

Balanced Prudential

Fund Factsheet | December 31st 2016

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.

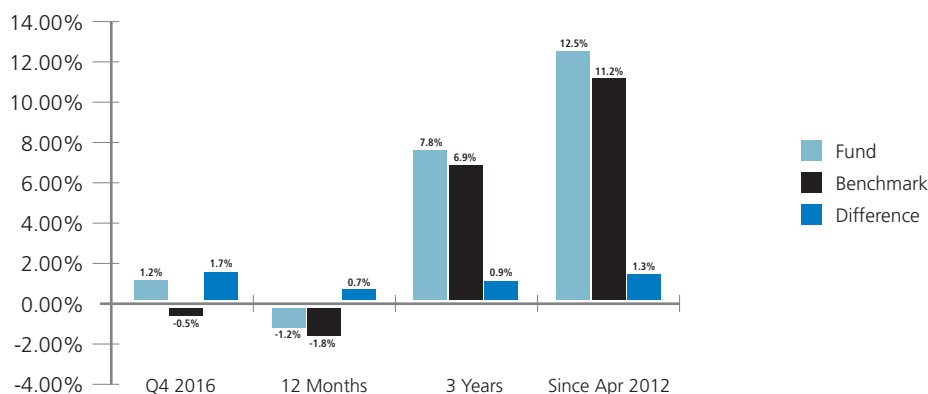
STRATEGY

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

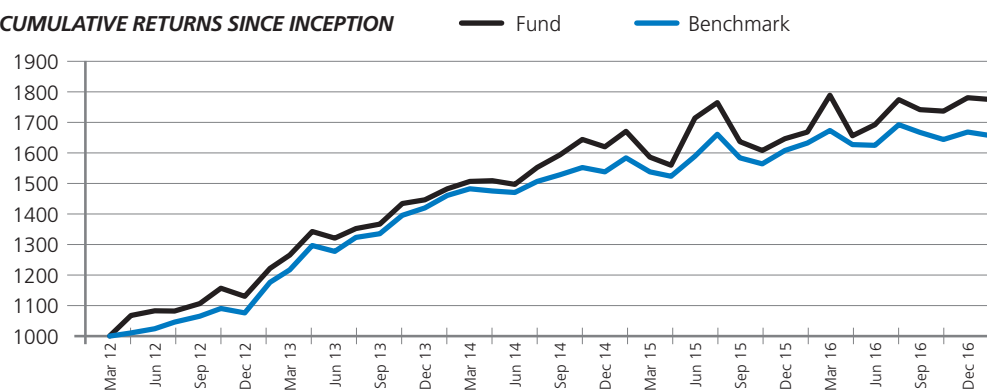
WHY CHOOSE THIS FUND?

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

PERFORMANCE



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: BWP67,030,434.58

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

T: +(267) 395 1564

F: +(267) 390 0358

E: retailservices@bifm.co.bw

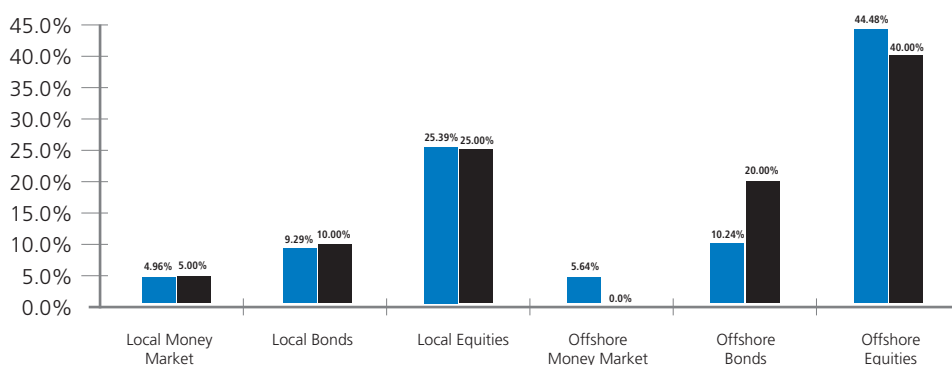
Collective Investment Undertakings (CIUs) are generally long-term investments. The value of units may go down as well as up and past performance is not necessarily a guide to future performance. Unit trusts are traded at ruling prices. Commissions and incentives may be paid and if so, would be included 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 prospectus 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

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ASSET ALLOCATION AS AT 31 DECEMBER 2016

■ Q4 Fund ■ Q4 Benchmark



PERFORMANCE FOR Q4 2016

Over the fourth quarter, the Bifm Balanced Prudential Fund returned 1.21% outperforming the benchmark return of -0.50% by 1.71%. Our Fund relative outperformance was driven by both asset allocation and stock selection. Stock selection was positive across all asset classes while there were marginal detractions on the asset allocation. Our overweight to offshore equities contributed positively as the asset class rallied over the quarter.

The local equity component of the fund reported a return of -1.74% against a benchmark return of -4.04% over the quarter, resulting in an outperformance of 2.03%. The fund's relative outperformance was driven by stock selection in the consumer and banking sectors. Our underweight exposure to Choppies and Sechaba as well as our overweight exposure to Barclays contributed positively to the fund relative performance. Choppies' and Sechaba's share prices declined by 31.43% and 8.47% respectively, whereas Barclays' share price appreciated by 3.70%.

The Local Bond portion of the fund returned 1.32%, outperforming the benchmark return of 1.14%. The outperformance over the period was driven by stock selection in the corporate sector and parastatal sector.

The world equity allocation of the fund returned 3.87%, compared to benchmark return of 3.73% in BWP terms, outperforming the benchmark return by 0.14%. The financial sector continued to contribute positively to the fund's performance. Focus remained in picking fundamentally strong companies over the quarter. From a regional perspective, our overweight exposure continues to contribute positively to fund performance.

The global bond allocation of the fund returned -4.13% over the fourth quarter of 2016, outperforming the benchmark decline of 5.36% in BWP terms by 1.23%.

QUARTERLY COMMENTARY

We anticipate continued volatility in 2017 driven by elections in European Monetary Union countries such as Germany, Holland and France which will test the bond of the union given the growing anti-European Union.

Globally, the growing protectionist rhetoric will likely affect global trade and be deflationary. Following a strong bull market post the global financial crisis, global equities no longer offer wholesale value. Some sectors of the market are overly expensive, whilst others remain cheap. We continue to see selective value opportunities in developed markets and emerging markets from a bottom up perspective.

On the local holdings, we continue to see more value in those counters that are expanding their operations regionally across the various sectors.

TOTAL EXPENDITURE RATIO (T.E.R) – 2.77%

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