

# Pula Money Market Fund

Fund Factsheet | 31<sup>st</sup> December 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.

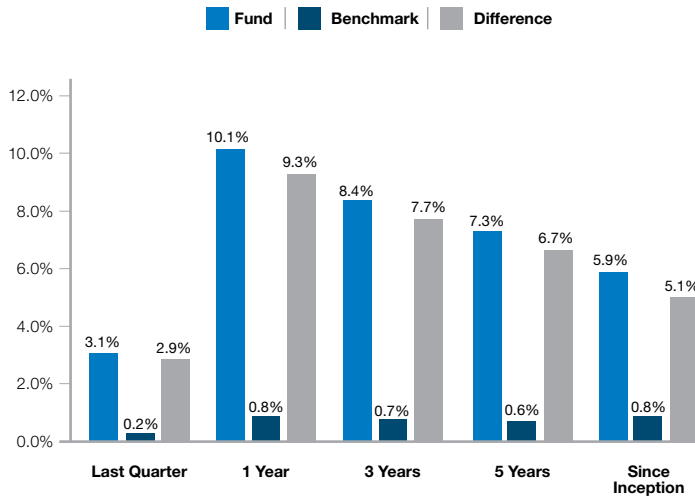
## Strategy

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 fourth quarter of 2025, the Fund returned 3.16%, outperforming the benchmark return of 0.20%. On a 12-month basis, the Fund returned 10.15%, an outperformance of 934 basis points over the benchmark which returned 0.81% for the same period.

## Performance Commentary

During the quarter, we saw a slight decline in the deposit rates offered by banks compared to the previous two quarters as market liquidity improved. Generally, most banks still offered double-digit rates for most tenors with variations driven by tenor and funding needs per bank. There was a noticeable increase in diamond sales in the month of April, and this development added to market liquidity in the second half of 2025. To moderate deposit rates, the Bank of Botswana (BoB) extended the maturity of repurchase agreements from one month to up to three months, offering a lower cost funding facility for commercial banks. Furthermore, the BoB started publishing wholesale deposit rates from across commercial banks, enabling price discovery which resulted in banks pricing lower to align with the general market.

## Market Overview & Strategy

The quarterly GDP release by Statistics Botswana showed an increase by 8.2% in real Gross Domestic Product over Q3 2025, compared to a decline of 4.0% in the same quarter of 2024. The growth was attributed to the increase in real value added for the Diamond Traders, Mining & Quarrying, Finance,

Insurance & Pension Funding, Transport and Storage, and Accommodation & Food Services. Water & Electricity and Manufacturing industries. On a quarter-to-quarter comparison, the real GDP increased by 10.9%. The non-mining real GDP increased by 1.6% in Q3 2025 compared to a 4.7% increase registered in the same quarter of the previous year. This remains a key driver of the economy given the slump in the economy's key mineral diamond industry. During the quarter under review, Public Administration & Defence became the major contributor to GDP with 18.2% followed by Wholesale & Retail at 12.8%, and Construction at 11.8%. Headline inflation, which began the quarter at 3.70%, increased over the quarter to close at 3.90%, lying within the 3-6% objective range set by the Bank of Botswana. The transport sector was the main contributor to inflation during the quarter following an increase in retail pump prices in September 2025, followed by Miscellaneous Goods and Services and Food & Non-Alcoholic Beverages.

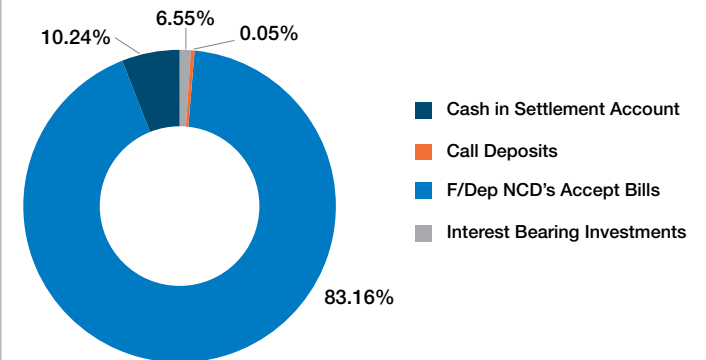
The Bank of Botswana revised its inflation expectations to an average of 2.7% in 2025 and 5.9% in 2026 due to an upside tilt in inflation risk. This is primarily due to the potential cost-push pressures from an increase

in water and electricity tariffs for businesses as well as the increase in domestic fuel prices. Inflationary pressures could also intensify if international commodity prices rise above forecast, global supply and logistics constraints persist.

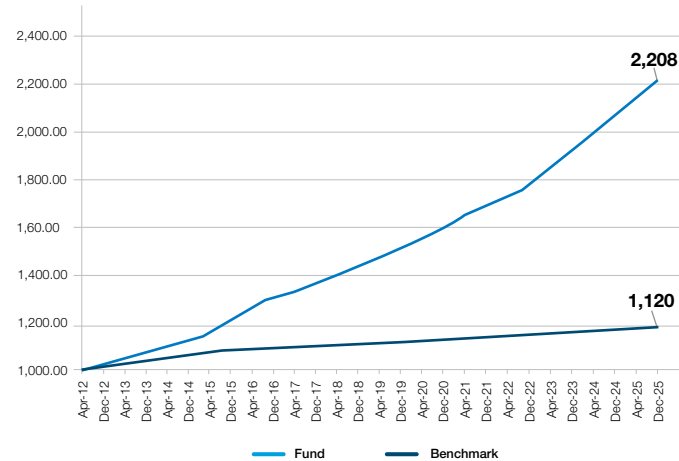
At its meeting held in the last quarter, the Bank of Botswana's Monetary Policy Committee (MPC) increased the Monetary Policy Rate (MOPR) by 160 basis points from 1.9% to 3.5%. Commercial banks were directed not to increase their prime lending rates following this decision and as at November 2025, the average prime lending rate was 7.19%. This decision was intended to reinforce policy transmission of monetary policy tools as well as compliment the adjustment of exchange rate parameters in July 2025. The Botswana economy faces uncharted territory, and over the quarter, Moody's Ratings downgraded Botswana's long-term domestic and foreign currency issuer rating from A3 to Baa1, maintaining a negative outlook. In the interim, to address fiscal challenges, the Government has introduced austerity measures such as travel and overtime restrictions, centralised procurement, and wage bill controls, while advancing the Botswana Economic Transformation Programme (BETP) to diversify into tourism, agriculture, manufacturing, and digitalisation.

Total Expenditure Ratio (T.E.R.): 1.38%

## Asset Allocation



## Cumulative Returns (BWP)



## Quick Facts

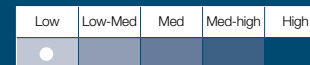
### Fund Information

**Portfolio Manager:** Bifm Investments Team  
**Launch Date:** Apr 2012  
**Minimum Investment:** P 1000 lump sum  
P 200 debit order  
**Fund Size:** BWP2,331,071,011.48

### 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**  
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**Gaborone, Botswana**

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