

## STONEHAGE FLEMING GLOBAL EQUITIES FUND II ('GEF II')

### March 2017 Quarterly Factsheet

#### INVESTMENT OBJECTIVE

The objective is to achieve capital growth and an element of income by investing predominantly in UK and international regulated equity funds. It is likely that a significant proportion of the Fund's property will be invested in sub-funds of another regulated collective investment scheme operated by the Manager.

#### FUND INFORMATION

Inception date:	31 July 2003
Fund Size:	£257.7 million (at 31 <sup>st</sup> March 2017)
No of Holdings:	11
Structure:	Non-UCITS Retail Scheme
Domicile:	United Kingdom
Share Classes:	A & B
Currency:	GBP
Dealing:	Daily
Yield:	1.8%*
Benchmark:	GEF II Official Prospectus Benchmark ('Benchmark') <sup>2</sup>
Ongoing Charges Figure:	1.47% per annum (A Class) 1.82% per annum (B Class)
Performance Fee:	None
Custodian:	Northern Trust Global Services Limited
Administrator:	Northern Trust Global Services Limited
Manager and Investment Adviser:	Stonehage Fleming Investment Management Limited

\*Net figure based on last four dividends paid

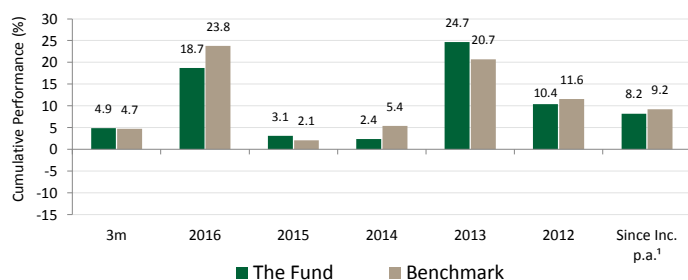
#### COMMENTARY

Global equity markets continued to rise during the quarter, as improving economic data combined with investors' perception of the new US administration as good for business and economic growth, drove expectations of a better earnings outlook. European markets finished the quarter in a strong fashion as political fears also eased slightly ahead of the French elections, whilst Emerging Markets also saw strong returns on increased prospects for economic growth as well as a weaker dollar.

The fund returned 4.9%, slightly outperforming the benchmark over the period. The performance of the underlying managers was mixed and largely driven by stock selection rather than style factors. Notable outperformers were the SF European All Cap fund, with performance driven by sizeable holdings in Grifols and Akzo Nobel as well as the sizeable underweight position in financials. Skagen Kon-Tiki also outperformed as their value style outperformed and securities such as Banco Estado Rio, X5, and Yazicilar Holdings performed well in particular. Relative underperformers included the two UK funds, with the SF Core UK Equity fund lagging its benchmark as sizeable holdings in Tesco and BT fell, while the Energy stocks performed poorly as the sector came under pressure. The SF UK Equity Income fund also endured a more difficult period due to the high holding in cash as well as in stocks such as Next, Tesco and Centrica.

During the period a position in an ETF aiming to provide a systematic expression to value stocks within the US equity market was initiated. The strategy is designed to take into account the valuation and liquidity of the underlying constituents without compromising on sector diversification, whilst the high liquidity and low fees of the product make it an attractive addition to the fund's US equity exposure.

#### PERFORMANCE (GBP) – Since Inception 31st July 2003



#### PERFORMANCE (GBP)

As at 31.12.16 (%)	3m	2016	2015	2014	2013	2012	Since Inc. p.a. <sup>1</sup>
GEF II <sup>1</sup>	4.9	18.7	3.1	2.4	24.7	10.4	8.2
Benchmark <sup>2</sup>	4.7	23.8	2.1	5.4	20.7	11.6	9.2
Lipper Global Equity	5.1	23.8	2.6	6.7	19.7	9.1	8.4
Quartile Ranking <sup>3</sup>	3	4	2	4	1	2	3

<sup>1</sup> Inception 31-Jul-2003 (net of fees)

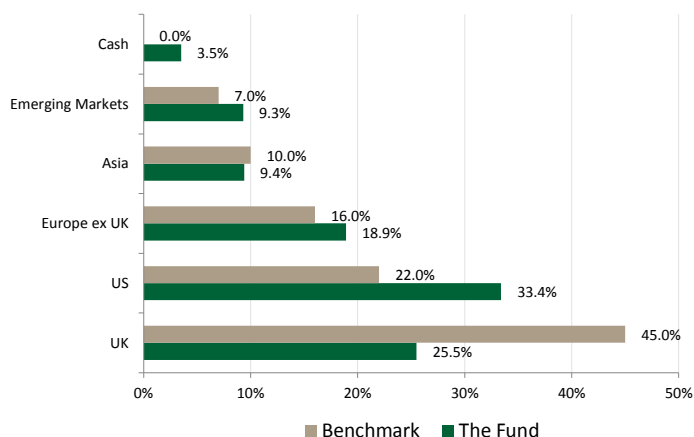
<sup>2</sup> GEF II Official Prospectus Benchmark ('Benchmark') is a composite benchmark made up of MSCI gross dividend indices – UK 45%; US 22%; Europe ex UK 16%; Far East 10% Emerging Markets 7%; rebalanced monthly

<sup>3</sup> Quartile rankings relative to Lipper Global Equity peer group

Performance data since inception at end July 2003 to end March 2017

**RETURNS MAY INCREASE OR DECREASE DUE TO CURRENCY FLUCTUATIONS  
PAST PERFORMANCE IS NOT A RELIABLE INDICATOR OF FUTURE RESULTS**

## POSITIONING RELATIVE TO BENCHMARK



Source for all market data: Factset, Bloomberg, Lipper  
 Source for all Stonehage Fleming Investment Management Limited performance data: Northern Trust Global Services Limited, Stonehage Fleming Investment Management Limited calculations

## TOP TEN HOLDINGS

Fund Name/Manager	% of Fund
Stonehage Fleming Core UK Equity	14.2
Stonehage Fleming European All Cap	12.9
Stonehage Fleming UK Equity Income	12.5
Stonehage Fleming Global Select Equity	10.1
Stonehage Fleming Global Best Ideas	9.4
Findlay Park American	8.2
GLG Japan CoreAlpha	6.4
iShares Edge MSCI USA Value ETF	6.3
Polar Capital Global Insurance	5.6
Skagen Kon-Tiki	5.2

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The value of investments may go down as well as up and, for products designed to return income, the distributions can also go down or up and you may not receive back the full value of your initial investment.

All investments risk the loss of capital. Where there is potential for profit, there is also possibility of loss. No guarantee or representation is made that the funds will achieve their investment objective.

**Past performance should not be used as a guide to future performance.**

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From time to time, the Manager may engage in hedging transactions within the Fund. There can be no assurances that such hedging, if undertaken, will insulate the Fund from risks and hedging techniques, whether via derivatives or other products or instruments, may give rise to certain costs and additional risks, including a risk of total loss of any amounts invested in hedging instruments.

In addition to the information provided by Stonehage Fleming Investment Management Limited, you may wish to consult an independent professional.

Key Investor Information document (KIID) for the Stonehage Fleming Global Equities Fund II ('GEF II'), is available in English upon request from Stonehage Fleming Investment Management Limited (SFIM) at 15 Suffolk Street, London, SW1Y 4HG, or on SFIM's website at [www.stonehagefleming.com](http://www.stonehagefleming.com) The prospectus for GEF II is also available on request.

The Ongoing Charges Figure ("OCF") expresses the costs of running the Fund as a single figure. This is the overall cost shown as a percentage of the value of the assets of the Fund. It comprises the annual management charge and other additional charges including, but not limited to, the charges of the Depositary, Administrator, Registrar and Auditors as well as any specified regulatory or legal fees. It does not include the costs of buying or selling investments or, where relevant, a performance fee. The OCF is also based on the OCFs of funds invested in on a pro-rata basis in proportion to the Fund's value. The pro-rata figures are added to the Fund's own ongoing charges to create one total OCF for the Fund.

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Stonehage Fleming Investment Management Limited is authorised as a full-scope UK Alternative Investment Fund Manager and issues this document in its capacity as Manager and Investment Advisor of the Stonehage Fleming Global Equities Fund II ('GEF II').

The Fund is authorized and regulated in the United Kingdom by the Financial Conduct Authority. The Fund is a Non-UCITS Retail Scheme and is an Alternative Investment Fund (an 'AIF') within the meaning of the EU Alternative Fund Managers Directive (no. 2011/61/EU) ("AIFM Directive")

**This document is only approved for issue to existing investors.**

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