

# THE ACORN REPORT

STOCKS & REITS & ETFS



CORPORATE NEWS

## THE US\$5 BILLION QUESTION

**ZIMBABWE HAS LONG MONEY. IT JUST CANNOT FIND A SAFE PLACE TO GO TO WORK.**

### THE NUMBER THAT SHOULD KEEP US UP AT NIGHT

At the ZEDCON conference in Bulawayo, IPEC Commissioner Grace Muradzikwa put a number on Zimbabwe's patient capital: about US\$4.9 billion sits with insurers and pension funds. Roughly 73% of it is tied up in property and listed stocks. Since 2021, IPEC has approved US\$2.5 billion for prescribed assets, pension money pointed at development, yet some projects received only 30% of what they needed. Her diagnosis was simple. There are not enough bankable projects to absorb the money while still paying policyholders a return.

Read that again. The country has capital. The country has needs. Municipalities are wrestling with sewer and water failures that a well-structured bond could help fix. And the two sides are not meeting. That is not a money problem. It is a structure problem, and structure can be redesigned.



### ZIMBABWE'S LONG-MONEY PICTURE AT A GLANCE

|                                                      |                 |
|------------------------------------------------------|-----------------|
| Insurance and pension assets (as reported at ZEDCON) | US\$4.9 billion |
| Share held in property and listed equities           | 73%             |
| Prescribed assets approved by IPEC since 2021        | US\$2.5 billion |
| Annual inflation, September 2026                     | 3.7%            |
| RBZ policy rate, after the 28 September cut          | 27.5%           |

## LONG MONEY IS A SCAR, NOT A SPREADSHEET

None of this is surprising. After the 2008 hyperinflation, an entire generation learned that a pension can be a promise written in water. Savings were erased. Contracts were broken by the currency itself. So people did what rational people do: they shortened their horizons and bought things they could touch. Bricks. Blue chips. Dollars in a tin.

Böhm-Bawerk would call this time preference. Interest is the price of time, and people discount the future steeply when the future cannot be trusted. You cannot legislate long money into existence. You can only make the future safe enough to lend to.

This matters because pension funds and insurers are an economy's time machines. They take money today, pool it, and turn it into decades of productive capacity: roads, power, housing, factories. When they hold only bricks and shares, the machine runs in neutral. Savers are protected, perhaps, but the country is not being built with their savings.

A window is opening. Annual inflation was 3.7% in September, after August's 2.9%, the lowest since 1980. The RBZ has cut its policy rate by a cumulative 7.5 points since June, to 27.5%, and reserves backing the ZiG have passed US\$2 billion. But that rate still sits far above inflation. It rewards savers and punishes builders. A twenty-year sewer bond cannot be priced off a 27.5% anchor. Falling rates are necessary for long money. They are not sufficient. Trust is.

## THE BRICK PROBLEM

Property is not the villain. It kept pensions alive when paper money died. The trouble is concentration plus illiquidity. Picture a fund that wants to move US\$200 million of flats into a solar farm or an orchard. It cannot simply wake up and do it. Selling at scale in a thin market means a discount, a delay, or both. Meanwhile, fair-value gains on investment property swell the balance sheet on paper, and paper cannot buy a transformer.

*A fund that cannot rebalance is not long-term. It is stuck.*

Long is a choice about horizon. Stuck is the absence of choice. Too many portfolios have mistaken one for the other.



## BÖHM-BAWERK'S WARNING: FINISH WHAT YOU START

Böhm-Bawerk taught that capital is time. Roundabout production, building the dam before the harvest, raises productivity, but only if real savings can sustain everyone while the long project is completed. Start more projects than your savings can carry and you do not get a longer economy. You get half-built structures and abandoned ambition.

*A project funded at 30% is a bridge to the middle of the river.*

His advice, translated for today, is to concentrate rather than scatter. Fewer projects, fully funded, sequenced by how quickly they return cash. Start with short-cycle assets such as rooftop solar, water metering, cold chains and agro-processing, whose cash flows help carry the longer builds. Build the staircase before the roof.

## THE MUNICIPAL OPENING

Water may be the most bankable thing we call unbankable. Demand never falls, everyone eventually pays, and the asset lasts for generations. What councils lack is not customers but ring-fencing, metering and audited books. Ethiopia showed what a clear national project can do when it asked citizens and the diaspora to fund the GERD dam. A Zimbabwean council that ring-fences water revenue, installs smart meters and publishes collections could tell investors a similar story, at municipal scale: this dam, this tariff, this repayment date.





## A COCKTAIL: OLD BONES, NEW RAILS

The letters CA, ACCA, CIMA and CFA teach us to measure and report. They do not build the thing being measured. Zimbabwe needs a cocktail of traditional structures and new infrastructure, aimed at one end: liquidity with intention. Back to basics, with better plumbing.

### The old bones

- **Ring-fenced vehicles.** One project, one special-purpose company, escrowed revenues, step-in rights for lenders.
- **Municipal revenue bonds** secured on water and sewer tariffs, not on a council's general promises.
- **Development-bank and corporate bonds** that give funds paper with a coupon and a maturity.
- **Listed property vehicles** as the recycling machinery for real estate.
- **Currency matching.** Borrow in the currency in which the project earns.

### The new rails

- **Tokenisation.** In February, SECZim allowed FINSEC to run an asset tokenisation market inside its regulatory sandbox, starting with income-generating and development property. Most firms later admitted to the sandbox are working on tokenisation too.
- **A compliance perimeter.** SI 99 of 2026 requires virtual asset service providers to register with the FIU and apply the Travel Rule. For a trustee, that means a counterparty can be checked before a cent moves.
- **Verification technology.** Smart meters, satellite imagery and auditable ledgers let a fund see construction progress and revenue without relying on a glossy report.

One honest caveat. Tokenising a building does not make it liquid. Liquidity needs buyers, market makers, price discovery and settlement. A token is a better wrapper, not a magic wand. But the wrapper matters. You cannot sell 5% of a building. You can sell 5% of a regulated unit. That lets a fund recycle capital in tranches over eighteen months instead of dumping a whole asset on a bad day. IPEC has already shown the way by granting prescribed-asset status to gold-backed digital tokens. Extending similar treatment to well structured infrastructure units is the logical next conversation.

## BUILDING TRUST WITHOUT A RATING

Zimbabwe has no sovereign rating from Moody's or Fitch, and the arrears clearance and re-engagement path is unfinished. We should keep walking it, but we cannot wait for it. Without a sovereign anchor, structure must do the work a rating would have done: collateral, escrow, covenants and transparency. Trust can be built from the bottom up, in layers:

- **Project level:** independent engineers, escrow accounts, published milestones.
- **Municipal level:** audited accounts and published collection rates, so a council's credit can be read like a company's.
- **Market level:** local and regional ratings, plus development-finance guarantees to lift first deals over the line.
- **Data level:** auditable reporting that members can check for themselves.

Hayek reminded us that knowledge is dispersed and prices carry it. Trust is the same knowledge, made visible. Every project that pays on time is a data point. Every quarter of single-digit inflation is a better rating agency than any press release.



## RECOMMENDATIONS FOR THOSE WHO ALLOCATE CAPITAL

### Pension funds and insurers

- **Three sleeves, not one pile.** Split the portfolio into liquidity, income and nation-building sleeves, with tenor matched to liabilities. Annuity books can be patient. Active-member funds need more optionality.
- **Pool, don't scatter.** Co-invest through consortium vehicles with one lead sponsor, so a project gets 100% rather than 30% and ten trustees do not repeat the same due diligence.
- **Pay on milestones.** Draw down against verified completion, not promises.
- **Insurers as credit enhancers.** Performance bonds, surety and construction cover can lift a contractor's credibility further than another balance-sheet allocation.
- **Match the tail.** Life and annuity books carry long liabilities and belong in infrastructure, farmland and long bonds. Short-tail motor and property books should stay liquid. One balance sheet, two different clocks.
- **Talk to members.** The Commissioner has acknowledged that public trust in pensions has declined. Publish plain-language investment reports. Contributions follow confidence.

### Brokers and asset managers

- **Build the bond desk.** Primary placement is half the job. Commit to two-way quotes and give investors an exit.
- **Package for pensions.** Standard term sheets, risk scorecards and covenant packs let a trustee say yes in one meeting.
- **Teach the trustees.** Many boards are member representatives, not credit specialists. A plain-language primer on bonds, covenants and tokenised units will move more capital than another glossy deck.
- **Use every venue.** ZSE, VFEX and FINSEC each solve a different liquidity problem. The winning broker will be fluent in all three.

### Real estate holders

- **Sort the book into three:** hold the core, recycle the mature, repurpose the idle.
- **Value honestly.** Independent US-dollar valuations at least twice a year, with cap rates published.
- **Put roofs and land to work.** Contribute commercial rooftops and idle land as equity into solar and agro-industrial parks, not just as leases.
- **Follow the demand.** Reposition ageing offices toward what Zimbabwe lacks: cold storage, logistics, student and workforce housing, and energy-ready space.
- **Release in tranches.** Move stabilised buildings into REITs or tokenised units and sell down gradually.

### Regulators

A project-preparation facility, a standard municipal borrowing pathway and clear prescribed-asset treatment for tokenised infrastructure units would remove friction that no entrepreneur can remove alone. IPEC, SECZim, the FIU and the RBZ already have the pieces. The task is to join them.

## WHERE ENTREPRENEURS AND STARTUPS COME IN

Every gap above is a business. The bankability shortage is a market for people who can close it.

- **Project preparation as a service:** feasibility studies, environmental assessments, financial models and investor-ready data rooms for councils and developers.
- **Verification:** independent engineer as a service, using satellite imagery and IoT sensors to certify milestones.
- **Municipal revenue tech:** smart metering, collection analytics and tokenised receivables on water and sewer.
- **Market plumbing:** custody, valuation, transfer agency and market making for tokenised and listed units.
- **Regtech for VASPs:** Travel Rule tooling and blockchain analytics for SI 99 compliance.
- **Micro-pensions:** mobile-first retirement products for informal-sector and gig workers, widening the contribution base.
- **Diaspora channels:** compliant platforms that turn remittances into small-ticket infrastructure units.



## WHAT A CREDIBLE FIRST YEAR LOOKS LIKE

Nobody needs a grand plan. A modest, visible scorecard would do: one ring-fenced municipal revenue bond, one pooled pension and insurer vehicle that funds a project in full, one tokenised property unit trading with a committed market maker, and one quarterly public report showing what was promised and what was delivered. Four small proofs. Each one makes the next cheaper.

## THE MONDAY MORNING TEST

Kierkegaard wrote that life can only be understood backwards, but it must be lived forwards. Zimbabwe's capital structure was shaped by looking backwards, at 2008. Rebuilding it means living forwards, deliberately, without rush. Before the next allocation, ask three questions. Does this asset match the horizon of the liability behind it? Can I exit without a fire sale? Will it still be producing in twenty years?

Long money is not found. It is grown, one honoured contract at a time.



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