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Investing involves 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 companies risk: the Company 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.

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

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Stewart Investors announces that ScotGems plc will be listed on the London Stock Exchange

Media Statement

6 June 2017

ScotGems plc will be listed on the London Stock Exchange on 26 June 2017. The ScotGems plc Prospectus is available at the offices of Dickson Minto, Broadgate Tower, 20 Primrose Street, London EC2A 2EW, and on the Stewart Investors website (www.stewartinvestors.com/scotgems).

Quote from ScotGems plc's Chairman William Salomon: 'I'm delighted to be part of Stewart Investors' new Investment Trust venture. Stewart Investors has a proven long-term investment record, particularly in Asia Pacific and Global Emerging Markets. The idea of focusing on smaller family-owned companies makes sound investment sense.'

What is ScotGems plc?

ScotGems plc is a new investment trust managed by Stewart Investors, investing in small cap companies globally. The Company will issue Ordinary Shares and will be listed on the premium segment of the Official List of the UK Listing Authority, with its Ordinary Shares admitted to trading on the main market of the London Stock Exchange.

Who are on the Board of Directors?

The Board of Directors is composed of William Salomon (Chairman), James Findlay and James Maclaurin (Chairman of the audit committee), as well as non-independent directors Angus Tulloch and Anne West (see below for director biographies).

Who is the investment manager?

Stewart Investors manages portfolios on behalf of clients in Asia Pacific, Emerging Market, Frontier, Latin American, Worldwide and Sustainable equity investment strategies. Primarily based in Edinburgh, with offices in London, Singapore and Sydney, Stewart Investors has a distinct culture and investment philosophy which is unchanged in almost three decades, since the launch of the team's first investment strategy in 1988.

Ashish Swarup will be Lead Manager of the portfolio. Ashish has been with Stewart Investors for the last three years and was previously a Portfolio

Manager at Fidelity Management & Research and Fidelity Investments, focused on Global Emerging Markets. Tom Allen will be Co-Lead Manager.

What is the investment objective?

The investment objective is to provide long-term capital growth to its investors. ScotGems plc will seek to achieve its objective by investing in a diversified portfolio of small cap companies listed on global stock markets across a range of sectors. Stewart Investors envisage that the investment portfolio will be tilted, at least initially, towards smaller companies in the Asia Pacific and Global Emerging Market universes. The Company's portfolio is expected to be concentrated as the number of investments will typically range between 20 and 30 holdings.

Why invest in small companies with Stewart Investors?

Stewart Investors believe that small companies across global markets provide attractive long-term investment prospects. Stewart Investors will aim to invest in well-run companies which exhibit quality characteristics in terms of franchise and financials, with management who operate as long-term stewards of their companies.

Identifying high quality promoters and businesses at an early stage of development has played a vital role in Stewart Investors' ability to generate long-term investment returns for clients.

How is a small company defined?

Small companies are defined as those with a market cap of less than USD 2.5 billion at the time of purchase.

What is the investment philosophy?

The principle of stewardship is central to the investment philosophy. Stewart Investors are long-term and low turnover investors buying shares, on behalf of clients, in real businesses. The investment style is inherently conservative, focusing on the potential downside as well as on the upside of any investment. Capital preservation is deemed as important as capital growth.

What type of investor is ScotGems plc hoping to attract?

ScotGems plc is looking for investors who are prepared to take a long-term view of their investment, who recognise that short-term returns from small company investment can be particularly volatile and who share the view that companies with a strong sustainability focus are more likely to prove successful investments in the long run.

What is the management fee?

Stewart Investors will receive an annual management fee of 1% of net assets. No performance fee will be charged. The Company's ongoing charge figure is expected to be capped at 1.5% of net assets.

How many companies will be in the portfolio?

The portfolio will be a concentrated one, typically comprising 20-30 holdings.

Will the Company have borrowing powers?

ScotGems plc will have the power to borrow an aggregate amount equal to a maximum of 20% of its net asset value at the time of borrowing. The Company does not currently intend to use gearing.

Does Stewart Investors manage other investment trusts?

Stewart Investors manage Pacific Assets Trust plc, an investment trust focused on companies in the Asia Pacific Region.

Notes for Editors:**About Stewart Investors:**

Stewart Investors, which is a trading name for First State Investments International Limited, is the Company's investment manager and is a wholly owned subsidiary of the Commonwealth Bank of Australia. Based in Edinburgh with offices in London, Singapore and Sydney, Stewart Investors traces its origins to the establishment of an Asia Pacific (ex Japan) desk at Stewart Ivory in 1988; this team has grown considerably since, expanding its coverage to Emerging Market, Small Cap, Sustainability and Worldwide long-only equity strategies. Stewart Investors currently has over £20 billion of assets under management.

Investment Philosophy

Stewardship: At the heart of our investment approach is the concept of stewardship. We believe our job is to allocate our clients' capital to good quality companies with sound growth prospects and strong management teams, ensuring we pay sensible prices for these investments. Each investment is a decision to purchase, on behalf of our clients, not a piece of paper or an electronic ticker, but part of a real business with all the rights and responsibilities that go with this. We take these rights and responsibilities seriously. We also believe the way we behave as investment professionals and the role we play in the broader industry are important in this regard.

Risk: We define risk as the risk of losing our clients' money, rather than in terms of deviation from any benchmark index. We focus as much on the potential downside of each investment decision as on the anticipated upside.

Long-term: We make investment decisions with a long-term horizon, and are incentivised accordingly.

Bottom-up: We invest in companies, not sectors or countries. Our starting point is always to find good quality companies. Only then do we consider the political and economic environment in which they operate.

Quality: We emphasise especially management integrity, corporate governance and the historic ability to develop and execute successful long-term strategies. The strength of the business franchise and approach to financial risk are also deemed critical.

Growth: Our preference is to invest in companies able to generate a steady, predictable growth in cashflows over the long-term, recognising that companies growing too fast usually come unstuck.

Valuation: We strive to ensure we pay sensible prices for our investments. We believe every company of sufficient quality has a fair value and that there is no single catch-all valuation methodology to assess this fair value.

Manager Biographies

Ashish Swarup

Ashish Swarup is a Portfolio Manager at Stewart Investors. Ashish manages several Global Emerging Market strategies and the Asia Pacific All Cap fund. He has over a decade's experience in managing equity investments.

Ashish brings real life knowledge and experience of working in the technology industry, particularly in the area of supply chain management, much of which can be applied to company analysis.

Prior to joining Stewart Investors, he was Portfolio Manager (Global Emerging Markets) at Fidelity Management & Research and Fidelity Investments. Ashish has a Degree in Electronics and Communication Engineering from the Indian Institute of Technology, a Post Graduate Diploma in Management from the Indian Institute of Management, and holds a MBA from INSEAD in France.

Tom Allen

Tom Allen is an Analyst at Stewart Investors who joined the team in January 2013.

Tom is responsible for providing research support for the portfolio managers, covering primarily the Asia Pacific ex-Japan region and all industry sectors. A significant proportion of his time is spent researching smaller companies. Tom holds a BA (Hons) in History from University College London (2011).

Director Biographies

William Salomon (Chairman) is the Senior Partner of Hansa Capital Partners, Deputy Chairman of Ocean Wilsons Holdings Limited and its listed subsidiary Wilsons Sons Limited and a Director of Hansa Trust PLC. William has worked within the fund investment business for many years and was responsible for developing Finsbury Asset Management and the Finsbury range of funds based on the concept of early recognition of key investment trends, such as life sciences and technology.

James Findlay is Chief Executive Officer of Findlay Park LLP which he co-founded in 1997. He began his City career with Hoare Govett in 1978 and was a fund manager and Director of Foreign and Colonial Management Limited from 1983 to 1997.

James Maclaurin has a background in the telecoms and technology sectors and is currently the Deputy CEO and CFO of M-Kopa Solar, an innovative off-grid electric technology business based in the UK and Africa. Prior to this James was the founding CEO of edotco, the spinout of Axiata's infrastructure in five Asian markets and from April 2011 to April 2014 he was Group CFO of its parent, Axiata, one of Asia's largest telecommunications groups. During the previous decade James was CFO for Vodafone in Central Europe and Africa, Group CFO of Celtel the pan-African mobile operator prior to its sale to Airtel and CFO of UbiNetics, the Cambridge UK based software developer successfully sold to Cambridge Silicon Radio (CSR plc) and Aeroflex. He is currently an independent non-executive director for Dialog Axiata PLC. James is a member of the Institute of Chartered Accountants of Scotland.

Angus Tulloch (non-independent) is a former Joint Managing Partner of Stewart Investors, where he is now employed as a portfolio manager. Joining Stewart Ivory & Company in 1988, he established that firm's Asia Pacific (ex Japan) desk, founding and managing various regional investment mandates over the following 28 years; these included Asia Pacific, GEM and Asian small-cap strategies. Prior to joining Stewart Ivory, Angus was employed by Cazenove for eight years, three of which were spent in their Hong Kong office.

Anne West (non-independent) has a background in investment management and retired from Cazenove Capital Management at the end of 2012. She was most recently a Fund Director in the Private Client department of Cazenove Capital Management. She joined Cazenove in 1989 and assumed responsibility for Asian and Japanese portfolios, later becoming Head of the Emerging Markets team and then the Global Equity team. She was Chief Investment Officer from 2001 to 2008. Previously, she held positions at Standard Chartered Bank and Hambro Pacific, based in Hong Kong. She is a non-executive Director of Hg Capital Trust plc and Scottish Oriental Smaller Companies Trust plc.

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ScotGems plc (“Company”) is an investment trust, incorporated in England and Wales with registered number 10755475, whose shares have been admitted to the Official List of the London Stock Exchange plc. The Company is an alternative investment fund for the purposes of the Alternative Investment Fund Managers Directive. The Company has appointed First State Investments (UK) Limited as its alternative investment fund manager, and First State Investments International Limited has been appointed as investment manager. Further information is available from Client Services, Stewart Investors, 23 St Andrew Square Edinburgh, EH2 1BB or by telephoning 0800 587 4141 between 9am and 5pm Monday to Friday or by visiting www.scotgems.com. Telephone calls with Stewart Investors may be recorded.

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