



STONEHAGE FLEMING GLOBAL BEST IDEAS EQUITY FUND


OUR FOUR FUNDAMENTAL QUALITY PILLARS - IDENTIFYING GLOBAL BEST OF BREED BUSINESSES




**SUSTAINABLE
ORGANIC GROWTH**



**QUALITY
MANAGEMENT**




EFFICIENCY



**FREE CASH FLOW
GENERATION**

**4 YEAR
TOP DECILE
PERFORMANCE**
OF GLOBAL EQUITY FUNDS
Lipper Global Equity Universe
as at 16 Aug 2017



MORNINGSTAR
★★★★★

INVESTMENT OBJECTIVE

To achieve long-term growth in capital and income in a focused portfolio of high quality listed businesses from around the world.

INVESTMENT PHILOSOPHY

We invest in best of breed businesses for their quality, strategic competitive edge and value.

PERFORMANCE DISCLOSURE

Past performance is not a guide to future performance. The value of investments can fall. Investors may not get back the amount invested. Income from investments may vary and is not guaranteed. The return may increase or decrease due to currency fluctuations. Performance figures are net of fees and charges. The Fund may hold a relatively small number of stocks as compared to many other funds. This may make the Fund's performance more volatile than would be the case if it had a more diversified investment portfolio. For a full list of risks applicable to this fund, please refer to the Prospectus.

FUND COMMENTARY

Market volatility spiked sharply in early February after ultra-low levels since late 2016. This was triggered by good news in the form of strong new US employment numbers and wage increases in January, which in turn triggered sudden fears for high inflation and high interest rates. After an initial rise in the ten-year Treasury yield to 2.95%, it has since drifted lower and the ten-year breakeven rate (reflecting inflation expectations) has barely moved. It therefore does not yet seem that material inflation (and interest rate) fears reflect in the bond market.

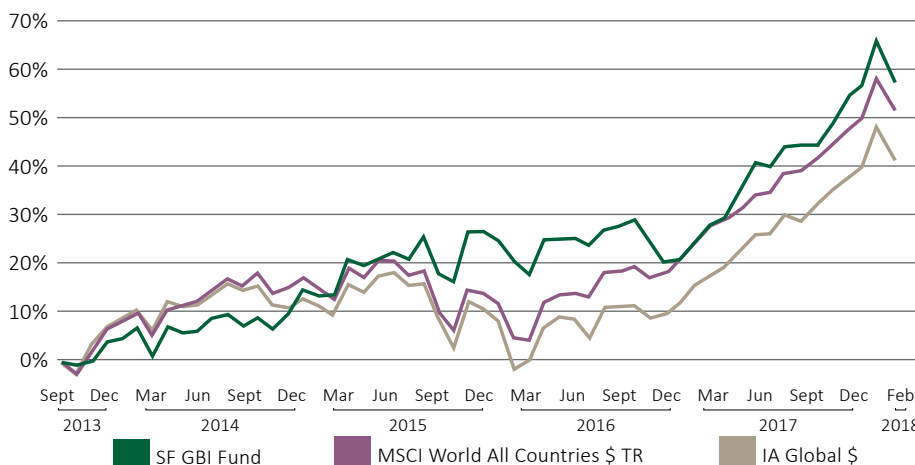
The US 4th quarter 2017 reporting season is almost complete. Results on both the top-line and earnings levels are accelerating, with growth currently at +7.6% and +14.4% respectively. This is +1.2% and +3.8% respectively better than consensus expectations. It is especially pleasing to see the strong top-line growth – the strongest since early 2012 which was still recovering from the low base of the credit crisis. Expectations for the coming year are for sales to continue their current solid growth track of +7%, and for earnings to further excel to +20%. Should such solid results materialise, we expect it to be constructive towards equity investing, other considerations pari-pasu.

The equity market has been climbing a proverbial wall of worry for some time, mainly because of general fears of high absolute valuations. Against this, the forward earnings multiple (P/E ratio) has through February dropped from being at a standard deviation above its long-term average to being very close to its long-term average (17.2 times vs 16.9 times). This has resulted from the drop in share prices combined with the ramp-up in earnings expectations. The high valuation argument therefore seems to no longer have such a strong case, while the inflation ghost may come and go on the road to normality since the deflation fears just seven months ago.

INVESTMENT STRATEGY

- Invest for sustainable growth
- Fundamental research driven
- Particular focus on quality of management, balance sheet strength, return on invested capital, free cash flow, ability to grow dividends each year
- Bottom-up approach to identify exceptional businesses
- Global orientation, with emerging market exposure
- High conviction concentrated portfolio
- Predominantly larger capitalisation businesses, also consider exceptional medium-sized ones
- Buy to hold and disciplined selling
- No benchmark orientation, no active trading, no leverage, no hedging

CUMULATIVE PERFORMANCE (CLASS A USD)



Inception Date: 16 August 2013

CLASS A USD CUMULATIVE PERFORMANCE %

	1m	3m	6m	YTD	Since Inception
Stonehage Fleming Global Best Ideas Equity	-5.0	1.9	9.0	0.6	57.3
MSCI World All Countries \$ TR	-4.2	2.8	9.1	1.2	51.6
IA Global \$	-4.5	2.7	9.8	1.1	44.6

CLASS A USD PERIODIC PERFORMANCE %

	12 months to	28/02/18	28/02/17	29/02/16	28/02/15
Stonehage Fleming Global Best Ideas Equity		23.1	8.3	-2.4	12.8
MSCI World All Countries \$ TR		18.8	22.1	-12.3	7.6
IA Global \$		20.1	17.2	-13.2	3.1

Source for all performance is Link, Bloomberg, Financial Express, MSCI and Stonehage Fleming Equity Management as at 28/02/2018. Third parties (including Bloomberg and Financial Express) whose data may be included in this document do not accept any liability for errors or omissions.

FUND RATINGS



MORNINGSTAR
★★★★★



FE CROWN FUND RATING
★★★★★



PAM AWARDS
WINNER



VWA AWARDS
WINNER

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STONEHAGE FLEMING GLOBAL BEST IDEAS EQUITY FUND

SECTOR BREAKDOWN	% of Fund
Technology	29.9
Consumer Staples	22.8
Consumer Discretionary	18.2
Health Care	14.8
Industrials	5.5
Financials	4.7
Materials	1.6
Cash	2.5
Total	100.0

Source: Link Fund Administrators (Ireland) Limited and Stonehage Fleming Investment Management Limited.

FUND MANAGER



CITYWIRE / **A**

Gerrit Smit

Gerrit Smit* is Head of the Equity Management team. He has overall responsibility for its Portfolio Management and Equity Research functions. The team invests for sustainable growth with a particular focus on quality of management, balance sheet strength, cash flow generation and the ability to grow dividends each year.

*Gerrit Smit is A rated by Citywire for his rolling 3 year risk-adjusted performance, for the period 28/02/2015 – 28/02/2018.

REGIONAL BREAKDOWN	% of Fund
United States	60.8
Continental Europe	18.0
Asia Pacific	11.8
UK	6.9
Cash	2.5
Total	100.0

PORTFOLIO CHARACTERISTICS

Average Market Cap (Billions USD)	146.8
Number of Holdings	25
Operating Margin	24.4%
Return on Invested Capital	16.6%
Net Debt/EBITDA ¹	0.9
Expected 3 Year EPS ² Growth (p.a.)	14.1%
Expected 3 Year DPS ³ Growth (p.a.)	10.9%
Dividend Yield ^{4,5}	1.6%
Price/Earnings Ratio ⁵	23.6
Free Cash Flow Yield ⁶	4.2%
PEG Ratio ^{6,7}	2.3

¹Earnings Before Interest, Taxes, Depreciation and Amortisation. ²Earnings Per Share. ³Dividend Per Share. ⁴Of underlying holdings, and stated gross of withholding taxes and costs. ⁵Estimated 12 months forward. ⁶Price/Earnings to Growth Ratio. ⁷Applying Trailing P/E Ratio. Source: Stonehage Fleming Investment Management Limited, Bloomberg.

TOP TEN HOLDINGS	% of Fund
Tencent	7.1
Visa	6.5
Alphabet	5.9
Accenture	5.7
Estée Lauder	5.4
Zoetis	5.3
Fresenius SE	4.8
PayPal	4.8
Becton Dickinson	4.7
AIA	4.7
Total	54.8

ESTIMATED REGIONAL REVENUES⁸ % of Fund

North America	38.0
Emerging Markets	37.8
Continental Europe	20.4
UK	3.8
Total	100.0

⁸ Source: Based on where underlying companies in the Stonehage Fleming Global Best Ideas Equity Fund derive their revenues. Source: Bloomberg; Stonehage Fleming Investment Management Limited; Link Fund Administrators (Ireland) Limited. Due to rounding, values may not add up to 100%.

FUND INFORMATION	
Total Net Assets	\$806.2m
Comparative Index	MSCI World All Countries \$ TR
Lipper Sector	Lipper Global Equity Global
Fund Type	UCITS
Fund Domicile	Ireland
Base Currency	USD
Currencies Available	GBP, USD, EUR, CHF
Inception Date	16 Aug 2013
Number of Holdings	20-30 stocks
Income Paid	N/A
Type of Payment	N/A
Ex Dividends	N/A
Payment Date	N/A
Pricing	Daily by 11pm (IRE)
Dealing	Daily by 12pm (IRE)

FUND CHARACTERISTICS	
Active Share ⁹	94.1%
Ex Post Tracking Error	4.5%
12 Month Turnover	2.9%
BETA	0.87

⁹ Active Share measures how much the portfolio holdings differ from the benchmark index (MSCI World) i.e. a portfolio that is identical to the benchmark would have 0% active share.

USD A (ACCUMULATION) SHARE CLASS DETAILS

Price	\$157.30
ISIN	IE00BCLYMB94
Synthetic Risk & Reward Indicator (SRRI) rating	5
Inception date	16 Aug 2013
Annual Management fee	1.25%
Total ongoing charge (OCF)	1.39%
Min initial investment (USD)	50,000
Registered for sale	GB, CH, SA

The OCF is the Management Fee plus additional fund expenses as a percentage of the assets of the fund. This gives an indication of annual expenses. This figure may vary over time. It excludes portfolio transaction cost.

IMPORTANT INFORMATION

The Fund is a sub-fund of the Stonehage Fleming Pooled Investments (Ireland) pic (the "Company"), and open-ended umbrella investment company with variable capital and segregated liability between Funds incorporated with limited liability in Ireland under the Companies Acts 2004 with registration number 525228. It qualifies and is authorised in Ireland by the Central Bank of Ireland as an Undertaking for Collective Investment in Transferable Securities ("UCITS").

The company is recognised as a section 264 scheme by the Financial Conduct Authority in the United Kingdom. The Company is also an approved Foreign Collective Investment Scheme in South Africa where it is registered with the Financial Services Board ("FSB"). Link Fund Administrators (Ireland) Limited has been appointed as the manager (the "Manager") of the Company and Stonehage Fleming Investment Management Limited has been appointed as the investment manager (the "Investment Manager") of the Company.

The latest version of the Prospectus and the Key Investor Information documents are available in English and can be obtained by contacting the administrator at dublinta@linkgroup.ie. This document is issued by Stonehage Fleming Investment Management Limited which is authorised and regulated by the Financial Conduct Authority and registered with the Financial Services Board (South Africa) as a Financial Services Provider (FSP) under the Financial Advisory and Intermediary Services Act. No 37 of 2002 (FSP No: 46194). The registered office is 15 Suffolk Street, London, SW1Y 4HG. Registered in England No. OC4027720.

Swiss Investors: the place of performance and jurisdiction, along with the place where the prospectus, memorandum and articles of association, key investor information documents and the annual and semi-annual reports of the Fund can be obtained free of charge, is the registered office of the Fund's Swiss

Representative - ARM Swiss Representatives SA, Route de Cité-Quest 2, 1196 Gland, Switzerland. Swiss Paying Agent : Banque Heritage SA, 61, Route de Chêne, Case Postale 6600, CH-1211 Geneve 6, Switzerland. Private Capital Fund: 'Swiss investors: the representative in Switzerland is ARM Swiss Representatives SA, Route de Cité-Ouest 2, 1196 Gland, Switzerland. The PPM, Supplemental PPMs, Articles and reports and accounts for the Fund and Cells can be obtained free of charge from the representative in Switzerland. The place of performance and jurisdiction is the registered office of the representative in Switzerland with regards to the Participating Shares distributed in and from Switzerland. The paying agent in Switzerland is Banque Heritage SA, 61, Route de Chêne, Case Postale 6600, CH-1211 Geneve 6, Switzerland.