

Business

e-brief

Vol. 3 | November 2018



YOUR QUARTERLY FUND PERFORMANCE UPDATE

The Fund's Assets Under Management (AUM) increased from BWP 7,274,971,496 in Quarter 2 to BWP 7,519,836,599.02 in Quarter 3. Net Total Assets posted a positive net return of 3.35 percent against a benchmark return of 0.98 percent for the period ended 30 September 2018, thereby outperforming the benchmark by 2.37 percentage points. The top performing asset class for the Fund was Global Equities which posted a benchmark return of 6.98%. The Fund's best performing manager 3 was Walter Scott which returned 9.93 percent in Quarter 3. Stock selection was the key driver of Walter Scott's positive returns with the exposure to the technology and healthcare sectors underpinning performance. DPF's least performing Global Equity manager was American Century, which posted a return of 3.96 percent. American Century's poor performance was attributed to poor stock selection.

The next top performing asset class was Global Cash which posted a net return of 1.91 percent, due to favorable exchange rate gains during the quarter. Against this background, the Pula/US Dollar exchange rate depreciated from BWP10.40 per USD on 30th June 2018 to BWP10.59 on 30th of September 2018. The worst performing asset class was African equities which posted a negative return of 4.37 percent, however the manager outperformed the benchmark by 2.74 percentage points. Over the quarter, of the two Local Equity managers, Investec was the top performing manager returning -0.29 percent against Allan Gray which returned -0.65 percent. In regards to the two Local Bond managers, BIFM was once again the top performer, posting a return of 1.29 percent for the quarter, ahead of Investec's return of 0.55 percent for the period under review. BIFM outperformed the benchmark by 0.07 percentage points while Investec underperformed by 0.67 percentage points.

Portfolio performances as at 30 September 2018

Fund	3 months to Sept 2018	Year To Date Jan – Sept 2018	12 months to 30 Sept 2018	36 months to 30 Sept 2018	Since Inception (Aug 2004)
Market	3.66%	8.60%	8.16%	8.84%	12.57%
Conservative	2.68%	7.00%	6.75%	6.31%	10.35%
Pensioner	2.93%	7.27%	7.05%	6.21%	11.57%
Contingency	2.82%	7.27%	6.99%	7.34%	13.87%

Global Managers Performances as at 30 September 2018

International Managers - BWP	1 month to Sept 2018	3 months to Sept 2018	12 months to Sept 2018	36 months to Sept 2018	YTD
American Century	-1.71%	3.96%	14.82%	N/A	14.68%
Marathon	-1.30%	5.42%	10.50%	12.89%	9.87%
Orbis	-0.01%	4.01%	8.98%	16.82%	5.18%
Walter Scott	0.37%	9.93%	21.49%	15.92%	19.69%
Veritas	-0.17%	9.18%	12.33%	N/A	15.72%
Southeastern	0.72%	8.18%	10.41%	N/A	12.72%
Statestreet	-0.93%	6.95%	14.32%	N/A	13.12%

Global Bond Manager	1 month to Sept 2018	3 months to Sept 2018	12 months to Sept 2018	36 months to Sept 2018	YTD
Debswana PIMCO (BWP)	-2.16%	1.17%	1.86%	3.58%	5.30%

Local Managers Performances as at 30 Sept 2018

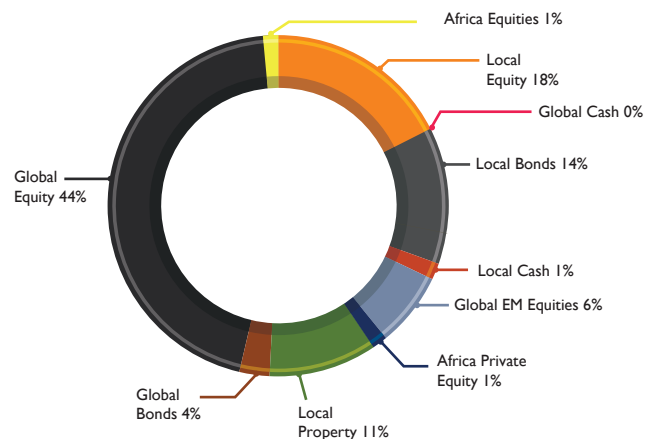
Local Equity Managers - BWP	1 month to Sept 2018	3 months to Sept 2018	12 months to Sept 2018	YTD
Allan Gray	-0.11%	-0.65%	-1.72%	-0.86%
Investec	0.39%	-0.29%	-4.68%	-2.96%

Local Bond Managers - BWP	1 month to Sept 2018	3 months to Sept 2018	12 months to Sept 2018	YTD
BIFM	0.39%	1.29%	6.03%	3.84%
Investec	0.29%	0.55%	4.59%	2.94%

Asset Class Returns to 30 September 2018

Asset Class	Benchmark	1 month to Sept 2018	3 months to Sept 2018	YTD Sept 2018	12 months to Sept 2018	36 months to Sept 2018
Botswana Cash	BOB 91 day - 1	0.03%	0.11%	0.62%	0.87%	0.74%
Botswana Bonds	Fleming Aggregate Bond Index (FABI)	0.35%	1.22%	3.55%	5.32%	5.42%
Botswana Equities	Domestic Companies Index (DCI) Price Return	-3.62%	-6.73%	-11.54%	-12.24%	-9.64%
	Domestic Companies Index (DCI) Total Return	-2.66%	5.06%	-7.18%	N/A	N/A
Global Bonds	BarCap GABI - BWP	-2.33%	0.97%	4.77%	1.40%	2.14%
Global Equities	MSCI World - BWP	-0.93%	6.98%	13.14%	14.30%	13.72%
Global Emerging Markets Equities	MSCI EM - BWP	-2.01%	0.79%	-0.93%	1.92%	12.24%
African Equities	FTSE/JSE Africa 30 - BWP	-4.83%	-7.11%	2.75%	1.55%	1.33%
Global Property	FTSE EPRA/NAREIT Developed Rental Index - BWP	-3.58%	2.14%	9.05%	7.85%	7.35%
Exchange Rate	BWP/USD	-1.27%	2.01%	7.90%	2.97%	0.19%

Asset Class Weights as at 30 September 2018



DPF Values

- Customer Focused
- Trust & Integrity
- Innovation
- Agility
- Self driven & Motivated