

# Ya Masa Junior Fund

Fund Factsheet | 31<sup>st</sup> December 2020



## Fund Objective

The fund aims to provide long-term capital growth by investing in a diversified range of assets. It has a moderately high-risk profile and a seven-year lock-in period which caters for investors with a long-term investment horizon who are comfortable with accepting some degree of risk and volatility for some degree of growth.

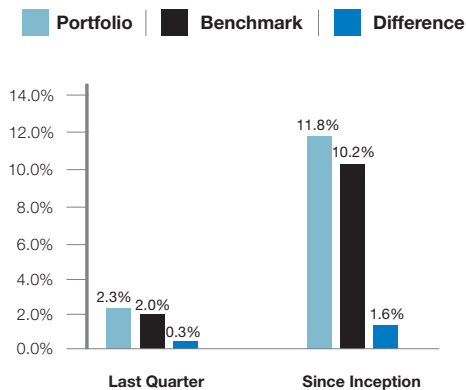
## Strategy

The Bifm Ya Masa Junior Fund is a multi-asset fund that invests in local and offshore equities, bonds, property, and money market instruments.

## Why Choose This Fund?

The fund is suitable for the investor with a moderately high-risk profile who wishes to hold investments over a long-term horizon and generate long-term capital growth. This fund is best suited for individuals who wish to save and invest for the long term in their individual capacity or on behalf of their children.

## Performance



The Bifm Ya Masa Junior Fund returned 2.31% over the fourth quarter of 2020, outperforming its benchmark return of 2.04% by 0.27%. Asset allocation positioning during the quarter detracted from fund relative performance whilst stock selection decisions aided fund relative performance. The fund's high exposure to offshore equities was positive for fund performance as offshore equities continued to rally in the fourth quarter.

### Local Equities

The local equity allocation outperformed the benchmark Domestic Companies Index (DCI) total return index return of -1.06% by 1.23% over the quarter. Twelve of the twenty-four listed firms experiencing share price declines during the quarter. The declines were generally below five percent. However, some securities that experienced declines of 10.1% (Afinitas) and 26.0% (Seedco). The tourism sector securities continued to shed value with Chobe declining by 0.74% while Cresta shed value 1.52% as global travel restrictions continued to weigh down on the industry's prospects of a quick recovery.

### Local Bonds

The local bond allocation outperformed its benchmark return of -2.50% by 0.97%, returning -1.53% over the quarter. The fund's overweight positioning on corporate bonds was a positive contributor over the period. Government bond yields rapidly rose on the back of increased bond supply and resulting in the local fixed income market registering bond price declines. For the 12 months to December however, bonds remained positive, with the benchmark returning 1.56%.

### Offshore Equities

The fund's offshore equity allocation returned 6.84% over the quarter, outperforming the benchmark return of 5.96% by 0.88% as global equity stocks continued their rally following the sharp decline experienced during the first quarter of 2020. The fourth quarter of 2020 presented information that ordinarily would have

negatively impacted the market performance such as the US election, the anticipated Brexit, and tensions between the US and China. However, reports of successful COVID-19 vaccines overshadowed the rest of the news and became a market supporter during the quarter.

### Offshore Bond

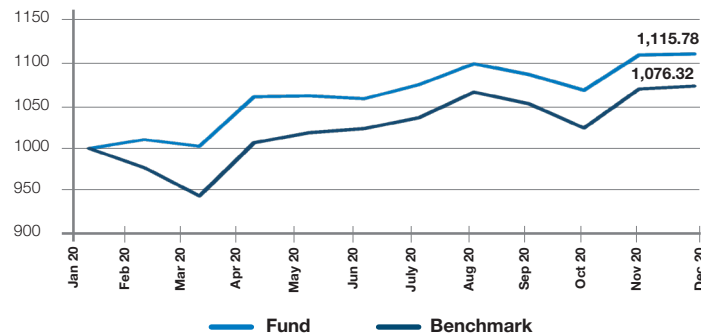
The offshore bond allocation declined by 3.39% over the quarter, outperforming the benchmark return of -3.97% by 0.58%. Inflation expectations improved on the back of positive data vaccine approvals, continued monetary and fiscal policy support. Developed market yield moves were mixed over the quarter. In the U.S, longer-dated yields rose meaningfully given the increased potential for additional fiscal stimulus and encouraging developments regarding COVID-19 vaccines.

### Market Outlook

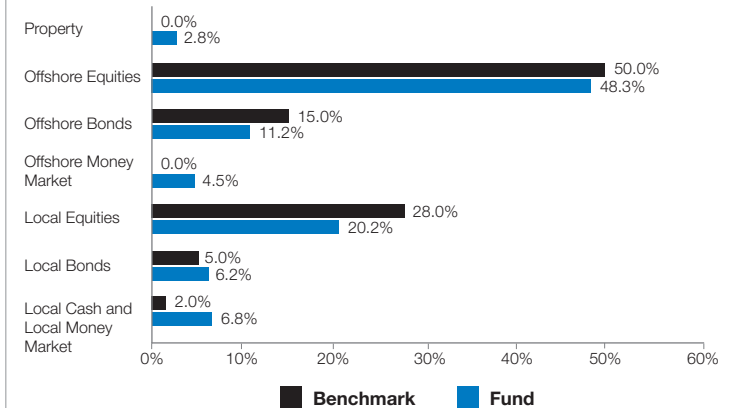
Following the global economic contraction observed in 2020, we expect that global economic activity and output will rebound strongly, driven by the widespread rollout of vaccines, and sustained accommodative and supportive monetary and fiscal policies. We expect central banks to maintain policy rates at low levels and continue their asset purchase schemes throughout 2021. Locally, Botswana's GDP contracted by 6% over the third quarter of 2020, a notable improvement when compared to a contraction of 24% in Q2 2020. The improvement reflected the pick-up in economic activity in the third quarter. The Bank of Botswana (BoB) announced another rate cut in early October, citing the adverse impact of the COVID-19 pandemic on the local economy. Inflation is expected to remain below the objective range of 3% – 6% until Q3 2021 and GDP was expected to decline by 8.9% in 2020, thus justifying the supportive tone from the BoB.

Total Expenditure Ratio (T.E.R.): 2.54%

## Cumulative Returns (BWP)



## Asset Allocation



## Quick Facts

### Fund Information

Portfolio Manager: Bifm Investments Team  
Launch Date: Jan 2020  
Minimum Investment: P200 debit order

Fund Size: BWP13,488,793.36

### Fees

Initial Fund Fee: 0%  
Annual Management Fee: 2%  
Fees are shown excluding VAT

### Risk Profile

Low	Low-Med	Med	Med-high	High

### Income Distribution

Income Distribution Frequency:  
Semi-Annual Jun, Dec

### Contact Details

Trustees and Custodians  
Stanbic Bank Botswana  
Private Bag 00168  
Gaborone

### Physical Address

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