Global Sustainable Growth Fund

Fund Factsheet | 30th June 2024

Bifm Unit Trusts

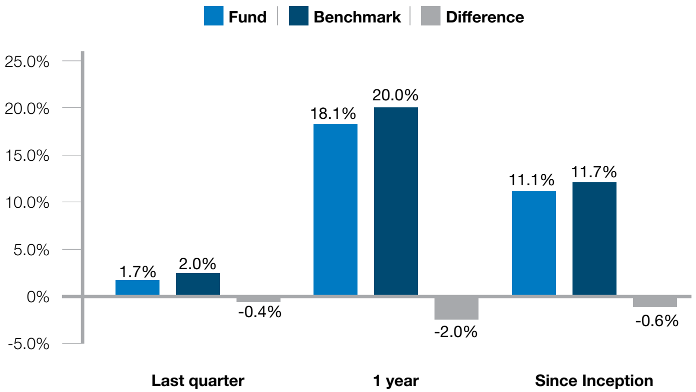
Fund Objective

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 -1.66% over the quarter, underperforming the benchmark MSCI All Country World Index (ACWI), which returned 2.03% by 0.37%. Stock selection was adverse in the second quarter, particularly in information technology, healthcare, and financials. Conversely, stock selection in industrials, materials, and communication services added value in the quarter. Over the 12-month period ending March 2024, the Fund returned 18.06%, underperforming the benchmark by 1.97%.

Performance Commentary

Offshore equities continued their strong start to the year, appreciating further in the second quarter of 2024, leading to an 11.75% return over the first half of the year. Investor sentiment remained positive over the quarter following solid earnings and the expectation of a "soft landing" for the US economy. Initial concerns regarding sticky inflation and the lack of interest rate cuts subsided over the quarter. The US market led the gains over the quarter. Artificial Intelligence (AI) continues to be the primary support for market performance, and large-cap tech stocks continue to drive market performance. Nvidia, Apple, and Alphabet all posted gains of over 20% over the quarter, with Nvidia again leading the pack. It rose by almost 37% during the quarter and is now up 150% over the year.

In contrast, European equities declined over the quarter. Politics was a key focus, with gains for right-wing nationalist parties in European parliamentary elections. This was notably the case in France, where President Macron responded by calling parliamentary elections, a move that surprised markets and saw French equities underperform the broader eurozone index. On the other hand, UK equities rose, with the FTSE 100 achieving an all-time high driven by the financials, healthcare, and resources sectors. The UK economy rebounded strongly over the first quarter of 2024, growing by 0.7%, following a mild recession over the second half of 2023. In Japan, the equity market returned 1.7% over the quarter. In March, the Bank of Japan (BOJ) took action, and there was a moderate rise in Japanese government bond (JGB) yields, which supported financial stocks in Japan. Emerging Market (EM) equities outperformed developed market equities over the quarter, with the MSCI Emerging Market Index returning 5.00%. Investor optimism around President Xi's reforms for the housing sector, along with a rebound in GDP growth, boosted Chinese stocks higher. In the rest of Asia, Taiwan led the gains and posted double-digit returns in US dollar terms against a backdrop of continued investor enthusiasm for the Semiconductor sector, which is expected to benefit from AI technology.

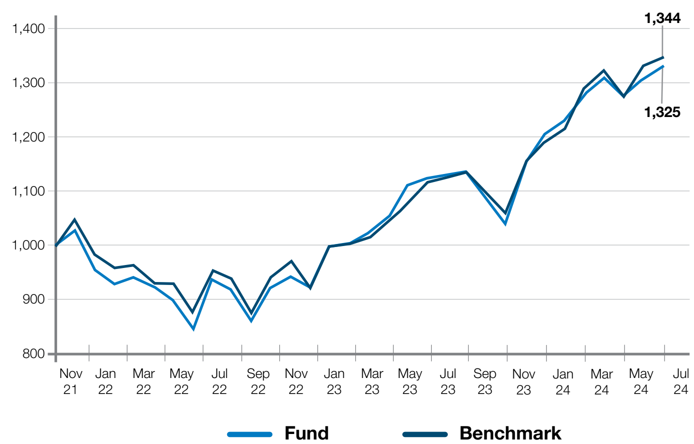
Market Outlook

As we enter the second half of 2024, investor sentiment remains high. The current extended market rally, which began in late October 2023, was initially fueled by the expectation that falling inflation would allow the Fed to cut rates aggressively. However, inflation has proved sticky, and economic growth has been slower than expected, limiting the Fed's ability to cut rates. In Europe, inflation has remained on a clear downward path as the market has emerged from a shallow recession, allowing the ECB to cut rates for the first time in five years. 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 the remainder of 2024. The US election in November remains one of the most closely anticipated. The outcome has the potential to dramatically impact geopolitical relationships and sectors such as healthcare and clean energy. While we are aware of the potential geopolitical and policy risks and continue to monitor them, we must focus on the economic outlook, earnings, and growth trajectory for our investment holdings and valuations.

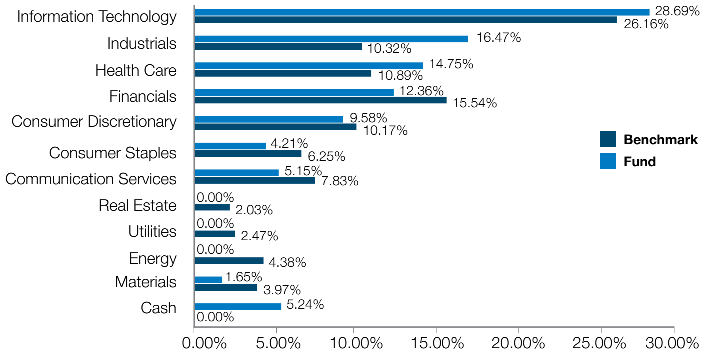
Valuations favour ex-US markets, mainly the UK, Japan, and Emerging Markets. However, the US market looks less expensive relative to history when you look beyond the "Magnificent 7" mega-cap growth stocks. The case for value is more compelling outside of the US. On a relative basis, valuations look more attractive outside the US as central banks are responding more quickly than the Fed in easing policy rates. Given our diversified approach, we are very comfortable with a more range-bound environment, and our focus remains on identifying attractively valued high-quality stocks that are well suited to navigate a multi-themed market.

Total Expenditure Ratio (T.E.R.): 3.30%

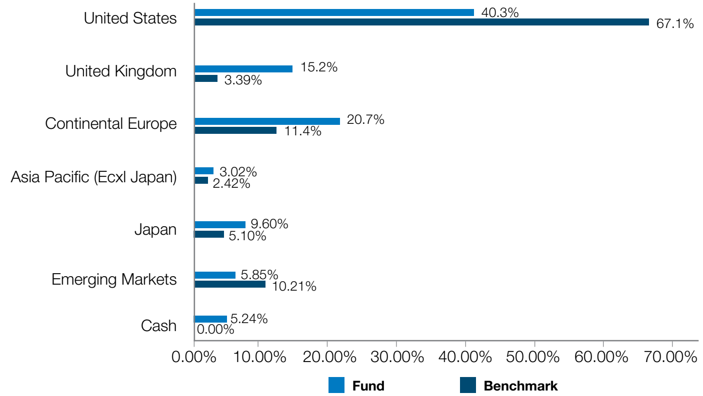
Cumulative Returns (BWP)



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:	**BWP50,232,562.63**

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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