

# Ya Masa Junior Fund

Fund Factsheet | 31<sup>st</sup> March 2021



## 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.

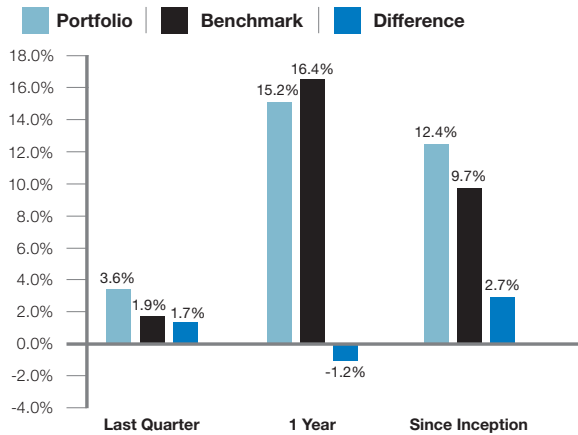
## Strategy

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 3.57% over the first quarter of 2021 outperforming its benchmark return of 1.88% by 1.69%. The fund's high exposure to offshore equities was positive for fund performance as offshore equities continued to rally going into the first quarter of 2021. Within the quarter, asset allocation decisions and stock selection decisions contributed positively to fund relative performance.

### Local Equities

The local equity allocation under-performed the benchmark DCI total return index return of -4.40% by 0.28%, returning -4.46% over the quarter. The first quarter of the year was littered with both losses and gains. However, the range of losses outweighed the gains. Several securities registered losses in excess of 10%, being: Turnstar (20.8%), ABSA (18.4%), BTCL (14.6%), and G4S (11.8%). It is to be noted that these losses were experienced across all sectors.

### Local Bonds

The local bond allocation outperformed its benchmark return of 0.58% by 0.16%, returning 0.79% over the quarter. Despite the upward shift in the curve, local bonds posted marginally positive returns, a recovery from the negative returns recorded in the previous quarter. Secondary market trading activity increased slightly over the quarter. Much of the activity was, however, clustered around each of the three government bond auctions and limited to government bonds.

### Offshore Equities

The fund's offshore equity allocation returned 9.02% over the quarter as global equity stocks continued their rally following the sharp decline experienced during the first quarter of 2020. The fund outperformed the benchmark MSCI return by 1.96%.

Amongst the best performing sectors were energy and financials, two of the hardest-hit sectors in the initial sell-off in 2020. The rebound reflected optimism about the global economy returning to normal.

Demand for oil is returning to normal and prices have risen back to pre-COVID levels. Supply cuts by OPEC are also supportive of higher oil prices. Financials have done well on lower-than-expected loan losses and expectations for higher interest rates.

### Offshore Bond

The offshore bond allocation returned -1.19% over the quarter, outperforming the benchmark return of -2.51% by 1.32%. On the back of the positive sentiment on economic outlook, longer term bond yields rose higher, whilst shorter dated bonds remained largely unaffected, leading to a steepening US Treasuries curve. Thus, longer dated bonds underperformed and drove the negative returns for the fixed income asset class.

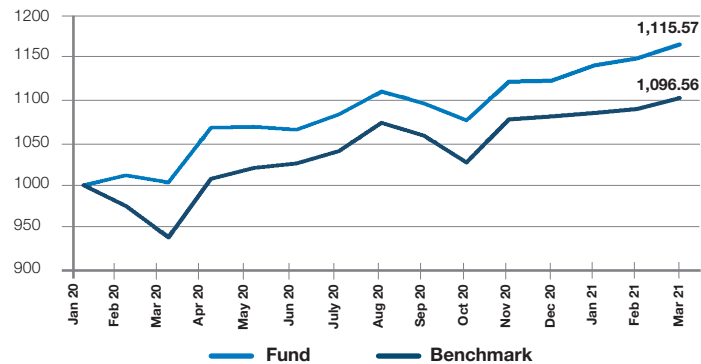
### Market Outlook

Over the last quarter of 2020, Botswana's real GDP contracted by 4.1%, a second consecutive improvement from the contractions seen at 24.0% and 6.0% in the second and third quarters of 2020 respectively. The improvement in Q4 2020 were as reflection of the continued efforts to return to normality through the reopening of business and lifting of cross border movement restrictions which had severe impacts on the business community and economy in the two preceding quarters.

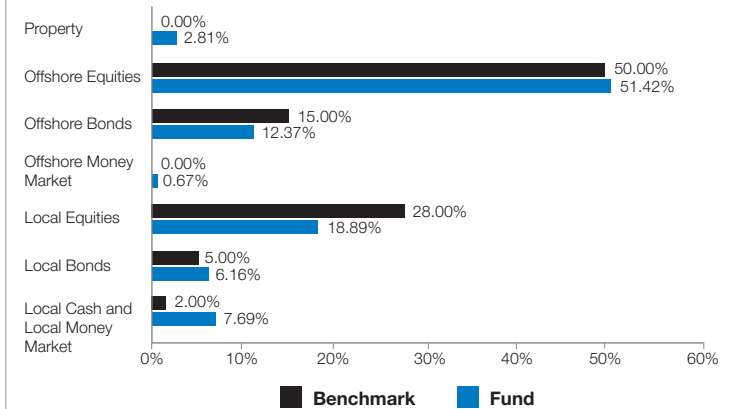
We expect the global economy to continue its transition from hurting to healing in 2021 and make good progress on the long climb back to its pre-crisis trend. We believe the current renewed weakness due to lockdowns in major economies will give way to accelerating economic growth from around the second quarter, driven by the broadening rollout of vaccines and continued fiscal and monetary support.

Total Expenditure Ratio (T.E.R.): 2.27%

## Cumulative Returns (BWP)



## Asset Allocation



## Quick Facts

### Fund Information

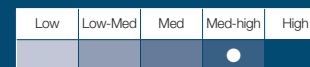
Portfolio Manager: Bifm Investments Team  
 Launch Date: Jan 2020  
 Minimum Investment: P200 debit order

Fund Size: BWP14,244,686.54

### Fees

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

### Risk Profile



### Income Distribution

Income Distribution Frequency: Semi-Annual Jun, Dec

### Contact Details

Trustees and Custodians  
 Stanbic Bank Botswana  
 Private Bag 00168  
 Gaborone

### Physical Address

Bifm Unit Trusts (Pty) Ltd  
 Plot 66458, Fairgrounds Office Park  
 Gaborone, Botswana

### Postal Address

Private Bag BR185, Broadhurst  
 Gaborone, Botswana

T: +(267) 395 1564  
 F: +(267) 390 0358  
 E: retailservices@bifm.co.bw

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