Global Sustainable Growth Fund

Fund Factsheet | 30th June 2022

Bifm Unit Trusts

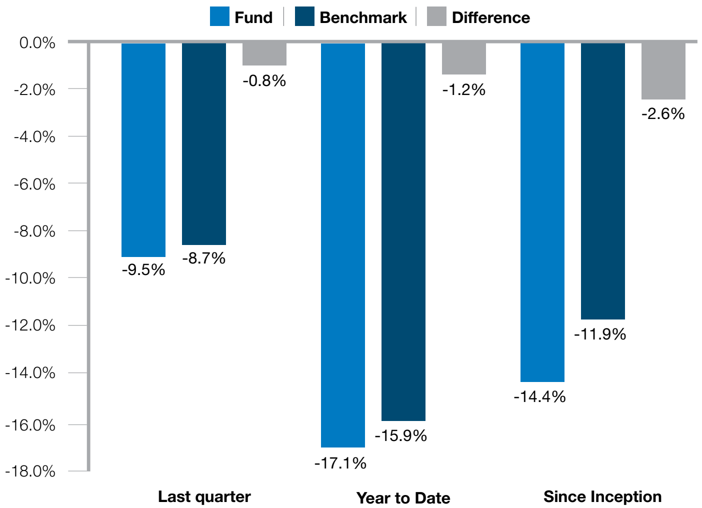
Fund Objective

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 declined over the quarter. The Fund returned -9.54%, underperforming the benchmark return of -8.71% by 0.83%.

The fund performance was negative due to the decline of global equities as the ongoing Russia-Ukraine War, high inflation, and the increasing risk of a global recession weighed on investor sentiment. Since inception in November 2021, the Fund declined by 14.44%, under-performing the benchmark return of -11.86 by 2.59%.

Performance Commentary

Stock selection was negative in the second quarter, particularly in industrials and consumer staples. The fund's under-weight allocation to the Energy sector detracted from fund performance as the sector continued to be one of the best performing over the quarter. The fund's over-weight allocations to consumer discretionary, information technology and financials added value during the quarter. By region, the fund's positions in emerging markets, Continental Europe and Japan detracted from fund relative performance in the second quarter. However, the fund's positioning to North America, the UK and Pacific ex Japan added value over the quarter.

Concerns remain over rising inflation, global supply chain problems, high energy prices and the changing regulatory environment in some countries. The outlook remains mixed, with fiscal and monetary tightening likely to dampen the ongoing recovery.

Market Outlook

Geopolitical tensions, inflation, margins and earnings are still the main headwinds that continue to challenge global equities.

It remains unclear how far Putin is willing to carry on with the invasion, but what is becoming clearer is his unwillingness to de-escalate the situation despite the various pressures from the West. What is also unclear is how NATO allies will respond with sanctions and other actions.

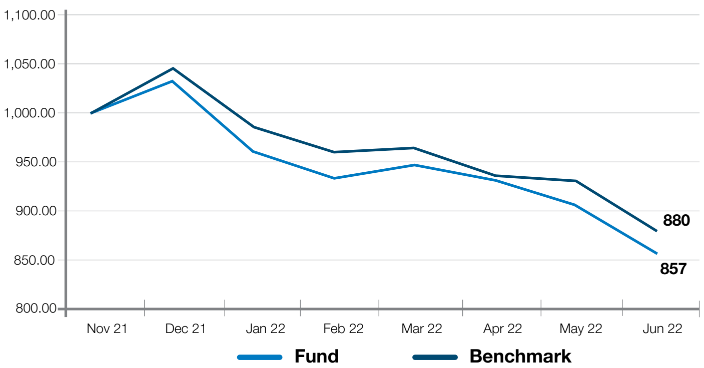
Much of the supply chain disruption previously linked to COVID-19 related capacity shortfalls and bottlenecks within the transport and logistic industries is expected to ease in the second half of 2022. However, the ongoing Russia-Ukraine war as well as the intermittent lockdowns in China, are headwinds to supply chain normalisation. Some markets and industries may face these challenges well into 2023. However, many industries are experiencing some improvements, with costs starting to come down in a meaningful way. Corporate earnings have been strong, nearing record highs. However, the higher input costs are yet to be felt. The competitive labour market, particularly within the service industry, will continue affecting margins.

Factoring the opportunities and challenges that will prevail within the year, the companies we 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. 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.

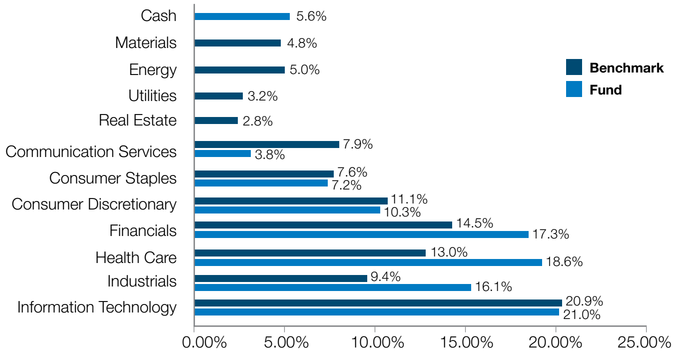
Total Expenditure Ratio (T.E.R.): 2.69%

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

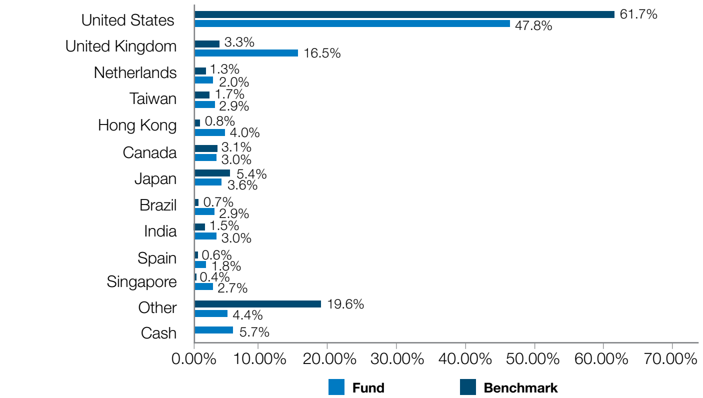
Cumulative Returns (BWP)



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: **BWP21,531,018.51**

Fees

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

Risk Profile

Low	Low-Med	Med	Med-high	High
				●

Contact Details

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