

STERLING ASSET MANAGEMENT FUND

Minimum disclosure document (fact sheet) as at 31 May 2018

Investment objectives & strategy

This Fund aims to achieve an increase in value whilst suppressing volatility and risk, through a conservative allocation of assets between, primarily, international equities, fixed interest securities and cash or money market instruments. Exposure to equities is limited to a maximum of 50% and exposure to fixed income securities is limited to a maximum of 70%. Exposure to currencies, other than base currency, after hedging, will not exceed 50%.

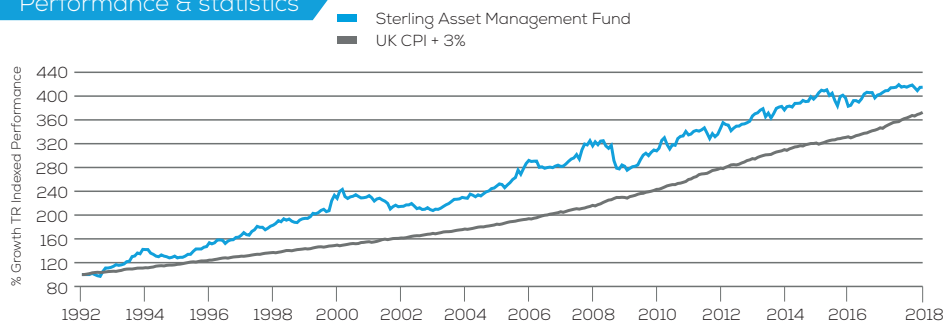
Investor profile

This Fund is suitable for an investor looking to achieve long-term growth of capital, accepting a low to moderate degree of risk.

Fund activity

- Emerging markets (EM) became the flash-point during the month, as the combined effects of the stronger US dollar, higher US Treasury yields, and higher oil prices finally combined to break the positive EM story.
- JP Morgan EMBI spreads widened by 30 bps to 366 bps over the month, the highest level since late 2016, being a reflection of the risk-off mood that gripped markets.
- Italian politics caused alarm, with an inability to form a governing coalition raising worries about a move towards populist policy, including the possibility of an exit from the EU. On the back of these developments, the US dollar remains the safe-haven currency, with the DXY Index (USD) up another 2.3% in the month.
- Global equity markets tracked mostly sideways, with the MSCI All Countries index down 0.2% for the month, and in fixed income, the FTSE WGBI Index was down 1.2%.
- On the back of the most recent developments we cut equity exposure to neutral and opted to make use of higher yields to increase duration.

Performance & statistics



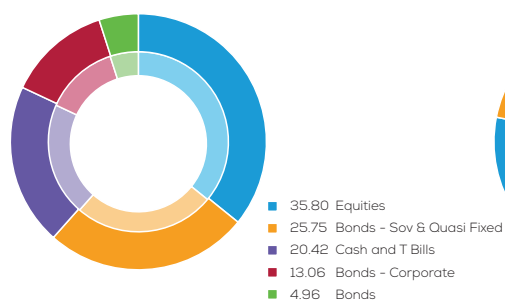
Annual average compound rate of return: **5.55%**

Source: Morningstar

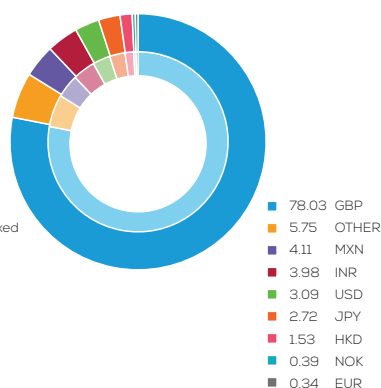
The investment performance is for illustrative purposes only and is calculated on a bid to bid basis and does not take any initial fees into account. Income is reinvested on the ex-dividend date. Actual performance will differ based on the initial fees applicable, the actual investment date and the date of reinvestment of income. Past performance is not necessarily an indication of future performance.

Growth (%)	Fund	Benchmark	Fund statistics (Rolling 3 Yr)	Fund
YTD	-0.54	2.03	Standard deviation	5.18
1 Mth	0.03	0.62	Sharpe ratio	0.00
3 Mths	0.17	2.94	Maximum gain	9.44
6 Mths	-0.05	4.53	Maximum drawdown	-6.72
1 Yr	0.21	8.24	Drawdown recovery (mths)	16
3 Yrs	1.03	16.33	Positive months	23
5 Yrs	9.52	27.28		
Since launch	314.86	273.58		

Asset allocation (%)



Currency weightings (%)

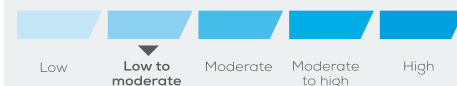


International

Key facts

Head of Asset Allocation
Multi Asset Team

Risk profile



General Information

Launch date	04/02/92
Fund size	£213.75m
Minimum investment	£10,000
Benchmark	UK CPI + 3%
Domicile	Jersey
Dealing	Daily
ISIN	GB0000532423
Sedol	0053242
Bloomberg ticker	ASHRASI JY
Nav price	£41.4856
Yield	N/A
Dividend policy	Accumulation
Manager	Ashburton Fund Managers Limited
Investment manager	Ashburton (Jersey) Limited
Custodian	BNP Paribas Securities Services S.C.A., Jersey Branch
Reporting fund	No
ISA eligible	No
FCA recognised	No
Umbrella fund	Ashburton Replica Portfolio Limited

Fee Structure (%)

Annual Management fee	1.50%
Total Expense Ratio (TER)	1.82%
Transaction Charges	0.00%
Total Investment Charges	1.82%

Initial Charges are subject to prescribed minimums. Please refer to the Fund Prospectus.

Contact us

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Or speak to your financial advisor.

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Monthly performance history (%)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Calendar year
2018	0.35	-1.06	-1.20	1.35	0.03	-	-	-	-	-	-	-	-0.54
2017	0.35	0.72	0.71	0.07	1.15	0.05	0.18	1.03	-0.96	0.28	-0.30	0.50	3.83
2016	-3.51	0.41	2.04	0.00	-0.63	1.35	2.09	0.74	-0.14	0.01	-2.19	1.20	1.21
2015	1.18	1.52	1.07	-0.32	0.48	-2.30	0.93	-3.06	-2.27	4.09	0.54	-1.13	0.53
2014	-1.57	1.46	0.27	-0.44	1.61	0.03	0.10	1.15	-0.46	0.11	1.96	-1.02	3.17

The above portfolio performance is calculated on a bid to bid basis and does not take any initial fees into account. Income is reinvested on the ex-dividend date. Actual investment performance will differ based on the initial fees applicable, the actual investment date and the date of reinvestment of income. Past performance is not necessarily an indication of future performance.

Top 5 bond holdings (%)

	Sector	%
Fidelity Funds - Emerging Markets Debt	Other	4.96
Mexican Bonos 5.7500 05 Mar 2026	Sovereign & Quasi Fixed	4.10
Mexican Bonos 6.5000 09 Jun 2022	Sovereign & Quasi Fixed	3.44
Petrobras Global Finance BV 6.6250 16 Jan 2034	Corporate Debt	3.27
Ashburton Investments SICAV - India Fixed Income Opportuniti	Rate 3	3.15

Top 5 equity holdings (%)

	Sector	%
S&P500 EMINI FUT Jun18	Notional	10.62
NIKKEI 225 (OSE) Jun18	Notional	6.52
EURO STOXX 50 Jun18	Notional	6.34
Ashburton Indian Equity Opportunities Fund	Internal Shares	3.08
Ashburton Emerging Markets Funds Ltd - Chindia Equity Fund	Internal Shares	3.06

Geographical weighting (%)

	ASIA	EMERGING MARKETS	EU	JPN	OTHER	UK	US
Bonds - Corporate	-	-	-	-	2.1	3.3	7.7
Options	-	-	-	-	-	-	-
Bonds - Sov & Quasi Fixed	-	-	4.4	-	10.3	2.7	8.4
Equities	5.8	1.0	6.9	6.5	0.8	0.3	14.4

Disclaimer

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*TERs are based on the 31/12/2017 calculations. The Total Expense Ratio (TER) is expressed as an annualised percentage of the charges, levies and fees incurred by the portfolio related to its management, for the period under review against the average NAV of the portfolio over this period. A higher TER does not necessarily imply a poor return, nor does a lower TER imply a good return. The current TER cannot be regarded as an indication of future TERs. A full detailed schedule of fees, charges and commissions is available from Ashburton on request and incentives may be paid and if so, would be included in the overall costs.

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