Ya Masa Junior Fund

Fund Factsheet | 30th September 2021

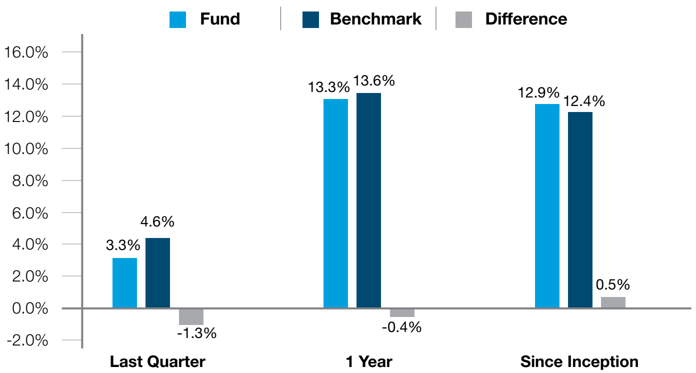
Bifm Unit Trusts

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
The Bifm Ya Masa Junior Fund returned 3.32% over the second quarter of 2021, however, this was an underperformance of 1.26% against the benchmark return of 4.58%. Within the quarter, both asset allocation and stock selection decisions detracted from fund relative performance. Over the twelve-month period, the fund underperformed the benchmark return of 13.64% by 0.38%.

Local Equities
The local equity allocation underperformed the benchmark DCI total return index return of 8.55% by 0.71%, returning 7.84% over the quarter. The financial sector heavyweights led the DCI's positive quarter. Four of the six securities within the sector appreciated, whilst the other two remained flat during the period. FNBB and Letshego, which rallied by 13.18% and 34.09%, respectively, led the pack. Other sectors continued to record share price declines, the most notable being a 7.55% decline by Chobe and 5.00% by Turnstar.

Local Bonds
The local bond allocation underperformed its benchmark return of -2.09% by 1.52%, returning -3.61% over the quarter. The Fund maintained an overweight allocation to credit vis-à-vis the benchmark (FABI, Fleming Aggregate Bond Index). Exposure to Government bonds increased over the quarter as additional purchases were made at the government bond auctions held in the period.

Offshore Equities
The fund's offshore equity allocation returned 2.76% over the quarter, however underperforming the benchmark return of 3.67% by 0.91% over the third quarter of 2021. World equities started the quarter strong, with a rally supported by positive corporate earnings. However, concerns around slowing economic growth, rising inflation, supply chain disruptions, and rising uncertainty in emerging markets towards the end of the quarter led to increased volatility and losses. Overall the MSCI World index ended the quarter broadly flat.

Offshore Bond
The offshore bond allocation returned 0.56% over the quarter, outperforming the benchmark return of 0.37% by 0.18%. Data regarding rollouts of Covid-19 vaccinations was promising, resulting in less pressure on the global healthcare systems but another wave can certainly not be ruled out hence some pessimism persisted over the quarter. On the back of the volatility, we saw a global bond sell-off with rates rising slightly in the US, Germany, and the UK.

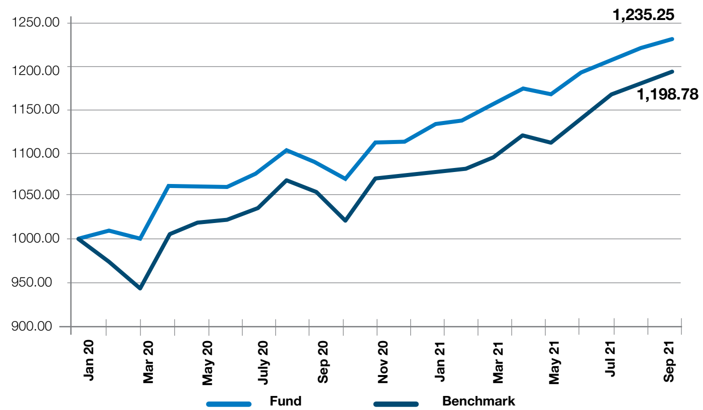
Market Outlook
Botswana's real GDP for the second quarter of 2021 increased by 36% year on year (from the level seen at the end of Q2 2020), a considerable jump from the Q1 2021 growth of 0.7%. Headline inflation which began the quarter at 8.2% rose to 8.9% in July and edged slightly down to 8.8% in August before dropping further down to 8.4%. The Bank of Botswana maintains expectations for inflation to trim down and return to the 3-6% objective range by the end of Q2 2022.

Globally, inflation is poised to remain a key focal point for investors as inflationary pressures continue to build up as the world recovers from the pandemic. Monetary policy support by central banks appears to be at or near an inflection point, with the US Fed expected to raise the policy rate to 1% (albeit in 2023) and 1.75% by 2024. The BoE and ECB also hinted to a hawkish turn, with the ECB reemphasising a slowdown in its asset purchases and the BoE suggesting it could start raising rates before the end of the year.

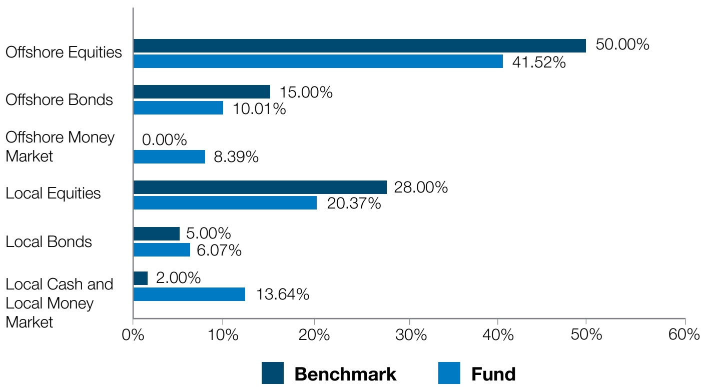
Total Expenditure Ratio (T.E.R.): 2.58%

Knowing the difference between 'wants' & 'needs' is a key part of budgeting. Instead of buying everything for your child, give them an allowance and allow them to make spending decisions based on their wants vs needs.

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: BWP16,143,888.22

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

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