Global Sustainable Growth Fund

Fund Factsheet | 31st December 2024

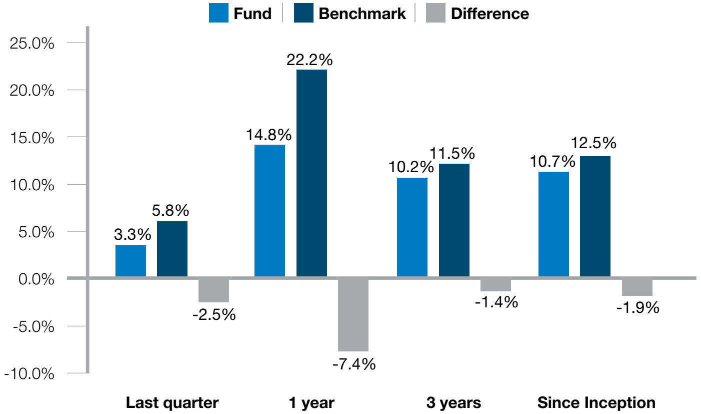
Fund Objective

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 3.29% over the quarter, underperforming the benchmark MSCI All Country World Index (ACWI), which returned 5.84% by 2.54%. Stock selection was negative in the quarter, particularly in information technology, healthcare and communication services. Over the 12-month period ending September 2024, the Fund returned 14.82%, underperforming the benchmark by 7.41%.

Performance Commentary

International equity markets experienced a shaky fourth quarter. However, the early volatility in the lead-up to the US presidential elections was mitigated by strong earnings growth and Central Bank easing. Reflecting on the twelve months ending December, the key theme driving markets was the enthusiasm around Artificial Intelligence (AI) and the Magnificent Seven companies. This led to substantial gains in 2024, making this the second year of positive gains. Sector performance during the quarter was mixed. Although Information Technology continued to accrue positive returns driven by investors' positive sentiments for technology and AI, the best-performing sector was the Consumer Discretionary sector. The financial sector also posted positive returns, poised to gain from a more deregulatory environment. Underperformers included more cyclical and rate-sensitive sectors such as materials, real estate, and utilities.

Although US stocks experienced some volatility, they showed some resilience as the only region with positive returns. While US equities initially reacted positively to Republican control of Congress, a correction followed in December. This followed the Federal Reserve's indication that sticky inflation reduced their scope to cut rates much further, scaling back the number of interest rate cuts expected in 2025. Fears of recession, tighter fiscal policies, and weaker currency led to a drawback of European and UK equities. Political uncertainty also raised concerns in the region, particularly in France and Germany.

Emerging markets, represented by the MSCI Emerging Markets index, shed 8.01% over the quarter due to the weaker currencies and growing concerns over deepening trade tariffs after Donald Trump's presidential election win.Growth stocks, represented by the MSCI World Growth Index, added 3.85% to their value, compared to the MSCI World Value Index's performance of -0.07%.

Market Outlook

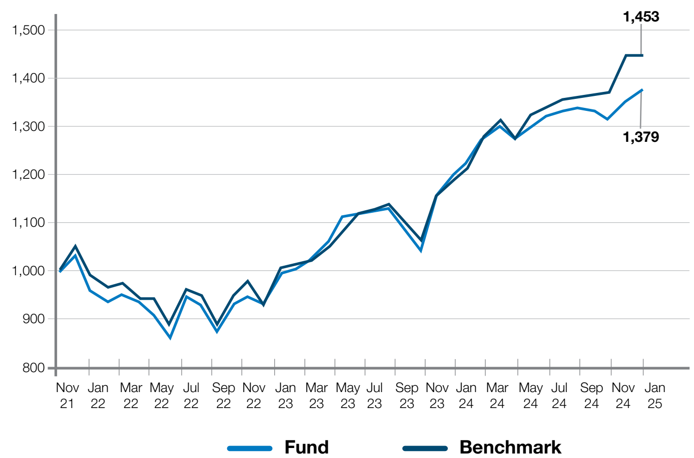
Global economic growth has been resilient, allowing central banks to exercise greater patience as global inflation pressures have moderated but remain persistent. With rising geopolitical tensions and potentially material policy shifts looming over markets, volatility is expected to increase over 2025.

Furthermore, there are growing signs of consumer stress in several regions that have been buffeted thus far by healthy labour markets. Investors must be increasingly mindful of any significant deterioration in those trends. While the US election served as an essential risk-clearing event, markets and sectors continue to anticipate policy shifts as they try to distinguish between actionable policy and political rhetoric. The incoming Trump administration presents a wildcard in terms of policy setting. However, expected positive earnings growth across various regions gives reasons to be optimistic about continuing good market performance.

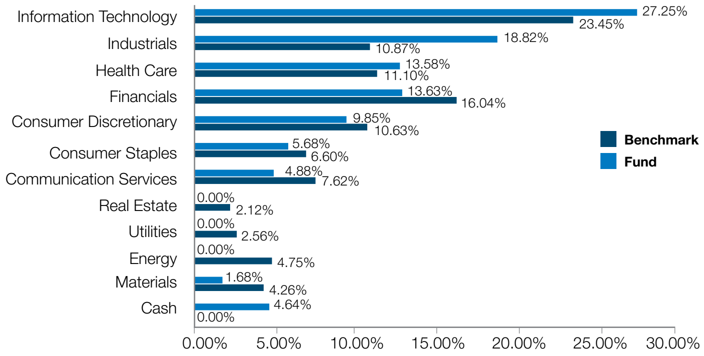
US market dominance is expected to continue in 2025, although the performance of the dominant stocks may lose some momentum. The leading argument for a reversal in US dominance is valuation-based, as the US market looks expensive. Prospects for attractive opportunities elsewhere have increased, boosting the case for regional diversification. We still maintain that performance will continue to be broad-based without a reversal in the recent dominance of large-cap growth in the US. Therefore, diversification will remain a focus, particularly stocks with more defensive properties.

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

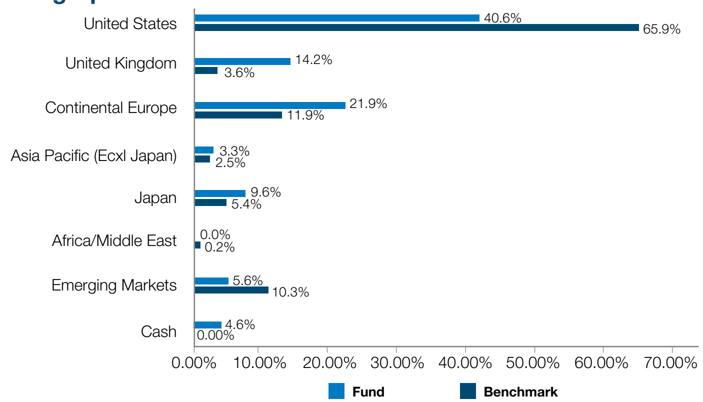
Cumulative Returns (BWP)



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:	**BWP58,436,233.27**

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

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