VUNANI BOTSWANA MANAGED PRUDENTIAL 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 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

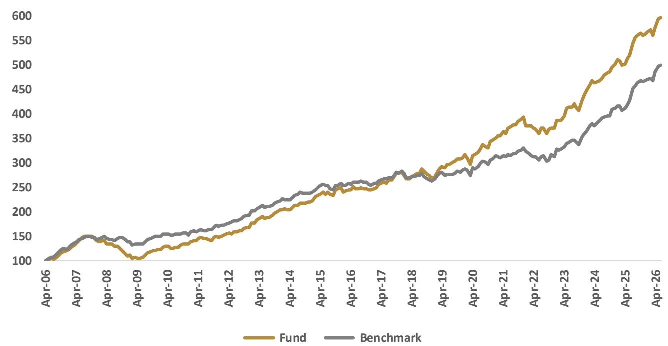
The fund is suitable for investors with an appetite for risk and a long-term investment horizon. The fund is suitable for individuals as well as smaller pension funds seeking medium to long-term capital and income growth. It offers investors access to an actively managed portfolio for planning towards a successful retirement.

PERFORMANCE

Returns (%)	3 months	1 yr	3 yrs	5 yrs
Gross				
Return	6.21	14.52	13.00	9.94
Benchmark	6.47	16.78	13.39	9.29

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



GENERAL FUND INFORMATION

Fund managers	Kennedy Manopolwe & Jonathan Paledi
Fund size (P)	948.5 million
Fund class	A
Inception date	May 2006
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

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.

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	01/07/2023
TER	2.11%
TC	0.08%
TIC	2.18%
1 year TER	2.94%

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 find, 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 perfromance 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 (Q2 2026) with a market value of BWP 948 million (from BWP 882 million in Q1 2026). Equities (domestic and global) were among the high performers, as all asset classes appreciated, while commodities lagged in a resurgent quarter for risk asset classes.

MARKET OVERVIEW

The IMF's July 2026 forecast projects global GDP growth of 3.0% in 2026 and 3.4% in 2027, slightly below the 2024–2025 average of 3.5%. The outlook remains shaped by geopolitical uncertainty, particularly Middle East tensions, and an expanding AI-led technology investment cycle. Growth prospects are expected to remain uneven, with energy exporters and technology-oriented markets better positioned, while energy-importing and lower-income economies face softer momentum. Global headline inflation is forecast to rise from 4.1% in 2025 to 4.7% in 2026 before moderating to 3.9% in 2027, indicating that disinflation has lost some momentum.

Global equities rebounded strongly in Q2 2026 as easing financial conditions, resilient earnings and large AI-related capital expenditure supported risk appetite. In US dollar terms, the MSCI ACWI and MSCI World Index gained 15.1% and 13.1%, respectively, while Emerging Markets advanced 24.2%, outperforming developed markets as investors shifted from risk aversion to growth positioning.

Domestically, equities ended modestly higher, supported by earnings resilience in Banking, Consumer Staples and Property. As measured by the Domestic Company Index (DCI), the local equities advanced by 0.7% over the period.

Sentiment remained cautious as weaker rough diamond demand and lower realised prices continued to weigh on government revenues and broader economic momentum. Bonds improved, with the FABI up 0.9%, while softer 12-month deposit rates at 5.8% reflected improved liquidity, despite elevated inflation keeping real cash yields under pressure.

OUTLOOK

Global markets staged a strong recovery during Q2 2026 as improving investor sentiment outweighed earlier geopolitical uncertainty. Confidence strengthened as Middle East tensions eased, oil prices declined and fears of prolonged energy supply disruptions moderated. AI optimism remained a key driver of offshore equities, supported by rising capital expenditure commitments from major technology companies and resilient earnings. Emerging markets outperformed developed markets, benefiting from semiconductor and AI-related technology exposure, particularly in South Korea and Taiwan. Global fixed income returns were more modest as investors balanced easing inflation concerns against cautious central bank policy expectations.

Looking ahead, performance is likely to remain sensitive to geopolitics, inflation and monetary-policy expectations. Resilient earnings, sustained AI infrastructure investment and improving global sentiment provide support for risk assets, but volatility may persist as markets react to policy signals and geopolitical developments. Locally, softer cash yields may continue to pressure income returns, while elevated inflation, fiscal constraints and diamond-sector weakness remain the main risks to domestic asset class performance. Selectivity therefore remains important, with preference for diversified exposures, quality earnings and assets that can withstand persistent macroeconomic uncertainty.

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