

## VUNANI BOTSWANA MANAGED PRUDENTIAL FUND FACT SHEET

### FUND INFORMATION UPDATE AT 31 MARCH 2025

#### 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

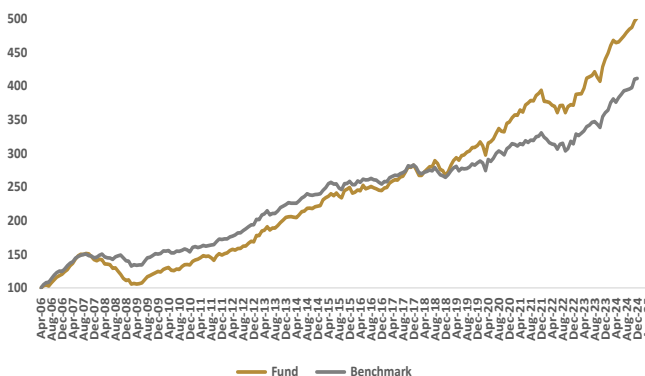
The fund is faced with general market risks such as price/demand fluctuations, economic and market conditions. Where exposure to foreign investments is included in the portfolio, there may be additional risks, such as possible constraints on liquidity and the return of funds to Botswana, macroeconomic,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

#### PERFORMANCE

Returns (%)	3 months	1 yr	3 yrs	5 yrs
<b>Gross</b>				
Return	-0.16	7.08	10.06	11.00
Benchmark	-0.69	7.27	8.90	8.18

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



#### RISK PROFILE

Conservative	Moderately conservative	<b>Moderate</b>	Moderately aggressive	Aggressive
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#### GENERAL FUND INFORMATION

**Fund managers** Kennedy Manopolwe & Jonathan Paledi  
**Fund size (P)** 794.5 million  
**Fund class** A  
**Inception date** 08 Nov 2005

**Classification** Global Multi Asset Class  
**Benchmark\*** 25% x Botswana Domestic Companies Index +  
 45% x MSCI All Country World Index +  
 15% x FTSE World Government Bond Index +  
 10% x Fleming Aggregate Bond Index +  
 5% x 3 Month T-Bill + 2%  
*\*(new benchmark composite effective 1st January 2024)*

**ISIN number** ZAE0000167698  
**Alpha code** SMPCA

#### Minimum investment requirements

**Lump sum** P2,000  
**Monthly** P300

#### 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)

<b>Base period</b>	01/04/2022
<b>TER</b>	1.66%
<b>TC</b>	0.09%
<b>TIC</b>	1.75%
<b>1 year TER</b>	1.61%

**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 (NBFIIRA), 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 NBFIIRA, Certificate No. NBFIIRA 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 the quarter (Q1 2025) with a market value of BWP 794.5 million. Commodities (Gold), Domestic Bonds, and Domestic Equities led the pack, with strong performances over the period. Whereas Offshore equities lagged – ending the quarter in the negative territory.

## MARKET OVERVIEW

The calendar year of 2025 started on a turbulent path, as global economic growth is projected to take knock amid abrupt policy changes from Trump's "Liberation Day" Tariffs. Global growth (real GDP) is projected to fall from an estimated +3.3% in 2024 to +2.8% and +3.0% in 2025 and 2026 (IMF), respectively. However, leading indicators such as the Global Purchasing Manager Index (PMI) values remained in a positive footing. As at April 2025, key economies such as the USA, China, and India, have been on the positive territory (above the 50.0 level).

Global equities finished in the negative territory in Q1 2025, with "Magnificent 7" stocks selling off the most in a relatively volatile quarter. However, emerging market equities fared better, while developed market equities, particularly the US, sold off. As measured by the MSCI World Index (MSCI WI) and MSCI Emerging Market Index (MSCI EM), Offshore Equities registered quarterly returns of -1.7% and 3.0%, respectively (in US dollars). As a result, the MSCI All Country World Index (MSCI ACWI), cushioned by EM, recorded -1.2% return (in US dollars). From a valuation perspective, both the MSCI WI and MSCI EM ended Q1 2025 trading at PE (forward) ratios of 18.2x and 12.0x, respectively.

Domestic Equities finished the quarter under review (Q1 2025) in positive territory, mainly driven by the Consumer Staples and Banking sectors. These sectors demonstrated resilience amidst the challenging local economic conditions, showing an upward trend in top-line revenues. The Domestic Companies Index (DCI) and Domestic Company Total Return Index (DCTRI) as proxies for local equity performance registered positive returns of +0.4% and +1.3%, respectively - over the quarter (Q1 2025). The biggest contributors to the market performance (DCI) were Sefalana, ABSA and Stanchart. On the other hand, the biggest detractors to performance were Letshego and G4S.

## OUTLOOK

In conclusion, we continue to anticipate persistent volatility in the market, as observed by the CBOE volatility index having been elevated of late. The last highest peak being that from the COVID-19 pandemic scare in 2020. We understand that if these tariffs materialize in the pipeline such as with pharmaceutical companies, the risks may create a stagflationary scenario/environment, particularly in the US. Additionally, the two (2) biggest economies (US and China) still willing to fight it out to the end, risk a global recession, which would spill over to the rest of the world. Furthermore, from a counter perspective, we aim to continue scrutinizing our positions both locally and internationally, to ride out the volatility as smoothly as possible.

On the capital market's front, Earnings yield for Domestic Equities have shown resilience in recent quarters; however, it has been on a downward trend – ending March 2025 at 7.9%. This was just below the 10-year treasury yield (on the run) of 8.4% (at same period). This, all in all, indicates a competitive demand for capital from both risk assets. And we expect these competitive pressures to progress in the near to medium term.

## CONTACT DETAILS

### TRUSTEE

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