



KGORI CAPITAL

INVEST WITH PRIDE

KGORI INSIGHTS

Quarter ended June

2019 | Botswana's leading citizen owned
and run Asset Management firm



PRIDE noun \ 'prīd \¹

1: the quality or state of being proud: such as

a: inordinate self-esteem : CONCEIT

b: a reasonable or justifiable self-respect

c: delight or elation arising from some act, possession,
or relationship - parental *pride*

2: proud or disdainful behavior or treatment : DISDAIN

3a: ostentatious display

b: highest pitch : PRIME

4: a source of pride : the best in a group or class

5: a company of lions

6: a showy or impressive group - a *pride* of dancers



PRESENTING OUR 2019 Q2 KGORI CAPITAL INSIGHTS



Dear Colleagues, Clients,
and Friends of Kgori Capital,

There has been a great deal of activity and development since our last issue of Kgori Capital Insights, and it pleases me to know that our team have kept you informed throughout that journey.

Before I unpack some of this further, and indeed speak more to both the current and the future of our proudly Botswana business, I want to thank you on behalf of our team. It goes without saying that despite many positive developments in the last 18 months, we have weathered the proverbial and literal storm. On the 26th of July 2019, we welcomed the ruling by the Court of Appeal (COA) with respect to frozen Kgori Capital funds at the request of the Directorate of Public Prosecutions (DPP) in 2018, disputing management fees owed to Kgori Capital. The ruling was made in favour of Kgori Capital and, resulting in Kgori Capital being wholly exonerated of any assertions or allegations in the management of NPF funds. Not only is this a testament to the resolve and patience of our team in fighting for what is right, but it shed great light on the immense support structure and loyalty inherent in the many colleagues, clients, partners, friends and stakeholders of our business. The response from all has been heart-warming and indeed overwhelming!

We often talk of Kgori **PRIDE**, a moniker that speaks to the embodiment of our Company Values - Passion, Reliability, Integrity, Dynamism, and Excellence. In this period, however, what emerged true and unshakeable was a new connotation of that **PRIDE**. The Kgori Capital **PRIDE** we have witnessed in this time is also the veritable strength and unity amongst our stakeholders and those who matter most to us, both internal and external, like a pride of lions – strong, united, skilled, fearless, and bold in the pursuit of what is important to us. Thank you for being part of our **PRIDE**.

With that, I am excited that we now usher in a new chapter, putting behind this period and choosing to learn and grow from it. Q2 has seen a number of other developments and activities worth noting. This includes, but is not limited to:

- Living true to our Kgori **PRIDE** Values in all that we do;
- Focusing on further positioning our business and our team as a centre for Excellence and industry leadership;
- Continued efforts to enhance our Governance and Compliance in line with best practice and the belief that we can always do better;
- Our Managing Director, Alphonse Ndzingo, on a panel discussion at the BSE Responsible Investing and ESG Workshop; and
- Continued education and engagement around our Unit Trusts offering in the market.

Kgori Capital continues to be cited for market and industry expert commentary and education, both in the public domain as well as privately. We continue to passionately perform our services with the outlook of creating the utmost value for our stakeholders, and work to make a meaningful and sustainable contribution to the growth of our sector and our Nation. Kgori Capital remains a proudly Botswana business with its focus centred on serving our clients with **PRIDE** as a leading investment management firm.

I hope you enjoy the latest edition of our Kgori Capital Insights, and we welcome any and all feedback you may have. Thank you once again for being a part of **PRIDE**, and a part of our journey to date. We are excited to enter this next, truly exciting chapter, with you. Indeed, in this issue we share some of what is now already in motion!

Best,

Kennedy Melamu
Chairman

CONTENTS

Quarter ended June
2019

01

{page 01}

MARKET INSIGHTS: GLOBAL MARKET REVIEW

Alphonse Ndzinge (Managing Director)

02

{page 05}

MARKET INSIGHTS: LOCAL COMMENTARY - EQUITY

Tshegofatso Tlhong (Portfolio Manager)

03

{page 09}

MARKET INSIGHTS: FIXED INCOME AND MACRO

Kwabena Antwi (Portfolio Manager)

04

{page 14}

MONEY MANAGEMENT TIPS EVERY YOUNG PROFESSIONAL MUST KNOW

Sheila McHarg (Operations Analyst)

05

{page 19}

INTRODUCING KGORI SECURE SERVICES

05

{page 23}

GROWING OUR FOUNDATION TOWARDS EXCELLENCE

Kgori at a glance:

- Botswana's leading citizen owned and run Asset Management firm
- Botswana based investment management firm with global reach
- Employer of choice
- Sole business is Asset Management
- Unrivalled team skills
- Employee-owned and client-focused

The Kgori Brand:

- Invest with Pride – for Botswana
- Always on the lookout – Awareness
- Grounded, trustworthy
- Always learning... Growing

Building investment solutions for the real development needs of our country

INVEST WITH PRIDE

01

**MARKET INSIGHTS:
GLOBAL MARKET REVIEW**

Alphonse Ndzingo
Managing Director





Alphonse Ndzingo

Managing Director

MARKET INSIGHTS: GLOBAL MARKET REVIEW

- Risk assets continued to rise in Q2 following the very strong rebound of Q1, though with much greater volatility
- Key to the quarter was the expectation of further monetary easing in the coming months, which resulted in a significant decline in government bond yields
- The global economy is maintaining momentum in spite of the crosswinds

Global equity markets had a V-shaped three-month period ending 30 June 2019.

At the start of the quarter, global equities rallied as April continued to extend the bull-run that started from the beginning of the year. In May, the potential imposition of higher tariffs on Chinese goods from the US was the catalyst to a sharp risk asset sell-off; yet, promises of more accommodative monetary policy and increased optimism on a trade truce at the G-20 meeting in late June led to global equities experiencing a broad risk-on rally. Overall, global equities rose by 3.2% over the second quarter.

Within developed markets, both US equities and European equities were up by 4.1%

and 5.5% over the second quarter, while Japanese equities declined 2.3%. On the other hand, emerging market equities lagged behind its developed market peers, returning 0.2%. Within emerging markets, Asian equities declined 0.7%, while Latin American equities increased 3.2%.

SA equities, much like the majority of their global counterparts, continued the rally that transpired in the first quarter of the year following a dismal 2018. The benchmark ('JSE Capped All Share Index' or 'CAPI') delivered a return of 4.0%.

Yields on Government bonds fell significantly; the US 10yr yield fell from 2.41% to 2.01% and on the German 10yr from -7bps to -33bps. The US Dollar fell 1.2% on a trade weighted basis amid the broader risk-on rally. The Euro picked up steam in June and ended the second quarter 1.4% higher at the 1.13 level compared to the end of March. The Japanese Yen – typically seen as a safe haven asset – strengthened during the quarter, moving from a 112 level against the US Dollar to the 108 level by quarter-end. Gold rallied very strongly (up 9.2%) with rates falling and economic weakness rising.

MARKET PERFORMANCE (LOCAL CURRENCY)

Market	3 months to 30 June 2019	12 months to 30 June 2019
Global		
MSCI World	3.79%	6.36%
MSCI World (Dev mkts only)	4.19%	6.98%
MSCI Emerging mkts	0.73%	1.58%
MSCI Dev. Ex US & Canada	3.93%	1.71%
Citi World Government Bond Index	3.57%	5.48%
South Africa		
SWIX	2.86%	1.22%
ALSI	3.91%	4.52%
CAPI	4.04%	4.78%
ALBI	3.70%	11.48%
Americas		
Dow Jones	3.21%	12.20%
S&P 500	4.30%	10.41%
NASDAQ	3.88%	7.81%
Mex IPC	1.13%	-7.01%
IBOVESPA	5.82%	38.76%
Europe		
Eurostoxx	6.16%	6.10%
Stoxx Europe 600	3.44%	5.02%
DAX	7.57%	0.75%
FTSE 100	3.28%	1.51%
CAC 40	6.19%	7.58%
SMI	6.54%	18.80%
INEX 35	1.29%	-0.35%
Asia		
NIKKEI	0.48%	-2.52%
Shanghai Shenzen CSI300	-0.15%	11.51%
Shanghai Stock Exchange Composite	-2.41%	7.31%
HANG SENG	-0.08%	2.53%

- Source: Bloomberg

Generally, investor attention has shifted away from trade wars and politics, back to monetary policy.

After a decade of unprecedented policy actions, the world economy still struggles to break free and return to normalcy. In the absence of a plan B, the world’s major central banks are set to engage in simultaneous policy easing yet again, with rate cuts likely in the US, China, and Europe. Asset purchases could be restarted in the Euro area before the end of the year as well. In the UK, Brexit is still the driving force, but rate cuts are highly likely, with a return to QE on a hard Brexit.

In terms of macroeconomic fundamentals, the global economy is maintaining momentum in spite of the crosswinds. There has been some weakness in economic data. PMIs have fallen from the highs seen 18-24 months ago, but this is more driven by political action than economic excesses. Especially impacted have been manufacturing PMIs, those which are more exposed to global trade and likely a consequence of the US/China trade war. Globally these have now dropped below 50, the level which defines expansion or contraction and particularly impacted has been Europe and within that Germany; the latest figure is well below 45, a level rarely seen.

Composite PMIs	2017							2018							2019										
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Japan	52.9	51.8	51.9	51.7	53.4	52.2	52.2	52.8	52.2	51.3	53.1	51.7	52.1	51.8	52.0	50.7	52.5	52.4	52.0	50.9	50.7	50.4	53.0	50.9	51.5
Germany	56.4	54.7	55.8	57.7	56.6	57.3	58.9	59.0	57.6	55.1	54.6	53.4	54.8	55.0	55.6	55.0	53.4	52.3	51.6	52.1	52.8	51.4	52.2	52.6	52.6
France	56.6	55.6	55.2	57.1	57.4	60.3	59.6	59.6	57.3	56.3	56.9	54.2	55.0	54.4	54.9	54.0	54.1	54.2	48.7	48.2	50.4	48.9	50.1	51.2	52.7
Eurozone	56.3	55.7	55.7	56.7	56.0	57.5	58.1	58.8	57.1	55.2	55.1	54.1	54.9	54.3	54.5	54.1	53.1	52.7	51.1	51.0	51.9	51.6	51.5	51.8	52.2
China (Caixin)	51.1	51.9	52.4	51.4	51.0	51.6	53.0	53.7	53.3	51.8	52.3	52.3	53.0	52.3	52.0	52.1	50.5	51.9	52.2	50.9	50.7	52.9	52.7	51.5	50.6
US	53.9	54.6	55.3	54.8	55.2	54.5	54.1	53.8	55.8	54.2	54.9	56.6	56.2	55.7	54.7	53.9	54.9	54.7	54.4	54.4	55.5	54.6	53.0	50.9	51.5



While trade and manufacturing are under pressure, labour markets in the US and Europe look strong. Ultimately, we expect monetary easing to prolong the current expansion and position for higher equities and steeper yield curves.

A major setback in US/China trade talks remains the biggest short-term risk. Other risks include a No- Deal Brexit as the new UK Prime Minister will have little time to garner support for a Brexit deal and rising tensions between the US-Iran and UK-Iran which could also spark volatility and dent market sentiment.

In this environment, we are maintaining our current risk and exposure levels, noting that selectivity will remain paramount in this environment for high conviction active managers like us.

INVEST WITH PRIDE

02

**MARKET INSIGHTS:
LOCAL COMMENTARY - EQUITY**

Tshegofatso Tlhong
Portfolio Manager





Tshegofatso Tlhong

Portfolio Manager

**MARKET INSIGHTS:
LOCAL
COMMENTARY -
EQUITY**

- Company earnings releases during the quarter were disappointing
- Generally negative sentiment will likely keep price gains subdued
- We expect equity market returns over the medium term to be driven by dividend returns and the upward re-rating in earnings multiples from current lows.

The DCI lost 3.3% and 1.4% on a price and total return basis respectively during the second quarter of the year. The biggest losers were Stanchart and Seedco at -48.9% and -45.5% respectively.

In general, earnings releases during the quarter were disappointing. Olympia posted a profit of P500k from a P1mn loss the previous year. Despite the improvement, the Auditor's reports highlights material uncertainty as to whether the company can continue as a going concern. G4S reported a slight decrease of 5.6% in PAT due to revenue declines and margin pressure across various business lines. The Company is faced with cost rationalisation across corporate clients and citizen reservation requirements from Government and related agencies.

Turnstar's operating profit was 12.6% lower than the previous year as vacancies in the commercial office space in Mlimani City negatively affected performance. EPS, however, came in 65.8% higher on the back of exchange gains and positive overall revaluation gains.

Seedco, the only agro-counter on the BSE, released their first set of results post listing. Earnings declined 15.9% as drought suppressed seed demand and the adoption of IFRS 9 resulted in an impairment charge.

BTCL reported a 25.4% decline in earnings as revenue slowed across most business lines. The aggressive infrastructure roll-out done over the last year resulted in a 27.6% increase in depreciation, which negatively impacted performance.

Luxury tourism counters were the only ones that registered earnings growth. Chobe's PAT for the year was up 14.7% due to an increase in occupancies and a marginal increase in bed-night rates. The Group completed renovations of Chobe Game

Lodge and added Dinaka Safari Lodge; this increased available beds. The Group continues to invest its cash reserves to expand into the game farm segment of the sector. Wilderness Holdings’ earnings increased by 12.4% as higher bed-night rates compensated for flat occupancies.

Effective April 1st 2019 public service salaries were increased by 10% for scale A and B, and 6% for scales C and D. This works out to an additional monthly earning of P1,623 for the top tier and P169 at the bottom end. That, coupled with allowances from a number of Government projects such as groundwork for the National census and elections, will increase overall household disposable income and spending in the near-term. We expect this to benefit consumer staples and food & beverage retailing.

A number of changes around land policy have taken place; the latest change being the amendment of the Tribal Land Act. In our view the most important changes to the Act are:

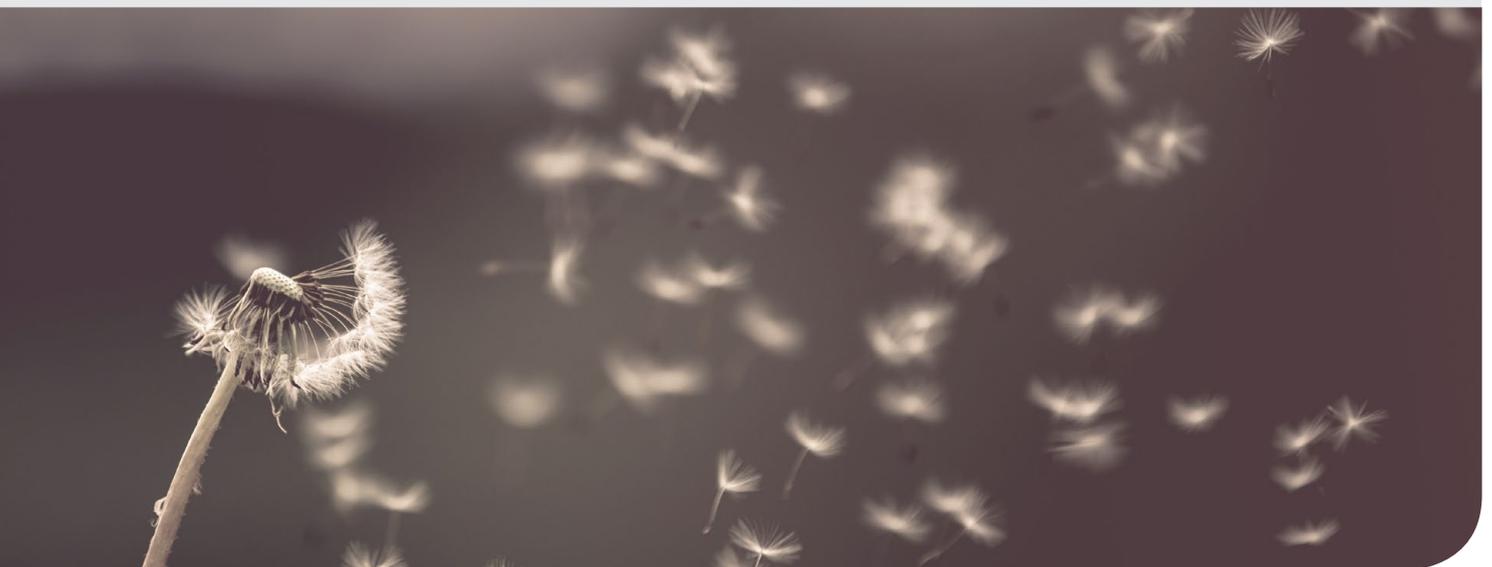
1_ Written consent must be sought from the Land Board before a land holder can enter into a transaction that will lead to transfer or disposal of the land, a mortgage bond being registered on the land right, entering into a lease running for over 5 years, exchanging the land right or division of the land parcel. The dealings in shares of companies that own land rights also need consent.

2_ Transactions involving non-citizens must first be published in the Gazette and a right is given to any citizen to receive priority should they wish to enter into a similar transaction on that property; and

3_ For a company to be regarded as a citizen, 100% of the shares must be held by individual citizens, not 51% as previously required. All listed companies are classified as non-citizens therefore any transactions outside of urban areas must now follow this new process. There is a possibility for acquisitions to be front-run by citizens if the pricing is attractive which poses risks to yields on acquisitions.



Despite the negative international backlash from the lifting of the hunting ban by the Government, luxury tourism outfits are not seeing any declines in forward bookings. We therefore anticipate that this sector will continue to outperform.

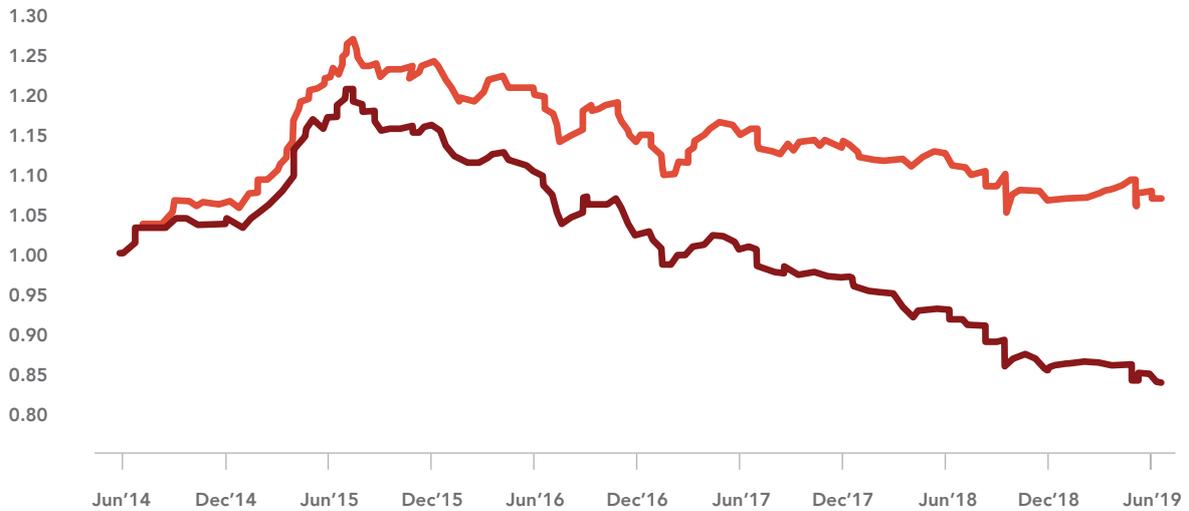


Local equity market prices continue on their downward trajectory despite a stabilisation, and in some instances a recovery, in earnings. We are seeing reduced institutional investor activity outside of large corporate actions. This is compounded by a shrinking investible universe due to de-listings such as that of Furnmart and Wilderness Holdings in February and July 2019 respectively. We anticipate that the current stagnation in the

market is likely to persist in the near-term. During such a period, investing in high dividend yielding stocks is key for minimising the impact of share price declines on overall portfolio value.

The following graph illustrates this; on a total return basis (including dividends) the market has fared better in the last five years than on a purely price basis.

CHART 1: REBASED DOMESTIC COMPANY INDEX RETURN (5YR)



DCI TR
DCI

Source: Bloomberg, Kgori Capital

Though the market remains cheap relative to historical levels, currently trading at a PE of 11.3x versus a 20yr average of 14.1x, negative sentiment will keep price gains subdued.

INVEST WITH PRIDE

03

**MARKET INSIGHTS:
LOCAL COMMENTARY - FIXED
INCOME AND MACRO**

Kwabena Antwi
Portfolio Manager





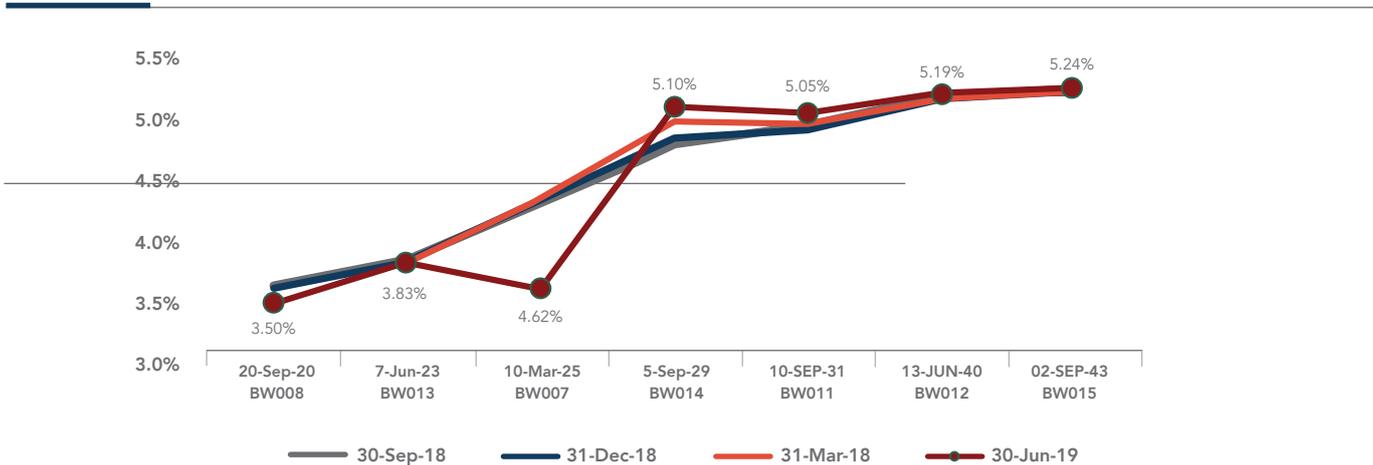
Kwabena Antwi
Portfolio Manager

**MARKET INSIGHTS:
FIXED INCOME
AND MACRO**

- Sharp drop in yield on BW007 Government bond drives bond index higher
- We forecast inflation to reach 3.2% by December 2019
- We forecast another year of moderate growth for the Botswana economy in 2019

The local bond index (FABI) returned 1.8% for the quarter mainly attributable to the sharp 73 bps drop for the yield on the BW007 Government bond maturing in 2025. The yield on BW014 maturing in 2029 and BW011 maturing in 2031 rose by 11bps and 7bps respectively whilst the yield on BW012 maturing in 2040 and BW015 maturing in 2043 rose by 4bps.

CHART 2: GOVERNMENT BOND YIELD CURVE CHANGES

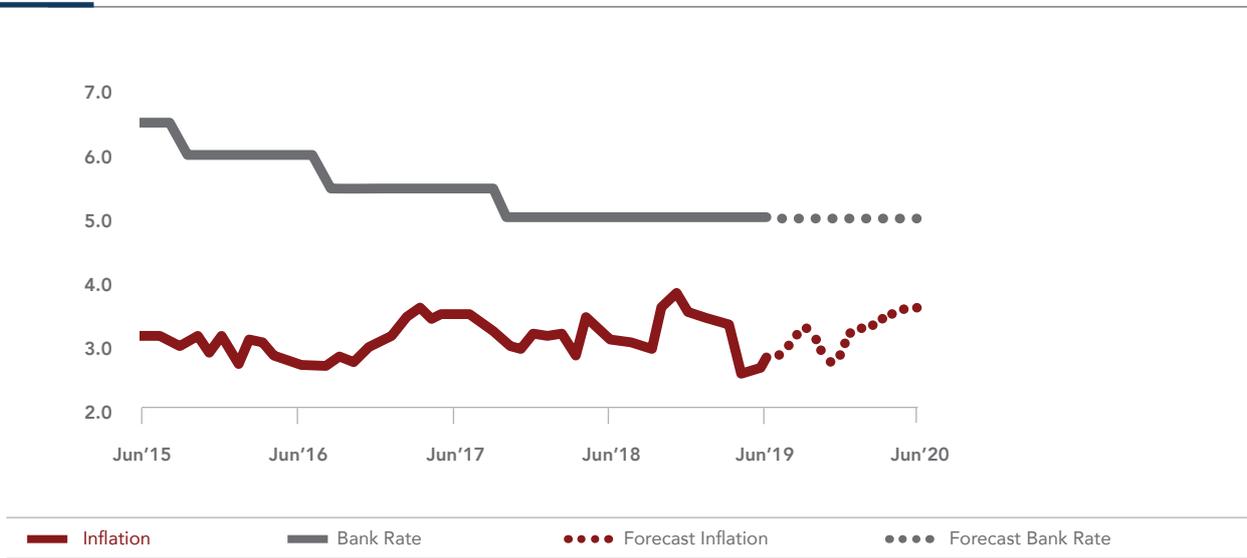


• Source: FABI

The May Government Bond and Treasury Bill Auction saw bids of P1 948mn, higher than the P1 511mn of bids received in the March auction. The issuance was oversubscribed by P798mn. The most demanded instrument was the BW007 Government bond; this was oversubscribed by P467mn.

Inflation continued to trend below the bottom end of the Bank of Botswana's (BoB) 3%-6% objective range. June inflation was 2.8% y/y. This is the third consecutive month where inflation registered below the BoB's objective range. Inflation remains tepid due to a low food inflation driven by plummeting bread & cereals inflation, stagnant housing inflation and declining transport inflation. Inflation excluding administered prices and headline inflation are beginning to converge due to limited increases in administered prices during the year. Excluding administered prices core inflation was at 2.0% in June.

CHART 3: BOTSWANA CPI (Y/Y %)



• Source: Statistics Botswana, Kgori Analysis



“Invest with **PRIDE** is the Kgori way of doing business, how we are seen to be and what we are seen to do.”



Looking ahead, we expect inflation to remain below the mid-point of BoB's 3%-6% objective range with risks balanced. We forecast inflation to reach 3.2% by December 2019. The main upside risk relates to increases in administered prices such as fuel, water and electricity as well as resurgent food inflation driven by dry weather conditions. Global fuel prices have surged by 30% year-to-date in 2019, which places the possibility of more fuel increments back on the table following the precipitous fall of global prices in December last year. The main risk to the downside emanates from continued lacklustre domestic demand. We expect BoB to maintain its current accommodative Monetary Policy stance in order to support economic growth.

The Monetary Policy Committee ("MPC") met twice during the quarter on 24 April and 27 June. The MPC kept the benchmark rate unchanged at 5.0% stating that the current state of the economy and the outlook for both domestic and external economic activity suggested that the prevailing Monetary Policy stance is consistent with maintaining inflation within BoB's 3%-6% objective range. The Bank still expects inflation to be within its 3%-6% objective range in the medium term due to subdued demand pressures and modest increases in foreign prices. BoB also stated that its outlook is subject to upside risks emanating from administered prices and down side risk emanating from restrained global economic activity, technological progress and productivity improvement.

Central banks across the globe have turned dovish in light of sluggish global economic growth prospects and benign inflation outcomes. This increased dovishness will likely manifest in easier monetary conditions amongst Botswana's trading partners. The South African Reserve Bank (SARB) cut its benchmark rate by 25bps at its July MPC meeting, whilst in the US; expectations are now skewed towards a rate cut. Inflation has also breached the lower bound of the BoB's objective range for the past three consecutive months. These developments will give the

BoB room to also cut its benchmark rate. We maintain our expectation for rates to remain unchanged; however this will be reassessed following the next US Federal Reserve rate decision.

GDP statistics released indicated that the economy grew 4.4% in Q1 2019 on a rolling basis, up from the 3.8% growth recorded in Q1 2018. The acceleration in growth was due to resurgence in mining activity which grew by 5.3% versus a contraction of 0.3% in Q1 2018. All sectors positively contributed to GDP growth in Q1 2019 with the main drivers being Mining +5.3%, Trade, Hotels & Restaurants +5.2%, Finance and Business Service +5.1% and General Government +3.2%.

We forecast another year of moderate growth for the Botswana economy in 2019. We maintain our expectation that the economy will expand by 4.5% driven by stability in water and electricity supply and stable mining output.

Q1 2019 Mining Production statistics were released by Statistics Botswana. Overall mining production grew 3.1% in Q1 2019 driven by diamond production, which grew by 3.2%. Gold was the main detractor, decreasing by 16.9% y/y as a result of

unstable commodity prices and deterioration in mine lifespan. Copper registered no production during the period as uncertainty of commodity prices affected operations of mines, negatively impacting mine sustainability leading to provisional liquidation.

Trade statistics to April showed a P0.4bn trade deficit. Exports decreased by 11.4% m/m (P0.7bn) driven by a 11.5% m/m (P0.7bn) drop in Diamond exports. Imports increased by 6.3% m/m (P360mn) due to a P320mn increase in Diamond imports. On a 12 month rolling basis the trade balance was marginally positive at a P60mn surplus.

BoB released results of the June Botswana Expectations Survey. Overall, businesses expect an increase in sales, capacity utilisation and profits in the second and third quarter of 2019. Firms intend to increase investment in physical assets, despite anticipating tight access to credit in the domestic market. Firms also expect cost pressure in the third quarter of 2019, mainly reflecting the anticipated upward pressure on costs of materials, wages and transport. However, firms expect inflation to remain stable and within BoB's medium-term objective range of 3%-6% going forward.



INVEST WITH PRIDE

04

**MONEY MANAGEMENT
TIPS EVERY YOUNG
PROFESSIONAL MUST KNOW**

Sheila McHarg
Operations Analyst





Sheila McHarg

Operations Analyst

**MONEY
MANAGEMENT
TIPS EVERY YOUNG
PROFESSIONAL
MUST KNOW**

The transition from student life into corporate or entrepreneurial life is quite a momentous time in any young professional's life. One of the first major changes for most is the responsibility to manage money. Do it well, and the freedom will be liberating; but, if you do it badly, both your work and personal life will suffer.





This is where basic knowledge about finances comes in handy. The general idea is that the sooner a young professional can learn these facts, the faster they can achieve personal and professional success.

Here are a few tips that can help get young professionals (such as myself) well on their way to financial success:

TIP #1: PROTECT YOUR MONEY/GUARD YOUR WEALTH

As a young professional starting out, you will want to protect your money from taxes as much as you can. This can be done by investing a portion of your salary into a retirement fund as these are exempt from taxes and from inflation. You can do this by making sure that all of your money is earning interest through vehicles like high-interest savings accounts, equity stocks, bonds, and unit trusts or mutual funds. A general rule of thumb would be to invest 10-20% of your salary. Trust me, the moment you understand the power of compound interest, you will want to start investing today!

TIP#2: UNDERSTAND THAT MONEY IS A TOOL

If you are in your 20s and ready to build wealth, it all starts with recognising that the money you earn is nothing more than a tool. Instead of thinking of the money you earn as the solution to your problems, think of it as a tool you can use to create the life and lifestyle you want through making smart choices regarding spending, savings and investing. There are quite a number of financial products that can assist us in benefiting from money as a tool to create what we want. Sometimes, however, choosing from these can become a daunting task. The truth is, this shouldn't be - the Internet offers many free online courses and study materials that can help in understanding what investment will best suit your needs. Another option would be to seek professional advice from a registered financial advisor. Knowledge is very much power in this case, so seize your power!

TIP #3: AUTOMATE YOUR INVESTMENTS AND LEARN TO LIVE ON LESS

No matter where you are in your personal finance journey, one of the best steps you can take is automating your investments so that they can take care of themselves. Setting up an automated savings plan like a monthly stop or debit order from your bank account will help condition yourself to save consistently without having to decide

between delayed gratification and instant gratification. This was one of the very first things I am thankful I did when I started my job at Kgori Capital as it helped me learn to live on less, without really feeling the impact of it. It is also a lot easier to build real wealth when you have made saving and investing a priority instead of an afterthought. Healthy financial habits that last are something you will be truly grateful for further down the line.

TIP #5: BE OBSESSED WITH GROWTH

This one is a favourite of mine because it can mean the difference between a mediocre life and a fulfilling life. Being obsessed with growth means that you are relentless about learning, experiencing, and become a better version of yourself each and every day. One thing I often hear from my elders at home and colleagues here in the office is that as you get older there will be more demands on your time and energy. I always try to put time aside to set priorities for myself. I make sure to be obsessed about doing things that are new, that scare me, and that will lead to my personal growth both in and outside of the office. If you are not growing, you are not moving forward, literally and figuratively.

TIP #6: DEVELOP THE HABIT OF SAVING/INVESTING

Earlier, I suggested you should spend money on yourself to learn and grow. Another crucial thing to do is to get into the habit of saving and investing even if you start with just a few Pulas. It is not really about how much you save, but most importantly about creating a habit of saving. When you begin to earn more money you will already have the "muscle memory" of saving and investing. To make things even easier, there is now the option to invest online in Botswana without having to set foot inside an investment firm. Kgori Capital recently launched its online transacting capability for its Unit Trust offering, and this is something I am really excited about as it's the first of its kind in Botswana. It makes it seamless for investors to start growing their money right from their cellphones or indeed any device

which has Internet access. There really is no excuse to not invest now!

TIP #7: USE YOUR OTHER 8 HOURS WISELY

The general idea is that you work 8 hours, sleep 8 hours, and have 8 hours left over. Life happens in the latter 8 hours because the time you work you sell to somebody else and the time you sleep is not yours. The only way you can grow, exercise, develop a strong network, and improve your life is after work and before bed. Make the most of this time! Invest it wisely in things and people that will

make you better. What is the worst that could happen if you, say, invested that time in learning a new skill?

TIP #8: SET INVESTING AND FINANCIAL GOALS

Jot down your goals purposefully. What are you looking to achieve? Set your goals, and make them specific. How much do you want to store away every pay-check, every month, every year? Where do you want to be in 5 years financially? If you could have one financial accomplishment for this month, what would it be? And what are you

really trying to achieve from your investing? Intentionally asking myself these sort of questions and jotting down my answers to these has helped guide me on what steps to take next in my wealth plan.

THE BOTTOM LINE

So what is the bottom line? Well, it is simple: the one thing I try to do consistently from month to month is to keep my core expenses low and park away some money into an emergency fund for any possible rainy days. I have found that it is important to build habits that help you make better financial choices, leading to better financial health. The best time to start investing is now!



Did you know that Kgori Capital is one of the only Botswana investment managers that is a signatory of the Principles for Responsible Investment (PRI)

The PRI is the world's leading proponent of responsible investment. It works to understand the investment implications of Environmental, Social and Governance (ESG) factors and to support its international network of investor signatories in incorporating these factors into their investment and ownership decisions. The PRI acts in the long-term interests of its signatories, of the financial markets and economies in which they operate and ultimately of the environment and society as a whole. The PRI is supported by, but not part of, the United Nations.



INVEST WITH PRIDE

05

KGORI SECURE SERVICES





Managing one’s investment portfolio can sometimes seem like a daunting task. However, we do not believe this needs to be the case.

With this in mind, Kgori Capital is excited to bring to market a secure web-based solution that provides the most convenient way to obtain and manage one’s portfolio and investment information for all of our Unit Trust investors. This convenient solution comes as part of the Value Added Services offered to our beloved clients, as we seek to take the trouble out of investment management, in many ways.

What does that look like?

Picture this: no queues, no office hours, and no endless telephone calls. Simply put: less limitations and much, much more convenience! We call this Kgori Secure Services, because we at once ensure your peace of mind to allow you to feel secure and supported, as well as protecting your financial securities.

Our Kgori Capital’s Unit Trusts’ secure site, the Kgori Capital Online Portal, enables you to:

- View your full portfolio of Unit Trust investments;
- Extract your statement and transactions;
- Buy, sell and switch units (transact online);
- Amend personal contact details; and
- Download the latest fund factsheets.



KGORI CAPITAL
INVEST WITH PRIDE

Download Centre
Contact Us
Portal Support

Existing User

Welcome to the Kgori Capital Online Portal

If you are a registered user you can use this page to log on to your user account. Please enter your chosen username and password to proceed.

If you are not yet registered for online access, please provide your personal information and request a logon. You can then use the logon to access your account.

New User

Please note

The system uses an automatic session expiration process. In the event of inactivity in excess of 20 minutes, the web page will automatically log out.

It is unwise to leave any web page with personal information unattended.

Existing User

Login

Password

[Forgotten your Password?](#)

[Forgotten your Login?](#)

New User

[Register as a new user](#)

Via the Kgori Capital Online Portal, the TransactOnline functionality enables transactions such as buying, selling or switching to be processed online.

All transactions are processed in a secure environment and require a One Time Pin (OTP) that ensures our clients may securely access self service options such as the addition of new debit orders or to processing withdrawals.



In addition, financial advisors with Power of Attorney acting on behalf of investors may apply for access. All existing investors will have access to this portal; they would be required to register as new users and just follow the easy steps to activate their account.

We don't believe investment management ought to be a tedious task for you, the client. It should be simple, convenient, secure and even enjoyable, and this is precisely what we are striving to ensure. All Kgori Capital Unit Trust clients are able to make use of this incredible new technology to ensure that their funds are providing them with the best returns.

Our team are readily available to assist clients on how to get started with this amazing platform, a first in our market because we believe in innovating towards Excellence and investing with PRIDE for our clients.

Kgori Capital wholly subscribes to and believes in practicing the six Principles for Responsible Investment as articulated by PRI.²

The six Principles for Responsible Investment are a voluntary and aspirational set of investment principles that offer a menu of possible actions for incorporating ESG issues into investment practice.

- Principle 1:** We will incorporate ESG issues into investment analysis and decision-making processes.
- Principle 2:** We will be active owners and incorporate ESG issues into our ownership policies and practices.
- Principle 3:** We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- Principle 4:** We will promote acceptance and implementation of the Principles within the investment industry.
- Principle 5:** We will work together to enhance our effectiveness in implementing the Principles.
- Principle 6:** We will each report on our activities and progress towards implementing the Principles.

The six Principles for Responsible Investment have attracted a global signatory base representing a majority of the world's professionally managed investments. We are proud to represent and drive this within the Botswana market as a proudly Botswana business that holds corporate governance and indeed compliance in the highest regard.

² www.unpri.org

INVEST WITH PRIDE

06

**GROWING OUR FOUNDATION
TOWARDS EXCELLENCE**



At Kgori Capital, we believe we have a firm foundation of passion, skill and experience in the Asset Management industry. Our team comprises some of the very best in the sector, and we have had the privilege and honour to invest on behalf of some of the most incredible clients, many of whom we still work with today. It is a foundation that was built upon from the very establishment of this business - a passion for Botswana’s growth, and the development of her economy and her people. Today, that passion has not waned.



After over 7 years in the industry, and over 80 years of cumulative team experience, we are invested now in growing our foundation towards excellence. Excellence for our people, our clients, our stakeholders, our community and our Nation. This we do with great PRIDE, for we invest with PRIDE on behalf of our clients. In the grander scheme of things, we are committed to working, as a private sector institution aligned to Government’s Vision 2036 and NDP 11, to help realise a truly sustainable, prosperous Botswana.

Why? Because we believe we truly and wholeheartedly have what it takes to make a difference in and for our country. We know this to be true because:

We are 100% Botswana citizen-owned and run, and proudly so.

Kgori Capital is a home-grown Asset Management company that has always strived to make an enduring difference. We set out to do better for our country, and this determination only grows stronger. It is our conviction that passion for growth and excellence, and our desire to invest with PRIDE for Botswana provides us a distinct advantage over others.

We are grounded by strong Values:

We are patriots and thus take the responsibility that has been bestowed upon us by so many entities extremely seriously. Our brand promise has always been to “Invest with PRIDE.” Our Kgori icon remains grounded, symbolising a stable, trustworthy and reliable company. Like the Kori Bustard in our icon, we are always on the move, always learning and always growing. We continue to build on the foundation started with our establishment, with a future forward ambition for true excellence.

We believe Batswana have the skills, depth of talent and potential to play in even a global playing field.

We are proud to employ 10 skilled, experienced and passionate members of our team, all of whom are shareholders in our business and all of whom are Batswana; in fact, they are also predominantly women. This is because we believe in diversity and inclusion, and we believe in having the very best team to be able to deliver excellence and PRIDE for our clients. In fact, our team is one of the most qualified, committed and able in the sector, and this has allowed us to show a steady growth curve over the years. We are a Botswana business that has always aimed high not in spite of our background, but because of it.

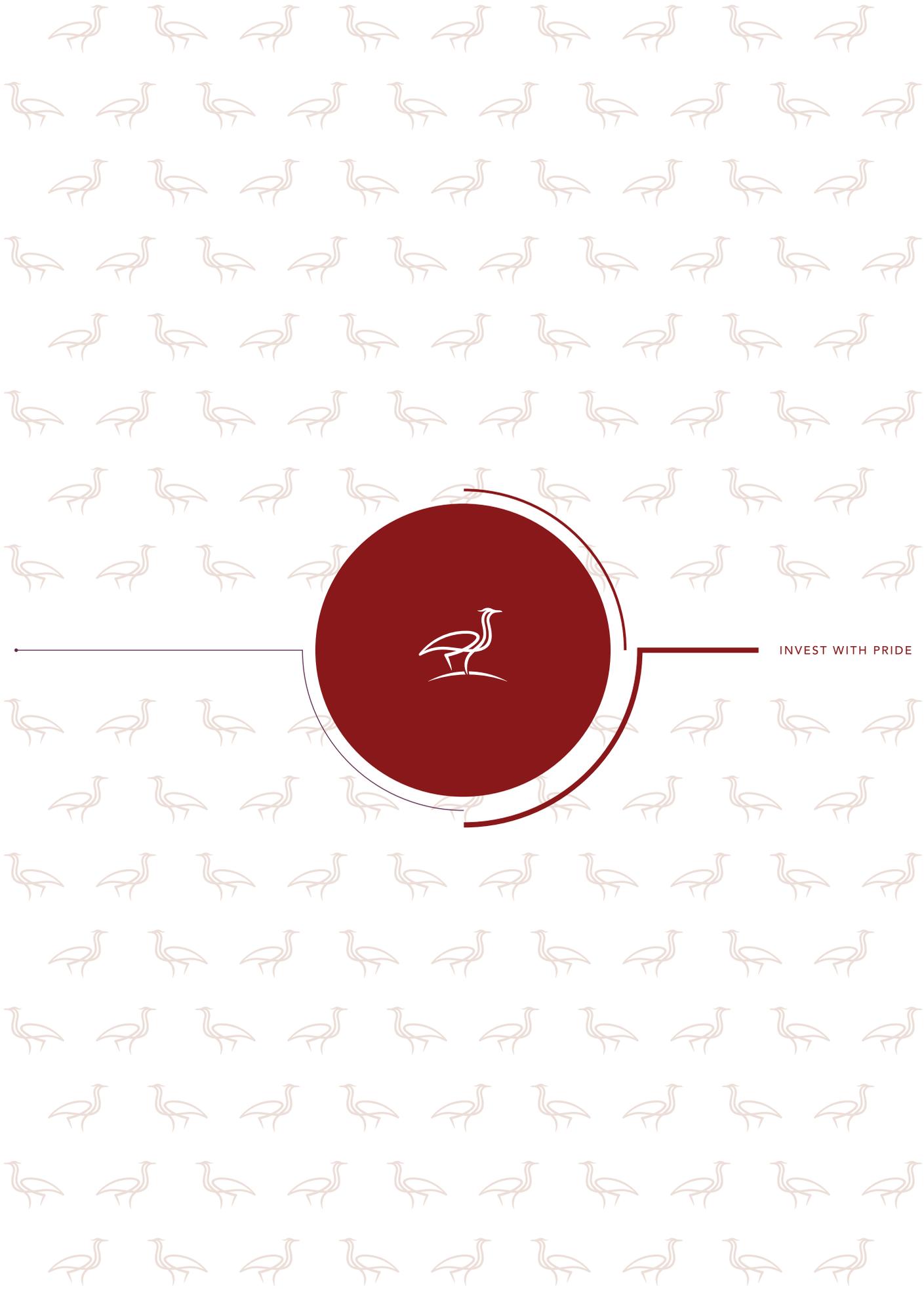
We are focused and determined for a sound future.

We are growing our foundation towards Excellence, and channelling this Excellence and PRIDE more widely to our network of clients and partners. We have ambitions to grow the firm in terms of Assets Under Management, number of clients, investment products and distribution channels, all the while working to help shape and grow our people, our sector, and our National economy.

We can confidently say that nobody else can deliver what Kgori Capital delivers, and even then, constantly invest in doing more and being more. We owe it to ourselves and our stakeholders, and this remains our unshakeable belief.

We are Kgori Capital and we are growing our foundation towards Excellence, investing with PRIDE for and with Batswana, and we are excited about what we can accomplish, together, in the future. Exciting times truly lay ahead!





INVEST WITH PRIDE



KGORI CAPITAL

INVEST WITH PRIDE

General Disclaimer

All information, recommendations or opinions contained in this document are not intended to provide exhaustive treatment of any subject dealt with and must be weighed solely as one factor in any investment or other decision made by or on behalf of any user of the information contained herein. Such user should consult its own investment or financial or other advisors before making any decision. Whilst all care is taken by Kgori Capital in the preparation of the contents hereof, no warranty, express or implied, as to the accuracy, timeliness, completeness, merchantability or fitness for any particular purpose of any such recommendation or information is given or made by Kgori Capital in any form or manner whatsoever. The information in this document is not intended to and does not constitute financial, tax, legal, investment, consulting or other professional advice, and Kgori Capital does not purport to act in any way as a financial advisor. Kgori Capital shall not be responsible and disclaims all liability for any loss, liability, damage (whether direct or consequential) of any nature whatsoever which may be suffered as a result of or which may be attributable, directly or indirectly, to the use of any information, opinion, recommendation, or service contained in or provided through this document. All portfolio performance data is calculated by Kgori Capital. Performance is analysed and computed utilising true daily weighted methodology. Where this document contains statements or information which relate to projections, forecasts or hypothetical data, users should be advised that these are predictions and that actual performance may differ markedly. Users should also be aware that short term performance can be volatile and past performance is not necessarily a good indication or guideline of future performance. As the performance of financial markets fluctuates and is not guaranteed, an investor may not get back the full amount invested.

1st Floor Exponential,
Plot 54351, CBD, Gaborone

PO Box 1253 ABG,
Sebele, Gaborone

T +267 3915 990
F +267 3915 980

www.kgoricapital.com

Directors KI Melamu, AM Ndzinge, S Noor, MS Sibanda
Reg No CO2012/8843

Kgori Capital (Pty) Ltd is an authorised financial services provider.

