

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



**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**

Investor fears during October of rising risks of spiking US inflation and interest rates did not come to fruition in November. The latest readings for the most important measurements of core inflation, private consumer expenditure and the breakeven rate are all lower than in October. The Federal Reserve have also indicated that they do not have reason to be overly aggressive in further tightening. Stock market volatility also softened in November and ended the month on its average level during the current equity bull market.

Global economic expansion remains on a constructive course, with the US by far in the strongest position amongst the main regions. The respective economic outlooks as reflected by the Purchasers' Manufacturing Indices (PMI's) are all at or above the critical 50 expansionary reading levels. Europe's reading is receding the sharpest and emerging markets and China have the lowest readings, marginally in expansionary territory. The US's reading seems to be rolling over at elevated levels, but this has historically not lead to imminent structural stock market weakness.

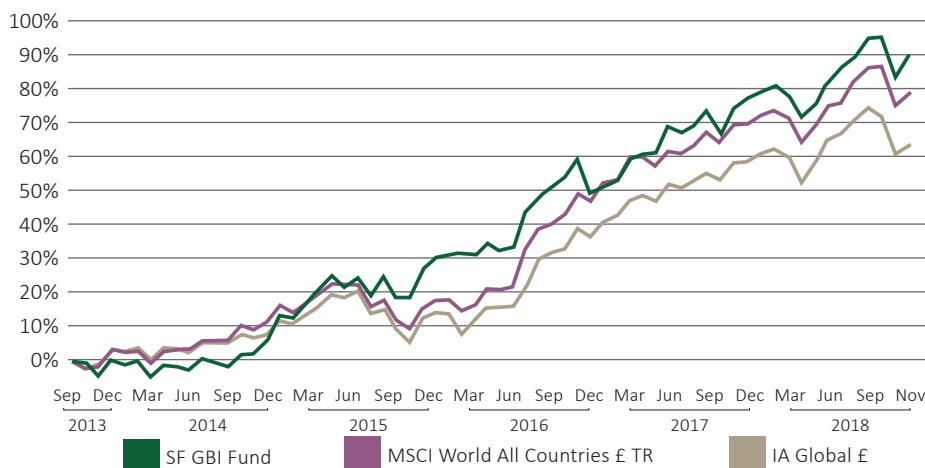
These lower PMI readings indicate that global synchronised economic growth may have matured and that economic disruptions may become more harmful. Continuing growing world trade and the implied risks of increasing trade tariffs have particular relevance in this context. The volume of world trade is currently growing in excess of 2%, despite the strong Dollar. The value of Chinese exports and world imports are both growing in double digits. Investors fear that these constructive trends can be at risk have become the proverbial last straw that can strain frail investor sentiment.

We are at an interesting global economic juncture in that China is still treated as an emerging market even though it is the world's second largest economy. The trade truce reached between them and the US over the weekend in Buenos Aires, agreeing not to implement the higher trade tariffs on 1 January 2019 to allow further negotiations, is a positive step to support world trade.

**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 C GBP)**



**CLASS C GBP CUMULATIVE PERFORMANCE %**

	1m	YTD	1 Year	3 Year	5 Year	Since Inception
Stonehage Fleming Global Best Ideas Equity	3.0	5.7	7.2	45.4	90.5	90.4
MSCI World All Countries £ TR	1.5	3.3	4.9	50.8	72.9	78.8
IA Global £	1.6	1.0	2.7	41.8	57.4	63.2

**CLASS C GBP PERIODIC PERFORMANCE %**

Calendar Year	2017	2016	2015	2014
Stonehage Fleming Global Best Ideas Equity	18.1	15.7	16.2	12.7
MSCI World All Countries £ TR	13.2	28.7	3.2	10.7
IA Global £	14.0	23.3	2.8	7.1

<sup>1</sup> Performance prior to 23 August 2013 is simulated using the performance of the D 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 30/11/2018. 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
Staples	21.6
Technology	21.4
Health Care	17.0
Discretionary	16.7
Communication	10.7
Financials	4.2
Industrials	1.7
Materials	1.7
Cash	5.1
<b>Total</b>	<b>100.0</b>

Source: Link Fund Administrators (Ireland) Limited and Stonehage Fleming Investment Management Limited.

**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.

REGIONAL BREAKDOWN	% of Fund
United States	67.1
Continental Europe	14.0
UK	7.3
Asia Pacific	6.5
Cash	5.1
<b>Total</b>	<b>100.0</b>

PORTFOLIO CHARACTERISTICS	
Average Market Cap (Billions GBP)	135.0
Number of Holdings	27
Operating Margin	23.1%
Return on Invested Capital	14.6%
Net Debt/EBITDA <sup>1</sup>	0.9
Expected 3 Year EPS <sup>2</sup> Growth (p.a.)	13.1%
Expected 3 Year DPS <sup>3</sup> Growth (p.a.)	7.6%
Dividend Yield (gross) <sup>4,5</sup>	1.5%
Price/Earnings Ratio <sup>5</sup>	22.7
Free Cash Flow Yield <sup>5</sup>	4.0%
PEG Ratio <sup>6,7</sup>	2.4

<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> Applying Trailing P/E Ratio. Source: Stonehage Fleming Investment Management Limited, Bloomberg.

TOP TEN HOLDINGS	% of Fund
Visa	6.8
Zoetis	5.6
Accenture	5.3
Alphabet	5.2
PayPal	5.0
Nike	4.9
Becton Dickinson	4.9
McDonald's	4.8
Microsoft	4.3
Estée Lauder	4.3
<b>Total</b>	<b>51.0</b>

ESTIMATED REGIONAL REVENUES <sup>8</sup> % of Fund	
North America	43.0
Emerging Markets	33.5
Continental Europe	19.2
UK	4.2
<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 INFORMATION	
Total Net Assets	£694.1m
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 2018
Payment Date	16 Jan 2018
Pricing	Daily by 11pm (IRE)
Dealing	Daily by 12pm (IRE)

FUND CHARACTERISTICS	
Active Share <sup>9</sup>	90.4%
Ex Post Tracking Error	4.5%
12 Month Turnover	7.5%
BETA	0.96

<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 C (INCOME) SHARE CLASS DETAILS	
Price	£190.23
ISIN	IE00BCLYMD19
Synthetic Risk & Reward Indicator (SRRI) rating	5
Annual Management fee	1.25%
Total ongoing charge (OCF)	1.39%
Min initial investment (GBP)	35,000
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.