

Medium Equity Portfolio Fact Sheet as at 31 March 2026

Fund Objective

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 Medium Equity Portfolio, is the default medium term portfolio for members who expect to retire within three to seven years, and is more fully described in this factsheet.

Portfolio

The Medium 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 3 Billion
Fund Manager: Botswana Insurance Fund Management (BIFM)
Dec 2025 Fund Unit Price: P100.37
Mar 2026 Fund Unit Price: P101.54

Period	Return(p.a)	Benchmark
1 month	-1.18%	-0.26%
1 year	11.05%	12.16%
3 year	11.37%	12.61%
5 year	10.08%	10.78%

Risk Rating

Conservative

Moderate

Aggressive

Top 5 Offshore Equities Sector Allocation

Sector	%
1. Information technology	24%
2. Health care	12%
3. Financials	17%
4. Communication services	10%
5.Consumer Discretionary	9%

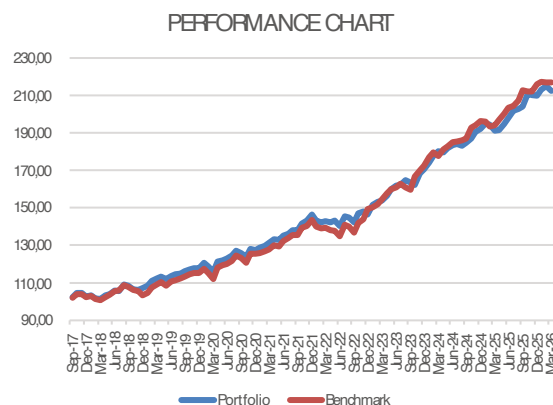
Top 5 Offshore Equities Geographic Allocation

Region	%
1. North America	67%
2. Europe Excluding Great Britain	13%
3. Great Britain	5%
4. Asia Excluding Japan	9%
5. Japan	5%

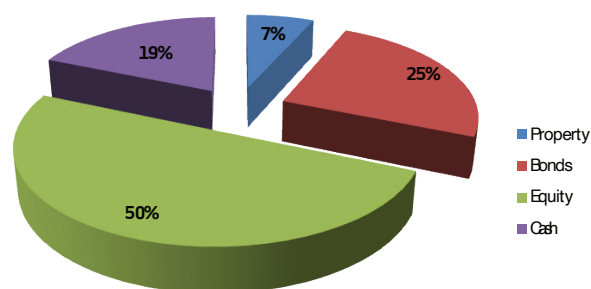
Portfolio Objective

This is a moderate risk Portfolio for members with an investment horizon of three to seven years. The Portfolio exposes members to less risk than the High Equity Portfolio by investing less in equities and more in lower volatility interest assets, property and cash. The Portfolio aims to grow capital on average up to 3% above the prevailing inflation rate over rolling 3-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. Foreign investment will not exceed 65% of the Portfolio.

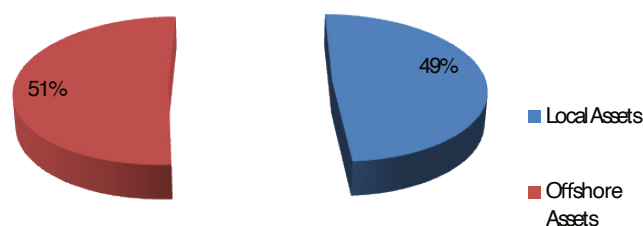
Returns: Portfolio vs Benchmark



Asset Class Allocation



Geographical Asset Allocation



Quarterly Commentary Q1 2026

Performance Commentary

Global economic conditions deteriorated materially over the first quarter of 2026, driven primarily by an escalation in geopolitical risk following the intensification of conflict in the Middle East and the effective closure of the Strait of Hormuz. While headline global growth remained resilient, the energy shock introduced stagflationary risks, with inflationary pressures rising as growth momentum softened. Risk sentiment deteriorated meaningfully, volatility increased sharply, and financial markets repriced toward a "higher - for - longer" interest rate environment.

Long - term inflation expectations remained broadly anchored; however, short - term inflation expectations rose materially, increasing sensitivity to energy prices and geopolitical developments.

Domestic economic conditions remained weak but stable in Q1 of 2026, reflecting the continued impact of the diamond sector downturn alongside subdued private-sector activity. Real GDP contracted sharply by 5.4% in Q4 2025 (compared to a 1.9% decline in the same quarter in 2024). Inflation increased modestly during the quarter, closing at 4.2%, but remained comfortably within the Bank of Botswana's 3-6% objective range. Price pressures were largely transport - driven, reflecting higher fuel prices, with additional upside risks stemming from administered prices and global supply disruptions. Overall inflation dynamics remained benign, allowing monetary policy to remain supportive of growth.

From a sovereign risk perspective, Botswana's credit profile deteriorated modestly during the quarter following S&P Global Ratings' downgrade, reflecting rising fiscal pressures and weaker growth prospects.

Local Equities

Despite a challenging macroeconomic backdrop, the local equity market remained resilient, supported by institutional investor participation and stock - specific drivers. During the quarter, the Domestic Companies Total Return Index advanced 1.21%, while the Domestic Companies Index gained 0.48%. Financial stocks, particularly banks, were the primary contributors, while consumer counters posted mixed performance amid constrained household demand.

Local Bonds

The domestic bond market was shaped by continued oversupply of government bonds, driven by fiscal funding requirements. Yield curve dynamics reflected a bear - flattening, with rising short - end yields and moderating volatility at the long end.

Offshore Equities

Global equity markets delivered negative returns in Q1 2026. Equity performance deteriorated sharply in March as geopolitical tensions escalated, driving a surge in risk aversion and volatility. The MSCI All Country World Index declined 3.02%, while the MSCI World Index fell 3.57% over the quarter.

Offshore Bonds

Global fixed income markets delivered modest positive returns in local currency terms during Q1 2026, but performance was challenged by rising yields and widening credit spreads amid heightened inflation and geopolitical risk. In USD terms, returns were negative as higher yields offset carry. Global bond markets experienced broad curve flattening as investors pared back expectations for near-term rate cuts.

Markets Outlook

The global equity outlook is shaped by heightened geopolitical uncertainty following the escalation of tensions in the Middle East and the disruption to global energy supply. The duration of this shock will be critical in determining market outcomes. A swift resolution would likely allow energy prices to ease and growth expectations to stabilise, while prolonged disruption risks reigniting inflation pressures, weakening consumer demand and increasing downside risks to confidence.

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."

<https://www.retirementannuityfund.co.bw/> E: po-raf@blil.co.bw T: 3623700 F: 3905884