

Ya Masa Junior Fund

Fund Factsheet | 31st December 2023



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.

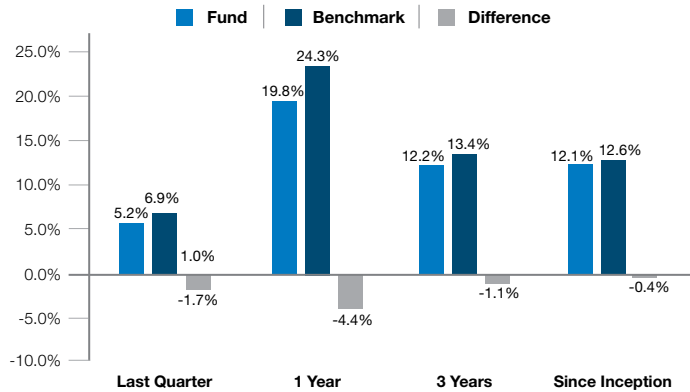
Strategy

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 5.21% over the fourth quarter of 2023, underperforming the benchmark return of 6.88% by 1.67%. Stock selection and asset allocation decisions detracted from the fund's relative performance over the quarter. Over the 12-month period, the Fund returned 19.81%, underperforming the benchmark by 4.44%.

Local Equities

The Local equity allocation returned 4.32% over the quarter, underperforming the benchmark Domestic Company Total Return Index (DCTRI) return of 4.43% by 0.11%. The local equity market ended the last quarter of the year on a positive note with 14 of the 23 listed stocks increasing in price over the last six months. Five stocks recorded a flat performance and only four stocks declined in price over the period. The strong performance was supported by robust growth in earnings across most of the sectors. Seed Co International was the leading performer on the Botswana Stock Exchange (BSE) over the quarter, appreciating 34.62%. Other notable movers over the quarter were CA Sales (8.52%), RDPC (6.67%), Letole (5.88%), FNBB (5.65%), and StanChart (4.95%).

Local Bonds

The Local Bond allocation returned 4.01% over the quarter, outperforming the benchmark Fleming Aggregate Bond Index (FABI) return of 2.84% by 1.17%. For the 12 months to October 2023, total credit extended by local banks continued to be positive on the back of a steady Monetary Policy Rate. During the period, total credit extension grew by 11.4% and was led by extension to firms at a growth rate of 12.71%. Within firms, credit extension to parastatals registered the highest level of growth (106.2%).

Offshore Equities

The Offshore Equity allocation returned 6.55% over the quarter, underperforming the benchmark MSCI World Index (MSCI) return of 9.10% by 2.55%. While all sectors performed positively within the quarter, the technology sector remained dominant followed by retail and industrials. In addition, strong earnings provided a further catalyst to performance as the year progressed.

Offshore Bonds

The Offshore Bond allocation returned 5.31%, underperforming the benchmark return of 5.86% by 0.54%. During the quarter, bond yields rose alongside strong U.S. economic data and rising expectations for rates to stay higher for longer. In the U.S., yields rose across the curve with real yields reaching their highest levels since the Great Financial Crisis. In developed markets outside of the U.S., including the U.K., Germany, and Japan, yields rose against a backdrop of elevated inflationary pressures and resilient economic growth.

Market Outlook

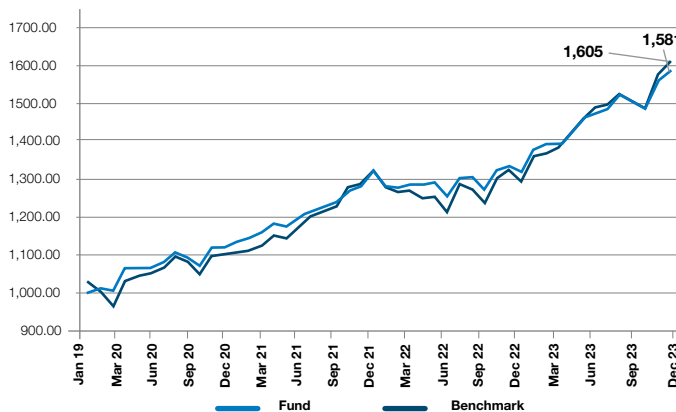
The Q3 2023 Gross Domestic Product (GDP) publication by Statistics Botswana reported a continued slowdown in local output. During the third quarter of 2023, real GDP rose by 0.5% (year-on-year), as opposed to an increase of 5.0% in the same quarter of 2022.

The Bank of Botswana (BoB)'s Monetary Policy Committee (MPC) announced a 25 basis points rate cut in the Monetary Policy Rate to 2.40%. The MPC noted that inflation had declined and was expected to remain within the BoB target range of 3-6% over the short to medium term. The Committee also noted the slowdown in GDP growth on the back of lower diamond sales as well the growth-enhancing economic transforming reforms and supportive macroeconomic policies being implemented in the country, all of which informed the decision to cut the rate.

Globally, indications of slowing inflation in the second half of the quarter prompted markets to price in accelerated expectations of rate cuts for next year. Long-term bond yields fell broadly in developed markets as central banks held rates steady, including in the U.S., U.K., and Germany. In Japan, bond yields fell more modestly as the Bank of Japan weighed a potential exit to its accommodative monetary policy.

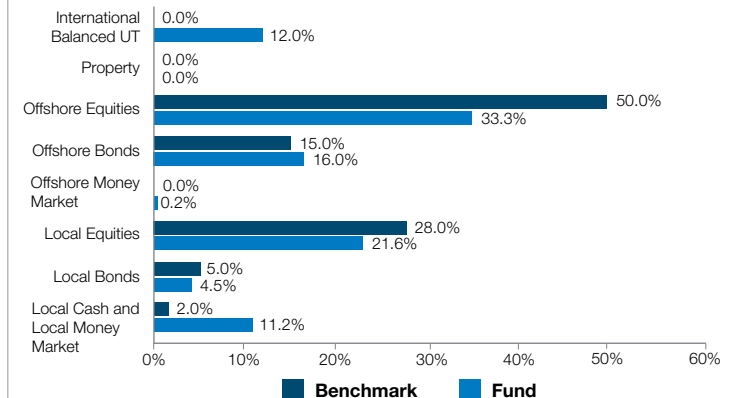
Total Expenditure Ratio (T.E.R.): 2.84%

Cumulative Returns (BWP)



Remember to reflect on the financial lessons learned in the previous year when setting goals for the new year. Discuss any successful investment strategies or areas where adjustments might be needed.

Asset Allocation



Quick Facts

Fund Information

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

Fund Size: BWP30,159,669.24

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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