



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**

**SINCE INCEPTION
TOP DECILE
PERFORMANCE**
OF GLOBAL EQUITY FUNDS
Lipper Global Equity Universe
as at 30 Apr 2018



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

We have entered the traditionally dull stock market season during the summer months with an uninspiring world equity market performance for the year thus far. The MSCI World AC index performance over the five months has been +0.1% (+2.0% for the S&P 500 index, \$ terms). Against this, the S&P 500 Technology index delivered a performance of +11.3% over this period, and the FAANG index (the average of Facebook, Amazon, Apple, Netflix, Google/Alphabet's performance) delivered a +29.1% performance (+15.6% if Netflix's exceptional performance is excluded). The Technology sector seems to have proven the sceptics wrong despite the volatility caused by Facebook's personal data issue and increasing regulatory risks.

In terms of operational performance, the S&P 500 businesses delivered an accelerating top-line organic performance of +8.1% over the first quarter (a +1.2% surprise), the highest rate of growth since 2012. This lead to further margin improvement, and with further support from lower US tax rates, bottom-line earnings delivered a +23.5% performance (a +7.0% surprise).

Our Fund has a 29.4% weighting in technology related businesses (Visa, Tencent, Alphabet, Accenture, PayPal). They delivered an average +24.8% top-line organic performance over the first quarter (+19.0% if Tencent's exceptional performance is excluded), all exceeding consensus expectations.

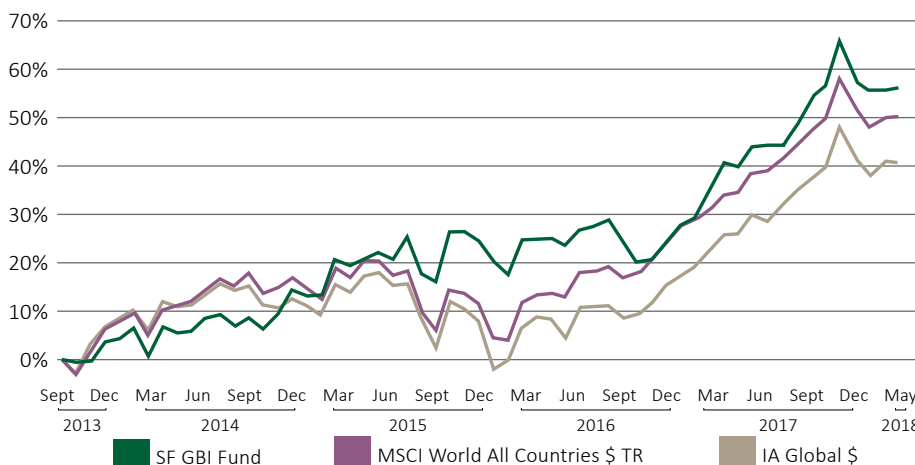
We may expect renewed general market comments that many technology shares are overvalued. We are comfortable with the valuations of our individual holdings. Further to this, we also consider it prudent to specifically consider their valuations in the context of our three-year earnings expectations. This is reflected in our PEG ratio ([historic P/E ratio] ÷ [estimated three-year compounded growth]).

The average PEG ratio of our five technology businesses is 2.0 times, compared to the weighted average PEG ratio of all our fund holdings of 2.2 times and the median PEG ratio of 2.3 times for a broad universe of quality businesses we have data on. This provides us with further comfort with our technology exposure.

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	0.6	-0.6	1.3	-0.1	56.3
MSCI World All Countries \$ TR	0.1	-1.1	1.7	0.1	50.0
IA Global \$	0.1	-0.4	2.2	0.7	44.0

CLASS A USD PERIODIC PERFORMANCE %

12 months to	31/05/18	31/05/17	31/05/16	31/05/15
Stonehage Fleming Global Best Ideas Equity	11.3	12.1	2.5	12.1
MSCI World All Countries \$ TR	11.8	17.5	-5.4	5.1
IA Global \$	11.8	15.6	-7.9	3.8

Source for all performance is Link, Bloomberg, Financial Express, MSCI and Stonehage Fleming Equity Management as at 31/05/2018. 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











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STONEHAGE FLEMING GLOBAL BEST IDEAS EQUITY FUND

SECTOR BREAKDOWN	% of Fund
Technology	29.4
Consumer Staples	22.7
Consumer Discretionary	19.9
Health Care	14.6
Industrials	4.4
Financials	5.1
Materials	1.3
Cash	2.6
Total	100.0

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

FUND MANAGER	
	
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 + rated by Citywire for his rolling 3 year risk-adjusted performance, for the period 31/05/2015 – 31/05/2018.	

REGIONAL BREAKDOWN	% of Fund
United States	60.9
Continental Europe	17.6
Asia Pacific	11.6
UK	7.3
Cash	2.6
Total	100.0

PORTFOLIO CHARACTERISTICS	
Average Market Cap (Billions USD)	144.4
Number of Holdings	25
Operating Margin	24.6%
Return on Invested Capital	16.2%
Net Debt/EBITDA ¹	0.9
Expected 3 Year EPS ² Growth (p.a.)	14.2%
Expected 3 Year DPS ³ Growth (p.a.)	10.5%
Dividend Yield (gross) ^{4,5}	1.7%
Price/Earnings Ratio ⁵	23.0
Free Cash Flow Yield ⁵	4.4%
PEG Ratio ^{6,7}	2.2

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

TOP TEN HOLDINGS	% of Fund
Visa	6.8
Tencent	6.5
Alphabet	5.8
Zoetis	5.4
Accenture	5.4
AIA	5.1
PayPal	4.9
Estée Lauder	4.9
Nike	4.8
Becton Dickinson	4.7
Total	54.4

ESTIMATED REGIONAL REVENUES ⁸ % of Fund	
North America	38.2
Emerging Markets	37.8
Continental Europe	20.2
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	\$811.7m
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	94.2%
Ex Post Tracking Error	4.6%
12 Month Turnover	3.0%
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	\$156.29
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 costs.

IMPORTANT INFORMATION

The Fund is a sub-fund of the Stonehage Fleming Pooled Investments (Ireland) plc (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 Act 2014 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 Sector Conduct Authority (South Africa). 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.