

## VUNANI BOTSWANA MANAGED PRUDENTIAL FUND FACT SHEET

FUND INFORMATION UPDATE AT 30 JUNE 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

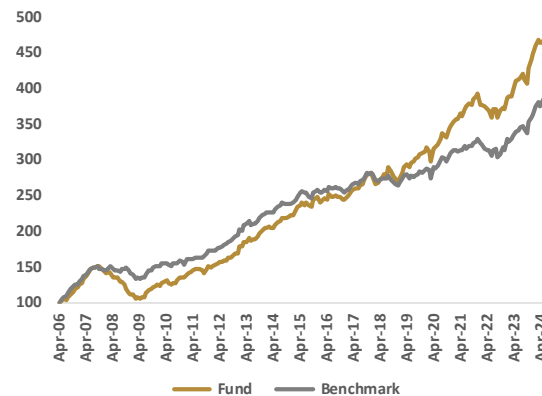
The fund is faced with general market risks such as price/demand fluctuations, economic and market conditions. Where exposure to foreign investments is included in the portfolio, there may be additional risks, such as possible constraints on liquidity and the return of funds to Botswana, macroeconomic,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

### PERFORMANCE

Returns (%)	3 months	1 yr	3 yrs	5 yrs
<b>Gross</b>				
Return	0.42	13.52	8.12	9.63
Benchmark	1.80	13.37	6.64	6.82

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	<b>Moderate</b>	Moderately aggressive	Aggressive
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### GENERAL FUND INFORMATION

**Fund managers** Kennedy Manopolwe & Jonathan Paledi  
**Fund size (P)** 857.7 million  
**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	01/07/2021
TER	1.68%
TC	0.06%
TIC	1.74%
1 year TER	1.57%

**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 (Q2 2024) with a market value of BWP 858 million. The fund had a mixed bag of performances over the period, with offshore portfolio risk asset classes experiencing turbulence while domestic asset classes remained steady - to offset the losses.

## MARKET OVERVIEW

Global economic growth prospects continue to indicate towards a positive trajectory, as inflation levels continue to trend in the right direction (downwards) - despite being higher than the target range for the US Federal Reserve ("US Fed") and European Central Bank ("ECB"). This further raises investor expectations for more rate cuts in the second half of this year. According to the US BLS annual inflation dropped from 3.3% in May to 3.0% in June 2024. Global output (real GDP) growth is projected to be 3.2% and 3.3% (IMF) over the calendar year of 2024, and 2025 respectively.

International equities ended Q2 2024 on a strong note – with strong earnings data (above expectation) on some key counters. Developed markets, as measured by the MSCI World Index, ticked up 2.8% in Q2 2024, whilst emerging markets, as measured by the MSCI Emerging Market Index, rose by 5.1% (in US dollar terms). We continue to hold a constructive view on Offshore equities overall, despite recent turbulence - in view of a high probability of more rate cuts in the second half of 2024 from key developed market central banks and the start of a cutting cycle (in September 2024) for the US Fed. Historically, an easing or a pivot towards a looser monetary policy has been beneficial to risk assets.

Domestic equities have continued to exhibit momentum in share price, despite interest rate cuts (one in December 2023 and another in June 2024) which have been effected by the BoB. The Domestic Company Total Return Index (DCTRI) as a proxy for local equity performance registered a return of 7.5% – over the quarter (Q2 2024). On another asset class, we continue to be bullish on domestic bonds as we believe this asset class is primed to outperform. The inflation trajectory remains favorable, with benign inflationary pressures - latest June 2024 reading stood at 2.8%, which has resulted in positive real returns.

## OUTLOOK

In 2024, we expect to see divergent growth amongst developed and developing economies, as they grapple with their unique circumstances such as that relating to inflation and interest rate cycle. However, our expectation is for global growth to moderate, indicative of a soft landing successfully achieved by central banks. We anticipate inflation to continue trending downwards to central banks' target levels, and to convince many policymakers to readjust to a balanced policy position that optimizes long term growth. In turn, we believe this should bode well for risk assets and will prove negative for conservative assets such as cash.

"Soft economic landing" scenario appears well in sight, as global inflation has subsided but remains sticky in some areas. In the US, shelter costs have remained elevated - which has resulted in a slower than expected decline in inflation. According to the CME FedWatch tool, market forecasts stand close to 100% for a rate cut in September and this is expected to spur performance for risk assets.

## 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)).

## CONTACT DETAILS

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