

Balanced Prudential Fund

Fund Factsheet | 30th June 2026



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.

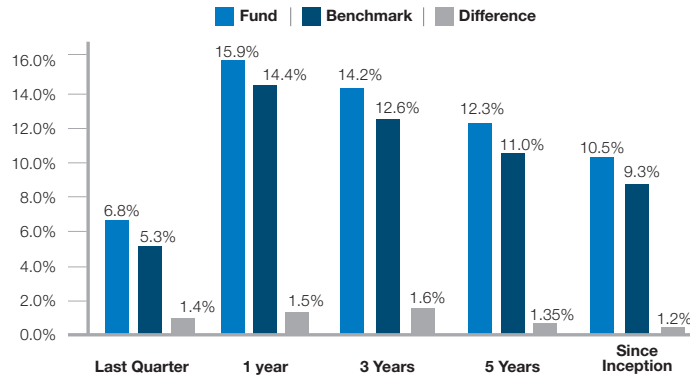
Strategy

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



Performance Commentary

The Bifm Balanced Prudential Fund returned 6.76% over the second quarter of 2026, outperforming the benchmark return of 5.32% by 1.43%. Over the quarter, both stock selection and asset allocation decisions contributed positively to the fund's relative performance. Over the 12-month period, the Fund returned 15.94%, underperforming the benchmark by 1.51%.

Local Equities

The Local equity allocation returned 3.39% over the quarter, outperforming the benchmark Domestic Companies Index (DCI) return of 0.67% by 2.72%. The local equity market remained positive over the quarter, with the Domestic Companies Total Return Index(DCTRI) returning 2.82%, bringing the 12-month return to 12.43%. While market returns remain positive, there are clear signs that momentum has moderated. The DCTRI's rolling 12-month return has declined from 26.84% in June 2024 to 19.16% in June 2025 and 12.43% in June 2026, indicating a sustained easing in market performance following a period of exceptionally strong returns.

Local Bonds

Over the quarter, the Local Bond allocation returned 1.86%, outperforming the benchmark Fleming Aggregate Bond Index (FABI) return of 0.94%. Yields at the short-end of the curve declined over the period while the long-end remained relatively elevated. This has resulted in a bull steepening of the yield curve hence signaling an improvement in liquidity for short-dated instruments. As a result, Government bonds recorded positive returns during the quarter, following prior periods of negative performance.

Offshore Equities

The Offshore Equity allocation returned 12.71% over the quarter, underperforming its benchmark by 0.08%. Global equity markets rebounded strongly during the second quarter of 2026, recovering from the geopolitical and energy-related shock that weighed on markets at the end of Q1. Investor sentiment improved as tensions in the Middle East showed signs of de-escalation and oil prices retreated from their earlier highs, alleviating concerns around global energy supply disruptions and inflation. Simultaneously, continued confidence in the artificial intelligence (AI) investment cycle re-emerged as a key driver of market performance, particularly across technology and semiconductor companies.

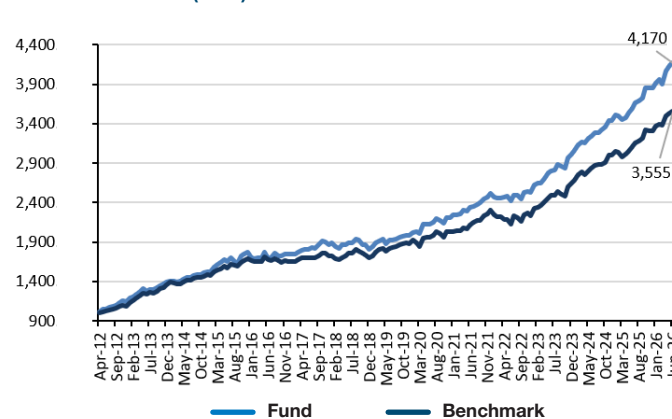
Offshore Bonds

The Offshore Bond allocation returned 1.21%, outperforming the benchmark (Bloomberg Global Aggregate Index) return of 0.01% by 120 basis points. Markets broadly rebounded throughout the quarter, as a fragile Memorandum of Understanding between the U.S. and Iran reopened the Strait of Hormuz in June. As energy flows began to normalize, risk sentiment recovered and credit spreads tightened. The U.S. dollar rallied, supported by resilient U.S. economic data and evolving monetary policy expectations. Meanwhile, global yields and central bank policies diverged. The Fed and the BoE remained on hold as widely expected, while the ECB, RBA, and BoJ raised rates by 25bps amid inflation concerns.

Market Outlook

The quarterly GDP release by Statistics Botswana showed a 3.5% increase in real Gross Domestic Product over Q1 2026, compared to a decrease of 0.3% in the same quarter of 2025. During the quarter, the Bank of Botswana's Monetary Policy Committee (MPC) increased the Monetary Policy Rate (MoPR) by 200bps from 3.5% to 5.5% in order improve policy transmission. However, commercial banks were directed not to increase Prime Lending Rates hence maintaining existing lending rates to support economic activity.

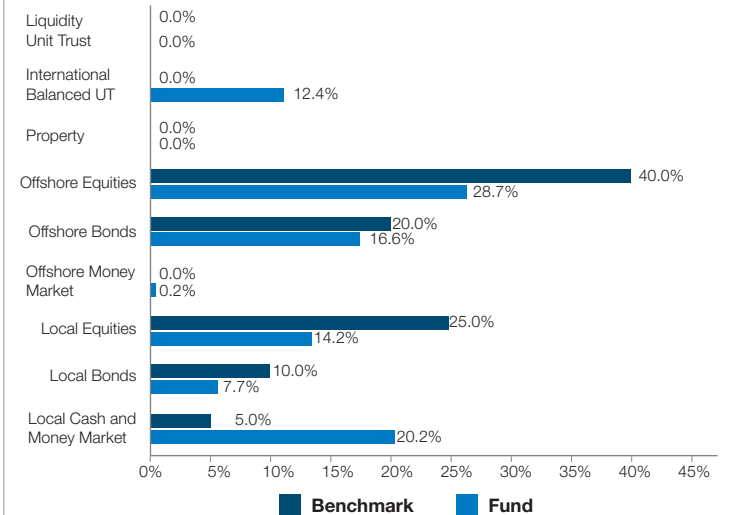
Cumulative Returns (BWP)



Globally, while markets have successfully recovered from the Q1 energy shock, investors continue to face a complex backdrop consisting of persistent inflation, evolving monetary policy expectations and heightened geopolitical uncertainty. Artificial intelligence remains a dominant structural growth theme, although opportunities are becoming increasingly selective. The strongest beneficiaries continue to be businesses enabling AI infrastructure, including semiconductor manufacturers, memory suppliers, communications equipment providers and data-centre operators. Investors are placing greater emphasis on earnings delivery, pricing power and capital discipline rather than rewarding AI exposure indiscriminately. Looking ahead, key risks include interest rate volatility, renewed geopolitical tensions, potential slowing in capital expenditure trends, trade policy uncertainty and any deterioration in corporate earnings expectations.

Total Expenditure Ratio (T.E.R.): 3.23%

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: BWP412,536,108.98

Fees

Initial Fund Fee: 5%

Annual Management Fee: 2%

Fees are shown excluding VAT

Risk Profile

Low	Low-Med	Med	Med-high	High
		●		

Income Distribution

Income Distribution Frequency: Semi-Annual Jun, Dec

Contact Details

Trustees and Custodians

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Gaborone

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