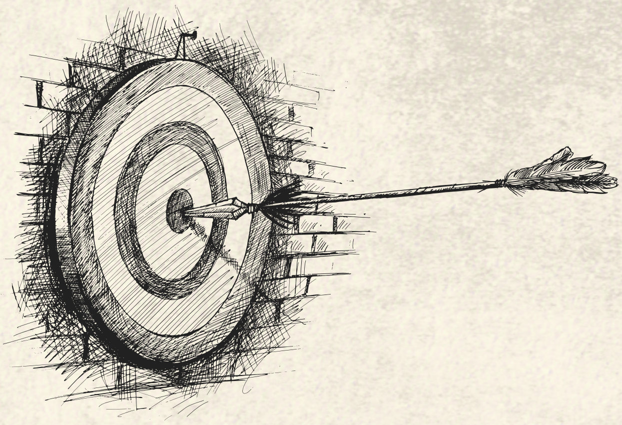
ANNUAL INDUSTRY REPORT 2022/23

Capital Markets Authority

Protecting Your Investments

OUR VISION

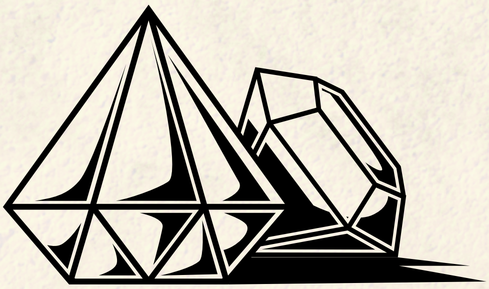
To establish Uganda's capital market as the most efficient and trusted center for attracting and providing capital in Africa



OUR MISSION

To foster a transparent, accessible and effective capital market in Uganda

CORE VALUES



Integrity:
We act ethically and work in the public interest, treating people fairly and honestly

Teamwork:
We support and promote collaboration among the CMA team and with external stakeholders

Accountability:
We strive to live up to the aspirations of our mission so as to deliver quality services and promote the best interest of our stakeholders

Excellence:
We strive to pursue and deliver the highest quality of service to our stakeholders

CORPORATE INFORMATION

Profile: The Capital Markets Authority (CMA) is an autonomous body that was established in 1996, by the CMA Act, Cap 84. The Authority is responsible for promoting, developing and regulating the capital markets industry in Uganda, with the overall objectives of investor protection and market efficiency.

CMA plays a significant role in regional and international cooperation and is a member of the East African Securities Regulatory Authorities (EASRA) and the International Organisation of Securities Commissions (IOSCO).

Functions of the Authority

The CMA Act prescribes the following as the functions of the Authority:

1. To approve prospectuses and other offering documents under which securities are offered to the public;

2. To develop all aspects of the capital markets with particular emphasis on the removal of impediments to, and the creation of incentives for long term investments in productive enterprise;

3. To create, maintain and regulate, through implementation of a system in which the market participants are selfregulatory to the maximum practicable extent, of a market in which securities can be issued and traded in an orderly, fair and efficient manner;

4. To cooperate with, provide information to, conduct any investigation or inquiry for, or otherwise assist any foreign regulatory authority in the performance of its duties;

5. To implement regional and international standards and best practice in securities markets, securities regulation and supervision;

6. To protect investor interests;
and

7. To operate the Investor Compensation Fund established by section 81.

CMA executes its legal mandate with the following objectives:

1. Promoting confidence in the capital markets
2. Ensuring honesty and transparency in capital markets transactions
3. Carrying out investor education
4. Protecting investors; and
5. Reducing systemic risk

BOARD MEMBERS

SAUL SSEREMBA
Board Chairman

ELIZABETH NAKKUNGU
Represents the Office of the Solicitor General, Ministry of Justice and Constitutional Affairs

PROTAZIO BEGUMISA
Represents the Institute of Certified Public Accountants of Uganda

JOSEPH ENYIMU
Represents the Permanent Secretary / Secretary to the Treasury, Ministry of Finance, Planning & Economic Development

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Represents Uganda Manufacturers' Association

DAVID SAJJABI
Represents the Governor, Bank of Uganda

SARAH ARAPTA
Represents the Uganda Bankers Association

MERCY KAINOBWISHO
Registrar General, Uganda Registration Services Bureau

MOHAMED KALIISA
Represents the Uganda National Chamber of Commerce & Industry

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Represents the Uganda Law Society

KEITH KALYEGIRA
Chief Executive Officer

TOP MANAGEMENT

KEITH KALYEGIRA
Chief Executive Officer

ROSETTE COMFORT KANIA
Director, Market Supervision

MIRIAM EKIRAPA MUSAALI
Director, Legal & Board Affairs

DICKSON SSEMBUYA
Director, Research and Market Development

DOROTHY NABIRYE-NYEMERA
Director Human Resources & Administration.

Keith Kalyegira
Chief Executive Officer

FOREWORD

I am delighted to present the 2022/23 Capital Markets Industry Report, showcasing the performance and key developments in Uganda's capital markets. The main objective of this Industry Report is to provide information on the activities and performance of the capital markets in Uganda. Covering the period from July 1, 2022, to June 30, 2023, this industry report aims to give stakeholders an insight into the Uganda's capital markets.

The 2022/23 Capital Markets Annual Industry Report marks its fourth edition since the inaugural report for the fiscal year 2019/20. To provide readers with a comprehensive understanding of the capital markets' evolving trends, statistical data is compared with previous years. We warmly welcome feedback from all stakeholders to enhance our service in meeting their information needs. To ensure easy access, the 2022/23 Annual Industry Report has been published on the Authority's website (www.cmaUganda.co.ug).

I want to express my heartfelt appreciation on behalf of the board, management, and staff of the Capital Markets Authority (CMA) to all stakeholders for their valuable support and cooperation during the data collection, compilation, and publication processes. This includes the approved capital markets intermediaries, the Ministry of Finance, Planning and Economic Development, as well as other government agencies and institutions.

Lastly, I would like to extend my gratitude to the Board of Directors for their continuous guidance in the development of this publication and undoubtedly to the dedicated CMA staff for their hard work and selfless contribution to the successful production of this document.

The main objective of this Industry Report is to provide information on the activities and performance of the capital markets in Uganda.

The Report focuses on period from July 1, 2022 to June 30, 2023

We warmly welcome feedback from all stakeholders to enhance our service in meeting their information needs.

Keith Kalyegira
Chief Executive Officer

DISCLAIMER

While all care has been taken in the preparation of this Industry Report, the CMA does not, in any way, warrant expressly the accuracy and completeness of the contents of this document. CMA shall not be liable for any loss or damage (including, without limitation, damages for loss of business or loss of profits) arising in contract, tort or otherwise suffered by any person/entity relying on the information contained in this Industry Report.

The contents of this Industry Report are meant for information purposes only. The statistics collected through statutory returns and other submissions have been prepared for a general overview. CMA is in no way providing financial or other professional advice through this report and none of its contents should be interpreted or relied on as such. Readers should consult their investment advisors for guidance

Any discrepancy may be brought to the notice of the Authority through email: research@cmauganda.co.ug.

The Capital Markets Authority reserves the right to revise/amend any information published in this Industry Report.

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Research Officer

List of Abbreviations

ALSI	All Share Index
AUM	Assets Under Management
BATU	British American Tobacco Uganda
BOBU	Bank of Baroda Uganda
BOU	Bank of Uganda
CBR	Central Bank Rate
CEO	Chief Executive Officer
CENT	Centum Investment Company Limited
CFO	Chief Finance Officer
CIS	Collective Investment Scheme
CMA	Capital Markets Authority
CQCIL	Cipla Quality Chemicals Limited
DFCU	Development Finance Corporation of Uganda
DPS	Dividend Per Share
FY	Financial Year
FSD	Financial Sector Deepening
GDP	Gross Domestic Product
IPO	Initial Public Offering
LCI	Local Counter Index
NIC	National Insurance Corporation
NSE	Nairobi Securities Exchange
NVL	New Vision Limited
ROA	Return on Assets
ROE	Return on Equity
RSE	Rwanda Stock Exchange
SBU	Stanbic Bank Uganda
SCD	Securities Central Depository
UBOS	Uganda Bureau of Statistics
UCL	Uganda Clays Limited
UGX	Uganda Shillings
USD	United States of America Dollar
USE	Uganda Securities Exchange
182D T-bill	182 Day Treasury Bill

Glossary of Terms Used

Assets Under Management	The total market value of the investments or assets that an entity manages on behalf of clients.
Balanced Fund	A CIS fund comprised of short, medium and long-term interest-bearing investments plus equities.
CIS Manager	A licensed firm that markets and sells CIS units to potential investors. The role of the CIS manager is to decide, within the rules of the trust and the various regulations, which investments are included within the unit trust.
Collective Investment Scheme	An investment product that allows an investor to pool savings with other investors, creating a large pool of funds to be invested on their behalf by a professional CIS manager.
Corporate Bond	A licensed firm that markets and sells CIS units to potential investors. The role of the CIS manager is to decide, within the rules of the trust and the various regulations, which investments are included within the unit trust.
Collective Investment Scheme	A security issued by a non-government entity borrowing from the public in return for interest payment and principal repayment at the end of the term of the bond.
Equity Fund	A CIS fund comprised of investments in only shares.
Initial Public Offering	An issue of securities for the first time to the public.
Investment Adviser	A licenced person who makes investment recommendations or conducts securities analysis in exchange for a fee.
Money Market Fund	A CIS fund containing interest-bearing investments with a maturity of 12 months or less or having a weighted average time to maturity of 12 months or less.
Market Capitalization	The total market value of a company's outstanding shares or other securities in issue.
Rights Issue	The issue of new ordinary shares to a company's shareholders in proportion to each shareholder's existing shareholding, usually at a price discounted to that prevailing in the market.
Stock broker	A licensed firm that buys and sells securities on behalf of clients.
Treasury Bill	A security issued by a government to borrow money from the public for a period of one year or less. In Uganda, these are issued with maturity of 91-days, 182-days, and 364-days.
Treasury Bond	A security issued by a government to borrow money from the public for a period of more than one year. These are issued with a maturity of 2 years, 3 years, 5 years, 10 years, and 15 years.
Umbrella Fund	A CIS fund with any number of constituent parts (sub-funds), providing the opportunity for unit holders to switch all or part of their investment from one part to another.

The Year 2022/23 in Brief

Collective Investment Schemes AUM

UGX 1,982.4 Bn

FY 2022/23
UGX 1,982.4 Bn

FY 2021/22
UGX 1,303.7 Bn

52.1%

Total AUM for CIS managers at the end of the FY 2022/23 was UGX 1,982.4 Billion (2021/22: UGX 1,303.7 Billion)

Fund Managers' AUM

UGX 4.6 Trn

FY 2022/23
UGX 4.6 Trillion

FY 2021/22
UGX 3.9 Trillion

17.8%

Total AUM for Fund Managers at the end of the FY 2022/23 was UGX 4.6 Trillion (2021/22: UGX 3.9 Trillion)

Domestic Market Capitalization

UGX 7.3 Bn

FY 2022/23
UGX 4.33 Trillion

FY 2021/22
UGX 4.27 Trillion

2.5%

Domestic Market Capitalization closed the FY 2022/23 at UGX 7.3 Trillion (2021/22: UGX 7.1 Trillion)

Total Market Capitalization

UGX 17.7 Trn

FY 2022/23
UGX 17.7 Trillion

FY 2021/22
UGX 19.7 Trillion

10.5%

Total Market Capitalization closed the FY 2022/23 at UGX 17.7 Trillion (2021/22: UGX 19.7 Trillion)

USE Local Counter Index

271.7 Points

FY 2022/23
271.7 points

FY 2021/22
271.9 points

0.1%

USE LCI closed the FY 2022/23 at 271.7 points (2021/22: 271.9 points)

USE All Share Index

1,017.7 Points

FY 2022/23
1,017.7 points

FY 2021/22
1,149.6 points

11.5%

USE ALSI closed the FY 2022/23 at 1,017.7 points (2021/22: 1,149.6 points)

Equity Turnover

UGX 59.1 Bn

FY 2022/23
UGX 59.1 Billion

FY 2021/22
UGX 44.3 Billion

33.4%

Total equity turnover in the FY 2022/23 was UGX 59.1 Billion (2021/22: UGX 44.3 Billion)

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EXECUTIVE SUMMARY

Estimates from the Uganda Bureau of Statistics (UBoS) reveal growth of 5.3% for the economy in the financial year 2022/23, surpassing growth of 4.6% reported in the previous year. The economy's real value expanded from Ugx 136.9 trillion to Ugx 144.2 trillion during the same period. Notably, the services sector demonstrated exceptional performance, with a growth of 6.2% in the financial year 2022/23 compared to 4.1% in the preceding year.

A closer look at the macro economy shows that annual average headline inflation for the fiscal year 2022/23 stood at 8.8%, representing an increase from the previous year's 3.4%. However, this figure was still lower than the Sub-Saharan average of 9.4% recorded in 2022. The rise in annual average headline inflation can be attributed to a surge in annual average core inflation, which increased to 7.4% during the financial year 2022/23, marking a jump from the 3.2% recorded in FY 2021/22.

Performance of the capital markets

At the end of FY 2022/23, CIS Managers had Ugx 1,982.4 billion in Assets Under Management (AUM), representing an increase of 52.1% from Ugx 1,303.7 billion at the end of the previous financial year. The total number of funded investor accounts held by CIS managers at the close of FY 2022/23 stood at 56,955, marking a growth of 65.2% from 34,467 investor accounts in the previous year. This growth in AUM and clients can be attributed to heightened awareness of CIS among local investors.

The total AUM by fund managers licensed by CMA stood at Ugx 4.6 trillion at the end of the financial year 2022/23. This equated to a growth of 17.8% from Ugx 3.9 trillion at the end of the financial year 2021/22. The surge in AUM can be attributed to the appreciation in the value of the assets held, as well as the enrollment of new members by the schemes whose funds are under management.

Domestic market capitalization that represents the value of locally listed counters closed higher at Ugx 7.3 trillion, representing a gain of 2.5%, from Ugx 7.1 trillion at the end of FY 2021/22. This growth was largely due to the increase in market capitalization of UMEME (84.1%), NIC (33%), BOBU (19.2%), SBU (18.2%) and CQCIL (1.4%).

Domestic market capitalization, as a percentage of GDP, experienced a decrease from 5.2% in the financial year 2021/22 to 5.1% in the financial year 2022/23. This decline can be attributed to GDP growth outpacing the growth in the domestic market capitalization.

Equity turnover, which represents the total value of shares traded, increased by 33.4% to Ugx 59.1 billion in the financial year 2022/23 from Ugx 44.3 billion recorded in the financial year 2021/22. The increase in market turnover can be attributed to increased investor activity, with many investors aiming to benefit from dividend payments of listed companies. In addition, the increased activity on the UMEME

GDP **5.3%**

UGX 144.2 trn

Growth of 5.3% for the economy in the financial year 2022/23, surpassing growth of 4.6% reported in the previous year.

8.8%

annual average headline inflation for the fiscal year 2022/23 stood at 8.8%, representing an increase from the previous year's 3.4%.

52.1%

CIS Managers had Ugx 1,982.4 billion in Assets Under Management (AUM) an increase of 52.1%

17.8%

The total AUM by fund managers licensed by CMA stood at Ugx 4.6 trillion at the end of financial year 2022/23, an increase of 17.8%.

stock reflected the growing interest from investors anticipating the government payout at the end of the concession period.

The economic outlook and implications for the capital markets

The World Bank's Global Economic Prospects report for June 2023 predicts a slowdown in global growth this year due to tighter credit conditions and banking sector stress in advanced economies. Additionally, the report highlights that Sub-Saharan Africa is expected to experience a decrease in growth due to external challenges, persistent inflation, higher borrowing costs, and increased insecurity. However, amidst these uncertainties, the Bank of Uganda notes that Uganda's economy has demonstrated strength and resilience. Inflationary pressures are easing and economic recovery is underway, despite ongoing uncertainty and evolving risks in the global economy. The Central Bank projects a growth rate within the range of 6% to 6.5% for Uganda in the fiscal year 2023/24.

Going forward, the capital markets may continue to be affected by foreign investors selling off their investments in emerging and frontier markets as they seek more attractive returns in developed markets like the USA. Nonetheless, we remain optimistic about the market's prospects, especially with the anticipated listing of Airtel Uganda before the year-end.

2.5%

Domestic market capitalization that represents the value of locally listed counters closed higher at Ugx 7.3 trillion, an increase of 2.5%

Equity turnover, which represents the total value of shares traded, increased by 33.4% to Ugx 59.1 billion in the financial year 2022/23

1.0 INTRODUCTION

1.1 Overview of the Capital Markets, Role in the Economy and the Need for Regulation

Capital markets are avenues where those with individual or group savings can provide long-term capital to governments and corporations that need it. These markets make it possible for governments and companies with productive ideas but with insufficient capital to access funding from those individuals and institutions with savings. In the capital markets, savers buy financial instruments known as securities and in exchange provide their savings as capital. These financial instruments usually have a term that exceeds one year. To ensure consumers of financial products are protected, and public confidence is maintained at all times, it is important that fit and proper persons, capable of professionally and ethically undertaking the role of financial intermediation, are licensed and regulated. Effective regulation seeks to address the issues that may erode public confidence and participation in securities markets.

1.2 The CMA Annual Industry Report

The annual capital markets industry report covers the activities, developments and performance of Uganda's capital markets industry. This report aims at providing insights into the domestic capital markets performance and related activities taking note of global and regional developments. This industry report focuses on the period from 1st July 2022 to 30th June 2023.

1.3. Structure of the Report

This report is divided into four ch apters. Chapter one provides an introduction and macroeconomic context for the Industry Report, while Chapter two focuses on highlighting the performance of the capital markets industry. Chapter three presents the performance of regional capital markets, and chapter four discusses the outlooks.

1.4 Macroeconomic Context for the Industry Report

This section reviews the key macro-economic indicators which include: Global Economic Growth, Domestic Economic Growth, Gross Domestic Savings, Inflation, Exchange Rate, Central Bank Rate and Treasury Securities Rates. A sound macroeconomic environment enables capital markets to fulfil an important role in the economy by channeling savings into financial instruments (securities) issued by entities that need capital.

1.4.1 Global Economic Growth

The global economy is expected to face a downturn in 2023, with growth slowing down to 2.1% from 3.1% in 2022. However, there is hope for a gradual recovery in 2024, with the World Bank expecting the global economy to reach 2.4%. The prolonged impact of various negative shocks, including the overlapping shocks of the pandemic, Russia's invasion of Ukraine, and the necessary measures taken to combat high inflation have left the world economy in a precarious position, according to the World Bank. The stress experienced by the banking sector in developed economies may also hinder activity through more restricted access to credit. The potential escalation of banking turmoil and tighter monetary policies could further weaken global growth.

Additionally, the advanced economies' rising borrowing costs might trigger financial disruptions in emerging market and developing economies (EMDEs) that are more vulnerable. Low-income countries are particularly at risk, given their increasingly precarious fiscal positions. The world bank notes that to achieve macroeconomic and financial stability, comprehensive policy action is required at both the global and national levels. Many EMDEs, particularly low-income countries, need to focus on enhancing fiscal sustainability by increasing revenue generation, improving spending efficiency, and enhancing debt management practices.

1.4.2 Domestic Economic Growth

Estimates from the Uganda Bureau of Statistics (UBoS) indicate that the economy grew by 5.3% in the financial year 2022/23 compared to a growth of 4.6% in 2021/22. The size of the economy in real terms increased from UGX 136.9 trillion in the financial year 2021/22 to UGX 144.2 trillion in the financial year 2022/23.

In terms of performance by sector, the services sector recorded a growth of 6.2% during the financial year 2022/23 compared to a growth of 4.1% in the previous year. This growth was largely attributed to the professional, scientific and technical activities plus administrative and support service activities which registered a growth of 28.4% and 18.3% in the FY 2022/23, compared to a growth of 3.1% and 3.5% in 2021/22 respectively.

In the same breath, the agricultural, forestry and fishing grew by 5% in the FY 2022/23, compared to a growth of 4.2% in the previous financial year, driven by strong performance in fishing activities, food crop growing activities and livestock activities. That said, the industrial sector grew by 3.9% in the financial year 2022/23, compared to a growth of 5.1% registered in the FY 2021/22.

Table I: GDP Statistics (2018/19 – 2022/23)

	2018 / 19	2019 / 20	2020 / 21	2021 / 22	2022 / 23
Gross Domestic Product					
GDP at current prices (Ugx Billion)	132,105	139,718	148,328	162,883	139,718
GDP at constant 2016/17 prices (UGX Billion)	122,787	126,411	130,884	136,936	126,411
Annual Growth at constant 2016/17 Prices (%)	6.4	3	3.5	4.6	3
GDP Per Capita					
GDP per capita at current prices (Ugx '000)	3,322	3,403	3,501	3,726	3,403
GDP per capita at current prices (US $)	889	916	957	1,043	916
Memorandum items					
Population ('000)	39,772	41,054	42,369	43,717	41,054
Exchange Rate (Ugx per US $)	3,736	3,715	3,659	3,572	3,715

Source: Uganda Bureau of Statistics

The central bank projects that economic growth for the fiscal year 2023/24 will fall within the range of 6% to 6.5%. Long-term sustainable growth is expected in 2024/25, supported by investments in oil-related infrastructure, energy sector, transportation, and a recovery in manufacturing and construction. To this end, the CMA will continue with its sensitization efforts aimed at increasing the uptake of market-based financing among business owners and founders of businesses. An expanding economy implies increased employment opportunities which could lead to an increase in savings that can be channeled to the real economy as market-based capital.

1.4.2 Gross Domestic Savings

Over the last five years, Gross Domestic Savings (GDS) which consist of savings of households, private corporate entities and the public sectors have grown by a compounded average growth rate of 8.1% from Ugx 23 trillion in 2018 to Ugx 31.3 trillion in 2022. It is worth noting that the rate of saving among Ugandans has been expanding both in absolute numbers and also relative to GDP (see table II). Uganda's GDS to GDP ratio of 19.2% for 2022 is below the Sub-Saharan Africa average of 23.4%.

Table II: Gross Domestic Savings Statistics (2018 - 2022)

	2018	2019	2020	2021	2022
Gross Domestic Savings (Ugx Trillion)	22.97	26.48	26.87	26.63	31.31
Gross Domestic Savings (% of GDP)	19.1	20.1	19.2	18	19.2

Source: World Bank

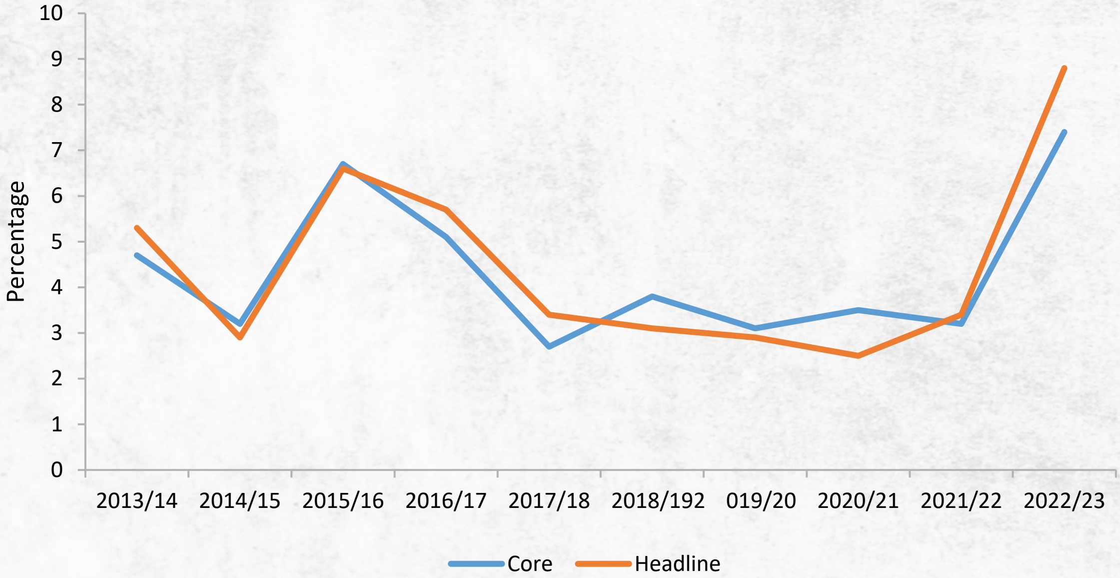
An increase in Gross Domestic Savings implies that there are more resources to be deployed as long-term capital via the capital markets. This long-term capital can facilitate refinancing efforts, expansion as well as exit strategies by business owners through the capital markets in the form of private and public equity and/or debt.

1.4.3 Inflation

Annual average headline inflation for the FY 2022/23 was recorded at 8.8% compared to 3.4% which was recorded for the FY 2021/22. This was lower than the Sub-Saharan average of 9.4% registered in 2022. The increase in annual average headline inflation[1] was driven by a rise in annual average core inflation[2] that increased to 7.4% during the financial year 2022/23, from 3.2% in FY 2021/22.

In addition, Food Crops and related items' annual average inflation increased to 22.9% during the financial year 2022/23, from 4.4% in FY 2021/22 while Annual average inflation for Energy, Fuels and Utilities (EFU) rose to 9.2% in FY 2022/23, from minus 5.3% in FY 2021/22.

Figure I: Annual Average Headline and Core Inflation Rates (FY 2013/14 – FY 2022/23)



Source: Uganda Bureau of Statistics

The Central Bank anticipates that inflation will reach the target of 5% in the near term. This forecast is supported by various factors such as decreased international commodity prices, favorable weather conditions, and a tight monetary policy stance, which ensures stability in the exchange rate. Although there are risks associated with the inflation outlook, the balance of risks leans towards a decrease in inflation. However, it is possible for inflation to unexpectedly increase due to a weaker domestic currency, higher commodity prices resulting from multiple crises, a larger fiscal deficit, and adverse weather conditions such as floods and droughts impacting food supplies. Conversely, potential downside drivers of inflation include slower global growth, softer international commodity prices, and reduced domestic growth due to political tensions in certain regional markets. Furthermore, an appreciating domestic currency triggered by developments in the oil sector may lead to lower inflation.

[1] Headline inflation refers to the inflation rate calculated based on the price index that includes all goods and services in an economy.
[2] Core inflation refers to the inflation rate calculated based on a price index of goods and services except food and energy.

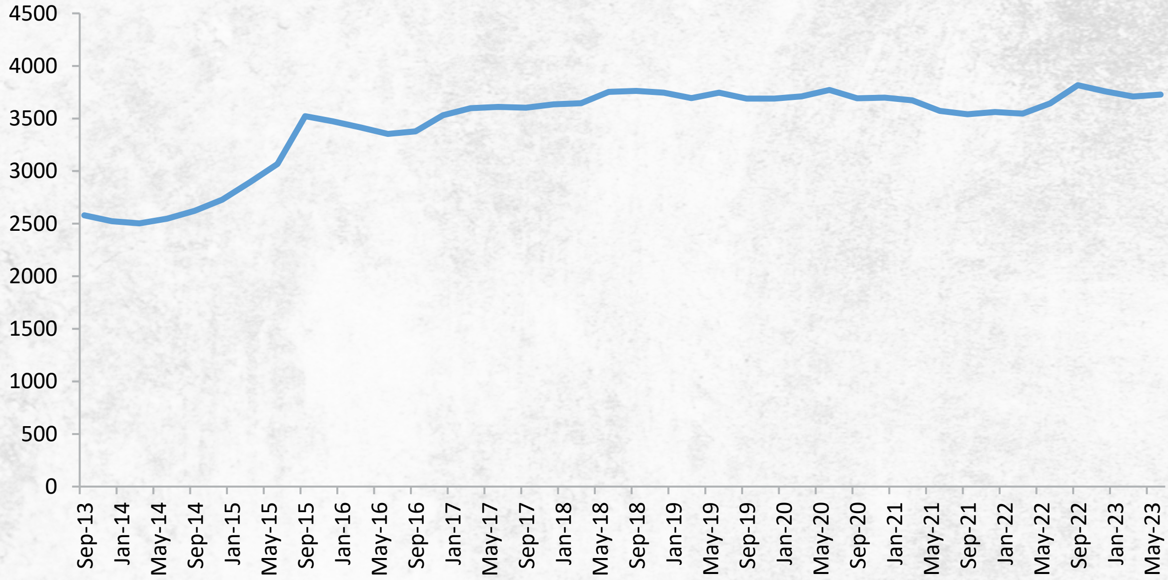
High inflation erodes the purchasing power of savings making it imperative to invest in assets that can generate a positive real return. In a high inflationary environment, investors normally take a defensive posture by investing in assets that provide a hedge against inflation such as commodities and real estate. Additionally, in the equities market, preference is given to non-discretionary securities in areas such as utilities and healthcare that can wither a high inflation environment.

1.4.5 Exchange Rate

The Uganda shilling depreciated by 5.1% against the US Dollar, posting a monthly average of Ugx 3,754 in 2022/23 compared to a monthly average of Ugx 3,572 in 2021/22. In contrast to other regional currencies during the same time frame, the Kenyan shilling and Rwandan franc experienced a depreciation of 16.7% and 6.8%, respectively, against the US Dollar. Meanwhile, the Tanzanian shilling managed an appreciation of 0.03% against the US Dollar.

Over the last ten years, the local currency has depreciated against the US Dollar by 4.4% on an annualized basis from Ugx 2,538 in 2013/14 to Ugx 3,754 in the review period.

Figure II: Trends in USD/UGX Exchange Rate (2013/14 – 2022/23)



Source: Bank of Uganda

In the near term, the local currency may continue to depreciate on account of a pick-up in both the private sector and government demand for imports, slowdown in portfolio inflows and strengthening of the US dollar.

A depreciating domestic currency decreases the purchasing power of income and capital gains derived from any returns on investment for offshore investors. On the flip side, domestic assets become affordable for investors holding hard currencies such as the US dollar, providing an opportune moment for the purchase of discounted assets.

1.4.6 Interest rates

1.4.6.1 Central Bank Rate

The Bank of Uganda increased the Central Bank Rate (CBR) by 250 basis points from 7.5% in June 2022, to 10% in June 2023. The economy continued to face strong inflationary pressures driven by a combination of global factors, dry weather conditions in the region, and a weaker shilling. The impact of these factors pushed consumer price inflation to a decade-long high during the review period. It is important to highlight that while the increases in the CBR are meant to bring back inflation to its medium-term objective of 5%, these have an indirect effect in lowering the pace of depreciation of the exchange rate, which in turn helps to cushion the inflation pressures.

Going forward, the CBR is expected to remain stable as monetary authorities aim to stimulate economic activity while maintaining inflation around its medium-term target of 5%.

A contractionary monetary policy which includes high-interest rates targets to reduce the level of the money supply to create a balance between demand and supply in the economy. A rise in interest rates increases the cost of capital for businesses and compresses valuations for assets in both the private and public markets.

1.4.6.2 Treasury Bill Rates

Monthly Average Annualized yields on the 91-Day and 182-Day Treasury bills increased to 9.8% and 11.7%, respectively in June 2023, compared to 8.8% and 9.7% in July 2022. This increase in yields is partly explained by Central Bank Rate increments, which pointed to a tightening of monetary policy by BOU to tame inflation. That said, the Monthly Average Annualized yields on the 364-Day Treasury bills remained unchanged to close the month of June 2023 at 12.3%.

Table III: Monthly Average Annualized Yields on Treasury Bills in FY 2022/23

Tenor	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Arp	May	Jun
91-Day	8.8	9.2	10.4	11.5	11.4	11.3	10.4	10.4	10.4	10.4	10.4	9.8
182-Day	9.7	11.1	12.2	13.7	13.3	12.1	11.0	10.5	10.5	10.5	10.5	11.7
364-Day	12.3	13.7	14.3	15.3	15.4	13.8	12.4	12.4	12.8	12.5	11.9	12.3

Source: Bank of Uganda

In the short term, yields on government securities are expected to remain relatively flat with muted upside pressure due to better liquidity conditions and the central bank's anticipated accommodative monetary policy.

2.0 INDUSTRY PERFORMANCE OVERVIEW

2.0 Industry Performance Overview

This section covers the performance of Collective Investment Schemes (CISs) and Fund Management. It also provides insights into equity market performance, Government bond market & corporate bonds.

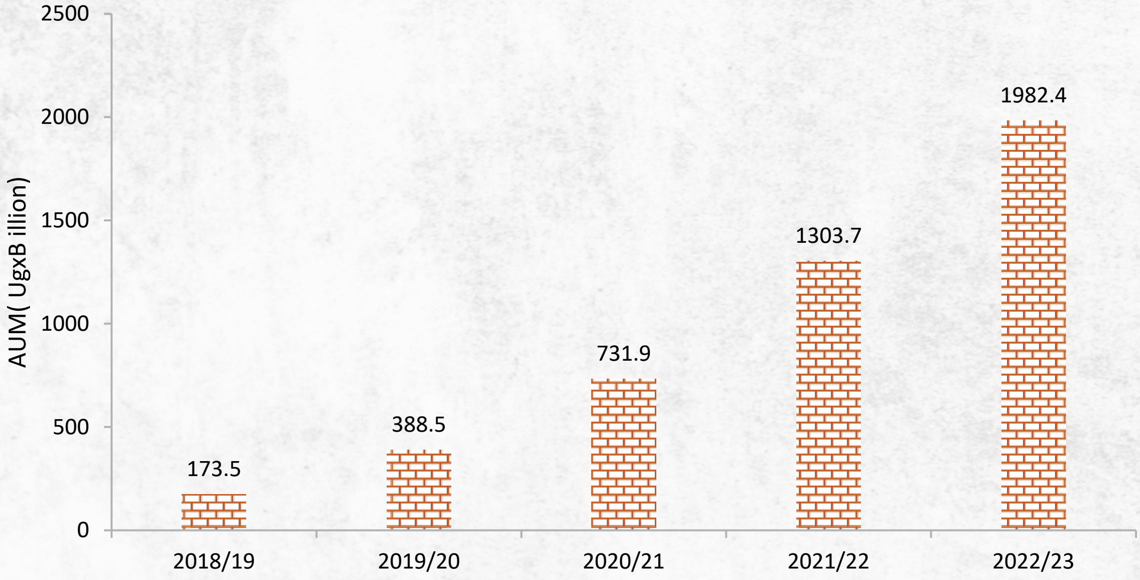
2.1 Performance of Collective Investment Schemes

At the end of FY 2022/23, CIS Managers had Ugx 1,982.4 billion in Assets Under Management (AUM), representing an increase of 52.1% from Ugx 1,303.7 billion at the end of the previous financial year. It's impressive to note that the AUM has surpassed the NDP III target of Ugx 1.03 trillion set for the development plan period. The total number of funded investor accounts held by CIS managers at the close of FY 2022/23 stood at 56,955, marking a growth of 65.2% compared to the previous financial year, which saw a total of 34,467 funded investor accounts. On average, each CIS investor account had about Ugx 34.8 million in the FY 2022/23, compared to Ugx 37.8 million in the FY 2021/22.

This growth in AUM and clients can be attributed to increased awareness of CIS among local investors. The credit for this increased awareness goes to the impactful public education campaign conducted by the CMA and CIS managers. Moreover, the professional management of funds and the diverse benefits of diversification have significantly boosted interest in CIS among the investing public.

Over the last five years, the AUM has risen by 83.9% on an annualized basis from Ugx 173.5 billion at the end of the financial year 2018/19 to Ugx 1,982.4 billion at the end of FY 2022/23.

Figure III: Trends in CIS Assets under Management (2018/19 - 2022/23)



Source: CMA Market Supervision Department

Table IV shows the breakdown of CIS Assets under Management per CIS manager. The top two CIS managers controlled 82% of the total AUM at the end of FY 2021/22.

Table IV: CIS Assets under Management per CIS Manager

CIS Manager	AUM (Ugx Billion)		Change (%)
	2021/22	2022/23	
UAP-Old Mutual Financial Services Limited	865.6	1,365.1	57.7
ICEA Lion Asset Management Limited	177.6	258.6	45.6
Britam Asset Managers Uganda Limited	201.4	190.3	-5.5
Sanlam Investments East Africa Limited	22.3	83.3	273.4
Xeno Technologies Uganda Limited	36.9	50.5	36.9
SBG Securities Limited		34.6	-
Total	**1,303.7**	**1,982.4**	**52.1**

Source: CMA Market Supervision Department

A breakdown of the CIS assets by fund type at the end of the FY 2022/23 showed that a large portion of the assets were held in Umbrella Funds (76%) followed by Money Market funds at 16.7% and Fixed Income Funds at 6.9%. The dominance of the umbrella funds is partly because they provide higher returns compared to the other funds.

The umbrella funds invest in interest-bearing securities such as treasury bills, treasury bonds, corporate bonds, and fixed deposits with approved financial institutions. The funds' returns are further enhanced by the inclusion of selected, highly rated debt, corporate and government papers from across the region and offshore.

Table IV: CIS Assets under Management per CIS Manager

Unit Trust Fund	AUM (Ugx Billion)	Percentage (%)
Umbrella Funds	1,507.5	76
Money Market Funds	330.1	16.7
Fixed Income Funds	136.9	6.9
Balanced Funds	5.9	0.3
Equity Funds	1.9	0.1
Total	**1,982.4**	**100**

Source: CMA Market Supervision Department

Table VI below shows the industry-weighted average annual returns for the different funds during the financial year 2022/23.

Table VI: Industry Weighted Average Annual Returns of Selected Unit Trust Funds (%)

Unit Trust Fund	June 2022	June 2023	% Change
Umbrella Funds	11	12	9.1
Money Market Funds	10.4	12.1	16.3
Fixed Income Funds	14.3	15.8	10.5
Balanced Funds	5.9	9.4	59.3
Equity Funds -	9.8	-8.5	13.3

Source: Unit Trust Fund Fact sheets

A breakdown of AUM by asset class at the end of the FY 2022/23 indicates that investments in Government of Uganda bonds took up 71.7% of the total AUM followed by Fixed Deposits at 15.3% and Government of Uganda Treasury Bills at 6.1%. It is important to note that a large portion of the CIS umbrella funds' assets are invested in fixed-income securities, primarily treasury bonds.

A five-year trend analysis of CIS assets allocation indicates that investments in Government of Uganda bonds as a percentage of total AUM have grown from 28.8% at the end of FY 2018/19 to 71.7% at the end of FY 2022/23. On the other hand, Cash and investments in Listed Equities in Uganda as a percentage of total AUM have fallen from 1.6% and 0.2% at the end of FY 2018/19 to 0.3% and 0.04% respectively at the end of FY 2022/23.

The increase in the allocation of funds to government bonds and the drop in the allocation of funds to listed equities is driven in part by the growth of umbrella funds which are primarily invested in treasury bonds.

Table VII: CIS Industry Asset allocation (Percentage) at year-end

Asset	2018/19	2019/20	2020/21	2021/22	2022/23
Government of Uganda Bonds	28.8	59.7	67.4	76.5	71.7
Fixed Deposits	36.8	19.1	13.7	13.3	15.3
Call Deposits		9.7	5.3	3.2	4.6
Government of Uganda Treasury Bills	16	7.2	8.9	3.3	6.1
Cash	1.6	2.7	1	1.6	0.3
Commercial Paper			1.6	0.8	0.2
Corporate Bonds	2.5	1.2	1.4	0.8	1.6
Listed Equities in Uganda	0.2	0.3	0.2	0.05	0.04
Government Bonds in Rest of East Africa	5.5				
Listed Equities in Rest of East Africa	0.2	0.1	0.1	0.07	0.05
Other Investments (Off-shore and foreign exchange)	8.5		0.4	0.4	0.2
Total	**100**	**100**	**100**	**100**	**100**

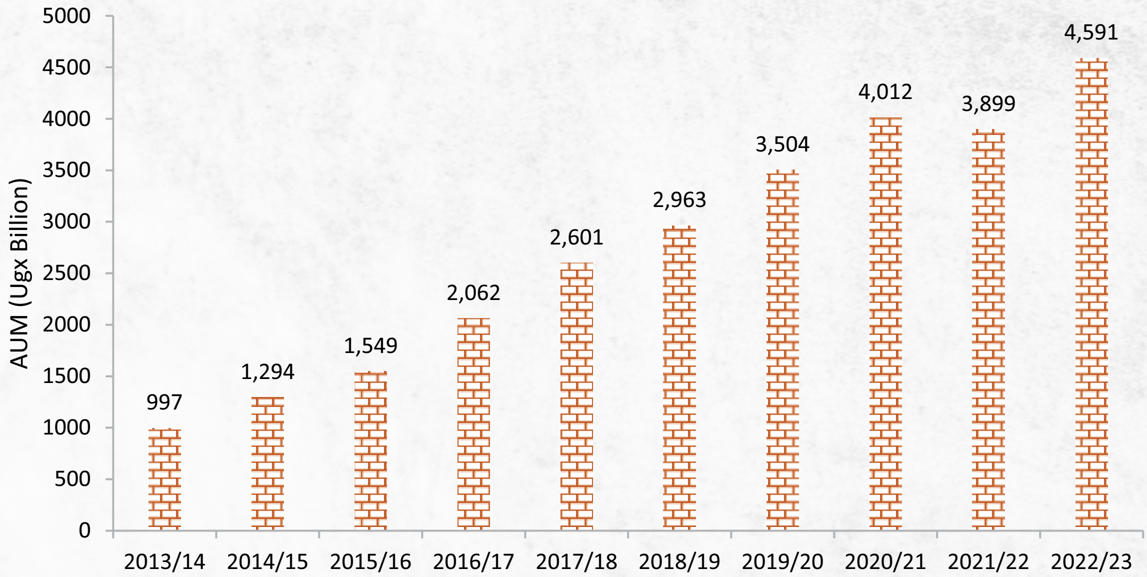
Source: CMA Market Supervision Department

2.2 Fund Management Performance

The total AUM by fund managers licensed by CMA stood at Ugx 4.6 trillion at the end of the financial year 2022/23. This equated to a growth of 17.8% from Ugx 3.9 trillion at the end of the financial year 2021/22. The surge in AUM can be attributed to the appreciation in the value of the assets held, as well as the enrollment of new members by the schemes whose funds are under management.

AUM has risen by 18.9% on an annualized basis from Ugx 1 trillion at the end of the financial year 2013/14 to Ugx 4.6 trillion at the end of the FY 2022/23. The increase in AUM over the last ten years can be credited to the increase in the number of retirement benefit schemes and also the recruitment of new members by schemes whose funds are being managed.

Figure IV: Trends in Assets under Management for Fund Managers (2013/14 - 2022/23)



Source: CMA Market Supervision Department

At the end of FY 2022/23, the ratio of Fund managers' AUM to GDP in Uganda stood at 3.2%. In comparison, Kenya had a ratio of 20.6%, indicating that Kenya has been more successful in mobilizing savings through licensed fund managers relative to its economy size. The low AUM to GDP ratio in Uganda can be attributed to, among other things, the slow progress in implementing pension reforms. Implementing pension sector reforms would greatly enhance pension coverage and subsequently facilitate the mobilization of local savings, which could be effectively utilized in the capital markets.

Table VIII below shows a breakdown of AUM per fund manager. The top three fund managers in the FY 2022/23 controlled 82.4% of the total AUM during the period.

Table VIII: Assets under Management per Fund Manager

Fund Manager	AUM (Ugx Billion)		Change (%)
	2021/22	2022/23	
Sanlam Investments East Africa Limited	1,699.6	1,947.6	14.6
GenAfrica Asset Managers Uganda Limited	815.7	988.1	21.1
UAP-Old Mutual Financial Services Limited	451.9	711	57.3
Britam Asset Managers Uganda Limited	699.1	633.9	-9.3
ICEA Lion Asset Management Limited	231.6	310.9	34.2
Total	3,897.9	4,591.5	17.8

Source: CMA Market Supervision Department

A breakdown of AUM by asset class at the end of the FY 2022/2023 reveals that the majority of investments were in Government of Uganda bonds, accounting for 76.5% of the total AUM. Fixed Deposits followed at 6.7%, with Government of Uganda Treasury Bills at 5.1%. Given that the retirement benefits dominate the asset composition, a preference for fixed-income instruments is exhibited. This approach allows hedging against pension liabilities and ensures that funding is available when required (known as the Liability Relative Approach to asset allocation).

An analysis of the annual asset allocation trend over the past five years highlights the rising prominence of CIS investments, growing from 0.7% at the end of the financial year 2018/19 to 4.9% at the end of FY 2022/23. This growth is attributed to the attractive returns and liquidity benefits offered by CIS compared to alternatives like fixed deposits.

Table IX: Fund Managers' Asset Allocation (Percentage) at year-end

Asset	2018/19	2019/20	2020/21	2021/22	2022/23
Government of Uganda Bonds	64.2	65	71.9	75.2	76.5
Government of Uganda Treasury Bills	10.5	14.6	8.8	4.1	5.1
Government Bonds in Rest of East Africa	0.1	0.1	0.1	0.02	0.01
Listed Equities in Uganda	3.5	2.6	2.2	3.3	2.7
Listed Equities in Rest of East Africa	11.5	8	8.5	5.7	3
Fixed Deposits	7.3	6.6	5.7	6.3	6.7
Real Estate	0.5	0.7	0.6	0.5	0.4
Cash	1	0.5	0.5	0.6	0.5
Collective Investment Schemes	0.7	1	1.4	3.4	4.9
Other (Dividend Income Receivable and Wealth management)	0.1	0.5	0.03	0.7	0.04
Corporate Bonds	0.5	0.4	0.1	0.1	0.1
Unlisted Equities in Uganda	0.01	0.01	0.01	0.01	0.01
Unlisted Equities in the Rest of East Africa	0.05	0.04	0.03	0.03	0.02
Off-shore Investments (Equities)	0.01	0.01	0.003		
Total	**100**	**100**	**100**	**100**	**100**

Source: CMA Market Supervision Department

2.3 Equity Market Performance

All the listed equities in Uganda are on the Uganda Securities Exchange (USE), thus the equity market performance is evaluated based on USE.

2.3.1 Number of Listed Companies

The USE ended the period under review with 18 listed companies. Ten companies are locally listed, while seven are cross-listed from the Nairobi Securities Exchange. That said, trading in Uchumi Supermarkets' shares on USE's Main Investment Market Segment and the listing of the company's shares on the Official List continue to be suspended. The above-mentioned suspension was on account of Uchumi's continued failure to comply with listing obligations prescribed under the USE Fees, Charges and Penalties Rules of 2021 and the USE Listing Rules of 2021 respectively.

Table X: Number of Companies Listed at the USE

Listing Status	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
New Local Listings	0	0	0	0	0	1	0	0	1	0
New Cross Listings	1	0	0	0	0	0	0	0	0	0
Total Foreign Listings	8	8	8	8	8	8	8	8	8	8
Total Domestic Listings	8	8	8	8	8	9	9	9	10	10
Total Listings	16	16	16	16	16	17	17	17	18	18

Source: Uganda Securities Exchange

The limited supply of securities or few issuers could be due to a number of factors, such as: a young private sector dominated by family-run businesses; a lack of knowledge about market-based financing; and a lack of investment readiness on the part of companies. There are several initiatives in place to ensure that more companies can access the market. These include the Issuer Education Program and the Deal Flow Facility. The Issuer Education Program is run by CMA involving external contractors reaching out to key people from prospective issuers (such as business owners, founders, board members, CEOs and CFOs) to inform them about the long-term capital raising opportunities available through non-bank, market-based financing.

The DFF, a collaborative effort between the CMA, Financial Sector Deepening (FSD) Uganda, and the European Union, is a hub that facilitates business access to market-based financing. By offering comprehensive business support services, the DFF empowers a select group of enterprises to enhance their competitiveness and unlock opportunities for market-based financing, encompassing both private and public equity and/or debt.

2.3.2 Number of Securities Central Depository (SCD) Accounts at the USE

The total number of SCD accounts increased by 9.1% to 132,397 at the end the FY 2022/23 from 121,343 at the end of FY 2021/22. The growth in SCD accounts can be attributed to, among other things, the increased investor awareness and the digital service launched by the USE in partnership with MTN Mobile Money Uganda to facilitate convenient SCD account opening using the MTN MoMo platform. The digital SCD account opening service is envisaged to democratize and bolster both access to the Ugandan stock market and trade as more people will be able to open SCD accounts that are a requirement to trade in the securities market.

Table XI: Number of SCD Accounts Per Investor Category

Investor Category	2021/22	2022/23	% Change
Ugandan Individuals	101,302	110,863	9.4
Ugandan Companies	1,267	1,337	5.5
East African Individuals	10,157	11,100	9.3
East African Companies	5,954	6,049	1.6
Foreign Individuals	1,167	1,458	24.9
Foreign Companies	1,496	1,590	6.3
Total	**121,343**	**132,397**	**9.1**

Source: Uganda Securities Exchange

2.3.3 Capital Raised through the Equity Market

During the period under review, there were no initial public offerings. However, the equity market witnessed two secondary offers. Bank of Baroda (Uganda) Limited offered bonus shares to its shareholders in the ratio of five new shares for every one share held, aiming to raise Ugx 125 billion. This involved the issuance of 12.5 billion ordinary shares of Ugx 10 each, which were allotted as bonus shares and credited as fully paid shares. On the other hand, NIC Holdings Limited offered bonus shares to its shareholders in the ratio of one new share for every two shares held, seeking to raise Ugx 3.5 billion. This was done by issuing 707.9 million ordinary shares of Ugx 5 each, which were allotted as bonus shares and credited as fully paid shares.

Table XI below shows the capital that has been raised (Ugx 1.74 Trillion) on the Uganda Securities Exchange through a combination of IPOs, rights issues, bonus issues and secondary offerings over the last eleven years.

Table XII: Capital Raised at the USE (Ugx, Billion)

Listing Status	2012 /13	2013 /14	2014 /15	2015 /16	2016 /17	2017 /18	2018 /19	2019 /20	2020 /21	2021 /22	2022 /23
Rights issues	0	7	0	0	0	191	0	0	0	0	0
Bonus issues	15	4.1	160								128.5
Secondary offers of shares	0	248	0	0	113	0	0	0	0	0	0
IPOs	171	0	0	0	0	0	167	0	0	536	0
Total capital raised	186	259.1	160	0	113	191	167	0	0	536	128.5

Source: Uganda Securities Exchange, CMA Database

CMA is taking action to ensure that more products are brought to the market and that more issuer participation is achieved. Recognizing that a large number of local businesses are family-owned and controlled, CMA is engaging these enterprises through its Issuer Resource Person Program, offering them the opportunity to raise capital privately (private equity and placements) before accessing public funds. Furthermore, to increase access to market-based financing (both private and public equity and/or debt) for business enterprises in Uganda, the DFF is providing business support services, as outlined in the previous section.

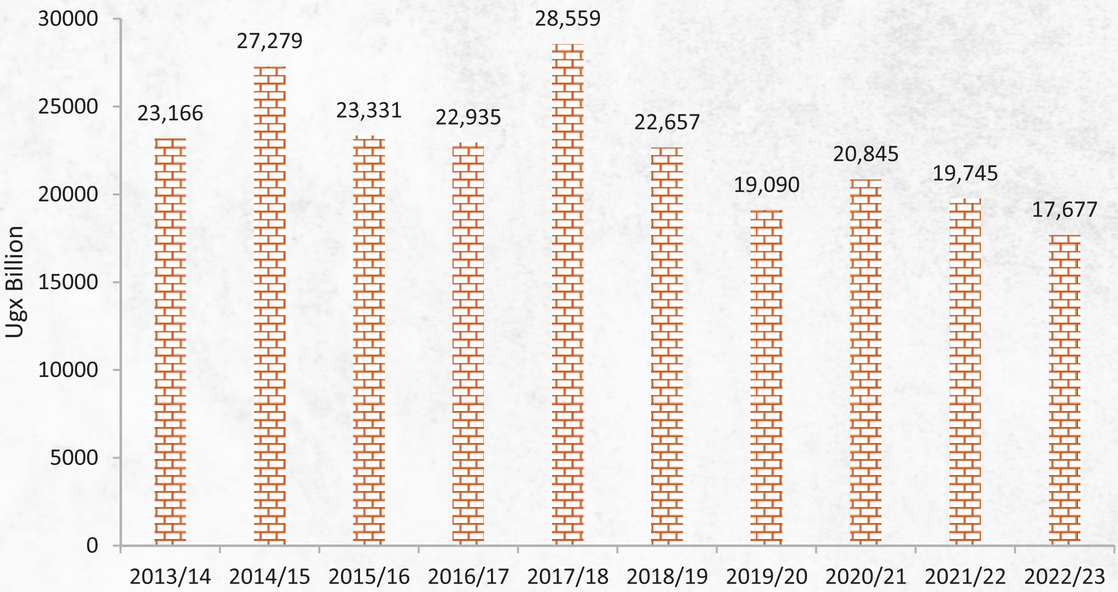
2.3.4 Secondary Market Activity

2.3.4.1 Market Size

I. Total Market Capitalization

The USE total market capitalization dropped 10.5% to Ugx 17.7 trillion at the end of FY 2022/23 from Ugx 19.7 trillion at the close of the previous financial year. This decline was due to the decrease in market capitalization observed on all cross-listed counters except East Africa Breweries Limited; and four locally listed counters – Vision Group, MTN Uganda, DFCU Bank and Uganda Clays Limited. The decline in market capitalization was influenced by the share price losses which can be attributed to, among other things, low investor demand and a weak macro-economic environment regionally.

Figure V: Trends in Total Market Capitalization (2013/14 - 2022/23)

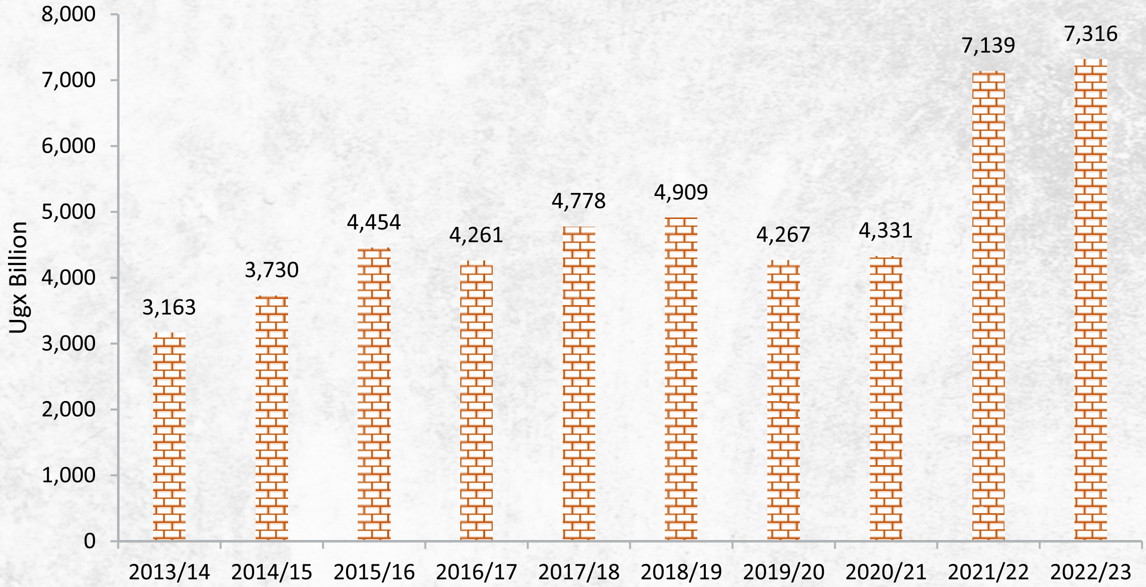


Source: USE market reports

II. Domestic Market Capitalization

Domestic market capitalization that represents the value of locally listed counters closed higher at Ugx 7.3 trillion, representing a gain of 2.5%, from Ugx 7.1 trillion at the end of FY 2021/22. This growth was largely due to the increase in market capitalization of five locally listed counters – UMEME (84.1%), NIC (33%), BOBU (19.2%), SBU (18.2%) and CQCIL (1.4%). This increase in market capitalization of BOBU and NIC occurred after the successful listing of bonus shares on the Uganda Securities Exchange. On the other hand, the increase in market capitalization of other stocks can be attributed to share price gains occasioned by, among other things, demand for the stocks outstripping supply during the period under review.

Figure VI: Trends in Domestic Market capitalization (2013/14 - 2022/23)



Source: USE market reports

III. Domestic Market Capitalization as a percentage of GDP

Domestic market capitalization, when measured as a percentage of GDP (signifying the wealth in the capital markets relative to the size of the economy), fell from 5.2% at the end of the financial year 2021/22 to 5.1% at the close of the financial year 2022/23. This decline was due to the fact that GDP growth outpaced the growth in the domestic market capitalization. It is noteworthy that the ratio of domestic market capitalization to GDP at the end of June 2023 is still above the NDP III target of 4.5%.

Table XIII: Market Capitalization as a Percentage of GDP (2013/14 - 2022/23) (Ugx Trillions)

Listing Status	2013 /14	2014 /15	2015 /16	2016 /17	2017 /18	2018 /19	2019 /20	2020 /21	2021 /22	2022 /23
Domestic market capitalization	3.2	3.7	4.5	4.3	4.8	4.9	4.3	4.3	7.1	7.3
GDP at Constant 2016/17 Prices	94.8	99.8	104.5	108.5	115.4	122.8	126.4	130.9	136.9	144.2
Domestic market capitalization to GDP (%)	3.3	3.7	4.3	3.9	4.2	4	3.4	3.3	5.2	5.1

Source: USE market reports, Uganda Bureau of Statistics

In comparison with other jurisdictions, Uganda's domestic market capitalization to GDP ratio is still low. At the end of the FY 2022/23, the domestic market capitalization to GDP ratio of Kenya, Tanzania and Nigeria stood at 12.7%, 7% and 38.1% respectively.

The Authority actively continues to engage with business owners and founders seeking ways for them to participate as issuers in the market to access market-based financing to fuel their expansion.

2.3.4.2 Market Activity

I. Market Turnover

Equity turnover, which represents the total value of shares traded, increased by 33.4% to Ugx 59.1 billion in the financial year 2022/23 from Ugx 44.3 billion recorded in the financial year 2021/22. Average turnover per day increased to Ugx 232.3 million in the FY 2022/23, from Ugx 169.8 million recorded in the previous financial year. The increase in market turnover can be attributed to heightened investor activity, with many aiming to benefit from dividend payments of listed companies. In addition, the increased activity on the UMEME stock reflects the growing interest from investors anticipating the government payout at the end of the concession period.

At the end of FY 2021/22, Uganda's equity turnover ratio (measured as total equity turnover divided by the total market capitalization) stood at 0.3%. In comparison with other jurisdictions, there is still room for growth. At the end of FY 2019/20, Kenya's equity turnover ratio stood at 6.2% while Tanzania's stood at 0.7%. Key among the strategies employed in other jurisdictions to boost market activity is growing the capacity of local investors in the capital markets. This is achieved through various means, including public education initiatives and the use of technology to provide market participants with convenient, faster, and real-time access to securities exchanges and pension reforms. It is noteworthy that the CMA, alongside other stakeholders, actively conduct investor education programs aimed at raising awareness about capital markets and fostering increased local investor participation in the market.

Over the last five years, the total equity turnover at the USE has increased by 6% on an annualized basis from Ugx 46.9 billion in the FY 2018/19 to Ugx 59.1 billion in the review period.

Table XIV: Equity Turnover per Counter at the USE (Ugx, Billion)

Counter	2018/19	2019/20	2020/21	2021/22	2022/23
BATU			0.0001	0.007	
BOBU	2.4	0.2	1.7	2.8	4.1
CENT	0.001	0.01	0.0001	0.001	0.03
CQCIL	0.4	0.1	0.3	0.06	0.07
DFCU	1.4	50.9	0.03	0.03	0.04
KCB				0.0004	
MTNU				4.6	15.3
NIC	0.05	0.008	0.03	0.02	0.09
NVL	0.03	0.01	0.03	0.05	0.004
SBU	20.4	33.1	7.9	11.9	9.4
UCHM	0.001				
UCL	0.9	0.2	0.5	1.2	0.16
UMEME	21.3	30.7	6.8	23.6	30
Total	**46.9**	**115.4**	**17.3**	**44.3**	**59.1**

Source: USE market reports

A breakdown of the turnover by investor category in the FY 2022/23 showed that foreign companies contributed about 39% of the total equity turnover, followed by Ugandan companies (36.2%) and Ugandan individuals (14%).

A trend analysis of the percentage of equity turnover per investor category indicates that equity turnover of East African Companies, Ugandan Companies and Ugandan Individuals as a percentage of total equity turnover has grown from 3.9%, 23.8% and 11.2% at the end of FY 2021/22 to 9.1%, 36.2% and 14% at the end of FY 2022/23 respectively.

Table XV: Percentage of Total Equity Turnover per Investor Category (%)

Investor Category	2021/22	2022/23
Ugandan Individuals	11.2	14
Ugandan Companies	23.8	36.2
East African Individuals	1.5	1
East African Companies	3.9	9.1
Foreign Individuals	5.7	0.8
Foreign Companies	53.9	39
Total	**100**	**100**

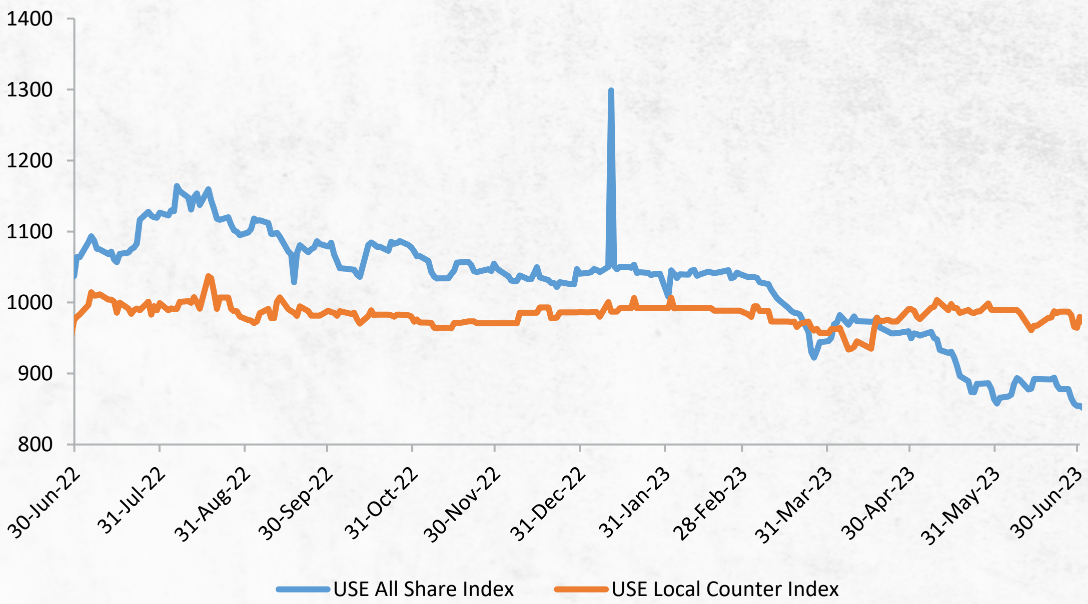
Source: Uganda Securities Exchange

2.3.4.3 Index Levels[3]

The USE All Share Index (ALSI) decreased by 11.5% to close the financial year 2022/23 at 885.3 points from 1,000 points recorded at the end of the previous financial year. The decline in the ALSI was due to the share price drops registered on all cross-listed counters except East Africa Breweries Limited; and six locally listed counters – Bank of Baroda, Vision Group, MTN Uganda, DFCU Bank, National Insurance Corporation, and Uganda Clays Limited.

The USE Local Counter Index (LCI) fell by 0.1% closing the financial year 2022/23 at 999 points from 1,000 points at the end of the FY 2021/22. The LCI decreased on account of share price drops registered on six locally listed counters (Bank of Baroda, Vision Group, MTN Uganda, DFCU Bank, National Insurance Corporation, and Uganda Clays Limited).

Figure VII: USE All Share and USE Local Counter Index Levels (2022/23)[4]



Source: USE market reports

[3] The indices have been rebased using the same start level of 1,000 points, to easily compare the performance of the indices

[4] The indices have been rebased using the same start level of 1,000 points, to easily compare the performance of the indices

2.3.4.4 Share Price Performance of Locally Listed Companies

Three locally listed counters, UMEME, Stanbic Holdings Limited and Cipla Quality Chemicals Limited registered share price gains of 84.1%, 18.2% and 1.4% respectively, to close the period under review at Ugx 440, Ugx 26 and Ugx 70. Table XIV shows trends in prices and key drivers of prices on the locally listed counters.

Table XVI: Development of End-of-Period Share Prices on the USE (2018/19– 2022/23)

Counter	2018/19	2019/20	2020/21	2021/22	2021/22	YoY (%)	Comments on Key Price
BATU	30,000	30,000	30,000	15,000	15,000	0	Liquidity remains low on this counter due to limited float.
BOBU	128.73	110	120	80	15.89[5]	-80.1	This decrease in the bank's share price occurred after the successful listing of bonus shares on the Uganda Securities Exchange.
CQCIL	160	100	100	69	70	1.4	The share price for the counter trended upwards owing to its improved performance in 2022.
DFCU	670	645	590	550	264	-52	DFCU's share price decline was influenced by low investor demand, leading to an excess supply of stock during the review period.
MTNU				178.09	170	-4.5	Investor demand for the stock remains low with supply out striping demand for the counter.
NIC	13	9	6	6.2	5.5[6]	-11.3	The share price for the counter fell following the successful listing of bonus shares on the Uganda Securities Exchange.
NVL	330	315	310	160	155	-3.1	The New Vision share price was partly affected by low investor demand for the stock owing to its less than impressive half-year results for the period ended December 2022.
SBU	29	24	26.5	22	26	18.2	The high demand for this counter as a result of its stellar performance in the year 2022 and dividend payout.
UCL	15.1	9	8.2	19	15	-21.1	UCL's share price has mainly been affected by low investor demand for the stock in part due to the decline in earnings in 2022.
UMEME	300	245	219	239.01	440	84.1	UMEME's rising share price reflects the growing interest from investors anticipating the government payout at the end of the concession period.

Source: USE market reports

2.4 Performance of Locally Listed Companies

Overall, the profitability of locally listed companies on the USE reported for the full year 2022 grew by 23.3% to Ugx 1,099.7 billion compared to Ugx 891.8 billion for the full year 2021. Notably, all locally listed companies registered a profit in 2022 while in 2021 one listed company registered a loss. MTNU contributed Ugx 406.1 Billion, representing about 36.9% of the total earnings of listed companies.

[5] When BOBU's share price is adjusted to reflect the effects of the recent bonus issue, it amounts to Ugx 5,959.
[6] When NIC's share price is adjusted to reflect the effects of the recent bonus issue, it amounts to Ugx 29.

Table XVII: Summary of Full Year 2022 performance for Locally Listed Companies (Ugx Billion)

Counter	2022				2021			
	Total Assets	Total Equity	Revenue	Net Profit	Total Assets	Total Equity	Revenue	Net Profit
BATU	56.4	38.2	99.5	9.9	59.4	38.5	93.8	10.3
BOBU	2,435.8	610.3	261.7	122.2	2,189.2	554.7	219.2	90.2
CQCIL	213.5	171.4	221.5	18.9	246.7	159.7	267.4	24.1
DFCU	3,243.1	632.5	431.5	29.5	3,136.7	594	450.1	9.3
MTNU	3,969.4	903.9	2,286.3	406.1	3298.4	836.2	2,060.1	340.4
NIC	126.2	45	27.4	4.2	106	38.7	24.4	3.2
NVL	102.1	65.7	111.4	0.9	89.6	65	81.9	-0.9
SBU	9,058.9	1,782.8	1,097.6	357.4	8,720.1	1,533.3	958.3	269.3
UCL	76.9	41.8	36.6	2.4	74.5	40.7	36.7	5.9
UMEME	2,571.1	1,010	1,887.3	148.2	2,507.3	893.2	1,885	139.1

Source: Company Fillings, CMA Database

MTNU recorded the highest Return on Equity[7] (ROE) of 44.9% in 2022 implying that the company's management is effectively using the company's equity to create value for shareholders. On the other hand, NVL had the lowest Return on Equity of 0.1%.

Three financial metrics drive ROE: operating efficiency, asset use efficiency, and financial leverage. A sustainable and increasing ROE over time can mean that a company is good at generating shareholder value because it knows how to allocate capital wisely, so as to increase productivity and profits. In contrast, a declining ROE can mean that management is making poor decisions in capital allocation.

Table XVIII: ROE for Locally Listed Companies (2018 - 2022)

Counter	2018	2019	2020	2021	2022
BATU	33.9	35.7	41.3	26.8	25.9
BOBU	19.6	11.5	18.4	16.3	20
CQCIL		4	-15.9	15.1	11
DFCU	11.7	12.9	4.1	1.6	4.7
MTNU				40.7	44.9
NIC	-5.4	-8.3	5.4	8.3	9.3
NVL	3.5	2.9	3.7	0.6	1.4
SBU	22.5	23.2	19.4	17.6	20
UCL	6.2	-0.3	13.6	14.5	5.7
UMEME	17.2	16.7	5.4	15.6	14.7

Source: Company Fillings, CMA Database

BATU posted the highest Dividend per Share (DPS) of Ugx 209 in 2022. The dividend per share allows an investor to determine how much income from the company they will receive on a per-share basis. It is important to highlight that all of the ten listed companies declared a dividend in 2022 compared to last year where 3 listed companies did not declare a dividend.

The table below shows the DPS of locally listed companies over the last five years.

[7] Return on Equity is net income expressed as a percentage of total equity used to measure returns to shareholders.

Table XIX: DPS for Locally Listed Companies (Ugx, 2018 - 2022)

Counter	2018	2019	2020	2021	2022
BATU	280	320	406	209.58	209
BOBU	10	10	0	20[8]	10
CQCIL	0	0	0	2	2.5
DFCU	33.01	0	17.38	0	8.19
MTNU				14.99	15.9
NIC	0	0	0	0	1
NVL	25	25	18	0	6.46
SBU	1.9	2.15	0	1.96[9]	3.61
UCL	1	0	1.35	1.5	0.5
UMEME	40.9	41.34	12.2	54.1	63.9

Source: Company Fillings, CMA Database

UMEME posted the highest dividend yield of 23.2% in 2022. The dividend yield is used to determine the cash flows attributed to an investor from owning stocks or shares in a company. The ratio shows the dividends earned as a percentage of the share price. The table below shows the dividend yield (in %) of locally listed companies over the last five years.

Table XX: Dividend Yield for Locally Listed Companies (Percentage, 2018 - 2022)

Counter	2018	2019	2020	2021	2022
BATU	0.82	0.93	1.07	1.39	1.4
BOBU	7.14	8	8.33	25	11.8
CQCIL	0	0	0	2.89	4.2
DFCU	4.01	0	2.78	0	1.5
MTNU				8.42	8.8
NIC	0	0	0	0	20
NVL	4.85	7.58	5.71	0	4.2
SBU	6.55	8.24	8.09	8.86	17.2
UCL	7.69	0	16.88	7.89	2.9
UMEME	12.78	17.74	5.57	22.64	23.2

Source: Company Fillings, CMA Database

2.5 Private Capital

According to the data collected by the East Africa Private Equity and Venture Capital Association (EAVCA) and I&M Burbidge Capital, the FY 2022/23 saw a significant improvement in private capital activity in Uganda. Both the total value and number of deals increased compared to the FY 2021/22. The number of private capital deals rose to 26 from 21, driven by the promising growth opportunities in Uganda. Additionally, the total deal value grew by an impressive 330%, reaching US$ 221.9 million in FY 2022/23, up from US$ 51.6 million in FY 2021/22. The finance and technology sectors stood out as the primary recipients of these deals.

[8] This figure includes BOBU's FY2020 dividend (Ugx 10 per share) and FY2021 dividend (Ugx 10 per share)
[9] This figure includes SBU's FY2021 dividend (Ugx 0.98 per share) and the interim dividend for 2022 (Ugx 0.98 per share)

Table XXI: Selected Private Equity/Debt Deals in Uganda by Sector in the FY 2022/23

Month/Year	Target Company	Target Sector	Acquirer Name	Deal Value (US$)
Jul-22	Enimiro	Agr-Trade & Export	Pearl Capital Partners	515,000
AUgx-22	Chil AI Labs (Solerchil Technologies)	E-Commerce	Sufishent LLC	300,000
AUgx-22	Kamp Group Limited	Agro processing	Pearl Capital Partners	2,600,000
AUgx-22	Tripesa	E-Commerce	Future Africa	Undisclosed
AUgx-22	Watu Credit Uganda	Financials	Verdant Capital	7,000,000
AUgx-22	Asaak Financial Services Limited	Fintech	Republic	204,136
AUgx-22	Aptech	Energy	Energise Africa	170,000
Sept-22	NUMIDA	Fintech	Lendable Asset	5,000,000
Sept-22	NUMIDA	Fintech	Management	12,300,000
Oct-22	Easy Matatu	IT	Serena Ventures	Undisclosed
Oct-22	Inputi	Agritech	Renew Capital	Undisclosed
Oct-22	Tugende	Fintech	RENEW Strategies	10,000,000
Oct-22	Quest Digital Finance (Akello Banker)	Fintech	Partech Partners	Undisclosed
Nov-23	Newman Foods	Agribusiness	RENEW Strategies	Undisclosed
Dec-22	WatuCredit Uganda	Financial Services	Pearl Capital Partners	5,000,000
Jan-23	KEIPhone	Fintech	AHL Ventures	100,000
Jan-23	Agrosupply	Fintech	WeFunder (Crowdfunding)	100,000
Jan-23	Asaak	Fintech	FSD Africa	1,183,550
Feb-23	Yellow	Energy	Republic	5,000,000
Mar-23	Wazi Vision	Manufacturing	Oiko Credit	Undisclosed
Mar-23	Xente	Financial Services	Renew Capital Angels	Undisclosed
Apr-23	Raxio	ICT	Renew Capital Angels	170,000,000
Apr-23	Afresco	Energy	Proparco and EAIF	1,500,000
May-23	Zofi Cash	Financial services	InfraCo	1,000,000
Jun-23	FINCA Plus LLC Uganda (BrightLife Uganda)	Energy	Advancly Beyond the Grid Fund for Africa	Undisclosed
Jun-23	Pata Sente	E-Commerce	Verdant Capital	Undisclosed

Source: East Africa Private Equity and Venture Capital Association, I&M Burbidge Capital

2.6 Government Bonds Performance

2.6.1 Primary Market Activity

Bank of Uganda, in the financial year 2022/23, issued Ugx 6.3 trillion worth of treasury bonds. This amount, however, represents a 20.7% decrease compared to the previous fiscal year's Ugx 7.9 trillion issuance. This reduction in debt issuance was a deliberate move by the government to modify the deficit financing mix, favoring more cost-effective foreign currency financing while reducing domestic debt. Moreover, the government prioritized the issuance of long-term treasury bonds to mitigate refinancing risk in the domestic debt portfolio. Among these bonds, the 20-year bond raised the most funds, accounting for 21.3% of the total treasury bond issuances during the period under review.

Table XXII: Issuance by Security at Cost (Ugx, Billion)

Maturity	2021/22	2022/23	Change (%)
2-Year	1,203.6	642.6	-46.6
3-Year	973.3	1,183.7	21.6
5-Year	1,008.7	1,100.7	9.1
10-Year	876	700.4	-20
15-Year	1,205.5	1,296.2	7.5
20-Year	2,623	1,331.9	-49.2
Total Bonds Issuance	**7,890.1**	**6,255.6**	**-20.7**

Source: Bank of Uganda, Ministry of Finance Planning and Economic Development

In the medium term, as the amount of domestic debt increases, it is expected that the Government of Uganda will prioritize the issuance of treasury bonds instead of treasury bills in order to lengthen the maturity profile. This strategic move aims to mitigate the risk of refinancing in the domestic debt portfolio.

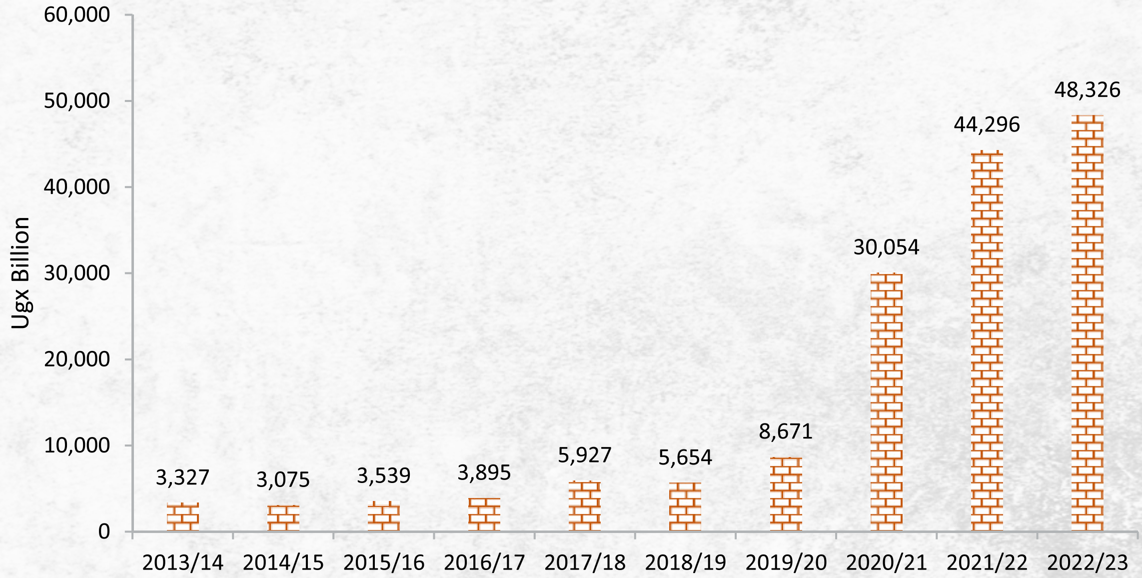
2.6.2 Secondary Market Activity[10]

The value of government bonds traded in the secondary market, rose by 9.1% to Ugx 48.3 trillion in FY 2022/23 from Ugx 44.3 trillion in FY 2021/22. Average monthly turnover also grew by 8.1% to Ugx 4 trillion in the financial year 2022/23 from Ugx 3.7 trillion previously. The growth in turnover can be attributed to, among other things, increased investor appetite for government securities and primary dealership reforms that saw the number of primary dealers reduced to 7 with market-making obligations and incentives to have a vibrant secondary market.

Over the last ten years, the government bond turnover on the secondary market has increased by 34.6% on an annualized basis, from Ugx 3.3 trillion in FY 2013/14 to Ugx 48.3 trillion in FY 2022/23.

[10] The figures only refer to the Over the Counter trading and not on-exchange trading

Figure VIII: Secondary Market Trading for Government Bonds (2013/14 - 2022/23)



Source: Bank of Uganda Money Market Reports

At the end of FY 2022/23, the government bond turnover ratio for Uganda stood at 180.2%. In comparison, Kenya had a bond turnover ratio of 16.5% in the same period, pointing to the Ugandan Government bond market space being relatively liquid compared to that of Kenya during the period under review.

2.6.3 Treasury Bonds Yields

In the primary market, yields on all tenors edged downwards. This decline in yields is in line with an improvement in the liquidity position of actors within the Government bond market space and the easing of the monetary policy by the central bank as the financial year drew to an end.

Table XXIII: Quarterly Evolution of Yields on Treasury bonds (FY 2022/23)

Maturity	Jul – Sept	Oct – Dec	Jan – Mar	Apr – Jun
2-Year	14	16.7	13.8	13.5
3-Year	14.8	14.4	14.5	14
5-Year	16.3	16.3	15	14.8
10-Year	16.3	17.5	15.2	15.8
15-Year	16.8	17	16.4	16
20-Year	18.5	17	16.5	16.3

Source: Bank of Uganda

A low interest rate environment for treasury securities makes it conducive for issuers of corporate bonds to borrow at low interest rates since Government of Uganda securities provide a benchmark for the pricing of corporate debt.

2.7 Corporate Bond Performance

2.7.1 Corporate bond trading statistics

There was no activity observed in either the primary or secondary markets for corporate bonds in the FY 2022/23. It's important to highlight that the reduced yields offered by government benchmarks could make corporate debt more attractive to issuers, as interest rates for corporate bonds are influenced by government securities rates. That said, the secondary market for corporate bonds is currently limited, with only one listed corporate bond (Kakira Sugar Limited Bond) that has been a buy-to-hold by the institutional investors.

To stimulate activity in the primary market for corporate bonds, CMA will continue to raise awareness among business owners and founders about the benefits of using corporate bonds as an alternative form of market-based financing. Furthermore, the CMA will emphasize the use of tools such as guarantees, sinking funds, and credit ratings to boost investor confidence. The level of activity in the secondary market, on the other hand, will depend on efforts to enhance trading activities. These efforts will include the establishment of the Uganda Fixed Income Market, which is expected to catalyze secondary market activity for both government and corporate bonds.

Table XXIV: Corporate Bonds Listed at the USE since Inception

Issuer	Amount Raised (Ugx Billion)	Tenor (Years)	Rate	Listing Date
Active Bonds				
Kakira Sugar Limited	75.4	10	14.70%	Dec-13
Redeemed Bonds				
East African Development Bank	10	4	182D Tbill+2%	Jan-98
Eastern & Southern Africa Trade & Development Bank	10.36	5	182D Tbill+1.75%	Mar-99
MTN (Tranche 1)	5	4	182D Tbill+1.75%	AUgx-01
MTN (Tranche 2)	2.5	4	182D Tbill+1.75%	Nov-01
MTN (Tranche 3)	2	4	182D Tbill+1.75%	Dec-01
Uganda Telecom Limited	24	5	182D Tbill+1.65%	Sep-03
East African Development Bank	20	7	182D Tbill+0.75%	Dec-05
Standard Chartered Bank	6.4	10	182D Tbill+1.25%	Dec-06
Housing Finance Bank Limited	30	10	182D Tbill+2%	Jan-08
Stanbic Bank Uganda Limited	30	7	182D Tbill+1.5%	Dec-09
Eastern & Southern Africa Trade & Development Bank	8.5	7	182D Tbill+1.25%	Sep-09
Standard Chartered Bank	40	10	182D Tbill+1.25%	Dec-10
African Development Bank (Tranche 1)	12.5	10	12.61%	AUgx-12
African Development Bank (Tranche 2)	12.5	10	12.61%	Jun-13

Source: Uganda Securities Exchange, CMA Database

2.8 Competitiveness and Inclusiveness

2.8.1 Domestic Market Capitalization as a Percentage of GDP

In comparison with other jurisdictions across the region, Uganda's domestic market capitalization to GDP ratio is still low. In the FY 2021/22, Kenya recorded the highest domestic market capitalization to GDP ratio at 12.9%.

The Authority continues to engage business owners and founders sensitizing them on market based financing as an alternative source of capital to fuel their expansion. Drawing on successful case studies from other jurisdictions, the Authority has engaged key persons of companies in the telecommunications and financial services sector, as well as former state-owned enterprises that have undergone privatization.

Table XXV: Domestic Market Capitalization and GDP Statistics (US $ billion)

Country	Indicator	2021/22	2022/23
Uganda	Domestic market capitalization	1.9	1.9
	GDP at Constant Prices	38.3	38.4
	Domestic market capitalization to GDP (%)	5	5
Kenya	Domestic market capitalization	14	12
	GDP at Constant Prices	90.4	94.8
	Domestic market capitalization to GDP (%)	15.3	12.7
Tanzania	Domestic market capitalization	4.5	4.7
	GDP at Constant Prices	64.2	67.1
	Domestic market capitalization to GDP (%)	7	7
Rwanda	Domestic market capitalization	0.52	0.54
	GDP at Constant Prices	12	12.9
	Domestic market capitalization to GDP (%)	4.3	4.2

Source: World Bank, DSE market reports, RSE market reports, USE market reports and NSE market reports

2.8.2 CIS AUM as a Percentage of GDP

At the end of FY 2022/23, Uganda's CIS AUM as a percentage of GDP rose to 1.4%, a significant increase from 0.8% in the previous fiscal year. However, in comparison, Morocco had CIS AUM to GDP ratio of 39.9%, demonstrating success in mobilizing savings through CIS. Notably, CIS funds in Morocco benefit greatly from investments by pension funds and institutional investors, which contribute over 90% to the total assets under management. To further stimulate growth in the CIS sector, the CMA (Capital Market Authority) plans to enhance public awareness programs on CIS products and collaborate with stakeholders to improve distribution.

It is also worth noting that an increase in GDP per capita positively influences savings rates in CIS through several channels. Rising GDP per capita signifies higher average income, providing individuals with greater disposable income for savings and investments. Improved financial literacy, often associated with economic development, enhances understanding of investment opportunities, making people more inclined to participate in CIS. The stable economic environment accompanying increased GDP per capita fosters confidence, encouraging long-term savings.

Additionally, the development of financial infrastructure, supportive government policies, and a positive investment culture contribute to a conducive environment for individuals to allocate funds to CIS, further bolstering overall savings rates.

Table XXVI: CIS AUM as a Percentage of GDP (US $ billion)

Country	Indicator	2021/22	2022/23
Uganda	CIS Assets under Management	0.3	0.5
	GDP at Constant Prices	38.3	38.6
	CIS Assets under Management to GDP (%)	0.8	1.4
Kenya	CIS Assets under Management	1.2	1.2
	GDP at Constant Prices	90.4	94.8
	CIS Assets under Management to GDP (%)	1.3	1.3
Tanzania	CIS Assets under Management	0.4	0.6
	GDP at Constant Prices	64.2	67.1
	CIS Assets under Management to GDP (%)	0.7	1
Morocco	CIS Assets under Management	49.2	49.9
	GDP at Constant Prices	123.9	125.2
	CIS Assets under Management to GDP (%)	39.7	39.9

Source: World Bank, CMA Uganda Market Supervision Department, CMA Kenya and Moroccan Capital Market Authority

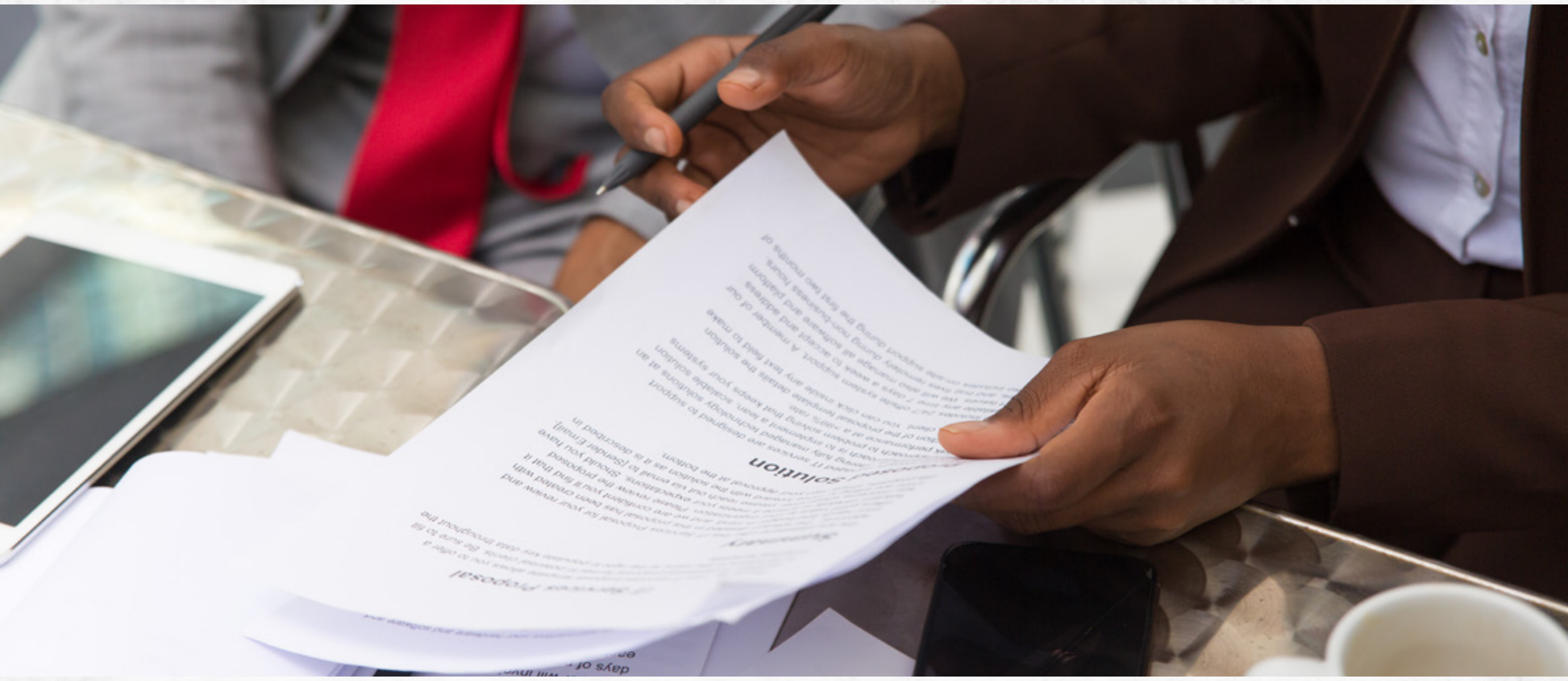
2.8.3 ROE for Selected Listed Companies Across the Region

Across the region, Safaricom recorded the highest ROE of 48.4% in 2022, indicating that the company's management is effectively utilizing the company's equity to generate value for shareholders. MTN Uganda closely followed with ROE of 44.9%.

Table XXVII: Return on Equity for Selected Listed Companies Across the Region

Uganda										
Counter	BATU	BOBU	CQCIL	DFCU	MTNU	NIC	NVL	SBU	UCL	UMEME
ROE (%)	25.9	20	11	4.7	44.9	9.3	1.4	20	5.7	14.7
Kenya										
Counter	ABSA	Co-op	Equity	KCB	I&M	NCBA	Stanbic	Stan Chart	Safaricom	EABL
ROE (%)	25.4	30.2	29.5	22.6	13.8	20	19.1	12.4	48.4	31
Tanzania										
Counter	CRDB	NMB	TPC	DSE	VOD	TCCL	Swissport	TCC	TBL	PAL
ROE (%)	26	25	32.5	16	-2.6	-19	6.8	43	20.9	-6.4

Source: Company Fillings, CMA Database



3.0 PERFORMANCE OF REGIONAL CAPITAL MARKETS

3.0 Performance of Regional Capital Markets

This section covers the performance of regional equity markets. It provides insights into the equities turnover, market capitalization and index levels on the Nairobi Securities Exchange, Rwanda Stock Exchange and the Dar es Salaam Stock Exchange.

3.1 Equity Market Activity

3.1.1 Equity Turnover

Equity turnover at the Nairobi Stock Exchange (NSE) during the financial year 2022/23 fell by 25.9% to US$ 802.6 million from US$ 1,083.9 million recorded in the FY 2021/22. This drop in turnover was partly due to foreign investors selling their shares to pursue opportunities in developed markets like the USA. Additionally, retail investors reacted with panic sales, further dragging down prices. The depreciation of the shilling, scarcity of dollars, geopolitical concerns surrounding the Russia-Ukraine conflict, and soaring inflation, which prompted interest rate hikes in developed markets, all contributed to the capital flight from the NSE.

Table XXVIII: Market Turnover (in US$ million) for Regional Markets

Securities Exchange	2018/19	2019/20	2020/21	2021/22	2022/23
USE	12.2	31.2	4.7	12.3	15.8
NSE	1,359.8	1,485	1,242.8	1,083.9	802.6
DSE	58.5	293.4	232.2	55.1	46.5
RSE	5.6	2.9	43.4	19.1	12.4

Source: DSE market reports, RSE market reports, USE market reports and NSE market reports

3.1.2 Market Capitalization

Domestic market capitalization at the NSE dropped by 14.3% to US$ 12 billion at the end of the review period, from US$ 16.7 billion at the end of FY 2021/22. This decrease in market capitalization can be attributed partly to downward price movements as foreign investors sold their shares to pursue opportunities in developed markets like the USA.

Table XXIX: Domestic Market Capitalization for Regional Markets (US $ billion)

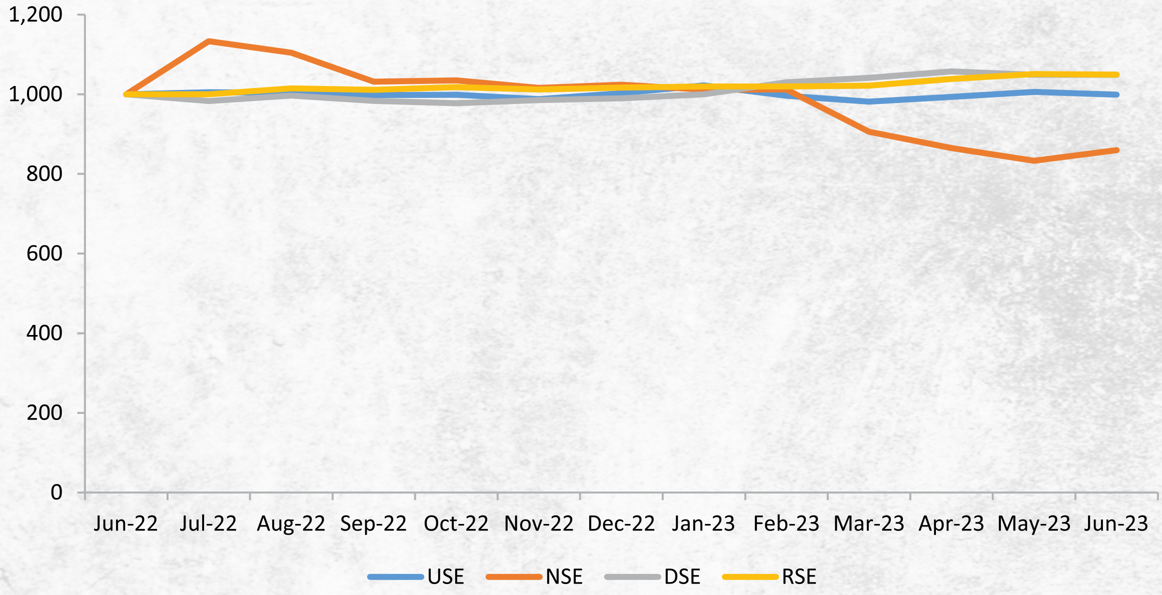
Securities Exchange	2021/22	2022/23	Change (%)
USE	1.9	1.97	3.7
NSE	14	12	-14.3
DSE	4.5	4.7	4.4
RSE	0.52	0.54	3.8

Source: DSE market reports, RSE market reports, USE market reports and NSE market reports

3.1.3 Index Levels[11]

Regionally, the NSE All-Share Index declined by 14%, closing the financial year 2022/23 at 860 points from 1,000 points at the end of the financial year 2021/22. The changes in index level are reflective of the changes in domestic market capitalization, driven by similar factors.

Figure IX: Trends in the USE All-share, RSE All-share, DSE All-share and NSE All-share Indices (June 2022 – June 2023)[12]



Source: USE, RSE, DSE and NSE market reports

[11] The indices have been rebased using the same start level of 1,000 points, to easily compare the performance of the indices
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4.0 OUTLOOK

4.0 Outlook

4.1 Economic Outlook

The World Bank's Global Economic Prospects report for June 2023 predicts a concerning slowdown in global growth due to tightening credit conditions and banking sector stress in advanced economies. Sub-Saharan Africa's growth is expected to take a hit, declining to 3.2% in 2023 due to external challenges, persistent inflation, higher borrowing costs, and increased insecurity. It should be noted that many countries are still grappling with the aftermath of the pandemic, with high living costs dampening consumption growth. Fiscal space has also narrowed while rising import bills and higher debt burdens have increased financing needs.[13]

Amidst the backdrop of unpredictable global economic dynamics, Uganda's economy has displayed remarkable strength and resilience, as noted by the Central Bank. Despite ongoing uncertainty, inflationary pressures are subsiding, and an economic recovery is underway. The central bank anticipates economic growth for the fiscal year 2023/24 to fall within the range of 6% to 6.5%. Looking ahead, sustainable long-term growth is expected in 2024/25, bolstered by investments in oil-related infrastructure, the energy sector, transportation, and a rebound in manufacturing and construction. Furthermore, the country's exports are poised to benefit from stronger external demand, and government expenditure will contribute to annual economic growth surpassing 7% in the medium term.[14]

It's worth noting that the budget strategy for the FY 2024/25 aims to accelerate economic growth to at least 7% by transitioning from a raw materials based to a manufacturing and knowledge-based economy. The strategy also includes efforts to enhance the business environment in Uganda and make it more competitive in the medium term. The ultimate objective is to build an independent, integrated, and self-sustaining economy that serves as a foundation for the socio-economic transformation of Ugandans. In pursuit of this goal, providing improved access to market-based financing for Ugandan businesses could be a crucial economic tool that drives innovation, fuels job creation, boosts productivity, and fosters overall economic prosperity in the country. By facilitating convenient and swift access to capital, market-based financing positively impacts economic activities. These efforts align with the objectives of the third National Development Plan, the NRM Manifesto 2021-2025, and the guidance of H.E. the President to grow the economy tenfold, from USD 55.2 billion to USD 500 billion, over a fifteen-year period.

4.2 Implications for Capital Markets

Looking ahead, the capital markets are likely to face a difficult time with foreign investors withdrawing their investments from emerging and frontier markets in pursuit of more attractive returns in developed markets like the USA. Nevertheless, market vibrancy could emanate from the listing of Airtel Uganda expected to take place before the end of the year.

[13] World Bank Group. (2023, June). Global Economic Prospects
[14] Bank of Uganda. (2023, June). Monetary Policy Statement

APPENDIX: LIST OF LICENSED PERSONS

Appendix: List of Licensed Persons

This is a list of persons approved and licensed by the Capital Markets Authority to provide various services related to the capital markets industry in Uganda at the end of FY 2022/23.

Firm	License Held	Address	Contact Person
AB FCP I	Recognised Scheme	AllianceBernstein, 2-4, Rue Eugene Ruppert L-2453, Luxembourg,	Standard Chartered Bank Uganda Limited
Agola Holdings Limited	Investment Adviser	Wamala Road, Kalinabiri, Ntinda, P. O. Box 24531 Kampala, Uganda, Tel: 0782540805 Email: tabulino@yahoo.co.uk	Mr. Taban Charles Lino
ALTX East Africa Ltd	Stock Exchange	Plot 1 Mackenzie Close, Kololo, P. O. Box 40138 Kampala, Uganda, Tel: 0790-536781/ 0312-209600, Email: info@altxafrica.com	Mr. Joseph Kitamirike
ALTX Clearing Ltd	Securities Central Depository	Plot 1 Mackenzie Close, Kololo, P. O. Box 40138 Kampala, Uganda, Tel: 0790-536781/ 0312-209600, Email: info@altxafrica.com	Mr. Joseph Kitamirike
Asigma Capital Advisory Services Ltd	Investment Adviser	First Floor, Legacy House, Plot 38B, Windsor Crescent, Kololo, P. O. Box 2841 Kampala, Uganda, Tel: 0392159560 E-mail: info@asigmacapital.com	Mr. David Nanambi
BIK Capital Limited	Stock Broker	First Floor, Media Plaza, Plot 78, Kira Road Tel: 0774997424, Email: jofbakka@gmail.com	Mr. Joseph Bakkabulindi
Blue Solitare Investments Limited	Investment Adviser	203 – Kirabo Complex Bukoto – Kisasi Road P.O Box 1534 Kampala, Uganda Tel: 0752711660 Email: jatin@blue–solitaire.com	Mr. Jatin B.K. Ghughu
Britam Asset Managers Co. (Uganda) Limited	Fund Manager, Unit Trust Manager/ Collective Investment Scheme Manager	Course View Towers, 1st Floor, Yusuf Lule Road, P.O Box 36583 Kampala, Uganda Tel: 0417-702600/ 0312-305600 Email: info@britam.com	Mr. Ronald Kasolo
Chipper Technologies Uganda Limited	Stock Broker	2nd Floor, Room 203 SMS House, 7th Street Industrial Area P.O Box 29274 Tel: 0200-935935	Mr. Dan Tumuramye
Crested Capital	Stock Broker, Dealer, Transaction Adviser and Commodities Broker	1st Floor Impala House, Plot 13/15 Kimathi Avenue, P. O. Box 31736, Kampala, Uganda Tel: 0414-230900 Email: info@crestedcapital.com	Mr. Robert Baldwin
Custody and Registrars Services Uganda Limited	Authorised Registrar	4th Floor, DTB Centre P.O Box 74895, Kampala, Uganda Tel: 0757-072773 3rd Floor, Rwenzori House	Ms. Mary Ndia
Deloitte Uganda Limited	Authorised Registrar	1 Lumumba Avenue, P.O Box 10314, Kampala, Uganda, Tel: 0417-701000 Ground Floor, Rwenzori House	Mr. Norbert Kagoro
Dyer and Blair Uganda Limited	Stock Broker	Plot 1 Lumumba Avenue, P. O. Box 36620, Kampala, Uganda, Tel: 0414-233050, 0312-265469, Email: uganda@dyerandblair.com	Ms. Esther Kakiiza
GenAfrica Asset Managers Uganda Ltd	Fund Manager	6th Floor, Aha Towers, Plot 7, Lourdel Road, Nakasero, P. O. Box 75200, Kampala Tel: 0414-252343/ 350, Fax: 0414-253344 Email: uganda@genafrica.com	Mr. George Mulindwa

Firm	License Held	Address	Contact Person
Housing Finance Bank	Custodian	Plot 4, Wampewo Avenue, P.O Box 1539 Kampala, Uganda, Tel: 0417-803000	Ms. Angela Ndawula
ICEA Lion Asset Management (U) Ltd	Fund Manager, Unit Trust Manager/ Collective Investment Scheme Manager	2nd Floor Rwenzori Courts, P. O. Box 33953, Kampala, Uganda, Tel: 0414-347535, 0414-232337, Email: icea@africaonline.co.ug	Mr. Emmanuel Mwaka
Inua Capital Limited	Fund Manager	The Design Hub Kampala, Plot 3, Bata Close 5th Street, Industrial Area, Kampala, Uganda Email: kim@inuacapital.com	Kim Kamarebe
Inua Impact Fund Limited	Approved Venture Capital Fund	The Design Hub Kampala, Plot 3, Bata Close 5th Street, Industrial Area, Kampala, Uganda Email: kim@inuacapital.com	Kim Kamarebe
Image Registrars Uganda Limited	Authorised Registrar	1st Floor, Jubilee Insurance Centre, Plot 14, Parliament Avenue, Tel: 0762260804	Ms. Precious Aheirwe
KCB Bank Uganda Limited	Trustee – Collective Investment Schemes and Custodian	7th Floor, Commercial Plaza Plot 7, Kampala Road, P.O Box 7399, Kampala, Uganda, Tel: 0417-118336, 0417-	Ms. Sheila Nyerwanire
Old Mutual Investment Group Limited	Stock Broker, Fund Manager, Investment Adviser, Unit Trust Manager/ Collective Investment Scheme Manager	118280 2nd Floor, Block A, UAP Nakawa Business Park, Plot 3-5 New Port Bell Road, P. O. Box 1610 Kampala, Uganda, Tel: 0414-332824	Mr. Simon Mwebaze
PCP Uganda Limited	Fund Manager	Fax: 0414-346449, Email: financialservices@ uap.co.ug , info@uap.co.ug Plot M697, Equata Building, 2nd Floor UMA Show Grounds, Lugogo, P. O. Box 15373, Kampala, Uganda, Tel: 0312-264983/4	Mr. Edward Isingoma Matsiko
PKF Consulting Limited	Investment Adviser	Fax: 0312-264985, Email: info@pearlcapital.net Plot 1B Kira Road Kalamu House, P. O. Box 24544, Kampala, Uganda, Tel: 0414-341523/5, Fax: 0414-251370, 0414-341371	Mr. Dennis Innocent Dankaine
Regency Wealth Management Uganda Limited	Investment Adviser	Email: pkfkam@ug.pkfea.com 5th Floor, Shumuk House, Office SH9, Kampala, Uganda, Tel: 0312-314316/ 0791-224611, Email: matthew@regency-wealth.com	Mr. Matthew Turner
Sanlam Investments East Africa Limited	Fund Manager, Unit Trust Manager/ Collective Investment Scheme Manager	1 Pilkington Road, 7th Floor, Workers House P. O Box 9831, Kampala, Tel: 0414-340707/8/ 0312-265618, Fax: 0414-340750 Email: Mubbale.Mugalya@sanlameastafrica.com	Mr. Mubbale Kabandamawa Mugalya
SBG Securities Uganda Limited	Stock Broker	4th Floor, Crested Towers (Short), Plot 17 Hannington Road, P. O. BOX 7131, Kampala, Uganda, Tel: 0312-224600, 0312-224985 Email: cos_uganda@mail.standardbank.com	Mr. Andrew Mashanda
Stanbic Bank Uganda Limited	Custodian	Crested Towers (Long), Plot 17, Hannington Road, P.O Box 7131, Kampala, Uganda Tel: 0800 250 250	Mr. Andrew Omiel
Standard Chartered Bank Uganda Limited	Trustee – Collective, Investment Schemes, Investment Adviser, Custodian and Representative of AB FCP I	Plot 5, Speke Road, P. O. Box 7111, Kampala, Uganda, Tel: 0312-294459, 0414-340077 Fax: 0414-231473 Email: ug.service@sc.com	Mr. Stanley Katwaza
Uganda Securities Exchange	Stock Exchange, Securities Central Depository	4th Floor, Block A, UAP Nakawa Business Park, Plot 3-5, New Port Bell Road , P. O. Box 23552, Kampala, Uganda, Tel: 0312-370815/ 7/ 8, Email: info@use.or.ug	Mr. Paul Bwiso

Firm	License Held	Address	Contact Person
USE Commodities Exchange Limited	Commodities Exchange	4th Floor, Block A, UAP Nakawa Business Park, Plot 3-5, New Port Bell Road, P. O. Box 23552, Kampala, Uganda, Tel: 0312-370815/ 7/ 8, Email: info@use.or.ug	Mr. Paul Bwiso
USE Nominees Limited	Registrar	4th Floor, Block A, UAP Nakawa Business Park, Plot 3-5, New Port Bell Road, P. O. Box 23552, Kampala, Uganda, Tel: 0312-370815/ 7/ 8, Email: info@use.or.ug	Mr. Bob Musinguzi
Utilis Venture Limited	Investment Adviser and Dealer	Plot 12, Dr Asea Road, Ntinda, Kampala Kampala, Uganda, Phone: +256774132952 Email: support@level.africa	Mr. Abraham Banaddawa
Xeno Technologies Uganda Limited	Fund Manager, Unit Trust Manager/ Collective Investment Scheme Manager	1st Floor Workers House, Plot 1, Pilkington Road, P.O. Box 2237, Kampala, Uganda Tel: 0392-177488, 0772-842100 Email: uganda@myxeno.com	Mr. Aeko Ongodia

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