Balanced Prudential Fund

Fund Factsheet | 31st March 2025

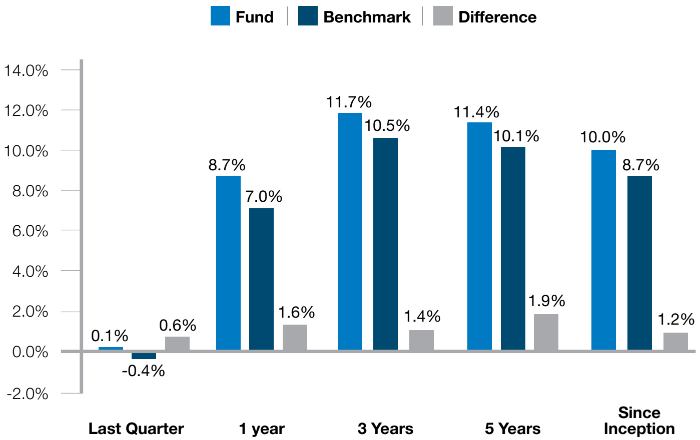
Bifm Unit Trusts

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 0.16% during the first quarter of 2025, outperforming the benchmark return of -0.48% by 0.64%. The fund's performance was weighed down by the decline of offshore equities over the quarter. However, both asset allocation and stock selection decisions contributed positively to the fund's relative performance over the quarter. Over the 12-month period, the Fund returned 8.74%, outperforming the benchmark by 1.66%.

Local Equities
The Local equity allocation returned 1.20% over the quarter, outperforming the benchmark Domestic Companies Index (DCI) return of 0.60% by 0.60%. Performance was muted over the quarter, with the local equity market (DCI) registering a 0.60% return. The banking sector was the leading performer over the quarter, registering a 2.45% return, led by FNBB and StanChart. The consumer sector stocks returned 1.84% over the quarter. The leading performer within the consumer sector was Sefalana, which returned 6.58%, followed by Choppies with 3.85%. Of particular note within the consumer sector was the 59.18% decline of G4S as the company continued to deteriorate in fundamentals over the year.

Local Bonds
The Local Bond allocation returned 1.19% over the quarter, outperforming the benchmark Fleming Aggregate Bond Index (FABI) return of 0.93% by 0.26%. The local bond market performance continued to be under pressure in the first quarter of 2025 as government bond supply remained elevated. However, bond performance was positive, carrying forth momentum from the last quarter. Government bonds registered a positive performance over the quarter. The parastatal and corporate sectors were also positive.

Offshore Equities
The Offshore Equity allocation returned -1.70% over the quarter, outperforming the benchmark MSCI return of -3.14% by 1.44%. It has been a challenging start to the year, where global equities, particularly in the US, experienced their worst quarterly performance since 2022, as trade wars and geopolitical risks began to take hold. The US markets trailed other developed markets' performance as growth stocks reversed on the back of increased concerns surrounding tariffs and their potential economic impacts. The market was characterised by short-term swings in sentiment and a preference for defensiveness. The MSCI growth Index, therefore, declined by almost 8% while MSCI US also contracted by 4.6%. The MSCI World Value Index, on the other hand, gained 4.8%.

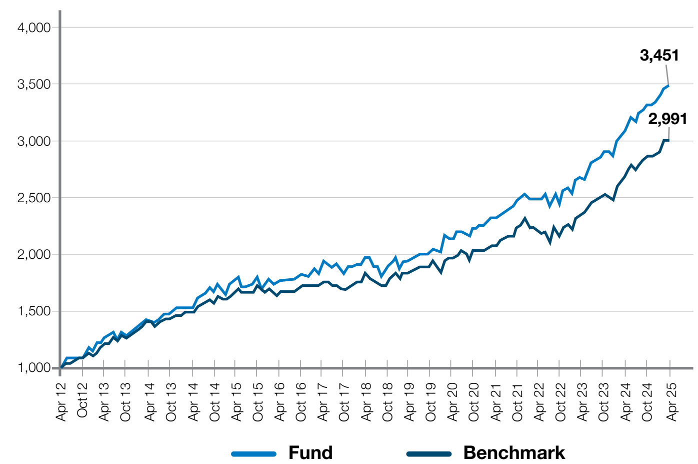
Offshore Bonds
The Offshore Bond allocation returned 1.52%, underperforming the benchmark Bloomberg Aggregate Bond Index return of 2.49% by 0.97%. Global bond markets had a decent quarter, with the Bloomberg Global Aggregate Index returning 2.64%. Global bonds made consistent progress over the quarter with returns of 0.57%, 1.43% and 0.62% for January, February and March, respectively. The relatively steady trajectory of the bond market over the quarter reflected the more defensive nature of the asset class and the lack of significant monetary policy changes over the period.

Market Outlook
The quarterly GDP release by Statistics Botswana showed a contraction of 2% in the real GDP over Q4 2024, compared to a growth of 2.3% in the corresponding quarter in 2023. The contraction in the domestic economy was mainly due to registered declines in the real value added by Mining & Quarrying, Manufacturing and Agriculture sectors. All other industries recorded positive growth of more than 0.7%. The Non-mining GDP increased by 4% in the quarter. In particular, the Wholesale and Retail Trade, Public Administration & Defence, and Education activities were among the sectors leading to positive growth registered from non-mining GDP. The unveiling of President Trump's protectionist agenda led to heightened volatility, as initial market optimism faded. Uncertainty remains for the year ahead about the levels of tariffs that will be implemented, the reactions from the various economies, and thus, economic performance.

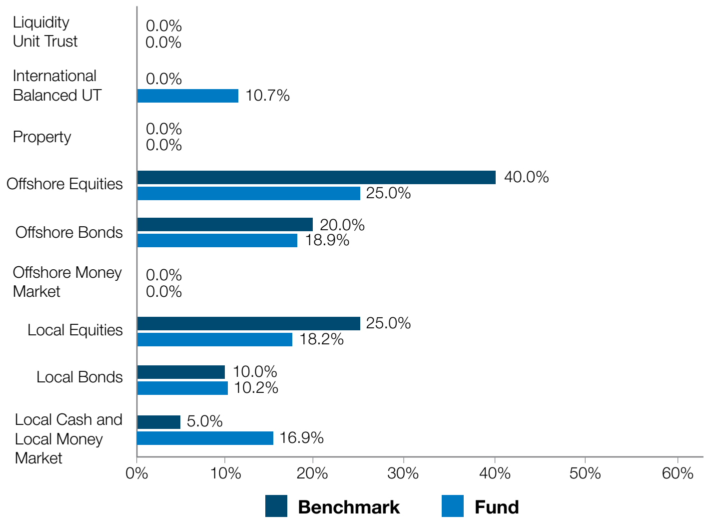
As a result, risk sentiment declined over the quarter, and credit spreads widened; the MSCI World Index ended the quarter in negative territory. Global monetary policy diverged, as the Fed remained on hold despite concerns surrounding growth and reinflation risks. Meanwhile, the BOE cut 25bps in February, and the ECB lowered rates 50bps over the quarter. The Bank of Japan raised its policy rate in Japan to 0.5%, its highest level since 2008.

Total Expenditure Ratio (T.E.R.): 3.16%

Cumulative Returns (BWP)



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:	**BWP272,760,212.43**

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
Stanbic Bank Botswana
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