

Local Equity Unit Trust Fund

Fund Factsheet | 30th June 2021



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.

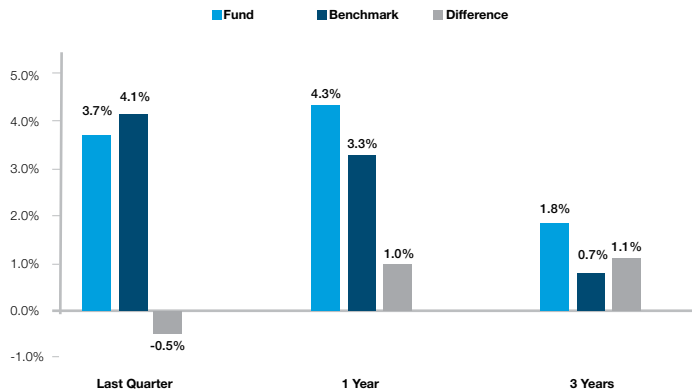
Strategy

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 Q2 2021

The Local Equity Unit Trust Fund's performance was positive in the second quarter of the year. The Fund's return of 3.65% lagged the benchmark performance of 4.15% by 0.50%. Performance for the twelve-month period was 4.31%, against a benchmark performance of 3.31%, representing an outperformance of 1.01%.

Quarterly Commentary

The lagged performance of the fund against its benchmark over the quarter was the result of the underperformance of both the local and offshore allocations. While both registered positive performance, both lagged their respective benchmarks.

Global equities continued to rally as most regions experienced positive performance over the quarter. Largely, the Developed Markets outpaced the Emerging Markets, supported by faster vaccination programme roll-outs. The quick pace of these roll-outs supported economic activity, with leading indicators in the USA (such as the Manufacturing PMI and Supplier Delivery Index) showing positive movement. Emerging Markets continue to face an uncertain economic future due to constrained access to vaccines as the third wave rages on.

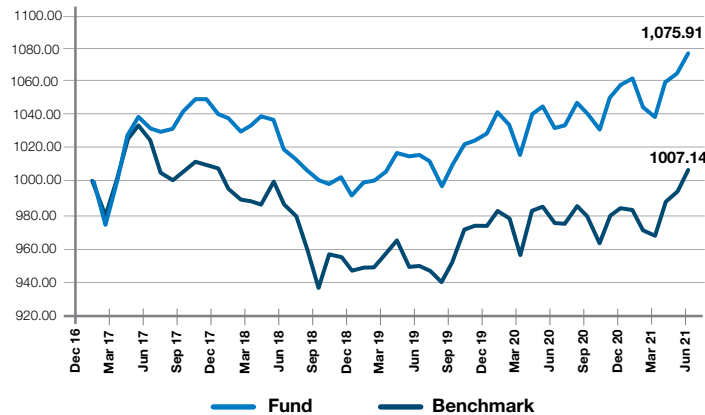
Locally, our bourse recovered some value within the quarter, with gains experienced across all sectors. However, these were concentrated on some of the smaller counters. Stanchart, which is 1.57% of the index, gained 20.00%; Seedco, which is 3.01% of the index, gained 22.73%, while Letshego, which is 5.51% of the benchmark, gained 27.54%. While larger counters like FNBB and Sefalana also gained value, they did so at a relatively smaller magnitude.

Widespread vaccine roll-out continue to be the largest factor in aiding economic activity and will continue to be for the foreseeable future. While we are faced with increased infections and an overwhelmed healthcare system, locally, authorities are utilising less stringent mechanisms to contain the spread of the virus in an effort to support economic activity. However, this continued high rate of infection will continue to undermine economic activity as mobility becomes reduced due to isolation and quarantine.

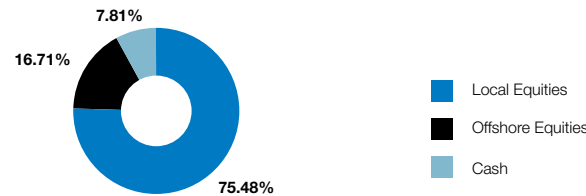
We will continue to focus on fundamental value and companies with strong balance sheets that will not only weather the storm but are positioning themselves for the future.

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

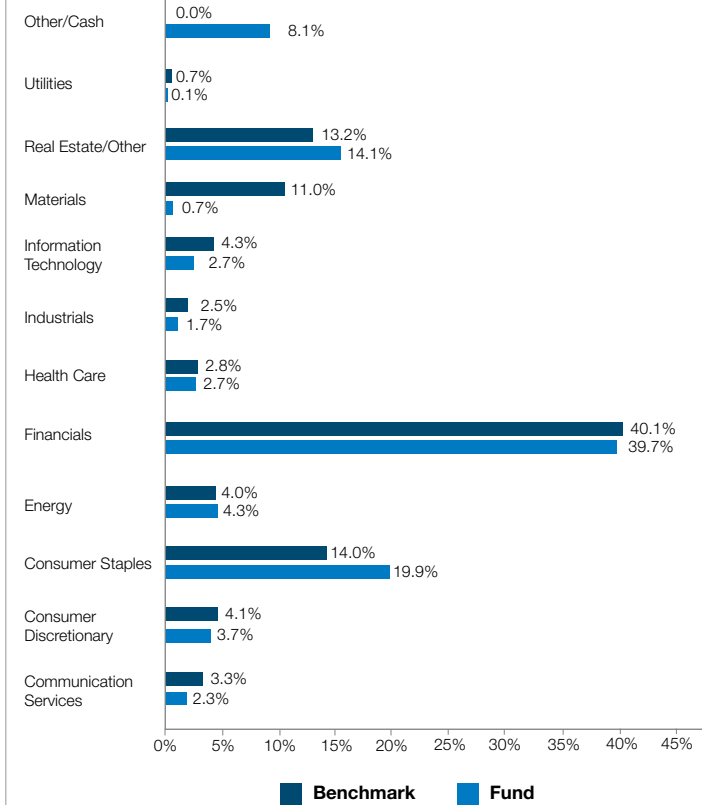
Cumulative Returns (BWP)



Asset Allocation



Sector Allocation



Quick Facts

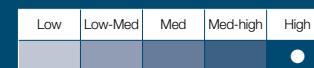
Fund Information

Portfolio Manager: Bifm Investments Team
Launch Date: Jan 2017
Minimum Investment: P 1000 lump sum
P 200 debit order
Fund Size: BWP14,943,716.99

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

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