

## VUNANI BOTSWANA EQUITY FUND FACT SHEET

FUND INFORMATION UPDATE AT 31 MARCH 2021

### WHAT IS THE FUND'S OBJECTIVE?

The objective of the fund is to provide investors with access to growth opportunities in Botswana as well as in global markets. The fund aims for high growth in capital and re-invested income, and a reasonable level of current income for long-term wealth accumulation.

### WHAT DOES THE FUND INVEST IN?

The fund invests in local and global equities.

### 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

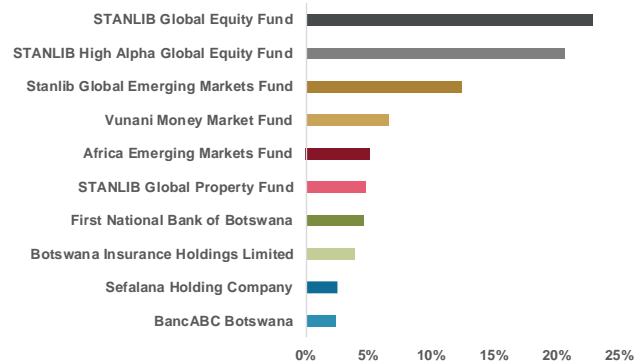
Returns (%)	3 months	1 yr	3 yrs	5 yrs
<b>Class A</b>				
Return	2.32	17.15	7.49	4.48
Benchmark	-5.10	-12.81	-8.73	-8.54

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)** 81.7 million  
**Fund class** A  
**Inception date** 01 Oct 2007

**Classification** Global Equity  
**Benchmark** Botswana Domestic Companies Index

**ISIN number** ZAE000104113  
**Alpha code** STEA

### Minimum investment requirements

**Lump sum** P1,000  
**Monthly** P300

### RISK PROFILE

Conservative	Moderately conservative	Moderate	Moderately aggressive	Aggressive
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### 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	01/04/2018
TER	2.24%
TC	0.48%
TIC	2.72%
1 year TER	2.19%

**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](http://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](http://www.vunanifm.co.bw)).

## FUND REVIEW

The Fund closed the quarter at BWP 81.7 million, up 1.5% from BWP 80.5 million in Q4 2020. The growth in the overall fund size was mainly attributable to the continued recovery in global equity markets.

## MARKET OVERVIEW

Global economic growth remains poised for a "V" shaped recovery, as many developed economies showed good progress in their vaccination campaigns during the quarter under review. On the other hand, emerging economies have experienced a massive shortage in vaccine doses, which has slowed their vaccination programs. The global economy (real GDP) is projected to have grown by -3.3% year on year as at the end of 2020 (April 2021, IMF Forecast), after a revision from its earlier forecast of -3.5% (January 2021). This boost in growth comes on the back of higher-than-expected output in the second half of 2020, as well as the vaccine distribution. The local economy recorded a year of year growth (real GDP) of -4.1% over 2020.

Domestic equities declined sharply over the quarter, as concerns over the country's slow vaccine program weighed down overall market confidence for a timely recovery. Domestic Company Index (DCI) and Domestic Company Total Return Index (DCTRI) declined by 5.1% and 4.4% respectively. Over the quarter, many companies reported double digit declines in revenue (top line) and earnings (bottom line), because of the challenging operating conditions caused by the health mitigation measures aimed at curbing the rise in COVID-19 deaths.

Global equities continued to advance during the quarter, driven by strong confidence in a sharp recovery in the economy as many businesses reopen. The MSCI Emerging Market Index and MSCI All Country World Index rose (in US Dollar terms) by 2.3% and 4.7% respectively. Developed countries are significantly ahead of emerging market countries on vaccination rates and this will bode well for developed market stocks in the near term. Another important factor supporting the rally in stocks has been the continued loose monetary policy that has increased money funds available to invest. However, a surge in COVID-19 variants remains a key risk to businesses reopening and a return to normal.

## OUTLOOK

World output declined by 3.3% in 2020, better than expected growth of -4.4%. The IMF has revised forecast global GDP growth from 5.2% to 6.0%, with growth recorded in all major economies. Mainly driven by fiscal support and an anticipated vaccine-led recovery. The vaccination rollout will be critical to each country's growth and return to normalcy. Given the inequality in access to the vaccine, the road to recovery will be staggered. Tourism-reliant economies may face slower recovery due to travel anxiety, even after vaccination programmes are completed.

The increased savings recorded in 2020 may signal pent up demand, as a result, economic recoveries will lead to increased consumption, which would drive up inflation. We will monitor inflation closely as well as its effects on asset allocation.

While there is light at the end of the COVID-19 tunnel, there remains risk of new strains of the virus and slow rollout of vaccines in some countries.

## CONTACT DETAILS

### TRUSTEE

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