

# THE CAPITAL MARKET QUARTERLY NEWSLETTER





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
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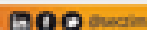
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- Capital Market Quarterly Report Q2 2024
- Capacity Building for SMIs
- Stakeholder Engagement
- Inaugural Capital Market Conference
- Play And Learn

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FINANCIAL MARKETS INDABA in Partnership with BUSINESS WEEKLY

# CAPITAL MARKETS - HIGH SCHOOLS QUIZ

**COMPETING SCHOOL TEAMS**

**POOL A**

1. HARARE HIGH SCHOOL
2. MIDLANDS CHRISTIAN COLLEGE
3. ST FAITH HIGH SCHOOL
4. DARAMOMBE HIGH SCHOOL
5. ERRYPAPLE HIGH SCHOOL

**COMPETING SCHOOL TEAMS**

**POOL C**

1. NYANGA HIGH SCHOOL MARIST BROTHERS
2. NORTH WEST HIGH SCHOOL
3. JAMESON HIGH SCHOOL
4. THORNHILL HIGH SCHOOL
5. MOLELI HIGH SCHOOL

**COMPETING SCHOOL TEAMS**

**POOL B**

1. JOHN TALLACH HIGH SCHOOL
2. ERRYPAPLE INTERNATIONAL SCHOOL
3. ST JOHNS EMERALD HILL
4. VISITATION MAKUMBE HIGH SCHOOL
5. MUNASHE HIGH SCHOOL

**COMPETING SCHOOL TEAMS**

**POOL D**

1. CHIPINDURA HIGH SCHOOL
2. CYGNET COLLEGE
3. ST DOMINICS CHISHAWASHA
4. CHINHOYI HIGH SCHOOL
5. MONTE CASINO GIRLS HIGH SCHOOL

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# THE CAPITAL MARKET OVERVIEW FOR Q2 2024

## Market Statistics and Commentary

### Q2 Trading Activity

	ZSE	VFEX	FINSEC	Market
Market Turnover (USD' m)	13.71	10.07	0.07	<b>23.85</b>
Foreign Participation – Buy Side (%)	10.69	17.68	-	<b>13.54</b>
Foreign Participation – Sell Side (%)	32.02	0.72	-	<b>21.16</b>
# Trades	6,145	3,028	152	<b>9,325</b>
Market Capitalisation as at 30 June (USD' m)	2,825	1,253	12	<b>4,090</b>

### Commentary

- The ZSE All Share registered a quarterly gain of 28.67% as at 30 June to close Q2 at 128.67 points.
- The mainstream VFEX All Share Index registered a quarterly gain of 1.61% as at 30 June to close at 102.69 points.
- ZSE turnover for Q2, at ZiG 185.4 million, translates to USD13.71 million which is a drop of 41.9% in USD terms from the prior quarter. The ZSE recovery towards the end of Q2 was on the back of anticipated policy reversals by MoFEDIP through a reduction in CGWT to 2%, suspension of CGT and the lifting of the vesting period.
- The VFEX turnover for Q2 2024 was down 16.82% to USD 10.07 million for Q2 2024.
- Overall market capitalisation dropped by 7.9% from USD 4.44 billion as at March 2024 to USD4.09 billion as at 30 June 2024 thereby trimming the YTD return down to 2.7%.



## Listings and Delistings

- The VFEX officially launched Contract for Differences (CFDs) in Zimbabwe on 10 May with trading commencing on 13 May.
- The VFEX suspended trading in Bindura shares in compliance with the listing requirements following placement of the issuer's major operating subsidiary, Trojan Nickel Mine Limited, under a Reconstruction Order in terms of the Reconstruction of State-Indebted Insolvent Companies Act [Cap 24:27].



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# Financial Analysis Report for Second Quarter of

# 2024



## 1. Introduction

For the quarter ended 30 June 2024, the number of licensed persons moved in the manner expressed in Table 1.

The merger between FBC Bank and Standard Chartered Bank led to a decrease in the number of securities custodians to six (6). One (1) securities investment advisor surrendered its licence and three (3) investment advisors ceased operations and were removed from the register with effect from this quarter thereby reducing the total number of advisors to fifty-six (56). The number of collective investment schemes increased to eighty-three (83) following the registration of Old Mutual Renewable Energy Fund.





**Table 1: Licensed and Registered Securities Market Intermediaries.**

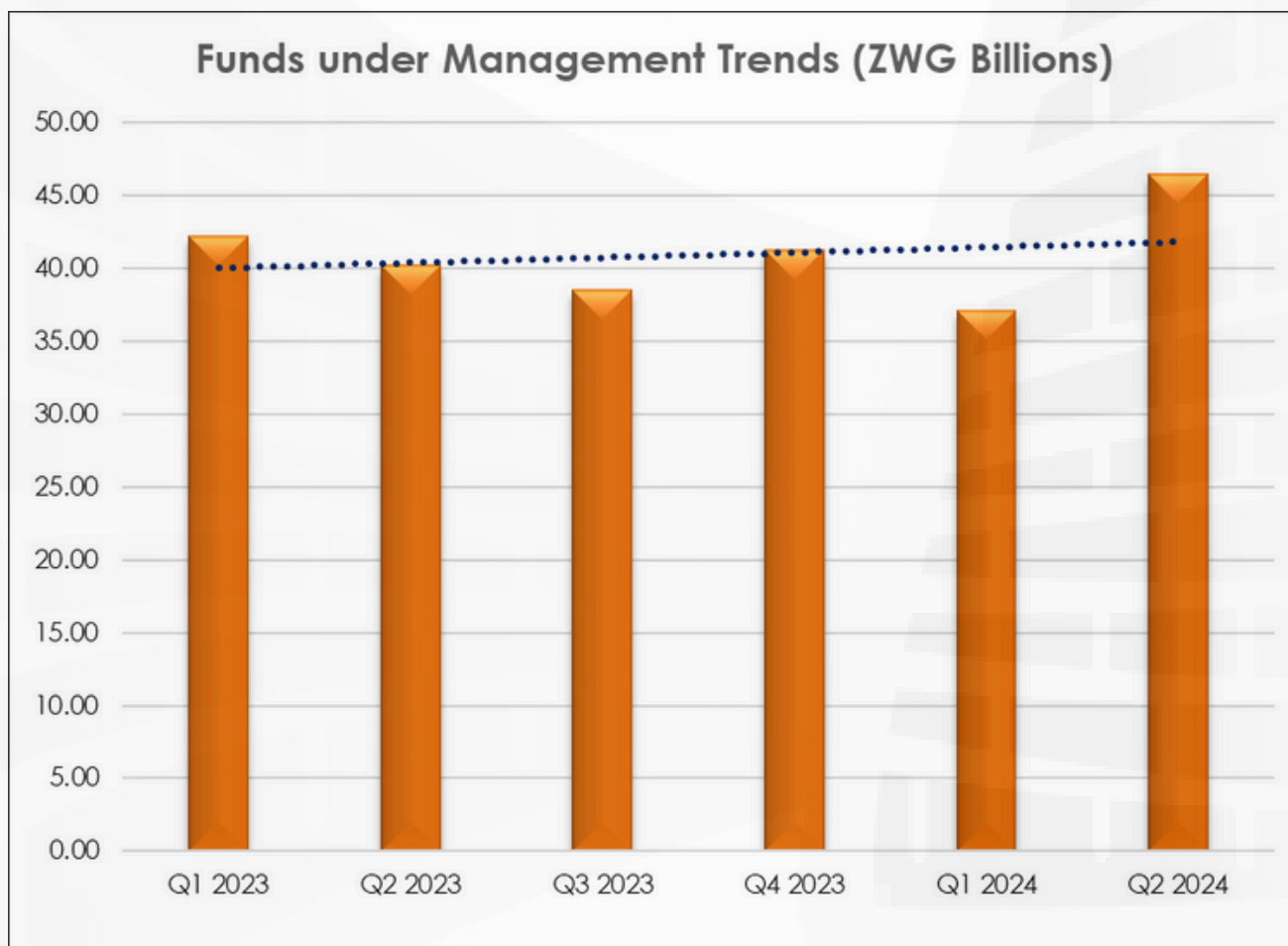
Licence Category	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024
Securities Dealing firms	21	21	22	22	22	22
Securities Investment advisers	63	61	61	65	60	56
Securities Investment managers	30	31	31	32	32	31
Securities exchanges	4	4	4	4	4	4
CSDs	2	2	2	2	2	2
Securities Trustees	4	5	5	6	7	7
Securities Custodians	6	6	6	7	7	6
Securities Transfer secretaries	3	3	3	3	3	3
<b>Total SMIs</b>	<b>133</b>	<b>133</b>	<b>134</b>	<b>141</b>	<b>143</b>	<b>131</b>
<b>Total CIS</b>	<b>79</b>	<b>81</b>	<b>81</b>	<b>81</b>	<b>82</b>	<b>83</b>
<b>Grand Total (SMIs &amp; CIS)</b>	<b>212</b>	<b>214</b>	<b>215</b>	<b>222</b>	<b>225</b>	<b>214</b>
<b>Unit Holders</b>	<b>81,115</b>	<b>81,699</b>	<b>82,795</b>	<b>82,968</b>	<b>87,344</b>	<b>81,401</b>



## 1. INVESTMENT/ASSET MANAGERS PERFORMANCE

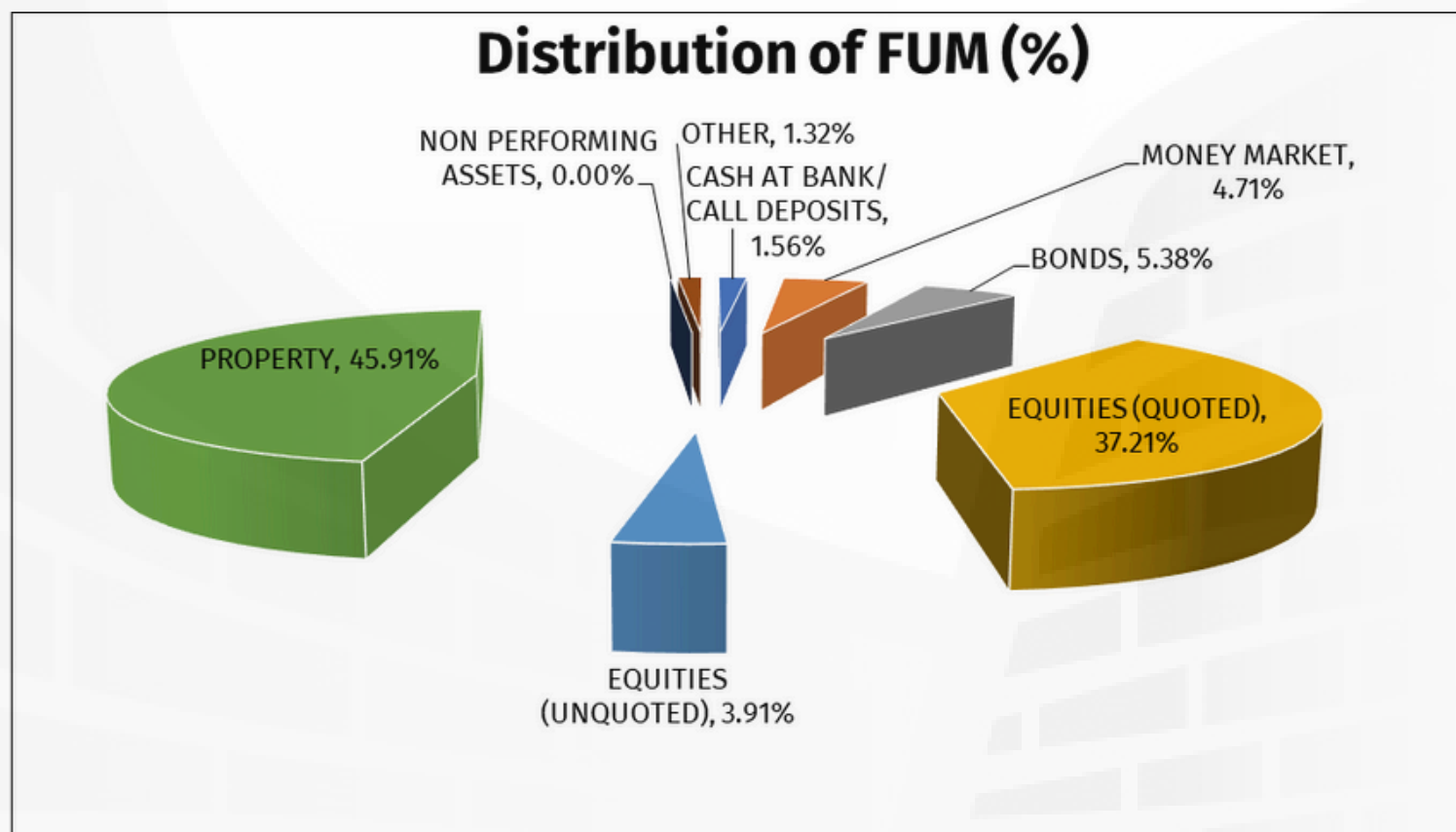
Total Funds Under Management (FUM) as at 30 June 2024 stood at ZWG46.5 billion representing a 25.17% increase from ZWG37.15 billion recorded in the previous quarter. The total FUM as at 30 June 2024 includes USD denominated FUM of USD1.61 billion. The industry average FUM for the period ended 30 June 2024 stood at ZWG1.5 billion. Figure 1 shows the FUM trend from Q1 2023 to Q2 2024.

**Figure 1: Trend of Funds under Management (Q1-2023 to Q2-2024)**



The sector's exposure to the stock market declined to 37.21% from 51.83% recorded in the prior quarter. There was a significant increase in the sector's property investment exposures from 36.58% reported as at 31 March 2024 to 45.91% recorded as at 30 June 2024. Money market investments marginally declined from 4.81% recorded in March 2024, to 4.71% reported on 30 June 2024. Investment in unquoted equities increased slightly to 3.91% from 3.36% recorded as at 31 March 2024. Exposure to bonds stood at 5.38% signalling increasing appetite in government debt/treasury bills. Cash/call deposits and other investments all account for the remaining 2.88% investment exposures for the asset management industry.

Figure 2 shows the FUM distribution as at 30 June 2024.



## 2. SECURITIES EXCHANGES PERFORMANCE

During the quarter ended 30 June 2024, the total turnover for Equities, ETFs and REITs markets on the Zimbabwe Stock Exchange (ZSE) was ZWG185.40 million, ZWG327,830 and ZWG70.18 million respectively. The Financial Securities Exchange (FINSEC) recorded trades worth ZWG889,125 during the quarter under review. On the foreign currency denominated exchange, Victoria Falls Stock Exchange (VFEX), there were 3,028 trades amounting to US\$10.07 million for the quarter ended 30 June 2024. **Table 2** details the turnover statistics.



Table 2: Turnover Statistics from Apr – Jun 2024

	ZSE Equities ZWG	ZSE ETFs ZWG	ZSE REITs ZWG	FINSEC ZWG	VFEX USD
<b>Total Traded Value</b>	185,400,809	327,830	70,175,534	889,125	10,073,648
<b>Market Capitalisation</b>	38,710,427,567	86,815,634	628,896,250	166,023,438	1,252,795,140
	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>
<b>Total Traded Volume (trades)</b>	248,146,920 6,145	6,138,363 511	135,585,890 664	502,413 152	50,837,335 3,028

## 2.1 COLLECTIVE INVESTMENT SCHEMES INDUSTRY

As at 30 June 2024, the number of active registered collective investment schemes stood at forty-eight (48). The number of unit holders declined to 81,401 from 87,344 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	15
Money Market	12
Hybrid	7
Exchange Traded Funds (ETFs)	5
Property	3
Gold Funds	2
Real Estate Investment Trust (REIT)	3
Livestock backed Unit Trust	1
<b>TOTAL</b>	<b>48</b>

## 2.2 Collective Investment Schemes Funds Under Management

As at 30 June 2024, ZWG denominated Collective Investment Schemes Funds Under Management (CIS FUM) stood at ZWG924 million up 1.17% from ZWL1.42 trillion (ZWG913 million equivalent) as at 31 March 2024. The total funds under management for eight (8) CIS funds that are denominated in USD amounted to USD56.21 million, which was a 51% increase from USD37.36 million recorded in December 2023. The 51% increase was attributed to the addition of the Tigere REIT whose fund value is now denominated in USD. Table 4 shows the CIS FUM market share as at 30 June 2024.

**Table 4: CIS FUM market share.**

FUND MANAGER	ZWG CIS FUM	USD CIS FUM	TOTAL CIS FUM (IN ZWG)	MARKET SHARE (IN %)
Zimnat Asset Management	441,358,717	4,174,050	498,556,142	29.43%
Terrace Africa Asset Management	0	22,551,958	309,031,736	18.24%
CBZ Asset Management	285,487,039	0	285,487,039	16.85%
Old Mutual Investment Group	54,469,273	8,120,213	165,741,364	9.78%
Smartvest Wealth Managers	1,235,299	11,060,385	152,796,861	9.02%
Fidelity Life Asset Management	863,183	10,298,883	141,989,807	8.38%
Silverback Asset Management	99,659,759	0	99,659,759	5.88%
TN Asset Management	35,221,051	0	35,221,051	2.08%
First Mutual Wealth Management	3,255,340	0	3,255,340	0.19%
ABC Asset Management	1,372,299	0	1,372,299	0.08%
Cass Saddle Asset Management	505,431	0	505,431	0.03%
Platinum Investment Managers	499,315	0	499,315	0.03%
Bard Santner Investors	75,662	0	75,662	0.01%

## 3. Investor Activity

During the quarter ended 30 June 2024, a total of ZWG432,45 million worth of trades were settled through Chengetedzai Depository Company (CDC) and the ZSE Depository. Corporations purchased 43.65% (ZWG188.77 million) of the total shares, followed by Nominee Accounts which accounted for 24.16% (ZWG104.48 million). Individual investors purchased 16.14% (ZWG69.81 million) of the total shares. Table 5 shows buying activity as at 30 June 2024.

**Table 5: Investor Activity by Category (buying investors)**

#	Type of Investor	Settled Trades (ZWG)	% Of Total Settled Trades
1	Corporation	188,771,417	43.65%
2	Nominee Account	104,476,737	24.16%
3	Individual	69,814,981	16.14%
4	Others	33,283,824	7.70%
5	Pension Fund	26,257,489	6.07%
6	Insurance	8,499,998	1.97%
7	Trust Companies	1,210,193	0.28%
8	Investment Managers	67,834	0.02%
9	Unclaimed Shares	62,722	0.01%
	<b>Total</b>	<b>432,445,194</b>	<b>100.00%</b>



Nominee Accounts disposed the highest value of shares accounting for 30.47% (ZWG131.75 million) followed by Corporation which disposed shares worth ZWG114.38 million (26.45%). Table 6 shows selling activity for the second quarter ended 30 June 2024.

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

#	Type of Investor	Settled (ZWG)	Trades	% Of Total Settled Trades
1	Nominee Accounts		131,753,741	30.47%
2	Corporation		114,380,077	26.45%
3	Individual		91,635,887	21.19%
4	Others		52,185,376	12.07%
5	Pension Fund		39,324,452	9.09%
6	Insurance		2,049,711	0.47%
7	Trust Companies		909,815	0.21%
8	Unclaimed Shares		104,870	0.02%
9	Joint Accounts		101,265	0.02%
	<b>Total</b>		<b>432,445,194</b>	<b>100.00%</b>

For the period under review, a total of US\$10.07 million worth of trades were settled through VFEX Depository. Corporate purchased 67.66% (US\$6.82 million) of the total shares, followed by Pension Funds who accounted for 20.49% (US\$2.06 million). Individual investors purchased 7.92% (US\$797,994) of the total shares.

Corporates disposed the highest value of shares amounting to US\$6.28 million (62.29%), followed by Individuals which disposed US\$1.81 million (18.00%) worth of shares. Table 7 below shows both buying and selling activities for the three months ended 30 June 2024.

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

#	Type of Investor	Buying Investors		Selling Investors	
		Settled (USD)	% Of Total Settled Trades	Settled Trades (USD)	% Of Total Settled Trades
1	Corporate	6,815,974	67.66%	6,275,237	62.29%
2	Pension Fund	2,064,587	20.49%	1,251,510	12.42%
3	Individual	797,994	7.92%	1,813,270	18.00%
4	NMI	290,287	2.88%	671,441	6.67%
5	Joint Account	81,840	0.81%	13,748	0.14%
6	Trust	22,922	0.23%	1,956	0.02%
7	Minor	42	0.00%		0.00%
8	Estate Late		0.00%	588	0.01%
9	Mutual Fund		0.00%	45,898	0.46%
	<b>Total</b>	<b>10,073,648</b>	<b>100.00%</b>	<b>10,073,648</b>	<b>100.00%</b>

### 3.1. Investor Activity (Direct Market Access Platforms)

During the period under review, a total of 23,859 investors had active accounts on both the C-Trade and ZSE Direct. For the second quarter of 2024, these two platforms recorded Buy Trades worth ZWG2.43 million and Sell Trades worth ZWG2.29 million. In addition, VFEX Direct recorded Buy trades worth USD\$31,631 and sell trades worth US\$10,487 over the three-month period ended 30 June 2024, with a total of 1,114 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)
<b>Total Buy Value</b>	ZWG 1,404,855	ZWG 1,028,974	USD 31,631
<b>Total Buy Volume</b>	7,832,741	5,241,822	211,531
<b>Number of Buy Trades</b>	5,341	1,512	483
<b>Total Sell Value</b>	ZWG 766,837	ZWG 1,527,120	USD 10,487
<b>Total Sell Volume</b>	5,815,199	3,244,677	183,249
<b>Number of Sell Trades</b>	2,192	909	127
<b>Number of Active Clients</b>	<b>13,144</b>	<b>10,715</b>	<b>1,114</b>

## 4. Performance of SMIs

### 4.1. Securities Market Infrastructures

During the period under review, all Securities Market Infrastructures were adequately capitalised. Overall, the rating was considered **Fair**.

**Table 9: Capital Adequacy for Securities Market Infrastructures**

Assessment Metric	Exchanges		
	ZSE	FINSEC	VFEX
	Rating	Rating	Rating
Earnings	Fair	Fair	Satisfactory
Capital	Satisfactory	Fair	Fair
<b>Overall Rating</b>	<b>Satisfactory</b>	<b>Fair</b>	<b>Fair</b>
	Central Securities Depository		
	CDC		
Earnings	Fair		
Capital	Satisfactory		
<b>Overall Rating</b>	<b>Satisfactory</b>		



## 4.2. Securities Dealing Firms

### 4.2.1. Earnings

The industry's earnings were rated as Critical based on the ratio of operating costs to brokerage income. Out of the total of twenty-one (21) firms, eighteen (18) were unable to reach the breakeven point exclusively through core income, specifically brokerage commissions.

### 4.2.2. Capital Adequacy

The industry's capital adequacy was rated Weak 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.

### 4.2.3. ZSE Market Share for Securities Dealers

During the quarter under review, Imara Securities commanded the largest market share, with 29.85% of the total brokerage commission on the Zimbabwe Stock Exchange, followed by MMC Capital and Morgan & Co, with market share of 26.72% and 10.75%, respectively. Table 10 shows the second quarter market share for securities dealing firms on the ZSE.

**Table 10: Securities Dealing Firms - ZSE market share for the quarter ended 30 June 2024**

Ranking	Name of Institution	Market Share (%)
1	IMARA SECURITIES	29.85%
2	MMC CAPITAL	26.72%
3	MORGAN & CO	10.75%
4	FBC SECURITIES	6.63%
5	INGENIUM SECURITIES	4.94%
6	LYNTON EDWARDS SECURITIES	3.31%
7	IH SECURITIES	3.31%
8	ABC STOCKBROKERS	3.15%
9	OLD MUTUAL SECURITIES	2.85%
10	EFE SECURITIES	2.01%
11	WEALTH ACCESS SECURITIES	1.21%
12	MAST STOCKBROKERS	1.18%
13	SIGMA CAPITAL	1.00%
14	BETHEL SECURITIES	1.00%
15	JEMINA CAPITAL	0.62%
16	INVICTUS SECURITIES	0.40%
17	AKRIBOS SECURITIES	0.34%
18	FINCENT SECURITIES	0.32%
19	SOUTHERN TRUST SECURITIES	0.20%
20	PLATINUM SECURITIES	0.19%
21	REMO SECURITIES	0.02%
22	*VISAPIG SECURITIES	0.00%
	TOTAL	100.00

\*VISAPIG Securities specialises in Contracts For Differences (CFDs)

#### 4.2.4. VFEX Market Share for Securities Dealers

IH Securities dominated the VFEX with a market share of 22.78% for the quarter ended 30 June 2024. Lynton Edwards Securities and Morgan & Co followed, with 14.84% and 12.79%, market shares respectively. The market share for the quarter under review for securities dealing firms on the VFEX are shown in Table 11.

**Table 11: Securities Dealing Firms VFEX market share for the quarter ended 30 June 2024**

Ranking	Name of Institution	Market Share (%)
1	IH SECURITIES	22.78%
2	LYNTON EDWARDS SECURITIES	14.84%
3	MORGAN & CO	12.79%
4	INGENIUM SECURITIES	11.16%
5	FBC SECURITIES	9.11%
6	OLD MUTUAL SECURITIES	8.26%
7	IMARA SECURITIES	7.90%
8	WEALTH ACCESS SECURITIES	5.33%
9	SIGMA CAPITAL	1.50%
10	INVICTUS SECURITIES	1.36%
11	EFE SECURITIES	1.22%
12	FINCENT SECURITIES	1.06%
13	AKRIBOS SECURITIES	0.82%
14	MMC CAPITAL	0.81%
15	ABC STOCKBROKERS	0.39%
16	BETHEL SECURITIES	0.38%
17	JEMINA CAPITAL	0.15%
18	MAST STOCKBROKERS	0.12%
19	PLATINUM SECURITIES	0.03%
20	SOUTHERN TRUST SECURITIES	0.01%
	<b>TOTAL</b>	<b>100.00</b>



### 4.3. Securities Investment Managers

#### 4.3.1. Earnings

Despite the asset management industry recording aggregate operating profits of ZWG110.51 million for the quarter under review, the operating cost to management fees ratio of 1311% was rated Critical. This entails that on average, operating costs are 13.11 times the management fees realised by the asset management industry. Considering the topline for the industry, which is largely made up of proprietary investment in securities, the unsustainability of profits for the asset managers has serious implications on the going concern status for various entities within the sector.

#### 4.3.2. Capital Adequacy

The industry average capital adequacy ratio (CAR) stood at 3.30x against the minimum of 1.0x. Twenty-five (25) out of twenty-nine (29) operational 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.

#### 4.3.3. Market Share

OMIG led the Investment Management Firms with the highest FUM share of 49.76% as at 30 June 2024, followed by TN Asset Management and CBZ Asset Management with FUM shares of 8.61% and 7.87% respectively. Table 12 below shows the FUM share for the Investment Management Firms.

**Table 12: FUM Market Share for Investment Management Firms as at 30 June 2024.**

Ranking	Name of Asset Manager	FUM Share (%)
1	Old Mutual Investment Group (OMIG)	49.76%
2	TN Asset Management	8.61%
3	CBZ Asset Management t/a Datvest	7.87%
4	Platinum Investment Managers	5.28%
5	First Mutual Wealth Management	4.09%
6	Fidelity Life Asset Management	3.13%
7	Imara Asset Management	3.09%
8	Wealth Access Asset Management	3.07%
9	Zimnat Asset Management	2.70%
10	Smartvest Wealth Managers	2.60%
11	Akribos Wealth Managers	2.09%
12	ABC Asset Management	2.03%
13	Invesci Asset Management	1.76%
14	Equivest Asset Management	1.00%
15	Alpha Asset Management	0.87%
16	Terrace Africa Asset Management	0.64%
17	Quant Africa Asset Management	0.34%
18	Nyaradzo Asset Management	0.30%
19	Purpose Asset Management	0.25%
20	Silverback Asset Management	0.21%
21	Sublime Asset Management	0.14%
22	Nurture Asset Management	0.11%
23	Bard Santner Investors	0.05%
24	MHMK Capital Asset Management	0.01%
25	Switzview Wealth Managers	0.00%
26	Cass Saddle Asset Management	0.00%
27	Aramis Capital Asset Management	0.00%
28	Simuka Asset Management	0.00%
29	Southpeople Capital Asset Management	0.00%
	<b>Total</b>	<b>100%</b>

## 5. Custodians

As at 30 June 2024, Total Assets under Custody (AUC) amounted to ZWG39.50 billion representing a 11.65% quarter-on-quarter increase from ZWG35.38 billion reported on 31 March 2024. Local clients accounted for 64.02% of AUC whilst foreign clients accounted for the remaining 35.20%. Comparatively, local clients accounted for 85.60% of AUC in the first quarter of 2024 whilst foreign clients accounted for the remaining 14.40%.

## 6. Transfer Secretaries

The total value of securities administered by the Transfer Secretaries as at 30 June 2024 amounted to ZWG46.89 billion, representing a significant increase from ZWG28.87 billion [ZWL72.18 trillion] reported as at 31 March 2024. The increase of ZWG18.02 billion represent a quarterly expansion of the market capitalisation value for listed securities on the Zimbabwe Stock Exchange during the period under review. However, of notable concern is the sluggish increase in USD share register value to USD\$1.25 billion as at 30 June 2024, compared with US\$1.23 billion as at 31 March 2024. This is an indication of the slow growth in stocks listed on Victoria Falls Stock Exchange.

The sector's earnings were rated **Satisfactory**. The industry reported a profit of ZWG8.13 million during the quarter under review, a significant increase from ZWG3.6 million [ZWL9.24 billion] reported during the previous quarter. This was due to an increase in fees charged on share register value by all the three transfer secretaries. All the three firms reported positive earnings during the quarter under review. Staff cost to operating expenditure ratio has remained high with an industry average of 57.63%. ZB Transfer secretaries and Corpserve Transfer Secretaries had a ratio higher than the industry average.

The sector's capital was rated **Satisfactory**, with all three (3) Transfer Secretaries adequately capitalised, above the minimum capital requirement of ZWG2.06 million [USD\$150 000.00] as at 30 June 2024. The three transfer Secretaries reported a capital adequacy ratio well above 2.00x, an indication of ample capital levels above the minimum required.

## 7. ML/TF/PF Quarterly Offsite Assessment

The Commission conducted an offsite analysis of seven securities subsectors for the quarter ended June 30, 2024, assessing ML/TF/PF risk exposure. The assessment included 31 investment management firms, 22 dealing firms, 5 custodians, 4 exchanges, 6 trustees, 3 transfer secretaries, and 54 advisors. Table 13 presents the Q2 assessment results.

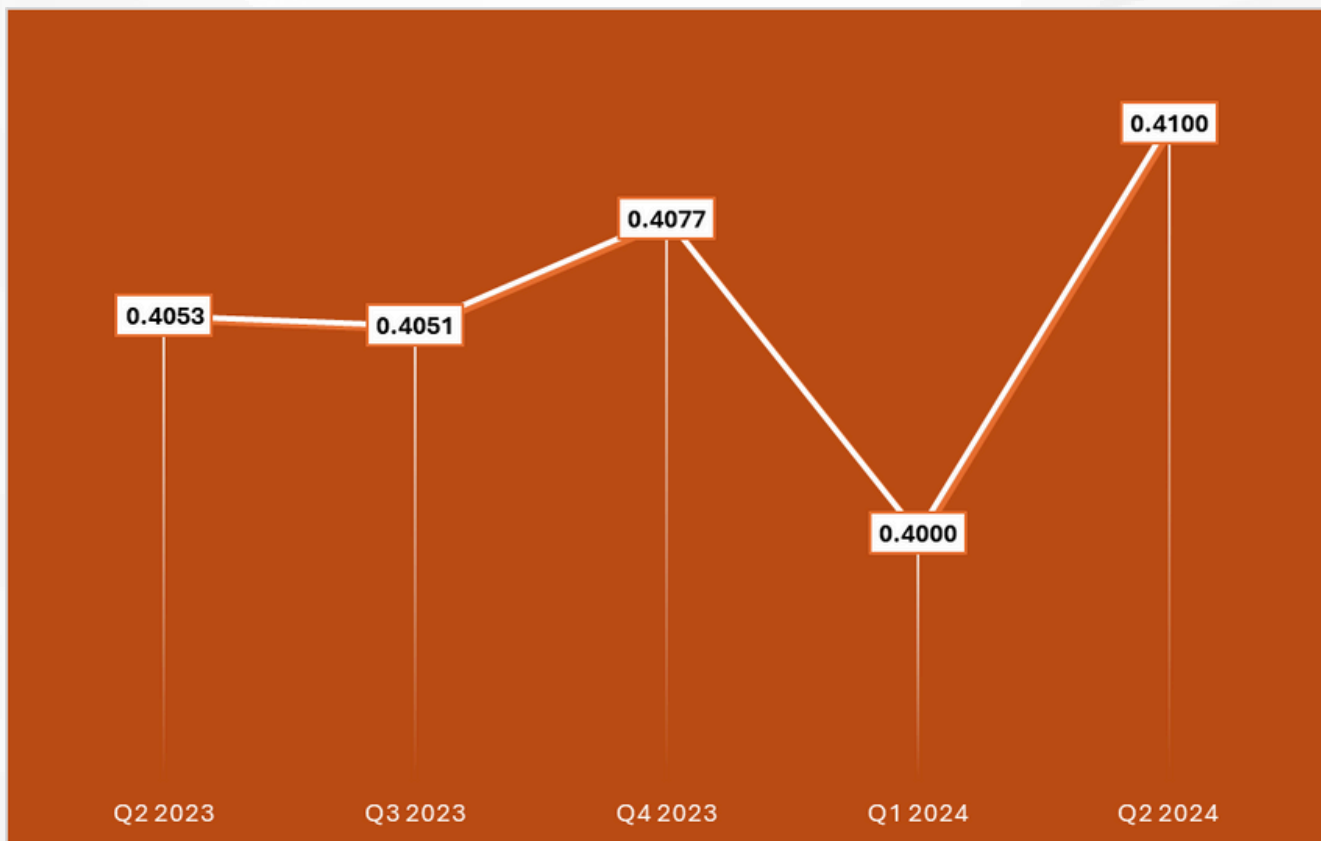
**Table 13: Overall ML, TF and PF Risk Assessment Results for the Second Quarter 2024**

CATEGORY	RATING	SCORE	WEIGHTING	OVERALL
Securities Investment Managers	MEDIUM	0.4100	0.1491	0.0600
Securities Dealing Firms	MEDIUM LOW	0.3900	0.1418	0.0600
Securities Custodians	MEDIUM	0.4000	0.1455	0.0600
Securities Exchanges	MEDIUM	0.4600	0.1673	0.0800
Securities Trustees	MEDIUM	0.4100	0.1491	0.0600
Securities Transfer Secretaries	MEDIUM	0.4500	0.1636	0.0700
Securities Investment Advisors	MEDIUM LOW	0.2300	0.0836	0.0200
OVERALL			Medium	0.4100

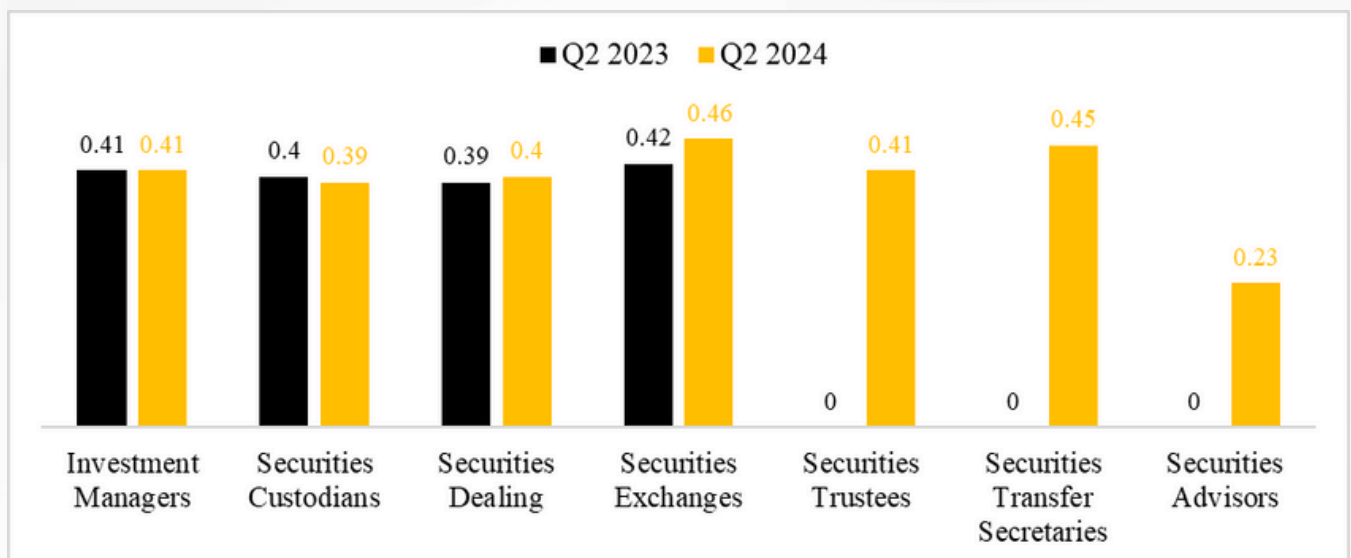


For the period under review, the sector's final vulnerability remained medium, with an overall risk score of 0.41. This shows a 0.01-point deterioration from the risk score of 0.40 reported for the quarter ended 30 June 2023. The ML/TF/PF overall risks for all securities sector intermediaries were ranked between medium-low and medium high. Figure 3 depicts the trend of quarterly residual risk scores for the securities sector between 30 June 2023 and 30 June 2024 and figure 4 depicts the comparison of the securities subsectors' risk ratings for Q2 2023 and Q2 2024 respectively.

**Figure 3: Q2 Residual ML/TF/PF Risk Scoring Trend**



**Figure 4: Comparison of the securities subsectors' risk ratings for Q2 2023 and Q2 2024**



## 8. NEW LICENSEES

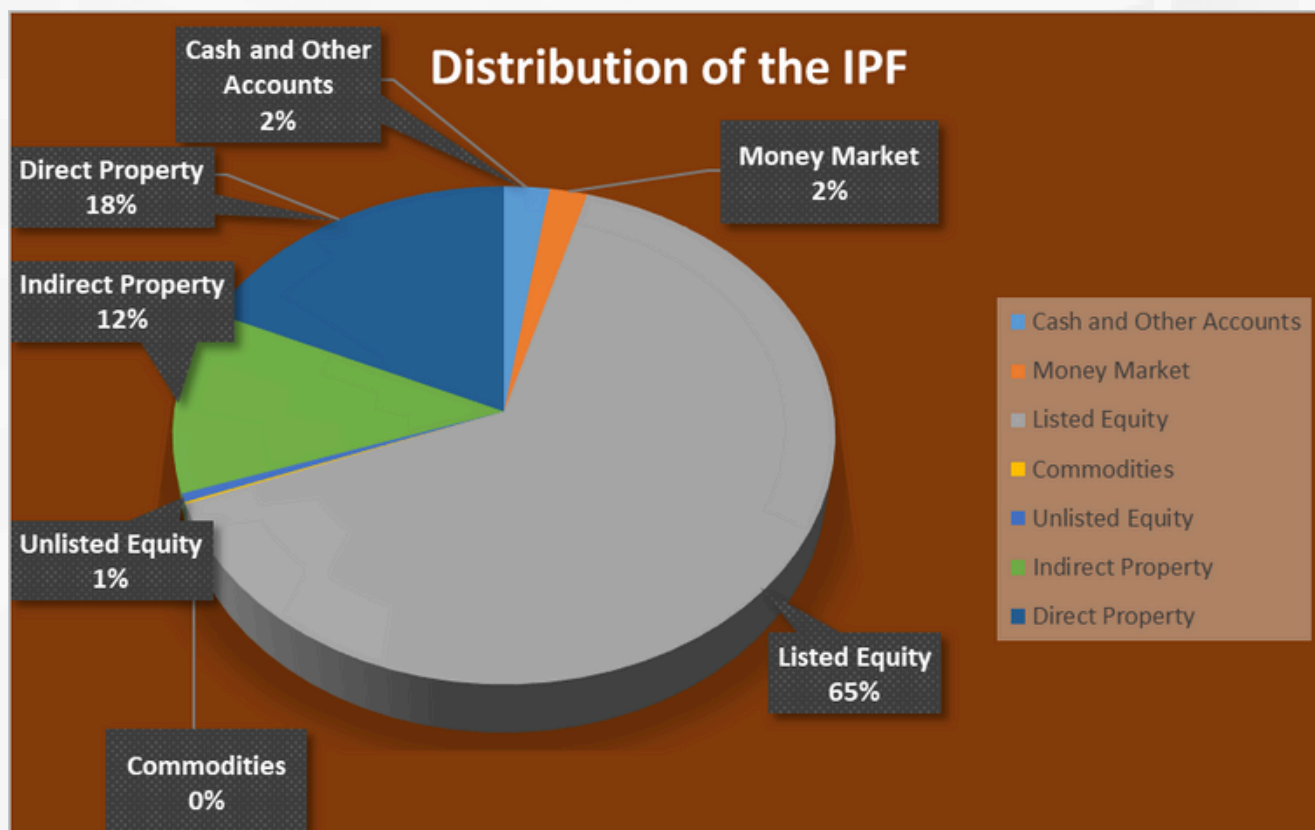
Table 14 lists new licensees for the quarter ended 30 June 2024

<b>Securities Dealer</b>	<ul style="list-style-type: none"> <li>Talent Tatenda Chataika</li> </ul>
<b>Securities Investment Managers</b>	<ul style="list-style-type: none"> <li>Arctic Blue Asset Management (Private) Limited</li> <li>Dendere Asset Management (Private)Limited</li> </ul>

## 9. Investor Protection Fund

The Investor Protection Fund slightly increased by 2.31% to ZWG54.18 million from ZWG52.96 million (ZWL82.34 billion) recorded in the prior quarter ending 31 March 2024. During the period under review, listed equities' market value increased by 2.44% to ZWG35.02 million from ZWG34.19 million (ZWL53.16 billion) recorded in the prior quarter. The unclaimed shares portfolio valuation as at 30 June 2024 stood at ZWG46.68 million and US\$830,771.74. Figure 5 shows the distribution of the IPF.

**Figure 5: Distribution of the IPF**



# CAPACITY BUILDING



Exciting insights from SECZim's Supervision and Licensing Officer, Darlington Chiunye presenting survey results on the dynamic world of Virtual Assets (VAs) and Virtual Assets Services Providers (VASPs) in the ESAAMLG region at a workshop held in Angola on April 17 2024. The presentation covered the landscape of VAs and VASPs in the region, opportunities and challenges associated with VAs in the ESAAMLG region, international cooperation efforts for VAs and VASPs, regulatory experiences of member countries, regional responses to VAs and VASPs, and recommendations for compliance with FATF Standards.



# STAKEHOLDER ENGAGEMENT



## **Honourable Minister with SECZim Commissioners, CEO and management**

Meeting of SECZim commissioners and management led by Chairman Yona Banda with Minister of Finance, Economic Development, and Investment Promotion, Honourable Professor Mthuli Ncube on 15 May 2024. Amongst issues discussed were market performance, securities market intermediaries (SMIs) undercapitalisation across all SMI categories and resultant licence surrenders and cancellations, and policies affecting market performance.



### **Honourable Deputy Minister with SECZim management**

On the 8 May 2024, the Deputy Minister of Finance, Economic Development and Investment Promotion, paid a courtesy call on the Securities and Exchange Commission of Zimbabwe. On the agenda were a policy update, which included Anti-Money Laundering and Prudential issues and discussion on the capital market awareness toolkit for outreach.





### **SECZim Commissioners, stakeholders and management**

The 6th Annual General Meeting of the Securities and Exchange Commission of Zimbabwe (SECZim) was held on 28th June 2024 at 09.00 hours at the SECZim Offices and virtually. Business conducted included to receive, consider and adopt the audited financial statements and reports of the commissioners and auditors for the year ended 31 December 2023, to confirm the commissioners' fees and remuneration, to approve the remuneration of the external auditors, and to note items including an update from the Office of the Auditor General regarding the re appointment of Grant Thornton Chartered Accountants (Zimbabwe) as the auditors of the Securities and Exchange Commission of Zimbabwe for the year ending 31 December 2024, the appointment to the membership and resignation of the Commission of Commissioners and to receive the CEO's update on the SECZim's operations for the year ended 31 December 2023 and its plans for 2024.



# IT STARTS WITH INVESTOR EDUCATION

Catch Them Young: The young generation are our future investors

(Pictured below: Students from Budiririo High 1 and Epworth High School)



SECZim conducted schools outreach programmes in Harare at Budiriro High 1 and Epworth High School. A total of 254 students and 11 lecturers were reached during the outreach sessions. The schools received the Capital Market Toolkit, which they can use for continuous capital market education.

## Career Guidance

SECZim participated at the Careers in the Commercials and Hospitality Industry Fair at Chisipite Senior School. During the Fair, the Commission connected with students and provided valuable insights into exciting career paths within the capital market.

## Teacher's Training

SECZim attended the Teachers' Training Programme held on 2 May 2024 in Gweru for teachers from Gokwe South and Mberengwa. The event marked the initial phase of the collaboration between SECZim and Zimbabwe Health Intervention (ZHI). During the training, ZHI introduced the collaborative program to the teachers, outlining its objectives, benefits, and the role they will play in its success. Ultimately, teachers will be equipped with the necessary knowledge and skills to effectively integrate the collaboration into their curriculum. The Capital Market toolkit was unpacked during the session and ZHI plans to purchase some kits for schools.



School Heads and teachers follow presentation by  
Investor Education Officer, P. Hassen

# INAUGURAL CAPITAL MARKET CONFERENCE

SECZim in partnership with ZSE and Zimbabwe Independent hosted the inaugural Capital Market Conference from 3-4 June 2024 at Troutbeck Resort in Nyanga. The #MySchool Corporate Social Responsibility (CSR) project and the Code-Fest were officially launched by the Deputy Minister Finance, Economic Development, and Investment Promotion Hon. Kudakwashe Mwangagwa. The CSR initiative is aimed at raising financial literacy and capital market awareness among primary and secondary school students across Zimbabwe whilst the Code- Fest is targeted at university students for the development of regulatory systems customised for the Zimbabwean capital market.



**Faith Zaba of the Alpha Media group makes a presentation to the Honourable Deputy Minister with conference partners, and stakeholders.**



# BULL AND BEAR MARKETS EXPLAINED



The terms “Bull” and “Bear” are used to describe market conditions. The direction of the market is a major force that has a huge impact on an investor’s portfolio therefore it is important to understand how each of these market conditions may impact investors’ investments.

## **Bull Market**

This is a market that is on the rise and where the economy is sound with high employment levels. The general atmosphere of the economy is optimistic, and businesses seem to be growing well. The stock market is expected to continue rising throughout a bull market. A bull market is characterised by a sustained increase in prices of companies' shares. In a bull market, there is strong demand and weak supply for securities. The high demand and weak supply of securities leads to the rise in share prices as investors compete to obtain the available equity. Investors’ perception in a bull market is usually positive therefore investors will willingly participate in the hope of obtaining a profit. During a bull market most investors take advantage of rising prices and buy stocks early in the trend and then sell them when they have reached their peak.

## **Bear Market**

A bear market is the exact opposite of a bull market. Instead of a rising tide, the market will fall drastically. There is generally a pessimistic atmosphere about the economy and less confidence in the market. The economy slows down and unemployment rises as companies begin laying off workers. A bear market exists in an economy that is receding and where most stocks are declining in value. Investors believe that the downward trend will continue. It is risky to invest in a bear market as many equities lose value and prices become volatile. Investors therefore withdraw their money from the bear market and hold onto the cash until the trend reverses.

Investors should expect to encounter bull and bear markets during their investing years. Investors are encouraged to seek advice from licensed investment advisors for advice on what to do in each market.



## PLAY AND LEARN

Learning about the capital market can be fun! Take part in capital market wordsearch and see how fast you can find the words used in capital markets.

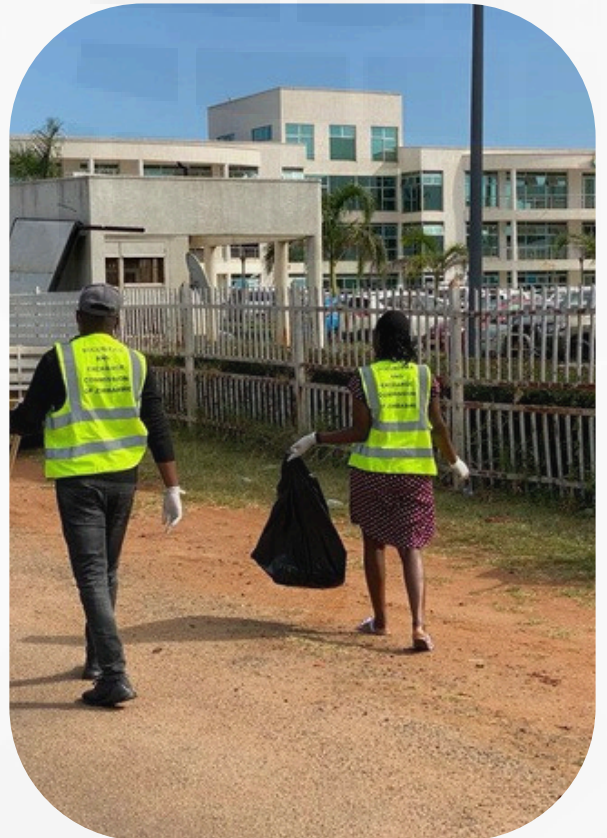
### Capital Market Wordsearch

R	T	N	E	M	T	S	E	V	N	I	Y	O	R
E	M	O	C	N	I	D	I	S	S	U	E	R	E
E	O	K	T	A	X	E	N	S	C	R	I	P	D
P	Q	U	S	L	R	P	T	E	S	S	A	T	L
R	E	U	Q	I	A	O	E	S	E	I	P	I	O
O	S	N	I	S	R	S	R	N	S	S	A	S	H
S	O	O	S	T	S	I	M	P	K	I	D	C	E
P	P	I	S	I	Y	T	E	T	C	N	V	A	R
E	C	T	N	N	H	O	D	T	O	P	I	P	A
C	R	A	O	G	S	R	I	B	T	R	S	I	H
T	E	L	I	Y	F	Y	A	S	S	O	O	T	S
U	D	F	T	S	T	L	R	P	E	F	R	A	N
S	I	N	P	I	N	T	Y	H	E	I	I	L	R
E	T	I	O	S	E	C	U	R	I	T	I	E	S

DEPOSITORY  
ASSET  
SHAREHOLDER  
INVESTMENT  
BONDS  
LISTING  
OPTIONS  
PROFIT  
EQUITY  
CREDIT  
INTERMEDIARY  
INFLATION  
PROSPECTUS  
CAPITAL  
SECURITIES  
SCRIP  
RISK  
INCOME  
TAX  
ADVISOR  
ISSUER  
STOCKS

# CORPORATE SOCIAL RESPONSIBILITY

## PROMOTING ENVIRONMENTAL STEWARDSHIP







# CLAIM YOUR SHARES TODAY!!

## WHAT ARE UNCLAIMED SHARES?

Unclaimed Shares are share certificates which are not in the possession of their respective owners and are currently held under the Unclaimed Shares Portfolio. In order to safe guard investors' share certificates, which were previously kept by stockbrokers, the Securities and Exchange Commission of Zimbabwe (SECZim) directed all securities dealing firms to register all share certificates in the name of their respective owners and subsequently deliver the share certificates to the owners. The directive was sent to the market on 29th August 2012. SECZim further directed that the share certificates that remained unclaimed be handed over to custodians for safe keeping pending collection by their rightful owners. All the unclaimed shares were eventually sent to Chengetedzai Depository Company.

## WHAT IS THE PROCESS TO CLAIM THESE SHARES?

The beneficial owners of the unclaimed shares can access the hard copy data bases at **Chengetedzai Depository Company, Number 4, Gloucester Close, Eastlea, Harare, at SECZim, Block C, Ground Floor Smatsatsa Office Park, Borrowdale Road, Harare, Zimbabwe, at selected ZIMPOST information centres and other public spaces which the Commission will announce on its social platforms.**

**Total Claims - 208**  
**Claims Accepted - 187**  
**Claims Pending - 21**

As at 16/08/24

Access to  
unclaimed Shares  
Portal

01

Visit SECZim website:  
<https://seczim.co.zw/>

02

Click the unclaimed  
shares page

03

Enter client name

04

Click search button



@SECZim



## Unclaimed Claimed Shares

Follow this process to claim your shares.

**Step 1:** Visit our website to check for all the details on your shares

<https://seczim.co.zw/unclaimed-shares/>

**Step 2:** For details of the collection process including requirements please contact Chengetedzai Depository Company using any of the contact options provided below:

**Email address:** [operations@chengetedzai.com](mailto:operations@chengetedzai.com)

**Phone number:** 08677008586

**Physical address:** Chengetedzai Depository Company, Number 4, Gloucester Close, Eastlea, or

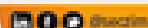
Contact the following transfer secretaries for assistance:

COMPANY	CEO/MD	CONTACT PERSON	CONTACT NUMEBRS
Corpserve Registrars (Private) Limited	Paradzai Mangunda <a href="mailto:paradzai@escrowgroup.org">paradzai@escrowgroup.org</a>	Tendai Mafundo <a href="mailto:tendai@escrowgroup.org">tendai@escrowgroup.org</a>	+263242 758193
First Transfer Secretaries (Private) Limited	Tanaka Melusi Musiwa <a href="mailto:tmusiwa@fts-net.com">tmusiwa@fts-net.com</a>	Shingai Emmerson Muza <a href="mailto:semuza@fts-net.com">semuza@fts-net.com</a>	+263 779 715 625 +263 773 822 246
ZB Transfer Secretaries (Private) Limited	Robert Mutakwa <a href="mailto:rmutakwa@zb.co.zw">rmutakwa@zb.co.zw</a>	Hillary Mutanda <a href="mailto:hmutanda@zb.co.zw">hmutanda@zb.co.zw</a>	+2638677002001 +263242774290/5

**Step 3:** Visit your broker to collect your shares



**We serve the investment ecosystem with integrity**



For more information visit: [www.seczim.co.zw](http://www.seczim.co.zw)

# STAKEHOLDER ENGAGEMENT CALENDER Q3 2024



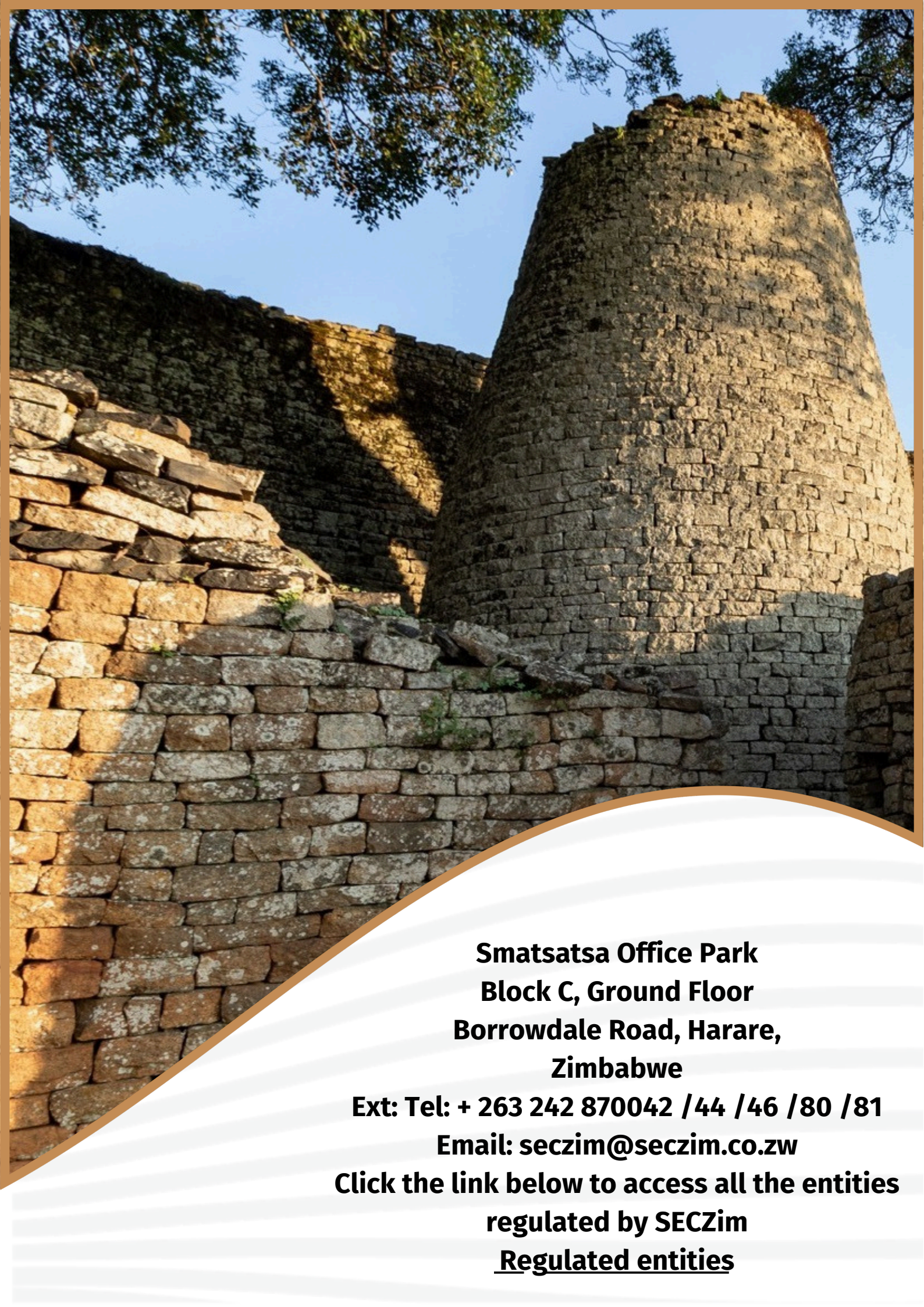
Activity	Time	Location
Capital markets awareness breakfast meeting	Q2 and Q3	Harare
Capital Market Quiz	H2 2024	Harare



Capital Market Toolkit Outreach	Ongoing	Provinces
Train the trainer workshops	Quarterly	Provinces
Zimbabwe Agricultural Show	TBA	Harare
MoPSE calendar events	Q4	TBA
Customer Service Week	October 2024	Inhouse







**Smatsatsa Office Park  
Block C, Ground Floor  
Borrowdale Road, Harare,  
Zimbabwe**

**Ext: Tel: + 263 242 870042 /44 /46 /80 /81**

**Email: [seczim@seczim.co.zw](mailto:seczim@seczim.co.zw)**

**Click the link below to access all the entities  
regulated by SECZim  
[Regulated entities](#)**