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### RAISING LONG TERM FINANCE FOR SME'S

According to a 2019 Fincscope survey that was conducted to size and scope SMEs in Malawi, access to finance was highlighted as the primary challenge that hinders growth of SME's. For the few companies that have access to external financing, the study established that it is mostly for short term credit facilities, which are normally ill suited for growth and expansion. It is becoming more apparent that SMEs need to explore and access long term financing in order to become more resilient.

The Enterprise and Development Growth Exchange (EDGEEx), formerly the Alternative Capital Market board that was developed to provide access to SMEs for long term equity financing. The requirements for EDGEEx are relatively easier and well suited for the unique nature of SMEs when compared to the Main Board. For instance, a business does not need to have a profit history to access equity finance through EDGEEx. Further, the minimum capital requirement is only K250 million compared to K500 million for the Main Board. Those interested to get more information on EDGEEx are encouraged to express their interest by emailing [info@mse.co.mw](mailto:info@mse.co.mw)

### EMERGENCE OF ESG REPORTING IN CAPITAL MARKETS

Environmental, Social and Corporate Governance (ESG) reporting continues to gain attention as an area of interest for businesses, the general public and governments globally. ESG reporting can simply be defined as the disclosure of the impact of an organization's operations in the areas of the environment, society and corporate governance.

Cognizance of the importance of sustainability, the Committee of SADC Stock Exchanges (CoSSE) in April, 2022 launched the SADC guidelines for sustainability bonds; which will subsequently be adapted by the Malawi Stock Exchange for the Malawi market within a more comprehensive framework.

What areas of sustainability reporting within the context of the capital markets are of importance to you? Let us know by emailing [info@mse.co.mw](mailto:info@mse.co.mw)

### MSE CONDUCTS ANNUAL BUSINESS JOURNALIST SEMINAR

The Stock Exchange in July conducted its annual Business Journalist Seminar which was held under the theme, "Understanding stock market reports and corporate announcements". The theme was selected in order to train the journalists to be able to understand and interpret stock market reports as they undertake their role of keeping the public informed.



### UPCOMING EVENTS

- ✚ SME webinar on capital raising opportunities – November 2022
- ✚ Issue 4 will be published on 15 January 2023

### HIGHLIGHTS IN THIRD QUARTER

- ✚ The market registered a return on index of 9.67% in Q3
- ✚ The Exchange on 09 September conducted a broadcast of its second investor webinar via its Facebook page. The webinar was held under the theme "investing on the stock market". Link to the full video: <https://fb.com/malawistockexchange>
- ✚ The Exchange on 21 September hosted Malawi University of Business and Applied Sciences' (MUBAS) fourth year journalism students as part of its financial literacy initiatives aimed at enhancing the investing public's understanding of the stock market investment opportunities.

