

Wholesale Worldwide Sustainability Fund



Stewart Investors
Sustainable Funds Group

Product overview

APIR code	FSF1295AU
Inception date	21 February 2013
Fund size (A\$)	940 million
Benchmark	MSCI All Countries World Index
Number of stock holdings	40-60 (current 55)
Active share*	97.4%
Buy / Sell spread	0.15% / 0.15%
Minimum investment(A\$)*	5,000
Management cost*	1.22%

* Active share is a measure of the percentage difference between the portfolio holdings and index constituents. Information on Minimum investment size and Management costs (including estimated indirect costs) is set out in the Fund's PDS.



CERTIFIED BY RIAA

Investment objective

To achieve long-term capital growth by investing in the shares of those companies which are particularly well positioned to benefit from, and contribute to, the sustainable development of the countries in which they operate. The Fund aims to exceed the MSCI All Country World Index over rolling five-year periods before fees and taxes.

About Stewart Investors

We are an active, long-only, equity investment business managing funds on behalf of our clients in Asia-Pacific, Emerging Markets and Worldwide equity portfolios. We have offices in Edinburgh, London, Singapore and Sydney and have a distinct culture and investment philosophy unchanged in over 30 years.

Stewardship has been at the heart of the way we invest since the launch of our first fund in 1988. We launched our first explicit sustainability fund in 2005 which takes this one step further by only investing in companies which contribute to and benefit from sustainable development.

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 seek out 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

The kind of companies we like

We divide companies into **three categories** to help us identify those with positive long-term sustainable positioning.



1 Sustainable goods and services

Companies providing necessary food, drink and consumer staples which have a positive impact on human health, welfare and environmental efficiency.

2 Responsible finance

Companies broadening the reach and lowering the price of financial services i.e. helping people and enterprises save, borrow, invest and insure against risk at fair prices.

3 Required infrastructure

Companies providing the basic infrastructure needed by society, such as energy, transportation, digital and water.

Key considerations

We aim to invest only in quality companies with sustainability at the heart of all our investment considerations.

Stewardship and management

Highly competent management who look after employees, shareholders and society, and operate with integrity and humility.

Financials

A preference for low net debt, strong cash flows and other signs of financial quality, such as reasonable remuneration and fair taxation practices.

Franchise

A strong business franchise, often with a trusted and recognised brand, providing socially necessary and useful products and services with a low impact on the environment.

Family-owned companies

We like to invest in companies backed by careful family stewards. We believe a company's ability to deliver long-term sustainable returns is correlated with the attributes of its owners. We believe owners with long histories are also more likely to navigate difficult periods successfully. (See chart overleaf)

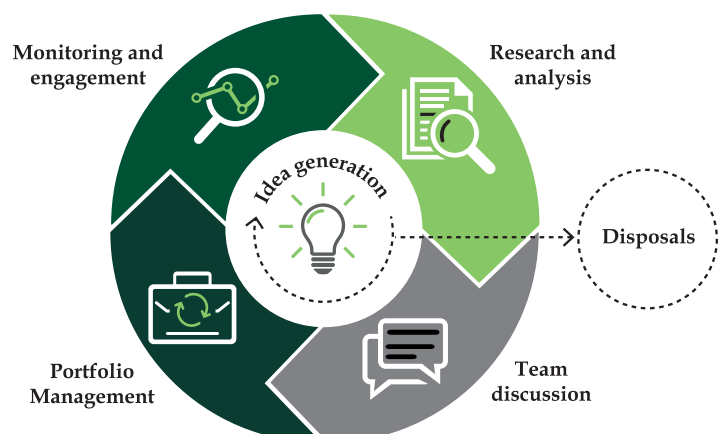
Engagement

We believe company engagement is an integral part of sustainable investing. We are not activist investors but every company is imperfect so we try to engage actively and constructively with company leaders on sustainability and other investment risks and opportunities. Our relationship with company management is extremely important to earn their trust and the right to have these conversations.

Our investment process

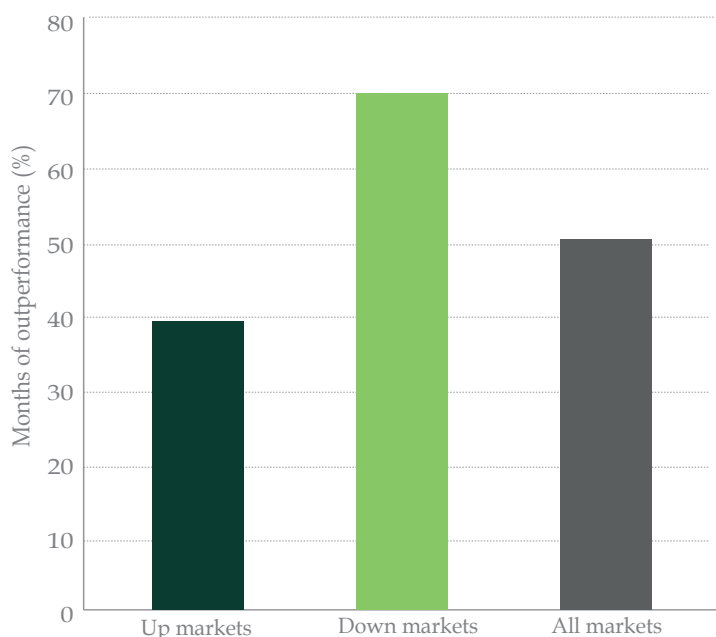
- We invest with a long-term time horizon, seeking to buy and hold high quality companies for a decade or more.
- We focus on sustainable development as a long-term driver of strong risk-adjusted returns. An outcome of this is that we do not invest in companies with material revenue derived from coal, tobacco, weapons and other sectors traditionally excluded by some ethical investors.
- We invest with an absolute return mindset, meaning we define risk as losing client money, rather than deviation from a benchmark index. We invest in companies, not sectors or countries.

Key stages in our investment process



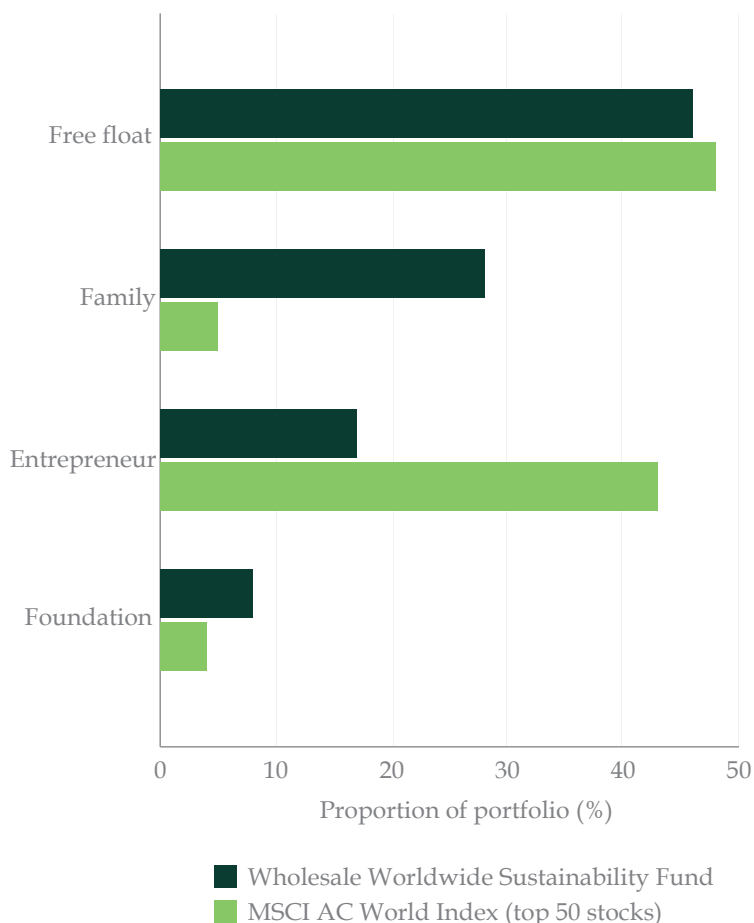
Downside protection¹

We are conservative managers focused on the downside as well as the upside. As a result, the fund is likely to lag steeply rising markets, but perform better in falling markets.



Economic ownership³

The graph below shows the companies we invest in. We end up with a very different set of owners than the benchmark. Due to our bottom-up approach each company is there on its own merit.



Ten largest holdings²

Company	Portfolio (%)	Index (%)
DiaSorin In vitro diagnostics reagent kits used in immunodiagnosics and molecular diagnostics (Italy)	4.4	0.0
Unilever Food, household and personal care consumer brands (UK)	4.3	0.1
Ain Holdings Franchisor of pharmacies and operator of drugstores (Japan)	3.9	-
Varian Medical Systems Medical devices and software to diagnose, treat and manage cancer (USA)	3.7	0.0
Hoya Manufacturer of lenses for glasses, contact lenses and technical equipment (Japan)	3.7	0.1
Vitasoy Healthy plant based food and beverages (Hong Kong)	2.9	-
Fortinet Network cybersecurity hardware and software (USA)	2.8	0.0
Coloplast Ostomy, continence, urology and wound care products (Denmark)	2.7	0.0
Halma Safety equipment for hazard detection and life-saving technology (UK)	2.7	0.0
CSL Biotherapies and influenza vaccines for life-threatening medical conditions (Australia)	2.6	0.2
Total	33.7	0.5

² Source: Stewart Investors as at 30 September 2020 for the Stewart Investors Wholesale Worldwide Sustainability Fund and MSCI AC World Index. Numbers may not add to totals due to rounding. This stock information does not constitute any offer or inducement to enter into any investment activity.

Visit our microsite
sfg.stewartinvestors.com
 for an interactive map of investment rationales, stories of sustainable investment and our position on harmful and controversial products and services

¹ Past performance is not a reliable indicator of future results. Source: First Sentier Investors and Stewart Investors as at 30 September 2020, net of fees for the Stewart Investors Wholesale Worldwide Sustainability Fund in AUD. Source for benchmark: FactSet. Index data is net of withholding tax. Outperformance shown versus the MSCI AC World Index. Chart data calculated since inception on 21 February 2013.

³ Source: Stewart Investors as at 30 September 2020. Slide shows economic stewardship classified by shareholder group as defined by Stewart Investors based on the most influential investor in any given company. MSCI AC World (top 50 stocks) used for comparison purposes only and does not necessarily reflect the profile of holdings in the fund. Data excludes cash and has been rebased to 100.

For more information

Head of Investment Sales and Key Accounts

Chris King +61 4 1398 4600

Key Account Manager - NSW

Angela Vincent +61 4 7734 7260

Paul Sleiman +61 4 2251 1231

Business Development Manager - NSW

Justin Sultana +61 4 3680 9033

Key Account Manager - VIC/TAS

Nicholas Everitt +61 4 9945 4206

Business Development Manager - VIC/TAS

Jack Heinz +61 4 3681 0683

Key Account Manager - QLD

Quin Smith +61 4 5509 5505

Business Development Manager - QLD

Julie Day +61 4 6641 3176

Key Account Manager - WA/SA/NT

Nathan Robinson +61 4 0327 2440

Important Information

This document has been prepared and issued by First Sentier Investors (Australia) IM Limited (ABN 89 114 194 311 AFSL 289017) (FSI AIM). Stewart Investors is a trading name of FSI AIM. FSI AIM forms part of First Sentier Investors, which is ultimately owned by Mitsubishi UFJ Financial Group, Inc (MUFG), a global financial group.

It is directed at persons who are professional, sophisticated or wholesale clients and has not been prepared for and is not intended for persons who are retail clients. A copy of the Financial Services Guide for FSI AIM is available from First Sentier Investors on its website. This material contains general information only. It is not intended to provide you with financial product advice and does not take into account your objectives, financial situation or needs. Before making an investment decision, you should consider, with a financial adviser, whether this information is appropriate in light of your investment needs, objectives and financial situation.

The product disclosure statement (PDS) and Information Memorandum (IM) for the Stewart Investors Wholesale Worldwide Sustainability Fund and ARSN 160 711 106 (Fund), issued by Colonial First State Investments Limited (ABN 98 002 348 352, AFSL 232468) (CFSIL), should be considered before deciding whether to acquire or hold units in the Fund. The PDS or IM are available from Stewart Investors which is the trading name for FSI AIM.

MUFG, the Commonwealth Bank of Australia (Bank) and their respective affiliates do not guarantee the performance of the Fund or the repayment of capital by the Fund. Investments in the Fund are not deposits or other liabilities of MUFG, the Bank nor their respective affiliates, and investment-type products are subject to investment risk including loss of income and capital invested. CFSIL is a subsidiary of the Bank. First Sentier Investors was acquired by MUFG on 2 August 2019 and is now financially and legally independent from the Bank.

To the extent permitted by law, no liability is accepted by MUFG, FSI AIM, the Bank, CFSIL nor their respective affiliates for any loss or damage as a result of any reliance on this information. This information is, or is based upon, information that we believe to be accurate and reliable, however neither MUFG, FSI AIM, the Bank, CFSIL nor their respective affiliates offer any warranty that it contains no factual errors. No part of this material may be reproduced or transmitted in any form or by any means without the prior written consent of FSI AIM.

Total returns shown for the Fund(s) have been calculated using exit prices after taking into account all ongoing fees and assuming reinvestment of distributions. No allowance has been made for taxation. Past performance is no indication of future performance.

Stewart Investors has been certified by RIAA according to the strict operational and disclosure practices required under the Responsible Investment Certification Program. See www.responsibleinvestment.org for details. The Responsible Investment Certification Program does not constitute financial product advice. Neither the Certification Symbol nor RIAA recommends to any person that any financial product is a suitable investment or that returns are guaranteed. Appropriate professional advice should be sought prior to making an investment decision. RIAA does not hold an Australian Financial Services Licence.