

**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**

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 equity markets charted a typical course in October, delivering strong performance following a weak September. This time, though, both months deviated materially from the historic averages with September very weak with a -4.1% result, but October following with a strong +5.1% result for the MSCI AC index (USD terms).

The second quarter S&P 500 reporting season delivered an all-time record 87.1% positive earnings surprise result relative to consensus expectations. The third quarter earnings season having passed its half-way mark has thus far delivered +18% revenue growth and +39% growth in earnings, with the latter's surprise factor still in excess of 80%. One year forward earnings expectations were revised +9% over the first quarter, +10% over the second quarter, and another +10% since then. Shareholders have little reason for disappointment with the delivery from their businesses.

With some exceptions, the Technology sector stands out in terms of continued outstanding results despite a high base on which to continue performing. In our portfolio Microsoft, Adobe, Accenture and in particular Alphabet (Google) deserve to be highlighted in this context. We believe they are well placed to sustain their solid operational performance participating in the growth opportunities from the 'fourth industrial revolution'. In addition to this growth potential, we also highlight their high level of free cash flow generation.

High new Coronavirus infection rates have affected consumer confidence and held back other health care procedures. This has negatively affected some of our Health Care businesses for the moment, but procedure pipelines are getting longer with solid business results expected to lie ahead.

Our portfolio's expected three year compounded growth in revenue, earnings and dividends over the next three years are +13%, +19% and +10% per annum respectively. These solid projections, again, are off an already high base and reflect our focus on sustainable strong structural organic growth to continue delivering on our mandate.

*Data source: Bloomberg, Stonehage Fleming, October 2021. Forecasts may not be a reliable indicator of future performance.*

**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 I EUR)**



**CLASS I EUR CUMULATIVE PERFORMANCE %**

	1m	YTD	1 Year	3 Year	5 Year	Since Inception
Stonehage Fleming Global Best Ideas Equity	6.8	24.5	34.8	83.2	117.8	235.3
<i>Annualised</i>	-	-	-	22.4	16.8	15.9
MSCI World All Countries \$ TR	5.4	23.7	38.6	58.8	88.8	169.3
<i>Annualised</i>	-	-	-	16.7	13.6	12.8
IA Global \$	4.0	21.8	37.0	60.7	87.1	148.7
<i>Annualised</i>	-	-	-	17.1	13.4	11.7

**CLASS I EUR PERIODIC PERFORMANCE %**

Calendar Year	2020	2019	2018	2017	2016	2015	2014
Stonehage Fleming Global Best Ideas Equity	16.0	33.1	-1.7	14.2	0.4	23.0	21.4
MSCI World All Countries \$ TR	6.8	29.1	-4.9	8.8	11.1	8.7	18.7
IA Global \$	9.1	29.2	-6.8	9.6	6.5	8.2	14.8

<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 31/10/2021. 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**











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SECTOR BREAKDOWN	% of Fund
Technology	28.9
Discretionary	21.2
Health Care	18.8
Communication	9.0
Staples	8.9
Financials	7.0
Industrials	2.9
Cash	3.2
<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	81.6
Continental Europe	12.4
Asia Pacific	2.8
Cash	3.2
<b>Total</b>	<b>100.0</b>

PORTFOLIO CHARACTERISTICS	
Average Market Cap (Billions EUR)	347.4
Number of Holdings	27
Operating Margin	27.3%
Return on Invested Capital	19.3%
Net Debt/EBITDA <sup>1</sup>	0.2
Expected 3 Year Revenue Growth (p.a.)	13.0%
Expected 3 Year EPS <sup>2</sup> Growth (p.a.)	18.7%
Expected 3 Year DPS <sup>3</sup> Growth (p.a.)	9.5%
Dividend Yield (gross) <sup>4,5</sup>	0.8%
Price/Earnings Ratio <sup>5</sup>	36.0
Free Cash Flow Yield <sup>5</sup>	2.8%
PEG Ratio <sup>6,7</sup>	2.9

<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
Alphabet	7.2
Microsoft	5.8
Adobe	5.4
Nike	5.4
PayPal	4.9
Accenture	4.7
EssilorLuxottica	4.7
Amazon	4.6
Zoetis	4.6
S&P Global	4.2
<b>Total</b>	<b>51.5</b>

ESTIMATED REGIONAL REVENUES <sup>8</sup>	% of Fund
North America	50.0
Emerging Markets	27.2
Continental Europe	18.0
UK	4.8
<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	€2,163.9m
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	7.1%
12 Month Turnover	8.7%
BETA	0.86

<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.

EUR I (ACCUMULATION) SHARE CLASS DETAILS	
Price	€205.50
ISIN	IE00BDB5NW75
Synthetic Risk & Reward Indicator (SRRI) rating	5
Annual Management fee	0.75%
Total ongoing charge (OCF)	0.84%
Min initial investment (EUR)	4,500,000
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).

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.