

Balanced Prudential Fund

Fund Factsheet | 31st March 2019

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.

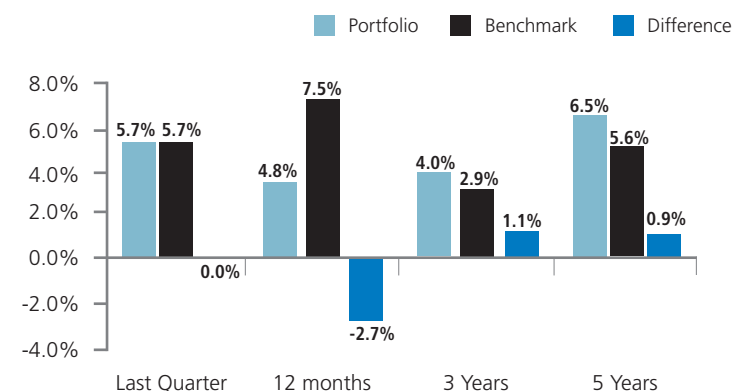
STRATEGY

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

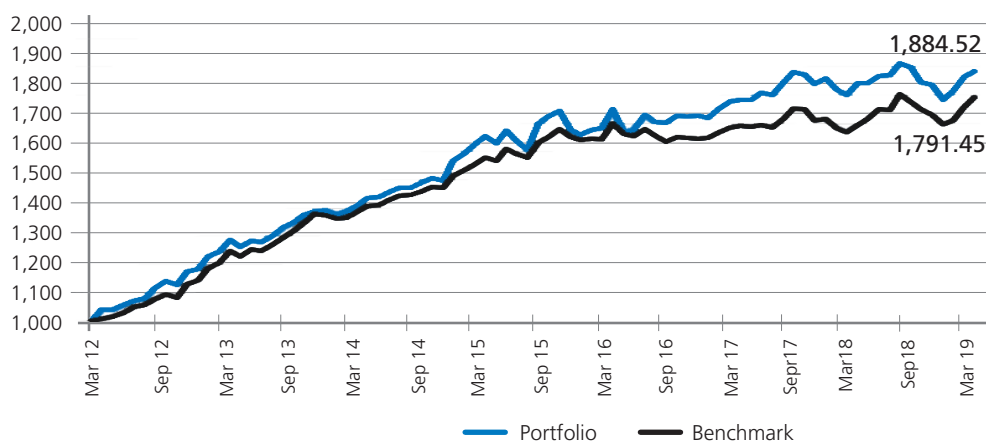
WHY CHOOSE THIS FUND?

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: BWP113,238,631.69

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

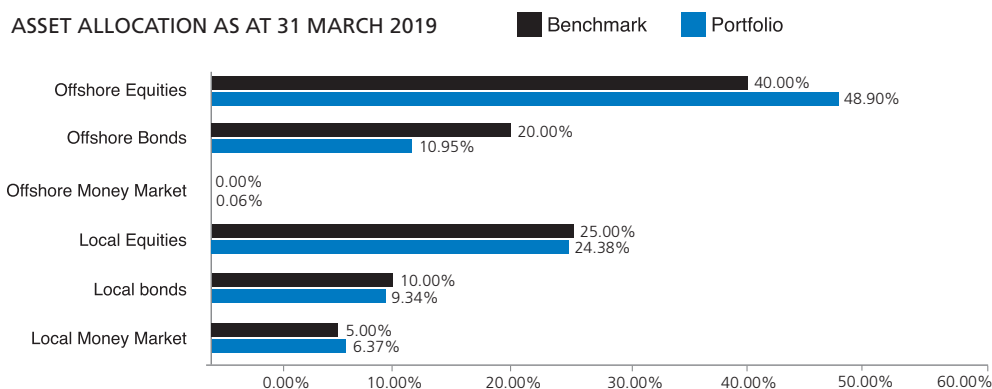
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Collective Investment Undertakings (CIUs) are generally long-term investments. The value of units may go down as well as up and past performance is not necessarily a guide to future performance. Unit trusts are traded at ruling prices. Commissions 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 31 MARCH 2019



PERFORMANCE FOR Q1 2019

The Bifm Balanced Prudential Fund returned 5.67% over the first quarter of 2019, marginally underperforming the benchmark return of 5.69% by 2 basis points. The fund's overweight exposure to offshore equities contributed positively to fund relative performance as global markets recovered from the decline experienced over the last quarter of 2018. Stock selection within the asset class, however, negated from fund relative performance.

Local Equities

The local equity allocation outperformed its benchmark return of 0.43% by 4bps, returning 0.47% over the quarter. The first quarter of the year continued to show some signs of a recovery in the local equity market as the DCI recorded its second quarterly appreciation. However, growth within the quarter was concentrated in three stocks (FNBB, Sechaba, and BancABC), while the rest of the market continued to face price pressures.

Local Bonds

The local bond allocation outperformed its benchmark return of 1.17% by 0.66%, returning 1.83% over the quarter. The performance is mainly attributable to a positive contribution from a curve positioning standpoint as shorter-dated government bonds appreciated over the quarter. Corporates and parastatals bonds continued to contribute positively to fund performance.

Offshore Equities

The fund's offshore equity allocation recorded a strong performance over the quarter, appreciating by 10.75% in BWP terms. However, the fund lagged the benchmark return of 12.66% by 1.91%. The equity markets rebounded in the first quarter of 2019 led by the US-domiciled growth stocks that retreated sharply at the end of last year. Investments in Europe detracted from relative performance over the period as an overhang of political risk in the region means that incremental progress is yet to be reflected in European asset prices.

Offshore Bond

The offshore bond allocation returned 2.09% over the quarter, underperforming its benchmark by 28 bps in BWP terms. The underperformance is attributable to the Fund's relatively shorter duration positioning in an environment of falling global interest rates. The Fund's overweight exposure to credit remained a positive contributor.

MARKET OUTLOOK

Global growth is expected to slow down in 2019 with heightened geopolitical risks emanating from trade tensions and the ongoing Brexit negotiations. The European Central Bank (ECB) has done away with its balance sheet expansion and quantitative tightening. In the same vein, the US Fed has turned slightly dovish signalling no further interest rate hikes this year due to softness in the economy.

Closer to home, real GDP for the fourth quarter of 2018 increased by 4.1% y-o-y, an increase from the previous quarter's level of 4.0% growth. The growth in GDP was broad-based and led by 'Mining', 'Transport & Communications' and 'Finance & Business Services' which increased by 13.9%, 7.1%, and 4.9% respectively. Headline inflation remained unchanged at 3.5% in the first month of the year and edged down to 3.3% in February and closed the quarter at 3.3%. The decline in inflation is due to low inflationary pressures domestically despite the accommodative monetary policy environment. This is on the backdrop of high unemployment levels as well as low discretionary income.

TOTAL EXPENDITURE RATIO (T.E.R) – 2.98%

QUICK FACTS

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