

## 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.

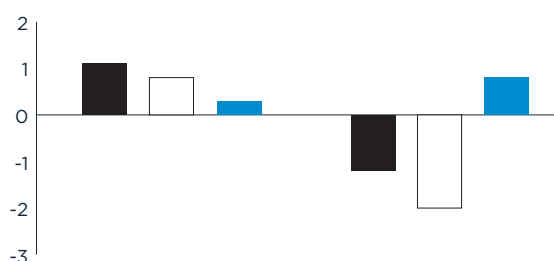
## STRATEGY

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

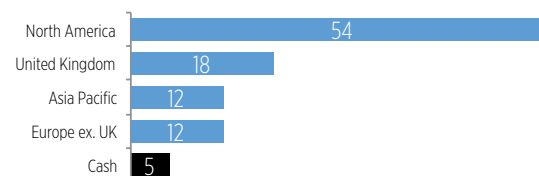
## PERFORMANCE



SPW Global High Quality Fund Institutional Class Performance vs Benchmark in AUD	August 2017	Since Inception
SPW Global High Quality Fund	1.1%	-1.2%
MSCI World Net Total Return	0.8%	-2.0%
Relative	0.3%	0.8%

Returns to 31/08/2017 in AUD

## COUNTRY ALLOCATION (% NAV)



## SECTOR ALLOCATION

(excl cash)	Weight %	Index %
Consumer Staples	33.7	9.43
Information Technology	32.8	15.93
Consumer Discretionary	3.3	12.27
Financials	7.1	18.22
Industrials	0.0	11.35
Materials	0.0	5.01
Health Care	18.2	12.28
Energy	0.0	6.12
Telecommunication Services	0.0	3.01
Real Estate	0.0	3.2
Utilities	0.0	3.18

Sources: SPW/Bloomberg/MSCI

## TOP 10 HOLDINGS

Company	Sector	Weight %
Medtronic	Health Care	4.9
Diageo	Consumer Staples	4.6
Priceline	Information Technology	4.2
British American Tobacco	Consumer Staples	4.0
Imperial Brands	Consumer Staples	4.0
Hengan International	Consumer Staples	3.9
Alphabet	Information Technology	3.9
Unilever	Consumer Staples	3.8
Fresenius Medical Care	Health Care	3.7
Moody's Corp	Financials	3.3

## MONTHLY COMMENTARY

The SPW Global High Quality Fund outperformed the MSCI World Index during the month by 0.3%, with the fund gaining 1.1%. Hengan was the best performer of the month, gaining 10.2% throughout the month. Much of this positive performance was due to a change of sentiment off the back of better-than-expected results earlier in the month. Waters (+6.5%) and PayPal (+6.0%) also were strong performers. NetEase (-10.5%) and ADP (-9.9%) were laggards. NetEase fell after they announced greater-than-expected costs in their recent quarterly results. These are associated with growing out their nascent e-commerce business.

## 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@sanlam.privatewealth.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 & custodian:	FundBPO Pty Limited ACN 118 902 891
Custodian:	JP Morgan
Other available share classes:	Institutional
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:	0.80% 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:	\$1,000,000
Exit penalties:	None
Share price at 31.08.2017:	APIR NAV per unit ETL7705AU \$0.9776

## FUND CHARACTERISTICS (31.08.2017)

	Portfolio	Index
Fund Size (\$ millions)	11.1	
Number of Holdings	35	1646
Average Market Cap (\$ billions)	106	17
Return On Equity	33%	11%
Price/Earnings**	21	17
Price/Book Value	5	2
Free Cash Flow Yield	4.6%	5.1%
Dividend Yield **	1.5%	2.4%

\*\*estimated 12 months forward Sources: SPW/Bloomberg/MSCI

## 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](http://www.eqt.com.au/insto) or request a copy by calling the Investment Manager Sanlam Private Wealth (Pty) Ltd. on +61 8245 0501 or emailing them at [sydney@sanlam.privatewealth.com.au](mailto:sydney@sanlam.privatewealth.com.au). Past performance is no indication of future performance.

## ABOUT THE INVESTMENT MANAGER



**PIETER FOURIE, CFA CA (SA)**  
Head of Global Equities

As Head of Global Equities, Pieter is the lead fund manager for the SPW Global High Quality Equity fund and the Clime International 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 \$0.5bn.



**WILLIAM BALL**  
Senior Equity Analyst

William is a senior equity analyst, who is the deputy fund manager of the SPW Global High Quality Fund and co-manager of the Clime International Equity Fund since inception of both on 28 February 2014. 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 10 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.

## PRIVATE WEALTH

Email: [sydney@sanlam.privatewealth.com.au](mailto:sydney@sanlam.privatewealth.com.au) | [www.sanlamprivatewealth.com.au](http://www.sanlamprivatewealth.com.au) | +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 15, 37 York Street, Sydney NSW 2000

E [sydney@sanlam.privatewealth.com.au](mailto:sydney@sanlam.privatewealth.com.au)

[www.sanlamprivatewealth.com.au](http://www.sanlamprivatewealth.com.au)