

VUNANI

FUND MANAGERS

VUNANI BOTSWANA INCOME FUND FACT SHEET

FUND INFORMATION UPDATE AT 31 DECEMBER 2025

WHAT IS THE FUND'S OBJECTIVE?

The objective of the fund is to provide investors with a reasonable level of current income while maintaining stability for capital invested.

WHAT DOES THE FUND INVEST IN?

The fund invests in a wide range of fixed income securities, non-equity securities, preference shares, debentures and unsecured notes. The fund invests locally and regionally. The primary offshore investment destination is South Africa.

WHO SHOULD CONSIDER INVESTING IN THIS

The fund is designed for both retail and institutional investors who require alternative short-term diversification which will provide yield enhancement.

POSSIBLE RISKS ASSOCIATED WITH THIS FUND

The possible risks associated with this portfolio include general market and economic risks, interest rate risk, bond yield fluctuations and currency risk.

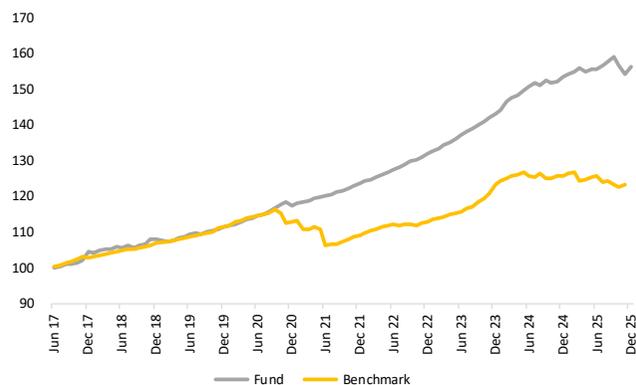
The fund has exposure to a moderate amount of risk for an increase in potential income.

PERFORMANCE

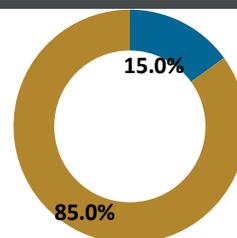
Returns (%)	3 months	1 yr	3 yrs	5 yrs
Gross				
Return	-1.69	1.75	5.82	5.88
Benchmark	-0.72	-1.86	3.16	1.88

Returns shown are cumulative for all periods shorter than or equal to 1 year, and annualised for all periods greater than 1 year.

CUMULATIVE PERFORMANCE



ASSET ALLOCATION



■ Domestic Cash ■ Domestic Bonds

GENERAL FUND INFORMATION

Fund managers Jonathan Paledi & Kennedy Manopolwe
Fund size (P) 91.2million
Fund class B1
Inception date 25 May 2017

Classification Africa Fixed Interest
Benchmark 90% x Botswana Bond Index + 10% x Botswana Average Call Rate + 2%

ISIN number ZAE000235057
Alpha code SBIFB1

Minimum investment requirements

Lump sum P500,000
Monthly N/A

RISK PROFILE

Conservative	Moderately conservative	Moderate	Moderately aggressive	Aggressive
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FEES

MAXIMUM CHARGES (INCL. VAT)

Initial fee (manager)	0.000%
Initial fee (adviser)	0.684%
Annual fee (manager)	1.140%
Annual fee (adviser)	0.285%
Performance fee	0.000%

ANNUAL COST RATIOS (INCL. VAT)

Base period	01/01/2023
TER	1.08%
TC	0.00%
TIC	1.08%
1 year TER	0.99%

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 and accrued daily and is declared and distributed quarterly.

Declaration: 28 February, 31 May, 31 August, 30 November

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 12h00.

This is a portfolio that derives its income primarily from interest-bearing instruments. The yield (if shown) is a current effective yield and is calculated daily.

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

In Q4 2025, the fund's market value closed at BWP 91.2 million. The portfolio lagged the benchmark by 97 bps for the quarter under review, with rising bond yields significantly impacting long duration exposures. Nevertheless, the portfolio has continued to outpace its benchmark over the medium- and long-term periods.

MARKET OVERVIEW

Real GDP expanded by 8.2% in Q3 2025, realising the first positive growth since the first quarter of 2023. The rise in economic output was driven by Mining and Quarrying, with real value-added amounting to 39.5% on the back of increased diamond production (45.0%), following rising output from Jwaneng and Orapa mines. Real GDP for the first three quarters of 2025 averaged 0.9%.

According to the Ministry of Finance's (MoF's) Budget Strategy Paper (BSP), diamond inventory levels reached 12.0 million carats in December 2025, exceeding the target limit of 6.0 million carats. Diamond-related sales are expected to remain below historical levels of P20-30 billion, as structural and cyclical challenges limit potential. MoF in conjunction with Bank of Botswana (BoB) announced asymmetric trading margins of +3% (buy rate) and -7.5% (sell rate) from the central parity for the exchange rate framework to be implemented in 2026, aiming to support exporters through increased conversion of foreign exchange (FX) proceeds.

Headline inflation in December closed the year at 3.9% and averaged 2.7% in 2025, slightly lower than the 2.8% realised in 2024. Inflation pressures materialised towards the latter part of 2025 owing to the dissipating base effects from last

year's fuel price reductions, with the transport index moving from a deflationary territory. The main contributors to the December reading were namely: Transport (1.6%); Miscellaneous Goods & Services (0.9%) and Food & Non-Alcoholic Beverages (0.8%). The Monetary Policy Committee (MPC) at its December meeting maintained the Monetary Policy Rate (MoPR) at 3.5% and continued to direct commercial banks not to increase their prime lending rates (PLRs).

In Q4 2025, the Fleming Aggregate Bond Index (FABI) and the Botswana Bond Index (BBI) returned -5.6% and -0.9%, respectively. The indices were impacted by the upward movement in bond yields realised during the quarter.

OUTLOOK

The Ministry of Finance (MoF) forecasts economic output to contract by 0.4% in 2025, with the mining sector expected to weaken in the fourth quarter amidst reduced production. Testament to this assertion, De Beers Q4 2025 production report showcased diamond production in Botswana declining to 1.9 million carats from 6.0 and 4.2 million carats in Q3 2025 and Q4 2024, respectively. The International Monetary Fund (IMF) forecasts growth of 2.3% in 2026 aided by favourable statistical base effects.

The central bank forecasts inflation to average 5.3% (formerly 5.9%) in 2026, with it temporarily breaching the upper bound of the objective range in Q3 2026. The lower average reflects, the downward adjustment in mobile data prices and petrol prices, the latter being an implementation of a unitary pricing framework by Botswana Energy Regulatory Authority (BERA) on November 8.

Government is likely to continue tapping from the local market for its borrowing needs due to the significant financing gap. The latter compounded by the sovereign credit downgrades and heightened inflationary pressures are likely to result in enhanced demand for yield, which may support an elevated bond yield trajectory.

CONTACT DETAILS

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