

Multi Asset Dynamic Fund Factsheet

This document provides you with information about the Fund.

The Multi-Asset Dynamic Fund seeks to achieve attractive risk-adjusted returns relative to the average fund in the IA sector - an outcome which the manager believes is consistent with growth above inflation. The main investment is typically equities. The team's macro views are primarily expressed through funds, investment trusts and derivatives, drawing on a strong fund research capability.

SUITABILITY

- The Fund may be suitable for those investors that are adventurous in their investment approach and understand the risks of mainly investing in equities. They may be seeking a core long-term holding that blends different asset classes to provide diversification, albeit with a primary focus on equities.
- They may be looking for their investment to deliver reasonable return above inflation (in normal markets, i.e. Consumer Price Index up to 5%) with some consideration of capital preservation in extreme market conditions. Historical asset class performance suggests this is a likely outcome of the manager's objective of outperforming the median fund in the sector with below-average volatility.
- The Fund may be a solution on its own or part of a broader investment solution.

KEY BENEFITS OF INVESTMENT STRATEGY

- The comprehensive investment process, encompasses both macro-economic and fund-specific analysis by a well-resourced team. Its aim is to deliver a repeatable investment outcome.
- The rigorous analysis incorporates quantitative and qualitative inputs to all stages of the process.
- The manager's ability to use derivatives to undertake hedging activities may help mitigate downside risk but this is not guaranteed.

RISK COMMENTARY

The Fund's KIID Synthetic Risk and Reward Indicator (SRRI) is 5. This is a regulatory measurement that is, where possible, calculated from the volatility of the Fund's weekly performance over a five-year period. A score of 5 means the Fund's historic volatility is between 10% and 15%.

The Fund's risk category is a measure of how significant the rises and falls in the share price have been historically.



FUND DESCRIPTION

Formal investment objective

The investment objective is to achieve consistent long term returns from capital growth by dynamically investing across a global portfolio of assets.

Investment team

City Financial's Multi-Asset Team brings together experts at macro-economic research, fund management and fund analysis. Their range of experience and expertise, we believe, set the team apart from their peers. Mark Harris, Head of the Multi-Asset team, has managed the Fund since inception. He previously managed over £1 billion in assets at New Star Asset Management (subsequently Henderson), gaining recognition through a range of industry awards and ratings.

Investment philosophy

The manager aims to deliver attractive risk-adjusted returns in all market conditions, with a superior medium-term return and lower volatility than the average fund in the IA Flexible Investment sector. He rotates the Fund's holdings through asset classes and styles according to his market outlook, looking for the best sources of future returns for the appropriate level of risk. He may use derivatives, often options, to protect the portfolio from tail (extreme) or event risk. He seeks to provide top-quartile risk-adjusted returns within the IA peer group over longer-term time periods.

Investment process

The approach is based on rigorous quantitative and qualitative assessments of the macro-economic environment, market conditions and funds. Quantitative models, investment bank research and independent analysis are key inputs in formulating top-down expectations and identifying where they are not reflected by asset class pricing. The research encompasses analysis of global economic growth, central bank policies, debt dynamics and market valuations. The manager also considers more positive and negative scenarios to ensure the resulting asset preferences have appropriate risk and reward characteristics. The analysis and findings are challenged at a monthly team strategy meeting. In assessing investments for the portfolio, we use a range of systems to undertake style analysis and attribution. We then undertake manager interviews to extend our research. These interviews also inform us of the manager's understanding of the risks being run and the portfolio construction process. A detailed report is produced forecasting future performance. Fund selection is reviewed at a formal weekly team research meeting.

Portfolio construction and risk controls

Risk is at the heart of the process, in line with the manager's primary focus on mitigating losses and delivering strong risk-adjusted performance. Risk is monitored continuously for both underlying positions and for the portfolio in aggregate, to ensure the avoidance of unintended risks and appropriate diversification within the portfolio. Derivatives are often used to reduce portfolio risk by hedging specific exposures. However, their use is not restricted to hedging, and derivatives that increase the risk profile of the portfolio, resulting in greater performance variability, may also be held.

The Fund's asset allocation and style exposures are dependent upon the top-down analysis process. However, the manager is cognisant of the aggregate positioning of the Fund relative to the IA Flexible Investment sector and rarely deviates by more than 10 percentage points from the geographical and asset exposures of the peer group.

KEY FUND FACTS

Inception date:	07 February 2014
Manager:	Mark Harris
Fund size:	£36.1m
Fund domicile:	United Kingdom
IA sector:	IA Flexible Investment
Share class types:	Acc and Inc
XD dates:	31 March and 30 September
Dividend distribution:	31 May and 30 November
Charge details:	see OTHER FUND FACTS table

MANAGER COMMENTARY

Global equity markets posted a muted performance in January 2017, oscillating around zero. The MSCI World Index was up 0.61%, the MSCI Europe ex UK Index was up 0.39%, the S&P 500 Index was flat, gaining 0.07%, while the MSCI UK Index fell 0.56%. This was not the case for Asia and Emerging Markets as the MSCI AC Asia ex Japan Index was up 4.29% and the MSCI Emerging Markets Index gained 3.58%.

High yield posted negative returns with the Markit iBoxx US \$ Liquid Investment Grade Index down 1.61%, the Markit iBoxx EUR Liquid Corporates Large Cap Index was down 0.35% and the Markit iBoxx GBP Liquid Corporates Large Cap Index fell 1.29%. European high yield posted positive returns. The Markit iBoxx EUR Liquid High Yield Index was up 0.99% while the Markit iBoxx US \$ Liquid High Yield Index fell 0.69%.

US yields were unchanged with the US government 10-year bond yield up 1bps at 2.45%, while UK government 10-year bond yields were up 18bps at 1.42%. German government 10-year bond yields were up 23bps at 0.44%.

The Dollar Index ended the month at 99.512 (down 2.64%) while GBP/USD ended the month at 1.258 (up 1.94%).

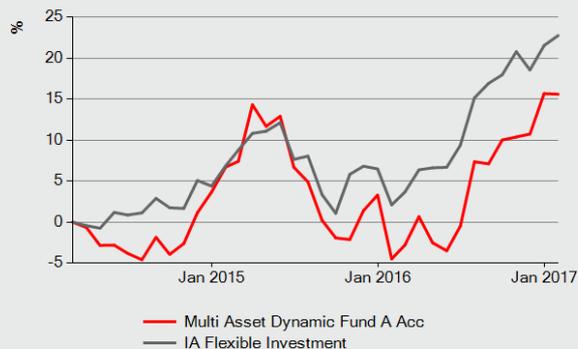
Brent crude ended the month 3.32% lower and gold finished January up 5.07% (both in US dollar terms).

We continue to see broad real economic improvements that are globally gaining traction. Many now believe that significant fiscal policy changes will create the conditions for change and a sustainable recovery. However, markets have priced in a lot of short-term good news and we feel that some caution is warranted. It is evident that rotations are occurring between sectors but headline indices have remained resilient, and could suffer some shorter-term setbacks.

We still feel investors are not fully recognising the realities of the very unique features of this cycle, together with the underlying dynamics. There are a number of very evident risks, but our primary focus is on the trade rhetoric that Trump offers and the possibility that the Fed policy pushes the US dollar on to extreme strength, and tightens financial conditions. Equally, we must be very cognisant of the winners and losers of Trump's policies.

It is our opinion that any near-term setbacks will create good opportunities to build exposure in unloved areas that offer excellent medium-term rewards. If the Fed keeps the US dollar from sustained strength, we feel that all the under-owned plays will offer the best prospects, which include value equities, financials and commodities.

PERFORMANCE VS IA FLEXIBLE INVESTMENT



	1 year to 31/01/2017	1 year to 31/01/2016	1 year to 31/01/2015	1 year to 31/01/2014	1 year to 31/01/2013
Fund (%)	21.04	-10.49	-	-	-
IA Sector (%)	20.24	-4.44	-	-	-
Quartile	3	4	-	-	-

CUMULATIVE PERFORMANCE (%)

	1 year	3 years	5 years
Fund (%)	21.04	-	-
IA Sector (%)	20.24	-	-
Quartile	3	-	-

NOTE:

The Dynamic Fund was launched in 2008 and was merged into the newly-launched Multi-Asset Dynamic Fund on 8 February 2014. The assets of the EFA OPM Worldwide Opportunities Fund (launched in 2011) were transferred into the Multi-Asset Dynamic Fund on 15 March 2014. Please contact City Financial for further details of earlier past performance of either the Dynamic Fund or the EFA OPM Worldwide Opportunities Fund.

All data sourced from Morningstar Direct, Bloomberg and City Financial as at 31/01/2017, unless otherwise stated.

The information contained in this document should not be construed as investment advice, it is not an invitation or inducement to any person to purchase shares in our funds. Fund performance excludes the effect of initial charge and assumes any income reinvested net of UK tax. All information in this factsheet is current at the time of publication and may be changed in the future. Past performance is not a guide to future performance. The value of shares and the income generated from them can fall as well as rise and are not guaranteed and investors may not get back the amount originally or subsequently invested. Values may be affected by fluctuations in exchange rates where assets of our funds are denominated in currencies other than sterling. Issued by City Financial Investment Company Limited. Registered office is 62 Queen Street, London, EC4R 1EB. Authorised and regulated by the Financial Conduct Authority with registered number 189302. This Fund is not offered, sold or distributed in the United States or to US persons.

FINANCIAL INFORMATION

Prices

Class A Acc	162.88p
Class A Inc	156.52p
Class I Acc	173.38p
Class I Inc	167.43p
Class R Acc	122.24p
Class R Inc	121.12p
Class RA Acc	121.55p
Class RA Inc	120.61p

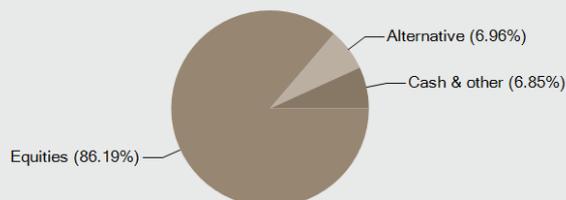
Total net assets **£36.1m**

OTHER FUND FACTS

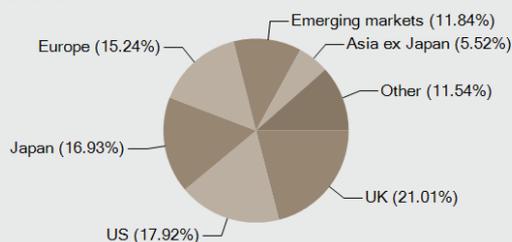
ISIN - Class A Acc	GB00BH4TWD87
ISIN - Class A Inc	GB00BH4TWF02
ISIN - Class I Acc	GB00BH4TWG19
ISIN - Class I Inc	GB00BH4TWH26
ISIN - Class R Acc	GB00BH4TJ40
ISIN - Class R Inc	GB00BH4TK54
ISIN - Class RA Acc	GB00BJ052S96
ISIN - Class RA Inc	GB00BJ052T04
Fund type	UCITS
Dealing and valuation frequency	Daily
Valuation time	12:00 pm
Accounting year-end	30 September
Settlement	T+4
Base currency	GBP (Sterling)
Charges levied against	Income
OCF* (%)	CI A: 2.65, CI I: 1.74, CI R: 1.90, CI RA: 2.15
Initial charge (%)	0.00 (all share classes)
Performance fee	None
Depository	BNY Mellon Trust & Depository (UK) Limited
Registrar	Capita Financial Administrators

*On-going charge figure (OCF) - combines the Annual Management Charge (AMC) with the Fund's other expenses in running the fund, e.g. custodian fees, and also includes the OCF of other funds that the multi-asset fund may invest in, but excludes portfolio transaction costs.

ASSET ALLOCATION



EQUITIES BREAKDOWN



TOP 10 HOLDINGS

Man GLG Japan CoreAlpha Equity Fund	Equity
Legg Mason Royce US Small Cap Opportunity Fund	Equity
Schroder European Alpha Income Fund	Equity
Edmond de Rothschild US Value & Yield Fund	Equity
Polar Capital Global Technology Fund	Equity
Blackrock European Dynamic Fund	Equity
Fidelity UK Opportunities Fund	Equity
VT Garraway UK Equity Market Fund	Equity
River & Mercantile UK Equity LT Recovery Fund	Equity
CATCo Reinsurance Opportunities Fund	Alternative

Please note figures may not add up to 100% due to rounding. The figures above are rounded to second decimal place.

All data sourced from Morningstar Direct, Bloomberg and City Financial as at 31/01/2017, unless otherwise stated.



The Dynamic Planner risk profile provides an independent forward-looking estimate of the expected risk of the fund over the long term, based on a scale of 1 (lowest) to 10 (highest). The risk profile allocated does not imply a positive rating recommendation of the fund. Further information about the risk-rating methodology is available at www.dynamicplanner.com.

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