

## 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.

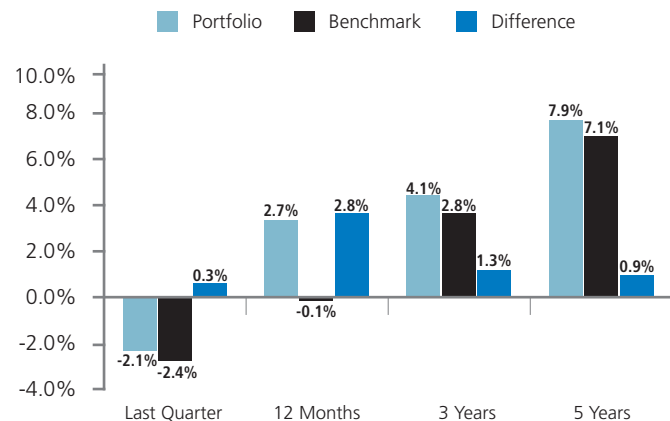
## STRATEGY

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

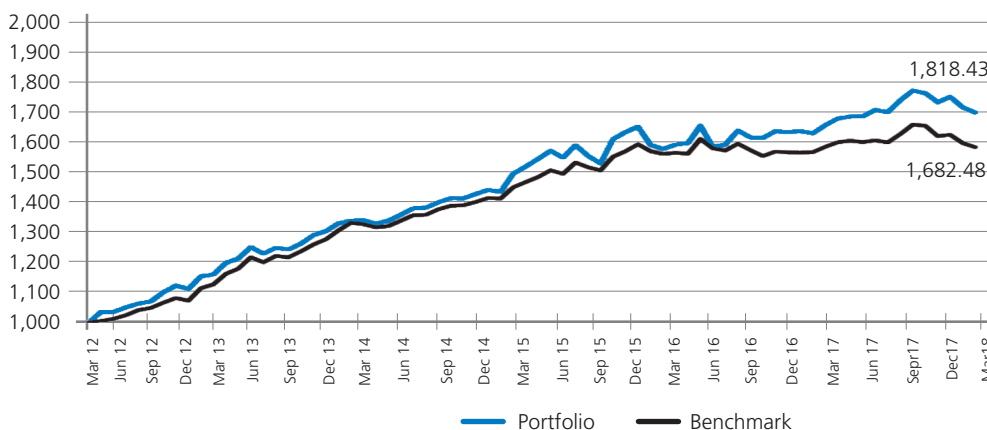
## WHY CHOOSE THIS FUND?

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

## PERFORMANCE



## CUMULATIVE RETURNS



## 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: BWP104,825,521.59

### 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.

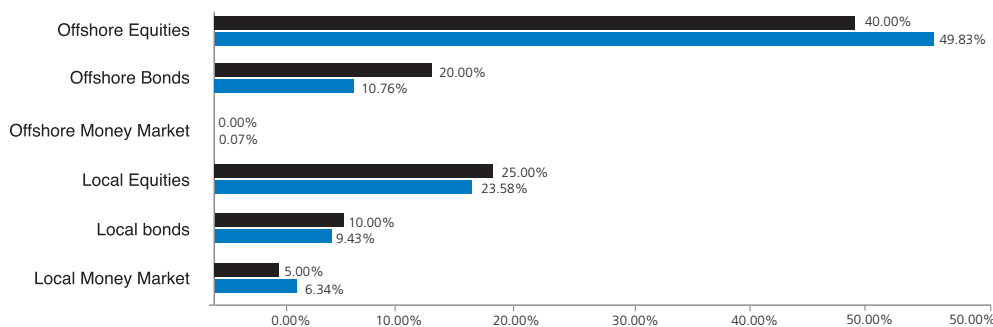
\*The price, which will apply to an instruction received on a Saturday/Sunday or public holiday will be that of the following Monday/trading day\*

## Balanced Prudential Fund

Fund Factsheet | 31<sup>st</sup> March 2018

### ASSET ALLOCATION AS AT 31 MARCH 2018

■ Benchmark ■ Portfolio



### PERFORMANCE FOR Q1 2018

The Bifm Balanced Prudential Fund outperformed the benchmark by 31 bps, posting a return of -2.13% over the first quarter of 2018.

The fund's allocation to local equities declined by 0.20% over the period. The asset class outperformed the benchmark by 2.85% over the period under review. While the market experienced a general decline, our active exposures to counters within different sectors contributed to the fund's relative performance. BTCL, FNBB as well as CA Sales were notable contributors amongst others.

The local bond allocation outperformed its benchmark return of 1.32% by 0.18%. The yield curve underwent a bull-flattening subsequent to the March government bond auction, resulting in an increase in the valuation of longer-dated bonds versus shorter-dated bonds.

The world equity allocation returned -3.98% over the quarter, marginally underperforming its benchmark by 0.05% in BWP terms. The first quarter saw global and international equities markets delivering their worst annual start to the year since 2009 amid apprehensions of a looming trade war between the USA and China, faster than expected monetary policy normalisation and a matured economic cycle.

The offshore bond allocation declined by -1.82% over the quarter, underperforming its benchmark by 47bps. US Treasury yields rose over the quarter, and the yield curve flattened, amid growing momentum behind a tax reform bill which is expected to stimulate growth and inflation. US 10-year yields began the period at 2.41% and finished at 2.74% and the Euro area 10-year yields increased from 0.43% to 0.50%. 10-year UK gilt went down 17 basis points (bps) to 1.19% with less pronounced decreases for 5 and 2-year maturities.

### MARKET OUTLOOK

Monetary policy remains accommodative although policy tightening has commenced in some advanced economies and gradual tapering has been signalled in the major advanced economies. With the modest inflation outlook, we expect the major central banks to gradually remove the monetary stimulus put in place since the financial crisis. Closer to home, the local economy is undergoing a cyclical recovery and the outlook is broadly positive. 2018 GDP growth is expected to fall between 5-6% range on the back of the recovery in global commodity prices, improving political landscape in the SADC region and planned public investments. Further supporting our positive outlook is the Bank of Botswana accommodative policy stance and lower interest rates environment.

### TOTAL EXPENDITURE RATIO (T.E.R) – 2.56%

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