



**STIRLING HOUSE
FINANCIAL SERVICES**

Quarterly Update

HC Stirling House Dynamic Fund

30th September 2018

Investment Objective

To achieve long term capital growth.

Investment Policy

The Fund will seek to achieve its investment objective by gaining exposure predominantly to global equities with some exposure to money market instruments, fixed interest securities, cash and near cash. The investment manager may allocate the Fund towards particular investment themes, geographic areas and sectors. The Fund may be expected to have a relatively high degree of volatility.

It is anticipated that the Fund may be almost wholly invested through collective investment schemes. As the Fund grows in size, it is intended that the Fund will invest less in collective investment schemes and instead invest to a greater extent or wholly directly (where permitted) into the asset classes set out above.

The Fund may also invest directly or indirectly in other transferable securities and collective investment schemes which may have exposure to alternatives such as commodities, loans, hedge funds, private equity and property.

Fund Performance can also be viewed online at www.TrustNet.com
Search HC Stirling House Dynamic

This factsheet has been issued by Stirling House Financial Services Ltd who are authorised and regulated by the Financial Conduct Authority under the firm reference 413234.

Notes

For further details before making an investment please ask your Financial Adviser for the full Prospectus or KIID, or contact Host Capital Limited directly, or see the Host Capital Limited website.

* Under normal circumstances this charge will be waived, contact Stirling House Financial Services Ltd for further clarification.

**This figure was calculated as of 30/06/2018 for the A ACC share class and includes the annual management fees and the fund administration charges.

Performance Commentary

The fund's performance was positive for the quarter, but marginally behind benchmark after expenses. Markets were predominantly un-phased by the Fed's interest rates raise, albeit returns from bonds were negative. Although developing markets took a battering, global equity markets generally pushed higher, led once again by the US, where tax cuts have fuelled investment, pay rises and consumer confidence. Somewhat wrong footed by this momentum we continued to reduce our exposure in US disruptive growth companies, such as Amazon and the games software company Activision Blizzard. All the same, there were meaningful contributions from core holdings in companies with more defensive franchises, such as Ecolab, Costco and a stellar performance from Pfizer.

Within equities, our exposure to developing markets meant negative contributions from Tencent, Embraer and the specialist funds Brown Advisory Latin America and Ocean Dial India. Elsewhere, the Primark owner Associated British Foods also performed poorly.

Transactions of note were the sale of Colgate-Palmolive, where gross margins of 60% are now under pressure. We reinvested the proceeds into Unilever - where operating margins are more likely to head up - and increased the fund's investment in Deere & Co, because of continued confidence in the agricultural machinery replacement cycle.

Within Alternatives, we reduced further the exposure to UK infrastructure by selling the remainder of the Bluefield Solar Income Fund.

Source: Sarasin & Partners LLP, 30 September 2018

Fund Facts

Fund Structure	NURS (Non-UCITS Retail Fund)
Fund Launch Date	18 February 2013
Fund Currency	GBP
Registered for Sale	Authorised in the UK by the FCA
Initial Charges*	5%
Ongoing Charge**	1.82%
Fund Dealing	Daily
Cut-Off Point	12 noon on a Dealing Day
Pricing Frequency	Daily
Target Return Benchmark	RPI +4.5%
IMA Sector	Unclassified Sector

Launch Price	£1.00
Minimum Investment	£5,000
Annual Management Fee	0.70%
Codes	Acc Class
SEDOL	B99R189
ISIN	GB00B99R1898

Investment Manager

Sarasin & Partners LLP is a London-based asset management group that manages investments on behalf of charities, institutions, intermediaries, pension funds and private clients, from the UK and around the world. The group employs 206 people and manages approximately £14 billion*.

Sarasin & Partners is known both as a market leader in thematic investment and for long-term income and dividend management across multi-asset and equity mandates. Consistent with a longer-term approach is a commitment to “stewardship” principles, embedding environmental, social and governance considerations into the investment process.

Sarasin & Partners is 60% owned by Bank J. Safra Sarasin Ltd and 40% owned by its London-based partners.

J. Safra Sarasin Group is one of the largest private banking groups in Switzerland. As at the end of December 2016 it managed total client assets of approximately CHF 149 billion and employed around 2,140 staff.

*Source: Sarasin & Partners LLP, 30 September 2018

Stirling House

Stirling House Financial Services Limited was established in 2003 as an independently owned firm specialising in the provision of face-to-face financial advice.

We have a proven track record in providing investment advice and with our close partnership with Sarasin have the ability to offer bespoke fund management solutions.

Our funds have been specifically designed to be managed within predefined risk constraints whilst giving investors exposure to a range of investments managed globally. This provides you with all the economies of scale and gives you access to professional fund management and expertise, allowing us to offer our Clients the opportunity of aiming to obtain consistent, superior investment performance over the long term.

The Stirling House Funds are collective investment schemes authorised and regulated in the UK by the Financial Conduct Authority. This provides the reassurance that these Funds are being managed to the highest standards as one would expect as a Client of Stirling House.

Fund Outlook *from Sarasin & Partners*

Notwithstanding the protectionist rhetoric emanating from the United States, slowing growth in China and markets being spooked by political uncertainty in Europe, the IMF still projects that the world economy will grow by 3.9% this year and next, citing momentum from US tax cuts and global economic activity. Against this backdrop, we still expect to add most value from equity portfolios despite a challenging quarter for developing countries, which it is anticipated could account for two-thirds of global GDP growth over the next decade, as these nations adopt new technology across multiple industries. Trade disputes outside of China and the USA appear to be easing but we remain concerned about the outlook for the

global autos sector, given weakening demand in both the US and China and the impact that this may have on the European industrial sector via Germany.

As we enter this new era of tightening global liquidity – the European Central Bank is now scaling back economic stimulus - cash is beginning to look attractive as an asset class (in US dollars at least) and enables one to maintain a cautious approach. We remain extremely vigilant in assessing whether US wage growth and inflation is going to run ahead of expectations, but we still hold the view that the outlook remains fair for good quality companies operating in the right areas of the global economy.



David Palmer
Fund Manager



SARASIN
& PARTNERS

Top 10 Key Holdings

SARASIN RESPONSIBLE CORPORATE BOND-I INC
SPDR S&P 500
NB UNCORRELATED STRAT-15GBPA

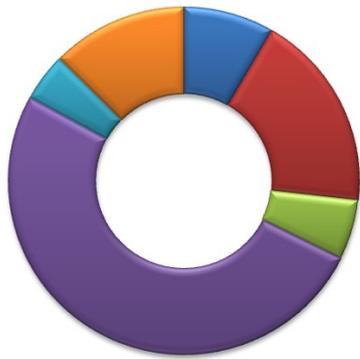
JPMORGAN CHASE & CO
ECOLAB INC
UNITED TECHNOLOGIES CORP
SHIONOGI & CO LTD

MASTERCARD INC-A
ROYAL DUTCH SHELL PLC-B SHS
AIA GROUP LTD

Source: Sarasin & Partners LLP, 30 September 2018

Geographic Equity Allocation

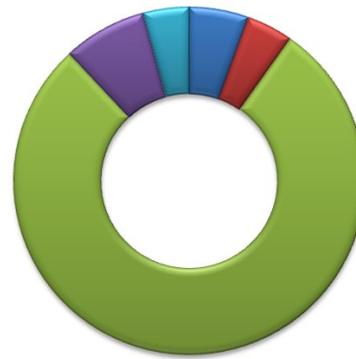
The following chart shows how the investments in the fund are proportioned over various geographic regions:



- Emerging Markets 8.36%
- Europe ex UK 18.41%
- Japan 5.55%
- North America 50.65%
- Pacific Basin ex Japan 4.46%
- UK 12.57%
- Middle East & Africa 0.00%

Asset Allocation

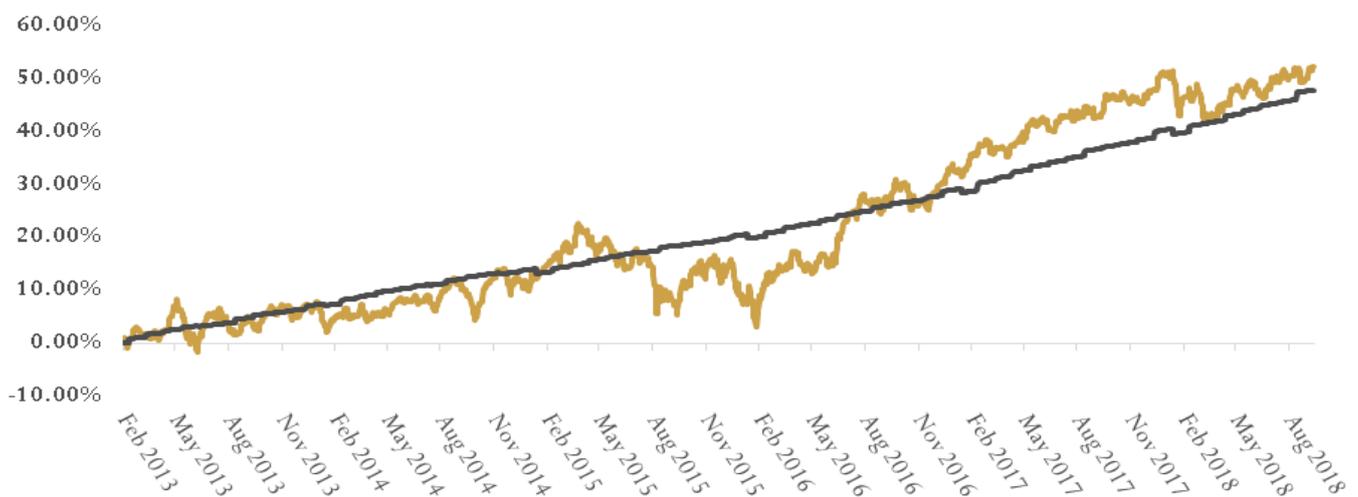
The following chart shows how the investments in the fund are proportioned over various asset classes:



- Government 5.51%
- Corporation 4.24%
- Total Equity 78.31%
- Total Alternatives 7.70%
- Cash 4.24%
- Property 0.00%

Source: Sarasin & Partners LLP, 30 September 2018

HC Stirling House Dynamic Fund



– HC Stirling House Dynamic –UK RPI +4.5%

Data from 18 Feb 2013 to 30 September 2018

Performance	01/10/2013 to 30/09/2014	01/10/2014 to 30/09/2015	01/10/2015 to 30/09/2016	01/10/2016 to 30/09/2017	01/10/2017 to 30/09/2018	19/02/2013 to 30/09/2018
HC Stirling House Dynamic	6.99%	-3.49%	18.96%	13.58%	6.07%	52.43%
RPI +4.5%	6.86%	5.31%	6.64%	8.52%	7.92%	47.97%

Please remember that past performance is not a guide to future performance

Source: Morningstar,
30 September 2018

Fund Distributor / Sponsor

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Important Information

Past performance should not be seen as a guide to future performance. The value of the investments of the Fund and the income from them can fall as well as rise, it may be affected by exchange rate variations and you may not get back the amount originally invested. All details in this factsheet are provided for information purposes only and should not be misinterpreted as investment advice. This document is not an offer or recommendation to buy or sell shares in the fund. You should not act or rely on this document but should seek independent advice and verification in relation to its contents. Stirling House Financial Services Limited accepts no liability or responsibility whatsoever for any consequential loss of any kind arising out of the use of this document or any part of its contents.

The outlook expressed in this fact sheet represents the views of the Fund Manager at the time of preparation and are subject to change. They are not necessarily the views of Stirling House Financial Services Limited or of Host Capital Limited (FCA N°429093) . The asset allocations detailed within the factsheet are correct as at 30 September 2018 and are subject to change, whilst operating within the objectives of the Fund. The Fund Manager has the power to use derivatives but it is intended that these will only be used for the purpose of efficient portfolio management and not for investment purposes. Quoted yields are indicative, they do not take into account any fees or taxation and cannot be guaranteed.

This document does not explain all the risks involved in investing in the fund and therefore you should ensure that you read the Prospectus and the Key Investor Information Document (KIID) which contains further information including the applicable risk warnings.