

STONEHAGE FLEMING GLOBAL BEST IDEAS EQUITY FUND

31 July 2016 Factsheet

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.

INVESTMENT STRATEGY

- Invest for sustainable growth
- Fundamental research driven
- Particular focus on quality of management, balance sheet, return on capital, cash flow, ability to grow dividends each year
- Bottom-up approach to identify exceptional businesses
- Global orientation
- High conviction concentrated portfolio
- Predominantly larger capitalisation businesses, include some mid-size exceptional ones
- Buy to hold for longer term orientation, but do not hold overvalued businesses
- No benchmark orientation, leverage, hedging or active trading

FUND INFORMATION

Investment Manager	Stonehage Fleming Investment Management Limited
Portfolio Manager	Gerrit Smit
Launch Date	16 August 2013
Total AUM	\$430.7m
Dealing Deadline	Daily by 12pm (Irish time)
Pricing	Daily at 11pm (Irish time)
Fund Type	UCITS

COMMENTARY

Nestlé is now one of our top ten holdings. The world's largest food group is well known for its excellent record of continuing organic growth. The last time it did not increase its dividend (in Swiss Francs) was in 1996 - it was maintained then. The dividend has since grown by a compounded +24% p.a.; it was raised by +15% in the 2009 credit crisis financial year. Despite this outstanding record the share is currently still trading at an attractive 2.9% dividend yield as organic growth has slowed to +4% against their target of +5% to +6% p.a.

The Chairman commented at their last AGM on the Kraft/Heinz merger, indicating that whilst others in the industry may focus on productivity and cost cutting to grow their businesses, Nestlé is more aligned to changing consumer trends and organic growth. He cited, amongst others, that Nestlé Waters has become the US's third largest soft drink business as carbonated drink volume sales dropped by -14% over the last decade, and referred specifically to the fact that its Nutrition, Health and Wellness categories are increasingly proving every year to be the main growth driver.

Nestlé is known for promoting from within its own ranks, and it was therefore a surprise when it appointed a new CFO externally from the pharmaceutical industry a year ago. It was an even bigger surprise a few weeks ago when, for the first time in almost a century, it also appointed a new CEO externally. Ulf Schneider joins from Fresenius SE where he has been CEO since 2003. He has an outstanding record in building this health care business and the share has delivered a +22% total return p.a. (\$ terms) under his tenure.

We perceive these developments as significant in Nestlé's evolution.

PERFORMANCE TO 31ST JULY 2016 ¹

	Class A USD %	Class B USD %	Class C GBP %	Class D GBP %
One Month	2.3	2.3	3.0	3.0
Year To Date	1.7	2.0	12.9	13.2
One Year	1.0	1.5	18.7	19.3
2015	9.8	10.4	16.2	16.8
2014	6.1	6.6	12.7	13.3
Since Launch ²	26.8	28.6	49.0	51.3

SHARE CLASSES

	Class A USD	Class B USD	Class C GBP	Class D GBP
Price	\$126.83	\$128.63	£148.60	£148.50
OCF % ³	1.49	0.99	1.49	0.99
Investment Management Fee %	1.25	0.75	1.25	0.75
Minimum Initial Investment	\$50,000	\$5,000,000	£35,000	£3,500,000
Minimum Subsequent Investment	\$25,000	\$25,000	£15,000	£15,000

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

¹ Net of fees

² Launch: 16 August 2013

³ The Investment Management Fee is included in the Ongoing Charges Figure ("OCF") and is not in addition to the OCF. The OCF expresses the overall costs of running the Stonehage Fleming Global Best Ideas Equity Fund (the "Fund") as a percentage of the value of the assets of the Fund. It comprises the Investment Management Fee and other additional charges including, but not limited to, the charges of the Manager, Administrator, the Custodian, the Directors and any appointed Paying Agent as well as regulatory, company secretarial, statutory, auditing, listing, Governmental and legal costs. It does not include portfolio transaction costs.

PAST PERFORMANCE SHOULD NOT BE USED AS A GUIDE TO FUTURE PERFORMANCE

FUND COMPOSITION

Regional Breakdown	% of Fund
United States	61.9
Continental Europe	21.3
Asia Pacific	8.4
UK	8.2
Cash	0.2
Total	100.0

Sector Breakdown	% of Fund
Consumer Staples	32.7
Technology	22.2
Consumer Discretionary	20.6
Health Care	11.1
Industrials	6.4
Financials	4.1
Materials	2.7
Cash	0.2
Total	100.0

Top 10 Holdings	% of Fund
Becton Dickinson	6.5
Visa	6.4
Accenture	6.1
RB Group	5.4
Alphabet	5.3
PepsiCo	4.9
Nestlé	4.8
Nike	4.6
Fresenius SE	4.6
Estée Lauder	4.6
Total	53.2

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

RISK FACTORS

Stonehage Fleming Global Best Ideas Equity Fund (the “Fund”) is an equity fund. Investors should be willing and able to assume the risks of equity investing in particular, fluctuations in market price, adverse issuer or market information and the fact that equity securities rank below other corporate securities, including debt securities, in right of payment in the event of issuer insolvency. The value of the Fund’s portfolio changes daily and can be affected by changes in currencies, interest rates, general market conditions and other political, social and economic developments, as well as specific matters relating to the companies in whose securities the Fund invests. 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.

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.

All investments risk the loss of capital. No guarantee or representation is made that the Fund will achieve its investment objective. The value of investments may go down as well as up and the distributions can also go down or up and you may not receive back the full value of your initial investment. The risks outlined here are some of the more specific risks applicable to investment in the Fund and investors’ attention is drawn to Appendix II of the Prospectus which provides more information on the types of risk factors investors should consider.

Whilst every effort is made to provide investors with accurate and up to date information, some of the information may be rendered inaccurate by changes in applicable laws and regulations. For example, the levels and bases of taxation may change. No information in this document should be interpreted as investment advice. If you feel unsure about the suitability of this investment for you, please consult with a professional financial adviser.

IMPORTANT INFORMATION

The Fund is a sub-fund of 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 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.

Any 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, any advice we give is restricted (as opposed to independent) as defined by the Financial Conduct Authority.

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.

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Swiss Investors: 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’Ile, 1204 Geneva, Switzerland.

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