

KLEINWORT HAMBROS

BALANCED

MODEL PORTFOLIO SOLUTIONS

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

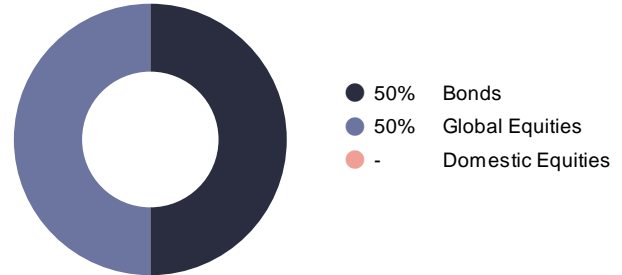
RISK RATING 3

ASSET ALLOCATION RANGES

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

Asset class	Range (%)
Cash	0 to 25
Government bonds	0 to 75
Credit	0 to 50
Equities	25 to 75
Real estate	0 to 10
Commodities	0 to 10
Alternative strategies	0 to 10

HISTORICAL REFERENCE ALLOCATION



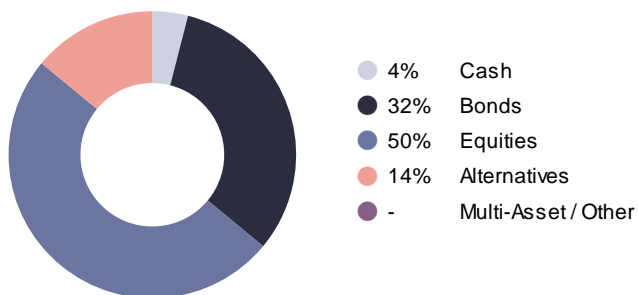
WHAT DOES THIS MODEL DO?

The primary investment objective of the Balanced strategy 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.

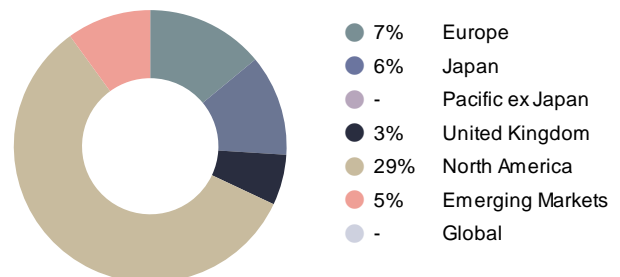
PERFORMANCE UPDATE

Over the quarter the portfolio returned 4.2% significantly outperforming its ARC peer group which rose 2.5%. It was encouraging to see the strategy's strong performance in Q1 continue into Q2. The portfolio's equity allocation was the principle driver of returns, though this was supported by the fixed income and the alternatives exposures which both delivered smaller positive returns. Global equity markets continued in their upward trajectory, with the MSCI World returning 6.5%, though the US market was slightly stronger returning 6.6% in sterling terms. The portfolio's significant exposure to the US market was a major positive driver of returns, though this was well supported by its European allocation. Fidelity American Growth (+7.0%) outperformed the US market over the period. All other equity markets delivered positive returns with the following outperforming their respective benchmarks; Threadneedle UK Equity (+3.8%), Fidelity Emerging Markets (+10.8%), Baillie Gifford Japanese (+4.4%), Fidelity Emerging Markets (+7.3%) and BlackRock Continental European Flexible (+10.4%). The fixed income investments were a strong contributor over the quarter with both government bonds and credit exposures adding value. Credit added the most value, with Pimco Global Investment Grade (+3.2%) the best. The only slight weakness was our short duration exposure in the government bond positioning, which did not participate in the markets broad rally, though over the quarter we did increase our duration exposure. Alternatives produced a small positive return driven by its gold exposure and Lyxor Epsilon both returning 8.0% over the quarter. The other alternative trading strategies Lyxor Sandler and Lyxor Tiedemann both delivered small positive returns. Over the quarter we switched Fidelity American Growth and Legg Mason US aggressive into new holdings of Loomis Sayles US Growth Equity and Robeco US Premium Equities. It was a hard decision to sell the fidelity fund which has been a long term holding, but Loomis Sayles US Growth Equity will give us a better exposure to growth in the US market. In June we also modestly reduced cash to increase our government bond exposure and our duration positioning.

CURRENT ASSET ALLOCATION



EQUITY ALLOCATION



Source: Kleinwort Hambros as at 30 June 2019. Actual weighting and investment allocations are subject to change on an ongoing basis and may not be exactly as shown.

KLEINWORT HAMBROS

BALANCED

MODEL PORTFOLIO SOLUTIONS

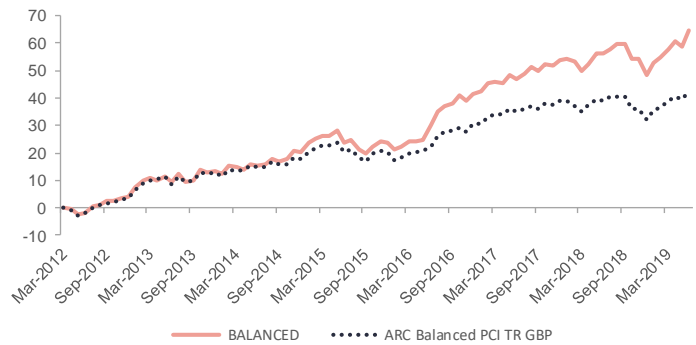
This document is designed for professional intermediaries only and is not intended for client use.

RISK RATING
3

TOP 10 HOLDINGS

	(%)
Lyxor S&P 500 ETF	10.0
Invesco Sterling Bond	7.0
PIMCO Global Investment Grade Credit Fund	7.0
Loomis Sayles US Growth Equity Fund	7.0
Robeco BP US Premium Equities Fund	7.0
Lyxor FTSE Actuaries UK Gilts 0-5Y ETF	6.0
Lyxor FTSE Actuaries UK Gilts ETF	6.0
iShares S&P 500 GBP Hedged ETF	5.0
GBP Cash Deposit	4.0
BGF Continental European Flexible Fund	4.0

PERFORMANCE CHART



PERFORMANCE

	YTD*	3 months*	1 year*	5 year*	Inception*
BALANCED	10.7	4.2	5.4	42.6	64.5
ARC PCI**	7.8	2.5	2.3	23.9	42.4
+ / -	3.0	1.7	3.1	18.7	22.1
Volatility***	-	-	7.9	5.9	5.8

	Jun 2014 to Jun 2015	Jun 2015 to Jun 2016	Jun 2016 to Jun 2017	Jun 2017 to Jun 2018	Jun 2018 to Jun 2019
BALANCED	7.3	5.3	12.9	6.1	5.4
ARC PCI**	4.7	1.6	10.6	3.0	2.3

* to 30 June 2019

** ARC Balanced 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.

YIELD, FEES AND CHARGES

Yield (gross)	1.6%
Kleinwort Hambros annual management charge (via platforms)	0.35% plus VAT

Available Platforms:

Ascentric
AXA Elevate
Novia
Transact
Aviva
Nucleus
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 %.

Source: ARC, Morningstar, Bloomberg and Kleinwort Hambros as at 30 June 2019

Important Information

This document is provided for information purposes only. It does not constitute and under no circumstances should it be considered in whole or in part as an offer, a solicitation, advice, a recommendation or a contract. It is intended to be used by the recipient only and may not be passed on or disclosed to any other persons and/or in any jurisdiction that would render the distribution illegal. It is the responsibility of any person in possession of this document to inform himself or herself of and to observe all applicable laws and regulations of the relevant jurisdictions. This document is in no way intended to be distributed in or into the United States of America nor directly or indirectly to any U.S. person. This document is intended to report solely on the services, products, investment strategies and opportunities provided by or identified by the Kleinwort Hambros group ("Kleinwort Hambros Group"). The services, products, investment strategies and opportunities described herein may not be suitable for all clients. Potential clients should consult their financial adviser to assess the suitability of any proposed transaction before taking any action.

Financial promotion

This document is a financial promotion.

Professional Intermediaries or Professional Clients

This document is designed for Professional Intermediaries or Professional Clients only and is not intended for Retail client use.

Investment Performance

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. Capital may be at risk and clients may not get back the amount invested. Changes in inflation, interest rates and the rate of exchange may have an adverse effect on the value, price and income of investments.

Tax, Accounting and Legal

Any services and investments may have tax consequences and it is important to bear in mind that the Kleinwort Hambros Group does not provide tax advice. The level of taxation depends on individual circumstances and such levels and bases of taxation can change. You should seek professional tax advice in order to understand any applicable tax consequences. In addition, the material is not intended to provide, and should not be relied on for, accounting or legal purposes and independent advice should be sought where appropriate. Some products and services are not available in all Kleinwort Hambros Group entities. Their availability depends on local laws and tax regulations. In addition, they have to comply with the Societe Generale Group Tax Code of Conduct. Furthermore, accessing some of these products, services and solutions might be subject to other conditions, amongst which is eligibility.

Conflicts of Interest

Kleinwort Hambros is part of the Societe Generale Group, an international organisation which provides a wide range of financial services in various countries. As such, it, or a company with whom it has an association may from time to time, have interests which conflict with its clients' interests or with the duties that it owes to its clients. These include conflicts arising between the interests of Societe Generale, its associates and employees on the one hand and the interests of its clients on the other and also conflicts between clients themselves. For example, companies in the Societe Generale Group may be the operator, trustee, custodian or depositary of, or investment manager to, a

collective investment scheme or may manufacture structured products, which may be included in your portfolio, and so may benefit financially from the establishment, sale, management or structure of such scheme or products. The Societe Generale Group maintains and operates effective organisational and administrative arrangements taking all reasonable steps to identify and prevent or manage conflicts of interest. Kleinwort Hambros has put in place a management of conflicts of interest policy designed to prevent conflicts of interest giving rise to a material risk of damage to the interests of its clients. For a summary of this conflicts of interest policy, clients can refer to www.kleinworthambros.com

Marketing

If you do not wish to receive this document in the future, please let your Private Banker know or call us on +44 (0) 207 597 3000. Telephone calls may be monitored or recorded.

Legal and Regulatory information

This document is issued by the following companies in the Kleinwort Hambros Group under the brand name Kleinwort Hambros: 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 address is 5th Floor, 8 St James's Square, London SW1Y 4JU.

Compensation

SG Kleinwort Hambros Bank Limited is covered by the Financial Services Compensation Scheme ("FSCS"). Clients may be entitled to compensation from the FSCS if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim. For investment business, compensation may be available to eligible investors in respect of protected claims up to a maximum of £50,000 per claimant. For further information about the compensation provided by the FSCS (including the amounts covered and eligibility to claim) please ask contact a private banker or refer to the FSCS website www.fscs.org.uk or call the FSCS on 020 7741 4100 or 0800 678 1100. Please note only compensation related queries should be directed to the FSCS.

General

Kleinwort Hambros is part of Societe Generale Private Banking, which is part of the wealth management arm of the Societe Generale Group. Societe Generale is a French Bank authorised in France by the Autorité de Contrôle Prudentiel et de Resolution, located at 61, rue Taitbout, 75436 Paris Cedex 09 and under the prudential supervision of the European Central Bank. It is also authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Further information on the Kleinwort Hambros Group including additional legal and regulatory details can be found at: www.kleinworthambros.com Any unauthorised use, duplication, redistribution or disclosure in whole or in part is prohibited without the prior consent of Societe Generale. The key symbols, Societe Generale, Societe Generale Private Banking and Kleinwort Hambros are registered trademarks of Societe Generale.

© Copyright the Societe Generale Group 2017. All rights reserved.

CA248