

## STONEHAGE FLEMING GLOBAL BALANCED PORTFOLIO FUND (THE 'FUND')

### June 2016 Quarterly Factsheet

#### OBJECTIVE

To preserve capital in the medium term and to achieve capital growth in real terms over the longer term, whilst generating moderate levels of income.

#### FUND INFORMATION

**Inception date:** 7 July 2011  
**Fund Size:** £29.6m  
**No of Holdings:** 19  
**Structure:** UK Authorised UCITS OEIC  
**Domicile:** UK  
**Share Classes:** A & B  
**Currency:** GBP  
**Dealing:** Daily  
**Yield:** 1.95%\*  
**Benchmark:** 45% JPM Global Government Bond Index TR / 55% MSCI World TR (£)

#### Ongoing Charges

**Figure:** 1.50% (for year ended 02 April 2016)  
**Performance Fee:** None  
**Custodian:** Northern Trust Company  
**Administrator:** Northern Trust Global Services  
**Manager:** Stonehage Fleming Investment Management Limited

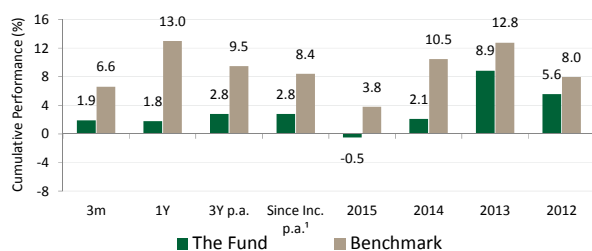
\*Net figure based on dividends paid in the last 12 months

#### COMMENTARY

Markets were relatively calm for most of the quarter after a volatile start to the year, but this abruptly changed towards the end of June as the UK unexpectedly voted to leave the European Union. The result led to extreme moves across a number of asset classes, most notably sterling, as the market had largely priced in a UK vote to remain part of the bloc. Sterling finished the day down 8% against the US dollar, which is the largest daily fall since 1967. UK and European equities fell substantially, while yields on UK gilts also fell steeply as investors sought assets considered safe havens. The impact of this was also felt globally as equity markets from the US to India followed European markets lower. However, the negative sentiment didn't last long as global equity markets rose 5% in the final days of the quarter to finish the quarter up nearly 10% in sterling terms, the figure being boosted by the weakness in the currency. Within the UK market, sterling, financials and domestically focused companies faced the most significant selling pressure post Brexit, but large capitalisation equities were largely immune from the declines, buoyed by a weaker currency and an international orientation.

We made several changes to the fund through quarter, which included increasing global equity exposure through the SF Global best Ideas and SF Global Select Equities funds, while decreasing other regional equity funds. This has the effect of increasing the percentage of fund held in the top 10 positions to approximately 85% and reducing cost by having less exposure to externally managed funds. These funds delivered 7.8% and 6.0% respectively during a good quarter for equity markets. We also benefited from exposure to government and corporate bonds, with yields falling throughout. The PIMCO Investment Grade Credit fund delivered a return of 2.5% since investment in April and the UK Index Linked Gilt security delivered a return of 5.1%. Our exposure to alternative assets was positive overall, driven by a small position in physical gold, which rose by 15.6% in GBP terms as the UK's vote to leave the EU increases uncertainty and led to a sharp depreciation in the sterling.

#### PERFORMANCE – Since Inception 7th July 2011



All performance is net of fees.

**PAST PERFORMANCE IS NOT A RELIABLE INDICATOR OF FUTURE RESULTS**

Source for all Stonehage Fleming Investment Management Limited (SFIM) performance data: Northern Trust, SFIM calculations, StatPro  
 Source for all market data: Factset, Bloomberg

#### Top Ten Holdings

- <sup>1</sup> Stonehage Fleming Global Best Ideas Fund  
<sup>2</sup> Stonehage Fleming Global Select Equity Fund  
<sup>3</sup> Stonehage Fleming European All Cap Equity Fund

#### ASSET ALLOCATION

|                        | % of Fund |
|------------------------|-----------|
| Equity                 | 52.0      |
| Bonds – Government     | 15.0      |
| Bonds - Non-Government | 11.0      |
| Precious Metals        | 4.0       |
| Alternative Strategies | 14.0      |
| Cash                   | 4.0       |

#### TOP TEN HOLDINGS

| Fund Name/Manager                             | Sector/Strategy        | % of Fund |
|---|------------------------|-----------|
| SF Global Best Ideas Fund <sup>1</sup>        | Equities               | 17.2      |
| SF Global Select Equity Fund <sup>2</sup>     | Equities               | 17.0      |
| UK GILT IL 1.25% 22/11/27                     | Bonds – Government     | 15.2      |
| Findlay Park American Fund                    | Equities               | 8.2       |
| Invesco Perpetual Global Targeted Return Fund | Alternative Strategies | 6.0       |
| GAM Star Cat Bond Fund                        | Alternative Strategies | 5.4       |
| Gold Bullion Securities                       | Precious Metals        | 4.3       |
| SF European All Cap Equity Fund <sup>3</sup>  | Equities               | 4.1       |
| PIMCO Global Investment Grade Credit Fund     | Bonds – Non-Government | 4.1       |
| Bluebay Global High Yield Bond Fund           | Bonds – Non-Government | 3.9       |

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## RISK DISCLOSURES

The advice we provide will be based on and take into account a majority of product types and not every single equivalent product within a given product category. As such, our advice is restricted (as opposed to independent) as defined by the FCA.

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The value of investments may go down as well as up and, for products designed to return income, the distributions can also go down or up and you may not receive back the full value of your initial investment.

All investments risk the loss of capital. Where there is potential for profit, there is also possibility of loss. No guarantee or representation is made that the funds will achieve their investment objective.

**Past performance should not be used as a guide to future performance.**

Whilst every effort is made to ensure that the information provided in this document is accurate and up to date, some of the information may be rendered inaccurate by changes in applicable laws and regulations. Any reference to taxation relies upon information currently in force. You should note that the bases and rates of taxation may change at any time.

From time to time, the fund manager may engage in hedging transactions within certain funds. There can be no assurances that such hedging, if undertaken, will insulate the particular funds from risks and hedging techniques, whether via derivatives or other products or instruments, may give rise to certain costs and additional risks, including a risk of total loss of any amounts invested in hedging instruments.

Changes in the rates of exchange between currencies may cause the value of investments to go up or down.

Unquoted investments may be difficult to sell at a reasonable price because there will not be an active market in those investments and, in some circumstances, they may be difficult to sell at any price. This may inhibit sales in the event of your wishing to liquidate part or all of your investment.

In addition to the information provided by Stonehage Fleming Investment Management Limited, you may wish to consult an independent professional.

Key Investor Information document (KIID) for the Stonehage Fleming Global Balanced Portfolio Fund, is available in English upon request from Stonehage Fleming Investment Management Limited (SFIM) at 15 Suffolk Street, London, SW1Y 4HG, or on SFIM's website at [www.stonehagefleming.com](http://www.stonehagefleming.com) Stonehage Fleming Global Balanced Portfolio Fund is a sub-fund of the Stonehage Fleming Global Multi Asset Umbrella Fund, a prospectus for which is available in the same way.

The Ongoing Charges Figure ("OCF") expresses the costs of running the Fund as a single figure. This is the overall cost shown as a percentage of the value of the assets of the Fund. It comprises the annual management charge and other additional charges including, but not limited to, the charges of the Depositary, Administrator, Registrar and Auditors as well as any specified regulatory or legal fees. It does not include the costs of buying or selling investments or, where relevant, a performance fee.

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