Global Sustainable Growth Fund

Fund Factsheet | 31st March 2024

Bifm Unit Trusts

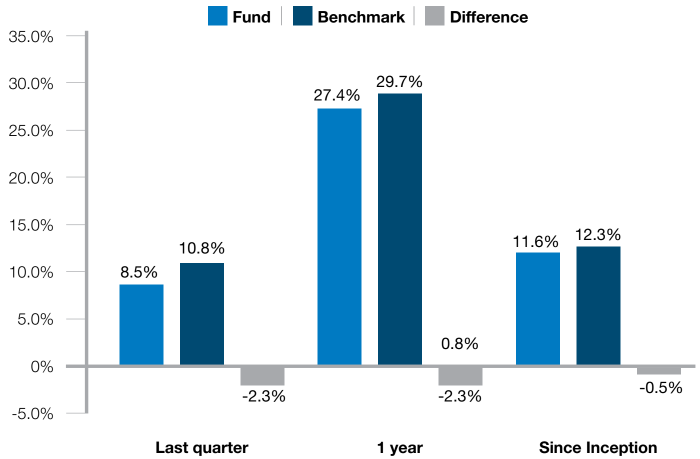
Fund Objective

The fund aims to provide capital growth by investing in equities of companies worldwide which meet the investment manager's sustainability criteria.

Why Choose This Fund?

The Global Sustainable Growth Fund is suitable for the investor who wishes to achieve long-term capital growth and has a high-risk appetite.

Performance



The Bifm Global Sustainable Growth Fund returned -8.51% over the quarter, underperforming the benchmark MSCI All Country World Index (ACWI) which returned 10.79% by 2.28%. Stock selection was negative in the first quarter, particularly in financials, consumer staples and industrials. Conversely, allocations to information technology and healthcare contributed to gains. The Fund's underweight allocations to real estate and utilities also added value in the quarter. Over the 12-month period ending March 2024, the Fund returned 27.42%, underperforming the benchmark by 2.30%.

Performance Commentary

Global equities gained in the first quarter, with developed markets outperforming emerging markets amid expectations of interest rate cuts later in the year. By region, the Fund's positions in Continental Europe and Japan contributed to performance over the quarter, while allocations to North America, the UK, Pacific ex Japan and emerging markets detracted from overall performance. The US equities market, represented by the S&P 500, remained the leading performer and rose by 10.16% over the quarter. Stronger corporate earnings and expectations of interest rate cuts boosted the largest economy's equity performance. While growth stocks are largely the driver of the US equities market, these stocks have been supported by healthy corporate earnings including from some of the Magnificent Seven stocks.

Eurozone stocks, represented by the Euro Stoxx 50, were up 9.71%. The MSCI Europe Index returned 4.96%. Performance was buoyed by technology stocks. Additionally, due to the improvements in the economic outlook and improving business activity within the region, the more economically sensitive stocks were boosted.

Japanese equities also performed well with the TOPIX Index recording a total return of 18.1% in local currency, as the Bank of Japan (BOJ) took steps to overhaul its monetary policy. These initiatives included negative interest rates and yield curve control. Emerging markets, represented by the MSCI Emerging Markets index, reported a positive performance of 2.37%. However, this performance lagged developed markets performance of 8.88% due to China's struggles. Chinese stocks were lower on the back of caution applied by foreign investors amid ongoing fears about the country's economic outlook.

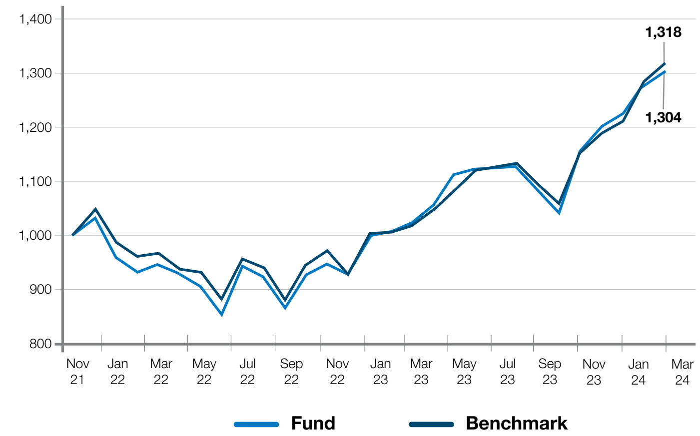
Market Outlook

Turbulence will likely remain within the global capital markets amidst a busy political calendar, tight financial conditions, and a slowing economic cycle. Headline inflation has come down substantially but remains above target levels in most markets with rates likely to remain "higher for longer" as most central banks remain on hold, leading to tighter financial conditions. As financial conditions tighten and the economic cycle slows down, we continue to see some pockets of stress emerging amidst highly leveraged consumers and corporates. Spending and consumer demand show signs of slowing as much of the excess savings accumulated during the COVID-19 crisis have largely been depleted. Corporate balance sheet strength and strong cashflow generation will remain important during this period of slowdown and higher cost of capital. Geopolitical and policy risk will be of focus, as over 40 countries representing three-quarters of the total global investable universe will hold national elections in 2024. While we are cognizant of the potential policy risks and continue to monitor these, remaining focused on the economic outlook, earnings, and growth trajectory for our investment holdings and valuations remains important. Valuations continue to favour ex-US markets, particularly the UK, Japan, and emerging markets. However, the US market looks less expensive relative to history when you look beyond the "Magnificent 7" mega-cap growth stocks.

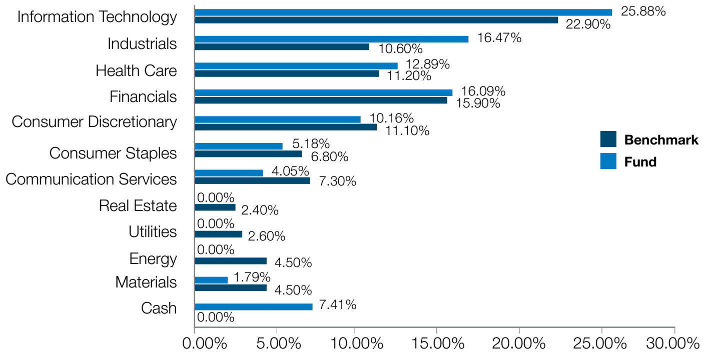
Increased volatility is expected this year because of the economic and policy uncertainty. It is against this backdrop that, we believe that the environment will create increased opportunities for patient and selective investors with a long-term focus. We continue to monitor the market landscape closely and maintain a well-diversified portfolio reflecting a fluid outlook and an active approach underpinned by fundamental research.

Total Expenditure Ratio (T.E.R.): 3.31%

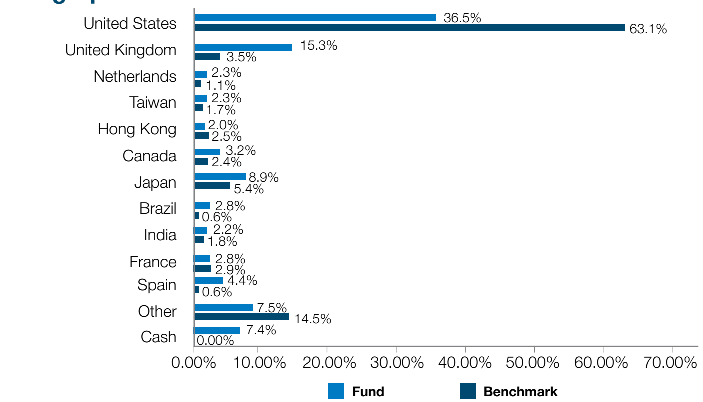
Cumulative Returns (BWP)



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:	**BWP42,682,032.25**

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

1 year lock-in period

Contact Details

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