

Analyst Report



Morningstar's Take | 12/11/2018
by Jeffrey Schumacher, CFA

A seasoned and dedicated team, a proven process, and an exceptional track record earn Veritas Global Focus a Morningstar Analyst Rating of Gold. The fund is managed by a seasoned duo, backed by a dedicated and experienced analyst group. Andrew Headley is the lead manager on this fund, with Charles Richardson as comanager. Both have been with the strategy since its 2003 inception. They also manage Gold-rated Veritas Global Equity Income, where the lead and comanager roles are switched, and Veritas Global Real Return. Both have more than two decades of experience. They benefit from the support of an experienced team of seven analysts, whose research is instrumental to the portfolio. The managers apply a proven and time-tested process, in which they look for quality companies as characterised by strong competitive advantages, high cash generation, and talented management. Ideas come from investment themes, their network, and a quantitative filter. The analysts play a key role in the fundamental analysis stage. A stock's absolute valuation determines whether it will be taken into the portfolio, as it needs to offer an internal rate of return (IRR) of at least 12%. The fund is managed with little regard to the benchmark, and its 25-40 stock portfolio puts their highest convictions at full display. The investments are long-term-oriented, thus portfolio turnover is low. Cash has built up in the fund as buying opportunities became scarce, standing at 15% of the portfolio's assets per September 2018. The lack of opportunities that meet their criteria is the primary reason for the fund's soft close that has been in place since 2017. From its inception in December 2003 till September 2018, the fund has generated an annualised return of 9.84%, outpacing the global large-blend equity Morningstar Category average (6.01%) and the MSCI World Index (7.92%). Performance has also been very consistent, with the fund finishing in the top quartile of its category in six calendar years since 2008. That good track record has been built during various markets, and the fund did serve investors well during downturns. That leads to a topnotch risk-adjusted track record over various periods.

People Pillar:  Positive

Andrew Headley is the lead manager on this fund, with

Morningstar Analyst Rating™



To find out how Morningstar rates a fund [click here](#).

Role in Portfolio

This fund offers investors access to a focused global equities portfolio with a thematic overlay.

Morningstar Pillars

People  Positive

This fund is run by a seasoned duo backed by a dedicated analyst team.

Parent  Positive

Stability and excellent stewardship of investors' capital are key features.

Process  Positive

The managers seek quality companies with high levels of cash generation.

Performance  Positive

A track record that speaks for itself.

Price  Negative

The ongoing charge exceeds the median for comparable global-equity funds.

Morningstar Analyst Rating

Morningstar evaluates mutual funds based on five key pillars, which its analysts believe lead to funds that are more likely to outperform over the long term of a risk-adjusted basis. To find