

Local Equity Unit Trust Fund

Fund Factsheet | 30th September 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.

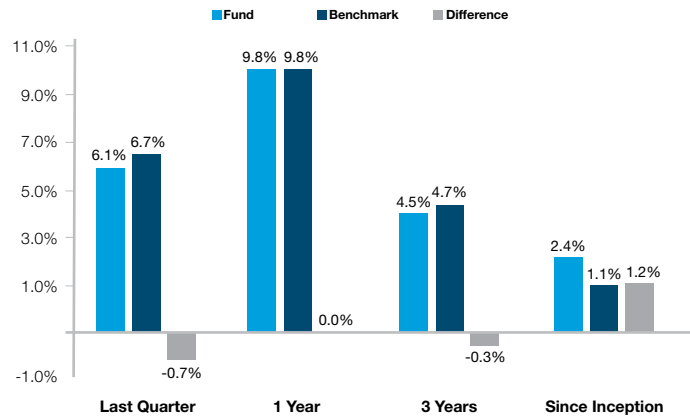
Strategy

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 Q3 2021

The Local Equity Unit Trust Fund's performance remained positive for the third quarter of the year. The Fund's return of 6.07%, lagged the Benchmark performance of 6.73% by 0.65%. The Fund's performance over the 12-month period is positive, reported at 9.79% and marginally lagging the benchmark performance of 9.80%.

Quarterly Commentary

Local and offshore allocations registered positive performance, but both lagged their respective benchmarks.

Global equities rose within the first two months of the quarter, supported by improving economic data and strong earnings releases. However, this was negated by fears about rising Covid-19 cases, supply chain challenges and inflationary pressures. This resulted in a general decline in market performance for the MSCI World Index (which represents developed economies) of 0.35%. For the developed markets, the decline was led by economically sensitive stocks, which shed value, with the like of the materials sector shedding 6.24%. Overall, seven of the eleven MSCI World sectors, representing 47.97% of the index, shed value. The MSCI Emerging Market Index recorded a negative performance of 8.84%.

Some of the disparity in performance between the developed and emerging markets reflects the disparity in vaccination rates. The Developed nations' vaccination remains above the world average, with the Unites States, for example, indicating that 58% of its population has been vaccinated. These economies have been able to open much earlier, with normal activity open to the vaccinated populations. Emerging markets, on the other

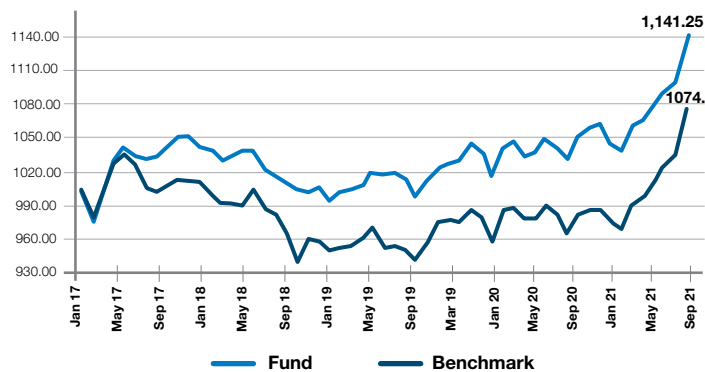
hand, have reported vaccination rates below the world average. The complete opening up of these economies was largely challenged, with most of the frontier markets vaccination rates below 20%.

Locally, the financial sector heavyweights led the DCI's positive performance of 4.20%. Four of the six securities within the sector appreciated, whilst the other two remained flat during the period. FNBB and Letshego, which rallied by 13.18% and 34.09%, respectively, led the pack. Other sectors continued to record share price declines, the most notable being a 7.55% decline by Chobe and 5.00% decline by Turnstar. Overall, the quarter was flush with new information as companies with a June full or half year-end released updated results, which showed marked improvements.

Throughout the challenges we have experienced in 2020 and the recovery in 2021, our focus has been to identify high-quality securities and attain such at the most reasonable price points relative to our intrinsic valuations. This has been and will continue to be executed in such a way that the portfolio remains well-diversified and reflects the best opportunity set. We continue with our efforts to reduce exposure to companies which we deem to be weaker and therefore pose a threat to the portfolio over the long term. It is to be noted that liquidity remains a challenge, limiting our efforts to increase and decrease exposures in several companies.

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

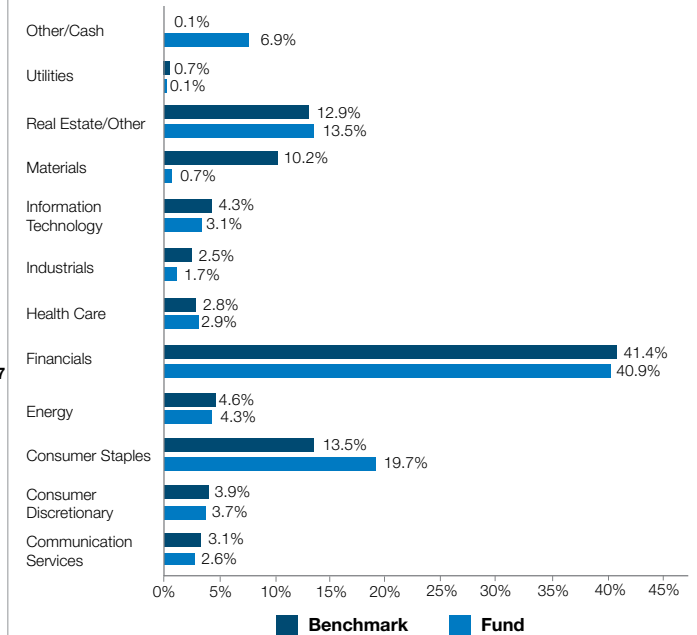
Cumulative Returns (BWP)



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: BWP15,650,856.01

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

Postal Address

Private Bag BR185, Broadhurst
 Gaborone, Botswana

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