

## Money Market Fund

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

### FUND OBJECTIVE

The Bifm Pula Money Market Fund 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.

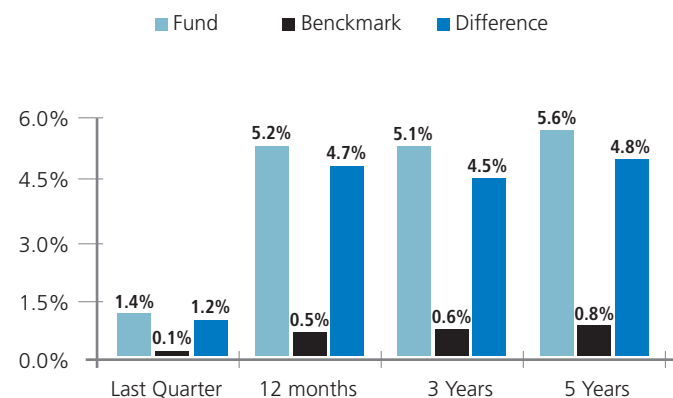
### STRATEGY

The Bifm Pula Money Market Fund invests in Call and Fixed deposits and Treasury Bills. We actively manage the portfolio, by seeking yield assets, without compromising the risk and maturity profile of the fund.

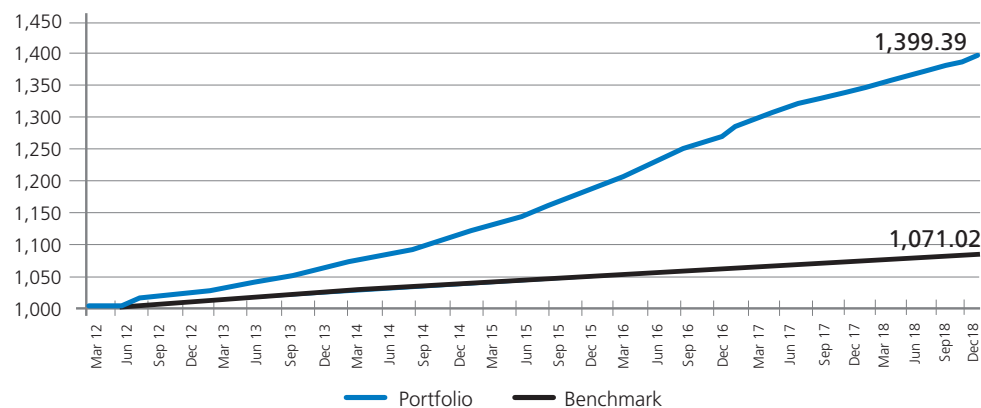
### WHY CHOOSE THIS FUND?

This fund is suitable for investors who want relatively high yields but need their funds to remain liquid.

### PERFORMANCE AS AT 31 December 2018



### 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: BWP1,632,978,900.54

#### Fees

Initial Fund Fee: 0 %  
 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 66458, Fairgrounds Office Park  
 Gaborone, Botswana

**Postal Address**  
 Private Bag BR185, Broadhurst  
 Gaborone, Botswana

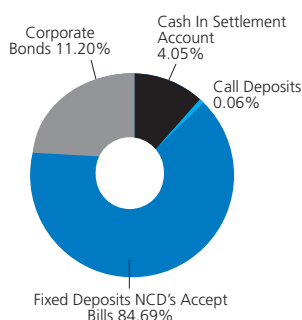
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 F: +(267) 390 0358  
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Collective Investment Undertakings (CIUs) are generally long-term investments. The value of units may go down as well as up and past performance is not necessarily a guide to 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 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'

## ASSET ALLOCATION



## PERFORMANCE REVIEW

Over the fourth and last quarter of 2018, the Fund returned 1.37% significantly outperforming the benchmark which returned 0.12%. On a 12-month basis, the Fund returned 5.19%, an outperformance of 471 basis points over the benchmark which returned 0.48% for the same period.

## PERFORMANCE COMMENTARY

The average decline in rates offered by banks on fixed deposits observed in Q3 2018 persisted well into the last quarter of the year. This came about as the banking sector liquidity continued to be stable. However, we were able to lock in attractive rates during the period as isolated banks in short-term liquidity needs presented compelling yields.

## OUTLOOK AND STRATEGY

We expect the Botswana economy to continue to be resilient as the mining sector is poised recover in 2018-19, due to improved global demand. The continued accommodative stance by the Bank of Botswana is also expected to support continued economic growth locally.

From a policy standpoint, consistent with the decision at all its previous meetings in 2018, the Monetary Policy Committee (MPC) maintained the Bank Rate at 5.00% at its December meeting. In 2018, monetary policy has been implemented on the backdrop of a favourable medium-term inflation outlook, linked to moderate domestic demand.

We expect fixed deposit rates to rise, albeit for only a short period, towards the end of the first quarter as the government's fiscal year comes to an end and council's & various government departments return unused funds. We are continuously on the lookout for opportunities in which we can pick up yield and focus on corporate credit exposure to enhance the yield.

**TOTAL EXPENDITURE RATIO (T.E.R.) – 1.33%**

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