

# HC KB ENTERPRISE EQUITY INCOME FUND

## Market commentary

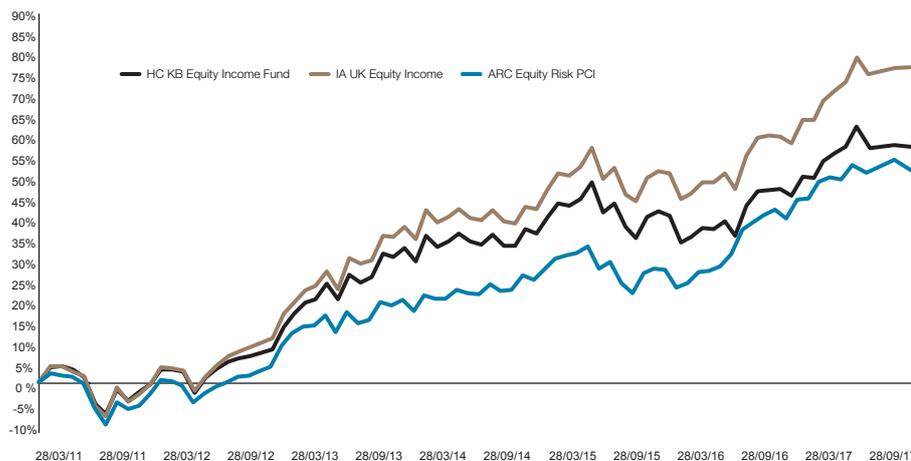
The Investment Association UK Equity Income sector rose 0.2%, compared to the FTSE All Share and FTSE World ex UK which declined by 0.4% and 2.0% respectively over the month. The fund itself fell 0.1% on a total return basis, slightly behind the benchmark. Stock selection was flat and asset allocation lost 0.2%; fees cost 0.1%.

Stock selection was broadly flat. The best performance came from JO Capital Management UK Equity Income (+1.5%), benefiting from its tilt away from bond proxies towards cyclicals and financials that benefited from the market's renewed expectation of rising rates over the coming months. Threadneedle UK Equity Income (+1.2%) also added value driven by its overweight industrials exposure. This was offset by Liontrust Macro Equity Income (-1.3%) suffering from its overweight telecoms exposure and lack of Energy and Industrial stocks.

Asset allocation was the major detractor. Over half of the shortfall was due to CATCO Reinsurance opportunities that continued to suffer in the aftermath of the recent hurricanes to hit the Caribbean and US. It is too early to say what the final impact will be on the NAV of the company, but we have arranged a meeting with the managers to get a better understanding of the range of outcomes. We anticipate that insurance premiums will rise next year, enabling the fund to recover the shortfall and more. The remainder of the shortfall came from the fund's modest overseas exposure, which suffered a headwind from sterling's gain of 5% vs. the US Dollar. This impacted all of the holdings; Artemis Global Income (-2.0%), Standard Life European Equity Income (-1.3%) and Schroder Oriental Income (-3.9%).

On the chart below we have added another comparative benchmark, the Asset Risk Consultants (ARC) Equity Risk PCI. This is based on the performance of actual client's portfolios submitted from various Wealth Managers, giving an indication of the performance investors should expect from a portfolio invested fully in equities.

## Monthly cumulative performance



Source for all data: Kleinwort Benson. Calculation basis: Sterling, bid to bid, total return. All returns in Sterling unless stated otherwise. Fund returns are actual returns after all fees and expenses are deducted.

## Fund details

### Long term benchmark

IA UK Equity Income sector

### Fund classes available

A Class

### Fund size as at 30 September 2017

£84.5 million

### Base currency

Sterling

### Price listing

FT

### Bloomberg ticker

Income units – CKBEIFI LN

Accumulation units – CKBEIFA

### Domicile

UK

### Minimum initial investment

£50,000

### Launch date

28 March 2011

### Pricing frequency

Daily

### Current 12 month gross yield

3.92%

### Structure

FCA Authorised UCITs scheme

### Dividend distribution dates

31 March, 30 June, 30 September and 31 December

### Investment Manager

Kleinwort Benson Bank Limited

### Authorised Corporate Director

Host Capital Limited

### Auditor

Grant Thornton

## Single year fund performance (5 years ending September)

Sep 12 - Sep 13	Sep 13 - Sep 14	Sep 14 - Sep 15	Sep 15 - Sep 16	Sep 16 - Sep 17
19.2%	6.2%	1.4%	8.8%	9.2%

## Fund performance (%)

Since launch*	5 years*	4 years*	3 years*	2 years*	1 year*	6 months*	3 months*	1 month*
61.5%	52.5%	28.0%	20.5%	18.8%	9.2%	2.8%	0.6%	-0.1%

\*To 30 September 2017

## Top ten holdings

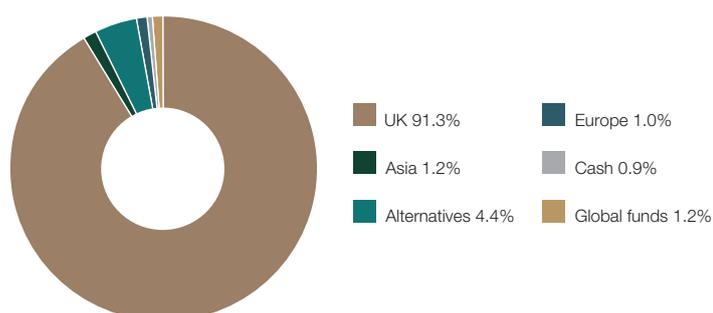
	% of fund
Artemis Income Fund	10.4%
Liontrust Macro Equity Income	10.2%
Royal London UK Equity Income	10.2%
Threadneedle UK Equity Income	10.1%
Schroder UK Alpha Income	10.1%
River & Mercantile UK Equity Income	9.9%
JO Hambro UK Equity Income	9.1%
Standard Life UK Equity Income Unconstrained	8.5%
Majedie UK Income	3.7%
Fidelity MoneyBuilder Dividend	3.6%
<b>Total</b>	<b>85.8%</b>

## Performance table %

	2011	2012	2013	2014	2015	2016	2017**
Enterprise Equity Income	-2.6%	10.9%	23.4%	2.6%	3.4%	6.9%	6.8%
IA OE UK Equity Income	-3.0%	14.1%	25.2%	3.2%	6.1%	8.9%	8.2%
ARC Equity Risk PCI	-5.8%	10.1%	16.1%	4.1%	1.8%	13.7%	6.5%

\*Launch date 28-Mar-2011. \*\*2017 – Year to date.

## Asset allocation



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## Fees and charges

Enterprise Equity Income			
Initial charge*	7.00%	Ongoing charges figure**	2.35%***
Performance fee	0.00%	Exit Penalty	0.00%

\*May be waived for clients of Kleinwort Benson.

\*\*This includes fund administration charges. The ongoing charge is reduced to 1.59% for the institutional share class when assets of over GBP 5 million are in Kleinwort Benson managed funds.

\*\*\*Calculated as at 30-Apr-2017. This amount may fluctuate according to fund size and underlying holdings.

This publication is a financial promotion. It has been approved and issued in the United Kingdom by Kleinwort Benson Bank Limited.

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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 your private banker or refer to the FSCS website [www.fscs.org.uk](http://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.

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