

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### HISTORICAL REFERENCE ALLOCATION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 The historical reference allocation above shows how a portfolio has typically been constructed to achieve the stated risk and return figures.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

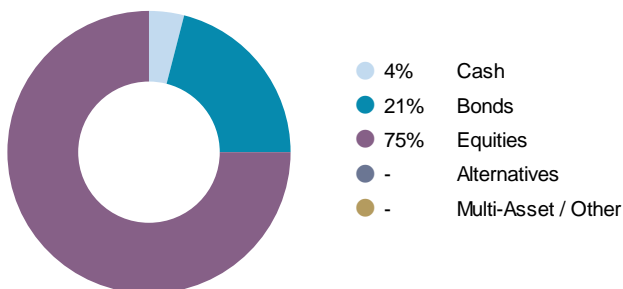
Over the quarter the portfolio returned 4.9%, significantly outperforming its ARC peer group, which rose 3.4%. The portfolio's bias to global equities added the most value, benefiting from the strength of the US market over the quarter, though the fixed income positions were a modest detractor.

Equity markets rebounded strongly in the quarter recovering from the falls in February and March. The strongest equity performance came from the UK Market, though most markets delivered positive returns with the exception of the emerging markets. Performances of note were; Threadneedle UK Equity Income (+11.6%), Fidelity American Growth (+12.0%) and Aviva US Equity Income (+10.7%), all outperforming their respective benchmarks.

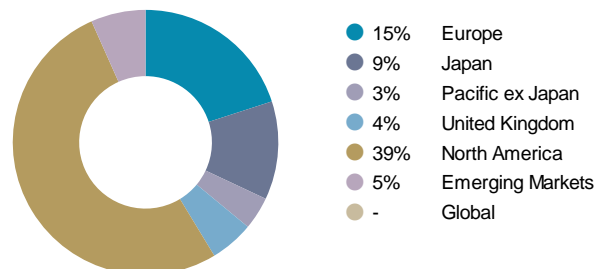
The fixed income investments delivered a modest negative return impacted by credit allocation as markets digested the increased probability of future rate rises. The short duration gilt position added value but not enough to offset this weakness.

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



### EQUITY ALLOCATION



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.*

## KLEINWORT HAMBROS

GROWTH AND INCOME  
MODEL PORTFOLIO SOLUTIONS

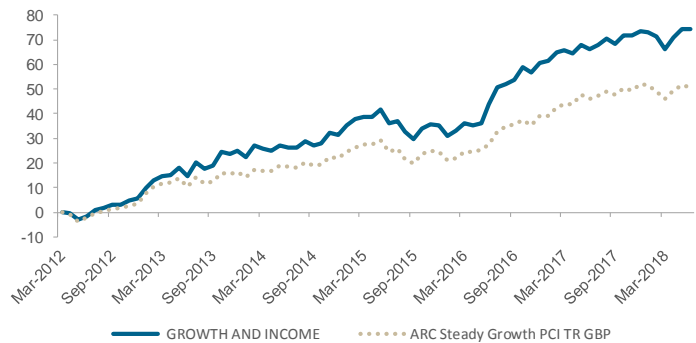
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RISK RATING 4

## 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
Aviva Investors US Equity Income Fund II	7.0
Fidelity American Growth	7.0
JOHCM Continental European	6.0
Invesco Sterling Bond Fund	5.0
Robeco BP US Premium Equities	5.0
Tokio Marine Japanese Equity Focus	5.0
Polar Capital Emerging Markets Income Fd	5.0

## PERFORMANCE CHART



## PERFORMANCE

	YTD*	3 months*	1 year*	Inception*
GROWTH AND	0.6	4.9	4.9	74.5
ARC PCI**	-0.8	3.4	3.3	50.8
+ / -	1.4	1.5	1.6	23.7
Volatility***	-	-	4.2	7.0

	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 AND	10.0	7.8	5.8	15.6	4.9
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)	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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This document is a financial promotion

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