

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




**SUSTAINABLE
ORGANIC GROWTH**



**QUALITY
MANAGEMENT**



EFFICIENCY



**FREE CASH FLOW
GENERATION**

**5 YEAR
TOP DECILE
PERFORMANCE[†]**
OF GLOBAL EQUITY FUNDS
Lipper Global Equity Universe
as at 31 May 2019



MORNINGSTAR
★★★★★

INVESTMENT OBJECTIVE

The Fund is a feeder fund investing only in the Stonehage Fleming Global Best Ideas Equity Fund ("Master Fund"), managed by Stonehage Fleming Investment Management Limited in the United Kingdom. The Master Fund seeks 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.

FUND COMMENTARY

The first half of this year delivered a return of +16.2% for the MSCI ACTR index (+12.2% in the first quarter and +3.6% in the second quarter). This is more than double the long term compounded annual return for the index. Whilst investors are grateful for this excellent result, they may wonder whether it signals complacency and an overheated market, especially against the backdrop of two fundamental issues of concern to many – US yield curve inversion and the Federal Reserve seemingly close to start cutting their target rate. These events traditionally precede the next respective recessions and are perceived to damage investor confidence.

We commented in our March 2019 fact sheet on S&P 500 historic returns following the US 2/10 year yield curve events. The overall conclusion was that returns generally continued on a positive track, with just a few exceptions. It is also worth making the point that this particular fundamental curve has not yet inverted and is currently actually steepening. The more tactical 3 month / 10 year curve has inverted recently, but is also steepening slightly again.

A study of S&P 500 returns following the past seven initial Federal Reserve rate cuts (since 1984) of the subsequent six and twelve month periods show a median return of +8% and +14% respectively. Five of the seven cycles delivered positive returns over those periods. The two negatives ones were those following the burst of the technology bubble and the credit crisis era, both with real and financial imbalances in the economy with high specific risks.

Investors have to take serious cognisance of all the warning signals in the capital markets, but have to equally be careful not to overreact. The challenge lies clearly in having the necessary insight of the level of imbalances in the economy (if any) and the potential depth of economic contraction (if any). The possibility of a long soft landing should not be discarded.

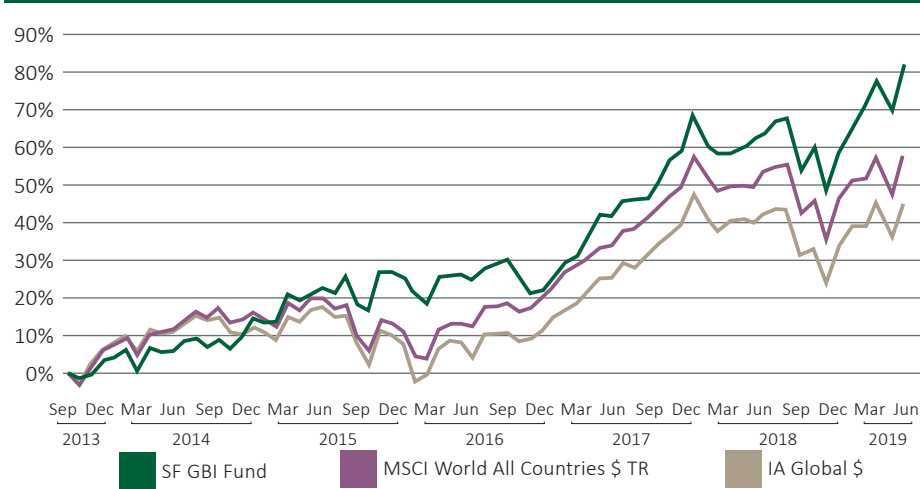
INVESTMENT STRATEGY

- Invest for sustainable organic growth
- Fundamental research driven
- Particular focus on quality of management, balance sheet strength, return on invested capital, free cash flow generation, 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

PERFORMANCE AND ASSET ALLOCATION OF FEEDER FUND

This Fund invests solely into the Stonehage Fleming Global Best Ideas Equity Fund. The performance details of the Fund cannot be shown before the 12 month anniversary of the fund being 1 November 2019. The Fund intends to invest at least 97% of all cash received in the Master Fund and hold not more than 3% cash. The performance details of the underlying Master Fund is as follows:

MASTER FUND CUMULATIVE PERFORMANCE (CLASS B USD)



ANNUALISED PERFORMANCE ¹	1 Year	3 Year	5 Year	Since Inception ²
Stonehage Fleming Global Best Ideas Class B \$	11.9	13.1	10.5	10.7
MSCI World All Countries \$ TR	5.6	11.6	6.1	8.1
IA Global \$ TR	3.4	11.3	4.5	6.5

ACTUAL HIGHEST & LOWEST ANNUAL FIGURES FOR ROLLING 10 YRS (%) ³	SF GBI FUND \$ [†]
Highest Annual (1 Feb 2017 - 31 Jan 2018)	34.2
Lowest Annual (1 Jan 2018 - 31 Dec 2018)	-6.4

CALENDAR YEAR PERFORMANCE ¹	2018	2017	2016	2015	2014
Stonehage Fleming Global Best Ideas \$	-6.4	30.0	-2.5	10.4	6.6
MSCI World All Countries \$ TR	-9.4	24.0	7.9	-2.4	4.2
IA Global \$ TR	-11.2	24.8	3.4	-2.9	0.8

¹ Master Fund Source for all performance is Link, Bloomberg, Financial Express, MSCI and Stonehage Fleming Equity Management as at 30/06/2019. Third parties (including Bloomberg and Financial Express) whose data may be included in this document do not accept any liability for errors or omissions. Performance of the Master Fund relates to the USD B Share Class.

² Master Fund Inception Date: 16 August 2013.

³ The lowest and highest annualised performance numbers are based on 10 non-overlapping one year periods or the number of non-overlapping one year periods from inception where performance history does not exist for 10 years. Annualised return is the weighted average compound growth rate over the period measured. Performance of the Master Fund relates to the USD B Share Class.

* Stonehage Fleming Sanlam Collective Investments Global Best Ideas Equity Feeder Fund.

[†] Performance statement relates to the Master Fund (Stonehage Fleming Global Best Ideas B USD).

INFORMATION PERTAINING TO THE MASTER FUND

SECTOR BREAKDOWN	% of Fund
Technology	25.2
Staples	21.3
Discretionary	18.2
Health Care	15.4
Communication	9.7
Financials	6.7
Industrials	1.4
Cash	2.2
Total	100.0

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

REGIONAL BREAKDOWN	% of Fund
United States	73.6
Continental Europe	11.0
Asia Pacific	6.7
UK	6.5
Cash	2.2
Total	100.0

PORTFOLIO CHARACTERISTICS	
Average Market Cap (Billions USD)	229.6
Number of Holdings	27
Operating Margin	26.2%
Return on Invested Capital	17.8%
Net Debt/EBITDA ¹	0.7
Expected 3 Year EPS ² Growth (p.a.)	13.0%
Expected 3 Year DPS ³ Growth (p.a.)	7.5%
Dividend Yield (gross) ^{4,5}	1.3%
Price/Earnings Ratio ⁵	27.0
Free Cash Flow Yield ⁵	3.6%
PEG Ratio ^{6,7}	2.9

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
Zoetis	5.6
PayPal	5.5
Microsoft	5.0
Accenture	4.9
Estée Lauder	4.5
AIA	4.5
Nike	4.5
McDonald's	4.4
Alphabet	4.2
Total	49.9

ESTIMATED REGIONAL REVENUES ⁸	% of Fund
North America	46.2
Emerging Markets	31.9
Continental Europe	17.6
UK	4.2
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 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.

ADDITIONAL INFORMATION

Total Net Assets	\$1,076.3m
Fund Type	UCITS
Fund Domicile	Ireland
Inception Date	16 August 2013
Number of Holdings	20-30 stocks

FUND CHARACTERISTICS

Active Share ⁹	89.1%
Ex Post Tracking Error	4.4%
12 Month Turnover	13.6%
Beta	0.94

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.

MASTER FUND'S RATINGS AND AWARDS



- Citywire Wealth Manager Performance Award in the 'Aggressive Strategy' category was awarded on 12 October 2017.
- FE Crown Fund Ratings do not constitute investment advice offered by FE and should not be used as the sole basis for making any investment decision. All rights reserved.
- Morningstar and Morningstar OBSR ratings © 2018 Morningstar. All Rights Reserved. Ratings are collected on the first business day of the month. Morningstar Sustainability Rating as of 31/03/19. Sustainalytics provides company-level analysis used in the calculation of Morningstar's Sustainability Score. Sustainability Mandate information is derived from the fund prospectus. that full details and basis of the awards are available from the manager.
- Finalist for PAM Investment Performance (High Growth) on 1 March 2018.

* Stonehage Fleming Sanlam Collective Investments Global Best Ideas Equity Feeder Fund

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INFORMATION PERTAINING TO THE FEEDER FUND

ASSET ALLOCATION

Stonehage Fleming Global Best Ideas Equity Fund	99.0%
Cash	1.0%

FEEDER FUND INFORMATION

Portfolio manager	Gerrit Smit
ASISA fund classification	Global - Equity - General
Portfolio launch date	1 November 2018
Fee class launch date	1 November 2018
Portfolio size	R73.6m
Benchmark	MSCI All Countries World Index (Total Return Version) measured in Rands
Risk profile	Aggressive, the fund is not suitable for investors with a time horizon under five years or looking to preserve capital
Income declaration dates	31 December
Last two distributions	n/a
Income payment dates	1 st working day in January
Portfolio valuation time	3pm (local time)
Transaction cut-off	3pm (local time)
Repurchase period	3 working days
Availability of daily pricing information	Local newspapers www.sanlamunitrusts.co.za
Investment manager	Stonehage Fleming Investment Management (South Africa) (Pty) Ltd
Trustee	Standard Bank of South Africa Ltd 021 441 4100 compliance-sanlam@standardbank.co.za
Management company	Sanlam Collective Investments (RF) (Pty) Ltd 2 Strand Road, Bellville, 7530 PO Box 30, Sanlamhof, 7532 021 916 1800 service@sanlaminvestments.com www.sanlamunitrusts.co.za

INVESTMENT MANAGER INFORMATION

Manager	Stonehage Fleming Investment Management (South Africa) (Pty) Ltd
FSP Number	42847
Address	First Floor North Block, Waterway House 3 Dock Road, Victoria & Alfred Waterfront Cape Town, South Africa
Website	www.stonehagefleming.com/investments
Telephone	+27 21 446 2100
Email	GBIFeederFund@stonehagefleming.com

Stonehage Fleming Investment Management is the specialist investment division of the Stonehage Fleming Group. Stonehage Fleming is one of the world's leading independently owned family offices with 11 offices situated in 8 global jurisdictions. The Master Fund is managed by Gerrit Smit, 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.

FEES ¹	A1	B1
Minimum Investment	R 10,000	R 65,000,000
Advice Initial Fee (max)	N/A	N/A
Advice Annual Fee (max)	N/A	N/A
Investment Manager Initial Fee	N/A	N/A
Investment Manager Annual Fee (Feeder Fund)	0.81%	0.14%
Investment Manager Annual Fee (Master Fund)	0.75%	0.75%
Total Expense Ratio (TER)	1.70%	1.04%
Estimated Transaction Costs (TC)	0.01%	0.01%
Total Investment Charges (TIC)	1.71%	1.05%

¹ Advice fees are negotiable between the client and their adviser. Annual advice fees are paid through a re-purchase of units from the investor. The fund is available through certain LISPs which levy their own fees. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not necessarily be an accurate indication of future TERs. The TER and TIC is an estimated value of the cost to manage the fund. The actual cost ratios will be displayed once the fund has attained sufficient performance history. Transaction Costs are a necessary cost in administering the Financial Product and impacts Financial Product returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of Financial Product, the investment decisions of the investment manager and the TER. Disclosed performance information is calculated after all fees and costs deducted. ² All fees inclusive of VAT where applicable.

DISCLOSURES AND ADDITIONAL INFORMATION

A Feeder Fund is a portfolio that invests in a single portfolio of a collective investment scheme, which levies its own charges and which could result in a higher fee structure for the Feeder Fund. The management of investments is outsourced to Stonehage Fleming Investment Management (South Africa) (Pty) Ltd, FSP 42847 an authorized Financial Services Provider under the Financial Advisory and Intermediary Services Act, 2002.

All reasonable steps have been taken to ensure the information on this MDD is accurate. The information to follow does not constitute financial advice as contemplated in terms of the Financial Advisory and Intermediary Services Act. Use or rely on this information at your own risk. Independent professional financial advice should always be sought before making an investment decision.

The Sanlam Group is a full member of the Association for Savings and Investment SA. Collective investment schemes are generally medium- to long-term investments. Please note that past performances are not necessarily a guide to future performances, and that the value of investments / units / unit trusts may go down as well as up. A schedule of fees and charges and maximum commissions is available from the Manager, Sanlam Collective Investments (RF) Pty Ltd, a registered and approved Manager in Collective Investment Schemes in Securities. Additional information of the proposed investment, including brochures, application forms and annual or quarterly reports, can be obtained from the Manager, free of charge.

Collective investments are traded at ruling prices and can engage in borrowing and scrip lending. Collective investments are calculated on a net asset value basis, which is the total market value of all assets in the portfolio including any income accruals and less any deductible expenses such as audit fees, brokerage and service fees. Actual investment performance of the portfolio and the investor will differ depending on the initial fees applicable, the actual investment date, the date of reinvestment of income as well as dividend withholding tax. Forward pricing is used. The Manager does not provide any guarantee either with respect to the capital or the return of a portfolio. The performance of the portfolio depends on the underlying assets and variable market factors. Performance is based on NAV to NAV calculations with income reinvestments done on the ex-div date. Lump sum investment performances are quoted. Source: Money Mate. All the portfolio options presented are approved collective investment schemes in terms of Collective Investment Schemes Control Act, No 45 of 2002 ("CISCA"). The fund invests in foreign countries and therefore it may have risks regarding liquidity, the repatriation of funds, political and macroeconomic situations, foreign exchange, tax, settlement, and the availability of information.

The Manager has the right to close any portfolios to new investors to manage them more efficiently in accordance with their mandates. The Manager retains full legal responsibility for the co-named portfolio.

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