

Local Equity Fund

Fund Factsheet | 30th September 2020



Fund Objective

This fund aims to provide capital growth and create wealth over the long term by investing mainly in listed local equities. The fund is high risk and targets investors with a high risk appetite and a long term investment horizon.

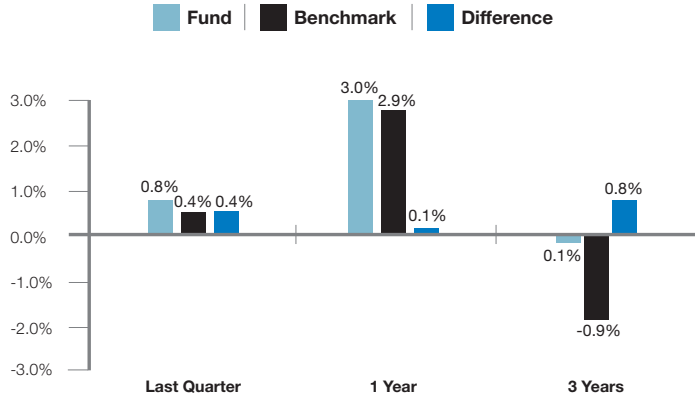
Strategy

The Bifm Local Equity Fund invests predominantly in listed local equities, with leeway to invest in offshore equities and convertible bonds up to a limit of 20% and 10% respectively.

Why Choose This Fund?

The fund is appropriate for investors with an appetite for high risk and tolerance for periods of high volatility who wish to generate capital growth over the long term period.

Performance



Performance for Q3 2020

The Local Equity Unit Trust Fund gained 0.78% over the third quarter of 2020, outperforming the benchmark return of 0.41% by 0.37%. For the twelve months ending September 2020, the fund performance remains positive, at 2.96%. This performance was ahead of the benchmark's performance of 2.86% by 0.10%.

Quarterly Commentary

While both local equity and offshore equity investments contributed to the overall outperformance of the fund, the overall positive performance of the fund was driven by offshore equity.

Global equity markets continued to rise and shrugged off pandemic concerns and deteriorating economic conditions. We also noted regional divergence, with emerging markets and U.S. equities outperforming Europe and the U.K. The MSCI World Index's return rose by 7.93%, with the technology sector continuing to be the anchor despite some more prominent names like Facebook and Alphabet seeing a 20% pullback from their late August highs. Over the past six months, the sector return differences are stark, with the information technology names up by 27% on year to date and financials and energy stocks down by 21% and 45% respectively. Unsurprisingly, given the ongoing dominance of these expensive index heavyweights, it was another poor quarter for Value, with MSCI's World Value index lagging its Growth counterpart by 8%.

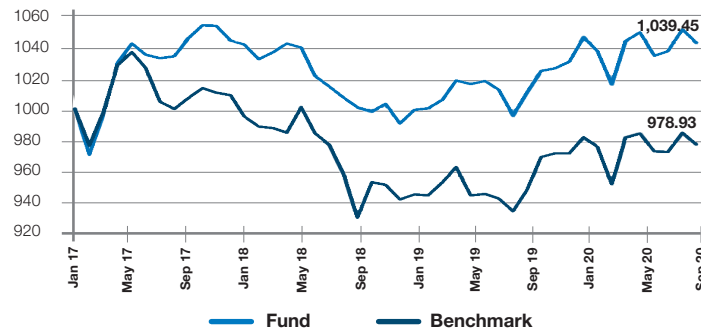
The local equity market, in contrast to the global equity markets, continued to shed value. Fifteen of the twenty-four companies listed on the BSE main board experienced wide-ranging share price declines. The property sector was the hardest hit with all, but one, companies recording share price declines, ranging from 0.45% to 11.07%. This comes on the back of concerns about the sector's resilience to the hard-hitting economic effects of COVID-19. Within the tourism and hospitality sector, Chobe, which has operations in the heart of Botswana's tourism hub, experienced a share price decline of 9.52% over the quarter. Cresta declined by 2.22%. The largest single loser of value was BTCL, shedding 13.48% to

close the quarter with a share price of 77 thebe, a new low for the telecommunications company. The two securities that gained value over the quarter were Stanchart and Sefalana, which gained 2.16% and 2.31%, respectively.

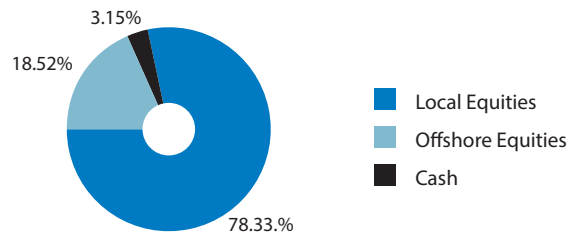
Despite the challenging times, we remain confident that our portfolio of companies is resilient enough to weather the prevailing uncertainty and come out as winners in the long term.

Total Expenditure Ratio (T.E.R.) - 2.78%

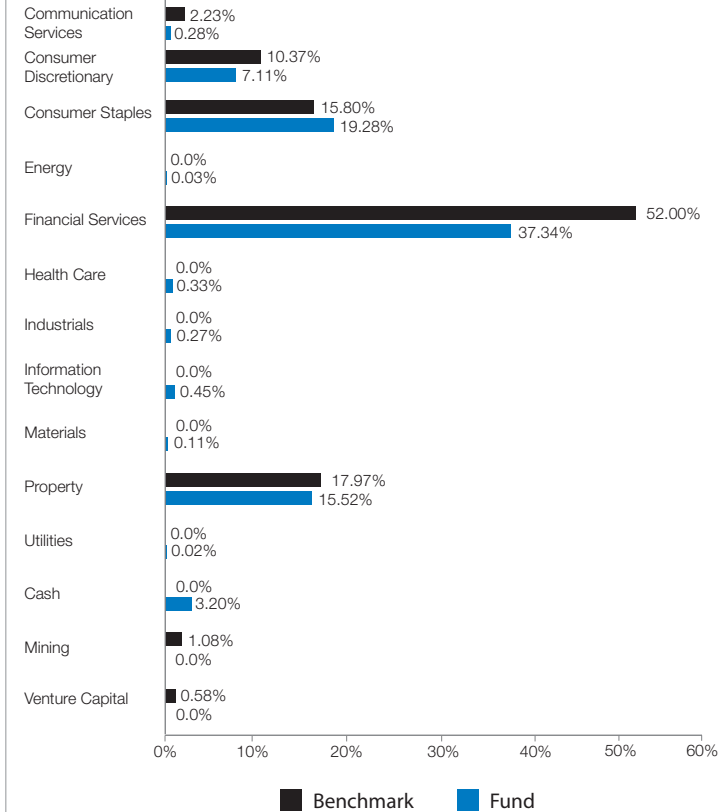
Cumulative Returns (BWP)



Asset Allocation



Sector Allocation



Quick Facts

Fund Information

Portfolio Manager: Bifm Investments Team
Launch Date: Jan 2017
Minimum Investment: P 1000 lump sum
P 200 debit order
Fund Size: BWP14,013,806.23

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
Private Bag 00168
Gaborone

Physical Address

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