

# Stewart Investors Worldwide Leaders Sustainability Fund



Stewart Investors

## About Stewart Investors

We are an active, long-only equity investment business with stewardship and sustainability at the heart of our investment philosophy and culture since 1988. As a team, we have been managing explicit sustainability portfolios since 2005.

## Investment aim

To achieve long-term capital growth by investing directly or indirectly in a diversified portfolio of equity or equity-related securities of larger capitalisation companies which are listed, traded or dealt in on any of the regulated markets worldwide. The fund invests in companies that are particularly well positioned to contribute to, and benefit from, sustainable development.

## Key facts\*

APIR code	PIM6160AU
Launch dates	Strategy: October 2013 Fund: October 2021
AUM	Strategy: AUD 1,005 million Fund: AUD 20 million
Lead portfolio manager	Sashi Reddy
Investment team	11 analysts
Number of companies	30-60 (current 37)
Active share	97%
Investment horizon	5-10+ years
Market capitalisation	Free float > USD 5 billion
Comparator benchmark	MSCI AC World Index
Investment management fee	0.46% p.a.
Total management costs**	0.57%
Awards & ratings	Lonsec - Recommended Morningstar - Silver

## Investment philosophy

- > We are stewards. Our role is to allocate society's capital to productive uses, in accordance with our [Hippocratic Oath](#).
- > We are long term. Our time horizon is measured in years, not weeks, and we value companies accordingly.
- > We invest only in companies contributing to a more sustainable future. We engage constructively as owners to help companies on their sustainability journeys.
- > We invest only in high-quality companies. We invest in companies with exceptional cultures, strong franchises and resilient financials.
- > We believe capital preservation is important for capital growth. We define risk as the possibility of the permanent loss of client capital.

This philosophy is proven across strategies and business cycles for nearly four decades.

\*Source: Stewart Investors as at 30 September 2023. Key facts parameters shown are guidelines only and not hard risk limits.

\*\*Total management costs includes the investment management fee. It does not include transactional and operational costs. Further details on parameters and costs (including estimated indirect costs) are set out in the Fund's PDS dated 26 September 2022.



CERTIFIED BY RIAA

Stewart Investors Worldwide Leaders Sustainability Fund (ARSN 649 844 002) has been certified by RIAA according to the strict operational and disclosure practices required under the Responsible Investment Certification Program. See [responsibleinvestment.org](https://responsibleinvestment.org) for details.

## What we mean by sustainability

Our process is deeply qualitative, based on fundamental, bottom-up research and analysis of the [sustainability](#) positioning of companies. We meet regularly with management teams, conduct site visits, and commission third-party research. Our assessment of company sustainability focuses on:

- 1 Sustainability positioning of products and services
- 2 Quality of management and treatment of all stakeholders
- 3 Operational performance and environmental and social impacts
- 4 Ability to navigate sustainability headwinds and tailwinds, such as changing regulations and consumer trends

### Exclusions

We have a detailed [exclusions policy](#) explaining the sectors and sorts of companies we will never invest in.

### Engagement

We invest time and energy in [engaging](#) and encouraging companies to improve their sustainability practices and product offerings.

### Voting

We do not outsource voting decisions or any part of the engagement process; this is a core part of our role.

Visit our [website](#) to view our position on harmful and controversial products and services, and our climate change statement.

## Top 10 holdings - high conviction

We have a bottom-up approach and aim to invest only in well-stewarded, high-quality companies with sustainability at the heart of all investment considerations. Our portfolios are high conviction (top 10 holdings typically 30%-50%) and are completely benchmark agnostic.

Company	Country	Sector	Portfolio (%)	Index (%)
Mahindra & Mahindra	India	Consumer Discretionary	7.1	0.0
Watsco	USA	Industrials	6.8	0.0
bioMérieux	France	Health Care	5.8	0.0
HDFC Bank	India	Financials	5.1	0.1
Deutsche Post DHL Group	Germany	Industrials	5.0	0.1
Costco	USA	Consumer Staples	4.6	0.4
Fortinet	USA	Information Technology	4.2	0.1
Infineon Technologies	Germany	Information Technology	4.2	0.1
Unicharm	Japan	Consumer Staples	2.9	0.0
Arista Networks	USA	Information Technology	2.8	0.1
			<b>48.6</b>	<b>0.9</b>

Source: Stewart Investors as at 30 September 2023. Data shown for the Stewart Investors Worldwide Leaders Sustainability Fund and the MSCI AC World Index. Numbers may not add to totals due to rounding. Reference to specific securities should not be construed as investment advice or a recommendation to buy or sell the same.

Our interactive [Portfolio Explorer](#) tool allows you to explore strategies, companies, countries and sustainability issues of interest in four views – map, Sustainable Development Goals, climate solutions and human development pillars.



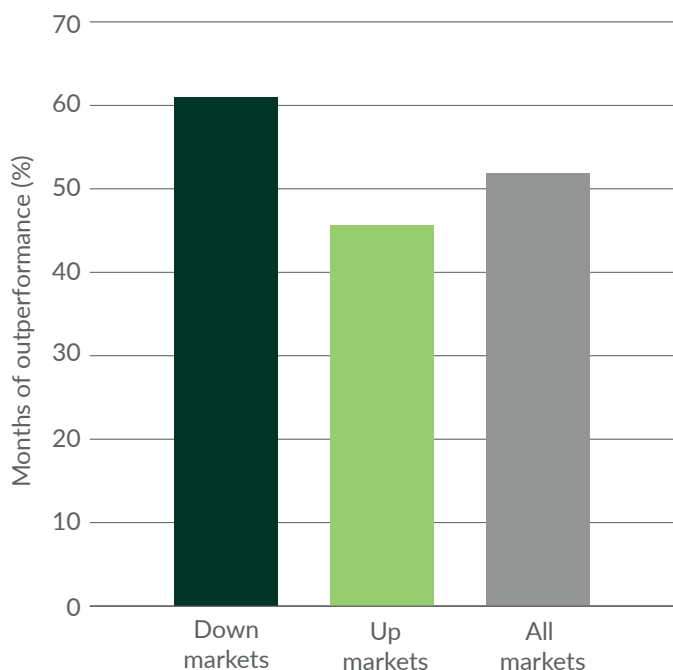
## Performance objective – capital protection and growth

Given that the Worldwide Leaders Sustainability Fund is a new fund, we have included the performance of a representative Stewart Investors Worldwide Leaders Sustainability account, and a model management fee of 0.4625% p.a. has been applied for illustrative purposes only, to demonstrate Stewart Investors historic performance in the strategy for historical context.

Our investment philosophy focuses on delivering strong absolute returns over cycles. This focus means that we define risk as the loss of clients' capital rather than in terms of deviation from any benchmark index. As a result, our performance is likely to lag steeply rising markets, but deliver better results in falling markets. We believe this approach has served clients well over time and over cycles.

Annualised performance over periods AUD - Portfolio performance net of fees - %	Since launch	5 years	3 years	1 year	6 months	3 months
Stewart Investors Worldwide Leaders Sustainability	11.0	9.4	10.3	19.1	4.9	-3.7
MSCI AC World Index	11.0	8.9	10.7	20.3	6.4	-0.4
Relative (arithmetic)	0.0	0.5	-0.4	-1.2	-1.5	-3.3

Investment style - downside protection  
Portfolio outperformance since launch (AUD net of fees)



Past performance is not a reliable indicator of future results.

Source for representative account performance: First Sentier Investors, net of fees in AUD as at 30 September 2023. Source for benchmark: FactSet. Index data is net of withholding tax. Performance shown is based on a representative Stewart Investors Worldwide Leaders Sustainability account and a model management fee of 0.4625% p.a. has been applied for illustrative purposes only to demonstrate Stewart Investors historic performance in the strategy. Differences between the representative account, account-specific constraints, currency or fees and those of a similarly managed fund or mandate would affect results. The representative account launched in July 1997. Outperformance shown versus the MSCI AC World Index. Performance calculated from when Stewart Investors started running the investment strategy on 4 December 2013.

For more information visit our website at [stewartinvestors.com](https://stewartinvestors.com)

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### **About First Sentier Investors**

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