

VUNANI BOTSWANA MANAGED PRUDENTIAL 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 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

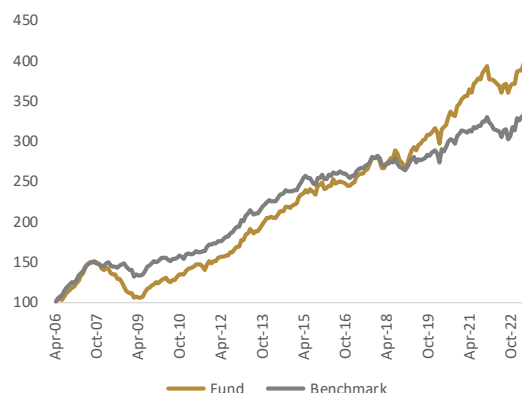
The fund is faced with general market risks such as price/demand fluctuations, economic and market conditions. Where exposure to foreign investments is included in the portfolio, there may be additional risks, such as possible constraints on liquidity and the return of funds to Botswana, macroeconomic,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

PERFORMANCE

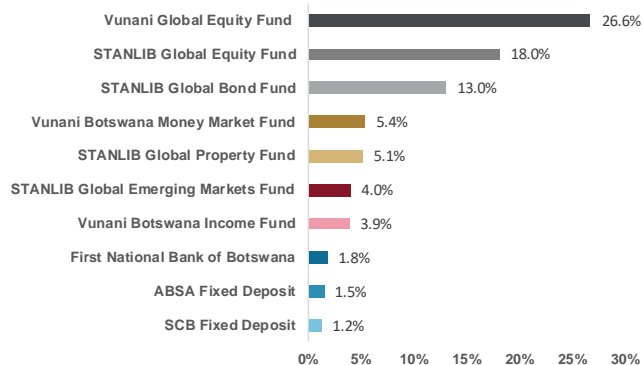
Returns (%)	3 months	1 yr	3 yrs	5 yrs
Gross				
Return	6.54	14.86	8.78	8.11
Benchmark	3.59	11.67	5.27	4.52

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	Kennedy Manopolwe & Jonathan Paledi
Fund size (P)	1.3 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
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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	1.73%
TC	0.07%
TIC	1.80%
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

FUND REVIEW

The Fund ended the quarter with a market value of BWP 1.3 billion, representing an 8.8% growth in assets under management (AUM) from the prior quarter. All asset classes in the portfolio, finished the quarter in positive territory, with Offshore Equities being the largest contributor to the performance.

MARKET OVERVIEW

Global economic prospects have improved on the back of retreating inflation levels, and a potential ease in the interest rate hiking campaign by central banks. 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 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) equities advanced by 5.9% (In US Dollar terms), and 10.3% (In Pula terms). Offshore bonds, developed-market government bonds (mostly US treasuries), detracted over the quarter as G7 yield curves drifted higher due to fears of inflation being stickier than previously anticipated.

Domestic equities finished the quarter in a positive territory, as banking sector stocks continued to drive the momentum of the rally. Strong local economic growth over the prior calendar year (2022), and declining inflation concerns boosted overall consumer confidence. In addition, post pandemic (C-19) environment tail winds benefited the tourism and hospitality sector, which continue to recover. Chobe and Cresta share price advances were 26.4% and 10.5% respectively (on a year-to-date basis).

The Domestic Company Index (DCI) and Domestic Company Total Return Index (DCTRI) as proxies for local equity performance, registered returns of 1.3% and 5.2% respectively (in Q2 2023). The biggest contributors were ABSA, FNBB and SCBB, and on the other hand Letshego, Letlole and BTCL were the biggest detractors.

In terms of local fixed income, the Fleming Aggregate Bond Index (FABI) was up 1.7% during Q2 2023, compared to a 1.9% gain in Q1 2023. The bond index ended the quarter with a duration of 5.25 and Yield-to-Maturity (YTM) of 8.10%. With regards to government bond auctions, there was continued preference to shorter-term financing as BWP3.3 billion was raised from Treasury bills and BWP1,1 billion from Treasury bonds.

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 for 2023 was revised upwards, from 2.8% (April 2023) to 3.0% (July 2023). The biggest improvement in the projections emanates from advanced economies, as opposed to emerging economies.

From a cash standpoint, the liquidity squeeze continued in the second quarter, with counterparties aggressive bidding for funds with higher tenor deposit rates. We anticipate these favorable rates will be temporal as market dynamics normalize.

In conclusion, we aim to reallocate and take profits from best performing asset classes and redeploy the funds on value enhancing and significant sectors, such as that the domestic financial services sector.

CONTACT DETAILS

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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).