

Money Market Fund

Fund Factsheet | 30th June 2019

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.

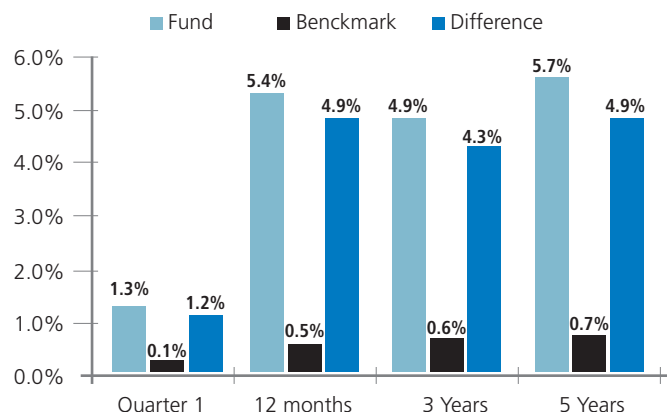
STRATEGY

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.

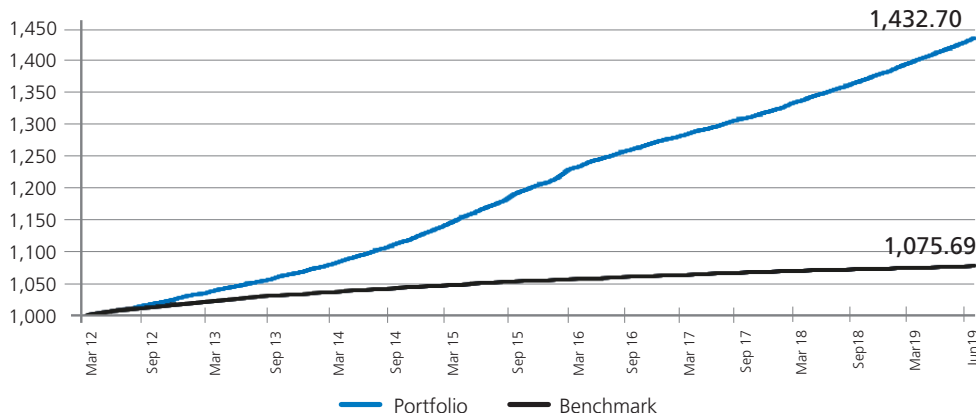
WHY CHOOSE THIS FUND?

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

PERFORMANCE AS AT 30 JUNE 2019



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: BWP1,802,530,117.48

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

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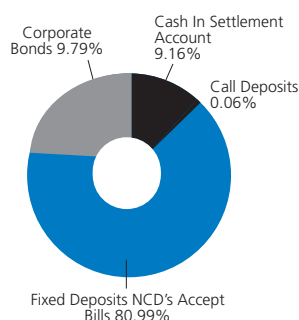
Collective Investment Undertakings (CIUs) are generally long-term investments. The value of units may go down as well as up and past performance is not necessarily a guide to future performance. Unit trusts are traded at ruling prices. Commissions and incentives may be paid and if so, would be included 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'

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ASSET ALLOCATION



PERFORMANCE REVIEW

Over the second quarter of 2019, the Fund returned 1.34% significantly outperforming the benchmark return of 0.14%. On a 12-month basis, the Fund returned 5.41%, an outperformance of 493 basis points over the benchmark which returned 0.48% for the same period.

PERFORMANCE COMMENTARY

The continued stability in the banking sector liquidity has proved negative for the Fund's performance in that banks are increasingly offering lower rates for fixed deposits. This presents reinvestment risk for the fund as maturing assets are bound to be invested at lower levels. That said, over the quarter we were able to lock in attractive rates as isolated banks in short-term liquidity needs presented compelling yields.

OUTLOOK AND STRATEGY

Real GDP for the first quarter of 2019 increased by 4.3% y-o-y, an increase from the previous quarter's level of 4.1% growth. The growth in GDP continues to be broad-based with all industries registering positive growth over the quarter. The afore-mentioned growth was led by real value added of Transport & Communications and Trade, Hotels & Restaurants which increased by 5.9% and 5.7% respectively.

Despite an accommodative stance by the Central Bank, inflation remains persistently low and further declined during the second quarter of 2019, falling below the minimum 3-6% BoB target range. Having opened the quarter at 3.3%, headline inflation dropped to 2.5% in April before rising to 2.6% and 2.8% in May and June respectively. We believe 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.

The Bank Rate was maintained at 5.00% over the quarter and we believe that this accommodative stance will persist throughout 2019 as supported by the 2019 Monetary Policy Statement released in February which highlights that in 2019, policy implementation 'will focus on entrenching expectations of low and sustainable inflation'.

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.) – 1.34%

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