Annex 3

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Notes from Meetings with Fund Managers: 4 February 2014

Hosted by Mirabaud

Manager	Attending
CBRE (conference call)	Max Johnson Deejay Dhananjai Alex Bignall
Newton	David Moylett Paul Markham
Standard Life	Dale MacLennan Neil Richardson
Mirabaud	Andrew Blair Jeremy Hewlett Zak Smerzak

CBRE

1. Spoke via conference call with Max Johnson Deejay Dhananjai and Alex Bignall from CBRE

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2. CBRE reported that the market for property was becoming more competitive with more market participants active for each transaction than in previous quarters. This increased activity has extended beyond prime and super prime into secondary and tertiary property.

3. There was a slight narrowing of the yield spread between prime and secondary property although CBRE do not expect this spread to tighten significantly in the near future given fears over weaker market areas.

4. The office and industrial sectors have performed well over the last 6 months with an upturn in rental growth and increases in capital values from steady capital inflows to the asset class.

5. Retail has lagged office and industrial with widespread vacancies and tenancy voids in all but prime shopping centres. CBRE was underweight retail overall, given trends in shopper and retailer behaviour but was overweight on prime shopping centres. These have held up well with very low vacancy and void rates whilst existing retailers within these centres have looked to increase unit size.

6. CBRE was overweight within the London office market which has performed strongly over the quarter.

7. CBRE expected the growth in capital values to continue during the first 6 months of 2014 from increasing capital flows with the level of actual rental growth the key driver of whether this capital inflow will continue.

8. In response to questioning as to why CBRE had underperformed the benchmark in a rising market despite having an aggregate leverage level greater than the benchmark, CBRE reported that majority of leverage is held within poorly performing European property funds and that the UK element of the fund is leveraged to a lesser degree than the benchmark.

Newton

1. David Moylett and Paul Markham presented.

2. Newton discussed the recent market volatility and issues within the emerging markets, Newton believed the markets response has been too broad-brush with all economies classed as emerging suffering significant writedowns, despite significant disparity between respective current account positions, fiscal strength and susceptibility to reduced liquidity. 6

3. The Philippines and Mexico were highlighted as resilient emerging markets, with Mexico's close ties with the US alleviating any liquidity concerns.

4. Newton reiterated their cautious portfolio allocation, whilst the emerging market decline has made some companies more attractive in terms of valuation, no switch had taken place.

5. Responding to underperformance in Q3 to benchmark Newton highlighted the exposure to Yen through a large weighting in Japanese market and exposure to emerging markets through developed stock holdings.

6. Newton had added a position with Apple during the previous quarter, pervious concerns about declining margins and product development pipeline were appeased by recent resilience in profit margins, held steady at 37%, colossal cash balances and better valuation.

7. Newton had a strong exposure to technology stocks with key positions in Microsoft and Google, the latter an important driver of recent performance with increased monetising of mobile ad traffic.

8. Newton had reduced an overweight exposure to Associated British Foods on regulatory and valuation concerns.

9. Newton sector allocation was significantly underweight financials and overweight healthcare stocks. Newton remained concerned by Europe and European financials with upcoming bank stress testing expected to show significant concentration of government debt held by within a small number of organisations.

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Standard Life

1. Met with Dale MacLennan and Neil Richardson to discuss the Global Focused Strategies Fund (GFS).

2. The fund has run as a paper portfolio with the target fund size of £5bn since July 2012 with a cumulative return of 18.7% and a volatility of 4.3%. The fund launched on 11 December 2013 with seed capital of 110m EUR.

3. The size of the fund will allow for greater liquidity than GARS and will allow for more targeted investment strategies, with little overlap between the investment strategies of GARS and GFS.

4. To attempt to ensure the resilience of returns the fund develops a variety of strategies to mitigate adverse asset movements but will not explicitly purchase downside protection. Diversity is achieved only through separate strategies.

Mirabaud

1. Met with Andrew Blair, Jeremy Hewlett and Zak Smerzak

2. In response to questioning regarding the investment process, Mirabaud explained the justifications for a number of different stock choices.

3. Mirabaud held a large overweight position in the house builder Barclay Group, which was down to a belief that the market has misunderstood key elements of a recent strategy. Barclay Group had made significant purchases of very cheap land in highly valued areas which would result in much higher average sale price per unit than the market had estimated.

4. An investment in St James Place was predicated upon analysis and appreciation of certain accounting aspects within the financial statements, St James Place record a sizable proportion of client investment as sales a number years after the original investment. Calculating the value of the income due from this income provided a significant valuation boost alongside expectations of future dividend increases.

5. Mirabaud was overweight consumer goods industrials, and the oil and gas sector, with a significant underweight position within telecommunication and financials.

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