

Letlotlo Education Fund

Fund Factsheet | 31st December 2025



Fund Objective

The fund aims to provide a degree of long-term capital growth by investing in a diversified range of assets. It has a moderately low-risk profile which provides a small degree of risk and volatility for some degree of growth. The seven-year lock-in period caters for investors with a long-term investment horizon.

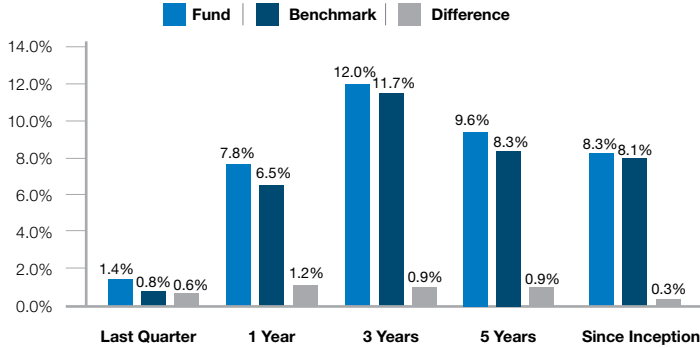
Strategy

The Bifm Letlotlo Education Fund is a multi-asset fund that invests in local and offshore equities, bonds, property, and money market instruments.

Why Choose This Fund?

The fund is suitable for the investor with a moderately low-risk profile who wishes to generate some degree of long-term capital growth. This fund is best suited for individuals who wish to plan and save for predetermined future expenses such as a child's future education.

Performance



Performance Commentary

The Bifm Letlotlo Education Fund returned 1.49% over the final quarter of 2025, outperforming the benchmark return of 0.89% by 0.60%. Over the quarter, both stock selection and assets allocations decisions contributed positive. Over the 12-month period, the Fund returned 7.84%, outperforming the benchmark by 1.26%.

Local Equities

The Local equity allocation returned 2.15% over the quarter, underperforming the benchmark Domestic Companies Total Return Index (DCTRI) return of 5.24% by 3.09%. The local equity market total return of 5.24% over the final quarter reflected a significant rebound from the 2.66% return over the third quarter. The consumer sector was the leading performer over the quarter, led by Choppies and Sefalana. The banking sector generated positive returns over the quarter on the back of gains from ABSA and FNBB. Property sector returns were mixed during the quarter with positive returns from RDCP, PrimeTime and NAP. The financial services sector struggled over the period, mainly due to the decline of Letshego, while BIHL remained flat.

Local Bonds

The Local Bond allocation returned negative 4.01% over the quarter, outperforming the benchmark Fleming Aggregate Bond Index (FABI) return of negative 5.62% by 1.60%. The pressures on the local fixed-income market stemmed from an oversupply of government bonds, which persisted well into the fourth quarter of 2025. Yields rose across the curve, resulting in the negative returns over the quarter, a noticeable change from the positive 1.82% in Q3 2025. The yield curve underwent a bear flattening, with yields on the front and belly rising while movement was muted at the tail.

Offshore Equities

The Offshore Equity allocation recorded a positive performance of 6.78% over the quarter outperforming the benchmark MSCI World equity index return of 5.22% by 1.57%. The fourth quarter delivered strong returns, supported by easing inflationary pressures and a shift towards more dovish monetary policy, as well as resilient economic activity. After the 25 bps September Rate Cut, the Federal Reserve reinforced expectations of further rate cuts in 2026, emphasising that this move would depend on data. Further rate cuts of 25 bps each happened in October and December. Artificial Intelligence (AI) remained a key driver of market returns, although the sector's leadership of the overall market became less concentrated as market breadth improved, with cyclical sectors and more interest-rate-sensitive areas participating in the market rally. Over the quarter, only the Real Estate sector delivered negative returns (-2.39%) while all other sectors delivered positive returns. The Healthcare sector led returns, posting returns of 10.60%.

Offshore Bonds

The Offshore Bond allocation returned 3.36%, outperforming the benchmark Bloomberg Aggregate Bond Index return of 2.28% by 1.08%. Markets endured uncertainty throughout the final quarter of the year, as regional dynamics diverged from global trends. Risk sentiment remained healthy, credit spreads remained tight, and the MSCI World Index rose to 3.1%. In the U.S., investors grappled with a historic government shutdown, a moderating labor market,

and stronger-than-expected growth fueled by tech investment. Against this backdrop, the Fed lowered rates 50 bps between its October and December meetings. Meanwhile, the BOE cut rates by 25 bps, and the ECB held rates steady. In Japan, the BOJ raised rates by 25 bps to their highest level since 1995.

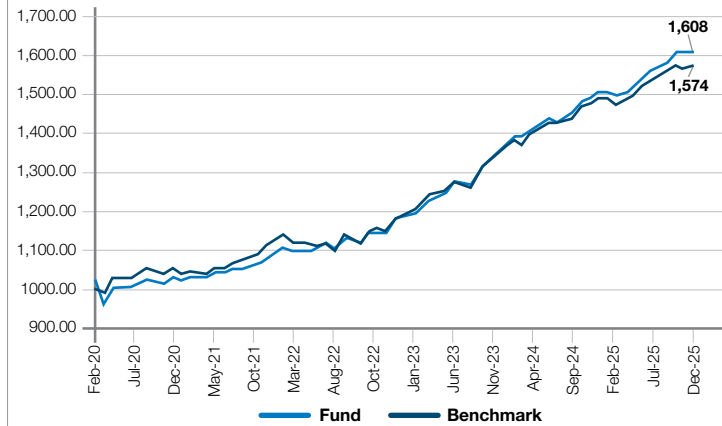
Market Outlook

The quarterly GDP release by Statistics Botswana showed a strong rebound in economic activity, with real GDP expanding by 8.2% in Q3 2025, compared with a contraction of 4.0% in the corresponding quarter of 2024. Non-mining real GDP grew by 1.6% in Q3 2025, slower than the 4.7% growth recorded in the same quarter of the previous year. Headline inflation increased modestly over the quarter, rising from 3.7% at the start of Q3 to 3.9% by quarter-end, remaining within the Bank of Botswana's 3 to 6% objective range. The local economic environment remains challenging, with the ongoing slowdown in the diamond sector weighing on growth prospects. We stay mindful that prolonged weakness in diamonds has second-round effects on broader economic activity, including household demand, fiscal dynamics, and corporate earnings across several sectors.

Heading into 2026, global growth expectations remain largely favorable across sectors and regions. For example, in developed markets, fiscal stimulus in Europe and the US, and ongoing disinflation in the UK, will provide support to the region. For Emerging Markets, the broader theme is to adopt a selective approach; areas such as China will continue to face headwinds, including overcapacity, elevated debt levels, and intense competition, which will exert deflationary pressures. Overall, a modestly weaker USD remains a catalyst for easing financial conditions and supporting earnings translations.

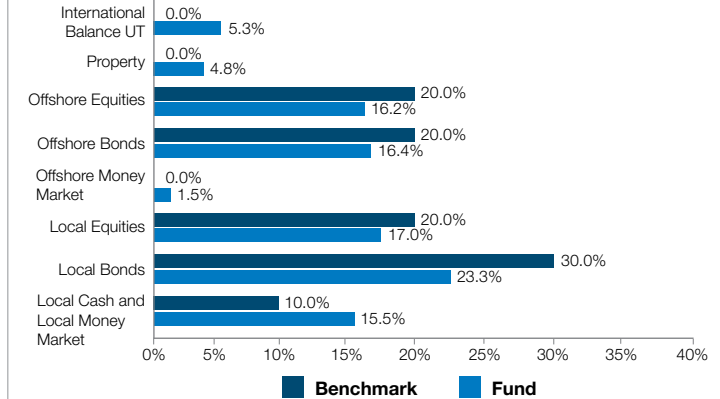
Total Expenditure Ratio (T.E.R.): 2.58%

Cumulative Returns (BWP)



Education Without Limits.
Invest today to give your child the freedom to choose their path.

Asset Allocation



Quick Facts

Fund Information

Portfolio Manager: Bifm Investments Team

Launch Date: Feb 2020

Minimum Investment: P200 debit order

Fund Size: BWP24,788,512.05

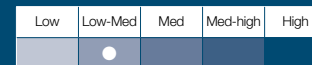
Fees

Initial Fund Fee: 0%

Annual Management Fee: 1.5%

Fees are shown excluding VAT

Risk Profile



Fund feature

7 year lock-in period

Income Distribution

Income Distribution Frequency:

Semi-Annual Jun, Dec

Contact Details

Trustees and Custodians

Stanbic Bank Botswana

Private Bag 00168

Gaborone

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