

Balanced Prudential Fund

Fund Factsheet | 30th September 2018

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.

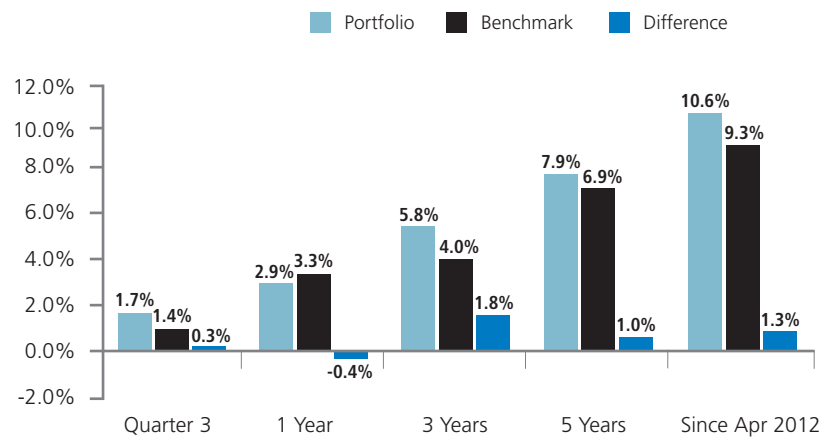
STRATEGY

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

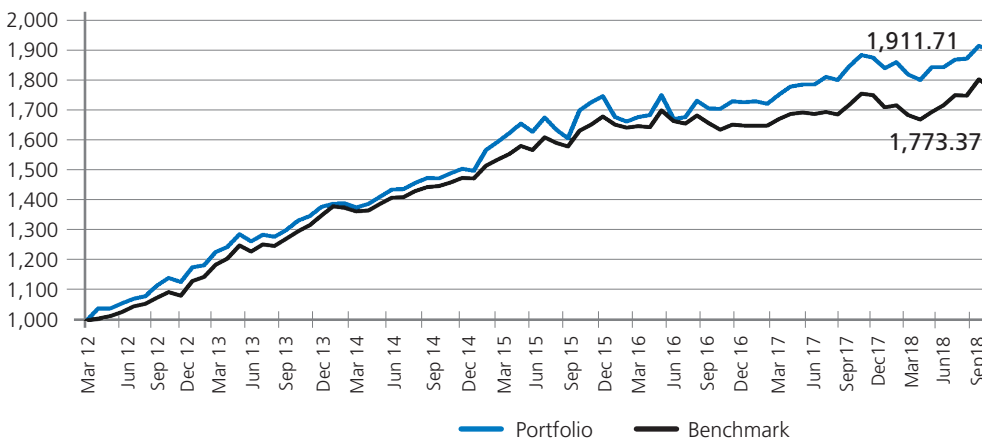
WHY CHOOSE THIS FUND?

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: BWP113,233,779.22

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

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.

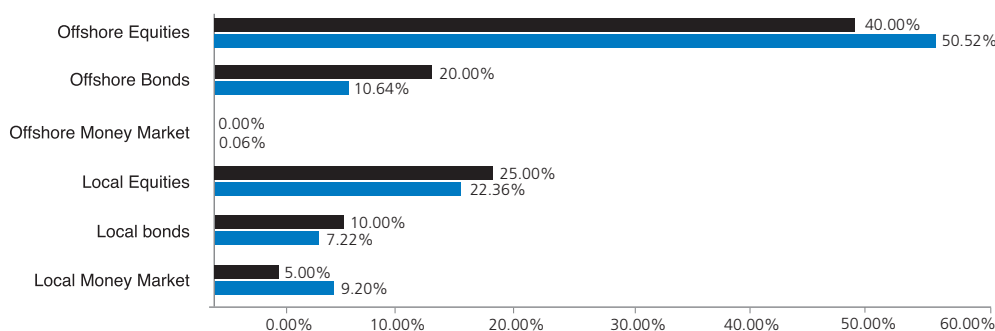
The price, which will apply to an instruction received on a Saturday/Sunday or public holiday will be that of the following Monday/trading day

Balanced Prudential Fund

Fund Factsheet | 30th September 2018

ASSET ALLOCATION AS AT 30 SEPTEMBER 2018

■ Benchmark ■ Portfolio



PERFORMANCE FOR Q3 2018

The Bifm Balanced Prudential Fund returned 1.69% out-performing the benchmark return of 1.43% by 25 bps over the third quarter of 2018. Stock selection, particularly within offshore equities, detracted from fund relative performance, whilst asset allocation as well stock selection within local equities was positive for the Fund.

The fund's allocation to local equities declined by 1.26% over the period. The asset class outperformed the benchmark by 5.47% over the period under review. Over the quarter, top contributors to the Fund's outperformance were underweight exposures to counters in the telecommunications, banking and retail sectors. On an absolute return basis, the financial services sector was the largest contributor to the fund's performance.

The local bond allocation outperformed its benchmark return of 1.19% by 0.38%, returning 1.57% over the quarter. The Fund's shorter duration proved negative on the back of the yield curve undergoing a slight bear-flattening over the quarter. On the other hand, the Fund's overweight exposure to credit vis-à-vis the benchmark remained a positive contributor to performance. Over the quarter, corporate and parastatal bonds outperformed government bonds which returned 0.77%.

The world equity allocation returned 3.38% over the quarter, underperforming its benchmark return of 7.10% by 372 bps in BWP terms. Stock selection within the sector contributed to relative performance during the period, however, the Fund's underweight exposure to US equities, which were some of the top-performing assets in the quarter, was the main detractor from relative performance.

The offshore bond allocation returned 0.81% over the quarter, under-performing its benchmark by 27bps. Core government yields rose over the quarter despite safe-haven asset demand over the period that emanated from the emerging market rout and US-China trade tensions. The Fed continued on its rate normalisation path, increasing its target range by another 25bps for the third time this year.

MARKET OUTLOOK

We carry an optimistic view of the local economy underpinned by a cyclical recovery expectation informed by improving global demand for commodities as well as increased fiscal expenditure. We expect the mining sector to continue to recover due to improved global price and demand for diamonds. Furthermore, the expected increase in fiscal expenditures and accommodative monetary policy are expected to support output growth in the non-mining sectors. Internationally, despite strong growth expectations, protectionist policies and trade tensions at play remain a threat to global economic growth. This could lead to a decline in global demand and commodity prices and thus impact adversely on the domestic economy and offer muted growth. We expect Fed rate hikes to continue with further balance sheet rundown. The European Central Bank (ECB) has indicated it will be at least another year before it begins to raise rates from -0.40% and the People's Bank of China (PBoC) has cut rates and let the currency drift lower as it seeks to offset some of the impacts of the tariffs scuffle with the U.S.

TOTAL EXPENDITURE RATIO (T.E.R) – 2.62%

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: BWP113,233,779.22

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

T: +(267) 395 1564
 F: +(267) 390 0358
 E: retailservices@bifm.co.bw

