



## July 2021 Issue of GroWealth Report Published

Most Unit Trust Funds performed above the Zimbabwe Stock Exchange (ZSE) All Share index during the month of July 2021 according to the latest edition of the GroWealth Unit Trusts Performance Survey. Unit Trust investors continue to enjoy real positive returns as inflation remains on a downward trend, thanks to the stability on the exchange rate and increased output. The performance is largely driven by investment gains from listed equities. On average, Listed Equities Funds recorded a positive performance of 13.32% against 10.06% recorded by the ZSE All Share index during the month under review, reflecting the Fund Managers' strong stock picking skills.

Year to date, the GroWealth Unit Trusts Performance Survey shows that most Funds gained more than double this year, as the returns from Unit Trust funds that invest in listed equities grew between 130% and 188% for the first 7 months of the year while for balanced funds, which can invest in both listed equities and fixed income securities, the returns ranged between 67% and 189% in the comparable period. On the fixed income space, the money market funds offered yields ranging between 8% and 50%, which though below the historical inflation, is competitive when viewed against official inflation projections. Should inflation continue on a downward trend in line with the central bank forecasts, it is possible that fixed income funds may also start offering positive real returns in due course.

To give investors choices in the multi-currency environment, some Fund Managers have recently started offering foreign currency denominated (USD) unit trust funds to cater for those investors with hard currency or nostro balances. This widens the available options in the market. Real Estate Investment Trusts (REITS), another category of Collective Investments Schemes registered by the Securities and Exchange Commission of Zimbabwe, are expected to come on stream soon and should give even small investors an opportunity to invest in property. Already two managers are offering property funds.

Since the launch of the GroWealth publication in November 2020, interest from different stakeholders has been growing, reflecting the impact the publication is having on the investing public. In addition, Fund Managers have been receiving enquiries from the investing public keen on investing in Unit Trust funds, most of them as first time investors. The Survey provides basic information and returns data on all unit trust funds offered by various licensed investment managers in Zimbabwe. The unit trusts are also licensed by the Securities and Exchange Commission of Zimbabwe, which gives investors comfort owing to the level of regulator surveillance and protection.

The fundamental goal of the GroWealth Unit Trust Survey, which is summarised in the Monthly Report, is to keep members abreast of the performance of different unit trust products. Investors can follow how each of the Unit Trust Funds is performing from time to time by examining these monthly reports. For those investors who are already invested in one, or more unit trusts, they would have been receiving regular performance reports from their respective fund managers. The GroWealth

Report shows the performances of all the active funds across different time intervals and this gives investors the required perspective on the medium to long term investment performances of the various funds. This is the key element to decision-making for any investor.

Unit trusts are investment schemes that pool funds from different investors and invest according to pre-defined objectives set out in the Prospectus of the Fund (available upon request). The underlying investments can be in fixed income instruments, listed equities, property or other alternative investments.

Before making any investment into vehicles such as Unit Trusts, an investor must be clear as to their investment objectives. These objectives are determined by answering the following questions:

- How much do I want to invest?
- For how long do I want to invest?
- What is my target return over that investment period?

Investor must be aware of their own risk profile as this determines which unit trust funds are suitable for them. The investor can then examine the track record of the various funds and use that as a guide to select their preferred one. Fund Managers from the different firms offering unit trusts funds can readily assist any investor identify the most suitable investment by asking them relevant questions relating to their objectives and risk profile.

Investors wishing to receive the monthly editions of the GroWealth Survey can email [analyst@intellego-ic.com](mailto:analyst@intellego-ic.com). The Survey is also available on the SECZim website [www.seczim.co.zw](http://www.seczim.co.zw) or Intellego website [www.intellego-ic.com](http://www.intellego-ic.com).

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