

Stewart Investors Global Emerging Markets Leaders Sustainability Fund (PCT)



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 and a Global Emerging Markets Sustainability All-Cap Strategy since 2009.

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.

The Global Emerging Markets Leaders Sustainability Fund launched in November 2021. It invests in 25-60 high-quality emerging market companies that we consider to be particularly well positioned to contribute to, and benefit from, sustainable development.

Key facts*

APIR code	PIM1937AU
Launch dates	Fund: 24 November 2021
AUM	Fund: AUD 3.9 million
Lead portfolio manager	Jack Nelson
Investment team	13 analysts
Number of companies	25-60 (current 37)
Active share	85%
Investment horizon	5-10+ years
Name turnover (since launch)	25% p.a.
Market capitalisation	> USD1 billion
Comparator benchmark	MSCI Emerging Markets Index
Total management costs**	0.77%
Awards & ratings	Morningstar Medalist Rating™ - Silver Assigned as of 12/04/2024 Analyst-Driven % 100 / Data Coverage % 100 Zenith - Recommended

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.



SUSTAINABLE PLUS
— CERTIFIED BY RIAA —

The Stewart Investors Global Emerging Markets Leaders Sustainability Fund (PCT) has been certified and classified by the Responsible Investment Association Australasia according to the operational and disclosure practices required under the Responsible Investment Certification Program. See www.responsiblereturns.com.au and RIAA's Financial Services Guide for details.¹

* Source: Stewart Investors as at 30 September 2024. Data shown for the Stewart Investors Global Emerging Markets Leaders Sustainability Fund. Since launch date for turnover: 24 November 2021. Key facts parameter shown are guidelines only and not hard risk limits.

** Total management costs includes the investment management fee, responsible entity fee, any recoverable expenses and indirect costs that you incur by investing in the Fund. 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.

Sustainability in emerging markets

We seek to invest in high-quality companies that produce necessary products and services in a responsible manner. We believe that incorporating [sustainability](#) considerations into our stock picking helps us in two ways.

- > Developing countries will not be able to follow the same resource-intensive and consumption-driven model of development taken by today's developed countries. We are looking for companies that are well positioned to meet the challenge of sustainable development. We have strong conviction that such companies face fewer risks and are better placed to deliver positive, long-term returns to shareholders.
- > Sustainability is a particularly useful approach to gauge the quality of companies. We believe managers and owners who treat their employees, the environment and society at large well are more likely to allow minority shareholders to participate in the success of the business; in contrast, we believe those who are willing to cut corners are likely to act in unscrupulous ways if given the opportunity. Incorporating sustainability in this way aids our bottom-up stock picking process. In emerging markets, insisting on robust governance is crucial to risk mitigation since corporate governance standards are often poor.

While we don't carry out negative screening, the output of our bottom-up approach means that we do not invest in companies with material exposure to harmful products, including weapons, tobacco, alcohol, gambling and fossil fuels. Nor do we believe we need to invest in such companies to deliver the long-term, sustainable returns our clients expect. 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 (%)
TSMC	Taiwan	Information Technology	7.5	9.0
HDFC Bank	India	Financials	5.8	1.1
Mahindra & Mahindra	India	Consumer Discretionary	5.5	0.4
Unicharm	Japan	Consumer Staples	4.8	-
Tata Consultancy Services	India	Information Technology	4.4	0.6
Samsung Electronics	South Korea	Information Technology	4.3	2.7
Infosys	India	Information Technology	3.6	0.9
Jerónimo Martins	Portugal	Consumer Staples	3.2	-
Weg S.A.	Brazil	Industrials	3.2	0.2
Raia Drogasil S.A.	Brazil	Consumer Staples	3.0	0.1
			45.3	14.9

Source: Stewart Investors as at 30 September 2024. Data shown is for the Stewart Investors Global Emerging Markets Leaders Sustainability Fund (PCT) and the MSCI Emerging Markets Index. Numbers may not add to totals due to rounding. Any stocks held/ listed in non-index countries have economic activity >50% from developing economies. References to specific securities should not be construed as investment advice or a recommendation to buy or sell the same.

Performance objective – capital protection and growth

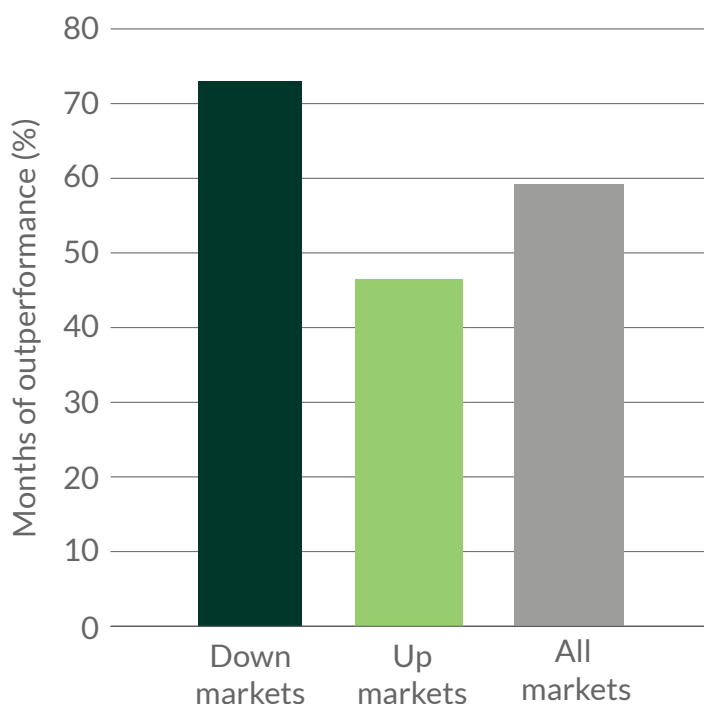
Our investment philosophy focuses on delivering strong absolute returns over cycles. This focus means that we define risk as the loss of clients’ capital rather than in terms of deviation from any benchmark index. As a result, our performance is likely to lag steeply rising markets, but deliver better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

Fund Performance over periods AUD - Fund performance net of fees %	Since launch	1 year	6 months	3 months
Stewart Investors Global Emerging Market Leaders Sustainability Fund (PCT)	-0.8	7.1	3.1	3.0
MSCI Emerging Markets Index (net)	1.7	17.3	7.4	4.7
Relative (arithmetic)	-2.5	-10.2	-4.3	-1.6

Given that the Global Emerging Markets Leaders Sustainability Fund (PCT) is a newer fund, we are showing the performance of the Global Emerging Markets Sustainability All-Cap Fund below for historical context of the wider investment strategy, team and approach.

Performance over periods AUD - Performance net of fees % p.a	Since launch	10 years	7 years	5 years	3 years	1 year	6 months	3 months
Stewart Investors Global Emerging Markets Sustainability (PCT)	10.2	6.4	6.1	3.7	-1.2	10.0	3.6	1.5
MSCI Emerging Markets Index (net)	7.4	6.5	5.5	5.2	1.8	17.3	7.4	4.7
Relative (arithmetic)	2.8	-0.1	0.6	-1.4	-3.0	-7.3	-3.7	-3.1

Stewart Investors Global Emerging Markets Sustainability
Investment style - downside protection
Fund outperformance since launch (AUD net of fees)



Past performance is not a reliable indicator of future results.

Source for Fund: First Sentier Investors, net of fees. Outperformance shown versus the MSCI Emerging Markets Index. Source for MSCI Emerging Markets Index: FactSet. Index data is net of withholding tax. Performance calculated from launch of the Stewart Investors Global Emerging Markets Sustainability Fund (All-Cap) on 18 February 2009 and is provided for illustrative purposes to demonstrate Stewart Investors’ investment activity within emerging markets for the period shown. It is not a recommendation or solicitation to invest in any fund. Differences between the Stewart Investors Global Emerging Markets Sustainability Fund (All-Cap) specific constraints, currency or fees and the Stewart Investors Global Emerging Markets Leaders Sustainability Fund (PCT) would affect results. All data to 30 September 2024 unless otherwise specified.

For more information visit our website at stewartinvestors.com

Our [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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Important information

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MORNINGSTAR DISCLAIMER:

The Morningstar Medalist Rating™ for Stewart Investors Global Emerging Markets Leaders Sustainability Fund (PCT) is 'Silver' as of 12/04/2024 where in the Analyst-Driven % is 100 and Data Coverage % is 100.

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