



## Key facts

<b>Portfolio managers</b>	Lead: Jack Nelson Co: David Gait
<b>Benchmark</b>	MSCI Emerging Markets index
<b>Market capitalisation limit</b>	>\$1billion
<b>Strategy launch date</b>	Q1 2020
<b>Number of holdings</b>	25-60
<b>Anticipated Active Share</b>	>93%
<b>Anticipated name turnover</b>	10-20% p.a.
<b>Standard management fee</b>	0.90% p.a.
<b>Launch fee discount</b>	20% discount on the standard management fee for the first 5 years

## Stewart Investors Global Emerging Markets Sustainability Leaders & Global Emerging Markets Sustainability All-Cap

### Similarities:

- Same investment philosophy, process, portfolio managers and team
- Both focus on sustainable development as a key driver of investment performance
- Considerable overlap in terms of companies held in the funds

### Differences:

- Leaders is limited to companies with a market cap >\$1b
- Leaders is less restricted by capacity constraints
- Leaders has greater liquidity
- Leaders is typically more concentrated

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## Background to this strategy launch

On 31 March 2019 the Stewart Investors Global Emerging Markets (EM) Sustainability All-Cap strategy had its 10th anniversary. This strategy has been, and remains capacity constrained. However, due to strong demand and our desire to offer our clients an EM Sustainability solution, we plan to launch an EM Sustainability Leaders Strategy. Leaders simply means that the strategy will be focused on companies with a market capitalisation (cap) >\$1 billion. Below we have highlighted the differences and similarities between our 'Leaders' and 'All-Cap' strategies.

## Our Investment philosophy

Our investment philosophy focuses on responsible stewardship and has remained unchanged for the 30 years we have been investing in emerging markets. We have a bottom-up, company-focused approach which is built on the principle of capital preservation as a means to long-term capital appreciation. We believe that risk is best defined not as deviation from a benchmark, but the chance of permanent capital impairment.

We believe that the best way to deliver attractive risk-adjusted returns is to aim to invest only in the highest quality companies and to retain those holdings for as long as possible. We invest with a 5-10 year mind-set as a minimum. We are focused on business models with attractive and enduring economics, conservative approaches to financing those businesses, and managers and owners who display integrity, competence and stewardship. Stewart Investors incorporates sustainability within its investment approach as it believes it is the best way to protect and grow capital for clients over the long-term.

## Sustainability in Emerging Markets

We believe that incorporating sustainability analysis into our stock-picking helps us in two ways.

1. 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 and contribute towards achieving it in the countries in which they operate. We have strong conviction that such companies face fewer risks and are better placed to deliver positive long-term returns to shareholders.
2. 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.

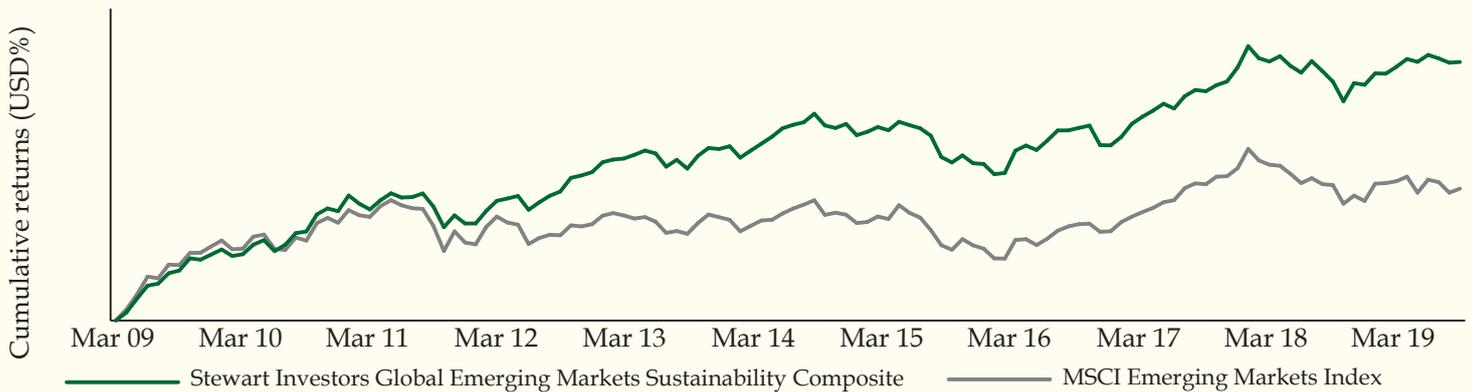
## Long-term performance of the EM Sustainability All-Cap strategy<sup>1</sup>

Gross annualised to 30 September 2019 (USD) %	Since inception*	10 years	7 years	5 years	3 years	1 year
SI Global Emerging Markets Sustainability Composite	14.8%	9.2%	6.2%	4.3%	7.5%	6.2%
MSCI Emerging Markets Index	9.8%	3.7%	2.8%	2.7%	6.4%	-1.6%
<b>Relative</b>	<b>5.0%</b>	<b>5.4%</b>	<b>3.4%</b>	<b>1.6%</b>	<b>1.2%</b>	<b>7.8%</b>

\* 29 February 2009

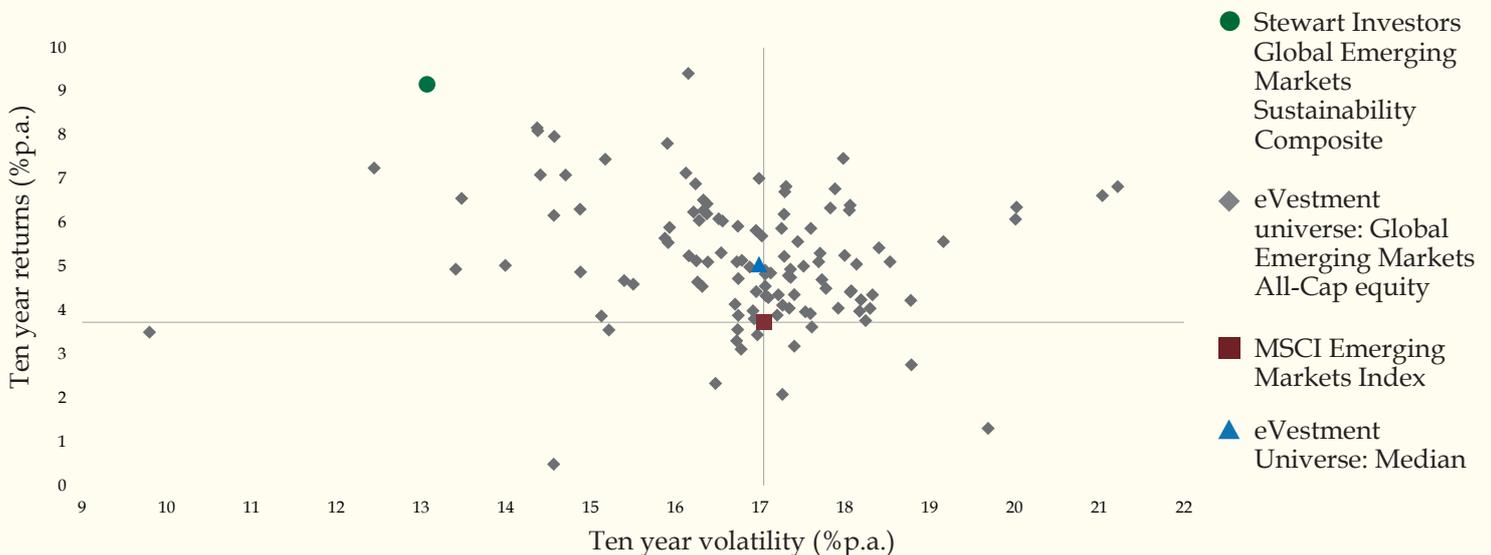
## EM Sustainability All-Cap strategy performance profile<sup>1</sup>

Since inception to 30 September 2019 - USD gross of fees

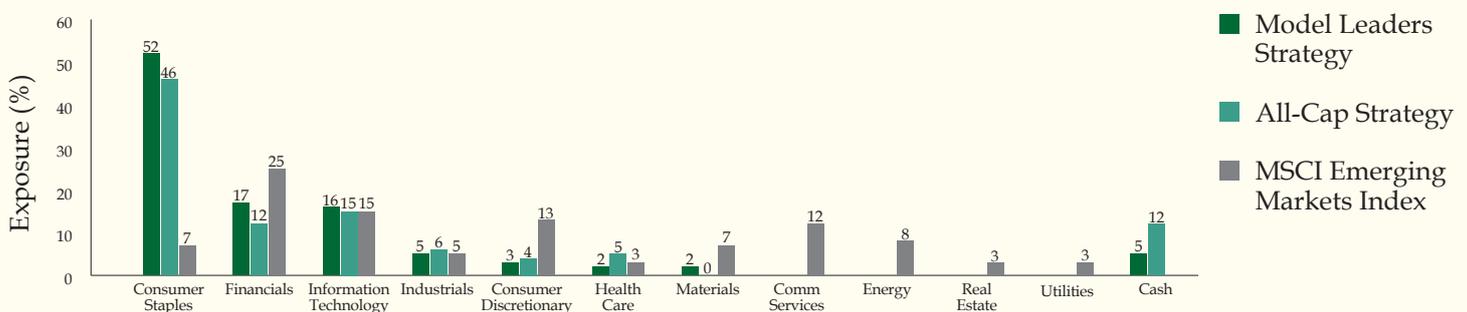


## EM Sustainability All-Cap strategy peers comparison<sup>2</sup>

USD gross of fees - to 30 September 2019



## Sector exposure comparison<sup>3</sup>



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1 Past performance is not a reliable indicator of future results. Source for composite: Stewart Investors. Data is shown in USD and is gross of fees. Performance figures do not reflect the deduction of investment advisory fees. A client's return will be reduced by the investment fees. If a client placed \$100,000 under management and a hypothetical gross return of 10% was achieved, the investment assets before fees would have grown to \$259,374 in 10 years. However, if an advisory fee of 1% were charged, investment assets would have grown to \$234,573, or an annual compounded rate of 8.9%. Source for benchmark: FactSet. Index returns are shown on a total return basis and gross of tax. Since launch relates to launch of the Stewart Investors Global Emerging Markets Sustainability composite on March 1, 2009. Relative return is calculated on an arithmetic basis. Performance information is provided for illustrative purposes only and is not intended to represent the performance of the proposed EM Sustainability Leader strategy.

2 Past performance is not a reliable indicator of future results. Source for all data: eVestment Alliance LLC. Performance data is calculated on a total return basis and gross of tax. Performance figures do not reflect the deduction of investment advisory fees. A client's return will be reduced by the investment fees. If a client placed \$100,000 under management and a hypothetical gross return of 10% was achieved, the investment assets before fees would have grown to \$259,374 in 10 years. However, if an advisory fee of 1% were charged, investment assets would have grown to \$234,573, or an annual compounded rate of 8.9%. Index returns are shown on a total return basis and are gross of tax. Volatility is a measure of risk based on the standard deviation of the asset return. Generally, the higher the volatility, the riskier the asset. This data is provided for illustrative purposes to demonstrate the Stewart Investors strategy risk/return profile versus industry peers. It is not a recommendation or solicitation to invest in any fund. Performance information is provided for illustrative purposes only and is not intended to represent the performance of the proposed EM Sustainability Leader strategy. Please see important information for eVestment disclaimer.

3 Stewart Investors as at 30 September 2019. Data shown for a representative Stewart Investors Global Emerging Markets Sustainability (All-Cap) account and a model Stewart Investors Global Emerging Markets Sustainability Leaders account. Model portfolio data is included to demonstrate how a new Global Emerging Markets Sustainability Leaders Strategy would differ from our existing Global Emerging Markets Sustainability (All-Cap) Strategy. It is provided for illustrative purposes only and is in no way binding. Numbers may not add to 100 due to rounding.

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