

VUNANI

FUND MANAGERS

VUNANI BOTSWANA INCOME FUND FACT SHEET

FUND INFORMATION UPDATE AT 30 JUNE 2026

WHAT IS THE FUND'S OBJECTIVE?

The objective of the fund is to provide investors with a reasonable level of current income while maintaining stability for capital invested.

WHAT DOES THE FUND INVEST IN?

The fund invests in a wide range of fixed income securities, non-equity securities, preference shares, debentures and unsecured notes. The fund invests locally and regionally. The primary offshore investment destination is South Africa.

WHO SHOULD CONSIDER INVESTING IN THIS

The fund is designed for both retail and institutional investors who require alternative short-term diversification which will provide yield enhancement.

POSSIBLE RISKS ASSOCIATED WITH THIS FUND

The possible risks associated with this portfolio include general market and economic risks, interest rate risk, bond yield fluctuations and currency risk.

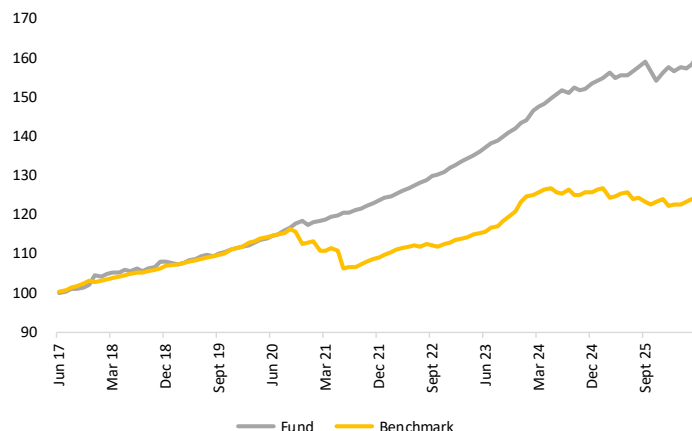
The fund has exposure to a moderate amount of risk for an increase in potential income.

PERFORMANCE

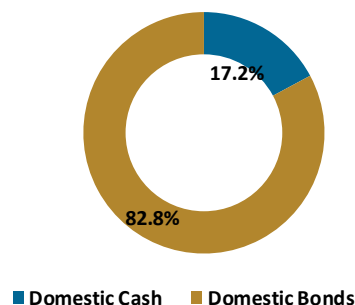
Returns (%)	3 months	1 yr	3 yrs	5 yrs
Gross				
Return	2.11	3.49	5.50	6.01
Benchmark	1.21	-1.05	2.46	2.27

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



ASSET ALLOCATION



GENERAL FUND INFORMATION

Fund managers Jonathan Paledi & Kennedy Manopolwe
Fund size (P) 74.0 million
Fund class B1
Inception date 25 May 2017

Classification Africa Fixed Interest
Benchmark 90% x Botswana Bond Index + 10% x Botswana Average Call Rate + 2%

ISIN number ZAE000235057
Alpha code SBIFB1

Minimum investment requirements

Lump sum P500,000
Monthly N/A

RISK PROFILE

Conservative	Moderately conservative	Moderate	Moderately aggressive	Aggressive
--------------	-------------------------	----------	-----------------------	------------

FEES

MAXIMUM CHARGES (INCL. VAT)

Initial fee (manager)	0.000%
Initial fee (adviser)	0.684%
Annual fee (manager)	1.140%
Annual fee (adviser)	0.285%
Performance fee	0.000%

ANNUAL COST RATIOS (INCL. VAT)

Base period	01/07/2023
TER	1.06%
TC	0.00%
TIC	1.06%
1 year TER	1.03%

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 and accrued daily and is declared and distributed quarterly.

Declaration: 28 February, 31 May, 31 August, 30 November

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 Income 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 12h00.

This is a portfolio that derives its income primarily from interest-bearing instruments. The yield (if shown) is a current effective yield and is calculated daily.

All performance returns quoted are shown in BWP and are based on data sourced from 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

In Q2 2026, the fund's market value closed at BWP 74.0 million. The portfolio outperformed the benchmark by 90 bps for the quarter under review, aided by portfolio positioning and optimised exposures. Outperformance over the medium to long-term has been more pronounced.

MARKET OVERVIEW

Real GDP increased by 3.5% y/y in Q1 2026, reversing the 5.4% contraction realised in Q4 2025. The utilities sector rose by 87.4% amidst improved local electricity production and increased water output. Diamond Traders (60.5%) and Mining & Quarrying (3.4%) were the other notable contributors. Agriculture, forestry, and fishing, which realised a negative growth of 3.4%, was impacted by the implementation of movement restrictions due to the outbreak of the Foot and Mouth Disease (FMD). Non-mining GDP realized growth of 2.7% y/y, surpassing 2.3% realised in the comparable quarter last year.

Headline inflation in June rose to 10.7% from 4.2% in March, breaching the upper bound of BoB's medium term objective range. The rise was occasioned by a combination of a significant increase in imported inflation, rising transport costs, and higher administered fuel prices by the Botswana Energy Regulatory Authority (BERA). From March (6.5% y/y) to April (28.5% y/y), transport inflation more than quadrupled, highlighting Botswana's vulnerability as a net energy importer.

The Monetary Policy Committee (MPC) at its June sitting maintained an unchanged stance to the Monetary Policy Rate (MoPR) at 5.5%. The MPC highlighted that inflation is

expected to persist above the 3-6% objective range in the near term coupled by subdued growth emanating from adverse external developments and modest progress in the implementation of transformative initiatives.

In Q2 2026, the Fleming Aggregate Bond Index (FABI) and the Botswana Bond Index (BBi) returned 0.9% and 1.3%, respectively. The positive index performances were supported by the muted rise in bond yields and coupon accruals.

OUTLOOK

The Ministry of Finance (MoF) forecasts economic output to grow by 3.1% in 2026, with the anticipated improvement in the non-mining sector, bolstered by the execution of developmental programmes such as the Botswana Economic Transformation Programme (BETP). With indications of Anglo American having identified a preferred bidder for De Beers sale, there are indications that a sale of the diamond mining giant may be imminent which ought to reduce uncertainty and improve prospects for diamond sector recovery. Further positive developments encompass Botswana realising duty-free access to the US market under the African Growth and Opportunity Act (AGOA) till December 2026.

The central bank forecasts inflation to average 9.0% (formerly 8.7%) in 2026 and 5.5% (previously 5.6%) in 2027, with inflation anticipated to remain above the objective range for the rest of the year. Inflation is anticipated to remain elevated due to the persistence of imported inflation and the second-round effects from higher transport costs. Other additional inflationary pressures are likely to arise from the increase in other administered prices (e.g electricity fares) and food inflation.

Local bond yields have predominantly been driven by market liquidity improvement. Short term rates (i.e. Treasury bills) have tapered downwards, and we foresee a downside bias in the near term. Long term bond rates, despite elevated inflation remain anchored and are likely to moderately decline amidst reduced supply at the long end of the curve.

CONTACT DETAILS

TRUSTEE

Stanbic Bank Botswana
2nd floor, Stanbic House, Fairgrounds Office Park, Private Bag 00168, Gaborone, Botswana
Tel: +267 361 8472

INVESTMENT MANAGER

Vunani Fund Managers Botswana
Plot 64515, Kgwebo2, 2nd floor, Fairgrounds
Tel: +267 391 0310
Email: moipolait@vunanifm.co.bw