Ya Masa Junior Fund

Fund Factsheet | 31st March 2024

Bifm Unit Trusts

Fund Objective

The fund aims to provide long-term capital growth by investing in a diversified range of assets. It has a moderately high-risk profile and a seven-year lock-in period which caters for investors with a long-term investment horizon who are comfortable with accepting some degree of risk and volatility for some degree of growth.

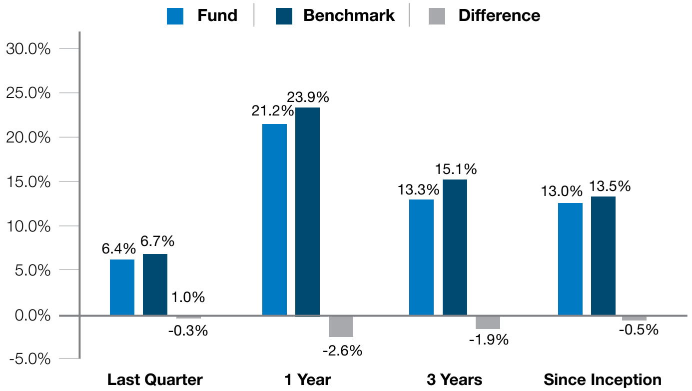
Strategy

The Bifm Ya Masa Junior Fund is a multi-asset fund that invests in local and offshore equities, bonds, property, and money market instruments.

Why Choose This Fund?

The fund is suitable for the investor with a moderately high-risk profile who wishes to hold investments over a long-term horizon and generate long-term capital growth. This fund is best suited for individuals who wish to save and invest for the long term in their individual capacity or on behalf of their children.

Performance



Performance Review

The Bifm Ya Masa Junior Fund returned 6.43% over the first quarter of 2024, underperforming the benchmark return of 6.69% by 0.26%. Stock selection and asset allocation decisions detracted from the fund's relative performance over the quarter. Over the 12-month period, the Fund returned 21.24%, underperforming the benchmark by 2.64%.

Local Equities

The Local equity allocation returned 3.04% over the quarter, outperforming the benchmark Domestic Company Total Return Index (DCTRI) return of 2.85% by 0.19%. The local equity market ended the first quarter of the year on a positive note with eleven of the twenty-three listed stocks increasing in price over the last three months. Six stocks recorded a flat performance and only six stocks declined in price over the period. Performance over the quarter was driven by the banking sector following robust earnings growth across most of the local banks. Investec was the leading performer on the Botswana Stock Exchange (BSE) over the quarter, appreciating 9.43%. Other notable movers over the quarter were Chobe (2.83%), Letlole (3.70%), StanChart (3.77%), BOD (6.67%) and FNBB (7.91%).

Local Bonds

The Local Bond allocation returned 4.20% over the quarter, outperforming the benchmark Fleming Aggregate Bond Index (FABI) return of 3.26% by 0.94%. The recent shift to an accommodative monetary policy stance has had a positive impact on credit extension, which grew by 9.67% in the 12 months to January 2024. Of particular note, credit extension to firms grew faster (18.19%) than that to households (5.36%).

Offshore Equities

The Offshore Equity allocation returned 10.18% over the quarter, underperforming the benchmark MSCI World Index (MSCI) return of 11.49% by 1.31%. Artificial Intelligence (AI) continues to be the primary support for market performance, with growth stocks remaining dominant over the quarter over the value counterparts.

Offshore Bonds

The Offshore Bond allocation returned 1.34%, outperforming the benchmark return of 0.27% by 0.54%.

Over the quarter, yields rose broadly across developed markets as inflation remained firm and economic activity robust, particularly in the U.S. While central banks generally held policy rates steady, including in the U.S., U.K., and Europe, dovish remarks from officials bolstered risk sentiment even as investors adjusted expectations for rate cuts in 2024. In Japan, the BoJ hiked rates for the first time in 17 years, ending its negative interest rate policy.

Market Outlook

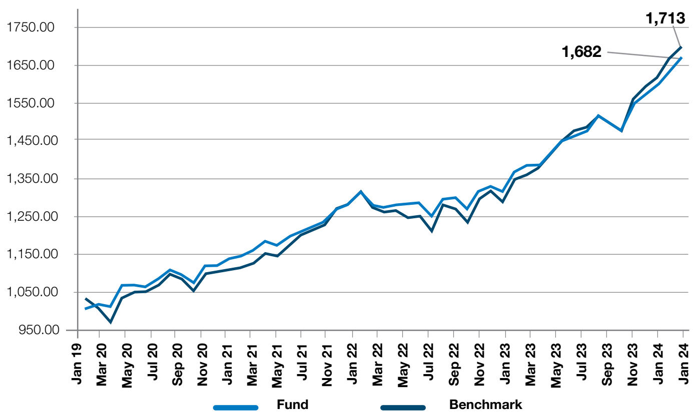
Following a year of recovery in 2022, local real GDP growth slowed to 2.7% in 2023. This was below the Ministry of Finance's projection of 3.2% growth in 2023 and below the 5.5% growth registered in 2022. The slowdown in growth was attributable to the slack in mining activity over 2023 when compared to 2024.

At the meeting held on the 22nd of February 2024, the BoB's Monetary Policy Committee (MPC) maintained the Monetary Policy Rate (MoPR) at 2.4%. The decision was supported by the MPC as a recognition of an expectation for the economy to continue operating below full capacity in the short term and thus not expected to generate demand-pull inflationary pressures.

Globally, headline inflation has come down substantially but remains above target levels in most markets with rates likely to remain "higher for longer" as most central banks remain on hold, leading to tighter financial conditions. As financial conditions tighten and the economic cycle slows down, we continue to see some pockets of stress emerging amidst highly leveraged consumers and corporates.

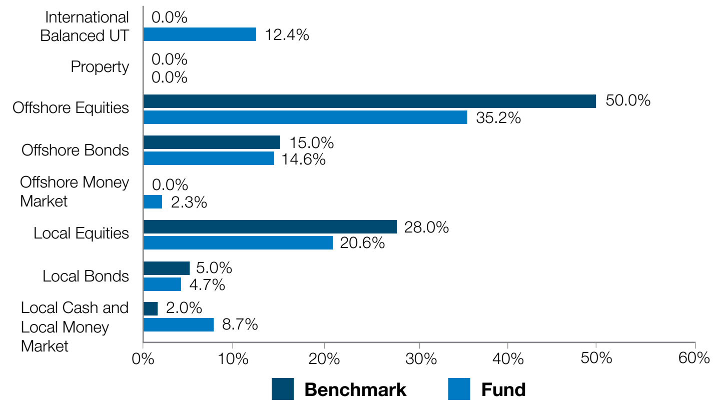
Total Expenditure Ratio (T.E.R.): 2.84%

Cumulative Returns (BWP)



Celebrate when the fund reaches significant milestones. This can motivate both of you and reinforce the importance of saving.

Asset Allocation



Quick Facts

Fund Information

Portfolio Manager: Bifm Investments Team

Launch Date: Jan 2020

Minimum Investment: P200 debit order

Fund Size: BWP33,417,857.29

Fees

Initial Fund Fee: 0%

Annual Management Fee: 2%

Fees are shown excluding VAT

Risk Profile

Low	Low-Med	Med	Med-high	High
			●	

Fund feature

7 year lock-in period

Income Distribution

Income Distribution Frequency:

Semi-Annual Jun, Dec

Contact Details

Trustees and Custodians

Stanbic Bank Botswana

Private Bag 00168

Gaborone

Physical Address

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