

**SHINING A LIGHT ON THE.....
Heriot Global Fund**

AT A GLANCE

Investment Objective
The aim of the Fund is to provide capital appreciation over the long term (5 years or more) by investing in dividend growth companies. The Fund invests in listed global equities. The Fund aims to invest in a portfolio of approximately 60-100 companies which have high levels of profitability and cash generation, consistent re-investment, low levels of debt and prudent governance in order to deliver the investment objective. The Investment Adviser will perform research to identify shares in companies that provide this. To the extent that the Fund is not fully invested in the asset class listed above, investments may be made in money market instruments, deposits, cash and near cash. Such investments are not intended to be more than 10% in aggregate of the value of the Fund.

Inception Date	20 th March 2013
Fund Factsheet Link	https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F00000QDA9

Management	
Manager Name	Start Date
Investment Team	20 th March 2013

FUND PERFORMANCE

Performance from 1st January 2016 to 31st January 2022:

	2016	2017	2018	2019	2020	2021	2022
Heriot Global Fund	23.84%	16.21%	-0.46%	26.97%	16.97%	23.81%	-11.01%
MSCI ACWI NR	28.66%	13.24%	-3.78%	21.71%	12.67%	19.63%	-4.00%

Performance over 12 months, 3 years, 5 years and since launch:

	1 year	3 years	5 years	Since Launch
Heriot Global Fund	10.42%	63.80%	87.91%	172.91%
MSCI ACWI NR	15.89%	50.75%	70.04%	167.40%

You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.

LWM Consultants Ltd

Tracking Error	Information Ratio	Active Share	Upside Capture Ratio	Downside Capture Ratio	Batting Average	Beta	Alpha	Equity Style
6.03	0.53	-	89.08	88.22	47.22	0.90	0.06	Growth /Large

Volatility Measurements	
3-Yr Std Dev (volatility)	13.69%
3-Yr Mean Return (average)	17.88%

Investment Style Details	
Giant	38.96%
Large	37.17%
Medium	21.43%
Small	2.44%
Micro	0.00%

Top 5 Holdings – 69 Equity Holdings		
Microsoft Corp	Technology	2.94%
ASML Holding NV	Technology	2.58%
Littelfuse Inc	Technology	2.44%
Hexagon AB Class B	Technology	2.25%
Lonza Group Ltd	Healthcare	2.16%

Top 5 Sectors	
Technology	28.64%
Healthcare	22.07%
Financial Services	16.74%
Industrials	8.94%
Consumer Defensive	7.32%

Top 5 Regions	
United States	52.20%
Europe ex Euro	17.60%
Eurozone	12.35%
Japan	6.28%
United Kingdom	4.83%

UPDATE....

We have met the team behind this strategy and the strategy should be seen as a counterbalance in any portfolio. It is really the safe pair of hands. Although this has a growth bias it looks to protect on the downside and keep volatility down. This has meant that over time it has been able to outperform the index and compound those returns.

However, the switch in style to value has seen a pullback in performance. The portfolio should look fairly consistent year to year, with around 10 to 12 new names.

LWM Consultants Ltd

It is worth remembering that this is not a dividend fund, but dividend growth is a key element to investment decisions. To pay and grow a sustainable dividend you need to be growing the business and re-investing back into the business.

They are style and benchmark agnostic but probably fall into the defensive quality growth bucket. The quality element is crucial as these are the companies which show resilience when the markets are tough. Some of the recent sales include Bristol Myers, Reckitt, Samsung SAP, Waste Management and Sundrug. They have added Brown & Brown, Nordson and Equifax. The weighting to the US has also increased.

The start of 2022 has been difficult for the strategy as everything has been about energy, and sectors like healthcare have been hit the hardest. They accept in the short term it is all about valuation but long term they still believe dividend growth and quality will be the long-term winners.

In summary, we have said that the global fund sector is vast. This is not an exciting fund, but it has delivered consistent performance since launch and could act as a good counterbalance to some of the more volatile funds within the sector. We continue to hold this on our watchlist.

The source of information in this note has been provided by Dundas and is correct as of January 2022. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this, and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.