

SPW Global High Quality Fund - Retail

September 2022

Objective

The fund aims in AUD to outperform the MSCI Daily World Total Return Net World Index, after management costs and usual expenses, over rolling 3 to 5 year periods.

Strategy

The fund is an actively managed portfolio of global equities with a high quality bias and which are listed on recognised exchanges. The fund is exposed principally to high quality international listed companies. It seeks to invest in companies with predictable revenue growth that produce sustainable economic value over the long-term. The fund can have material exposure to cash where the portfolio manager considers this appropriate. Regional positioning is driven by bottom-up stock selection. The investment exposure is not subject to any geographical restrictions except that exposure to 'emerging' market listed companies is limited to no more than 30% of the assets. Sector positioning is also driven by bottom-up stock selection, and the investment exposure is not subject to any sector restrictions.

Investment approach

1 Generation of stock ideas

- Screening process based upon a range of metrics
- Meetings with company management and investor relations
- Utilise external and sell-side research sources

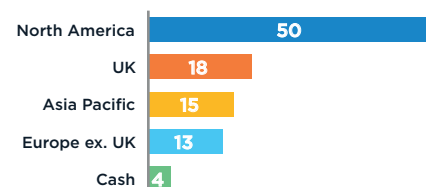
2 Fundamental analysis

- Rigorous and detailed bottom-up company analysis
- Focus on the capital structure of the business
- Look for strong and sustainable competitive advantages
- A strong and growing free cash flow trend over time

3 Portfolio construction

- Active management, constantly revisiting the thesis
- Understanding of risk-reward trade-off
- Buy and sell discipline based on fundamental valuation
- Risk is viewed as a permanent loss of capital

Country allocation (% nav)



Geographical allocation as at 30.09.2022

Sector allocation

(excl cash)	Weight %	Index %
Communication Services	16.4	7.2
Consumer Discretionary	10.3	11.4
Consumer Staples	16.1	7.7
Energy	0.0	5.1
Financials	3.5	13.4
Health Care	22.5	13.9
Industrials	3.6	9.9
Information Technology	23.6	21.4
Materials	0.0	4.1
Real Estate	0.0	2.7
Utilities	0.0	3.2

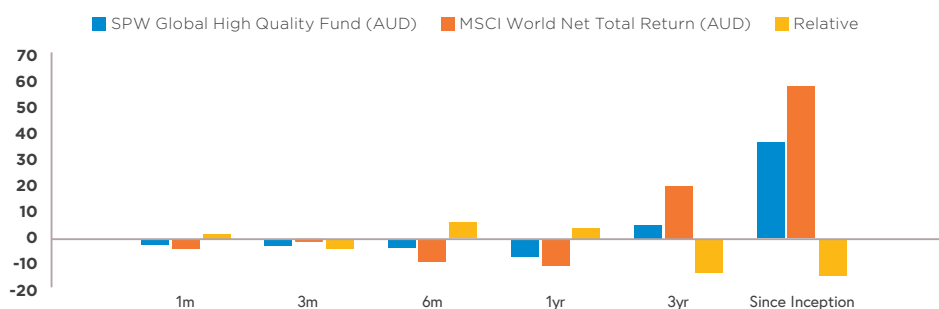
Sources: SPW/Bloomberg/MSCI

Top 10 holdings

		Weight %
Elevance Health (Anthem)	Healthcare	5.6
British American Tobacco	Consumer Staples	5.1
Fiserv	Information Technology	4.9
Alphabet	Communications	4.2
Visa	Information Technology	4.0
NetEase	Communications	3.8
General Dynamics	Industrials	3.6
London Stock Exchange Group	Financials	3.5
Yum China	Consumer Discretionary	3.5
Novartis	Healthcare	3.4

Performance

SPW Global High Quality Fund performance vs MSCI World (since inception)



	1m	3m	6m	1yr	3yr	Since Inception
SPW Global High Quality Fund	-1.6%	-2.2%	-2.7%	-6.4%	5.0%	36.7%
MSCI World Net Total Return	-3.3%	0.8%	-8.3%	-9.9%	20.0%	58.1%
Relative	1.7%	-3.1%	6.1%	3.9%	-12.4%	-13.5%

Returns to 30.09.2022

Past performance is not a reliable indicator of future performance.

Monthly commentary

The SPW Global High-Quality Fund outperformed the MSCI World Index during the month by 1.7%, with the fund down 1.6%. The best performing stock during the month was Roche (+8.5%). Part of this strong performance was data from Biogen for their Alzheimer's disease drug, which was a surprise to the market. This has a positive read-across to Roche and their Alzheimer's readout in November. The company also hosted a capital markets day which aided positive sentiment. Not only did it serve to remind investors of their strong collection of drugs for 2022, but it also showcased their strong mid- and late-stage pipeline assets which may be still underappreciated. Other strong performers during the month include Johnson & Johnson (+7.9%) and Unilever (+3.4%). In terms of laggards, both Sabre (-23.7%) and Tencent (-13.2%) had tough months. Travel names were in the crossfires as the market worries about the strength of the consumer moving into the latter half of the year and into 2023. Tencent's fate continues to be tied to that of the Chinese economy, with covid-inspired lockdowns continuing to hinder them.

Key fund information

Launch date:	3 May 2017
Investment manager:	Sanlam Private Wealth (Pty) Ltd. ABN 18 136 960 775
Portfolio Manager:	Sanlam Private Investments (UK) Ltd
Responsible Entity:	Equity Trustees Limited ABN: 46 004 031 298. AFSL: 240975
Tel:	+61 (2) 8245 0501
Email:	sydney@privatewealth.sanlam.com.au
Web:	www.sanlamprivatewealth.com.au
Portfolio manager:	Pieter Fourie
Deputy portfolio manager:	William Ball
Fund regulator:	Australian Securities and Investments Commission
Fund domicile:	Australia
Fund administrator	Mainstream Fund Services
Custodian:	JP Morgan
Other available share classes:	Retail
Initial charge:	None
Currency:	Australian Dollar (AUD)
Dealing times:	9am - 5pm daily AEST
Benchmark:	MSCI Daily World Total Return Net World Index AUD
Management costs:	1.20% p.a. of the NAV of the class
Buy/sell spread:	0.20% / 0.20%
Distributions:	At least annually (end of June), and unless you choose otherwise, distributions are automatically reinvested
Minimum investment:	\$10,000
Exit penalties:	None
Share price at 30.09.2022:	APIR NAV per unit ETL8834AU AU\$ 0.9956

Fund characteristics 30.09.2022

(excl cash)	Portfolio	Index
Fund Size (AUD millions)	20	
Number of Holdings	33	1525
Average Market Cap (A\$ billions)	340	47
Return On Equity	21%	16%
Price/Earnings**	17	16
Free Cash Flow Yield	6.0%	6.6%
Dividend Yield **	1.9%	2.3%

** 12 months forward Sources: SPW/Bloomberg/MSCI
^YUM, PM not included due to low or negative equity caused by changes to the balance sheet

Important information

Equity Trustees Limited ("Equity Trustees") (ABN 46 004 031 298), AFSL 240975, is the Responsible Entity for the SPW Global High Quality Fund. Equity Trustees is a subsidiary of EQT Holdings Limited (ABN 22 607 797 615), a publicly listed company on the Australian Securities Exchange (ASX: EQT). This document has been prepared to provide you with general information only. In preparing this document, we did not take into account the investment objectives, financial situation or particular needs of any particular person. It is not intended to take the place of professional advice and you should not take action on specific issues in reliance on this information. Neither Equity Trustees nor any of its related parties, their employees or directors, provide and warranty of accuracy or reliability in relation to such information or accepts any liability to any person who relies on it. Past performance should not be taken as an indicator of future performance. You should consider the Product Disclosure Statement ("PDS") before making a decision about whether to invest in this product. The PDS can be obtained by visiting www.eqt.com.au/insto or request a copy by calling the Investment Manager Sanlam Private Wealth (Pty) Ltd. on +61 2 8245 0501 or emailing them at sydney@privatewealth.sanlam.com.au. Past performance is no indication of future performance.

Pieter Fourie, CFA CA (SA)
Head of Global Equities



As Head of Global Equities, Pieter is the lead fund manager for the Sanlam Global High Quality Equity Fund having joined the firm in mid 2012. His responsibilities include the design, management and implementation of our global equity client offering including segregated mandates for high net worth individuals. Pieter oversees a team of five analysts focusing on global and UK equities across multiple industries. Current assets under management managed by the investment team in direct global and UK equity mandates is more than US\$2.1bn.

William Ball
Senior Equity Analyst



William is a senior equity analyst, who is the deputy fund manager of the Sanlam Global High Quality Fund. Additionally, in conjunction with the Head of Global Equities, William is responsible for global equity research and managing the high net worth global equity mandates and the global equity offering. He has over 13 years of investment experience and a track record of investing in equities. Prior to joining Sanlam in 2009, William worked at Brown Shipley before moving to Merrill Lynch.

Sanlam Private Wealth

E sydney@privatewealth.sanlam.com.au T +61 (2) 8245 0501. Sanlam Private Wealth is a trading name of Sanlam Private Wealth (Pty) Ltd. ABN 18 136 960 775. Registered office: Level 2, 33 York Street, Sydney, NSW 2000.

The Fund's Target Market Determination is available here <https://www.eqt.com.au/insto/>. A Target Market Determination is a document which is required to be made available from 5 October 2021. It describes who this financial product is likely to be appropriate for (i.e. the target market), and any conditions around how the product can be distributed to investors. It also describes the events or circumstances where the Target Market Determination for this financial product may need to be reviewed.