

# The Heriot Global Fund

## Monthly Factsheet as at 31 December 2020

### Key Facts

Fund Size	£156.1m
Fund Yield	1.1%
7 Day Fund Liquidity <sup>A</sup>	100%
Number of Holdings	67
Average Market Cap	\$177bn
Median Market Cap	\$59bn
Active Share*	86%

All data as at 31/12/2020.

Sources: T.Bailey Fund Services Limited, Bloomberg, MSCI.

<sup>A</sup>Basis: 25% of trailing 20 day average daily volume

\*compared to the MSCI All Country World Index



### Fund Objective

The aim of the Fund is to provide capital appreciation over the long term (five years or more) by investing in dividend growth companies. To deliver this, the Fund invests in a portfolio of between 60 and 100 listed global equities. The companies selected have high levels of profitability and cash generation, consistent re-investment, low levels of debt and prudent governance. To the extent that the Fund is not fully invested in listed equities, investments may be made in cash-like instruments but these are not intended to be more than 10% in aggregate of the Fund's value.

### Portfolio Comment

There were no new investments or full sales made during the month. The top five contributors to the Fund's return in December were *Walt Disney*, *Systemex*, *Activision Blizzard*, *ASML* and *PayPal*. The five biggest detractors were *Sundrug*, *WW Grainger*, *Home Depot*, *Costco* and *BioMerieux*.

The majority of the remaining dividend announcements for the year came from the Fund's Healthcare investments, all US-listed companies. Two stood out; US medical conglomerate *Abbott Laboratories* increased its dividend per share by 25% as did *Zoetis*, the world leader in animal pharmaceuticals. Good increases of between 9 and 10% also came from oncology treatment specialist *Bristol Myers Squibb* and orthopaedics maker *Stryker*. Also from the US, *Waste Management* announced a further 6% increase to its quarterly cash dividend, while *Disney* opted to suspend its usual year end dividend faced with closure of its parks and cruise ships despite the surging growth of its new Disney+ video streaming service. Finally, having scrapped its proposed annual dividend earlier in the year as the pandemic gathered pace *Essilor Luxottica*, the French-listed global leader in optical lenses and frames, reinstated an interim dividend for the current financial year.

### General Information

Investment Manager	Dundas Global Investors
Portfolio Managers	Investment Team
Fund Type	UK OEIC
Launch Date	20 March 2013
Base Currency	GBP
Accumulation Shares	Dividends Reinvested
Income Shares	Dividends Paid Out
Initial Charge	n/a
Annual Management Charge (AMC)	0.65%
Authorised Corporate Director	T. Bailey Fund Services Limited
Depository	NatWest Trustee and Depository Services Ltd
Auditor	Deloitte LLP
Dealing (Pricing)	Daily (8am)
IA Sector	Global
Dividend Ex Dates	End May & November
Dividend Payment	End January & July

### Performance



■ A - Dundas Partners LLP - Heriot Global A Acc in GB [141.38%]  
■ B - MSCI ACWI TR in GB [131.93%]  
■ C - IA Global TR in GB [119.40%]

Source: FE Analytics 20/03/2013 to 31/12/2020

	Cumulative	3 Months	6 Months	1 Year	3 Years	5 Years	Since launch**
Heriot Fund A Acc		5.4%	10.4%	16.7%	46.7%	110.2%	141.4%
MSCI ACWI		8.5%	12.1%	12.7%	31.9%	92.2%	131.9%
IA Global		9.6%	14.2%	15.3%	32.5%	86.3%	119.4%
Quartile		4	3	2	1	1	2

	Annualised	1 Year	3 Years (p.a.)	5 Years (p.a.)	Since launch** (p.a.)
Heriot Fund A Acc		16.7%	13.6%	16.0%	12.0%
MSCI ACWI		12.7%	9.7%	14.0%	11.4%
IA Global		15.3%	9.8%	13.3%	10.6%
Quartile		2	1	1	2

Source: FE Analytics as at 31/12/2020. Total Return in GBP, Bid to Bid. Tax UK Net. Past performance is not a reliable indicator of future results. The value of your investment and the income derived from it can go down as well as up and you may not get back the money you invested. \*\*Since Fund launch on 20/03/2013.

### Investor Profile

- Wants total return through capital and dividend growth
- Accepts the risk associated with the volatile nature of equity investments
- Plans to hold their investment for at least five years
- Favours a portfolio with defensive characteristics
- Prefers no investment in tobacco or cluster bomb manufacturers

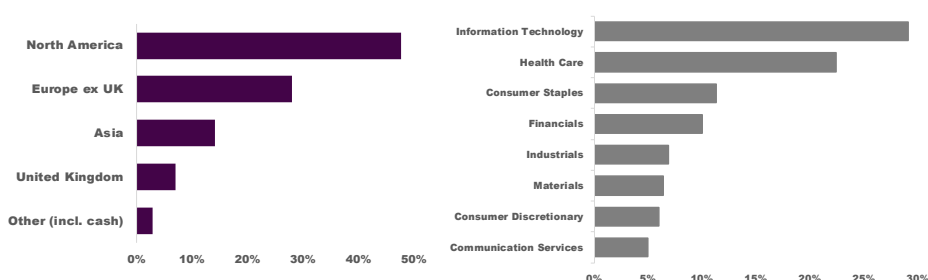
## Top 10 Holdings

% of Portfolio

Microsoft	2.7
Paypal	2.6
Lonza	2.3
ASML	2.1
Keyence	2.0
Systemex	2.0
Accenture	2.0
Air Liquide	1.9
Costco	1.9
Analog Devices	1.9
<b>TOTAL</b>	<b>21.3</b>

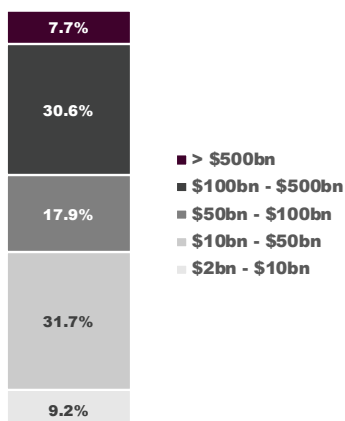
Source: T. Bailey Fund Services Limited as at 31/12/2020

## Regional and Sector Exposure



Source: T. Bailey Fund Services Limited as at 31/12/2020

## USD Market Cap Exposure



Source: Bloomberg as at 31/12/2020

## About Dundas Global Investors

- Single strategy focus
- Experienced team, independent, co-investors
- Over £1 billion institutional client assets under management
- High conviction, long-term approach
- All research conducted in-house

## Fund Attributes

- Portfolio aligned with the biggest factor driving long term equity return; sustainable dividend growth.
- Typically 60 - 75 global listed companies with high returns on equity and strong free cash flows.
- Low portfolio turnover with long-term holding periods
- Sector, region and market cap diversification built bottom-up, stock by stock
- Strong ESG scoring

## Shareclass Information

GBP	Minimum Investment	Ongoing Charge (OCF)		EMT <sup>A</sup> estimated transaction costs	ISIN	SEDOL
		Annual Charge (AMC)	Other Costs & Charges*			
<b>A Acc</b>	£10,000	0.65%	0.08%	0.04%	GB00B99M6Y59	B99M6Y5
<b>A Inc</b>	£10,000	0.65%	0.08%	0.04%	GB00B835GN22	B835GN2

Source: T. Bailey Fund Services Limited as at 31/05/2020. Updated annually and published in September.

<sup>A</sup>European MiFID Template ex-ante explicit and implicit estimated transaction costs.

## How to Invest

You can buy shares in the fund by visiting:

[www.tbaileys.co.uk/funds/heriot-investment-funds](http://www.tbaileys.co.uk/funds/heriot-investment-funds)

By telephoning T. Bailey Fund Services Limited: 0115 988 8272

Or via the following platforms:

AJ Bell Alliance Trust Transact CoFunds  
 Aviva Zurich Nucleus Ascentric Barclays  
 Hubwise 7IM Parmenion James Hay  
 True Potential Standard Life Elevate

Dundas Partners LLP ("Dundas") is authorised and regulated by the UK Financial Conduct Authority ("FCA").

The Authorised Corporate Director of the Heriot Global Fund is T. Bailey Fund Services Limited, which is authorised and regulated by the FCA.

Performance shown is historical and is not indicative of future returns. Investment returns and principal value will vary, and shares may be worth more or less at redemption than at original purchase. Performance shown is as of date indicated, and current performance may be lower or higher than the performance data quoted. To obtain performance as of the most recent month end, please contact Dundas or T. Bailey Fund Services Limited. The MSCI All Country World Index ("ACWI") and Investment Association Global Sector are comparator benchmarks. Please refer to the Fund prospectus for full description.

The MSCI ACWI is a free float-adjusted market capitalisation weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI® information contained herein: (1) is provided "as is," (2) is proprietary to MSCI and/or its content providers, (3) may not be used to create any financial instruments or products or any indexes and (4) may not be copied or distributed without MSCI's express written consent. MSCI disclaims all warranties with respect to the information. Neither MSCI nor its content providers are responsible for any damages or losses arising from any use of this information.

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