

# VUNANI

## FUND MANAGERS

### VUNANI BOTSWANA EQUITY FUND FACT SHEET

FUND INFORMATION UPDATE AT 30 JUNE 2023

#### 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

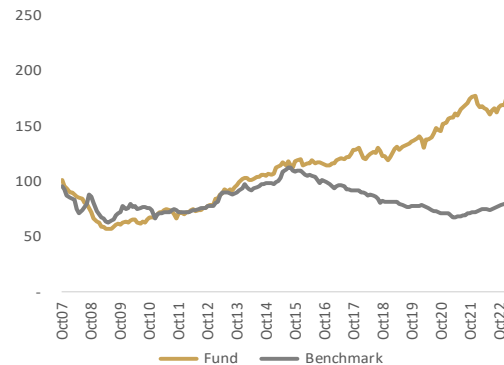
The fund is faced with general market risks such as price/demand fluctuations, economic and market conditions. Where exposure to foreign investments is included in the portfolio, there may be additional risks, such as possible constraints on liquidity and the return of funds to Botswana, macroeconomic,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

#### PERFORMANCE

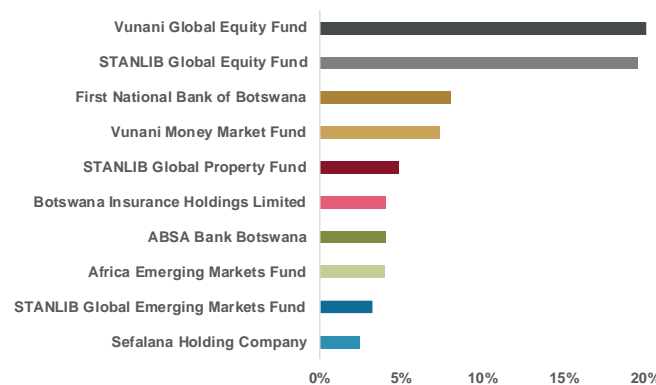
Returns (%)	3 months	1 yr	3 yrs	5 yrs
<b>Gross</b>				
Return	6.94	18.81	10.79	8.86
Benchmark	1.28	12.15	4.01	-0.84

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

#### CUMULATIVE PERFORMANCE



#### TOP 10 HOLDINGS



#### GENERAL FUND INFORMATION

**Fund managers** Kennedy Manopolwe & Jonathan Paledi  
**Fund size (P)** 87.5 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	01/07/2020
TER	2.20%
TC	0.09%
TIC	2.30%
1 year TER	2.08%

**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 ended Q2 2023 with a market value of BWP 87.5 million, up from BWP 81.6 million in Q1 2023. The increase was on the back of strong Offshore equities' performance and due to capital inflows.

## MARKET OVERVIEW

Global economic prospects have improved on the back of retreating inflation levels, and potential ease in the interest rate hiking campaign by central banks. As measured by Consumer Price Index (CPI), US and Euro registered year on year growth of 3.0% and 5.5% in June 2023. The US Federal Reserve (US Fed) increased rates by 25 basis points (bps) in May but paused its hiking campaign at its June meeting - although they did indicate scope to hike rates twice, before the end of 2023. However, inflation levels remain above key central bank targets – both the US Federal Reserve (US Fed) and European Central Bank (ECB) have a target of 2%. On the other hand, the European Central Bank (ECB) hiked interest rates by 25 bps in both May and June.

On the back of these positive macro developments, offshore risk assets rallied strongly over the quarter under review. As measured by the MSCI All Country World Index (MSCI ACWI) advanced by 5.9% (In US Dollar terms), and 10.3% (In Pula terms). Domestic equities finished the quarter under review (Q2 2023) in a positive territory, as banking sector stocks continued to drive the momentum of the rally. Strong economic growth over the prior calendar year (2022), and declining inflation concerns have boosted overall consumer confidence.

In addition, post COVID environment tail winds have benefited the tourism and hospitality sector, as it continues to recover - year to date (YTD - June 2023) Chobe and Cresta share price advances were 26.4% and 10.5% respectively. The Domestic Company Index (DCI) and Domestic Company Total Return Index (DCTRI) as proxy for local equity performance registered returns of 1.3% and 5.2% respectively. The biggest contributors were ABSA, FNBB and SCBB, and on the other hand Letshego, Letlelo and BTCL were the biggest detractors.

## OUTLOOK

According to the IMF, global inflation is expected to decline from 8.7% to 6.3% in 2023, and then 5.2% in 2024. Baseline, global output growth was revised upwards, from 2.8% (April 2023) to 3.0% (July 2023) in 2023. Looking forward, we anticipate inflation, in advanced and emerging markets to continue to trend lower in the near to medium term. This will help boost investee companies' real earnings and moderate their respective input costs. Global trade is expected to nosedive from a growth of 5.2% (in 2022) to 2.0% (in 2023), however it is expected to rebound to a growth of 3.7% (in 2024).

In conclusion, we aim to reallocate and take profits from best performing asset classes (that are overbought and dislocated from fundamentals) and redeploy the funds towards value enhancing and significant sectors - such as that the domestic financial services sector.

## CONTACT DETAILS

### TRUSTEE

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