

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



**SUSTAINABLE  
ORGANIC GROWTH**



**QUALITY  
MANAGEMENT**



**EFFICIENCY**



**FREE CASH FLOW  
GENERATION**



**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**

Simulated past performance and 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**

World capital markets were overshadowed in July by the collapse of many internationally-listed Chinese technology stocks. Since its peak in February, the Hang Seng Information Technology index had already lost 24.5% by the end of June. It lost another 16.8% in July alone.

The Chinese political backdrop is complex, but in our perception can be summarised briefly as follows: Their government for the past two decades has focussed mainly on growth and efficiency and they have largely succeeded. They are now rebalancing the economy more towards common prosperity and social responsibility. Support for and protection of the population against excessive capitalist practises necessitate more regulation of multiple industries. Housing, Health Care and Education are particularly vulnerable in this context.

The Technology Sector is absolutely key in the above as it is to their global ambitions. It has outgrown its regulation, which now needs a material update. We believe the blocking of the Ant Group's IPO was a responsible act in this context. As with the US administration, cyber security, the protection of personal data and anti-monopolistic actions are now a priority. This has many operational implications for various Chinese businesses. An incremental number of regulatory announcements over recent months has caused huge market volatility.

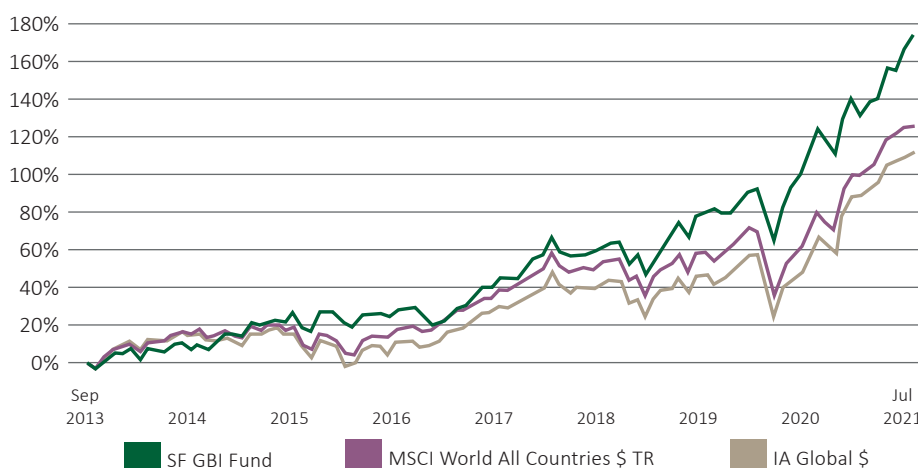
The recent Didi listing on the NYSE intensified investor anxiety even further. The Chinese regulator's cyber probe two days after the IPO was initially perceived to be particularly harsh after the company raised \$4.4bn from investors. It, though, also transpired that the regulator did warn Didi beforehand, but that their private equity shareholders, in the absence of an outright order from the regulator to halt the IPO, wanted to proceed.

The risks of investing in China are now fully exposed and highlighted. The China risk premium has increased, with earnings projections and valuation multiples getting tempered. We expect the institutional market to stand back for a while and in the interim rather rely on US- or European-listed global operators to capitalise on the China growth potential.

**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  | 1 Year | 3 Year | 5 Year | Since Inception |
|--|-----|------|--------|--------|--------|-----------------|
| Stonehage Fleming Global Best Ideas Equity | 2.9 | 14.3 | 29.6   | 70.1   | 114.7  | 172.1           |
| MSCI World All Countries \$ TR             | 0.7 | 13.1 | 33.2   | 47.0   | 90.9   | 125.9           |
| IA Global \$                               | 1.2 | 12.8 | 34.3   | 48.4   | 90.3   | 111.5           |

**CLASS A USD PERIODIC PERFORMANCE %**

| Calendar Year                              | 2020 | 2019 | 2018  | 2017 | 2016 | 2015 | 2014 |
|--|------|------|-------|------|------|------|------|
| Stonehage Fleming Global Best Ideas Equity | 25.8 | 30.0 | -6.8  | 29.3 | -3.0 | 9.8  | 6.1  |
| MSCI World All Countries \$ TR             | 16.3 | 26.6 | -9.4  | 24.0 | 7.9  | -2.4 | 4.2  |
| IA Global \$                               | 18.9 | 26.8 | -11.2 | 24.8 | 3.4  | -2.9 | 0.8  |

<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 Link, Bloomberg, Financial Express, MSCI and Stonehage Fleming Equity Management as at 31/07/2021. 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**









Source & Copyright. Morningstar and Morning star OBSR ratings © 2020 Morningstar. All Rights Reserved. Ratings are collected on the first business day of the month. Morningstar Sustainability Rating as of 31/07/21. Morningstar ratings refer to the B class rating for all USD denominated share classes and to the D class rating for all GBP denominated share classes. Sustainability provides company-level analysis used in the calculation of Morningstar's Sustainability Score. Sustainability Mandate information is derived from the fund prospectus. Morningstar Carbon Metrics cover all equity holdings as of 31/07/21. 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.

| SECTOR BREAKDOWN | % of Fund    |
|------------------|--------------|
| Technology       | 27.7         |
| Discretionary    | 20.1         |
| Health Care      | 18.4         |
| Communication    | 9.3          |
| Staples          | 9.4          |
| Financials       | 8.6          |
| Industrials      | 2.1          |
| Cash             | 4.3          |
| <b>Total</b>     | <b>100.0</b> |

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

| REGIONAL BREAKDOWN | % of Fund    |
|--------------------|--------------|
| United States      | 81.1         |
| Continental Europe | 10.1         |
| Asia Pacific       | 4.5          |
| UK                 | 0.0          |
| Cash               | 4.3          |
| <b>Total</b>       | <b>100.0</b> |

| PORTFOLIO CHARACTERISTICS                      |       |
|--|-------|
| Average Market Cap (Billions USD)              | 380.9 |
| Number of Holdings                             | 28    |
| Operating Margin                               | 27.6% |
| Return on Invested Capital                     | 18.7% |
| Net Debt/EBITDA <sup>1</sup>                   | 0.3   |
| Expected 3 Year Revenue Growth (p.a.)          | 13.1% |
| Expected 3 Year EPS <sup>2</sup> Growth (p.a.) | 18.5% |
| Expected 3 Year DPS <sup>3</sup> Growth (p.a.) | 8.5%  |
| Dividend Yield (gross) <sup>4,5</sup>          | 0.8%  |
| Price/Earnings Ratio <sup>6</sup>              | 36.2  |
| Free Cash Flow Yield <sup>5</sup>              | 2.8%  |
| PEG Ratio <sup>6,7</sup>                       | 2.8   |

<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.

| TOP TEN HOLDINGS | % of Fund   |
|------------------|-------------|
| PayPal           | 6.1         |
| Alphabet         | 5.9         |
| Nike             | 5.3         |
| Microsoft        | 5.3         |
| Adobe            | 5.3         |
| Zoetis           | 4.6         |
| Visa             | 4.6         |
| Amazon           | 4.4         |
| Accenture        | 4.3         |
| LVMH             | 4.0         |
| <b>Total</b>     | <b>49.7</b> |

| ESTIMATED REGIONAL REVENUES <sup>8</sup> % of Fund |              |
|--|--------------|
| North America                                      | 50.4         |
| Emerging Markets                                   | 27.6         |
| Continental Europe                                 | 17.3         |
| UK   | 4.7          |
| <b>Total</b>                                       | <b>100.0</b> |

<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; 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.

| FUND INFORMATION     |                                |
|----------------------|--------------------------------|
| Total Net Assets     | \$2,345.8m                     |
| 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                    |
| 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 23:00 Irish Time      |
| Dealing              | Daily by 12:00 Irish Time      |

| FUND CHARACTERISTICS      |       |
|---------------------------|-------|
| Active Share <sup>9</sup> | 87.0% |
| Ex Post Tracking Error    | 7.0%  |
| 12 Month Turnover         | 4.2%  |
| BETA                      | 0.85  |

<sup>9</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.

| USD A (ACCUMULATION) SHARE CLASS DETAILS        |              |
|---|--------------|
| Price   | \$272.29     |
| ISIN  | IE00BCLYMB94 |
| Synthetic Risk & Reward Indicator (SRRI) rating | 5            |
| Annual Management fee                           | 1.25%        |
| Total ongoing charge (OCF)                      | 1.34%        |
| Min initial investment (USD)                    | 50,000       |
| Registered for sale                             | UK, 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"), an 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 Fund is an approved Foreign Collective Investment Scheme in South Africa where it is registered with the Financial Sector Conduct Authority (South Africa). The Fund has been granted consent pursuant to the Control of Borrowing (Jersey) Order 1958, by the Jersey Financial Services Commission ("JFSC") to circulate an offer for subscription, sale or exchange of shares in Jersey. The JFSC is protected by the Control of Borrowing (Jersey) Law 1947, as amended, against liability arising from

the discharge of its functions under that Law. 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](mailto:dublinta@linkgroup.ie).

The Fund has been classified as a product in accordance with Article 6 of Sustainable Finance Disclosure Regulations ("SFDR"). For further information please follow this link to our website: [https://cdn.io.stonehagefleming.com/craft-cms/investmentManagement/Sustainability-Disclosure\\_2021-03-12-172728.pdf](https://cdn.io.stonehagefleming.com/craft-cms/investmentManagement/Sustainability-Disclosure_2021-03-12-172728.pdf)

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the Financial Sector Conduct Authority (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. Affiliates of Stonehage Fleming Investment Management Limited are authorised and regulated in Jersey by the JFSC for financial services business. This document has been approved for use in Jersey.

Swiss Investors: The home jurisdiction of the fund is Ireland. 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 semiannual 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 Cantonale de Geneve of 17, Quai de l'Île, 1204 Geneva, Switzerland.