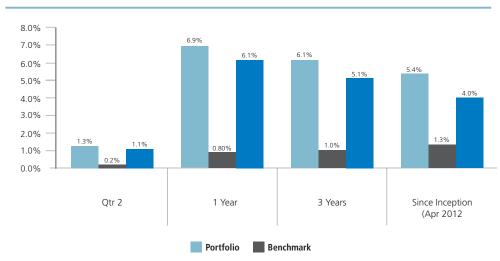


# Money Market Fund Fund Factsheet | June 30th 2016

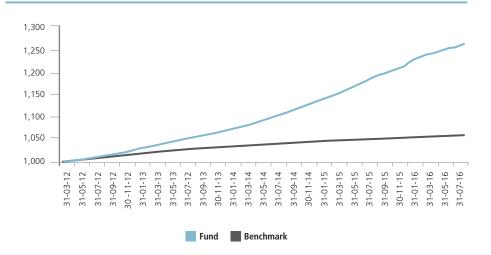
# **Fund Objective**

The BUPUMM Local Money Market Fund (LMM) is a capital preservation fund that principally invests in low risk assets to manage short term cash needs. These comprise of cash, call deposits and fixed deposits. More importantly, they also include fixed deposits, BoBC-linked deposits, Treasury Bills (T-Bills) and structures with a maturity of less than one year. Cash and call deposits are held for liquidity purposes and yield a relatively lower return. Short term structured deposits and instruments such as short term loans are yield enhancing products that are made for a fixed period and thus provide less liquidity when measured against cash and call deposits.

#### Performance



## **Cumulative Returns Since Inception**



#### **QUICK FACTS**

# Risk Profile Low Low - Med Med Med-high High

#### **Fund Information**

Portfolio Manager: Dr Zoumana Kone, CFA
Launch Date: April 2012
Minimum Investment: P 5000 lump sum
P 1000 debit order
Fund Size: BWP806,269,788.00

## Fees

Initial Fund Fee: 0.00%
Annual Management Fee: 1 %
Fees are shown excluding VAT

#### **Income Distribution**

Income Distribution Dates: Monthly

#### **Contact Details**

#### Trustees and Custodians

Stanbic Bank Botswana Private Bag 00168 Gaborone

# Physical Address

Bifm Unit Trusts (Pty) Ltd Plot 50676, Fairgrounds Office Park Gaborone, Botswana

# Postal Address

Private Bag BR185, Broadhurst Gaborone, Botswana

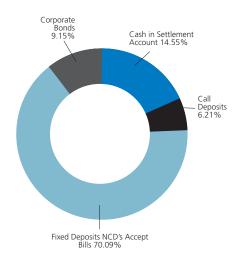
T: +(267) 395 1564 F: +(267) 390 0358 E: retailservices@bifm.co.bw





# Money Market Fund Fund Factsheet | June 30th 2016

#### Asset Allocation as at June 2016



## Performance for 2Q 2016

In the 2nd quarter of 2016 (202016), the BUPUMM LMM fund returned 1.3 percent, an outperformance of 107 basis points against the benchmark return of 0.2%. The LMM outperformed the benchmark, over the one year, 3-year and since inception. The outperformance is mainly due to our lengthening of duration on the money market sides when money market instruments were attractively priced.

## **Quarterly Commentary**

Rates on money markets instruments have fallen further in the 2nd quarter of 2016. The central bank loosened monetary policy in February 2015 and August 2015, cutting both the Bank rate and the primary reserve requirement (PRR). The PRR was reduced from 10 percent to 5 percent, releasing close to P2.3 billion of liquidity in the domestic economy in April 2015. Inflation in May 2016 stood at 2.8 percent and was below the lower end of the central bank target range of 3 to 6 percent. We expect supportive monetary policy on account of the fragility of the local economy and the unstable world economic outlook.

#### **OUTLOOK AND STRATEGY**

We expect interest rates to remain low in the near future. Money market instruments are expected to be the most affected. Already, contrary to the first quarter when short term deposits could fetch close to 10% on a one-year tenor, the same maturity is fetching less than 6 percent for major local banks. Excess liquidity estimated by the central bank was around P6.58 million as at 23 October 2015, against 5 billion as of 13 July 2015. As a result, we see some pressures on short term funds rates to fall in the market.

## **Outlook and Strategy**

We expect interest rates to remain low in the near future. For the recent past, money market instruments have been the most affected. In the first quarter of 2015 short term deposits could fetch close to 10% on a one-year tenor, the same maturity is fetching about 3 percent for major local banks in the 2nd quarter of 2016. Excess liquidity estimated by the central bank was around P3.083 million as at 14 July 2016.

#### **QUICK FACTS**

# Risk Profile Low Low - Med Med Med-high High

#### **Fund Information**

Portfolio Manager: Dr Zoumana Kone, CFA
Launch Date: April 2012
Minimum Investment: P 5000 lump sum
P 1000 debit order
Fund Size: BWP675, 946, 787.51

#### Fees

Initial Fund Fee: 0.00%
Annual Management Fee: 1 %
Fees are shown excluding VAT

#### Income Distribution

Income Distribution Dates: Monthly

#### **Contact Details**

#### Trustees and Custodians

Stanbic Bank Botswana Private Bag 00168 Gaborone

# Physical Address

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#### Postal Address

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