



FIRM BROCHURE

STONEHAGE FLEMING INVESTMENT MANAGEMENT LIMITED
(“SFIM” or the “Firm”)

Form ADV, Part 2A
(the “Brochure”)

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This brochure provides information about the qualifications and business practices of Stonehage Fleming Investment Management Limited. If you have any questions about the contents of this brochure, please contact us at +44 20 7036 5000 or katie.mundell@stonehagefleming.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about the Firm is also available on the SEC’s website at www.adviserinfo.sec.gov.

The Firm may refer to itself as a “registered investment adviser” or “RIA”. You should be aware that registration with the SEC does not imply a certain level of skill or training.

ITEM 2: MATERIAL CHANGES

This is the initial Form ADV Brochure filed by the Firm, and therefore there are no material changes to report.

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ITEM 4: ADVISORY BUSINESS

About the Firm

Stonehage Fleming Investment Management Limited (“**SFIM**” or the “**Firm**”) was established in December 2001. It is a private limited company wholly owned by the Stonehage Fleming Family & Partners Group of Companies (together, the “**Group**”). Together the Group offers its clients the opportunity to choose from a wide range of skills and resources spread across the Group’s family office and investment business. The combination of these units has enabled the Group to develop very long term and deep relationships with the families it serves.

SFIM is authorized and regulated by the United Kingdom Financial Conduct Authority (“**FCA**”) to carry out investment business. Having grown within a family office environment and the need to consider intergenerational requirements, SFIM is able to take a long-term view on investments. The Firm’s investment philosophy underscores the virtue of knowing what it owns, and it demonstrates conviction in the way it constructs portfolios.

The Group employs over 600 people in 11 offices across 8 geographies. SFIM has 57 staff members, 42 of whom are investment professionals, all based in the London office. The Group manages, advises and administers over \$21 billion of assets, of which approximately \$15.8 billion is managed by SFIM (as at 31 August 2021).

SFIM is wholly owned by Stonehage Fleming (UK) Limited, which is wholly owned by Stonehage Fleming Financial Services Holdings Limited, which is wholly owned by Stonehage Fleming Family & Partners Limited, which in turn is owned by its management, staff, former staff and a number of third parties, including the UK FTSE listed company, Caledonia Investments Plc (having a 36% interest) with its TIDM code being CLDN, as well as Spes Bona Limited (having a 28% interest). No other owners hold over 25% of Stonehage Fleming Family & Partners Limited. Spes Bona Limited is owned by Libertas Investment Group Limited, which in turn is fully owned by the Libertas International Trust, for which Primafides (Suisse) S.A. serves as trustee. Please see Schedules A and B of the ADV Part 1 – for a list of owners.

Advisory Services Offered

SFIM aims to provide high quality investment management to its clients, typically high net worth individuals and families, as well as charities, third party professionals and institutional investors. Our offering is focused on multi-asset portfolios, comprised primarily of third party collective investment funds, supplemented by in-house capabilities in equities (Global Best Ideas strategy), fixed income and private capital.

SFIM has a range of capabilities but this document will limit itself to describing investment services the Firm will offer within the United States.

Investment Gatekeeper

For clients with significant liquid wealth (\$100m+) the Firm offers an Investment Gatekeeper service. The Firm acts as the client’s “outsourced” Chief Investment Officer, providing counsel on governance of the investment process, structure, asset allocation, investment strategy, selection and oversight of external/third party managers, and specific investment decisions on listed securities. SFIM may or may not manage a proportion of the assets, depending on the

client's investment requirements. The Firm will also take responsibility for monitoring custodians, consolidated reporting and portfolio analysis.

Global Equity Management

SFIM's Global Equity Management team consists of nine investment specialists who manage the Firm's Global Best Ideas strategy. Gerrit Smit, an investment manager with over 25 years' experience in the financial services industry, leads the team. Gerrit has led this investment strategy at SFIM since 2009.

The Global Equity strategy invests in best-of-breed global businesses for their quality, strategic competitive edge and value. The Strategy AUM at August 2021 was \$4.1 billion, comprised of separate accounts and an Irish UCITS, which launched in August 2013.

In the US, this strategy will be available solely for segregated mandates, subject to clients' specific investment restrictions and guidelines. The segregated account mandates for the Stonehage Fleming Global Best Ideas strategy broadly replicate the investments in the Irish UCITS. The principal difference is that segregated account clients can tailor their portfolios to their specific requirements, e.g. they can exclude investment in companies within certain industry sectors or specific companies.

Bespoke Portfolios

Bringing together the Firm's equity management, fixed income and private capital teams, SFIM will build bespoke portfolios for high net worth clients, based on each client's investment objectives, specific investment mandates, restrictions and guidelines.

For segregated account clients, the Firm's advice is tailored to individual client needs. The Firm follows a 4-step suitability process in order to create the right portfolio for each client, which includes their preferences. At all stages clients are able to inform the Firm if there are any specific securities or investment sectors that they prefer or those they wish to exclude from their portfolio.

The four step process:

(i) Knowledge & Experience

- Confirm the client's preferred service type (e.g. discretionary versus non-discretionary)
- Carry out client classification to determine whether they are retail or professional
- Assess retail clients' understanding, experience and willingness to invest in a range of asset classes

(ii) Fact Find

The Firm will undertake a detailed Fact Find with the client to understand:

- Investment objectives
- Currency requirements
- Restrictions
- Performance Comparators
- Income and draw-down requirements
- Liquidity requirements

- The client's investment horizon

(iii) Risk

The client answers a series of questions to help the Firm assess the client's risk appetite in relation to the portfolio, considering their risk and return expectations, as well as their capacity for loss.

The output of the questionnaire is then assessed through a third-party risk assessment system which helps the Client Relationship Director to determine the most suitable mandate for the client, taking into account the client's requirements and any client-directed mandate restrictions from the fact find.

(iv) Investment Proposal Report

An Investment Proposal Report (IPR) is prepared for the client, setting out the outputs from the suitability process, including any changes to asset allocation guidelines and any restrictions specified by the client in terms of exclusions of certain types of investment. If the client agrees with the service and mandate set out in the IPR, an Investment Management Agreement is prepared and sent out for the client to sign.

SFIM does not participate in wrap fee programs.

As of August 31, 2021, the Firm's regulatory assets under management were \$15.8 billion. Of this amount, the Firm managed approximately \$11.3 billion on a discretionary basis and \$4.5 billion on a non-discretionary basis. The Firm has a total of approximately 775 Investment Management Agreements for approximately 250 family groups.

ITEM 5: FEES AND COMPENSATION

Fees

The below represents the standard fee tariff for the Firm's investment clients. The Firm's annual fees earned are based on an agreed percentage on the value of assets under management ("portfolio management fees").

PORTFOLIO VALUE	PERCENTAGE PER ANNUM
On the first \$10 million	0.65
On the next \$10 million	0.40
On the next \$30 million	0.30
On the next \$50 million	0.25
On the next \$50 million	0.20
On \$150 million upwards	0.15

For separately managed accounts, fees are invoiced to the client. Most of the Firm's segregated client accounts are billed quarterly in arrears. However, from time to time the Firm will agree to a different frequency with clients. In all cases, the frequency of billing will be agreed prior to the provision of any investment management services. In most cases, charges will be automatically deducted from the portfolio. However, some clients prefer to pay outside of their accounts, in which case they will be sent an invoice to settle by check or bank transfer.

SFIM's fees are exclusive of brokerage commissions, transaction fees and other related costs and expenses, which are incurred by clients in separately managed accounts and charged to the pooled funds. See *Item 12: Brokerage Practices*. Clients in separately managed accounts may also incur their own custody fees, administration fees and bank charges for operating their own segregated accounts.

SFIM does not charge fees in advance. No additional fees or penalties are charged for termination of any investment management agreements. Fees are charged on a pro rata basis up to the point of termination.

Neither SFIM nor any of its supervised persons accepts compensation for the sale of securities or other investment products.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

The firm does not generally levy performance fees. There is one exception to this where one client's group of accounts are charged a combination of an annual fee and a performance fee. The inclusion of a performance fee for this relationship was requested by the client. The Firm provides this client with non-discretionary investment advice and the client's trustees make the decision whether to invest in any of the recommendations that the Firm may suggest. SFIM presents the investment case and the client decides whether to proceed or not.

The receipt of performance-based fees may create an incentive for an investment adviser to recommend riskier or more speculative investments. In addition, in situations where an investment adviser manages some accounts with only asset-based fees and other accounts with a performance fee component, the investment personnel face potential conflicts of interest in that they may have an incentive to favor accounts for which the firm receives a performance fee. However, the recommendations SFIM makes for this client relationship are highly bespoke and are based on ideas that arise from regular two-way discussions regarding the client's portfolios; they are not generally recommendations that are made for the Firm's core models and funds so there is very little overlap or potential for conflict in this situation.

As an FCA-regulated business in the UK, and as a firm with high moral standards, the Firm performs a thorough risk profile of the client and would only suggest ideas which are suitable for that particular client. All recommendations made by SFIM to the client and made by the client to SFIM are documented. The investment management agreement also allows this client to terminate the relationship with immediate effect if they so desire.

SFIM has policies in place that seek to ensure that all clients are treated fairly and equitably in relation to the fair allocation of trades across all portfolios. See *Item 12: Brokerage Practices*. The performance return of each client's portfolio with the same investment strategy is monitored to ensure that there is no bias in the treatment of performance fee-based accounts or otherwise.

ITEM 7: TYPES OF CLIENTS

The Firm is predominantly focused on ultra-high net worth individuals, but also manages assets for some institutional clients. The full list of client categories are individuals, bare trusts, trusts, corporate trusts, investment companies that are not registered under the U.S. Investment Company Act of 1940, as amended, charities, foundations, and pension funds.

The minimum amount required to open an account is \$10 million, although from time to time, the Firm may allow a client to open an account with a smaller amount. Although the Firm expects most accounts to be maintained at or above \$10 million, the Firm does not typically close accounts where they drop below this level. Ongoing, long-term client relationships are the norm for SFIM and SFIM would normally be well aware of the reasons for accounts going below the standard minimum amounts.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

The Firm intends to offer US clients the ability to invest in two types of investment strategies – direct equities and direct fixed income. Each investment strategy is discussed below in turn.

Direct Equities – Stonehage Fleming Global Best Ideas Equity Strategy

The Direct Equities strategy invests in best of breed businesses for their quality, strategic competitive edge and value. The investment process is entirely bottom-up and driven by fundamental research. The Global Investment Universe is screened for listed companies that have a market capitalization of over \$10bn and an average of at least \$75m of daily trading volume over the past 6 months. This reduces the universe to c. 2000 companies. From this list of 2,000 companies, the team have developed a core list of c. 150 listed companies which they deem to be quality companies. These companies are actively followed in the Core Universe list ('the Core list'). The Investment Committee meets weekly to discuss the progress of investments as well as potential additions to or deletions from the portfolio and the Core list. If a company is being considered for inclusion in the Core list, one of the analysts will draw up a short report primarily based on the 15 quality factors explained in more detail below. This short report will be discussed at the Investment Committee to determine whether it should be actively followed. The company then becomes the responsibility of a specific analyst and, if the listed company is then deemed worthy of consideration for the portfolio, a far more rigorous analysis of the company will be made in order to ensure it fulfils the criteria to be considered a 'Global Best Idea'. The mandate is limited to 20-30 holdings.

Companies are selected for inclusion in the Core list and ultimately the portfolio, based on their quality, ability to exhibit a strategic competitive edge and generate sustainable growth. This is based on 4 key criteria: (i) the ability to grow organically on a sustainable basis (ii) proven, quality management, (iii) operating efficiency, and (iv) the ability to generate positive free cash flow on a sustainable basis.

We determine a company's ability to meet these objectives in a number of ways. Decisions are made based on a mix of qualitative and quantitative analysis. In terms of the quantitative factors, there are 15 key tests which have been developed over a number of years, covering areas including liquidity, profitability and ESG factors, to assess whether a business is 'best-of-breed'. These are guidelines to consider the quality of a business. They are not preconditions for a business to qualify for consideration.

The qualitative characteristics on which the Investment Manager and investment team focus heavily include:

- The quality of the business in the context of organic growth, management quality, effectiveness and free cash flow generation
- The quality of the management team, in particular the Chairman, CEO, CFO, COO and breadth of the Board's experience and independence
- Business strategy, governance, environmental and social responsibility
- Innovative, good shareholder communication, success with implementation
- Operating Margin, ROIC, incremental ROIC
- Balance sheet strength, interest cover

All members of the Investment Committee participate in discussing and approving investment propositions. The Investment Manager is ultimately responsible for portfolio construction, however the senior investment analysts participate closely and they work as a team in portfolio decision support. The portfolio is selected from the Core list based on a combination of expected returns, conviction in those returns and historic share price volatility.

Within segregated mandates, the portfolios are managed with the Global Best Ideas strategy weights as model targets. These weights may vary over time due to differences the timing of inflows and outflows into the Irish UCITS and segregated accounts. The key consideration is to ensure in all cases that the investment team focuses on good liquidity within the portfolios. The portfolio will hold approximately 20-30 securities. The Investment Manager applies certain internal minimum and maximum sector banding limitations to ensure that the portfolio is sufficiently diversified. The bandings can be adjusted after official approval from the Investment Committee. With segregated mandates, clients may choose to apply their own security and sector investment restrictions and limitations.

Investing in securities involves risk of loss that clients should be prepared to bear. The key risks pertaining to the Global Best Ideas strategy are as follows:

- *Investment process* – The strategy follows a buy to hold process so investments in and out of entire company holdings are infrequent (12 month portfolio turnover at 30 June 2021 was 4.2%).
- *Fees* – Fees including custody and administration costs as well as transaction costs may affect the overall performance of the strategy.
- *Key Person Risk* – The risk of losing a key member of the team. A strong team has been built around the Investment Manager, with three experienced equity analysts in place at senior level, plus relationship management and other support provided by an experienced team.
- *Liquidity Risk* – Liquidity has been a core focus of the strategy since inception and is one of SFIM's quality tests. The strategy assets comprise only readily realisable securities, which can be easily sold. Liquidity risk is managed on a daily basis by the team, in accordance with policies and procedures in place. The Investment Manager will normally keep some allocation of cash to meet pending liabilities that may arise from time to time.
- *Interest Rate Risk* – Interest rate risk represents the potential losses that the strategy may suffer due to adverse movements in relevant interest rates. The amount of income receivable from bank balances will be affected by fluctuations in interest rates. The portfolio is not significantly exposed to interest rate risks as it invests primarily in equities, which represent on average about 95% of its net assets. The businesses in the portfolio generally have strong balance sheets.
- *Credit Risk* – Credit risk is the risk that counterparties or investment issuers will be unable or unwilling to meet a commitment that it has entered into and cause the strategy to incur financial loss. The strategy will be exposed to settlement risk on parties with

whom it trades and custody risk on parties with whom the depositary has placed its assets in custody. In managing this risk, the Investment Manager seeks to work with and / or invest in institutions that are well known, financially sound and where appropriate well rated by rating agencies.

- *Settlement Risk* – Default by a broker could expose the strategy to an adverse price movement in the security between execution and settlement. When carrying out transactions in listed securities these are settled on cash versus delivery basis.
- *Custody Risk* – Custody Risk is the risk of loss of assets held in custody. Unencumbered assets are segregated from the depositary's own assets and the depositary requires its sub-depositaries to segregate non-cash assets held on behalf of its clients from its own assets. The depositary must exercise due skill, care and diligence in the selection and periodic review and ongoing monitoring of sub-custodians.
- *Currency Risk* – Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk is addressed by the Investment Manager buying predominantly global businesses with a well-diversified currency profile. The currency exposure of cash holdings are actively managed on a daily basis.
- *Market Price Risk* – Market Price Risk arises mainly from uncertainty about future prices of equities. It represents the potential loss the portfolio might suffer through holding market positions in the face of price movements.

The Investment Manager manages market price risk on a daily basis in accordance with the investment objectives and policy of the strategy and the client. The quality mandate is designed to lower the overall risk.

Investment risk is monitored by the Performance and Investment Risk team. Sungard's APT is used as the main risk model where a variety of risk measures are scrutinised in order to understand risk levels and get comfortable with the degree of risk taken. The risk measures that are tracked and monitored include:

- liquidity risk, measured by how quickly the portfolio could be liquidated, assuming 20% of average daily volume of each security could be sold (the entire portfolio could currently be liquidated within 4 days);
- portfolio volatility versus the benchmark;
- beta; a detailed analysis of tracking error on a sectoral and geographic basis;
- an analysis of the top 10 stocks contributing to risk as defined by tracking error; and,
- the top 10 companies that diversify risk.

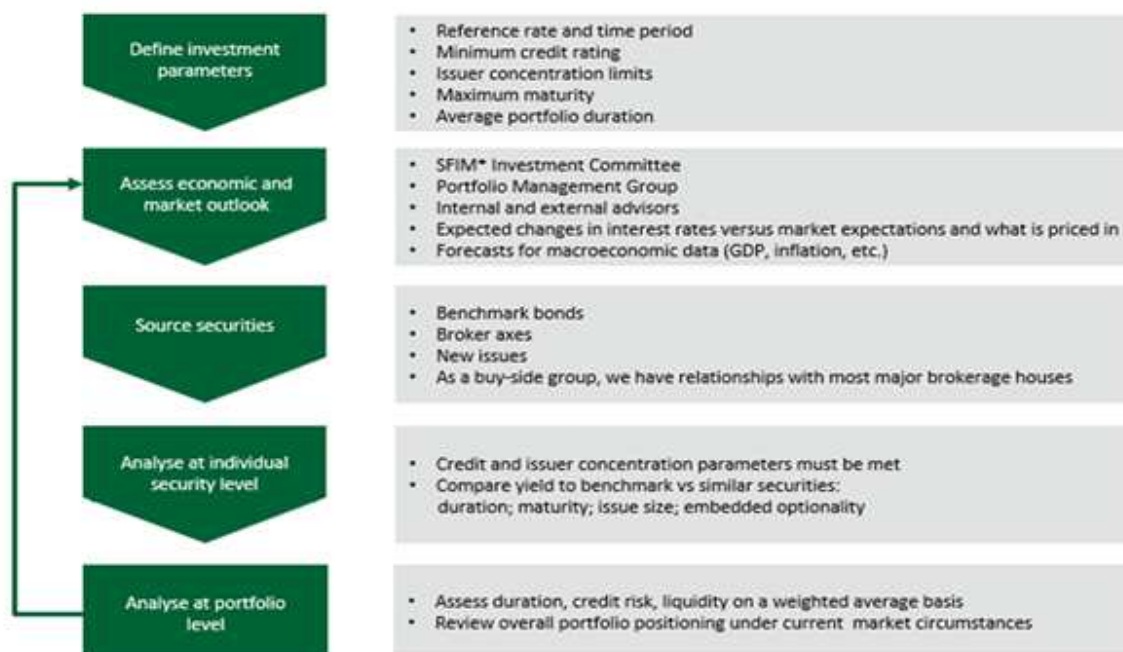
Scenario analysis is also produced to see how the strategy fared during major economic and market events over the past 20 years. Various regression analyses are performed to understand the strategy's relationship with common macro factors.

Direct Fixed Income and Cash Management

SFIM Cash Management and Direct Fixed Income portfolios are discretionary portfolios that are managed against client-agreed investment guidelines. SFIM's Cash Management offering is focused on cash preservation and the average credit quality is typically high (upper end of investment grade, single A or better). The portfolio average duration is usually less than 1 year. SFIM's Direct Fixed Income portfolios offer clients an exposure to a diversified allocation of investment-grade bonds (typically minimum ratings will be BBB or better), and the average duration will range from 3 to 6 years. The Firm will not invest in high yield (bonds rated lower than BBB-/Baa3), emerging markets, or structured credit.

Within the SFIM issuer investment universe, the Firm will look to allocate to sovereigns, sovereign agencies, supranational entities, corporate and financial issuers. The Firm pays significant attention to liquidity in relation to issue size and broker coverage, avoiding sub-scale issues and private placements (typical issue size GBP >200mio, EUR >250mio, USD>500mio). Portfolios will typically be structured in a laddered maturity fashion, assuring a frequent maturity pattern, rather than targeting specific dates and creating clusters of maturing bonds, thus increasing reinvestment risk. Direct Fixed Income portfolios will consist of approximately 20 issuers providing diversification at issuer level of about 5%. Cash Management portfolios may be more concentrated, especially if only investing in sovereign bonds (US or UK Treasury Bills). The Firm will look to maintain the portfolios close to fully invested.

The starting point for investment is an in-depth review of the internal benchmark index the Firm looks to manage against. The benchmark index is analyzed on a duration, maturity, credit profile, sectoral and issuer basis. The Firm's standard starting point, when initially constructing the portfolio, will be duration neutral against the internal benchmark. Following the construction of the model portfolio the expression of views around duration will be governed by the Investment Team. The reference to the Portfolio Management Group ("**PMG Group**") comprises the Fixed Income team at present, who are responsible for building, monitoring and maintaining bespoke client bond portfolios. Below is a schematic process of the portfolio investment process.



Source: Stonehage Fleming Investment Management Limited (SFIM)*

As the Firm's investable universe is restricted to investment grade (typically focusing on the higher quality of the spectrum rather than issuers closer to crossover) with maturities typically out to 10 years, this creates a stable and fairly non-volatile investable universe. With regards to issuer selection, the Firm does not conduct primary research or construct valuation models in order to follow issuers. The Firm relies on the reviews and reports of credit rating agencies to assure the credit quality of the issuers, whilst the Firm will also monitor views and recommendations of the sell and buy side. Where SFIM formulates its own independent internal views which aide implementation of these portfolios, the Firm documents on its quarterly dashboard that covers its model portfolios that dictate construction of wider portfolios.

Investing in securities involves risk of loss that clients should be prepared to bear. Both the Cash Management and the Direct Fixed Income portfolios take a particular type of market risk. In the Cash Management portfolios the focus is to offer clients a portfolio that is high credit quality with limited interest rate risk, usually invested in very short dated sovereign bonds. Within fixed income markets this is amongst the safest investment profiles one could allocate capital to. The Direct Fixed Income portfolios offer clients exposure to investment grade corporate credit. The Firm aims to do that in a risk controlled fashion by not reaching out into lower-rated (sub investment grade, lower than BBB-/Baa3) or longer-dated (maturities longer than 10 years). In this way, SFIM attempts to limit the credit and interest rate volatility.

Other risks include:

- *Key Person Risk* – The fixed income team is made up of two experienced fixed income professionals, and there is additional support provided by the wider Investment Team. If needed, the Deputy Head of Investments who is an experienced investment manager has insight into the SFIM Fixed Income proposition.

- *Liquidity Risk* – The risk that fixed income positions held in portfolios may have difficulty in trading. Liquidity across fixed income markets can become challenged particularly in the areas such as high yield and emerging markets. The Firm’s focus on investment grade markets alleviates this issue. Furthermore, SFIM’s investment process is to only consider large issue sizes, covered by multiple brokers, which provides an additional layer of protection.
- *Interest Rate Risk* – Interest rate risk represents the potential losses that holdings may suffer due to adverse movements in relevant interest rates. The Firm’s Cash Management portfolios are relatively insulated from this as they invest in very short maturity bonds with only limited interest rate sensitivity. The Direct Fixed Income portfolios may be exposed to interest rate risk. The Firm attempts to actively manage this by switching from longer dated bonds to shorter dates (mandate permitting) if the Firm believes this to be warranted.
- *Credit Risk* – Credit risk is the risk that an issuer will be unable or unwilling to meet a coupon or maturity payment and cause the portfolios financial loss. The Firm’s portfolios only allocate capital to investment grade rated bonds thus mitigating part of this specific risk.
- *Settlement Risk* – Default by the trading counterparties could expose a portfolio to adverse price movement in the security between execution and settlement. This risk is mitigated because transactions in listed securities are settled on cash versus delivery basis.
- *Custody Risk* – Custody Risk is the risk of loss of assets held in custody. Unencumbered assets are segregated from the depositary’s own assets and the depositary requires its sub-depositaries to segregate non-cash assets held on behalf of its clients from its own assets. The depositary must exercise due skill, care and diligence in the selection and periodic review and ongoing monitoring of sub-custodians.
- *Currency Risk* – Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Typically in Cash Management and Direct Fixed Income portfolios the Firm will not mix currencies and prefers to keep them as single currency portfolios.
- *Market Price Risk* – Arises mainly from uncertainty about future prices of securities. It represents the potential loss the portfolio might suffer through holding market positions in the face of price movements. As portfolio managers, SFIM will manage the portfolios market price risk on a daily basis in accordance with the investment objectives and mandate guidelines. The Firm’s focus on the investment grade part of the market and indeed the portfolios’ shorter maturity profile vs. the market lowers the overall risk.

Portfolio performance is currently measured by the Fixed Income team through existing tools such as Bloomberg.

ITEM 9: DISCIPLINARY INFORMATION

SFIM and its employees are required to disclose all material facts regarding any legal or disciplinary events to which they may have been or are subject. SFIM has no information to disclose that is applicable.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

SFIM and its management persons are not registered, and have no applications pending to register, as a US broker-dealer or registered representative thereof, futures commission merchant, commodity pool operator, or commodity trading advisor, nor are they an associated person of any of these types of entities.

The Stonehage Fleming Group Companies, comprising investment advisers, wealth planning, corporate and trust services as well as family office provision, provide clients with a range of services depending on their needs and circumstances. We develop strong knowledge of our clients. Where appropriate, we may refer clients to one or more Group Companies to provide additional services. Clients are made aware of the various capabilities we have across the group from the outset. For example, a family office or trust client may be referred to SFIM if they require an investment adviser service. Referrals may take place across jurisdictions providing that it is appropriate given tax, legal and regulatory considerations.

There is full disclosure to clients that such referrals may take place, clients would give permission before they are referred to a different company within the group and no commissions or fees are received between companies within the Group for such referrals.

SFIM receives referrals from the following group companies based in the UK:

Stonehage Fleming Wealth Planning Limited is a U.K.-based firm that works with clients to put in place financial plans both for individuals and family groups. The firm is authorized by the UK Financial Conduct Authority to provide advice across investments, pensions and insurance. The firm considers the full range of options in the market to best meet client needs. Stonehage Fleming Wealth Planning may refer clients to SFIM or place clients into SFIM-managed strategies and funds. No commissions or fees are received for such referrals. Stonehage Fleming Wealth Planning Limited does not intend to offer its services to U.S. clients.

Stonehage Fleming Financial Services Limited, authorized in the U.K. by the Financial Conduct Authority, is a U.K.-based Family Office Company. It provides a full range of high quality administration services for clients. The firm helps clients to run bank accounts, operate companies and trust structures, and manage properties, art collections, aircraft, boats and philanthropic foundations. The firm supports clients in all transactions, including buying or selling businesses, investments, properties, art or leisure assets. The firm ensures everything is correctly processed and documented and that all the necessary information is available in the form clients want it - to help them make decisions on a day-to-day basis. There are similar entities in all of the geographies in which Stonehage Fleming operates.

If Stonehage Fleming Financial Services Limited's family office clients seek an investment service, they may be referred to SFIM if that is appropriate to their circumstances. Stonehage Fleming Financial Services Limited does not intend to offer its U.K. family office services to U.S. clients.

Stonehage Fleming Advisory Limited is authorized in the U.K. by the Financial Conduct Authority as a Corporate Finance Business with an experienced team that provides independent corporate finance advice to shareholders and companies at every stage of the corporate lifecycle, from acquisitions and capital-raising through to disposals and liquidity events. The team also

advises clients on their direct investments and will introduce, structure, and monitor direct investments into private companies on their behalf. SFIM may refer its clients to Stonehage Fleming Advisory Limited where their direct investments are suitable for the clients' investment objectives and risk profiles. As with all other cross Group referrals, there are no fees or commissions involved.

Stonehage Fleming Law Limited is a UK law firm that provides legal advice to families. The legal and tax areas they cover includes but is not limited to trusts, estates and succession planning, cross border taxation, foundations, wills, philanthropy and charity, and family governance. As with other Group companies, SF Law and SFIM may refer clients to one another.

SFIM's investment adviser affiliates may provide advice to their clients with respect to strategies that are similar to strategies offered by SFIM and those investment advisory affiliates may purchase on behalf of their clients the same securities that SFIM may purchase for its clients. As a result, interests of SFIM's clients may conflict with the interests of clients of SFIM's investment advisory affiliates.

The Group also includes Stonehage Fleming Law US (also trading under Peter Rosenberg & Partners LLC), a law firm based in Philadelphia. The firm represents fiduciaries and beneficiaries in the administration of trusts, estates and other United States entities. The firm also provides tax and wealth transfer planning services for high net worth individuals within and outside the United States. SFIM may occasionally refer its clients to the law firm for certain legal matters, such as corporate structuring or cross-border tax matters. SFIM clients are under no obligation to use the services of the law firm. SFIM does not receive any referral fees or other direct or indirect compensation in connection with referring its clients to the law firm. The Firm does not consider this arrangement to present a material risk of a conflict of interest.

Stonehage Fleming also recommends or selects other third-party investment advisers for client accounts where this meets the client's needs and objectives. SFIM does not receive any referral fees or other direct or indirect compensation in connection with recommending or selecting other third-party investment advisers for client accounts.

From time to time SFIM will suggest or recommend custodians to certain clients, including (with respect to non-U.S. clients) another entity owned by the Stonehage Fleming Group, called Stonehage Fleming Dealing and Treasury Services (Jersey) Limited. Some of the recommended custodian banks will carry out all dealing for clients, thus acting as broker as well as custodian. U.S. based clients will not typically be referred to this Group company for custodial or brokerage services. The Firm will instead suggest or recommend U.S.-based brokers for its U.S. clients.

SFIM may recommend that a segregated client portfolio invest a portion of its account in a suitable fund for which SFIM acts as investment adviser. In such a case, the investment fund must also meet the client's investment objective and be suitable for their particular risk profile and circumstances. This practice could create a potential conflict of interest, which is described in more detail below in *Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading*.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

SFIM has adopted a Code of Ethics (the “Code”) that outlines the Firm’s principles of integrity, competence and fairness. The Code was adopted in accordance with Advisers Act Rule 204A-1 to govern, among other things, personal transactions by all access persons, and to ensure that the interests of access persons do not conflict with the interests of clients. The Code provides employees with guidelines on a range of activities including personal account dealing, gifts and entertainment, conflicts of interest, and how to report Code breaches.

The Code of Conduct policy sets forth SFIM’s professional expectations of its personnel. It imposes a duty of confidentiality to clients and the firm, requires directors to declare any outside business interests and directorships and prohibits trading on material non-public information. It also includes a Gift, Hospitality and Entertainment Policy and an Anti-Bribery and Corruption Policy that are designed to provide reasonable oversight of potential conflicts associated with the receipt and giving of entertainment and other gifts. The Code explains how staff should report Code breaches. A copy of the Code is available to all clients or prospective clients on request. The Firm’s contact information appears on the cover page of this Brochure.

SFIM staff and their connected parties may buy or sell for their own account the same securities, in which SFIM invests on behalf of clients, or buy or sell interests in funds that SFIM manages on a discretionary basis. Personal securities transactions by employees may raise potential conflicts of interest when such persons trade in a security that is owned by, or considered for purchase or sale for a client. The Code and related policies and procedures are designed to detect and prevent such conflicts of interest and, when they do arise, to ensure that SFIM effects transactions for clients in a manner that is consistent with the Firm’s fiduciary duty to its clients and in accordance with applicable law. Therefore, the personal investing activities of all employees must be conducted in a manner to avoid potential conflicts of interest, or the appearance of potential conflicts of interest, with the Firm’s clients and the Firm itself. SFIM maintains a strict policy whereby employees are not allowed to deal ahead of a client account. All relevant personal account transactions require prior clearance from the Risk & Compliance team. New employees are required to confirm that they will comply with SFIM’s personal account dealing policy. Staff complete regular attestations confirming their compliance with the personal account dealing rules. The Risk & Compliance team carries out regular reviews of personal account transactions to ensure that the procedures are followed and that there are no Code or other compliance violations.

From time to time, SFIM and its related persons may come into possession of material nonpublic and other confidential information that, if disclosed, might affect an investor’s decision to buy, sell or hold a security. Under applicable law, SFIM and its related persons may be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any other person, regardless of whether such other person is an SFIM client. Accordingly, should such persons come into possession of material nonpublic or other confidential information with respect to any company, they may be prohibited from communicating such information to, or using such information for the benefit of, their respective clients, and have no obligation or responsibility to disclose such information to, nor responsibility to use such information for the benefit of, their clients. SFIM has adopted an Insider Dealing and Market Abuse policy in accordance with Advisers Act Section 204A which establishes procedures reasonably designed to prevent the misuse of material non-public information by SFIM and its officers, directors, trustees

and employees, and to aid SFIM in detecting and imposing sanctions against insider trading. Among other things, the policy prohibits dealing for client accounts, funds or personal account transactions while in possession of material non-public information.

Where employees do come into possession of material non-public or other confidential information on a company, they are required to declare this to the Risk & Compliance Team. A restriction is placed on the dealing system so that no trades can be placed for client or fund accounts. The compliance team maintains a restricted securities list. This prevents anyone from trading on material non-public information on personal transactions. The Risk & Compliance Team maintain a log of all those who have been made aware of material non-public information. A new system is being implemented which will review all trades, including personal transactions for potential market abuse.

SFIM does not engage in cross-trades across client accounts.

SFIM may recommend that a segregated client portfolio invest a portion of its account in a suitable fund for which SFIM acts as investment adviser. In such a case, the investment fund must also meet the client's investment objective and be suitable for their particular risk profile and circumstances. This practice gives rise to an additional conflict of interest because SFIM is paid an asset-based fee. To the extent there is an account-level fee payable to SFIM pursuant to the account's investment advisory agreement, SFIM waives the fees otherwise payable with respect to the account's investment in the pooled vehicle. This waiver will not necessarily eliminate the conflict of interest.

SFIM does not trade in securities as principal, or effect transactions for any person other than for a client. Securities are transacted with approved brokers or custodians acting as an agent on behalf of a client.

Unless a client directs us to use a specific broker or custodian, SFIM will select brokers to execute securities transactions on client accounts based on the full range and quality of the broker's services, including but not limited to execution capabilities, commission rates, their capability in a particular market, region or security, communications and administrative functions. We may have other business dealings with brokers that we use to transact securities. For example, we may own shares of the broker or its affiliates in client accounts, we may provide investment management services to the broker or its affiliates, or the broker may refer potential clients to us. It should be noted that SFIM does not receive soft dollar credits or commissions from brokers. We pay brokers directly for any research they provide and we regard this as a separate service from brokerage.

Investment decisions may be implemented in more than one account in similar mandates at the same time. SFIM has an Order Allocation and Aggregation Policy and related procedures that ensure all clients are treated fairly in these circumstances. The aim of our allocation approach is to create a fair and objective allocation of executions to all accounts over time. The basic principles are:

- Allocation must be fair.
- In most cases, the aggregated order is pre-allocated to all accounts (bulk order) so that all client accounts receive the same price(s) for the transaction(s) and at the weighted average price achieved where an order is executed in multiple tranches at various prices.

- However, there may be occasions when pre-allocation is less advantageous to an individual client for a specific order. Deviations from the general rule may be permitted in the following circumstances:
 - Where clients would not benefit from aggregated orders (e.g. illiquid stocks)
 - Where the number of securities traded are too small to be reasonably allocated to all clients (for example allocations would be less than tradeable round lot size for a security), they will be allocated to a reduced set of accounts such that the allocation will be relevant and reasonable. The reduced set of accounts will be chosen by removing the smallest accounts
 - Local market or regulatory requirements mean that aggregation is not possible
 - The orders do not follow the same trading strategy (e.g. limit orders cannot be combined with non-limit orders)
- Where there is partial execution, the order is allocated pro rata to participating accounts (subject to some minimum allocations which are uneconomic or inefficient).
- Unfilled orders should be carried through to the next day and aggregated with any new orders.

All SFIM directors are required to declare any outside business interests including directorships held with other companies. A list of all such interests is presented at each board meeting for review.

ITEM 12: BROKERAGE PRACTICES

SFIM works with a number of brokers across all asset classes to ensure the best possible result for clients when executing orders. SFIM does not recommend broker-dealers to clients or to third-parties.

When deciding which broker to place a particular trade with on behalf of a client, SFIM seeks best execution and considers a number of factors, described in more detail below. Best execution is not based solely on the explicit commission charged by the broker-dealer and, consequently, a broker-dealer effecting a transaction may be paid a commission higher than that charged by another broker-dealer for the same transaction. The determination of what may constitute best execution involves a number of considerations, including, without limitation the overall net economic result to accounts; the efficiency with which the transaction is effected; access to order flow; the ability of the executing broker-dealer to effect the transaction where a large order is involved; reliability; availability of the broker-dealer to execute possibly difficult transactions in the future; technological capabilities of the broker-dealer; the broker-dealer's inventory of securities sought; reported broker flow; post-transaction reporting capabilities; the financial strength and stability of the broker-dealer; and the relative weighting of opportunity costs (e.g., timeliness of execution) by different trading strategies.

After weighing the totality of these factors, the Firm will select the broker that, in its opinion, is best suited to execute that particular trade. Before a broker is approved as a counterparty, it must first demonstrate that it can meet the Firm's criteria.

For firms subject to the European Markets in Financial Instruments Directive ("MiFID"), SFIM will perform a high level review of the broker's order execution policy as their policy should be aligned with the MiFID best execution requirements. For non-MiFID firms a detailed review will be performed to check if the order execution policy meets the requirements of MiFID or not. In addition to best execution, there are other key factors that the Firm will take into consideration in the broker approval process, such as the broker's reputation in the marketplace (including disciplinary history), their creditworthiness, their ability to provide administrative and operational support, and whether they have suitable clearing and settlement facilities. Approved trading counterparties are subject to regular oversight. Naturally, if the level of service the Firm receives from an approved counterparty falls below the Firm's requirements or expectations, the Firm may decide to suspend or terminate the approval.

SFIM does not receive any soft dollars or commissions and does not receive any referral or incentives to trade with any specific brokers. Under the EU's MIFID II rules, SFIM pays market rate for any research it receives from brokers.

Directed Brokerage: When we follow the client's instructions to trade through a custodian or broker they have chosen, then our best execution obligations to the client will be limited as we have no discretion to influence the trading outcome.

Trade Aggregation and Allocation: SFIM has an Order Allocation and Aggregation Policy and procedures that ensure all clients are treated fairly in these circumstances. The aim of our allocation approach is to create fair and objective allocation of executions to all accounts over time. Further detail on this is set out in *Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading*.

ITEM 13: REVIEW OF ACCOUNTS

Client accounts are subject to a number of periodic reviews and undergo an additional off-cycle review if a “trigger” event occurs.

All client accounts will be reviewed on at least an annual basis. Every relevant client meeting or communication is recorded by the Client Relationship Team (“CRT”) in a contact report, which is retained electronically in the Firm's document management system.

Every 12 months, all clients are asked whether their personal circumstances have changed and their investment objectives are reviewed in case any adjustments should be made to their portfolios as a result of a change in risk appetite or other circumstance. These annual reviews are monitored by the Firm’s management team and the Risk Control Committee.

The reviews are intended to understand whether there have been any material changes in personal circumstances, or in the client’s risk profile, and to ensure there are no financial crime risk concerns.

Client Relationship Managers know their clients well and review their portfolio holdings and asset allocations regularly, including on a quarterly basis when written valuation reports are sent out. They communicate with clients frequently.

All clients are risk rated for anti-money laundering purposes, at the time they are on-boarded. This risk review determines the extent of both initial KYC and client verification and the frequency of periodic reviews.

If there are no 'trigger' events, periodic accounts reviews are completed with the following frequency:

- Highest Risk - 12 months (1% of client base)
- Higher Risk (medium) - 24 months (9% of client base)
- Standard Risk - 36 months (90% of client base)

For Standard Risk reviews the Client Lifecycle Management team (CLM) perform the review with the assistance of the Client Relationship Team (CRT) with sign off completed by the Partner responsible for the client relationship. Higher and Highest Risk reviews follow the same process with the addition of a further sign off required by a member of the compliance team.

Additional reviews will usually be conducted if a “trigger” event occurs. Trigger events can be, but are not limited to the following: a change in personal circumstances (e.g. marriage / divorce, change to country of domicile), a change in corporate directors / trustees, or a restructuring.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

SFIM does not receive an economic benefit from anyone who is not a client for providing investment advice or other advisory services to SFIM clients.

SFIM does not currently compensate any third parties in connection with referrals of clients based in the United States. In the UK and EU, SFIM has a small number of relationships with introducers where SFIM may pay compensation to the introducer for client referrals. In all cases, SFIM follows the EU MiFID rules on inducements and conflicts of interest to ensure that there is no detriment to clients arising from these arrangements. SFIM only deals with introducers who are fully regulated in their jurisdiction and any fees payable to the introducer are disclosed to clients. Introducers are usually paid a percentage of the SFIM management fee, with this being paid directly by SFIM. No payments will be made from client or fund accounts.

As a result of the arrangements described in the prior paragraph, these firms and their personnel may believe they have a financial incentive to give favorable evaluations of SFIM and may therefore operate as if they are faced with a conflict of interest. However, SFIM designs such interactions such that the relationship does not impair compliance with its duty to act in the best interest of its clients. In particular, SFIM will only pay introducer's fees where the arrangement is: (1) In the client's best interests, (i.e., it should not influence SFIM to act in a way that is not honest, professional and fair); and (2) designed to enhance the quality of service to the client. This means that all of the following provisions must be met:

- a. There must be the provision of an additional, or higher level of service by the Introducer to the client (e.g. the Introducer assessing asset allocation, and continuing suitability of the client's investment with SFIM, or the provision of tax advice, or trustee services)
- b. The payment does not directly benefit the Introducer without tangible benefit to the client (e.g. the Introducer attends client meetings and continues to support the relationship, offering their client gatekeeper services, or tax advice)
- c. The benefit is justified by an ongoing benefit to the client (e.g. the Introducer providing regular investment reports to the client in return for a recurring fee)
- d. The service provided is not distorted by the payment (e.g. any fees charged to the client by SFIM must be in line with any standard tiered fee schedule used by the business. Further, the client being invested into a model portfolio would reduce the risk of the service being distorted by the fee payment).

ITEM 15: CUSTODY

SFIM does not take physical custody of any client assets. Clients' portfolio securities and cash are generally held by clients' own custodians and are registered in the custodian's nominee name. The custodian typically has the power to appoint a sub-custodian. The ownership of cash and stock holdings is segregated from the custodian's own account, and registered, and held separately in trust for the beneficiary of the client. SFIM does not have access (other than for trading) or any authority to register or instruct custodians to register securities or transfer cash into its own name or another nominee name. Although SFIM does not have physical possession of client assets, when the Firm's clients permit or instruct SFIM to deduct its management fees directly from their custodial accounts, the SEC deems SFIM to have custody over the assets of those clients.

For US based clients, if SFIM is deemed to have custody over your account, you will receive account statements from your custodian (generally on a quarterly basis) indicating the amounts of any funds or securities in your account as of the end of the statement period and any transactions in the account during the statement period. You should carefully review these statements. Additionally, you should contact us immediately if you do not receive account statements from your custodian on at least a quarterly basis.

Where SFIM's fees are deducted from the client's custodial account, the statements will show those deductions, among other information. As described in *Item 13: Review of Accounts*, SFIM also provides statements or reports to its clients. Some of the types of information SFIM provides in those statements or reports are comparable to information in the account statements clients receive from their custodians. Clients should compare the account statements they receive from their custodians with the statements that they receive from SFIM, and alert SFIM to any differences.

From time to time SFIM will suggest or recommend custodians to certain clients, including (with respect to non-U.S. clients) another entity owned by the Stonehage Fleming Group, called Stonehage Fleming Dealing and Treasure Services (Jersey) Limited ("SFDT"). SFDT will not typically be used as a custodian for U.S. based Clients.

Some of the recommended custodian banks will carry out all dealing for clients, thus acting as broker as well as custodian. When deciding which custodian to recommend to a client, the best execution arrangements of the custodian will be one of the considerations. Other factors include: being able to service the client's specific requirements (namely the availability of markets); the client's preference for an onshore or offshore custodian; the operational and regulatory efficiency of us having an existing relationship with a custodian; the costs of a particular custodian; the speed of execution, fulfilling the requirements for reporting (namely at transaction level and/or providing adequate valuation statements); the custodian's reputation and creditworthiness; and, importantly, total consideration. Client custodians are responsible for carrying out all FX and FX forward transactions on behalf of clients.

ITEM 16: INVESTMENT DISCRETION

Investment accounts at SFIM are managed on a discretionary or non-discretionary basis in line with the client's investment objectives and risk profile, both of which are assessed at the start of the relationship and periodically thereafter. In either case, clients are able at any time to place investment restrictions and guidelines on their accounts. The clients' individual investment management agreement and/or any side letters govern SFIM's discretionary authority and limitations with its clients. In addition, various securities and tax laws, as well as internal compliance policies may impose additional restrictions on the investments that may be made by clients. Any of the above limitations may impact the potential returns of client accounts.

All pooled funds are managed in line with the investment restrictions and guidelines set out in the operating memorandum or prospectus for the relevant fund.

ITEM 17: VOTING CLIENT SECURITIES

Discretionary Accounts

SFIM strives to deliver long-term sustainable performance for its clients and the Firm is committed to transparent stewardship activities. The EU Shareholder Rights Directive (“SRD”) applies to Institutional Investors, such as SFIM, that hold on a discretionary basis for our clients, the shares of companies traded on a regulated market. The SRD requires SFIM to develop and publicly disclose a Shareholder Engagement Policy that describes how SFIM integrates shareholder engagement into its investment strategy. The SFIM Shareholder Engagement Policy includes proxy voting policies and procedures, to ensure that proxies for the securities owned by clients for which SFIM exercises voting authority and discretion, are voted in the best interests of those clients in accordance with SFIM’s fiduciary duties, Rule 206(4)–6 under the Advisers Act and other applicable law. A copy of the Shareholder Engagement Policy is available on the Firm’s website: https://cdn.io.stonehagefleming.com/craft-cms/legal/Revised-Shareholders-Rights-Directive-SRD-II_2021-04-26-122719.pdf

SFIM undertakes stewardship activities such as monitoring and engaging with companies it recommends clients invest in. Such activities include detailed research on investee companies, meetings and phone calls with management, as well as proxy voting at AGMs and other corporate events. This engagement is an integrated part of the Firm’s investment process. When deciding how to vote, the Firm will consider its Voting Policy and the company management’s views, rationales and proposals. The Firm will also consult third party information sources including the services of proxy advisors, such as Glass Lewis. SFIM will consider all information in order to draw its own conclusions on each vote and will not default to follow either management or proxy advisor views.

The cost of information for these votes, including the use of proxy advisors, is paid for by SFIM. The cost of executing votes is born by the client as part of their custody fee.

Clients are generally not permitted to direct how SFIM votes specific securities.

Clients can request information on of how SFIM has voted on their behalf. SFIM does not reach out to clients and ask them how to vote.

SFIM may encounter conflicts of interest related to its stewardship activities. SFIM employees must manage such conflicts in line with the Firm’s Conflicts of Interest Policy. SFIM must manage any conflicts in the best interests of its clients. When such a conflict of interest arises SFIM shall, in order to remain impartial in the exercising of proxy voting rights, abstain or vote based on the majority recommendation made by a proxy advisor.

Non-Discretionary Accounts

SFIM does not have proxy authority for non-discretionary accounts. Non-discretionary clients should receive proxy solicitations from their custodian or transfer agent. In such situations, SFIM will not provide any advice on proxy voting.

ITEM 18: FINANCIAL INFORMATION

SFIM does not have any financial condition that is reasonably likely to impair its ability to meet its contractual and regulatory commitments to clients. SFIM does not require and does not accept pre-payments of fees. SFIM is not subject to any bankruptcy proceeding nor has it been at any time since the Firm was incorporated in 2001.