

# Global Sustainable Growth Fund

Fund Factsheet | 30<sup>th</sup> September 2022



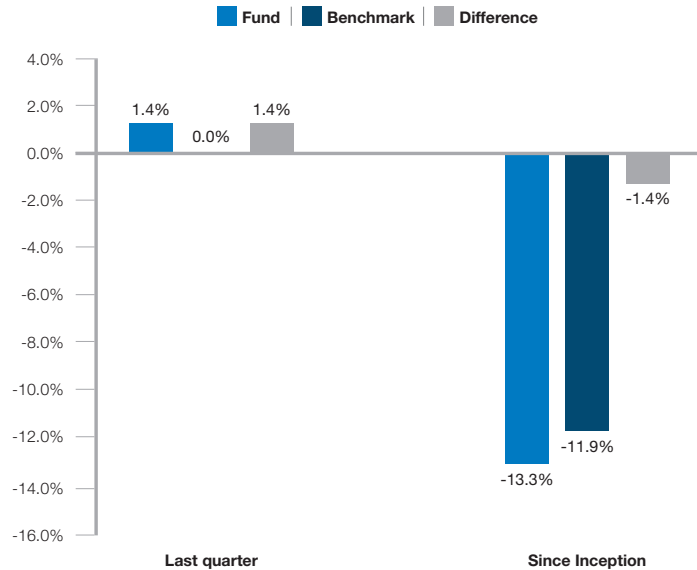
## Fund Objective

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 1.35% over the quarter. This was an outperformance of 1.35% of the benchmark MSCI All Country World Index (ACWI) which was flat over the quarter.

Global equity markets struggled over the quarter as investors continued to grapple with the elevated levels of inflation, sharply rising interest rates and the increased risk of a global recession.

Since its inception in November 2021, the Fund declined by 13.29%, underperforming the benchmark return of -11.86 by 1.43%.

## Performance Commentary

Stock selection contributed positively to fund relative performance in the third quarter, particularly in the healthcare, communication services, and consumer staples sectors. Conversely, the fund's allocations to information technology and consumer discretionary sectors detracted from fund relative performance over the quarter. Regionally, the fund's positions in the UK, Pacific ex-Japan, and North America detracted during the quarter, while the fund's allocations to emerging markets and Europe added value.

All major developed market equities sold off over the quarter. Oddly, defensive areas failed to benefit, whilst some cyclical stocks proved to be more resilient, potentially indicative of the high level of investor uncertainty. From an earnings perspective, while multiples have compressed sharply across the board this year, we have yet to observe any significant downgrades for 2023, despite the expected slowdown in global demand.

The energy crisis continued to dominate the headlines in Europe as Russia halted gas flows through the Nord Stream 1 pipeline. However, it was the election of Liz Truss as Conservative Party leader, and hence the new UK prime minister, that led to unexpected volatility in UK assets. The new government swiftly announced a fiscal package in September, which was poorly received by markets, sending sterling to an all-time low versus the US dollar and gilt yields surging before intervention from the Bank of England.

From a style standpoint, the MSCI World Value and Growth indices both declined over the quarter, although Growth stocks fared slightly better due to better performance at the start of the quarter, following a poor year in general. As noted, defensive areas also failed to provide a hedge over the quarter, with the MSCI Minimum Volatility index also lagging.

## Market Outlook

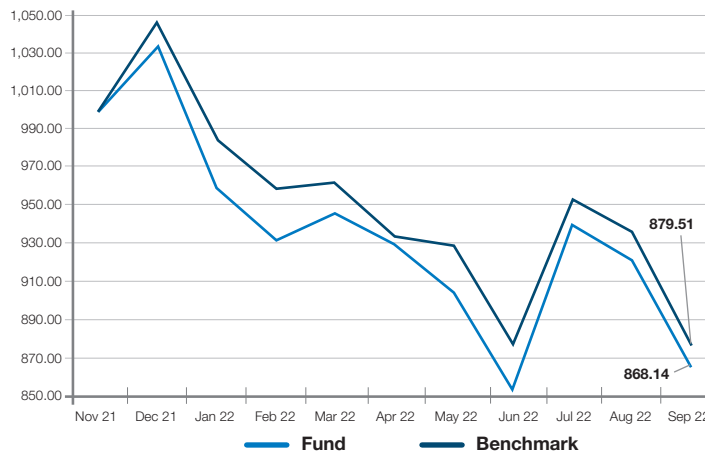
Geopolitical tensions, inflation, margins, and earnings are still the main headwinds that continue to challenge global equities.

There remains an unusually high level of uncertainty about the economic outlook and what this means for global interest rates. The Federal Reserve, at least, is still far from clear whether it is close to a pivot towards less aggressive rate hikes.

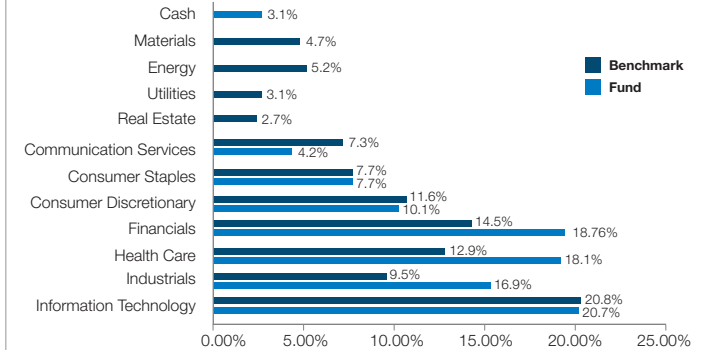
Concerns remain over rising inflation, global supply chain problems, high energy prices, geopolitical conflict, and the changing regulatory environment in some countries. The outlook remains mixed, with fiscal and monetary tightening likely to dampen the ongoing recovery. We remain conscious of inflation and interest rate risk in the portfolio and are managing our positions accordingly.

Total Expenditure Ratio (T.E.R.): 3.36%

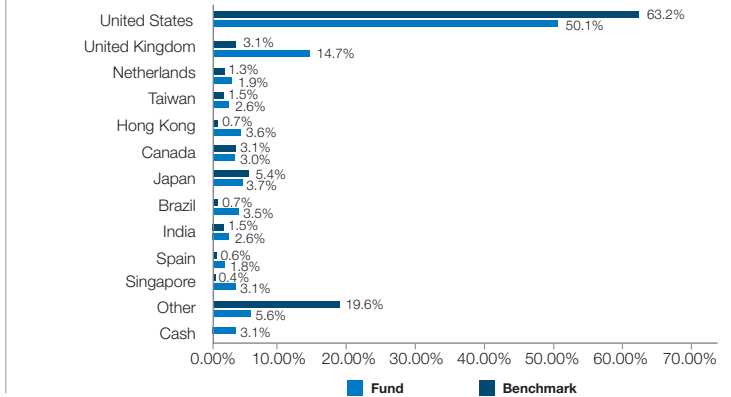
## Cumulative Returns (BWP)



## 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:** BWP22,371,158.29

### Fees

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

### Risk Profile



### Contact Details

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



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