

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)	33.3
Benchmark ¹	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	1.2% ²
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	3.8	9.1	9.1	5.7	4.4
Fund Benchmark	2.9	8.6	8.6	9.5	8.7

DISCRETE ANNUAL FUND PERFORMANCE %

	Dec 16 - Dec 17	Dec 15 - Dec 16	Dec 14 - Dec 15	Dec 13 - Dec 14	Dec 12 - Dec 13
Balanced Fund	9.1	8.7	-0.5	2.1	8.8
Fund Benchmark	8.6	16.6	3.6	10.4	12.8

Source: Stonehage Fleming Investment Management Limited as at 31 December 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 the 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

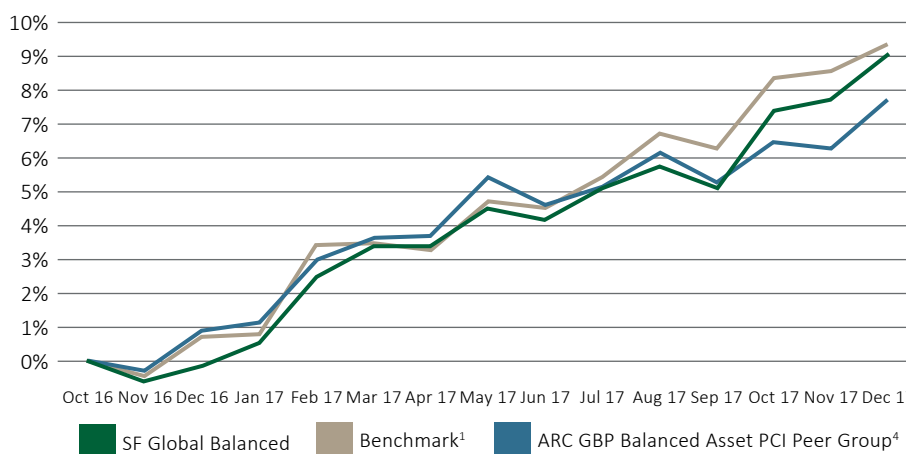


Peter McLean CFA

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 November 2016 marked a change in portfolio management, with Graham Wainer, SFIM CEO & Head of Investments, managing the fund.



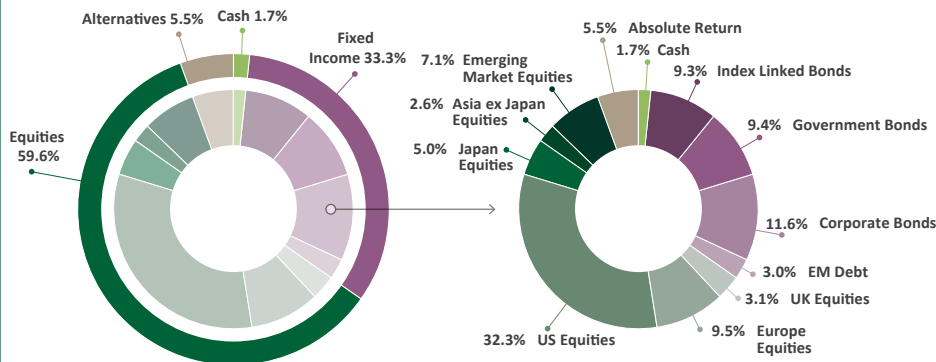
GBP A (inc) share class details

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

¹ 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). ² Net figure based on dividends paid in the year to 31 December 2017. ³ 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. ⁴ ARC Peer Group Index performance figures are net of management fees and withholding taxes. Asset Risk Consultants Limited (ARC) Private Client Indices ("PCI") are based on historical information and past performance is not indicative of future performance. PCI are computed using a complex calculation and the results are provided for information purposes only and are not necessarily an indicator of suitability for your specific investment or other requirements. ARC does not guarantee the performance of any investment or portfolio or the return of an investor's capital or any specific rate of return. ARC accepts no liability for any investment decision made on the basis of the information contained in this report.

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PORTFOLIO COMPOSITION



TOP 5 ACTIVE STRATEGIES

	% of Portfolio
PIMCO Global Investment Grade Credit	6.0
Invesco Perpetual Global Targeted Returns	5.5
Lyrical Fund	5.5
Stonehage Fleming Global Best Ideas	5.1
SF JO Hambro European All Cap	4.5

TOP 5 PASSIVE/FACTOR STRATEGIES

	% of Portfolio
iShares EDGE MSCI USA Value UCITS ETF	9.0
iShares Core S&P 500 UCITS ETF	8.5
iShares Core Emerging Markets IMI UCITS ETF	7.1
Vanguard Global Bond Index Fund	6.9
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 fourth quarter, the SF Global Balanced Portfolio Fund returned 3.8%, taking returns for 2017 to 9.1%.

Global equity markets had a strong finish to the year, returning 4.7% in GBP in the fourth quarter. This has been driven by a globally synchronised pick-up in economic activity and confidence, with progress towards tax reform in the US having a particularly strong impact on equity markets late in 2017.

While the current business cycle is now into an historically extended ninth year, the robust economic backdrop coupled with accommodative financial conditions support a constructive reflection within the portfolio. As such, we continue to engage with equity markets which represent nearly 60% of the portfolio. The US market represents around half of this, where we believe opportunities remain for rewarding capital growth, particularly in areas of the market that are attractively priced. Throughout 2017 we have tilted towards the so-called 'value' area of the market, with the iShares EDGE MSCI USA Value ETF representing the core of this reflection in the portfolio. In the fourth quarter this position returned 8.8%, outperforming the S&P 500 by 3.2%.

2017 also saw another strong year for Emerging Markets, which we continue to support within the portfolio. Emerging Market returns have been particularly buoyed by accelerating global growth, but also strong momentum in Asian technology stocks with companies such as Alibaba and Tencent demonstrating compelling growth potential. The iShares Core EM ETF returned 25.0% in 2017 overall.

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.

Lyrical Fund

This equity fund is managed by Andrew Wellington, and offers investors a valuation-oriented approach to US stock investing. The manager aims to identify US companies trading at deep discounts to their intrinsic value, and to construct a portfolio of approximately 30 equally weighted stocks which have compelling capital growth potential. It differs from other 'deep value' strategies by incorporating a strict quality criteria based on company fundamentals, resulting in the manager avoiding areas with excess leverage. Top holdings currently include Broadcom, Anthem and Ameriprise Financial Inc.

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

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