

Pula Money Market Fund

Fund Factsheet | 30th June 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.

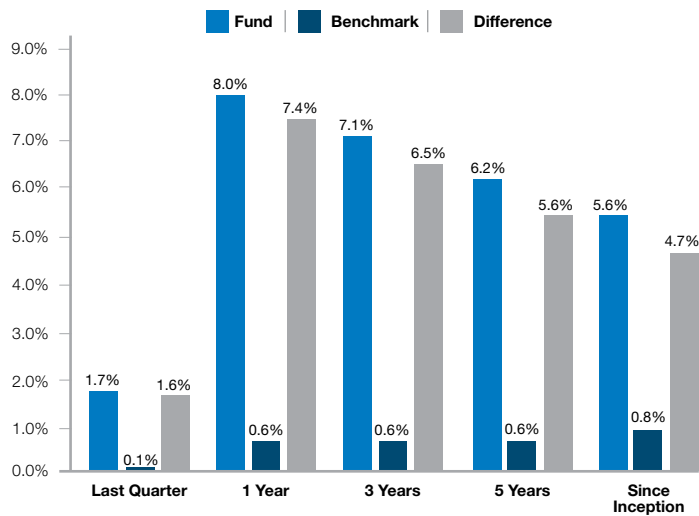
Strategy

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 second quarter of 2024, the Fund returned 1.75%, outperforming the benchmark return of 0.15%. On a 12-month basis, the Fund returned 8.02%, an outperformance of 742 basis points over the benchmark which returned 0.60% for the same period.

Performance Commentary

Excess liquidity within the banking sector continued to put downward pressure on money market returns as banks persistently quoted lower deposit rates. Additionally, the rate cut in June, the second one in a period of six months added to the downward trend as banks and other corporates responded by pricing down money market instruments.

We expect this trend to continue into the second half of the year as liquidity is likely to remain high. However, as government bond issuances proceed into the year, the excess liquidity is likely to be mopped up, providing an opportunity for money market investors.

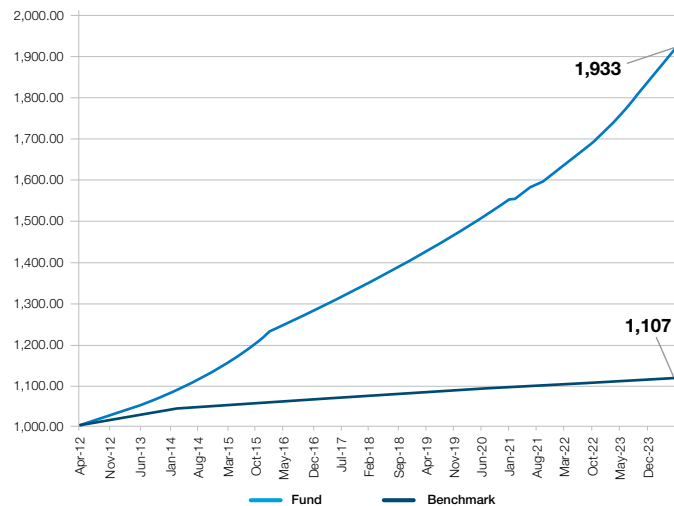
Market Overview & Strategy

The quarterly GDP release by Statistics Botswana showed a 5.3% contraction in the Real GDP for the first quarter of 2024 (vs a growth of 5.3% registered for the same quarter in 2023). This

downturn was primarily influenced by a decrease in real value added of the Diamond Traders, Mining & Quarrying, Water & Electricity, and Manufacturing industries, by 46.8%, 24.8%, 10.7% and 0.8%, respectively. Conversely, all other industries experienced positive growth rates of 0.5% and above.

Over the quarter, headline inflation edged gradually down from 3.1% in April to 3.0% in May and finally 2.8% in June, breaching the floor of the objective 3-6% range set by the Bank of Botswana. The main drivers for the decline throughout the quarter were base effects and an overall weak demand locally which supported yet another rate cut during the quarter.

Cumulative Returns (BWP)



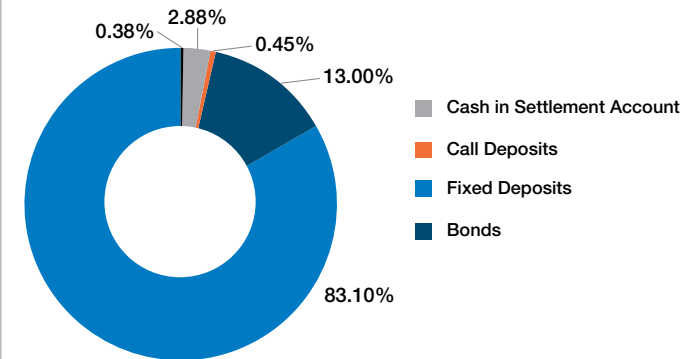
During the quarter, only three of the twelve CPI constituents registered contributions in excess of 0.3%, these being Food & Non-alcoholic Beverages (0.6%), Transport (0.6%) and Miscellaneous Goods & Services (0.8%).

Inflation estimates by the Bank of Botswana show expectations of inflation being within the objective range for the rest of the year, with an average of 3.6% in 2024 and 4.5% in 2025. Monetary Policy Committee (MPC) reduced the Monetary Policy Rate (MoPR) by 25 basis points to 2.15%.

Though the rate cut came as yet another surprise to capital market players, the MPC supported the decision as a recognition of an expectation for the economy to continue operating below full capacity in the short term and thus not expected to generate demand-pull inflationary pressures.

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

Asset Allocation



Quick Facts

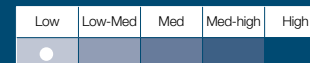
Fund Information

Portfolio Manager: Bifm Investments Team
Launch Date: Apr 2012
Minimum Investment: P 1000 lump sum
P 200 debit order
Fund Size: BWP2,279,307,491.14

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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