

VUNANI BOTSWANA MANAGED PRUDENTIAL FUND FACT SHEET

FUND INFORMATION UPDATE AT 30 SEPTEMBER 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

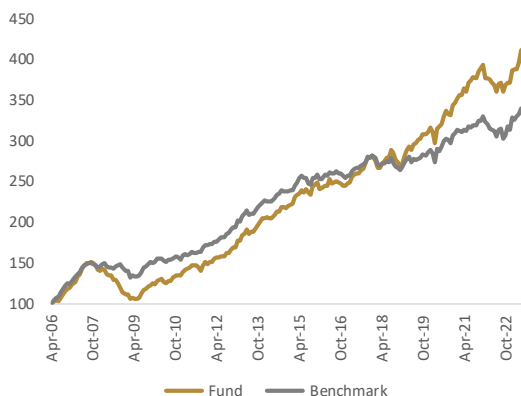
The fund is faced with general market risks such as price/demand fluctuations, economic and market conditions. Where exposure to foreign investments is included in the portfolio, there may be additional risks, such as possible constraints on liquidity and the return of funds to Botswana, macroeconomic,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

PERFORMANCE

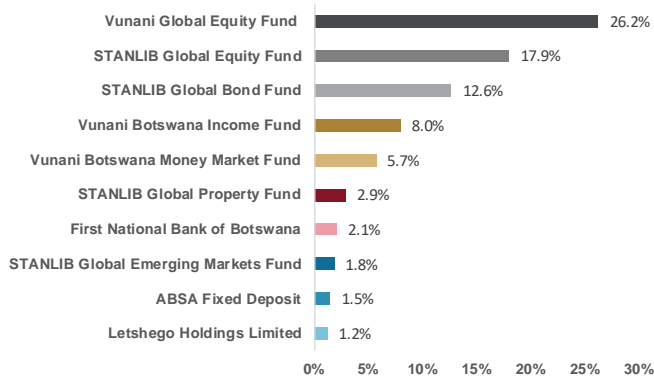
Returns (%)	3 months	1 yr	3 yrs	5 yrs
Gross				
Return	-0.16	14.64	7.49	7.72
Benchmark	0.44	13.16	4.46	4.71

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

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	2020/10/01
TER	1.68%
TC	0.10%
TIC	1.78%
1 year TER	1.64%

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 (Q3 2023) with a market value of BWP 1.3 billion - relatively flat (against Q2 2023). Local asset classes finished the quarter on the positive territory in aggregate, while Offshore assets dragged performance.

MARKET OVERVIEW

Global economic prospects have remained unchanged for 2023, as global inflationary levels remain somewhat sticky in the near term. In view of a strong labour market, central banks have resolved to maintain interest rates high for longer to ensure that they anchor expectations and clamp down on inflation. Offshore stocks, as measured by the MSCI All Country World Index (MSCI ACWI), declined by 3.3% (in US Dollar terms). Whereas the lacklustre economic performance from China also weighed down emerging market equities. As measured by the MSCI Emerging Market Index (MSCI EM), emerging equities declined by 2.8% (in US Dollar terms). Offshore fixed income sold off during the quarter, as the 10-year US treasury reached significant and notable highs – ending Q3 2023 at 4.6% from 4.1% in August 2023.

Domestic equities continued to rally over the quarter under review, as we enter the tail end of the calendar year. Significant market activity relative to prior quarters also helped move prices of local counters with the overall turnover growing to BWP 2.9 billion in Q3 2023 (from BWP 10.4 million in Q2 2023). The biggest contributor to the turnover was BIHL, as Sanlam Allianz acquired the BIHL equity stakes from related parties. As measured by the Domestic Company Index (DCI) and Domestic Company Total Return Index

(DCTRI), local stocks appreciated by 7.5% and 9.8%, respectively, over the quarter.

The biggest contributors to the market performance (DCI) were FNBB, Letshego and Chobe. While on the other hand, the biggest detractors to performance were Choppies, Seedco and G4S.

As measured by the Fleming Aggregate Bond Index (FABI), Domestic bonds went up by 2.1% during Q3 2023, compared to a 1.7% gain in Q2 2023. The bond index ended the quarter with a duration of 5.2 (Modified Duration) and Yield-to-Maturity (YTM) of 8.0%. Over a 1-year period to September 2023, the FABI returned 6.9%, compared to 6.5% over the same period in the prior year.

OUTLOOK

As per the latest (Oct 2023) IMF projections, global inflation is expected to decline from 8.7% to 6.9% in 2023, and then 5.8% in 2024. This represents an upward revision from the July estimate – indicative of the prevailing inflation stickiness. Baseline, global output is estimated to reach 3.0% (Oct 2023) in 2023, and 2.9% in 2024. Despite this resilience in inflation, we anticipate inflation, in advanced and emerging markets will continue to trend lower towards the central bank targets. This will help boost investee companies' earnings and moderate their debt servicing costs – further boosting bottom line profitability. Global trade is expected to plummet from a growth of 5.1% (in 2022) to 0.9% (in 2023) but rebound to a growth of 3.5% (in 2024). New trade restrictions continue to be a threat to trade, as indicated by the estimate.

In conclusion, we aim to reallocate and take profits from best performing asset classes (that are overbought and dislocated from fundamentals) and redeploy the funds towards relatively cheaper sectors - such as that the tourism sector.

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