

Global Sustainable Growth Fund

Fund Factsheet | 31st December 2023



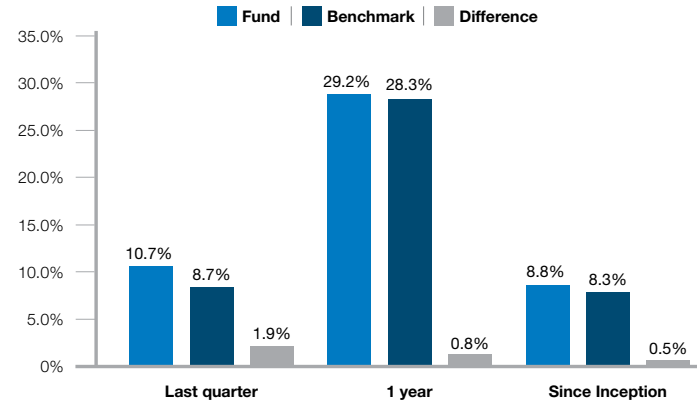
Fund Objective

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 -10.68% over the quarter, outperforming the benchmark MSCI All Country World Index (ACWI) which returned 8.73% by 1.95%.

Stock selection was positive in the fourth quarter, particularly in industrials and information technology. The Fund's zero-weight allocation to energy also added value. Conversely, allocations to consumer staples, communication services, and materials detracted from performance over the quarter. The Fund's zero-weight allocation to real estate also weighed on returns.

Over the 12-month period ending June 2023, the Fund returned 29.19%, outperforming the benchmark by 0.85%.

Performance Commentary

Despite a challenging third quarter, the fund ended the year with a strong fourth quarter performance as inflationary pressures continued to ease increasing investor optimism. Performance over the year was fuelled by a strong first half of the year, where AI was the reason for the dominating performance of the "Magnificent Seven" Stocks (Apple, Alphabet, Amazon, Meta, Microsoft, Nvidia, and Tesla). However, strong earnings provided a further catalyst for strong performance as the year progressed. However, market performance has remained concentrated in the technology sector. While all sectors performed positively within the quarter, the technology sector remained dominant followed by retail and industrials.

Over the quarter, developed markets outperformed emerging markets. China's performance, which dragged the performance of the emerging markets was -11.2%, the result of an ongoing real estate crisis, and an exodus of foreign capital, led on by geopolitical tensions, and uncertainty over the country's regulatory regime.

US stocks gained during the quarter on the back of optimism surrounding a soft landing for the US economy, and heightened expectations for interest rate cuts in 2024.

The MSCI ACWI ex-US posted a 15.6% gain driven by Japan and Continental European stocks. Japan has turned a new leaf, with corporate governance reforms supporting the performance of the markets. The Eurozone experienced positive performance, mostly led by the small and mid-cap stocks that outperformed the broader market as domestically focused companies performed strongly.

The MSCI World Value Index, gaining 6.35% lagged the MSCI World Growth Index gain of 10.29% over the quarter as the technology sector, which is typically a growth sector, performed well over the quarter.

Market Outlook

The major themes impacting global markets were tight financial conditions, slowing economic growth as well as heightened geopolitical tensions.

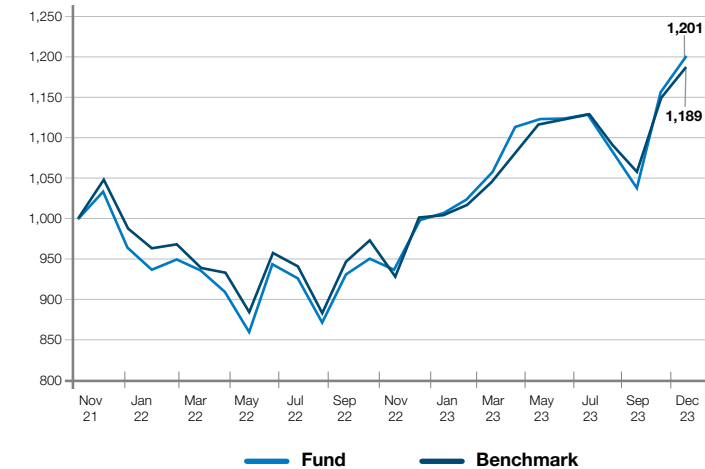
National elections are the key focus for geopolitical relations in 2024, as at least 64 countries representing 49% of global populations are to hold national elections within the year. The results of the US presidential elections, the most watched election, to be held in the fourth quarter, could have a dramatic implication on geopolitical relationships.

Artificial Intelligence (AI) will continue as a theme within the technology sector. However, investors still must unfold the full potential of the technology and its potential in driving new revenue streams and productivity gains. As the area is not yet well understood, it will continue to be an area of emphasis.

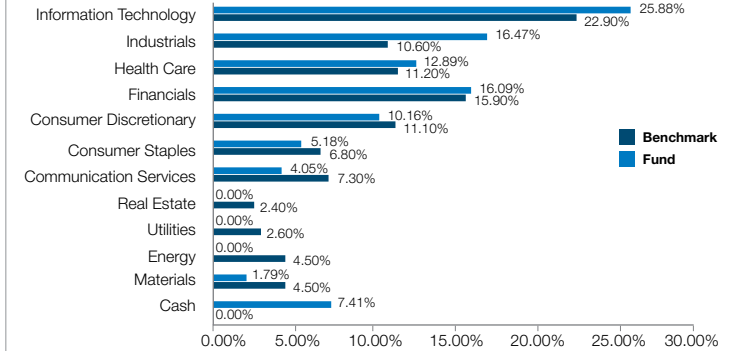
Inflation has come down significantly. However, in most markets, the inflation figures remain above target levels, feeding into interest remaining higher for a longer narrative. This continues to put pressure on corporates and consumers who are highly leveraged. In addition, consumers have nearly depleted the savings accumulated during COVID-19, which has fed into the lower spending and consumer demand.

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

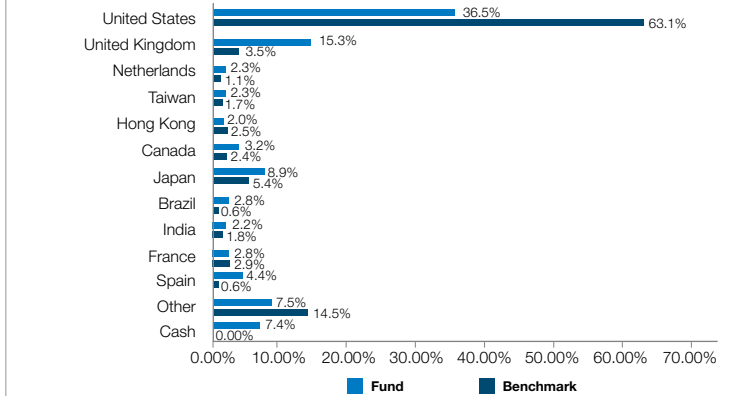
Cumulative Returns (BWP)



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 - Schrodgers Asset Management.

Benchmark: MSCI ACWI
Launch Date: Nov 2021
Minimum Investment: P5000 lump sum
P1000 debit order
Fund Size: BWP36,124,751.08

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
Private Bag 00168
Gaborone

Physical Address

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