

# Ya Masa Junior Fund

Fund Factsheet | 31<sup>st</sup> March 2023



## 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.

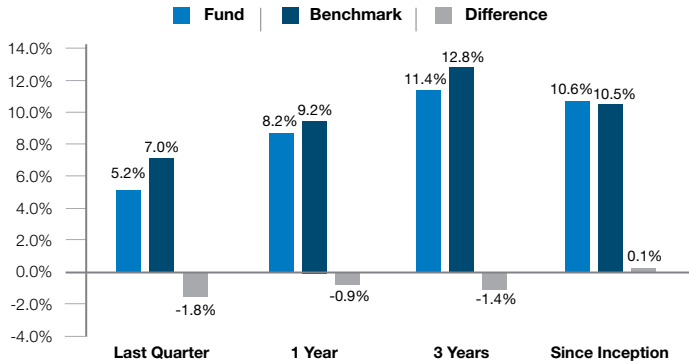
## Strategy

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



## Performance Review

The Bifm Ya Masa Junior Fund returned 5.18% over the first quarter of 2023, underperforming the benchmark return of 7.02% by 1.84%. Asset allocation and security selection decisions detracted from the fund's relative performance over the quarter. Over the 12-month period, the Fund returned 8.25%, underperforming the benchmark by 0.91%.

## Local Equities

The Local equity allocation returned 4.22% over the quarter, outperforming the benchmark return of 3.95% by 0.27%. The local equity market began the year on a positive note with 15 of the 23 listed stocks increasing in price over the period. Five stocks recorded a flat performance and only three stocks declined in price over the period. The strong performance was supported by robust growth in earnings across most of the sectors. CA Sales was the best-performing stock over the quarter, appreciating by 19.67%. Other notable movers over the quarter were Chobe (17.19%), BTCL (11.69%) and ABSA (8.53%).

## Local Bonds

The Local Bond allocation returned 1.94% over the quarter, narrowly outperforming the benchmark return of 1.92% by 0.02%. Credit extension to firms grew by 8.9% in 2022 compared to 2.7% in 2021. This was mainly as a result of a 30.4% increase in lending to the mining sector. Credit extension to households, however, decreased from 6.4% in 2021 to 4.8% in 2022. This was largely supported by the Business Expectations Survey which showed optimism by local firms.

## Offshore Equities

The Offshore Equity allocation returned 7.12% over the quarter, underperforming the benchmark return of 10.05% by 2.93%. Global equity markets began the year with gains across most regions. The Information Technology sector was the largest gainer followed by the Consumer Discretionary and Communication Services sector. The Energy sector was the biggest loser as commodity prices fell over the quarter. The Financial Services sector also declined amidst the collapse of Silicon Valley Bank and larger concerns over the health of the global banking system.

## Offshore Bonds

The Offshore Bond allocation returned 4.86%, underperforming the benchmark return of 5.22% by 0.36%. The uncertainty which prevailed throughout 2022 continued well into 2023, clouding investors' outlook for economies and markets, with instability in the financial sector as the dominant theme throughout the quarter. Despite further monetary policy tightening, developed market yields fell over the quarter as the market priced in the expectations of a weaker likelihood of rate hikes going forward. On the back of this, bond returns were positive over the quarter. However, on a 12-month basis, owing to a sharp spike in rates over 2022, global bond returns continued to be negative, with the Bloomberg Global Aggregate Bond Index returning -7.24%.

## Market Outlook

Local Real GDP grew by 5.9% in Q1 2023, a slight slowdown from the 6.0% growth registered in the same quarter the previous year. Headline inflation gradually declined over the quarter. In January, inflation decreased to 9.3% from 12.4%, mainly due to a 3.6% decrease in the Transport group index. In February, inflation further dropped to 9.1% before rising to 9.9% in March as international oil prices resurged and led to increases in retail pump prices.

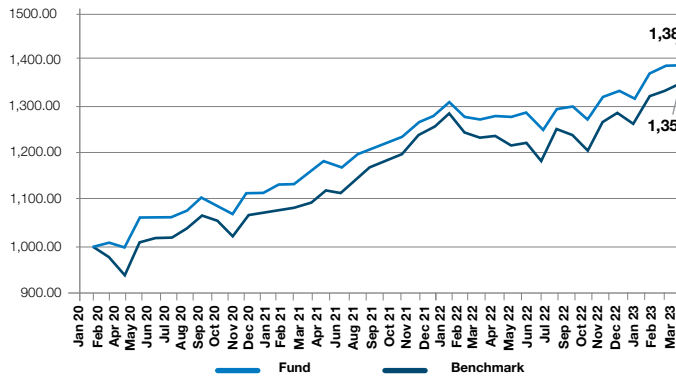
The Bank of Botswana (BoB) left the Monetary Policy Rate (MoPR) unchanged at 2.65% in February. This was mainly aimed at supporting the ongoing economic recovery, as the BoB expects that the economy will operate below full capacity in the short to medium-term therefore not generating any demand-driven inflationary pressure.

Globally, recent volatility in the banking sector has raised the prospect of a significant tightening of credit conditions, particularly in the U.S., and therefore the risk of a sooner and deeper recession. These recent events will likely act as yet another headwind that could very well pull Europe into recession as well.

Meanwhile, annualized core inflation rates in the U.S. have fallen for 5 consecutive months, and headline inflation has declined for 8 consecutive months. The combination of a higher cost of lending and early signs of easing inflation likely puts global central banks near to or already at the end of their tightening cycles.

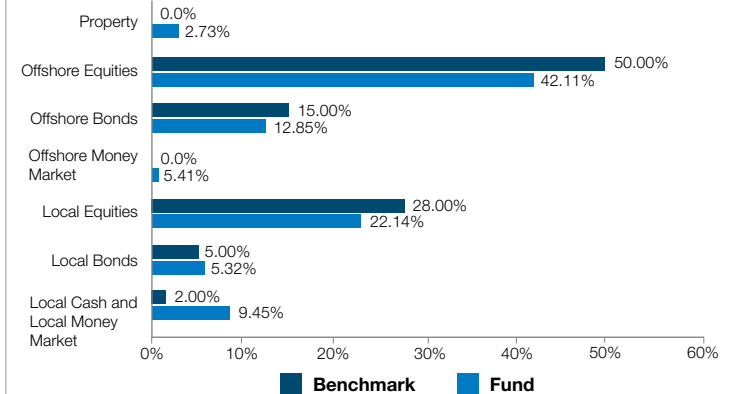
Total Expenditure Ratio (T.E.R.): 2.82%

## Cumulative Returns (BWP)



One of the best ways to teach your kids about handling money is to give them a chance to make some of their own. Start now, introduce them to money concepts.

## Asset Allocation



## Quick Facts

### Fund Information

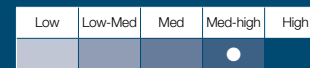
Portfolio Manager: Bifm Investments Team  
 Launch Date: Jan 2020  
 Minimum Investment: P200 debit order

Fund Size: BWP22,436,210.80

### Fees

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

### Risk Profile



### Fund feature

7 year lock-in period

### 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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