

## STONEHAGE FLEMING GLOBAL EQUITIES FUND II ('GEF II')

### December 2015 Quarterly Factsheet

#### INVESTMENT OBJECTIVE

The objective is to achieve capital growth and an element of income by investing predominantly in UK and international regulated equity funds. It is likely that a significant proportion of the Fund's property will be invested in sub-funds of another regulated collective investment scheme operated by the Manager.

#### FUND INFORMATION

Inception date:	31 July 2003
Fund Size:	£205.2 million (at 31st December 2015)
No of Holdings:	11
Structure:	Non-UCITS Retail Scheme
Domicile:	United Kingdom
Share Classes:	A & B
Currency:	GBP
Dealing:	Daily
Yield:	1.8% *
Benchmark:	GEF II Official Prospectus Benchmark ('Benchmark') <sup>2</sup>
Ongoing Charges Figure:	1.54% per annum (A Class) 1.89% per annum (B Class)
Performance Fee:	None
Custodian:	Northern Trust Global Services Limited
Administrator:	Northern Trust Global Services Limited
Manager and Investment Adviser:	Stonehage Fleming Investment Management Limited

\*Based on net dividends paid in calendar year 2015

#### COMMENTARY

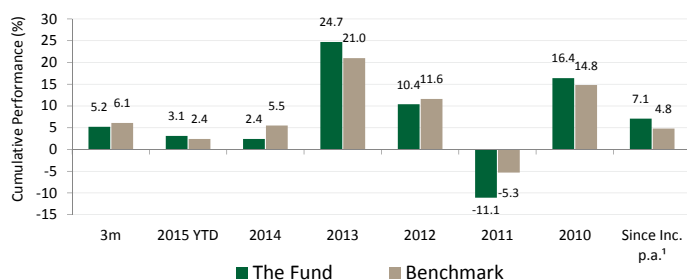
After a short rebound in October, sentiment on equity markets fell increasingly as further evidence of Chinese growth and falling corporate profitability became evident. The Federal Reserve's decision to raise rates at the end of December, whilst supposedly a signal of the health of the US economy, was greeted nervously by investors worried about the aforementioned headwinds to global growth.

The quarter saw a continuation of regional and sector performance dispersion, with US and Japanese equities leading markets higher and UK and Emerging Markets lagging, although currency had some part to play in this. Similar sector themes to previous quarters prevailed with consumer, healthcare and technology stocks significantly outperforming commodity and utilities companies.

The Fund underperformed the benchmark over the quarter, returning 5.2% against the benchmark return of 6.1%. The environment proved to be a more challenging one for active managers, especially those with a value style such as the Stonehage Fleming UK Core fund, run by Majedie, which rotated the portfolio into cheaper segments of the market which continued to underperform. However there was evidence of good stock selection from the likes of the Stonehage Fleming European All Cap and recently purchased Stonehage Global Best Ideas funds. Regional positioning continued to be a positive contributor through the overweight US and underweight UK and Emerging Markets positioning.

The Lazard Global Listed Infrastructure fund was sold from the Fund at the beginning of the period due to concerns over valuation levels of high quality infrastructure assets. A position in the Stonehage Global Best Ideas fund, which invests in a concentrated list of high quality global companies, was also initiated.

#### PERFORMANCE (GBP) – Since Inception 31st July 2003



#### PERFORMANCE (GBP)

As at 31.12.15 (%)	3m	2015	2014	2013	2012	2011	2010	Since Inc. p.a. <sup>1</sup>
GEF II <sup>1</sup>	5.2	3.1	2.4	24.7	10.4	-11.1	16.4	7.1
Benchmark <sup>2</sup>	6.1	2.4	5.5	21.0	11.6	-5.3	14.8	4.8
Lipper Global Equity	7.6	2.6	6.7	19.7	9.1	-10.0	14.1	6.9
Quartile Ranking <sup>3</sup>	4	2	3	1	2	3	2	2

<sup>1</sup> Inception 31-Jul-2003 (net of fees)

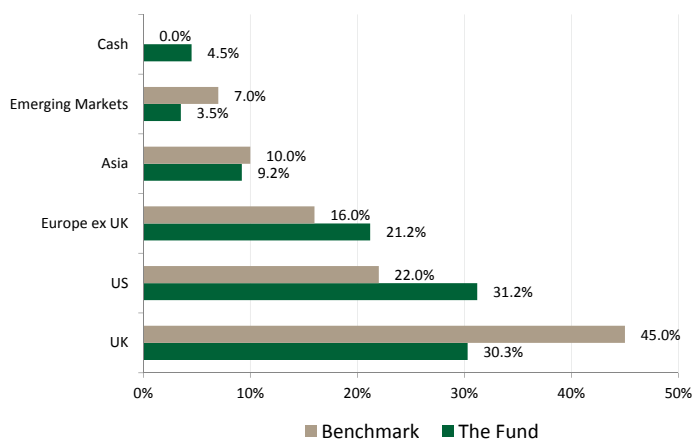
<sup>2</sup> GEF II Official Prospectus Benchmark ('Benchmark') is a composite benchmark made up of MSCI gross dividend indices – UK 45%; US 22%; Europe ex UK 16%; Far East 10% Emerging Markets 7%; rebalanced monthly

<sup>3</sup> Quartile rankings relative to Lipper Global Equity peer group

Performance data since inception at end July 2003 to end December 2015

**RETURNS MAY INCREASE OR DECREASE DUE TO CURRENCY FLUCTUATIONS  
PAST PERFORMANCE IS NOT A RELIABLE INDICATOR OF FUTURE RESULTS**

## POSITIONING RELATIVE TO BENCHMARK



Source for all market data: Factset, Bloomberg, Lipper  
 Source for all Stonehage Fleming Investment Management Limited performance data: Northern Trust Global Services Limited, Stonehage Fleming Investment Management Limited calculations

## TOP TEN HOLDINGS

Fund Name/Manager	% of Fund
Stonehage Fleming Global Select Equity	18.1%
Stonehage Fleming Core UK Equity	13.3%
Stonehage Fleming European All Cap	12.6%
Stonehage Global Best Ideas	12.5%
Stonehage Fleming UK Equity Income	11.6%
Findlay Park American	7.4%
GLG Japan CoreAlpha	5.6%
Polar Capital Global Insurance	5.0%
Ishares FTSE 100 ETF	4.9%
Heronbridge UK Equity	4.7%

## RISK DISCLOSURES

The advice we provide will be based on and take into account a majority of product types and not every single equivalent product within a given product category. As such, our advice is restricted (as opposed to independent) as defined by the FCA.

This communication has been prepared for information only and is not intended for onward distribution. It is neither an offer to sell, nor a solicitation to buy, any investments or services. This communication does not constitute a personal recommendation and does not take into account the individual financial circumstances, needs or objectives of the recipients.

The value of investments may go down as well as up and, for products designed to return income, the distributions can also go down or up and you may not receive back the full value of your initial investment.

All investments risk the loss of capital. Where there is potential for profit, there is also possibility of loss. No guarantee or representation is made that the funds will achieve their investment objective.

**Past performance should not be used as a guide to future performance.**

Whilst every effort is made to ensure that the information provided in this document is accurate and up to date, some of the information may be rendered inaccurate by changes in applicable laws and regulations. Any reference to taxation relies upon information currently in force. You should note that the bases and rates of taxation may change at any time.

Changes in the rates of exchange between currencies may cause the value of investments to go up or down in the reporting currency. In general, underlying investments denominated in foreign currency are not hedged back into the reporting currency. Among the factors that may influence currency values are trade balances, the levels of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. Values may also be affected by developments relating to controls and restrictions on foreign currency remittance of proceeds of investments in a non-sterling jurisdiction.

From time to time, the Manager may engage in hedging transactions within the Fund. There can be no assurances that such hedging, if undertaken, will insulate the Fund from risks and hedging techniques, whether via derivatives or other products or instruments, may give rise to certain costs and additional risks, including a risk of total loss of any amounts invested in hedging instruments.

In addition to the information provided by Stonehage Fleming Investment Management Limited, you may wish to consult an independent professional.

Key Investor Information document (KIID) for the Stonehage Fleming Global Equities Fund II ('GEF II'), is available in English upon request from Stonehage Fleming Investment Management Limited (SFIM) at 15 Suffolk Street, London, SW1Y 4HG, or on SFIM's website at [www.stonehagefleming.com](http://www.stonehagefleming.com). The prospectus for GEF II is also available on request.

The Ongoing Charges Figure ("OCF") expresses the costs of running the Fund as a single figure. This is the overall cost shown as a percentage of the value of the assets of the Fund. It comprises the annual management charge and other additional charges including, but not limited to, the charges of the Depositary, Administrator, Registrar and Auditors as well as any specified regulatory or legal fees. It does not include the costs of buying or selling investments or, where relevant, a performance fee. The OCF is also based on the OCFs of funds invested in on a pro-rata basis in proportion to the Fund's value. The pro-rata figures are added to the Fund's own ongoing charges to create one total OCF for the Fund.

This document is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution would be unlawful under the securities laws of such jurisdiction and the shares of the Fund referred to herein shall not be offered or sold to any person in any jurisdiction in which an offer, solicitation, purchase or sale would be unlawful under the securities laws of such jurisdiction. THIS INVESTMENT IS NOT FOR SALE TO U.S. PERSONS.

**Issued by Stonehage Fleming Investment Management Limited, authorised and regulated by the Financial Conduct Authority in the United Kingdom and authorised as a Financial Services Provider (No: 46194) with the Financial Services Board in South Africa.**

Stonehage Fleming Investment Management Limited is authorised as a full-scope UK Alternative Investment Fund Manager and issues this document in its capacity as Manager and Investment Advisor of the Stonehage Fleming Global Equities Fund II ('GEF II').

The Fund is authorized and regulated in the United Kingdom by the Financial Conduct Authority. The Fund is a Non-UCITS Retail Scheme and is an Alternative Investment Fund (an 'AIF') within the meaning of the EU Alternative Fund Managers Directive (no. 2011/61/EU) ("AIFM Directive")

**This document is only approved for issue to existing investors.**

© Stonehage Fleming Investment Management Limited 2015

