



## EMERALD 1 TRUST OFFERING - INVESTMENT

*The Emerald 1 Trust Offering is our in-house Trust service aimed at clients holding assets with a value of up to GBP5m. Integral to the offering, the client will benefit from the investment management services of Stonehage Fleming Investment Management, Jersey via our bespoke in-house investment platform*

### DESCRIPTION OF EMERALD 1 TRUST OFFERING

A trust-linked discretionary managed portfolio offering, with controlled fixed fees

### BENEFITS AT A GLANCE

- A Discretionary Management service on the Stonehage Fleming platform
- A strategy designed around the specific circumstances of each investor
- A sophisticated, disciplined and proven investment process
- Excellent communication and service levels

### RISKS AT A GLANCE

- Restrictions on Trustee's powers and obligations resulting in limitations to its responsibility and liability in respect of the portfolio and its performance: for further information, see trust deed and investment management agreement
- Any transfer of the portfolio or structure to a third party or third parties may take time and the associated costs and any market volatility of asset prices during transfer may contribute to a degradation in portfolio value for which Stonehage Fleming cannot be held responsible
- Performance is restricted to in-house asset management and other risks apply. See below under 'Principal Risks'

### SERVICE LEVELS

Our investment service offers a consistent record of solid performance paying close attention to the specific requirements of each client:

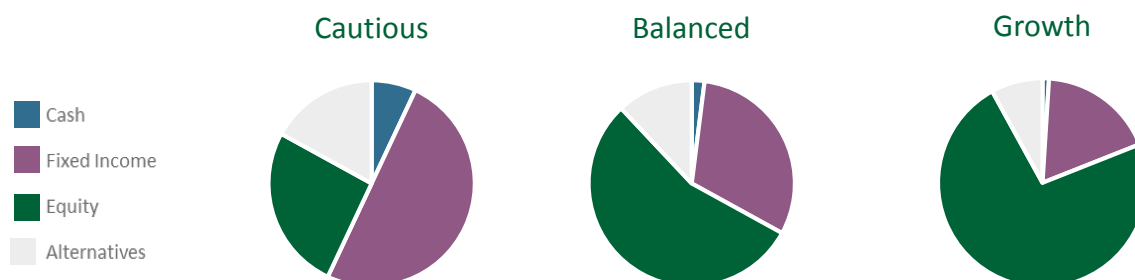
- An investment strategy is agreed to reflect a client's specific objectives
- A relevant benchmark is agreed to ensure that performance can be measured appropriately
- Meetings are offered at least once a year to ensure appropriate levels of communication

### OUR INVESTMENT PHILOSOPHY & PRINCIPLES

- **Macro aware - Manager driven:** We research the global economy to identify long term investment ideas and implement through talented managers
- **Know what we own:** We are conviction investors with all investments carefully assessed for purpose and clarity
- **Intellectual honesty:** We embrace established principles of investment management but challenge popular wisdom

## DISCRETIONARY INVESTMENT MANAGEMENT STRATEGIES

Investment services are provided by Stonehage Fleming Investment Management, Jersey (“SFIM Jersey”) drawing on the specialist research from our substantial team of analysts and experts. A key feature of the process is the identification of specialist managers with demonstrable track records of good risk management and successful long-term performance. The client’s portfolio will reflect our very best long term investment ideas, via a select group of talented fund managers. The portfolio strategy is based on the specific investment objectives for the portfolio, the following model allocations representing the strategic framework of our main strategies:



| RISK PROFILE         |  |  |  |
|----------------------|--|--|--|
| Long Term Target*    | UK/US Consumer Price Index (CPI) plus 2.0% | UK/US Consumer Price Index (CPI) plus 3.5% | UK/US Consumer Price Index (CPI) plus 4.5% |
| Volatility           | < 40% of MSCI World                        | 40-70% of MSCI World                       | 60-85% of MSCI World                       |
| Minimum Time Horizon | > 3 years                                  | > 5 years                                  | > 5 years                                  |

\*Targets are gross of tax and net of fees. When choosing a mandate client specific tax considerations need to be accommodated  
Source for charts and risk profile: Stonehage Fleming Dealing and Treasury Services (Jersey) Limited

## BLENDING INVESTMENT IDEAS WITH TALENTED FUND MANAGERS

We rigorously research global capital markets to identify compelling long-term investment ideas, implemented via a select group of exceptionally talented managers. We are ‘bottom-up’ rather than ‘top-down’ managers, where macroeconomic factors inform but do not drive investment decisions.

- Our starting point is identifying possible long-term investment ideas by tapping into our unique network of economic and industry specialists
- Our sources include extensive primary and secondary investment research, independent strategists, our fund managers and our clients
- A key feature of our process is the identification of specialist fund managers with demonstrable track records of successful investment. We maintain extensive manager databases.

## EQUITY-ONLY OPTION

In certain circumstances it may be appropriate for the investment strategy to be comprised of equity investments only where this is deemed suitable given the circumstances and objectives of the client. An example of this would be where a client has sufficient lower-risk or accessible assets outside the Emerald 1 Trust to allow for a higher-risk and more volatile holding with the structure. A portfolio may either be a single investment into the Stonehage Fleming Global Best Ideas Fund, or a strategy which is diversified across a range of equity managers chosen by us, depending on individual circumstances and preferences.

A portfolio with these characteristics would have a long term target of Consumer Price Index (CPI) plus 5.5% with volatility of 100% of the MSCI AC World Index.

## INVESTMENT MANAGEMENT PRICING

| SERVICE TYPE  | DESCRIPTION   | FEES  |      |
|---------------|---|---|------|
| Discretionary | Investments are made at the manager's discretion and implemented by the portfolio management team | Portfolios valued up to GBP2,500,000  | 0.9% |
|               |   | Portfolios valued between GBP2,500,001-GBP5,000,000   | 0.8% |
|               |   | Portfolios in excess of GBP5,000,000  | 0.7% |
|               |   | Charged quarterly in arrears – otherwise subject to terms & conditions<br><i>Custody, transactional and other fees are applied by Stonehage Fleming Dealing and Trust Services (Jersey) Limited for Stonehage Fleming Investment Management, Jersey managed portfolios and details will be made available in a separate fee sheet</i> |      |

## CONDITIONS

- There are conditions associated with Emerald 1 Trust Offering and particularly the trust element of the offering that apply, so please read the Emerald 1 Trust Offering factsheet for further information.

## PRINCIPAL RISKS

- **Volatility and portfolio performance:** The value of investments may go up as well as down and the full value of the initial investment may not be received by beneficiaries. Past performance is no guarantee of future performance. Income and returns from investment may fluctuate with market conditions. Portfolio performance is restricted in Emerald 1 Trust Offering to Stonehage Fleming Investment Management discretionary management solutions, which may prove less, or more beneficial than if a non – linked portfolio had been implemented, but which the client accepts by entering into this offering.
- **Exit:** Should the settlor consider portfolio performance does not meet the settlor's expectations, the settlor may request to transfer management of the portfolio to a third party, but this will require an exit fee of £3,000 to be paid, and liquidation of the portfolio, transfer to a third party and re-establishment of new portfolio may take time to implement during which time relevant markets may have adversely moved against the settlor for which the trustee accepts no responsibility.
- **Translation risk:** Translation risk may apply. If investment takes place in a currency other than the currency of the jurisdiction in which the settlor normally resides (the home currency), then any investment into, and disinvestment from the portfolio will be exposed to fluctuations in the value of the currency in which the portfolio is invested and the home currency, which may be favourable, or adverse to the value of the portfolio when translated into the home currency.
- Further legal and other risks are set out in the trust deed and the investment manager and trustee's terms and conditions.

## INVESTMENT MANAGER



**Guy Gilson**  
Partner - Investment Management

Guy is a Partner of the Stonehage Fleming Group. He heads the Investment Management business of the Group's Jersey office and has over 30 years' experience in the investment and wealth management sector.

[guy.gilson@stonehagefleming.com](mailto:guy.gilson@stonehagefleming.com)

Tel +44 1534 823018

## STONEHAGE FLEMING REGULATORY INFORMATION

*Stonehage Fleming Trust Holdings (Jersey) Limited (SFTHJ) and its affiliated members and Stonehage Fleming Dealing and Treasury Services (Jersey) Limited (SFDTs) are regulated by the Jersey Financial Services Commission. SFTHJ and SFDTs have issued this financial promotion. Stonehage Fleming Dealing and Treasury Services (Jersey) Limited (SFDTs) is a registered juristic representative of Stonehage Fleming Investment Management (South Africa) (Pty) Ltd (FSP42847) and is regulated in South Africa by the Financial Sector Conduct Authority. SFTHJ's and SFDTs's registered addresses are both at No. 2 The Forum, Grenville Street, St Helier, Jersey, JE1 4HH Channel Islands.*

*Services are provided by: TAS Trust (Jersey) Limited, which is a participating member in the regulated affiliation for which SFTHJ is the regulated affiliation leader. SFIM Jersey is a trading name and division of SFDTs. SFDTs, via its division, SFIM Jersey, is providing the investment management service. Custodian services are provided by SFDTs. The protector shall either be the settlor or an individual appointed by the settlor.*

*Stonehage Fleming cannot be held responsible for any changes in law or regulation that may adversely affect the viability of Emerald 1 Trust Offering, including but not limited to changes in tax legislation and regulation.*

*Fees and charges will be taken from the assets held within the portfolio. A reduction in the value of assets held within the portfolio and any income from those investments may result if performance does not exceed fees and charges debited to the portfolio. The termination/transfer fees may be settled separately from the assets comprising the portfolio, upon notification to the trustee and upon acceptance by and to the satisfaction of the trustee of a suitable method for prompt payment of the trustee's fees. Fees paid to date are not refundable in the event of transfer or termination.*

*The investment management terms and conditions and the trust deed are available from the client's Emerald 1 Trust Offering Investment Manager. See also the Emerald 1 Trust Offering Factsheet for further information about the trust linked to this portfolio.*

**Ref: 2019-015 HGHR**

