

## FUND OBJECTIVE

The Local Money Market Fund (LMM) is a capital preservation fund that principally invests in low risk assets to manage short term cash needs. These comprise of cash, call deposits and fixed deposits. More importantly, they also include fixed deposits, BoBC-linked deposits, Treasury Bills (T-Bills) and structures with a maturity of less than one year. Cash and call deposits are held for liquidity purposes and yield a relatively lower return. Short term structured deposits and instruments such as short term loans are yield enhancing products that are made for a fixed period and thus provide less liquidity when measured against cash and call deposits.

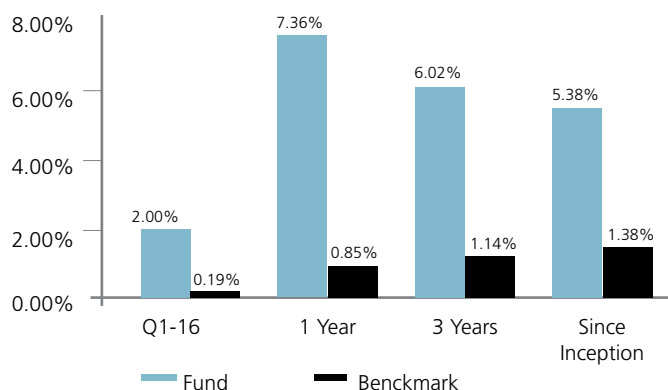
## STRATEGY

The BIFM Money Market Fund invests in Call and Fixed deposits and Treasury Bills. We actively manage the portfolio, by seeking yield enhancing assets, without compromising the risk and maturity profile of the fund.

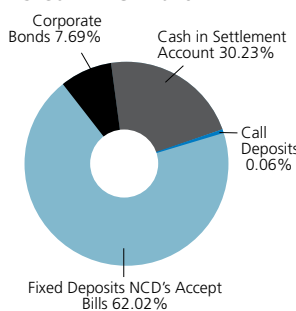
## WHY CHOOSE THIS FUND?

This fund is suitable for investors who want high yields but need their fund to remain liquid.

## PERFORMANCE AS AT 31st MARCH 2016



## ASSET ALLOCATION AS AT 31st MARCH 2016



## PERFORMANCE FOR Q1 2016

In the 1st quarter of 2016 (1Q2016), the Local money market instruments in the Unit Trust returned 2.00 percent, an outperformance of 181 basis points against the benchmark of 0.19%. The LMM outperformed the benchmark, over the one year, 3-year and 5-year periods. The outperformance is mainly due to our lengthening of duration on the money market sides when money markets instruments were attractively priced.

## QUARTERLY COMMENTARY

The 1st quarter of 2016 has been characterised by a low interest rate environment on account of excess liquidity in the domestic market. In its February press release, the central bank reaffirmed its monetary policy stance by maintaining the Bank rate at 6%. Inflation in the quarter remained within the central banks' target range of 3 to 6 per cent, with exception of January which saw inflation breaching the lower bound of the range at 2.7%. We foresee a continuation of supportive monetary policy owing to a weaker domestic economy mostly as a result of weakening commodity prices especially within the mining sector.

## OUTLOOK AND STRATEGY

We expect interest rates to remain low in the near future. Money market instruments are expected to be the most affected. On average short term deposit rates offered were priced relatively low compared to the previous quarter. However we will continue to seek opportunities to take advantage of attractively priced deposits as a result differing operational or capital requirements by commercial banks.

## QUICK FACTS

### Risk Profile

Low	Low - Med	Med	Med-high	High
●				

### Fund Information

Portfolio Manager:	Dr Zoumana Kone, CFA
Launch Date:	April 2012
Minimum Investment:	P 5000 lump sum P 1000 debit order
Fund Size:	BWP675, 946, 787.51

### Fees

Initial Fund Fee:	0.00%
Annual Management Fee:	1 %
Fees are shown excluding VAT	

### Income Distribution

Income Distribution Dates: Monthly

### Contact Details

#### Trustees and Custodians

Stanbic Bank Botswana  
Private Bag 00168  
Gaborone

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