



THE INTERNATIONAL FAMILY OFFICE

STONEHAGE FLEMING INVESTMENT MANAGEMENT
DISCLOSURE STATEMENT ON THE UK STEWARDSHIP CODE

NOVEMBER 2015

STONEHAGE FLEMING INVESTMENT MANAGEMENT'S DISCLOSURE STATEMENT ON THE UK STEWARDSHIP CODE

The Financial Conduct Authority (FCA) requires Stonehage Fleming Investment Management Limited ("SFIM") to disclose on its website the nature of its commitment to the Financial Reporting Council's (FRC) UK Stewardship Code.

The UK Stewardship Code is a voluntary code adopted by the FRC in July 2010, the aim of which is to enhance the quality of engagement between asset managers and companies to help improve long-term risk adjusted returns to shareholders. It sets out a number of principles and areas of good practice to which institutional investors should aspire and operate. The principles state that institutional investors or their agents should:

1. Publicly disclose their policy on how they will discharge their stewardship responsibilities
2. Have a robust policy on managing conflicts of interest in relation to stewardship and this policy should be publicly disclosed
3. Monitor their investee companies
4. Establish clear guidelines on when and how they will escalate their activities as a method of protecting and enhancing shareholder value
5. Be willing to act collectively with other investors where appropriate
6. Have a clear policy on voting and disclosure of voting activity
7. Report periodically on their stewardship and voting activities

Stonehage Fleming Investment Management Limited ("SFIM") is an FCA authorised and regulated asset management firm. SFIM invests on a discretionary management basis for high net worth families, private clients and charities via a bespoke multi-asset investment model. SFIM also acts for clients in an advisory capacity.

SFIM fully supports the principle of disclosure of this nature and seeks to continue to serve the interests of its clients by managing, and advising upon, their assets to the highest possible standard.

SFIM determines its approach to stewardship on a case by case basis, taking into account the actions that will lead to the most favourable outcome for the value of its client(s) investments. Therefore, although SFIM supports the aims set out within the Code and certain of its Principles and also supports good corporate governance of investee companies, specific provisions of the Code are not deemed to be appropriate to the type of investment strategy and trading currently undertaken on behalf of its clients. Should this change in the future, SFIM will review its commitment to the Code at that time and make appropriate further disclosure.



THE PRINCIPLES OF THE CODE

Below we set out how SFIM has applied the seven principles of the Code.

	PRINCIPLE	SFIM RESPONSE
PRINCIPLE 1	Institutional investors should publically disclose their policy on how they will discharge their stewardship responsibilities	SFIM's stewardship policy is described in this document which is available on our website at www.stonehagefleming.com .
PRINCIPLE 2	Institutional investors should have a robust policy on managing conflicts of interest in relation to stewardship	<p>Where conflicts of interest exist between SFIM, and/or a particular client and our wider client base, it is SFIM's policy to act in the best interests of all our clients.</p> <p>In accordance with regulatory obligations, Stonehage Fleming has a robust Conflicts of Interest Policy which addresses how potential conflicts are identified, considered, managed and recorded. It notes how SFIM will always take reasonable steps to ensure fair treatment for clients, disregarding any interest it may have. The policy forms part of each client's Investment Management Agreement. The policy is monitored and reviewed regularly. Conflicts of interest are also subject to regular internal review.</p>
PRINCIPLE 3	Institutional investors should monitor their investee companies	SFIM's Investment Team monitors investee companies on a regular basis and carries out appropriate due diligence prior to investing. This may include the Investment Team meeting the management of the company prior to investment or discussing the investee company with other investment analysts. Records are kept of any such due diligence including findings on the detailed research carried out on each investee company.
PRINCIPLE 4	Institutional investors should establish clear guidelines on when and how they will escalate their activities as a method	This is part of the investment process and is managed by the Investment Team.



	of protecting and enhancing shareholder value	SFIM has determined its approach to escalation on a case by case basis. Where there is reason to believe that the clients' rights as shareholders are being compromised, SFIM may escalate their involvement with investee companies.
PRINCIPLE 5	Institutional investors should be willing to act collectively with other investors where appropriate	SFIM are willing to act collectively if it is thought to be in the best interests of clients.
PRINCIPLE 6	Institutional investors should have a clear policy on voting and disclosure of voting activity	SFIM does not have a fixed policy for proxy voting and would generally only vote where it is believed to be in the client's interest to do so. Where appropriate, SFIM would vote via the relevant Custodian.
PRINCIPLE 7	Institutional investors should report periodically on their stewardship and voting activities	SFIM undertakes to report its stewardship and voting activities to clients on request.

© Stonehage Fleming Investment Management Limited 2015

