is being carried out is just difficult to digest and is inducing rebelliousness and unrest in the economy. We need to improve on the way we relate to each other and how we intend to carry out certain things. It is easier to get something done if you make the other person happy about doing the thing you suggest and you make that person happy by making them see and feel like they are the part of what you are trying to achieve.

From the IPEC Commissioner's Desk.....
IPEC 2024 Focus Areas for the Pensions Industry

1. CONFIDENCE RESTORATION

a.**2009 compensation** – the Commission is seized with evaluation of submitted compensation schemes to ensure that members are paid
b.Guidance paper compliance – continuous assessment of actuarial valuation and enforcement of implementation. An impact assessment of the Guidance Paper will also be carried out.
c.Product relevance
>Guaranteed fund reforms
>Recall and re-registration of post-retirement products
d.Member communication and AGMs
e.Introduction of new products and recall/termination of life products

2. EFFICIENCY IN ADMINISTRATION OF PENSION FUNDS

- Relevance of administration models
- Consolidation of small funds
- Expenses framework
- ICT infrastructure sharing
- Benefits improvement/tracking

3. GOVERNANCE

- Alignment of fund rules to the new Act
- Re-registration of all fund rules
- Full constitution of boards
- Compliance with minimum qualifications skills mix and term limits
- Data integrity
- Coverage
- Ways to resuscitate life and pensions industry
- Holistic pension reforms
- Awareness raising in Micro-pensions
- Feasibility of statutory life insurance, e.g. for artisanal miners

Pension Planning for the Gig Economy

| A Case for Zimbabwe |

INTRODUCTION

The gig economy has transformed the global labor market, offering unmatched flexibility and entrepreneurial opportunities. Zimbabwe, like many other countries, has witnessed the rise of gig workers who prefer the freedom and autonomy that comes with freelance work. However, the gig economy presents unique challenges for pension planning, as gig workers often lack access to traditional employer-sponsored retirement benefits. In this article, I will explore the importance of pension planning for gig workers in Zimbabwe and discuss potential strategies to address this issue.

THE RISE OF THE GIG ECONOMY IN ZIMBABWE.

Zimbabwe has experienced a significant increase in gig workers in recent years. Rapid advancements in technology, coupled with high levels of unemployment and under employment, have contributed to the growth of the gig economy. Many Zimbabweans have turned to freelance work in sectors such as digital marketing, graphic design, writing, and ride-hailing services. While the gig economy offers flexibility and income opportunities, it also raises concerns about long-term financial security, particularly in retirement

CHALLENGES FACED BY GIG WORKERS IN PENSION PLANNING.

Pension planning for gig workers in Zimbabwe poses unique challenges. Unlike traditional employees, gig workers do not have

access to employer-sponsored pension plans, which often provide a stable retirement income. Additionally, gig workers often face irregular income streams, making it difficult to set aside consistent savings for retirement. Furthermore, the lack of financial literacy and awareness about retirement planning options further compounds the issue.

THE IMPORTANCE OF PENSION PLANNING FOR GIG WORKERS

Despite the challenges, pension planning is crucial for gig workers in Zimbabwe. Retirement is a reality that gig workers need to prepare for, as their income-generating capacity may decline with age or changing market demands. Building a retirement nest egg is essential to ensure financial security and stability in later years. By starting early and implementing effective pension planning strategies, gig workers can leverage their income during their peak earning years to create a sustainable retirement plan.

POTENTIAL STRATEGIES FOR PENSION PLANNING IN THE GIG ECONOMY

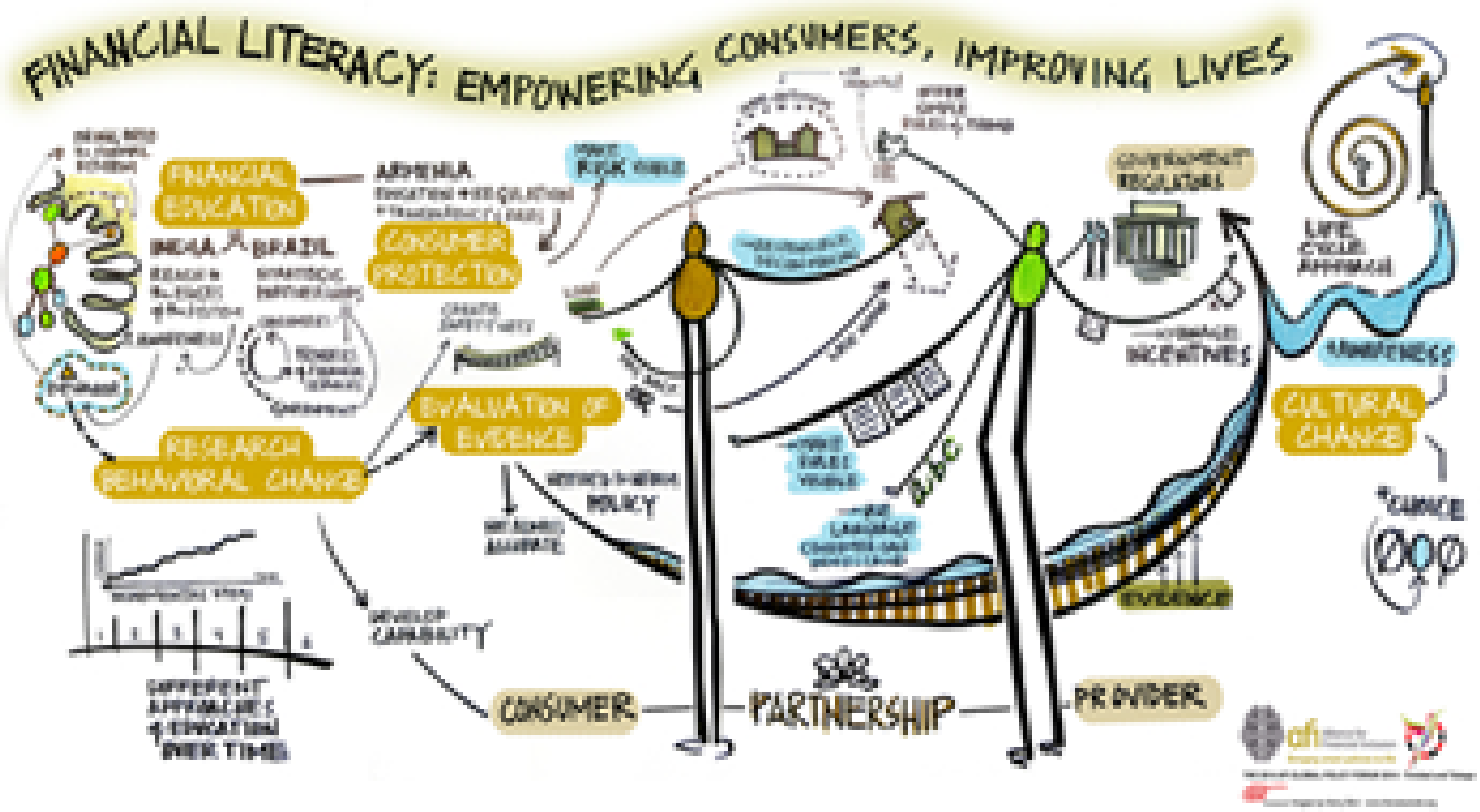
1.Individual Retirement Accounts (IRAs): Gig workers in Zimbabwe can consider opening IRAs, which allow them to contribute a portion of their income on a tax-advantaged basis. IRAs provide flexibility and control over investment choices, enabling gig workers to tailor their retirement savings to their risk tolerance and financial goals.

2.Financial Education and Awareness Campaigns: Increasing financial literacy among gig workers is essential. Government agencies, financial institutions, and non-profit organizations can collaborate to provide educational resources, workshops, and seminars on retirement planning, investment strategies, and the importance of long-term savings.

3.Collaboration with Digital Platforms: Gig workers often rely on digital platforms for securing gigs. These platforms can play a role in promoting pension planning by partnering with pension providers or offering retirement savings options as part of their services. This collaborative effort can raise awareness and simplify the process of pension planning for gig workers.

CONCLUSION

Pension planning is a critical aspect of financial well-being, even for gig workers in Zimbabwe. The gig economy provides opportunities for income generation and flexibility, but it also exposes workers to unique retirement challenges. By adopting suitable pension planning strategies, such as IRAs, and increasing financial literacy, gig workers can take control of their retirement future. It requires a collective effort from the government, financial institutions, and gig economy stakeholders to ensure that gig workers have access to the necessary tools and resources for effective pension planning. Ultimately, addressing this issue will contribute to the long-term financial security and well-being of gig workers in Zimbabwe.

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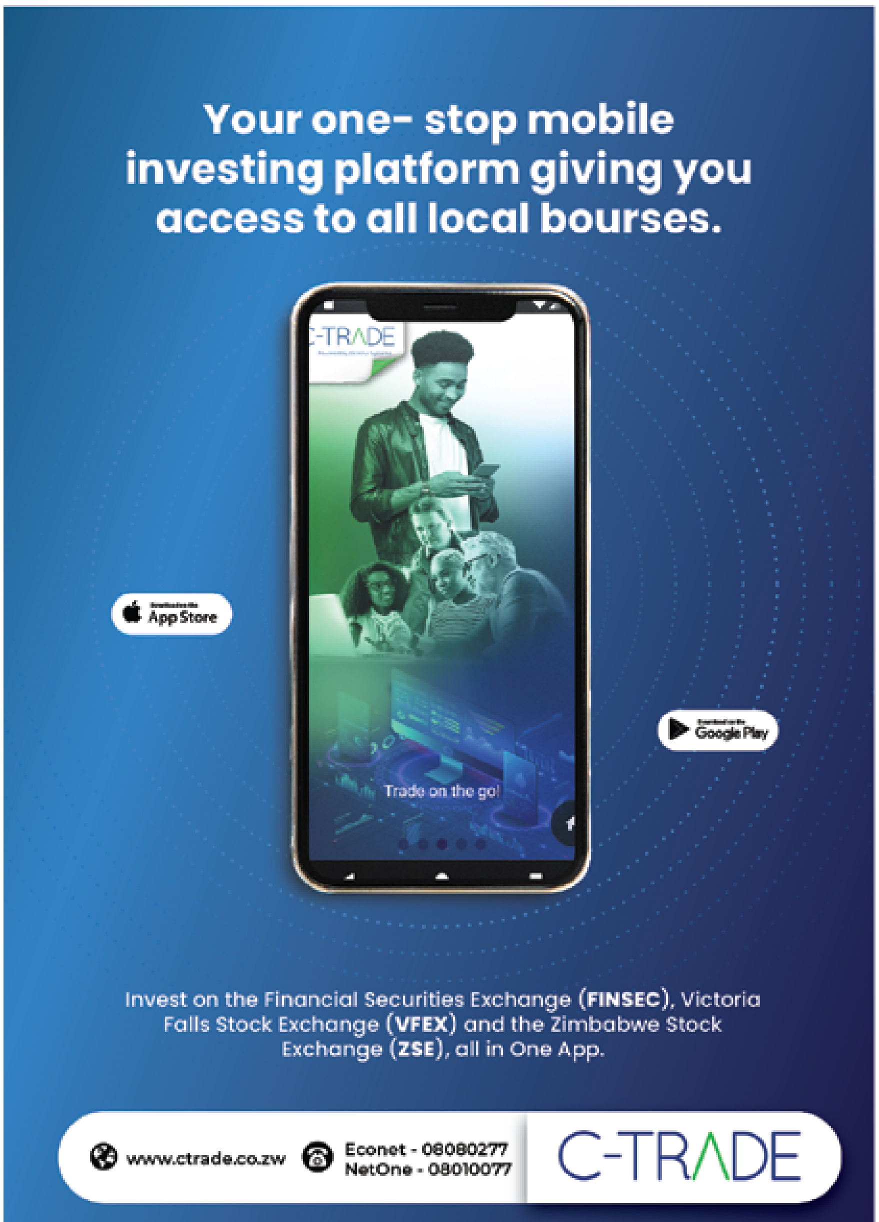
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EQUALITY

Ring the bell for gender equality

A collaborative ring by the Zimbabwe Stock Exchange (ZSE), Victoria Falls Stock Exchange (VFEX) and the Chartered Financial Analyst society South Africa (CFA Society SA)

As part of this year's International Women's day celebration, the ZSE, VFEX and the CFA Society SA collaborated to spearhead an initiative aimed at empowering women in the capital and financial markets in Zimbabwe. The partnership was born out of a shared commitment to address gender disparities in the financial sector and create opportunities for women to thrive professionally.

Driven by the statistics of the under-representation of women in the financial sector, particularly in leadership positions, this initiative was one of the several efforts by the parties to empower women. Despite making up a significant portion of the workforce, women continue to face barriers to advancement, including unconscious bias, lack of mentorship, and limited access to networking opportunities. The event was a reminder of the efforts that are still to be made in order to empower the women.

The International womens day and women's month which was running under the theme Invest in women, accelerate progress, saw seasoned leaders within the capital markets sharing nuggets to the over fifty women that attended the event.

As the organizers of the event, the ZSE also shared some of the initiatives being undertaken by the bourse to advance women's empowerment. The ZSE through its current Corporate Social Responsibility projects is promoting the development of disadvantaged members within the community they operate in. The ZSE identifies underprivileged girls and assists them to advance their education by facilitating scholarships for their tertiary education. This initiative was launched in January 2022 for female students from across different universities in Zimbabwe.

EQUALITY

The women's day celebrations included a lineup of speakers with expertise in the capital markets and in depth discussions exploring the root causes of gender inequality in the financial industry and identifying strategies to address them. During the event, participants managed to engage in candid discussions about the challenges faced by women in their professional journeys and brainstormed innovative, tangible solutions to promote diversity and inclusion. The event served as a platform for sharing experiences, exchanging ideas, and building solidarity among industry professionals committed to driving change and gender equality.

Some of the key nuggets shared during the event include;

- The need for upskilling women and girls from the grassroot level
- How to navigate the obstacles faced as a women in a male dominated industry
- Never being shy as a women to seek quality help and support to enable one to achieve full potential in one's area of endeavor
- A 360 degree analysis of the theme - "Invest in women, accelerate progress" as it seems to give women timelines to what women should achieve, and instead of women being also given the same amount of time that has been awarded to men in order to measure their progress
- The importance of supporting each other as women and having a supportive network
- Women empowerment and personal experiences as women in the capital markets

The CFA Society (SA) has been collaborating with the ZSE to raise awareness on Ring the Bell for Gender Equality. This initiative aims at recognizing the contribution of women and girls around the world. The CFA Society (SA) has several initiatives they have launched to support women's advancement in the financial sector. These initiatives include mentorship programs and networking events designed to

connect women with industry leaders and provide them with the skills and resources needed to succeed. Both the CFA Society (SA) and the ZSE are actively working to raise awareness on the importance of gender diversity and inclusion in the workplace and advocating for policy changes to support women's advancement.

Beyond these specific initiatives, the CFA Society (SA) and the ZSE are also committed to fostering a culture of inclusivity and equality within their respective organizations. This includes implementing policies and practices that promote gender balance in leadership positions, ensuring equal opportunities for professional development and advancement, and creating a supportive work environment where all individuals feel valued and respected. The strong collaboration between the ZSE and the CFA Society (SA) represents a powerful example of the collective action needed to address gender inequality in the financial sector. By joining forces and leveraging their expertise, resources, and networks, these organizations are paving the way for a more diverse, inclusive, and equitable industry. As they continue to champion women's empowerment, they are not only transforming individual lives but also driving positive change that will benefit society as a whole.


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ZIMGOLD


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THE FUTURE OF PENSION FUNDS

Zimgold

commercial paper: a win-win for investors and zimgold

| By Mr. Amit Goyal –Finance Director |

Zimgold Oil Industries (Pvt) Ltd launched its first ever USD commercial paper last year in May 2023 for USD 5 million with Prescribed Assets status. The commercial paper was a tap issue and was intended to source funding for Zimgold's cyclic procurement season mainly for soyabean and sunflower seeds. It all started at the ZAPF Annual Conference last year at Victoria Falls, followed by the Investors' factory tour at Zimgold facilities in Harare. Asset managers, pension funds' trustees, as well as several financial institutions, all showed a huge interest and found it as a very good value preservation and investment instrument since the commercial paper was launched in US Dollars and offered a very good return on investment.

90% of the issue has been subscribed and most of the investors have reinvested the various amounts maturing for another 180 days. The Commercial paper attracted investments from all over the country with anchor subscribers being NBS, FBC Bank and many pension funds.

This commercial paper issue by Zimgold has opened up a new money market space which remained untapped for long. In the ironical environment where the fund houses tend to invest their money only in long term physical assets like properties, the Zimgold Commercial paper provided investors a place where they can safely invest their funds for short term and also help them to match their short term and long-term assets and liabilities. It eventually brought the smile to the faces of the farmers as well because the borrowed money was ultimately used to buy their produce and to settle them on time. And lastly but not the least, this launch created an everlasting and beautiful image of our operations into the mind and hearts of investors and their representatives who believed in us, who invested in us and who are ready to invest more in us which gives us the confidence to continue with such money market instruments in the future.

INVESTMENT MANAGER PERFORMANCE SURVEY FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

Q4 2023 SURVEY AT A GLANCE

No. of Managers Surveyed	Total No. of Portfolios	Aggregate AUM	Median Manager Performance
12	134	ZWL 1.23 Trillion	19.54%

Q4 2023 – PERFORMANCE LEADERBOARD

Q4 2023 – Listed Equities

Rank	Manager	Return (%)
1.	TNAM	102.89%
2.	FMW	53.0%
3.	ABCAM	30.3%

Q4 2023 – Balanced Portfolios

Rank	Manager	Return (%)
1.	Smartvest	64.9%
2.	Datvest	24.0%
3.	ABCAM	23.6%

Q4 2023 – Alternative Investments

Rank	Manager	Return (%)
1.	Smartvest	29.1%
2.	ABCAM	27.3%
3.	Platinum	17.0%

Q4 2023 – Overall Performance

Rank	Manager	Return (%)
1.	TNAM	102.9%
2.	FMW	53.0%
3.	Smartvest	29.8%
4.	ABCAM	24.4%
5.	OMIG	20.4%

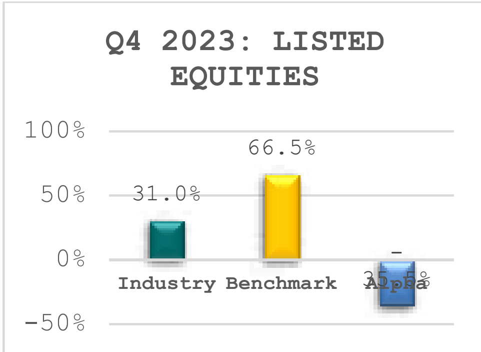
Q4 2023 – Composite Allocations

Composite	Allocation (%)
Listed Equities	39.8%
Balanced Portfolios	36.3%
Alternative Investments	23.9%

Industry Performance Highlights: Q4 2023

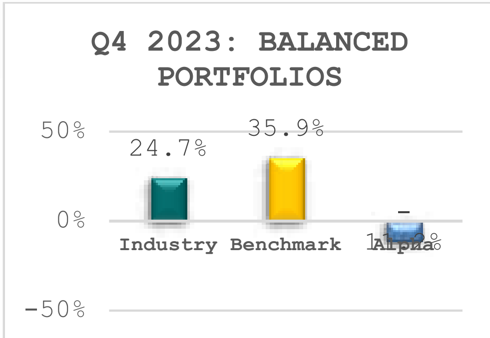
Q4-2023: Listed Equities Portfolios

- Aggregate Composite Return: 31.0%
- Benchmark Return: 66.5%
- Industry Alpha: -35.5%



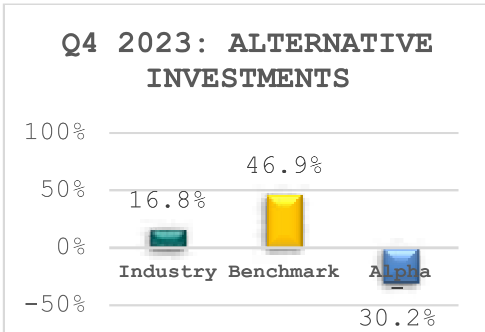
Q4-2023: Balanced Portfolios

- Aggregate Composite Return: 24.7%
- Benchmark Return: 35.9%
- Industry Alpha: -11.2%



Q4-2023: Alternative Investments Portfolios

- Aggregate Composite Return: 16.8%
- Benchmark Return: 46.9%
- Industry Alpha: -30.2%



Q4 2023 PEFORMANCE OVERVIEW

The equities market, represented by the ZSE All Share Index gained 66.48% during the quarter ended 31 December 2023 on the back of improved liquidity on the market. All Listed Equities and Balanced Portfolios recorded positive performances largely reflecting the positive performance on the equities market. Alternative Investment portfolios largely registered positive performances driven by revaluations of properties in line with exchange rate movements and unlisted equities. There were no significant fixed income assets held by any of the asset managers in this survey for the period, hence no portfolio qualified under the Fixed Income Composite.

Q4:2023 Performance Overview

The Q4 2023 Survey focused on Listed Equities, Alternative Investments and Balanced Portfolios Composites, with none of the portfolios qualifying under the Fixed Income Composite. ZSE Equities, as represented by the All Share Index, increased by 66.48% during the quarter due to gains from small cap counters. All managers recorded positive performances but most of them underperformed the benchmark due to relatively poor stock selection as they had low exposures to small and medium cap stocks that drove the index during the period. All the alternative investment portfolios performed below inflation due to the below inflation exchange rate movement used to revalue properties.

Asset Allocation Based-Composites

Q4 2023 - Asset Class Composite Performance Rankings: Listed Equities*

Rank	Asset Manager	Performance	Performance Range	Excess Returns (Alpha)	Relative Batting Average	AUM (ZWL)	% of Total Firm Assets	Portfolios
1	TNAM	102.88%	n/a	36.4%	100.0%	1,185,128,018	0.2%	1
2	FMW	53.00%	n/a	(13.5%)	0.0%	299,308,390	0.0%	1
3	ABCAM	30.30%	n/a	(36.2%)	0.0%	16,381,839,288	3.7%	1
4	Datvest	27.96%	3.6% - 35.3%	(38.5%)	0.0%	20,401,128,351	1.2%	4
5	Platinum	24.36%	n/a	(42.1%)	0.0%	1,666,020,755	0.2%	1
6	Invesci	22.53%	15.2% - 33.2%	(44.0%)	0.0%	55,645,069,989	16.2%	10
7	OMIG	21.97%	11.79% - 27.3%	(44.5%)	0.0%	190,253,516,773	2.4%	15
8	ZAM	21.39%	20.8% - 27.8%	(45.1%)	0.0%	5,484,183,788	1.3%	2
9	Akribos	18.03%	n/a	(48.5%)	0.0%	606,058,860	0.1%	1
10	Imara	17.64%	10.3% - 29.8%	(48.8%)	0.0%	195,602,871,160	33.2%	23
11	Smartvest	15.90%	n/a	(50.6%)	0.0%	6,190,458,948	1.4%	1
12	Purpose	15.46%	13.3% - 17.6%	(51.0%)	0.0%	2,122,001,963	4.6%	2
Benchmark**		**66.48%**	**Averages / Totals**	**(35.5%)**	**8.3%**	**495,837,586,285**		**62**

The Listed Equities Composite consists of portfolios for which at least 70% is invested in Listed equities.

***Benchmark is the passive growth ZSE All Share Index.*

Q4 2023- Asset Class Composite Performance Rankings: Balanced Portfolios*

Rank	Asset Manager	Performance	Performance Range	Excess Returns (Alpha)	Relative Batting Average	AUM (ZWL)	% of Total Firm Assets	Portfolios
1	Smartvest	64.9%	n/a	29.0%	100.0%	2,074,589,143	0.5%	1
2	Datvest	24.0%	16.3% - 64.2%	(11.9%)	20.0%	126,599,501,094	7.4%	5
3	ABCAM	23.6%	17.4% - 38.9%	(12.3%)	7.0%	192,906,401,684	43.6%	15
4	Platinum	20.9%	20.1% - 25.8%	(15.0%)	0.0%	13,218,838,838	1.6%	2
5	ZAM	19.7%	12.2% - 26.2%	(16.2%)	0.0%	19,663,695,529	4.8%	6
6	Invesci	18.4%	12.4% - 25.6%	(17.5%)	0.0%	27,505,507,978	8.0%	7
7	OMIG	15.4%	9.4% - 28.5%	(20.6%)	0.0%	53,169,067,944	0.7%	8
8	Imara	10.7%	5.8% - 16.3%	(25.2%)	0.0%	16,923,680,637	2.9%	2
Benchmark**		**35.9%**	**Averages / Totals**	**(11.2%)**	**15.9%**	**452,061,282,846**		**46**

The Balanced Portfolio Composite consists of portfolios where no one asset class accounts for over 70% of the portfolio (50% for alternative investments)

The Benchmark is comprised of: 25% ZSE All Share Index + 25% Ave 90-day TB/BA rate + 25% Ave Return on bonds with PA status + 25% CPI

Q4 2023 - Asset Class Composite Performance Rankings: Alternative Investments Portfolios*

Rank	Asset Manager	Performance	Performance Range	Excess Returns (Alpha)	Relative Batting Average	AUM (ZWL)	% of Total Firm Assets	Portfolios
1	Smartvest	29.1%	7.6% - 88.2%	(17.8%)	25.0%	119,961,065,833	27.1%	8
2	ABCAM	27.3%	27.0% - 27.4%	(19.6%)	0.0%	16,054,932,520	3.6%	2
3	Platinum	17.0%	17.4% - 16.1%	(29.9%)	0.0%	11,157,889,689	1.3%	2
4	Invesci	13.9%	11.3% - 25.2%	(33.0%)	0.0%	38,922,162,069	11.3%	5
5	OMIG	13.7%	n/a	(33.2%)	0.0%	836,055,554	0.0%	1
6	Datvest	12.8%	5.2% - 16.0%	(34.2%)	0.0%	97,013,531,595	5.7%	6
7	ZAM	11.7%	n/a	(35.2%)	0.0%	1,967,233,811	0.5%	1
8	Imara	8.5%	n/a	(38.4%)	0.0%	11,253,287,093	1.9%	1
Benchmark**		**46.9%**	**Averages / Totals**	**(30.2%)**	**3.1%**	**297,166,158,163**		**26**

The Composite consists of portfolios for which at least 50% is invested in non-listed property and private equity and the benchmark is: TCPL inflation

Mandate Based-Composites

Few Composites qualify as pure Equities or Alternative Investments, with the majority being Balanced Portfolio Composites based on signed Mandates. This reflects the general bias towards full allocation Managers instead of Specialist Managers in the Zimbabwean investments management industry.

Q4 2023 -Mandate Composite Performance Rankings: Listed Equities*

Rank	Asset Manager	Performance	Performance Range	Excess Returns (Alpha)	Relative Batting Average	AUM (ZWL)	% of Total Firm Assets	Portfolios
1	ABCAM	30.3%	5.8% - 27.1%	(36.2%)	0.0%	16,381,839,288	3.7%	1
2	OMIG	24.6%	12.4% - 22.5%	(41.9%)	0.0%	7,648,515,275	0.1%	1
3	Platinum	24.4%	n/a	(42.1%)	0.0%	1,666,020,755	0.2%	1
4	Invesci	15.5%	n/a	(51.0%)	0.0%	24,866,508,611	7.2%	4
5	Imara	13.6%	n/a	(52.9%)	0.0%	28,867,903,901	4.9%	7
Benchmark**		**66.5%**	**Averages / Totals**	**(44.8%)**	**0.0%**	**79,430,787,830**		**14**

The Composite consists of portfolios for which at least 70% is invested in Listed equities.

***Benchmark is the ZSE All Share Index passive growth.*

Q4 2023 -Mandate Composite Performance Rankings: Balanced Portfolios*

Rank	Asset Manager	Performance	Performance Range	Excess Returns (Alpha)	Relative Batting Average	AUM (ZWL)	% of Total Firm Assets	Portfolios
1	Smartvest	28.4%	7.6% - 88.2%	(7.5%)	22.0%	115,201,090,456	26.0%	9
2	ABCAM	23.8%	17.4% - 38.9%	(12.1%)	6.0%	195,458,604,392	44.2%	16
3	ZAM	19.8%	6.5% - 26.2%	(16.1%)	0.0%	16,880,540,917	4.1%	6
4	OMIG	19.5%	9.4% - 28.5%	(16.4%)	0.0%	179,780,379,031	2.3%	20
5	Platinum	18.8%	16.1% - 25.8%	(17.1%)	0.0%	24,376,728,526	2.9%	4
6	Invesci	18.1%	12.6% - 33.2%	(17.8%)	0.0%	83,981,956,973	24.4%	15
7	Akribos	18.0%	n/a	(17.9%)	0.0%	606,058,860	0.1%	1
8	Datvest	16.0%	5.2% - 35.3%	(19.9%)	0.0%	102,938,301,074	6.0%	9
9	Imara	15.7%	8.5% - 29.8%	(20.2%)	0.0%	81,116,302,504	13.8%	13
10	Purpose	13.3%	n/a	(22.6%)	0.0%	1,044,520,595	2.3%	1
Benchmark**		**35.9%**	**Averages / Totals**	**(16.8%)**	**2.8%**	**801,384,483,328**		**94**

The Balanced Portfolio Composite consists of portfolios where no one asset class accounts for over 70% of the portfolio (50% for alternative investments)

The Benchmark is: 25% ZSE All Share Index + 25% Ave 90-day TB/BA rate + 25% Ave Return on bonds with PA status + 25% CPI

Q4 2023 -Mandate Composite Performance Rankings: Alternative Investments Portfolios*

Rank	Asset Manager	Performance	Performance Range	Excess Returns (Alpha)	Relative Batting Average	AUM (ZWL)	% of Total Firm Assets	Portfolios
1	Datvest	15.0%	n/a	(31.9%)	0.0%	16,987,417,704	1.0%	1
2	ZAM	11.7%	n/a	(35.2%)	0.0%	1,967,233,811	0.5%	1
3	Invesci	11.5%	11.3% - 11.6%	(35.4%)	0.0%	11,310,334,879	3.3%	2
Benchmark**		**46.9%**	**Averages / Totals**	**(34.2%)**	**0.0%**	**30,264,986,394**		**4**

The Composite consists of portfolios for which at least 50% is invested in non-listed property and private equity and the benchmark is: CPI inflation

Q4 2023 - Aggregated Asset Class Composite Performance Rankings

Rank	Asset Manager	Aggr. Portfolio Return (Asset Class-weighted)	AUM (ZWL)	% of Total Firm Assets	Number of Portfolios
1	TNAM	102.88%	1,185,128,018	0.2%	1
2	FMW	53.00%	299,308,390	0.0%	1
3	Smartvest	29.75%	128,226,113,924	29.0%	10
4	ABCAM	24.35%	225,343,173,492	51.0%	18
5	OMIG	20.37%	244,258,640,272	3.1%	24
6	Datvest	19.57%	244,014,161,040	14.3%	15
7	ZAM	19.52%	27,115,113,129	6.6%	9
8	Invesci	18.82%	122,072,740,035	35.5%	22
9	Akribos	18.03%	606,058,860	0.1%	1
10	Platinum	17.50%	26,042,749,281	3.1%	5
11	Imara	16.68%	223,779,838,890	38.0%	26
12	Purpose	15.46%	2,122,001,963	4.6%	2
Averages / Totals		**29.66%**	**1,245,065,027,294**		**134**

Full Year 2023 Performance Overview

When assessing the performances over a full year's period, all Investment Managers again performed in the positive reflecting exposure to and revaluation of alternative investments. The Managers also outperformed in the Balanced Composite benchmark attributable to listed equities gains and revaluation of alternative investments in line with exchange rate movements. On alternative investment portfolios, the asset manager portfolios outperformed the benchmark attributable to property revaluations.

Asset Allocation Based-Composites

Full Year 2023- Asset Class Composite Performance Rankings: Listed Equities*

Rank	Asset Manager	Performance	Excess Returns (Alpha)	AUM (ZWL)	% of Total Firm Assets	Portfolios
1	TNAM	1275.3%	293.8%	1,185,128,018	0%	1
2	FMW	936.3%	(45.2%)	299,308,390	0%	1
3	Imara	791.5%	(190.0%)	195,602,871,160	33%	23
4	Purpose	776.0%	(205.6%)	2,122,001,963	5%	2
5	Datvest	756.3%	(225.3%)	20,401,128,351	1%	4
6	OMIG	746.0%	(235.6%)	190,253,516,773	2%	15
7	Platinum	738.0%	(243.5%)	1,666,020,755	0%	1
8	Smartvest	722.9%	(258.6%)	6,190,458,948	1%	1
9	ABCAM	710.9%	(270.6%)	16,381,839,288	4%	1
10	Invesci	677.2%	(304.3%)	55,645,069,989	16%	10
11	Akribos	597.6%	(384.0%)	606,058,860	0%	1
12	ZAM	491.0%	(490.5%)	5,484,183,788	1%	2
Benchmark**		**981.5%**	**(213.3%)**	**495,837,586,285**		**62**

**The Composite consists of portfolios for which at least 70% is invested in Listed equities.*

***Benchmark is the ZSE All Share Index passive growth.*

Full Year 2023 - Asset Class Composite Performance Rankings: Balanced Portfolios*

Rank	Asset Manager	Performance	Excess Returns (Alpha)	AUM (ZWL)	% of Total Firm Assets	Portfolios
1	Smartvest	1167.2%	946.8%	2,074,589,143	0%	1
2	OMIG	924.0%	703.5%	53,169,067,944	2%	8
3	ABCAM	864.8%	644.4%	192,906,401,684	8%	15
4	Imara	833.5%	613.1%	16,923,680,637	44%	2
5	Invesci	757.9%	537.4%	27,505,507,978	7%	7
6	Platinum	751.1%	530.6%	13,218,838,838	1%	2
7	Datvest	723.2%	502.8%	126,599,501,094	5%	5
8	ZAM	618.6%	398.1%	19,663,695,529	3%	6
Benchmark**		**220.5%**	**609.6%**	**452,061,282,846**		**46**

**The Balanced Portfolio Composite consists of portfolios where no one asset class accounts for over 70% of the portfolio (50% for alternative investments) The Benchmark is: 25% ZSE All Share Index + 25% Ave 90-day TB/BA rate + 25% Ave Return on bonds with PA status + 25% CPI*

Full Year 2023- Asset Class Composite Performance Rankings: Alternative Investments Portfolios*

Rank	Asset Manager	Performance	Excess Returns (Alpha)	AUM (ZWL)	% of Total Firm Assets	Portfolios
1	ABCAM	945.1%	718.4%	16,054,932,520	2%	2
2	Smartvest	833.9%	607.2%	119,961,065,833	4%	8
3	Platinum	810.6%	583.9%	11,157,889,689	0%	2
4	ZAM	792.0%	565.3%	1,967,233,811	6%	1
5	Imara	786.1%	559.4%	11,253,287,093	1%	1
6	Invesci	761.9%	535.2%	38,922,162,069	11%	5
7	Datvest	533.4%	306.6%	97,013,531,595	0%	6
8	OMIG	453.5%	226.7%	836,055,554	27%	1
Benchmark**		**226.7%**	**512.8%**	**297,166,158,163**		**26**

**The Composite consists of portfolios for which at least 50% is invested in non-listed property and private equity and the benchmark is: TCPL inflation*

Mandate Based-Composites

Full Year 2023 -Mandate Composite Performance Rankings: Listed Equities*

Rank	Asset Manager	Performance	Excess Returns (Alpha)	AUM (ZWL)	% of Total Firm Assets	Portfolios
1	OMIG	1044.4%	62.8%	7,648,515,275	0%	1
2	Imara	869.3%	(112.2%)	28,867,903,901	4%	7
3	Platinum	738.0%	(243.5%)	1,666,020,755	0%	1
4	ABCAM	710.9%	(270.6%)	16,381,839,288	5%	1
5	Invesci	579.5%	(402.0%)	24,866,508,611	0%	4
Benchmark**		**981.5%**	**(193.1%)**	**79,430,787,830**		**14**

**The Composite consists of portfolios for which at least 70% is invested in Listed equities.*

***Benchmark is the ZSE All Share Index passive growth.*

Full Year 2023 -Mandate Composite Performance Rankings: Balanced Portfolios*

Rank	Asset Manager	Performance	Excess Returns (Alpha)	AUM (ZWL)	% of Total Firm Assets	Portfolios
1	ABCAM	873.5%	653.0%	195,458,604,392	3%	16
2	Smartvest	849.6%	629.2%	115,201,090,456	4%	9
3	Platinum	780.5%	560.1%	24,376,728,526	26%	4
4	OMIG	768.8%	548.4%	179,780,379,031	0%	20
5	Imara	745.5%	525.0%	81,116,302,504	24%	13
6	Invesci	692.2%	471.8%	83,981,956,973	2%	15
7	ZAM	642.0%	421.5%	16,880,540,917	6%	6
8	Datvest	574.6%	354.2%	102,938,301,074	44%	9
9	Akribos	549.8%	329.4%	606,058,860	2%	1
10	Purpose	533.0%	312.6%	1,044,520,595	14%	1
Benchmark**		**220.5%**	**480.5%**	**801,384,483,328**		**94**

**The Balanced Portfolio Composite consists of portfolios where no one asset class accounts for over 70% of the portfolio (50% for alternative investments). The Benchmark is: 25% ZSE All Share Index + 25% Ave 90-day TB/BA rate + 25% Ave Return on bonds with PA status + 25% CPI*

Full Year 2023 -Mandate Composite Performance Rankings: Balanced Portfolios*

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5	Imara	745.5%	525.0%	81,116,302,504	24%	13
6	Invesci	692.2%	471.8%	83,981,956,973	2%	15
7	ZAM	642.0%	421.5%	16,880,540,917	6%	6
8	Datvest	574.6%	354.2%	102,938,301,074	44%	9
9	Akribos	549.8%	329.4%	606,058,860	2%	1
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**The Balanced Portfolio Composite consists of portfolios where no one asset class accounts for over 70% of the portfolio (50% for alternative investments). The Benchmark is: 25% ZSE All Share Index + 25% Ave 90-day TB/BA rate + 25% Ave Return on bonds with PA status + 25% CPI*

Aggregated Historical Performance

Asset Manager	FY 2023			FY2022			FY2021			FY2020			FY2019			FY2018			FY2017		
	Overall Performance	AUM	No. of Portfolios	Overall Performance	AUM	No. of Portfolios	Overall Performance	AUM	No. of Portfolios	Overall Performance	AUM	No. of Portfolios	Overall Performance	AUM	No. of Portfolios	Overall Performance	AUM	No. of Portfolios	Overall Performance	AUM	No. of Portfolios
ABCAM	857.2%	122,072,740,035	18	222.0%	23,917,546,645	18	232.0%	7,960,988,314	18	779.2%	2,438,356,467	18	218.1%	347,065,887	17	52.3%	108,237,227	14	70.2%	44,279,011	10
Akribos	597.6%	26,042,749,281	1	85.3%	533,354,271	2	314.1%	251,260,577	2	712.8%	10,872,708	1	41.2%	2,130,971	1	81.7%	914,457	1	29.6%	693,548	1
Datvest	637.0%	299,308,390	15	280.1%	32,323,432,936	16	82.4%	2,924,311,300	14	681.8%	1,367,374,615	12	167.1%	243,864,687	14	43.7%	65,029,607	12	57.8%	40,688,454	10
Imara	800.7%	244,014,161,040	26	131.2%	29,698,985,762	26	296.9%	8,586,294,122	24	679.8%	2,159,062,292	23	102.9%	329,959,992	17	49.4%	120,797,227	15	138.8%	78,446,252	12
Invesci	718.1%	225,343,173,492	22	251.7%	16,375,790,384	22	224.4%	4,712,948,315	22	651.4%	1,437,237,380	22	269.8%	246,409,565	17	60.0%	56,073,421	13	60.7%	28,237,814	5
OMIG	776.3%	606,058,860	24	151.4%	26,982,807,390	24	286.6%	10,403,201,177	23	523.5%	2,964,886,615	21	137.8%	431,270,732	15	65.3%	174,420,508	16	65.5%	96,977,220	12
Platinum	695.0%	27,115,113,129	5	230.3%	2,790,935,839	5	137.9%	737,828,116	5	1312.4%	300,161,883	5	332.1%	53,443,696	5	51.9%	11,995,644	2	81.1%	3,219,657	1
Purpose	776.0%	2,122,001,963	2	120.2%	239,768,609	2	265.3%	121,446,588	2	763.4%	15,478,634	1	44.3%	1,788,513	1	14.0%	1,247,797	2	85.2%	1,008,952	1
Smartvest	841.9%	1,185,128,018	10	332.6%	11,637,941,729	10	97.3%	2,241,941,652	10	794.9%	973,889,172	10	476.7%	182,646,214	8	31.6%	19,068,741	6	50.5%	6,537,862	4
ZAM	583.2%	223,779,838,890	9	186.5%	4,639,119,012	10	200.9%	1,546,414,547	10	627.9%	296,020,519	7	75.9%	44,622,377	5	45.7%	21,722,169	6	81.9%	15,766,615	5
Aggregate				**214.0%**	**149,139,682,576**	**135**	**238.5%**	**39,486,634,708**	**130**	**682.3%**	**11,963,340,285**	**120**	**204.3%**	**1,883,202,635**	**100**	**54.4%**	**579,506,799**	**87**	**83.6%**	**315,855,385**	**61**

NB: Aggergate industry-wide performances are AUM-weighted sums for the relevant period. E.g. for FY2020, the aggregate performance of 662.3% is an AUM- weighted sum of each Manager's performance.

Glossary

Aggregate Composite Return/ Performance – The weighted average return of all composites involved in the survey.

Alpha (Excess Return) –The return achieved above the benchmark return.

Alternative Investment Portfolios - Portfolios for which at least 50% is invested in non-listed property and unlisted equities or other alternative investments.

Assets Allocation Based Composites – Are composites based on the actual exposures held by an asset manager i.e. the actual holdings.

Asset Class – Is a group of assets that exhibit similar characteristics.

Assets Under Management (AUM) - The total market value of assets/ portfolios held in a particular composite.

Balanced Portfolios - Portfolios which are balanced such that no one asset class accounts for over 70% of the portfolio (with exception of alternative investments where a minimum exposure of 50% applies.

Benchmark – Is the reference point for performance evaluation.

Benchmark Returns – A point of reference against which the composite's performance and/or risk is compared

Composites - An aggregation of one or more portfolios managed according to a similar investment mandate, objective, or strategy.

Fixed Income Portfolios - Portfolios for which at least 70% is invested in the money market, bonds and/or any other interest-bearing securities.

Industry Alpha – The return achieved above the benchmark return, where *industry* refers to the asset managers in the Intellego Survey and limited to the portfolios within the Intellego purview.

Listed Equities Portfolios - Portfolios for which at least 70% is invested in equities listed on the Zimbabwe Stock Exchange(ZSE) or any licensed securities exchange or Alternative Trading Platform (ATP).

Mandate Based Composites – Are composites based on the investment manager mandate signed by the asset manager, where the target benchmark was clearly set in advance.

Performance range - The minimum and maximum returns achieved by the asset manager in the period.

Relative Batting Average – Measures the proportion of asset manager portfolios that outperformed the benchmark in a particular period.

Total Firm Assets – The total market value of all assets held by the asset manager (including the ones not under Intellego)

ABOUT THE SURVEY

The Intellego Investment Manager Survey Report covers investment performances of the Investment Managers based on the institutional portfolios under their management and for which Intellego are the Investment Advisors. Where an Investment Manager had indicated willingness to have portfolios not advised by Intellego included, this will only be done on a firm-wide basis on condition that Intellego shall have access to and independently calculate the returns of such portfolios. The performance figures are based on returns calculated by Intellego and Intellego takes full responsibility for the accuracy or otherwise of the numbers. The Composites are as defined by Intellego based on the general investment strategies and asset classes available in Zimbabwe. Each qualifying portfolio is included in a composite on the basis of its beginning of period asset allocation. The Policies related to Composite construction, calculation methodology and reporting of the Survey are available upon request from Intellego Investment Consultants (Ltd). Intellego reserves the rights to amend the Survey as it considers appropriate.

Commentary contained within this document is for informational purposes only, and is not intended as an offer or recommendation with respect to the purchase or sale of any security, option, future or other derivatives in such securities. Investing in involves risk, including possible loss of principal. There is no assurance that the investment objective of any investor will be achieved. Equity stocks of small-cap companies generally carry greater risk and more volatility, and may be more illiquid, than equity stocks of larger, more established companies. Investors should carefully consider an investment managers' philosophy style, fees, charges and expenses before investing any money.

Our transaction management offering provides a full range of corporate finance services, from M&A, valuations and capital raising to corporate strategy support. Our solutions cover the processes involved in these transactions, including: business plan compilation, due diligence, financial modelling and strategic reviews. Our experience includes working with businesses across a number of sectors.

We work in partnership with our clients to deliver the transparency and accountability that is increasingly demanded by investors and auditors. Our clients include private equity funds, pension funds, property funds, banks and other investors in Africa and cover industries as diverse as agriculture, retail, manufacturing, infrastructure and the extractive industries.

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Organisation of Financing

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AFRICAN CENTURY LEASING BOND SUMMARY OF TERMS

Issuer: African Century Limited.

Description: ACL Asset Backed Leasing Bonds.

Issue Limit: Up to US$15 million. The limit may be increased by the Issuer from time to time by creating Additional Bonds (in tranches) in accordance with the terms of the Trust Deed.

Currency: United States dollars.

Bond Trustee: ZB Bank Limited.

Method of Issue: The Bonds will be issued by private placement.

Issue price: Bonds will be issued on a fully paid basis.

Form of the Bonds: The Bonds will be issued in certificated registered form, serially numbered without interest coupons or receipts attached.

Subscription periods: The bonds will be issued on a tap basis.

Minimum Subscription Amount: The minimum subscription amount shall be S$20,000.00 (Twenty thousand United States Dollars).

Interest: Interest will be paid at a rate of 10% per annum, payable semi annualy.

Tenor: 24 months

Tranches of the Bonds: Specific issue and maturity dates applicable to a tranche of the Bonds that the Issuer may agree to issue under the Transaction will be set out in the Applicable Pricing Supplement.

Redemption: Subject to the Terms and Conditions, the Bonds shall be redeemed at their Principal Amount at the Maturity Date (together with interest accrued to such Redemption Date).

Optional Redemption: Subject to the terms and conditions, the Issuer may redeem all or some of the Bonds then outstanding prior to their stated date of maturity.

Status of the Bonds: The Bonds constitute direct, unconditional, and secured obligations of the Issuer and will rank paripassu without any preference amongst themselves. The claims of the Bondholders shall at all times (save for certain debts required to be preferred by law) rank at least equally with all other secured and unsubordinated obligations, present and future, of the Issuer.

Use of proceeds: The proceeds of the Bonds will be used to provide lease finance facilities to ACL's quality clients.

Security: The bonds will be secured by:

1) a notarial cession of book debts registered by ACL in favour of the Bond Trustee in terms of which ACL cedes its debt book by way of security;

2) first mortgage bonds over immovable properties owned by ACL registered in favour of the Bond Trustee on behalf of Bondholders; and

3) the security value cover on the bonds shall be as follows:

a) two (2) times on book debts; and

b) one comma two (1.2) times on immovable properties.

Taxation on subscriptions: All payments in respect of subscription to the Bonds will be made without any withholding or deduction for or on account of any taxes imposed within the Republic of Zimbabwe.

Governing law: The Bonds will be governed by and construed in accordance with Zimbabwean laws.

Special Features:
1. Prescribed Asset Status
2. Liquid Asset Status

For further information, kindly contact our financial advisor **Corporate Excellence**
Contact Details: **0772977586**


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