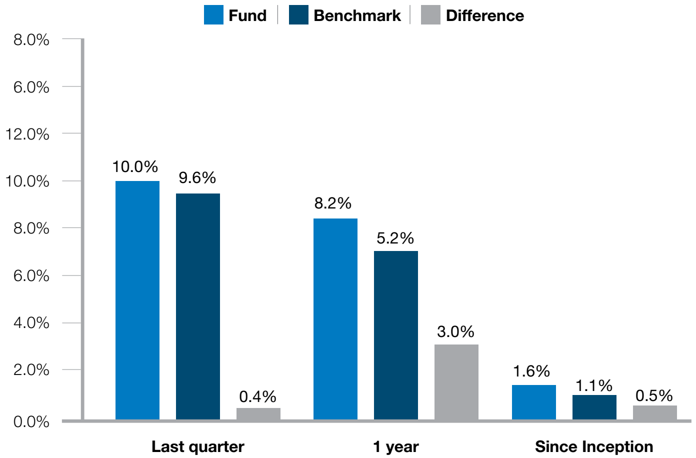
Global Sustainable Growth Fund

Fund Factsheet | 31st March 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?
This 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 10.01% (in BWP) over the quarter, outperforming the benchmark MSCI All Country World Index (ACWI) which returned 9.61% by 0.40%. Stock selection was positive over the quarter, particularly in the consumer discretionary sector. The fund's overweight allocation to the industrials sector was a positive contributor to fund relative performance, whilst the fund's underweight allocation to communication services detracted from fund relative performance over the quarter. Over the 12-month period ending December 2022, the Fund returned 8.18%, outperforming the benchmark by 2.96%.

Performance Commentary
Global equity markets began the year with gains across most regions. However, investor sentiment was mixed over the quarter as investors grappled with changing interest rate expectations, weak macroeconomic data and concerns over the health of the global banking system. Most sectors posted gains during the quarter. The information technology sector was the largest gainer followed by the Consumer Discretionary and Communication services sector. The energy sector was the biggest loser over the quarter as commodity prices fell over the period. The financial services sector also declined over the quarter amidst the collapse of the US regional bank Silicon Valley Bank and larger concerns over the health of the global banking system.

From a regional perspective, the Eurozone region was the strongest performer, followed by the US and UK regions.Eurozone shares experienced strong gains in the quarter despite the negative fallout experienced in the banking sector following the collapse of Credit Suisse. The European Central Bank raised interest rates by 50 basis points in both February and March.

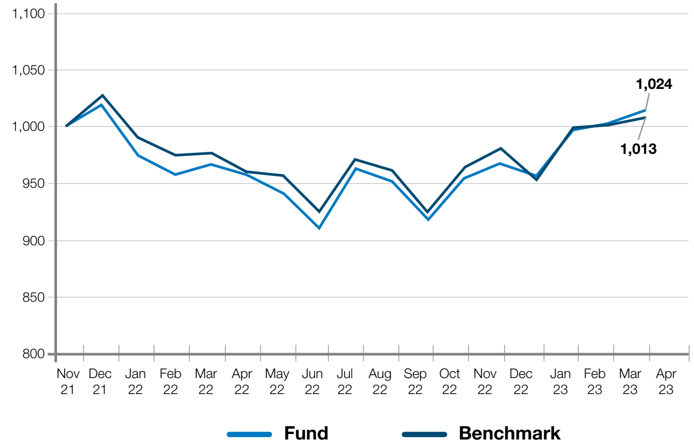
US stocks also gained over the quarter. The US Federal Reserve (Fed) raised rates twice over the quarter, and data indicated that inflation remains elevated but is cooling, leading to expectations the end of the hiking cycle is near. Emerging market equities also posted positive returns over the quarter, but slightly lagged the performance of developed markets. Their performance was weighed down by weakness in India, Turkey and the Middle East. China's conclusion of their Covid-Zero policy continued to propel Chinese equities higher at the start of the year but the rally waned as a re-escalation of US-China tensions dampened investor enthusiasm.Growth stocks outperformed value stocks over the quarter with the MSCI Growth Index returning 15.18% over the quarter whilst the MSCI Value Index lagged, returning 1.12% over the quarter. Resilient earnings and more reasonable valuations compared to last year fuelled the surge in growth stocks over the quarter. The large mega-cap growth stocks posted the most impressive gains with Nvidia, Tesla and Meta appreciating by 90%, 84% and 76% over the quarter. Conversely, value stocks were weighed down by the performance of the financial sector as well as the energy sector. Meanwhile, defensive areas with good value and quality characteristics lagged despite the market turbulence. Similarly, the real estate sector saw significant falls amid worries over financing costs and weaker occupancy rates.

Market Outlook
Global equities remain under pressure entering 2023 amidst geopolitical tensions, high inflation, tightening monetary policy, and expectation of lower earnings as global economic growth slows. The impact of higher interest rates will continue to impact global growth negatively and in turn, put earnings growth under further pressure in 2023. While broadly corporate balance sheets remain healthy, tighter credit conditions may begin to reveal cracks in companies that are unprepared to weather the more challenging environment

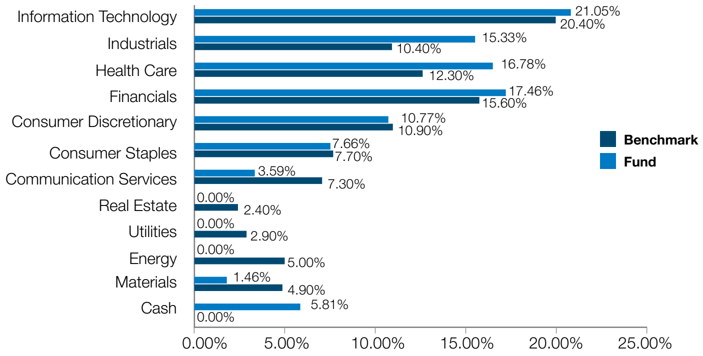
The geopolitical backdrop remains challenging. Russia's invasion of Ukraine remains a significant source of volatility and uncertainty to global markets. Putin's endgame remains unknown, and the conflict in Ukraine will continue to have important implications for cost inflation, interest rates, and supply chain disruption going forward. The outlook remains mixed, with fiscal and monetary tightening likely to dampen the ongoing recovery. We remain conscious of inflation and interest rate risk in the portfolio and are managing our positions accordingly.

Total Expenditure Ratio (T.E.R.): 3.34%

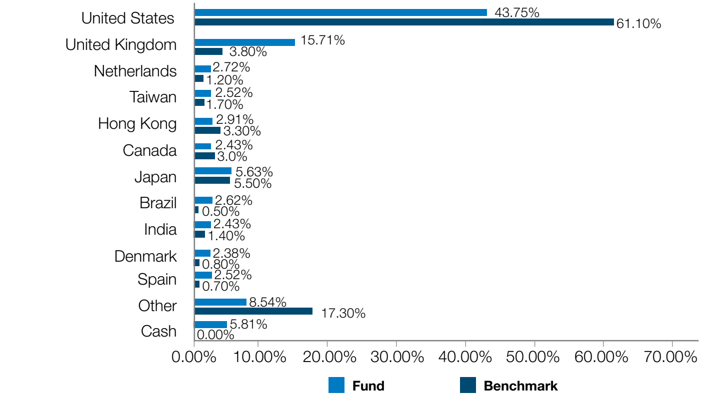
Cumulative Returns (BWP)



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: BWP27,246,765.79

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
Trustees and Custodians
Stanbic Bank Botswana
Private Bag 00168
Gaborone

Physical Address
Bifm Unit Trusts (Pty) Ltd
Plot 66458, Fairgrounds Office Park
Gaborone, Botswana

Physical Address
Bifm Unit Trusts (Pty) Ltd
Plot 66458, Fairgrounds Office Park
Gaborone, Botswana

Plot 396/7 Moffat Street, Central Residential Area
Francistown, Botswana

Postal Address
Private Bag BR185, Broadhurst
Gaborone, Botswana

T: +(267) 399 2199 / +(267) 241 3041
F: +(267) 390 0358
E: retailservices@bifm.co.bw

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