

KLEINWORT HAMBROS

GROWTH AND INCOME MODEL PORTFOLIO SOLUTIONS

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

RISK RATING 4

ASSET ALLOCATION RANGES

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

Asset class	Range (%)
Cash	0 to 25
Government bonds	0 to 50
Credit	0 to 25
Equities	50 to 95
Real estate	0 to 12
Commodities	0 to 12
Alternative strategies	0 to 12

HISTORICAL REFERENCE ALLOCATION



25%	Bonds
75%	Global Equities
-	Domestic Equities
11.4%	Target risk (volatility)
6.8%	Expected return (annual)

WHAT DOES THIS MODEL DO?

This model seeks to generate a blend of capital growth and income. The historical reference allocation above shows how a portfolio has typically been constructed to achieve the stated risk and return figures.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.

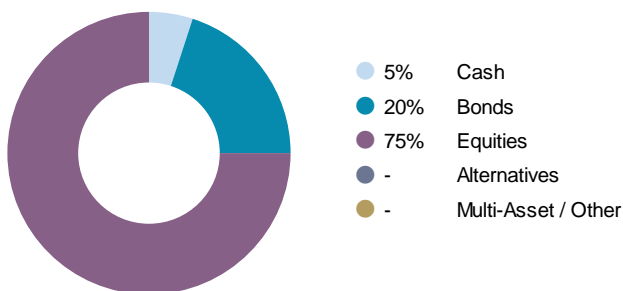
PERFORMANCE UPDATE

Over the quarter the portfolio returned 4.0%, significantly outperforming its ARC peer group, which rose 0.8%. The portfolio's bias to global equities added the most value, benefiting from the strength of the US market over the quarter. The portfolio currently generates a gross yield of 2.1%.

Global equity markets were driven higher by the continued strength of US equities. Elsewhere, only the European and Japanese markets delivered meaningful positive returns. The worst performance came from the UK market which fell 0.8%. Performances of note were; Tokio Marine Japanese Equity Focus (+5.6%), Ma GLG Japan Core Alpha (+6.5%), Polar Capital Emerging Markets Income (+5.5%) and Schroder Asian Income (+2.2%) all outperforming their respective benchmarks.

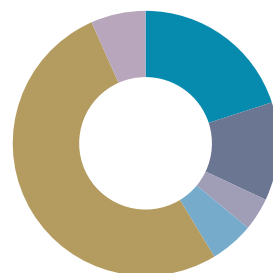
The fixed income investments remained flat overall whilst over the period we made some changes to our investment grade positioning. Government bonds were modest detractors as markets digested the increased probability of future rate rises, though partially mitigated by our short duration call. Our credit exposure's positive performance, in both investment grade and high yield offset this shortfall.

CURRENT ASSET ALLOCATION



5%	Cash
20%	Bonds
75%	Equities
-	Alternatives
-	Multi-Asset / Other

EQUITY ALLOCATION



15%	Europe
9%	Japan
3%	Pacific ex Japan
4%	United Kingdom
39%	North America
5%	Emerging Markets
-	Global

Source: Kleinwort Hambros as at 30 Sept 2018

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

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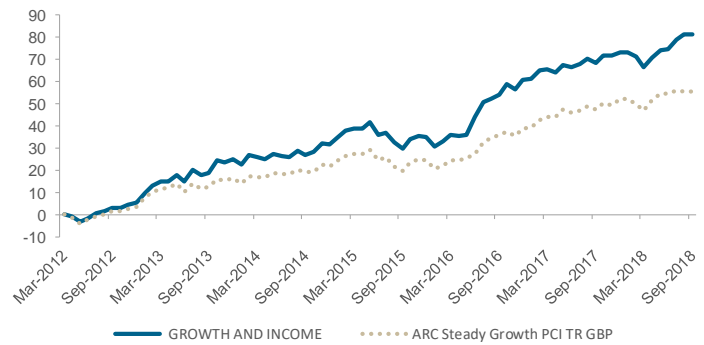
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RISK RATING
4

TOP 10 HOLDINGS

	(%)
Fidelity Index US Fund	10.0
SPDR® S&P US Dividend Aristocrats ETF	10.0
Standard Life European Equity Income	7.0
Invesco Sterling Bond Fund	7.0
Aviva Investors US Equity Income Fund II	7.0
Fidelity American Growth	7.0
JOHCM Continental European Fund	6.0
Baillie Gifford WW Japanese Fund	5.0
GBP Cash Deposit	5.0
Robeco BP US Premium Equities Fund	5.0

PERFORMANCE CHART



PERFORMANCE

	YTD*	3 months*	1 year*	Inception*
GROWTH AND	4.6	3.9	7.7	81.4
ARC PCI**	2.4	0.8	5.5	55.7
+ / -	2.2	3.1	2.2	25.7
Volatility***	-	-	4.2	6.9

	Sep 2013 to Sep 2014	Sep 2014 to Sep 2015	Sep 2015 to Sep 2016	Sep 2016 to Sep 2017	Sep 2017 to Sep 2018
GROWTH AND	6.7	2.0	18.7	9.4	7.7
ARC PCI**	5.8	0.5	13.5	8.7	4.6

* to 30 September 2018

** ARC Steady Growth 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; the deduction of fees, commissions and other charges will reduce the performance outlined above.

Latest quarter of ARC performance data are based on ARC estimates.

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.

Source: ARC, Morningstar, Bloomberg and Kleinwort Hambros as at 30 Sept 2018

YIELD, FEES AND CHARGES

Yield (gross)	2.1%
Kleinwort Hambros annual management charge (via platforms)	0.35% plus VAT

Available Platforms:

Ascentric
AXA Elevate
Novia
Transact
Aviva
Nucleus
Standard Life

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