

WS KLEINWORT HAMBROS EQUITY INCOME FUND

Market commentary

The Investment Association UK Equity Income sector fell 0.6% compared to MSCI UK, broadly flat, and MSCI World rising 4.4%. The fund itself fell 0.6% on a total return basis, in line with the benchmark. The fund's performance can be broken down as follows; Stock selection was in marginally behind the benchmark costing 0.1%, and fees cost 0.1%; asset allocation added 0.2% relative to the benchmark.

Stock selection was marginally behind the benchmark. On the positive side Threadneedle UK Equity Income, Royal London UK Equity Income and Majedie UK Income fund added the most value. All benefitted from being underweight financials and overweight healthcare. Though this was offset by the weakness from Aberdeen Standard UK Equity Unconstrained Income, Artemis Income and Schroder UK Alpha Income. These suffered from being underweight consumer staples and Healthcare and overweight financials. Stock that impacted performance included Legal and General, Barclays and Phoenix group.

Asset allocation was the largest contributor. Currently the fund has approximately 17% of its assets invested outside the UK equity market. The overseas investments performed well in comparison to the benchmark, enhanced by the weakness of sterling over month. The best came from the Lyxor S&P 500 tracker (+5.3%) and Aviva US Equity Income (+1.3%), though Schroder Oriental's decline of 3.4% offset some of this strength. The alternative sources of income were broadly flat. While CGP Infrastructure (+2.4%) and GCP Asset Backed Income (+2.9%) performed strongly, this was offset by the weakness of HICL (-4.2%), resulting from a change in investor sentiment.

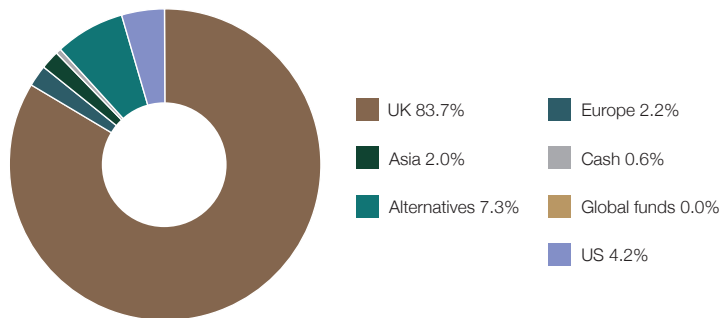
Definitions

Alternative sources of income are investments that have a low correlation to equity and bond markets and deliver a higher level of income.

Asset Allocation reflects the managers decision to invest away from the UK equity market to enhance returns.

Total Return is the actual return of an investment, which includes interest, capital gains, dividends and distributions realised over a given time scale.

Asset allocation



Source for all data: Kleinwort Hambros (as at 30 June 2021). Actual weighting and investment allocations are subject to change on an ongoing basis and may not be exactly as shown. Investors should understand the different asset classes which make up the strategy as they have different risk characteristics.

Fund details

Long term benchmark

IA UK Equity Income sector

Fund classes available

A Class

Fund size as at 30 June 2021

£43.2 million

Base currency

Sterling

Price listing

Bloomberg

Bloomberg ticker

Income units – CKBEIFI LN
Accumulation units – CKBEIFA LN

Domicile

UK

Minimum initial investment

£50,000

Launch date

28 March 2011

Pricing frequency

Daily

Current Gross Yield

3.3%

Structure

FCA Authorised UCITs scheme

Dividend distribution dates

31 March, 30 June, 30 September
and 31 December

Investment Manager

SG Kleinwort Hambros Bank Limited

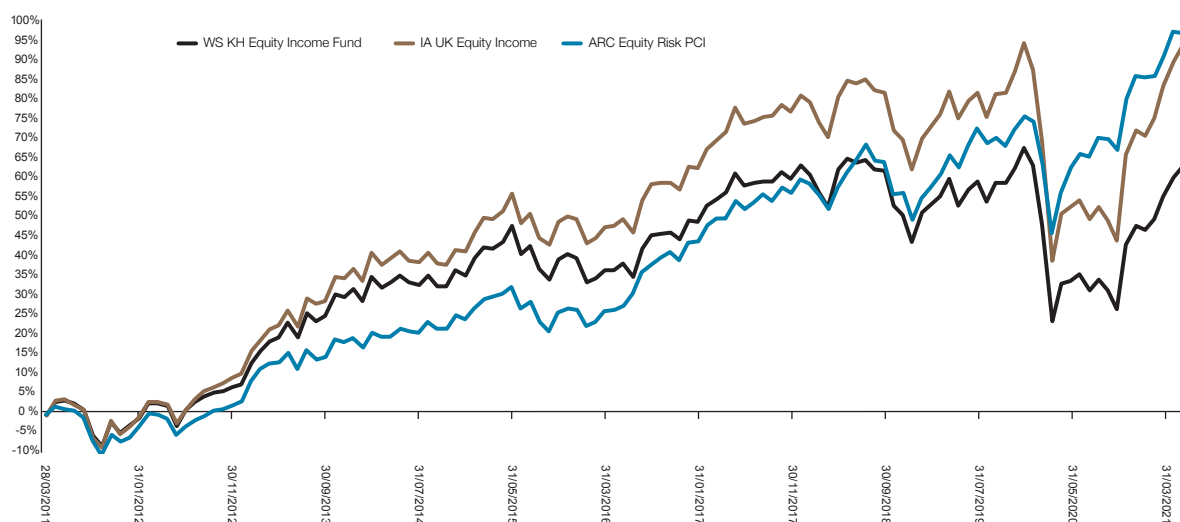
Authorised Corporate Director

Waystone Management (UK) Limited

Auditor

Grant Thornton

Monthly cumulative performance



Source for all data: Kleinwort Hambros (as at 30 June 2021). Calculation basis: Sterling, bid to bid, total return. All returns in Sterling unless stated otherwise. Fund returns are actual returns after all fees and expenses are deducted. **Past performance should not be seen as an indication of future performance.**

Single year fund performance (5 years ending June)

Jun 16 – Jun 17	Jun 17 – Jun 18	Jun 18 – Jun 19	Jun 19 – Jun 20	Jun 20 – Jun 21
17.6%	3.7%	-4.2%	-14.1%	20.1%

Fund performance (%)

	Since launch*	5 years*	4 years*	3 years*	2 years*	1 year*	6 months*	3 months*	1 month*
WS KH Equity Income Fund	64.6%	20.6%	2.6%	-1.1%	3.2%	20.1%	9.9%	4.3%	-0.6%

*To 30 June 2021.

Performance table (%)

	2011*	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021**
WS KH Equity Income Fund	-2.6%	10.9%	23.4%	2.6%	3.4%	6.9%	9.7%	-12.2%	17.0%	-12.1%	9.9%
IA OE UK Equity Income	-3.0%	14.1%	25.2%	3.2%	6.1%	8.9%	11.5%	-10.6%	20.1%	-11.6%	12.1%
ARC Equity Risk PCI	-5.8%	10.1%	16.1%	4.1%	1.8%	13.7%	11.4%	-5.9%	17.3%	5.8%	8.4%

* Launch date 28 March 2011.

** 2021 - Year to date.

All performance figures compounded monthly.

Top ten holdings

	% of fund
Artemis Income Fund	10.9%
Schroder UK Alpha Income	10.8%
Threadneedle UK Equity Income	10.8%
Royal London UK Equity Income	10.7%
River & Mercantile UK Equity Income	10.7%
JO Hambro UK Equity Income	10.5%
Aberdeen UK Equity Income Unconstrained	8.8%
Majedie UK Income	6.1%
Fidelity MoneyBuilder Dividend	4.5%
Aberdeen Europe Ex UK Equity Income	2.2%
Total	85.8%

Source for all data: Kleinwort Hambros (as at 30 June 2021). Actual weighting and investment allocations are subject to change on an ongoing basis and may not be exactly as shown.

Fees and charges

Equity Income Fund			
Initial charge*	7.00%	Ongoing charges figure**	2.40%***
Performance fee	0.00%	Exit Penalty	0.00%

* May be waived for clients of SG Kleinwort Hambros.

** This includes fund administration charges. The ongoing charge is reduced to 1.65% for the institutional share class when assets of over GBP 5 million are in SG Kleinwort Hambros managed funds.

*** Calculated as at 30-Apr-20. This amount may fluctuate according to fund size and underlying holdings.

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Marketing

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