

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

### December 2015 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

<b>Inception date:</b>	7 July 2011
<b>Fund Size:</b>	£29.6m
<b>No of Holdings:</b>	23
<b>Structure:</b>	UK Authorised UCITS OEIC
<b>Domicile:</b>	UK
<b>Share Classes:</b>	A & B
<b>Currency:</b>	GBP
<b>Dealing:</b>	Daily
<b>Yield:</b>	1.70%*
<b>Benchmark:</b>	45% JPM Global Government Bond Index TR / 55% MSCI World TR (£)
<b>Ongoing Charges Figure:</b>	1.66% (for year ended 02 April 2015)
<b>Performance Fee:</b>	None
<b>Custodian:</b>	Northern Trust Company
<b>Administrator:</b>	Northern Trust Global Services
<b>Manager:</b>	Stonehage Fleming Investment Management Limited

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

#### COMMENTARY

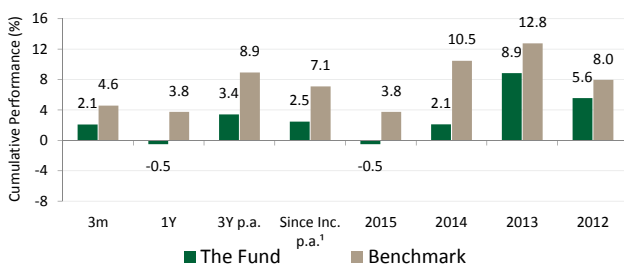
The Balanced Fund delivered negative returns in 2015 of -0.5%, relative to the fund benchmark of 3.8% and the strategic asset allocation comparator of -1.0%. We benefited from avoiding commodities and keeping emerging market currency exposure very low, however lagged the fund benchmark where a mix of only sovereign bonds and US-heavy developed equities held up well from a GBP perspective.

The fixed income component was up by 1.2% for the year. The positive contribution from this asset class is welcome when considered against a backdrop of rising government bond yields and widening credit spreads, which made conditions difficult. Our reluctance to invest in emerging market bonds and our emphasis on specialist, niche areas of the credit market was beneficial when comparing against the strategic comparator, where our managers demonstrated good results.

The equity component was up 1.2% for the year, which compares to the 2015 return of 1.0% for the UK equity market (FTSE all share) and 4.8% for the more US dominated global market (MSCI World). Our selection of active managers performed well, with most managers outperforming their respective benchmarks. In addition, we benefited by protecting the portfolio with put options, as well as holding only a small allocation to emerging market equities, which fell 9.7% in GBP terms.

Alternatives detracted from fund returns by 0.8%, with the component returning -3.6%. On aggregate, absolute return seeking funds neither added to nor subtracted from performance. However, an investment which derives income from sea vessel leasing in the North Sea suffered significant downside, as the oil industry continued to suffer. This position detracted 1% from the fund performance, dominating the underperformance of this component.

#### 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

- Stonehage Fleming Global Select Equity Fund
- Stonehage Fleming Core UK Equity Fund
- Stonehage Fleming UK Equity Income Fund
- Stonehage Fleming Global Best Ideas Fund
- Stonehage Fleming European All Cap Equity Fund

#### ASSET ALLOCATION

	% of Fund
Equity	51.2
Bonds – Government	16.0
Bonds - Non-Government	14.8
Hedge Funds	4.0
Alternative Strategies	12.2
Cash	1.8

#### TOP TEN HOLDINGS

Fund Name/Manager	Sector/Strategy	% of Fund
UK GILT IL 1.25% 22/11/27	Bonds – Government	10.0
SF Global Select Equity Fund <sup>1</sup>	Equities	9.4
SF Core UK Equity Fund <sup>2</sup>	Equities	8.0
SF UK Equity Income Fund <sup>3</sup>	Equities	6.1
SF Global Best Ideas Fund <sup>4</sup>	Equities	6.0
UK GILT 2% 07/09/25	Bonds – Government	6.0
SF European All Cap Equity Fund <sup>5</sup>	Equities	5.9
PIMCO Capital Securities Fund	Bonds – Non-Government	5.9
GAM Star Cat Bond Fund	Alternative Strategies	5.5
Bluebay Global High Yield Bond Fund	Bonds – Non-Government	4.9

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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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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.**

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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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