

Low 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 Low Equity Portfolio, the default long term growth portfolio for members, is fully described in this factsheet.

Portfolio

The Low 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 65 Million
- Fund Manager: Botswana Insurance Fund Management

Period	Return(p.a)	Benchmark
1 month	1.16%	-0.71%
1 year	11.93%	11.21%
3 year	10.32%	9.33%
5 year	9.05%	8.19%

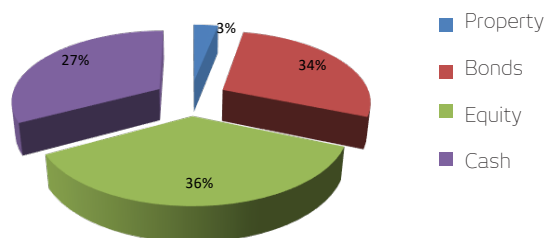
Risk Rating



Top 5 Offshore Equities Sector Allocation

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

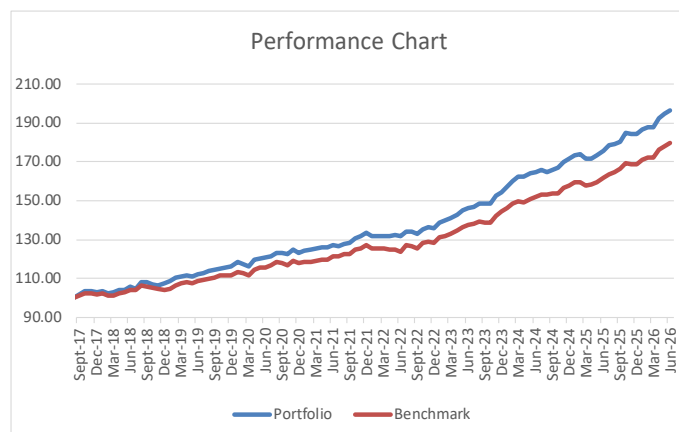
Asset Class Allocation



Portfolio Objective

This is a conservative Portfolio for members with a short term investment horizon of less than three years. The Portfolio exposes members to less risk than the High and Medium Equity Portfolios by emphasizing capital protection and the enhancement of income, essentially keeping the risk of losing capital to a minimum. The Portfolio aims to grow capital on average up to 3% above the prevailing inflation rate over rolling 3-year periods, while avoiding capital losses. The Portfolio invests in both local and offshore equities, fixed income securities and interest-bearing cash assets. Foreign investment will not exceed 60% of the Portfolio

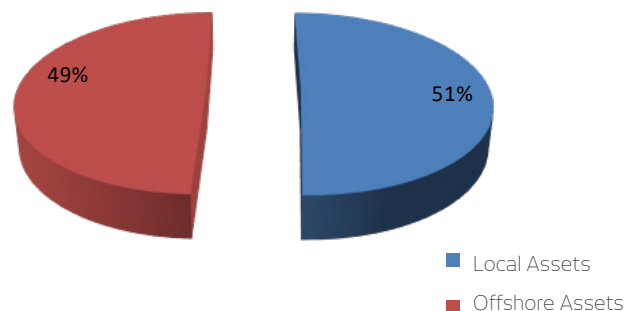
Returns: Portfolio vs Benchmark



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



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.

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 equity markets rebounded strongly during the second quarter of 2026, recovering from the geopolitical and energy-related shock that weighed on markets at the end of Q1. Developed market equities, as measured by the MSCI World Index, advanced 13.76% during the quarter, while emerging markets significantly outperformed, returning 24.0% in USD terms.

Offshore Bonds

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.

Market 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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