

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

### September 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:** £31.0m  
**No of Holdings:** 18  
**Structure:** UK Authorised UCITS OEIC  
**Domicile:** UK  
**Share Classes:** A & B  
**Currency:** GBP  
**Dealing:** Daily  
**Yield:** 1.78%\*  
**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

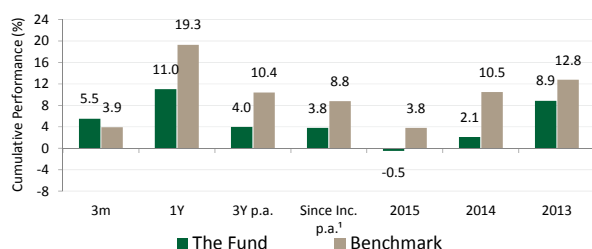
\*Net figure based on dividends paid in the year to 30 September 2016

#### COMMENTARY

Global equity markets rose 7.7% during the quarter in sterling terms as markets shrugged off concerns that the UK's decision to leave the European Union would have immediate negative repercussions for the global economy and central banks remained supportive. This was particularly the case in the UK where the Bank of England cut rates for the first time in 7 years to 0.25% and expanded their quantitative easing program, contributing to sterling weakening by 2.5% over the quarter. Despite the market being buoyed by continued central bank support, we did get a glimpse during the quarter as to how quickly rates can rise when investors believe that central bank tools are running low, with rates briefly spiking in the US, Europe and Japan during September. Emerging markets continue to be the preferred choice for investors this year and the third quarter was no exception with emerging market equities rising 11.5% in sterling terms (9.0% in USD). In fixed income markets, UK 10-year Gilts rose as yields decreased to 0.75%; however, they were nearly as low as 0.5% during mid-August. Commodities were also rising, with oil up 2.1% (WTI) over the period in sterling terms (-0.2% in USD). Gold rose 2.1% over the quarter in sterling terms (-0.2% in USD).

We outperformed the benchmark of bonds and equities this quarter, driven by strong performance by our managers in both areas. In equities, the global strategies lagged the MSCI World benchmark as the broader market was led higher by more cyclical sectors than these strategies currently have exposure to. However this was countered by strong returns by our regional specialists in the UK (Majedie), Europe (JO Hambro) and Emerging Markets (Skagen). The global bond market fell by 0.2% over the period, and against this backdrop our selection of corporate bond and alternative strategies performed well, contributing positively to the funds' return for the period and outperforming the benchmark on aggregate.

#### 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	54.0
Bonds – Government	16.0
Bonds - Non-Government	11.0
Precious Metals	4.0
Alternative Strategies	14.0
Cash	2.0

#### TOP TEN HOLDINGS

Fund Name/Manager	Sector/Strategy	% of Fund
SF Global Best Ideas Fund <sup>1</sup>	Equities	18.2
SF Global Select Equity Fund <sup>2</sup>	Equities	17.7
UK IL Gilt 1.25% 22/11/2027	Bonds – Government	15.9
Findlay Park American Fund	Equities	7.6
Invesco Perpetual Global Targeted Return Fund	Alternative Strategies	6.0
GAM Star Cat Bond Fund	Alternative Strategies	5.2
SF European All Cap Equity Fund <sup>3</sup>	Equities	4.4
Gold Bullion Securities	Precious Metals	4.3
PIMCO Global Investment Grade Credit Fund	Bonds – Non-Government	4.0
Bluebay Global High Yield Bond Fund	Bonds – Non-Government	3.8

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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.

This communication has been prepared for information only and is not intended for onward distribution. It is neither an offer to sell, nor a solicitation to buy, any investments or services. This communication does not constitute a personal recommendation and does not take into account the individual financial circumstances, needs or objectives of the recipients.

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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