

# FINDLAY PARK AMERICAN FUND

QUARTERLY FACTSHEET - 2Q 2022

MARKETING MATERIAL

All data as at 30<sup>th</sup> June 2022

## Investment Objective

The Fund aims to increase the value of your investment over the long-term by investing primarily in US equities. The Fund seeks to generate a return above that of the Russell 1000 Net 30% Total Return Index, a broad universe of stocks representative of the US market. As an actively managed fund, stocks are selected based on their fit with our Investment Philosophy. The composition of the Fund and its performance may look very different to the benchmark.

## Investment Approach

By applying our Investment Philosophy we aim to control the downside risk in each stock in order to produce a compelling risk-adjusted compound rate of return. We implement our philosophy by assessing each stock against a checklist of twenty-nine questions, which analyse key aspects of a business including its financial and competitive position, management and valuation. We pay particular attention to pricing power, corporate culture and the sustainability of returns.

## Investment Manager

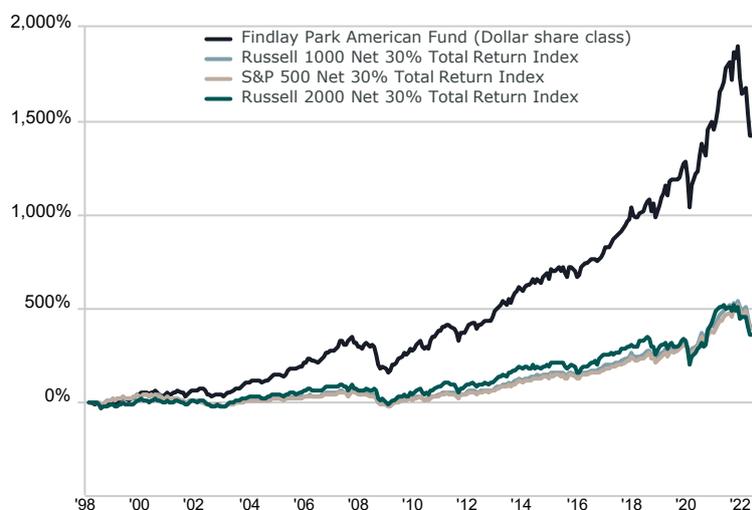
Findlay Park Partners LLP (Findlay Park) is an independent investment partnership based in London. The Investment team manage a single fund: the Findlay Park American Fund. Our purpose is to generate compelling compound returns for investors, measured over decades.

Share class	Dollar (other share classes detailed overleaf)
NAV per share	\$152.12
Fund size	\$11,607m
Number of holdings	40
Active share ratio <sup>1</sup>	80%
Fund structure, domicile	UCITS, Ireland
Fund base currency	US Dollar
Fund comparator benchmark <sup>2</sup>	Russell 1000 Net 30% Total Return Index
Dealing frequency	Daily (business day)
Settlement period	T+2 (i.e. two business days after dealing)
Ongoing charge (OCF) <sup>3</sup>	0.92% per annum, estimated (comprised entirely of the AMC)
EU SFDR <sup>4</sup>	Article 8

## Return Vs. Volatility – 5 Years



## Cumulative Performance – Since Inception



Cumulative Performance	Q2 2022	YTD	1Y	3Y	5Y	10Y	Since Inception
Findlay Park American Fund (Dollar share class)	-14.4%	-23.8%	-15.5%	19.5%	55.9%	197.6%	1424.5%
Russell 1000 Net 30% Total Return Index	-16.8%	-21.1%	-13.4%	31.8%	64.3%	216.0%	410.2%
S&P 500 Net 30% Total Return Index	-16.2%	-20.1%	-11.0%	33.3%	66.3%	218.8%	393.5%
Russell 2000 Net 30% Total Return Index	-17.3%	-23.6%	-25.5%	12.0%	26.3%	135.2%	364.2%

Calendar Year Performance	2021	2020	2019	2018	2017	CAGR <sup>5</sup> Since Inception
Findlay Park American Fund (Dollar share class)	25.5%	15.8%	26.8%	0.8%	23.0%	11.9%
Russell 1000 Net 30% Total Return Index	25.9%	20.3%	30.7%	-5.3%	21.0%	6.9%
S&P 500 Net 30% Total Return Index	28.2%	17.8%	30.7%	-4.9%	21.1%	6.8%
Russell 2000 Net 30% Total Return Index	14.5%	19.5%	25.0%	-11.4%	14.2%	6.5%

Source for charts and tables: Bloomberg, FactSet and Findlay Park; Fund performance is shown net of fees, inclusive of dividends, on a NAV to NAV basis. Volatility refers to Standard Deviation calculated using monthly returns.

**Past performance does not predict future returns. The value of investments and the income received from them may go down as well as up, and you may not get back the original amount invested.**

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All data as at 30<sup>th</sup> June 2022

Top Ten Holdings	Fund
Microsoft	7.3%
Intuit	6.3%
Alphabet	5.0%
Danaher	4.7%
Adobe	4.7%
Amazon	4.6%
TopBuild	3.8%
CoStar	3.6%
Arthur J Gallagher	3.2%
Ferguson	3.1%
<b>Total</b>	<b>46.4%</b>

Market-Cap Breakdown	Fund
Over \$100bn	49.9%
\$50-100bn	14.9%
\$25-50bn	9.0%
Under \$25bn	21.8%
Cash <sup>6</sup>	4.5%

Country Exposure	Fund
United States	93.1%
Canada	2.4%
Cash <sup>6</sup>	4.5%

Sector Exposure	Fund
Information Technology	31.5%
Industrials	15.2%
Consumer Discretionary	12.4%
Financials	10.8%
Health Care	8.1%
Communication Services	7.8%
Materials	5.4%
Energy	2.7%
Real Estate	1.6%
Consumer Staples	0.0%
Utilities	0.0%
Cash <sup>6</sup>	4.5%

2Q 2022 Largest Performance Contributors	%
T-Mobile	0.1%
UnitedHealth	0.0%
McDonald's	0.0%

2Q 2022 Largest Performance Detractors	%
Amazon	-1.8%
Microsoft	-1.1%
Alphabet	-1.1%
Intuit	-0.9%
Autodesk	-0.8%

Source: FactSet and Findlay Park (for all tables). Contributors and detractors are shown in absolute contribution terms to Fund performance using a daily returns methodology. Figures may not equal 100% due to rounding.

## Investment Comment

The Fund declined 14.4% during 2Q22, 2.4% less than our benchmark (the Russell 1000 Net 30% TR), which was down 16.8%. 2Q22 marked the 29<sup>th</sup> out of 31 quarters where the Fund has outperformed when its benchmark has declined. Whilst many of the companies the Fund is invested in reported positive financial results and saw earnings estimates upgraded in the second quarter, higher inflation and rising rates weighed on share prices. Inflation has been more persistent than expected and 70% of economists now expect the US to enter recession by 2023. One consequence of a challenging macroeconomic environment is that investors tend to gravitate toward resilient, profitable companies which are self-funded, generate excess free cash flow, and have lower leverage than the market average – the types of companies Findlay Park has always sought to own. We make a ‘quality of earnings’ assessment of the Fund’s holdings – our primary focus is on the cash economics of a business rather than accounting-based profits. Despite the decline in the share prices of the Fund’s holdings in the first half of 2022, we continue to be encouraged by the solid operating results posted by most of our companies and our view on the improving value offered by their earnings yields. We have used the fall in share prices during the second quarter to add to some of our highest conviction holdings, as is reflected by the quarter-end cash position of 4.5%.

## Share Class Information

Further details and performance information for these share classes are available from Findlay Park’s website ([www.findlaypark.com/american-fund/](http://www.findlaypark.com/american-fund/)).

Share Class	Bloomberg Ticker	ISIN	SEDOL	AMC (Estimated) <sup>3</sup>	OCF (Estimated) <sup>3</sup>	Inception
Dollar	FINDLPI	IE0002458671	0245867	0.92%	0.92%	9 <sup>th</sup> March 1998
Sterling Hedged	FINDLPS	IE00B00J0F11	B00J0F1	0.92%	0.92%	9 <sup>th</sup> March 2004
Sterling Unhedged	FINAGBU	IE00BWY58M24	BWY58M2	0.92%	0.92%	11 <sup>th</sup> May 2015
Euro Unhedged	FINDAEU	IE00BMGB0004	BMGB000	0.92%	0.92%	4 <sup>th</sup> August 2020

## Contact Details

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Individuals invested in the Fund should contact their portfolio manager or financial adviser (if applicable) in the first instance for further information.

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# FINDLAY PARK AMERICAN FUND

## IMPORTANT INFORMATION

<sup>1</sup> Active share is a measure of the extent to which the Fund's portfolio differs to that of its benchmark. It is calculated by taking the sum of the absolute difference in weights between portfolio holdings and benchmark stocks, divided by two. An active share of 100 indicates no overlap with the benchmark. Active share calculation for the Fund excludes cash (short-dated T-Bills and cash on deposit).

<sup>2</sup> The Fund's benchmark has been the Russell 1000 Net 30% Total Return since 1<sup>st</sup> January 2014. The benchmark from inception to 31<sup>st</sup> December 2010 was the Russell 2000 Index; and from 1<sup>st</sup> January 2011 to 31<sup>st</sup> December 2013 a 50/50 blend of the Russell 2000 Index and the S&P 500 Index.

<sup>3</sup> From 1<sup>st</sup> July 2021 the Annual Management Charge (AMC) is a blended fee structure, which will vary dependent on the Fund's size: 0.95% on net assets up to and including \$10bn and 0.85% on net assets above \$10bn. The AMC shown on the Factsheet is an estimate based on the previous year's average Fund size, calculated as at 30<sup>th</sup> June 2022. Actual costs may differ, decreasing if the Fund size grows and increasing if the Fund size reduces, up to a maximum AMC of 0.95%. The Ongoing Charges Figure (OCF) is comprised entirely of the AMC. Findlay Park will continue to cover the costs associated with operating the Fund. The AMC and OCF do not include Fund transaction costs (i.e. the costs of buying and selling stocks and other securities). Further details regarding the AMC and OCF are included in the KIID and Prospectus.

<sup>4</sup> The American Fund is categorised as an Article 8 Fund under the European Union Sustainable Finance Disclosure Regulation (SFDR). Please see Findlay Park's website for more details: <https://www.findlaypark.com/responsible-investment/>.

<sup>5</sup> Compound annual growth rate (CAGR) measures the annual rate of return of an investment which reinvests its profit each year over the investment period.

<sup>6</sup> Cash includes short-dated T-Bills and cash on deposit.

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**Risk Warnings: The value of investments and the income received from them may go down as well as up, and you may not get back the original amount invested.** The base currency of the Fund is US Dollar. The Fund may invest in assets which are denominated in other currencies; therefore changes in the exchange rate between the base currency and these currencies will affect the value of the Fund. Where an investor's own currency is not the US Dollar then, due to exchange rate fluctuations between such currency and the US Dollar, the performance of their investment may increase or decrease if converted into their currency. **Past performance is not a reliable indicator of future results.** This document may contain forward looking statements including statements regarding our belief or current expectations with regards to the performance of certain assets and/or sectors. Forward looking statements are subject to certain risks, uncertainties and assumptions and should not be relied upon. FPP accepts no liability for any loss or damage arising from the use or misuse of, or reliance on, the information provided including, without limitation, any loss of profits or any other damage, whether direct or consequential.

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