

# VUNANI

FUND MANAGERS

## VUNANI BOTSWANA MONEY MARKET FUND FACT SHEET

FUND INFORMATION UPDATE AT 31 DECEMBER 2025

### WHAT IS THE FUND'S OBJECTIVE?

The fund was created in response to demand for cash management with a conservative bias. The objective of the fund is to provide investors with the highest level of current income that is consistent with capital preservation.

### WHAT DOES THE FUND INVEST IN?

The fund invests in major banking groups or other similar rated institutions. It may also invest in certain government issues, as well as issues from top rated corporations.

### WHO SHOULD CONSIDER INVESTING IN THIS

**Retail:** The fund provides active cash management while minimising risk. It suits individuals who have cash available to invest for the medium term, even though money may be required at relatively short notice.

**Institutional:** This fund is suitable for clients holding large cash balances but whose funds need to remain liquid for operational reasons. Clients benefit from wholesale cash management yields at competitive fees.

### POSSIBLE RISKS ASSOCIATED WITH THIS FUND

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

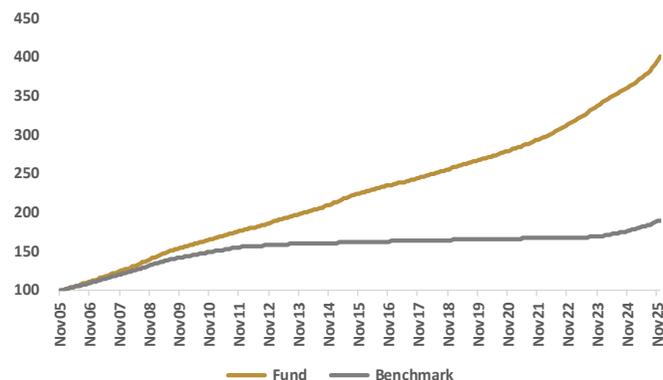
The fund invests in instruments across numerous institutions in various industries, this diversification reduces these risks.

### PERFORMANCE

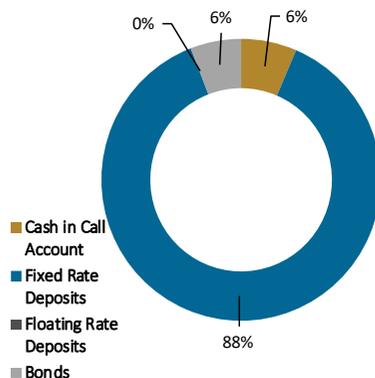
Returns (%)	3 months	1 yr	3 yrs	5 yrs
<b>Gross</b>				
Return	3.53	10.18	8.34	7.37
Benchmark	2.44	7.45	4.25	2.74

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



### GENERAL FUND INFORMATION

**Fund managers** Jonathan Paledi & Kennedy Manopolwe  
**Fund size (P)** 2.2 billion  
**Fund class** A  
**Inception date** 19 Oct 2004

**Classification** Botswana Money Market  
**Benchmark\*** 3 Month T-Bill + 2%  
*\*(new benchmark effective 1st December 2023)*

**ISIN number** ZAE000123626  
**Alpha code** SBMMA

#### Minimum investment requirements

**Lump sum** P15,000  
**Monthly** P1,000

### 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	1.24%
TC	0.00%
TIC	1.25%
1 year TER	1.21%

**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 distributed monthly.

Declaration: Monthly

### 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 17h00. 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](http://www.vunanifm.co.bw)).

## FUND REVIEW

In Q4 2025, the fund's market value closed at BWP 2.2 billion. The portfolio outperformed its benchmark by 108 bps for the quarter under review, aided by portfolio positioning and negotiating attractive rates across counterparties. Additionally, 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. Diamond traders also rose by 88.1%, boosted by the increased exports to the US with enhanced consumer appetite in anticipation of the envisaged tariff regime. 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. Economic output is expected to moderate and remain below potential in the short run, with the need to reduce inventories before engaging in new production. 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, which aims 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).

## 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.

Due to monetary policy measures such as extension of repurchase agreement (repo) maturities from one to three months, this has supported a lower cost of funding for commercial banks by providing predictability and reducing rollover frequency. Nevertheless, with a significant financing gap, government is likely to continue tapping from the local market for its borrowing needs which may tighten market liquidity conditions, thus anchoring money market rates.

## CONTACT DETAILS

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