

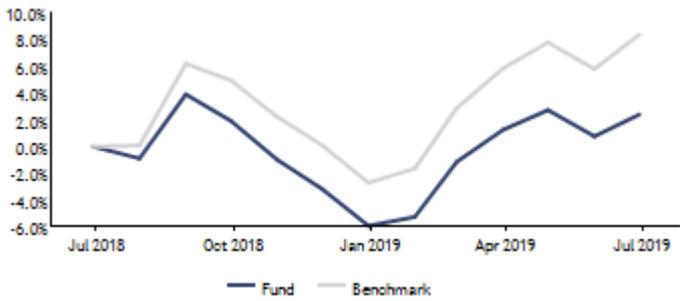
### Objective

The primary objective of this Fund is to provide long-term capital growth with moderate investment risk and a reasonable level of current income. It aims to consistently out-perform the market and to offer investors diversification out of the pula.

### Performance

Performance figures are net of management fees and based on the daily repurchase prices, which are geometrically linked on a daily basis.

#### Cumulative Performance



#### Annualised Performance

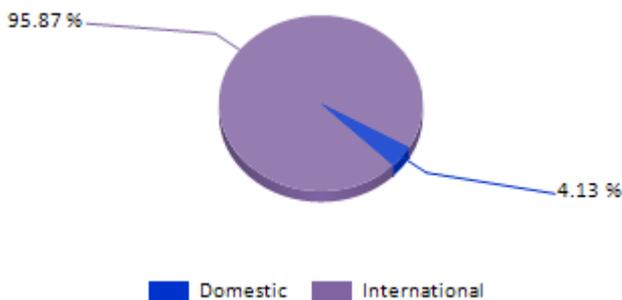
	1 year	2 year	3 years
<b>Fund</b>	2.38 %	2.02 %	2.62 %
<b>Benchmark</b>	8.31 %	8.76 %	7.31 %
<b>Excess return</b>	-5.93 %	-6.74 %	-4.69 %

#### Risk Std. dev annualised

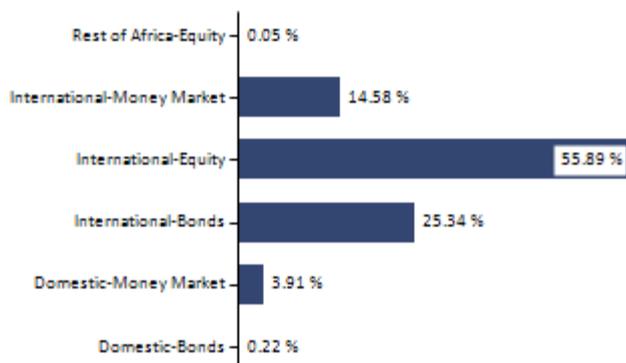
<b>Fund</b>	9.39 %	8.21 %
<b>Benchmark</b>	10.12 %	8.33 %

### Holdings

#### Geographical Allocation



#### Asset Allocation



### Risk



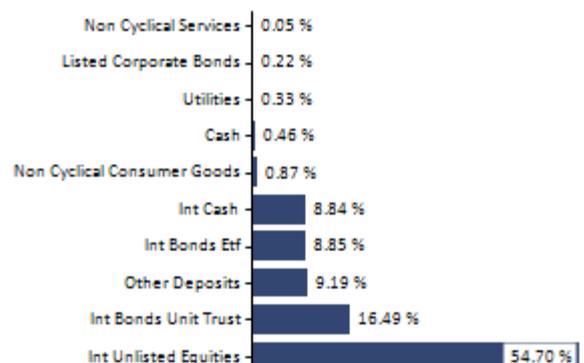
### Fund Details

<b>Portfolio Manager</b>	Peter Jarvis, Nlume Modise
<b>Fund Type</b>	International - Balanced
<b>Currency</b>	Botswana Pula
<b>Benchmark</b>	MSCI World - 65 % , Citi WGBI - 25 % , USD LIBID - 10 %
<b>Inception Date</b>	15 December 1998
<b>Fund Size</b>	BWP 130 703 543
<b>NAV</b>	BWP 3.36
<b>Minimum Lump Sum Investment</b>	BWP 1 000
<b>Minimum Monthly Investment</b>	BWP 200
<b>Initial Fees</b>	5.00%
<b>Annual Management Fees</b>	1.00%
<b>Income Distribution</b>	April and October
<b>Fund Domicile</b>	Botswana

#### Top 10 Holdings

	Weight (%)
ISHARES MSCI WORLD ETF	18.57%
SCB Cash Account	6.67%
Colchester Global Fund Class A 'USD'	6.09%
Prism Income Fund (USD) Class 10A	5.62%
Bloomberg Barclays International Treasury Bond ETF	5.42%
BNY Mellon Global Bond Fund - Class C 'USD'	4.78%
Fixed Deposit ABSA Bank	4.49%
IEMO Ishares IV Plc Ishs Edg Msci EUR Momn Fac Ucits ETF	4.08%
Ishares IV PLC ISHS Edge MSCI EUR Val Fac UCITS ETF ACC	3.57%
Financial Select Sector SPDR	2.79%

#### Sector Allocation



## Overview

Global equity markets gained further ground during the second quarter of 2019 with the MSCI World Net Total Return Index adding 4.00% in USD. Hopes of both an economic rebound in China during the second half of 2019 (accompanied by a rebound in world trade) and a de-escalation of US-China trade tension at the G20 summit have been the main drivers of the more recent positive sentiment in the equity space. Moreover, the change in the US Federal Reserve's (Fed) stance has encouraged a view that earnings become underwritten, the cycle extended and valuations enhanced by lower bond yields. The main problem is that nearly all the gains in global equity returns (across all the major regions) have come from valuation multiple expansion rather than earnings or dividend growth. High PEs make equities increasingly vulnerable to earnings disappointment and US companies have already started guiding analysts' expectations downward. According to FactSet, of the 113 companies to offer guidance, 87 have guided lower (the highest number since Q1 2016) and just 26 guided higher. Historically, when earnings surprises have been negative, equity returns have tended to be negative.

Looking ahead, at the asset class level we remain of the view H2 2019 will be a more volatile period for financial markets. Negative leading indicators, signs of softer capex and an inventory overhang should be worrying equity investors and challenging expectations for corporate earnings. We believe that from a strategic perspective, the upside potential for equity assets appears to us to be limited in the near term.

## Strategy

The Fund is made up of a balanced portfolio investing in stocks, bonds, and cash outside of Botswana. The assets are managed by leading investment managers with outstanding track records of performance and low risk within each asset class. The Fund provides long-term investors with a combination of high returns from equities, moderated by the lower risk of bonds and cash. The underlying assets are highly diversified across all major markets and the Fund's returns increase as the pula weakens (and vice versa) against the dollar, euro and sterling.

## Contact us

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