

Total Return 3 Multi Manager

Investment objective and policy

These discretionary managed model portfolios offer risk-profiled investment solutions, investing predominantly in actively managed, third party funds. We believe this is an efficient way to access global investment opportunities and the model portfolio is diversified in terms of asset class, region and size of company.

The investment objective for the Multi Manager Total Return 3 Model Portfolio is to provide a long-term total return which is superior to inflation plus 2% returns. The performance of the model portfolio is not intended to track the rise (or fall) of any specific index.

Key facts

Inception Date	1 December 2009
Indicative Yield	2.20%
Annual Management Charge (including VAT)	0.36%
Total Ongoing Charge (of underlying funds)	0.96%
Portfolio Total Ongoing Charges*	1.32%

Latest commentary

August was a negative month for equities, as investors grew concerned about the acceleration in the trade war between America and China, and its impact on global growth. President Trump's decision to raise tariffs on all Chinese goods imported into the US shocked the market, and resulted in a significant global sell off. He also urged US companies to stop doing business with China and leave the country. Beijing said it would implement 'countermeasures' against any raised tariffs. In Sterling terms, all major indices fell; the FTSE 100 by 5%, the S&P500 1.3%, MSCI Europe 1.8%, MSCI Emerging Markets 4.6%, and MSCI Japan 0.5%. Nonetheless, all these indices are still positive for the year to date.

Central banks globally are now in an easing cycle. The US Federal Reserve cut interest rates at the end of July for the first time in a decade, and the European Central Bank stated that the region's growth and inflation outlooks had deteriorated further. Its commentary has paved the way for a number of policy-easing measures expected at its September meeting. Finally, whilst the Bank of England and Bank of Japan have not formally guided the markets to expect easier policy, they have not stepped in the way of markets anticipating such a move.

The future shape of the UK's relationship with the European Union still remains unclear. Prime Minister Johnson has committed to leaving by 31 October, even if no formal deal has been agreed. This has led to a weakening of the pound, which has provided some support for the FTSE 100. The majority of earnings generated by the index's constituent members come from abroad, so a weak currency will increase profits when stated in sterling terms.

Although economic growth is expected to slow in most regions, corporate earnings are still forecast to rise by a modest amount this year. Any resolution of the trade dispute between China and the US will be good for sentiment, and action by central banks is expected to provide continuing support for equity markets. However, volatility is likely to continue, with markets currently being driven more by politics than fundamentals.

Henderson Strategic Bond fund seeks opportunities throughout global fixed-income markets. The fund's long duration preference is expressed largely through developed government bond holdings. Their significant Australian sovereign bond position has been particularly rewarding as the Australian housing market and inflation continue to weaken. That management positioned the portfolio for an environment of lower economic growth and increasing central bank support by shying away from high yield debt. This resulted in the fund returning 2.67% in August.

Legal & General Global Real Estate aims to provide a combination returns in line with global developed market property companies and Real Estate Investment Trusts. This diversified global property portfolio performed well in August, returning 1.09%.

Highly-experienced emerging market investor James Donald continues as lead manager on the **Lazard Emerging Markets** fund. The management team is bullish on emerging markets despite the negative narrative surrounding the asset class due to concerns over trade protectionism. The large exposures to emerging Asia and Latin America meant the fund fell by 6% in August.

Performance %

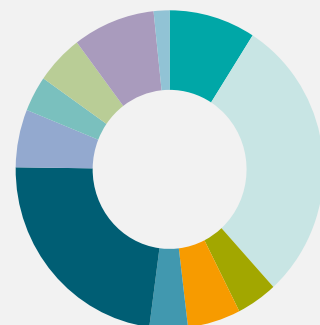
Discrete Performance	Sep 18 - Aug 19	Sep 17 - Aug 18	Sep 16 - Aug 17	Sep 15 - Aug 16	Sep 14 - Aug 15	3 yr Volatility
Multi Manager Total Return 3	4.6%	3.4%	9.9%	8.0%	3.6%	5.7%
UK CPI + 2%**	4.0%	4.6%	4.6%	2.6%	2.1%	1.1%

Cumulative Performance	1m	3m	6m	1yr	3yr	5yr
Multi Manager Total Return 3	-1.3%	4.6%	7.1%	4.6%	18.8%	33.0%
UK CPI + 2%**	0.2%	0.8%	2.5%	4.0%	13.8%	19.3%

Source: FE Analytics, all data as at 31/08/2019

Past performance is not a reliable guide to future performance. The performance is net of Charles Stanley investment management fees, with income reinvested. *This includes the underlying funds' Ongoing Charges Figure plus Transaction costs plus Incidental costs. **UK Consumer Price Inflation figures quoted with a 1 month lag.

Asset Allocation



Alternatives	9%
Fixed Interest	29%
Property	4%
UK Equity	6%
EU Equity	4%
US Equity	23%
Asia Pacific Ex-Japan Equity	6%
Japan Equity	4%
Emerging Markets Equity	5%
Infrastructure	9%
Cash	2%

Top ten holdings

Top ten holdings	%
L&G - US Index Trust I Acc	11
Vanguard Global Short-Term Bond GBP Hedged Acc	10
Artemis - US Extended Alpha I Acc GBP	7
Fidelity - American Special Situations W Acc	6
Artemis - Strategic Bond I Monthly Acc	6
Janus Henderson - Strategic Bond I Acc	6
Man GLG - Undervalued Assets Professional C Acc	5
Schroder - Strategic Credit L Acc	5
First State Global Infrastructure	5
Investec Diversified Income	4

Total Return 3

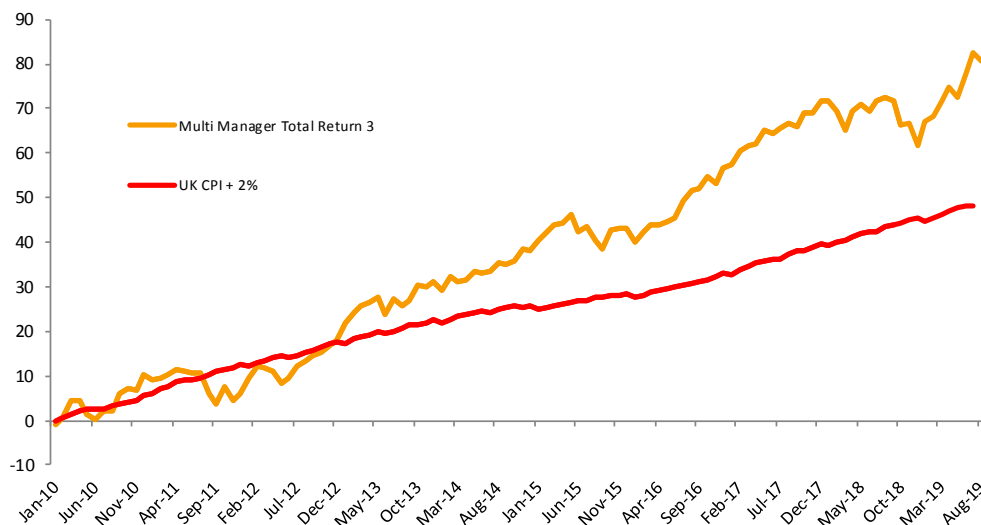
Investment Team

The model portfolios are managed by the Charles Stanley Asset Management Division. The team of portfolio managers and analysts have extensive experience, drawing upon the expertise of investment specialists, strategists and economists both internally and externally. The research team is focused on finding the very best from the available universe of over 5,000 funds.

Risk Profile and Ratings



Performance since Inception



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ACCOUNTS

- General Investment Account
- ISA
- SIPP
- Offshore Bond

Minimum Investment £1,000*
(subject to platform minimum requirements)

PLATFORMS

- Aegon
- Aviva
- James Hay
- Nucleus
- Transact
- 7IM
- Ascentric
- Fusion
- Novia
- Standard Life
- Zurich

Important Information

The value of investments, and any income derived from them, can fall as well as rise and may be affected by exchange rate variations. Investors may get back less than invested.

Performance is calculated on a Total Return basis using a notional portfolio in FE Analytics (FE). Performance is net of Charles Stanley investment management fees but not adviser fees nor platform costs. Any charges and fees applied by platforms and/or authorised intermediaries will be charged in addition to the charges shown. The Total Ongoing Charges Figure (TOC) is calculated on a periodic basis using a weighted average of the most recent publicly available Total Ongoing Charges for the underlying investments as at the date of the factsheet. This includes the underlying funds' Ongoing Charges Figure plus Transaction costs plus Incidental costs. Please note that whilst we endeavour to show all charges associated with specific funds, sometimes this is not possible due to the information not being made available by the fund provider. In such cases transaction or incidental cost information may be missing.

The Indicative Yield is provided for guidance purposes only and is calculated on a periodic basis using a weighted average of the most recent publicly available income yields for the underlying investments. Yields for the underlying funds, and thus for the strategy, are likely to differ in the future. The Indicative Yield does not represent guaranteed income.

Portfolios linked to this Model Portfolio may not exactly replicate the model due to the difference in timing of initial investment or rebalancing differences resulting from minimum transaction size limits on platforms. The management and rebalancing of this Model Portfolio does not take Capital Gains Tax into consideration.

This factsheet has been prepared for information purposes only and does not constitute advice or a personal recommendation, nor does it constitute an invitation to purchase units or shares. The information on which the document is based is deemed to be reliable. Charles Stanley has not independently verified such information and its accuracy or completeness is not guaranteed.

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