

KLEINWORT HAMBROS

GROWTH AND INCOME MODEL PORTFOLIO SOLUTIONS

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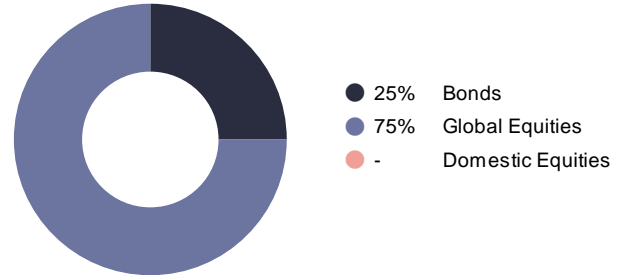
RISK RATING 4

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 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HISTORICAL REFERENCE ALLOCATION



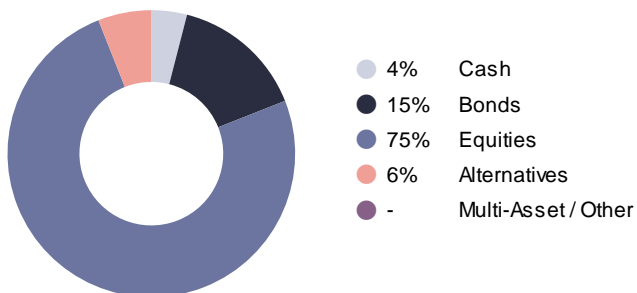
WHAT DOES THIS MODEL DO?

The primary investment objective of the Growth and Income strategy is to seek to achieve a total return provided by generating an above average and sustainable level of income, whilst targeting steady long term capital growth with reasonably low turnover.

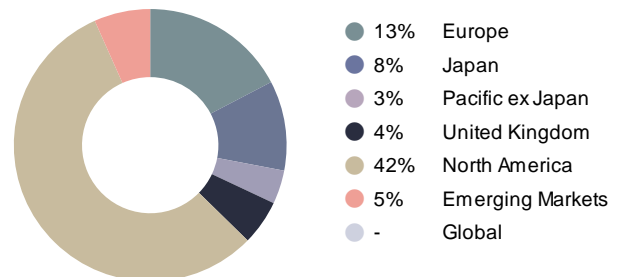
PERFORMANCE UPDATE

Over the quarter the portfolio returned 4.7% significantly outperforming its ARC peer group which rose 3.3%. 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; Royal London UK Equity Income (+2.9%), Baillie Gifford Japanese (+4.4%), Schroder Asian Income (+5.3%) and Standard Life European Equity Income (+6.1%). 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 Invesco Sterling Bond Fund (+2.4%) 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. Within alternatives HICL (+3.8%) was the best performer with International Public Partnerships broadly flat. These are held for their high income and lack of correlation with equity markets, offering a degree of downside protection. Over the quarter we switched Fidelity American Growth into a new holding of Loomis Sayles US Growth Equity. It was a hard decision to sell the fidelity fund which has been a long term holding, but the new fund gives 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.

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GROWTH AND INCOME
MODEL PORTFOLIO SOLUTIONS

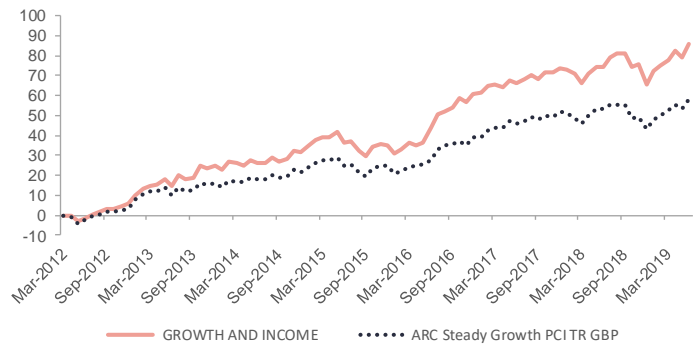
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RISK RATING 4

TOP 10 HOLDINGS

	(%)
Lyxor S&P 500 ETF	13.0
SPDR® S&P US Dividend Aristocrats ETF	9.0
Invesco Sterling Bond	7.0
Loomis Sayles US Growth Equity Fund	7.0
Robeco BP US Premium Equities Fund	7.0
Standard Life European Equity Income	7.0
JOHCM Continental European Fund	6.0
Aviva Investors US Equity Income Fund II	6.0
Polar Capital Emerging Markets Income Fd	5.0
GBP Cash Deposit	4.0

PERFORMANCE CHART



PERFORMANCE

	YTD*	3 months*	1 year*	5 year*	Inception*
GROWTH AND	12.2	4.7	6.5	47.2	85.9
ARC PCI**	10.1	3.3	3.1	33.5	57.9
+ / -	2.1	1.5	3.4	13.8	28.0
Volatility***	-	-	10.6	7.7	7.5

	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
GROWTH AND	7.8	5.8	15.6	4.9	6.5
ARC PCI**	5.2	2.5	14.4	4.9	3.1

* to 30 June 2019

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

YIELD, FEES AND CHARGES

Yield (gross)	2.4%
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

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