

## Balanced Prudential

Fund Factsheet | March 31st 2017

### 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.

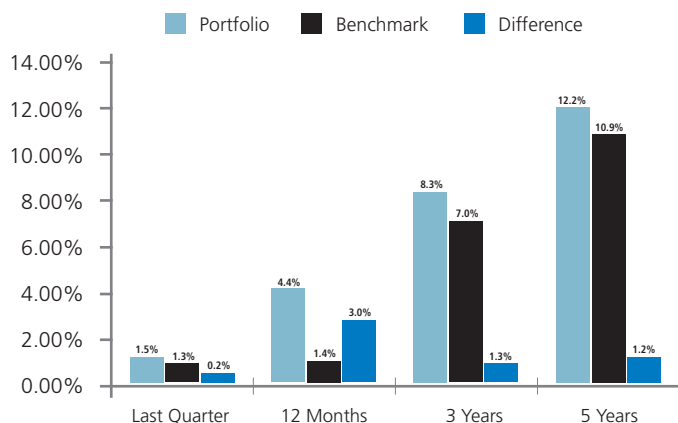
### STRATEGY

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

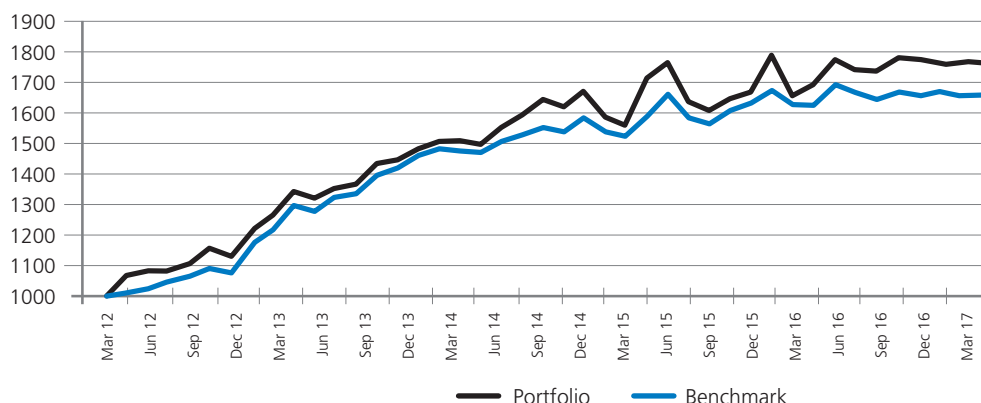
### WHY CHOOSE THIS FUND?

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: Bifm Investments Team  
 Launch Date: April 2012  
 Minimum Investment: P 1000 lump sum  
 P 200 debit order  
 Fund Size: BWP67,985,529.30

#### Fees

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

#### Income Distribution

Income Distribution Dates: Semi-Annual  
 Jun, Dec

#### Bifm Investments Team

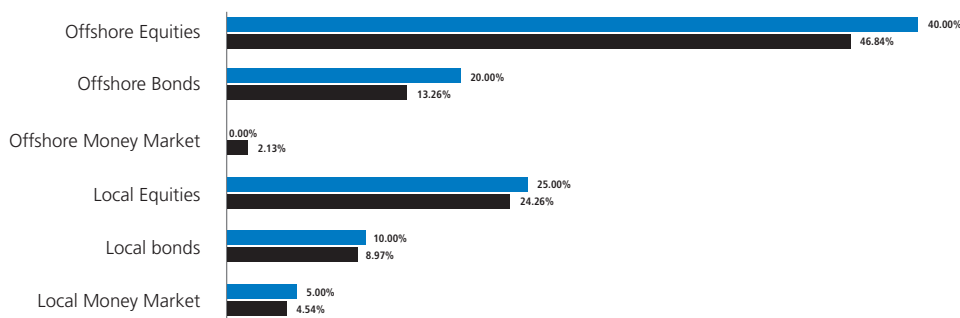
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Collective Investment Undertakings (CIUs) are generally long-term investments. The value of units may go down as well as up and past performance is not necessarily a guide to future performance. Unit trusts are traded at ruling prices. Commissions 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 31 MARCH 2017

■ Benchmark ■ Portfolio



### PERFORMANCE FOR Q1 2017

The Bifm Balanced Prudential Fund returned 1.51% over the first quarter, outperforming the benchmark return of 1.28% by 0.23%. Our Fund relative outperformance was driven by stock selection and asset allocation to a greater extent. Stock selection was positive across all asset classes save for offshore equity, while our offshore cash holding was a detractor on the asset allocation side.

The local equity component of the fund reported a return of -1.85% against a benchmark return of -1.87% over the quarter, resulting in a marginal outperformance of 0.02%. The Fund's performance was driven primarily by active positions in the consumer and financial services sectors. Our overweight exposure to Sefalana and Letshego as well as our underweight exposure to Choppies and NAP detracted from the fund's performance. Sefalana and Letshego's share price declined by 17.69% and 6.09% respectively, whereas Choppies and NAP appreciated by 6.25% and 7.14% respectively.

The Local Bond portion of the fund returned 1.53%, outperforming the benchmark return of 0.86%. 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 4.06%, compared to benchmark return of 4.28% in BWP terms, underperforming the benchmark return by 0.22%. While the financial sector contributed positively to the fund's performance, the energy sector detracted fund relative performance. Due to increased global volatility focus on strong stock picking capabilities was elevated.

The global bond allocation of the fund returned -0.40% over the first quarter of 2017, underperforming the benchmark decline of 0.25% in BWP terms by 0.15%.

### QUARTERLY COMMENTARY

While we anticipate volatility over the coming year due to political uncertainty in the major markets being the US as well as the European region, we also anticipate that value holdings will remain favourable.

Following a protracted period of underperformance by value investment, and the broader active management industry, since the onset of the global financial crisis, the greatest opportunities lie in global value stocks today in our opinion. Globally and locally, some clients have switched to passive strategies which are agnostic to valuations. This simply has made expensive stocks more expensive and cheap stocks even more attractive. To us, clients have simply mitigated the relative risk of underperformance, but increased the true risk of investing, which to us is the permanent loss of capital.

The fixed income market reflects uncertainties and uneven growth prospects in the world economy, with major central banks, except for the US, putting rates on hold. Despite those uncertainties, and unstable world economic recovery that might drive yields down, we continue to expect that overall sovereign bond valuation will have limited upside from these levels. Global bonds will continue to exhibit a high degree of volatility in the medium term due to the current environment of financial repression and fiscal policy uncertainty.

**TOTAL EXPENDITURE RATIO (T.E.R) – 2.47%**

### QUICK FACTS

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#### Income Distribution

Income Distribution Dates: Semi-Annual  
 Jun, Dec

#### Contact Details

##### Trustees and Custodians

Stanbic Bank Botswana  
 Private Bag 00168  
 Gaborone

##### Physical Address

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