

VUNANI BOTSWANA MANAGED PRUDENTIAL FUND FACT SHEET

FUND INFORMATION UPDATE AT 31 MARCH 2024

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

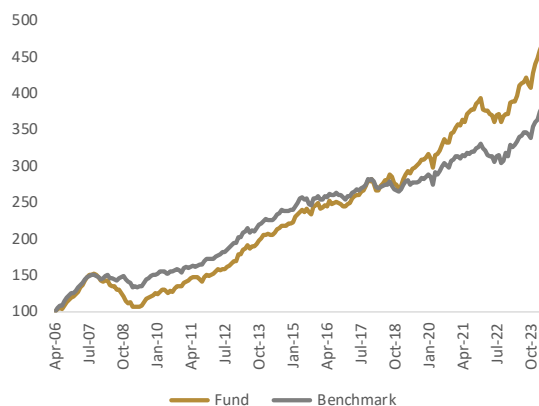
The fund is faced with general market risks such as price/demand fluctuations, economic and market conditions. Where exposure to foreign investments is included in the portfolio, there may be additional risks, such as possible constraints on liquidity and the return of funds to Botswana, macroeconomic,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

PERFORMANCE

Returns (%)	3 months	1 yr	3 yrs	5 yrs
Gross				
Return	6.31	20.43	9.47	10.10
Benchmark	5.69	15.33	6.88	6.39

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



RISK PROFILE

Conservative	Moderately conservative	Moderate	Moderately aggressive	Aggressive
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GENERAL FUND INFORMATION

Fund managers Kennedy Manopolwe & Jonathan Paledi
Fund size (P) 1.5 billion
Fund class A
Inception date 08 Nov 2005

Classification Global Multi Asset Class
Benchmark* 25% x Botswana Domestic Companies Index + 45% x MSCI All Country World Index + 15% x FTSE World Government Bond Index + 10% x Fleming Aggregate Bond Index + 5% x 3 Month T-Bill + 2%
**(new benchmark composite effective 1st January 2024)*

ISIN number ZAE0000167698
Alpha code SMPCA

Minimum investment requirements

Lump sum P2,000
Monthly P300

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	01/04/2021
TER	1.70%
TC	0.07%
TIC	1.77%
1 year TER	1.63%

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

FUND REVIEW

The Fund ended the year and quarter (Q1 2024) with a market value of BWP 1.5 billion – an uptick from Q4 2023 (BWP 1.4 billion). Positive momentum from risk assets, continued to bode well for the fund's performance except for the off benchmark Offshore Property asset class.

MARKET OVERVIEW

The real economy is expected to remain resilient - with global growth (real GDP) estimated at 3.2% for 2023, 2024 and 2025. Inflation is expected to remain a key theme, with its trajectory is being downwards – near but above the 0 - 2% target of the US Federal Reserve (Fed) and European Central Bank (ECB). On the back of this development, according to Fitch, at least 100 Basis points (Bps) worth of interest rate cuts are expected from the Fed in 2024. And thus, we hold a strong conviction to Offshore risk assets -- especially Offshore equities.

The quarter under review (Q1 2024), build on a strong performance exhibited in Q4 2023, as market sentiment remained bullish on earnings and on the prospect of interest rate cuts in the calendar year of 2024. Our exposure to Offshore Equities increased, significantly in line with our convictions and to capture most of the rally exhibited by Offshore Developed Equities. As at March 2024, the MSCI All Country World Index (MSCI ACWI)'s three months performance was 8.3% (In US Dollar terms). On the other hand, global government bond yields rose slightly, as the market reprised a delayed cut in interest rates – towards the later part of the year.

Local equities continued to advance strongly as well, as some key names reported their full year end results. Domestic equities as measured by the Domestic Company Index (DCI) and Domestic Company Total Return Index (DCTRI), went up by 1.9% and 2.9% respectively, over Q1 2024. From an individual counter perspective, the biggest gainers (share price) over the quarter were FNBB, Letlole and Chobe – registering returns of 7.9%, 3.8% and 2.8% respectively. And Domestic bonds as measured by the Fleming Aggregate Bond Index (FABI), rose by 3.3%, during the quarter as yields declined.

OUTLOOK

Our view is that global growth (real GDP) will remain flat and in line with consensus expectations. And the key driver would be expected to be from key developed economies such as the United States – which received an upgrade in output growth. This boosted by decelerating inflation, and a robust labor market. In aggregate, advanced economies are estimated to appreciate by 1.7% in 2024 (against 1.6% in 2023). On the other hand, emerging market economies are expected to decelerate from a growth of 4.3% in 2023 to 4.2% in 2024. And China's real GDP is projected to slowdown in growth – to 4.6% in 2024 from the 5.2% in 2023.

Global inflation is expected to remain sticky, but contained, as commodity prices ticked up over the quarter. Furthermore, upside risks to prices came in the form of escalating middle east tensions between Israel/Iran. We expect local inflation to remain within target (3% to 6%) over the year in 2024. We look to explore more investment opportunities presented by structured products, new equity listings, and new ETF offerings.

CONTACT DETAILS

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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).