

Global Sustainable Growth Fund

Fund Factsheet | March 2026



Fund Objective

The Bifm Global Sustainable Growth Fund returned -3.67% over the quarter, underperforming the benchmark MSCI All Country World Index (ACWI), which returned 2.28% by 5.95%. Over the 12-month period ending, the Fund returned 14.18%, underperforming the benchmark by 11.08%.

Performance Commentary

Markets entered 2026 supported by resilient earnings, improving breadth, and optimism around AI-related growth. However, this constructive backdrop reversed sharply following the escalation of conflict in the Middle East and the closure of the Strait of Hormuz, which represented one of the most significant energy supply shocks in decades. Disruption to roughly 20% of global oil and gas flows drove Brent Crude above \$100–110/bbl, reigniting inflation concerns and risk aversion.

Higher energy prices complicated the outlook for monetary easing, pushing markets to reprice toward "higher-for-longer" rates and compress equity valuations.

Global equity markets declined over Q1 2026, after a strong start to the year. The MSCI ACWI finished the quarter down 3.02%, and the MSCI World was slightly lower, shedding 3.57%. Losses were concentrated in March as geopolitical risk escalated materially. The VIX index closed off the month at 25.25, up 68.90% over the quarter.

Regionally, returns were dispersed. The United States was among the weakest major markets. Large-cap growth and technology stocks lagged sharply, with the "Magnificent Seven" declining around 11%, reflecting concerns over AI capex discipline, energy costs, and rates. Ex-US Developed Markets generally outperformed the US. Japan and the UK delivered positive returns, benefiting from value and cyclical exposure, as well as improved market breadth. Europe declined, though less severely than the US, and the energy shock renewed stagflation concerns due to gas import dependence.

Emerging Markets were weak in aggregate, but with sharp dispersion. EM Latin America was the standout, supported by commodity and energy exposure. EM Asia lagged due to energy import dependence, US dollar strength, and risk-off sentiment, with notable weakness in India, Indonesia, and China.

Energy was the clear outperformer over the quarter, delivering strong positive returns of 36.86% as oil and gas prices surged.

Growth-sensitive sectors underperformed. Consumer Discretionary, Information Technology, and Financials fell sharply amid concerns over higher input costs and weaker consumer demand. These sectors declined by 10.77%, 9.03%, and 7.14%, respectively.

Global value stocks materially outperformed growth, aided by energy exposure, cyclicals outside the US, and the pullback in mega-cap tech. The MSCI Value index was modestly positive at 1.18%, while the MSCI Growth index fell by 8.45%.

Market Outlook

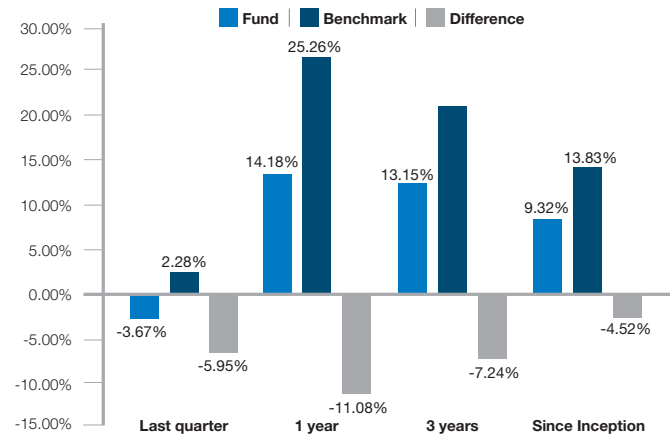
The global equity outlook is shaped by heightened geopolitical uncertainty following the escalation of tensions in the Middle East and the disruption to global energy supply. The duration of this shock will be critical in determining market outcomes. A swift resolution would likely allow energy prices to ease and growth expectations to stabilise, while a prolonged disruption risks reigniting inflation pressures, weakening consumer demand and increasing downside risks to confidence. Markets currently appear to be pricing a relatively benign scenario, leaving valuations vulnerable should geopolitical risks persist or intensify.

Higher energy prices complicate the inflation and monetary policy outlook. While a recession is not the central expectation, growth is likely to moderate, particularly in the United States, as fiscal support fades later in the year. Recent equity market weakness has been driven more by valuation compression than by a deterioration in earnings, implying that equities may become increasingly sensitive to any disappointment in profit delivery. Market structure adds to this fragility, with crowded positioning in large-cap growth and artificial intelligence themes raising the risk of sharper moves during periods of stress.

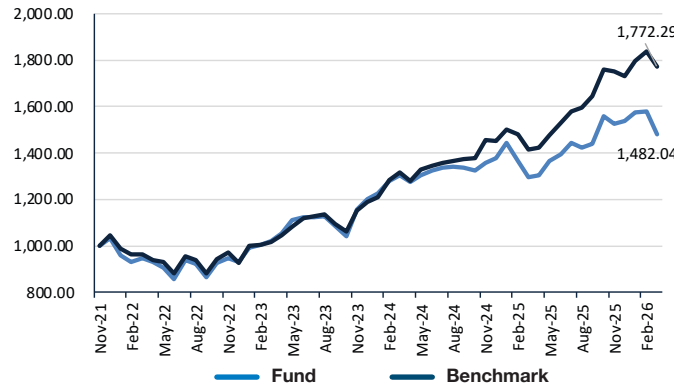
In this environment, markets are expected to become more selective, with higher volatility and wider dispersion of returns across regions, sectors and stocks. Value and quality characteristics, such as strong balance sheets, pricing power and resilient cash flows, are likely to be increasingly rewarded. Highly rated and economically sensitive areas face greater scrutiny. International equities remain relatively attractive on valuation grounds compared with the United States, though selectivity remains essential, particularly within emerging markets. Overall, the opportunity set remains compelling but less for

Total Expenditure Ratio (T.E.R.): 3.25%

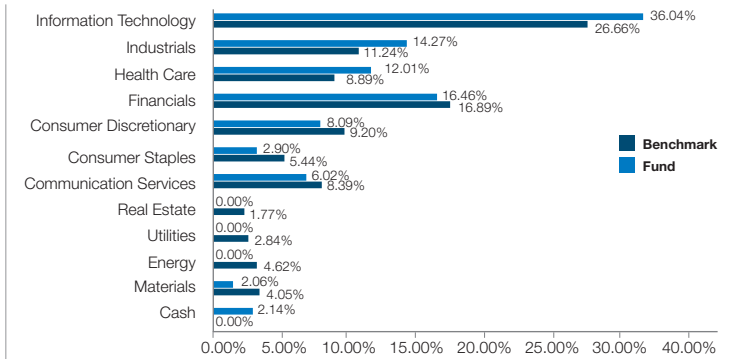
Performance



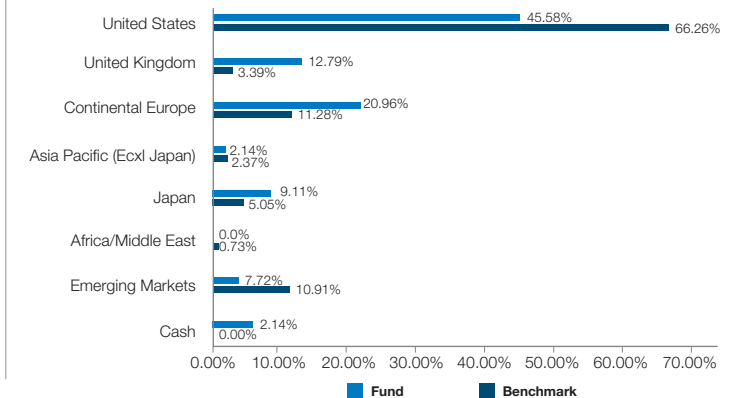
Cumulative Returns (BWP)



Sector Allocation



Geographical Allocation



Quick Facts

Fund Information

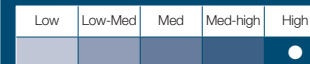
Fund Manager
The fund invests up to 100% of its assets in a strategy managed by Bifm's offshore investment partner - Schroders Asset Management.

Benchmark: MSCI ACWI
Launch Date: Nov 2021
Minimum Investment: P5000 lump sum
P1000 debit order
Fund Size: BWP66,381,795.73

Fees

Initial Fund Fee: 0%
Annual Management Fee: 2%
Fees are shown excluding VAT

Risk Profile



Fund feature

1 year lock-in period

Contact Details

Trustees and Custodians
Stanbic Bank Botswana
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Physical Address

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