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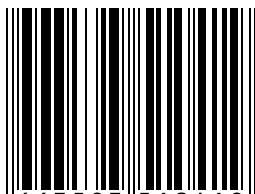
NEWS

ISSUE NO. 20 • OCTOBER - DECEMBER 2022

Bolstering the Investor Landscape



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Welcome to the 20th Edition of the BSE News!

The need to foster a robust investor landscape and a well-functioning market ecosystem cannot be overemphasized. Investors play a crucial role in the market, such as providing capital to companies, stimulating liquidity, promoting price discovery, and holding directors to higher governance standards, among other things. These roles evolve with market dynamics making it similarly critical for regulators to stay ahead of or keep up with, the trends to bolster an efficient landscape for investor participation.

It is evident that financial technology (Fintech) innovations are instrumental in delivering an enhanced experience for stock market participation, particularly for retail or individual investors. The surge in retail investor participation in capital markets is generated, in part, by the increase in user-friendly online trading platforms, some of which are popularised by social media. These technologies have made stock markets more accessible and appealing to retail investors, who historically have had limited access to invest in stock markets. Evidently, institutional investors, corporates, advisors and regulators are paying attention to this evolution as this market segment continues to grow.

While emerging trends continue to shape the investment ecosystem, it is critical to reflect on these insights and for industry players to unceasingly contribute to **bolstering the investor landscape** in order to build and maintain trust and confidence in the market and ensure an enriched experience for all. Because investing in the capital market contributes to wealth creation, long-term financial stability and economic growth, we position this 20th edition to discuss initiatives contributing to an effective and reliable investing ecosystem. From a domestic capital market perspective, the BSE facilitates an enabling investor environment by focusing on various key aspects, and we highlight just four of them.

Firstly, BSE is a proponent of financial literacy and inclusion as a means to demystify the mechanics of the capital market and cultivate an investment culture in Botswana. Our flagship initiatives such as the award-winning Senior Secondary Schools Finance and Investment Competition, Tshipidi Mentorship Programme targeted at SMEs, public outreach engagements in the form of Open Days, workshops and educational webinars, radio educational shows

and this quarterly publication, are strategically implemented to advance investor education and financial inclusion across the various segments of the population. In addition, we have partnered with CNBC Africa and Bloomberg to increase the visibility of the market and the development initiatives to the international community. These partnerships also provide a platform for issuers to reach out to the investor community on designated topical issues.

Secondly, we are undertaking strategic initiatives to advance our technology infrastructure. We have implemented a new Central Securities Depository (CSD) System and Automated Trading System (ATS) for improved operational capability and accessibility by all investors to a wide range of instruments, including government bonds. The CSD was first introduced in 2008, bringing with it the dematerialisation of paper share certificates, while the ATS was introduced in 2012 and enabled the electronic trading of listed instruments. In addition, the Stock Market Simulator that is in the pipeline is designed to allow novice investors to practice trading stocks without financial risk and encourage financial literacy and confidence in the investor's ability to make thorough investment decisions and thus increase retail investor participation.

Thirdly, as an integral part of our business, expanding our core product offerings by availing an array of investment products such as Commercial Paper, Depository Receipts, and Sustainable Bonds advances a vibrant investor ecosystem. It attracts new investors to the market with varying risk-return objectives, broadens the issuer and investor base, expands avenues for portfolio diversification and enables thematic investing. Moreover, it improves the effectiveness of capital allocation. In addition, the BSE makes efforts to raise general product awareness about the value proposition of each investment product to bridge knowledge gaps.

Lastly, the BSE promotes the highest principles of business ethics, corporate governance and reporting standards ideal for an ethical and stable investor ecosystem. Investors require assurance of a level playing field, access to complete and reliable information, and the ability to exercise their rights as shareholders.

In fulfilling this, the BSE adopted a corporate governance framework in



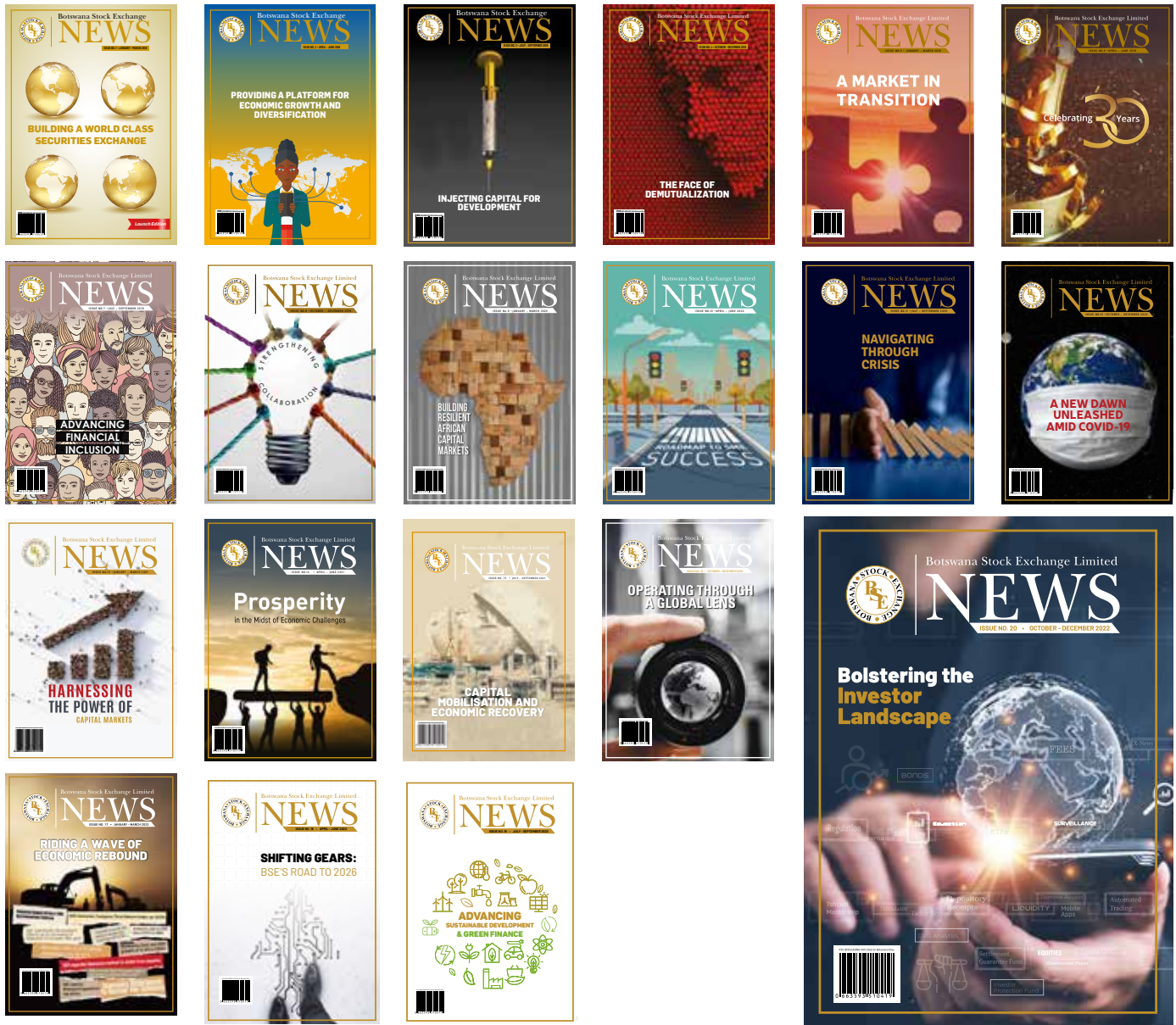
line with the Companies Act, Botswana Accountancy Oversight Authority (BAOA) Guidelines, NBFIRA Draft Corporate Governance Guidelines and King IV Code of Corporate. Furthermore, the recently launched BSE Investor Compensation Fund (ICF) is a vital feature of a well-functioning capital markets ecosystem. The BSE continues to make tangible attempts to encourage issuers to report ESG information to investors, thus enabling a progressive and responsible investment environment.

In this edition, we also underscore the various initiatives linked to strengthening the investor environment for the capital market to thrive. We spotlight the revised Retirement Act and related regulations, which we anticipate will materially transform the local investment landscape. We also discuss the dynamics of investing in the 21st century and how industry champions can harness global trends to drive retail investor participation.

In honour of this edition being the last for 2022, I take this opportunity to thank all of our valued patrons and stakeholders for the unwavering support of the BSE. Our successes in achieving our mandate and strategic objectives would not be possible without your contributions. As we wrap up the year and enter the festive season, I wish you all a vibrant new year full of good health and great opportunities. Happy reading.

“Your Partner in Wealth Creation”

Thapelo Tsheole
Chief Executive Officer



HIGHLIGHTS FROM THE PREVIOUS EDITION

- MARKET PERFORMANCE FOR THE PERIOD 1 JANUARY TO 31 MAY 2022.
- GREEN FINANCE EXPECTED TO GAIN MOMENTUM IN BOTSWANA
- BPOPF ANNOUNCE PLANS TO LURE COMPANIES TO BSE
- SADC GUIDELINES FOR SUSTAINABILITY BONDS (SADC GREEN BOND PROGRAMME)

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BSE HOSTS TSHIPIDI MENTORSHIP PROGRAM 2022





KNOW YOUR STOCK MARKET TERMS

Asset Allocation:

Asset allocation is the practice of balancing your investments to limit risk. This is done by diversifying your portfolio with different types of assets that maximize reward and minimize risk.

Bear Market:

A bear market is one that is falling or trending lower. This can happen during times of recession or public crisis and can last anywhere from weeks to years.

Bull Market:

A bull market is one that is rising or trending higher.

Diversification:

Diversification is the process of spreading the funds in your investment portfolio across many different assets.

Emergency Fund:

An emergency fund refers to money you have set aside for emergency expenses. These cash reserves can help to cover the cost of unplanned expenses, such as vehicle repairs. Your emergency fund can also be used to replace your income if you lose your job. Financial experts generally recommend an emergency

fund of at least 3-6 months of expenses or more.

Expense Ratio:

An expense ratio is a fee that is charged on investments like mutual funds and ETFs. The expense ratio for a given fund depends on the company that offers it and the level of professional management required. Understanding expense ratios is an important part of investing because high fees reduce your overall investment returns. Looking for investments with low fees can go a long way in your financial journey.

Liquidity:

Liquidity describes how easy it is to convert an investment into cash.

Price-To-Earnings Ratio (P/E Ratio):

Price-to-earnings ratio (P/E ratio) is a way of calculating a company's value. The P/E ratio is found by dividing the company's stock price by its earnings per share.

Risk Tolerance:

Risk tolerance describes the level of risk you feel comfortable with in your investment portfolio. Investors with a

high-risk tolerance are generally willing to accept increased risk for the chance of higher returns. On the other hand, investors with a low risk tolerance are willing to accept lower returns for a lower amount of risk. Your risk tolerance is different from your risk capacity, which is your ability to take on risk based on your financial situation.

Volatility:

Volatility is a measure of the change in asset prices over a period of time. In general, the more volatility there is for a particular asset or market, the more price movement there is, both upward and downward.

Source: <https://time.com/nextadvisor/investing/investing-terms-to-know/>



THE BSE UNDERTAKES AN INVESTMENT ROADSHOW IN THE UNITED STATES OF AMERICA

The BSE undertakes an investment roadshow in the UNITED STATES OF AMERICA (cont'd)

Overview and Objectives of the Roadshow

One of the strategic objectives of the BSE under the 2022-2026 Strategy is to “Undertake International Roadshows”. Thus, from 05-11 July 2022, the BSE undertook an Investment Roadshow in the United States of America (USA) in Washington DC and New York, represented by:

- Mr. Thapelo Tsheole – Chief Executive Officer
- Mr. Kopano Bolokwe – Head of Product Development
- Ms. Thapelo Moribame – Head of Market Development

The objectives of the Investment Roadshow were to:

- **Increase the participation of international investors on the BSE:**

Over the past 5 years, foreign investors accounted for 35.8% of total trading activity on the BSE and 36.8% as at the end of 2021. American citizens held 1.1% of the total number of securities on the BSE, which shows a narrower focus on a few companies, particularly on equities, compared to other instruments. The BSE aims to increase these numbers to broaden the heterogeneity of the investor base and exploit excess capacity, especially since the Bourse is implementing several innovative services (including world-class market infrastructure) and products that could increase the participation of international investors and Batswana in the Diaspora.

- **Attract American companies and international companies to list or issue instruments on the BSE:**

Through the internationalisation strategy the BSE has managed to attract companies from outside Botswana to list locally and to enable companies in Botswana to raise capital to finance international expansion. For

example, an entity such as Access Bank was recently listed on the BSE, and operates in 4 different continents. Domestic companies such as RDC Properties and Sefalana are also in international markets such as USA, Croatia and Australia. This is a demonstrable proposition about Botswana and the BSE that we intended to showcase in the USA to attract the USA and international companies to list here.

- **To unlock value from intermediaries in global markets such as global custodians and international fund managers:**

These intermediaries conduct due diligence on behalf of international investors, structure instruments that can be listed on the BSE and invest on behalf of their clients. It is pleasing to report that global firms, both custodians and fund managers, such as BNP Paribas, State Street Bank, and JP Morgan, to mention but a few, are active custodians and fund managers on the BSE on behalf of international clients. They demand higher standards, best practices, and frequent interaction with the Exchange and the Depository. As such, this Roadshow was appreciated as a way of bringing the Bourse closer to appraise them of the latest developments and retain and nurture our relationships, especially since the advent of COVID-19 has hampered their travel plans to conduct due diligence on the ground.

- **To promote the BSE towards thematic investors and international stakeholders:**

This was mainly to increase the coverage of BSE listed companies by Emerging Markets, Frontier Markets, Africa-Focused investors, and impact investors. The BSE has a great potential to be included in various international stock indices and global funds, the benefit of which is that the local stocks could mandatorily be held by international investors tracking these indices and managing these

funds. This is important given the BSE developments in promoting Responsible Investing through ESG Disclosures in the local market. This kind of initiative improves the candidacy of local companies into various indices that are managed by various global institutions.

- **To learn from peer Exchanges such as NASDAQ and explore areas of collaboration to deepen the Botswana market:**

NASDAQ supported the BSE when it hosted the African Securities Exchanges Association (ASEA) Conference in 2019, and the BSE consumes some of the services pioneered by NASDAQ. The visit provided an opportunity to elevate this relationship by getting acquainted with the company's competitive position, initiatives to attract listings and investors, and how the company increases its financial sustainability, among others, and explore collaboration opportunities across these areas.

A Synopsis of the Investment Roadshow

The BSE met various institutions and stakeholders for numerous reasons, a few of which we highlight. Kicking off the Roadshow in Washington DC, the BSE met with the Embassy of the Republic of Botswana and, a few days later in New York, the Permanent Mission of Botswana to the United Nations – these are critical stakeholders in facilitating and initiating business relations between BSE and the business community in the USA broadly as well as a conduit for the BSE to reach out to the Batswana in the Diaspora. The BSE met an impact investing fund primarily to explore collaboration opportunities for structuring investment vehicles that could support the funding of SMEs who have graduated in the Tshipidi Mentorship Programme (TMP) as we strive to build a credible pipeline of SME listings on the BSE.

The BSE also met the International Finance Corporation (IFC). The IFC is the first triple-A-rated institution

► International Initiatives

to issue an instrument on the BSE when it listed a Kalahari Bond in 2018 (P260 Million) and redeemed in 2021. The bond's proceeds financed one of the local banks. It is imperative to strengthen relations with IFC and ensure it continues to be present in the Botswana capital market. The interest for IFC to issue in Botswana implies that it has high confidence in the market operability, regulation and affinity to rigorous international standards that IFC is known to promote. This bodes well for attracting other international issuers and international investors. In addition, meeting with IFC provided an opportunity for the BSE to benefit from IFC's planned technical advisory and capacity-building programmes as the institution is currently involved in various projects in Africa such as the development of derivative markets, swap markets, sustainable finance markets and money market benchmarks, and it plays a critical role of being an anchor in various issuances.

The BSE visited JP Morgan, one of the largest fund managers in the world, the main reason being to appraise the team of the developments and initiatives to deepen the capital markets and liquidity in Botswana and equally get an appreciation of their concerns and

possible mitigations to promote their participation in local instruments. This was also for JP Morgan to appreciate the economic landscape in Botswana and its outlook. A key takeaway was for the BSE to maintain a relationship with MSCI to promote the visibility of listed companies for inclusion in various MSCI indices. This could make it easier for international fund managers to pick local stocks represented in the indices or if Botswana is represented in these indices.

The highlight of the Roadshow was the visit to NASDAQ, which is primarily a stock exchange but has become a conglomerate through its diversification initiative, especially within the financial technology space. NASDAQ provided an in-depth discussion of its business model, its evolution over the years and its key strategies for strengthening its competitive stance in the US and global markets. As a stock exchange, these learnings and others are key to helping the BSE position itself in the global securities markets to remain operationally resilient and to be a platform of choice for listings and investments. The visit to NASDAQ included witnessing and participating in the Opening Bell, a well-televised event to signal the opening of the

markets, which included a listing of a new company and the showcasing of the BSE on the NASDAQ ticker screen in Times Square with the caption "NASDAQ WELCOMES BOTSWANA STOCK EXCHANGE".

Conclusion

There were various deliverables from the Roadshow which are being implemented and explored. Given the resounding success of the Roadshow, it became apparent that it is necessary to take the BSE into the international arena to reach the next level as a business and market. The Roadshow has helped create seamless lines of communication, knowledge sharing and opportunities expected to benefit issuers, investors, and intermediaries in Botswana, while elevating the stature of the local exchange.

Majority of our hosts remarked that this is a noble initiative as foreign stakeholders hardly visit them to provide updates on developments and opportunities. **Additionally, due to COVID-19 travel restrictions, it has not been easy for them to travel overseas to meet stakeholders.**

(Left to Right):
BSE CEO, **Mr. Thapelo Tsheole**;
BSE Head of Market
Development,
Ms. Thapelo Moribame;
BSE Head of Product
Development,
Mr. Kopano Bolokwe.



September Opening Bell Ceremony 2022: Listing Of The African Domestic Bond Fund



Official Bell Ringing - Representation from the BSE Management, African Development Bank, MCB Investment Management and Stockbrokers Botswana

On 15th September 2022, the BSE conducted a historic Opening Bell Ceremony at the BSE offices to commemorate the listing of the African Domestic Bond Fund. MCB Investment Management Co. Ltd (Manager), working in partnership with the African Development Bank (AfDB), launched the African Domestic Bond Fund (ADBDF), an exchange-traded fund (ETF) domiciled in Mauritius that provides access to local currency African fixed income markets in a cost-efficient, liquid and transparent manner.

The AfDB acts as an anchor investor and sponsor to promote local currency finance and contribute to local currency capital

markets development in the continent. This Fund is an ETF that aims to track the performance of the AFMI Bloomberg African Bond Index 25% Capped before fees and expenses. The African Domestic Bond Fund is listed on the Stock Exchange of Mauritius (denominated in USD) and on the Botswana Stock Exchange (denominated in BWP). Delivering remarks during this special event was the Principal Investment Officer for the African Development Bank, Mr. Albin Kakou and the Head of Fixed Income & Currencies at MCB Investment Management, Mr. Yadav Abhimanyu. Both speakers provided comprehensive insights highlighting the function of the Fund and the benefits to prospective investors. Joining them on this agenda was the BSE CEO, Mr. Thapelo Tsheole, who delivered the Welcome Remarks, and the BSE Head of Market Development, Ms. Thapelo Moribame, with the Vote of Thanks.

The issuance of this ETF now brings the total number of BSE-listed ETFs to seven, joining NewGold ETF, NewPlat ETF, NewFunds Inflation-linked Bond Index ETF, Cloud Atlas S&P Africa Sovereign Bond Fixed Income, Cloud Atlas AMI Big50 ex-South Africa and NewPalladium ETF.



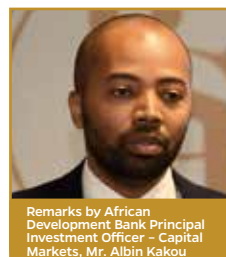
Key stakeholders within the ecosystem of Botswana's Capital Market, members of the media & public



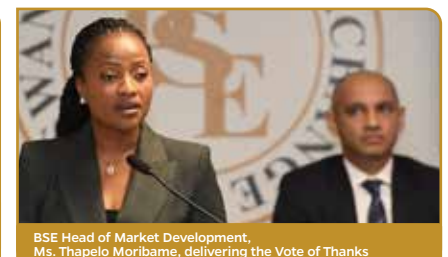
Remarks by MCB Investment Management Head of Fixed Income & Currencies, Mr. Yadav Abhimanyu



BSE CEO, Mr. Thapelo Tsheole, delivering the Welcome Remarks



Remarks by African Development Bank Principal Investment Officer - Capital Markets, Mr. Albin Kakou



BSE Head of Market Development, Ms. Thapelo Moribame, delivering the Vote of Thanks



(Left to Right) Stockbrokers Botswana Managing Director, Mr. Tito Tibone, MCB Investment Management Head of Fixed Income & Currencies, Mr. Yadav Abhimanyu, BSE CEO, Mr. Thapelo Tsheole and African Development Bank Principal Investment Officer - Capital Markets, Mr. Albin Kakou



(Left to Right) MCB Investment Management Head of Fixed Income & Currencies, Mr. Yadav Abhimanyu, BSE CEO, Mr. Thapelo Tsheole and African Development Bank Principal Investment Officer - Capital Markets, Mr. Albin Kakou

INVESTOR COMPENSATION FUND ACTIVATION CAMPAIGN: GHANZI & MAUN



On August 30th and 31st, the BSE conducted a series of activations in Ghanzi and Maun to sensitise and educate the general public on the functions and benefits of the recently launched BSE Investor Compensation Fund.

This Fund, launched earlier this year, was established to compensate investors for financial losses incurred as a result of a failure by a market participant to meet their contractual obligations as specified in the Fund Rules. As such, the benefits of this Fund will ensure that the investment needs of investors are protected, it will increase integrity within our local capital markets, and it will assist in enhancing investor confidence in the BSE.

Information on the Investor Compensation Fund can be accessed on the BSE website: www.bse.co.bw

Pictures For The Ghanzi & Maun Activations



Information on the **BSE INVESTOR** Compensation Fund



What is an Investor Compensation Fund?

- A Compensation Fund concerning financial markets is a rescue fund established to grant investors compensation for financial losses suffered due to a Participant's failure to meet their contractual obligations.

What is the purpose of the Investor Compensation Fund?

- To grant compensation to clients for losses suffered because of non-fulfilment of contractual obligations due to dishonesty, insolvency, default, or liquidation of a Participant;
- To protect securities investors' investment interests.
- To ensure financial integrity in the securities market in Botswana.
- To enhance investors' confidence in the securities market of Botswana.

What is the scope of Investor Compensation Fund?

- The Investor Compensation Fund covers transactions and dealings of securities traded on the BSE.
- Where a claimant suffers loss arising from a contractual or statutory obligation placed on any other participant besides a Member as defined under the Rules.

NB: The Investor Compensation Fund DOES NOT COVER default obligations, shortfalls, deficiencies and/or any other defaults during the clearing and settlement of trade transactions by CSDB. This type of protection is provided by the Settlement Guarantee Fund Rules.

Who is eligible to claim from the Investor Compensation Fund?

- All securities' investors, with eligible claims in terms of the Rules, excluding institutional investors, who have suffered loss because of a Participant's failure to meet their contractual obligations.

What is a legitimate claim?

A Claim that proves:

- that the claimant has suffered loss and the loss was a direct result of malpractice, negligence, or error on the part of the Participant;
- that the claimant has suffered loss and the loss was a direct result of insolvency on the part of the Participant;
- that the claimant gave money or property or authority to a Participant or a person who the claimant believed was a Participant or acting on behalf of the Participant;
- proof that the money or property or authority was given to the Participant in connection with effecting a transaction covered by the provisions of the Members Rules, the Equity Listings Requirements, Automated Trading System Debt Trading Requirements and other applicable Rules and Requirements relating to transactions effected through the Exchange.

How to make a claim from the Investor Compensation Fund

- Make an application addressed to the Chief Executive Officer of the BSE through the prescribed application form within 3 years from the date of default.

Ensure the application contains the following:

- the names of the parties involved
- addresses of the parties involved
- the details of the transaction

- If an investor is successful, their claim will be paid within 6 months from the date of application.

What are the grounds for rejecting a claim?

- If the investor has contributed in any way to the financial difficulties of the Participant in default.
- If the application is found to contain any inaccuracy or omission, unless this is clearly immaterial or is shown by the investor to be wholly innocent; or
- Where the investor has so conducted himself in his dealings with a Participant in default, as to be in breach of applicable law or regulations, including these Rules.

Investing in the 21st Century: A Technology Focused and Human Centred Approach

By Obonye Bonnie Modiakgotla



It has been 22 years into the 21st century, and the world has undergone significant transformations, some of which have shaped the investment industry, requiring the evolution of products that meets consumer demands.

The start of the 21st century was marked by the dot-com bubble, as technology stocks crashed following high speculation from new investors that thronged the markets in the 1990s. Almost a decade after the dot-com crash, the global economy had to wither the effects of the 2007/2008 financial crisis that threatened to upend the financial markets. Between those two major financial events, governments worldwide responded with a series of regulations designed to protect market participants, thus moving away from deregulation to regulation. Despite the technology stocks getting hammered in the early 21st century, the world experienced significant technological advancements, spurring numerous new industries and changing how we live and work.

The era of technology growth, mainly led by the widespread use of the internet and smartphone capabilities, occurred at a time when baby boomers (born between the mid-1940s and mid-1960s) were reaching their retirement age while millennials (born between the early 1980s and mid-1990s) began entering the workforce and exerting their influence. Now generation Z (born between 1997-2012), whose perception and experiences are shaping the future, are joining. Looking at the above and summing it in an equation, you get a sense of the drivers and shapers

of modern-day investing in the 21st century. Technology has been the key driver and continues to evolve, signalling that it will remain central to how people earn and spend their funds. Investors can now trade from wherever they are at a cheaper cost than in the previous century.

As the World Economic Forum rightly noted, the growth of investors in financial markets depends on a conducive investment environment, made possible through improvements in Access, Education and Trust. Technology has vastly improved access from the backend to the front end. Mobile trading apps are becoming ubiquitous in investing. Data from CB Insights tracking stock trading annual app users shows that the number went up from roughly 25 million in 2016 to 130 million users by 2021, an increase of nearly 50% from the 2019 pandemic.

Convenience and costs underpin the popularity of these trading apps. The convenience aspect has remarkably improved accessibility as investors do not have to physically meet with brokers and fill in long and tedious forms. Furthermore, the apps incorporate real-time information, allowing users to buy stocks at the click of a button. Moreover, the apps have lower trading costs compared to traditional methods. It is worth noting that the popularity and high usage of trading apps are predominant in developed economies due to their superior ecosystem. While Botswana does not have a native trading app, the BSE has invested in technology in the past five years, laying the groundwork for further technological advancements.

Investing in the 21st Century: A Technology Focused and Human Centred Approach (cont'd)

In June 2020, the BSE launched a newly designed website with a stock market ticker that displays real-time prices, indices movements and an option to monitor selected securities. The same applies to their mobile app, which has a friendly user interface. The central securities depository (CSD) system and Automated Trading System (ATS) also received a revamp to support modern trading techniques, a development that will result in trading other investment products and increasing investor participation and activity. Additionally, the BSE will soon introduce a stock market stimulator for the public to practice trading and sharpen their knowledge of the stock market functions. These developments make it possible for external parties to leverage the technology already provided by the BSE, thus enabling them to create trading apps or websites that can fetch data from the BSE backend technology to provide curated products and services that will match consumer demands who have varying risk appetites.

The rise in technological advancements on its own is not enough. It will have to be complemented by education to support a conducive investment environment. An assessment of the trends driving retail investor growth uncovered that users who flocked to trading apps were much younger and first-time investors with limited disposable income. Moreover, insights show that social media plays a pivotal role in investment decisions. However, information from social media can be fraught with misinformation, hence a need for easily accessible credible information that will result in well-informed decision-making. A 2018 research report titled “The Case for The Need for Personal Financial Literacy Education in Botswana Secondary School” states that Botswana is treading behind as schools do not offer mandatory financial literacy. Its authors concluded that personal financial literacy should be compulsory in secondary schools.

The Non-Bank Financial Institutions Regulatory Authority (NBFIRA) reveals that there has been a shift from investing in non-financial assets such as property and cattle to investing in complex financial products - in a quest to improve long-term returns and diversify the investment portfolios. However, the shift in financial decisions has not been made simple due to a general lack of knowledge of most financial products and services. To improve financial education, firms in the investment industry would have to develop educational tools and promote financial literacy, especially for retail investors who prefer to execute their trades via online trading platforms. Furthermore, this requires businesses to reconsider their acquisition strategy, customer experience and pricing models. Some financial institutions have already started. Botswana Insurance Fund Management (BIFM), a subsidiary of the BSE-listed Botswana Insurance Holdings Limited (BIHL), has developed a mobile gaming app that teaches kids financial literacy, plus an online platform they have for retail investors.

The concerted efforts from businesses in providing financial literacy will strengthen the BSE investor awareness programs it has been running annually as part of its strategic objective of improving market development through educating market participants on BSE products, listings requirements and improving the low level of financial literacy persisting in the community. The BSE hosts several workshops and educational webinars alongside other traditional media channels.

Another emerging factor shaping investments in the 21st century is the rising power of investors, particularly retail investors, who have recently shown with coordinated attacks that they can sway the markets. In January 2021, retail investors in America relied on information shared on popular social media to plan a series of synchronized attacks on specific stocks, shoring up their share price in what amounted to attacking the establishment of greedy corporations that had shorted the stocks. In this regard, paying particular attention to investors' concerns is paramount. One of those concerns, which is growing in size and influence, is the demand for sustainable investing through incorporating non-financial inputs - such as environmental, social and governance (ESG) factors - to generate sustainable outcomes and strong financial returns.

In a study undertaken by Global Scan, over 80% of investors surveyed were interested in putting their funds into socially and environmentally responsible companies. Another 72% actively avoid industries that are contributing to climate change. Elsewhere, an Oxford Risk study also found that 50% of retail investors plan to shift funds into ESG in 2022, with 14% of the investors planning to move 60% or more of their funds to ESG investments. Now firms are challenged to make sustainable investing a core part of an investment approach, whether it is through incorporating ESG risk factors into decision-making; focusing on sustainable and responsible investing (SRI); aligning with the UN Sustainable Development Goals, or investing for impact by using capital to address real-world issues by which investors are concerned. It is pleasing to note that with the review of the Prudential Fund Regulations II (PFR II), NBFIRA has proposed an amendment to encourage the retirement funds to consider ESG factors, along with financial factors that may contribute to achieving the long-term retirement objectives of pension fund members and their beneficiaries.

To align with the changes influencing investment decisions, the BSE is drafting the rules for listing sustainable bonds, which include green bonds, social bonds, gender bonds and others which businesses can issue to fund projects of positive environmental and climate benefits.

MARKET PERFORMANCE REPORT FOR THE PERIOD 1st JANUARY TO 31st AUGUST 2022

1. EQUITY MARKET PERFORMANCE

1.1. Analysis of Equity Market Indices

During the period 1 January to 31 August 2022, the Domestic Company Index (DCI) appreciated by 5.1% in comparison to a depreciation of 2.0% during the same period in 2021 and the Domestic Company Total Return Index (DCTRI) appreciated by 9.4% in comparison to an increase of 1.6% in the corresponding 2021 period.

The Foreign Company Index (FCI) registered an appreciation of 0.7% on a year-to-date basis in 2022 in comparison to an appreciation of 0.1% over the same period in 2021.

A synopsis of the overall performance of the market is presented in Figure 1.

Figure 1: Equity Market Performance Statistics

	1 Jan – 31 Mar 2022 (Q1'22)	1 Apr – 30 Jun 2022 (Q2'22)	1 Jul – 31 Aug 2022 (Q3'22) Note 1	1 Jan – 31 Aug 2022 (YTD 2022)
Index Performance				
DCI	7,242.6	7,182.5	7,367.5	7,367.5
% Change	3.3	(0.8)	2.6	5.1
DCTRI	1,929.3	1,964.3	2,023.6	2,023.6
% Change	4.3	1.8	3.0	9.4
FCI	1,548.9	1,548.1	1,560.3	1,560.3
% Change	(0.0)	(0.1)	0.8	0.8
Liquidity				
Turnover (P' Million)	407.8	302.2	108.6	818.6
Average Daily Turnover (P' Million)	6.6	5.0	2.6	5.0
No. of Shares Traded (Million)	177.6	149.5	45.2	372.3
Market Capitalization				
Domestic Companies (P' Million)	38,452.2	38,141.9	39,129.6	39,129.6
Foreign Companies (P' Million)	349,890.7	349,698.6	352,460.6	352,460.6
Total (P' Million)	388,342.9	387,840.5	391,590.2	391,590.2
Market Indicators				
P/E Ratio (times)	12.3	12.9	13.0	13.0
Dividend Yield (%)	4.9	5.3	5.3	5.3
Price/Book Value (times)	1.3	1.2	1.3	1.3

Note 1: Q3 as at 31 August 2022

Source: BSE

1.2. Comparative Analysis of Equity Turnover

Trading activity during the review period in 2022 increased by 102.1% from the corresponding period in 2021. As at the end of August 2022, a total equity turnover of P818.6 Million was recorded from traded volumes of 372.3 Million shares, translating into an average daily turnover of P5.0 Million. As shown in Figure 2 & Figure 3, turnover during the corresponding period in 2021 amounted to P405.1 Million and a total volume of 280.5 Million shares traded were recorded.

Market Performance Report for the Period 1st January to 31st August 2022 (cont'd)

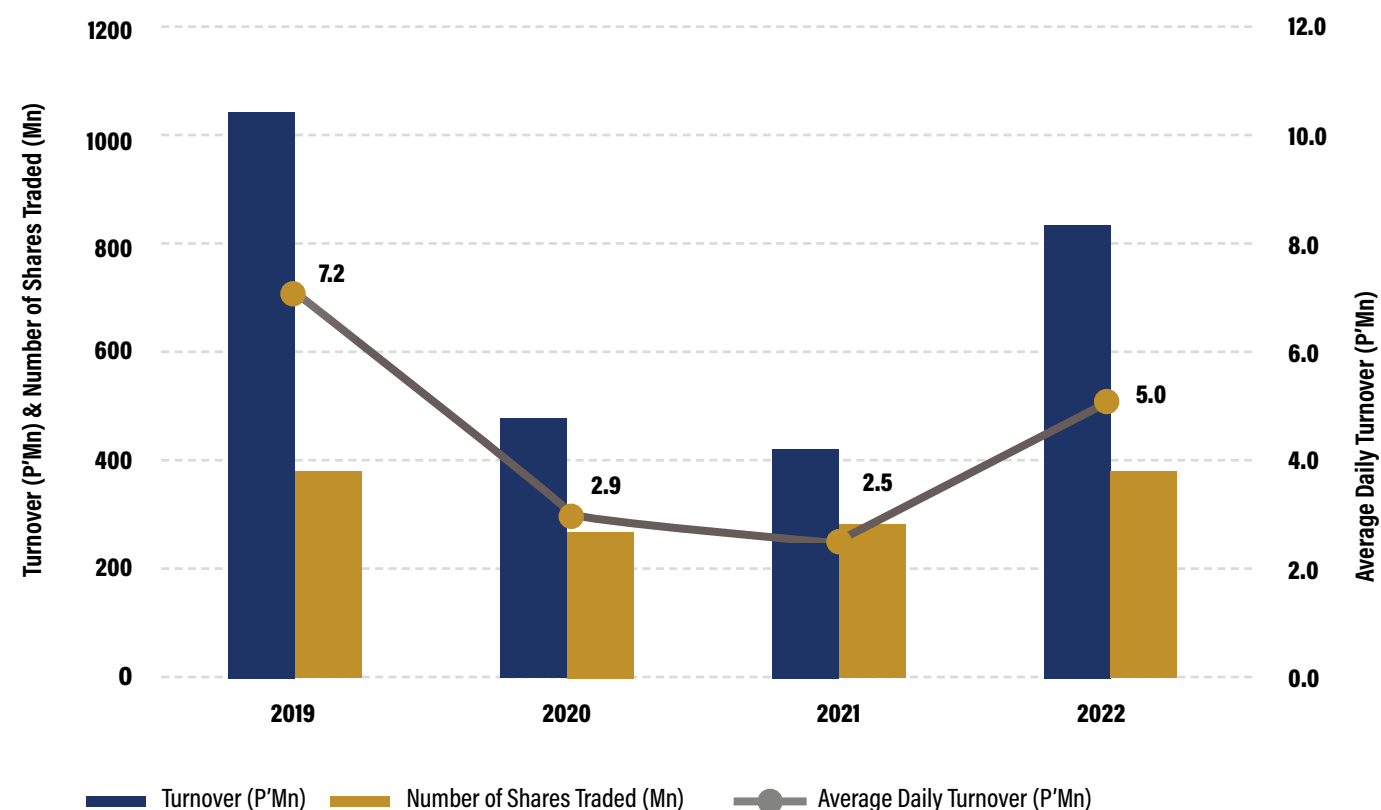
Figure 2: Liquidity: 2019-2022

Liquidity Note 2	2019	2020	2021	2022
Equity Turnover (P' Million)	1,175.4	483.3	405.1	818.6
Average Daily Turnover (P' Million)	7.2	2.9	2.5	5.0
No. of Shares Traded (Million)	378.2	274.3	280.5	372.3

Note 2: Year to 31 August

Source: BSE

Figure 3: Trend in Liquidity, Equities: Year-to-31 August



Source: BSE

1.3. Companies Ranked by Turnover

The top 3 traded companies during the period under review were Letshego (P431.1 Million), FNBB (P75.7 Million) and Sefalana (P58.3 Million). The total turnover from these 3 companies accounted for 69.0% of total equity turnover, with the leading counter Letshego accounting for 52.7% of total equity turnover.

Letshego's considerable contribution to total equity turnover results from two significantly high trades of P183.0 Million on 23rd March 2022 and P142.7 Million on 17th June 2022 accounting for the two highest daily trades per counter in 2022 thus far. In comparison to the same period in 2021, the top 3 traded companies accounted for 45.6% of total equity turnover with the leading counter Letshego accounting for 18.1% (P67.2 Million) of total equity turnover.

The rankings of companies by turnover thus far in 2022 is shown in Figure 4.

Figure 4: Companies Ranked by Turnover (BWP): Year-to-31 August 2022

Company	Q1	Q2*	Q3*	1 Jan - 31 Aug 2022
	Turnover	Turnover	Turnover	Turnover
LETSHEGO	254,581,304.69	170,810,840.61	5,671,540.33	431,063,685.63
FNBB	17,990,639.28	19,206,215.29	38,540,834.51	75,737,689.08
SEFALANA	46,470,989.25	9,505,475.05	2,361,063.50	58,337,527.80
CHOBE	49,279,935.00	920,807.00	116,739.15	50,317,481.15
LETLOLE	124,640.98	42,125,970.47	245,206.27	42,495,817.72
BIHL	9,588,495.20	14,806,601.55	5,306,183.53	29,701,280.28
CA SALES	8,440,734.50	13,502,196.80	7,624,539.75	29,567,471.05
STANCHART	960,052.85	1,892,135.00	16,303,702.75	19,155,890.60
TURNSTAR	1,124,325.34	1,619,574.55	15,507,289.78	18,251,189.67
ABSA	6,252,260.24	7,124,849.14	1,861,724.98	15,238,834.36
BTCL	3,391,820.34	2,570,327.16	1,486,883.94	7,449,031.44
SECHABA	548,635.85	3,249,157.79	2,994,132.00	6,791,925.64
NAP	516,393.36	3,792,582.87	1,584,968.11	5,893,944.34
ACCESS	1,368,585.90	1,966,541.94	1,347,411.78	4,682,539.62
LUCARA	3,830,772.80	24,915.10	667,671.98	4,523,359.88
CHOPPIES	252,728.94	3,887,195.88	134,067.90	4,273,992.72
RDCP	927,674.25	453,304.79	2,265,732.98	3,646,712.02
ENGEN	532,201.58	2,117,408.38	964,762.20	3,614,372.16
PRIMETIME	157,451.00	1,770,615.58	1,009,449.95	2,937,516.53
CRESTA	159,243.89	36,426.96	1,148,965.45	1,344,636.30
BBS	273,153.24	66,503.78	954,518.52	1,294,175.54
G4S	516,815.10	458,912.20	191,547.30	1,167,274.60
FPC	469,807.10	2,400.00	-	472,207.10
OLYMPIA	-	161,710.64	311.48	162,022.12
SEED Co	15,006.60	23,382.00	122,212.80	160,601.40
SHUMBA	-	70,949.70	64,285.20	135,234.90
MINERGY	256.50	-	58,393.00	58,649.50
INVESTEC	-	-	51,048.27	51,048.27
BOD	15,201.16	6,376.12	1,245.00	22,822.28
TLOU	4,000.00	-	-	4,000.00
ANGLO	-	-	-	-
Total	407,793,124.94	302,173,376.35	108,586,432.41	818,552,933.70

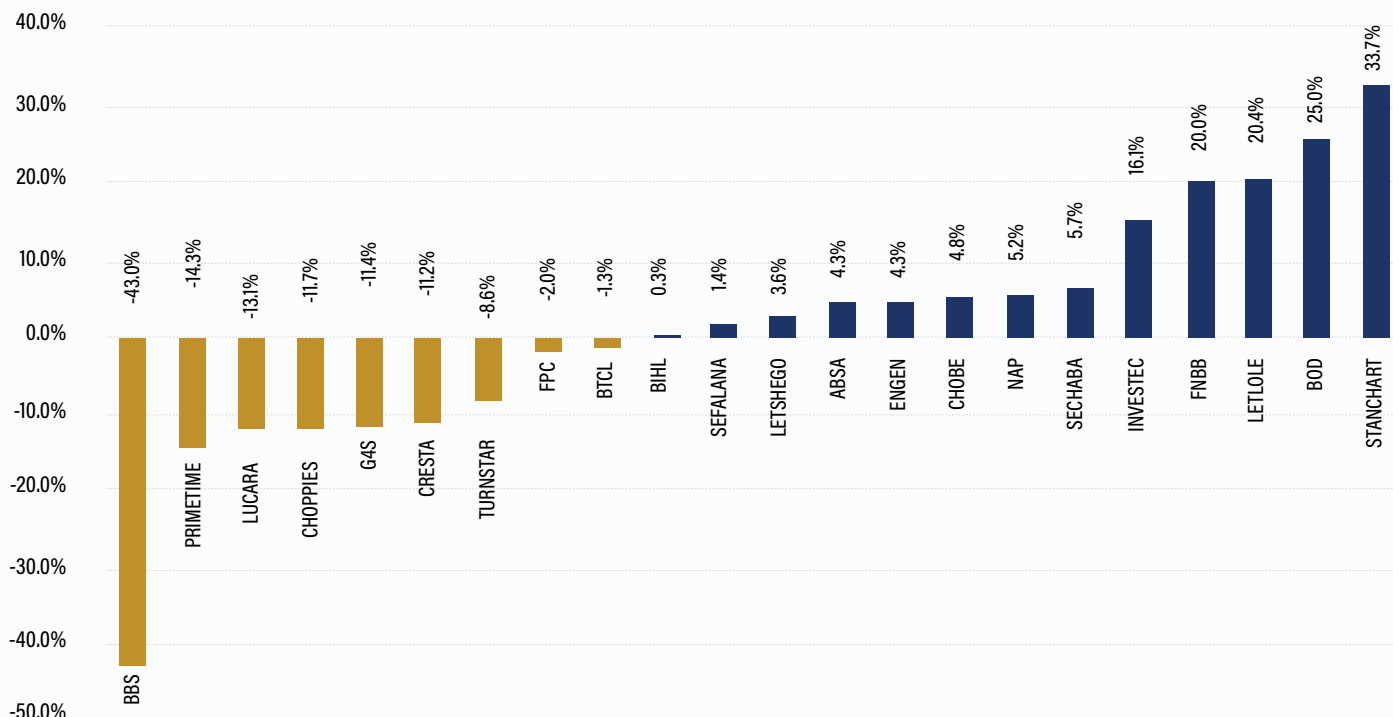
Note 3: Q3 as at 31 August 2022

Source: BSE



Market Performance Report for the Period 1st January to 31st August 2022 (cont'd)

Figure 5: Share Price Performance: 1 January – 31 August 2022



Note : Companies that did not experience share price movement are excluded from graph

Source: BSE

Figure 5 shows the share price performance of listed companies during the period under review. Of the 31 listed companies, including BBS registered on the Serala OTC Board, 9 depreciated in share price, 14 appreciated in share price while 8 experienced no share price change.

The top gainer over the 1 January to 31 August period was Stanchart (Standard Chartered Bank Botswana) with an appreciation of 33.7%, followed by Botswana Diamonds (BOD) and Letlole la Rona with gains of 25.0% and 20.4% respectively. BBS Limited experienced the biggest decline in share price of 43.0% followed by PrimeTime (PrimeTime Property Holdings) and Lucara Diamonds with declines of 14.3% and 13.1% respectively.

1.4. Investor Contribution to Equity Turnover

As can be observed in Figure 6, local companies contributed 62.1% to total equity turnover or P508.4 Million while local individuals contributed 4.2% during this period or P34.5 Million to total equity turnover. Foreign companies contributed 30.7% or P251.6 Million while foreign individuals contributed 2.9% or P23.8 Million to total equity turnover respectively.



Figure 6: Investor Contribution to Turnover: 1 January – 31 August 2022

Investor Category	Turnover (Pula)	Equity Turnover Contribution
Foreign Companies	251,582,018.99	30.7%
Foreign Individuals	23,828,370.38	2.9%
Local Individuals	34,504,447.26	4.2%
Local Companies	508,375,064.17	62.1%
Brokers	263,032.91	0.0%
Total	818,552,933.70	100.0%

Source: CSDB

2. PERFORMANCE OF EXCHANGE TRADED FUNDS (ETFs)

During the period under review, ETF turnover amounted to P104.6 Million in comparison to P70.9 Million registered during the corresponding period in 2021. This was recorded from 693,568 units traded thus far in 2022 in comparison to 408,345 units during the same period in 2021.

The NewGold ETF, BASBI ETF, NewPall ETF and NewFunds ILBI ETF prices gained 3.5%, 5.0%, 6.5% and 7.7% respectively while BAMIB50 ETF declined 26.1%.

Figure 7 summarises the comparable ETF performance for 2021 and 2022 on a year-to-date basis.

Figure 7: Performance of ETFs: Year-to-31 August

ETF		Turnover (P'Mn)	Units Traded	Price Change (%)
NewGold	2022	66.5	329,527	3.5
NewPlat		38.1	360,001	(5.4)
NewFunds		0.0417	658	7.7
NewPall		0.0021	8	6.5
BASBI		0.0149	178	5.0
BAMIB50		0.0175	3,196	(26.1)
NewGold	2021	59.9	316,474	(3.6)
NewPlat		11.0	91,638	12.9
NewFunds		0.0133	233	12.8
NewPall		Not listed	Not listed	Not listed
BASBI		Not listed	Not listed	Not listed
BAMIB50		Not listed	Not listed	Not listed

Source: CSDB

Market Performance Report for the Period 1st January to 31st August 2022 (cont'd)

3. BOND MARKET PERFORMANCE

As can be observed in Figure 8 the value of bonds traded during the period under review was P1.2 Billion compared to P1.7 Billion traded during the same period in 2021.

Figure 8: Analysis of Bond Market Performance

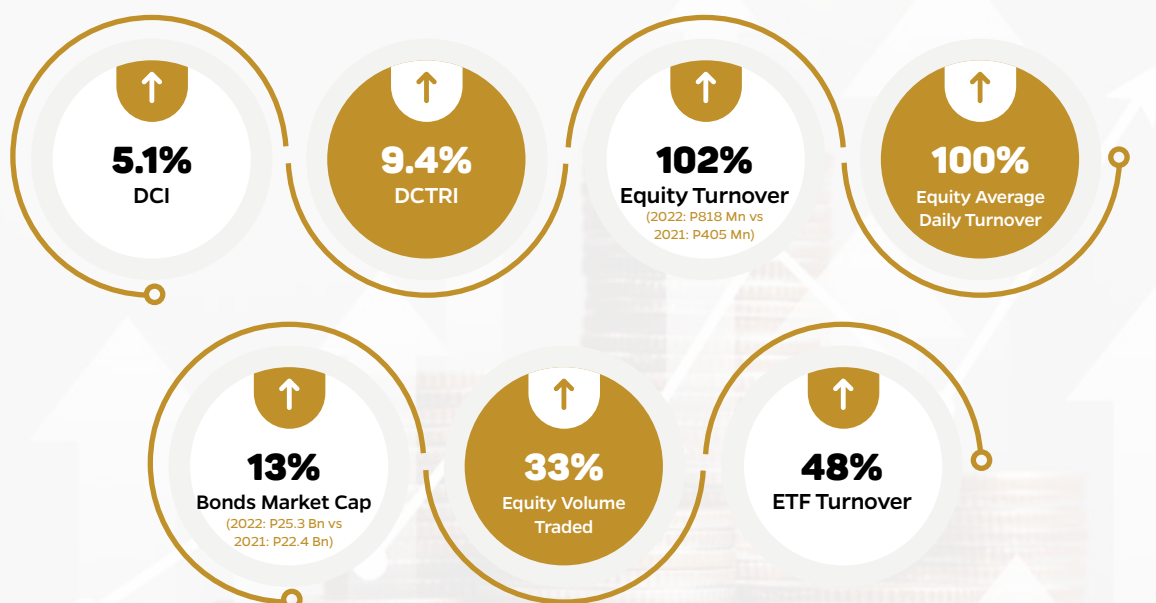
	1 Jan – 31 August 2021	1 Jan – 31 August 2022
Value Traded (P'Mn)		
Corporate Bond Turnover (P' Mn)	139.8	52.1
Government Bond Turnover (P' Mn)	1,523.6	1,126.3
Total (P' Mn)	1,663.4	1,178.4
Market Capitalisation (P' Bn)		
Corporate Bond Market Cap (P' Bn)	5.7	5.4
Government Bond Market Cap (P' Bn)	16.7	19.9
Total (P' Bn)	22.4	25.3
Number of Bonds Listed		
Corporate Bonds	39	36
Government Bonds	7	7
Total	46	43

Source: BSE

As at end of August 2022, the market capitalisation of listed bonds stood at P25.3 Billion.



MARKET PERFORMANCE REPORT 1 JANUARY TO 31 AUGUST 2022



Botswana Stock Exchange



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BSE PRODUCTS

At present, products that can be listed and accessed by investors on the BSE include Shares, Bonds, Exchange Traded Funds (ETFs), Botswana Depository Receipts (BDRs) and Commercial Paper (CP). These products have different risk profiles offering different returns to satisfy the needs of various investors.

BSE Listed Products		Benefits
1	Shares are intangible assets that represent ownership in a company.	<ul style="list-style-type: none"> ✓ An investor has a claim to the profits of the company through dividend payments ✓ As a shareholder, you have the right to vote matters that are pertinent to the performance of the company. This is usually during a company's Annual General Meeting (AGM) ✓ Profits by benefitting from capital gains (share price appreciation) ✓ Ease of buying and selling through the assistance of BSE licensed Brokers
2	A Bond is a fixed-income instrument that represents a loan agreement made by an investor to a borrower.	<ul style="list-style-type: none"> ✓ Receives regular cash flow through interest payments ✓ Compared to shares, bonds are a safer investment option because the principle amount is paid back once the bonds matures ✓ Bondholders have a higher claim on the issuer's assets in case of bankruptcy.
3	Exchange Traded Funds (ETFs) are instruments that track an index, price of a commodity or basket of assets and are listed on an Exchange. The instrument is backed by the underlying assets.	<ul style="list-style-type: none"> ✓ Diversification - ETFs give you an efficient way to diversify your portfolio, without having to select individual stocks or bonds. They cover most major asset classes and sectors, offering you a broad selection ✓ Transparent - ETFs assume the risks of the underlying asset ✓ Cost Effective - Low management fees, no upfront fees or exit charges ✓ Liquid - Availability of Market-Makers ensure that there is constant tradability of ETFs ✓ Secure - ETFs are regulated & governed by the BSE Listings Requirements ✓ Trading Flexibility - ETFs are very versatile, letting you easily move money between specific asset classes, like stocks, bonds, or commodities. ✓ They trade like stocks, meaning you can trade them anytime during market hours. ✓ All commodity ETFs (NewGold ETF, NewPlat ETF & NewPalladium ETF) comply with Shariah Law
4	Botswana Depository Receipts (BDRs) - A Depositary Receipt is an investment instrument that represents shares of a foreign company.	<ul style="list-style-type: none"> ✓ BDRs offer local investors access to global investment opportunities without having to bear most of the trading and custodial costs which are normally associated with such cross-border transactions ✓ Investors are buying shares of a foreign listed company in their local market, of which they are aware of the processes and are familiar with trading, clearance and settlement procedures ✓ BDRs facilitate diversification into non-Botswana securities without many of the obstacles investors may have in purchasing and holding securities outside of the local market ✓ BDRs allow easy comparison to securities or similar companies trading on the BSE ✓ Distributions such as dividends can be paid out in foreign currency and the BDR itself can be listed and traded in foreign currency ✓ Right to receive distributions such as dividends accruing to the underlying shares represented by the BDRs ✓ BDRs enhance accessibility of research and of price and trading information of the underlying security ✓ Ability to exercise the voting rights directly under Sponsored BDR programs
5	Commercial Paper (CP) - Is a short-term debt instrument issues with a tenor of less than 1 year and it is primarily used to raise working capital for shorter periods of time.	<ul style="list-style-type: none"> ✓ CP can be issued at short-notice ✓ CP diversifies the funding base for a corporation ✓ CP is often cheaper than equivalent bank funding ✓ CP programs can be arranged to provide borrowings of various maturities ✓ For investors yields on CP are market-determined and are often high than instruments of similar maturities

DISCLAIMER FOR INVESTING: All forms of investment involve an element of risk. Past performance is not a guarantee of future returns, as such, information provided should not be misconstrued as financial advice.

To invest in any BSE Products, please contact any of the below BSE licensed brokers:

- Imara Capital Securities: (+267) 3188886/ enquiriesbots@imara.com
- Motswedi Securities: (+267) 3188627/ motswedi@motswedi.co.bw
- Stockbrokers Botswana: (+267) 3957900/ info@sbb.bw

For information on BSE Products, please contact the BSE at marketdev@bse.co.bw or +267 3674400.



BSE LISTED EXCHANGE TRADED FUNDS:

The Botswana Stock Exchange (BSE) has a wide array of Exchange Traded Funds that can suit the different needs of the investors. Exchange Traded Funds (ETFs) are instruments that track an index, price of a commodity or basket of assets and are listed on an Exchange. The instrument is backed by the underlying assets. Currently, the BSE has six (6) ETFs; NewGold ETF, NewPlat ETF, NewFunds Inflation-Linked Bond Index ETF, Cloud Atlas S&P African Sovereign Bond ETF, Cloud Atlas AMI Big50 excluding South Africa ETF and NewPalladium ETF.

1. NewGold ETF - It is part of the ABSA Capital Commodity ETFs range. It was listed on the BSE in July 2010, making it the first ETF in Africa outside of South Africa. The NewGold ETF offers the opportunity to invest in gold bullion, as it tracks the Rand price of gold. The debentures are fully backed by physical gold bullion with each debenture approximately equivalent to 1/100th of a fine troy ounce of gold bullion, which is held with a secure depository on behalf of investors. It is one of the simplest and cost-effective way of directly investing in actual gold.

2. NewPlat ETF - It is part of the ABSA Capital Commodity ETFs range. It was listed on the BSE in August 2014. The NewPlat ETF offers the opportunity to invest in platinum bullion, as it tracks the Rand price of platinum. The debentures are fully backed by physical platinum bullion with each debenture approximately equivalent to 1/100th of a fine troy ounce of platinum bullion, which is held with a secure depository on behalf of investors. It is one of the simplest and most cost-effective method to invest in physical platinum bullion.

3. NewFunds Inflation-Linked Bond Index ETF - It is part of the Absa Capital range of ETFs. It listed on the BSE in November 2015. It tracks total returns of Absa South African Government Inflation-Linked Bond Index, consisting of bonds issued by the South African Government which are linked to the South African Consumer Price Index or inflation. The ETF declares coupon distributions monthly and these are reinvested in the fund.

4. Cloud Atlas S&P African Sovereign Bond ETF (BASBI) - The portfolio tracks the S&P Africa Hard Currency Sovereign Bond Select Index (USD) consisting of African Sovereign Bonds denominated in Euros, Japanese Yen and US Dollars from the African countries with a credit rating above B-, currently: Egypt, Ghana, Kenya, Morocco, Namibia, Nigeria, and South Africa.

5. Cloud Atlas AMI Big50 excluding-South Africa ETF (BAMIB50) - The portfolio tracks the AMI Big50 ex-South Africa Index and offers investors exposure to the top 50 primary listed companies in various African countries except South Africa. The portfolio is designed to reflect a liquid basket of constituents for investors looking for Pan African exposure without the hassles of deciding what to buy. It provides investors the exposure to Africa's growth potential and gives investors attractive valuations in Africa's equity markets. The portfolio consists of stocks in Botswana, BRVM (Ivory Coast), Egypt, Ghana, Kenya, Mauritius, Morocco, Nigeria and Tunisia.

6. NewPalladium ETF - It is a part of the ABSA Capital Commodity ETFs Range. It was listed on the BSE in November, 2021. The NewPalladium ETF offers the opportunity to invest in palladium bullion, as it tracks the Rand price of palladium. The debentures are fully backed by physical palladium bullion with each debenture approximately equivalent to 1/100th of a fine troy ounce of palladium bullion, which is held with a secure depository on behalf of investors. It is one of the simplest and most cost-effective method to invest in physical palladium bullion.

Benefits of Investing in ETFs

- 1. Diversification** - ETFs give you an efficient way to diversify your portfolio, without having to select individual stocks or bonds. They cover most major asset classes and sectors, offering you a broad selection.
- 2. Transparent** - You know exactly what the underlying asset is
- 3. Cost Effective** - Low management fees, no upfront fees or exit charges
- 4. Liquid** - Availability of Market-Makers ensure that there is constant tradability of ETFs
- 5. Secure** - ETFs are regulated & governed by the BSE Listings Requirements
- 6. Trading Flexibility** - ETFs are very versatile, letting you easily move money between specific asset classes, like stocks, bonds, or commodities. They trade like stocks, meaning you can trade them anytime during market hours.
- 7.** All Commodity ETFs (NewGold ETF, NewPlat ETF & NewPalladium ETF) comply with Shariah Law.

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- Stockbrokers Botswana: (+267) 3957900/ info@sbb.bw

For more information on ETFs, please contact the BSE at marketdev@bse.co.bw or +267 3674400.

RETIREMENT ACT POISED TO BOLSTER LOCAL INVESTMENT LANDSCAPE

BY KITSO DICKSON

The pension industry's Prudential Fund Regulations II (PFR II) are being reviewed, with one of the salient proposals being to increase the limit of funds which can be invested locally by Pension Funds from the current minimum of 30% to a minimum of 50%. The government intends to make these funds held by Pension Funds available for developmental purposes in Botswana, to contribute towards boosting the local economy and creating much-needed sustainable jobs. The change in the local allocation is somewhat aligned with some of Botswana's neighbouring countries. According to the Absa Africa Financial Markets Index (AFMI, 2019), Namibian pension funds are required to invest 45% of their investment portfolio in local assets, a proportion that has climbed steadily from 35% since 2017. Only 3% of Lesotho pension fund assets are invested domestically, with the remainder making its way to markets in Johannesburg, according to AFMI report of 2020. The report highlights that in 2019, Lesotho introduced a regulatory framework for pension funds, moving oversight to the central bank and requiring a portion of pension funds to be invested in Lesotho to develop the domestic capital market.

South Africa, earlier this year, moved to increase offshore allocation to 45% from 30%, bringing about a near 50/50 split for their allocations. Notwithstanding, South Africa's \$115.8 Bn Government Employees Pension Fund has 90% of its portfolio invested in domestic assets (AMFI, 2021). Zambia is currently capped at 30% offshore, and fund managers in the country are petitioning for a much higher limit, which if successful, would bring onshore investment closer to 50/50. Generally, pension funds provide significant liquidity to capital markets and they are increasingly seen as the necessary catalyst to the development of African capital markets, as historically, nations have

been net exporters of investment capital to the detriment of domestic economic development.

Locally, the average holdings for asset managers has been 35-40% onshore over the past decade. NBFIRA indicated that onshore investment levels for the retirement funds industry as a whole stood at approximately 33% as at June 2022, which is comfortably above the stipulated investment minimum of 30%. This means that asset managers have already been trending above the minimum requirement. Botswana Public Officers Pensions Fund (BPOPF) has historically kept average exposures of 40% domestically, and this will now increase by just 10 percentage points, the Fund CEO, Moemedi Malindah imparted. Debswana Pension Fund (DPF) invested 54% offshore and 46% domestic, according to Thato Norman, the Fund Investment Manager. BPOPF and DPF, the two largest pension funds held P90.10 billion and P9.79 billion worth of Assets Under Management (AUM). With a combined AUM of over P100 billion, the amendment of the Retirement Act will bring into the country liquidity of about P13 billion, estimates shared by Ati Mannathoko, the Chief Operations Officer at Alexander Forbes, showed.

Pension funds say they remain keen to partner with the government and other investors in ensuring that its members' investments grow while ensuring that there is development in the country. The proposed move is welcomed by Malindah as it balances the need for developmental capital in the country using the global diversification that has contributed significantly to returns for members. "It is ideal for the country that more capital be deployed locally for developmental purposes." For BPOPF, like most pension funds, it will most likely trigger the need to review the investment strategy (Investment Policy Statement) of the Fund. DPF will also conduct an Asset Liability Modelling Framework to provide an

investment guideline on how the realignment process will be conducted. There are many opportunities that this is expected to provide to the local market. Norman anticipates that it will compel asset owners and managers to seek suitable investment opportunities within the country.

This will further enhance efforts to consider a greater investment in locally listed equities, domestic bond markets, in addition to alternative assets in the unlisted sector such as infrastructure, property and private equity. Malindah believes infrastructure investments remain an asset class of interest as it can absorb big tickets and has much impact. In his view, the unlisted market is deep, and the infrastructural gap of this country alone is massive therefore presenting opportunities for investors. Investors view infrastructure as a long-term asset that fits the needs of pension funds. For example, the Public Private Partnerships (PPPs), where large projects include refurbishment of the A1 Highway with tollgates, are the potential investments for pensioners to benefit from, cited by Chief Investment Officer Designate at Strategic Wealth, Lame Botshoma. In the PFR II (being reviewed), NBFIRA is proposing allocations to infrastructure funds and this will go a long way exposing pension assets to risk-return offering from PPP projects and large-scale development projects. Europe and US have successfully rolled out these, and Botshoma advises Botswana to borrow from such templates. But it is a general consensus that realisation of those opportunities will take time and may come with complications also.

Mumba Musunga, the Portfolio Manager at African Life Financial Services in Zambia, advised Botswana to consider how liquid some of these assets are. Giving the Zambian context over the last two years of COVID as an example, he noted its ideal to invest in an asset that can seamlessly liquidate in order to meet pensioners' pay-

Retirement Act Poised To Bolster Local Investment Landscape (cont'd)

out demands as and when they arise. Zambia managed to meet its demands given that most of its funds invested offshore were generally considered liquid and high yielding. Boa Ntebele, the Head of Communications & International Affairs at NBFIRA, said though offshore investments are perceived to offer higher returns than onshore investments, Fund Managers observe their respective investment strategies designed to attain the most favourable return-on-investment for their clients while simultaneously contributing to the pursuit and achievement of some of the national development priorities.

Of course, Malindah agreed that it requires much work to get deals to the level that institutional investors can play. But the emphasis is that the market is deep hence more liquidity will address continued infrastructural enhancements through the developmental budget. The changes will also help foster the development of the local debt capital market that has been on the agenda of Bank of Botswana, BSE and the Botswana Bond Market Association (BBMA). The Chairperson of BBMA, Boikanyo Kgosidintsi, has remarked that, "Fixed income remains an important asset class for the retirement funds industry given its lower risk profile relative to equity investments. As an Association, our desire is to see not just an increase in supply but also secondary market trading in fixed income. We therefore continue to advocate for removing the remaining structural impediments blocking the development of a deep and liquid secondary market for local bonds".

The government has previously indicated its preference of raising debt locally to support the capital markets. The Botswana Parliament approved (November 2020) a government request to double its domestic borrowing programme to P30 billion (\$2.6 billion) to fund its budget deficit and economic stimulus. The government has since raised over P9 billion in the debt market, Absa Bank's Salma Baduel noted. She observed that the momentum has dwindled following decreased surplus liquidity in the market.

Bank of Botswana statistics show that average market liquidity slumped

to P3.7 billion in April 2022, down from P4.7 billion in March 2022 and increased to around P5.7 billion as at the end of July 2022. Against this background, Baduel believes the move to revising the minimum requirement to 50% will support the reduced liquidity condition in the market and facilitate the government in addressing its budget deficit. The Finance Ministry of Botswana has forecast the budget deficit to widen after the government agreed to a P1.8 billion inflation relief plan. The shortfall is estimated to increase to P7.7 billion in the fiscal year to March 2023 from a previous estimate of P7 billion due to an expected decline in some revenue items and higher expenditure. Botswana last recorded a budget surplus in the fiscal year through 2017 and has since been running down its savings and ramping up domestic borrowings to cover its deficits.

The increased issuance of government bonds and private sector bonds could also provide additional opportunities: product innovation and developing a more active bond market. Opportunities for issuers within the local market remain vast, with inflation linked bonds another consideration for domestic issuers. A key consideration by Norman is that the deployment of additional capital in Botswana could provide a welcome tailwind to domestic asset prices and investments, including property, infrastructure and private investments. Mannathoko had, however, cautioned that more liquidity might create asset bubbles or suppress bonds.

The background of his concerns is that there may be too much money chasing too few assets. But Malinda opines that when looking at the universe of ready-

to-invest deals, one can conclude that Botswana has a limited universe. In other words, sometimes the number of counters in the stock exchange is used as a proxy for the depth of a market, but this is not an accurate proxy. Importantly, the BSE expounded on how the bourse is reaching out to the international market to lure listings which pension funds bank on to assist in deploying their assets. Private markets have also created opportunities for pension funds recently. BSE is lobbying BPOPF to support and grow an indigenous set of fund managers to support indigenous ideas and companies through funding. The Fund disclosed that it plans to add an incubation manager to the line-up. The CEO believes Botswana has a deep skills base and strongly emphasises that home grown managers should dominate and grow outside the borders.

NBFIRA, whose mandate is to contribute to the stability of the domestic financial system, said it is mindful of the possible effect that disinvesting from or reducing offshore investments may have on the local economy. In this context, Ntebele said the change will be implemented and monitored prudently through planned transitional arrangements and consultations with all relevant key stakeholders to enable the domestic market time to adjust accordingly. BIFM Chief Investment Officer Khalil Modarissi has suggested that the changes could be implemented in a staggered phase. Preliminary information from NBFIRA PFR II indicates that the 50/50 target could be achieved by April 2025 through a staggered approach that appears to have considered the thoughts of the market participants.



BSE HOSTS TSHIPIDI MENTORSHIP PROGRAM 2022

Session One:

On 29th June 2022, the BSE conducted the first session of the popular flagship initiative, the **Tshipidi Mentorship Program**. The Tshipidi Mentorship Program was introduced in 2019 to educate business owners on the listings value proposition and process. This annual Program covers various aspects of the listings value chain with the assistance of BSE Registered Advisers (participants who operate in the capital markets ecosystem).

As an introduction, the BSE facilitated educational presentations on the Equity & Debt Listings Requirements. These were delivered by the BSE Head of Listings & Trading, Mr. Tsametse Mmolai and BSE Head of Product Development, Mr. Kopano Bolokwe, respectively. Unpacking these Requirements, the discussion points were;

1. BSE Regulatory Framework
2. Conditions to List
3. Methods & Procedures of Listing
4. The Listing Process
5. Continuing Obligations

In addition, the BSE invited Mr. Ramachandran Ottapathu, CEO of Choppies Enterprises Limited, to unpack the listings value proposition for the mentees. In his address, Mr. Ottapathu discussed;

1. Background of Choppies Enterprises Limited
2. The decision to go public – reasons for listing Choppies Enterprises Limited
3. Overcoming the fear of public scrutiny
4. Challenges encountered through the listing process
5. Benefits of Listings – Growth of the Choppies Enterprises Limited
6. Lessons for aspiring entrepreneurs

To appreciate the program's benefits from the entrepreneurs' perspective, the BSE invited two graduates from the 2021 program, Staywell Hotels and Precision Vehicle & Asset Tracking. They facilitated a conversation centred on the respective key takeaways that they have since adopted for their business management practices.

In this 2022 program, we have enrolled twenty companies from several sectors, including pharmaceutical services, manufacturing, retail, ICT, energy, agriculture, logistics, construction and financial services.



BSE Tshipidi Mentorship Program - 2022 Cohort



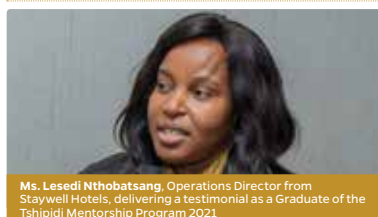
Mr. Thapelo Tsheole, CEO, BSE - Delivering the Welcome Remarks & Overview of the BSE Tshipidi Mentorship Program



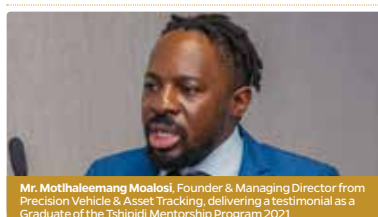
Mr. Tsametse Mmolai, Head of Listings & Trading, BSE - Delivering a presentation on the BSE Equity Listings Requirements



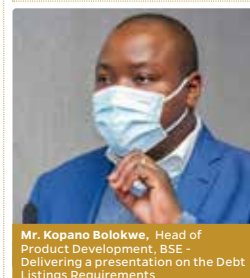
Mr. Ramachandran Ottapathu, CEO, Choppies Enterprises Limited delivering the Motivational Talk



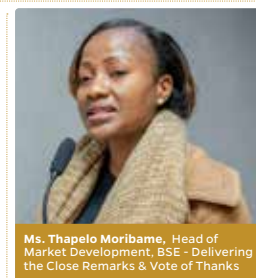
Ms. Lesedi Nthobatsang, Operations Director from Staywell Hotels, delivering a testimonial as a Graduate of the Tshipidi Mentorship Program 2021



Mr. Mothaleemang Moalosi, Founder & Managing Director from Precision Vehicle & Asset Tracking, delivering a testimonial as a Graduate of the Tshipidi Mentorship Program 2021



Mr. Kopano Bolokwe, Head of Product Development, BSE - Delivering a presentation on the Debt Listings Requirements



Ms. Thapelo Moribame, Head of Market Development, BSE - Delivering the Close Remarks & Vote of Thanks

BSE hosts Tshipidi Mentorship Program 2022 (cont'd)

Session Two:

On 26th July 2022, the BSE conducted the second session of the Tshipidi Mentorship Program. During this session, the BSE covered Corporate Finance, Corporate Governance and Financial & Integrated Reporting. These were facilitated by Rand Merchant Bank (RMB) Botswana, Botswana Accountancy Oversight Authority (BAOA) and KPMG Botswana, respectively.

1. Representatives from Rand Merchant Bank Botswana - Acting Co-Director, Ms. Harriet Mlalazi & Senior Transactor, Mr. Therisanyo Masunga.
2. A representative from Botswana Accountancy Oversight Authority (BAOA) - CEO, Mr. Duncan Majinda
3. A representative from KPMG Botswana - Partner and Head of Audit, Ms. Adele Venter.



BSE Tshipidi Mentorship Program 2022 Mentees



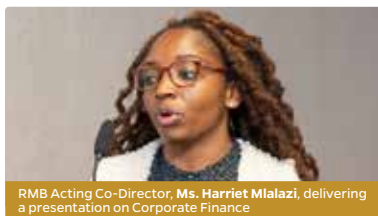
Mr. Thapelo Tsheole, CEO, BSE - Delivering the Welcome Remarks



(Left to Right) - RMB Transactor, Mr. Therisanyo Masunga, RMB Acting Co-Director, Ms. Harriet Mlalazi and Partner & Head of Audit at KPMG Botswana, Ms. Adele Venter



Botswana Accountancy Oversight Authority CEO, Mr. Duncan Majinda, delivering a presentation on Corporate Governance



RMB Acting Co-Director, Ms. Harriet Mlalazi, delivering a presentation on Corporate Finance



RMB Senior Transactor, Mr. Therisanyo Masunga, delivering a presentation on Corporate Finance



Partner & Head of Audit at KPMG Botswana, Ms. Adele Venter, delivering a presentation on Financial & Integrated Reporting

Session Three:

On 23rd August, 2022, the BSE conducted the third and final session of the Tshipidi Mentorship Program. For this session, the BSE invited Desai Law Group, Imara Capital Securities and Inkunzi Investments to facilitate presentations on 'Private to Public', 'Role of the Sponsoring Broker' and 'Making an Investment Pitch', respectively.

1. Representative from Desai Law Group - Ms. Eleng Mugabe, Partner
2. Representative from Imara Capital Securities - Mr. Gregory Matsake, CEO
3. Representative from Inkunzi Investments - Mr. Sikhulile Bhebhe, CIO

In addition to the presentations, the BSE invited African Alliance, IPRO Botswana Pty Ltd and Vunani Fund Managers (Pty) Ltd to adjudicate over investment pitches presented by this year's cohort.

1. A representative from African Alliance - Mr. Sean Rasebotsa, CEO
2. A representative from Ipro Botswana - Mr. Mothusi Kemorwale, Assistant Portfolio Manager
3. A representative from Vunani Fund Managers - Mr. Mmusinyane Obakeng B., Business Development Manager: Institutional



Ms. Eleng Mugabe, Partner, Desai Law Group - Facilitating a presentation on Private to Public



Mr. Gregory Matsake, CEO, Imara Capital Securities



Ms. Thapelo Moribame, Head of Market Development, BSE - Delivering the Closing Remarks



Mr. Sikhulile Bhebhe, CIO, Inkunzi Investments - Facilitating a presentation on Making an Investment Pitch



Mr. Sean Rasebotsa, CEO, African Alliance



Mr. Mothusi Kemorwale, Assistant Portfolio Manager, Ipro Botswana



Investment Pitches Panel of Judges (from left to right) - **Mr. Obakeng Mmusinyane**, Business Development Manager: Institutional, Vunani Fund Managers, **Mr. Sean Rasebotsa**, CEO, African Alliance and **Mr. Mothusi Kemorwale**, Assistant Portfolio Manager, Ipro Botswana



Mr. Obakeng Mmusinyane, Business Development Manager: Institutional, Vunani Fund Managers

TSHIPIDI MENTORSHIP PROGRAM 2022 COHORT



Payless Retail:

Name of Founder(s)/Director(s):

Patricia Moshoke/Elliot Moshoke

Sector: Retail: fast-moving consumer goods

Tel: (+267) 313 2868

Payless Retail Proprietary Limited is a newly established supermarket chain whose mission is to become a convenient one-stop shopping destination. The company was incorporated in the wake of the acquisition of certain assets of Payless

Supermarkets by Ellis Retail Group. The brand itself, Payless, is one of the oldest supermarket brands in Botswana. The business started as Corner Supermarket Proprietary Limited in January 1976. Payless Retail currently has nine stores with an aggressive expansion plan underway.



BSE hosts Tshipidi Mentorship Program 2022 (cont'd)

Storkfort Health :

Name of Founder(s)/Director(s):

Dr. Mogwera Mogalakwe

health, project management and programmatic implementation.

programmatic implementation are managed from the head office.

Sector: Medical Services

Headquartered in Fairgrounds Gaborone, Storkfort Health owns and operates three clinics, one in Jwaneng and another in Gaborone and a mobile clinic based in Gaborone at Head Office. The clinics offer medical services to a wide range of clientele, from the mining sector, transport, construction, hospitality and state-owned companies. All projects and

Storkfort Health aspires to be a multinational blue-chip health company originating from Botswana.

Tel: (+267) 397 4578

Established in 2013 with the key objective of providing occupational health services and consultancy, Storkfort Health (SH) has evolved into an agile medical company with traceable competencies in public



Braintec Cleaning Services:

Name of Founder(s)/Director(s):

Mr. Brian Ketshabile &
Mrs. Matlhogonolo Ketshabile

Cleaning Services and Hygiene Supplies to its valued clients across different industry sectors like Hospitality, Food Services and Healthcare. The services offered include; Hospitality/ Healthcare laundry, Contract cleaning, upholstery cleaning, car valet, etc.

Sector: Cleaning Services &
Hygiene Supplies

Furthermore, Braintec Services manufactures economical cleaning products, like pine gel, dishwashing soap, general purpose cleaner etc. They also distribute premium cleaning chemicals which consist of kitchen, laundry, housekeeping and personal hygiene range.

Tel: (+267) 390 2809

Braintec Services (Pty)Ltd is a wholly citizen-owned company launched in 2011. Its founders are Mr Brian Ketshabile and Mrs Matlhogonolo Ketshabile, who possess vast experience, excellent management and customer service skills in the services industry.

This establishment is well known for its impeccable service as it is ISO 9001: 2015 (Quality Management Systems) certified by Lloyds Register. It focuses on the exceptional delivery of



Energy Systems Group:

Name of Founder(s)/Director(s):

Mr. Felix Chavaphi, Mrs. Kelebogile Chavaphi &
Mr. Kealeboga Gaotshabege

over 30 years of collective experience across all aspects of EPC projects, the company brings a wealth of technical expertise, experience, quality and ongoing operations capability, unlike any in the market. Their service has been tested for many years, and they are continually seeking to improve their customer experience.

Sector: Construction & Energy

Tel: (+267) 392 2795

Energy Systems Group is a leading Engineering, Procurement & Construction (EPC) company that deals in solar energy and electrical and mechanical installations in Botswana, from design and installations, to operation and maintenance. With



Smart Plan Blueprint:

Name of Founder(s)/Director(s):

Mr. Mosimanegape Setlhake

Sector:

FinTech

Tel:

(+267) 392 4224

Smart Plan Blueprint are a financial technology, infrastructure & software solutions group with significant operational history and an established track record in Botswana since 2016. They currently operate a Software-as-a-Service (SaaS)

business model, offering in-house developed software platforms to various corporate clients in the Banking and Mobile sector. These services are Bill Payment Solutions & Money Transfer, Software, API Integration & Development, Value added/ Prepaid Solutions and an SMS gateway.

The group is composed of 3 strategic business units, each offering a unique value proposition in-line with their objective of enhancing accessibility & quality of financial services to their market.



Lion Tutoring:

Name of Founder(s)/Director(s):

Mr. Thobo Khathola

Sector:

Education

Tel:

(+267) 316 4276

Lion Tutoring company is a tutoring company that connects tutors to students in the comfort of their homes. Tutors connect with students in person or online from Pre-primary levels to Masters levels. Lion Tutoring offers Tutors in all Curricula such as Cambridge IGCSE, IB, IEB, BGCSE, PSLE, CAPS, A Levels and University Tutoring. Tutors

are vetted by local recruitment agencies and rated the best in each country.

The company has expanded to over 300 employees and over a thousand students in Botswana, South Africa, Kenya and the UK through its Mobile App, which works like Uber for Tutors. Lion Tutoring was listed in the Forbes Under 30 list of 2020 and made it on the cover.

Lion Tutoring won the Best Youth-Owned business in Botswana twice in a row. A category that was sponsored by Botswana Stock Exchange.



Kalafhi Medical Center:

Name of Founder(s)/Director(s):

Dr. Matlhogonolo Mongwa

Sector:

Medical Services

Tel:

(+267) 390 6499

Kalafhi Medical Center is a 100% citizen-owned company with the purpose to provide quality, affordable and accessible healthcare services for everyone. Since its establishment in 2018, its goals have been to grow within local communities, contribute to the

country's economy and give people the necessary health care they deserve.

With four clinics, three pharmacies, a physiotherapy clinic and a hospital on the way, they are reaffirming their commitment to growing the healthcare system and setting an example through excellent customer service and reasonably priced services. Their services include General Practitioner Consultation, Health Screenings, Pharmacy, Physiotherapy, Lab Services, Medical Examinations, Home Visits,

Child Welfare, Vaccines, Telemedicine Delivery and Aesthetic Treatments.



BSE hosts Tshipidi Mentorship Program 2022 (cont'd)**Mr. Solar:****Name of Founder(s)/Director(s):**

Ms. Tumisang Thapelo

Sector: Energy

Tel: (+267) 460 0960

Mr Solar is a 100% female-owned enterprise duly incorporated under the Companies Act of Botswana in 2017. Mr. Solar is a green energy company

with branches in Gaborone, Serowe and Harare and has established a strong reputation as a provider of integrated solar systems. Working with professionals from the energy industry, the company has designed and launched a highly successful range of Pumping systems, Home PV systems, solar lighting systems and power backup systems. Through its pumping systems, the company has

provided over 4.8 Billion litres of water to farmers to date.

**Tsa Gae:****Name of Founder(s)/Director(s):**

Mr. Lorato Kemoeng

Sector: Clothing

Tel: (+267) 533 0558

Tsa Gae (Pty) Ltd is a company started by an ambitious young Motswana, fresh out of the University of Botswana in late 1999 and duly registered in June 2000. Tsa Gae is a Tswana name that means "home affairs", and as the name suggests, the company aspires to celebrate Botswana in the spirit of true independent nationhood. In August 2000, the company gave birth to a clothing brand called All Kasi.

Twenty-two years later, All Kasi has grown into a highly notable brand in Botswana and a big part of our urban and sporting culture; the AK logo is an instantly recognisable symbol of modern Botswana. Its Headquarters have been at the BDC Industrial Park in Lobatse since 2003.

**Bio-Watt Botswana:****Name of Founder(s)/Director(s):**

Mr. Obuile Morewane

Sector: Energy

Tel: (+267) 396 0748

Bio-Watt Botswana (Pty) Ltd is an energy company offering renewable energy solutions and services, aimed at addressing the energy crisis faced by the world, especially in the Southern African region. One of our leading products is Bio-Watt

Charcoal and briquettes manufactured from organic waste. Other services include waste-to-energy technologies through biogas, solar energy, and refraction. Bio-Watt Botswana continues to grow its services and market share.



Green Gem:

Name of Founder(s)/Director(s):

Mr. Raymond Matsake and Mrs. Lesego Matsake

Sector: Horticulture, Landscaping & Cleaning Services

Tel: (+267) 72 303 212

Green Gem (Pty) Ltd is a plant-growing nursery, garden maintenance, landscaping and horticultural solutions and cleaning Services firm, 100% citizen-owned and runs from Phakalane behind the Phakalane Golf Estate along Ruretshe Road in Gaborone.



Mummy Care Babysitters:

Name of Founder(s)/Director(s):

Oreneile Cebani

Sector: Child Care Services

Tel: (+267) 72 432 091

Mummycare Babysitters is a childcare development babysitting and

household management company, facility management and management consultancy. They provide 24/7 services to the home and programs that bridge the gap between public and private education in schools. Mummycare Babysitters has branches in Palapye, Mahalapye, Francistown, Maun, Phikwe and Kasane.



Visual Poem:

Name of Founder(s)/Director(s):

Mr. Thabang Ray Setlhare

Sector: Digital & Broadcast Media Services

Tel: (+267) 76 599 665 /
(+267) 74 760 217

Visual Poem Studios is a multi-award-winning incorporation offering innovative

and efficient solutions for digital media and broadcast media. They create far-reaching experiences with outstanding results on any platform. Their diverse client roster across Africa is a testimony of their unbeatable work ethic, expertise, execution and service delivery. They offer services in Virtual Reality, Visual Effects (VFX), Animation, Motion Graphics (MGFX), Graphics Design and Television Production.



Croma Lifting Equipment Store:

Name of Founder(s)/Director(s):

Ms. Kelebonye Amanda Mogaladi

Sector: Occupational Health & Safety

Tel: (+267) 588 7351

Established in 2015, Croma Lifting Equipment Store supplies lifting

equipment, material handling and height safety gear. The company has made significant strides in contributing towards the occupational health and safety of personnel in the local mining industry through the supply of lifting equipment that meets international standards. Croma offers a wide range of this equipment throughout Botswana. Croma, positioned

as the supplier of choice, maintains its core goals and upholds the highest standards in terms of customer service.



BSE hosts Tshipidi Mentorship Program 2022 (cont'd)**Stonehendge Meatery:****Name of Founder(s)/Director(s):**

Mr. Leslie L. Letsogile

Sector: Agriculture

Tel: (+267) 310 1574

Stonehedge is an integrated small stock production company founded in 2015 by Mr. Leslie Letsogile. The company

currently operates an integrated farm at Kopong on the outskirts of Gaborone. It aims to develop an end-to-end intensive sheep production value chain to produce high-quality lamb for the local and international market. The system will encompass all aspects, from the breeding of animals, lamb fattening, and a slaughter facility to the distribution network.

**Colour-Block:****Name of Founder(s)/Director(s):**

Mr. Tineni Joinah

Sector: Construction

Tel: (+267) 75 587 791 /
(+267) 76 571 154

Colour-Block (PTY) LTD was registered and established in 2014. The company prides

itself in being founded and operated by 100% Botswana youth citizens. They offer Construction & Maintenance Services, Electrical Engineering Services, Landscaping and Gardening Services, ICT Services & Supplies, Medical Equipment Supplies and Marketing Services to Government Ministries, Departments & Corporations, Government Parastatals and Private Sector.

**Botscrest Holdings:****Name of Founder(s)/Director(s):**

Mr. Gogontle Nchemele Basiami

Sector: Manufacturing

Tel: (+267) 77 179 217

Botscrest Holdings (PTY) LTD T/A Bloom Sanitary Pads is a 100% youth citizen-

owned company. It was founded through the vision and foresight of Mr. Basiami, who participated and made it to the Top 10 of the CEDA/DBSA University Challenge in 2017, with his idea submission centring on producing sanitary pads. In subsequent years post the challenge, the company devoted its resources and personnel towards actualising the production of

quality sanitary pads. It is currently setting up its state-of-the-art sanitary pads manufacturing plant.

**808 Renic:****Name of Founder(s)/Director(s):**

Ms. Same Nonfo Diseko

Sector: Interior Design

Tel: (+267) 74 401 216

808 Renic is a 100% citizen-owned, lady-managed business. The company provides design, consultation and turnkey solutions. This includes ceiling designs, wall treatments, flooring, joinery works and furniture procurement.





INVESTMENT PITCHES BY TSHIPIDI MENTORSHIP PROGRAM 2022 MENTEES:



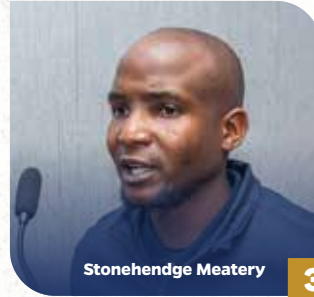
FM Logistics

1



Mr. Solar

2



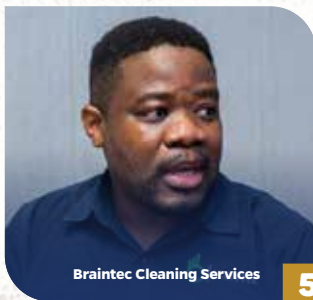
Stonehenge Meatery

3



Biowatt Botswana

4



Braintec Cleaning Services

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Kalafhi Pharmaceutical

6



Tsa Gae

7



Payless Retail

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808 Renic

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Lion Tutoring

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Smart Plan Blueprint

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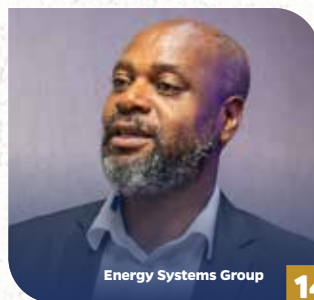
Green Gem

12



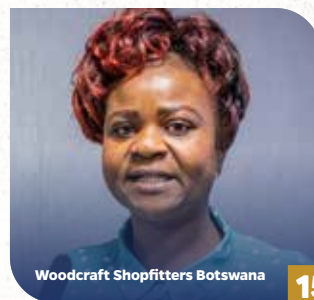
Croma Civil & Engineering

13



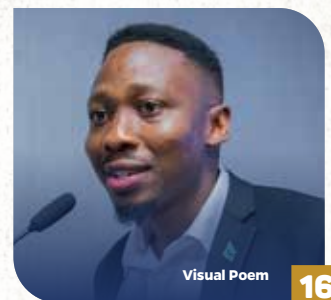
Energy Systems Group

14



Woodcraft Shopfitters Botswana

15



Visual Poem

16



Mummycare Babysitters

17



Botscrest Holdings

18



Colour Block

19

BSE Tshipidi Mentorship Program

Graduation Ceremony 2022

On 22nd September 2022, the Botswana Stock Exchange (BSE) held an elegant graduation ceremony to commemorate the completion of the BSE Tshipidi Mentorship Program by our 2022 cohort at Mo's Open Table in Fairground from 1830hrs to 2100hrs.

Established in 2019, the Tshipidi Mentorship Program was introduced as a way of grooming companies that could potentially raise capital, improve governance and leverage from the BSE as a springboard for growth. The objective of the Program is to provide practical training through a comprehensive and interactive program that covers the key themes necessary to prepare and position a company to list on the BSE.

This training is offered by the BSE and industry experts (advisors in the listings ecosystem) with regards to key elements of corporatization, capital structure, financial reporting, commercial law, listing requirements and corporate governance. In terms of facilitation, the Tshipidi Mentorship Program is conducted over a three (3) months period, with each month allocated a single day of facilitation. For enrolment, the BSE requires a comprehensive company profile, certificate of incorporation & a motivating letter. Each submission is assessed by our team and feedback is relayed within a stipulated time period before the first Session of the Program.

For this year's cohort, the BSE admitted twenty (20) companies from a wide range of sectors that include pharmaceutical services, manufacturing, retail, ICT, energy, agriculture, logistics, construction, financial services, etc.

Their names are as follows;

- 808 Renic – *Interior Design*
- Biowatt Botswana – *Energy*
- Botscrest Holdings – *Manufacturing*
- Braintec Cleaning Services – *Cleaning Services*
- Colour Block – *Construction*
- Croma Civil & Engineering – *Engineering*
- Energy Systems Group – *Energy*
- FM Logistics – *Logistics*
- Green Gem – *Landscaping*
- Kalafhi Pharmaceutical – *Pharmaceutical*
- Lion Tutoring – *Education*
- Mr. Solar – *Energy*
- Mummycare Babysitters – *Child Welfare*
- Payless Retail – *Retail*
- Smart Plan Blueprint – *ICT*
- Stonehendge – *Agriculture*
- Storkfort Health – *Medical*
- Tsa Gae – *Clothing*
- Visual Poem – *Arts*
- Woodcraft Shopfitters Botswana – *Interior Design*

Officiating and delivering the Keynote Address was the Chairman of Motor Holdings Botswana and Director at Stockbrokers Botswana, Mr. Charles Tibone while the BSE Chairperson, Lt. Gen. Tebogo C. Masire, delivered the Welcome Remarks and BSE CEO, Mr. Thapelo Tsheole, delivered the Closing Remarks. In attendance was this year's cohort and facilitators. The BSE also invited cohorts from previous editions. These were joined by the business community as well as key stakeholders within the ecosystem of Botswana's capital market.

The next instalment of the Program will be announced during Q1 in 2023.



(Left to Right) BSE Chairperson, Lt. Gen. Tebogo C. Masire, BSE CEO, Mr. Thapelo Tsheole and Chairman of Motorholdings Botswana & Director of Stockbrokers Botswana, Mr. Charles Tibone.



(Left to Right) BSE Head of Market Development, Ms. Thapelo Moribame, Master of Ceremonies, Mr. Michael Morapedi and BSE CEO, Mr. Thapelo Tsheole.



BSE CEO, Mr. Thapelo Tsheole delivering the Closing Remarks.



BSE Chairperson, Lt. Gen. Tebogo C. Masire, delivering the Welcome Remarks.



Great Evening!



Group Picture - TMP 2022 Cohort, BSE Chairperson, Lt. Gen. Tebogo C. Masire, Chairman of Motorholdings Botswana & Director of Stockbrokers Botswana, Mr. Charles Tibone and BSE CEO, Mr. Thapelo Tsheole.



Keynote Address by Chairman of Motorholdings Botswana & Director of Stockbrokers Botswana, Mr. Charles Tibone.



Testimonial - TMP 2022 Mentee, Founder of Mr. Solar, Ms. Tumelang Thapelo.



Testimonial - TMP 2022 Mentee, Managing Director of Payless Retail, Mr. Elliot Moshoke.

TSHIPIDI MENTORSHIP: AN UPSCALE PROGRAM TAILOR- MADE FOR YOUR BUSINESS

By Victor Baatweng



When starting a business, there are extensive resources on how to get started. But once the company is up and running, then what? How do you move it forward to grow and scale? And which skills and resources are needed to take it beyond a standard growth curve and send it to the next level?

As it stands, it appears there is no playbook for growing a business, but one can learn an awful lot and possibly avoid some painful pitfalls when walked by someone who has already been there and done that. The outcome is even more desirable if one is paired with a mentor who understands not just the economy but has practical insights on where to look for extra Pulas needed to expand one's business. This possibly explains why the Botswana Stock Exchange in 2019 decided to launch the Tshipidi Mentorship Program (TMP), whose goals include, amongst others, assisting Small to Medium Enterprise (SMEs) to strategize, corporatize and acclimatise, to ultimately have access to equity finance through a listing. The TMP is a strategic initiative introduced to groom companies that could potentially raise capital, improve governance and leverage from increased publicity through the stock market in the short-to-medium term. In 2021, from the sixty-five received applications, the local bourse, due to capacity considerations from the

then health restrictions governing the Covid-19 pandemic, was able to shortlist thirteen companies as mentees. The companies which included Precision Vehicle & Assets Tracking, Staywell Hotels, Kalahari Energy Botswana, and VTM Security amongst others, represented a wide array of sectors such as hospitality, energy, security, financial services and property.

Since its inception more than three years ago, TMP has grown in popularity as many business owners seek to capacitate themselves with key learnings necessary to position their company to raise capital through the public market.

Fast forward to 2022, 20 companies enrolled in a thorough assessment of their needs with practical training offered by industry experts regarding elements of corporatisation, capital structure and commercial law and training on regulations and governance requirements of the local bourse.

A question which TMP seeks to answer is: **Can mentorship help a company position itself for success?** We take a quick look at two 2022 participants who share insights on their journeys as TMP mentees.

Name of the company: **Energy Systems Group**

About the company:

ESG is an Energy management solutions company providing engineering, procurement, and contracting services. Our primary focus is renewable energy products and services, particularly offering solar solutions. We have pioneered designs for off-grid solar PV systems that have been adopted in local schools and continue being the leading local company in the construction of solar PV plants, having been engaged in the last two years in projects with a power output of 2MWp. The company was acquired as a going concern in 2003 by Mr Felix Chavaphi as Cerney (Pty) LTD, which had the sole purpose of distributing Solahart water heating systems. In 2010 as the Proprietor saw the opportunity to widen the scope of operation in the renewables sector, the company was renamed Energy Systems Group.

How did you get to know about the Tshipidi program?

The company was invited to join directly by BSE after officers from the exchange visited the company.

Tshipidi Mentorship: An Upscale Program Tailor-Made For Your Business (cont'd)

What has been your experience & key takeaway from Tshipidi?

The program opened our eyes to the fact that business value can be unlocked through recapitalising on the open market. Also, the cost of raising capital through equity is minimal.

Key take-aways:

- The stock market is not just about equity financing, but it also presents an opportunity to float debt instruments to fund projects
- Capital can be raised against an idea if the proprietors articulate the project clearly and come up with a pitch to investors that are well articulated and concise
- The sector that the company is operating in has an opportunity to raise cheaper funds as the world economy is rewarding investing in renewable energy sources

Now that you have gone through TMP, what is the way forward?

The company is working on its long-term strategy and would ultimately list on the bourse.

Would you recommend Tshipidi program to other SMEs?

Yes, we would recommend the program to other companies.

Name of the company: **Lion Tutoring**

About the company:

The company operates Nationwide in Botswana and South Africa, Gauteng. We are a Tutoring company that specialises in Private Tutoring in person and online through the help of our APP, which operates like UBER for Tutors. We connect students to TOP Rated tutors in their cities and scale globally.

How did you get to know about the Tshipidi program?

We learnt about the Tshipidi mentorship program in 2017 when we won the Best Youth Owned Business at the Annual Botswana Youth Awards, which the BSE sponsored. We moved on to win the award again in 2018. That is when conversations that we may be viable to apply for the Mentorship program ensued. The first year our application was unsuccessful but was accepted this year, 2022. We did not give up.

What has been your experience & key take away from Tshipidi?

The experience has been life-changing. We have been attending classes on the benefits of listing and listing requirements from a regulatory and legal point of view. We also learnt the different ways of raising capital, like debt and equity funding. We also have had regulators, lawyers,

asset managers, sponsoring brokers and corporate finance consultants invited to teach us the relevant processes and expectations for listing or raising capital. I appreciate that the BSE invites actual practitioners in their respective fields who deal with listings and corporate governance daily. It is not just a textbook or theoretical teaching but followed with practical guidance.

Now that you have gone through TMP, what is the way forward?

Lion Tutoring is now awaiting Graduation as we have completed all the Sessions offered by the program. We have already started implementing the teachings we got from a corporate finance standpoint, such as having a board of directors, auditing our financial statements, appointing a corporate finance consultant and having a sponsoring broker to guide us in listing readiness. It is always good to have these structures in place, whether one will list them or not. Like any great company case study, listing on the BSE is the ultimate end goal.

Would you recommend Tshipidi program to other SMEs?

We would recommend the Tshipidi mentorship program to ALL companies locally and internationally. The companies we were at the beginning of the process compared to now are transformed for the better in aspects regarding reporting processes, legal processes and corporate governance. A Big THANK YOU to the BSE Team led by Mr Tsheole. Rea leboga.

A first-of-its-kind capital markets initiative, the TMP has brought SMEs closer to the capital markets, enlightening them about the possibilities of restructuring and repositioning for growth funding through the capital markets. "By any measure, this goes a long way in helping SMEs to incorporate a listing or issuance of stock market instruments such as bonds into their long-term strategic plans", remarked Kopano Bolokwe, Head of Product Development at BSE, during the program's first session of 2022. It has been overemphasised by the BSE that the best companies in the world are listed on stock exchanges and most of these companies, such as the technology giants of the USA, started small in the garages and student dormitories, but were quick to come to the market to fund innovative ideas that turned them into business giants – a path that our own SMEs could emulate. It has been said by the BSE CEO on many occasions to encourage companies to go public that "it is better to own 10% of something big than 100% of a small entity".



BUILDING A PIPELINE OF SME LISTINGS –

Key Takeaways from TMP Participants Investment Pitches

By Obakeng Mmusinyane, Business Development Manager, Vunani Fund Managers

The famous adage submitted by Sir Francis Bacon, which goes “knowledge itself is power”, has proved timeless and rings especially true regarding the Tshipidi Mentorship Program (TMP). The investment pitches made by the mentees included an impressively wide and diverse array of locally owned trailblazing companies. Industries represented include manufacturing, renewable energy, education, construction, information technology, interior and architectural design, and agriculture (to name a few). The format of the investment pitches was similar to that of the well-known British Broadcasting Channel (BBC) program, “Dragon’s Den”, and one must admit, as one of the ‘dragons’ sitting on the panel of judges or contributors, it was a significantly enjoyable experience.

On the line-up were 20 locally owned small to medium enterprises (SMEs). According to the World Bank, SMEs represent about 90% of businesses worldwide and are crucial contributors to job creation and global economic development. The World Bank continues to state that formal SMEs contribute up to 40% of national income (GDP) in emerging economies. With that said, the pioneers and entrepreneurs of the companies participating at the TMP were tasked with presenting to a panel of practising investment professionals representing institutional investors. The presentations were a climax of the Program, where the judges provided feedback on each of the presented business cases from a potential investor’s perspective.

Preparing for an investment pitch is like making a mouth-watering food dish such as “mokoto”, an exquisite traditional delicacy constituted of special and tender cuts of beef that is the privilege of elderly men in a Setswana cultural event. All the necessary ingredients must be present and incorporated in the appropriate proportions in the preparation and presentation of the dish.

As such, an investment pitch should encompass all the elements which make up the critical high-level information about a company. These include a summarized operational business model, financial performance highlights, a brief overview of the ownership/shareholding structure of the entity, the company’s executive management team and their respective industry experience, as well as an understanding of the competitive and economic environment in which the company is operating. Another element pertinent to investors is the rationalization of the company’s valuation, the amount and type of

funding needed, if the company is seeking debt or equity financing, and how the company will use those funds. Key takeaways are that there is a plethora of companies ready to take the next step in commercializing their operations.

The companies of the mentees were multi-million Pula revenue-generating enterprises from a consolidated perspective. The TMP was a robust training platform that equipped the mentees with the tools to make their organizations attractive investment opportunities for institutional and individual investors. Some mentees brought tangible samples from their companies to showcase their respective high-quality produce, including those that promote the Sustainable Development Goals (SDG) in their production and usage processes. While others exhibited their accolades, and the track record and high calibre clientele list showed the clients they had provided services to in the past. These illustrations are critical as they give the investor tangible



Building a Pipeline of SME Listings – Key Takeaways From Tmp Participants Investment Pitches (cont'd)

evidence of the products and services and their financial viability.

Generally speaking, the bulk of the presentations followed the required format wherein the essential ingredients were elaborately relayed to the panel by the presenters quite eloquently. To assess their knowledge of their respective industries and overall company strategic vision, the judges posed curve-ball questions to the presenters. The mentees showed a great understanding of the respective industries in which they operate. These soft skills are vital and indicate to investors that one has an advanced level of comprehension of the market.

What inspired me the most was that the local SMEs owned and operated by men and women, young and old, worked together with the Botswana Stock Exchange to improve their overall operations such that they are in a position of being an attractive investment from an institutional investor's perspective. The belief is that post the Program, and with the incorporation of the feedback provided by the investment professionals, the graduates of the Tshipidi Mentorship Program will be well-positioned to seek financing from financial institutions, institutional investors, and the general public using methods such as an Initial Public Offering (IPO) and subsequent listing on the BSE or through the issuance of instruments such as bonds, on the BSE.

Given the current local investment landscape, there is seemingly a lack of investable opportunities, specifically listed companies, for local pension funds, which have over BWP100billion in total assets under management as at December 2021. The essence of the Program is to cultivate a pipeline of a wide range of companies across various sectors that could list on the BSE in the short, medium and long term to tap this abundant pool of capital.

It can be said quite confidently that the Tshipidi Mentorship Program was a resounding success and has produced high-quality leaders and companies that have the potential to be listed on the Stock Exchange and also provide lucrative investment opportunities to local financial institutions. To the graduates, we say "onwards and upwards".



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- Public Procurement law
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- Mining & Minerals law
- Litigation & Debt Collection
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Our team's professional credentials



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THE LONG WALK TO FREEDOM - IMPROVING FINANCIAL INCLUSION IN BOTSWANA

By Tiro Howard - Business Development Manager, Kgori Capital

Although we certainly cannot say that Botswana has achieved the pillars of financial inclusion to their exhaustive limits, the country has, especially over the past decade, made significant strides towards achieving full financial inclusion for its inhabitants.

The innovations that we have enjoyed, such as mobile money, branchless or internet banking, and undoubtedly the strides towards financial literacy (which is in itself a core competency of a financially inclusive economy), have over the past ten years catapulted Botswana closer to achieving full financial inclusion. However, much remains to be done in terms of regulation, innovation and the cost of participating in the financial economy of Botswana.

Botswana's domestic financial services sector contributed just over 5% to the country gross domestic product in Q2 2021. While this is only a fraction of the c.18% contribution by public administration and defence, the financial sector's just-over 5% contribution is only surpassed by 4 of the other 17 sectors, thus making it a critical part of the Botswana economy. Moreover, the financial services sector is even more critical when considering that it is an enabler for most industries, if not all. From the insurance of important cargo for imports and exports, to providing transactional, loan and savings facilities for industry and providing curatorship of the country's pension assets, the importance of the financial services sector cannot be overstated. The importance of financial inclusion thereby is paramount to ensuring that Botswana and Batswana can participate in the broader economy through access to financial services.



The Long Walk To Freedom - Improving Financial Inclusion In Botswana (cont'd)

In 2018, Kgori Capital launched its unit trusts - an imperative development as they provide individuals and corporates with an affordable way to save and invest for the future. Unit Trusts have been a valuable savings/investment tool in Botswana for the better part of 3 decades. It is vital to keep increasing the options that are available in this regard to cater for all tastes and encourage competitive pricing. Hence, each addition to the unit trust pool is welcome as it contributes to lower costs and a better variety of unit trusts. Coupled with Kgori Capital's efforts toward financial literacy education, this is a necessary step towards achieving holistic financial inclusion. The need to innovate on available financial products and keep costs low is a charge on each industry under the financial services sector.

But where do we go from here?

Technology and Innovation:

Botswana's data prices are consistently top 5 of the highest data prices in Africa. Though there is a need to drive financial inclusion by developing apps and internet-based technologies in the financial services sector, there is also a need to support these efforts by lowering data prices so that they can be affordable to the masses. The advent of Covid-19, especially the peak periods between 2020 and 2021, emphasized the influence of the internet to the economy. Because of the pandemic and the fourth industrial revolution (4IR), there is now a demand to develop technologies that allow people to partake in the economy of the country without having to visit the branches of their preferred insurer, banker and investment manager physically. The easiest solution is apps and internet-based technologies with an extensive and affordable internet framework throughout the country, more so in remote villages and settlements.

Financial Literacy Education:

In 2020, personal and unsecured debt accounted for 65% of all household loans. Unsecured debt is usually for consumptive activities with little to no productive capacity in the future. This statistic adequately indicates the money culture in Botswana that needs to be redirected and reshaped. While Botswana does have a reasonably enabling financial services environment, it is crucial to harness this by driving the efforts of Botswana and Batswana towards savings/investments as well as a borrowing culture that creates and supports the industry. Therefore, there must be an ardent drive toward financial literacy education by both the public and private sectors. By helping to improve financial literacy, we inadvertently are helping to improve the productive capacity of Botswana's asset base, including her human capital.

Investor Confidence:

As the world, including Botswana, experiences a digital revolution, this has meant that the custody of digital assets is becoming a serious concern globally. This is just as pronounced in the financial services sector. The Data Protection Act of Botswana, was recently revised to give way to more protective measures over investor/user data, a cardinal step towards inspiring investor confidence and trust in the financial services sector, among others. While this presents challenges and potentially elevated costs in the take-on process and administration of client portfolios, the long end is to help investors trust that their KYC assets are in safe custody for the tenure of their portfolios and beyond. There is a general convergence of data protection regulation regionally and globally, as economies such as Botswana strive to bolster their protection standards to be comparable to those of sophisticated economies.

Income inequality is one of Botswana's biggest woes. Financial inclusion is essential in bridging the income gap by ensuring that everyone in Botswana can participate in her economy. It is also pivotal in improving the welfare of disparaged communities by providing financial services sector products for themselves and their loved one's benefit. With better financial inclusion, there is potential for more contribution of the financial services sector to the broader economy, which will ultimately help improve our gross domestic product and diversify it further from mining-related activities.



INVEST WITH PRIDE



Tune into BSE RADIO SHOWS

Topics of the year 2022

January- March

- › Importance of Financial Literacy
- › Things to consider when investing
- › The Role of the Stockbroker
- › Share Ownership

July- September

- › Introduction to ETFs
- › BSE Publication & Ticker
- › Regulatory Environment
- › Monitoring Your Investment

April- June

- › Listing Boards
- › Tshipidi Mentorship Program
- › Process of Listing
- › Bonds

October - December

- › Role of Registered Advisors
- › X-News
- › BSE Affiliations

**CATCH US
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SHOW**

Monday:

063 -0635

RB1 > Sefalana sa Papadi

Friday:

1610-1615

RB2 > Automatic Drive

Thursday:

1430-1445

RB2 > Understanding Stock Markets

Friday:

1730-1735

RB2 > Tsele le Tsele





INVESTING IN EXCHANGE TRADED FUNDS (ETFs)

By Kopano Bolokwe, Head of Product Development, BSE

It is almost 30 years since the world's first ETF launched in Canada in 1990, and this passive investment product has become one of the fastest-growing offerings in the investment management business. In Botswana, it has been a decade and two years since the first ETF listed on the BSE, making the BSE the first stock exchange in Africa to list ETFs outside of the Johannesburg Stock Exchange (JSE).

Undoubtedly, ETFs have improved the investment landscape on the BSE, adding the much-needed diversification of issuers, instruments, geographies and underlying securities. Currently, there are 7 ETFs listed on the BSE, with their descriptions outlined in other sections of this publication. During the journey to expanding the ETFs on the Exchange, we have achieved several milestones. For example, in 2021, the BSE listed 3 ETFs, a feat never before achieved in any given year. It was also the diversity in terms of the underlying securities that those ETFs brought and the geographic exposure that was worthy of note. These were the NewPalladium ETF, the AMI Big50 ex. South Africa ETF (BAMIB50) and the S&P African Sovereign Bonds ETF (BASBI).

The NewPalladium ETF came at a time when the world was grappling with the undersupply of the precious metal and heightened demand from stringent emission legislation in the automotive industry. The BAMIB50 offers exposure to the top 50 primary listed companies in various African countries

except for South Africa and thus provides exposure to Africa's growth potential and attractive valuations in Africa's equity markets. For an investor in Botswana, the ETF gives access to sectors which are not present on the BSE, such as Oil and Gas, and Healthcare, in addition to expanding the constituents of sectors already represented on the BSE in countries such as Egypt, Morocco, Kenya, Mauritius, Nigeria, BRVM and Tunisia, to mention but a few. Notably, 2021 was a tremendous year for Africa's equity markets, noted by the 21% rise (in USD terms) in the FTSE ASEA Pan Africa Index ex. South Africa. The BASBI, a fixed income ETF, gives access and exposure to hard currency sovereign bonds denominated in Euros, Japanese Yen and the US Dollar from African countries with a credit rating above B-. Thus, the ETF comprises underlying bonds from countries including Egypt, Ghana, Kenya, Morocco, Namibia, Nigeria and South Africa.

The reception of ETFs in Botswana has been phenomenal, with the total value traded since the first listing amounting to P2.5Bn. In comparison to regional markets, the BSE has performed very well. A 2022 study conducted by the BSE comparing ETF performance on the BSE to that of the Namibia Stock Exchange (NSX) and the Stock Exchange of Mauritius (SEM) over the 2017-2021 period showed that in overall, the BSE performed better than the two markets for three consecutive years of 2017-2019, on account of the average volume per listed ETF despite having the lowest number of ETFs over that period. Much of the attractiveness of the BSE relative to peers is due to listed ETFs being granted Local Asset Status (LAS), a status that enables these ETFs to be considered local assets despite the domain of the underlying securities for purposes of the domestic allocation portion of the pension funds.

The year 2022 has equally been exceptional with the historic cross-listing of the African Domestic Bond Fund (ADBDF) ETF on 15 September 2022. ADBDF is the first multinational fixed income exchange-traded fund in Africa. The African Development Bank (AfDB) launched it as part of initiatives to strengthen African economies by reducing their dependency on foreign-currency-denominated debt, increasing the range of available financing options, and acting as a catalyst for regional market integration. The Fund replicates the African Development Bank Bloomberg African Bond Indices (ABABI), a family of bond indices that tracks ten countries and represents roughly 90% of the total stock of outstanding African local-currency bonds. ABABI, administered by AfDB and calculated by Bloomberg, was developed to improve liquidity in local capital markets and serve as a benchmark for investors in African currencies. The indices also provide a strategic tool to better the market infrastructure of the African bond markets.

The ADBDF ETF is heralded as a critical instrument in showcasing the potential of African bond markets, especially from a data and return perspective. During the listing of the ETF on the BSE, MCB Mauritius, the ETF Manager and Market-Maker, highlighted that the ETF pays a semi-annual dividend which ranges between 8 and 10% in USD terms and has shown attractive return potential, beating its peers with lower volatility since its inception. The ETF is primarily listed in Mauritius since 2018, and Botswana is the second country it is cross-listed. Backed by a \$46 Mn fund, the ETF currently provides exposure to bonds from ten African countries, including Botswana.

Generally, the strategy to diversify product offerings on the BSE has gained momentum. There is a significant investment by the BSE in promoting the comparative advantages of the local market, cultivating literacy about ETFs, making the regulation and the cost of listing and trading competitive and showcasing the absorptive capacity of the local market in terms of the capital that can potentially

flow into these ETFs. Similarly, there are indications that investors are receptive to instruments that offer exposure to offshore markets without the inconvenience of having to open accounts offshore and pick individual securities, as well as incur ongoing costs of custody and other administrative functions. More especially that these instruments are considered local assets. Against this background, there are several issuers that the BSE is pursuing to cross-list more ETFs. In the current strategy, the BSE is targeting 11 ETFs by the end of 2026. Given the ramp-up of the BSE's internationalisation strategy and the lobbying capacity of the Exchange to foster a conducive legislative environment for ETFs, this is a reasonably achievable target.

African Domestic Bond Fund



Fund Overview

MCB Investment Management Co. Ltd (Manager), working in partnership with the African Development Bank (AfDB) launched the African Domestic Bond Fund ("ADBF"), an exchange-traded fund (ETF) domiciled in Mauritius, that provides access to local currency African fixed income markets in a cost efficient, liquid and transparent manner. The AfDB acts as an anchor investor and sponsor, in a view to promote local currency finance and contribute to the development of local currency capital markets across the African continent.

Fund Objective

ADBF is an ETF that aims to track the performance of the AFMI Bloomberg African Bond Index 25% Capped, before fees and expenses. The Manager seeks to achieve this investment objective by employing a stratified sampling approach to match the Index's characteristics and returns through investing in a well-diversified portfolio that represents the Index.

ADBF is listed on the Stock Exchange of Mauritius (denominated in USD) and on the Botswana Stock Exchange (denominated in BWP).

African Domestic Bond Fund	
Best	Exchange Traded Fund (Ticker: ADBF MP Equity)
Benchmark	AFMI Bloomberg African Bond Index 25% capped (Ticker: BADBC Index)
Number of countries	10
Investment Universe	Local currency sovereign and quasi-sovereign bonds
Base currency	USD
Duration	5.00
Yield to worst	9.30% (net of withholding tax)
Domicile	Mauritius
Primary listing	Stock Exchange of Mauritius
Secondary Listing(s)	Botswana Stock Exchange
AUM	\$46 million
Minimum investment	1 share (approx. \$9.00)
Holding period	None (trades daily)
TER	60bps (on AUM of \$100mm)

AFMI Bloomberg African Bond Index 25% Capped (% Weight)	
South Africa	24.92%
Egypt	24.77%
Morocco	17.12%
Nigeria	15.24%
Kenya	8.97%
Zambia	2.96%
Mauritius	2.10%
Ghana	2.03%
Namibia	1.33%
Botswana	0.56%

KNOW YOUR BSE BROKERS

The first step to buying and selling shares is approaching a licensed BSE Broker. Brokers are licensed agents given authorisation to buy and sell shares on your behalf as an investor. Over and above facilitating the transaction (buying or selling) of shares, Brokers also provide financial advice on which stock to buy or sell. All Brokers are required to meet specific standards such as acquiring appropriate qualification (e.g. Registered Persons Examinations or RPEs), experience and must comply with the BSE Member Rules.

Process of Buying and Selling BSE listed securities (Shares, Bonds, ETFs)

Buying Shares

▼

Approach a Broker

▼

Fill in a client Application Form

▼

Open a CSD Account

▼

Place an Order

▼

Broker Executes Order

▼

Broker confirms with Client

▼

Settlement T+3 days

Selling Shares

▼

Approach a Broker

▼

Place a Sell Order

▼

Broker Executes Order

▼

Broker confirms with Client

▼

Payment

The three licensed BSE Brokers are:

- **Stockbrokers Botswana**

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Website: www.stockbrokersbotswana.co.bw

Stockbrokers Botswana is a registered member of the BSE and provides stockbroking services that cover a wide range of products listed on the BSE, including equities, bonds, and Exchange Traded Funds. Established in 1989 as the first stockbroking firm, the company has been instrumental

in developing Botswana's capital market. In addition, the company has established strong and lasting relationships with domestic institutional and individual investors and the largest active emerging market investors in the SADC region.



• Imara Capital Securities

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Email: enquiriesbots@imara.com
Website: www.imara.com

Imara Capital Securities (Pty) Ltd (formerly Capital Securities) was established in 1999 and started stockbroking operations in March 2000 as part of the Capital Group of companies. Imara Capital Securities became a part of the

Imara Group of companies following Imara Holdings Ltd, the Pan- African financial services provider's purchase of a majority stake in the company.



• Motswedi Securities

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Motswedi Securities is a leading Botswana citizen-owned stock brokerage firm. Formerly known as Investec Securities (Botswana) (Pty) Limited, Motswedi Securities were the second stock brokerage firm registered in Botswana, with trading activities commencing in 1998.

As member of the BSE, they offer quality service to individuals and institutions who seek to gain wealth by:

- Trading of listed equities, primarily on the Botswana Stock Exchange.
- Trading other BSE listed securities such as corporate and Botswana Government bonds and ETFs.
- Providing clients with research on market performance.

On the primary issuance side, they pride themselves in having brought many quality listings to the BSE and continue to do so at present.



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A Botswana Corporate Law Firm and a registered BSE Advisor specialising in the following areas of practice:

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The Firm and Partners are ranked by Chambers and IFLR1000 and profiled in Legal500.



Process Of Listing On The BSE



Listing a company on the BSE begins with appointing a Sponsoring Broker among one of the licensed brokers. All submissions and applications to the BSE for a listing, are submitted through a Sponsoring Broker.

The Sponsoring Broker also assists the applicant with assembling a team of advisors who will be involved in the process of listing, and these include:

- Lawyers;
- Reporting accountants;
- Corporate finance experts;
- Auditors

Step 1:

Issuer meets with and appoints a Sponsoring Broker whose duty is to facilitate the listing process, acting as a conduit between the issuer and the BSE.

Step 2:

Sponsoring Broker assists the issuer in appointing a team of advisors on the transaction, including lawyers, reporting accountants, auditors, corporate finance advisers, etc.

Step 3:

Issuer makes the first submission to the BSE through the Sponsoring Broker. BSE evaluates the application and responds within five working days.

Step 4:

If there are amendments to be made to the first submission, the issuer is required to re-submit the application. Again, the BSE responds within five working days from the date of each re-submission.

- If the Issuer applies for waivers in respect of the Equity Listing Requirements, the application and recommendation shall be made to the BSE Board, and a response from the Board will respond within an additional five working days.
- This submission and evaluation processes are repeated until the submission is compliant with the BSE Listings Requirements.

Step 5:

Once the submission is fully compliant, the Issuer submits the final documents for formal consideration. BSE responds within two working days of the submission with a formal approval to list.

Step 6:

BSE Board's provisional approval is obtained. A provisional listing approval is a "green light" for the applicant to commence the offer process while working towards

satisfying conditional requirements, if any, to earn a permanent listing.

- After a provisional approval of listing has been granted, the applicant will have to undertake a series of events in order to issue the shares. The applicant is expected to adhere to the time table of events outlined in the BSE Equity Listings Requirements.
- Simultaneously, following provisional approval, the administrative processes are instituted in preparation for the listing. These include, but are not limited to, transfer secretary administration and internal BSE system administration to create the security and prepare for listing.

Step 7:

The listing takes place on the BSE, and the security begins to trade on the effective listing date.

Step 8:

The Issuer is required to maintain compliance with the BSE Listings Requirements on an on-going basis once listed.

For more information on the process of listing on the BSE, please contact the Market Development Department via e-mail at marketdev@bse.co.bw.



Guide to Listing on the BSE booklet can be accessed on the BSE website – www.bse.co.bw

Various Methods of Listing on the Botswana Stock Exchange

Introduction:

This is a method of listing a company without the company offering new or existing shares to the public. A company will use this method if the required number of shareholders already complies with the BSE Equity Listings Requirements. With this method, there is no capital inflow to the company or its shareholders arising from the listing.

Offer for Sale:

An offer for sale is a method of listing where existing shareholders of a company invite the public to subscribe to their shares already in issue. Offer for sale does not result in new issuance of shares but rather, already existing shareholders re-sell some of the shares they hold. This is usually done to restructure the company shareholding so that the company can meet the public float or shareholding requirements of the BSE. It can also be used as an avenue for founding shareholders to cash in on their investment by reducing their shareholding in the company.

Offer for Subscription:

This is an invitation by the company to the public to subscribe for shares in the company. With this method, the company issues new shares and sells them to new investors other than its existing shareholders. This way the shareholding structure of a company is adjusted and the proceeds from the transaction accrue to the company as equity capital. This is employed by companies that list in order to raise capital to expand their operations.

Placing:

Placing is a method of listing a company that involves marketing shares already in issue but not listed, to specified investors and does not involve an offer to the public or existing shareholders. It differs from Offer for Sale and Offer for Subscription in that the shares are offered to a select group of investors and not to the general public. Usually, placing is undertaken through a private placement with institutional investors as opposed to an Initial Public Offering (IPO).

Initial Public Offering:

An IPO is when the securities of a company are offered to the public for the first time.

Private Placement:

Private placement is an offer of securities to a small number of select and private investors as a way of raising capital.



BSE's NEW WEBSITE AND MOBILE APPLICATION

DID YOU KNOW?

The Botswana Stock Exchange (BSE) has a newly designed website and mobile application. A new website was necessary to create a more user-friendly, browsing experience for current and prospective clients with respect to accessing market information.

Some of the notable new features of this site include a stock market ticker displaying real-time price & indices movements, a watchlist function to monitor selected securities, an optimized search engine for easy navigation and integrated social media buttons, amongst others.

To coincide with new website, the BSE also introduced a mobile application to suit the needs of clients-on-the-go in accessing market information and interacting with the Exchange. The mobile app carries most of the features that are part of the website and will act as an easier channel for users to buy customized data to meet their diverse requirements. The mobile app can be downloaded from the App Store & Google Play Store.



Given their modernized look and feel, as well as the interactive functionalities, the new website and the mobile app are expected to significantly increase the visibility of the BSE, including listed companies, products and services, the reach of market data and the vibrancy in the stock market.

URL: www.bse.co.bw

For more information on the BSE website and mobile application, please contact the Market Development Department via
e-mail on: marketdev@bse.co.bw

BSE LISTED COMPANIES BY SECTOR

Financial Services and Insurance



Security Services



Retail and Wholesale



Property



Banking



Energy



Agriculture



Telecommunications



Mining



Tourism



Global Retail Investors Growth: The Rise of Trading Apps and Social Media Chatter

By Obonye Bonnie Modiakgotla

The COVID-19 pandemic that brought the world to a standstill in 2020 and much of 2021 has subsided, thanks largely to the speedy development of vaccinations. However, its effects will be a case study for years to come.

It is a common cause that the pandemic created a pattern of behaviour change. Already, researchers are pouring over data on how it has influenced the growth of retail investors in the stock market. The term, Retail Investor, is used for a non-professional investor. Though individual investors have existed for quite some time, their impact was more pronounced in 2020, exhibiting growth last seen in the 2000s during the dot-com era when individual investors swarmed stock markets lured by the promise of new riches from technology stocks.

The pandemic on its own cannot lay claim to being the driving force behind the growth in retail investors, but it was the impetus needed to push some people into investing in the stock markets. Other factors were already bubbling beneath the surface. The US market provides a fascinating context on how retail investing exploded during and post

the pandemic, which gives insight into how various factors came together to create significant interest in retail investing.

As the pandemic assailed the economy with business and consumer activities severely curtailed by restrictions put in place to curb the spread of the virus, the American government reacted by issuing stimulus checks to those affected, essentially putting money into the hands of people. Consequently, with people restrained to their homes and with extra cash to spend, there was a spike in the number of people entering the stock markets. According to Bloomberg Intelligence data, retail investors' share of the total equities trading volume approached 25% in 2021, up from 20% in 2020. Consider this, in the preceding decade (2011), the share of retail investors' trading volumes has been hovering between 10% and 15%. Brokerage firm Charles Schwab reported that 15% of retail investors made their first trade in 2020.

At this point, one is compelled to ask, why the sudden interest in trading stocks by individuals? The starting point is the evolution of technology, together with its associated applications. For starters, most Americans have smartphones connected to the internet and can tap into the vast American technology ecosystem that boasts trading apps. According to Mary Fitzgerald's article, "Retail Investor Ranks in The Stock Market Continue to Surge", published on CNBC in March 2021, nearly 6 million Americans downloaded a trading app. The spike was on the back of another massive increase in brokerage accounts opened in 2020. One of the popular trading apps, Robinhood, saw a surge in users, drawn by its simple-to-use interface and zero commission fees. This made it easier for retail investors to trade cheaply and conveniently.

If trading apps were the fire, then social media was the fuel. At this point, there is no doubt about the impact social media has on human interactions and its influence on decision-making. It brings together people of diverse backgrounds and expertise to share content and information. The power of social media in trading was perfectly illustrated when retail investors swarmed specific stocks, acting on the information provided on social media. In January 2021, retail investors comprising seasoned and novice investors used the social media platform Reddit to launch coordinated attacks on specific stocks such as GME, AMC and KOSS after it came to light that particular institutional investors took short positions on these stocks. Using the information

Global Retail Investors Growth: The rise of Trading Apps and Social Media Chatter (cont'd)



shared on Reddit's WallStreetBets, the retail investors descended on the stocks through synchronized buy orders that sent the stock prices soaring to blistering heights, creating some millionaires overnight. At their peak levels, the stocks produced year-to-date returns of 3,500% for GME, 1250% for AMC and 2,850% for KOSS.

The rise in the army of retail investors, spurred by technology and social media, is not only peculiar to the American market. Other big economies like India also experienced a growth in the number of individual investors that also leveraged technology. To information shared by Dhiraj Relli, the chief executive of India-based HDFC securities, active investor accounts increased by a record 10.4 million since 2020, with almost 4.5 million accounts opened in the first two months of 2021. This resulted in the Indian stock market being dominated by retail investors whose share grew from 33% in 2016 to 45% in 2021. Relli explains that this significant growth is due to improved access to investment education, market news and growing awareness of various

investment forms. "Technological advancements have also empowered investors with robust tools for online trading, which offer transparency and access to real-time price movements. This is a huge shift from the past, when real-time trade execution was rare, given that the only access to the markets was through multiple phone calls to brokers and other market participants", he said.

"Tech advancements have also brought us easy-to-use investment apps, while social media has provided access to all the chatter in the investment community. Twitter, Telegram, Reddit and the like are home to large and active investor communities always ready to offer their market analysis and investment opinions." The Deutsche Bank, in a survey assessing the bloom in retail investing, highlights the influence of new US retail investors being the key driver behind the growth, proving how a combination of savvy trading apps and social media chatter can impact markets. This is not surprising considering that the US is the world's largest economy and the epicentre of the international stock markets. Bringing it closer to home Botswana, the trends noted in the retail investor growth have been muted. There is a simple explanation for it which is the absence of modern trading apps focused on the domestic market. According to World Bank statistics, Botswana is ranked 8th among 139 countries with the highest mobile phone penetration as a percentage of the population. But this penetration, which in 2020 stood at 162%, has not translated into meaningful impact as far as trading is concerned.

This represents a lost opportunity, especially for the three local brokerage firms yet to innovate in terms of trading applications that can make trading on the Botswana Stock Exchange (BSE) convenient for the new breed of retail investors that want convenience at the least cost. Still, not all is lost as the groundwork is being prepared for Botswana to benefit from factors driving individual investor growth. The BSE's annual report for 2021 shows that domestic investors account for 63.2% of trading activity over the years. However, further analysis indicates that local individual investors contributed 2.5% to trading activity and were net sellers of equities.

As at the end of 2021, the BSE had 100,184 investor accounts in the Central Securities Depository (CSD) system, most of which were for individuals. This compares favourably with the 96,136 accounts in 2020. In the past five years, the BSE ramped up stock market public education, not only to get more companies to list on the Bourse but also to increase citizen participation in the stock market. In the new 2022-2026 strategy, the BSE Chief Executive Officer, Thapelo Tsheole, disclosed that the focus is on four key strategic intents; increase profitability, grow listed securities, increase market liquidity and create an enabling environment. Within these focus areas, the BSE targets to attract 150,000 investors by the end of 2026, just over 6.5% of the national population, and over 50% of the working population.

"These elements include a balance of being a public good as a stock exchange, whilst also pursuing commercial value creation for shareholders, an in-depth focus on digitization and digital value services. Additionally, lobbying for reforms and supportive policies, world-class corporate governance, creative platforms for engagements with investors, streamlining access to capital and world-class regulatory environment that promotes integrity, investors protection and is equally attractive to issuers," stated Tsheole in the 2021 annual report. To leverage further on technological advancements achieved in the previous five-year strategy, the BSE is launching and upgrading some salient technology infrastructures that it says will transform the landscape substantially, especially in terms of investor activity and participation across various products, the reach of the market and overall education levels about the stock market.

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X-News is an information portal that provides real-time information on BSE listed companies to the market. Information made available on X-News include, all Press Announcement, Prospectuses, Pre-listing Statements and Circular as per the BSE Listings Requirements

Subscribers to the X-News Service are afforded the luxury of receiving the latest market news updates. All news updates on the services are sent to subscribers, therefore assisting investors to make informed, financial decisions.

The cost of the X-News service is **BWP 4,000.00** (local fee) and **USD800** (International fee) per year. Renewals for the service are conducted every year on or before December 31st.

For more information, please contact Product Development at productdev@bse.co.bw or call (+267) 367 4418

Inside BSE's Journey To Build A Financially Literate Nation

By Victor Baatweng



The ability to be financially free, secure, and confidently deal with any financial roadblock coming one's way is an essential requirement for a fulfilling life. This is a sentiment shared by former Lobatse Senior Secondary School students Laone Rreotsile, Atlang Moome, Thabang Setso Motshabi and their former teacher and mentor, Moagi Digwa.

The former students of Lobatse Senior Secondary, or LobSec as the school is generally called, speak highly of the annual Botswana Stock Exchange (BSE) Senior Secondary Schools Finance & Investment Competition. The competition's main objective is to sensitise and educate the student community about capital markets with a strategic aim of increasing financial literacy and promoting a culture of investing from a tender age. Before the Covid-19 outbreak in 2020, the competition had been running continuously for seven years, with LobSec winning the 2015, 2017, 2018 and 2019 editions.

Moagi Digwa, a Basic Accounting teacher at LobSec, has guided his students for the six years that the state-owned school has been participating in the competition. "As LobSec, we have partaken in the BSE Senior Secondary Schools Finance and Investment Competitions for the past six years. We have gained valuable experience as a school from this competition. Through participating in

this competition, our teachers have improved their teaching of the topic Stock Exchange in Commerce and Business Studies subjects. This has been made possible by using the BSE Investor Handbook that simplifies the process of investing and creating wealth through the stock exchange", says Digwa.

Digwa also shares that their participation in the BSE competition has generated considerable interest in students regarding creating wealth through investing in stock markets. "The number of our former learners who are now interested in pursuing business-based programmes at tertiary institutions such as Bachelor of Finance, Bachelor of Finance and Banking, Bachelor of Accounting and Finance, just to name but a few, have increased since we started taking part in this competition", says Digwa. One of Digwa's former students, Laone Rreotsile, is now pursuing her Bachelor's Degree double-major in Mathematics and Finance at the University of Botswana (UB). She confidently shares that her career journey was inspired by the BSE competition and the mentorship they received from Digwa. "Before I participated in the competition, I was clueless about the stock exchange and shares. Because of it, I started learning about investments which sparked my interest in finance and later influenced not just the career path I have chosen but also making me an active player in the capital markets", says Rreotsile.

Rreotsile is a proud shareholder of BTCL, the only listed telecom on the local bourse. She and her teammates won a voucher worth of shares and settled for the BTCL shares after a piece of advice she got from her stockbroker. "If I am to get a chance to reinvest, I will buy shares from other companies as a way of diversifying. I have since learnt that one should not keep their eggs in one basket", says Rreotsile. Golesedi Monngakgotla, a mentee of Digwa from the class of 2019, has chosen a finance career path and equally credits it to the BSE Competition. "The impact the competition has had on me is evident in my chosen career path. I am currently studying BSc Mathematics of Finance with the hopes of one day joining the finance world. My highlight to date is when I opened my brokerage account. I cherish this because it was like exploring new opportunities I did not know existed before", says Monngakgotla.

Atlang Moome, who was part of the 2018 cohort, says participating enhanced many of his skills, such as public speaking, teamwork, and problem-solving.

Inside BSE's Journey To Build A Financially Literate Nation (cont'd)

"The BSE competition teaches about capital markets and investment for the participants and the public who follow it. This competition takes us a step forward in improving our economy because capital markets benefit all parties involved. From the investor's point of view, capital markets offer investment opportunities and risk management tools such as stocks and bonds, which diversify their portfolio and contribute to risk management. From the business perspective, it gives businesses access to larger volumes of funding to allow businesses to grow, which in turn allows economic growth, low inflation and development to the financial sector", says Moome.

Broadening Financial Literacy

In literal terms, financial literacy is the possession of skills and knowledge that allows individuals to make informed and effective decisions with all of their financial resources. Put plainly, to be financially literate is to know how to manage your money. This is perhaps why Digwa and his mentees are rooting for the BSE competition and would like to see it return. "In all the years that we have emerged victorious, our learners have won share vouchers that they have utilised to invest in companies of their choices and hence starting the culture of investment in the stock market at a younger age. The school has also used the vouchers it won to buy financial literacy and investment books to help learners read about investment and become financially literate, empowering them to face financial problems that will arise in the future. We are looking forward to successfully defending our championship status when the competition returns", says Digwa.

Digwa and his mentees share the sentiment that suggests that as the world copes with the challenges thrown up by the Covid-19 pandemic and consequent economic and social predicaments, young minds must appreciate the importance of Financial Literacy. "Schools have a role to play and must restructure their pedagogy to nurture this skill to allow children to make financially wise decisions as they become adults. We are at a point where we need to ensure that the financial literacy curriculum in our basic education syllabus is well-planned for different age groups and grades. This would help the new generation to avoid mistakes made by past ones", says Digwa.

To improve awareness of the competition and financial literacy, Monngakgotla opines that the BSE should consider making their presence felt even on unconventional social media such as TikTok and create more informative posts. He added, "I believe this would help reach and educate more people about investing and capital markets, which is the objective of the competition".

For her part, Rreotsile encourages current students at LobSec and across the country to participate in the BSE competition. "I am urging students to join the competition even if clueless; they will learn a lot along the way. Stakeholders on the other hand, should ensure that they do their part as it is critical in ensuring that financial literacy does not lack", says Rreotsile. Although he settled for a different career path, Moome, a third-

year student of Materials and Metallurgical Engineering at BIUST, maintains that financial literacy is important as it equips one with the knowledge and skills needed to be financially successful, he adds, "because if you understand the way financial systems work at an early stage, they can help guide your decisions and steps to a better life".

Through the Senior Secondary Schools Finance and Investment Competition, the BSE is sending a message that those who are financially literate do not only secure their future but are also less likely to fall prey to various scams as they have a good understanding of financial matters and thus make informed decisions. This is the flagship program that bagged the BSE an award under the category of Best Africa Education Initiative at the SRP Conference in South Africa in 2019, beating regional stock exchanges such as the Johannesburg Stock Exchange. The BSE is well-renowned for offering free financial education to the public across all age groups and professional cadres, including through tailored investment training workshops.

"If I am to get a chance to reinvest, I will buy shares from other companies as a way of diversifying. I have since learnt that one should not keep their eggs in one basket..."



BOTSWANA STOCK EXCHANGE

PRESS RELEASE

BOTSWANA STOCK EXCHANGE ADMITTED INTO THE AFRICAN EXCHANGES LINKAGE PROJECT

Botswana Stock Exchange (BSE) is pleased to inform valued stakeholders, the African Exchanges Linkage Project (AELP) by the African Securities Exchanges Association (ASEA) Executive Committee (EXCo) and AELP Steering Committee at a Ceremony in Douala, Cameroon.

The AELP is a co-initiative of ASEA and the African Development Bank (AfDB) who are the sponsors of the project. The Project is designed to facilitate cross-border investment flows and investor participation through increased liquidity and securities trading and settlement. Lastly, the Project is expected to lead to innovation in services and investment products, improve knowledge sharing and make it possible to establish real business partnerships among stakeholders leading to greater financial markets integration across Africa.

The BSE admission follows the second phase of the project after the second phase of the project after the initial phase created linkages among seven (7) African capital markets that represent about 90% of Africa's market capitalization being: Nairobi Securities Exchange (NSE), Johannesburg Stock Exchange (JSE), Casablanca Stock Exchange (CSE), The Nigerian Stock Exchange (NISE), Stock Exchange of Mauritius (SEM), The Egyptian Exchange (EGX) and Bourse Régionale des Valeurs Mobilières (BRVM).

To be admitted into the Project, the BSE followed a rigorous application process for admission where the Exchange had to demonstrate, and successfully so, its legal authority and ability subject to its local laws and regulations to meet the required provisions.

Commenting on this milestone, the BSE CEO, Mr. Thapelo Tsheole said, “ **The AELP is a transformational initiative that is set to revolutionize and harmonize the trading of securities amongst participating exchanges in the Sub-Saharan Region. Hence, as the BSE, we took the immediate decision to join the original seven (7) participating Exchanges to stimulate easier cross-border trading in our market and similarly, also provide a gateway to other regional markets for our local investors. As a key strategic initiative by ASEA, I am confident that will have a positive effect on liquidity levels across African markets and lastly, this will serve as a value proposition to attract investment inflows into Africa. Therefore, I would like to thank the ASEA EXCo for admitting the BSE into this wonderful Project.**

For more information, contact the following;

**Market Development Department
Botswana Stock Exchange
marketdev@bse.co.bw
(+267) 3674400**

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Fax: +267 318 0175 | info@bse.co.bw | www.bse.co.bw



BSE CNBC AFRICA MEDIA CAMPAIGN 2022

In a bid to increase the visibility of the Exchange and the listed companies, the BSE partnered with CNBC Africa to undertake a comprehensive media campaign that aims to bring vibrancy to our local capital markets.

To promote inclusivity and leverage off this campaign, the BSE invited listed companies to participate and boost the liquidity of their stocks by showcasing their brands on the various CNBC Africa platforms.

The Sponsors for this year's campaign are;

- Botswana Insurance Holdings Limited
- Letlole La Rona Limited
- Lucara Botswana Limited

The rollout of this initiative started with a live broadcast on Thursday, 8 September 2022, on CNBC Africa DSTV Channel 410 from 1330hrs to 1400hrs CAT. This interview availed an opportunity for this year's sponsors to provide updates on current developments pertaining to the strategic direction of their respective entities.

Facilitated by CNBC Africa Anchor, Ms. Tania Habimana, the broadcast featured;

- Mr. Kudakwashe Mukushi, Group Chief Financial Officer & Board Member, Botswana Insurance Holdings Limited
- Ms. Kamogelo Mowaneng, Chief Executive Officer, Letlole La Rona Limited
- Mr. Johane Mchive, General Manager, Lucara Botswana Limited

For more information on the BSE CNBC Africa Media Campaign, please contact the Market Development Department via e-mail on marketdev@bse.co.bw.

To access this interview, visit the BSE website, (www.bse.co.bw) and YouTube Channel.



BSE SOCIAL MEDIA ICONS:

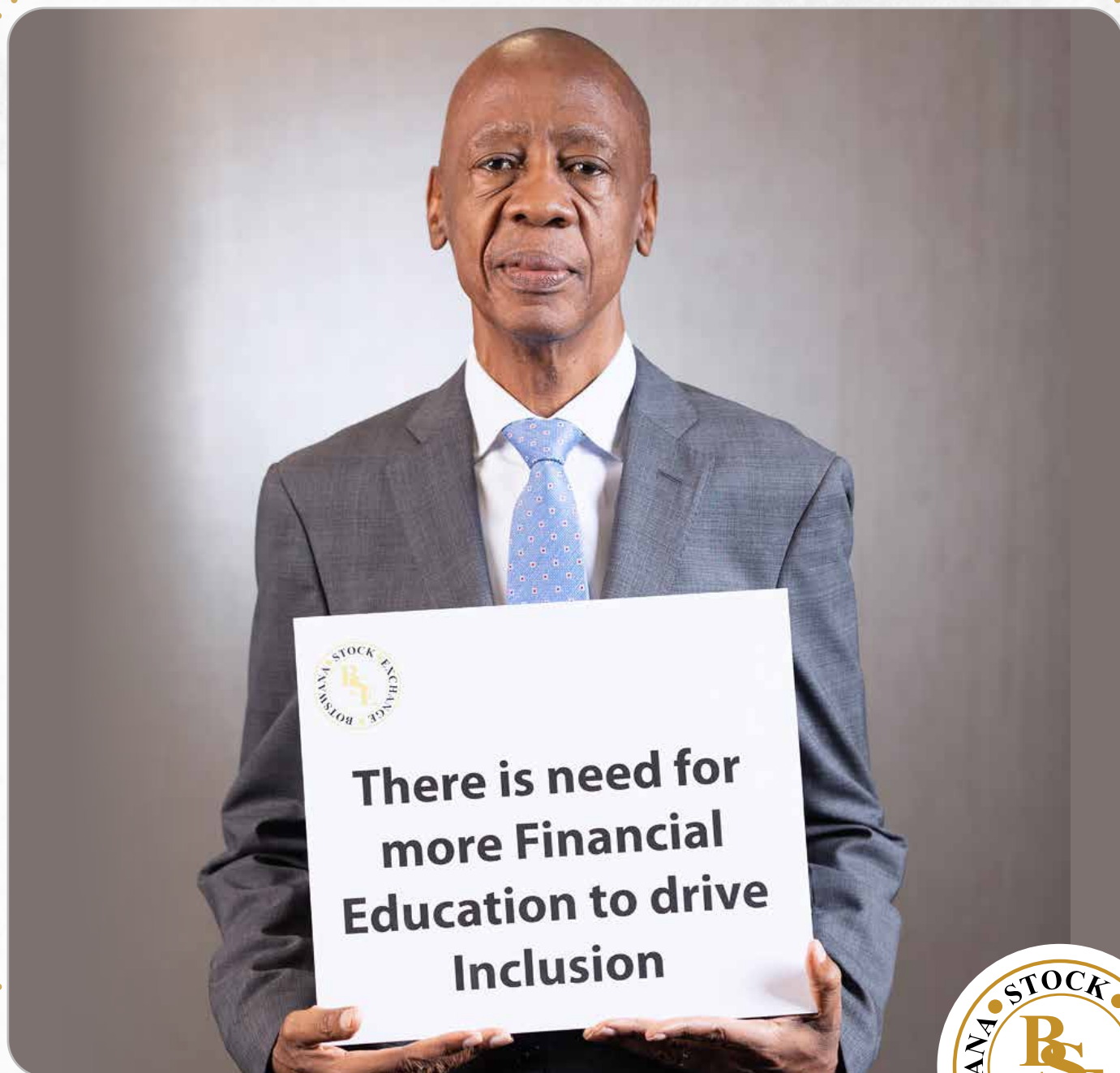
By being a disclosure-based entity, the Botswana Stock Exchange (BSE) advocates for open channels of communication and information dissemination with all our stakeholders. As such, the BSE is always active on the following social media platforms to engage with followers around the world;



Botswana Stock Exchange



@TheOfficialBSE



FINANCIAL INCLUSION

“Financial inclusion is the concept of ensuring that the mass majority are availed of economic and financial products and services to meet their needs. Hence, as the BSE, it is our obligation to pursue strategies that will enable the general public to access our various offerings in terms of investment options for retail clients and capital-raising opportunities for prospective issuers. In time, such endeavours will contribute towards the overall growth of our economy.”

– **BSE Chairperson, LT. Gen. Tebogo C. Masire**



BOTSWANA STOCK EXCHANGE LIMITED (BSE) AND CENTRAL SECURITIES DEPOSITORY BOTSWANA (CSDB) CUSTOMER FEEDBACK PROCEDURE

At the Botswana Stock Exchange Limited, and Central Securities Depository Botswana we welcome feedback from our valued customers who believe that proper service, rules and regulations were followed, or not followed. Feedback of a regulatory nature will be escalated to the relevant authority. Feedback about our various programs and members can be submitted as below;

Lodge Complaint
with the Officer
providing assistance



Escalate to the
Chief Executive Officer on
+267 3674402



Escalate to the relevant
Head of Department on
+267 3674400 or email
feedback@bse.co.bw



Escalate to the
Chairperson of the BSE
Board of Directors

What's happening around the region?



JSE Clear Granted Independent Clearing House & Central Counterparty Licence

The Johannesburg Stock Exchange (JSE) has announced in September 2022 that JSE Clear, its wholly owned subsidiary, has been granted a licence to operate as an Independent Clearing House and Central Counterparty (CCP) by the Financial Sector Conduct Authority (FSCA), in agreement with the Prudential Authority (PA) and the South African Reserve Bank (SARB). The licence is subject to certain terms and conditions.

To-date, JSE Clear has been operating as a central counterparty and licensed Associated Clearing House as per the Financial Markets Act. JSE Clear will continue to be the central counterparty and clearing house for the JSE's derivatives markets (which include the commodity, interest rate, equity and currency derivative markets), performing the clearing operations and risk management functions that allow these markets to remain a safe and attractive investment destination.

Under the new independent clearing house licence, JSE Clear will fulfil its licensed functions and regulatory responsibilities in terms of its own rules (having previously operated as an associated clearing house in terms of the JSE's rules). It will also manage its own fully capitalised balance sheet and will be governed by an independent board of directors.

Source: <https://www.jse.co.za/news/news/jse-clear-granted-independent-clearing-house-central-counterparty-licence>

SEM Launches New Automated Trading Platform

The Stock Exchange of Mauritius (SEM) this year (2022) launched a new automated trading system, positioning itself as an attractive multi-currency listing platform capable of offering sophisticated products and services to domestic and international investors. The launch took place at a ceremony in Port Louis, the country's capital.

The Middle-Income Country Technical Assistance Fund, a tailored instrument hosted and funded by the African Development Bank, contributed \$600,000 in grant funding toward the upgrade. The automated system was developed by Securities and Trading Technology Ltd of South Africa.

The automated system incorporates robust desktop trading for brokers. Investors will be able to trade numerous assets via web browsers and a mobile application called mySEM. The project—which entailed an overhaul of the stock exchange's technological infrastructure—will also bolster the market by offering the integration of such services as data distribution, remote deal brokering, and custodian banking, as well as the ability to trade such asset classes as derivatives.

The new automated system also incorporates a state-of-the-art surveillance system that will enhance real-time surveillance of market activities and raise alerts in the incidence of market abuse or irregular trading practices.

Source: <https://allafrica.com/stories/202205210032.html>

LuSE Launches SME Portal

The Lusaka Securities Exchange (LuSE) has launched the LuSE Gem Portal, an innovative digital platform principally purposed to provide Small and Medium Enterprises (SMEs) with access to capital for investment into growing their businesses.

LuSE Chairperson Kayula Siame said the Lusaka Securities Exchange in collaboration with its partners is pleased to introduce the portal, an initiative admitted to and currently testing under the capital markets regulatory sandbox framework. Speaking during the launch of the LuSE Gem Portal for SMEs, Siame said the portal digitally identifies, evaluates and enables the urgent provision

What's happening around the region? (cont'd)

of financing to qualifying SMEs. In its continued efforts to make a positive and effective contribution to the growth of the national economy, LuSE has in accordance with its strategic plan continued to implement initiatives aimed at energizing the private sector's productivity and supporting government programmes. By providing SMEs with this digital platform, LuSE is keeping in stride with trending global digital transformation that is leading to the integration of digital technology into all areas of business and is fundamentally transforming how businesses operate and deliver value to their customers.

Source: <https://www.african-markets.com/en/stock-markets/luse/lusaka-securities-exchange-launches-sme-portal>

About CoSSE

Formed in 1997, CoSSE is a collective and cooperative body of the 14 stock exchanges in the Southern African Development Community (SADC) region. CoSSE is mandated to accelerate the development of the SADC capital markets through cooperation and collaboration between SADC stock exchanges and other key SADC institutions and stakeholders. The Botswana Stock Exchange hosts the CoSSE Secretariat, which has close working relations with the SADC Secretariat, and SADC Structures such as the Committee of Central Bank of Governors (CCBG), Committee of Insurance, Securities and Non-Banking Financial Authorities (CISNA), the Committee of Ministers of Finance and Investment (CoMFI) and the Committee of Senior Treasury Officials (CoSTO).

For More Information About Cosse

Visit our website at www.cosse.africa, or contact the Secretariat via telephone at +267 3674421, or email us at cossesecretariat@bse.co.bw



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56 Years

of Independence



Sin



Boswa



ce 1966



"Ngwao"





Kgoroso



o'kgafela



"Fatshe leno la rona,
ke mpho ya Modimo..."



PATLO



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Only Advisers approved by the BSE and recorded on the 'BSE Register for Registered Advisers' may act as an adviser for an issuer for listing related matters or an applicant applying to list on the BSE.

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BOTSWANA STOCK EXCHANGE: **PROMOTING LIQUIDITY ON THE STOCK EXCHANGE**

8 September 2022 | 13h30 - 14h00

MODERATOR



TANIA HABIMANA

Anchor, CNBC Africa

SPEAKER



JOHANE MCHIVE

General Manager of
Lucara Botswana Limited

SPEAKER



KAMOGELO MOWANENG

Chief Executive Officer of
Letlole La Rona Limited

SPEAKER



KUDAKWASHE MUKUSHI

Group Chief Financial Officer
& Board Member of Botswana
Insurance Holdings Limited



Forbes AFRICA

