Global Sustainable Growth Fund

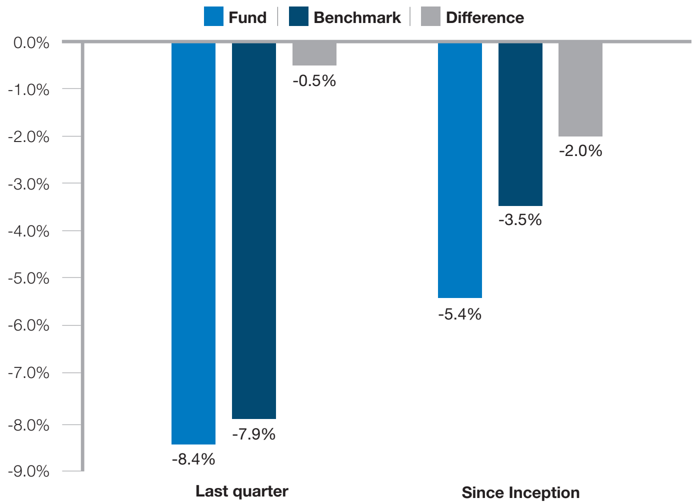
Fund Factsheet | 31st March 2022

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?
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 -8.36% over the first quarter of 2022, underperforming the benchmark return of -7.85% by 0.51%.

Since inception in November 2021, the Fund returned -5.43%, under-performing the benchmark return of -3.45 by 1.98%.

Global equities declined in the first quarter of 2022 as the widespread shock caused by Russia's invasion of Ukraine and its grave implications fed through into markets.

Performance Commentary
Stock selection was negative overall in the first quarter, particularly in industrials and consumer discretionary. Our under-weight allocations to energy and materials also detracted. However, our positions in financials, information technology and healthcare added value in the quarter.
By region, our positions in North America, Continental Europe and Japan detracted from gains. Holdings in emerging markets and Pacific ex Japan added value in the quarter.

Pharmaceutical company AstraZeneca contributed to gains in Q1 after the company reported a 41% jump in full-year revenues and a 62% rise in sales in the final quarter of 2021. Brazilian stock exchange operator B3 also achieved a robust performance in Q1 on investor optimism that Brazil's current interest rate cycle was ending. Stock selection in industrials was a material detractor, with Vertiv Holdings and Recruit disappointing. In the case of Vertiv, weak operating performance and poor handling of price pressures and supply chain bottlenecks during the second half of 2021 negatively affected profitability. Recruit delivered strong Q3 results that beat analyst expectations, with top line growth of 22%. However, the lowering of guidance and general repricing of growth saw shares sell off in the year to date.

The views in this report are those of offshore managers appointed by Bifm.

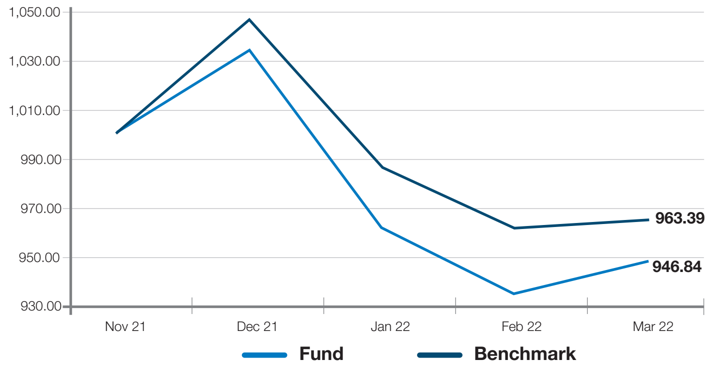
Market Outlook

The main challenge for 2022 remains geopolitical tensions that will continue contributing to inflationary pressure as well as supply chain disruptions and uncertainty to global financial markets. The future economic outcomes of the invasion to Russia and globally will be determined by how far Putin is willing to carry on with the invasion and how NATO allies respond with sanctions.

Concerns remain over rising inflation, global supply chain problems, high energy prices and the changing regulatory environment in some countries. However, the recovery in the global economy has been impressive both in terms of its speed and quantum. Progress in the roll-out of Covid-19 vaccines has been instrumental in this, buoying confidence and providing the platform for recovery in both industrial activity and personal consumption.

Much of the supply chain disruption previously linked to Covid-19 related capacity shortfalls and bottlenecks within the transport and logistic industries is expected to ease in 2022. However, the ongoing war in Ukraine as well as the partial lockdowns in China, are headwinds to supply chain normalisation.

Cumulative Returns (BWP)

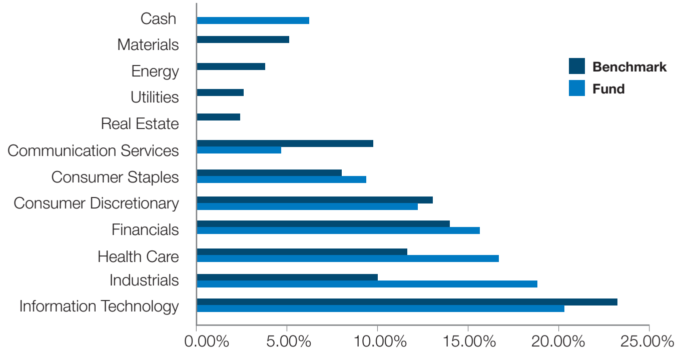


While we anticipate the corporate earnings will keep growing from strength to strength, the full impact of input costs, particularly rising wages, which will increase margin pressures across various industries, has not yet fully been factored in.

Factoring the opportunities and challenges that will prevail within the year, the companies we will seek in this environment are those with good management teams, product differentiation and strong pricing power. These, we believe, will be better placed to weather the current market uncertainty, and protect their margins. The outlook remains mixed, with fiscal and monetary tightening likely to dampen the ongoing recovery. We remain tilted towards quality and are focusing on stock-picking. We remain conscious of inflation and interest rate risk in the portfolio and are managing our positions accordingly.

Total Expenditure Ratio (T.E.R.): 2.69%

Sector 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: BWP21,457,595.52

Fees
Initial Fund Fee: 0%
Annual Management Fee: 2%
Fees are shown excluding VAT

Risk Profile

Low	Low-Med	Med	Med-high	High
				●

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