

# 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\*

Launch date	2 September 2022
Lead portfolio manager	Sashi Reddy
Investment team	11 analysts
Number of companies	30-60 (current 37)
Investment horizon	5-10+ years
Market capitalisation	Free float > USD 5 billion
Comparator benchmark	MSCI AC World Index
Total management costs**	0.62%

## 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.



This Fund 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.<sup>1</sup>

\*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) is set out in the Fund's PDS.

## 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 (%)
Watsco	USA	Industrials	6.8	0.0
Mahindra & Mahindra	India	Consumer Discretionary	6.7	0.0
bioMérieux	France	Health Care	5.7	0.0
HDFC Bank	India	Financials	5.1	0.1
Deutsche Post DHL Group	Germany	Industrials	4.9	0.1
Costco	USA	Consumer Staples	4.4	0.4
Fortinet	USA	Information Technology	4.3	0.1
Infineon Technologies	Germany	Information Technology	4.2	0.1
Unicharm	Japan	Consumer Staples	2.8	0.0
Arista Networks	USA	Information Technology	2.8	0.1
			47.7	0.9

Source: Stewart Investors as at 30 September 2023. Data shown is for the Stewart Investors Worldwide Leaders Sustainability Fund and the MSCI AC World Index. Numbers may not add to totals due to rounding. References 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.



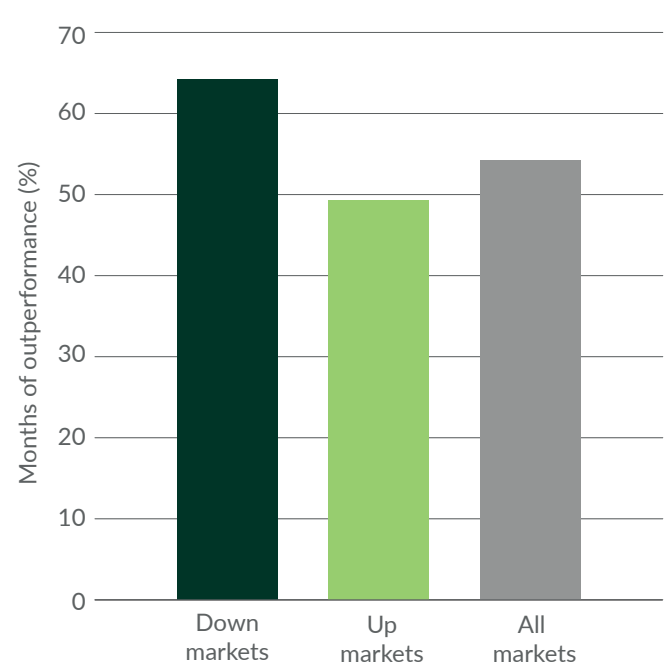
Performance objective – capital protection and growth

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, 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 gross of fees - %	Since launch	5 years	3 years	1 year	6 months	3 months
Stewart Investors Worldwide Leaders Sustainability Portfolio	11.5	9.9	10.8	19.6	5.1	-3.6
MSCI AC World Index	11.0	8.9	10.7	20.3	6.4	-0.4
Relative (arithmetic)	0.5	1.0	0.1	-0.7	-1.3	-3.2

Investment style - downside protection  
Strategy outperformance since launch (AUD gross of fees)



Past performance is not a reliable indicator of future results.

Source: First Sentier Investors gross of fees as at 30 September 2023. The flyer dated 30 September 2022 stated an incorrect figure for the portfolio’s 3 year annualised performance. The 3 year annualised performance figure for the portfolio was 6.8% as at 30 September 2022, rather than the 7.6% stated. The data and performance returns shown are not those of Stewart Investors Worldwide Leaders Sustainability Fund but for a representative Stewart Investors Worldwide Leaders Sustainability account that implements the same investment strategy as the Stewart Investors Worldwide Leaders Sustainability Fund. Source for benchmark: FactSet. Outperformance shown versus the MSCI AC World Index. Index data is net of withholding tax. This Strategy launched in July 1997. Performance calculated from when Stewart Investors started running the investment strategy on 4 December 2013. This information is provided for illustrative purposes to demonstrate Stewart Investors’ activity within the strategy for the period shown. It is not a recommendation or solicitation to purchase or invest in any fund. Differences between the representative account-specific constraints, currency or fees and those of a similarly managed fund or mandate would affect results.

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Visit our website at  
[stewartinvestors.com](https://stewartinvestors.com)

## Important information

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Past performance is not necessarily indicative of future performance, unit prices may go down as well as up and an investor in the Fund may not recover the full amount the capital that they invest.

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