

FUND OBJECTIVE

The Fund aims to provide long term capital growth by investing in a diversified range of assets. It has a moderate risk profile and caters for the needs of the investor with a medium-long term horizon.

STRATEGY

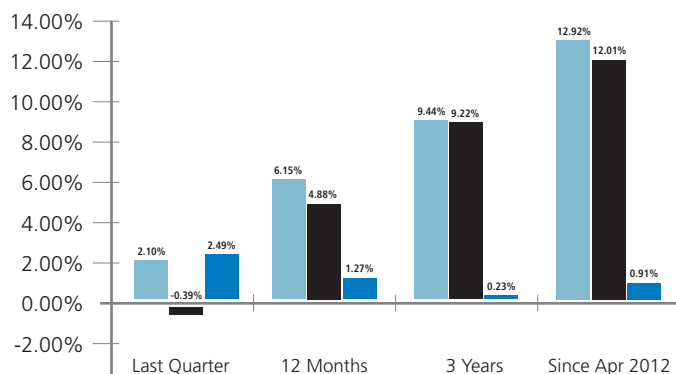
The BIFM Balanced Prudential Fund is a multi-assets fund that invests in both local and offshore equities, bonds and money market instruments.

WHY CHOOSE THIS FUND?

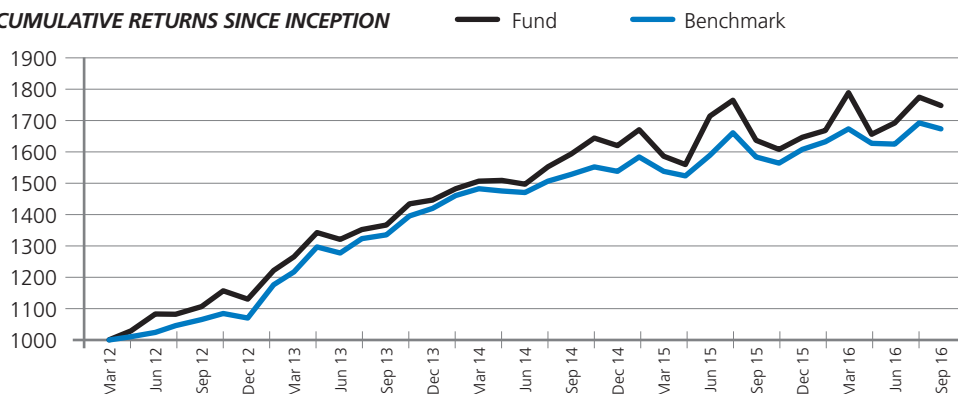
This fund is suitable for the investor who wishes to generate long-term capital growth and has a moderate risk appetite.

PERFORMANCE FOR Q3 2016

The Bifm Balanced Prudential Fund returned 2.10% over the third quarter, outperforming the benchmark return of -0.39% by 2.49%. Our Fund's relative outperformance was driven by both asset allocation and stock selection. While asset allocation was negative for most asset classes, offshore equity and offshore bonds contributed significantly to returns. Stock selection was positive across all asset classes. Our overweight to world equities and underweight to global bonds aided relative performance as world equities appreciated whilst global bonds declined over the quarter.



CUMULATIVE RETURNS SINCE INCEPTION



QUICK FACTS

Risk Profile

Low	Low - Med	Med	Med-high	High
		●		

Fund Information

Portfolio Manager:	Boikanyo Mogami, CFA
Launch Date:	April 2012
Minimum Investment:	P 1000 lump sum P 200 debit order
Fund Size:	BWP63,407,071.82

Fees

Initial Fund Fee:	5 %
Annual Management Fee:	2 %
Fees are shown excluding VAT	

Income Distribution

Income Distribution Dates: Semi-Annual
Jun, Dec

Contact Details

Trustees and Custodians

Stanbic Bank Botswana
Private Bag 00168
Gaborone

Physical Address

Bifm Unit Trusts (Pty) Ltd
Plot 50676, Fairgrounds Office Park
Gaborone, Botswana

Postal Address

Private Bag BR185, Broadhurst
Gaborone, Botswana

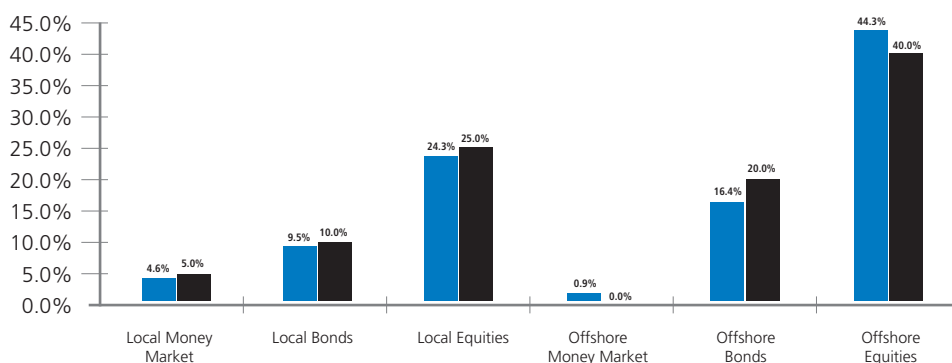
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Collective Investment Undertakings (CIUs) are generally long-term investments. The value of units may go down as well as up and past performance is not necessarily a guide to future performance. Unit trusts are traded at ruling prices. Commissions and incentives may be paid and if so, would be included in the overall costs. Forward pricing is used. Different classes of units apply to these funds and are subject to different fees and charges. A schedule of fees and charges and maximum commissions is available on request from Bifm Unit Trusts (Pty) Limited. Unit trust prices are calculated on a net asset value basis, defined as the total market value of all assets in the unit trust fund including any income accruals and less any permissible deductions (which may without limitation include brokerage fees, VAT, bank charges, audit fees, trustee fees and the annual management fee) from the fund divided by the number of units in issue. Performance figures are based on lump sum investments with income distributions reinvested. The investment objective of the fund shall be compared with the investor's objective, before an investment decision is made by the investor. The Total Expense Ratio (TER) cannot be taken as an indication of fund performance. The current TER cannot be regarded as an indication of the future TER. The fund is managed to comply with the Collective Investment Undertakings Act Cap 56:09 (and shall be amended from time to time). Exposures in excess of the limits will be corrected immediately except where due to market value fluctuations or capital withdrawals in which case they will be corrected within a reasonable time period. Bifm Unit Trusts (Pty) Limited, Company Registration Number: CO2009/2597, is approved by the Non-Bank Financial Institutions Regulatory Authority as a Unit Trust Management Company. Bifm Unit Trusts (Pty) Limited does not provide advice on investments, but does present clients with information on all Bifm Unit Trusts CIU funds. The fund prospects may be acquired free of charge, from Bifm Unit Trusts (Pty) Ltd.

The price, which will apply to an instruction received on a Saturday/Sunday or public holiday will be that of the following Monday/trading day

ASSET ALLOCATION AS AT 30 SEPTEMBER 2016

■ Q3 Portfolio ■ Q3 Benchmark



BALANCED PRUDENTIAL FUND COMMENTARY SEPTEMBER 30TH 2016

The Local Equity Fund returned 1.64%, outperforming the benchmark, Domestic Companies Index (DCI), return of -2.83% by 4.47% over the third quarter. The Fund relative outperformance was driven primarily by stock selection in the consumer sector. Our underweight exposure to Choppies as well as our overweight exposure to Sefalana aided fund relative performance. Choppies' share price declined by 12.50% whereas Sefalana's share price appreciated by 5.26%.

The Bifm World Equity Fund returned 3.10%, compared to benchmark return of 1.35% in BWP terms, outperforming the benchmark return by 1.75%. Fund outperformance was driven by stock picking of fundamentally strong companies across all sectors, particularly in the financial sector.

The Local Bond Fund returned 2.64%, outperforming the benchmark return of 2.19%. The outperformance over the period was underpinned by the corporate sector and parastatal sector.

Global Bond Fund returned -2.32% over the third quarter of 2016, outperforming the benchmark return of -2.57% in BWP terms.

QUARTERLY COMMENTARY

The market, during the first half, was characterized by increased volatility, particularly towards the end of the second quarter, when the UK voted to leave the European Union. This led to a destruction of value, particularly in the financial sector, while Bonds rallied at the same time. Those concerns of a fragile market have subsequently been lulled by rising energy prices and central bank support.

We have witnessed a strong focus on stock selection as leadership rebalanced their portfolios towards fundamentally strong companies which have strong balance sheets and are restructuring to face oncoming headwinds. This has been rewarded as stock selection has been the driver of performance within the third quarter. Going forward, we anticipate that this focus on company fundamentals will add value in the long run.

TOTAL EXPENDITURE RATIO (T.E.R) – 2.70%

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