

**February 2022 Issue of GroWealth Report Published**

The February edition of the GroWealth Unit Trusts Performance Survey shows that most Unit Trust Funds outpaced the Zimbabwe Stock Exchange (ZSE) All Share index and inflation during the month. This is a positive outcome for Unit Trust investors as they enjoyed positive real returns above inflation. The performance was largely driven by the strong performance from the ZSE, which was up 24.10% in February 2022. Fund Managers who had superior stock-picking ability surpassed this average growth on the ZSE.

The latest GroWealth Unit Trusts Performance Survey shows that in February, most equity funds outperformed the All-Share Index due to high exposure to large cap counters whose performance, as represented by the ZSE Top 10 Index, was on the high side. On average the equities funds recorded a positive performance of 27.36% in February 2022 against the ZSE All Share index performance of 24.10% (The Top 10 Index performance stood at 27.32%) and inflation at 6.99% in the month.

In support of the multi-currency policy framework, the number of Fund Managers offering foreign currency denominated (USD) unit trust funds have increased to cater for those investors with hard currency or nostro balances. This is also supported by the rise of the Victoria Falls Stock Exchange (VFEX) where investors buy and sell shares in hard currency and has now seen four companies trading on the foreign currency bourse.

To add to investor options, there are now two Exchange Traded Funds (ETFs) listed on the Zimbabwe Stock Exchange (ZSE). ETFs are similar to unit trusts in that they operate as collective investment schemes and offer investors a portfolio of underlying investments. Real Estate Investment Trusts (REITS), another category of Collective Investments Schemes registered by the Securities and Exchange Commission of Zimbabwe (SECZ), 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, with fund managers reporting increased uptake in unit trust investments. 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 SECZ, which gives investors comfort owing to the level of regulatory 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 of 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?

The investor must be aware of their own risk profile as this determines which unit trust funds are suitable for them. They 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 SECZ website [www.seczim.co.zw](http://www.seczim.co.zw) or Intellego website www.intellego-ic.com .

**This article was written as part of the Securities and Exchange Commission of Zimbabwe ’s Investor Education Campaign in partnership with the Investor Protection Fund. For more information, please contact:** [**seczim@seczim.co.zw**](mailto:seczim@seczim.co.zw)