

VUNANI BOTSWANA MANAGED PRUDENTIAL FUND FACT SHEET

FUND INFORMATION UPDATE AT 30 SEPTEMBER 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

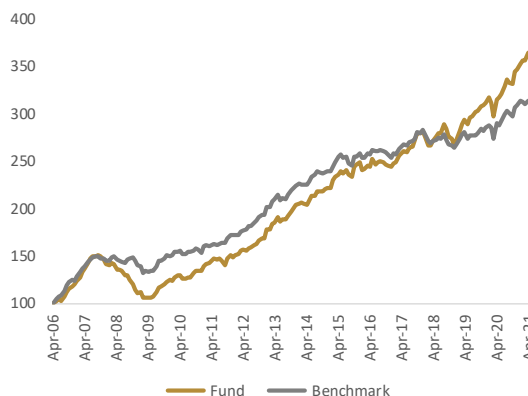
The fund is faced with general market risks such as price/demand fluctuations, economic and market conditions. Where exposure to foreign investments is included in the portfolio, there may be additional risks, such as possible constraints on liquidity and the return of funds to Botswana, macroeconomic,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

PERFORMANCE

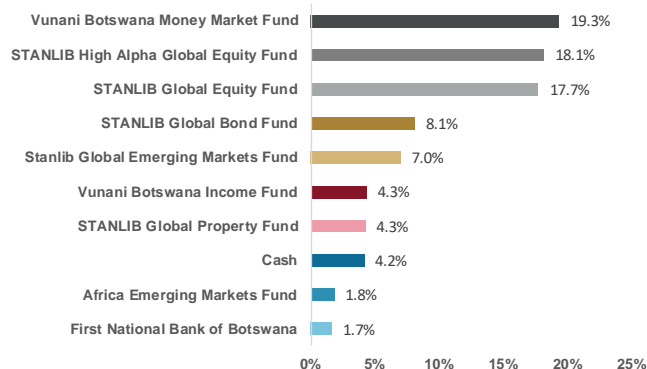
| Returns (%) | 3 months | 1 yr | 3 yrs | 5 yrs |
|----------------|----------|-------|-------|-------|
| Class A | | | | |
| Return | 1.54 | 12.43 | 8.16 | 6.83 |
| Benchmark | 0.14 | 5.95 | 5.38 | 4.15 |

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) 1.03 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 | 01/10/2018 |
| TER | 1.72% |
| TC | 0.40% |
| TIC | 2.12% |
| 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). 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 1.03 billion, up from BWP 945.8 million in Q2 2021. The growth in the overall fund size was driven by all asset classes except for local bonds and emerging market equities.

MARKET OVERVIEW

Global economic expansion has remained resilient with the support of easy monetary and fiscal policy measures that were still firmly in place throughout the quarter under review. In addition, vaccination roll out has further enabled reopening of economies and return to near normal business conditions. However, surges in more contagious COVID-19 variants such as the Delta variant, supply chain bottlenecks as well as vaccine inequity among countries remain threats to global economic recovery.

Domestic equities rallied strongly over the quarter with the Domestic Company Index (DCI) and Domestic Company Total Return Index (DCTRI) registering returns of 4.2% and 8.6% respectively. The major driver of this rally was the banking sector stocks which continued to surge on the back of improved interim results on average among the listed banks. Despite downward pressure on interest earnings due to the low interest rate environment, credit losses have gone down significantly which further improved their bottom-line profitability.

Domestic bonds finished the quarter lower, with the Fleming Aggregate Bond Index (FABI) falling by 2.1% as yields rose. Inflation pressures remain skewed to the upside as fuel prices tick up and this will in turn influence investors to bid up bond yields in search for more return. However, interest rates have been kept constant by the Bank of Botswana

at the recent October meeting, with the view that the current inflation levels are largely transitory.

Global equities ended the quarter in negative territory, as September overall share price declines erased most gains achieved at the start of the quarter. This volatile performance comes as global supply chain bottlenecks begin to threaten corporate earnings growth. The MSCI All Countries World Index and MSCI Emerging Market Index recorded returns of -1.0% and -8.0% respectively (in USD terms) in the quarter under review. Further improvement in macro indicators (the real economy) as well as easy monetary policy stances by central banks will continue to support global risk assets in the near term.

OUTLOOK

The risk appetite for the remainder of 2021 will continue to be driven by COVID-19 factors – the spread of the virus, new variants and the availability and deployment of vaccines. Other factors include geopolitical tensions, falling global growth expectations, emerging stress in the Chinese property sector, increasing Treasury yields, inflation expectations and the potential tapering of monetary accommodation by global central banks.

On the local front, as the disruptive forces from the pandemic subside and vaccine roll out continues to reach herd immunity, depressed stocks from the hospitality and tourism sectors will begin to contribute to market performance. In addition, banking sector stocks could continue to rally, when the central bank begins hiking interest rates, which would improve the banks' net interest income. With respect to domestic bonds, long duration debt securities will remain a risk to the overall performance of the bond asset class when the central bank begins to tighten their monetary policy. Fixed deposits which represent the cash asset class, have continued to offer attractive yields as liquidity squeezes arises from certain counterparties. We aim to continue reinvesting dividends and coupon payments from both stocks and bonds on a short-term basis in the cash asset class to further boost domestic asset class returns.

CONTACT DETAILS

TRUSTEE

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