Ya Masa Junior Fund

Fund Factsheet | 30th June 2022

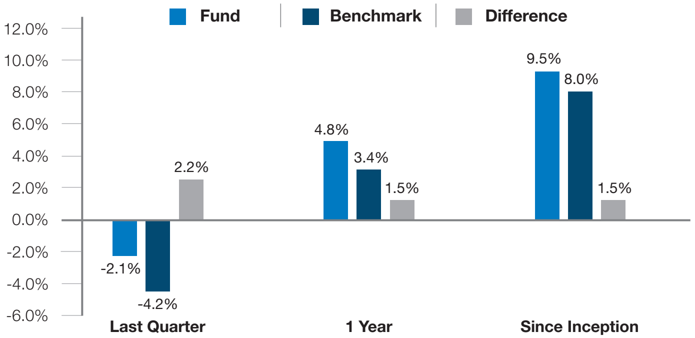
Bifm Unit Trusts

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 -2.05% over the quarter, outperforming the benchmark return of -4.24% by 2.18%. The fund's allocation to global assets weighed down on performance as both global equities and global bonds declined over the quarter. However, these asset classes outperformed their respective benchmarks. Over the 12-month period, the Fund returned 4.84%, outperforming the benchmark return of 3.35% by 1.49%.

Local Equities
The Local Equity allocation returned 1.44% over the quarter, underperforming the benchmark return of 1.81% by 0.37%. In general, the quarter produced a mixed bag of performance with key performance themes attributed to each sector. The banking sector led the recoveries as Stanchart gained 13.43%, the largest in the market over the period, while the financial services and property sectors largely experienced declines. The consumer sector had some recoveries and some declines. Choppies, after six consecutive quarters of no price change, shed 18.33%, the largest price decline within the quarter.

Local Bonds
The Local Bond allocation outperformed the benchmark return of 1.51% by 0.29%, returning 1.80% over the quarter. The monthly government bond auctions dominated issuances during the period with limited corporate bond issuances in the market. Owing to higher revenues collected from the improved rough diamond sales throughout the quarter, the central bank had a lower propensity to accept aggressive bids and thus rates only edged up slightly from the previous quarter and somewhat stabilized.

Offshore Equities
The Offshore Equity allocation returned -6.06% over the quarter, outperforming the benchmark return of -9.28% by 3.21%. The second quarter of the year provided little prospects of better days ahead. The Russia-Ukraine war, along with an environment of elevated inflation, hawkish central banks, and commodity shortages, continued to weigh on equity investor sentiments. This has led to significant drawdowns in global equity markets.

Cyclically sensitive sectors took a beating within the quarter as recessionary fears continued to mount. Consumer sectors were amongst the weaker performers during the quarter as concerns around discretionary income mounted, squeezed by higher food and energy prices. Traditionally defensive sectors such as health care, telecoms, staples, and utilities outperformed the market as they continued to be perceived as "safer" amidst the continued market volatility.

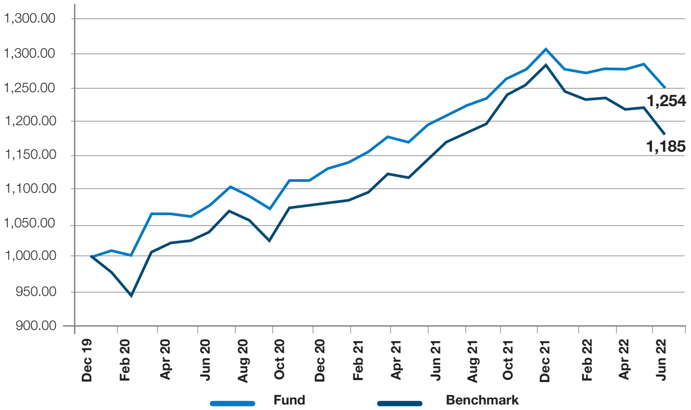
Offshore Bonds
The Offshore Bond allocation returned 0.33% over the quarter, outperforming the benchmark return of 0.70% by 1.03%. Global developed market benchmark yields continued to rise during the quarter. This was driven by widespread monetary policy tightening by central banks in a bid to rein in inflation, which continued to rise during the quarter. As developed market equities entered a bear market, global bonds also declined over the second quarter. Yields continued to rise, driven by rising inflation and central banks further solidifying their hawkish stance. In the US, the 10-year benchmark yield rose sharply, (from 2.34 at the beginning of the quarter) reaching levels close to 3.5% during the quarter before subsequently rallying as the market turned the focus to rising recession risk and the yield fell to 3.01% at the end of the quarter.

Market Outlook
With the global economy having bounced back from the Covid-19 impacts, a slowdown in economic growth is occurring. The slowdown comes at a time when inflation is high and rising, bringing about a dissonance between inflation and slowing economic activity, meaning the risk of stagflation is substantial. This is exacerbated by the strong hawkish stance taken by central banks to bring down inflation and maintain price stability. It should also be noted that while headlines have shifted, the COVID-19 pandemic is not over, and even though selected countries have started to move to an endemic stance, there are still risks associated with the virus that could easily resurface.

The Bank of Botswana March Business Expectations Survey (BES) results showed a general level of optimism about local business conditions. However, optimism was lower owing to concerns around rising cost pressures, particularly fuel prices and imports as a result of the ongoing conflict between Russia and Ukraine. Q1 2022 GDP, released by Statistics Botswana, showed an increase of 7.0%, year-on-year, compared to an increase of only 1.0% registered in the same quarter in 2021. The improvement in growth is attributed to strong international demand for diamonds as the world economy continued on a recovery path from the impacts of the COVID-19 pandemic.

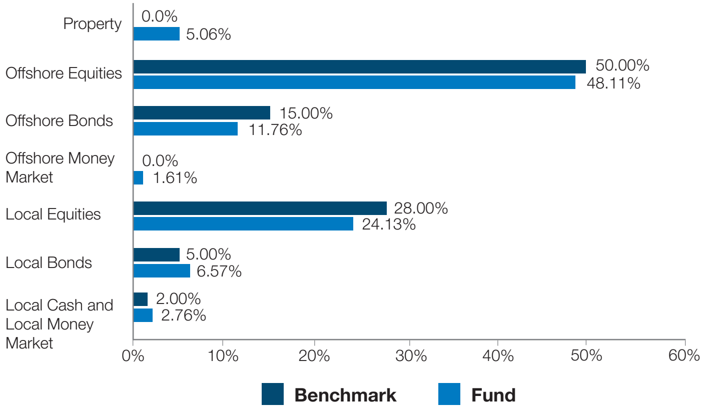
Total Expenditure Ratio (T.E.R.): 2.80%

Cumulative Returns (BWP)



Continuous monitoring helps ensure you're still aligned with your goal. Encourage your child to monitor their Ya Masa Junior Fund to appreciate how it's doing.

Asset Allocation



Quick Facts

Fund Information

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

Fund Size: BWP18,361,842.36

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

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

Ya Masa Junior Fund

Fund Factsheet | 30th June 2022

The information contained in this factsheet is provided as general information and does not constitute advice or an offer by Bifm Unit Trusts (Pty) Ltd. The information contained herein is proprietary to Bifm Unit Trusts (Pty) Ltd and/or its content providers and may not be copied or distributed and is not warranted to be accurate, complete or timely. Neither Bifm Unit Trusts (Pty) Ltd nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results, there is no guarantee that this investment will make profits; losses may be incurred. Bifm Unit Trusts (Pty) Ltd is an authorised financial services provider under license number CIU/02. Every effort has been made to ensure the provision of information regarding these financial products meets the statutory and regulatory requirements. However, should you become aware of any breach of such statutory and regulatory requirements, please address the matter in writing to: The Compliance Officer, Bifm Unit Trusts (Pty) Ltd, Plot 66458, Block A, 3rd Floor, Fairgrounds, Gaborone, Botswana, Private Bag BR 185 Gaborone.