AEON BALANCED FACTSHEET

A SUB-FUND OF LFPARTNERS INVESTMENT FUNDS,
A LUXEMBOURG BASED UCITS FUND

SEPTEMBER 2017

QUILTER CHEVIOT
INVESTMENT MANAGEMENT

QUILTER CHEVIOT AND LUXEMBOURG FUND PARTNERS S.A.

Luxembourg Fund Partners S.A. (LFP) is a Luxembourg based Management company that appointed and delegated the function of investment management to Quilter Cheviot. Quilter Cheviot has a heritage that can be traced back to 1771. Quilter Cheviot is one of the largest discretionary investment management firms in the UK and Jersey, focusing on providing and managing bespoke investment portfolios for private clients, trusts, charities and pension funds through our onshore and offshore office locations, for both our local and international clients. Quilter Cheviot's investment managers are committed to building long-term relationships with their clients, established on a foundation of exemplary personal service and investment expertise.

OBJECTIVE

The Fund aims to provide long term capital growth from a balanced exposure to equities and debt instruments but may also be exposed to commodities, real estate and cash/deposits. For that purpose, the Fund will invest in collective investment schemes and will also invest in all types of transferable securities (equity and debt instruments), money market instruments, cash and deposits. The Fund may invest in a combination of index tracking funds and actively managed funds. Derivatives and forward transactions may also be used for investment purposes. The Fund will invest its capital using a defined strategy that focuses on building a diversified portfolio of investments and will emphasise the cultivation and management of a multifaceted revenue stream.

PERFORMANCE

Please refer to the Quilter Cheviot Investment Management Sterling PCI Report for more information. Please note that the performance in the report was achieved under a different cost structure. Past performance is not a guarantee of future results.

FUND DATA as at 30 August 2017

NAV	£103.52 €102.29 $104.91
Share Class Currency	GBP, USD, EUR
Initial fee	NIL
TER	1.39%*

ISIN	Shares Class A – EUR: LU1257751013 Shares Class B – GBP: LU1257751104 Shares Class C – USD: LU1257751286

*excluding fund admin fees

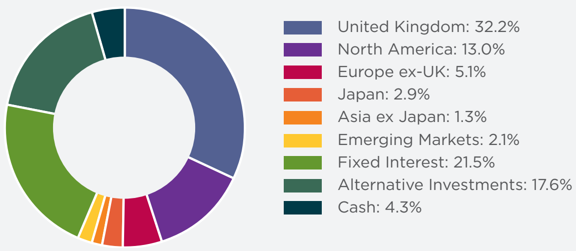
TOP PORTFOLIO HOLDINGS

	%
HSBC S&P 500 ETF	5.10
Ishares Core UK Gilts UCITS ETF	4.90
Cash GBP Not Held at Quilter Cheviot	4.30
Invesco Management Global Targeted Returns Fund	3.70
Ishares UK Property UCITS ETF	3.20
Henderson Gartmore UK Absolute Return Fund	3.00
GAM (Luxembourg) JB Multibond Absolute Return Bond Fund	3.00
J O Hambro Capital Management Continental European Fund	2.90
Iridian US Equity Fund	2.80
Old Mutual Global Investors Gold and Silver Fund	2.80
United Kingdom(Government of) 1.875% Idx/Lkd Snr Nts 22/11/22 GBP100	2.80
Vulcan Global Value Equity Fund	2.70
Pimco Global Investment Grade Credit Fund	2.70
Royal Dutch Shell "B"	2.50
Franklin Templeton Global Bond Fund	2.30
United Kingdom Government Bond 2% 07/09/25	2.20
M&G Securities Limited Optimal Income Fund	2.10
Marshall Wace Tops Ucits Fund	1.90
HSBC Holdings	1.70
Eastspring Investments Japan Dynamic Fund	1.50

ASSET ALLOCATION

	%
Fixed Interest	21.5
Equity	56.6
Alternative Investments	17.6
Cash	4.3

ASSET CLASS/GEOGRAPHICAL ALLOCATION



IMPORTANT: The value of investments and the income from them can go down as well as up. You may not recover what you invest.

ECONOMIC OVERVIEW

Devastating hurricanes, geopolitical uncertainty and the US debt ceiling have caught investor's attention in the past week. Meanwhile strong economic data from most regions confirms synchronised global growth remains in place, financial conditions are exceptionally easy – at least for the time being while inflation surprises on the downside – and investor sentiment is far from euphoric. Recent manufacturing and trade data from Japan and China confirm the 'cyclical' acceleration. The outlier in economic terms is increasingly the UK where Brexit uncertainty and real incomes squeezed by sterling depreciation are constraining economic growth. This week's data releases include the US and UK inflation and retail sales data, as well as UK wages and the Bank of England interest rates decision (no change expected). While the majority of central banks are clearly signalling a tapering of quantitative easing and how interest rates might develop thereafter, markets continue to price a low likelihood of rate rises with even the US only discounting a 25% probability of a December hike. Bond yields were mostly lower on the week with the UK 10-yr dipping below 1% once again.

MARKET OVERVIEW

Asian markets were strong this morning, perhaps for no other reason than the fact that North Korea did not test a missile over the weekend! This has fed through to a good start for Europe today. One of the interesting features for portfolio managers is that sectors don't always perform as you might expect. At present, the global economy is in good shape, manufacturing leading indicators (PMIs) point to a continued expansion of growth, and commodity prices are firm. Needless to say this has been reflected in good performance from mining shares and selected industrials. A background such as this would point to rising bond yields as inflation risks increase and a corresponding good performance for shares in financial sectors. However, bond yields have been declining and yield curves flattening, totally counter to what the economic growth indicators would suggest. As a result, financials, particularly banks, have been relatively poor performers of late. Why is this the case?

There is a divergence between what central banks want the markets to believe and what the markets themselves are willing to price in. The Bank of England has been at pains to suggest that the market is underestimating where interest rates may have to be over the next year or so, given current growth rates. Markets are not convinced. Although employment growth has been strong both here in the UK and in the US, there is very little evidence of wage pressure – the sort of pressure that could lead to higher inflation. Thus, inflation expectations and interest rate expectations have fallen in recent weeks, pushing bond yields down. The inflationary pressures of higher oil prices have also receded on a year on year basis, leaving little evidence of domestically generated inflation. Economic growth and full employment but without inflation? Macroeconomic textbooks have had to be rewritten to take account of quantitative easing and negative interest rates. The same may now be true of microeconomics textbooks to reflect structural changes in labour markets.

RECENT AWARDS

Past performance is not a guarantee of future results.

STRATEGY MANAGERS

Damien Maltwood

Damien Maltwood has over 20 years' experience in the finance industry, with the last 16 years gained in investment management including managing trust, private client and charity portfolios across multiple asset classes. He also sits on the Investment Funds Committee at Quilter Cheviot and as a trustee of the Quilter Cheviot Pension Scheme. Damien has worked with the Soditic Group both in Jersey and London and has run a long/short European Equity hedge fund as investment manager for the group after training as an equity analyst, and his personal interests include cricket, surfing, golf and winter sports. Damien has lectured Fund Management in the city of London at post-graduate level amongst other financial courses and is a Chartered Fellow of the Chartered Institute for Securities and Investment, a Chartered Wealth Manager, and currently sits on the investment oversight committee of a global charity.

Oliver Stones

Oliver graduated from York University with a BA (Hons) in politics. Having served a short service commission in The British Army he worked for IBJ International, Merrill Lynch and UBS, serving four years in Hong Kong running the Asian Fixed Income desk. As well as the UK and Asia, his client base has also been in the Middle East and Scandinavia. In 1997 he moved into fund management with Mercury Asset Management where he co-ran the Private Client Fixed Interest team moving to Quilter Cheviot in 2002 as head of fixed income. Oliver is an investment manager located in the Jersey office running bespoke fixed income portfolios for institutional clients, charities and pension funds, as well as bespoke multi-asset portfolios for private clients. He is a member of the UK Corporate Bonds working group which has been instrumental in setting up the Retail Bond market and the Order Retail Book (ORB) on the LSE. Oliver is a Chartered Member of the CISI.