WELCOME View

The Stonehage Fleming Group provides investment management and wealth advisory services in the UK and overseas, employing over 500 people in 11 offices around the world.

It is the largest Family Office in the EMEA region with a heritage dating back to 1873, and was structured in its current form in 2015 from the merger of the Stonehage Group and Fleming Family and Partners.

Stonehage Fleming's investment business is currently entrusted with over £9.5 billion of assets under management and advice, for ultra-high net worth families, trustees, charities and other institutional-calibre clients. The main investment centre is London, where they employ 85 people and have proprietary expertise in Global Equity, Multi-Asset, Fixed Income and Private Capital.

Their flagship capability is the Stonehage Fleming Global Best Ideas Equity strategy, which was launched in July 2009. The strategy now has in excess of £1.4 billion in assets under management. It is offered through a Dublin-based UCITS fund (the Stonehage Fleming Global Best Ideas Equity Fund) or as a segregated portfolio.

The fund was launched in August 2013 and, as at 31 March 2017, was in excess of £400m in size. To the period ended 31 March 2017, the fund has a top quartile 3 year- and since inception track record against its Lipper Global Equity peer group[1].

Global Best Ideas is a focused, long-only, global equity strategy. It invests in a concentrated portfolio of high quality businesses, with a preference for mid and larger capitalisation companies which operate globally. A buy-to-hold approach implies that portfolio turnover is very low.

The lead manager of the strategy is Gerrit Smit, Head of Stonehage Fleming Equity Management. Gerrit was the architect of the philosophy back in 2009, building on the experience he gained from over 25 years in the investment industry. He is supported by a team of eight people, including two full time analysts.

Central to what the Equity Management team strive to deliver for their clients, and what they look for in the businesses they invest in, can be summed up in the following quotation: "*We are what we repeatedly do. Excellence then, is not an act, but a habit*" (Aristotle)

The core investment philosophy is to invest in best-of-breed businesses for their quality, strategic competitive edge and value.

Smit says "*We believe that, if we have identified a quality business, and we do not pay more than fair value, then these businesses should provide us with attractive returns over time. Central to this philosophy is a "buy-to-hold and compounding" mind-set, to be invested in those businesses for the longer term*"

The team look for companies with the following characteristics:

- Good growth potential and the ability to deliver sustainable top-line growth
- Management of the highest quality
- Leaders in their field
- Strong balance sheets
- High returns on capital employed
- Strong internal cash flow
- Ability to grow dividends each year under all economic circumstances
- An impressive performance record
- Shareholder friendly
- A sustainable compounder.

In order to identify these types of businesses which meet the quality threshold, they use the above criteria to narrow down the broad investment universe of over 2000 stocks to a core universe of 120 stocks which are then monitored closely. In addition to the above criteria, there are a series of key characteristics which a company must have to be considered for investment. Such things as an identifiable margin trend, maximum levels of debt and minimum dividend cover are all central to their analysis. The Global Best Ideas Equity strategy comprises between 25-30 businesses drawn from the core list of 120 quality businesses that are constantly monitored by the Stonehage Fleming research team.

Gerrit Smit believes that "*the share of a good business remains a good share irrespective of what happens to its price in the short term. High quality businesses should provide investors with long-term sustainable returns, enable them to ride out short term volatility, and utilise the benefits from the principle of compounding*."

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1 past performance is not a guide to future returns