

# MI Charles Stanley Multi Asset Cautious Fund

## Investment objective and policy

The Fund aims to deliver gross investment returns in excess of inflation (as measured by the UK Consumer Prices Index) plus 1% per annum, over a 5-year period.

The Fund will primarily invest in collective funds, transferable securities, other collective investment schemes, money market instruments, cash and deposits, and is also able to use derivatives for efficient portfolio management and investment purposes. Asset allocation exposure of the Fund will be actively managed and typical allocation will be as follows: 30-60% higher risk assets (including equities, commodities and property securities) and 40-70% lower risk assets (debt instruments e.g. bonds and cash).

Investors with a long-term time horizon who can accept stock market volatility may wish to consider this fund.

## Latest commentary

Hopes that Donald Trump's trade war with China could be resolved quickly were dashed in May after the US raised further punitive tariffs on Chinese goods. Unexpectedly, a fresh wave of tariffs directed at Mexico were announced in an unusual use of the executive order to try and tackle immigration. This acceleration has resulted in markets moving off highs after a strong rally in the first four months of 2019. The recent dovish tone from Central Banks as well as heightened trade fears resulted in bond yields falling substantially over the month.

Increased negative rhetoric against China and companies such as Huawei has resulted in worries that a technology cold war between the world's two largest economies could dampen global growth. The next opportunity for President Trump and President Xi Jinping to meet will be at the G20 summit in Osaka at the end of June, but both sides appear to be getting more entrenched in their positions. Shares in emerging markets had been rallying following a significant period of underperformance, but the acceleration of the trade war has prompted a sell-off in equities exposed to these fledgling nations. The S&P 500 fell over 6% in May in dollar terms while the FTSE All Share was down 3% on a total return basis.

EU leaders granted the UK a six-month extension of the Brexit deadline until 31 October to agree a way forward, but Prime Minister Theresa May finally conceded that her withdrawal agreement was unlikely to be voted through parliament and announced her resignation. Mrs May will continue as caretaker prime minister until the Conservative Party elects a new leader, a process that is unlikely to be finished until July. A large number of current Tory MPs have thrown their hat into the ring, with hustings expected to take place on major TV channels. The European parliamentary elections saw the rise of Eurosceptic-populist parties but they do not have an outright majority, with the traditional centre-left and centre-right parties still holding the balance of power. In the UK however the newly formed Brexit Party took seats from all the main parties and claimed the victory.

The fund reported a total return of -1.3% in May compared to an average of -1.0% by our peers in the IA Mixed Investment 20-60% Shares sector (Source: Financial Express Analytics as at 31<sup>st</sup> May 2019, total return, sterling, bid-to-bid, net income reinvested, net of ongoing charges and fees).

During the period, we added Greencoat UK Wind Plc, a fund investing in wind farms assets across the UK. We like the quality of the assets as well as the return diversification that infrastructure provides. We continued to build up the medium term US treasuries exposure as a "risk off" position as well as positioning for the expectation that the Federal Reserve will rotate its Mortgage Backed Security holdings into both nominal bonds and T-bills.

## Performance

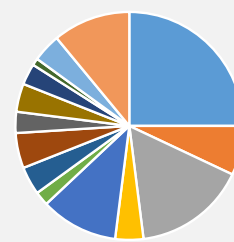
| Share Class                             | 1 month | 3months | 6months | 1year | Since Inception |
|---|---------|---------|---------|-------|-----------------|
| MI Charles Stanley Multi Asset Cautious | -1.3    | 1.1     | 1.3     | -0.9  | 2.4             |
| IA Mixed Investment 20 - 60% Shares     | -1.0    | 2.1     | 3.2     | 0.6   | 4.7             |
| Quartile                                | 3       | 4       | 4       | 3     | 3               |

Source: Financial Express Analytics at 31/05/19 Total Return, Sterling, bid-to-bid, net of ongoing charges and fees, net income reinvested. Returns are based on the A share class. Past performance is not a reliable indicator of future results.  
All data as at 31<sup>st</sup> May 2019

## Portfolio facts

| Launch Date                             | Fund Type  | Denomination      |
|---|------------|-------------------|
| 03-Apr-17                               | UCITS OEIC | Sterling          |
| Fund size                               | Domicile   | ISA/SIPP Eligible |
| £ 3.05 M                                | UK         | Yes               |
| Investment Manager                      |            |                   |
| Charles Stanley & Co. Limited           |            |                   |
| Authorised Corporate Director           |            |                   |
| Maitland Institutional Services Limited |            |                   |

## Asset allocation – GICS Sectors



|                           |     |
|---------------------------|-----|
| Government Bond           | 25% |
| Inflation Linked Bond     | 7%  |
| Investment Grade Bond     | 16% |
| High Yield Bonds          | 4%  |
| North America Equities    | 11% |
| Japan Equities            | 2%  |
| Europe Equities           | 4%  |
| UK Equities               | 5%  |
| Pacific ex-Japan Equities | 3%  |
| Emerging Markets Equities | 4%  |
| Property                  | 3%  |
| Alternatives              | 1%  |
| Infrastructure            | 4%  |
| Cash & Equivalent         | 11% |

### Top ten holdings

|                                | %   |
|--------------------------------|-----|
| iShares £ Corporate Bond 0-5yr | 9.1 |
| Axa £ Credit Short Duration    | 7.3 |
| iShares Core S&P 500           | 5.3 |
| US Treasury 2.75% 30/11/2020   | 4.9 |
| US Treasury 2% 15/02/2023      | 4.3 |
| Ashmore Emerging Markets       | 4.0 |
| iShares GBP Ultrashort Bond    | 4.0 |
| iShares Plc - FTSE 100         | 3.8 |
| L&G European Index             | 3.6 |
| US Treasury 0.125% 15/07/26    | 3.5 |

Figures subject to rounding.

## Investment team

We operate a team-based approach which ensures collaborative decision making and continuity within our investment process. Our fund managers, research analysts and the Investment Strategy Committee work as a team to provide consistent, long-term investment returns for the appropriate level of risk.

## Our investment approach and philosophy

We believe in taking a long term investment approach focusing on returns in excess of inflation. We focus on strategic asset allocation as a primary driver of managing not only returns, but also risk. That said, we maintain flexibility to adjust positioning in light of market conditions. The strategy is implemented through a blend of passive and active funds and the fund also invests directly in individual equities and fixed income securities.

## Fund ratings



Dynamic Planner® is a registered trademark of Distribution Technology.

## Share class details

| Share Class | Initial Charges % | Ongoing Charges % | Share Price (p) | Yield % | ISIN         | Sedol   |
|-------------|-------------------|-------------------|-----------------|---------|--------------|---------|
| A Acc       | 0.00              | 1.30              | 102.4           | 0.9     | GB00BD89MF85 | BD89MF8 |
| A Inc       | 0.00              | 1.30              | 100.3           | 1.0     | GB00BD89MD61 | BD89MD6 |

The yield reflects distributions made over the past twelve months as at the date shown on this factsheet. Yields are not guaranteed and may vary in the future.

### FIND OUT MORE

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### PLATFORMS

- Charles Stanley Direct
- Cofunds (Instiutional)
- Aegon
- AJ Bell
- Ascentric
- Aviva
- Novia
- Transact

For full details about how to invest, the administration of your investment and further information about the risks, please read the Prospectus, Key Investor Information Document (KIID) and Supplementary Information Document (SID), which can be obtained from Maitland's website at [www.maitlandgroup.com](http://www.maitlandgroup.com)

### Important Information

**The value of investments, and the income derived from them, can go down as well as up and may be affected by exchange rate variations. You may not get back what you originally invested. Past performance is not a reliable indicator of future returns.**

The fund may invest more than 35% in securities issued by any one or more of the governments listed in the fund prospectus. Such exposure may be combined with the use of derivatives in pursuit of the fund objective. It is not currently envisaged that the fund's exposure to such securities may exceed 35%. The information contained in this Financial Promotion does not constitute advice or a personal recommendation, nor does it constitute an invitation to purchase shares. Investments should be made on the basis of the Prospectus, Key Investor Information Document (KIID), and Supplementary Information Document (SID) available from Maitland Institutional Services Limited on request. We recommend that you seek advice concerning suitability from a regulated financial adviser. Maitland Institutional Services Limited is the Authorised Corporate Director of the Charles Stanley Investment Funds and is authorised and regulated by the Financial Conduct Authority, Registered in England No. 6252939. Registered Office: Hamilton Centre, Rodney Way, Chelmsford, Essex, CM1 3BY, United Kingdom.

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