DPF
DEBSWANA · PENSION · FUND

YOUR QUARTERLY FUND PERFORMANCE UPDATE

BUSINESS E-BRIEF

Volume 3 ◆ September 2021

DPF Q3 2021 E-Brief

The Net Total Assets remained largely unchanged during the Quarter marginally increasing 0.72 percent from BWP 9.654 billion in Q2,2021 to BWP 9.685 billion in Q2 2021. The negative impact of Covid-19 across international and domestic markets continues to dissipate as economies reopen and Covid-19 vaccinations become more available in developing and frontier markets. Governments across the globe continue to implement expansionary fiscal and monetary policy aimed to offset the negative impact of Covid-19 across international and domestic markets. In an environment of normalizing economies, underpinned by expansionary fiscal and monetary policies, global asset priced have rallied with global equities reaching new historic highs. The top performing asset class for the Fund was Global Property which increased 11.20 percent (in BWP). The next top performing asset class for Quarter 3 was African Equities, which rose 8.74 percent, followed by Domestic Equities which advanced 4.76 percent. African Equities have continued to outperform for the past year thereby providing tentative signs that the asset class has reached an inflection point, after several years of underperformance. The increase in domestic government bond yields led to a drop of 3.31 percent in Domestic Bonds. Global Bonds increased 2.64 percent while Emerging Market Hard Currency Bonds rose 2.23 percent.

The Fund experienced positive performance in the third quarter of the year with the Market Channel increasing 1.04 percent, the Conservative Channel rising 0.47 percent and the Pensioner Channel improving 0.13 percent. During the period under review, returns remained consistent with Debswana Pension Fund's Life Stage Models investment strategy; whereby the most aggressive Market Channel rallied the most while the more defensive Channels registered relatively lower returns.

On a twelve-month basis, the Fund generated positive returns net of investment fees. In the 12 months to September 2021, the Fund returned a cumulative growth equaling BWP 968,731,156.00. During the 12-month period, the Market Channel returned 12.04 percent, while the Conservative Channel returned 9.10 percent and the Pensioner Channel gained 8.43 percent. The successful rollouts of Covid-19 vaccines in developed economies, improved business and household confidence, in addition to unprecedented macro-economic stimulus have continued to underpin the Fund's performance.

Portfolio performance as at 30 September 2021

	Q2 2021	Q3 2021
Asset Class	**%Returns(Net)**	**%Returns(Net)**
Botswana Bonds	-0.48%	-3.31%
Botswana Cash	0.00%	0.15%
Botswana Equities	3.06%	4.76%
Botswana Property	0.82%	0.59%
African Equities	5.86%	8.74%
African Private Equity	5.13%	1.25%
Global Bonds	-0.43%	2.64%
Global Cash	-1.53%	3.5%
Global Property	NA	11.20%
Global Equities	4.47%	1.49%
Emerging Market Bonds	1.43%	2.23%
Emerging Market Equities	4.79%	-2.11%
China Funds	6.84%	-6.46%