

# BUSINESS E-BRIEF

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## DPF Q2 2021 E-Brief

The Net Total Assets increased 2.91 percent from BWP 9.454 billion in Q1 2021 to BWP 9.654 billion in Q2 2021. 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. Expansionary monetary policy, in an environment of reopening and normalizing economies, has provided a significant tailwind to asset prices, particularly global equities. The top performing asset class for the Fund was China Equities which increased 6.84 percent (in BWP). The next top performing asset class for Quarter 2 was African Equities, which rose 5.86 percent, followed by Private Equity which advanced 5.13 percent. African Equities have continued to outperform for several consecutive quarters thereby providing tentative signs that the asset class has reached an inflection point, after several years of underperformance. Domestic Equities rose by 3.06 percent while Domestic Bonds dropped 0.48 percent as government bond yields increased. Global Bonds declined 0.43 percent while Emerging Market Hard Currency Bonds increased 1.43 percent.

The Fund experienced positive performance in the second quarter of the year with the Market Channel increasing 3.24 percent, the Conservative Channel rising 2.60 percent and the Pensioner Channel improving 2.42 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 June 2021, the Fund returned a cumulative return equaling BWP 1,241,708,146. During the 12-month period, the Market Channel returned 15.84 percent, while the Conservative Channel returned 12.88 percent and the Pensioner Channel gained 12.61 percent. Performance remains underpinned by successful rollouts of Covid-19 vaccines in developed economies, improved business and household confidence, in addition to unprecedented macro-economic stimulus.

## Portfolio performance as at 30 September 2021

Fund	3 months to Sep 2021	6 months to Sep 2021	12 months to Sep 2021	36 months to Sep 2021	60 months to Sep 2021	Since Inception (August 2004)
Market	1.13%	4.40%	12.60%	9.80%	9.43%	12.79%
Conservative	0.55%	3.16%	9.59%	8.81%	7.85%	10.80%
Pensioner	0.21%	2.64%	8.91%	8.82%	7.73%	11.77%
Contingency	0.19%	2.57%	8.28%	8.51%	8.13%	13.54%

Note: Returns above are net of fees

## Asset Class Returns

Asset Class	Q1 2021 %Returns(Net)	Q2 2021 %Returns(Net)
Botswana Bonds	0.38%	-0.48%
Botswana Cash	0.00%	0.00%
Botswana Equities	-1.52%	3.06%
Botswana Property	0.67%	0.82%
African Equities	19.58%	5.86%
African Private Equity	4.58%	5.13%
Global Bonds	-1.37%	-0.43%
Global Cash	2.77%	-1.53%
Global Equities	8.34%	4.47%
Emerging Market Bonds	-0.96%	1.43%
Emerging Market Equities	4.39%	4.79%
China Funds	1.20%	6.84%