



# Ya Masa Junior Fund

Fund Factsheet | 31<sup>st</sup> December 2022



## 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.

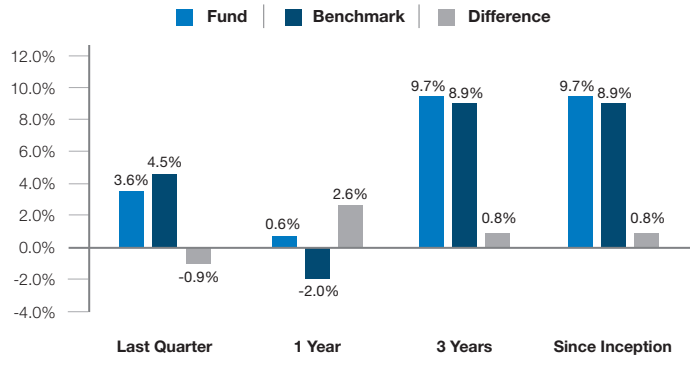
## Strategy

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 3.62% over the quarter, underperforming the benchmark return of 4.47% by 0.85%. Both asset allocation stock selection decisions detracted from fund performance over the quarter. Over the 12-month period, the Fund returned 0.57%, outperforming the benchmark return of -1.98% by 2.56%.

## Local Equities

The Local Equity allocation returned 5.77% over the quarter, underperforming the benchmark return of 6.16% by 0.38%. The local equity market continued to rise in the fourth quarter of 2022 with price increases experienced across most of the listed stocks. The market performance continues to be supported by the positive performance of the large-cap banking sector stocks which make up 38.04% of the total market. As measured by the DCI, the local equity market recorded its best annual performance since 2015, appreciating 10.23% in 2022. The market performance was supported by improving fundamentals across most of the listed stocks, particularly within the banking sector.

## Local Bonds

The Local returned 0.99% over the quarter, underperforming the benchmark return of 1.14% by 0.15%. Credit extension grew by 2.26% over the 3rd Quarter of 2022, a slight slowdown from the 2.47% growth registered in the second quarter. This was largely supported by the Business Expectations Survey which showed that firms had expectations of tighter access to credit amid restrictive monetary policy action by the central bank. Credit extension grew the most to firms within the Electricity & Water, Manufacturing, Transport & Comms, and Agricultural sectors. On the contrary, credit extension to Trade, Finance, and Mining sectors declined over the period.

## Offshore Equities

The Offshore Equity allocation returned 4.78% over the quarter, underperforming the benchmark return of 5.15% by 0.37%. Investor sentiment turned positive over the quarter with increasing signals that global inflation had peaked and that the pace of interest rate hikes would ease. Most sectors posted gains during the quarter. Energy stocks posted especially strong gains, with the large-cap stocks Exxon and Chevron posting record profits in the quarter. Regionally, both developed and emerging markets posted gains in the fourth quarter.

## Offshore Bonds

The Offshore Bond allocation returned 0.27% over the quarter, outperforming the benchmark return of 0.15% by 0.12%. Yields broadly rose over the quarter, as central banks continued to pursue tighter monetary policies in response to persistent inflationary pressures. Despite the rate hike cycle, global bonds registered a positive quarter return for the first time in 2022, with the Bloomberg Aggregate Bond Index

gaining 4.55% over the period. However, on a 12-month basis, owing to a backdrop of sharply higher rates, global bond returns were at their worst levels in more than four decades. The US Aggregate Index delivered a return of -13.0%, whilst the Bloomberg Global Aggregate Bond Index returned -16.25%.

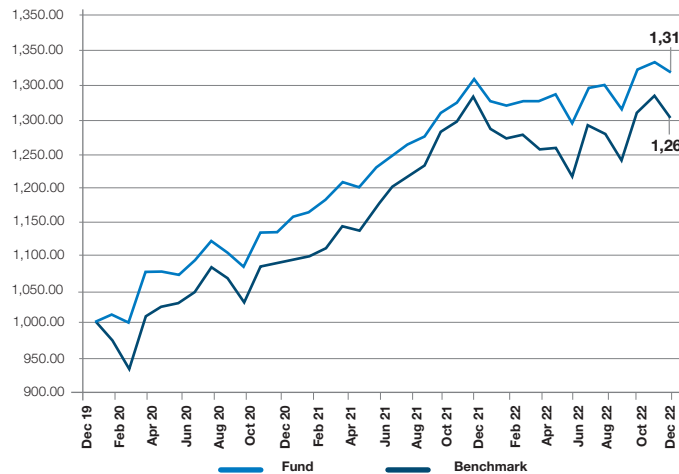
## Market Outlook

Local Real GDP grew by 6.3% in Q3 2022, compared to a growth of 8.9% registered in the same quarter the previous year. All sectors of our local economy contributed positively to GDP during the quarter. Having opened the quarter at 13.8%, headline inflation gradually edged downwards to close the quarter and the 2022 calendar year at 12.4%. In October, inflation declined to 13.1% mainly due to the base effect while in November the decline to 12.2% was driven mainly by the drop in retail pump prices. In December, the slight uptick in inflation was on the back of a broad-based price increase of food items, as well as the rise in vehicle prices.

Amid all the prevailing uncertainties, there are expectations of a modest recession in 2023 across developed markets as central banks continue to battle inflation. Central banks are largely expected to remain restrictive, with higher policy rates likely resulting in tighter financial conditions. The consensus is for developed market central banks to continue to hike for the next quarter.

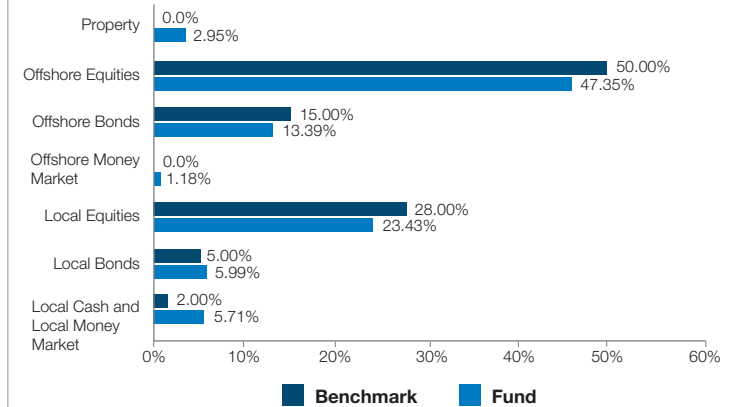
**Total Expenditure Ratio (T.E.R.): 2.83%**

## Cumulative Returns (BWP)



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## Asset Allocation



## Quick Facts

### Fund Information

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

**Fund Size:** BWP20,655,058.74

### Fees

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

### Risk Profile

Low	Low-Med	Med	Med-high	High
			●	

### 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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