

# Local Equity Fund

Fund Factsheet | 31<sup>st</sup> December 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.

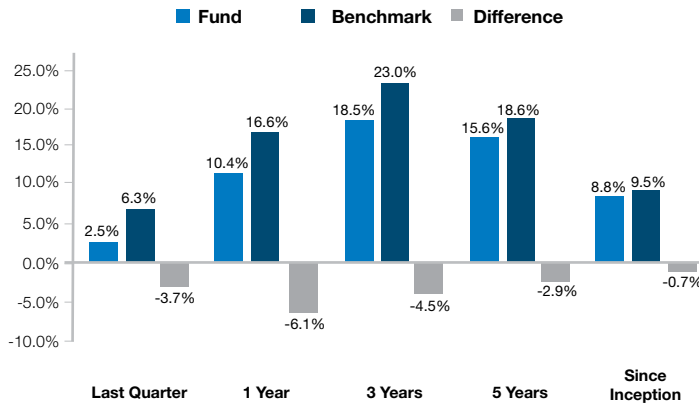
## Strategy

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 2.57% during the final quarter of 2025. The Fund underperformed the benchmark return of 6.32% by 3.75%. Performance over the quarter was primarily driven by the Fund's holdings within the consumer sector. Over a 12-month period, the Fund returned 10.46%, underperforming the benchmark return of 16.63% by 6.18%.

## Quarterly Commentary

Performance improved over the final quarter, with the local equity market (DCTRI) returning 5.24%. The local equity market performance of 5.24% over the final quarter reflected a significant rebound from the 2.66% return recorded 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 partially offset by Turnstar's quarterly decline. The financial services sector struggled over the period, mainly due to the decline of Letshego, while BIHL remained flat.

## 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. The improvement was primarily driven by higher real value added in Diamond Trading, Mining and Quarrying, Financial and Insurance Activities, Transport and Storage, Accommodation and Food Services, Water and Electricity, and Manufacturing. On a quarter-on-quarter basis, real GDP increased by 10.9%, reflecting a sharp recovery from the weak base in the prior quarter.

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. Despite this moderation, the non-mining sector remains a critical stabilising force for the economy amid ongoing weakness in the diamond sector. During the quarter, Public Administration and Defence emerged as the largest contributor to GDP at 18.2%, followed by Wholesale and Retail Trade at 12.8% and Construction at 11.8%, underscoring the continued role of government-related activity and

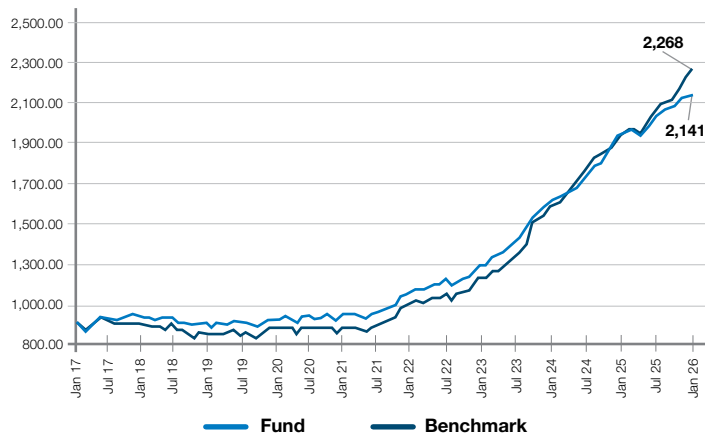
domestic demand in supporting growth. Headline inflation increased modestly over the quarter, rising from 3.7% at the start of Q3 to 3.9% by quarter-end, remaining within the Bank of Botswana's 3 to 6% objective range. Inflationary pressures during the period were primarily driven by the transport sector, following an increase in retail fuel prices in September 2025, as well as contributions from Miscellaneous Goods and Services and Food and Non-Alcoholic Beverages.

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. These considerations are reflected in our forward-looking assumptions and valuation assessments.

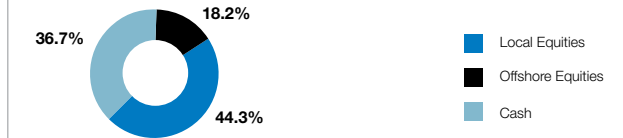
The Fund's strategy continues to be underpinned by a disciplined, bottom-up investment approach, grounded in fundamental analysis and valuation. We actively monitor our investment universe, incorporate new information into our valuation frameworks, and continuously assess risks and opportunities to ensure the portfolio remains appropriately positioned.

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

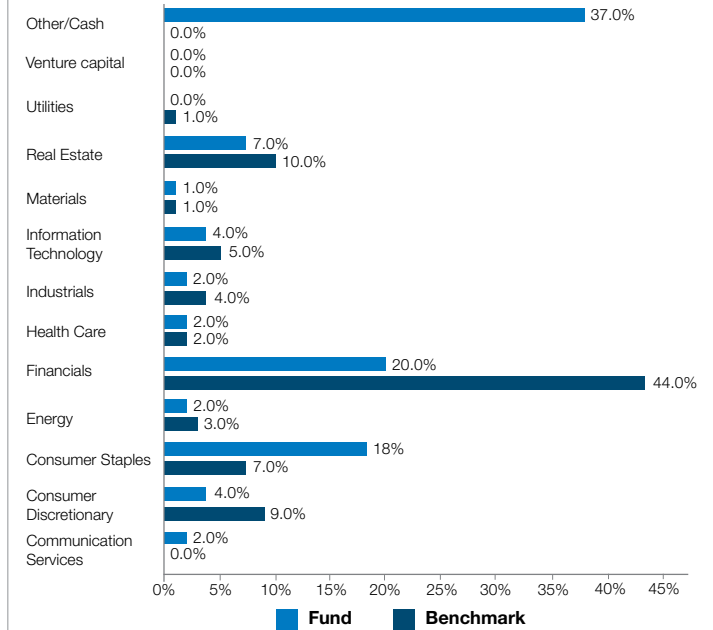
## Cumulative Returns (BWP)



## 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:** BWP64,484,315.34

### 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**  
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