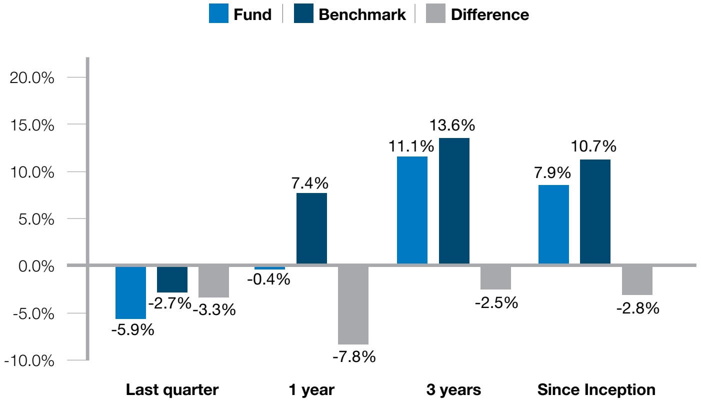
Global Sustainable Growth Fund

Fund Factsheet | 31st March 2025

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 -5.91% over the quarter, underperforming the benchmark MSCI All Country World Index (ACWI), which returned -2.68% by 3.23%. Stock selection was negative in the quarter, particularly in information technology, healthcare and communication services.

Performance Commentary
It has been a challenging start to the year, where global equities, particularly in the US, experienced their worst quarterly performance since 2022, as trade wars and geopolitical risks began to take hold. The US markets trailed other developed markets' performance as growth stocks reversed on the back of increased concerns surrounding tariffs and their potential economic impacts. The market was characterised by short-term swings in sentiment and a preference for defensive stocks. The MSCI growth Index declined by almost 8% while MSCI US contracted by 4.6%. The MSCI World Value Index, on the other hand, gained 4.8%. The Magnificent-7 stocks, save for Meta, which had carried global equity performance in 2023 and 2024, suffered double-digit declines in the first quarter of the year amid concerns about a slowdown in AI spend. Specifically, the sell-off started in January after the Chinese startup, DeepSeek's development of a large language Model (LLM) resulted in concerns about less capex spending on data centres. As a result, many of the AI and data centre stocks sold off. However, market breadth continued to recover as stocks across different sectors outperformed in the US and developed markets, with many sectors reporting positive performance. On the other hand, European markets were the primary beneficiary of the rotation during the quarter as the MSCI Europe appreciated by 10.5% in the first quarter in USD terms as Germany changed its constitution to permit a significant increase in defence, infrastructure and climate protection spending. Aerospace and defence stocks rallied by over 15% following the amendment to the "debt brake", a constitutionally enshrined mechanism that limits government borrowing. Additionally, European banks reported strong corporate earnings, resulting in a strong quarter for the sector.

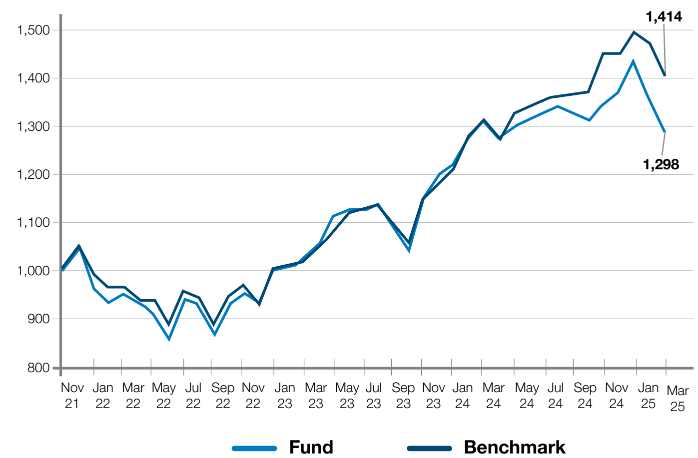
Emerging markets, represented by the MSCI Emerging Markets index, reported positive performance of 2.9%, mainly due to China's performance after government stimulus measures helped to stabilise the economy and improve investor and consumer confidence. The falling US Treasury 10-year Treasury yield and weaker dollar supported emerging markets overall.

Market Outlook
A key point in the future of global equities is the trajectory of global growth, given the uncertainty caused by Trump's tariff announcements. Post-quarter-end tariff announcements issued on April 2 on 56 countries proved more punitive than initially expected. They were based on an unconventional approach based on the US trade deficit with its trading partners. This approach focused on goods and left out the trade surplus that the US has on services with its trade partners. The announcement resulted in the plummeting of US stocks, a surge in bond yields and a weakened Dollar. It also raised concerns about inflation and a possible recession. Since the announcement of the tariffs, Trump has announced a 90-day delay in their implementation, driven by political considerations and the adverse financial market reaction to the tariff announcement, resulting in a stabilisation for global equities. Despite the stabilisation, uncertainty remains for the year ahead about the levels of tariffs that will be implemented, the reactions from the various economies, and thus economic performance.

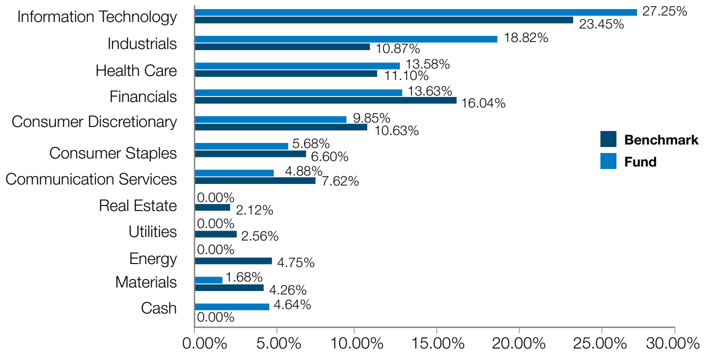
Concerns around a recession in the US and other major economies have been heightened due to the risks surrounding the emerging trend of US policy-making. While it is difficult to determine how events will unfold over the year, volatility will remain elevated. Therefore, quality and fundamentals will be prized particularly for those companies with strong balance sheets and that can demonstrate margin stability.

Total Expenditure Ratio (T.E.R.): 3.23%

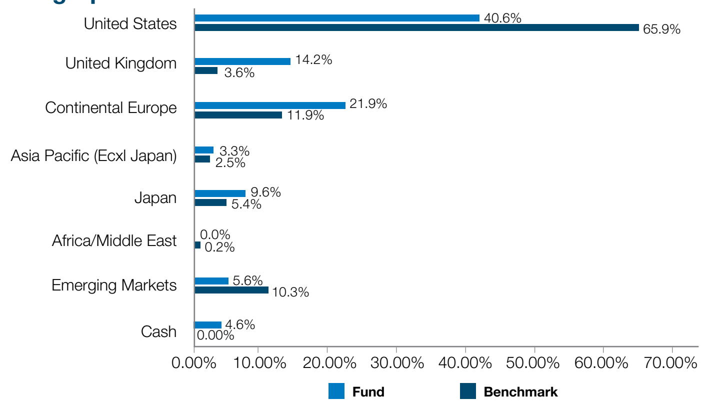
Cumulative Returns (BWP)



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: BWP59,309,546.98

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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