

# STONEHAGE FLEMING GLOBAL BEST IDEAS EQUITY FUND

OUR FOUR  
FUNDAMENTAL  
QUALITY PILLARS -  
IDENTIFYING  
GLOBAL BEST IN  
CLASS BUSINESSES



## 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 in class businesses for their quality, strategic competitive edge and value.

## FUND COMMENTARY

The leap month delivered a strong Dollar return of +4.3% for the MSCI ACWI Index. Equity markets have been supported predominantly by US inflation continuing to drift lower, US consumer confidence further strengthening, their economy remaining resilient and a positive US earnings season.

This relatively benign backdrop, with a general perception of a 'soft landing' US economy this year, result in a stable US bond market. Our view is that the Federal Reserve can bide its time to lower their target rate, but that this overall combination of capital market factors can continue to support growth equities.

There continues to be little reason for material optimism on the possibility of a sustained recovery of the Chinese economy. Geopolitical and various national election risks continue to affect investor sentiment. Whilst the Red Sea attacks may only impact around 12% of world trade, it does delay the availability of containers with the result being rising shipping costs with potential for some inflationary risks.

Whilst the overall S&P 500 earnings season delivered only a marginal positive result, the standout positive contributions came from the Communications, Discretionary, Industrial and Financial sectors. Included amongst these, good results were delivered by many Technology related businesses. Our Fund benefitted in this context (e.g. Alphabet, Amazon). On the reverse, Energy, Materials and Health Care detracted from index results. Our Health Care names, though, delivered well on this front (e.g. Stryker, Edwards Lifesciences, UnitedHealth). ASML and Cadence Design Systems delivered well for us in the Technology sector.

A positive factor from China currently is the sharp recovery in the number of their international travellers (+37% since November). This bodes well for luxury goods (e.g. LVMH) and cosmetics (e.g. L'Oréal, Estée Lauder) businesses.

The best contributors to the February performance have been Amazon, ASML and Linde. The largest detractors were Adobe, S&P Global and Nestlé.

*Data sourced from Bloomberg.*

*Opinions expressed represent the view of SFIM at the time of preparation. They are subject to change and should not be interpreted as investment advice.*

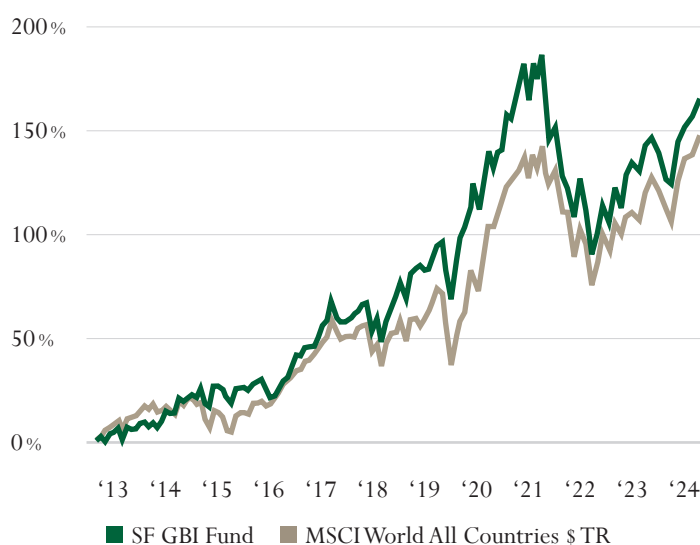
## RISK DISCLOSURE

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.

## 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<sup>1</sup> (CLASS A USD)



## CLASS A USD CUMULATIVE PERFORMANCE %

|                   | 1m  | YTD | 1yr  | 3yr  | 5yr  | 10yr  | Since inception |
|-------------------|-----|-----|------|------|------|-------|-----------------|
| SF GBI Equity     | 3.3 | 5.4 | 24.4 | 11.6 | 64.0 | 146.2 | 163.5           |
| <i>Annualised</i> | -   | -   | -    | 3.7  | 10.4 | 9.4   | 9.6             |
| MSCI AC \$ TR     | 4.3 | 4.9 | 23.1 | 21.8 | 64.8 | 123.5 | 147.8           |
| <i>Annualised</i> | -   | -   | -    | 6.8  | 10.5 | 8.4   | 9.0             |

## CLASS A USD PERIODIC PERFORMANCE %

|               | 2023 | 2022  | 2021 | 2020 | 2019 | 2018 |
|---------------|------|-------|------|------|------|------|
| SF GBI Equity | 21.9 | -27.6 | 19.0 | 25.8 | 30.0 | -6.8 |
| MSCI AC \$ TR | 22.2 | -18.4 | 18.5 | 16.3 | 26.6 | -9.4 |

<sup>1</sup> Performance prior to 23 August 2013 is simulated using the performance of the B share class. Fund Inception Date: 16 August 2013. Source for all performance is Northern Trust, Bloomberg, MSCI and Stonehage Fleming Investment Management Limited as at 29/02/24. Third parties (including Bloomberg) whose data may be included in this document do not accept any liability for errors or omissions.

**STONEHAGE FLEMING  
GLOBAL BEST IDEAS EQUITY FUND**

**TOP TEN HOLDINGS (% OF FUND)**

|                  |             |
|------------------|-------------|
| Microsoft        | 7.3         |
| Alphabet         | 6.5         |
| Cadence          | 5.5         |
| Accenture        | 5.0         |
| Amazon           | 4.9         |
| ASML             | 4.3         |
| Zoetis           | 4.1         |
| EssilorLuxottica | 4.0         |
| LVMH             | 3.9         |
| Visa             | 3.9         |
| <b>TOTAL</b>     | <b>49.4</b> |

**SECTOR BREAKDOWN (% OF FUND)**

|               |              |
|---------------|--------------|
| Technology    | 27.6         |
| Health Care   | 21.8         |
| Discretionary | 13.0         |
| Financials    | 12.7         |
| Staples       | 7.7          |
| Communication | 6.5          |
| Materials     | 3.5          |
| Industrials   | 3.2          |
| Cash          | 3.9          |
| <b>TOTAL</b>  | <b>100.0</b> |

**PORTFOLIO 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.

**REGIONAL BREAKDOWN (% OF FUND)**

|                    |              |
|--------------------|--------------|
| United States      | 72.6         |
| Continental Europe | 20.4         |
| Asia Pacific       | 3.2          |
| Cash               | 3.9          |
| <b>TOTAL</b>       | <b>100.0</b> |

**ESTIMATED REGIONAL REVENUES<sup>8</sup> (% OF FUND)**

|                    |              |
|--------------------|--------------|
| North America      | 48.3         |
| Emerging Markets   | 23.0         |
| Continental Europe | 21.8         |
| Japan              | 3.0          |
| Other              | 3.9          |
| <b>TOTAL</b>       | <b>100.0</b> |

**PORTFOLIO CHARACTERISTICS**

|   |       |
|---|-------|
| Average Market Cap (Billions USD)                           | 420.5 |
| Number of Holdings  | 28    |
| Operating Margin  | 30.9% |
| Return on Invested Capital                                  | 20.7% |
| Net Debt/EBITDA <sup>1</sup>                                | 0.6   |
| Expected 3 Year Revenue Growth (p.a.) <sup>*</sup>          | 9.3%  |
| Expected 3 Year EPS <sup>2</sup> Growth (p.a.) <sup>*</sup> | 12.8% |
| Expected 3 Year DPS <sup>3</sup> Growth (p.a.) <sup>*</sup> | 8.9%  |
| Dividend Yield (Gross) <sup>4,5</sup>                       | 0.9%  |
| Price/Earnings Ratio <sup>5</sup>                           | 30.6  |
| Free Cash Flow Yield <sup>5</sup>                           | 3.4%  |
| PEG Ratio <sup>6,7</sup>                                    | 3.0   |

**FUND RATINGS<sup>1</sup>**



**SECTOR BREAKDOWN**

Source: Northern Trust International Fund Administration Services (Ireland) Limited and Stonehage Fleming Investment Management Limited.

**PORTFOLIO CHARACTERISTICS**

\* Such forecasts are not a reliable indicator of future performance.

<sup>1</sup> Earnings Before Interest, Taxes, Depreciation and Amortisation. <sup>2</sup> Earnings Per Share. <sup>3</sup> Dividend Per Share. <sup>4</sup> Of underlying holdings, and stated gross of withholding taxes and costs. <sup>5</sup> Estimated 12 months forward. <sup>6</sup> Price / Earnings to Growth Ratio. <sup>7</sup> Weighted portfolio Trailing P/E Ratio and EPS projections applied.

Source: Stonehage Fleming Investment Management Limited, Bloomberg.

**ESTIMATED REGIONAL REVENUES**

<sup>8</sup> 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; Northern Trust International Fund Administration Services (Ireland) Limited. Due to rounding, values may not add up to 100%.

**FUND RATINGS**

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# STONEHAGE FLEMING GLOBAL BEST IDEAS EQUITY FUND

## OUTCOME OF FAIR VALUE ASSESSMENTS (2024)

Our assessment confirms:

- The fund meets the needs of the target market.
- The intended distribution strategy remains appropriate.
- The fund provides fair value to customers.

## INVESTOR PROFILE

The fund is appropriate for all investor types, including those with only a basic knowledge of funds. It is compatible with investors who do not need a capital guarantee (investors must be prepared to accept fluctuations in the value of capital, including the ability to bear 100% capital loss) and are seeking capital growth. Due to the volatility of markets, investors should be willing to accept price fluctuations in exchange for the opportunity of potentially higher returns. This is a long term investment and investors should have an investment time horizon of at least 5 years. The recommended holding period does not provide any guarantee that the objective will be achieved. This product is eligible for all distribution channels (e.g. investment advice, portfolio management, non-advised sales and pure execution services).

The fund is unlikely to be appropriate for those who:

- Are looking for full capital protection or full repayment of the amount invested, and those who want a guaranteed return
- Have no risk tolerance
- Who are unwilling to accept price fluctuations (volatility) in the value of the fund
- Do not intend to invest for the long term

## FUND INFORMATION

|                      |                                |
|----------------------|--------------------------------|
| Total Net Assets     | \$2,642.3m                     |
| Comparative Index    | MSCI World All Countries \$ TR |
| Fund Type            | UCITS                          |
| Fund Domicile        | Ireland                        |
| Base Currency        | USD                            |
| Currencies Available | GBP, USD, EUR, CHF             |
| Inception Date       | 16 Aug 2013                    |
| Range 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 <sup>1</sup> | 84.9% |
| Ex Post Tracking Error    | 6.9%  |
| 12 Month Turnover         | 11.1% |
| Beta                      | 0.95  |

## USD A (ACCUMULATION) SHARE CLASS DETAILS

|   |              |
|---|--------------|
| Price   | \$263.68     |
| ISIN  | IE00BCLYMB94 |
| Synthetic Risk & Reward Indicator (SRRI) rating | 6            |
| Annual Management Fee                           | 1.25%        |
| Total Ongoing Charge (OCF <sup>2</sup> )        | 1.31%        |
| Min Initial Investment (USD)                    | 50,000       |
| Registered For Sale                             | UK, CH, SA   |

<sup>1</sup> Active Share measures how much the portfolio holdings differ from the benchmark index (MSCI World) ie. a portfolio that is identical to the benchmark would have 0% active share. <sup>2</sup>The OCF is the Annual 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

This is a marketing communication. Please refer to the prospectus and the KIID of the UCITS before making any final investment decisions. All investments risk the loss of capital. No guarantee or representation is made that the funds will achieve their investment objective. Derivatives may be used for efficient portfolio management. The fund invests in assets which are denominated in other currencies; hence changes in the relevant exchange rate will affect the value of the investment.

The distribution or possession of this document in jurisdictions outside the United Kingdom may be restricted by law or other regulatory requirements. The Fund has been classified by the Manager, working in conjunction with the Investment Manager, as a product in accordance with Article 6 of SFDR, for further information please follow this link to our website: [https://cdn.io.stonehagefleming.com/craft-cms/investmentManagement/Sustainability-Disclosure\\_2021-10-20-124901\\_fcnr.pdf](https://cdn.io.stonehagefleming.com/craft-cms/investmentManagement/Sustainability-Disclosure_2021-10-20-124901_fcnr.pdf).

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Pooled Investments (Ireland) Plc, (the "Company"), an open-ended umbrella investment company with variable capital and segregated liability between Funds incorporated with limited liability in Ireland under the Companies Acts 1963 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. Carne Global Fund Managers (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. Before you invest you should read the Key Investor Information Document (KIID) and the Prospectus which contain detailed information. The latest version of the Prospectus and the Key Investor Information documents, Articles and reports [and accounts] for the Fund are available in English and can be obtained free of charge from the Stonehage Fleming Website: <https://www.stonehagefleming.com/gbi/documents-and-prices>. The Manager has the right to terminate the arrangements made for the marketing of funds in accordance with the UCITS Directive. A summary of investor rights can be found here: <https://www.carnegroup.com/wp-content/uploads/2022/03/Carne-Investor-Summary-of-Investor-Rights-1.pdf>

Swiss Investors: The home jurisdiction of the fund is Ireland. The representative in Switzerland is FundRock Switzerland SA, Route de Cité-Quest 2, 1196 Gland, Switzerland. The place of performance and jurisdiction is the registered office of the representative in Switzerland. Swiss Paying Agent: Banque Cantonale de Genève of 17, Quai de l'Île, 1204 Geneva, Switzerland. In countries where the Fund is not registered for sale or in any other circumstances where its distribution is not authorised or is unlawful, the Fund should not be distributed to resident Retail Clients.

NOTE: THIS INVESTMENT IS NOT FOR SALE TO U.S. PERSONS.

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## CONTACT FOR DEALING OR APPLICATION FORM

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