

# KLEINWORT HAMBROS

## EQUITY

### MODEL PORTFOLIO SOLUTIONS

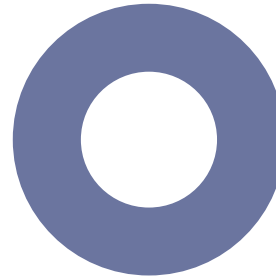
This document is designed for professional intermediaries only and is not intended for client use.

#### ASSET ALLOCATION RANGES

The allocation to asset class asset class will typically fall within these ranges:

| Asset class            | Range (%) |
|------------------------|-----------|
| Cash                   | 0 to 10   |
| Government bonds       | 0         |
| Credit                 | 0         |
| Equities               | 90 to 100 |
| Real estate            | 0         |
| Commodities            | 0         |
| Alternative strategies | 0         |

#### HISTORICAL REFERENCE ALLOCATION



- - Bonds
  - 100% Global Equities
  - - Domestic Equities
- 14.9% Target risk (volatility)  
7.7% Expected return (annual)

#### WHAT DOES THIS STRATEGY DO?

This model seeks to generate capital growth significantly exceeding inflation. The historical reference allocation above shows how a portfolio has typically been constructed to achieve the stated risk and return figures. However, the risks and returns of different assets are not static over time and historical returns are not a guide to future returns. This model therefore uses Kleinwort Hambros' dynamic asset allocation to invest in a wider range of asset classes in response to changing market and economic conditions. The model's current indicative asset class ranges are detailed above, and may vary over time.

#### PERFORMANCE UPDATE

Over the quarter the portfolio returned 5.8% well ahead of its ARC peer group which rose 0.9%.

Markets continued to recover from their mid-March lows as sentiment improved, though at a slower rate than in the second quarter as many countries continued to see an increase in new Covid-19 cases. Global markets were broadly flat in September as investors digested increasing restrictions to keep the virus under control.

Global equity markets continue to rise, with the MSCI World rising 3.2% over the quarter. The FTSE All Share lagged global markets falling 2.9% with emerging markets the best up 4.7%. This puts into context how strong the portfolio was over the quarter, driven by strong performances from our selected managers, which all benefitted from their strong growth bias.

The best came from Fidelity Emerging Markets which returned 11.0% compared to the MSCI EM up 4.7%. In the US Loomis Sayles US Growth Equity and Wells Fargo US all Cap Growth appreciated 5.3% and 7.6% respectively against the S&P 500s return of 4.1%. In addition, we had hedged 15% of the US exposure into sterling, using hedged ETFs, which returned c. 8%.

In Europe BlackRock Continental European Flexible rose 8.7% significantly ahead of its benchmark as did Baillie Gifford Japanese appreciating 8.1%.

In September we reduced the UK allocation by 3%, increasing the US by 1% and Japan by 2%; adding to existing holdings.

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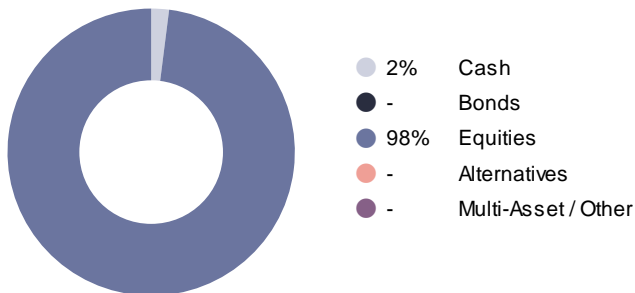
RISK RATING 3

## EQUITY

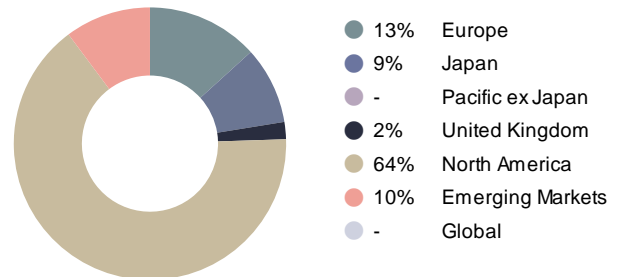
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## CURRENT ASSET ALLOCATION



## EQUITY ALLOCATION



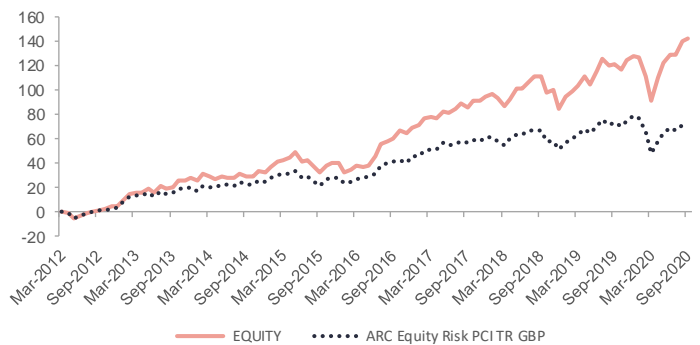
Source: Kleinwort Hambros as at 30 September 2020

Actual weighting and investment allocations are subject to change on an ongoing basis and may not be exactly as shown.

## TOP 10 HOLDINGS

|  | (%)  |
|--|------|
| iShares S&P 500 ETF                    | 10.0 |
| iShares S&P 500 GBP Hedged ETF         | 10.0 |
| Lyxor S&P 500 ETF                      | 10.0 |
| Loomis Sayles US Growth Equity Fund    | 8.0  |
| Robeco BP US Premium Equities Fund     | 8.0  |
| Wells Fargo US All Cap Growth          | 8.0  |
| Baillie Gifford WW Japanese Fund       | 7.0  |
| Fidelity Emerging Markets Fund         | 6.0  |
| Jupiter European Growth Fund           | 5.0  |
| BGF Continental European Flexible Fund | 5.0  |

## PERFORMANCE CHART



Past performance should not be seen as an indication of future performance. Performance net of underlying fund fees but gross of Kleinwort Hambros's annual management charge, platform fees and advisor charges. The deduction of such fees and charges will reduce the gross performance shown above.

# KLEINWORT HAMBROS

## EQUITY

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RISK RATING 3

#### PERFORMANCE

|               | YTD* | 3 months* | 1 year* | 5 year* | Inception* |
|---------------|------|-----------|---------|---------|------------|
| EQUITY        | 6.3  | 5.8       | 9.4     | 82.0    | 141.9      |
| ARC PCI**     | -4.8 | 0.9       | -1.7    | 39.6    | 70.3       |
| + / -         | 11.0 | 4.9       | 11.1    | 42.5    | 71.6       |
| Volatility*** | -    | -         | 18.2    | 12.2    | 11.0       |

|           | Sep 2015 to<br>Sep 2016 | Sep 2016 to<br>Sep 2017 | Sep 2017 to<br>Sep 2018 | Sep 2018 to<br>Sep 2019 | Sep 2019 to<br>Sep 2020 |
|-----------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| EQUITY    | 20.6                    | 16.0                    | 13.7                    | 4.6                     | 9.4                     |
| ARC PCI** | 15.9                    | 10.7                    | 6.5                     | 3.8                     | -1.7                    |

\* to 30 June 2020

\*\* ARC Equity Risk PCI TR GBP

\*\*\* Annualised data

Notes: model launch date 01/04/2012; performance net of underlying fund fees but gross of Kleinwort Hambros's annual management charge, platform fees and advisor charges; Latest quarter of ARC performance data are based on ARC estimates. The deduction of such fees and charges will reduce the gross performance shown above.

#### TARGET MARKET

| Target Market Category | Suitable for ... ✓  | Not suitable for ... X  |
|------------------------|---|---|
| Client categorisation  | Retail  | -   |
| Knowledge & Experience | Basic   | -   |
| Capacity for loss      | Required  | Clients who cannot bear loss  |
| Risk tolerance         | High  | -   |
| Objectives             | <ul style="list-style-type: none"> <li>▪ Growth</li> <li>▪ Long term</li> </ul> | <ul style="list-style-type: none"> <li>▪ Capital Preservation</li> <li>▪ Short/Medium term</li> </ul> |
| Distribution           | Advised or Discretionary  | Execution Only  |

#### YIELD, FEES AND CHARGES

|  |                |
|--|----------------|
| Yield (gross)  | 0.9%           |
| Kleinwort Hambros annual management charge (via platforms) | 0.35% plus VAT |

#### Available Platforms:

AXA Elevate  
Novia  
Transact  
Standard Life



Past performance should not be seen as an indication of future performance. Investments may be subject to market fluctuations and the price and value of investments and the income derived from them can go down as well as up. The tax benefits and liabilities will depend on individual circumstances and may change in the future. The performance chart represents the cumulative performance since inception, against the cumulative return in %. Estimated yield is calculated based on distributed 12-month historic yield data and reflects the actual cash distribution yield, which may change.

Source: ARC, Morningstar, Bloomberg and Kleinwort Hambros as at 30 September 2020

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This document is a financial promotion

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