

VUNANI BOTSWANA MANAGED PRUDENTIAL FUND FACT SHEET

FUND INFORMATION UPDATE AT 31 DECEMBER 2021

WHAT IS THE FUND'S OBJECTIVE?

The objective of the fund is to provide investors with a reasonable level of current income as well as capital growth at a moderate level of risk.

WHAT DOES THE FUND INVEST IN?

The fund provides exposure to a well-diversified portfolio with a balanced mix of local and global equities, bonds and cash. Asset allocation is informed by Vunani's long-term views of geographical and asset class growth, while selected stocks display the key characteristics that we look for in businesses.

WHO SHOULD CONSIDER INVESTING IN THIS

The fund is suitable for investors with an appetite for risk and a long-term investment horizon. The fund is suitable for individuals as well as smaller pension funds seeking medium to long-term capital and income growth. It offers investors access to an actively managed portfolio for planning towards a successful retirement.

POSSIBLE RISKS ASSOCIATED WITH THIS FUND

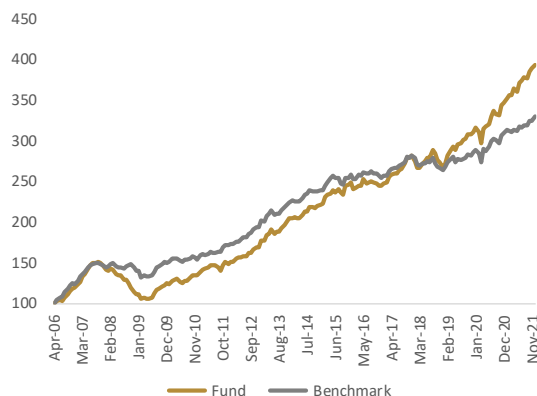
The fund is faced with general market risks such as price/demand fluctuations, economic and market conditions. Where exposure to foreign investments is included in the portfolio, there may be additional risks, such as possible constraints on liquidity and the return of funds to Botswana, macroeconomic, political, tax and settlement risks, and possible limitations on the availability of market information.

PERFORMANCE

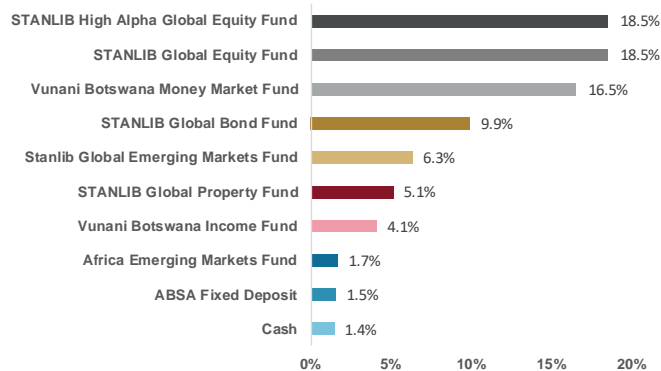
Returns (%)	3 months	1 yr	3 yrs	5 yrs
Class A				
Return	3.66	12.20	12.22	7.94
Benchmark	3.51	6.72	7.78	5.33

Returns shown are cumulative for all periods shorter than or equal to 1 year, and annualised for all periods greater than 1 year.

CUMULATIVE RETURNS



TOP 10 HOLDINGS



GENERAL FUND INFORMATION

Fund managers Tshephang Loeto & Chandapiwa Moampe
Fund size (P) 1.11 billion
Fund class A
Inception date 08 Nov 2005

Classification Global Multi Asset Class
Benchmark 30% x MSCI Emerging Markets +
 25% x Botswana Domestic Companies Index +
 15% x MSCI World Index +
 15% x FTSE World Government Bond Index +
 10% x Fleming Aggregate Bond Index +
 5% x Botswana Average Call Rate + 2%

ISIN number ZAE0000167698
Alpha code SMPCA

Minimum investment requirements

Lump sum P2,000
Monthly P300

RISK PROFILE

Conservative	Moderately conservative	Moderate	Moderately aggressive	Aggressive

FEES

MAXIMUM CHARGES (INCL. VAT)

Initial fee (manager)	0.000%
Initial fee (adviser)	3.420%
Annual fee (manager)	1.140%
Annual fee (adviser)	0.285%
Performance fee	0.000%

Annual fee (manager) - this is a service charge applicable to each class of a fund, and is levied on the value of your portfolio. Annual fees are calculated and accrued daily and recovered monthly.

ANNUAL COST RATIOS (INCL. VAT)

Base period	01/01/2019
TER	1.69%
TC	0.34%
TIC	2.03%
1 year TER	1.76%

Total expense ratio (TER): shows the charges, levies and fees relating to the management of the portfolio (expressed as a % of the average net asset value of the portfolio. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER should not be regarded as an indication of future TERs.

Transaction costs (TC): shows the % of the value of the fund incurred as costs relating to buying and selling of the fund's underlying assets. TC are a necessary cost in administering the fund and impacts fund returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of fund, investment decision of the investment manager and the TER.

Total investment charges (TIC): the sum of TER and TC, shows the % of the value of the fund incurred as costs relating to investment of the fund. It should be noted that performance figures account for all costs included in the TIC ratio, so you should not deduct the TIC from performance figures, the performance is already net of the TIC.

INCOME DISTRIBUTION

Net income is calculated daily and declared semi-annually.

Declaration: 28 February and 31 August

DISCLOSURE

Collective Investment Undertaking (CIUS) are generally medium to long term investments. The value of the units may go up or down, and past performance is not necessarily a guide to future performance. Unit trusts (UTs) are traded at ruling prices and can engage in borrowing and scrip lending.

The Vunani Botswana Money Market Fund is a portfolio of the Vunani Fund Managers Unit Trust Scheme (the Scheme), which is licensed in terms of the Collective Investment Undertakings Act, 1999 (as amended). The manager of the Scheme is Vunani Fund Managers (Pty) Ltd (the Manager). The Manager is licensed by the Non-bank Financial Institutions Regulatory Authority (NBFIRA), Certificate No. CIU/06, to carry out the business of a Unit Trust Management Company in the Republic of Botswana. The investments of this portfolio are managed by the Manager.

The Manager is licensed by NBFIRA, Certificate No. NBFIRA 10/3/13/II, to carry out the business of an asset manager in the Republic of Botswana. Prices are calculated and published on each working day and are available on the Manager's website (www.vunanifm.co.bw). This portfolio is valued at 15h00. Forward pricing is used. Investments and repurchases will receive the price of the same day if received prior to 12h30.

All performance returns quoted are shown in BWP and are based on data sourced from Morningstar/StatPro. Annualised return figures are the compound annualised growth rate (CAGR) calculated from the cumulative return for the period being measured. These annualised returns provide an indication of the annual return achieved over the period had an investment been held for the entire period. Actual annual figures are available on request from the Manager. Portfolio performance figures are calculated for the relevant class of the portfolio, for a lump sum investment, on a NAV-NAV basis, with income reinvested on the ex-dividend date. Individual investor performance may differ due to initial fees, actual investment date, income and dividend reinvestment dates, withholding tax. Portfolio performance accounts for all costs that contribute to the calculation of the cost ratios quoted, all returns quoted are after these costs have been accounted for.

Additional information including but not limited to, prospectus, brochures, application forms, quarterly reports, can be obtained (at no cost) from the Manager and/or from the Manager's website (www.vunanifm.co.bw).

FUND REVIEW

The Fund closed the quarter at BWP 1.11 billion, up from BWP 1.03 billion in Q3 2021.

MARKET OVERVIEW

Global economic growth showed indications of slowing down in the latter part of 2021, with some key economies such as the US and China registering lower GDP growth figures in the third quarter (Q3 2021). This has been due in part to the emergence of the new Omicron variant resulting in the resurgence of COVID-19 cases and bottlenecks in the supply chains – affecting many sectors of the economy. The US economy grew by 2.3% (annualised) over Q3 2021, the slowest pace in a space of 12 months. On the other hand, China grew by only 4.9% (year-on-year as at Q3 2021). However, global growth is still projected to grow strongly by 4.4% (IMF latest forecast) in 2022, as economies reopen and severely affected sectors such as travel, and leisure sectors recover.

Global equity markets were mixed in the fourth quarter. Developed markets strengthened, supported by sound economic growth and strong corporate earnings. Emerging market economies ended in the red as a stronger US dollar weighed on performance. The MSCI All Country World index returned 6.8% in USD terms over the quarter, bringing the gain for 2021 to 19.0%. The MSCI Emerging Markets (EM) index fell 1.2% in US dollars in the fourth quarter mainly due to the underperformance of the index heavyweight China, ultimately underperforming the developed market counterparts. For the calendar year, the MSCI EM delivered a negative return of -2.2%.

Domestic equities continued to rally in the quarter under

review, albeit at a slower pace compared to the prior quarter (Q3 2021). In the quarter under review, which was post the State of Emergency (SOE), several restrictions were eased, and it favored the real economy and overall market sentiment. In Q4 2021, the DCI and DCTRI registered returns of 1.6% and 3.0% respectively.

The Bloomberg Barclays Global Aggregate index of global bonds returned -0.7% in US dollar terms following a hawkish shift in tone by the Federal Reserve, Bank of England, and the European Central Bank after insisting for most of the year that pandemic-related price rises were transitory. In terms of currencies, our main exposure, the US dollar, strengthened against the other major and emerging market currencies over the fourth quarter, supported by heightened risk aversion and the position the Fed is taking.

Domestic bonds closed the last quarter of 2021 with a return of 1.9%, up from -2.1% in Q3 2021. There was some respite in price performance in Q4 from negative performance in the previous quarter. The overall yield to maturity (YTM) of the index closed at 6.79% from 7.06% in the end of Q3 2021.

OUTLOOK

The Omicron variant and the risk of further virus mutations remain key downside risks to near-term growth. 2022 will be marked by widespread withdrawal of monetary stimulus and rate hikes, however given the pandemic-related fragility of most economies, we anticipate central bank to be more tolerant to high inflation and rate hikes to be lower and slower than would be applied in the absence of a pandemic. Other factors to look out for in 2022 include geopolitical tensions and falling global growth expectations.

The local economy is still expected to return positively in Q4 2021. The vaccine rollout program has been highly successful and has positioned Botswana to be amongst the few countries in Africa that are doing well in this area. This is expected to be supportive to growth. Important to note into the outlook, is that the rate of growth is now expected to slow down after base effects fall off.

CONTACT DETAILS

TRUSTEE

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