

Local Equity Fund

Fund Factsheet | 30th September 2025



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.

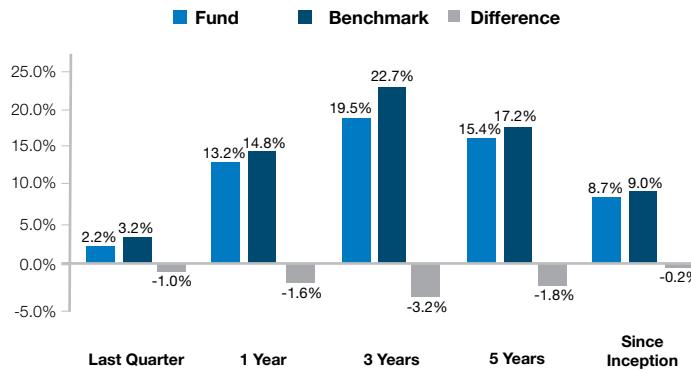
Strategy

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 Review

The Bifm Local Equity Unit Trust Fund returned 2.26% during the third quarter of 2025. The Fund underperformed the benchmark return of 3.29% by 1.04%. Performance over the quarter was primarily driven by the Fund's holdings within the consumer sector. Over a 12-month period, the Fund returned 13.24%, underperforming the benchmark return of 14.89% by 1.65%.

Quarterly Commentary

Performance moderated over the quarter, with the local equity market (DCTRI) returning 2.66%. 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 fared 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 mixed results with Chobe closing the quarter in positive trajectory, while Cresta recorded a negative return.

Market Outlook

Much in line with consensus expectations, headline inflation, which began the quarter at 2.00%, increased over the quarter to close at 3.70%, bouncing back to within the 3-6% objective range set by the Bank of Botswana for the first time since August 2024. Food & Non-Alcoholic Beverages, as well as Miscellaneous Goods and Services, were the main contributors to inflation over the quarter. The transport sector was the primary contributor to inflation during September due to an increase in retail pump prices.

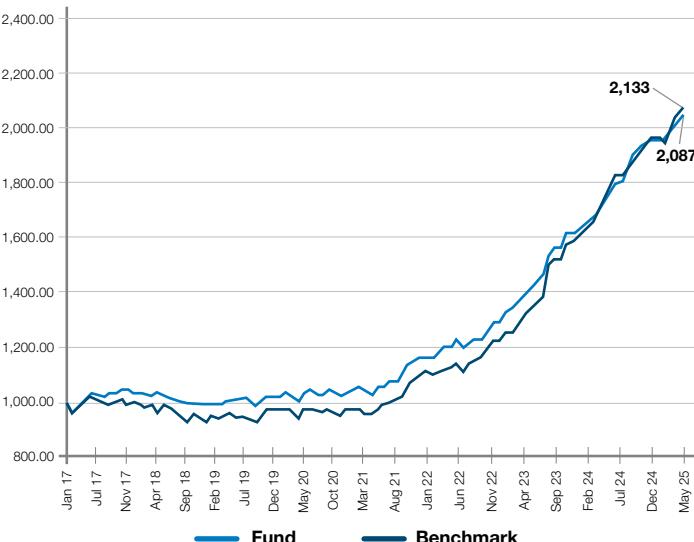
The quarterly GDP release by Statistics Botswana showed a contraction of 5.3% in real Gross Domestic Product (GDP) over Q2 2025, compared to a decrease of 0.4% in the same quarter of 2024. The contraction was attributed to the contraction of real value added for the Diamond Traders, Mining & Quarrying, 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%.

The Non-mining real GDP increased by 2.8% in Q2 2025 compared to the 4.2% increase registered in the same quarter of the previous year. This remains a key driver of the economy, given the slump in the economy's key mineral diamond industry. During the quarter under review, Public Administration & Defence became the major contributor to GDP at 18.2% followed by Wholesale & Retail at 12.3%.

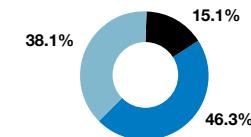
As always, we remain committed to our disciplined, fundamental value approach and aim only to purchase stocks trading below their intrinsic value. We are keeping a keen eye on the local macroeconomic landscape, noting the challenges brought on by the slowdown in the diamond market and how they may impact local companies. Our focus remains to ensure we build a resilient portfolio that can withstand any potential macroeconomic headwinds.

Total Expenditure Ratio (T.E.R.): 2.91%

Cumulative Returns (BWP)

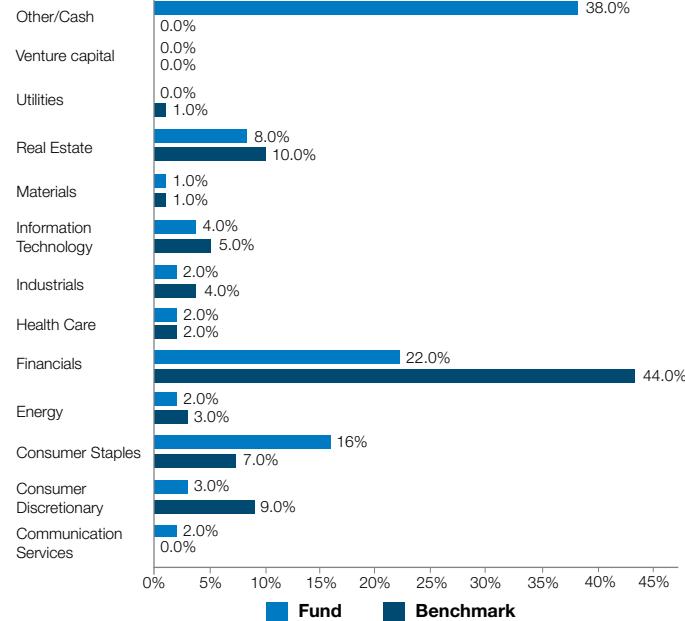


Asset Allocation



Local Equities
Offshore Equities
Cash

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: BWP61,661,919.34

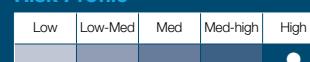
Fees

Initial Fund Fee: 5%

Annual Management Fee: 2%

Fees are shown excluding VAT

Risk Profile



Income Distribution

Income Distribution Frequency:

Semi-Annual Jun, Dec

Contact Details

Trustees and Custodians

Stanbic Bank Botswana

Private Bag 00168

Gaborone

Physical Address

Bifm Unit Trusts (Pty) Ltd
Plot 66458, Fairgrounds Office Park
Gaborone, Botswana

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