Balanced Prudential Fund

Fund Factsheet | 30th September 2025

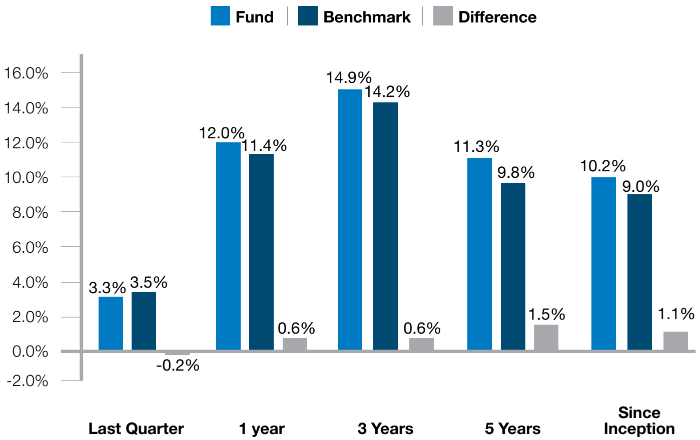
Bifm Unit Trusts

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 investment 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



Perfomance Commentary
The Bifm Balanced Prudential Fund returned 3.37% during the third quarter of 2025, underperforming the benchmark return of 3.57% by 0.20%. Over the quarter, stock selection decisions contributed positively to the fund's relative performance over the quarter. Over the 12-month period, the Fund returned 12.06%, outperforming the benchmark by 0.61%.

Local Equities
The Local equity allocation returned 3.36% over the quarter, outperforming the benchmark Domestic Companies Index (DCI) return of 2.00% by 1.37%. The local equity market performance of 2.66% over the third quarter reflected a marked retreat from the 6.03% return recorded over the second quarter. As with the prior quarter, performance was primarily driven by the consumer sector with Choppies leading the pack, followed by Sechaba. The banking sector faired relatively well over the quarter with all the counters closing the quarter in the green, bar Access which was flat. Within the financial services sector, BIHL recorded a modest positive return while Letshego remained flat. The tourism sector produced mix results with Chobe closing the quarter in positive trajectory, while Cresta recorded a negative return.

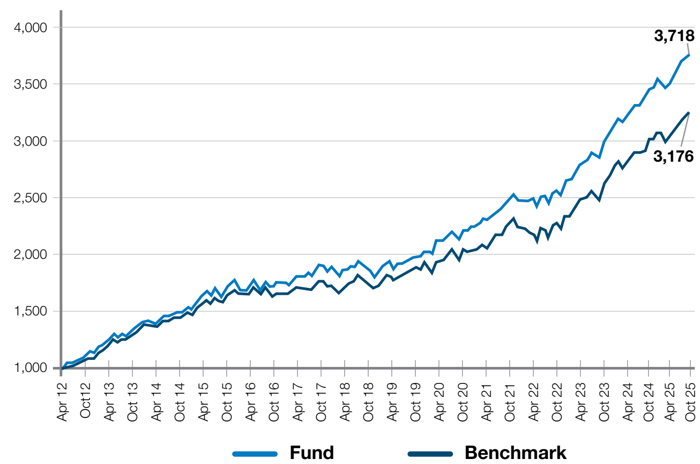
Local Bonds
The Local Bond allocation returned 2.37% over the quarter, outperforming the benchmark Fleming Aggregate Bond Index (FABI) return of 1.82% by 0.54%. The local fixed-income market bounced back to posting positive returns over the quarter, returning 1.82%, a recovery from the -1.12% registered in Q2 2025. This was mainly driven by a notable decline in yield volatility, as yields rose at a slower pace compared to the previous quarter.

Offshore Equities
The Offshore Equity allocation returned 5.33% over the quarter, underperforming the benchmark MSCI return of 7.06% by 1.72%. The third quarter had several themes which supported its strong gains. The continued expenditure towards building out AI infrastructure and AI related technological demand, solid corporate earnings as well as a long awaited US Federal Reserve rate cut buoyed returns. Technology and communication Services were the strongest performers as investors focused on themes around AI, Cloud Infrastructure and Digital Transformation. Emerging markets rallied, benefitting from a weaker US dollar.

Offshore Bonds
The Offshore Bond allocation returned 0.77%, outperforming the benchmark Bloomberg Aggregate Bond Index return of 0.39% by 0.37%. Markets stabilized over the quarter, though concerns over tariffs, fiscal sustainability, and Fed independence persisted. Risk sentiment remained healthy, credit spreads tightened, and the MSCI World Index rose 7.3%. In the U.S., resilient economic prints, strength in the tech sector, and anticipation of a more accommodative monetary stance fuelled investor optimism. The Fed lowered rates by 25 bps in its first move since December, while the BOE issued a 25 bp cut and the ECB held rates steady, as was widely expected. In Japan, the BOJ maintained its policy rate of 0.5%, despite hawkish signalling from select board members.

Market Outlook
The quarterly GDP release by Statistics Botswana showed a contraction of 5.3% in real Gross Domestic Product (GDP) over Q2 2025, compared to a decrease of 0.4% in the same quarter of 2024. The contraction was attributed to the contraction of real value added for the Diamond Traders, Mining & Quarrying, Water & Electricity, and Manufacturing industries. All other industries recorded positive growth of more than 1.2% except Construction, with a marginal increase of 0.3%. On a quarter-to-quarter comparison, the real GDP decreased by 3.6%.

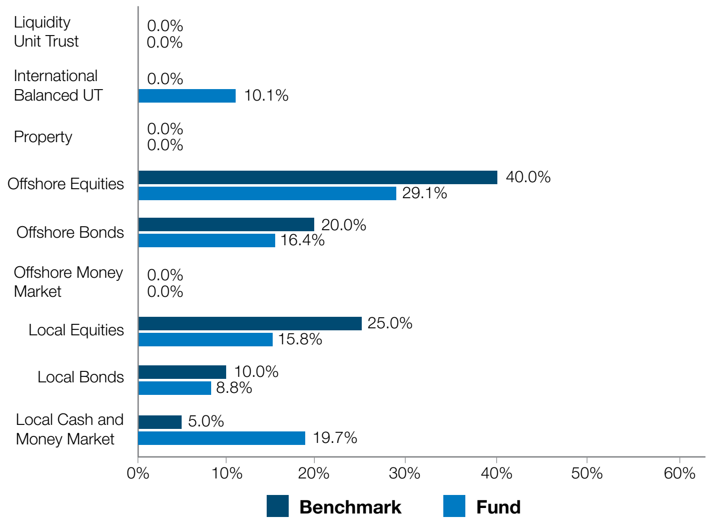
Cumulative Returns (BWP)



Over the next 12 months, the global equities market is positioned for cautiously constructive performance: supportive structural themes (AI, digitisation, global investment) and modest growth combine to offer upside. Diversification offers great opportunities. Select areas of the US market offers some opportunity, while broader opportunities are abound in Europe, Japan, China and India. Valuations remain elevated in general, but particularly in the US due to the Technology stocks. Opportunities remain in some developed and emerging markets where valuations remain more reasonable. Central banks are likely to remain in a tighter stance but may ease policy should growth slow down and inflation retreat.

Total Expenditure Ratio (T.E.R.): 3.17%

Asset Allocation



Quick Facts

Fund Information
Portfolio Manager: Bifm Investments Team
Launch Date: April 2012
Minimum Investment: P1000 lump sum
P200 debit order
Fund Size: BWP335,836,900.2

Fees
Initial Fund Fee: 5%
Annual Management Fee: 2%
Fees are shown excluding VAT

Risk Profile

Low	Low-Med	Med	Med-high	High
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Income Distribution
Income Distribution Frequency:
Semi-Annual Jun, Dec

Contact Details
Trustees and Custodians
Stanbic Bank Botswana
Private Bag 00168
Gaborone

Physical Address

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