VUNANI BOTSWANA MANAGED PRUDENTIAL FUND FACT SHEET

FUND INFORMATION UPDATE AT 31 MARCH 2022

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

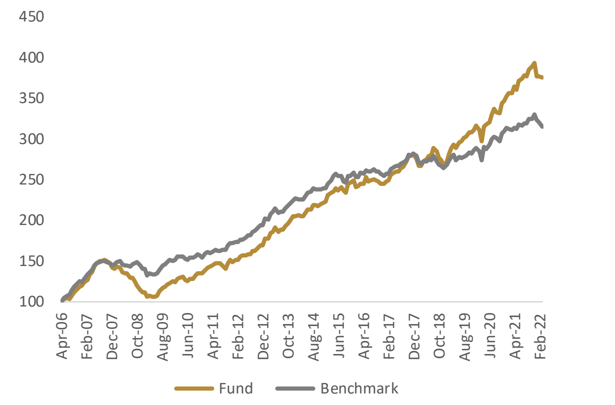
The fund is faced with general market risks such as price/demand fluctuations, economic and market conditions. Where exposure to foreign investments is included in the portfolio, there may be additional risks, such as possible constraints on liquidity and the return of funds to Botswana, macroeconomic,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

PERFORMANCE

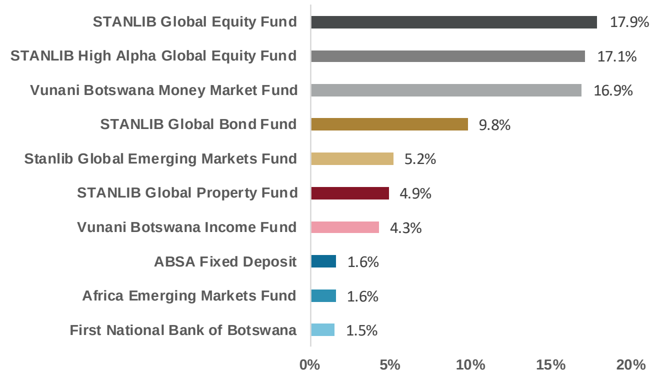
Returns (%)	3 months	1 yr	3 yrs	5 yrs
Class A				
Return	-4.86	4.08	7.72	5.99
Benchmark	-4.41	1.57	4.37	3.76

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	Tshephang Loeto & Chandapiwa Moampe
Fund size (P)	1.07 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	01/04/2019
TER	1.64%
TC	0.28%
TIC	1.92%
1 year TER	1.77%

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 closed the quarter at BWP 1.07 billion, down from 1.11 billion in Q4 2021. Declines were mainly attributable to offshore equities as global markets took a hit due to geopolitical tensions which resulted in Russia invading Ukraine.

MARKET OVERVIEW

Global economic growth came under threat in the quarter under review, as new headwinds in the form of geopolitical tensions (Ukraine/Russia War) took centre stage. However, the COVID-19 pandemic continues to remain a risk to public health, despite its economic impact waning due the effective vaccine rollout. Increased supply chain disruptions, due to the Ukraine/Russia war, further exacerbated the inflation levels globally, leading to increased living costs. As at the end of Q4 2021, China's economy grew slowly – by 4.0% (year on year), while on the other hand the US economy grew by 7.0% (annualised). Global growth was expected to be 4.4% (IMF – January forecast) over the calendar year of 2022, however, this was subsequently revised downwards to 3.6% (IMF – April forecast). This is on the back of the humanitarian crisis in Eastern Europe and the negative economic effects caused by the war in Ukraine.

Global risk assets experienced a significant amount of volatility over the quarter, on the back of the war between Russia and Ukraine. In addition, the hawkish stance by the US Federal Reserve in hiking interest rates by 25 basis points in March rattled markets further. Global stocks fell sharply over January and February, except for most Energy stocks, as global oil prices surged tremendously. The MSCI Emerging Market Index and MSCI All Country World Index declined (in US Dollar terms) by 6.9% and 5.3% respectively in Q1 2022. On the positive side, the lower risk of the Omicron variant relative to the Delta variant, and the continued vaccination efforts will enable further reopening of economies.

Domestic equities rallied strongly over the quarter, on the back of the significant positive corporate earnings growth and more normalised business operations post the lockdown year of 2021. The Domestic Company Index (DCI) and Domestic Company Total Return Index (DCTRI) gained 3.3% and 4.3% respectively over Q1 2022

Global bonds trended in a similar trajectory to other risk assets, and thus did not offer a buffer or cushion to the equity sell-off. The Bloomberg Barclays Global Aggregate Bond Index revealed that global bonds depreciated by 6.2% (US Dollar terms).

Domestic bonds finished the quarter on a positive note, as the Fleming Aggregate Bond Index (FABI) advanced by 1.5% on the back of declining yields. Quasi Government and the credit segment of the index outperformed the Government bonds, as yield and average coupon rates remain relatively high among the non-sovereign bonds.

OUTLOOK

Two main factors have been driving volatility in the markets most directly affected by the crisis in Ukraine: first, the immediate effects of Western sanctions on companies doing business in the region; and second, uncertainty as to how the conflict unfolds from here. We continue to monitor the impact of sanctions on our current exposure. Meanwhile, in the near term, the conflict is likely to exacerbate the inflationary pressures being felt globally, given further increases in energy prices and the risk of more disruption to supply chains already hit by the pandemic.

In addition, the emergence of new variants of COVID remains a real threat to economic growth, the magnitude of which would depend on how transmissible and lethal the variant is, therefore, determining whether lockdowns need to be imposed.

CONTACT DETAILS

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