

# STONEHAGE FLEMING GLOBAL BALANCED PORTFOLIO FUND



**UNCONSTRAINED  
GLOBAL UNIVERSE**



**STRATEGICALLY  
MANAGED ASSET  
ALLOCATION**



**LONG TERM  
HORIZON**



**BLEND OF PASSIVE,  
FACTOR AND ACTIVE  
EXPOSURE**



**DEEP INVESTMENT  
RESOURCE**



**HIGH CONVICTION  
INVESTORS**

## FUND INFORMATION

Total Net Assets (Millions GBP)	31.3
Benchmark <sup>1</sup>	See footnote below
Fund Type	UCITS OEIC
Fund domicile	UK
Base currency	GBP
Currencies available	GBP
Fund launch	07 July 2011
Number of holdings	20
Income paid	Quarterly
Yield	1.4% <sup>2</sup>
Type of payment	Dividend
Payment date	February, May, August, November
Dealing	Daily
Performance fee	None
Custodian	Northern Trust Company
Administrator	Northern Trust Global Services
Manager	Stonehage Fleming Investment Management Limited

## INVESTMENT 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.

## INVESTMENT STRATEGY

- We construct globally orientated portfolios of long term investment ideas.
- We blend passive, factor and active market exposure targeting a robust multi-asset solution.
- We are conviction investors with all investments carefully assessed for purpose and clarity.

## FUND PERFORMANCE %

	3m	YTD	12m	3yrs p.a.	Since Fund Inception p.a.
Balanced Fund	0.9	5.2	5.2	4.8	4.0
Fund Benchmark	1.7	5.4	7.9	9.9	8.5

## DISCRETE ANNUAL FUND PERFORMANCE %

	Sep 16 - Sep 17	Sep 15 - Sep 16	Sep 14 - Sep 15	Sep 13 - Sep 14	Sep 12 - Sep 13
Balanced Fund	5.2	11.0	-1.4	2.7	8.1
Fund Benchmark	7.9	19.2	3.2	9.2	11.0

Source: For all performance is Stonehage Fleming Investment Management Limited as at 30 September 2017. Total return (with dividends reinvested) is net of fees.

## PERFORMANCE DISCLOSURE

Past performance is not a guide to future performance. The value of investments can fall. Investors may not get back the amount invested. Income from investments may vary and is not guaranteed. The return may increase or decrease due to currency fluctuations. Performance figures are net of fees and charges. For a full list of risks applicable to this fund, please refer to the Prospectus.

## PORTFOLIO MANAGER



Graham Wainer

Graham is CEO and Head of Stonehage Fleming Investment Management in London. He is also Chairman of the Investment Committee. Prior to joining to Group, Graham was GAM's Group Head of Investments – Multi Asset

Class Solutions and Chairman of GAM's Investment Advisory Board where he had overall responsibility for the firm's discretionary mandates and related co-mingled funds.

## DEPUTY PORTFOLIO MANAGER

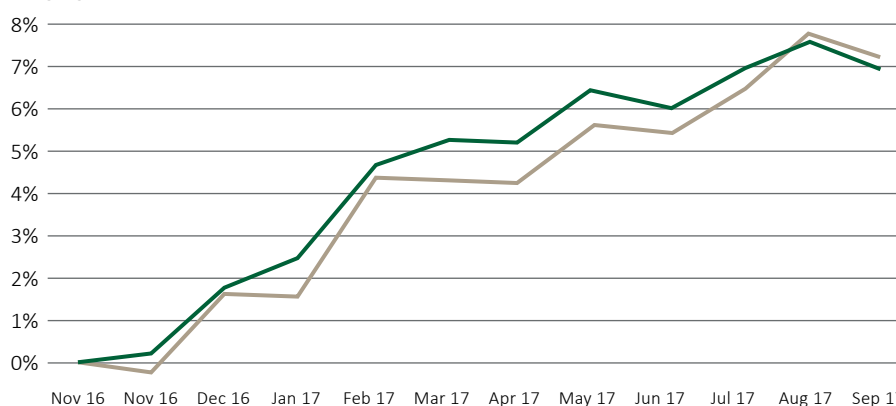


Peter McLean CFA

Peter is a member of the Investment Committee of Stonehage Fleming Investment Management, responsible for the management of our multi-asset investment offering. His main focus is on portfolio construction and investment research across asset classes and markets, as part of the strategic asset allocation framework.

## MANAGER PERFORMANCE HIGHLIGHTS

The fund was originally launched on 7 July 2011, however 7 November 2016 marked a change in portfolio management, with Graham Wainer, SFIM CEO & Head of Investments, managing the fund.



■ SF Global Balanced ■ Benchmark

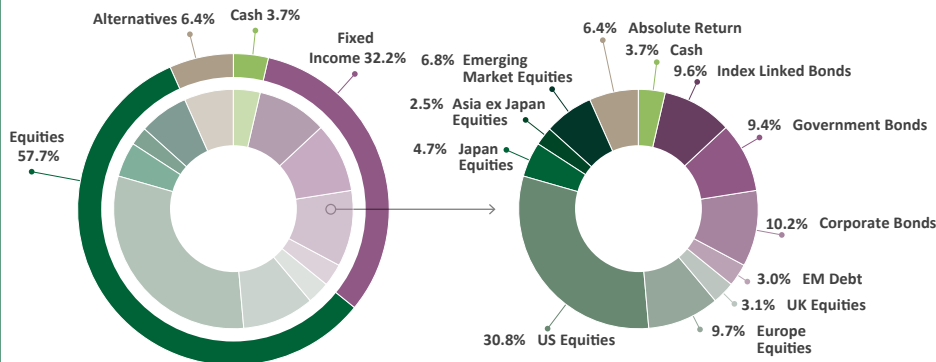
## GBP A (inc) share class details

ISIN	GB00B3QRG186
Inception date	7 July 2011
Max initial charge	5.00%
Max exit charge	5.00%
Ongoing charge (OCF) <sup>3</sup>	1.00%
Min initial investment (GBP)	50,000
Registered for sale	UK

<sup>1</sup> MSCI. The MSCI index has been customised as requested by Stonehage Fleming Investment Management Limited (SFIM). Such data may not be reproduced or re-disseminated and may not be used to create any financial instruments or products or any indices. Such data is provided without any warranties of any kind. Neither MSCI nor any of its suppliers have any liability in connection with such data. Prior to 3 April 2017, the benchmark was 45% JPM Global Government Bond Index (GBP hedged)/55% MSCI World Index. From the 3 April 2017 the benchmark is 45% Barclays Global Aggregate/55% MSCI AC World (40% GBP Hedged). <sup>2</sup> Net figure based on dividends paid in the year to 30 September 2017. <sup>3</sup> Effective from 3 April 2017. The OCF is the management fee plus additional fund expenses as a percentage of the assets of the fund. This gives an indication of annual expenses. This figure may vary over time. It excludes portfolio transaction cost.

# STONEHAGE FLEMING GLOBAL BALANCED PORTFOLIO FUND

## PORTFOLIO COMPOSITION



## TOP 5 ACTIVE STRATEGIES

Strategy	% of Portfolio
Invesco Perpetual Global Targeted Returns	6.4
Stonehage Fleming Global Best Ideas	4.9
PIMCO Global Investment Grade Credit	4.7
SF JO Hambro European All Cap	4.7
Lyrical Fund	4.5

## TOP 5 PASSIVE/FACTOR STRATEGIES

Strategy	% of Portfolio
iShares Core S&P 500 UCITS ETF	10.2
iShares EDGE MSCI Value UCITS ETF	7.4
iShares Core Emerging Markets IMI UCITS ETF	6.8
Vanguard Global Bond Index Fund	6.7
iShares Core Euro Stoxx 50 UCITS ETF	4.4

Source: Factset, Bloomberg, Northern Trust Global Services Limited. Source of all performance data: Northern Trust Global Services Ltd, Stonehage Fleming Investment Management Ltd calculations.

## PORTFOLIO COMMENTARY

During the third quarter, the SF Global Balanced Portfolio Fund returned 0.9%, taking returns for 2017 so far to 5.2%.

Global equity markets rose 2.1% during the quarter. Despite escalating tensions between the US and North Korea, market sentiment has reflected improving company earnings and supportive political outcomes in Europe. Bond markets struggled against a 'risk-on' tone with yields on core sovereigns rising over the period.

The current investment landscape is being supported by robust economic fundamentals, with global growth firing on most, if not all, cylinders. For the first time since 2007, all 46 countries that the OECD tracks are expected to grow their economies in 2017. This in turn is driving company earnings, employment, and steadily rising inflation. Such an economic environment is what we refer to as 'reflation' and we believe it still has further to go.

Our portfolio positioning reflects this view. Equities are our favoured asset class, representing 58% of the portfolio. We adopt a global orientation within equities, and favour Europe and Emerging Markets which we expect to perform well in this scenario. These regions delivered strong returns within the portfolio in the third quarter, both returning between 4-5%. In addition, we have tilted the portfolio towards managers and strategies which emphasise the 'value' style of equity investing, particularly in the US. In this case, recent additions to the portfolio worked well in Q3, particularly the iShares Edge MSCI USA Value ETF, up 2.4%, and the Lyrical Fund, up 1.9%.

While we are now into the ninth year of economic recovery in the US, we believe the risk of an imminent slip into a recession is low. To the contrary, there are multiple drivers of global growth for the first time since the global financial crisis, and as such, we intend to engage with risk assets accordingly.

## ACTIVE MANAGERS IN FOCUS

The portfolio blends a mix of active, passive and factor strategies. Approximately 40% of the portfolio is invested in those active managers where our conviction is the strongest. Below outlines three examples of this approach across asset classes.

### PIMCO Global Investment Grade Bond

This fixed income strategy offers investors broad exposure to investment grade credit, managed by PIMCO, the largest global bond manager. It offers the diversification benefit, yield premium, and greater total return potential of credit securities relative to conventional government securities. We have a high opinion of the management team and allocate to the fund as a core position in our fixed income component.

### Stonehage Fleming Global Best Ideas

This equity fund is managed in-house by Gerrit Smit, and allocates to a focused 25 stock portfolio of high quality global companies. The strategy is driven by fundamental research with a focus on sustainable earnings growth and a high return on capital, and has demonstrated a strong track record of outperformance over time. Top holdings currently include Alphabet, Visa and Accenture.

### Invesco Perpetual Global Targeted Return

This alternative fund is managed by Invesco's multi-asset team led by David Millar, and aims to deliver 5% per annum in excess of cash in all market environments, with a relatively low level of volatility. Typically 20-30 ideas are allocated to offer a broad source of return and risk drivers. The team have a strong track record of delivering to this objective. The strategy offers important diversification to the overall portfolio.

## IMPORTANT INFORMATION

Derivatives may be used for efficient portfolio management. The fund invests in assets which are denominated in other currencies; hence changes in relevant exchange rate will affect the value of the investment.

The Global Balanced Portfolio Fund ("the Fund") is a UCITS sub-fund of the Stonehage Fleming Global Multi Asset Umbrella Fund, which is a UCITS scheme that is authorised and regulated in the UK by the Financial Conduct Authority (reference number 541432). The Stonehage Fleming Global Multi Asset Umbrella Fund is an open-ended investment company with variable capital, incorporated in England and Wales under registered number IC000898. Registered office: 15 Suffolk Street, London, SW1Y 4HG.

The funds Authorised Corporate Director is Stonehage Fleming Investment Management Limited (SFIM), which

is authorised and regulated by the Financial Conduct Authority (reference number 194382). Registered office: 15 Suffolk Street, London, SW1Y 4HG. Registered in England with Company number 4027720.

Before you invest you should read the Key Investor Information Document (KIID) and the Prospectus which contain detailed information. These documents are available in English, free of charge, upon request by writing to Stonehage Fleming Investment Management Limited (SFIM) at 15 Suffolk Street, London, SW1Y 4HG; or by phoning 020 7087 0000 between 9am and 5pm Monday to Friday; or on SFIM's website at [www.stonehagefleminginvestments.com](http://www.stonehagefleminginvestments.com)

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