

Balanced Prudential Fund

Fund Factsheet | September 30th 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.

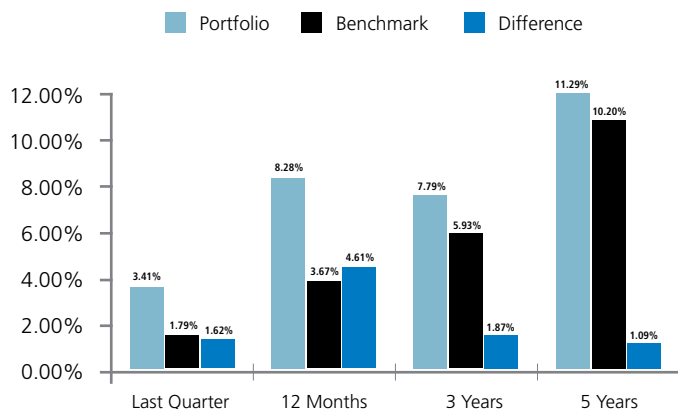
STRATEGY

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

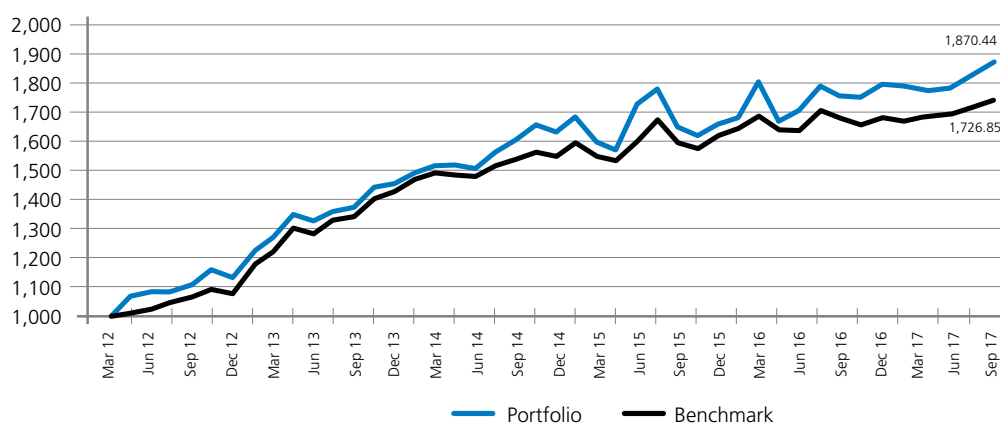
WHY CHOOSE THIS FUND?

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: BWP72,094,267.00

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 66458, Fairgrounds Office Park
 Gaborone, Botswana

Postal Address
 Private Bag BR185, Broadhurst
 Gaborone, Botswana

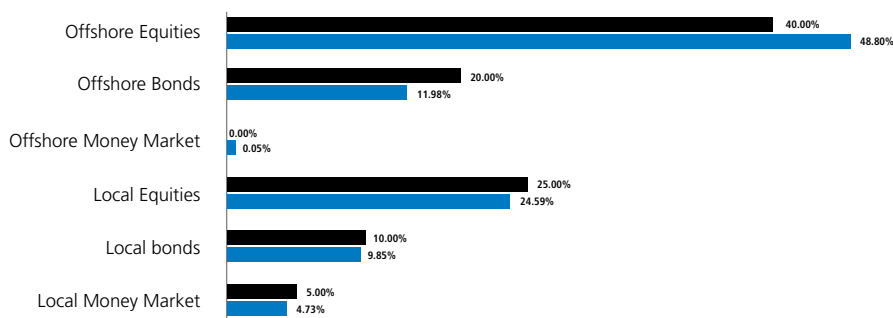
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Collective Investment Undertakings (CIUs) are generally long-term investments. The value of units may go down as well as up and past performance is not necessarily a guide to future performance. Unit trusts are traded at ruling prices. Commissions 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 29 SEPTEMBER 2017

■ Benchmark ■ Portfolio



PERFORMANCE FOR Q3 2017

Balanced Prudential Fund

The Bifm Balanced Prudential Fund outperformed the benchmark return of 1.79% by 1.62%, posting a return of 3.41% over the third quarter of 2017. While there were detractors on asset allocation, stock selection was positive, particularly on the local equities.

Local Equities

Our allocation to local equities returned 0.19% over the period, outperforming the benchmark return of -3.40%, by 3.59%. Our underweight exposures to FNBB and Stanchart aided fund relative performance as FNBB's and Stanchart's share prices depreciated by 14.65% and 11.25%, respectively. Our positioning within the financial and telecommunications sector negated fund relative performance. The fund maintained an overweight exposure to Letshego, whose share price declined by 7.94%. Our lack of exposure to BTCL detracted from fund performance as the company share price appreciated by 4.93%. On the consumer sector side, our overweight exposure to Sefalana detracted from performance as the counter's share price declined by 1.52%, whilst our underweight exposure to Choppies aided fund relative performance as the counter's share price declined by 5.47%.

Local Bonds

The local bond allocation outperformed its benchmark return of 1.39% by 1.14%, returning 2.53% over the quarter. Relative performance over the period was driven by bond selection where we have invested in higher yielding corporate bonds over government bonds. We continue to favour an underweight duration position vis a vis FABl and we continue to cautiously and selectively add floating bonds in our portfolio.

Offshore Equities

The world equity allocation returned 5.84% over the quarter, outperforming its benchmark of 5.22% -62bps in BWP terms. Over the quarter, global and international stocks rallied as investors weighed easy financial conditions and synchronised global economic growth against escalating geopolitical tensions. Our portfolio positioning remained favourable including an underweight position to the US and an overweight exposure to Europe. The already expensive technology sector, pushed higher despite the higher market volatility. On the flip side of a stronger growth proposition, was the relative underperformance of defensive, value and developed market equities.

Offshore Bonds

The offshore bond allocation returned 1.93% over the quarter, underperforming its benchmark of 2.13% by 20bps. For the quarter under review, the global economy experienced fairly strong momentum with the expansion synchronised across different regions. We still observe that the price inflation remains subdued and below central banks' targets in the advanced economies despite low unemployment rate and strong economic growth.

Market Outlook

Currently the Botswana economy is undergoing a cyclical recovery and the outlook is broadly positive. The GDP growth is projected to be around 4.8% largely driven by a rebound in the global diamond market and an increase in public investment. We have seen an up-tick in inflation having started at 2.8% at the beginning of the year to 3.2% as at end of September. From a global perspective, fundamentals will continue to be a focus for our offshore equity funds. We continue to anticipate volatility within the market exacerbated by excessive debt in global economies and the anticipated increase in interest rates.

TOTAL EXPENDITURE RATIO (T.E.R) – 3.01%

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