

# Ya Masa Junior Fund

Fund Factsheet | 30<sup>th</sup> June 2024



## 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.

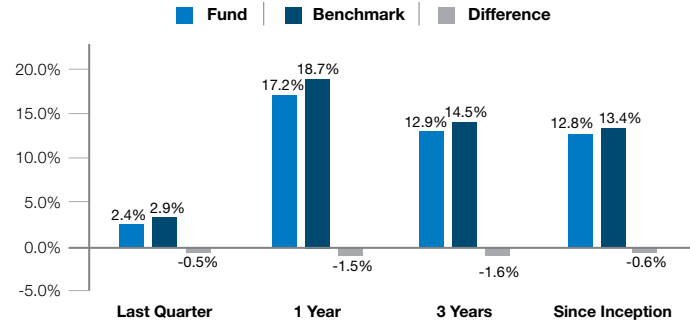
## Strategy

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 2.36% over the second quarter of 2024, underperforming the benchmark return of 2.87% by 0.51%. Asset allocation and stock selection decisions detracted from the fund's relative performance over the quarter.

Over the 12-month period, the Fund returned 17.18%, underperforming the benchmark by 1.54%.

## Local Equities

The Local equity allocation returned 6.53% over the quarter, underperforming the benchmark Domestic Companies Total Return Index (DCTRI) return of 7.51% by 0.98%.

The local equity market ended the first quarter of the year on a positive note, with 15 of the 23 listed stocks increasing in price over the last three months. Six stocks recorded a flat performance, and only two stocks declined in price over the period. Performance over the quarter was broad-based, with all sectors recording positive returns. Standard Chartered Bank ("StanChart") was the leading performer on the Botswana Stock Exchange (BSE) over the quarter, appreciating 39.45%. Other notable movers over the quarter were Chobe (13.70%), Engen (16.24%), Sechaba (18.93%), Anglo (19.67%) and BTCL (24.39%).

## Local Bonds

The Local Bond allocation returned 2.47% over the quarter, underperforming the benchmark Fleming Aggregate Bond Index (FABI) return of 2.58% by 0.11%. The central bank's continued accommodative monetary policy stance has continued to be positive for credit extension, which grew by 8.36% in the 12 months to April 2024. Of particular note, credit extension to firms grew faster (15.01%) than to households (4.97%).

## Offshore Equities

The Offshore Equity allocation returned 1.63% over the quarter, underperforming the benchmark MSCI return of 1.79% by 0.16%. Artificial Intelligence (AI) continues to be the primary support for market performance, and large-cap tech stocks continue to drive market performance.

## Offshore Bonds

The Offshore Bond allocation returned -1.36%, outperforming the benchmark Bloomberg Aggregate Bond Index return of -1.78% by 0.42%. Sovereign bond yields recorded broadly higher across developed markets, though some central banks, including the ECB and Bank of Canada, cut their policy rates. Robust economic data in the first half of the quarter gave way to slowing inflation prints in June, including in the U.S., U.K., and Germany. In Japan, yields continued to climb as the Bank of Japan signalled a hawkish path forward.

## Market Outlook

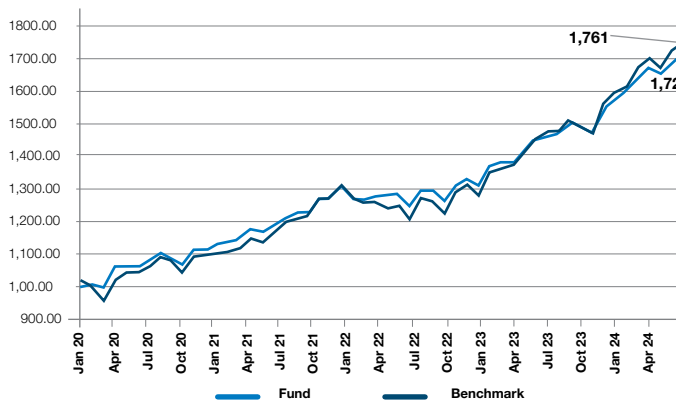
Statistics Botswana's quarterly GDP release showed a 5.3% contraction in Real GDP for the first quarter of 2024 (vs. a growth of 5.3% registered for the same quarter in 2023). This downturn was primarily influenced by a decrease in real value added of the Diamond Traders, Mining & Quarrying, Water & Electricity, and Manufacturing industries by 46.8%, 24.8%, 10.7%, and 0.8%, respectively. Conversely, all other industries experienced positive growth rates of 0.5% and above.

At the meeting held on the 13th of June 2024, the BoB's Monetary Policy Committee (MPC) reduced the Monetary Policy Rate (MoPR) by 25 basis points to 2.15%. Though the rate cut came as another surprise to capital market players, the MPC supported the decision as a recognition of an expectation for the economy to continue operating below full capacity in the short term and thus not expected to generate demand-pull inflationary pressures.

Globally, investor sentiment remains high as we enter the second half of 2024. The current extended market rally, which began in late October 2023, was initially fuelled by the expectation that falling inflation would allow the Fed to cut rates aggressively. However, inflation has proved sticky, and economic growth has been slower than expected, limiting the Fed's ability to cut rates. In Europe, inflation has remained on a clear downward path as the market has emerged from a shallow recession, allowing the ECB to cut rates for the first time in five years.

Total Expenditure Ratio (T.E.R.): 2.90%

## Cumulative Returns (BWP)



## Quick Facts

### Fund Information

Portfolio Manager: Bifm Investments Team

Launch Date: Jan 2020

Minimum Investment: P200 debit order

Fund Size: BWP35,815,480.89

### Fees

Initial Fund Fee: 0%

Annual Management Fee: 2%

Fees are shown excluding VAT

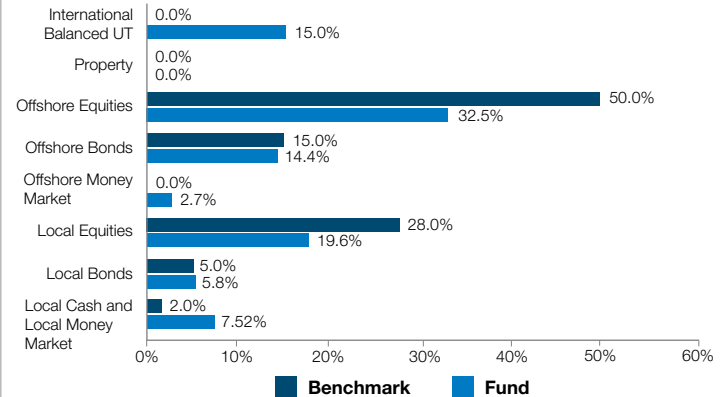
### Risk Profile

Low	Low-Med	Med	Med-high	High

### Fund feature

7 year lock-in period

## Asset Allocation



Share with your child how investing is a form of owning a business. The way they receive profits can vary.