

## High Equity Portfolio Fact Sheet as at 30 June 2026

Botswana Life Retirement Annuity Fund is a licensed retirement annuity fund sponsored by Botswana Life Insurance Ltd (BLIL) to assist individual fund member with their retirement savings.

Member contributions to the Fund are invested by the Trustees of the Fund via BLIL retirement annuity policies into member selected or default investment portfolios, one of which, the High Equity Portfolio, the default long term growth portfolio for members who expect to retire in at least 8 years' time, is fully described in this fact sheet.

### Portfolio

The High Equity Portfolio is a retirement fund investment portfolio approved by the Trustees of the Fund for its members and managed by BLIL. The portfolio is made available to the Fund through BLIL retirement annuity policies and complies with the prescribed PFR2 regulatory retirement fund asset limits.

### Fund Information

- Fund Size: P 2.4 Million
- Fund Manager: Botswana Insurance Fund Management

| Period  | Return(p.a) | Benchmark |
|---------|-------------|-----------|
| 1 month | 0.62%       | 0.64%     |
| 1 year  | 16.33%      | 18.35%    |
| 3 year  | 14.74%      | 14.97%    |
| 5 year  | 13.01%      | 12.88%    |

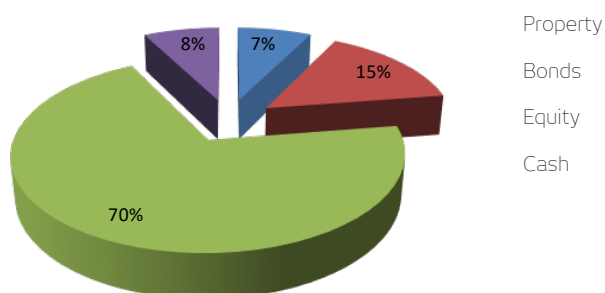
### Risk Rating



### Top 5 Offshore Equities Sector Allocation

| Sector                 | %   |
|------------------------|-----|
| Information Technology | 28% |
| Health Care            | 10% |
| Financials             | 17% |
| Communication Services | 9%  |
| Consumer Discretionary | 8%  |

### Asset Class Allocation



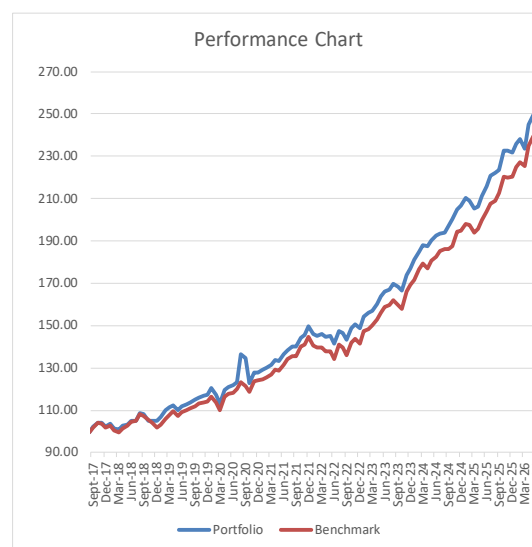
### Disclaimer

The information contained in this document does not constitute investment advice. Whilst every attempt has been made to ensure the accuracy of the information contained herein, Botswana Life Retirement Annuity Fund cannot be held responsible for any errors that may occur. Past performance cannot be relied on as an indicator of future performance. Investment performance will depend on the growth in the underlying assets, which will be influenced by inflation levels in the economy and the prevailing market conditions.

### Portfolio Objective

This is a long-term assertive growth Portfolio which aims to grow capital on average up to 5% above the prevailing inflation rate over rolling 7-year periods, while avoiding any capital losses over rolling 12-month periods. The Portfolio invests in both local and offshore equities, fixed income securities and interest-bearing cash assets.

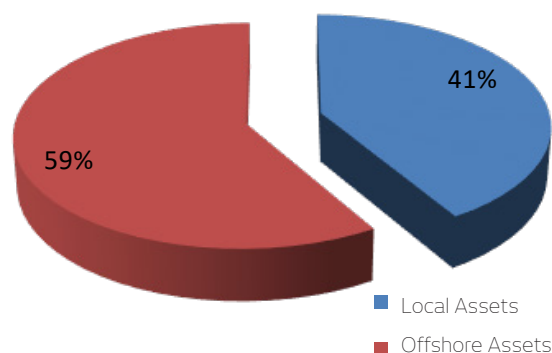
### Returns: Portfolio vs Benchmark



### Top 5 Offshore Equities Geographic Allocation

| Region                         | %   |
|--------------------------------|-----|
| North America                  | 68% |
| Europe Excluding Great Britain | 13% |
| Great Britain                  | 4%  |
| Asia Excluding Japan           | 8%  |
| Japan                          | 5%  |

### Geographical Asset Allocation



## Quarterly Commentary Q2 2026

### Performance Commentary

During Q2 2026, the global economy shifted from a position of moderate resilience to one of heightened uncertainty following the outbreak of the Middle East conflict. The resurgence of inflation was the defining macroeconomic theme of the quarter. Disruptions to oil supply routes, resulted in a sharp increase in energy prices and renewed concerns about global inflation. While energy markets began to stabilise towards the end of June following diplomatic efforts and the gradual restoration of oil flows, inflation remained above target levels across most major economies.

The domestic economy showed signs of recovery during the second quarter of 2026, supported by improved mining activity and continued resilience within the nonmining sectors. Real GDP increased by 3.5% year-on-year in Q1 2026, compared to a contraction of 0.3% in the corresponding quarter of 2025.

Despite improved growth, inflation accelerated sharply during the quarter. Headline inflation increased from 4.2% in March 2026 to 10.7% in June 2026, moving significantly above the Bank of Botswana's 3-6% objective range. The increase was driven largely by fuel price increases following elevated global oil prices.

Domestic liquidity conditions improved during the quarter, supported by government foreign borrowings and SACU inflows, which injected liquidity into the banking system and reduced funding pressures relative to previous quarters.

### Local Equities

The local equity market remained positive during the quarter, supported by strong performance from selected banking, consumer and property stocks. However, returns continued to narrow, with performance increasingly concentrated in a smaller group of companies rather than broad-based market participation. The Domestic Companies Total Return Index (DCTRI) returned 2.82% while the Domestic Companies Index (DCI) gained 0.67% over the quarter.

### Local Bonds

The domestic bond market benefited from improved liquidity conditions during the quarter. Yields at the short end of the curve declined while long-dated yields remained relatively elevated, resulting in a bull steepening of the yield curve and signalling stronger demand for shorter-dated fixed income instruments.

### Offshore Equities

Global fixed income markets experienced a challenging second quarter as investors reassessed expectations for global monetary easing following the rise in geopolitical tensions and energy prices. Higher oil prices fuelled concerns that inflation could remain elevated for longer, resulting in upward pressure on government bond yields across major developed markets.

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### Markets Outlook

The quarterly GDP release by Statistics Botswana showed a 3.5% increase in real Gross Domestic Product over Q2 2026, compared to a decrease of 0.3% in the same quarter of 2025. Headline inflation increased over the quarter to close at 10.7% in June 2026 compared to 4.2% in March 2026. The transport sector was the main contributor to inflation at 7.3%.

Market expectations are for inflation to remain above the 3% - 6% objective range in the near term.

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