Botswana Life Retirement Annuity Fund

BOTSWANA LIFE RETIREMENT ANNUITY **FUND (THE FUND)**

Low Equity Portfolio Fact Sheet as at 30 September 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

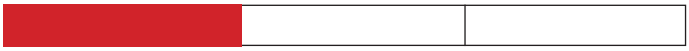
The Low Equity Portfolio is a retirement fund investment Portfolio approved by the Trustees of the Fund for its members and managed by BLIL. The Portfolio is made available to the Fund through BLIL retirement annuity policies and complies with the prescribed PFR2 regulatory retirement fund asset limits.

Fund Information

- Fund Size: P 66 Million
- Fund Manager: Botswana Insurance Fund Management

Period	Return(p.a)	Benchmark
1 month	-0.01%	0.86%
1 year	10.99%	11.07%
3 year	10.36%	9.98%
5 year	9.28%	8.53%

Risk Rating

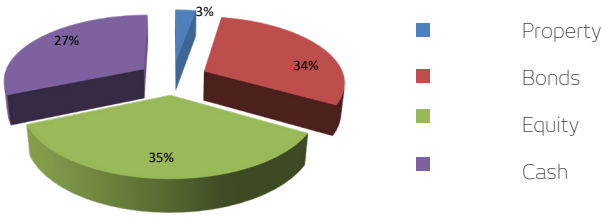


Conservative Moderate Aggressive

Top 5 Offshore Equities Sector Allocation

Sector	%
Information Technology	31%
Health Care	10%
Financials	17%
Communication Services	8%
Consumer Discretionary	8%

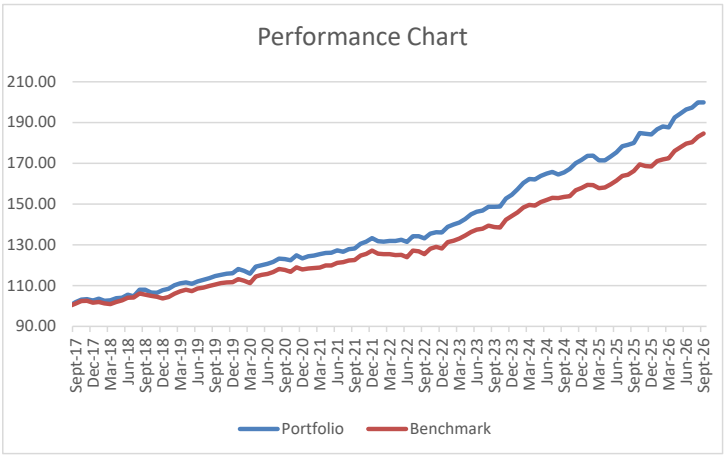
Asset Class Allocation



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 emphasising 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.

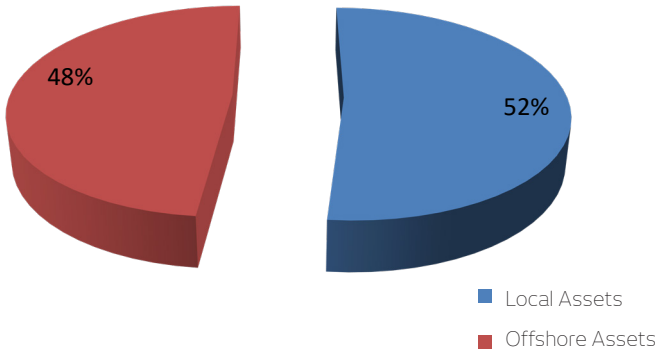
Returns: Portfolio vs Benchmark



Top 5 Offshore Equities Geographic Allocation

Region	%
North America	72%
Europe Excluding Great Britain	13%
Great Britain	4%
Asia Excluding Japan	4%
Japan	6%

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.

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Quarterly Commentary Q3 2026

Performance Commentary

Global economic conditions remained resilient during the third quarter of 2026 despite heightened geopolitical tensions,elevated energy prices and persistent inflationary pressures. Economic activity continued to be supported by strong investment in technology and artificial intelligence, while growth prospects varied across regions depending on their exposure to energy markets and participation in the global technology cycle.

Locally, Botswana's economy showed encouraging signs of recovery during the first half of 2026, with economic momentum strengthening as the year progressed. Following real GDP growth of 3.5% year-on-year in the first quarter,economic activity continued to improve across several key sectors.g system and reduced funding pressures relative to previous quarters. The recovery was supported by stronger mining production, improving diamond trading activity, and the continued resilience of the non-mining economy.

Within local financial markets, investor focus remained centred on inflation, interest rates and economic growth prospects.

Rising global energy prices contributed to inflationary pressures and tighter monetary conditions during the period. Despite these headwinds, Botswana's financial system remained stable, underpinned by strong banking sector capitalisation, sound regulation and adequate liquidity levels.

Local Equities

The local equity market delivered modest gains during the quarter, although performance continued to moderate following several years of exceptionally strong returns. The Domestic Companies Total Return Index (DCTRI) returned 1.07%, representing its weakest quarterly performance since March 2021. Market performance remained concentrated within the Consumer and Banking sectors. Consumer stocks continued to benefit from resilient earnings and dividend distributions despite softer domestic demand conditions. Banking stocks remained supported by resilient balance sheets and improving profitability, although slower credit growth and weak domestic demand continue to present risks to future earnings growth.

Local Bonds

The domestic bond market experienced a strong recovery during the quarter as improving liquidity conditions drove a significant decline in yields across the curve.Improved liquidity and moderating inflation expectations provided support for bond valuations. Government bonds were the strongest-performing segment of the market during the quarter, benefiting directly from declining yields.

Offshore Equities

Global developed equities generated modest positive returns during the quarter, with resilient corporate earnings helping offset investor concerns around inflation,higher interest rates, and geopolitical uncertainty. The Sanlam Bifm World Equity Fund Report Q3 2026 notes that the MSCI World Index returned 1.88% in USD terms during the quarter, supported largely by US equities and continued investment in AI and digital infrastructure.

Offshore Bonds

Global bond markets delivered negative returns during the quarter as inflation concerns re-emerged and central banks maintained a hawkish stance. Rising oil prices contributed to fears that inflation would remain above target for longer. The US dollar strengthened during the period as higher Treasury yields and relatively stronger economic growth attracted capital flows into dollar-denominated assets.

Markets Outlook

Looking ahead, the global outlook remains broadly constructive, underpinned by resilient economic activity and ongoing structural growth themes such as AI and digitalisation. However, elevated valuations in some areas of the market, higher-for-longer interest rates and geopolitical risks are likely to contribute to increased market volatility and greater dispersion in returns.

The Bank of Botswana Monetary Policy Committee maintained the Monetary Policy Rate at 5.5% during the quarter, noting improved liquidity conditions, stronger monetary policy transmission and greater stability in the foreign exchange market.

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