

ISSUE 4 - 2024

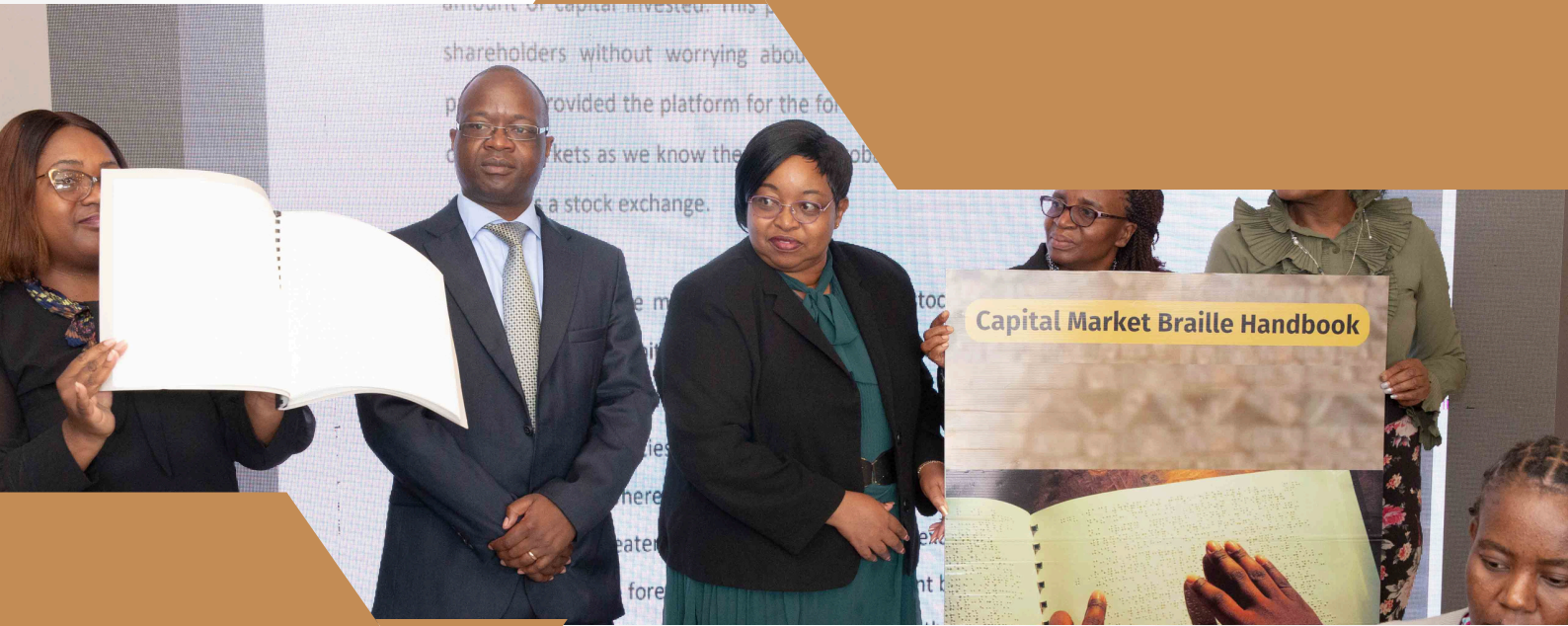
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Capital Market Overview

Third Quarter of

2024

Table 1: Q3 Trading Activity

	ZSE	VFEX	FINSEC	Market
Market Turnover (USD' m)	44.47	7.79	0.13	52.39
Foreign Participation – Buy Side (%)	2.42	13.77	-	4.11
Foreign Participation – Sell Side (%)	17.44	22.63	-	17.44
# Trades	8,727	3,334	208	
Market Capitalization as at 30 September (USD' bn)	2,994	1,297	0,016	4,310

Commentary

- ZSE All Share Index recorded a significant 89.22% increase to close at 243.41 points on 30 September.
- The VFEX All Share Index registered a quarterly growth of 2.86% to close at 105.63 points on 30 September.
- ZSE turnover for Q3, at ZiG736 million, translates into USD44.47 million which is an increase of 297% in USD terms from the prior quarter. Growth in turnover during Q3 was driven by investors seeking haven in stock amid widening parallel market exchange rate premium on the back of increased ZiG liquidity.
- The VFEX turnover for Q3 2024 was down 23% to USD 7.79 million due to limited USDs available for investment.
- Overall market capitalisation went up by a marginal 5.3% from USD4.09 billion as at June 2024 to USD4.31 billion as at 30 September 2024 thereby growing the YTD return to 8.1%.

Listings and Delistings

- The quarter ended saw Invictus Energy Limited listing on the Victoria Falls Stock Exchange (VFEX) bring the total number of listed instruments to sixteen (16)

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Financial Analysis Report for Third Quarter of **2024**

1. Introduction

For the quarter ended 30 September 2024, the number of licensed persons is detailed in Table 2.

Table 2: Licensed and Registered Securities Market Intermediaries

License Category	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024
Securities Dealing firms	21	22	22	22	22	22
Securities Investment advisers	61	61	65	60	56	55
Securities Investment managers	31	31	32	32	31	33
Securities exchanges	4	4	4	4	4	4
CSDs	2	2	2	2	2	2
Securities Trustees	5	5	6	7	7	7
Securities Custodians	6	6	7	7	6	6
Securities Transfer secretaries	3	3	3	3	3	3
Total SMIs	133	134	141	143	131	132
Total CIS	81	81	81	82	83	83
Grand Total (SMIs & CIS)	214	215	222	225	214	215
Unit Holders	81,699	82,795	82,968	87,344	81,401	81,017

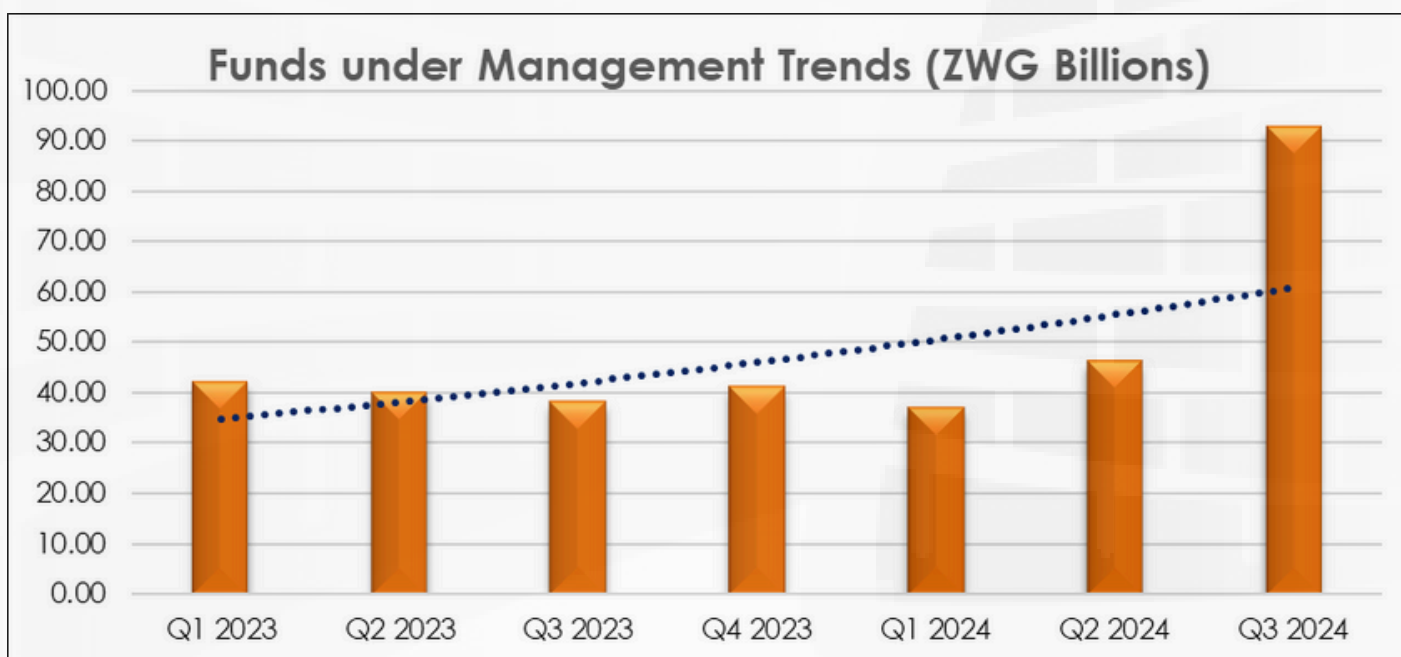
Explanation on increase/decrease in Licensees

- i. Deloitte Advisory Services (Private) Limited surrendered its investment advisory licence, reducing the number of Securities Investment Advisers to 55.
- ii. Arctic Blue Asset Management (Private) Limited and Dendere Asset Management (Private) Limited were licensed as Investment Managers increasing the total number of Securities Investment Managers to 33.

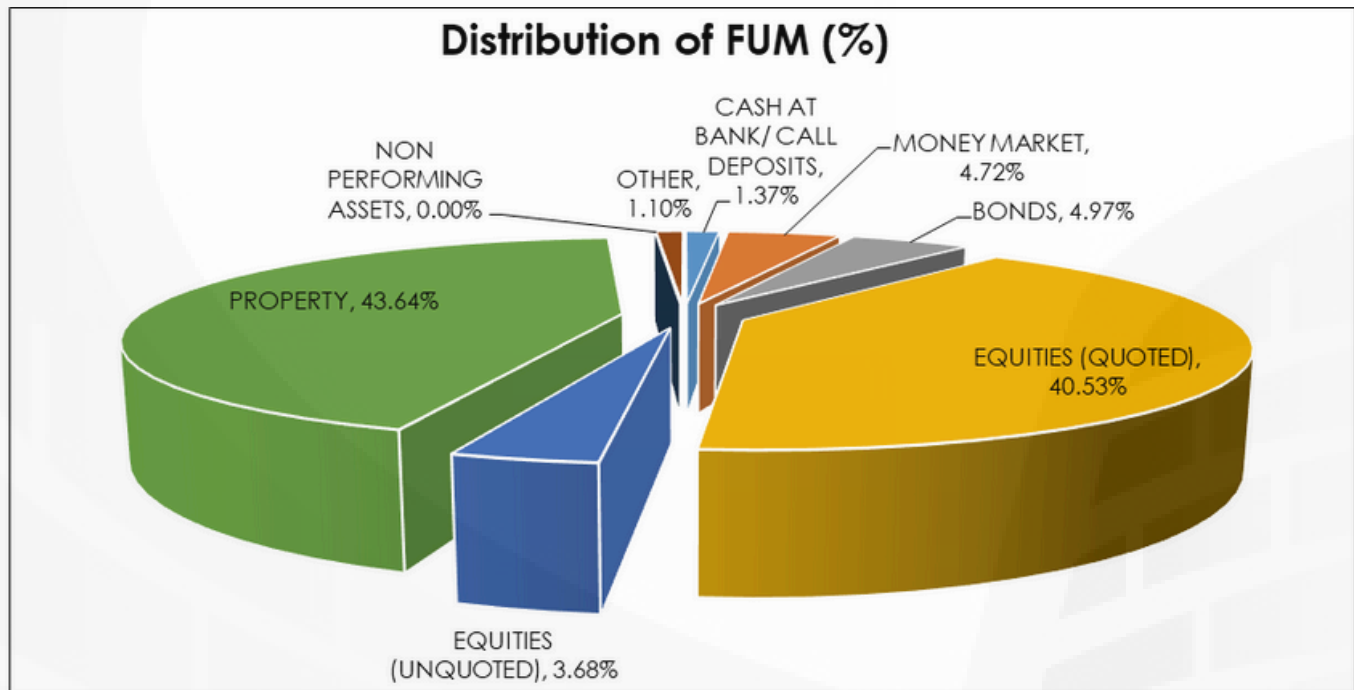
2. INVESTMENT/ASSET MANAGERS PERFORMANCE

Total Funds Under Management (FUM) as at 30 September 2024 stood at ZWG92.84 billion representing a 99.64% increase from ZWG46.50 billion recorded in the previous quarter. The total FUM as at 30 September 2024 includes USD-denominated FUM of USD1.76 billion, which were translated to local currency (ZWG) at the prevailing exchange rate. The industry average FUM for the period ended 30 September 2024 stood at ZWG3.20 billion. Figure 1 shows the FUM trend from Q1 2023 to Q3 2024.

Figure 1: Trend of Funds under Management (Q1-2023 to Q3-2024)



The sector's exposure to the stock market increased to 40.53% from 37.21% recorded in the prior quarter. This was attributable to the general increase in stock prices during the quarter as evidenced by a 90.25% increase in the Zimbabwe Stock Exchange (ZSE) All-Share Index. There was a slight decline in the sector's property investment exposures from 45.91% reported as at 30 June 2024 to 43.64% recorded as at 30 September 2024. Money market investments marginally increased from 4.71% recorded in June 2024, to 4.72% reported on 30 September 2024. Investment in unquoted equities declined marginally to 3.68% from 3.91% recorded as at 30 June 2024. Exposure to bonds declined from 5.38% recorded in the prior quarter to 4.97%. Cash/call deposits and other investments all account for the remaining 2.47% investment exposures for the asset management industry. Figure 2 shows the FUM distribution as at 30 September 2024.

Figure 2: Distribution of Funds under Management as at 30 September 2024

3. COLLECTIVE INVESTMENT SCHEMES INDUSTRY

As at 30 September 2024, the number of active registered collective investment schemes stood at forty-eight (48). The number of unitholders declined to 81,017 from 81,401 recorded in the previous quarter. Table 3 shows a breakdown of the active CIS funds by type.

Table 3: Collective Investment Schemes Type

CIS TYPE	NUMBER OF FUNDS
Equity	19
Money Market	9
Hybrid	4
Exchange Traded Funds (ETFs)	5
Property	5
Gold Funds	2
Real Estate Investment Trust (REIT)	3
Livestock backed Unit Trust	1
TOTAL	48

3.1 Collective Investment Schemes Funds Under Management

As at 30 September 2024, ZWG dominated Collective Investment Schemes Funds Under Management (CIS FUM) stood at ZWG1.51 billion up 63.72% from ZWG924 million as at 30 June 2024. The total funds under management for eight (8) CIS funds which are denominated in USD amounted to USD69.92 million, which was a 24.39% growth from USD56.21 million recorded in June 2024. The increase was mainly attributed to increased market value of the Tigere REIT as well as the activation of the Eagle REIT in Q2 2024.

Table 4: CIS FUM market share.

Institution	ZWG	USD	TOTAL ZWG	Market Share
Zimnat Asset Management	801,607,622	3,015,507	876,642,792	26.94%
Terrace Africa Asset Management	-	33,886,149	843,192,440	25.92%
CBZ Asset Management	533,253,722	-	533,253,722	16.39%
Old Mutual Investment Group	103,764,265	10,364,365	361,661,801	11.12%
Fidelity Life Asset Management	1,613,588	11,579,474	289,746,789	8.91%
Smartvest Wealth Managers	2,213,199	11,071,120	277,696,973	8.54%
TN Asset Management	60,241,250	-	60,241,250	1.85%
First Mutual Wealth Management	5,629,962	-	5,629,962	0.17%
ABC Asset Management	2,626,281	-	2,626,281	0.08%
Platinum Investment Managers	1,235,076	-	1,235,076	0.04%
Cass Saddle Asset Management	1,122,089	-	1,122,089	0.03%
Silverback Asset Management	282,182	-	282,182	0.01%
Bard Santner Investors	151,483	-	151,483	0.00%
Total			3,253,482,839	100.00%




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4. Investor Activity

During the quarter under review, a total of ZWG806.99 million worth of trades were settled through Chengetedzai Depository Company (CDC) and the ZSE Depository. Corporations purchased 39.42% (ZWG318.09 million) of the total shares, followed by Nominee Accounts which accounted for 18.28% (ZWG251.49 million). Individual investors purchased 4.41% (ZWG35.56 million) of the total shares. Table 5 shows buying activity as at 30 September 2024.

Table 5: Investor Activity by Category (buying investors)

#	Type of Investor	Settled Trades (ZWG)	% Of Total Settled Trades
1	Corporation	318,088,860	39.42%
2	Nominee Account	251,486,977	31.16%
3	Pension Fund	147,545,583	18.28%
4	Individual	35,560,491	4.41%
5	Insurance	27,231,132	3.37%
6	Others	24,263,345	3.01%
7	Trust Companies	1,526,978	0.19%
8	Investment Managers	1,220,245	0.15%
9	Unclaimed Shares	70,000	0.01%
	Total	806,993,612	100.00%

On the selling side, Corporation disposed the highest value of shares accounting for 35.95% (ZWG290.15 million) followed by Nominee Accounts which disposed shares worth ZWG226.43 million (28.06%). Table 6 shows selling activity for the quarter ended 30 September 2024.

Table 6: Investor Activity by Category (Selling-Investor)

#	Type of Investor	Settled Trades (ZWG)	% Of Total Settled Trades
1	Corporation	290,147,411	35.95%
2	Nominee Accounts	226,432,731	28.06%
3	Individual	99,834,153	12.37%
4	Pension Fund	76,764,862	9.51%
5	Others	70,828,591	8.78%
6	Insurance	27,502,828	3.41%
7	Trust Companies	10,886,811	1.35%
8	Joint Accounts	4,130,040	0.51%
9	Unclaimed Shares	466,186	0.06%
	Total	806,993,612	100.00%

For the quarter ended 30 September 2024, a total of US\$7.81 million worth of trades were settled through VFEX Depository. Pension Funds purchased 55.71% (US\$4.35 million) of the total shares, followed by Corporates which accounted for 33.62% (US\$2.62 million). Individual investors purchased 6.26% (US\$488,502) of the total shares.

Corporates disposed the highest value of shares worth US\$6.25 million (80%), followed by Individuals which disposed US\$620,360 (7.95%) worth of shares. Table 7 below shows both buying and selling activities for the third quarter ended 30 September 2024.

Table 7: Investor Activity by Category (buying investors and selling investors)

#	Type of Investor	Buying Investors		Selling Investors	
		Settled Trades (USD)	% Of Total Settled Trades	Settled Trades (USD)	% Of Total Settled Trades
1	Corporate	2,624,472	33.62%	6,245,601	80.00%
2	Individual	488,502	6.26%	620,360	7.95%
3	Pension Fund	4,349,134	55.71%	544,611	6.98%
4	NMI	309,895	3.97%	337,900	4.33%
5	Joint Account	18,108	0.23%	51,814	0.66%
6	Estate Late		0.00%	2,976	0.04%
7	Stockbroker		0.00%	2,135	0.03%
8	Investor	230	0.00%	1,213	0.02%
9	Trust	16,268	0.21%		0.00%
	Total	7,806,611	100.00%	7,806,611	100.00%

4.1. Investor Activity (Direct Market Access Platforms)

During the period under review, a total of 24,732 investors had active accounts on both the C-Trade and ZSE Direct. For the quarter ended 30 September 2024, these two platforms recorded Buy Trades worth ZWG5.25 million and Sell Trades worth ZWG6.12 million. In addition, VFEX Direct recorded Buy trades worth USD\$22,097 and sell trades worth US\$19,232 over the three-month period ended 30 September 2024, with a total of 1,518 active investors. Table 8 shows direct market access statistics for VFEX Direct, ZSE Direct and C-Trade.

Table 8: Individual Investor Activity (Direct Access Platforms)

	C-Trade (ZWG)	ZSE Direct (ZWG)	VFEX Direct (USD)
Total Buy Value	ZWG 2,780,365	ZWG 2,470,371	USD 22,097
Total Buy Volume	16,186,221	12,060,036	285,391
Number of Buy Trades	6,806	1,947	450
Total Sell Value	ZWG 3,118,898	ZWG 2,997,459	USD 19,232
Total Sell Volume	10,241,116	9,508,316	226,048
Number of Sell Trades	3,638	1,445	259
Number of Active Clients	13,612	10,990	1440

5. Performance of SMIs

5.1. Securities Exchanges performance

During the Quarter ended 30 September 2024, the total turnover for Equities, ETFs and REITs markets on the Zimbabwe Stock Exchange (ZSE) was ZWG736.07 million, ZWG978,231 and ZWG69.43 million respectively. The Financial Securities Exchange (FINSEC) recorded trades worth ZWG2.04 million. On the foreign currency denominated exchange, Victoria Falls Stock Exchange (VFEX), there were 3,334 trades amounting to US\$7.79 million for the quarter ended 30 September 2024. **Table 9** details the turnover statistics.



Table 9: Turnover Statistics from July – Sept 2024

	ZSE Equities	ZSE ETFs	ZSE REITs	FINSEC	VFEX
	ZWG	ZWG	ZWG	ZWG	USD
Total Traded Value	736,066,312	978,231	69,431,653	2,084,564	7,792,789
Market Capitalisation	74,489,505,019	133,837,052	1,580,757,419	415,058,595	1,296,576,798
	Number	Number	Number	Number	Number
Total Traded Volume	513,321,400	19,412,993	77,669,754	656,820	127,742,578
Number of Trades	8,727	668	884	208	3,334

5.2. Securities Market Infrastructures

During the period under review, three (3) Securities Market Infrastructures were adequately capitalised. Overall, the rating was considered Fair.

5.3. Securities Dealing Firms

5.3.1. Earnings

The industry's earnings were rated as Critical based on the ratio of operating costs to brokerage income. Out of twenty-one (21) dealing firms, fourteen (14) were unable to reach the breakeven point (i.e. 67%) exclusively through core income, i.e. brokerage commissions. This shows that the industry encountered challenges in sustaining its operations from core income. However, based on total income, nineteen (19) out of the twenty-one (21) operating securities dealing firms, reported positive earnings, while two (2) firms reported operating losses during the quarter ended 30 September 2024. During the previous quarter eleven (11) firms reported operating losses, thus industry earnings greatly improved during the current quarter.

5.3.2. Capital Adequacy

The industry's capital adequacy was rated Fair for the period under review. The Commission is presently examining the Capital Adequacy Framework for all securities market intermediaries to tackle the existing capital adequacy challenges within the sector. The capital adequacy ratios shall be included once the new Capital Adequacy framework is approved.

Table 10: Capital Adequacy for Securities Market Infrastructures

	Exchanges		
	ZSE	FINSEC	VFEX
Assessment Metric	Rating	Rating	Rating
Earnings	Fair	Fair	Satisfactory
Capital	Satisfactory	Weak	Satisfactory
Overall Rating	Satisfactory	Weak	Satisfactory
	Central Securities Depository		
	CDC		
Earnings	Fair		
Capital	Fair		
Overall Rating	Fair		

5.3.3. ZSE Market Share for Securities Dealers

During the quarter under review, Bethel Equities commanded the largest market share, with 20.56% of the total brokerage commission on the Zimbabwe Stock Exchange board, followed by Morgan & Co and Imara Edwards, with market share of 18.71% and 11.79%, respectively. Table 11 shows the third-quarter market share for securities dealing firms on the ZSE.

Table 11: Securities Dealing Firms - ZSE market share for the quarter ended 30 September 2024

Ranking	Name of Institution	Market Share (%)
1	BETHEL EQUITIES	20.56%
2	MORGAN & CO	18.71%
3	IMARA EDWARDS SECURITIES	11.79%
4	IH SECURITIES	8.25%
5	INGENIUM CAPITAL	7.17%
6	MMC CAPITAL	5.55%
7	OLD MUTUAL SECURITIES	5.20%
8	LYNTON EDWARDS SECURITIES	4.34%
9	FBC SECURITIES	3.75%
10	ABC STOCKBROKERS	3.60%
11	EFE SECURITIES	3.15%
12	INVICTUS SECURITIES	1.94%
13	WEALTH ACCESS SECURITIES	1.36%
14	JEMINA CAPITAL	1.17%
15	AKRIBOS SECURITIES	0.92%
16	MAST STOCKBROKERS	0.90%
17	FINCENT SECURITIES	0.80%
18	SOUTHERN TRUST SECURITIES	0.46%
19	PLATINUM SECURITIES	0.19%
20	SIGMA CAPITAL	0.11%
21	REMO SECURITIES	0.07%
	TOTAL	100.00%

Table 12 Securities Dealing Firms VFEX market share for the quarter ended 30 September 2024

Ranking	Name of Institution	Market Share (%)
1	LYNTON EDWARDS SECURITIES	39.39%
2	INVICTUS SECURITIES	13.61%
3	IMARA EDWARDS SECURITIES	11.81%
4	MORGAN & CO	11.44%
5	INGENIUM CAPITAL	6.26%
6	IH SECURITIES	4.36%
7	FBC SECURITIES	4.18%
8	OLD MUTUAL SECURITIES	4.08%
9	EFE SECURITIES	2.36%
10	MMC CAPITAL	0.93%
11	ABC STOCKBROKERS	0.54%
12	MAST STOCKBROKERS	0.35%
13	AKRIBOS SECURITIES	0.24%
14	SOUTHERN TRUST SECURITIES	0.15%
15	WEALTH ACCESS SECURITIES	0.14%
16	JEMINA CAPITAL	0.09%
17	SIGMA CAPITAL	0.04%
18	BETHEL SECURITIES	0.03%
19	FINCENT SECURITIES	0.01%
20	PLATINUM SECURITIES	0.00%
21	*VISAPIG MARKETS	0.00%
	TOTAL	100.00%

*VISAPIG Markets specialises in Contracts For Differences (CFDs)

5.3.4. VFEX Market Share for Securities Dealers

Lynton Edwards Securities dominated the VFEX with a market share of 39.39% for the third quarter ended 30 September 2024. Invictus Securities and Imara Edwards Securities followed, with 13.61% and 11.81%, market shares respectively. The market share for the quarter under review for securities dealing firms on the VFEX are shown in Table 12 above.

5.4. Securities Investment Managers

5.4.1. Earnings

The asset management industry recorded an aggregate operating profit of ZWG 216.96 million for the quarter under review, with an average industry operating profit of ZWG 7.48 million. Twenty-two (22) out of twenty-nine (29) asset managers reported positive operating profits, while the remaining seven incurred losses. Earnings for the quarter were rated Critical based on the operating cost-to-management fees ratio, which stood at 24,230% (Q2 2024: 1,311%). This indicates that, on average, operating costs were 243.3 times higher than the management fees generated by the asset management industry. Only eleven (11) asset managers were able to register an operating cost-to-management fees ratio of less than one (1).

5.4.2. Capital Adequacy

The industry average capital adequacy ratio (CAR) stood at 1.79x against the minimum of 1.0x. Twenty-five (25) out of twenty-nine (29) operating asset managers were adequately capitalised. The Commission is in the process of reviewing the capital adequacy framework for investment managers. The capital adequacy ratios shall be included once the new Capital Adequacy framework is approved.

5.4.3. Market Share

OMIG led the Investment Management Firms with the highest FUM (CIS FUM included) share of 46.55% as at 30 September 2024, followed by TN Asset Management and CBZ Asset Management with FUM shares of 11.60% and 7.89% respectively. Table 13 below shows the FUM share for the Investment Management Firms.

Table 13: FUM Market Share for Investment Management Firms as at 30 September 2024.

Ranking	Name of Asset Manager	FUM Share (%)
1	Old Mutual Investment Group	46.55%
2	TN Asset Management	11.60%
3	CBZ Asset Management t/a Datvest	7.89%
4	Platinum Investment Managers	4.95%
5	First Mutual Wealth Management	4.92%
6	Imara Asset Management	3.25%
7	Fidelity Life Asset Management	2.77%
8	Wealth Access Asset Management	2.68%
9	Smartvest Wealth Managers	2.55%
10	Zimnat Asset Management Company	2.49%
11	Akribos Wealth Managers	2.32%
12	ABC Asset Management	1.92%
13	Invesci Asset Management	1.66%
14	Alpha Asset Management	0.97%
15	Equivest Asset Management	0.90%
16	Terrace Africa Asset Management	0.88%
17	Quant Africa Asset Management	0.75%
18	Purpose Asset Management	0.29%
19	Nyaradzo Asset Management	0.28%
20	Sublime Asset Management	0.24%
21	Nurture Asset Management Zimbabwe	0.10%
22	MHMK Capital Asset Management	0.02%
23	Bard Santner Investors	0.01%
24	Switzview Asset Management	0.00%
25	Cass Saddle Asset Management	0.00%
26	Silverback Asset Management	0.00%
27	Aramis Capital Asset Management	0.00%
28	Southpeople Asset Management	0.00%
29	Stratus Capital Asset Management	0.00%
	Total	100.00%

****Cansley have not commenced operations and is not part of the analysis.**

6. Custodians

During the quarter ended 30 September 2024, Total Assets under Custody (AUC) amounted to ZWG80.65 billion representing a 104% quarter-on-quarter increase from ZWG39.50 billion reported on 30 June 2024. Local clients accounted for 67.34% of AUC whilst foreign clients accounted for the remaining 32.66%. Comparatively, local clients accounted for 64.02% of AUC in the prior quarter whilst foreign clients accounted for the remaining 35.20%.

7. Transfer Secretaries

The total value of listed securities on Zimbabwe Stock Exchange administered by Transfer Secretaries substantially increased to ZWG70.0 billion as at 30 September 2024, up from ZWG46.89 billion, reported in the previous quarter. As for the listed shares on Victoria Falls Stock Exchange, the value of securities under transfer secretaries amounted to USD1.28 billion as at 30 September 2024.

The sector's earnings were rated Satisfactory. Notwithstanding the challenges faced in the quarter ending 30 September 2024, the industry achieved a commendable set of financial results. The aggregate net profit before tax was ZWG15.8 million, which represented a 94.34% increase from ZWG8.13million recorded in the previous quarter. Total income for the industry increased by ZWG11.0 million to ZWG24.2 million up from ZWG13.2 million. This was mainly driven by dividend processing fees and registers fees.

As at 30 September 2024, the sector's capital was rated Satisfactory. All the three (3) Transfer Secretaries reported equity levels well above the minimum requirement of ZWG3.73 million [USD\$150 000.00] as well as capital adequacy ratios greater than 2.00x.

8. ML/TF/PF Quarterly Offsite Assessment

The Commission undertook an offsite analysis on eight subsectors for the quarter ended 30 September 2024, analysing the ML/TF risk exposure. The assessment included 31 Investment Management Firms, 22 Securities Dealing firms, 5 Custodians, 4 Securities Exchanges, 6 Trustees, 3 Transfer secretaries, 3 Central Securities Depositories, and 54 Investment Advisors. Most Securities Investment Advisory institutions filed nil returns since there were no transactions reported throughout the period under review. Table 14 presents a complete breakdown of the risk scores of SMIs for the quarter under review.

Table 14: Overall ML, TF and PF Risk Assessment Results for the Quarter ended 30 September 2024

CATEGORY	RATING	SCORE	WEIGHT	OVERAL
Asset Managers	MEDIUM	0.4000	0.1333	0.0500
Securities Dealing	MEDIUM LOW	0.3800	0.1267	0.0500
Custodians	MEDIUM	0.4100	0.1367	0.0600
Securities Exchanges	MEDIUM	0.4000	0.1333	0.0500
Trustees	MEDIUM	0.4000	0.1333	0.0500
Transfer Secretaries	MEDIUM	0.4500	0.1500	0.0700
Advisors	MEDIUM LOW	0.2400	0.0800	0.0200
Central Securities Depositories	MEDIUM LOW	0.3200	0.1067	0.0300
OVERALL			MEDIUM LOW	0.3800

For the period under review, the sector's final vulnerability was rated medium low, with an overall risk score of 0.38. This shows a 0.03-point improvement from the risk score of 0.41 reported for the quarter ended 30 September 2023. The ML/TF overall risks for all securities sector intermediaries were ranked between medium-low and medium. Figure 3 depicts the trend of quarterly inherent risk scores for the securities sector between Q3 2023 and Q3 2024 while figure 4 depicts the comparison of the securities subsectors' risk ratings for Q3 2023 and Q3 2024.

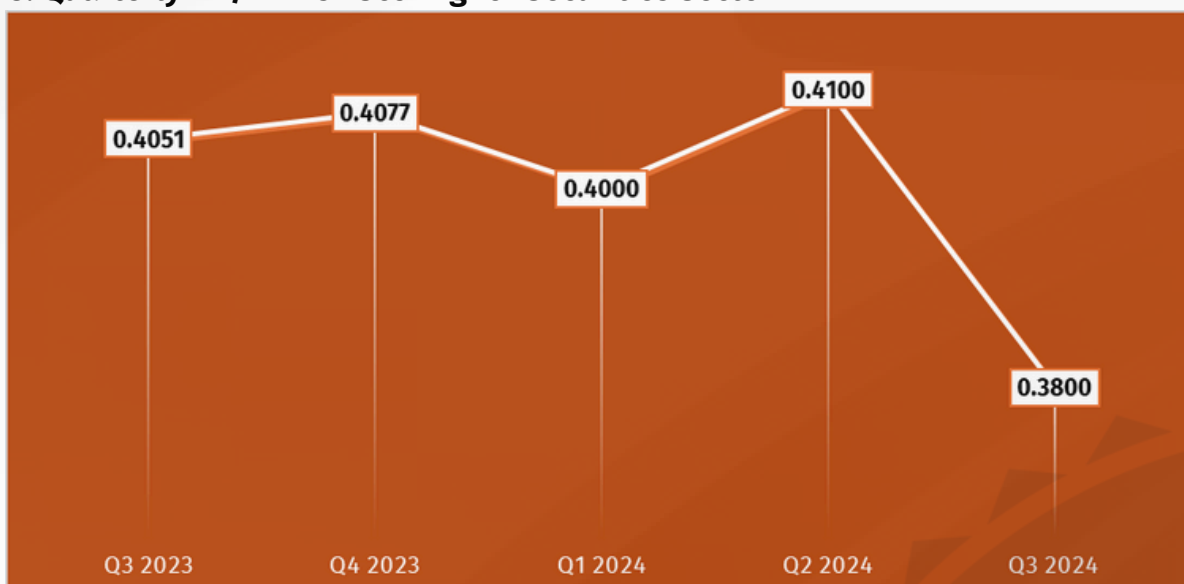
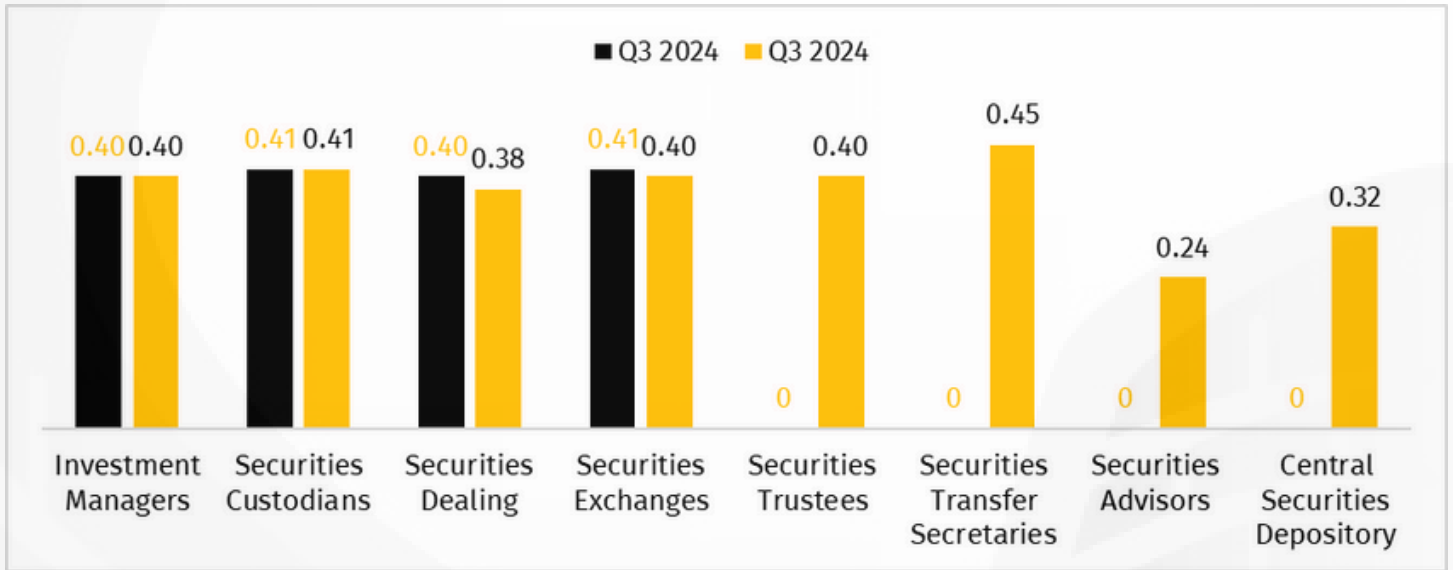
Figure 3: Quarterly ML/TF Risk Scoring for Securities Sector

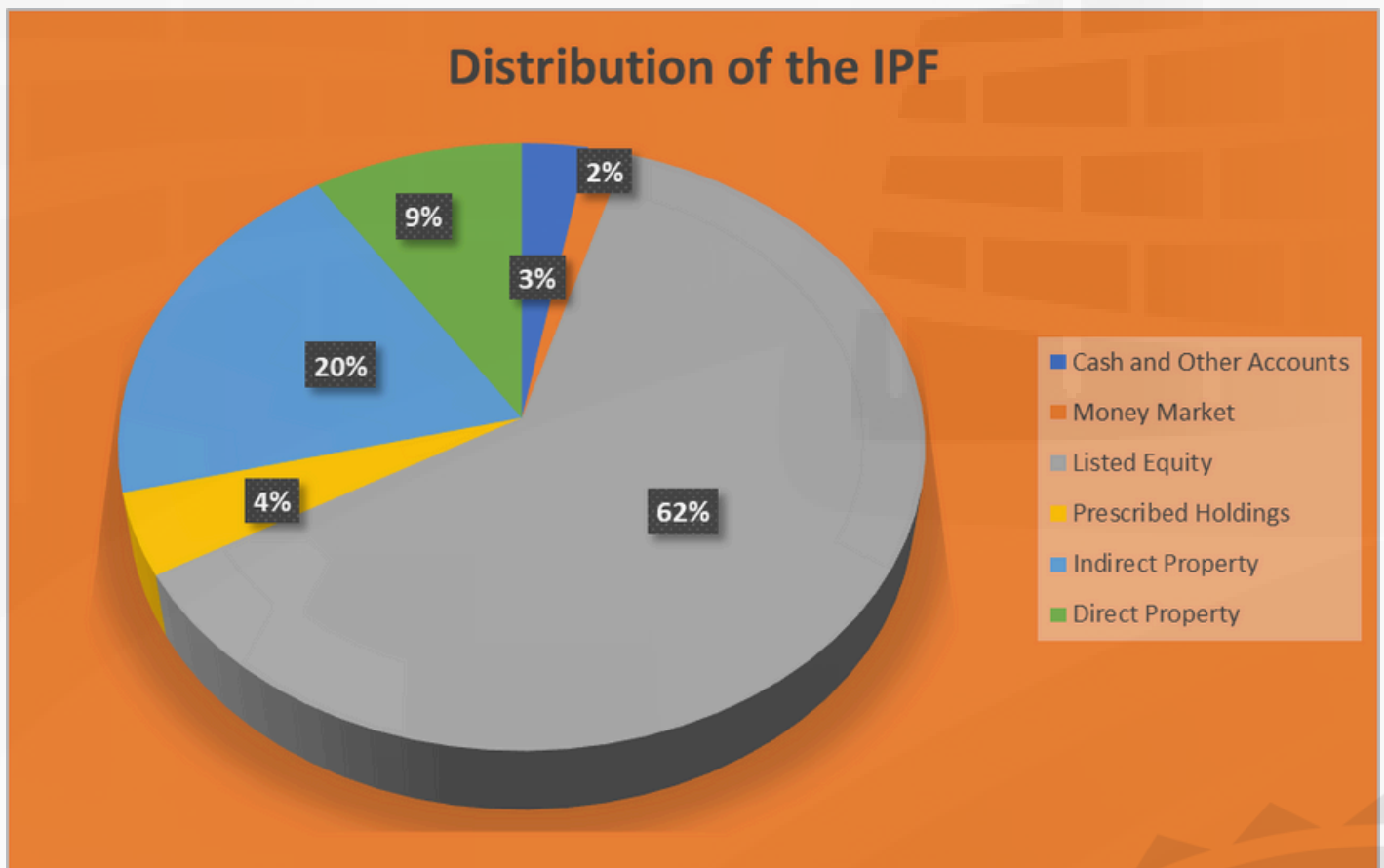
Figure 4: Comparison of the securities subsectors' risk ratings for Q3 2023 and Q3 2024



9. Investor Protection Fund

The Investor Protection Fund significantly increased by 88.43% to ZWG102.09 million from ZWG54.18 million recorded in the third quarter ended 30 September 2024. During the period under review, listed equities' market value increased by 81.10% to ZWG63.42 million from ZWG35.02 million recorded in the previous quarter. The unclaimed shares portfolio valuation as at 30 September 2024 stood at ZWG102.50 million and US\$ 629,413.60. Figure 5 shows the distribution of the IPF.

Figure 5: Distribution of the IPF



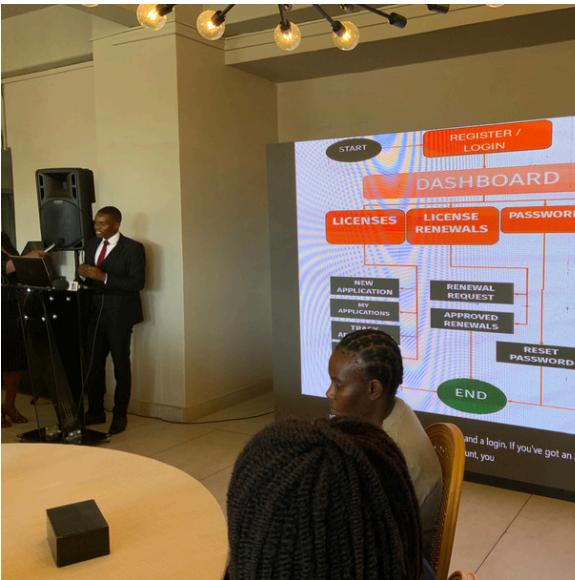
STAKEHOLDER ENGAGEMENT

SECZim launches the Braille Handbook to Enhance Capital Market Accessibility



Reading of Braille by Dorothy Duncan Staff Member

SECZim launched the Capital Market Braille version of Investment 101 on 24 September 2024. Falling under the Persons with Disabilities (PWDs), National Financial Inclusion Strategy (NFIS) 2, thematic working group deliverables, the book aims to raise financial literacy and capital market awareness among the visually impaired and or the deaf and thereby ensure that no one is left behind in understanding and participating in the capital market.



SECZim licensing portal launched



SECZim launched a new SMI Licensing Portal on 24 September 2024. The portal allows applicants to conveniently submit their applications remotely via the Internet, ensuring a seamless vetting and approval process within the portal.



Investments and Environmental, Social and Governance (ESG) issues

It starts with Investor Education

A critical factor in the financial performance of investments is the investor's ability to identify drivers of the expected risk and return of investments. The Risk and return of investments are affected by environmental, social and governance (ESG) issues which are difficult to measure in monetary terms. Financial analysts and asset managers are expected to be familiar with the financial factors that drive the value of an investment. ESG issues are often interlinked, and it can be challenging to classify an ESG issue as solely an environmental, social, or governance issue.

PROMOTING ENVIRONMENTAL STEWARDSHIP



The commonly used methods for bringing ESG considerations into investors' decision-making process are:

- Exclusionary screening / negative screening - This is the process of excluding companies that do not comply with specific, pre-set social or environmental criteria, when making an investment decision.
- Best-in-class selection - This approach involves the selection or weighting of the best performing or most improved companies or assets as identified by the ESG analysis.
- Thematic investing - This is the activity of investing in themes that are linked to the development of sustainability. Sustainability themed investments inherently contribute to addressing social and/or environmental challenges such as climate change, eco-efficiency and health.
- Active ownership - Active ownership is done through the voting of shares and other activities that the organisation will be planning on doing, and engagement with companies on ESG matters. This is a long-term process, seeking to influence behaviour or increase disclosure.
- Impact investing - Impact Investments are investments made into companies, organisations and funds by investors with the intention to generate social and environmental impact alongside a financial return.



Long-term bonds have maturities in excess of 12 years.

Government bonds are considered risk-free and are traded in highly liquid markets.

When a bond is cum interest, interest will be paid on a particular date in the future, and this amount is included in the trading price.

**DID YOU
KNOW?**

Government bonds create a benchmark against which riskier securities may be compared.

Bond yield is the amount of return an investor will realise on a bond.

CORPORATE SOCIAL RESPONSIBILITY

SECZim employees lead by example in the national clean-up campaign, showcasing our dedication to ESG principles and the importance of preserving our environment for future generations.



Thank you to our sponsors

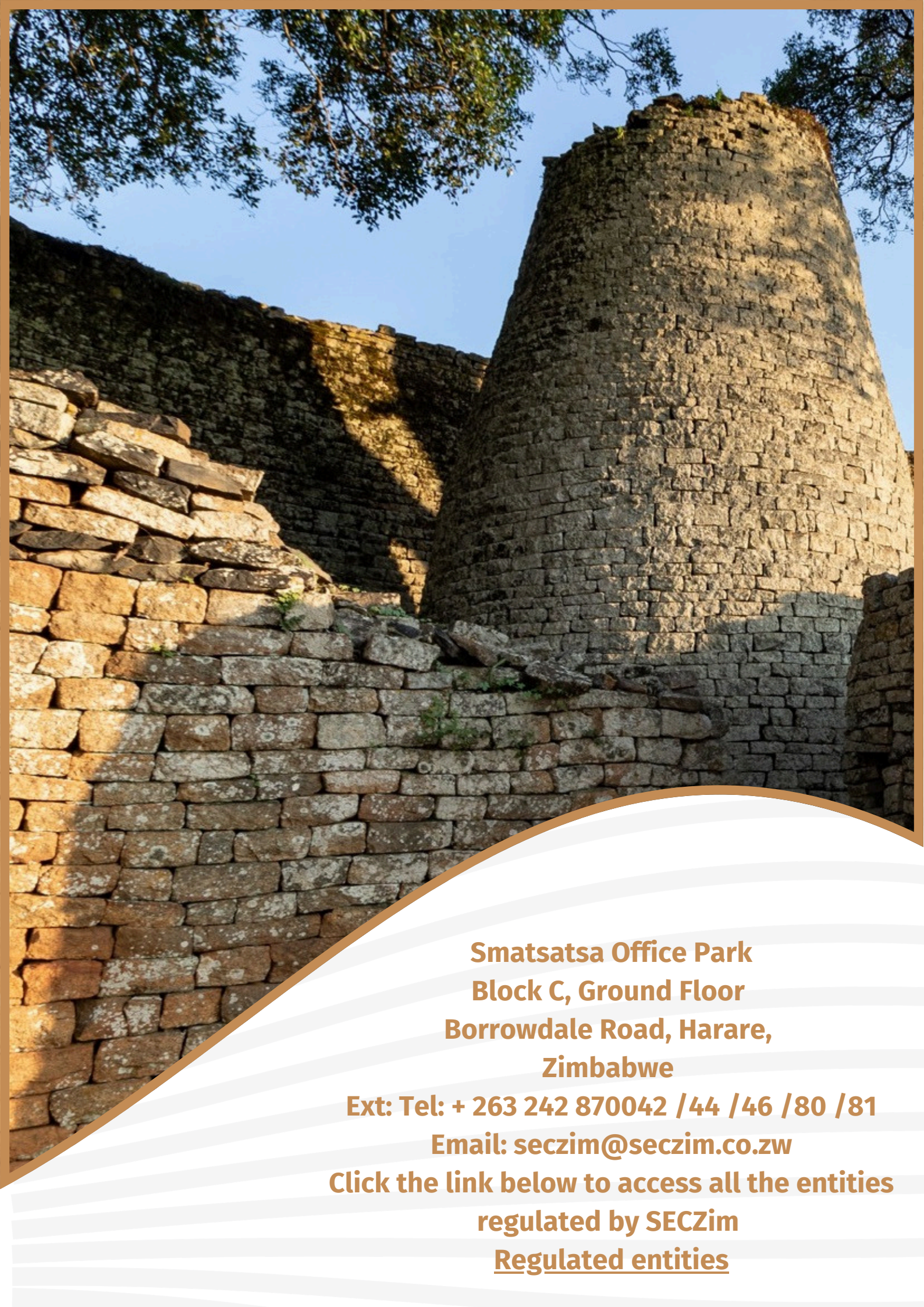


STAKEHOLDER ENGAGEMENT CALENDER Q4 2024



Activity	Time	Location
Capital markets awareness workshop	Q4	Harare
Capital Market Quiz	Q4	Harare
#MySchool CSR	Ongoing	Provinces
Train the trainer workshops	Quarterly	Provinces
MoPSE calendar events	Q4	TBA
Customer Service Week	October 2024	Inhouse
Media Workshop	November 2024	Harare





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