

Local Equity Fund

Fund Factsheet | 31st March 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.

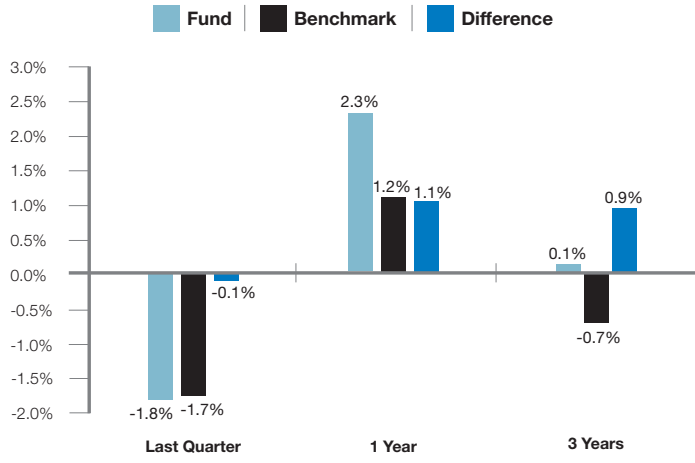
Strategy

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 Q1 2021

The Local Equity Unit Trust Fund declined by 1.83% over the first quarter of 2021. This was an underperformance of 0.12% against the benchmark return of -1.72%. The twelve-month performance remains positive. The fund gained 2.30% over the period, outperforming the benchmark return of 1.23% by 1.07%.

Quarterly Commentary

The fund's performance was buoyed by the Fund's offshore performance as offshore equities rallied over the quarter. However, the local equity market continued to struggle, shedding value over the quarter.

Global equities advanced even further following the progress of the roll-out of vaccines and "looser for longer" monetary policy. The expectation is that with progress, there would be a rebound in corporate earnings in a broader sense as economic activity increases. This is in comparison to the participation of a few popular companies that characterised market returns in 2020. The biggest factor to affect the pace of the economic recovery, despite various other measures being implemented, remains the vaccination rate.

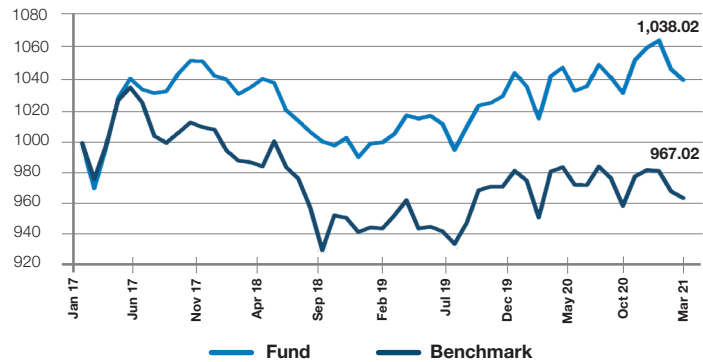
The first quarter of the year was littered with both losses and gains. However, the range of losses outweighed the gains resulting in an overall market decline. Several securities registered losses in excess of 10% while gains were minimal, the majority of which were below 5%. Turnstar was the quarter's largest loser, shedding 20.8% while Stanchart was the best performing company on the DCI, gaining 3.5%.

Accommodative monetary policy and more widespread vaccine rollouts are expected to continue to aid economic and market performance. More widespread vaccinations, done promptly would mitigate against risks of rising infections which would undermine any economic progress such as easing lockdowns to enable businesses and individuals to return to normal.

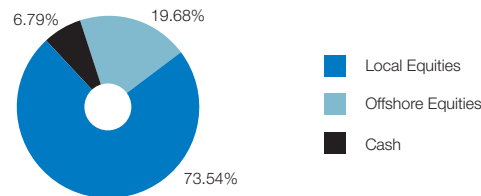
As is, revenues and cashflows remain under pressure but there is strong widespread optimistic sentiment across most sectors of the economy. We will continue to focus on fundamental value and companies with strong balance sheets that will not only weather the storm but are positioning themselves for the future.

Total Expenditure Ratio (T.E.R.): 2.80%

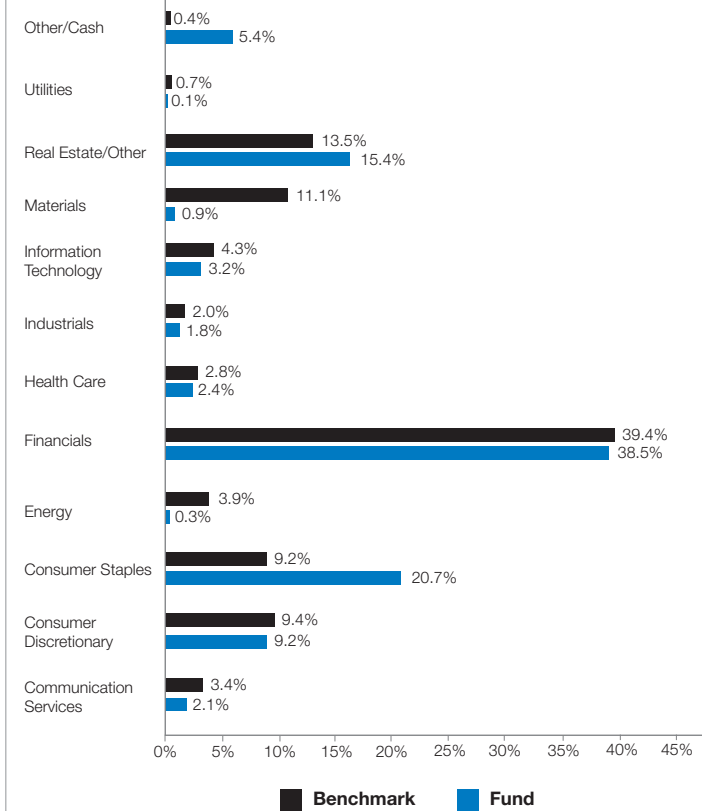
Cumulative Returns (BWP)



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: BWP14,372,228.65

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

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

Postal Address

Private Bag BR185, Broadhurst
Gaborone, Botswana

T: +(267) 395 1564
F: +(267) 390 0358
E: retailservices@bifm.co.bw