






# STONEHAGE FLEMING GLOBAL BEST IDEAS EQUITY FUND

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

 <p><b>SUSTAINABLE ORGANIC GROWTH</b></p>	 <p><b>QUALITY MANAGEMENT</b></p>	 <p><b>EFFICIENCY</b></p>	 <p><b>FREE CASH FLOW GENERATION</b></p>	<p><b>4 YEAR TOP DECILE PERFORMANCE</b> OF GLOBAL EQUITY FUNDS Lipper Global Equity Universe as at 16 Aug 2017</p>	
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### 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

Whilst we operate with high conviction to select the world's best of breed businesses to buy them to hold for the long term, we have little comfort in forming strong currency views. In fact, we struggle to find many with huge success on this front. For this reason, we prefer to buy truly global businesses with a diverse currency spread where we do not need to take active currency bets.

This having been said, sharp movements in major currencies can have profound effects on global capital markets. The recent experiences following the US Dollar movements are a case in point. The currency appreciated by 30% from the middle of 2014 to the end of 2016 (measured against a basket of their major trading currencies). This had material negative effect on commodity prices (the CRB commodity index dropped by over half) and many emerging economies (especially those dependent on commodity exports and those with high Dollar debt levels). US industrial production experienced negative growth through both 2015 and 2016, world trade stagnated and the S&P 500 index earnings dropped in both 2015 and in 2016. The strong Dollar was not to the benefit of many.

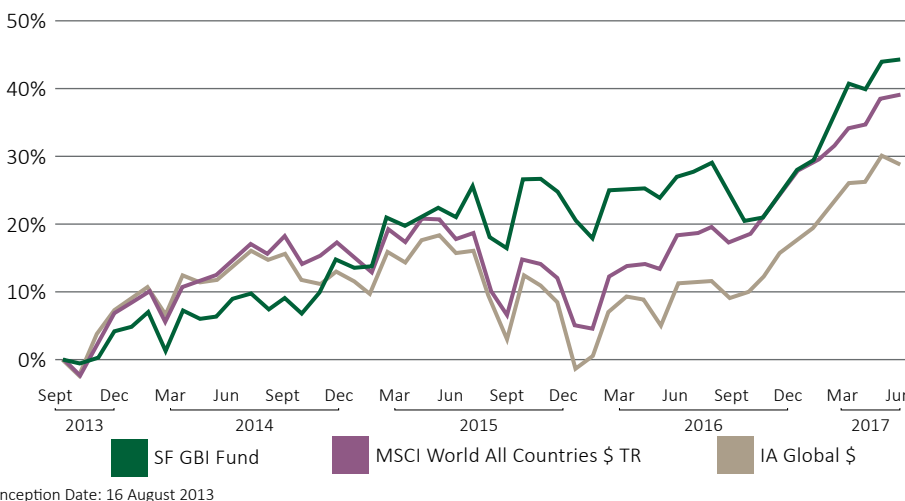
The reverse is in process this year – the Dollar is 10% lower thus far. This has revitalised commodities, many emerging (and developed market) economies, global industrial production, world trade and corporate earnings. The S&P 500 earnings index currently is +10% and US consumer, small business, home builder and CEO confidence indices are close to peak levels. We have similar readings in Europe.

The moderately weaker Dollar does wonders in oiling the wheels of the world economy. Whilst many feared a looming US recession (and a potential equity bear market) a year ago, the current outlook of continuing moderate economic growth, low inflation and low interest rates keeps supporting our global best of breed businesses.

### 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)



### CLASS A USD CUMULATIVE PERFORMANCE %

	1m	3m	6m	YTD	Since Inception
Stonehage Fleming Global Best Ideas Equity	0.3	2.8	12.9	19.3	44.3
MSCI World All Countries \$ TR	0.4	3.7	8.1	15.0	39.0
IA Global \$	-0.9	2.2	9.4	14.9	26.1

### CLASS A USD PERIODIC PERFORMANCE %

	12 months to 31/08/17	31/08/16	31/08/15	31/08/14
Stonehage Fleming Global Best Ideas Equity	13.0	8.2	8.1	9.7
MSCI World All Countries \$ TR	17.1	7.2	-6.3	21.0
IA Global \$	17.6	20.3	1.5	10.1


### FUND RATINGS



# STONEHAGE FLEMING GLOBAL BEST IDEAS EQUITY FUND

SECTOR BREAKDOWN	% of Fund
Technology	28.8
Consumer Staples	26.2
Consumer Discretionary	19.0
Health Care	10.5
Industrials	5.1
Financials	4.6
Materials	1.8
Cash	3.9
<b>Total</b>	<b>100.0</b>

Source: Capita Financial Administrators (Ireland) Limited and Stonehage Fleming Investment Management Limited.

FUND MANAGER	
	<p><b>CITYWIRE / AA</b></p> <p><b>Gerrit Smit</b></p> <p>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.</p> <p>*Gerrit Smit is AA rated by Citywire for his rolling 3 year risk-adjusted performance, for the period 30/06/2014 – 30/06/2017.</p>

REGIONAL BREAKDOWN	% of Fund
United States	58.0
Continental Europe	18.8
Asia Pacific	11.0
UK	8.4
Cash	3.9
<b>Total</b>	<b>100.0</b>

PORTFOLIO CHARACTERISTICS	
Average Market Cap (Billions USD)	138.8
Number of Holdings	24
Operating Margin	24.6%
Return on Invested Capital	18.2%
Net Debt/EBITDA <sup>1</sup>	0.9
Expected 3 Year EPS <sup>2</sup> Growth (p.a.)	13.6%
Expected 3 Year DPS <sup>3</sup> Growth (p.a.)	10.7%
Dividend Yield <sup>4,5</sup>	1.5%
Price/Earnings Ratio <sup>5</sup>	23.3
Free Cash Flow Yield <sup>6</sup>	4.4%
PEG Ratio <sup>6,7</sup>	2.4

<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>Applying Trailing P/E Ratio. Source: Stonehage Fleming Investment Management Limited, Bloomberg.

TOP TEN HOLDINGS	% of Fund
Visa	6.4
Tencent	6.4
Alphabet	5.8
Becton Dickinson	5.5
Accenture	5.5
Fresenius SE	5.1
McDonald's	5.0
Estée Lauder	4.9
PayPal	4.8
AIA	4.6
<b>Total</b>	<b>53.8</b>

ESTIMATED REGIONAL REVENUES <sup>8</sup> % of Fund	
North America	38.1
Emerging Markets	37.7
Continental Europe	20.4
UK	3.8
<b>Total</b>	<b>100.0</b>

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

FUND INFORMATION	
Total Net Assets	\$662.4m
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 <sup>9</sup>	94.2%
Ex Post Tracking Error	5.6%
12 Month Turnover	2.1%
BETA	0.91

<sup>9</sup> 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	
ISIN	IE00BCLYMB94
Synthetic Risk & Reward Indicator (SRRRI) rating	5
Inception date	16 Aug 2013
Annual Management fee	1.25%
Total ongoing charge (OCF)	1.51%
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 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. The Company is also an approved Foreign Collective Investment Scheme in South Africa where it is registered with the Financial Services Board ("FSB"). Capita Financial 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.

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@capitafinancial.com](mailto:dublinta@capitafinancial.com). 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 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 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 Cantonale de Geneve of 17, Quai de l'Île, 1204 Geneva, Switzerland.