

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

### June 2016 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 March 2001  |
| Fund Size:                      | £127.4 million (at 30 <sup>th</sup> June 2016)               |
| No of Holdings:                 | 10   |
| Structure:                      | Authorised Unit Trust  |
| Domicile:                       | United Kingdom   |
| Share Classes:                  | A & B  |
| Currency:                       | GBP  |
| Dealing:                        | Daily  |
| Yield:                          | 1.97% *  |
| Benchmark:                      | GEF Official Prospectus Benchmark ('Benchmark') <sup>2</sup> |
| Ongoing Charges Figure:         | 1.38% per annum (A Class)<br>1.73% 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              |

\*Net figure based on last four dividends paid

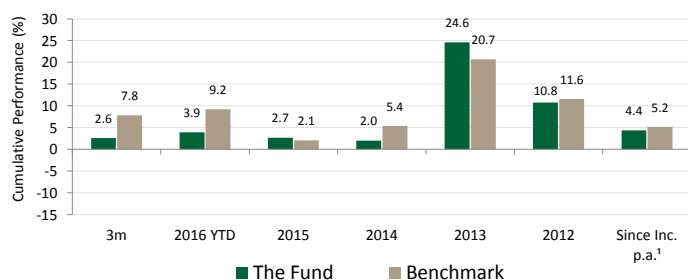
#### COMMENTARY

Global equity markets appeared robust in sterling terms given the significant relative strength of other mainstream currencies in the wake of the Brexit referendum decision at the end of the period. Large sector rotations led to volatility in market leadership intra-quarter, with cyclical commodity stocks leading the markets at the beginning before "bond proxy" equities took over post the Brexit referendum decision. Financials performed poorly as central bank rates look set to stay lower for longer in June, whilst consumer discretionary and IT stocks suffered from a drop in earnings expectations driven by slowing growth and a strong dollar. Regionally Emerging markets performed well, largely driven by Brazil, which rebounded after the decision to consider impeaching Dilma Rousseff and appoint new leadership

Against this backdrop the GEF return was significantly below that of the benchmark. The underlying fund holdings struggled against their passive benchmarks but held up better relative to peers, with the Stonehage Fleming UK Equity Income and European All Cap funds in particular performing well due to a combination of strong stock-picking and avoiding financials. The Polar Global Insurance fund also performed well on a relative basis given its focus on quality as well as avoidance of the more interest rate-sensitive life insurance sector.

On the other hand the Stonehage Fleming Global Select Equity Fund struggled largely due to sector positioning, whilst the GLG Japan CoreAlpha fund lagged as their top cap value investment style continued to be out of favour. More generally relative performance suffered from the bias of the active managers towards smaller companies, especially in the UK as many of the stocks were sold indiscriminately post the referendum decision.

#### PERFORMANCE (GBP) – Since Inception 31st March 2001



#### PERFORMANCE (GBP)

| As at 30.06.16 (%)            | 3m  | 2016 YTD | 2015 | 2014 | 2013 | 2012 | Since Inc. p.a. <sup>1</sup> |
|-------------------------------|-----|----------|------|------|------|------|------------------------------|
| GEF <sup>1</sup>              | 2.6 | 3.9      | 2.7  | 2.0  | 24.6 | 10.8 | 4.4                          |
| Benchmark <sup>2</sup>        | 7.8 | 9.2      | 2.1  | 5.4  | 20.7 | 11.6 | 5.2                          |
| Lipper Global Equity          | 6.6 | 9.0      | 2.6  | 6.7  | 19.7 | 9.1  | 4.3                          |
| Quartile Ranking <sup>3</sup> | 4   | 4        | 2    | 4    | 1    | 2    | 2                            |

<sup>1</sup> Inception 31-Mar-2001 (net of fees)

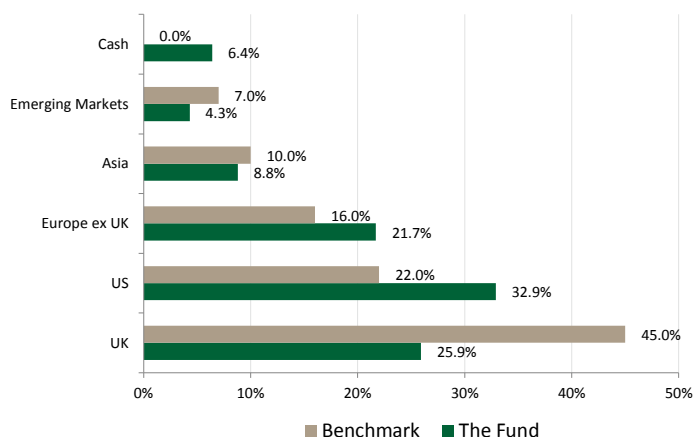
<sup>2</sup> GEF Official Prospectus Benchmark ('Benchmark') is a composite benchmark made up of MSCI gross dividend indices – UK 45%; US 22%; Europe ex UK 16%; Far East 10% Emerging Markets 7%; rebalanced monthly

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

Performance data since inception at end March 2001 to end June 2016

**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 | 18.2%     |
| Stonehage Fleming UK Equity Income     | 18.0%     |
| Stonehage Global Best Ideas            | 12.7%     |
| Stonehage Fleming European All Cap     | 12.3%     |
| Majedie UK Equity                      | 8.8%      |
| Stonehage Fleming Core UK Equity       | 8.6%      |
| Findlay Park American                  | 6.8%      |
| Man GLG Japan CoreAlpha                | 5.2%      |
| Polar Capital Global Insurance         | 5.2%      |
| Skagen Kon-Tiki                        | 3.7%      |

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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 ('GEF'), 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 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.

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