



Stewart Investors
St Andrews Partners

Stewart Investors Worldwide Equity Fund (UK OEIC)

Quarterly Investment Report

01 July 2019 - 30 September 2019

Q3

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Risk Factors

This document is a financial promotion for the Stewart Investors Worldwide Equity Fund in 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 Fund invests in assets which are denominated in other currencies; changes in exchange rates will affect the value of the Fund.
- **Emerging market risk:** emerging markets may not provide the same level of investor protection as a developed market; they may involve a higher risk than investing in developed markets.
- **Recommendation:** This fund may not be appropriate for investors who plan to withdraw their money within five years.

Reference to specific securities (if any) is included for the purpose of illustration only and should not be construed as a recommendation to buy or sell. Reference to the names of any company is merely to explain the investment strategy and should not be construed as investment advice or a recommendation to invest in any of those companies.

For a full description of the terms of investment and the risks please see the Prospectus and Key Investor Information Document.

**If you are in any doubt as to the suitability of our funds for your investment needs, please seek investment advice.
If you are unsure of the terminology used in this report, please seek independent financial advice.**

Stewart Investors Worldwide Equity Fund

Portfolio Overview

30 September 2019

Investment Philosophy

Our investment approach founded in 1988 is based on:

- Stewardship
- An absolute return mindset*
- Bottom-up analysis*
- Long-term thinking
- Searching for quality companies
- Finding sustainable and predictable growth
- Strong valuation disciplines

Investment objective and policy

The Fund aims to grow your investment.

The Fund invests in shares of companies around the world. The Fund may invest in both developed and emerging market countries (countries considered to have social or business activity in the process of rapid growth). The Fund may invest in any industry.

Fund Information

Fund Launch Date	09 June 2011
Fund Size (£m)	37.1
UK's Investment Association Sector	Global
Benchmark	MSCI AC World Index*
Number Of Holdings	35
Fund Manager(s)	Sashi Reddy/Nick Edgerton
Fund Yield	0.0%

* The benchmark and IA sector for this Fund have been identified as a means by which investors can compare the performance of the Fund and have been chosen because their constituents most closely represent the scope of the investable assets. The benchmark and sector are not used to limit or constrain how the portfolio is constructed nor are they part of a target set for Fund performance.

Available Share Classes

ISIN	Sedol	Share Class
GB00B45T6015	B45T601	Stewart Investors Worldwide Equity Fund GBP Class A (Accumulation)
GB00B4M44Q16	B4M44Q1	Stewart Investors Worldwide Equity Fund GBP Class A (Income)
GB00B4KJB07	B4KJB07	Stewart Investors Worldwide Equity Fund GBP Class B (Accumulation)
GB00B40SXC45	B40SXC4	Stewart Investors Worldwide Equity Fund GBP Class B (Income)
GB00B41PCQ12	B41PCQ1	Stewart Investors Worldwide Equity Fund EUR Class B (Accumulation)
GB00B8L5FN71	B8L5FN7	Stewart Investors Worldwide Equity Fund USD Class B (Accumulation)

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♦ **Absolute return:** a return provided by a share or portfolio which is not measured relative to another share or benchmark index.

♦ **Bottom-up:** analysis of a company focused principally on its management, franchise and financials rather than the broader industry in which it operates, or macroeconomic factors, such as economic growth.

Performance

30 September 2019

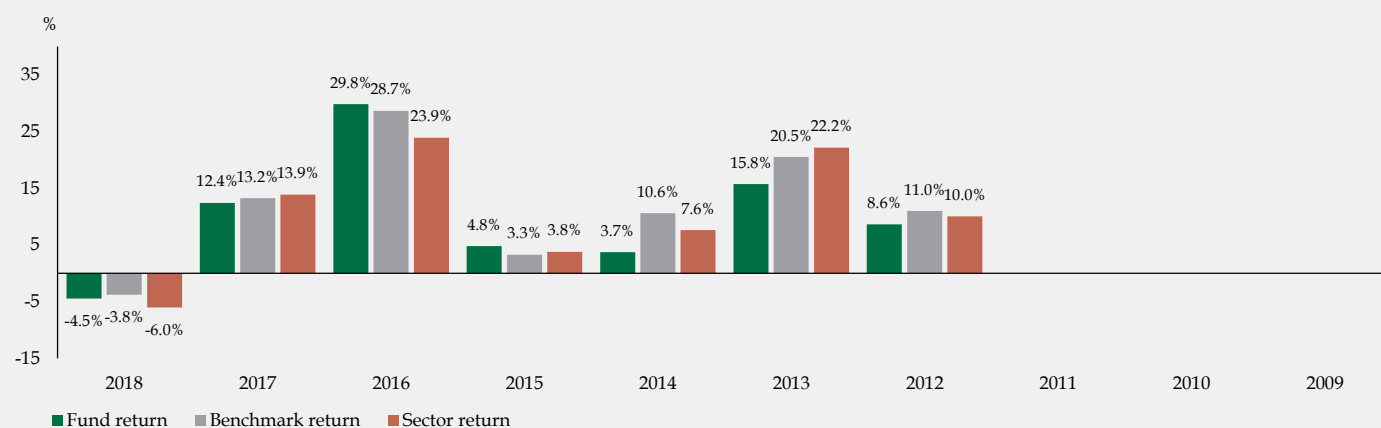
Annual Performance (% in GBP) to 30 September 2019

	12 mths to 30/09/19	12 mths to 30/09/18	12 mths to 30/09/17	12 mths to 30/09/16	12 mths to 30/09/15
Stewart Investors Worldwide Equity Fund	4.3	4.1	9.1	35.6	4.4
MSCI AC World Index	7.3	12.9	14.9	30.6	-0.1
Sector return	5.3	11.5	14.8	27.0	-0.3

Cumulative Performance (% in GBP) to 30 September 2019

	Since Inception	10 yrs	5 yrs	3 yrs	1 yr	YTD	6 mths	3 mths
Stewart Investors Worldwide Equity Fund	96.3	-	67.5	18.4	4.3	8.2	5.2	0.5
MSCI AC World Index	144.0	-	81.5	39.2	7.3	20.1	9.5	3.3
Sector return	126.6	-	71.1	33.6	5.3	19.0	8.9	2.4

Calendar Year Performance (% in GBP) to 30 September 2019



These figures refer to the past. Past performance is not a reliable indicator of future results. For investors based in countries with currencies other than GBP, the return may increase or decrease as a result of currency fluctuations. Since inception performance figures have been calculated from 09 June 2011. All performance data for the Stewart Investors Worldwide Equity Fund Class A (Accumulation) GBP as at 30 September 2019. Source for fund - Lipper IM / Stewart Investors. Performance data is calculated on a net basis by deducting fees incurred at fund level (e.g. the management and administration fee) and other costs charged to the fund (e.g. transaction and custody costs), save that it does not take account of initial charges or switching fees (if any). Income reinvested is included on a net of tax basis. Source for benchmark - MSCI, income reinvested net of tax.

*Sector returns calculated by Lipper and denote the arithmetic mean performance of funds in the relevant UK's Investment Association Sector.

Commentary

30 September 2019

Major Activity

During the quarter we bought **Godrej Consumer** (India: Consumer Staples), a cash-generative consumer business with leading brands in insecticides, hair colour and air fresheners. We also bought **Infosys** (India: Information Technology), a quality IT franchise on a reasonable valuation.

We sold **Fastenal** (US: Industrials) on valuation concerns and **Sociedad Matriz** (Chile: Industrials) because we can find higher quality companies elsewhere. We also sold **Roche** (Switzerland: Health Care) because we believe that risks were rising around growth in China and the pricing environment in the US.

Comment

Henkel is the largest position in the portfolio. The company has strong brands and market positions in both consumer and industrial segments. Henkel has a safe balance sheet and has demonstrated cash flow resilience through difficult market periods, despite underlying cyclicality in its (mostly industrial) adhesives business, which accounts for a little under half of total revenues.

The combination of an impressive professional management team and a family ownership structure creates a culture that is both long-term and heavily focused on excellent operational performance and execution. Henkel is committed to reducing the environmental impact of products. As far back as 1982, it showed environmental leadership by developing phosphate-free detergents. Risks include a revenue profile which is weighted towards slower-growing developed markets, and intense competition in some product categories, particularly in the beauty segment.

Review & Outlook

The fund rose over the last twelve months but underperformed its benchmark index. **Henkel** (Germany: Consumer Staples) declined as management warned they will increase investment in the business at the expense of near term margins. **PZ Cussons** (UK: Consumer Staples) was weak because of the difficult economic environment in Nigeria.

On the positive side, **Unilever** (UK: Consumer Staples) gained as it continued to deliver sales growth and **Colgate-Palmolive** (US: Consumer Staples) rose as it continued to deliver solid earnings growth.

We remain defensively-positioned with a focus on cash-generative companies which have strong balance sheets. Valuations generally remain elevated, particularly considering the extent to which balance sheets have deteriorated over this decade and earnings have been inflated by financial engineering.

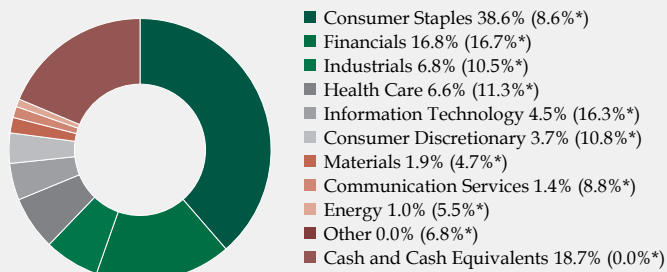
Portfolio Allocation and Stock Holdings

30 September 2019

Ten Largest Holdings as at 30 September 2019

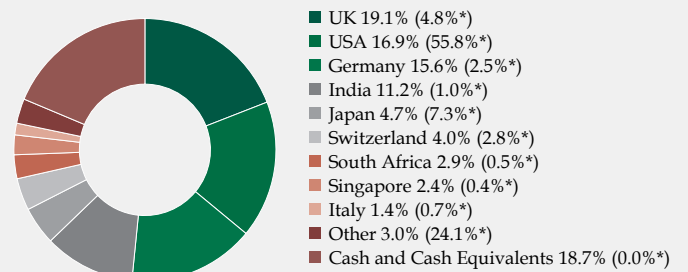
Stock Name	Country	Sector	Portfolio Weight (%)	Index Weight (%)
Henkel AG & Co. KGaA	Germany	Consumer Staples	9.4	0.0
Unilever PLC	UK	Consumer Staples	9.2	0.1
Loews Corporation	USA	Financials	4.7	0.0
Beiersdorf AG	Germany	Consumer Staples	4.6	0.0
Lloyds Banking Group plc	UK	Financials	3.7	0.1
Cerner Corporation	USA	Health Care	3.6	0.0
Berkshire Hathaway Inc. Class A	USA	Financials	3.4	0.0
Tata Consultancy Serv. Ltd	India	Information Technology	3.3	0.1
Expeditors International of Washington, Inc.	USA	Industrials	2.8	0.0
Mahindra & Mahindra Ltd.	India	Consumer Discretionary	2.7	0.0

Sector Breakdown



*Index Weight

Country Breakdown

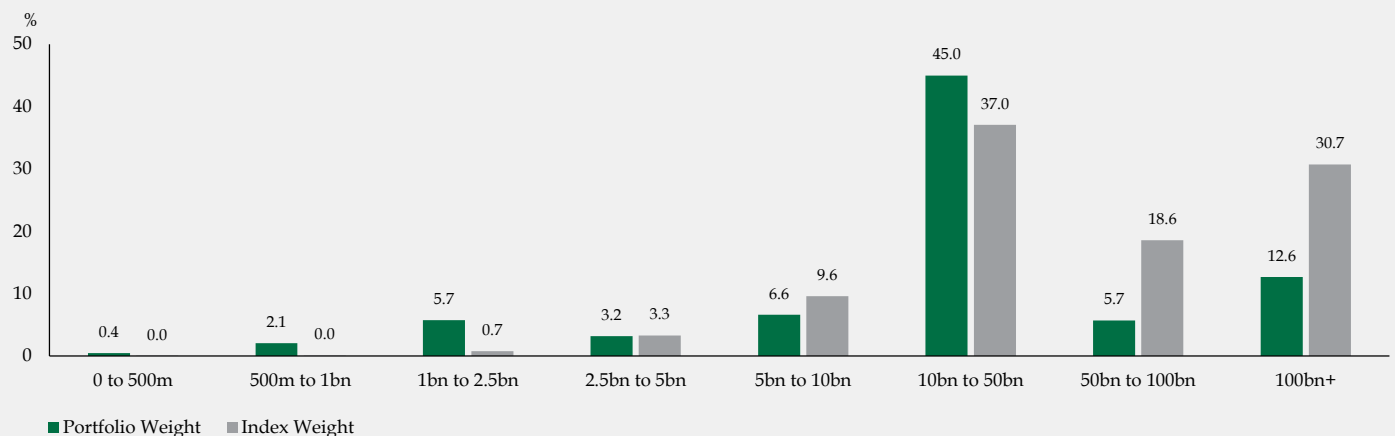


*Index Weight

Sector and Country classifications provided by Factset and Stewart Investors.

Cash Equivalents may include T-Bills.

Market Capitalisation Breakdown (GBP)



Data source: For illustration purposes only. Portfolio weights may not add up to 100% as cash holdings are excluded and full coverage of stocks is not always available. This information is calculated by Stewart Investors.

Stock Contribution

30 September 2019

Top 5 contributors to absolute performance

3 months to 30 September 2019

Stock Name	Country	Sector	Value added (bps*)
NAVER Corp.	South Korea	Communication Services	37
Henkel AG & Co. KGaA	Germany	Consumer Staples	27
Merck KGaA	Germany	Health Care	25
Unicharm Corporation	Japan	Consumer Staples	18
Daetwyler Holding AG	Switzerland	Industrials	17

12 months to 30 September 2019

Stock Name	Country	Sector	Value added (bps*)
Unilever PLC	UK	Consumer Staples	88
Colgate-Palmolive Company	USA	Consumer Staples	58
Tata Global Beverages	India	Consumer Staples	45
Merck KGaA	Germany	Health Care	43
Roche Holding AG	Switzerland	Health Care	43

Bottom 5 contributors to absolute performance

3 months to 30 September 2019

Stock name	Country	Sector	Value added (bps*)
Mahindra & Mahindra Ltd.	India	Consumer Discretionary	-24
Remgro Limited	South Africa	Financials	-23
Tata Consultancy Services Limited	India	Information Technology	-18
Cerner Corporation	USA	Health Care	-14
Loews Corporation	USA	Financials	-13

12 months to 30 September 2019

Stock name	Country	Sector	Value added (bps*)
Henkel AG & Co. KGaA	Germany	Consumer Staples	-57
PZ Cussons Plc	UK	Consumer Staples	-28
Unilever Nigeria PLC	Nigeria	Consumer Staples	-25
Remgro Limited	South Africa	Financials	-22
Asustek Computer Inc.	Taiwan	Information Technology	-22

Stock Contributions show the impact of the individual stock's performance to the total fund performance. These stock contributions show the top 5 and bottom 5 contributors to the fund and are not representative of the performance of the fund as a whole.

These figures refer to the past. Past Performance is not a reliable indicator of future results. For investors based in countries with currencies other than GBP, the return may increase or decrease as a result of currency fluctuation.

This stock information does not constitute any offer or inducement to enter into investment activity.

Contributions are calculated at the investee company level before the deduction of any fees incurred at fund level (e.g. the management and administration fee) but after deduction of transactional costs. Stocks held/listed in non-index countries have economic activity > 50% from developing economies.

* A basis point is a unit of measure used in finance to describe the percentage change in value or rate of a financial instrument. One basis point is equivalent to 0.01% (1/100th of a percent) or 0.0001 in decimal form.

Data source: This information is calculated by Stewart Investors.

Risk Analysis

30 September 2019

Portfolio Risk Analysis - Ex-Post 3 Years Annualised to 30 September 2019

Risk Measure	Value	Risk Description
Information Ratio	-0.81	The fund's excess return divided by its tracking error. It is designed to assess a portfolio's performance relative to its level of benchmark risk. The higher the fund's information ratio, the more excess return it generates for each unit of tracking error.
Portfolio Standard Deviation	7.90%	A measure of how much the returns of the fund vary relative to the arithmetical average. The higher the fund's standard deviation, the more its returns tend to deviate from the mean.
Benchmark Standard Deviation	9.89%	A measure of how much the returns of the index vary relative to the arithmetical average. The higher the index's standard deviation, the more its returns tend to deviate from the mean.
Tracking Error	5.51%	The standard deviation of the difference between the fund's returns and those of the index. The higher the fund's tracking error, the more its performance relative to the benchmark may vary.

Portfolio Risk Analysis - Ex-Ante at 30 September 2019

Risk Measure	Value	Risk Description
Dividend Yield (Fund)	2.18%	The annual dividend yield paid per share divided by the share price. This factor measure the value of company shares according to the stream of dividend income resulting from share ownership.
Dividend Yield (Index)	2.47%	The annual dividend yield paid per share divided by the share price. This factor measure the value of company shares according to the stream of dividend income resulting from share ownership.
Price to Book (Fund)	2.27	The ratio of the company's book value (the sum of shareholders' equity plus accumulated retained earnings from the P & L account) to its share price. This factor has been one of the most successful measures of the intrinsic value of company shares.
Price to Book (Index)	2.19	The ratio of the company's book value (the sum of shareholders' equity plus accumulated retained earnings from the P & L account) to its share price. This factor has been one of the most successful measures of the intrinsic value of company shares.
Price to Earnings (Fund)	19.67	Annual earnings (adjusted for amortizations of intangibles, extraordinary charges and credits) per share divided by the share price. This factor measures the worth of a company's ability to support each share with after tax earnings.
Price to Earnings (Index)	17.42	Annual earnings (adjusted for amortizations of intangibles, extraordinary charges and credits) per share divided by the share price. This factor measures the worth of a company's ability to support each share with after tax earnings.

Data source: Ex-Post information is calculated by Stewart Investors, Ex-Ante information is provided by FactSet.

Disclaimer

30 September 2019

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Representative and Paying Agent in Switzerland: The representative and paying agent in Switzerland is BNP Paribas Securities Services, Paris, succursale de Zurich, Selnaustrasse 16, 8002 Zurich, Switzerland. Place where the relevant documentation may be obtained: The prospectus, key investor information documents (KIIDs), the instrument of incorporation as well as the annual and semi-annual reports may be obtained free of charge from the representative in Switzerland.

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