

Pula Money Market Fund

Fund Factsheet | 30th June 2025



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.

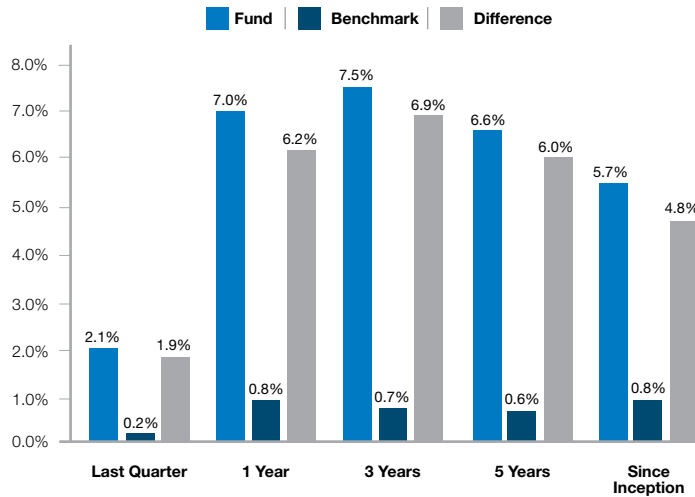
Strategy

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 second quarter of 2025, the Fund returned 2.15%, outperforming the benchmark return of 0.20%. On a 12-month basis, the Fund returned 6.98%, an outperformance of 620 basis points over the benchmark which returned 0.78% for the same period.

Performance Commentary

During the quarter, banking sector liquidity remained tight, forcing banks to continue pricing up deposit rates in a bid to attract funding. The rates between the 3-month and 12 months were the most competitive amongst banks. Beyond 12 months, banks priced lower to reduce funding costs, as well as an anticipation for a decline in rates in the upcoming months. As a cushion to the increasing fixed deposit rates, during the quarter, the Bank of Botswana increased its repurchase agreement tenure from a maximum of 7 days to a new maximum of one month.

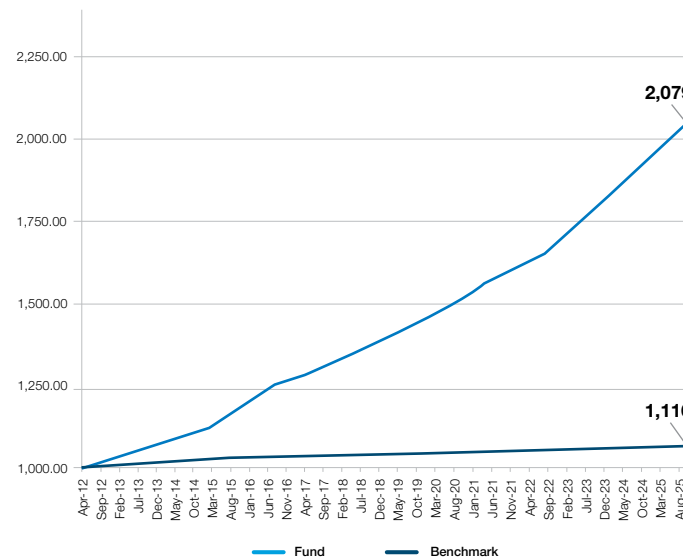
Market Overview & Strategy

The quarterly release by Statistics Botswana showed a contraction of 0.3% in the real GDP over Q1 2025, compared to a decline of 5.2% in the corresponding quarter in 2024. The contraction in the domestic economy was mainly due to registered declines in the real value added by Diamond Traders, Water & Electricity, Mining & Quarrying, Agriculture, Forestry & Fishing industries and Transport & Storage. All other industries recorded growth of more than 0.1%.

The Non-mining GDP increased by 2.2% in the quarter. In particular, Public Administration & Defence became the major contributors to GDP at 17.4%, followed by Mining & Quarrying at 14.4%, Wholesale & Retail at 12.1% and Construction at 11.6%.

Headline inflation, which began the quarter at 2.8%, declined over the quarter to close at 2.00%, which is below the lower end of the 3-6% objective range set by the Bank of Botswana. Food and Non-Alcoholic Beverages, as well as the decline in Miscellaneous Goods and Services, were the main contributors to inflation over the quarter, whilst the Transport sector had a negative contribution throughout the quarter.

Cumulative Returns (BWP)



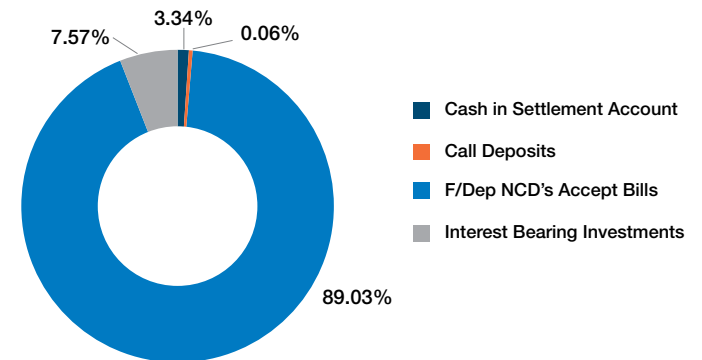
Inflation estimates by the Bank of Botswana show expectations of inflation to remain low into the medium term, averaging 2.5% in 2025, however, this remains largely uncertain owing to the US tariffs which will likely push up global prices.

At its meeting held in the last quarter, the Bank of Botswana's Monetary Policy Committee maintained the Monetary Policy Rate at 1.9%. At its meeting held in the last quarter, the Bank of Botswana's Monetary Policy Committee (MPC) maintained the Monetary Policy Rate (MOPR) at 1.9%. Furthermore, during the quarter the Bank of Botswana increased its repurchase agreement tenure from a maximum of 7 days to a new maximum of one month given, the liquidity squeeze affecting commercial banks. This accommodative stance was largely in a bid to stimulate the local economy.

Post quarter end, the Ministry of Finance and the Bank of Botswana introduced adjustments to the country's crawling peg exchange rate system. The changes included: (i) accelerating the downward crawl of the Pula relative to the currency basket from an annual rate of 1.51% to 2.76% and (ii) significantly widening the Bank of Botswana's foreign currency buy/sell spread from 1% to 15%.

Total Expenditure Ratio (T.E.R.): 1.34%

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: BWP2,001,217,577.48

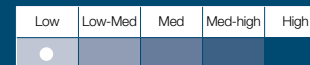
Fees

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