

Pula Money Market Fund

Fund Factsheet | 31st December 2024



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.

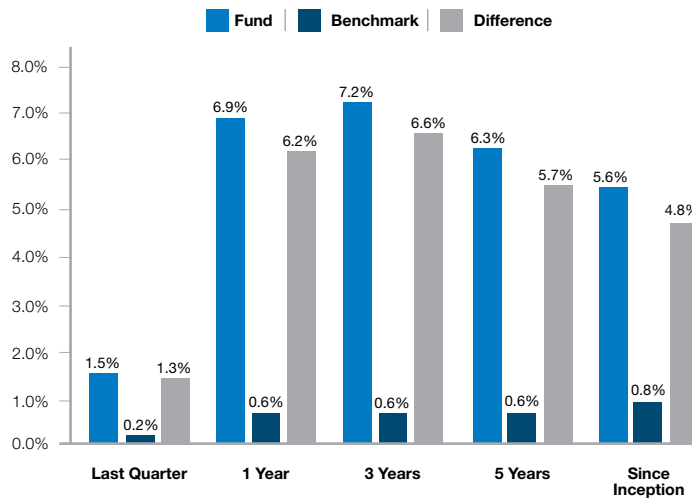
Strategy

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 fourth quarter of 2024, the Fund returned 1.50%, outperforming the benchmark return of 0.20%. On a 12-month basis, the Fund returned 6.83%, an outperformance of 615 basis points over the benchmark which returned 0.68% for the same period.

Performance Commentary

Over the quarter, banking sector liquidity declined significantly, prompting banks to start pricing up deposit rates in a bid to attract funding. A continued accommodative monetary policy and a cut in the Primary Reserve Requirement over the quarter supported low rates and increased liquidity in the sector respectively. As a result, we expect yields to stabilize in the near term.

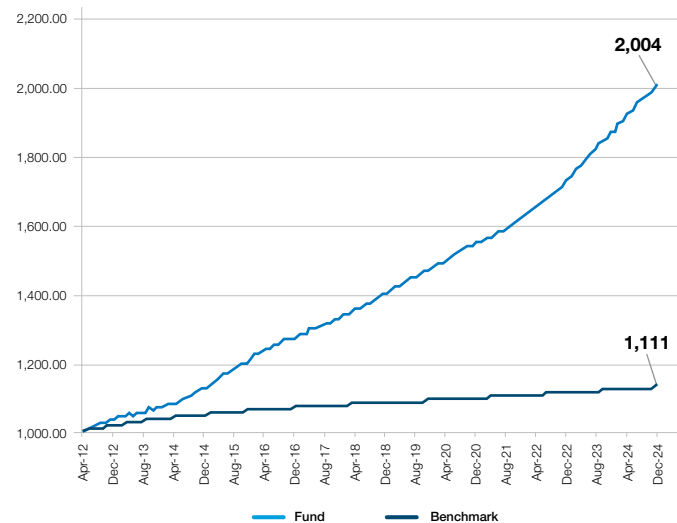
Market Overview & Strategy

The quarterly GDP release by Statistics Botswana showed a contraction of 4.3% in the real GDP over Q3 2024, compared to a growth of 1.1% in the corresponding quarter in 2023. The contraction in the domestic economy was mainly due to registered declines in the real value added by several sectors, being Diamond traders, Mining & Quarrying, Agriculture, Forestry & Fishing, Manufacturing, Transport and Storage.

The Non-mining GDP increased by 4.4% in the quarter. In particular, the Wholesale and Retail Trade, ICT and Real Estate activities were among the sectors leading the positive growth registered from non-mining GDP.

Headline inflation, which began the quarter at 1.5% rose, albeit marginally so, over the quarter, to close at 1.7%, well below the 3-6% objective range set by the Bank of Botswana. Inflation averaged 2.8% in 2024 compared to an average of 5.2% in 2023. The general decline in inflation throughout 2024 was mainly as a result of low inflationary pressures caused by low consumer demand locally, coupled with the impact of the base effect.

Cumulative Returns (BWP)



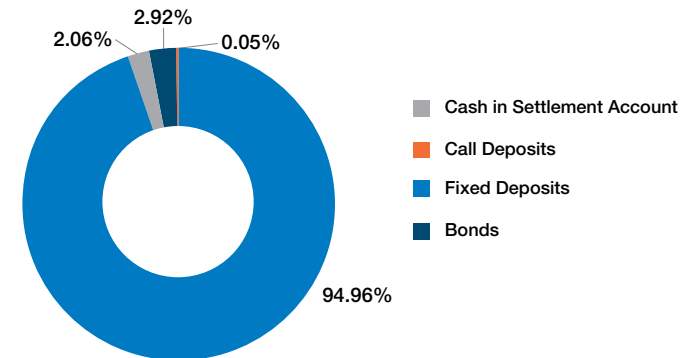
Inflation estimates by the Bank of Botswana show expectations of inflation gradually increasing in 2025 to close the year at around 4.4% (averaging 3.3% in 2025).

At all its meetings held in the last quarter, the Bank of Botswana's Monetary Policy Committee maintained the Monetary Policy Rate at 1.9%. This accommodative stance was largely in a bid to stimulate economic.

At the MPC meeting in December, the Committee reduced the Primary Reserve Requirement (PRR) from 2.5% to Zero. This followed a significant decline in banking sector liquidity, which undermined the effectiveness of the accommodative policy. The reduction of the PRR therefore served to inject much needed liquidity into the sector, to support credit extension.

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: BWP2,399,695,149.87

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
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