

VUNANI BOTSWANA MANAGED PRUDENTIAL FUND FACT SHEET

FUND INFORMATION UPDATE AT 31 MARCH 2023

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

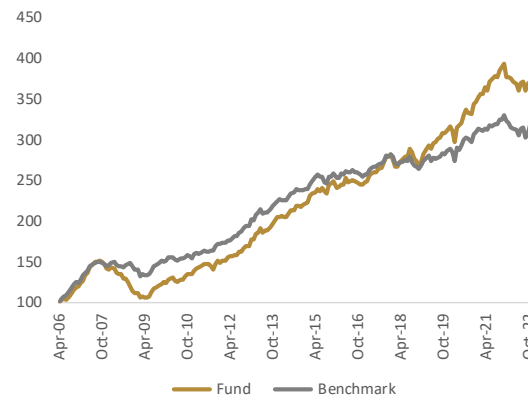
The fund is faced with general market risks such as price/demand fluctuations, economic and market conditions. Where exposure to foreign investments is included in the portfolio, there may be additional risks, such as possible constraints on liquidity and the return of funds to Botswana, macroeconomic,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

PERFORMANCE

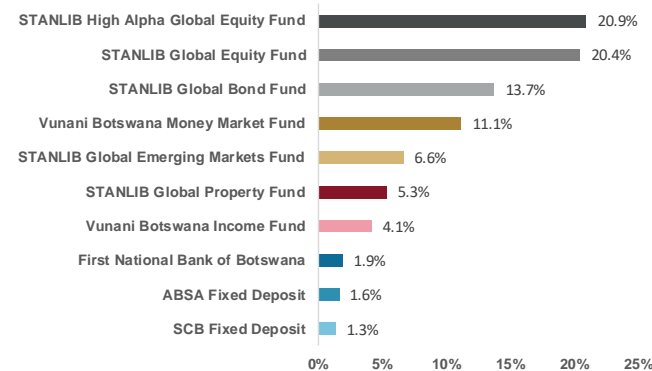
Returns (%)	3 months	1 yr	3 yrs	5 yrs
Gross				
Return	4.51	3.37	9.32	7.77
Benchmark	5.11	4.50	6.28	4.14

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 Chandapiwa Moampe & Teko Mmolawa
Fund size (P) 1.2 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	01/04/2020
TER	1.66%
TC	0.10%
TIC	1.76%
1 year TER	1.72%

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 ended the quarter with a market value of BWP 1.2 billion, relatively unchanged from the prior quarter. All asset classes in the portfolio, finished the quarter in positive territory, with offshore equities, offshore bonds and local equities being the largest contributors to performance.

MARKET OVERVIEW

The first quarter of 2023 was a turbulent but ultimately positive period for global equity markets. Stress in the US banking sector impacted the interest rate outlook, and revealed how last year's historic policy rate increases were affecting certain sectors. Market volatility was largely muted at the start of the year, until concerns about US regional banks took center stage following the high-profile collapse of several banks. However, these were broadly weathered as authorities responded swiftly to stem any potential spill overs.

Emerging market (EM) stocks had a strong start to the year as investors bet on the positive impacts of China's abandonment of its COVID containment policies, a softer outlook for the US dollar, and the benefits of lower commodity prices on net importing countries. However, the recovery will likely be mixed as support has come largely from a recovery in consumer spending, while manufacturing activity and business investment continue to show signs of weakness.

The global fixed income market experienced periods of extreme volatility during the first quarter. The market began the year on a positive note, due to moderating inflation and hopes that central banks would be less aggressive in terms of tightening monetary policy. Investor sentiment then reversed course in February.

Domestic equities ended the quarter strongly, building on the strong momentum exhibited by the real economy since 2021. Banking stocks continued to climb higher, as market participants further priced in higher expected earnings as a result of the central bank's interest hikes of 151 basis points (bps) from the prior year (calendar year 2022). On examining the latest sector statistical update (from the Bank of Botswana), net interest income for commercial banks grew by over 18.3% (on a year-on-year basis) as at December 2022. In addition, provision for doubtful debts declined, which in turn drove net income levels higher as well over the same period.

The Fleming Aggregate Bond Index (FABI) and the Botswana Bond Index (BBI) returned 1.92% and 1.50% respectively.

OUTLOOK

There is mounting concern over global company earnings in 2023, due to the radical increase in all companies' cost of capital from rising interest rates. This was exacerbated in the first quarter by the vulnerabilities of US regional banks' balance sheets, which is creating tighter lending conditions across the board, including in property.

EMs are witnessing signs that inflation is beginning to retreat; as these central banks led the way in tightening policy, this should pave the way for interest-rate cuts. In addition, China's relaxation of its stringent Covid restrictions will give EMs a timely boost, North Asian economies, as will the recent policy pivot towards a growth recovery.

The overall number of local stocks lagging their pre-pandemic level is shrinking. Some that still lag, especially in the consumer discretionary and consumer staples sectors should continue to be bid higher, supported primarily by broader economic factors and a return to normal trading activity. Others will continue to lag due to governance concerns and stressed balance sheets. Selective allocation therefore continues to be our key focus, with valuations and business quality important.

CONTACT DETAILS

TRUSTEE

Standard Chartered Bank Botswana
4th floor, Standard Chartered House, Queens Road, The Mall
Tel: +267 361 5800

INVESTMENT MANAGER

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