

Pula Money Market Fund

Fund Factsheet | 31st March 2023



Fund Objective

The Fund aims to provide return and liquidity through allocation mainly to short-term investments. The Fund is relatively low risk and caters for the low risk investor.

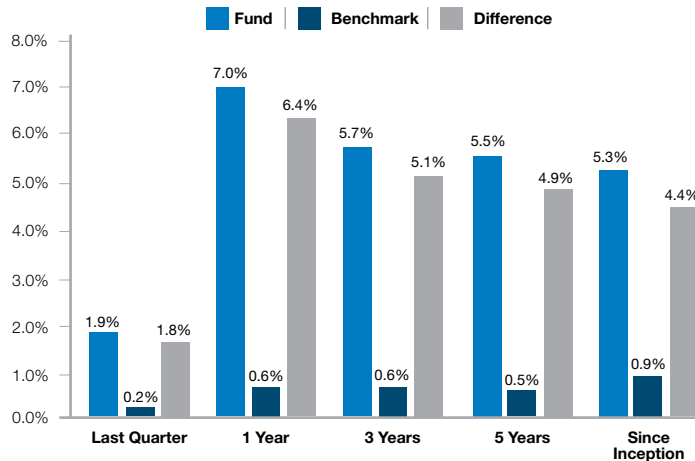
Strategy

The Bifm Pula Money Market Fund invests in Call and Fixed deposits and Treasury Bills. We actively manage the portfolio, by seeking yield assets, without compromising the risk and maturity profile of the fund.

Why Choose This Fund?

This fund is suitable for investors who want relatively high yields but need their funds to remain liquid.

Performance



Performance Review

Over the first quarter of 2023, the Fund returned 1.92%, significantly outperforming the benchmark return of 0.15%. On a 12-month basis, the Fund returned 7.04%, an outperformance of 641 basis points over the benchmark which returned 0.63% for the same period.

Performance Commentary

Over the first quarter, the banking sector continued to be under pressure in terms of liquidity hence competition for deposits among local banks remained elevated, owing to the liquidity squeeze. Therefore, money market yields rose further over the quarter.

Market Overview & Strategy

Headline inflation gradually declined over the quarter. In January, inflation decreased to 9.3% from 12.4%, mainly as a result of a 3.6% decrease in the Transport group index. This was following a drop in retail pump prices in late December 2022. In February, inflation further dropped to 9.1% before rising to 9.9% in March as international oil prices resurged and led to increases in retail pump prices.

The Bank of Botswana (BoB) left the Monetary Policy Rate (MoPR) unchanged at 2.65% in February. This was mainly aimed at supporting the ongoing economic recovery, as the BoB expects that the economy will operate below full capacity in the short to medium-term therefore not generating any demand-driven inflationary pressure. Despite the presence of upside risks (both locally and internationally), the BoB forecasts inflation to gradually decline to 7.1% at the end of the year as a result of the base effect.

According to BoB release, total credit grew by 6.1% over the 2022 year compared to 5.1% in 2021. Credit extension to firms grew by 8.9% in 2022 compared to 2.7% in 2021. This was mainly as a result of the 30.4% increase in lending to mining which was the highest level in recent history. Credit extension to households, however, decreased from 6.4% in

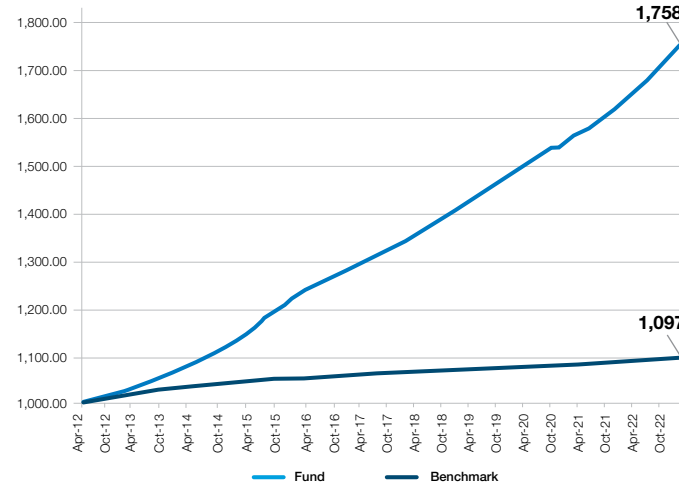
2021 to 4.8% in 2022. This was largely supported by the Business Expectations Survey which showed an optimism by local firms and the resultant increase in borrowing activity in order to invest and grow their respective operations.

The BoB December 2022 Business Expectations Survey (BES) results showed optimism by firms, reflecting their expectations of positive domestic performance and with it, improved sales volumes, profitability, and investment in general. However, on the negative side, firms maintained their concerns on tighter access to credit and high levels of costs.

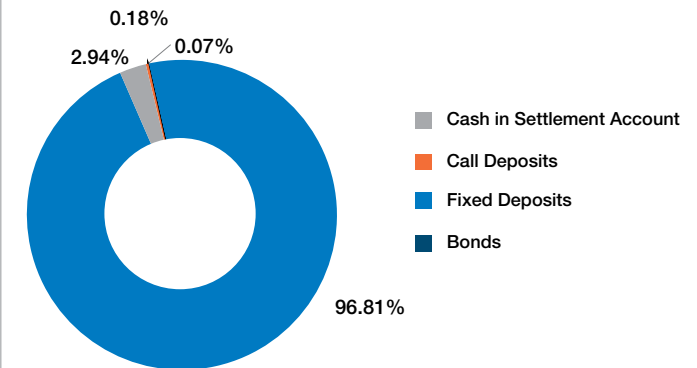
Looking ahead, we continue to place emphasis on quality commercial paper exposure and place focus on duration in an effort to pick up yield whilst consciously monitoring the liquidity of the Fund.

Total Expenditure Ratio (T.E.R.): 1.32%

Cumulative Returns (BWP)



Asset Allocation



Quick Facts

Fund Information

Portfolio Manager: Bifm Investments Team
Launch Date: Apr 2012
Minimum Investment: P 1000 lump sum
P 200 debit order
Fund Size: BWP1,627,022,324.73

Fees

Initial Fund Fee: 0%
Annual Management Fee: 1%
Fees are shown excluding VAT

Risk Profile



Income Distribution

Income Distribution Frequency: Monthly

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
Plot 396/7 Moffat Street, Central
Residential Area
Francistown, Botswana

Postal Address

Private Bag BR185, Broadhurst
Gaborone, Botswana
T: +(267) 399 2199 / +(267) 241 3041
F: +(267) 390 0358
E: retailservices@bifm.co.bw