

KLEINWORT HAMBROS**CONSERVATIVE**

MODEL PORTFOLIO SOLUTIONS

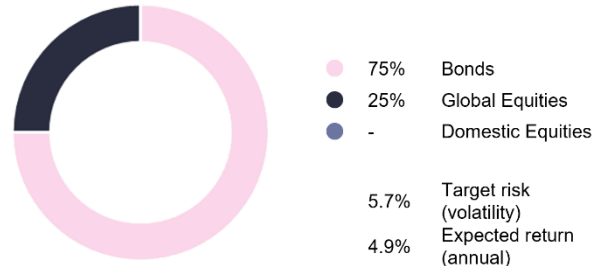
This document is designed for professional intermediaries only and is not intended for client use.

RISK RATING 2

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	25 to 90
Credit	0 to 50
Equities	0 to 50
Real estate	0 to 10
Commodities	0 to 10
Alternative strategies	0 to 10

HISTORICAL REFERENCE ALLOCATION**WHAT DOES THIS MODEL DO?**

This model seeks to preserve purchasing power relative to inflation over a period of 5-7 years. The historical reference allocation above shows how a portfolio has typically been constructed to achieve its objective. 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 appreciated 3.1%, ahead of its ARC peer group which rose 2.0%. Both the equity and bond allocations were the main drivers of returns. The equity performance was driven by the UK and European positioning, though this was partially offset by the US names which detracted; impacted by sterling strengthening against the US dollar. Alternatives were modestly positive over the quarter.

Markets rallied in September and October as investors speculated on where peak interest rates would settle and how fast they would decline on the other side. Most thought a slowing would start after the November increase and the commentary from the central banks. Though this changed in December as rate rises continued on their upward path with no sign of slowing, causing markets to give back some of their gains from October and November.

Global equity markets returned 1.9%. European and UK Markets delivered the best returns up 11.5% and 8.9% respectively. At the other end US markets fell 0.3%, impacted by sterling strength versus the US dollar and the continuing weakness of growth stocks demonstrated by the Russell 1000 Growth down 5.2% over the quarter. The best performances came from iShares FTSE 100 (+8.7%), JOHCM Continental European (+14.0%), BlackRock Continental European Flexible (+12.3%) and Hermes Asia Ex-Japan (+4.4%).

The fixed income positioning benefited as bonds continued to rally, benefiting from their longer duration, though in December this did negatively impact performance. Investment grade credit also performed well with Invesco Sterling Bond fund (+8.9%) the best performer.

The alternatives were modestly positive. The gold position (+7.7%) delivered the best return, benefiting from its sterling hedge. On the other side this was partially offset by the weakness in the trading strategies in particular the Tail Risk Protection note and Lyxor Epsilon.

In November we sold the remaining US growth exposure, removing the holding of Loomis Sayles US Growth Equity, adding a new holding of Robeco US Premium Equities to increase the portfolio's tilt towards value. We also reduced the Rathbone Ethical Bond Fund, reducing our credit exposure to increase the government bond weighting. In mid-December we reduced the duration of the government bond, switching the bulk of our exposure into the Lyxor FTSE Actuaries UK Gilts 0-5yr ETF.

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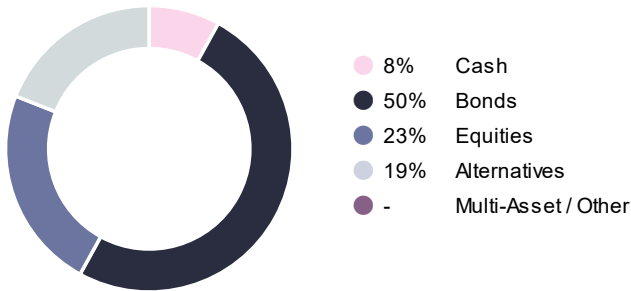
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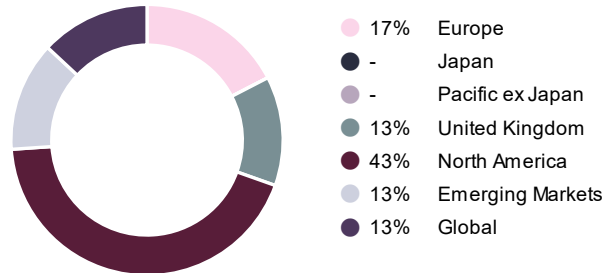
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CURRENT ASSET ALLOCATION



EQUITY ALLOCATION



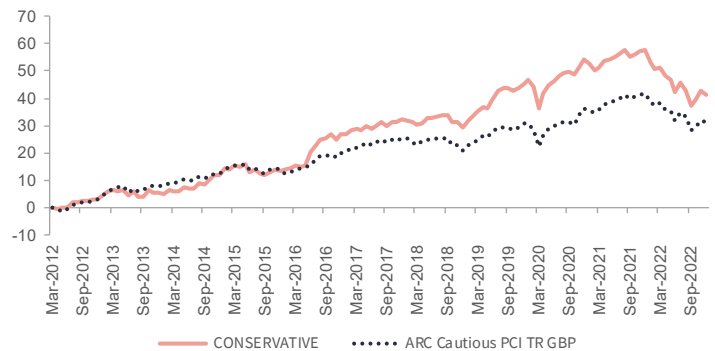
Source: Kleinwort Hambros as at 31 Dec 2022.

Actual weighting and investment allocations are subject to change on an ongoing basis and may not be exactly as shown.

TOP 10 HOLDINGS

Holdings	(%)
Lyxor FTSE Actuaries UK Gilts 0-5Y ETF	15.0
GBP Cash Deposit	8.0
iShares UK Gilts 0-5yr ETF	8.0
Invesco Sterling Bond Fund	7.0
Lyxor FTSE Actuaries UK Gilts ETF	6.0
iShares £ Corp Bond 0-5yr ETF	6.0
PIMCO Global Investment Grade Credit Fund	5.0
Lyxor Net Zero 2050 S&P 500 Climate PAB ETF	5.0
Lyxor Tiedemann Arbitrage Strategy Fund	4.0
WisdomTree Physical Gold GBP Hedged ETC	4.0

PERFORMANCE CHART



Past performance should not be seen as an indication of future performance. Performance net of underlying fund fees but gross of Kleinwort Hambros's annual management charge, platform fees and advisor charges. The deduction of such fees and charges will reduce the gross performance shown above.

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PERFORMANCE

	YTD*	3 months*	1 year*	5 year*	Inception*
Conservative	-10.3	3.1	-10.3	7.0	41.5
ARC PCI**	-7.6	2.0	-7.6	4.5	31.1
+ / -	-2.7	1.1	-2.7	2.5	10.3
Volatility***	-	-	7.6	5.9	4.9

	Dec 2017 to Dec 2018	Dec 2018 to Dec 2019	Dec 2019 to Dec 2020	Dec 2020 to Dec 2021	Dec 2021 to Dec 2022
Conservative	-2.1	12.1	6.3	2.2	-10.3
ARC PCI**	-3.6	8.1	4.2	4.2	-7.6

* to 31 December 2022

** ARC Cautious 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)	1.7%
Kleinwort Hambros annual management charge (via platforms)	0.35% plus VAT

Available Platforms:

Elevate
Novia
Transact
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 %. Performance net of underlying fund fees but gross of Kleinwort Hambros's annual management charge, platform fees and advisor charges. The deduction of such fees and charges will reduce the gross performance shown above. Estimated yield is calculated based on distributed 12-month historic yield data and reflects the actual cash distribution yield, which may change

Source: ARC, Morningstar, Bloomberg and Kleinwort Hambros as at 31 Dec 2022.

Target Market

Target Market Category	Suitable for ... ✓	Not suitable for ... X
Client categorisation	Retail	-
Knowledge & Experience	Basic	-
Capacity for loss	Required	Clients who cannot bear loss
Risk tolerance	Medium	-
Objectives	<ul style="list-style-type: none"> ▪ Growth ▪ Long term 	<ul style="list-style-type: none"> ▪ Capital Preservation ▪ Short/Medium term
Distribution	Advised or Discretionary	Execution Only

Source: Kleinwort Hambros as at 31 December 2022.

Important Information

This document is a marketing communication provided for information purposes and does not constitute investment advice or a recommendation. It is not intended for distribution in or into the United States of America nor directly or indirectly to any U.S. person.

Financial promotion

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

Council Directive (EU) 2018/822 amending Directive 2011/16/EU ("DAC 6") – Gibraltar Accounts

The arrangement described herein may be considered as a reportable cross-border arrangement according to Council Directive (EU) 2011/16 regarding disclosable arrangements under hallmark category D (as amended by The Income Tax Act 2010 (Amendment) (EU Exit) Regulations 2021) and, as such, may need to be reported to the relevant tax authorities in accordance with the regulations. Cross-border arrangements involving tax residents and/or intermediaries situated in Spain may still be subject to DAC 6 reporting under all hallmarks as foreseen in the applicable regulations.

SG Kleinwort Hambros Bank Limited, Gibraltar Branch does not provide tax advice and you should consult your tax advisors for any further assistance.

Council Directive (EU) 2018/822 amending Directive 2011/16/EU ("DAC 6") – UK Accounts

The arrangement described herein may be considered as a reportable cross-border arrangement according to Council Directive (EU) 2011/16 regarding disclosable arrangements under hallmark category D (as amended by The International Tax Enforcement (Disclosable Arrangements) (Amendment) (No. 2) (EU Exit) Regulations 2020) and, as such, may need to be reported to the relevant tax authorities in accordance with the relevant regulations.

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Tax, Accounting and Legal

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Marketing

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Compensation Schemes

The UK head office and Gibraltar branch of SG Kleinwort Hambros Bank Limited are covered by the Financial Services Compensation Scheme ("FSCS"). Investors and depositors may be entitled to compensation under the Financial Services Compensation Scheme ("FSCS") if Kleinwort Hambros cannot meet its obligations, depending on the circumstances of the claim. Most clients – including most individuals and businesses – are covered by the scheme, up to the limit of £85,000 per person. Full details of the scheme are available at: www.fscs.org.uk.

SG Kleinwort Hambros Bank Limited, Jersey Branch is a participant in the Jersey Bank Depositors Compensation Scheme

(the "JBDC Scheme"). The JBDC Scheme offers protection for eligible deposits of up to £50,000. The maximum total amount of compensation is capped at £100,000,000 in any five year period. Full details of the JBDC Scheme and banking groups covered are available at: www.gov.je/dcs.

SG Kleinwort Hambros Bank Limited, Guernsey Branch is a participant in the Guernsey Banking Deposit Compensation Scheme (the "GBDC Scheme"). The GBDC Scheme offers protection for "qualifying deposits" up to £50,000, subject to certain limitations. The maximum total amount of compensation is capped at £100,000,000 in any five year period. Full details are available at: www.dcs.gg. For further information about the schemes (including the amounts covered and eligibility to claim), please contact your Private Banker.

Jersey and Guernsey do not have compensation schemes in relation to investment services. However UK-regulated mortgage business conducted by SG Kleinwort Hambros Bank Limited is covered by the FSCS if you were resident in the UK at the time the service was provided.

Legal and Regulatory information

This document is issued by 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 in the UK. The company is incorporated in England & Wales under number 964058 with registered office at One Bank Street, Canary Wharf, London E14 4SG. Services provided by non-UK branches of SG Kleinwort Hambros Bank Limited will be subject to the applicable local regulatory regime, which will differ in some or all respects from that of the UK. Please see the Information Documents on our website for further information: <https://www.kleinworthambros.com/en/important-information>.

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