

MI Charles Stanley

Multi Asset Moderate 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 2% 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: 40-75% higher risk assets (including equities, commodities and property securities) and 25-60% lower risk assets (debt instruments e.g. bonds and cash).

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

Fund facts

| | | |
|---|------------------|--------------------------|
| Launch Date | Fund Type | Denomination |
| 03 Apr 2017 | UCITS OEIC | Sterling |
| Fund Size | Domicile | ISA/SIPP Eligible |
| £21.2m | UK | Yes |
| Investment Association Sector | | |
| Mixed Investment 40-85% Shares | | |
| Investment Manager | | |
| Charles Stanley & Co. Limited | | |
| Authorised Corporate Director | | |
| Maitland Institutional Services Limited | | |

Latest commentary

General: Global equity markets pulled back substantially in the last quarter of the year as concerns continued around rising interest rates, global trade wars, Brexit and mainland European geopolitical issues. Central Banks across the globe are either actively pursuing or beginning to consider more restrictive monetary policy which, added to some weaker economic data releases, has compounded fears that the cycle might be coming towards an end.

In Europe the Brexit negotiations rumbled on but there appears to be an almost impossible task ahead for Prime Minister May to try and get any kind of a deal through parliament. The Italians however have managed to compromise on a budget deal rather than risk further destabilisation within the region. At the same time the French government is now under pressure from the Gilets Jaunes and are now looking to breach Eurozone budget deficit rules to appease voters.

Meanwhile in the United States President Trump and the Republican Party lost the House of Representatives to the Democrats in the midterm elections. This will likely make it more difficult for him to push ahead with certain elements of his electoral promises but may provide him with someone to blame should he come under pressure. The Federal Reserve have been facing the brunt of his latest criticism following their decision to continue to raise interest rates in December but we expect a more dovish tone going forwards along with many in the market.

Concerns about a global slowdown, especially within China, have pushed oil prices down over 30% during the quarter which while a negative for the Oil & Gas sector heavy FTSE 100 index is likely to reduce the risk of inflationary pressure that may come from extended trade wars.

Multi Asset Moderate Fund: The fund reported a total return of -3.6% in December compared to an average of -3.9% by our peers in the IA Mixed Investment 40-85% Shares sector (Source: Financial Express Analytics as at 31st December 2018, total return, sterling, bid-to-bid, net income reinvested, net of ongoing charges and fees).

We sold out of Kames High Yield Bond fund during the month following the departure of the management team and the recommendation of our research team. Some of the proceeds we re-invested in the Ashmore Emerging Market Total Return bond fund. We also bought some short dated US government bonds where we think yields have risen sufficiently for the time being.

Performance (%)

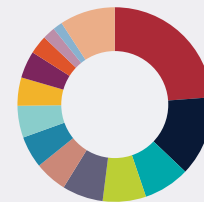
| Share Class | 1 month | 3 months | 6 months | 1 year | Since Launch (03/04/2017) |
|-------------|---------|----------|----------|--------|---------------------------|
| A Inc | -3.6 | -6.8 | -5.9 | -6.4 | -1.4 |
| IA Sector | -3.9 | -7.9 | -6.6 | -6.1 | -0.4 |
| Quartile | 2 | 1 | 2 | 2 | 3 |

Source: Financial Express Analytics, Total Return, sterling, bid-to-bid, net income reinvested, net of ongoing charges and fees.

All data as at 31 December 2018

Source: Charles Stanley & Co. Limited

Asset allocation



| | % |
|-----------------------|------|
| North America | 23.8 |
| Government Bond | 13.3 |
| Investment Grade Bond | 7.7 |
| Pacific ex-Japan | 7.2 |
| Japan | 6.8 |
| Inflation Linked | 5.4 |
| Alternatives | 5.3 |
| UK | 5.3 |
| Europe | 4.7 |
| Emerging Market | 4.5 |
| High Yield | 3.1 |
| Infrastructure | 2.1 |
| Property | 1.6 |
| Cash & Equivalent | 9.2 |

Top ten holdings

| | % |
|--------------------------------------|-----|
| L&G Japan Index Trust | 6.3 |
| iShares GBP Corporate Bond 0-5 | 5.7 |
| UBS - MSCI USA ETF | 5.5 |
| Vanguard S&P 500 ETF | 5.5 |
| Legal & General European Index Trust | 4.7 |
| iShares FTSE 100 | 3.8 |
| db x-trackers MSCI USA | 3.2 |
| Fidelity Asian Values | 3.2 |
| Ashmore EM Total Return Income Fund | 3.1 |
| US Treasury 2.75% 2020 | 3.0 |

Past performance is not indicative of future performance. The value of investments may fall as well as rise and the income from them may fluctuate and is not guaranteed. Investors may not recover the amount invested.

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 | ISIN | Sedol |
|-------------|-----------------|-----------------|-------------|--------------|---------|
| A Acc | 0.00% | 1.30% | 98.59p | GB00BD89MH00 | BD89MH0 |
| A Inc | 0.00% | 1.30% | 97.38p | GB00BD89MG92 | BD89MG9 |

FIND OUT MORE

☎ 0207 149 6437
 @ asset.management@charles-stanley.co.uk
 🌐 www.charles-stanley.co.uk
 Charles Stanley & Co. Limited
 55 Bishopsgate
 London EC2N 3AS

SUBSCRIPTIONS

☎ 0345 308 1456
 📅 020 7739 7798
 @ charlesstanley@maitlandgroup.co.uk
 Maitland Institutional Services Limited
 Springfield Lodge
 Colchester Road
 Chelmsford CM2 5PW

PLATFORMS

- ▶ Charles Stanley Direct
- ▶ Cofunds (Institutional)
- ▶ Aegon
- ▶ Aviva
- ▶ AJ Bell
- ▶ Novia
- ▶ Ascentric
- ▶ 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

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: 2nd Floor, Springfield Lodge, Colchester Road, Springfield, Chelmsford, Essex CM2 5PW.

This document has been approved and issued by Charles Stanley & Co. Limited. Unless a specific source is given, Charles Stanley & Co. Ltd is the source of the information within this document. The information in this document is based upon sources we believe to be reliable, but its accuracy cannot be guaranteed.

Charles Stanley is a trading name of Charles Stanley & Co. Limited, which is authorised and regulated by the Financial Conduct Authority. A member of the London Stock Exchange. Registered in England No. 01903304. Registered address: 55 Bishopsgate, London EC2N 3AS.