



# ScotGems plc

## Shareholder Update

31 December 2017

### Investment Objective

The investment objective for ScotGems ("The Company") is to provide long-term capital growth.

The Company seeks to achieve this by investing in a diversified portfolio of small cap companies listed on global stock markets, across a range of sectors. Small cap companies are currently defined as those with a market cap of less than \$2.5bn at the time of purchase, although the Manager may review this definition from time to time. The Manager envisages that the Company's investment portfolio will be tilted, at least initially, towards small cap companies in Asia Pacific and Global Emerging Markets. The ScotGems portfolio is concentrated, typically comprising 20-30 holdings.

### Manager Profile

Stewart Investors is a team of investment professionals who manage portfolios on behalf of clients in Asia Pacific, Emerging Markets, Frontier, Latin American, Worldwide, and Sustainable equity strategies. The team consists of members based in Edinburgh, London, Singapore and Sydney.

The Manager's investment philosophy is founded on the principle of responsible stewardship, and a belief that investment ought to have a social purpose, this being the efficient allocation of clients' assets to high quality companies at sensible prices. The Manager has a long term investment approach and has been invested in some companies for over twenty years. This entails responsibilities as well as normal shareholders' rights and involves engaging extensively on environmental, labour and various governance issues. The investment style is inherently conservative, focusing on the downside risks as well as on the upside potential of any investment. Capital preservation is deemed as important to the Manager as capital growth.

### Trust Information

Trust Launch Date	26 June 2017
Total Net Assets (£M)	51.6
Benchmark	MSCI AC World Index
Number of holdings	19
Share Price (p)	93.00
NAV - cum income	95.78
(Discount) Premium %	(2.90)
Sedol	BYT2554
ISIN	GB00BYT25542
Annual Management Fee	1.00%
Ongoing Charges <sup>+</sup>	1.50%

<sup>+</sup>Calculated at the financial year end, includes management fees and all other operating expenses but excludes transaction, and certain other, costs. Please see Key Investor Document for full costs and charges information.

### Annual Performance (% in GBP) to 31 December 2017

Under Financial Conduct Authority regulations, we are not allowed to show performance data for funds launched less than a year ago.

### Cumulative Performance (% in GBP) to 31 December 2017

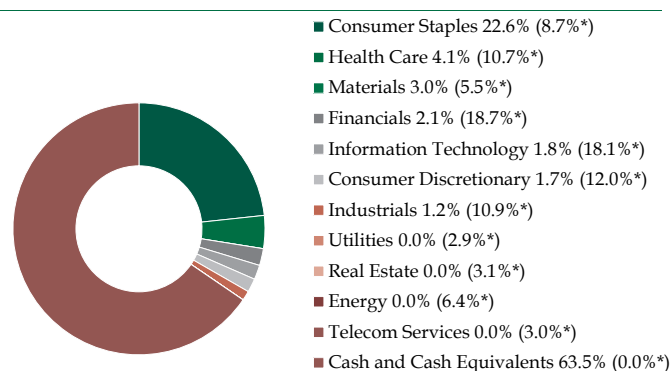
Under Financial Conduct Authority regulations, we are not allowed to show performance data for funds launched less than a year ago.

Cash awaiting investment has been placed with our custodian bank in Pound Sterling, United States Dollars, and Singapore Dollars.

### Ten Largest Holdings

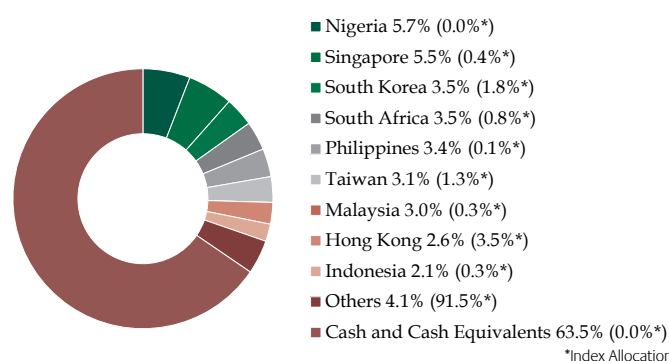
Stock name	%	Stock name	%
Unilever Nigeria	4.6	RCL Foods Ltd	2.3
Delfi	3.5	Bank Ocbc Nisp	2.1
Philippine Seven	3.4	Haw Par	2.0
Batu Kawan	3.0	Grupo Herdez	2.0
Vinda	2.6	Standard Foods	1.9

### Sector Breakdown



\*Index Allocation

### Country Breakdown



\*Index Allocation



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### Risk Indicator

*Lower risk**Higher risk*

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets. The Trust has classified itself as a level 3 risk, which is a medium-high risk class. The risk indicator assumes you hold your shares in the Trust for at least 5 years. This rates the potential losses from future performance at a medium level and poor market conditions could impact the amount you get back. Investing includes certain risks including:

- **The value of investments and any income from them may go down as well as up and are not guaranteed. Investors may get back significantly less than the original amount invested.**
- **currency risk:** the Company invests in assets which are denominated in other currencies; changes in exchange rates will affect the value of the Company.
- **emerging market risk:** emerging markets may not provide the same level of investor protection as a developed market; they may involve a higher risk than investing in developed markets.
- **smaller company investments:** the Company typically invests in smaller company shares which can be more unpredictable and more difficult to sell than those of larger company shares.
- **concentration risk:** the Company typically invests in a concentrated portfolio of investments and should a particular investment decline in value, this will have a pronounced effect on the overall value of the Company.
- The Company's share price may not fully reflect net asset value.

For an overview of the terms of investment, risks and costs and charges please refer to the Prospectus, Investor Disclosure Document and Key Information Document from which the risk indicator is taken.

**If you are in any doubt as to the suitability of the Company for your investment needs please seek investment advice.**

### For further information

Email: [info@stewartinvestors.com](mailto:info@stewartinvestors.com) Website: [www.scotgems.com](http://www.scotgems.com)

### Important Information

#### This factsheet is a financial promotion.

ScotGems plc (the "Company") is an investment trust, incorporated in England and Wales with registered number 10755475 and registered as an investment company under section 833 of the Companies Act 2006. Its shares have been admitted to the Official List of the London Stock Exchange. The Company is an alternative investment fund for the purposes of the EU Alternative Investment Fund Managers Directive ("AIFMD"). The Company has appointed First State Investments (UK) Limited ("FSI UK") as its alternative investment fund manager and First State Investments International Limited ("FSII") has been appointed as investment manager. FSI UK and FSII are authorised and regulated in the United Kingdom by the Financial Conduct Authority and both use the trading name Stewart Investors.

This document has been prepared for the use of those people who are United Kingdom residents for tax and investment purposes. This report has been prepared and issued by FSI UK, incorporated in England and Wales (company number 02294743). For more information on Stewart Investors please visit [www.stewartinvestors.com](http://www.stewartinvestors.com). Telephone calls may be recorded. For more information on the Company, please visit the Company's website at [www.scotgems.co.uk](http://www.scotgems.co.uk).

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