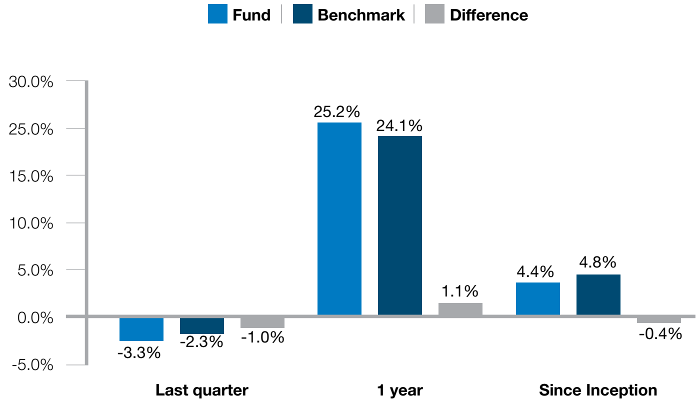
Global Sustainable Growth Fund

Fund Factsheet | 30th September 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 3.31% (in BWP) over the quarter, underperforming the benchmark MSCI All Country World Index (ACWI) which returned -2.35% by 0.96%. Stock selection was negative in the third quarter, particularly in healthcare, financials, and information technology. The fund's zero weight to energy also weighed on returns. Conversely, allocations to consumer discretionary, communication services, and materials added value in the quarter. Over the 12-month period ending September 2023, the Fund returned 25.18%, outperforming the benchmark by 1.07%.

Performance Commentary
Following a strong first half for global markets in 2023, global equities declined in the third quarter as concerns over "higher for longer" interest rates and concerns about economic growth weighed on investor sentiment.

Most sectors declined over the quarter as market sentiment shifted negative. Real Estate, Utilities, Consumer Staples, and Information Technology in particular saw larger declines over the quarter whilst the more defensive areas of the market such as Energy, Financials, and Healthcare posted gains. The Energy sector was the best-performing sector over the quarter, following a rise in oil prices over the quarter after Russia and Saudi Arabia announced plans to cut production.

From a regional perspective, the Eurozone region was the weakest-performing over the quarter. Eurozone stocks saw steep declines over the quarter as concerns rose over the impact of interest rates on consumers' disposable income with the consumer discretionary stocks impacted the most.

UK equities rose over the quarter buoyed by the positive performance of the UK-listed large-cap diversified Energy stocks. In the US, economic data remained sluggish and the prospect of a sustained period of higher rates weighed on investor sentiment. However, the labour market also remained on firm footing, as jobless claims reached a seven-month low.

Emerging market equities declined in the quarter, but marginally outperformed developed markets by 50 basis points. Ongoing weakness in the Chinese economy impacted investor sentiment as Chinese stocks, led by the struggling property sector, declined over the quarter. Equities declined throughout the rest of Asia with Hong Kong, Taiwan, and South Korea all declining, whilst Malaysia and India gained over the quarter.

Value stocks as measured by the MSCI value index declined, but faired better than their Growth counterparts. The MSCI Value index returned -1.71 % over the quarter, outperforming the -4.90% posted by the MSCI Growth Index over the same period. The Magnificent 7 mega-cap tech stocks (Apple, Microsoft, Alphabet, Amazon, Tesla, Nvidia, and Meta) sold off over the quarter.

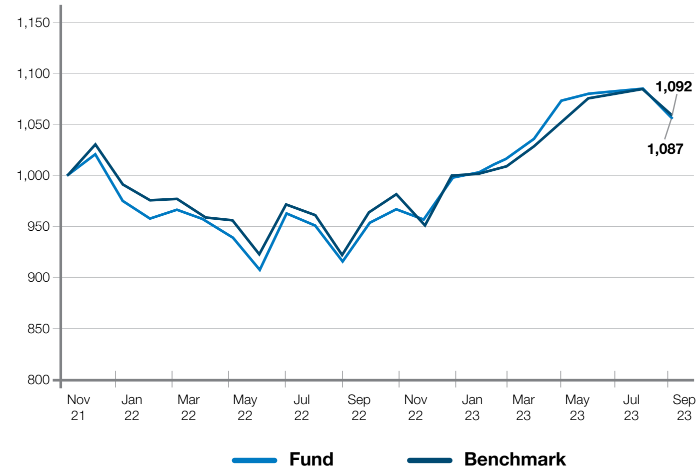
However, over the 12-month period, Growth stocks have outperformed Value stocks showcasing the strong growth of the large mega-cap tech stocks in 2023.

Market Outlook
Higher interest rates are beginning to negatively impact consumers and corporate earnings have already begun to slow and are likely to come under further pressure as costs remain elevated and global growth remains sluggish going into 2024. We continue to see the market grappling with areas of disruption, such as Artificial Intelligence. We believe Artificial Intelligence will be a key theme for markets as investors increasingly grapple with the technology's potential to drive new revenue streams and productivity gains. Over the quarter, we have also seen more focus on disruptive treatments within healthcare with the emergence of GLP-1 drugs, which are used in the treatment of diabetes and obesity.

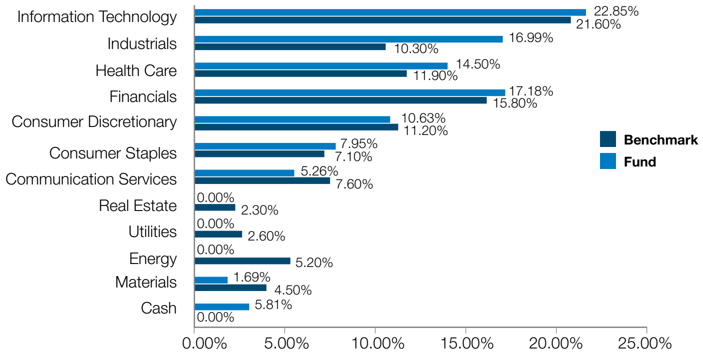
Headline inflation has peaked in most major economies, but remains elevated and above target levels for Central Banks. Household spending and consumer demand have remained robust due to excess savings accumulated during the Covid-19 crisis. However, these reserves have been dwindling over the year and we expect that discretionary income will likely come under pressure with rapidly rising debt servicing costs.

Total Expenditure Ratio (T.E.R.): 3.31%

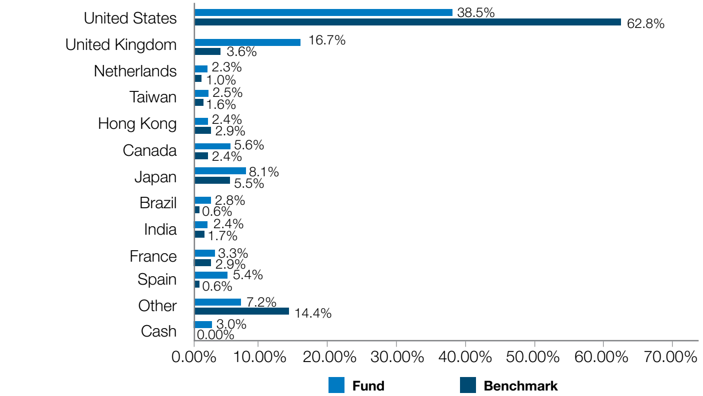
Cumulative Returns (BWP)



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:	**BWP30,447,411.74**

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