

VUNANI BOTSWANA MANAGED PRUDENTIAL FUND FACT SHEET

FUND INFORMATION UPDATE AT 30 JUNE 2021

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

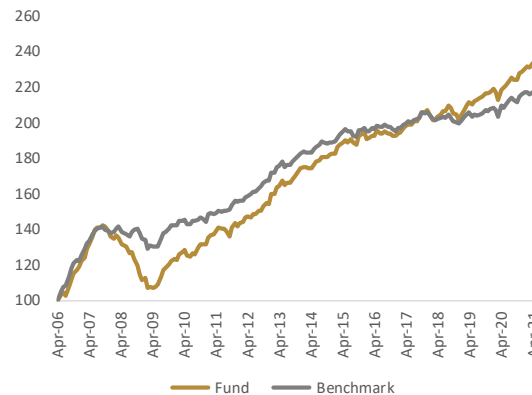
The fund is faced with general market risks such as price/demand fluctuations, economic and market conditions. Where exposure to foreign investments is included in the portfolio, there may be additional risks, such as possible constraints on liquidity and the return of funds to Botswana, macroeconomic,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

PERFORMANCE

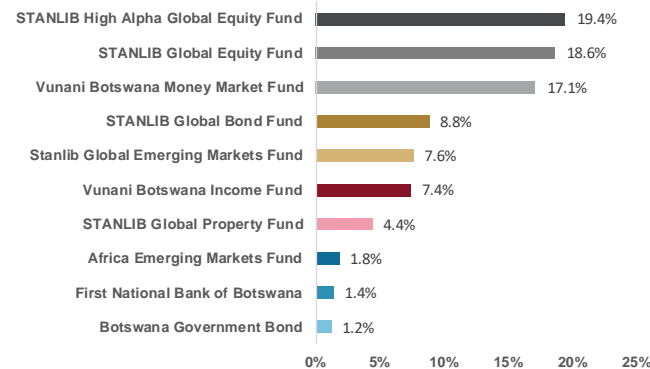
Returns (%)	3 months	1 yr	3 yrs	5 yrs
Class A				
Return	3.93	14.56	8.20	6.46
Benchmark	2.52	8.78	5.17	4.27

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) 945.8 million
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	01/07/2018
TER	1.80%
TC	0.46%
TIC	2.26%
1 year TER	1.73%

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 closed the quarter at BWP 945.8, up from BWP 884.9 million in Q1 2021. The growth in the overall fund size was mainly attributable to global equities, which posted gains in each of the 3 months.

MARKET OVERVIEW

Global economic growth has continued to show positive signs of recovery as both developed and emerging countries effectively speed up their vaccination campaigns. Fiscal and monetary policy measures will remain key for a full recovery over the year ahead, as it was during the quarter under review.

Global risk assets rallied over the quarter on the back of better-than-expected macro-economic performance. In US Dollar terms, the MSCI Emerging Market Index and MSCI All Country World Index rose by 5.1% and 7.5% respectively. While the degree of vaccinations differs across the globe, and thus expected to result in divergence in recovery, key economic markets such as US, China and other developed countries are fast approaching herd immunity. This will in turn add more investor confidence and weight behind the astronomical prices for global equities and other risk assets that have rallied aggressively. On the other hand, persistently higher than expected inflation has the potential to trigger policy responses from central banks, which could result in a sharp corrections and volatility in stock prices in the near term.

Domestic equities as measured by both the Domestic Company Index (DCI) and Domestic Company Total Return Index (DCTRI) rebounded over the quarter. The DCI and DCTRI registered positive returns of 1.4% and 4.0% respectively. The major contributors to this performance

include banking stocks, as spikes in inflation fuelled an anticipation of a hawkish policy response from the Bank of Botswana (BoB). This action would bode well for overall banking profitability in the form of higher asset yields.

Domestic Bonds finished the quarter relatively flat, with a marginal growth of 0.5% as measured by the Fleming Aggregate Bond Index (FABI). The FABI index remains heavily exposed to government bonds and the recent rating downgrade from Moody's (on sovereign bonds) did not bode well for the index's performance. In addition, rising yields and inflation levels will further add downside pressures on the overall price of the index and a drag performance in the near to medium term.

OUTLOOK

In our previous quarterly report, our parting shot was "While there is light at the end of the COVID-19 tunnel, there remains risk of new strains of the virus and slow rollout of vaccines in some countries". Indeed, this is what played out in Q2 2021. The progress in vaccination, or lack thereof, will be a recurring theme in our outlook for several subsequent quarters. There is no assurance of steady recovery anywhere as long as segments of the population remain unvaccinated and susceptible to the virus and further mutations. Thus, the uncertainty of further waves, as well as the slow pace of vaccination in emerging markets, presents risk to sentiment and growth prospects.

The buzzword in inflation discussions been 'transitory', however there is a risk that inflation could persist, which would call for central banks to take preemptive action. This is particularly true to developing and emerging markets, due to high food prices. It is however important to note that part of the surge in inflation is due to the low base effects from last year's low commodity prices. The IMF forecasts that 2021 inflation for advanced economies will be 2.4%, significantly up from the 2020 print of 0.7%. The 2021 forecast for emerging and developing economies is 5.4% vs 5.1% in 2020.

CONTACT DETAILS

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