

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



**SUSTAINABLE  
ORGANIC GROWTH**



**QUALITY  
MANAGEMENT**



**EFFICIENCY**



**FREE CASH FLOW  
GENERATION**

**TOP DECILE  
PERFORMANCE**  
OF GLOBAL EQUITY FUNDS

Citywire Global Equity  
peer group over 3 and 5 years  
as at 31 July 2020



**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**

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**

Equity markets delivered strong results in August. The World index (MSCI World AC) grew by +6.0% over the month, following an already strong +5.1% in July, and continuing its steep recovery process since the bottom on 23 March. The index has now recovered into positive territory for the year thus far.

August delivered its best performance since the inception of the index in 1988. This is in sharp contrast to the weak traditional seasonal performance over the summer quarter (on average, August has delivered negative returns historically).

Many investors, under normal circumstances, consider the traditional third quarter weakness as an opportune time to invest ahead of the fourth quarter, which has historically delivered the best average returns. September, in particular, has been the weakest month historically.

The natural question this year is what difference the upcoming US presidential election can make. We dare not, of course, try to forecast the outcome, but realise the main challenges each candidate faces are the revival of economic growth and unemployment. We can, though, take cognisance of historical trends over the coming months during election years.

Interestingly, during election years, the S&P 500 index has historically continued its traditional negative September performance, but at a milder level than usual. Strikingly, October has been the weakest month of the year during election years while it has otherwise been a strong month. Then, back to tradition, November and December during election years have been of the strongest months.

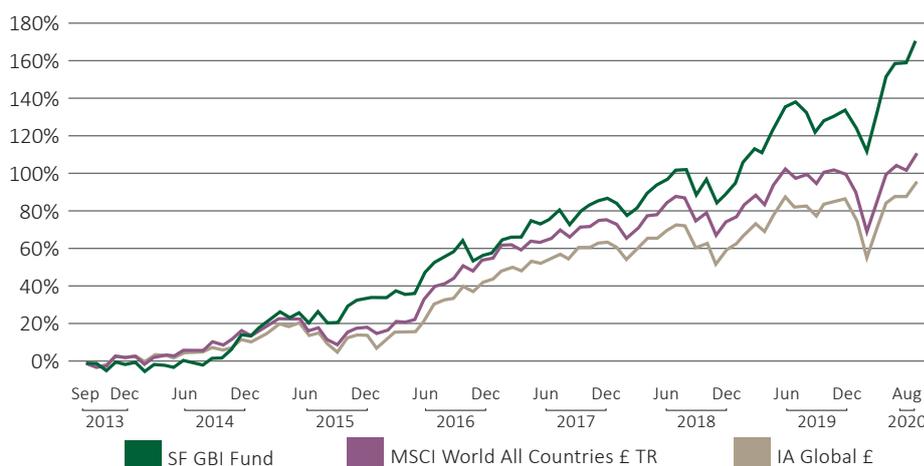
Of course, we invest with our eye on the investment horizon, but with many uncertainties around the election, we will not be overly surprised if history repeats itself to some degree in this context. We are also conscious of many investors eagerly awaiting potential investment opportunities.

*All returns in commentary above are stated in USD.*

**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 D GBP)**



**CLASS D GBP CUMULATIVE PERFORMANCE %**

	1m	YTD	1 Year	3 Year	5 Year	Since Inception
Stonehage Fleming Global Best Ideas Equity	3.9	16.6	12.6	50.6	122.1	168.6
MSCI World All Countries £ TR	3.9	3.8	6.0	24.8	86.5	110.2
IA Global £	3.9	4.7	6.9	24.6	76.3	94.5

**CLASS D GBP PERIODIC PERFORMANCE %**

Calendar Year	2019	2018	2017	2016	2015	2014
Stonehage Fleming Global Best Ideas Equity	25.6	-0.6	18.7	16.3	16.8	13.3
MSCI World All Countries £ TR	21.7	-3.9	13.2	28.7	3.2	10.7
IA Global £	21.9	-5.7	14.0	23.3	2.8	7.1

Inception Date: 16 August 2013. Source for all performance is Link, Bloomberg, Financial Express, MSCI and Stonehage Fleming Equity Management as at 31/08/2020. 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 31/08/20. 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 31/08/20. 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	25.7
Staples	16.0
Discretionary	18.0
Health Care	16.0
Communication	10.6
Financials	7.1
Cash	6.7
<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	72.6
Continental Europe	8.3
Asia Pacific	7.3
UK	5.2
Cash	6.7
<b>Total</b>	<b>100.0</b>

PORTFOLIO CHARACTERISTICS	
Average Market Cap (Billions GBP)	245.4
Number of Holdings	26
Operating Margin	26.2%
Return on Invested Capital	17.3%
Net Debt/EBITDA <sup>1</sup>	0.5
Expected 3 Year Revenue Growth (p.a.)	9.8%
Expected 3 Year EPS <sup>2</sup> Growth (p.a.)	15.1%
Expected 3 Year DPS <sup>3</sup> Growth (p.a.)	6.3%
Dividend Yield (gross) <sup>4,5</sup>	1.0%
Price/Earnings Ratio <sup>6</sup>	36.8
Free Cash Flow Yield <sup>5</sup>	2.8%
PEG Ratio <sup>6,7</sup>	3.6

<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> Median Portfolio 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
PayPal	6.3
Microsoft	5.8
Amazon	5.4
Visa	5.3
Zoetis	5.0
Nike	4.5
Alphabet	4.5
Adobe	4.2
Accenture	4.1
Tencent	4.1
<b>Total</b>	<b>49.1</b>

ESTIMATED REGIONAL REVENUES <sup>8</sup> % of Fund	
North America	47.3
Emerging Markets	30.4
Continental Europe	17.9
UK	4.4
<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**



**CITYWIRE / AAA**

**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	£1,266.2m
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	Annually
Type of Payment	Dividend
Ex Dividends	2 Jan 2020
Payment Date	16 Jan 2020
Pricing	Daily by 11pm (IRE)
Dealing	Daily by 12pm (IRE)

FUND CHARACTERISTICS	
Active Share <sup>9</sup>	86.7%
Ex Post Tracking Error	6.2%
12 Month Turnover	2.4%
BETA	0.87

<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.

GBP D (INCOME) SHARE CLASS DETAILS	
Price	£260.99
ISIN	IE00BCLYMF33
Synthetic Risk & Reward Indicator (SRRI) rating	5
Annual Management fee	0.75%
Total ongoing charge (OCF)	0.85%
Min initial investment (GBP)	3,500,000
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).

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 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.