

Worldwide Leaders Sustainability Strategy



Stewart Investors

Risk factors

This document is a financial promotion for the Stewart Investors Worldwide Leaders Sustainability Strategy intended for **retail and professional clients in the UK, and for professional clients only in Switzerland, the EEA and elsewhere where lawful.**

Investing involves certain risks including:

- > **The value of investments and any income from them may go down as well as up and are not guaranteed. Investors may get back significantly less than the original amount invested.**
- > **Currency risk:** the strategy invests in assets which are denominated in other currencies; changes in exchange rates will affect the value of the strategy and could create losses. Currency control decisions made by governments could affect the value of the strategy's investments and could cause the strategy to defer or suspend redemptions of its shares.
- > **Concentration risk:** the strategy invests in a relatively small number of companies which may be riskier than a strategy that invests in a large number of companies.
- > **Emerging market risk:** Emerging markets tend to be more sensitive to economic and political conditions than developed markets. Other factors include greater liquidity risk, restrictions on investment or transfer of assets, failed/delayed settlement and difficulties valuing securities.

Where featured, specific securities or companies are intended as an illustration of investment strategy only, and should not be construed as investment advice or a recommendation to buy or sell any security.

All information included in this material has been sourced by Stewart Investors and is displayed as at 30 September 2023 unless otherwise specified and to the best of our knowledge is an accurate reflection as at this date.

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 generate long-term, risk-adjusted returns for our clients by investing in the shares of high-quality companies that are particularly well positioned to contribute to, and benefit from, sustainable development.

Key facts

| | |
|--------------------------|----------------------------|
| Strategy launch | October 2013 |
| Strategy size | USD 628 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 |
| Name turnover (5yrs) | 29% p.a. |
| Market capitalisation | Free float > USD 5 billion |
| Comparator benchmark | MSCI AC World Index |
| Annual management charge | 0.45% p.a. |

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.

Data shown for a representative Stewart Investors Worldwide Leaders Sustainability account. Parameters shown are guidelines only and not hard risk limits. 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.

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 | 7.4 | 0.0 |
| Watsco | USA | Industrials | 6.8 | 0.0 |
| bioMérieux | France | Health Care | 5.8 | 0.0 |
| HDFC Bank | India | Financials | 5.0 | 0.1 |
| Deutsche Post DHL Group | Germany | Industrials | 5.0 | 0.1 |
| Costco | USA | Consumer Staples | 4.5 | 0.4 |
| Infineon Technologies | Germany | Information Technology | 4.4 | 0.1 |
| Fortinet | USA | Information Technology | 4.4 | 0.1 |
| Arista Networks | USA | Information Technology | 2.9 | 0.1 |
| Unicharm | Japan | Consumer Staples | 2.9 | 0.0 |
| | | | 49.0 | 0.9 |

Data shown for a representative Stewart Investors Worldwide Leaders Sustainability account and the MSCI AC World Index. 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. Numbers may not add to totals due to rounding. Differences between the representative account-specific constraints and those of a similarly managed fund or mandate would affect results.

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.



For more information please contact:

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Or visit our website at stewartinvestors.com

Performance profile – capital protection and growth

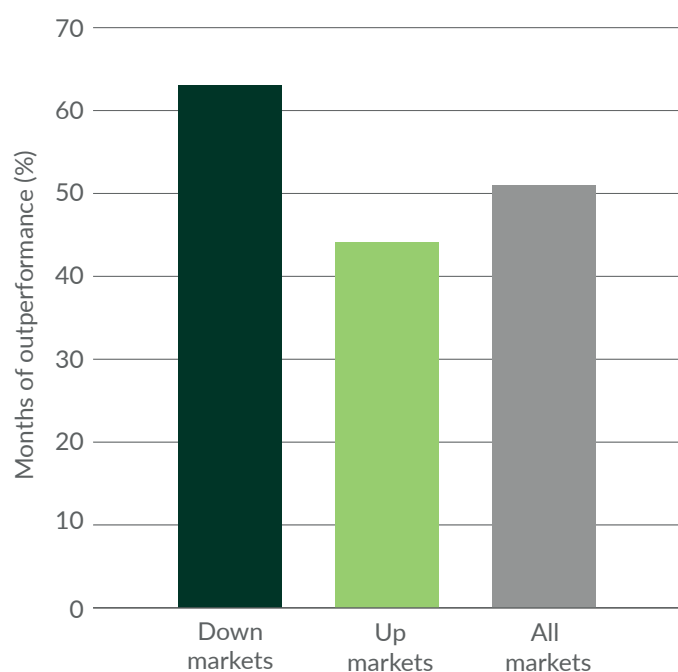
Our investment philosophy focuses on delivering strong absolute returns over cycles. This focus means that we define risk as the loss of clients' capital rather than in terms of deviation from any benchmark index. As a result, our performance is likely to lag steeply rising markets, but deliver better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

Performance review

| Discrete annual performance USD - composite performance % | 12 months to 30-Sep-19 | 12 months to 30-Sep-20 | 12 months to 30-Sep-21 | 12 months to 30-Sep-22 | 12 months to 30-Sep-23 |
|---|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Stewart Investors Worldwide Leaders Sustainability (Gross of fees) | 2.4 | 14.0 | 30.0 | -21.6 | 20.0 |
| Stewart Investors Worldwide Leaders Sustainability (Net of fees) | 2.0 | 13.5 | 29.5 | -22.0 | 19.5 |
| MSCI AC World Index | 1.9 | 11.0 | 28.0 | -20.3 | 21.4 |

| Annualised performance over periods USD - composite performance % | Since launch | 7 years | 5 years | 3 years | 1 year |
|---|--------------|---------|---------|---------|--------|
| Stewart Investors Worldwide Leaders Sustainability (Gross of fees) | 7.7 | 8.5 | 7.4 | 7.0 | 20.0 |
| Stewart Investors Worldwide Leaders Sustainability (Net of fees) | 7.2 | 8.0 | 6.9 | 6.5 | 19.5 |
| MSCI AC World Index | 7.8 | 9.1 | 7.0 | 7.4 | 21.4 |

Investment style - downside protection
Composite outperformance since launch (USD net of fees)



These figures refer to the past. Past performance is not indicative of future performance. For investors based in countries with currencies other than USD, the return may increase or decrease as a result of currency fluctuations.

Source for composite performance: Stewart Investors. Composite performance is shown on a gross and net of fees basis. Gross performance figures do not reflect the deduction of investment fees and expenses. A client's return will be reduced by the effect of investment fees and expenses. Net performance figures are calculated by subtracting a model annual management fee of 0.45% from the gross performance figures. No other expenses or costs have been taken into account when calculating the net performance. Source for benchmark: FactSet. Outperformance shown versus the MSCI AC World Index. Index returns are shown on a total return basis and gross of tax. Since launch relates to inception of the composite on 1 November 2013.

Important information

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