

INVESTOR GUIDE

INVESTING ON THE STOCK MARKET

Wealth Unlocked

A guide to building wealth through listed equities on the Zimbabwe Stock Exchange and the Victoria Falls Stock Exchange

About Invictus Securities



An independent, full-service stockbroking and advisory firm

- Invictus Securities Zimbabwe (ISZ) is a licensed member of the Zimbabwe Stock Exchange and the Victoria Falls Stock Exchange, regulated by the Securities and Exchange Commission of Zimbabwe (SECZ).
- We are a dedicated, independent broker providing market insight and investment advice to corporate, institutional and private clients.
- We help clients invest and realise significant value in a dynamic environment, connecting the investing public to the market.
- We execute the buying and selling of securities on our clients' behalf, and provide investment advisory and portfolio management.

Our Services

Corporate Broking

Capital raising, listings and sponsoring broker services

Institutional Sales

Execution and coverage for fund managers and corporates

Private Clients

Individual portfolios, advisory and execution

Investor Relations

Market positioning and shareholder engagement

Research & Advisory

Equity research, valuations and market strategy

Fixed Income

Advisory and execution across fixed income instruments

The Investment Space: Your Alternatives



Where capital can be deployed, and what each option asks of you

Fixed Income

LENDING YOUR MONEY

- Governments, companies or funds pay you interest (a coupon) until maturity, then return your principal.
- Options include Treasury Bills, corporate bonds and money market funds.
- Steady income, but inflation, interest rates and credit risk all bite.

Real Estate

OWNING PROPERTY

- Invest once and earn through rent or rising property value, like planting a fruit tree.
- Options include residential, commercial space, or Real Estate Investment Trusts (REITs).
- Protects against inflation, but needs large upfront capital, research and patience.

Equities

OWNING A BUSINESS

- You own a slice of a company; when it grows you share in profits through dividends or a rising share price.
- In Zimbabwe, equities help outpace inflation, with risk that must be managed.
- Start small, diversify, think long term. Equity builds wealth through ownership, not lending.

Choosing the Smarter Path to Growth



Why listed equities suit investors who want access, flexibility and inflation protection

The trade-offs elsewhere

Fixed Income

Like renting your money out. You know the rent you will receive, but inflation erodes its real value and you cannot easily access funds before maturity.

Real Estate

Like planting a big mango tree. It gives fruit and value, but needs heavy upfront capital, time, and it is hard to sell quickly.

Where to invest: the stock market

- Equities are like buying small seeds in many gardens: you can invest a little, sell when you need to, and if the companies grow, your harvest grows too.
- Shares carry market risk, but they are more liquid, more accessible and adjust better to inflation than most alternatives.
- You can start at the prevailing market price of a single counter and build your position over time, rather than committing a large sum at once.
- Both local-currency (ZSE) and US dollar (VFEX) options are available, so your portfolio can carry a hard-currency component.

Who Invests on the Stock Market, and Why

The market serves institutions and individuals alike

CORPORATES

Invest in listed shares to build strategic stakes in other firms and achieve synergies.

ORGANISATIONS

Pensions, trusts, churches and similar institutions invest for long-term sustainability and stewardship, protecting against inflation to meet their obligations.

WEALTH MANAGERS

Protect and grow client wealth, using the liquidity and flexibility of the market to meet client needs.

RETAIL INVESTORS

Build personal wealth for short-term goals or a retirement nest egg, and grow savings beyond bank interest.

Reasons for investing

- To earn a return through share price appreciation and dividends
- Preservation of value, guarding against inflation and currency risk
- Financial security and independence
- Financial planning, including raising capital to start or expand a business or project
- Optimisation and better management of cash flows
- Meeting future needs such as a house, estate or education
- Long-term capital growth

How Shares Make You Money



There are two main ways to earn from listed shares

01 Capital Gains

When the value of a company grows, its share price usually rises. The difference between the price you paid and the price you sell at is your capital gain.

Like buying land and selling it later at a higher price.

02 Dividends

Some companies distribute part of their profits to shareholders, usually in cash. You receive a payment for every share you hold, without selling anything.

Similar to earning rent from a house you own.

Together, capital gains build long-term wealth while dividends provide regular income, making shares both a growth and an income investment.

Is There Any Risk?

Yes, there is risk, just as with every investment. The task is to manage it.

The risks of investing in shares

Market risk — Share prices can go down as well as up, so you could sell at a loss.

Dividend risk — A company is not obliged to pay dividends; in tough times it may reduce or skip payments.

Liquidity risk — Some shares are harder to sell quickly, especially in a small market.

Economic & currency risk — Inflation, currency movements or weak economic conditions can affect company performance and returns.

Mitigation measures

Diversification

Portfolio rebalancing

Engage a financial advisor

Invest with a long-term objective

Golden rule: Risk cannot be removed, but it can be managed through diversification, research, patience and disciplined investing.

Managing Risk in Practice



A practical response to each of the main risks

Market risk

PRICES GO UP AND DOWN

- Diversify across sectors and company sizes
- Focus on long-term goals, not short-term price swings
- Invest gradually (dollar-cost averaging)

Dividend risk

THE COMPANY MAY NOT PAY

- Choose companies with a strong record of consistent dividends
- Mix dividend-paying and growth-focused counters

Liquidity risk

HARD TO SELL QUICKLY

- Hold a mix of blue chip (easier to trade) and smaller companies
- Avoid overinvesting in illiquid or thinly traded stocks

Economic & currency risk

INFLATION AND CURRENCY MOVES

- Include companies earning in USD or exporting products
- Consider counters listed on the VFEX for hard-currency exposure
- Keep part of your savings in other diversified assets

Small cap volatility

SHARPER PRICE SWINGS

- Only commit money you can afford to tie up
- Balance with blue chip holdings for stability

Golden rule

Risk cannot be removed, but it can be managed through diversification, research, patience and disciplined investing.

Risk and Return Across Equity Classes

Mapping the spectrum from stability to growth

The risk-return relationship

Blue Chip: Low risk, steady returns

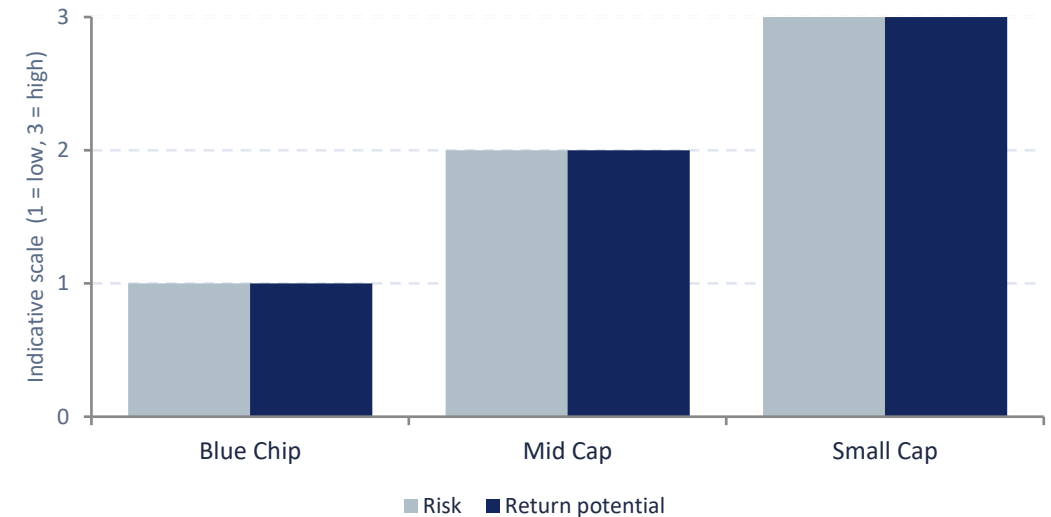
Mid Cap: Moderate risk, moderate growth

Small Cap: High risk, high potential return

- Equity markets show a clear trade-off between risk and return.
- Blue chips offer stability and steady dividends, suiting conservative investors.
- Mid caps balance moderate risk with stronger growth prospects.
- Small caps are highly volatile but carry the greatest return potential.
- A diversified allocation across these tiers captures upside while managing downside exposure.

Risk cannot be removed, but it can be managed through diversification, research, patience and disciplined investing.

Risk vs Return in Equities



The simplest and most reliable strategy is to anchor a portfolio on blue chip equities, then add mid and small caps selectively as conviction and capacity allow.

How We Think About Positioning



Three themes that guide how we build and review client portfolios

01

Quality Defensives

Maintain exposure to high-quality counters with resilient cash generation, export competitiveness and pricing power. In a shallow, concentrated market, flows increasingly drive relative performance, which reinforces a preference for liquid leadership names where earnings visibility supports continued rerating. The emphasis is on earnings certainty over valuation cheapness.

02

Hard-Currency Exposure

Incrementally raise exposure to USD-generative businesses and to the VFEX, as both a return and a capital-preservation sleeve, recognising the structural repricing underway as quality assets migrate toward hard-currency platforms. We prefer operating businesses over passive yield structures, and lean selectively into corporate actions that unlock value or improve capital flexibility.

03

Dividend & Income Support

Maintain a preference for counters with strong dividend-paying capacity and attractive payout ratios, where income defensiveness complements growth. In a liquidity-constrained market, cash return visibility and institutional demand provide an additional layer of support to valuations.

Illustrative of our general approach. It is not a recommendation to buy or sell any security, and does not take account of your personal circumstances.

Investment Principles



Four habits that separate disciplined investors from the rest

01

Choose the right investments

Before buying or selling, research the company's operations, plans and leadership. Your stockbroker is an important source of this information.

02

Diversify risk

Spread investments across different companies, sectors and asset classes to reduce vulnerability to losses.

03

Think long term

Shares are best suited to long-term wealth creation. Patience and commitment are key to sustainable returns.

04

Actively manage your portfolio

Markets change constantly. Regular reviews and adjustments, ideally with a licensed advisor, keep investments aligned with your goals.

Invictus client services

- ✓ Daily morning note circulated to clients
- ✓ Daily price sheet reflecting market performance at the close of trading
- ✓ Weekly and monthly market and economic round-up
- ✓ Buy list recommendations
- ✓ Monthly portfolio valuations, and on request
- ✓ Timely execution of trades
- ✓ Active advisory and portfolio management on request

How to Invest, and What You Need



From opening an account to settlement, the process is straightforward

How to invest on the stock market

- 1 Open a personal bank account with any local bank, if you do not already have one.
- 2 Engage a stockbroker, who opens a Securities Trading Account (CSD account) once you complete the mandate or account opening form.
- 3 Deposit or transfer your investment funds into the account provided by the broker.
- 4 Select the shares you want to buy, or ask your broker for a buy list recommendation to choose from.
- 5 Instruct your broker to purchase the number of shares you want.
- 6 The broker executes the purchase on your behalf and confirms when it has taken place.
- 7 Confirmation of each buy or sell is affirmed to you through a deal note.
- 8 Shares are held in electronic form and safely kept by the custodians, Chengetedzai Depository Corporation and the ZSE depository.

Requirements for account opening

INDIVIDUAL INVESTORS

- Complete a mandate form, which requires basic details and KYC
- A certified copy of your passport, or of any other government-issued identity document bearing your photograph and signature
- Proof of residence dated within three months
- Two passport-size photographs
- Evidence of source of funds, such as a payslip, bank statement or confirmation of employment

COMPANIES, TRUSTS, ESTATES AND NGOs

- Certificate of incorporation
- National identification documents for all directors or trustees
- A board resolution or minutes authorising the use of Invictus Securities (Pvt) Ltd as agent (stockbroker)

What Does It Cost to Invest?

Investors pay the mandatory regulatory charges set by the authorities, plus normal bank charges

ZSE fee for trading	Buying	Selling
Brokers Commission	0.92%	0.92%
VAT (15.50% of brokerage)	0.1426%	0.1426%
CSD Levy	0.10%	0.10%
Stamp Duty	0.25%	Nil
ZSE Levy	0.10%	0.10%
SECZ Levy	0.16%	0.16%
Investor Protection Levy	0.025%	0.025%
Capital Gains tax	Nil	1.00%
Total	1.70%	2.45%
Grand Total	4.15%	

VFEX fee for trading	Buying	Selling
Brokers Commission	0.6000%	0.6000%
VAT (15.50% of brokerage)	0.0930%	0.0930%
CSD Levy	0.0400%	0.0400%
Stamp Duty	0.2500%	Nil
VFEX Levy	0.1500%	0.1500%
SECZ Levy	0.1500%	0.1500%
Total	1.28%	1.03%
Grand Total	2.32%	

Statutory fees are the mandatory regulatory charges payable when buying or selling shares, including brokerage commission, exchange fees and levies as set by the authorities. **Bank charges** also apply when funds move between your trading account and your bank account.

Fees are indicative and subject to change by the exchanges and the regulator.

Frequently Asked Questions



The questions investors ask us most often

Q1

Is there a minimum investment amount?

Invictus Securities does not impose a mandatory minimum investment amount. Our philosophy is rooted in accessibility: you may begin your investment journey based on the prevailing live market prices of equities listed on the ZSE and the VFEX. Your initial deployment of capital will simply align with the unit price and volume of the specific counters you intend to add to your portfolio.

Q2

Can I invest in US dollars?

Yes. The VFEX is a US dollar denominated exchange, so investments and dividends on that exchange are in hard currency. ZSE counters trade in local currency. Many clients hold both, using the VFEX for currency insulation and the ZSE for breadth of choice.

Q3

What is the difference between the ZSE and the VFEX?

The ZSE is the main local-currency exchange, with the widest range of listed companies. The VFEX is the US dollar denominated exchange, with a different fee structure and tax treatment. Invictus is a member of both and can trade on either on your behalf.

Q4

How long does it take to open an account?

Once your mandate form and KYC documents are complete, your account is usually opened within [1-2] working days, and you can begin trading as soon as your funds reflect.

Frequently Asked Questions (continued)

Q5

How quickly can I get my money out?

Shares are among the more liquid investments available, though how quickly you can sell depends on the liquidity of the particular counter at your price. You instruct us to sell, we place the order on the market, and once it is matched and executed the trade settles on a T+2 basis before the proceeds are paid into your bank account

Q6

Can non-residents and diaspora investors invest?

Yes. Non-resident and diaspora investors can invest on both the ZSE and the VFEX through Invictus, subject to the standard account opening and KYC requirements and the exchange control rules applying at the time.

Q7

Will I know how my portfolio is doing?

Yes. Clients receive a daily morning note, a daily price sheet, weekly and monthly market round-ups, and a monthly portfolio valuation, with further valuations available on request.

Q8

Do I choose the shares, or do you?

Either. You may instruct your own trades, or we can provide a buy list recommendation and, on request, active advisory and portfolio management.

Research, Publications and Contact



Everything we publish is available to clients, and on our website

What we publish

Morning Note	Daily, before the market opens
Daily Price Sheet	Market performance at the close of trading
Weekly Note	Market and economic round-up
Monthly Report	Monthly market insight and performance
Quarterly Report	Strategy, economic review and company reports
Price Sheet Archive	Current and past price sheets
Corporate Actions	Dividends, rights issues and other events

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Risk warnings. The value of investments and the income from them can fall as well as rise, and investors may not get back the amount invested. Past performance is not a reliable indicator of future results. Investments in Zimbabwean securities carry specific risks, including currency risk, limited market liquidity, settlement risk, exchange-control and repatriation restrictions, and political and regulatory risk.

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