

KLEINWORT HAMBROS

GROWTH

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 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HISTORICAL REFERENCE ALLOCATION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 achieve capital growth in excess of 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 The historical reference allocation above shows how a portfolio has typically been constructed to achieve the stated risk and return figures.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.

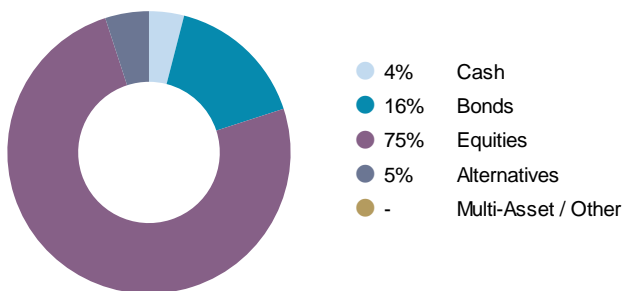
PERFORMANCE UPDATE

Over the quarter the portfolio returned 6.3%, significantly outperforming its ARC peer group, which rose 3.4%. The portfolio's bias to global equities added the most value, benefiting from the strength of the US market over the quarter, though the fixed income positions were a modest detractor. The gold exposure added a small positive return.

Equity markets rebounded strongly in the quarter recovering from the falls in February and March. The strongest equity performance came from the US and UK Markets, though most markets delivered positive returns with the exception of the emerging markets. Performances of note were; Fidelity American Growth (+12.0%), Legg Mason US Aggressive Growth (+13.7%), Hermes Asia ex-Japan (+5.3%), Jupiter European (+11.5%) and BlackRock Continental European Flexible (+6.8%), all outperforming their respective benchmarks.

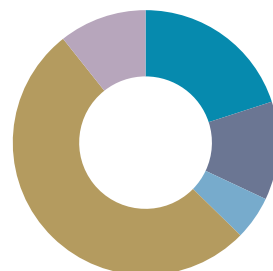
The fixed income investments delivered a modest negative return impacted by our investment grade allocation. The short duration bias added value but not enough to offset this weakness. The long duration exposure was generally negative as markets digested the increased probability of future rate rises; impacting our credit positions and inflation linked government bonds. We made no changes to our overall asset allocation. While equity markets moved back into positive momentum during the quarter, we did not increase equity exposure as continuing trade tensions may cause spikes of volatility, offering a better entry point.

CURRENT ASSET ALLOCATION



4%	Cash
16%	Bonds
75%	Equities
5%	Alternatives
-	Multi-Asset / Other

EQUITY ALLOCATION



15%	Europe
9%	Japan
-	Pacific ex Japan
4%	United Kingdom
39%	North America
8%	Emerging Markets
-	Global

Source: Kleinwort Hambros as at 30 Jun 2018

Past performance and expected returns should not be seen as an indication of future performance. Actual weighting and investment allocations are subject to change on an ongoing basis and may not be exactly as shown

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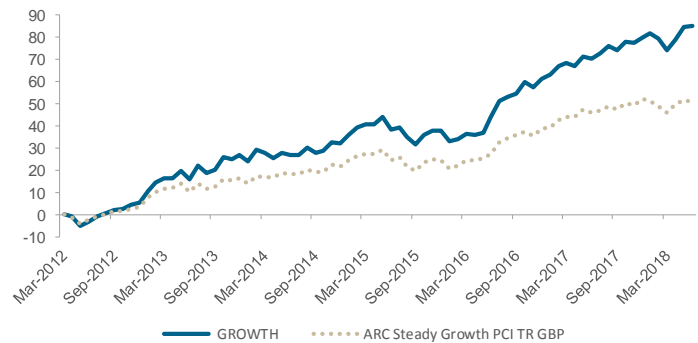
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RISK RATING 4

TOP 10 HOLDINGS

	(%)
Fidelity Index US Fund	10.0
iShares S&P 500 ETF	10.0
Fidelity American Growth	7.0
Legg Mason ClearBridge US Aggressive Growth	7.0
Jupiter European Fund	5.0
BGF Continental European Flexible Fund	5.0
JOHCM Continental European	5.0
SPDR® S&P US Dividend Aristocrats ETF	5.0
Tokio Marine Japanese Equity Focus	5.0
iShares Physical Gold ETC	5.0

PERFORMANCE CHART



PERFORMANCE

	YTD*	3 months*	1 year*	Inception*
GROWTH	2.8	6.3	8.7	85.0
ARC PCI**	-0.8	3.4	3.3	50.8
+ / -	3.6	2.8	5.4	34.2
Volatility***	-	-	4.7	7.6

	Jun 2013 to Jun 2014	Jun 2014 to Jun 2015	Jun 2015 to Jun 2016	Jun 2016 to Jun 2017	Jun 2017 to Jun 2018
GROWTH	9.5	8.8	4.3	18.0	8.7
ARC PCI**	7.4	5.2	2.5	14.4	3.3

* to 30 June 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 Jun 2018

YIELD, FEES AND CHARGES

Yield (gross)	1.2%
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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This document is a financial promotion

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