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CORPORATE NEWS

OLD MUTUAL'S VFEX HOMECOMING: WHAT NEARLY A CENTURY IN ZIMBABWE TELLS US ABOUT THE NEXT INVESTMENT CYCLE

On Wednesday, 12 August 2026, Old Mutual Limited began trading on the Victoria Falls Stock Exchange (VFEX), closing a strange six-year chapter in which one of Zimbabwe's largest financial institutions sat suspended from its own domestic market. For CFAs running discounted cash flow models, for treasurers hedging currency exposure, and for retail investors simply trying to protect a pension in US dollars, this was more than a corporate housekeeping exercise. It is a signal about where Zimbabwean capital markets are headed and Old Mutual, characteristically, is once again positioned at the centre of it.

THE UNWIND OF A SIX-YEAR FREEZE

Old Mutual's shares were suspended on the Zimbabwe Stock Exchange (ZSE) in June 2020, when authorities halted trading to contain currency instability tied to the "Old Mutual Implied Rate" a market-driven proxy exchange rate that fungible, dual-listed counters had effectively created. For six years, Zimbabwean shareholders held paper they could not trade on a formal exchange, even as the underlying business kept functioning, paying claims, managing pensions, and writing policies.

The resolution didn't come through a return to the ZSE. It came through migration to the VFEX – Zimbabwe's five-year-old, dollar-denominated bourse based in the Victoria Falls Special Economic Zone. The board's rationale, set out in its regulatory filings, was straightforward: the VFEX has "come into its own," with sufficient scale and liquidity to serve as a credible alternative trading platform. The numbers support that view. Aggregate annual turnover on the VFEX grew from roughly US\$0.6 million in 2021 to US\$111.1 million in 2025, and the bourse now hosts more than twenty listed counters, Old Mutual became its 21st, up from a single listing in 2020.

For investors, the mechanics of the first trading day mattered. Unlike a standard VFEX session, price discovery on 12 August took place without the exchange's usual daily trading limits – the opening price was set purely by matched bids and offers. From today, 13 August, the normal 20% daily price-movement band resumes. CFAs modelling entry points should watch closely: six years of pent-up price discovery cleared in a single uncapped session, and how the counter settles as normal trading bands return will be the first real read on where the market has priced this stock.

A look at the migration, the REIT pipeline, and where the smart money goes from here

That long-duration capital has done real economic work. Through pensions and life funds, Old Mutual has been one of the largest mobilisers of long-term domestic savings in Zimbabwe, channelling capital into property, energy generation, and productive enterprise rather than short-term speculation. Its short- and long-term insurance lines have underwritten the risk that lets businesses commit to multi-year investments with more confidence than an uninsured balance sheet would allow. It is the kind of quiet infrastructure role that doesn't make headlines the way a listing does, but that has materially expanded what Zimbabwean businesses have been able to build.

A BUSINESS BUILT OVER A CENTURY

Context matters here. Old Mutual's Zimbabwean story doesn't begin in 2020, it begins in 1927, when the group established sales operations in Salisbury, now Harare, as an extension of a mutual society founded in Cape Town in 1845. Across close to a century of continuous local presence, the business has quietly become woven into how Zimbabweans save, insure, invest, and retire.



OLD MUTUAL

That footprint today spans employee benefits and pension administration, life assurance, short-term insurance, banking, and one of the country's most diversified asset management platforms – Old Mutual Investment Group Zimbabwe (OMIGZIM), structured around focused investment boutiques covering alternative investments, select and core equities, interest-bearing instruments, and property.

This boutique model specialist teams operating with strategic independence under a shared research, compliance, and trading infrastructure, is the same architecture used by sophisticated asset managers globally, and it has given Old Mutual the internal capability to move capital into venture-style and alternative assets well ahead of the broader Zimbabwean market.

THE REIT WAVE – AND OLD MUTUAL’S PLACE IN IT

Perhaps the most interesting near-term development for property-focused investors is the REIT pipeline building on the VFEX. Pfuma Fund REIT listed on 4 February 2026 after a fully subscribed \$25 million private placement, joining Tigere and Revitus (both ZSE-listed) and Eagle REIT – Zimbabwe’s first US dollar-denominated REIT, managed by Fidelity Life Asset Management, targeting \$62 million in capital raised. REITs in Zimbabwe carry a meaningful structural incentive: vehicles distributing at least 80% of taxable income to unitholders pay no corporate income tax, which sharpens the after-tax yield relative to direct property ownership.



Old Mutual Development REIT is now moving through the same pipeline, with an unveiled property pipeline worth approximately \$46.2 million, targeting an estimated gross rental yield of 7.1%. Subscriptions are expected to open in the third quarter of 2026, with a VFEX listing targeted for the fourth quarter. Beyond commercial and retail assets in Harare, the fund is also developing an international-standard, safari-inspired hotel in Victoria Falls itself, positioned near the national park and major tourism infrastructure – a bet on Zimbabwe’s tourism economy as much as its office and retail markets.

For retail investors, this REIT wave matters because it formalises an asset class Zimbabweans have always trusted informally. Insurance and Pensions Commission data shows around 46% of pension fund assets are already held in real estate, far ahead of equities. What’s new is that this exposure is becoming liquid, dollar-denominated, and exchange-listed – accessible with a few hundred dollars rather than the capital required to buy a stand-alone commercial property outright.

WHAT SINGLE-DIGIT INFLATION ACTUALLY CHANGES

None of this listing activity happens in a vacuum. Zimbabwe’s annual inflation rate fell below 10% in early 2026 for the first time since 1997, easing to around 4% in the first half of the year, supported by tight monetary policy, a gold-and-reserve-backed ZiG currency, and an IMF staff-monitored programme. Foreign direct investment reached a record US\$965 million in 2025, up from US\$597 million the prior year.

For a CFA audience, the significance isn’t the headline number, it’s what single-digit, sustained inflation does to discount rates and required returns. Zimbabwean assets have historically demanded enormous risk premiums to compensate for currency and inflation risk. As that risk compresses, valuations across pensions, insurance liabilities, and property funds become easier to model with confidence, and longer-duration instruments, REITs, annuities, pension products become more viable products to sell and to buy. That’s the macro backdrop against which Old Mutual, Pfuma, and Eagle all chose this particular moment to list.

COMPETITION IS INTENSIFYING – ESPECIALLY IN MICROFINANCE

Old Mutual isn’t operating in an uncontested market. Zimbabwe’s microfinance and digital lending space has become genuinely crowded: banks such as ZB, Metbank, and Banc ABC (through ABC Easy Loans) have pushed into micro-lending traditionally served by dedicated MFIs, while state institutions like Agribank and POSB have built out their own microfinance arms. Fintech-enabled players – MoneyMart Finance, Success Microfinance Bank, Inclusive Financial Services – are scaling through digital credit scoring and mobile-money-linked lending, reaching MSME borrowers that legacy institutions historically couldn’t underwrite profitably.

Old Mutual’s answer has been O’mari, its fintech proposition launched in 2023, offering mobile money, insurtech, digital lending, e-commerce, and payments for the retail mass market. In a market where interoperability between banks, mobile money operators, and fintechs is becoming the real battleground – not just product breadth – O’mari positions Old Mutual to compete on distribution and data rather than balance sheet size alone. Expect continued investment in AI-driven underwriting and claims processing across the group, mirroring what’s happening in insurance and asset management globally.

VFEX’S \$5 BILLION AMBITION – AND OLD MUTUAL’S WEIGHT IN IT

VFEX Chief Executive, Mr Justin Bgoni has been explicit about the exchange’s trajectory: sitting at roughly US\$4 billion in Market Capitalisation as of early August 2026, with a stated target of US\$5 billion within twelve months, partly through a new venture board aimed at junior mining and exploration companies.

Old Mutual’s migration adds meaningfully to that ambition – not just through its own Market Capitalisation, but through the signal it sends to other dual-listed and suspended counters still watching from the sidelines. Reserve Bank of Zimbabwe Governor, Dr John Mushayavanhu has already been encouraging other suspended ZSE counters to consider the same route, arguing that recent monetary reforms have removed the currency distortions that caused the original suspensions.

THE ROAD AHEAD

What should investors watch next? First, where Old Mutual settles as normal trading bands resume today, 13 August, following yesterday's uncapped price-discovery session. Second, the Q3-Q4 2026 subscription and listing window for the Old Mutual Development REIT, which offers a more direct, targeted way to gain exposure to the group's property and tourism strategy. Third, the pace of AI and platform investment across OMIG, O'mari, and the group's insurance operations, as competition in retail financial services intensifies. And fourth, whether VFEX's push toward US\$5 billion and its new venture board for mining pulls further capital and listings into Zimbabwe's dollar-market ecosystem.

Old Mutual has spent close to a century underwriting confidence in Zimbabwe's economy, one policy, one pension, one long-term investment at a time. Its return to a formal, liquid, dollar-denominated market isn't just a corporate event – it's a data point in a broader story about a market finally being priced the way its long-term fundamentals deserve.



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