



ALTX FIVE YEARS OF FIRSTS



A collage of Kenyan cultural and financial items. In the bottom left, a blue and black Nokia feature phone is visible. Above it, a set of keys with a large metal key and a smaller one with 'AKAPDA' and '13232' on them. To the right, several Kenyan Shilling banknotes are fanned out, including a 20,000 Shilling note (orange) and a 5,000 Shilling note (green). A yellow beaded necklace is draped across the top right. At the bottom, a portion of a red and white woven basket is visible. The background is a red and black striped fabric.

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FOR ALL

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INVESTMENT FOR ALL

Mission

To make securities investment convenient, while significantly increasing availability, affordability and accessibility of the exchange services and securities products across Africa.

Vision

To create 100 million new, growing and active retail investors in the securities market in Africa within ten years.

Core Values

Integrity, transparency, clarity and customer focus

Five years ago, ALTX East Africa rang in its first trade in a small room in a Kampala suburb, the culmination of years-long work by two Ugandans to create a securities exchange that would give a greater number of Africans access to affordable financial products.

In 2013, when the idea of ALTX Securities Exchange was first born, research data showed that only 20%* of Ugandans had an account with a formal financial institution. The majority of them were in the urban parts of the country.

A lack of financial inclusivity compounded by poor access to financial institutions and products has long been a challenge in Uganda and the wider region. There was then and still is a lack of knowledge about the vast world of investment options. There were myths about who investing was for; upper-class, financially-stable people with enough money to start investing. Although not factual, it has mainly been this group of people with access to the information and institutions allowing them to invest. It is this demographic of Ugandans that ALTX has set out to reach.

In the five years since then, we have been carefully developing cutting edge financial products and technology with these customers in mind.

In April 2021, we launched Uganda's first Exchange-Traded Fund, bringing affordability, convenience and value for money in one.

The adoption of mobile money has brought over thirty million users in Uganda into the financial technology fold. ALTX has been working to take them a step further. We have developed **Zaabu**, a platform through which mobile money users can conveniently invest in securities from any mobile phone via USSD. This development removes the need for internet access which has been one of the most significant barriers to the uptake of securities investing.

With the rollout of **Zaabu** in early 2022, we will give Ugandans the ability to do more than transactions with mobile money and lead the financial industry in delivering a variety of local and international investment products to the fingertips of millions of Africans.



ALTX AT A GLANCE

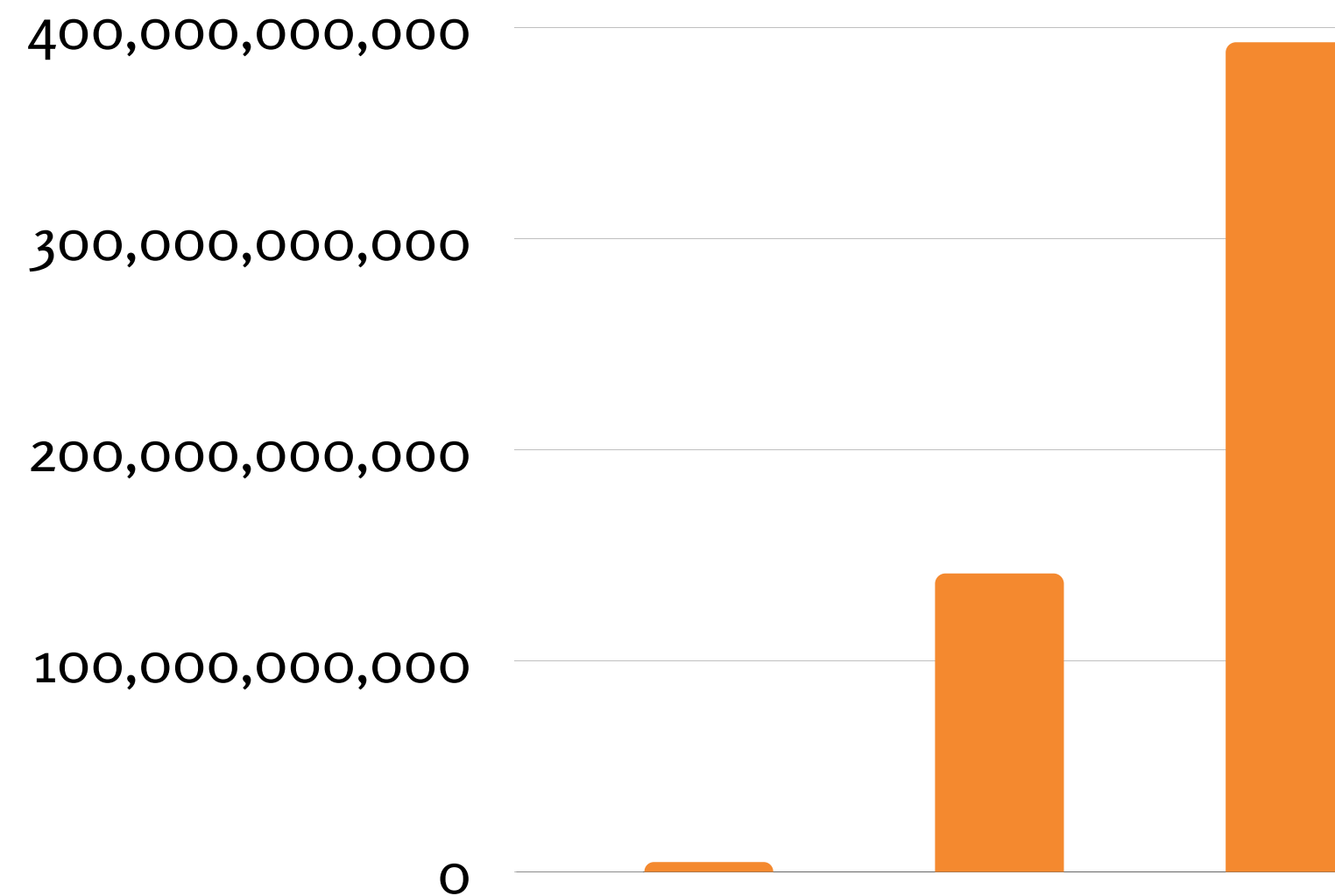
ALTX AFRICA

ALTX EAST AFRICA

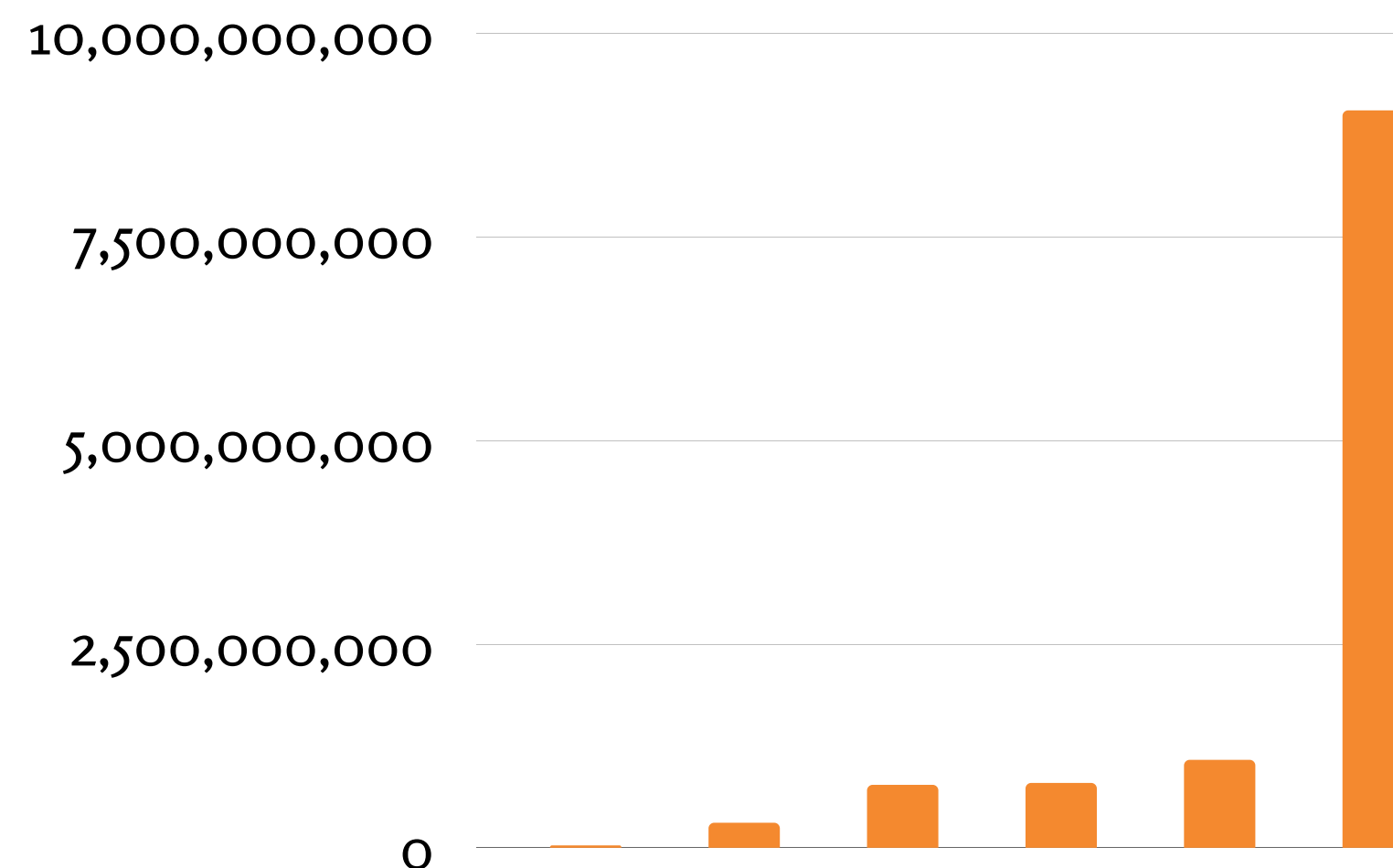
ALTX CLEARING

Company growth

ALTX Clearing



ALTX East Africa



700+ Investors



11 bn Market Capitalisation



401.67 bn Total turnover (2021)



1 Day settlement of transactions



3 Touchpoints



3 Products



8 Employees

OUR TEAM



Joseph S. Kitamirike

Chief Executive of the ALTX Group



Brian Kasiita

Depository Officer at ALTX Clearing Limited

Brian is trained in asset management and previously worked in the real estate sector.



Desire Balinda

Intern at ALTX Clearing Limited

Desire is trained in Finance.



Francesca Faith Nagami

Accounting officer at ALTX Clearing Limited

Francesca is trained in business computing and previously worked in the real estate sector.



Jonathan Edmund Mutumba

Junior Information Technology Officer at ALTX East Africa

Jonathan is trained in Information Systems.



Muthoni Karubiu

Business Development Officer at ALTX & Borsa East Africa

Muthoni is trained in international relations. Prior to joining ALTX, she worked in the legal, finance and media fields.



Patricia Aruo

Media Officer at ALTX East Africa

Patricia is trained in journalism and international relations. She previously worked as a financial journalist.



Phillip Tevin Kawere

Information Technology Officer at ALTX East Africa

Phillip is trained in software engineering and cyber security. He has previously worked in the health sector

OUR DIRECTORS



Edward Katimbo Mugwanya
Chairman
ALT X East Africa



Grace Musoke Lwanga
Chairman
ALT X Clearing



Joseph S. Kitamirike
Director
ALT X Clearing & East Africa



Jatin Jivram
Director
ALT X Clearing & East Africa



Hirander Misra
Director
ALT X Clearing & East Africa



Sarah I. Walusimbi
Director
ALT X Clearing



Richard Wood
Director
ALT X Clearing



Joseph Areu
Director
ALT X East Africa



Hodge Semakula
Director
ALT X East Africa

A WORD FROM THE CHAIRS



Grace Musoke Lwanga
Chairman
ALTX Clearing

When we started ALTX, we were optimistic about the contribution that our companies could make towards the deepening financial inclusion in Africa. Through innovation, we were determined to reach the people on the continent who had been excluded thus far.

Our business faced some challenges along the way in the form of regulatory battles, which consumed our time, and novel technology that demanded a lot of our time in design and execution. The coronavirus pandemic forced the world to adjust quickly to an unfamiliar way of life. We are proud of our accomplishments and milestones reached as we rose above these challenges.

Ascending to the top through trying times

Our ecosystem has recorded a Compound Average Growth Rate (CAGR) of just over 250% since 2016 and has seen the Market Capitalisation grow from UGX 20 million to over UGX 11 billion at the end of October 2021. This growth has been driven primarily by new investors joining ALTX. The new investors are mainly attracted to the Uganda treasury Depository Receipts (DR), while repeat investors are getting a flavour of the Tolea ETF and the Kenya Treasury DR.



Edward Katimbo-Mugwanya
Chairman
ALTX East Africa

Great strides have been made on the technology front, the greatest of which was the same-day settlement of securities transactions and unbrokered exchange. ALTX has reimagined the investment experience by innovating on both the supply and demand sides to facilitate simple transactions between both. We pioneered the usage of SWIFT to settle securities transactions in Uganda and were recognised for this innovation at one of the annual SWIFT conferences.

While that innovation was discontinued due to regulatory delays, other technologies have arisen that achieve the same result and speed, enabling us to maintain our promise to settle securities transactions on the same day, in as little as a few minutes and the latest on the day after the transaction (T+1). Furthermore, unbrokered trading opened up the exchange to a demographic that was historically excluded from securities investment.

ALTX came into the securities sector fully understanding the extent and purpose of regulation in the securities markets. We had the intention of taking advantage of the opportunities offered by the law. We would create rules for new products, access to new markets and open the local securities markets to new investors. Eventually, we wanted to shine the light on new ground in the regulation of markets. There, however, have been a few surprises during the establishment of the ALTX market.

We found aspects of the regulations to conflict with the open nature of the law as well as a conflict between the roles of the regulators and market operators. Additionally, the regulators' reading of the regulatory provisions often diverged from ours. If it is difficult to establish a business when an approved/licensed operator always agrees with the regulator, in our case, it was doubly difficult because we perceived ourselves relating differently to the regulator and the regulatory framework.

Despite these hurdles, ALTX has been an industry leader on multiple fronts. We launched the first fully automated exchange in the country, the first mobile trading application and East Africa's first Depository Receipt Programs. The Depository Receipt programs included, among others, the first instruments issued outside Uganda.

On 13 April 2021, ALTX and Tolea Securities Limited launched the country's first Exchange-Traded Fund (ETF). It was built on the treasury market and designed to simplify investment into treasury securities whilst enabling access to the treasury securities for low-volume retail investors.

COVID-19 pandemic

The gravity of the COVID-19 virus became apparent in March 2020 as death tolls in some European and Asian countries began to rise. The Government of Uganda declared a nationwide lockdown which included the closure of non-essential businesses.

In line with the government directive and concern for the health of our staff, we closed our physical offices. Our technological capabilities and position as a fully digital business aided our transition to work from home. The team continues to work primarily from home and cater to our investors with the same quality of service.

Strategy review

As ALTX moves forward into the next chapter, we felt it was necessary to review our companies' strategy. On September 19th, 2021, board members and ALTX staff partook in a strategy discussion facilitated by consultants from the MAT Abacus Business School. We assessed the performance of our previous strategy and deliberated about ways to improve. We go into the new strategic period clear about our customer strategy, product strategy and ability to monetise both.

Appreciation

We wish to express gratitude to our fellow board members for their crucial guidance and counsel. We thank all our partners; the banks, lawyers, telecoms operators, technology support and all who have been a part of our journey so far.

We thank the Minister of Finance, Honourable Matia Kasaija, for granting us the time to share our ideas and concerns. We are grateful to His Excellency the President of Uganda, Yoweri Kaguta Museveni, for his commitment to facilitating investment in Uganda.

We congratulate the ALTX team, past and present, for their dedication and achievements over these five years. We appreciate your tireless efforts to achieve the company's mission and serve our investors.

Finally, we thank our investors for their continued trust and support. Together with our partners, we believe we are well-positioned to deliver more value and invite you to come along with us for the next phase of our journey.

FIVE YEARS OF FIRSTS

The first 24/7 online investor self-service platform in Uganda

MyALTX has empowered users to monitor their investments at their convenience. The online portal offers complete transparency for account activity.

Uganda's First Exchange-Traded Fund

ALTX launched its first ETF, backed by Uganda treasury bonds, a product saving investors time, money and delivering competitive returns. With a single investment, you can now access bonds of various maturities and coupons.

First East African exchange to list foreign treasury bonds

ALTX cut the red tape of accessing Kenyan treasury by giving a means to Ugandan retail and institutional investors.

2016

First exchange to offer broker-free market access

Ugandan investors could finally cut out the middle man from the opening, monitoring and operating their accounts. This development made the market more accessible and affordable than ever before.

First exchange in Africa to offer same day settlement (T+0)

ALTX remains one of the few exchanges in the world capable of offering investors same day settlement. This made a process that took at least 3 days in the past instantaneous.

First Depositary Receipt in Uganda

ALTX developed structured products to create investment opportunities that match the reality of Ugandan investors. ALTX to become the first in the market to slash minimum investments to UGX 10,000

2017

2018

First Ugandan exchange to enable mobile wallet transfers onto the securities market

ALTX made mobile wallet funding of investments possible, recognising the growing utility of mobile wallets. We brought the exchange even closer to the reality of the average Ugandan.

First Securities Exchange App in Uganda

We created the ALTX Mobi app to make investment even more convenient. It gives investors access to live prices, real-time order placement, instant trade confirmations and enables simplified account management.

2021

OUR PRODUCTS AND SERVICES

We have carefully chosen products and developed services with our current and future investors in mind. Our products meet the various needs of investors; income, diversification, and growth.

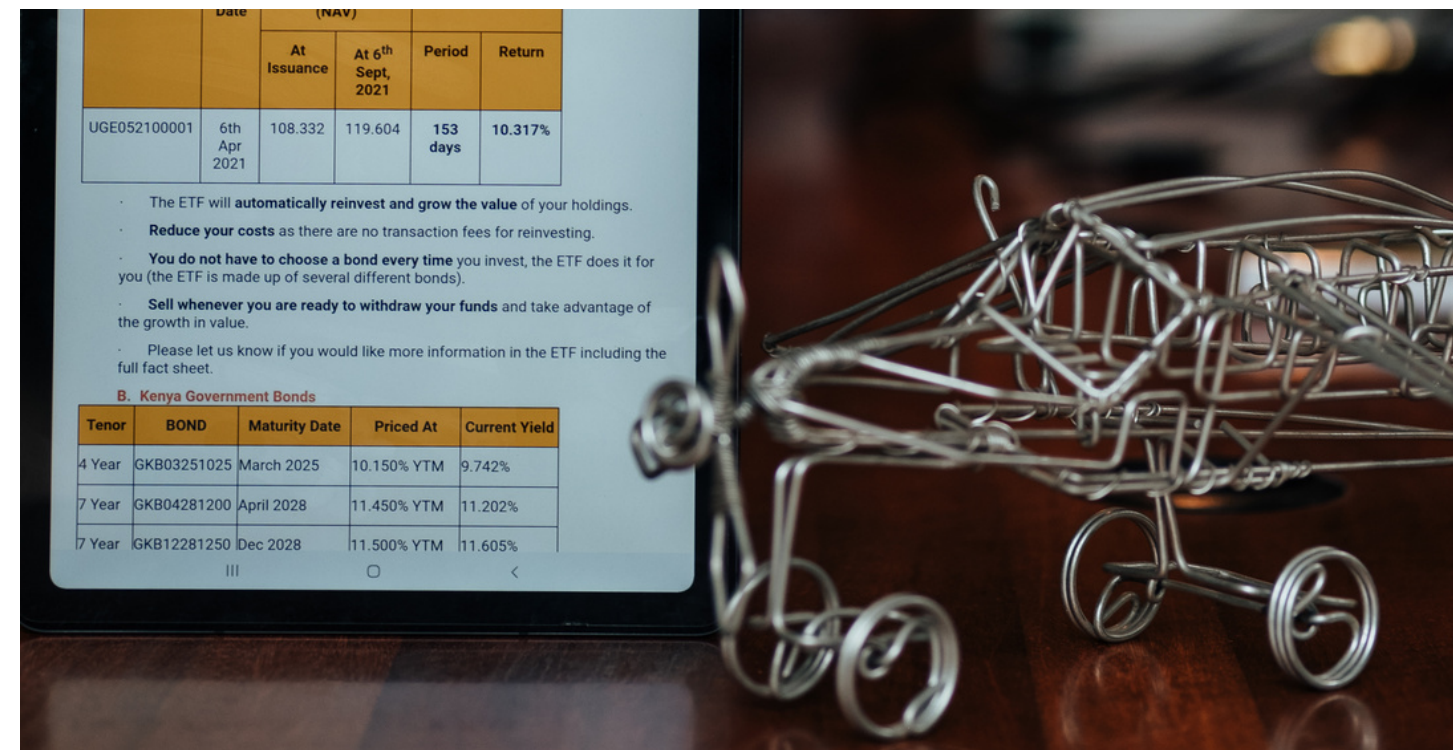


Uganda Treasury Bonds

Treasury bonds are a good starting point in your investment journey or as an addition to your current investments. They are lower risk and more stable than some investment options.

What you get

- **Stable income:** through interest payments received twice a year. Investors will always know how much money to expect and when.
- **Affordability:** Buy bonds for as little as UGX 10,000.
- **Lower risk:** Treasury bonds offer less risk and volatility than some other asset classes.
- **Transferable:** Buy and sell your bonds at any time.



Exchange-Traded Fund

Our most affordable and hassle-free investment option to date. With a single investment, investors can grow their money by accessing bonds of various maturities and coupons.

What you get

- **Competitive returns:** Over 10% in value to shareholders, beating the returns offered by savings accounts and some other investment products on the Ugandan market.
- **Savings:** on transaction fees and annual fees.
- **Passive investment:** Automatically reinvests the coupon payments earned from the bonds
- **Collateral:** The asset may be used as collateral.



Kenya Treasury Bonds

Ugandan institutional and retail investors can effortlessly and affordably diversify into Kenya, East Africa's biggest market.

What you get

- **Diversification:** An affordable opportunity to geographically diversify and give extra protection to your investment portfolio.
- **Easy & cost-effective access:** Conveniently buy your bonds in Uganda shillings and at lower transaction costs.
- **Longer bond maturities:** Buy bonds with maturities of up to 30 years versus 20 years for Ugandan bonds.

Learn more about our products at: <https://www.altxafrica.com/investment-products>

OUR PRODUCTS AND SERVICES

Our self-service platforms make your investment experience more convenient and less time consuming.

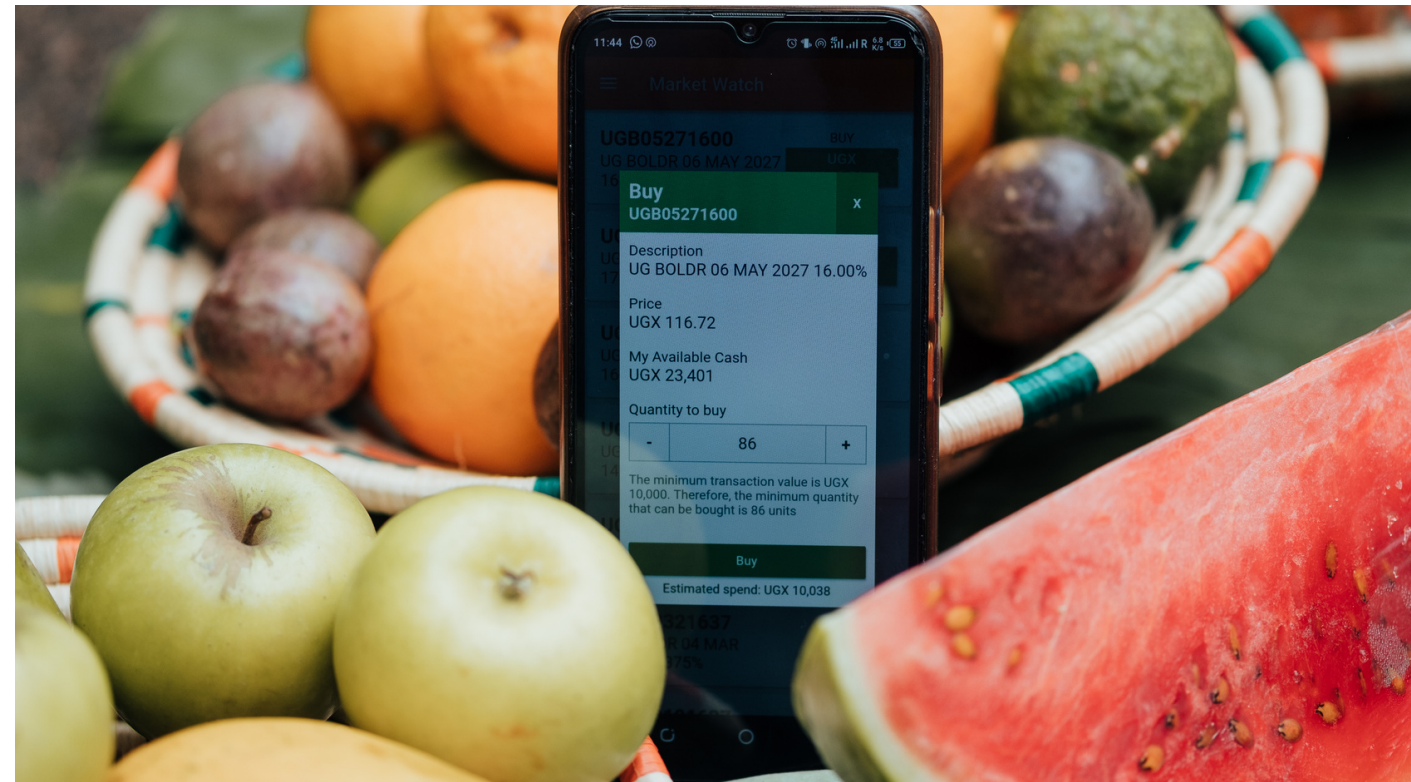


uTrade

Our secure online trading platform gives Direct Market Access (DMA) to ALT X investors from anywhere in the world.

What you can do

- Access detailed information about the available products.
- Place orders
- Buy and sell holdings.
- Customise to suit your needs.

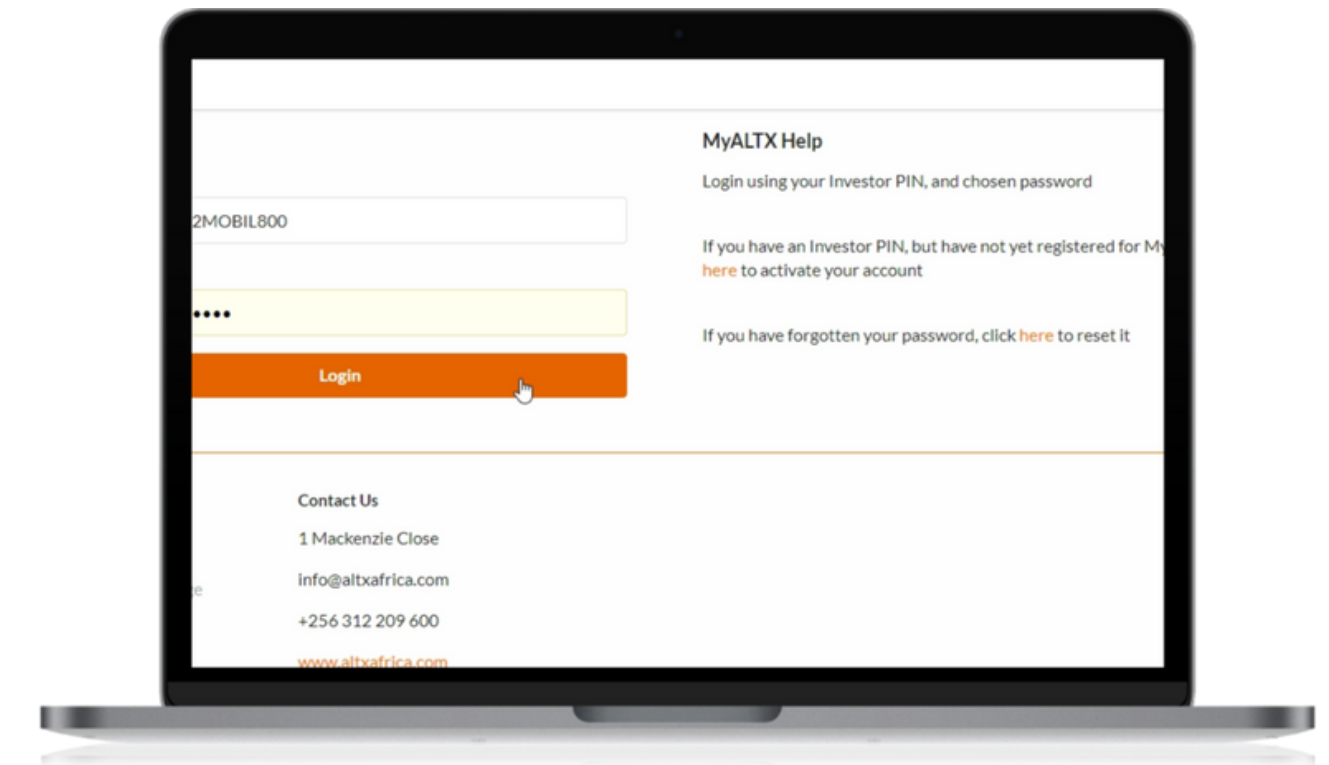


ALT X Mobi

Our mobile investment application gives you convenient and secure access to the market and your account on the go.

What you can do

- See what is available on the market and invest.
- Place orders on the go.
- Check your holdings and account balance.



MyALT X

Gives investors round the clock access to an overview of their investments. Find all the information you need about your investments.

What you can do

- View your account statement.
- Monitor your transaction history.
- Check your holdings and account balance.

Learn more about our services at: <https://www.altxafrica.com/investment-products>

THE TOLEA EXCHANGE-TRADED FUND

ALTX wanted to create an investment product accessible to all Ugandans, including those who have never invested in securities, by removing some of the barriers like high cost and time demands.

What is the Tolea ETF?

An investment product made up of Uganda Government bonds to cover a range of maturity periods and returns. With only one ETF purchase, investors access multiple bonds, providing you with two main benefits:

- Saving costs on buying the bonds and annual fees.
- Instantly spreads out your risks to provide better protection against loss of your earnings.

The TOLEA ETF also reinvests all interest earned and replaces all matured securities for you. You can sit back and relax while we will do all the work of choosing the best bonds to give you your money's worth.



SAVE

Lower transaction and annual fees when you access multiple bonds with one investment



DIVERSIFY

Multiple bonds of various maturities and yields in one asset



HANDS-OFF

Automatically reinvests the interest you earn and replaces the matured bonds.

Current ETF statistics

11%

Competitive return on investment compared to some savings accounts and unit trusts in the country

UGX 121

Net Asset Value

15

Uganda Government bonds in the portfolio

Additional benefits of the TOLEA ETF

- **Lower risk:** The ETF is backed by bonds that offer you less risk and volatility in comparison to an ETF made up for riskier assets such as stocks.
- **Transferable:** You may buy and sell your units at any time. The ETF may also be used as collateral.
- **Transparent:** Investors receive daily updates about the performance of the ETF.

OUR INVESTORS

Hear from real people, making real investments on ALTX

“ I have made gains from my investments and the team is always willing to explain where I have questions. ALTX taught me to appreciate the value of investing in securities. ”

JACKY N
Investor since 2016

— “ Very good communication in terms of updates and performance of my investments. Timely and appropriate response to my queries and follow up questions always. ” —

JULIUS O
Investor since 2019

“ First I was recommended by a friend, but I have never regretted this decision. Self-service, transparency and automated investments easing the re-investment processes. Honestly, I can't think of anything better than you are already offering! I am fully satisfied and not lacking in anyway of your service. ”

JOSEPH A
Investor since 2017

— “ I like the prompt service and readiness to advise and simplify investment options for an individual or organization. Investing in securities gives the Foundation a way to preserve its fund while growing income ” —

RACHAEL K
Investor since 2019

“ I have found a great team that is up to the task. So friendly, upholding trust with integrity. So dependable. Thank you so much team ALTX for a good job. God's blessings. ”

NICHOLAS K
Investor since 2018

THE FUTURE OF ALTX

The world is moving decisively towards connectivity and convenience fostered by developments in internet technology. From social media and e-commerce to entertainment and investment, we are all spending more time interacting with each other on our mobile phones and through online platforms. ALTX is creating services that will enhance interconnectedness in the investment industry and issuing products that are valuable to current and future ALTX investors.

Products

ALTX has already begun expanding the securities investment options for Ugandan investors. Our first step was the creation of Uganda's first ETF developed primarily for retail investors looking for a more cost-effective and less time-consuming way to invest in Uganda Treasury bonds. We will be expanding our ETF programme to introduce insurance-backed ETFs giving Ugandans. A majority of Ugandans who are still uninsured will have the option of accessing insurance for a lower cost.

One of our next steps will be the introduction of our Global Equity Depository Receipt (GDR) in 2022. Through the GDR, ALTX will be listing foreign equities onto a Ugandan exchange for the first time, providing a range of benefits to investors;

- Institutional investors such as insurance companies will have the opportunity to diversify the clients' investment portfolios into equities outside their countries.
- Retail investors can cost-effectively diversify their portfolios into global equities.
- Investors will receive any underlying benefits such as dividends paid by the companies to their shareholders.
- Increased liquidity in the market, making it easier for investors to buy and sell their shares.
- Uganda's financial sector will be deepened by a wider choice of financial products available, increasing the country's investor base.

Services

Over the last two years, we have been hard at work developing a mobile USSD trading platform, [Zaabu](#). It will offer the simplest way for intending investors to become an active part of the securities market and respond directly to the challenge of access to the internet as a barrier to securities investment in the country.

With [Zaabu](#), investors can register and trade from feature phones and without connecting to the internet.

[Zaabu's](#) capabilities include;

- Opening and managing an ALTX account.
- Buying and selling securities
- Investing without a bank or broker.
- Investing with as little as UGX 15,000
- Funding an account via Mobile Money
- Providing basic knowledge about securities investing.

We will provide a holistic service addressing the obstacles to investment on multiple fronts; high cost of internet access, travel and brokers. Investors will also receive loyalty points and e-money usable for further investment in ALTIX securities.

Zaabu will be a groundbreaking addition to securities investment on the continent. While there have been advancements in investment platforms worldwide giving users direct market access, these developments have yet to bring more people this close to securities investing.

As ALTIX looks forward to the next five years and beyond, we are building technology and services to create a platform where investors, issuers, brokers and service providers interact seamlessly. Ultimately, we hope to create a customer-centric investment experience that broadens the possibilities of what securities investment and financial inclusivity could be for 100 million Africans.



DO SOMETHING NEW

MORE MONEY, LESS HASSLE

Ugandan & Kenyan bonds - payments over **13%** a year.

Gain steady, passive income.

Tolea ETF - over **13%** growth in just 6 months.

No decision making. Free, automatic reinvestment.

QUICK ACCESS

Your account is available online and on mobile.

Invest from wherever you may be.

START WITH ONLY UGX 10,000

No excuses.

A spare **10k** can begin your investment journey.

OPEN YOUR ACCOUNT TODAY

<https://www.altxafrica.com/open-an-altx-account>