

Indian Subcontinent Sustainability Strategy



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.

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	November 2006
Strategy size	USD 877 million
Lead portfolio manager	Sashi Reddy
Co portfolio manager	David Gait
Investment team	13 analysts
Number of companies	30-60 (current 36)
Active share	91%
Name turnover (since launch)	9%
Investment horizon	5-10+ years
Market capitalisation	All market capitalisations
Comparator benchmark	MSCI India Index
Annual management Fee	Standard fee: 0.85%

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.

Since launch date for turnover: November 15, 2006. Data shown for a representative Stewart Investors Indian Subcontinent 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	Sector	Portfolio (%)	Index (%)
Mahindra & Mahindra	Consumer Discretionary	8.5	1.7
Tube Investments	Consumer Discretionary	6.7	0.4
HDFC Bank	Financials	5.5	3.8
CG Power	Industrials	5.0	0.3
Triveni Turbines	Industrials	4.4	-
Kotak Mahindra Bank	Financials	4.2	1.8
Godrej Consumer Products	Consumer Staples	4.0	0.5
Cyient	Information Technology	3.8	-
Dr. Reddy's Laboratories	Health Care	3.6	0.7
Tech Mahindra	Information Technology	3.1	0.6
		48.7	9.8

Data shown for a representative Stewart Investors Indian Subcontinent Sustainability account and the MSCI India 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. References to specific securities are included for the purpose of illustration only and should not be construed as a recommendation to buy or sell the same. Any securities referenced may or may not form part of the holdings of our portfolios at a certain point in time, and the holdings may change over time.

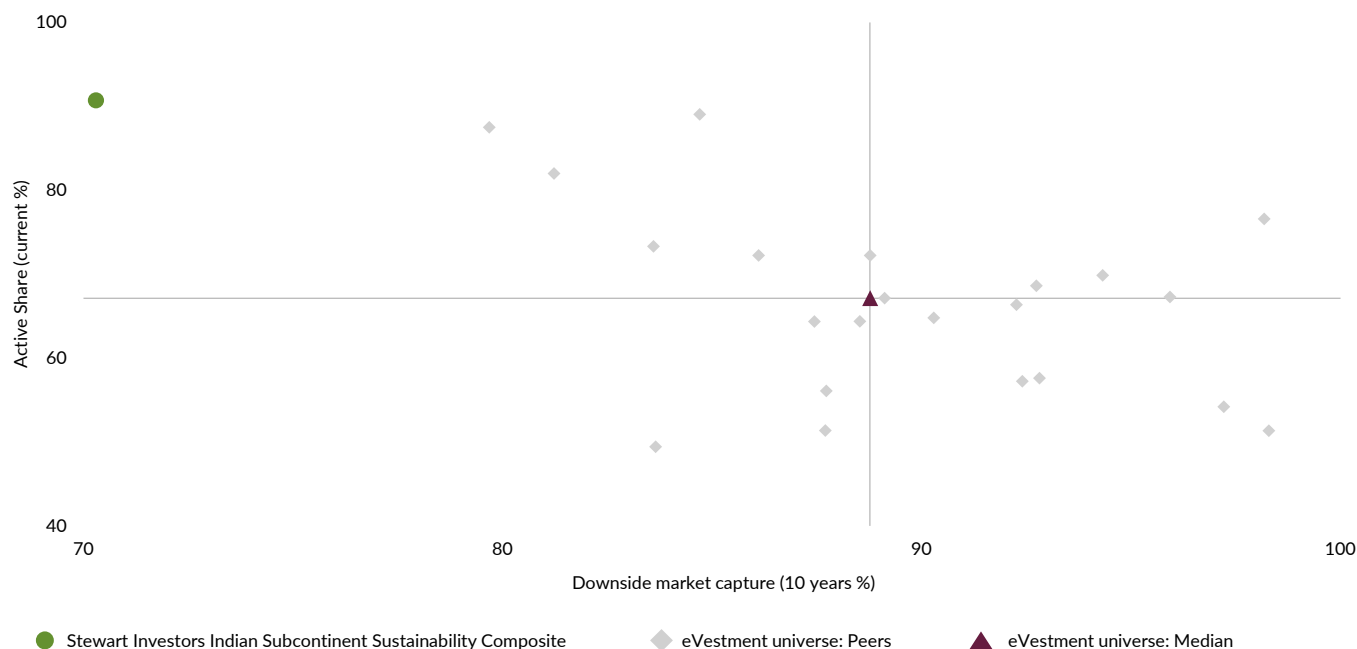
Performance objective – capital protection and growth

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.

Annualised performance over periods (%) USD Composite performance	Since launch	10 years	5 years	3 years	1 years
Stewart Investors Indian Subcontinent Sustainability Composite (Gross of fees)	19.7	14.1	14.5	11.8	25.9
Stewart Investors Indian Subcontinent Sustainability Composite (Net of fees)	18.5	13.1	13.5	10.7	24.8
MSCI India Index	13.2	9.9	11.9	12.8	37.3

Long-term outperformance with capital preservation - peer comparison

eVestment universe: India Equity as at March 31, 2024, USD net of fees



Past performance is not indicative of future performance. Source for all data: eVestment Alliance LLC. Performance data is shown on a net of fees basis. Net performance figures for Stewart Investors are calculated by subtracting a model annual management fee of 0.85% from the gross performance figures. No other expenses or costs have been taken into account when calculating the net performance for Stewart Investors. Net performance figures and calculations for peers will vary. Active share and downside market capture calculated using the MSCI India Index, on a total return basis and gross of tax. Active share is a measure of the percentage difference between the portfolio holdings and index constituents. Downside market capture is the ratio between the strategy performance and the index performance when the index was down (negative). A downside market return less than 100 means that when the index went down the strategy/peer declined less than the index. This data is provided for illustrative purposes to demonstrate the Stewart Investors strategy profile versus industry peers. It is not a recommendation or solicitation to invest in any fund. Please see important information for eVestment disclaimer.

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.



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Any investment with us should form part of a diversified portfolio and be considered a long-term investment.

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