



**STIRLING HOUSE  
FINANCIAL SERVICES**

# Quarterly Update

HC Stirling House Monthly Income Fund

31st December 2019

## Investment Objective

To preserve capital and achieve an income return, over the medium term, that is in excess of short term money market interest rates.

## Investment Policy

The Fund will seek to achieve its investment objective by gaining exposure predominantly to money market instruments, fixed interest securities, cash and near cash with some global equities.

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.

The Fund may make use of derivatives for efficient portfolio management.

Fund Performance can also be viewed online at [www.TrustNet.com](http://www.TrustNet.com)

Search: HC Stirling House Monthly Income

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 the full Prospectus or KIID, or contact Host Capital Limited directly, or visit [www.hostcapital.com](http://www.hostcapital.com) website.

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

\*\*This figure was calculated as of 30/06/2019 for the A ACC share class and includes the annual management fees and the fund administration charges.

## Performance Commentary

Equity markets posted record highs at the close of the year buoyed by a 'phase one' deal between the US and China. Elsewhere, the UK and the EU agreed a new Brexit deal and sterling rose on the back of a significant Tory majority in December's election. All told, geopolitical uncertainty seems to be diminishing and macroeconomic data points to a stabilisation of global growth.

Primark owner AB Foods was a material contributor to performance over the quarter, following positive signs from the UK retail market combined with a solid set of full year results.

In contrast, Unilever warned on 2019 profits in December, highlighting an economic slowdown in India and West Africa. The timing of the announcement came as a surprise to most, however, the company offered reassurance that the factors are largely one-offs and should not affect underlying growth.

Within transactions, SES (the satellite operator) the fund sold amid concerns over the profitability of the roll out of 5G in the US. With the proceeds RIO Tinto, the global mining and metals business, was bought on signs of a recovery in the macroeconomic backdrop.

Source: Sarasin & Partners LLP, 31 December 2019

## Fund Facts

<b>Fund Structure</b>	NURS (Non-UCITS Retail Fund)	
<b>Fund Launch Date</b>	18 February 2013	
<b>Fund Currency</b>	GBP	
<b>Registered for Sale</b>	Authorised in the UK by the FCA	
<b>Initial Charges*</b>	5%	
<b>Ongoing Charge**</b>	1.81%	
<b>Fund Dealing</b>	Daily	
<b>Cut-Off Point</b>	12 noon on a Dealing Day	
<b>Pricing Frequency</b>	Daily	
<b>Interim Income Allocation Date</b>	Monthly (last calendar day of each month)	
<b>Income Distribution Date</b>	Last business day of each month (in arrears)	
<b>Target Return Benchmark</b>	UK Cash 3m Libor	
<b>IMA Sector</b>	Unclassified Sector	
<b>Launch Price</b>	£1.00	£1.00
<b>Minimum Investment</b>	£5,000	£5,000
<b>Annual Management Fee</b>	0.70%	0.70%
<b>Codes</b>	<b>Acc Class</b>	<b>Inc Class</b>
<b>SEDOL</b>	B99R123	B99R134
<b>ISIN</b>	GB00B99R1237	GB00B99R1344

## 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 217 people and manages approximately £14.7 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 55% owned by Bank J. Safra Sarasin Ltd and 45% 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 2018 it managed total client assets of approximately £132 billion and employed around 2,151 staff.

\*Source: Sarasin & Partners LLP, 31 December 2019

## 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*

US-China tensions seem to be diminishing following the Phase 1 trade deal, if this de-escalation of the trade war continues then it is supportive for market sentiment. Trump will have a plan to boost the US economy ahead of presidential elections in 2020 and China has the wherewithal for further policy stimulus to support its economy.

In Europe and the UK, consumer spending remains healthy and continues to fuel growth, supported by rising real wages and a tight labour market. Manufacturing, having been a drag on global growth seems to be picking up. Finally, central banks have shown that they are prepared to support the global economy against the backdrop of stubborn inflation and mediocre macroeconomic data and, although a pause on further stimulus looks likely, a return to tightening policy seems improbable.

Moreover, an appreciation of the limited scope for monetary stimulus has caused governments to re-examine the fiscal toolkit as a means for stimulating growth in 2020.

We continue to appreciate and monitor the risks to global growth. Geopolitical uncertainty is diminishing, and, whilst we wait to add to our favourite, long-term thematic equity ideas at more attractive valuation levels, a stabilizing economic backdrop is supportive for asset prices. Equities remain our preferred asset class, particularly in the context of bond yields at near all-time low.



**David Palmer**  
Fund Manager



**SARASIN**  
& PARTNERS



**John Godley**  
Fund Manager

## Top 10 Key Holdings

CREDIT AGRICOLE 7.3750% 18/12/23 GBP  
SARASIN GLOBAL HIGHER DIVIDEND  
(STERLING HEDGED)-I INC  
UK TSY GILT 3.7500% 22/07/52 GBP

UK TSY GILT 4.75% 07/12/30 GBP  
UK TSY GILT 4.75% 07/03/20 GBP  
UK TSY GILT 5.00% 07/03/25 GBP  
COMPASS GROUP PLC

UK TSY GILT 4.50% 07/12/42 GBP  
UK TSY GILT 4.25% 07/03/36 GBP  
SARASIN RESPONSIBLE CORPORATE  
BOND-I INC  
Source: Sarasin & Partners LLP, 31 December 2019

## Geographic Equity Allocation

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



■ North America 31.55%    ■ Europe Ex-UK 21.47%  
■ United Kingdom 32.39%    ■ Japan 2.46%  
■ Emerging Markets 4.31%    ■ Pacific Basin Ex-Japan 7.76%  
■ Multi Regional 0.06%

## Asset Allocation

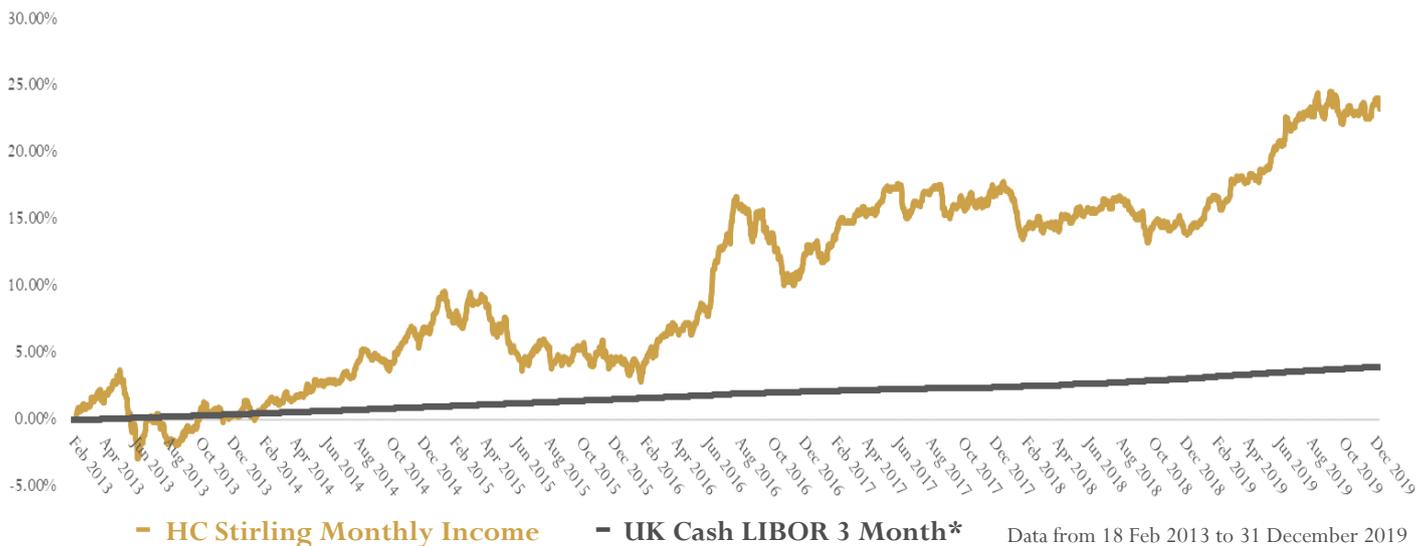
The following chart shows how the investments in the fund are proportioned over various asset classes:



■ Government 31.77%    ■ Corporation 36.68%  
■ Total Equity 24.05%    ■ Total Alternative 1.75%  
■ Cash 5.75%

Source: Sarasin & Partners LLP, 31 December 2019

## HC Stirling House Monthly Income Fund



Performance	01/01/2015 to 31/12/2015	01/01/2016 to 31/12/2016	01/01/2017 to 31/12/2017	01/01/2018 to 31/12/2018	01/01/2019 to 31/12/2019	19/02/2013 to 31/12/2019
HC Stirling House Monthly Inc.	-1.91%	8.16%	3.79%	-2.79%	8.13%	23.37%
UK Cash LIBOR 3 Month*	0.58%	0.56%	0.32%	0.64%	0.85%	4.01%

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

Source: Morningstar, 31 December 2019

\* The price for the LIBOR 3 month is sourced from ICE

### Fund Distributor / Sponsor

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## Important Information

**P**ast 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 31 December 2019 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.