

# Total Return 4

## Multi Manager

# CHARLES STANLEY

## Managed Portfolio Service

### 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 4 Model Portfolio is to provide a long-term total return which is superior to inflation plus 3% returns. The performance of the model portfolio is not intended to track the rise (or fall) of any specific index.

### Latest commentary

For the time being, at least, we have returned to a world of asset-price reflation. The dark days of late December, which were characterised by steep falls in equities as market participants became increasingly worried that the US Federal Reserve was making a policy error by tightening into an economic slowdown, at present seem a long way away.

What has changed? Well, it's not the global economy as growth data has yet to improve. What about corporate earnings growth? Once again, expectations have fallen over the last three months and low to mid-single digit growth for 2019 appears to be the consensus, roughly half the run rate expected in the fourth quarter of last year. What has changed, however, is there seems to have been a shift in the Fed's thinking. Below-target inflation now seems to be viewed as more undesirable than a mild overshoot in inflation. This has potentially profound implications for the conduct of US monetary policy in that periods of higher inflation could be tolerated to offset times when it has been undesirably weak.

As a result of this policy shift, the interest rate landscape has shifted markedly, with a continuation of the Fed's more dovish guidance taking the prospects of further rate hikes off the table for the foreseeable future. This has been augmented by them also announcing that it will end the process of shrinking its balance sheet (quantitative tightening) in September this year rather than in the first or second quarter of 2020. The net result of this is lower medium and long-dated sovereign bond yields which effectively reduces the discount rate applied to equity earnings, boosting present values and supporting a degree of price/earnings multiple expansion.

However, there is a tension between the pricing of equities, credit and commodity markets on the one hand and sovereign bond markets on the other. The former price in quite a low probability of a recession whereas the latter paint a gloomy picture of the prospects for the global economy. Clearly both can't be right!

L&G Global Real Estate Dividend was the best performer in March, returning 6.12% from the global rise in property indexes, principally driven by the fall in global bond yields as central banks moved to a more dovish stance. Blackrock Asian Special Situations also performed well in March, benefitting from the funds overweight position in China and notably in the technology sector. Henderson UK Absolute Return was the worst performer producing a negative yield of -0.3%, market conditions of stocks rising with a high correlation and low volatility are unfavourable conditions for this absolute return fund to perform.

### Performance %

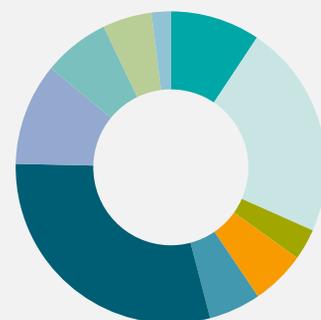
Discrete Performance	Apr 18 - Mar 19	Apr 17 - Mar 18	Apr 16 - Mar 17	Apr 15 - Mar 16	Apr 14 - Mar 15	3 yr Volatility
<b>Multi Manager Total Return 4</b>	4.2%	3.1%	19.8%	-1.5%	10.3%	6.7%
<b>UK CPI + 3%*</b>	4.9%	5.8%	5.4%	3.3%	3.0%	1.1%

Cumulative Performance	1m	3m	6m	1yr	3yr	5yr
<b>Multi Manager Total Return 4</b>	1.9%	6.6%	-1.0%	4.2%	28.6%	39.7%
<b>UK CPI + 3%*</b>	0.7%	0.6%	1.8%	4.9%	16.9%	24.4%

### Key facts

<b>Inception Date</b>	1 January 2004
<b>Indicative Yield</b>	1.71%
<b>Annual Management Charge (including VAT)</b>	0.36%
<b>Total Ongoing Charge (Of underlying funds)</b>	1.15%
<b>Portfolio Total Ongoing Charge</b>	1.51%

### Asset Allocation



Alternatives	9%
Fixed Interest	22%
Property	3%
UK Equity	6%
EU Equity	5%
US Equity	29%
Asia Pacific Ex-Japan Equity	11%
Japan Equity	7%
Emerging Markets Equity	5%
Cash	2%

### Top ten holdings %

L&G - US Index Trust I Acc	10
Fidelity - American Special Situations W Acc	10
Artemis - US Extended Alpha I Acc GBP	10
Vanguard Global Short-Term Bond GBP Hedged Acc	9
Schroder - Asian Alpha Plus Z Acc	8
Man GLG - Japan Core Alpha C Professional Acc	7
Man GLG - Undervalued Assets Professional C Acc	6
BlackRock - European Dynamic FD Acc	5
Schroder - Strategic Credit L Acc	5
Artemis - Strategic Bond I Monthly Acc	5

Source: FE Analytics, all data as at 31/03/2019

Past performance is not a reliable guide to future performance. The performance is net of Charles Stanley investment management fees, with income reinvested. \*UK Consumer Price Inflation figures quoted with a 1 month lag.

# Total Return 4

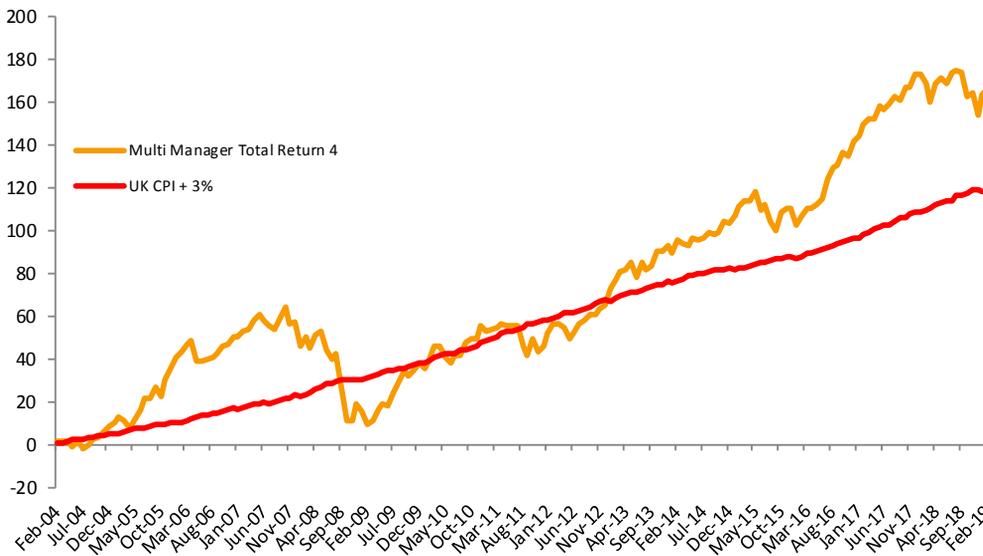
## Investment Team

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



Past performance is not a reliable guide to future performance. The performance is net of Charles Stanley investment management fees, with income reinvested

### FIND OUT MORE

020 7149 6416

[asset.management@charles-stanley.co.uk](mailto:asset.management@charles-stanley.co.uk)

[www.charles-stanley.co.uk](http://www.charles-stanley.co.uk)

Charles Stanley & Co. Limited  
55 Bishopsgate  
London  
EC2N 3AS

### ACCOUNTS

- General Investment Account
- ISA
- SIPP
- Offshore Bond

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

### PLATFORMS

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

## Important Information

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

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.

Charles Stanley & Co. Limited is authorised and regulated by the Financial Conduct Authority.