

## 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

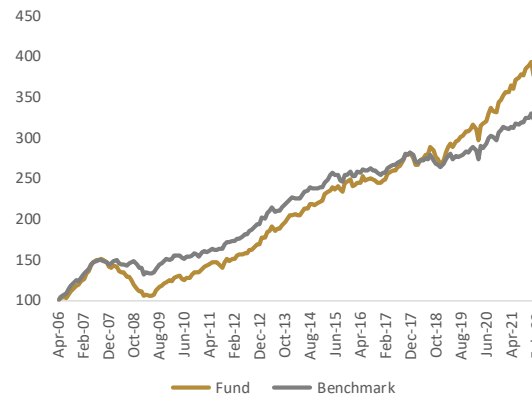
The fund is faced with general market risks such as price/demand fluctuations, economic and market conditions. Where exposure to foreign investments is included in the portfolio, there may be additional risks, such as possible constraints on liquidity and the return of funds to Botswana, macroeconomic,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

#### PERFORMANCE

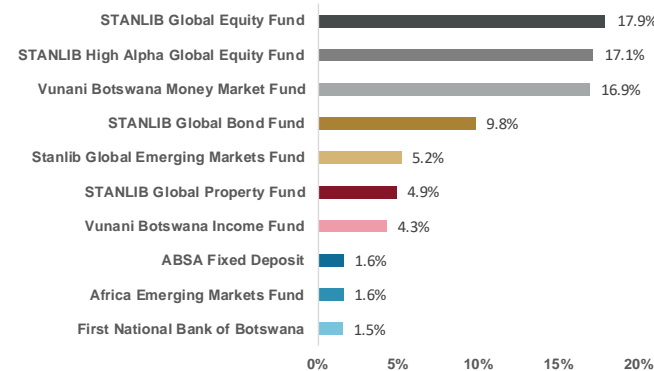
Returns (%)	3 months	1 yr	3 yrs	5 yrs
<b>Class A</b>				
Return	-4.86	4.08	7.72	5.99
Benchmark	-4.41	1.57	4.37	3.76

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 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](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 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

### TRUSTEE

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