

30 September 2022

# **Kleinwort Hambros Elite**

## **Multi Asset Balanced Fund Cell Particulars**

These Cell Particulars containing information relating to the Kleinwort Hambros Elite Multi Asset Balanced Fund should be read and construed in conjunction with the Scheme Particulars relating to Kleinwort Hambros Elite PCC Limited dated 30 September 2022 (the "Scheme Particulars"). This document is deemed to be incorporated in to and to form part of the Scheme Particulars and may not be distributed unless it is accompanied by them and such other documentation as the Scheme Particulars may prescribe.

# Kleinwort Hambros Elite Multi Asset Balanced Fund Cell Particulars

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A protected cell company registered with limited liability in Guernsey

## Cell Particulars

These Cell Particulars containing information relating to the Kleinwort Hambros Elite Multi Asset Balanced Fund of Kleinwort Hambros Elite PCC Limited should be read and construed in conjunction with the Scheme Particulars relating to Kleinwort Hambros Elite PCC Limited as updated by these Cell Particulars (together, the "Particulars"). This document is deemed to be incorporated in and to form part of the Particulars and may not be distributed unless it is accompanied by the Scheme Particulars and such other documentation as the Scheme Particulars may prescribe.

## Important Information

This document is not available for general distribution in, from or into the United Kingdom because the Company is an unregulated collective investment scheme whose promotion is restricted by sections 238 and 240 of the Financial Services and Markets Act 2000 ("FSMA"). When distributed in, from or into the United Kingdom, this document is only intended for investment professionals within article 14 of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 (as amended) ("SPO"); sophisticated investors within article 23 of the SPO; high net worth companies, unincorporated associations and others within article 22 of the SPO; (together "eligible persons"), and any other persons to whom it may be communicated lawfully. In order to qualify as a sophisticated investor under Article 23 of the SPO, a person must a) have a certificate in writing or other legible form signed by an authorised person to the effect that they are sufficiently knowledgeable to understand the risks associated with a particular type of investment and b) have signed, within the last 12 months, a statement in a prescribed form declaring, amongst other things, that they qualify as a sophisticated investor in relation to such investments. This document, when issued in, from or into the United Kingdom, is exempt from the scheme promotion restriction in section 238 of FSMA on the communication of invitations or inducements to participate in unregulated schemes on the ground that it is made to only eligible persons. No other person should act or rely on this document. Other persons distributing this document in, from or into the United Kingdom must satisfy themselves that it is lawful to do so.

This document is intended for clients of SG Kleinwort Hambros Bank Limited and professional financial advisors. It is not intended as a solicitation to buy and is for information purposes only.

Reliance on this document for the purpose of engaging in any investment activity may expose an individual to a significant risk of losing all of the assets invested. Any person who is in any doubt about the suitability of such investment to his needs should consult an authorised person specialising in advising on investment in unregulated collective investment schemes. Many of the protections provided by the United Kingdom regulatory structure to retail clients (including in particular those conferring rights of cancellation or withdrawal) do not apply to investments in cells within this Company. Access to the United Kingdom Financial Services Compensation Scheme and the Financial Ombudsman Service will not be available.

Whilst the Investment Manager is not currently approved to market Shares to the public in Ireland this does not impact existing Irish Investors who may continue to hold their existing Shares and may make further investments in the Shares. The Company is not supervised or authorised in Ireland by the Central Bank of Ireland.

The Directors have imposed restrictions on the acquisition of Shares by, and the transfer of Shares to, US Persons. Accordingly, no application for Shares will be accepted from a US Person, and no transfer of Shares to a US Person will be registered (in each case, including a US Person who is already a Shareholder). However, US Persons who are already Shareholders may continue to hold their Shares.

This document has been approved and issued for use in the United Kingdom by SG Kleinwort Hambros Bank Limited, the investment manager appointed by the Company. Kleinwort Hambros is the brand name of SG Kleinwort Hambros Bank Limited, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. The firm reference number is 119250. The Company is incorporated in England and Wales under number 964058 and its registered office is 5th Floor 8 St. James's Square, London, England, SW1Y 4JU.

## Definitions

Save as provided below, words and expressions defined in the Scheme Particulars shall have the same meanings herein. In these Cell Particulars, the following words shall have the meanings opposite them unless the context in which they appear requires otherwise:

<b>Cell:</b>	Kleinwort Hambros Elite Multi Asset Balanced Fund, the Cell to which these Cell Particulars relate;
<b>Closing Date:</b>	as determined by the Directors;
<b>Company:</b>	Kleinwort Hambros Elite PCC Limited;
<b>Dealing Day:</b>	Thursday in each week or such other Business Day(s) as the Directors may determine in their absolute discretion. If the Dealing Day falls on a public holiday in Guernsey, the Dealing Day will generally be the following Business Day;
<b>Gross Value:</b>	The value of all investments held by the Cell together with cash and bank balances (not overdrafts) of the Cell and the amount of any debtor and prepayment amounts due to the Cell. The gross asset figure is determined on the basis of actual balances held; commitments, contingent assets and off-balance sheet items are not included in the figure;
<b>Investment Manager:</b>	SG Kleinwort Hambros Bank Limited;
<b>Valuation Point:</b>	11.59 p.m. on the Business Day immediately preceding the relevant Dealing Day and on the last Business Day of each calendar month or such other time as the Directors may determine in their absolute discretion.

# Kleinwort Hambros Elite Multi Asset Balanced Fund

In any case of conflict or inconsistency between statements in these Cell Particulars and the Scheme Particulars, the Cell Particulars will, as to the Cell and the Shares, supersede the Scheme Particulars as to that conflict.

## Introduction

The Cell is a cell of Kleinwort Hambros Elite PCC Limited, an open-ended protected cell company registered with limited liability in Guernsey on 30 September 2004 and authorised by the GFSC as an authorised open-ended collective investment scheme of Class B.

## Investment Objective

The primary investment objective of the Balanced strategy of the Cell is to generate a real return exceeding the rate of inflation, while accepting a relatively moderate level of risk similar to the long-run historical risks of investing in a blended portfolio of 50% bonds and 50% equities. The strategy may invest in a range of asset classes including cash, bonds, equities, real estate and commodities, as well as alternatives. The allocation to different time horizons. The strategy will invest to generate a total return, with no particular preference for capital growth or income. The strategy will invest globally, typically with no bias to any particular geographic region or market. This strategy is appropriate for a minimum investment horizon of 5 years.

The Cell may use derivatives for investment purposes as well as for efficient portfolio management.

## Asset Mix Guidelines

The Cell will typically operate under the following asset range guidelines:

Asset Class	Weighting
Cash	0 - 20%
Fixed Income	0 - 60%
Equity	10 - 70%
Alternatives	0 - 40%

In exceptional market conditions, including but not limited to a significant increase in market volatility or a significant credit event, the Investment Manager is permitted to trade outside these guidelines.

## Guidelines for Use of Derivatives

### Use of Derivatives

The Company has appointed Royal Bank of Scotland plc, as the Broker to undertake trading in exchange traded derivatives for the account of the Cell.

The Cell may utilise derivative contracts in order to manage risk exposure, for efficient portfolio management, to meet the investment objectives and to attempt to enhance the performance of the Cell. In pursuing its investment objectives, the Cell may make use of a variety of derivative instruments. The value of these investments may fluctuate significantly. By holding these types of investments, there is a risk of capital depreciation in relation to this type of asset within the Cell but this is not expected to alter the risk profile of the Cell.

Derivatives may be used by the Cell for investment purposes and the Net Asset Value of the Cell may therefore, at times, be moderately volatile. However, it is the Investment Manager's intention that the Cell, owing to its portfolio composition or the portfolio management techniques used, will not have volatility over and above the general market volatility of the markets of their underlying investments.

Please see "Risk Factors" below in connection with the risks posed by the use of derivatives

All derivatives used shall be exchange traded, with the exception of forward currency contracts. A variety of exchange traded derivative instruments may be used, including futures and options, allowing access to a wide range of strategies. Options may be used where it is believed they will enhance returns and/or, reduce risk. An example of reducing risk would be to purchase a put option which protected the portfolio from a possible fall in the price of an underlying asset. An example of enhancing returns may be the purchase of a straddle strategy in a market that seeks to benefit from overly low levels of implied volatility.

Derivatives may be utilised to hedge specific risks and/or to enhance portfolio management techniques, particularly

with regard to tactical asset allocation. The techniques employed are often inter-related, however can be separated into the following broad categories: Relative value, currency management, portable alpha and exposure management.

#### **Relative Value**

This is a means of efficiently implementing tactical views through long/short positions in related securities and/or markets. Views may be expressed on two or more highly related securities and/or markets or on less correlated instruments. An example of the former would be a yield curve trade, favouring one maturity over another, within the same bond market. An example of the latter would be to favour one equity market over another.

#### **Currency Management**

This is a means of efficiently implementing tactical views in currency markets. Whilst outright positions may be taken, generally most currency management will revolve around managing the cash underlying futures exposures. This can either be left in the base currency of the Cell, the currency underlying the future or, to a limited extent, allocated to another currency.

#### **Exposure Management**

The Cell is constrained in its use of derivatives by the overall investment guidelines which set net and gross exposure guidelines to each asset class. In order to calculate the exposure contributed by options, options shall be treated as having an exposure of the value of the underlying asset factored by the option delta.

Although accounting leverage may occur, particularly within the currency sector, economic exposure is strictly controlled. Economic currency exposure will frequently be 100% of the portfolio value, however if a strong view is held the Cell may adopt a higher gross economic currency exposure. Furthermore, the cash component can be actively managed with additional duration and credit risk assumed with the use of short dated bonds and interest rate derivatives.

#### **Share Currencies**

Shares may be issued in Pounds Sterling, Euro and US Dollars.

#### **Investment Restrictions**

Please refer to the Investment Borrowing and Hedging Powers of the Company and its Cells set out in Appendix I of the Scheme Particulars.

#### **Borrowings**

The Company may borrow for the account of the Cell to fund redemptions when, in the opinion of the Investment Manager (but subject to the terms of the Investment Management Agreement and overall supervision and oversight of, and risk management by, the Directors), it is in the interest of Shareholders to borrow rather than liquidate investments. However, each sum borrowed must be repaid within three months of the date of drawdown. In addition the Company may borrow for the account of the Cell for the purpose of financing the acquisition of investments but only to the extent that such borrowings are covered by the proceeds of the sale of investments which have not yet been received. The amount which may be borrowed at any time is disclosed in Appendix I of the Scheme Particulars.

#### **Currency Hedging**

The Investment Manager may from time to time arrange for the Cell to enter into transactions in derivative instruments such as options, swaps and forward foreign exchange contracts and take short positions with a view to hedging the Cell's currency exposure. Any limits relating to hedging transactions are disclosed in Appendix I of the Scheme Particulars.

#### **Base Currency and Share Class Hedging**

The base currency of the Cell is Pounds Sterling.

The Investment Manager may enter into transactions for the purposes of hedging risk if it considers it to be in the best interest of a Share Class. These hedging transactions will be designed to protect the capital from adverse movements in currencies, interest rates or other market factors. Unless the Investment Manager considers that it is not in the interests of a Share Class to do so, it is intended that all or most of its foreign currency exposure will be hedged. The amounts payable by way of premium or margin on such transactions will be commensurate to the risks to the capital of the Share Class of not undertaking these transactions, and will not exceed the limits as disclosed in Appendix 1 of the Scheme Particulars.

It is generally intended to carry out such hedging through the use of various techniques, including but not limited to,

entering into over-the-counter (“OTC”) currency forward contracts foreign exchange swap agreements and currency derivatives. All costs and expenses incurred in carrying out the hedging process will be borne on a pro rata basis by all such hedged Share Classes denominated in the same currency issued within the same Cell.

### **Risk Factors**

Potential Shareholders should consider the following risk factors before investing in the Cell.

#### **(i) General**

Investment in the Cell is not for investors who cannot afford to lose all or a significant part of their investment in the Cell.

The investments of the Cell are subject to normal market fluctuations and other risks inherent in investing in securities. There can be no assurance that any appreciation in value of investments will occur. The value of investments and the income derived from them may fall as well as rise and Shareholders may not recoup the original amount invested in the Cell.

There is no assurance that the investment objectives of the Cell will actually be achieved nor that the performance of the Cell will actually match the performance of any particular index or benchmark.

The entire market of a particular asset class or geographical sector may fall, having a more pronounced effect on the Cell if heavily invested in that asset class or region. There will be a variation in performance between the Cell and other funds with similar objectives due to the different assets selected.

Past performance is not a guide to future returns.

#### **(ii) Effect of Preliminary Charge**

As a preliminary charge is imposed, a Shareholder who realises his Shares after a short period may not (even in the absence of a fall in the value of the relevant investments) realise the amount originally invested. Therefore, the Shares should be viewed as a long term investment.

#### **(iii) Dilution Levy**

A Cell may suffer a reduction in the value of its property due to dealing costs incurred when buying and selling investments. To offset this dilution effect the payment of a dilution levy may be required in addition to the price of Shares when bought or as a deduction when sold.

#### **(iv) Suspension or Deferral of Dealings in Shares**

Shareholders are reminded that in certain circumstances their right to redeem Shares may be suspended or deferred. See the sections headed “Deferral of Conversions and Redemptions” and “Suspension of Calculation of Net Asset Value and Dealing” in the Scheme Particulars for further details about suspension or deferral of dealings in Shares.

#### **(v) Currency Exchange Rates**

Depending on a Shareholder’s currency of reference, currency fluctuations may adversely affect the value of an investment and the income thereon.

#### **(vi) Higher Volatility and Concentrated Portfolios**

The Cell may hold a limited number of investments. Should one or more of those investments decline or be adversely affected, it may have a greater effect on the Cell’s value than if a larger number of investments were held. This may lead to a high turnover of investments in the Cell.

The Cell may invest in one particular type of asset, industry, or geographical preference. Such concentration can give rise to higher risk than a fund which has spread its investments more broadly.

#### **(vii) Use of Derivatives**

The Investment Manager may employ derivatives including forward transactions for investment purposes in the pursuit of the investment objectives and as overseen by the Company’s risk and oversight committee. Should the Investment Manager invest in derivatives and forward transactions for investment purposes, the Net Asset Value of the Cell may at times be moderately volatile (in the absence of compensating investment techniques) and the risk profile of the Cell

may change. However, it is the Investment Manager's intention that the Cell, owing to its portfolio composition, or the portfolio management techniques used, will not have volatility over and above the general market volatility of the markets of their underlying investments.

The Investment Manager may also employ derivatives for the purposes of hedging with the aim of reducing the risk profile of the Cell, or reducing costs, or generating additional capital or income, in accordance with efficient portfolio management.

To the extent that derivative instruments are utilised for hedging purposes, the risk of loss to the Cell may be increased where the value of the derivative instrument and the value of the security or position which it is hedging are insufficiently correlated.

**(viii) Warrants**

Whilst warrants may be utilised for the management of investment risk they can also be volatile. A warrant allows, within a subscribed period, the right to apply for shares, debentures, loan stock or government securities from the issuer of the underlying security. A small movement in the price of the underlying security results in a disproportionately large movement, favourable or unfavourable in the price of the warrant. Therefore the larger the fund holding in warrants the larger the risk of volatility.

**(ix) Liquidity**

Depending on the types of assets a Cell invests in there may be occasions where there is an increased risk that a position cannot be liquidated in a timely manner at a reasonable price.

**(x) Tax**

Tax laws currently in place may change in the future which could affect the value of Shareholders' investments. See the section headed "Taxation" in the Scheme Particulars for further details about taxation of the Cell.

**(xi) Inflation and Interest Rates**

The real value of any returns that a Shareholder may receive from the Cell could be affected by interest rates and inflation over time.

**(xii) Custody**

There may be a risk of loss where the assets of the Cell are held in custody that could result from the insolvency, negligence or fraudulent action of the Custodian or any sub-custodian.

**(xiii) Counterparty and Settlement**

The Cell will be exposed to a credit risk on parties with whom it trades and will also bear the risk of settlement default.

**(xiv) Counterparty Risk in Over-the-Counter Markets**

A Cell may enter into transactions in over-the-counter markets, which will expose the Cell to the credit of its counterparties and their ability to satisfy the terms of such contracts. For example, the Cell may enter into agreements or use other derivative techniques, each of which expose the Cell to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, the Cell could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Company seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. In such circumstances, Shareholders may be unable to cover any losses incurred.

**(xv) Investment in Other Schemes**

A Cell may, subject to the investment restrictions, invest in unregulated collective investment schemes. Such schemes are subject to less onerous regulatory supervision than regulated schemes, and therefore may be considered higher risk.

**(xvi) Currency Hedging**

Investors should be aware that any currency hedging process may not give a precise hedge. Furthermore, there is no guarantee that the hedging will be totally successful. Investors in those hedged Share Classes may have exposure to currencies other than the currency of the hedged Share Class.



**(xvii) Alternative Investments**

Alternative investments and their risks are more difficult to understand than other asset classes and are thus frequently difficult to value. Furthermore they are susceptible to external factors affecting valuation such as changes to legislation. Any valuations produced may be unreliable. Alternative investments are often less liquid than other types of investment assets.

**Available Shares**

	Distribution Type	Reporting Type	Maximum Initial Charge	Minimum Initial Subscription <sup>++</sup>	Minimum <sup>++</sup> Holding	Minimum Top Up	Minimum Regular Contribution / Withdrawal
'A' GBP Income Reporting Shares <sup>*</sup>	Income	Reporting	-	£50,000	£50,000	£5,000	-
'A' GBP Reinvest Reporting Shares <sup>*</sup>	Reinvest	Reporting	-	£50,000	£50,000	£5,000	-
'B' GBP Accumulating Non-Reporting Shares <sup>**</sup>	Acc.	Non-Reporting	5%	£10,000 <sup>#</sup>	£10,000	£100 <sup>#</sup>	£100
'B' GBP Income Reporting Shares <sup>**</sup>	Income	Reporting	5%	£10,000 <sup>#</sup>	£10,000	£100 <sup>#</sup>	£100
'A' EUR Accumulating Reporting Shares <sup>*</sup>	Acc.	Reporting	-	€60,000	€60,000	€6,000	-
'B' EUR Accumulating Non-Reporting Shares <sup>**</sup>	Acc.	Non-Reporting	5%	€12,000 <sup>#</sup>	€12,000	€120 <sup>#</sup>	€120
'A' USD Accumulating Non-Reporting Shares <sup>*</sup>	Acc.	Non-Reporting	-	\$75,000	\$75,000	\$7,500	-
'B' USD Accumulating Non-Reporting Shares <sup>**</sup>	Acc.	Non-Reporting	5%	\$15,000 <sup>#</sup>	\$15,000	\$150 <sup>#</sup>	\$150
'C' GBP Income Reporting Shares <sup>***</sup>	Income	Reporting	-	-	£5,000,000 <sup>##</sup>	-	-
'C' GBP Accumulating Reporting Shares <sup>***</sup>	Acc.	Reporting	-	-	£5,000,000 <sup>##</sup>	-	-

\* collectively referred to as 'A Shares'

\*\* collectively referred to as 'B Shares'

\*\*\* collectively referred to as 'C Shares'

# inclusive of any initial charge

## for clients with £5,000,000+ invested in the Elite Funds or at the discretion of Kleinwort Hambros.

++ minimum initial subscriptions and minimum holdings may be waived at the discretion of Kleinwort Hambros.

**Distribution Policy**

The Directors are entitled, in their sole discretion, to declare and pay dividends on Income Share Classes and Reinvest Share Classes in such amounts as are justified by the available income (consisting of all dividends, interest and other income of the Cell and attributable to such Classes) received net of expenses at 31 July in each year (the "Record Date"). Shareholders on the Register on the Record Date will be entitled to receive a dividend, if declared, which will usually be paid no later than 30 September in each year (the "Payment Date").

The Administrator will issue a statement on TISE showing the dividend type (interim or final), currency, rate of dividend, ex-dividend date, record date, payment date and period to which each dividend relates. This announcement will be made to the TISE, usually seven Business Days before the Record Date and in any event before the ex-dividend date, albeit that no negative statement will be provided where the Directors have decided not to declare or pay a dividend.

Different amounts of dividends may be declared on different Share Classes.

Registered Shareholders of Income Share Classes and Reinvest Share Classes as at the relevant Record Date are entitled to participate in any dividends pro rata (by reference to their holdings in the Class concerned as at the Record

Date). In the case of Income Share Classes the dividend proceeds will be paid directly to the account nominated by the registered Shareholder. Shareholders of Income Share Classes whose dividend is lower than £200 will have their dividend automatically reinvested. In the case of Reinvest Share Classes, dividends from the Cell will automatically be applied towards the acquisition of additional Shares of the same Class (free of any initial charge) on the Dealing Day following the relevant Payment Date at the relevant Net Asset Value per Share of each Class.

The Administrator will issue a statement showing the rate and amount of any dividend payable to Shareholders albeit that no such statement will be provided where the Directors have decided not to declare or pay a dividend.

Shareholders of Reinvest Share Classes who redeem their total shareholding after a dividend is declared, but prior to the payment of such dividend, will receive such dividend in the form of cash and not in the form of Shares. Payments will be made to the bank account specified by the Shareholder on the Application Form.

In the case of Accumulating Share Classes, no dividends are paid.

Shareholders of Reporting Share Classes who are resident in the United Kingdom should note that each of the Share Classes are certified as 'reporting funds' under the provisions of Part 8 of the Taxation (International and Other Provisions) Act 2010 and the Offshore Funds (Tax) Regulations 2009, and it is intended to continue to manage the Reporting Share Classes so as to maintain such authorisation.

### **Subscription and Redemption of Shares**

Shares for this Cell may be issued as separate classes of shares as detailed in the table set out above.

The Directors are authorised to close the Cell or any class of Shares to new subscriptions on such basis and on such terms as the Directors may in their absolute discretion determine.

A Shares are only available to clients of Kleinwort Hambros or its subsidiaries ("Kleinwort Hambros Group"). If a holder of A Shares ceases to be a client of the Kleinwort Hambros Group the Administrator reserves the right to convert their holding of A Shares into the relevant B Shares.

B Shares are only available to investors who do not meet the criteria for A Shares.

C Shares are only available for clients with £5,000,000+ invested in the Elite Funds, or at the discretion of Kleinwort Hambros. If a holder of C Shares ceases to be a client with £5,000,000+ invested in the Elite Funds, the Administrator reserves the right to convert their holding of C Shares into the relevant A or B Shares.

### **Subscriptions**

Subscriptions for the C GBP Accumulating Reporting Shares .

Eligible investors may subscribe for the C GBP Accumulating Reporting Share at an initial offering price of £1.00 until the Closing Date. Following the Closing Date, eligible investors may subscribe for these shares as detailed below.

Subscriptions for all Share Classes.

Eligible investors may subscribe for Shares on any Dealing Day in accordance with the procedure set out in the Particulars. Prospective investors should refer to the section headed "Eligible Investors and "US Persons" in the Scheme Particulars to establish whether or not they are eligible to invest.

The Directors have imposed restrictions on the acquisition of Shares by US Persons. Accordingly, no application for Shares will be accepted from a US Person (including a US Person who is already a Shareholder). However, US Persons who are already Shareholders may continue to hold their Shares.

### **Minimum Subscription**

The minimum subscription information in respect of the Shares for this Cell is detailed in the table set out above.

The Administrator may accept lower initial and additional subscriptions for Shares at the discretion of Kleinwort Hambros. The Administrator may not vary the minimum initial and additional amounts so as to require Shareholders to increase their holdings in the Cell.

### **Regular Investment/Withdrawal Scheme**

The regular investment scheme is only available to holders of B Shares.

Subject to the restrictions set out in the Scheme Particulars, in relation to minimum holding requirements investments into any B Share Class may be made on a monthly or quarterly basis. The minimum regular contribution that may be

made into each B Share Class is set out in the table above.

Investors wishing to take advantage of this facility should request a Standing Order Form from the Administrator at the time of the initial application or anytime thereafter.

Subject to the restrictions in the Particulars, Shareholders are entitled to request a regular withdrawal from a Cell(s) on a quarterly/semi-annual/annual basis. The minimum withdrawal (if any) that may be made from a Cell is set out in the table above. Provided the minimum holding requirements for a Cell have been met, the regular withdrawal will be processed in the same manner as for the redemption of shares of the same Cell. Investors wishing to take advantage of this facility should complete a Redemption Form which can be obtained from the Administrator and clearly mark in the section for the "reason why you are redeeming your shares" that this sum is a regular quarterly/semi-annual or annual withdrawal.

Instructions to increase, reduce, vary or discontinue the regular investment/withdrawal may be given at any time provided that the Administrator is notified of such change in writing and signed by the Shareholder(s).

### **Application Procedure**

Investors are referred to the Scheme Particulars for details of the calculation of Subscription and Redemption Prices and the procedures applicable to the subscription, redemption and conversion of Shares.

In respect of applications for A Shares Application Forms must be received by the Administrator by 5.00 p.m. one Business Day preceding the relevant Dealing Day.

In respect of applications for B Shares Application Forms must be received by the Administrator by 5.00 p.m. two Business Days preceding the relevant Dealing Day.

In respect of applications for C Shares Application Forms must be received by the Administrator by 5.00 p.m. one Business Day preceding the relevant Dealing Day.

The payment instructions for settlement of subscriptions for Shares in the Cell are detailed in the Cell's Application Form (or form available for additional subscriptions) and cleared funds must be received by the Administrator as follows:

In respect of applications for A Shares cleared funds must be received by 5.00 p.m. four Business Days after the relevant Dealing Day. Accordingly, investors will have the option to purchase a specific number of Shares.

In respect of applications for B Shares cleared funds must be received by 5.00 p.m. two Business Days preceding the relevant Dealing Day.

In respect of applications for C Shares cleared funds must be received by 5.00 p.m. four Business Days after the relevant Dealing Day. Accordingly, investors will have the option to purchase a specific number of Shares.

### **Redemption Notice**

In respect of A Shares in the base currency of the Cell a Shareholder who wishes to redeem all or any part of his holding must give the Administrator notice of his intention by 5.00 p.m. one Business Day preceding the relevant Dealing Day.

In respect of A Shares that are not in the base currency of the Cell a Shareholder who wishes to redeem all or any part of his holding must give the Administrator notice of his intention by 5.00 p.m. two Business Days preceding the relevant Dealing Day.

In respect of B Shares in either the base currency or non-base currency of the Cell a Shareholder who wishes to redeem all or any part of his holding must give the Administrator notice of his intention by 5.00 p.m. two Business Days preceding the relevant Dealing Day.

In respect of the C Shares of the Cell a Shareholder who wishes to redeem all or any part of his holdings must give the Administrator notice of his intention by 5.00 p.m. one Business Day preceding the relevant Dealing Day.

Any redemption request received after 5.00 p.m. (or such other time as the Directors may determine either generally or in relation to a Share Class or in any specific case) on any Business Day may be deemed to have been received on the next following Business Day.

### **Conversion Procedure**

Investors are referred to the Scheme Particulars for details on exchanging Shares in one Cell for Shares in another Cell.

Investors may also exchange their Shares in one Share Class for Shares in another Share Class in the same Cell, subject to the agreement of the Directors. To exchange Shares in one Share Class (the “original Class”) for Shares in any other Share Class of the Cell in existence or agreed to be brought into existence (the “new Share Class”). Shareholders are required to give the same period of notice for the conversion of Shares of the original Class as they would have to give for the redemption of those Shares as detailed in ‘Redemption Notice’ above. Any conversion request received after 5.00 p.m. (or such other time as the Directors may determine either generally or in relation to a Share Class or in any specific case) on any Business Day may be deemed to have been received on the next following Business Day.

#### **Deferral of Conversions and Redemptions**

The Directors may limit the total number of Shares in the Cell which may be redeemed or converted on any Dealing Day to 5% of the total number of Shares of the Cell in issue at the relevant time.

#### **Compulsory Redemption**

The Directors have resolved that they may at their discretion compulsorily redeem at any time the Shares in the Cell of any Shareholder which, as a result of a redemption of any part of the investor’s holding, have a value of less than the minimum holding as disclosed in the table set out above.

If the Net Asset Value of the Cell is less than £10 million on four consecutive Dealing Days the Directors may on not less than 21 clear days’ notice either compulsorily redeem all the Shares of the Cell in existence or convert them into Shares of another cell.

If the Net Asset Value of a Share Class is on four consecutive Dealing Days such that the Directors determine in their absolute discretion that to continue such Share Class is not economically viable the Directors may on not less than 21 clear days’ notice either compulsorily redeem all the Shares of the Class in existence or convert them into Shares of another Class.

#### **Publication of Prices**

The Subscription Prices (exclusive of any initial charge) and the Redemption Prices in respect of the immediately preceding Dealing Day will be available on request from the Administrator and will be published on the websites <https://elitefunds.kleinworthambros.com> and [www.tisegroup.com](http://www.tisegroup.com) and/or may be published in any leading business and finance news sources as the Directors determine appropriate.

#### **Stock Exchange Listings**

The Share Classes in this Cell have been admitted to the official list of, and are traded, on the TISE. Any unlisted Classes will be listed on the TISE as soon as possible after Shares are issued. In the event that the Shares of any listed Class are fully redeemed, the Company is required to de-list such Class as soon as practicable and intends to re-list such Class as soon as further Shares are issued. It is not expected that an active secondary market in the shares will develop.

## Fees and Expenses

### Establishment Costs

The costs and expenses associated with the organisation and the initial offering of Shares of the Cell have been either written off or paid by Kleinwort Hambros.

### Fees of the Investment Manager

The Investment Manager has agreed with the Company that until further notice its investment management fee per annum in respect of each of the Share Classes attributable to the Net Asset Value of each respective Share Class will be as follows:

'A' GBP Income Reporting Shares	1.25%
'A' GBP Reinvest Reporting Shares	1.25%
'B' GBP Accumulating Non-Reporting Shares	1.5%
'B' GBP Income Reporting Shares	1.5%
'A' EUR Accumulating Reporting Shares	1.25%
'B' EUR Accumulating Non-Reporting Shares	1.5%
'A' USD Accumulating Non-Reporting Shares	1.25%
'B' USD Accumulating Non-Reporting Shares	1.5%
'C' GBP Income Reporting Shares	– 0.60%
'C' GBP Accumulating Reporting Shares	– 0.60%

These fees will be accrued weekly and payable monthly in arrears. The Investment Manager is entitled to be reimbursed by the Company in respect of all out of pocket expenses incurred by the Investment Manager in connection with the investment management of the cells of the Company. Any such expenses which are not attributable to a particular cell will be apportioned between the relevant cells pro rata to their respective Net Asset Values.

### Fees of the Administrator

The Administrator has agreed with the Company that until further notice its administration fee shall be accrued weekly and payable monthly in arrears at the rate of 0.15% per annum of the Net Asset Value of the Cell.

In addition to this fee, the Administrator shall also be entitled to receive a fee of £50 per trading transaction in respect of underlying investments of the Cell.

The Administrator is entitled to be reimbursed by the Company in respect of all out of pocket expenses incurred by the Administrator in connection with the administration of the cells of the Company. Any such expenses which are not attributable to a particular cell will be apportioned between the relevant cells pro rata to their respective Net Asset Values.

### Fees of the Custodian

In respect of its fiduciary duties, the Custodian is entitled to receive from the Cell a fee of up to 0.06% per annum based on the Net Asset Value of the Cell and accrued weekly and payable monthly in arrears. At present, the Custodian intends to charge the Cell in accordance with the Net Asset Value of the Company, as set out in the following tiered structure, but subject to a minimum fee of £6,500 per annum payable by the Cell.

£0 to £400,000,000	0.035% per annum
£400,000,001 to £500,000,000	0.03% per annum
Above £500,000,000	0.025% per annum

The above Custodian fees may be varied from time to time, subject to agreement by the Company.

In addition to its fiduciary fees, the Custodian is entitled to holding and transaction fees (for underlying safe custody) at the Custodian's standard rate, as agreed with the Company from time to time.

The Custodian is entitled to be reimbursed by the Company for all out of pocket expenses incurred by the Custodian, including the cost of undertaking an annual site visit to the offices of the Administrator/Registrar. Any such expenses which are not attributable to a particular cell will be apportioned between the relevant cells pro rata to their respective Net Asset Values.

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## Contact details

Enquiries  
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For details of our services and general information about Kleinwort Hambros please visit  
[www.kleinworthambros.com](http://www.kleinworthambros.com)

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