

Letlotlo Education Fund

Fund Factsheet | March 2026



Fund Objective

The Bifm Letlotlo Education Fund returned 1.69% over the first quarter of 2026, outperforming the benchmark return of 1.60% by 0.10%. Over the quarter, stock selection decisions contributed positively. Over the 12-month period, the Fund returned 8.95%, outperforming the benchmark by 0.89%.

Performance For Q1 2026

Local Equities

The Local equity allocation returned 1.23% over the quarter, outperforming the benchmark Domestic Companies Total Return Index (DCTRI) return of 1.21% by 0.03%. Market performance moderated significantly over the period from the 3.95% return recorded in the final quarter of 2025. The telecommunications sector was the leading performer over the quarter, with BTCL returning 8.96%. In the banking sector, returns were generally positive, except for Access Bank, which was flat. The Property and Consumer sector returned muted results over the quarter, while the remainder of the market was broadly unchanged.

Local Bonds

Over the quarter, the Fund returned 0.72%, outperforming the benchmark Fleming Aggregate Bond Index (FAB) return of 0.11%. The domestic bond market remained under pressure, with continued oversupply of government bonds shaping market dynamics. Yield movements diverged across the curve, with long-dated bond yields rising at a more gradual pace than in the previous quarter, resulting in reduced volatility at the long end. In contrast, the short end experienced increased volatility, with Treasury bill yields rising by more than 1.00% over the quarter.

Offshore Equities

The Offshore Equity allocation returned 0.38% over the quarter, underperforming its benchmark by 1.50%. Markets entered 2026 supported by resilient earnings, improving breadth, and optimism around AI-related growth. However, this constructive backdrop reversed sharply following the escalation of conflict in the Middle East and the closure of the Strait of Hormuz, which represented one of the most significant energy supply shocks in decades. Regionally, returns were dispersed. The United States was among the weakest major markets. Large-cap growth and technology stocks lagged sharply, reflecting concerns over AI capex discipline, energy costs, and rates. Ex-US Developed Markets generally outperformed the US. Japan and the UK delivered positive returns, benefiting from value and cyclical exposure, as well as improved market breadth.

Offshore Bonds

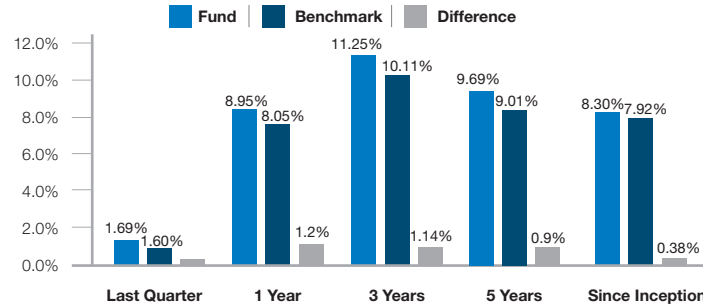
The Offshore Bond allocation returned 4.38%, outperforming the benchmark (Bloomberg Global Aggregate Index) return of 4.53% by 15 basis points. Resilient global headline growth has continued masking widening divergence across countries, industries, and households, while the conflict in the Middle East has introduced a major new source of risk. The conflict represents a major global energy supply shock that, if sustained, is likely to be stagflationary, pushing inflation higher while weighing on growth. Over the quarter, risk sentiment declined, credit spreads widened modestly, and the MSCI World Index fell 3.6% as the energy sector gained. Against this backdrop, the Fed, BoE, ECB, and BoJ all held rates steady, while the RBA hiked rates 50 bps amid sustained inflation pressures.

Market Outlook

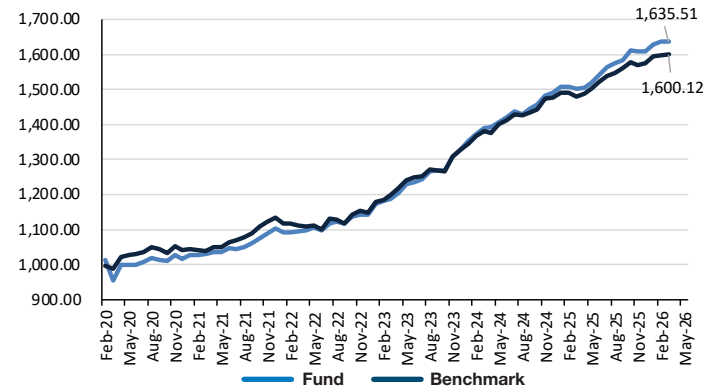
Local Real GDP contracted by 5.4% year-on-year in Q4 2025, compared to a decline of 1.9% in the same period in 2024, reflecting continued weakness in key sectors including Mining & Quarrying, Construction, and Water & Electricity. The domestic macroeconomic backdrop remains under pressure, and this view was affirmed by S&P Global Ratings, which downgraded Botswana's sovereign credit rating from BBB to BBB- during the quarter, with a negative outlook.

Globally, the outlook is shaped by heightened geopolitical uncertainty following the escalation of tensions in the Middle East and the disruption to global energy supply. Higher energy prices complicate the inflation and monetary policy outlook. While a recession is not the central expectation, growth is likely to moderate, particularly in the United States, as fiscal support fades later in the year. The duration of this shock will be critical in determining market outcomes. A swift resolution would likely allow energy prices to ease and growth expectations to stabilise, while a prolonged disruption risks reigniting inflation pressures, weakening consumer demand and increasing downside risks to confidence.

Performance



Cumulative Returns (BWP)



Quick Facts

Fund Information

Portfolio Manager: Bifm Investments Team
Launch Date: Feb 2020
Minimum Investment: P200 debit order

Fund Size: BWP25,634,252.14

Fees

Initial Fund Fee: 0%
Annual Management Fee: 1.5%
Fees are shown excluding VAT

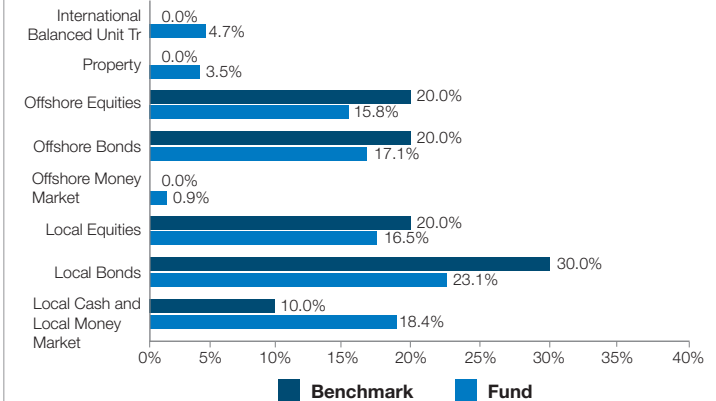
Risk Profile



Fund feature

7 year lock-in period

Asset Allocation



Education is the Best Gift

An investment today secures opportunities for tomorrow.