

# Kleinwort Hambros Elite PCC Limited

Annual Report and Audited Financial Statements  
For the year ended 31 July 2018

Guernsey Registered Company Number: 42365



SOCIETE GENERALE GROUP

# Kleinwort Hambros Elite PCC Limited

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# Investor Information

## General information

Kleinwort Hambros Elite PCC Limited (“the Company”) was incorporated as a company with limited liability in Guernsey on 30 September 2004 and is authorised by the Guernsey Financial Services Commission (“GFSC”) as a Class B Scheme under The Protection of Investors (Bailiwick of Guernsey) Law, 1987. The Company is an open-ended investment Protected Cell Company governed by the provisions of The Companies (Guernsey) Law, 2008 (“The Law”). The assets of each cell are held in a segregated portfolio. Persons investing and dealing in a cell of the Company only have recourse to the assets attributable to that particular Cell. They have no recourse to the assets of any other Cell, except as provided under the Law against any non-cellular assets of the Company. Therefore under Guernsey Law the assets of any series cell are not exposed to the liabilities of other series within the umbrella structure.

## Principal activity and investment objective

The investment philosophy of the Company is to achieve long-term capital growth, income or total return (depending on the specific objectives of each Cell).

The Company currently has six active Cells which include multiple share classes. Twenty six classes within five of the Cells, are listed on The International Stock Exchange (‘TISE’).

The functional and reporting currency of the Company and of each Cell is pounds sterling except for Kleinwort Hambros Elite USD Currency Fund which is United States dollar as well as Kleinwort Hambros Elite EUR Currency Fund and Kleinwort Hambros Elite EUR Fixed Income Fund which are in Euro.

## The Cells

### Kleinwort Hambros Elite Sterling Fixed Income Fund (formerly Kleinwort Benson Elite Sterling Fixed Income Fund)

This Fund was launched on 28 April 2006 and was formerly known as Kleinwort Benson Elite Sterling Income Fund. The investment objective of the Cell is primarily to produce returns by way of income with the possibility of capital growth over the medium to long term with low volatility through a portfolio of fixed income and cash investments.

The Cell will seek to achieve its objective through a diversified portfolio of predominantly sterling denominated securities, bonds, notes or negotiable instruments issued or guaranteed by sovereign or corporate borrowers within the member states of the Organisation for Economic Co-operation and Development (OECD).

The Alternative Investment Fund Manager may also choose to hold collective investment schemes, cash, money market instruments and other instruments (such as, but not limited to, warrants, convertible preference shares and structured products) as the Alternative Investment Fund Manager may consider appropriate in achieving the overall objective of the

Cell. The Cell may use derivatives for investment purposes as well as for efficient portfolio management.

### Kleinwort Hambros Elite Multi Asset Balanced Fund

This Fund was launched on 3 October 2005, the investment objective of the Cell is to achieve long term equity returns with a moderate level of risk through a well diversified portfolio across asset classes.

The Cell will seek to achieve its objective by investing directly in a range of equities, bonds, money market instruments, derivative instruments, forward transactions, collective investment schemes and other instruments as the Alternative Investment Fund Manager may consider appropriate in achieving the overall objective of the Cell. The Cell may use derivatives for investment purposes as well as for efficient portfolio management.

### Kleinwort Hambros Elite Multi Asset Conservative Fund

This Fund was launched on 3 August 2005, the investment objective of the Cell is to achieve consistent returns with a low level of risk through a well diversified portfolio across asset classes.

The Cell will seek to achieve its objective by investing directly in a range of equities, bonds, money market instruments, derivative instruments, forward transactions, collective investment schemes and other instruments as the Alternative Investment Fund Manager may consider appropriate in achieving the overall objective of the Cell. The Cell may use derivatives for investment purposes as well as for efficient portfolio management.

### Kleinwort Hambros Elite Multi Asset Growth Fund

This Fund was launched on 11 September 2007 the investment objective of the Cell is to outperform equity returns with equity-like risk through a well diversified portfolio across asset classes.

The Cell will seek to achieve its objective by investing directly in a range of equities, bonds, money market instruments, derivative instruments, forward transactions, collective investment schemes and other instruments as the Alternative Investment Fund Manager may consider appropriate in achieving the overall objective of the Cell. The Cell may use derivatives for investment purposes as well as for efficient portfolio management.

### Kleinwort Hambros Elite International Equity Fund

This Fund was launched on 12 October 2012, the investment objective of the Cell is to maximise capital growth over medium to long term. The Cell will seek to achieve its objective through a diversified portfolio of predominantly international equity based securities.

## Investor Information (continued)

The Alternative Investment Fund Manager may also choose to hold collective investment schemes, cash, money market instruments and other instruments (such as, but not limited to, warrants, convertible preference shares and structured products) as the Alternative Investment Fund Manager may consider appropriate in achieving the overall objective of the Cell. The Cell may use derivatives for investment purposes as well as for efficient portfolio management.

### **Kleinwort Hambros Elite Sterling Currency Fund**

The Fund was launched on 12 October 2012 and has been established as a feeder fund which invests exclusively in the Sterling A Shares of the HSBC Sterling Liquidity Fund, a sub-fund of the HSBC Global Liquidity Fund plc ('Underlying Fund').

The investment objective of the Underlying Fund is to provide investors with security of capital and daily liquidity together with an investment return which is comparable to normal Pounds Sterling denominated money market interest rates.

The Fund was fully redeemed on 30 November 2017.

### **Kleinwort Hambros Elite EUR Currency Fund**

The Fund was launched on 12 October 2012 and has been established as a feeder fund which invests exclusively in the Euro A Shares of the HSBC Euro Liquidity Fund, a sub-fund of the HSBC Global Liquidity Fund plc ('Underlying Fund').

The investment objective of the Underlying Fund is to provide investors with security of capital and daily liquidity together with an investment return which is comparable to normal Euro denominated money market interest rates.

The Fund was fully redeemed on 30 November 2017.

### **Kleinwort Hambros Elite US Dollar Currency Fund**

The Fund was launched on 12 October 2012 and has been established as a feeder fund which invests exclusively in the US Dollar A Shares of the HSBC US Dollar Liquidity Fund, a sub-fund of the HSBC Global Liquidity Fund plc ('Underlying Fund').

The investment objective of the Underlying Fund is to provide investors with security of capital and daily liquidity together with an investment return which is comparable to normal US Dollar denominated money market interest rates.

The Fund was fully redeemed on 30 November 2017.

### **Kleinwort Hambros Elite International Bond Fund**

This Fund was launched on 12 October 2012, the investment objective of the Cell is to maximise total returns over the medium to long term whilst generating income through a portfolio of fixed income and cash investments. The Cell will seek to achieve its objective through a diversified portfolio of predominantly international bonds and Government securities.

The Alternative Investment Fund Manager may also choose to hold collective investment schemes, cash, money market instruments and other instruments (such as, but not limited to, warrants, convertible preference shares and structured products) as the Investment Fund Manager may consider appropriate in achieving the overall objective of the Cell. The Cell may use derivatives for investment purposes as well as for efficient portfolio management.

The fund was fully redeemed on 30 November 2017.

### **Kleinwort Hambros Elite EUR Fixed Income Fund**

This Fund was launched on 12 October 2012, the investment objective of the Cell is primarily to produce returns by way of income with the possibility of capital growth over the medium to long term with low volatility through a portfolio of fixed income and cash investments.

The Cell will seek to achieve its objective through a diversified portfolio of predominantly euro denominated securities, bonds, notes or negotiable instruments issued or guaranteed by sovereign or corporate borrowers within the member states of the Organisation for Economic Co-operation and Development (OECD). The Alternative Investment Fund Manager may also choose to hold collective investment schemes, cash, money market instruments and other instruments (such as, but not limited to, warrants, convertible preference shares and structured products) as the Investment Fund Manager may consider appropriate in achieving the overall objective of the Cell. The Cell may use derivatives for investment purposes as well as for efficient portfolio management.

The fund was fully redeemed on 30 November 2017.

### **Kleinwort Hambros Elite Trojan Fund**

The Participating Share share class of this Fund holds illiquid investment assets in EEA Life Settlements Fund. If the cash flow is sufficient the Directors will consider making further distributions to shareholders.

# Investor Information (continued)

## Cells and Class Names

### Kleinwort Hambros Elite Sterling Fixed Income Fund:

- A Income Reporting Shares\*
- B Income Reporting Shares\*

### Kleinwort Hambros Elite Multi Asset Balanced Fund:

- A GBP Income Reporting Shares\*
- A GBP Reinvest Reporting Shares\*
- B GBP Income Reporting Shares\*
- A USD Accumulating Reporting Shares\*\*
- A USD Accumulating Non-reporting Shares\*\*
- A EUR Accumulating Reporting Shares\*
- B USD Accumulating Non-reporting Shares\*
- B EUR Accumulating Non-reporting Shares\*
- B GBP Accumulating Non-reporting Shares\*

### Kleinwort Hambros Elite Multi Asset Conservative Fund:

- A GBP Income Reporting Shares\*
- B GBP Income Reporting Shares\*
- A EUR Accumulating Reporting Shares\*
- B USD Accumulating Non-reporting Shares\*
- B EUR Accumulating Non-reporting Shares\*
- B GBP Accumulating Non-reporting Shares\*

### Kleinwort Hambros Elite Multi Asset Growth Fund:

- A GBP Income Reporting Shares\*
- A GBP Reinvest Reporting Shares\*
- B GBP Income Reporting Shares\*
- A USD Accumulating Reporting Shares\*\*
- B USD Accumulating Non-reporting Shares\*
- B EUR Accumulating Non-reporting Shares\*
- B GBP Accumulating Non-reporting Shares\*

### Kleinwort Hambros Elite International Equity Fund

- A GBP Income Reporting Shares\*
- A GBP Reinvest Reporting Shares\*
- B GBP Accumulating Non-reporting Shares\*

### Kleinwort Hambros Elite GBP Currency Fund

- B GBP Accumulating Non-reporting Shares\*\*

### Kleinwort Hambros Elite EUR Currency Fund

- B EUR Accumulating Non-reporting Shares\*\*

### Kleinwort Hambros Elite USD Currency Fund

- B USD Accumulating Non-reporting Shares\*\*

### Kleinwort Hambros Elite International Bond Fund

- B GBP Accumulating Non-reporting Shares\*\*

### Kleinwort Hambros Elite EUR Fixed Income Fund

- B EUR Income Reporting Shares\*\*

### Kleinwort Hambros Elite Trojan Fund

- Participating Shares (suspended)

\*These share classes are listed on the TISE.

\*\*These share classes were fully redeemed during the year.

# Investor Information (continued)

## Directors

### **R Phillips (Chairman)**

Ground Floor  
Dorey Court  
Admiral Park  
St Peter Port  
Guernsey GY1 2HT

### **A Moorshead (Resigned 1 June 2018)**

Ground Floor  
Dorey Court  
Admiral Park  
St Peter Port  
Guernsey GY1 2HT

### **M Maubec**

Ground Floor  
Dorey Court  
Admiral Park  
St Peter Port  
Guernsey GY1 2HT

### **M Wilson**

Ground Floor  
Dorey Court  
Admiral Park  
St Peter Port  
Guernsey GY1 2HT

## Registered Office

Ground Floor  
Dorey Court  
Admiral Park  
St Peter Port  
Guernsey GY1 2HT

## Administrator, Company Secretary, Designated Manager, Registrar and Sponsor to the CISE Listing

JTC Fund Solutions (Guernsey) Limited  
Ground Floor  
Dorey Court  
Admiral Park  
St Peter Port  
Guernsey GY1 2HT

## Custodian

BNP Paribas Securities Services SCA – Guernsey Branch  
BNP Paribas House  
St Julian's Avenue  
St Peter Port  
Guernsey GY1 1WA

## Independent Auditor

Deloitte LLP  
Regency Court  
Gategny Esplanade  
St Peter Port  
Guernsey GY1 3HW

## Legal Advisers

Carey Olsen  
PO Box 98  
Carey House  
Les Banques  
St Peter Port  
Guernsey GY1 4BZ

## Alternative Investment Fund Manager

SG Kleinwort Hambros Bank (CI) Limited  
8 Esplanade  
St Helier  
Jersey  
Channel Islands  
JE4 8PR

## Sub-Investment Manager

SG Kleinwort Hambros Bank Limited  
St James Square  
London  
SW1Y 4JU

# Alternative Investment Fund Manager's Report

## Kleinwort Hambros Elite Multi Asset Conservative Fund

### Performance

The fund rose 1.5% over the 12-month period ending 31 July 2018. Over the same time period its benchmark, the Morningstar Moderately Cautiously peer group, returned 1.4%.

### Portfolio Activity

The biggest driver of returns were the funds equity investments, in particular in the US and Europe; though all other equity allocations added value. The fixed income allocation delivered smaller, though still positive returns. The government bonds added value, but investment grade credit detracted. The gold allocation lost value; the alternative strategies were broadly flat since their addition at the start of August.

At the beginning of March we reduced the funds equity allocation by taking profits from the European allocation that we had increased in 2017. The proceeds were added to investment grade bond allocation. At the end of July we reduced the cash and government bond allocation and added a new allocation to alternative strategies. Rather than add a single strategy we selected three; US long/short equity, trend following and M&A arbitrage as this would diversify the risk we were taking.

The six months ending in July have been a perplexing period for investors. On the one hand a strong macro backdrop helped companies to deliver earnings growth, but an increasingly uncertain political background continued to unsettle markets. Sharp declines in February were reversed as the market rallied from March to May. Overall the major equity bellwethers such as the FTSE All Share and the S&P 500 were up 5.0% and 8.9%, respectively. Emerging markets declined 4.5%, Asia was also weak down 1.9%. Bond markets delivered positive returns, with core government bonds and high yield adding the most value. Investment grade credit delivered a small negative as it failed to recover from repricing in February and March.

World equity markets fell heavily in February and March, most were in negative momentum, with the exception of the US and emerging markets. In light of this we decided to take profits from our European equity allocation, bringing it back to a neutral position. The proceeds were added to the fund's investment grade credit exposure.

While equity markets have fallen, the underlying macro backdrop remains strong. In March the Fed raised rates by 25bps as widely expected causing bonds to sell off, though the curve flattened further due to technical issues. The US economy continues to power ahead delivering above trend GDP growth, though there are signs that it may be over heating with wage inflation picking up. It is almost certain the Fed will raise rates in September; a further rise in December is also a distinct possibility. In August the Bank of England announced a much anticipated rate hike to 0.75% from 0.50%, though a further rise in 2018 is unlikely.

Brexit has been a roller coaster ride casting a shadow over the UK market. At times this looked on track, only to prove a false dawn. As negotiations enter the final stage at the time of writing the deal has been thrown again into doubt. While on many metrics the UK market looks attractive, until Brexit is resolved it is unlikely that it will rerate in any material manner.

Despite numerous headwinds, the global economy looks to be recovering from first-half softness and 2018 is set to register stronger growth than last year. However, the combination of rising Fed Funds and a stronger dollar has proved challenging for weaker emerging economies, such as Argentina or Turkey.

Strong growth and a tight labour market are putting upward pressure on wages in the US, helping push inflation close to target levels. Price pressures are more muted in the Eurozone, but still building nonetheless.

Equities remain our most significant allocation across balanced and growth multi-asset strategies. At the global level, the asset class is still attractively valued versus others, particularly cash and government bonds. We are looking to diversify equity risk further by incorporating low-volatility alternative investment strategies.

## Kleinwort Hambros Elite Multi Asset Balanced Fund

### Performance

The fund rose 4.5% over the 12-month period ending 31 July 2018. Over the same time period its benchmark, the Morningstar Moderate Allocation peer group, returned 3.1%.

### Portfolio Activity

The biggest driver of returns were the funds equity investments, in particular in the US and Europe; though all other equity allocations added value. The fixed income allocation delivered smaller, though still positive returns. The government bonds added value, but investment grade credit detracted. The gold allocation lost value; the alternative strategies were broadly flat since their addition at the start of August.

At the beginning of March we reduced the funds equity allocation by taking profits from the European allocation that we had increased in 2017. The proceeds were added to investment grade bond allocation. At the end of July we reduced the cash and government bond allocation and added a new allocation to alternative strategies. Rather than add a single strategy we selected three; US long/short equity, trend following and M&A arbitrage as this would diversify the risk were taking.

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# Alternative Investment Fund Manager's Report (continued)

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## Kleinwort Hambros Elite Multi Asset Growth Fund

### Performance

The fund rose 7.5% over the 12-month period ending 31 July 2018. Over the same time period its benchmark, the Morningstar moderately Adventurous Allocation peer group, returned 5.3%.

### Portfolio Activity

The biggest driver of returns were the funds equity investments, in particular in the US and Europe; though all other equity allocations added value. The fixed income allocation delivered smaller, though still positive returns. The government bonds added value, but investment grade credit detracted. The gold allocation lost value; the alternative strategies were broadly flat since their addition at the start of August.

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# Alternative Investment Fund Manager's Report (continued)

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## Kleinwort Hambros Elite Sterling Fixed Income Fund

### Performance

During the period under review the fund returned -1.00% and its current benchmark returned 0.98%

### Portfolio Activity

The overriding factor affecting the UK bond market during the 12 months under review was and continues to be the uncertainty surrounding Brexit. Investment and spending plans have been put on hold or cancelled until such time as a satisfactory outcome to Brexit negotiations is reached. In some cases firms have been putting in place contingency plans to relocate within the EU.

Not surprisingly the UK is experiencing a period of lacklustre growth. Cumulative 2017 GDP growth was just 1.7%. Crucially the country's service sector – which accounts for 80% of all economic activity – experienced its slowest pace of growth since 2011. On top of this the IMF forecast 2018 growth to slow further to 1.5%. This forecast rang true as the growth picture worsened in April as first quarter growth in 2018 fell to 0.2%, compared to 0.4% in the final quarter of 2017 and the slowest pace since 2012. This slowing was attributed to weakness in the UK services sector. The services sector purchasing managers index fell to 51.7 in

March from 54.5 in February, with many putting off their normal patterns by blizzard-like conditions. Apart from the weather, the surveyed businesses were also downbeat on the future, with employment intentions and new orders weighed down by an expected 25 basis point interest rate rise May and ongoing Brexit uncertainty. The expected rate rise was predicated on the basis that the UK's tight employment market, the unemployment rate at 2.4% its lowest rate since 1975, and the stubbornly high rate of inflation, peaking at 3.1% in November 2017, were signals enough to suggest the BoE would raise interest rates. A sharp fall in inflation for April to 2.4% and the subdued economic backdrop saw the BoE slash its 2018 GDP forecast from 1.8% to 1.4%, which placed the May rate hike firmly on hold.

In the first quarter of 2018, amid a plethora of geopolitical concerns, 10 year Gilt yields fell as equity market volatility rose, sending risk markets lower. Principle of these concerns were the underlying trade tensions between the US and China, with Mr Trump slapping import duties of 25% on \$60 billion of Chinese imports. 10 year Gilt yields declined from their mid-February high of 1.65% to end March at 1.35%, resulting in a sharp increase in the value of longer-dated bonds. Conversely the 2 year Gilt yield rose amid expectation the Bank of England (BoE) would tighten monetary policy in May. As a result the UK 10yr-2yr yield spread tightened to 54 basis points, its lowest level for 18 months. Further tightening of the 10yr-2yr spread, as we are witnessing in the US, has historically been a precursor to recession in the coming years. The BoE will no doubt be mindful of this and manage the monetary normalisation process with great care.

As forecast by the Bank of England, inflation peaked at 3.1% in November. By April inflation had declined to an annual rate of 2.4%. With average earnings rising by 2.5% in May, real wages turned positive, albeit by only 0.1%, but positive nonetheless, however real wages are languishing 6.5% below their 2008 peak. The Bank of England left interest rates unchanged in May, but signalled an August rate rise is more likely than previously thought. The Bank said that the poor economic growth for the first quarter of 2018 was likely to prove "temporary" and that the pace of growth would accelerate. As economic momentum improves, fears over rising inflation grow and pressure for higher interest rates increases.

UK 10 year Gilts yields have traded in a narrow range throughout period under review, rising a mere 10 bps to end July 2018 at 1.34%. With an interest rate rise in August likely - strong employment data and above target inflation - long-term rates remain stubbornly low. Why? Brexit. The Bank of England seems keen to tighten monetary policy to bolster its armoury for future crises, but the uncertainty surrounding Brexit negotiations hangs like a dark cloud over the UK economy. At the end of July there was still no indication of

# Alternative Investment Fund Manager's Report (continued)

a mutually agreeable separation agreement. The nearer the deadline the greater the risk of a "no-deal". What does a no-deal do for bond yields? It's difficult to say with any conviction. However, a bad deal may force the Bank of England to act to restore market confidence; lowering interest rates, and more quantitative easing? However, for an economy that faces an uncertain future, markets tend to adjust long-term interest rates to reflect the higher risk of default, bond yields could rise sharply. Any support from the Bank of England could push rates significantly lower, sterling too could come under pressure. In such an environment prudence dictates we remain cautious, as such we maintain our short-duration strategy within the fund with a bias to corporate debt versus UK gilts.

For the period under review the fund declined 1.00%, underperforming its benchmark by 198 basis points. This relative underperformance was the result of our management of interest rate risk via an underweight duration versus its benchmark; and managing risks of spread widening via defensive sectors and corporate bonds.

As mentioned above, the UK Yield curve flattened over the period. Short term rates rose reflecting the expected trend in short-term interest rates while long term yields remained in a narrow range in an environment of muted growth and declining inflation. As such our short duration positioning proved a headwind to absolute and relative performance. However, we continue to expect bond yields to remain exposed to further geopolitical and inflationary shocks in the quarters ahead. Our central view is that medium and longer bond yields are likely to rise, which forms an integral part of the fund's strategy.

## Kleinwort Hambros International Equity Fund

### Performance

For the 12 months ending 31 July 2018, the strategy generated a healthy positive return of c. +9% for investors (GBP, net). This was consistent with the broad Morningstar peer group – Global Large-Cap Blend Equity – which as a whole returned +8.9% (GBP, net) over the same period.

### Portfolio Activity

According to conventional portfolio attribution analysis, the strategy offered strong stock selection (i.e., good stock picks within sectors), but lagged on sector allocations (being overweight relatively cautious Staples and Utilities while underweight the riskier Info Tech and Energy sectors). Performance was also influenced by a few overarching trends in markets.

Similar to 2016/17, the current period of review was characterised as one of substantial outperformance from "growth" stocks (i.e., trading on high valuation multiples on the expectation of outsized earnings growth in future) over

"value" stocks (trading at relatively cheap multiples). The strategy remains focused on quality and value: favouring companies with stable and improving fundamentals trading at reasonable if not cheap valuations relative to sector peers. Investor exuberance for riskier growth names has persisted.

Additionally, the past year has witnessed a continuation of the fervour over "FAANG" stocks. While Facebook has faltered of late, not holding the market darlings Amazon, Apple, Netflix, and Google has meant the strategy will have missed some sources of positive contribution. Fortunately, the strategy invested in a number of excellent alternatives to those mega-cap names.

We manage the strategy actively and do not simply track the market. For example, as at the end of the period, the strategy portfolio exhibited an "active share" of c. 93%. The quality value approach combined with a bias to stocks with lower volatility has meant earning absolute returns similar to the wider market while exhibiting less risk.

The above factors and trends defined much of the overall performance for the period, but – as per usual – a number of individual stock performances had a substantial impact. Digital payments firm Wirecard was the standout for the year, returning c. +147% in GBP terms. The company has been delivering very strong earnings growth, yet – thanks to its strong fundamentals – it still passed our selection for quality and value.

US-based refiner Valero was another notable performer, returning c. +79% (in GBP). A combination of a supply glut of US shale oil (and thus cheap input prices for Valero) with robust US economic growth (and thus high demand for Valero's refined products) meant the company achieved excellent growth as well as high margins.

Sources of weakness in the strategy included a few stock-specific circumstances, namely Comcast Corp and its expensive debt-funded bid for Sky / Fox assets. (We sold the position during the year.) Weakness also came in the form of exposure to trade war threats. The strategy's exposures to Asian and European importers/exporters and auto-related stocks were negative for the year (WH Group, Geely, Bridgestone, Continental).

## Kleinwort Hambros Trojan Fund

### Performance

The Fund continues to be in run-off, holding a combination of cash and the EEA Life Settlement Fund (EEA).

### Portfolio Activity

The EEA shares are themselves in run-off and are returning cash to shareholders when sufficient is available. During 2017 EEA reduced the cash reserves it is required to hold in order to meet future premiums from 2 years premiums to 1 years premium. This allowed them to make a distribution to

## Alternative Investment Fund Manager's Report (continued)

shareholders of 10% of the EEA net asset value in February 2018. Following this distribution the rate of policy maturity that EEA received in the first quarter was slower than forecast and no further distributions were able to be made. However in the second quarter the rate increased and is now ahead of initial projections for 2018.

The Directors of the Fund keep cash balances under regular review, with regard to returning cash to shareholders when sufficient amount is available. However, the February cash was insufficient to raise funds for distribution at present. Should a further distribution be received following policy maturities then the Directors will give further consideration to making a distribution.

The Directors continue to monitor the situation and will consider any external offer for the remaining shares on merit.

# Directors' Report

The Directors of Kleinwort Hambros Elite PCC Limited (the "Company") are pleased to submit their annual report and the audited financial statements for the year ended 31 July 2018 with comparatives for the year ended 31 July 2017.

## Results and dividends

The results for the year are shown in the Statement of Total Return on pages 22 and 23.

The Directors are entitled, in their sole discretion, to declare and pay dividends.

In accordance with the Cell Particulars, dividends can be declared on 31 January, 30 April, 31 July and 31 October in each year in respect of Kleinwort Hambros Elite Sterling Fixed Income Fund, Kleinwort Hambros Elite EUR Fixed Income Fund, Kleinwort Hambros Elite International Equity Fund and Kleinwort Hambros Elite International Bond Fund.

Dividends can also be declared on 31 January and 31 July in each year in respect of Kleinwort Hambros Elite Multi Asset Conservative Fund and declared on 31 July each year in respect of Kleinwort Hambros Elite Multi Asset Balanced Fund and Kleinwort Hambros Elite Multi Asset Growth Fund.

Dividend income will be distributed within two months of the relevant date (the "Payment Date") to all shareholders registered on the register at the record date.

No dividends are declared by Kleinwort Hambros Elite GBP Currency Fund, Kleinwort Hambros Elite EUR Currency Fund, Kleinwort Hambros Elite USD Currency Fund and Kleinwort Hambros Elite Global Trojan Fund.

Under Guernsey law, companies can pay dividends in excess of accounting profit provided they satisfy the solvency test prescribed under the Law. The solvency test considers whether a company is able to pay its debts when they become due and whether the value of a company's assets are greater than its liabilities after any dividend is paid.

All expenses in respect of the Kleinwort Hambros Elite Sterling Fixed Income Fund, the Kleinwort Hambros Elite Multi Asset Conservative Fund, the Kleinwort Hambros International Bond Fund and the Kleinwort Hambros EUR Fixed Income Fund have been charged to capital as prescribed by the Cell Particulars of each cell.

## Going concern

In the opinion of the Directors, there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason the financial statements have been prepared on the going concern basis.

The Directors have arrived at this opinion by considering, inter alia, the following factors:

- the Company has sufficient liquidity to meet all on-going expenses (net current asset position at 31 July 2018 of £6,269,637\* (2017: £16,748,329);
- in the event of significant cell share redemptions the Directors can suspend all dealings;
- the Company holds a large amount of investments which are able to be settled within three business days of the trade date and therefore will have sufficient resources to meet future redemption requests and other liquidity requirements;
- the Company deals on a weekly basis and has a settlement period of up to seven days following the relevant dealing day. On this basis, the Company is well placed to meet all future cash flows associated with redemption requests; and
- the KH Elite Trojan Fund is currently in the process of being realised. The last valuation date of the Cell was 31 October 2018.

On 30 November 2017 the Board approved a compulsory redemption of all of the Shares of the following Cells:

- Kleinwort Hambros Elite International Bond Fund
- Kleinwort Hambros Elite EUR Fixed Income Fund
- Kleinwort Hambros Elite GBP Currency Fund
- Kleinwort Hambros Elite EUR Currency Fund
- Kleinwort Hambros Elite USD Currency Fund

Following the redemption, the shares of the above Cells have been delisted and have been wound up. On this basis, these Cells have not been prepared on a going concern basis.

The winding up of these cells does not impact the ability of the Company, as a whole, to continue as a going concern given the size of the Cells being wound up and the structure of the Company.

\*The net current asset position is derived as follows:

Total assets	£202,203,781
Less total liabilities	(£15,405,216)
Less investment assets	(£180,528,928)
	£6,269,637

## Directors' Report (continued)

### Three year record net asset value per share

The net asset value per share for the years 2016 to 2018 is summarised in the table below.

	2018	2017	2016
<b>Sterling Fixed Income Fund</b>			
A Income Reporting Shares	£10.54	£10.93	£11.21
B Income Reporting Shares	£0.90	£0.94	£0.97
<b>Multi Asset Balanced Fund</b>			
A GBP Income Reporting Shares	£1.72	£1.65	£1.52
A GBP Reinvest Reporting Shares	£1.72	£1.65	£1.52
B GBP Income Reporting Shares	£1.67	£1.60	£1.47
A USD Accumulating Non-reporting Shares	\$1.36	\$1.29	\$1.19
A EUR Accumulating Reporting Shares	€1.20	€1.17	€1.10
B USD Accumulating Non-reporting Shares	\$1.33	\$1.26	\$1.16
B EUR Accumulating Non-reporting Shares	€1.23	€1.20	€1.13
B GBP Accumulating Non-reporting Shares	£1.35	£1.30	£1.20
<b>Multi Asset Conservative Fund</b>			
A GBP Income Reporting Shares	£1.10	£1.11	£1.09
B GBP Income Reporting Shares	£1.06	£1.07	£1.05
A EUR Accumulating Reporting Shares	€1.08	€1.08	€1.06
B USD Accumulating Non-reporting Shares	\$1.14	\$1.12	\$1.08
B EUR Accumulating Non-reporting Shares	€1.07	€1.07	€1.05
B GBP Accumulating Non-reporting Shares	£1.16	£1.15	£1.11
<b>Multi Asset Growth Fund</b>			
A GBP Income Reporting Shares	£1.66	£1.55	£1.38
A GBP Reinvest Reporting Shares	£1.66	£1.55	£1.37
B GBP Income Reporting Shares	£1.54	£1.44	£1.28
B USD Accumulating Non-reporting Shares	\$1.50	\$1.39	\$1.24
B EUR Accumulating Non-reporting Shares	€1.41	€1.34	€1.21
B GBP Accumulating Non-reporting Shares	£1.54	£1.44	£1.28
<b>International Equity Fund</b>			
A GBP Income Reporting Shares	£1.72	£1.58	£1.41
A GBP Reinvest Reporting Shares	£1.73	£1.59	£1.42
B GBP Accumulating Non-reporting Shares	£2.16	£1.98	£1.76

The above table does not include those share classes which are not active or have been fully redeemed.

# Directors' Report (continued)

## Directors

The Directors are noted on page 6. None of the Directors has a service contract with the Company and no such contract is proposed. As at 31 July 2018 none of the Directors, their associates or the Alternative Investment Manager held any participating shares in the Company. Mr Moorshead and Mr Wilson waived their entitlement to Directors' fees, Mr Phillips is entitled to a fee of £22,500 per annum and Mr Maubec is entitled to a fee of £15,000 per annum. Mr Moorshead resigned on 1 June 2018.

## Related parties

Details of the related parties are disclosed in note 11 to the financial statements.

## Taxation

States of Guernsey Income Tax has granted the Company exemption from Guernsey income tax under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 and the income of the Company may be distributed or accumulated without deduction of Guernsey income tax. Exemption under the above mentioned Ordinance entails payment of an annual fee of £1,200.

## Auditor

Deloitte LLP has expressed its willingness to continue in office as auditor and a resolution to re-appoint it is proposed for consideration at the next Annual General Meeting of the Company.

## UK Offshore Fund Rules and Reporting Fund Regime

The Company complies with the provisions of the UK Offshore Fund Rules to enable UK investors to benefit from capital (as opposed to income) tax on gains made on the disposal of shares. The Company is comprised of a number of Cells and share classes that are each treated as separate funds for the purpose of these rules.

The Reporting Fund regime requires funds to be entered into the regime to disclose certain information to UK investors for each reporting period.

The following Funds have been accepted into the Reporting Fund regime:

- Kleinwort Hambros Elite Sterling Fixed Income Fund – A GBP Income Reporting Shares
- Kleinwort Hambros Elite Sterling Fixed Income Fund – B GBP Income Reporting Shares
- Kleinwort Hambros Elite Multi Asset Conservative Fund – A GBP Income Reporting Shares
- Kleinwort Hambros Elite Multi Asset Conservative Fund – B GBP Income Reporting Shares
- Kleinwort Hambros Elite Multi Asset Conservative Fund – A EUR Accumulating Reporting Shares
- Kleinwort Hambros Elite Multi Asset Balanced Fund – A GBP Income Reporting Shares
- Kleinwort Hambros Elite Multi Asset Balanced Fund – A GBP Reinvest Reporting Shares
- Kleinwort Hambros Elite Multi Asset Balanced Fund – B GBP Income Reporting Shares
- Kleinwort Hambros Elite Multi Asset Balanced Fund – A EUR Accumulating Reporting Shares
- Kleinwort Hambros Elite Multi Asset Growth Fund – A GBP Income Reporting Shares
- Kleinwort Hambros Elite Multi Asset Growth Fund – A GBP Reinvest Reporting Shares
- Kleinwort Hambros Elite Multi Asset Growth Fund – B GBP Income Reporting Shares
- Kleinwort Hambros Elite Multi Asset Growth Fund – A USD Accumulating Reporting Shares
- Kleinwort Hambros Elite International Equity Fund – A GBP Reinvest Reporting Shares
- Kleinwort Hambros Elite EUR Fixed Income Fund – B EUR Income Reporting Shares\*

\*Fully redeemed during the year

# Directors' Report (continued)

## The Alternative Investment Fund Managers Directive

The Directive, which was implemented by EU Member States in 2013, covers the management, administration and marketing of Alternative Investment Funds ("AIFs"). Its focus is on regulating Alternative Investment Fund Managers ("AIFMs") established in the EU and prohibits such managers from managing any AIFs or marketing shares in such funds to investors in the EU unless an Alternative Investment Fund Managers Directive 2011/61/EU ("AIFMD") authorisation is granted to the AIFM. The Fund is a non-EU AIF whose AIFM is SG Kleinwort Hambros Bank Limited, a non-EU AIFM for the purpose of the AIFMD 2011/61/EU.

## Directors' responsibilities

The Law requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of profit and loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Law, The Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended), The Authorised Collective Investment Schemes (Class B) Rules, 2013, and the principal documents. They are also responsible for the system of internal control, for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

At the date of approval of the financial statements each of the persons who are a Director confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all steps he/she ought to have taken as a Director to make him/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 249 of the Law.

Director: Roger Phillips

Director: Mel Maubec

30 November 2018

# Custodian Report to the Shareholders of Kleinwort Hambros Elite PCC Limited for the Year Ended 31 July 2018

In respect of the year ended 31 July 2018, we state that in our opinion, JTC Fund Solutions (Guernsey) Limited (the “Designated Manager”), has managed Kleinwort Hambros Elite PCC Limited (the “Company”):

- a) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the principal documents, by the scheme particulars and by the Protection of Investors (Bailiwick of Guernsey) Law, 1987; and
- b) in accordance with the provisions of the principal documents and the Authorised Collective Investment Schemes (Class B) Rules 2013.

**BNP Paribas Securities Services SCA -  
Guernsey Branch as Custodian of Kleinwort  
Hambros Elite PCC Limited**

30 November 2018

# Independent Auditor's Report to the Members of Kleinwort Hambros Elite PCC Limited

## Report on the audit of the financial statements

### Opinion

In our opinion the financial statements of Kleinwort Hambros Elite PCC Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 July 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

We have audited the financial statements which comprise:

- the Statement of Total Return;
- the Statement of Change in Net Assets Attributable to Shareholders;
- the Balance Sheet;
- the related notes 1 to 20;
- the Cell Portfolio of Investments; and
- the Cell Summary of Material Portfolio Changes.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice: "Financial Statements of Authorised Funds" issued by the Investment Association in May 2014 and the principal documents.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Summary of our audit approach	
Key audit matters	The key audit matters that we identified in the current year were: <ul style="list-style-type: none"><li>• Valuation of investments; and</li><li>• Ownership of investments.</li></ul>
Materiality	The materiality that we used in the current year was £3,737,000 which was determined on the basis of 2% of Net Asset Value.
Scoping	Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.
Significant changes in our approach	Our scope has been consistent with the prior year and there have been no significant changes in our approach.

# Independent Auditor's Report to the Members of Kleinwort Hambros Elite PCC Limited (continued)

## Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**We have nothing to report in respect of these matters.**

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of Investments	
<p><b>Key audit matter description</b></p> 	<p>The Company's investments (see note 16 and the individual cell portfolio statements) included at fair value of £180,528,928 (2017: £194,096,170) comprise 96.59% (2017: 92.06%) of its net asset value. The investments include listed securities, corporate and government bonds. All investments are held at fair value through profit or loss which is determined based on market prices and accounting policies.</p> <p>Whilst valuation processes for these investments are not considered to be complex, nor do they involve significant judgements and estimates to be made by the Manager, the market value of investments is highly material to the Company. There is a risk that a material misstatement could exist in the valuation of investments due to error.</p>
<p><b>How the scope of our audit responded to the key audit matter</b></p> 	<p>Our procedures on the valuation of investments included:</p> <ul style="list-style-type: none"> <li>– evaluation of the design and implementation of controls around valuations;</li> <li>– testing 100% of the valuations of investments by agreeing the prices directly to independent third party sources; and</li> <li>– analysing the trading history of investments to see whether they have been traded frequently and values at which they have been traded to ensure there are no unusual price movements indicating the year end prices are stale.</li> </ul>
<p><b>Key observations</b></p> 	<p>No material misstatements were found.</p>

# Independent Auditor's Report to the Members of Kleinwort Hambros Elite PCC Limited (continued)

Ownership of Investments	
<b>Key audit matter description</b> 	<p>The Company's investments (see note 16 and the individual cell portfolio statements) included at fair value of £180,528,928 (2017: £194,096,170) comprise 96.59% (2017: 92.06%) of its net asset value. There is a risk that securities, a record of which is maintained by the third party custodian, are not directly owned by the Company.</p> <p>Investments are held with the custodian. It is important that the custodian records all the investments correctly under the Company's name is critical since the investment portfolio represent the principal element of the financial statements being the single largest asset on the balance sheet.</p>
<b>How the scope of our audit responded to the key audit matter</b> 	<p>Our procedures on the existence of investments included:</p> <ul style="list-style-type: none"> <li>– evaluation of the design and implementation of controls of BNP Paribas Securities Services SCA – Guernsey Branch (“the Custodian”) around the custody of investments; and</li> <li>– obtaining an independent custodian confirmation from the Custodian to test that all investment holdings per the administrator's investment portfolio agreed to the holdings per the Custodian confirmation.</li> </ul>
<b>Key observations</b> 	<p>No material misstatements were found.</p>

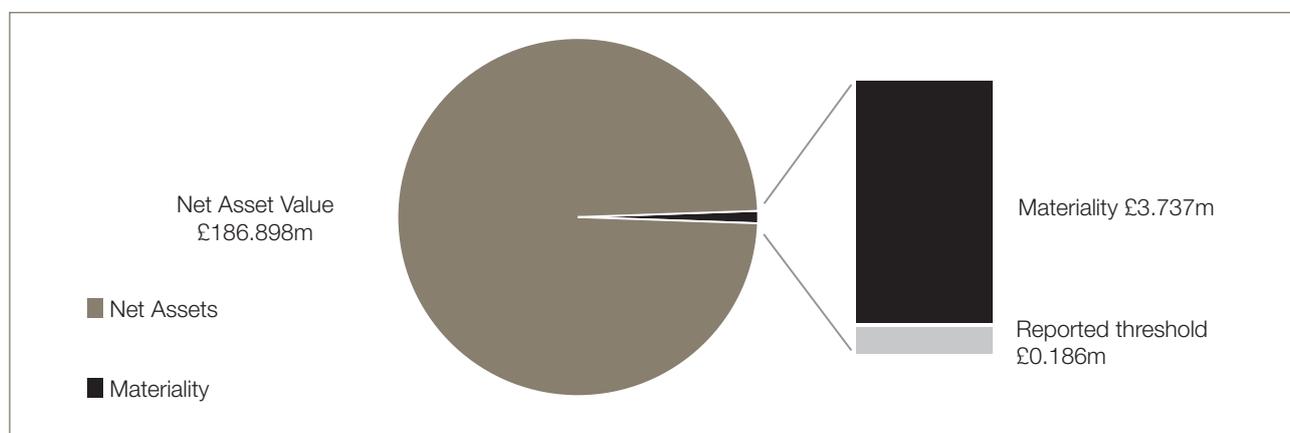
## Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

<b>Materiality</b>	£3,737,000 (2017: £4,216,000)
<b>Basis for determining materiality</b>	2% (2017: 2%) of Net Asset Value (“NAV”) at the end of the year.
<b>Rationale for the benchmark applied</b>	NAV is the Key Performance Indicator of the Company. The holders of equity are interested in capital appreciation of their investment, thus NAV is appropriate.

# Independent Auditor's Report to the Members of Kleinwort Hambros Elite PCC Limited (continued)



We agreed with the Board of Directors that we would report to the Board all audit differences in excess of £186,000 (2017: £210,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Board on disclosure matters that we identified when assessing the overall presentation of the financial statements.

## An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the Company and its environment, including internal control and the assessing the risks of material misstatement. Our audit scope included the assessment of the design and implementation of accounting processes and controls in place at the third party accounting service provider. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements of the Company, taking account of the structure of the Company.

## Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report including the Directors' Report, Custodian Report and the Alternative Investment Fund Manager's Report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

**We have nothing to report in respect of these matters.**

# Independent Auditor's Report to the Members of Kleinwort Hambros Elite PCC Limited (continued)

## Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Report on other legal and regulatory requirements

### Matters on which we are required to report by exception

#### *Adequacy of explanations received and accounting records*

Under the Companies (Guernsey) Law, 2008 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records.

**We have nothing to report in respect of these matters.**

## Use of our report

This report is made solely to the Company's members, as a body, in accordance with Section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Nicola Sarah Paul FCA

For and on behalf of Deloitte LLP  
Guernsey, Channel Islands  
30 November 2018

# Statement of Total Return

For the year ended 31 July 2018

		Total	Non-Cellular	Sterling Fixed Income Fund	Multi Asset Balanced Fund	Multi Asset Conservative Fund	Multi Asset Growth Fund
		2018	2018	2018	2018	2018	2018
	Notes	£	£	£	£	£	£
Net capital gains/(losses)	3	8,384,686	-	(673,824)	3,047,786	99,052	3,730,999
Capital expenditure	4	(569,377)	-	(268,428)	-	(243,862)	-
Revenue	5	3,719,152	-	663,100	1,433,556	285,950	715,263
Expenses	6	(3,096,204)	-	-	(1,339,696)	-	(974,698)
Interest payable and similar charges		(1,476)	-	(249)	-	-	-
Net revenue/(expense) before taxation		621,472	-	662,851	93,860	285,950	(259,435)
Taxation	7	(128,758)	-	(689)	-	-	1,587
Net revenue/(expense) for the financial period		492,714	-	662,162	93,860	285,950	(257,848)
<b>Total return/(loss) before distribution</b>		<b>8,308,023</b>	<b>-</b>	<b>(280,090)</b>	<b>3,141,646</b>	<b>141,140</b>	<b>3,473,151</b>
Distributions	8	(1,082,410)	-	(660,378)	(73,436)	(277,738)	-
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>7,225,613</b>	<b>-</b>	<b>(940,468)</b>	<b>3,068,210</b>	<b>(136,598)</b>	<b>3,473,151</b>
Earnings per share	14		-	(0.04)	0.05	0.01	0.09

# Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2018

		Total	Non-Cellular	Sterling Fixed Income Fund	Multi Asset Balanced Fund	Multi Asset Conservative Fund	Multi Asset Growth Fund
		2018	2018	2018	2018	2018	2018
	Notes	£	£	£	£	£	£
Opening net assets attributable to shareholders		210,844,499	100	27,060,791	78,066,370	13,082,008	55,629,127
Effect of foreign exchange rate changes		(90,076)	-	-	-	-	-
Amounts receivable on issues	13	12,527,171	-	1,800,782	7,280,774	1,500,465	1,554,892
Amounts payable on redemptions	13	(43,855,168)	-	(6,172,439)	(11,836,499)	(1,552,705)	(7,192,376)
Net issues/(redemptions)		(31,327,997)	-	(4,371,657)	(4,555,725)	(52,240)	(5,637,484)
Retained distribution on accumulation shares		246,526	-	-	8,425	195,999	-
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>7,225,613</b>	<b>-</b>	<b>(940,468)</b>	<b>3,068,210</b>	<b>(136,598)</b>	<b>3,473,151</b>
<b>Closing net assets attributable to shareholders</b>		<b>186,898,565</b>	<b>100</b>	<b>21,748,666</b>	<b>76,587,280</b>	<b>13,089,169</b>	<b>53,464,794</b>

The results above derive from continuing operations, except for the Trojan Fund that is being wound up and the GBP Currency, EUR Currency Fund, USD Currency Fund and International Bond Fund that were all fully redeemed on 30 November 2017.

The Company has no recognised gains or losses other than those reflected in the Statement of Total Return above; therefore a Statement of Total Recognised Gains and Losses has not been prepared.

The notes on pages 30 to 62 form an integral part of these financial statements.

International Equity Fund	GBP Currency Fund	EUR Currency Fund	USD Currency Fund	International Bond Fund	EUR Fixed Income	Trojan Fund
2018	2018	2018	2018	2018	2018	2018
£	£	€	US\$	£	€	£
1,847,943	102	378,289	8,467	(42,415)	28,565	8,777
-	-	-	-	(18,885)	(43,174)	-
558,591	1,617	-	4,222	24,622	38,267	183
(396,652)	(10,548)	(339,710)	(18,790)	-	-	(7,022)
(1,110)	-	(282)	-	(11)	(647)	-
160,829	(8,931)	(399,992)	(14,568)	24,611	37,620	(6,839)
(126,657)	-	-	-	(19)	(3,368)	-
34,172	(8,931)	(399,992)	(14,568)	24,592	34,252	(6,839)
<b>1,882,115</b>	<b>(8,829)</b>	<b>(21,703)</b>	<b>(6,101)</b>	<b>(36,708)</b>	<b>19,643</b>	<b>1,938</b>
(25,782)	-	-	-	(20,929)	(27,290)	-
<b>1,856,333</b>	<b>(8,829)</b>	<b>(21,703)</b>	<b>(6,101)</b>	<b>(57,637)</b>	<b>(7,647)</b>	<b>1,938</b>
0.18	-	-	-	-	-	0.00

International Equity Fund	GBP Currency Fund	EUR Currency Fund	USD Currency Fund	International Bond Fund	EUR Fixed Income	Trojan Fund
2018	2018	2018	2018	2018	2018	2018
£	£	€	US\$	£	€	£
23,331,985	2,838,323	3,429,112	1,046,838	2,974,780	4,080,714	350,926
-	-	-	-	-	-	-
361,570	-	4,657	-	4,912	22,214	-
(3,917,246)	(2,829,494)	(3,412,066)	(1,040,737)	(2,941,107)	(4,095,281)	-
(3,555,676)	(2,829,494)	(3,407,409)	(1,040,737)	(2,936,195)	(4,073,067)	-
23,050	-	-	-	19,052	-	-
<b>1,856,333</b>	<b>(8,829)</b>	<b>(21,703)</b>	<b>(6,101)</b>	<b>(57,637)</b>	<b>(7,647)</b>	<b>1,938</b>
<b>21,655,692</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>352,864</b>

# Statement of Total Return

For the year ended 31 July 2017

		Total	Non-Cellular	Sterling Fixed Income Fund	Multi Asset Balanced Fund	Multi Asset Conservative Fund	Multi Asset Growth Fund
		2017	2017	2017	2017	2017	2017
	Notes	£	£	£	£	£	£
Net capital gains/(losses)	3	17,201,702	-	(400,524)	7,138,236	584,098	7,476,744
Capital expenditure	4	(681,541)	-	(321,126)	-	(251,772)	-
Revenue	5	4,288,039	-	932,191	1,463,371	276,343	736,096
Expenses	6	(2,924,428)	-	-	(1,413,480)	-	(1,003,921)
Interest payable and similar charges		(2,668)	-	(156)	-	(14)	(1,131)
Net revenue/(expense) before taxation		1,360,943	-	932,035	49,891	276,329	(268,956)
Taxation	7	(152,937)	-	-	3,428	252	(11,182)
Net revenue/(expense) for the financial period		1,208,006	-	932,035	53,319	276,581	(280,138)
<b>Total return/(loss) before distribution</b>		<b>17,728,167</b>	<b>-</b>	<b>210,385</b>	<b>7,191,555</b>	<b>608,907</b>	<b>7,196,606</b>
Distributions	8	(1,577,979)	-	(950,041)	(63,052)	(278,902)	-
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>16,150,188</b>	<b>-</b>	<b>(739,656)</b>	<b>7,128,503</b>	<b>330,005</b>	<b>7,196,606</b>
Earnings per share	14			0.02	0.11	0.05	0.16

# Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2017

		Total	Non-Cellular	Sterling Fixed Income Fund	Multi Asset Balanced Fund	Multi Asset Conservative Fund	Multi Asset Growth Fund
		2017	2017	2017	2017	2017	2017
	Notes	£	£	£	£	£	£
Opening net assets attributable to shareholders		219,192,486	100	30,104,089	81,826,137	13,822,088	55,423,201
Effect of foreign exchange rate changes		425,724	-	-	-	-	-
Amounts receivable on issues	13	13,318,624	-	4,537,635	3,383,078	2,062,614	1,269,626
Amounts payable on redemptions	13	(38,601,056)	-	(6,841,277)	(14,279,488)	(3,316,106)	(8,260,306)
Net issues/(redemptions)		(25,282,432)	-	(2,303,642)	(10,896,410)	(1,253,492)	(6,990,680)
Retained distribution on accumulation shares		358,533	-	-	8,140	183,407	-
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>16,150,188</b>	<b>-</b>	<b>(739,656)</b>	<b>7,128,503</b>	<b>330,005</b>	<b>7,196,606</b>
<b>Closing net assets attributable to shareholders</b>		<b>210,844,499</b>	<b>100</b>	<b>27,060,791</b>	<b>78,066,370</b>	<b>13,082,008</b>	<b>55,629,127</b>

The notes on pages 30 to 62 form an integral part of these financial statements.

International Equity Fund	GBP Currency Fund	EUR Currency Fund	USD Currency Fund	International Bond Fund	EUR Fixed Income	Trojan Fund
2017	2017	2017	2017	2017	2017	2017
£	£	€	US\$	£	€	£
2,660,283	-	(16,029)	13	(49,343)	(214,713)	(8,562)
-	-	-	-	(50,126)	(67,769)	-
663,257	7,273	-	9,444	87,111	133,144	2
(434,444)	(23,505)	(31,158)	(18,469)	-	-	(7,647)
(1,088)	-	(35)	-	(17)	(268)	-
227,725	(16,232)	(31,193)	(9,025)	87,094	132,876	(7,645)
(138,483)	-	-	-	-	(8,051)	-
89,242	(16,232)	(31,193)	(9,025)	87,094	124,825	(7,645)
<b>2,749,525</b>	<b>(16,232)</b>	<b>(47,222)</b>	<b>(9,012)</b>	<b>(12,375)</b>	<b>(157,657)</b>	<b>(16,207)</b>
(87,722)	-	-	-	(87,823)	(127,901)	-
<b>2,661,803</b>	<b>(16,232)</b>	<b>(47,222)</b>	<b>(9,012)</b>	<b>(100,198)</b>	<b>(285,558)</b>	<b>(16,207)</b>
0.22	(0.01)	(0.01)	(0.01)	(0.00)	(0.03)	(0.03)

International Equity Fund	GBP Currency Fund	EUR Currency Fund	USD Currency Fund	International Bond Fund	EUR Fixed Income	Trojan Fund
2017	2017	2017	2017	2017	2017	2017
£	£	€	US\$	£	€	£
22,721,862	3,403,680	4,002,318	1,141,448	3,305,442	4,735,076	367,133
-	-	-	-	-	-	-
1,463,338	43,659	538,694	-	-	108,312	-
(3,595,326)	(592,784)	(1,064,678)	(85,598)	(317,142)	(477,116)	-
(2,131,988)	(549,125)	(525,984)	(85,598)	(317,142)	(368,804)	-
80,308	-	-	-	86,678	-	-
2,661,803	(16,232)	(47,222)	(9,012)	(100,198)	(285,558)	(16,207)
<b>23,331,985</b>	<b>2,838,323</b>	<b>3,429,112</b>	<b>1,046,838</b>	<b>2,974,780</b>	<b>4,080,714</b>	<b>350,926</b>

# Balance Sheet

As at 31 July 2018

		Total	Non-Cellular	Sterling Fixed Income Fund	Multi Asset Balanced Fund	Multi Asset Conservative Fund	Multi Asset Growth Fund
		2018	2018	2018	2018	2018	2018
	Notes	£	£	£	£	£	£
<b>Assets</b>							
<b>Fixed assets</b>							
Investments	16	180,528,928	-	21,097,170	73,297,205	12,565,184	51,790,618
<b>Current assets</b>							
Debtors	9	13,574,050	-	257,632	7,119,807	1,330,059	4,825,574
Cash and bank balances	2	8,200,803	100	580,412	4,902,189	701,178	1,785,176
<b>Total Assets</b>		<b>202,203,781</b>	<b>100</b>	<b>21,935,214</b>	<b>85,319,201</b>	<b>14,596,421</b>	<b>58,401,368</b>
<b>Creditors</b>							
Bank overdrafts	18	(347)	-	(347)	-	-	-
Distributions payable	8	(265,710)	-	(159,008)	(66,039)	(38,011)	-
Other creditors	10	(15,139,159)	-	(27,193)	(8,665,882)	(1,469,241)	(4,936,574)
Other creditors and accruals		(15,404,869)	-	(186,201)	(8,731,921)	(1,507,252)	(4,936,574)
<b>Total Liabilities</b>		<b>15,405,216</b>	<b>-</b>	<b>(186,548)</b>	<b>8,731,921</b>	<b>(1,507,252)</b>	<b>(4,936,574)</b>
Net assets attributable to holders of Management shares		100	100				
<b>Net assets attributable to holders of Redeemable Participating Shares</b>	13	<b>186,898,465</b>	<b>-</b>	<b>21,748,666</b>	<b>76,587,280</b>	<b>13,089,169</b>	<b>53,464,794</b>
Net asset value per Participating Share				3.03	1.36	1.08	1.40
A GBP/EUR Income Reporting Shares		-	-	10.54	1.72	1.10	1.66
A GBP Reinvest Reporting Shares		-	-	-	1.72	-	1.66
B GBP/EUR Income Reporting Shares		-	-	0.90	1.67	1.06	1.54
A USD Accumulating Non-reporting Shares		-	-	-	1.36	-	-
A EUR Accumulating Reporting Shares		-	-	-	1.20	1.08	-
B USD Accumulating Non-reporting Shares		-	-	-	1.33	1.14	1.50
B EUR Accumulating Non-reporting Shares		-	-	-	1.23	1.07	1.41
B GBP Accumulating Non-reporting Shares		-	-	-	1.35	1.16	1.54

The financial statements on pages 22 to 62 were approved by the Board of Directors on 30 November 2018 and are signed on its behalf by:

Director:

Director:

Date: 30 November 2018

The notes on pages 30 to 62 form an integral part of these financial statements.

International Equity Fund	GBP Currency Fund	EUR Currency Fund	USD Currency Fund	International Bond Fund	EUR Fixed Income	Trojan Fund
2018	2018	2018	2018	2018	2018	2018
£	£	€	US\$	£	€	£
21,578,089	-	-	-	-	-	200,662
40,875	-	-	-	-	-	103
78,977	-	-	-	-	-	152,771
<b>21,697,941</b>	-	-	-	-	-	<b>353,536</b>
-	-	-	-	-	-	-
(2,652)	-	-	-	-	-	-
(39,597)	-	-	-	-	-	(672)
(42,249)	-	-	-	-	-	(672)
<b>(42,249)</b>	-	-	-	-	-	<b>(672)</b>
<b>21,665,692</b>	-	-	-	-	-	<b>352,864</b>
2.14	-	-	-	-	-	0.58
1.72	-	-	-	-	-	-
1.73	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2.16	-	-	-	-	-	-

# Balance Sheet (continued)

As at 31 July 2017

		Total	Non-Cellular	Sterling Fixed Income Fund	Multi Asset Balanced Fund	Multi Asset Conservative Fund	Multi Asset Growth Fund
	Notes	2017 £	2017 £	2017 £	2017 £	2017 £	2017 £
<b>Assets</b>							
<b>Fixed assets</b>							
Investments	16	194,096,170	-	26,750,358	72,688,415	12,240,070	52,799,913
<b>Current assets</b>							
Debtors	9	1,962,745	-	221,239	403,476	864,835	350,739
Cash and bank balances	2	16,710,840	100	354,342	5,375,683	858,870	2,760,986
<b>Total Assets</b>		<b>212,769,755</b>	<b>100</b>	<b>27,325,939</b>	<b>78,467,574</b>	<b>13,963,775</b>	<b>55,911,638</b>
<b>Liabilities</b>							
<b>Creditors</b>							
Bank overdrafts	18	(125,136)	-	-	(77,129)	-	(48,007)
Distributions payable	8	(360,192)	-	(233,964)	(49,955)	(39,710)	-
Other creditors	10	(1,439,928)	-	(31,184)	(274,120)	(842,057)	(234,504)
Other creditors and accruals		(1,800,120)	-	(265,148)	(324,075)	(881,767)	(234,504)
<b>Total Liabilities</b>		<b>(1,925,256)</b>	<b>-</b>	<b>(265,148)</b>	<b>(401,204)</b>	<b>(881,767)</b>	<b>(282,511)</b>
Net assets attributable to holders of Management shares		100	100				
<b>Net assets attributable to holders of Redeemable Participating Shares</b>	<b>13</b>	<b>210,844,399</b>	<b>-</b>	<b>27,060,791</b>	<b>78,066,370</b>	<b>13,082,008</b>	<b>55,629,127</b>
Net asset value per Participating Share				3.09	1.31	1.09	1.32
A GBP/EUR Income Reporting Shares		-	-	10.93	1.65	1.11	1.55
A GBP Reinvest Reporting Shares		-	-	-	1.65	-	1.55
B GBP/EUR Income Reporting Shares		-	-	0.94	1.60	1.07	1.44
C GBP Income Reporting Shares		-	-	-	1.60	-	-
A USD Accumulating Reporting Shares		-	-	-	1.29	-	1.43
A USD Accumulating Non-reporting Shares		-	-	-	1.29	-	-
A EUR Accumulating Reporting Shares		-	-	-	1.17	1.08	-
B USD Accumulating Non-reporting Shares		-	-	-	1.26	1.12	1.39
B EUR Accumulating Non-reporting Shares		-	-	-	1.20	1.07	1.34
B GBP Accumulating Non-reporting Shares		-	-	-	1.30	1.15	1.44

The cell assets and liabilities include the individual cells' proportionate interest in any subsidiaries through which it invests.

The notes on pages 30 to 62 form an integral part of these financial statements.

International Equity Fund	GBP Currency Fund	EUR Currency Fund	USD Currency Fund	International Bond Fund	EUR Fixed Income	Trojan Fund
2017	2017	2017	2017	2017	2017	2017
£	£	€	US\$	£	€	£
22,904,038	-	-	-	2,918,377	4,004,715	213,581
44,045	440	218	1,157	18,799	64,854	101
431,433	2,840,255	3,431,607	1,047,764	42,546	50,439	137,876
23,379,516	2,840,695	3,431,825	1,048,921	2,979,722	4,120,008	351,558
-	-	-	-	-	-	-
(7,342)	-	-	-	-	(32,675)	-
(40,189)	(2,372)	(2,713)	(2,083)	(4,942)	(6,619)	(632)
(47,531)	(2,372)	(2,713)	(2,083)	(4,942)	(39,294)	(632)
(47,531)	(2,372)	(2,713)	(2,083)	(4,942)	(39,294)	(632)
<b>23,331,985</b>	<b>2,838,323</b>	<b>3,429,112</b>	<b>1,046,838</b>	<b>2,974,780</b>	<b>4,080,714</b>	<b>350,926</b>
1.95	0.98	0.96	0.94	0.99	0.94	0.58
1.58	-	-	-	-	-	-
1.59	-	-	-	-	-	-
-	-	-	-	-	0.94	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	0.94	-	-	-
-	-	0.96	-	-	-	-
1.98	0.98	-	-	0.99	-	-

# Notes to the Financial Statements

For the year ended 31 July 2018

## 1. Principal activity

The Company was registered as a company with limited liability in Guernsey on 30 September 2004 and is authorised by the GFSC as a Class B Scheme under The Protection of Investors (Bailiwick of Guernsey) Law, 1987, (as amended).

The Company is an open-ended investment Protected Cell Company governed by the provisions of the Law and has elected to be treated as an authorised investment scheme under the Authorised Collective Investment Schemes (Class B) Rules, 2013. The Company retains the option to create new Cells with different investment objectives and terms in the future. The active Cells in issue as at 31 July 2018 are as follows:

- Kleinwort Hambros Elite Multi Asset Conservative Fund
- Kleinwort Hambros Elite Multi Asset Balanced Fund
- Kleinwort Hambros Elite Sterling Fixed Income Fund
- Kleinwort Hambros Elite Multi Asset Growth Fund
- Kleinwort Hambros Elite International Equity Fund
- Kleinwort Hambros Elite Trojan Fund

The following cells were fully redeemed and are no longer active as of 30 November 2017:

- Kleinwort Hambros Elite GBP Currency Fund
- Kleinwort Hambros Elite EUR Currency Fund
- Kleinwort Hambros Elite US Dollar Currency Fund
- Kleinwort Hambros Elite International Bond Fund
- Kleinwort Hambros Elite EUR Fixed Income Fund

See Note 2 (Going Concern) regarding compulsory redemptions of these cells during the year.

## 2. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements:

### Basis of preparation

These financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, and in accordance with the Statement of Recommended Practice "Financial Statements of UK Authorised Funds", issued by the Investment Association (the "IA SORP") in May, 2014.

These financial statements have been prepared under the historical cost convention, as modified for the revaluation of investments and derivatives.

Any departure from the IA SORP is detailed in the notes below.

### Departure from IA SORP

As far as possible these accounts have been prepared in accordance with IA SORP except for the below:

- All expenses in respect of the Sterling Fixed Income Fund, Multi Asset Conservative Fund, International Bond Fund and EUR Fixed Income Fund have been charged to capital in accordance with the Scheme Particulars of the Cells and are shown in the Statement of Total Return as 'Capital expenditure'. This is a departure from the IA SORP that requires expenses only to be charged against revenue.
- A comparative table as required by, and set out in, Appendix A of the IA SORP has not been prepared. Due to the number of share classes per Cell, disclosing this level of disclosure would not be practical. The Directors have therefore only disclosed the NAV per Share Class in line with prior periods.
- For quoted investments, fair value is determined by reference to the bid market price ruling at the balance sheet date, or if this is not available, the latest bid price for the quoted investment. Unquoted investments are valued by the Directors based upon prices received from investment advisers, fund managers and other sources where available. Prices generally reflect the prices at which it would be possible to redeem or add to the Company's holding excluding exit and entry charges. Net asset values reported to the market via TISE announcements are on a mid pricing basis of underlying investments, whereas financial statements that are IA SORP compliant have to be prepared on a bid basis. The Directors, however, do not consider the bid price adjustment to have a material impact on the total net asset value of the Company or individual Cell share classes therefore no adjustments to the financial statements have been made.

### Functional and presentational currency

The financial information shown in the financial statements is shown in pounds sterling, being the Company's functional and presentational currency, except for Kleinwort Hambros USD Currency Fund which are in United States dollar and the Euro Currency Fund and EUR Fixed Income Fund which are in Euros.

### Going concern

In the opinion of the Directors, there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason the financial statements have been prepared on the going concern basis.

# Notes to the Financial Statements (continued)

The Directors have arrived at this opinion by considering, inter alia, the following factors:

- the Company has sufficient liquidity to meet all on-going expenses (net current asset position at 31 July 2018 of £6,269,637\* (2017: £16,748,329));
- in the event of significant cell share redemptions the Directors can suspend all dealings;
- the Company holds a large amount of investments which are able to be settled within three business days of the trade date and therefore will have sufficient resources to meet future redemption requests and other liquidity requirements;
- the Cell Shares deals on a weekly basis and have a settlement period of up to seven days following the relevant dealing day. On this basis, the Company is well placed to meet all future cash flows associated with redemption requests; and
- the KH Elite Trojan Fund is currently in the process of being realised. The most recent valuation date of the Cell was 31 October 2018.

On 30 November 2017 the Board approved a compulsory redemption of all of the Shares of the following Cells:

- Kleinwort Hambros Elite International Bond Fund
- Kleinwort Hambros Elite EUR Fixed Income Fund
- Kleinwort Hambros Elite GBP Currency Fund
- Kleinwort Hambros Elite EUR Currency Fund
- Kleinwort Hambros Elite USD Currency Fund

Following the redemption, the shares of the above Cells have been delisted and have been wound up. On this basis, these Cells have not been prepared on a going concern basis.

The winding up of these Cells does not impact the ability of the Company, as a whole, to continue as a going concern given the size of the Cells being wound up, and the structure of the Company.

\*The net current asset position is derived as follows:

Total assets	£202,203,781
Less total liabilities	(£15,405,216)
Less investments	(£180,528,928)
	<b>£6,269,637</b>

## Financial Assets

All financial assets are initially measured at cost, except those which are classified at fair value through profit or loss, which are initially measured at fair value (which is normally cost less transaction costs).

Investments and forward currency contracts are held at fair value as described below. Debtors and prepayments, as well as cash at bank, that are receivable within one year are measured at the undiscounted receivable amount. There are

no debtors or prepayments due in more than one year.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled or (b) substantially all the risks and rewards of ownership are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

## Financial Liabilities

Financial liabilities include creditors and accrued expenses. All financial liabilities are due within one year at recognition and measured at undiscounted amount payable.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

## Investments

Investments are classified as financial assets at fair value through profit or loss. For quoted investments, fair value is determined by reference to the bid market price ruling at the balance sheet date, or if this is not available, the latest bid price for the quoted investment.

Unquoted investments are valued by the Directors based upon prices received from investment advisers, fund managers and other sources where available. Prices generally reflect the prices at which it would be possible to redeem or add to the Company's holding excluding exit and entry charges. Net asset values reported to the market via TISE announcements are on a mid pricing basis of underlying investments, whereas financial statements that are IA SORP compliant have to be prepared on a bid basis. The Directors, however, do not consider the bid price adjustment to have a material impact on the total net asset value of the Company or individual cell share classes therefore no adjustments to the financial statements have been made. (Total Net Asset Value impact £104,137. The investment in EEA Fund Management is based on the 30 June 2018 price being the latest price available on the valuation date 31 July 2018 and subsequently had this been adjusted to the Total Net Asset, impact would be £97,903 (2017: £173,425)).

Realised gains and losses arising on the disposal of investments are calculated by reference to the sale proceeds and the average cost attributable to the proportion of the investment sold. The purchase and sales of investments are accounted for on the trade date. Unrealised gains and losses are calculated by reference to the carrying value at the year end and the carrying costs of investments held. All realised and unrealised gains and losses on investments are reflected in the Statement of Total Return.

# Notes to the Financial Statements (continued)

The valuation point of the investments in the Company's portfolio was 31 July 2018, except in relation to the Trojan Fund where the investment was valued at 30 June 2018. The intention of the valuation at this date was to estimate the fair value of the investments.

## Derivative financial instruments

Derivatives are initially recognised in the financial statements at cost, being the fair value of consideration given, and are subsequently re-measured at their fair value. Unrealised fair value gains or losses on these derivative financial instruments are included in the Statement of Total Return.

Kleinwort Hambros Elite Multi Asset Conservative Fund, Kleinwort Hambros Elite Multi Asset Balanced Fund and Kleinwort Hambros Elite Multi Asset Growth Fund also invest in futures contracts and buy call and put options. A futures contract gives the holder the obligation to buy or sell a certain underlying instrument at a certain date in future. Buying a call option gives the buyer the right but not an obligation to buy the underlying security at a specified price at a future date. Buying a put option gives the buyer the right but not an obligation to sell the underlying security at a specified price at a future date. Unrealised gains and losses arising on the open future positions, call and put options at year-end are included in the statement of total return.

## Foreign exchange

Foreign currency assets and liabilities are translated into pounds sterling, euros or US dollars, as appropriate, at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated at the rate of exchange ruling on the transaction date. Differences thus arising are included in the statement of total return.

The balance sheets of those cells whose base currency is not pounds sterling are translated into pounds sterling at the rates of exchange ruling at the year end. Exchange differences arising between the translation into pounds sterling of the net assets of these cells at rates ruling at the beginning and end of the year are recognised in the statement of change in net assets attributable to shareholders.

## Income

Bond interest and interest on deposits and call accounts are accrued on a day-to-day basis. Dividends are accrued on an ex-dividend basis and gross of withholding taxes.

## Expenses

Expenses are accrued on a day-to-day basis. All expenses in respect of the Kleinwort Hambros Elite Sterling Fixed Income Fund, Kleinwort Hambros Elite Multi Asset Conservative Fund, Kleinwort Hambros International Bond Fund and Kleinwort Hambros EUR Fixed Income Fund have been charged to capital and are shown in the Statement of Total Return as 'Capital expenditure'. Expenses in respect of all other cells are charged against revenue.

## Equalisation

Subscription and redemption prices of shares will include equalisation amounts equivalent to the amount of net income attributable to each share in issue or deemed to be in issue on the relevant dealing day. Equalisation is applied so as to adjust net undistributed income for each class when accounting for the issue or redemption of shares on different dealing days. Equalisation payments will normally be repaid to shareholders with the first dividend paid after the issue of the relevant shares as a return of initial capital invested. The income element of the issues and redemption prices is accounted for against distributions within the statement of total return.

## Cash and cash equivalents

Cash and cash equivalents consist of cash held at bank and cash on margin accounts.

## Statement of cash flows

The Company is exempt from preparing a Statement of Cash Flows as it meets all the criteria set out in FRS 102 section 7. Therefore these accounts do not include a Statement of Cash Flows.

## Critical assumptions and judgements

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies.

Management make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Valuation of investments is considered a key area where judgement is applied. The Directors valued all the investments in other investment funds at the net asset value of the fund as at the relevant valuation date as determined in accordance with the terms of the funds and as notified to the Company by the relevant fund manager or relevant administrator. The valuation date of each fund may not always be coterminous with the valuation date of the Company and in such cases the valuation of the fund at the last valuation date is used. The net asset values reported by the relevant fund managers and / or the relevant fund administrators and used by the Directors as at 31 July 2018, may be unaudited as at that date and may differ from the amounts which would have been realised from a redemption of the investment in the relevant fund as at 31 July 2018. As at the year end, there were no investments which had fair values that were considered to be categorised as level 3. Refer to note 16 where the fair value categories of investments are disclosed.

# Notes to the Financial Statements (continued)

## 3. Net capital gains/(losses)

For the year ended 31 July 2018

	Total	Sterling Fixed Income Fund	Elite Multi Asset Balanced Fund	Multi Asset Conservative Fund	Multi Asset Growth Fund	Elite International Equity Fund
	2018	2018	2018	2018	2018	2018
	£	£	£	£	£	£
Realised gains/(losses) on non derivative investments	10,202,658	369,930	4,434,577	361,374	3,168,417	1,763,210
Unrealised gains/(losses) on non derivative investments	(2,164,915)	(1,044,810)	(1,217,172)	(249,893)	797,203	(325,314)
Derivative investments	(422,252)	(644)	(124,041)	(34,890)	(250,714)	(6,547)
Foreign exchange gains/(losses)	740,483	1,700	(45,578)	22,461	16,093	416,594
<b>Total</b>	<b>8,384,686</b>	<b>(673,824)</b>	<b>3,047,786</b>	<b>99,052</b>	<b>3,730,999</b>	<b>1,847,943</b>

	Elite GBP Currency Fund	Elite EUR Currency Fund	Elite USD Currency Fund	Elite International Bond Fund	Elite EUR Fixed Income Fund	Trojan Fund
	2018	2018	2018	2018	2018	2018
	£	€	US\$	£	€	£
Realised gains/(losses) on non derivative investments	220	(4,782)	34	91,885	30,850	(10,046)
Unrealised gains/(losses) on non derivative investments	(118)	-	(88)	(123,013)	(23,231)	18,823
Derivative investments	-	(66)	(11)	(3,982)	(1,546)	-
Foreign exchange gains/(losses)	-	383,137	8,532	(7,305)	22,492	-
<b>Total</b>	<b>102</b>	<b>378,289</b>	<b>8,467</b>	<b>(42,415)</b>	<b>28,565</b>	<b>8,777</b>

For the year ended 31 July 2017

	Total	Sterling Fixed Income Fund	Elite Multi Asset Balanced Fund	Multi Asset Conservative Fund	Multi Asset Growth Fund	Elite International Equity Fund
	2017	2017	2017	2017	2017	2017
	£	£	£	£	£	£
Realised gains/(losses) on non derivative investments	9,288,630	343,653	3,507,591	383,193	4,101,689	908,144
Unrealised gains/(losses) on non derivative investments	5,366,169	(744,177)	3,117,580	91,525	2,648,529	478,332
Derivative investments	1,438,091	-	537,929	105,971	791,863	5,848
Foreign exchange gains/(losses)	1,108,812	-	(24,864)	3,409	(65,337)	1,267,959
<b>Total</b>	<b>17,201,702</b>	<b>(400,524)</b>	<b>7,138,236</b>	<b>584,098</b>	<b>7,476,744</b>	<b>2,660,283</b>

	Elite GBP Currency Fund	Elite EUR Currency Fund	Elite USD Currency Fund	Elite International Bond Fund	Elite EUR Fixed Income Fund	Trojan Fund
	2017	2017	2017	2017	2017	2017
	£	€	US\$	£	€	£
Realised gains/(losses) on non derivative investments	27	(15,995)	9	107,597	(6,855)	(43,541)
Unrealised gains/(losses) on non derivative investments	(27)	-	(9)	(106,770)	(178,112)	34,979
Derivative investments	-	(102)	(46)	(319)	(3,563)	-
Foreign exchange gains/(losses)	-	68	59	(49,851)	(26,183)	-
<b>Total</b>	<b>-</b>	<b>(16,029)</b>	<b>13</b>	<b>(49,343)</b>	<b>(214,713)</b>	<b>(8,562)</b>

## Notes to the Financial Statements (continued)

### 4. Capital expenditure

All expenses in respect of the Kleinwort Hambros Elite Sterling Balanced Fund, Kleinwort Hambros Multi Asset Conservative Fund, Kleinwort Hambros International Bond Fund and Kleinwort Hambros EUR Fixed Income Fund have been charged to capital and are shown in the Statement of Total Return as 'Capital expenditure'. The details of these expenses are disclosed in note 6. The breakdown of these expenses charged against capital is as follows:

#### For the year ended 31 July 2018

	Total	Sterling Fixed Income Fund	Multi Asset Conservative Fund	International Bond Fund	EUR Fixed Income Fund
	2018	2018	2018	2018	2018
	£	£	£	£	€
Investment management fee	389,139	179,056	189,417	9,322	12,820
Custodian fee	20,598	9,197	6,500	2,485	2,731
<b>Other expenses</b>					
GFSC and other regulatory fees	6,189	2,476	2,891	408	468
Legal fees	3,304	1,937	1,335	21	12
Admin fees	72,566	45,623	21,546	2,598	3,163
Directors fees	7,833	4,838	2,613	169	241
Audit fee	9,174	5,940	3,274	(18)	(25)
Sundry expenses	60,574	19,361	16,286	3,900	23,764
<b>Total other expenses</b>	<b>159,640</b>	<b>80,175</b>	<b>47,945</b>	<b>7,078</b>	<b>27,623</b>
<b>Total expenses</b>	<b>569,377</b>	<b>268,428</b>	<b>243,862</b>	<b>18,885</b>	<b>43,174</b>

#### For the year ended 31 July 2017

	Total	Sterling Fixed Income Fund	Multi Asset Conservative Fund	International Bond Fund	EUR Fixed Income Fund
	2017	2017	2017	2017	2017
	£	£	£	£	€
Investment management fee	500,364	231,872	198,149	31,808	44,628
Custodian fee	29,670	10,051	6,536	6,536	7,582
<b>Other expenses</b>					
GFSC and other regulatory fees	6,729	2,079	2,159	1,231	1,459
Legal fees	5,041	2,768	1,542	303	496
Admin fees	79,718	44,625	23,296	5,471	7,326
Directors fees	8,526	4,912	2,406	544	769
Audit fee	9,122	5,180	2,610	531	928
Sundry expenses	42,371	19,639	15,074	3,702	4,581
<b>Total other expenses</b>	<b>151,507</b>	<b>79,203</b>	<b>47,087</b>	<b>11,782</b>	<b>15,559</b>
<b>Total expenses</b>	<b>681,541</b>	<b>321,126</b>	<b>251,772</b>	<b>50,126</b>	<b>67,769</b>

# Notes to the Financial Statements (continued)

## 5. Revenue

For the year ended 31 July 2018

	Total	Sterling Fixed Income Fund	Elite Multi Asset Balanced Fund	Multi Asset Conservative Fund	Multi Asset Growth Fund	Elite International Equity Fund	Elite GBP Currency Fund	Elite EUR Currency Fund	Elite USD Currency Fund
	2018	2018	2018	2018	2018	2018	2018	2018	2018
	£	£	£	£	£	£	£	€	\$
Investment income	3,711,478	663,100	1,427,424	284,805	715,263	558,591	1,543	-	4,125
Bank interest	7,674	-	6,132	1,145	-	-	74	-	97
<b>Total income</b>	<b>3,719,152</b>	<b>663,100</b>	<b>1,433,556</b>	<b>285,950</b>	<b>715,263</b>	<b>558,591</b>	<b>1,617</b>	<b>-</b>	<b>4,222</b>

	Elite International Bond Fund	Elite EUR Fixed Income Fund	Trojan Fund
	2018	2018	2018
	£	€	£
Investment income	24,554	38,267	-
Bank interest	68	-	183
<b>Total income</b>	<b>24,622</b>	<b>38,267</b>	<b>183</b>

For the year ended 31 July 2017

	Total	Sterling Fixed Income Fund	Elite Multi Asset Balanced Fund	Multi Asset Conservative Fund	Multi Asset Growth Fund	Elite International Equity Fund	Elite GBP Currency Fund	Elite EUR Currency Fund	Elite USD Currency Fund
	2017	2017	2017	2017	2017	2017	2017	2017	2017
	£	£	£	£	£	£	£	€	\$
Investment income	4,287,839	932,191	1,463,185	276,343	736,096	663,257	7,273	-	9,429
Bank interest	200	-	186	-	-	-	-	-	15
<b>Total income</b>	<b>4,288,039</b>	<b>932,191</b>	<b>1,463,371</b>	<b>276,343</b>	<b>736,096</b>	<b>663,257</b>	<b>7,273</b>	<b>-</b>	<b>9,444</b>

	Elite International Bond Fund	Elite EUR Fixed Income Fund	Trojan Fund
	2017	2017	2017
	£	€	£
Investment income	87,111	133,144	-
Bank interest	-	-	2
<b>Total income</b>	<b>87,111</b>	<b>133,144</b>	<b>2</b>

# Notes to the Financial Statements (continued)

## 6. Expenses

### Alternative Investment Fund Manager's fees

The Alternative Investment Fund Manager has agreed with the Company that until further notice its investment management fee per annum in respect of each of the share classes attributable to the Net Asset Value of each respective share class will be as follows:

### Kleinwort Hambros Elite Sterling Fixed Income Fund

'A' GBP Income Reporting Shares 0.75%

'B' GBP Income Reporting Shares 1.0%

### Kleinwort Hambros Elite Multi Asset Balanced Fund

'A' GBP Income Reporting Shares 1.25%

'A' GBP Reinvest Reporting Shares 1.25%

'B' GBP Income Reporting Shares 1.5%

'B' GBP Accumulating Non-Reporting Shares 1.5%

'A' EUR Accumulating Reporting Shares 1.25%

'B' EUR Accumulating Non-Reporting Shares 1.5%

'A' USD Accumulating Reporting Shares 1.25%

'A' USD Accumulating Non-Reporting Shares 1.25%

'B' USD Accumulating Non-Reporting Shares 1.5%

### Kleinwort Hambros Elite Multi Asset Conservative Fund

'A' GBP Income Reporting Shares 1.25%

'B' GBP Income Reporting Shares 1.5%

'B' GBP Accumulating Non-Reporting Shares 1.5%

'A' EUR Accumulating Reporting Shares 1.25%

'B' EUR Accumulating Non-Reporting Shares 1.5%

'B' USD Accumulating Non-Reporting Shares 1.5%

### Kleinwort Hambros Elite Multi Asset Growth Fund

'A' GBP Income Reporting Shares 1.25%

'A' GBP Reinvest Reporting Shares 1.25%

'B' GBP Income Reporting Shares 1.5%

'B' GBP Accumulating Non-Reporting Shares 1.5%

'B' EUR Accumulating Non-Reporting Shares 1.5%

'A' USD Accumulating Reporting Shares 1.25%

'B' USD Accumulating Non-Reporting Shares 1.5%

### Kleinwort Hambros Elite International Equity Fund

'A' GBP Income Reporting Shares 1.25%

'A' GBP Reinvest Reporting Shares 1.25%

'B' GBP Accumulating Non-Reporting Shares 1.5%

### Kleinwort Hambros Elite Sterling Currency Fund

The Alternative Investment Fund Manager has agreed with the Company that until further notice its investment management fee in respect of the Cell will be 0.05% per annum of the Net Asset Value of the Cell.

### Kleinwort Hambros Elite EUR Currency Fund

The Alternative Investment Fund Manager has agreed with the Company that until further notice its investment management fee in respect of the Cell will be 0.05% per annum of the Net Asset Value of the Cell.

### Kleinwort Hambros Elite US Dollar Currency Fund

The Alternative Investment Fund Manager has agreed with the Company that until further notice its investment management fee in respect of the Cell will be 0.05% per annum of the Net Asset Value of the Cell.

### Kleinwort Hambros Elite International Bond Fund

'B' GBP Accumulating Non-Reporting Shares 1.0%

### Kleinwort Hambros Elite EUR Fixed Income Fund

'B' EUR Income Reporting Shares 1.0%

### Kleinwort Hambros Elite Trojan Fund

The Alternative Investment Fund Manager has agreed with the Company that until further notice its investment management fee in respect of the Cell will be 0.3% per annum of the Net Asset Value of the Cell. These fees have been waived for 2017 and 2018.

These fees will be accrued weekly and payable monthly in arrears. The fees of the Sub-Alternative Investment Fund Manager will be borne out of the investment management fees paid to the Alternative Investment Fund Manager.

# Notes to the Financial Statements (continued)

## 6. Expenses (continued)

### Custodian fees

In respect of Kleinwort Hambros Elite Multi Asset Conservative Fund, Kleinwort Hambros Elite Multi Asset Balanced Fund, Kleinwort Hambros Elite Sterling Fixed Income Fund, Kleinwort Hambros Elite Multi Asset Growth Fund, Kleinwort Hambros Elite International Equity Fund, Kleinwort Hambros Elite International Bond Fund, Kleinwort Hambros Elite EUR Fixed Income Fund, Kleinwort Hambros Elite GBP Currency Fund, Kleinwort Hambros Elite EUR Currency Fund and Kleinwort Hambros Elite US Dollar Currency Fund, the Custodian is entitled to receive a fee of up to 0.06 percent per annum of each Cell's Net Asset Value, subject to a minimum of £6,500 per annum, payable monthly in arrears.

At present, the Custodian intends to charge the Cell in accordance with the Net Asset Value of the Company, as set out in the following tiered structure, but subject to a minimum fee of £6,500 per annum payable by the Cell.

£0 to £400,000,000	0.035% per annum
£400,000,001 to £500,000,000	0.03% per annum
Above £500,000,000	0.025% per annum

In respect of the Kleinwort Hambros Elite Trojan Fund, the Custodian is entitled to receive a fee of 0.035 percent per annum of the net asset value of each Cell subject to a minimum of £6,500 per annum.

### Administrator's fees

The Administrator has agreed with the Company that until further notice its administration fee shall be accrued weekly and payable monthly in arrears at the rate of 0.15% per annum of the Net Asset Value of all Cells across all share classes.

In addition to this fee, the Administrator shall also be entitled to receive a fee of £50 per trading transaction.

The Administrator is entitled to be reimbursed by the Company in respect of all out of pocket expenses incurred by the Administrator in connection with the administration of the cells of the Company. Any such expenses which are not attributable to a particular cell will be apportioned between the relevant cells pro rata to their respective Net Asset Values.

# Notes to the Financial Statements (continued)

## 6. Expenses (continued)

For the year ended 31 July 2018

	Total	Multi Asset Balanced Fund	Multi Asset Growth Fund	Elite International Equity Fund	Elite GBP Currency Fund	Elite EUR Currency Fund	Elite USD Currency Fund	Trojan Fund
	2018	2018	2018	2018	2018	2018	2018	2018
	£	£	£	£	£	€	US\$	£
Investment management fee	2,187,976	1,079,661	787,848	319,441	448	514	166	-
Custodian fee	68,142	26,653	18,817	7,510	2,717	3,820	3,464	6,500
<b>Other expenses</b>								
GFSC and other regulatory fees	14,902	6,125	4,761	2,534	420	474	547	238
Legal fees	13,856	6,823	5,099	1,913	8	9	3	3
Admin fees	241,277	117,330	82,743	36,839	1,843	2,101	896	-
Directors fees	29,660	14,752	10,368	4,102	165	180	62	68
Audit fee	35,795	17,444	13,475	4,979	(34)	(156)	(9)	76
Sundry expenses	504,596	70,908	51,587	19,334	4,981	392,768	13,661	137
<b>Total other expenses</b>	<b>840,086</b>	<b>233,382</b>	<b>168,033</b>	<b>69,701</b>	<b>7,383</b>	<b>395,376</b>	<b>15,160</b>	<b>522</b>
<b>Total expenses</b>	<b>3,096,204</b>	<b>1,339,696</b>	<b>974,698</b>	<b>396,652</b>	<b>10,548</b>	<b>399,710</b>	<b>18,790</b>	<b>7,022</b>

The cell expenses of Kleinwort Hambros Elite Sterling Fixed Income Fund, Kleinwort Hambros Elite Multi Asset Conservative Fund, Kleinwort Hambros International Bond Fund and Kleinwort Hambros EUR Fixed Income Fund are charged directly to capital.

For the year ended 31 July 2017

	Total	Multi Asset Balanced Fund	Multi Asset Growth Fund	Elite International Equity Fund	Elite GBP Currency Fund	Elite EUR Currency Fund	Elite USD Currency Fund	Trojan Fund
	2017	2017	2017	2017	2017	2017	2017	2017
	£	£	£	£	£	€	US\$	£
Investment management fee	2,328,037	1,152,626	818,736	352,994	1,526	1,994	551	-
Custodian fee	82,639	28,553	19,646	8,304	6,535	7,549	8,278	6,572
<b>Other expenses</b>								
GFSC and other regulatory fees	13,940	4,505	3,548	2,097	1,226	1,446	1,486	147
Legal fees	18,627	8,356	7,018	2,971	112	154	40	6
Admin fees	264,411	124,172	86,401	38,940	6,229	7,553	2,730	-
Directors fees	29,178	14,086	9,690	4,080	519	682	189	65
Audit fee	33,101	15,166	11,339	5,301	384	804	204	56
Sundry expenses	159,495	66,016	47,543	19,757	6,974	10,976	4,991	801
<b>Total other expenses</b>	<b>513,752</b>	<b>232,301</b>	<b>165,539</b>	<b>73,146</b>	<b>15,444</b>	<b>21,615</b>	<b>9,640</b>	<b>1,075</b>
<b>Total expenses</b>	<b>2,924,428</b>	<b>1,413,480</b>	<b>1,003,921</b>	<b>434,444</b>	<b>23,505</b>	<b>31,158</b>	<b>18,469</b>	<b>7,647</b>

The cell expenses of Kleinwort Hambros Elite Sterling Fixed Income Fund, Kleinwort Hambros Elite Multi Asset Conservative Fund, Kleinwort Hambros International Bond Fund and Kleinwort Hambros EUR Fixed Income Fund are charged directly to capital.

# Notes to the Financial Statements (continued)

## 7. Taxation

States of Guernsey Income Tax has granted the Company exemption from Guernsey income tax under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 and the income of the Company may be distributed or accumulated without deduction of Guernsey income tax. Exemption under the above mentioned Ordinance entails payment of an annual fee of £1,200.

Guernsey's Corporate Tax Regime has a standard rate of income tax of 0%. The Company expects for the foreseeable future to continue to be able to apply for exemption from Guernsey Income Tax for the applicable fee.

Overseas income is shown gross and any withholding tax deducted is shown separately in the statement of total return and therefore the tax charge shown in the statement of total return relates to withholding tax on the Company's investment income.

# Notes to the Financial Statements (continued)

## 8. Distributions

For the year ended 31 July 2018

	Total	Sterling Fixed Income Fund	Multi Asset Balanced Fund	Multi Asset Conservative Fund
	2018	2018	2018	2018
	£	£	£	£
Interim dividend paid 29 December 2017 (Ex-dividend 27 October 2017)	232,898	192,226	-	-
Interim dividend paid 29 March 2018 (Ex-dividend 29 January 2018)	305,323	158,274	-	147,049
Interim dividend paid 29 June 2018 (Ex-dividend 26 April 2018)	134,819	134,819	-	-
Final dividend paid 28 September 2018 (Ex-dividend 27 July 2018)	389,966	159,008	74,448	130,808
Accrued income paid on shares redeemed	36,787	21,406	4,086	6,651
Equalisation received on shares issued	(17,382)	(5,355)	(5,098)	(6,770)
<b>Dividends declared during the year</b>	<b>1,082,410</b>	<b>660,378</b>	<b>73,436</b>	<b>277,738</b>
Dividend per share 31 December 2017				
- A GBP/EUR Income Reporting	-	7.96	-	-
- A Reinvested Reporting	-	-	-	-
- B GBP/EUR Income Reporting	-	0.68	-	-
- C Income Reporting	-	-	-	-
- A USD Accumulating Reporting	-	-	-	-
- A EUR Accumulating Reporting	-	-	-	-
- A USD Accumulating Non-Reporting	-	-	-	-
- B USD Accumulating Non-Reporting	-	-	-	-
- B EUR Accumulating Non-Reporting	-	-	-	-
- B GBP Accumulating Non-Reporting	-	-	-	-
Dividend per share 29 March 2018	-	-	-	-
- A GBP/EUR Income Reporting	-	6.67	-	1.25
- A Reinvested Reporting	-	-	-	-
- B GBP/EUR Income Reporting	-	0.57	-	1.20
- C Income Reporting	-	-	-	-
- A EUR Accumulating Reporting	-	-	-	1.07
- A USD Accumulating Reporting	-	-	-	-
- A Accumulating Non-Reporting	-	-	-	-
- B USD Accumulating Non-Reporting	-	-	-	0.94
- B EUR Accumulating Non-Reporting	-	-	-	1.06
- B GBP Accumulating Non-Reporting	-	-	-	1.29
Dividend per share 29 June 2018	-	-	-	-
- A GBP/EUR Income Reporting	-	6.17	-	-
- A Reinvested Reporting	-	-	-	-
- B GBP/EUR Income Reporting	-	0.53	-	-
- B GBP Accumulating Non-Reporting	-	-	-	-
Dividend per share 28 September 2018	-	-	-	-
- A GBP/EUR Income Reporting	-	7.70	0.51	1.06
- A Reinvested Reporting	-	-	0.51	-
- B GBP/EUR Income Reporting	-	0.66	-	1.02
- C Income Reporting	-	-	-	-
- A EUR Accumulating Reporting	-	-	-	1.10
- A USD Accumulating Reporting	-	-	-	-
- A USD Accumulating Non-Reporting	-	-	0.29	-
- A EUR Accumulating Reporting	-	-	0.30	-
- B USD Accumulating Non-Reporting	-	-	-	1.14
- B EUR Accumulating Non-Reporting	-	-	-	1.10
- B GBP Accumulating Non-Reporting	-	-	-	1.18



# Notes to the Financial Statements (continued)

## 8. Distributions (continued)

For the year ended 31 July 2017

	Total	Sterling Fixed Income Fund	Multi Asset Balanced Fund	Multi Asset Conservative Fund
	2017	2017	2017	2017
	£	£	£	£
Interim dividend paid 30 December 2016 (Ex-dividend 28 October 2016)	296,061	247,501	-	-
Interim dividend paid 31 March 2017 (Ex-dividend 27 January 2017)	457,887	248,771	-	152,185
Interim dividend paid 30 June 2017 (Ex-dividend 27 April 2017)	248,653	206,913	-	-
Final dividend paid 29 September 2017 (Ex-dividend 27 July 2017)	551,775	233,964	58,095	122,331
Accrued income paid on shares redeemed	64,584	35,549	8,232	15,002
Equalisation received on shares issued	(40,981)	(22,657)	(3,275)	(10,616)
<b>Dividends declared during the year</b>	<b>1,577,979</b>	<b>950,041</b>	<b>63,052</b>	<b>278,902</b>
Dividend per share 31 December 2016				
- A GBP/EUR Income Reporting	-	9.424	-	-
- A Reinvested Reporting	-	-	-	-
- B GBP/EUR Income Reporting	-	0.811	-	-
- C Income Reporting	-	-	-	-
- A USD Accumulating Reporting	-	-	-	-
- A EUR Accumulating Reporting	-	-	-	-
- A USD Accumulating Non-Reporting	-	-	-	-
- B USD Accumulating Non-Reporting	-	-	-	-
- B EUR Accumulating Non-Reporting	-	-	-	-
- B GBP Accumulating Non-Reporting	-	-	-	-
Dividend per share 31 March 2017				
- A GBP/EUR Income Reporting	-	9.595	-	1.167
- A Reinvested Reporting	-	-	-	-
- B GBP/EUR Income Reporting	-	0.826	-	1.128
- C Income Reporting	-	-	-	-
- A EUR Accumulating Reporting	-	-	-	1.163
- A USD Accumulating Reporting	-	-	-	-
- A Accumulating Non-Reporting	-	-	-	-
- B USD Accumulating Non-Reporting	-	-	-	1.168
- B EUR Accumulating Non-Reporting	-	-	-	1.155
- B GBP Accumulating Non-Reporting	-	-	-	1.219
Dividend per share 30 June 2017				
- A GBP/EUR Income Reporting	-	8.235	-	-
- A Reinvested Reporting	-	-	-	-
- B GBP/EUR Income Reporting	-	0.708	-	-
- B GBP Accumulating Non-Reporting	-	-	-	-
Dividend per share 30 September 2017				
- A GBP/EUR Income Reporting	-	9.433	0.359	1.065
- A Reinvested Reporting	-	-	0.334	-
- B GBP/EUR Income Reporting	-	0.811	-	1.028
- C Income Reporting	-	-	-	-
- A EUR Accumulating Reporting	-	-	-	0.984
- A USD Accumulating Reporting	-	-	0.278	-
- A USD Accumulating Non-Reporting	-	-	0.279	-
- A EUR Accumulating Reporting	-	-	0.249	-
- B USD Accumulating Non-Reporting	-	-	-	1.062
- B EUR Accumulating Non-Reporting	-	-	-	0.976
- B GBP Accumulating Non-Reporting	-	-	-	1.063

## Notes to the Financial Statements (continued)

Multi Asset Growth Fund	International Equity Fund	International Bond Fund	EUR Fixed Income Fund
2017	2017	2017	2017
£	£	£	€
-	1,011	22,516	28,991
-	-	25,930	35,904
-	172	16,540	28,985
-	87,478	21,692	32,675
-	3,020	1,145	1,895
-	(3,959)	-	(549)
-	<b>87,722</b>	<b>87,823</b>	<b>127,901</b>
-	-	-	-
-	0.109	-	-
-	0.093	-	-
-	-	-	0.617
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	0.001	-	-
-	0.003	0.693	-
-	0.008	-	-
-	-	-	0.777
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	0.803	-
-	0.025	-	-
-	0.019	-	-
-	-	-	0.650
-	-	0.523	-
-	0.865	-	-
-	0.870	-	-
-	-	-	0.751
-	-	-	-
0.249	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	0.720	0.720	-

# Notes to the Financial Statements (continued)

## 9. Debtors

	Total	Sterling Fixed Income Fund	Multi Asset Balanced Fund	Multi Asset Conservative Fund	Multi Asset Growth Fund	International Equity Fund
	2018	2018	2018	2018	2018	2018
	£	£	£	£	£	£
Accrued income	549,835	256,630	144,288	35,143	73,867	39,907
Amounts receivable on investments	12,816,840	-	6,902,075	1,276,716	4,638,049	-
Forward exchange contracts	198,571	-	70,124	17,200	111,247	-
Sundry debtors	8,804	1,002	3,320	1,000	2,411	968
<b>Total</b>	<b>13,574,050</b>	<b>257,632</b>	<b>7,119,807</b>	<b>1,330,059</b>	<b>4,825,574</b>	<b>40,875</b>

	GBP Currency Fund	EUR Currency Fund	USD Currency Fund	International Bond Fund	EUR Fixed Income	Trojan Fund
	2018	2018	2018	2018	2018	2018
	£	€	US\$	£	€	£
Accrued income	-	-	-	-	-	-
Amounts receivable on investments	-	-	-	-	-	-
Forward exchange contracts	-	-	-	-	-	-
Sundry debtors	-	-	-	-	-	103
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>103</b>

	Total	Sterling Fixed Income Fund	Multi Asset Balanced Fund	Multi Asset Conservative Fund	Multi Asset Growth Fund	International Equity Fund
	2017	2017	2017	2017	2017	2017
	£	£	£	£	£	£
Accrued income	712,274	220,195	248,676	26,381	96,483	43,107
Amounts receivable on investments	805,383	-	-	805,383	-	-
Forward exchange contracts	435,810	-	151,652	32,120	252,038	-
Sundry debtors	9,278	1,044	3,148	951	2,218	938
<b>Total</b>	<b>1,962,745</b>	<b>221,239</b>	<b>403,476</b>	<b>864,835</b>	<b>350,739</b>	<b>44,045</b>

	GBP Currency Fund	EUR Currency Fund	USD Currency Fund	International Bond Fund	EUR Fixed Income	Trojan Fund
	2017	2017	2017	2017	2017	2017
	£	€	US\$	£	€	£
Accrued income	265	-	1,006	18,613	64,623	-
Amounts receivable on investments	-	-	-	-	-	-
Forward exchange contracts	-	-	-	-	-	-
Sundry debtors	175	218	151	186	231	101
<b>Total</b>	<b>440</b>	<b>218</b>	<b>1,157</b>	<b>18,799</b>	<b>64,854</b>	<b>101</b>

# Notes to the Financial Statements (continued)

## 10. Other creditors

	Total	Sterling Fixed Income Fund	Multi Asset Balanced Fund	Multi Asset Conservative Fund	Multi Asset Growth Fund	International Equity Fund
	2018	2018	2018	2018	2018	2018
	£	£	£	£	£	£
Sundry creditors	(326,278)	(27,193)	(135,923)	(24,401)	(98,492)	(39,597)
Amounts payable on investments	(14,808,917)	-	(8,528,579)	(1,444,603)	(4,835,735)	-
Forward exchange contracts	(3,964)	-	(1,380)	(237)	(2,347)	-
<b>Total</b>	<b>(15,139,159)</b>	<b>(27,193)</b>	<b>(8,665,882)</b>	<b>(1,469,241)</b>	<b>(4,936,574)</b>	<b>(39,597)</b>

	GBP Currency Fund	EUR Currency Fund	USD Currency Fund	International Bond Fund	EUR Fixed Income	Trojan Fund
	2018	2018	2018	2018	2018	2018
	£	€	US\$	£	€	£
Sundry creditors	-	-	-	-	-	(672)
Amounts payable on investments	-	-	-	-	-	-
Forward exchange contracts	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(672)</b>

	Total	Sterling Fixed Income Fund	Multi Asset Balanced Fund	Multi Asset Conservative Fund	Multi Asset Growth Fund	International Equity Fund
	2017	2017	2017	2017	2017	2017
	£	£	£	£	£	£
Sundry creditors	(335,390)	(31,184)	(129,869)	(22,604)	(93,670)	(40,189)
Amounts payable on investments	(880,616)	-	(33,915)	(812,516)	(34,185)	-
Forward exchange contracts	(223,922)	-	(110,336)	(6,937)	(106,649)	-
<b>Total</b>	<b>(1,439,928)</b>	<b>(31,184)</b>	<b>(274,120)</b>	<b>(842,057)</b>	<b>(234,504)</b>	<b>(40,189)</b>

	GBP Currency Fund	EUR Currency Fund	USD Currency Fund	International Bond Fund	EUR Fixed Income	Trojan Fund
	2017	2017	2017	2017	2017	2017
	£	€	US\$	£	€	£
Sundry creditors	(2,372)	(2,713)	(2,083)	(4,942)	(6,619)	(632)
Amounts payable on investments	-	-	-	-	-	-
Forward exchange contracts	-	-	-	-	-	-
<b>Total</b>	<b>(2,372)</b>	<b>(2,713)</b>	<b>(2,083)</b>	<b>(4,942)</b>	<b>(6,619)</b>	<b>(632)</b>

# Notes to the Financial Statements (continued)

## 11. Related party transactions

JTC Fund Solutions (Guernsey) Limited (the “Administrator”), SG Kleinwort Hambros Bank (CI) Limited (the “Alternative Investment Fund Manager”) and the Directors are regarded as related parties.

The Administrator was registered in Guernsey on 11 May 1978.

The only related party transactions are described below:

Mr A Moorshead was a Director of the Administrator during the year. There were no fees payable to Mr A Moorshead during the year.

Directors fees of £37,493 were paid during the year (2017: £37,704) of which £Nil was due at the year end (2017: £Nil).

The fees and expenses payable to the Administrator, the Alternative Investment Fund Manager and the Custodian are explained in notes 4 and 6. The balances payable at the end of the year were £20,909, £190,910 and £5,193 respectively (31 July 2017: £27,107, £221,818 and £9,284 respectively).

## 12. Share capital

The Company was incorporated with an authorised share capital of £100 divided into 100 Management Shares of £1.00 each (“Management Shares”), all of which have been allotted and issued to the Manager, credited as fully paid up and an unlimited number of shares of no par value (the “Shares”). Under Guernsey Company Law Management Shares are created in order that the preference shares may have a preference over some other class of share capital.

The Management Shares carry no right to dividends from the Company and carry no voting rights whilst any shares in any cell are in issue. In a winding up of the Company the Management Shareholders rank only for a return of paid up capital. As a result of these rights, Management Shares are classified as equity.

The Shares issued by any cell are redeemable at the option of Shareholders and carry the right to a proportionate share in the assets of the Cell and to any dividends that may be declared. Holders of Shares are entitled to receive notice of all general meetings of the Company and to attend and vote thereat. The holder of each Share is entitled, on a poll, to one vote for each Share of which he is a holder. Shares are redeemable by Shareholders at prices based on the value of the Cell’s net assets as determined in accordance with its Articles of Association. The Participating Shareholders are the only class of shareholder with rights to any capital surplus of the Cell. As such, and in accordance with FRS 102 the Shares are presented as liabilities.

In certain cells a number of share sub classes have been created which attract differing levels of fees (refer to note 6 for details).

# Notes to the Financial Statements (continued)

## 12. Share capital (continued) For the year ended 31 July 2018

	Total		Sterling Fixed Income Fund	Multi Asset Balanced Fund	Multi Asset Conservative Fund	Multi Asset Growth Fund	Elite International Equity Fund
	No. of shares	No. of shares					
<b>Non-Cellular</b>							
At 31 July 2018							
Management Shares	100	-					
<b>Cellular</b>							
Redeemable Participating							
As at 31 July 2017	150,154,689	8,752,759	59,631,807	12,022,853	42,230,734	11,970,288	
Issued	8,506,312	489,694	5,155,129	1,544,763	1,102,816	180,340	
Redeemed	(34,068,809)	(2,061,635)	(8,442,110)	(1,449,759)	(5,131,482)	(2,010,860)	
<b>At 31 July 2018</b>	<b>124,592,192</b>	<b>7,180,818</b>	<b>56,344,826</b>	<b>12,117,857</b>	<b>38,202,068</b>	<b>10,139,768</b>	
	Elite GBP Currency Fund		Elite EUR Currency Fund	Elite USD Currency Fund	Elite International Bond Fund	Elite EUR Fixed Income	Trojan Fund
	No. of shares	No. of shares					
<b>Non-Cellular</b>							
At 31 July 2018							
Management Shares	-	-	-	-	-	-	-
<b>Cellular</b>							
Redeemable Participating							
As at 31 July 2017	2,888,918	3,576,607	1,111,254	3,011,544	4,351,070	606,855	
Issued	-	4,871	-	4,977	23,722	-	
Redeemed	(2,888,918)	(3,581,478)	(1,111,254)	(3,016,521)	(4,374,792)	-	
<b>At 31 July 2018</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>606,855</b>	



# Notes to the Financial Statements (continued)

## 13. Net assets attributable to Participating Shareholders

For the year ended 31 July 2018

The net assets attributable to participating shareholders are represented by the following:

	Share Premium	Capital Reserve	Revenue Reserve	Total
	£	£	£	£
<b>Kleinwort Hambros Sterling Fixed Income Fund</b>				
Balance at 31 July 2017	24,502,737	3,768,173	(1,210,119)	27,060,791
Received on issue of participating shares	1,800,782	-	-	1,800,782
Payable on redemptions of participating shares	(6,172,439)	-	-	(6,172,439)
Net capital gains	-	(673,824)	-	(673,824)
Revenue after tax and distributions	-	-	1,784	1,784
Other losses - Capital expenses	-	(268,428)	-	(268,428)
<b>Balance at 31 July 2018</b>	<b>20,131,082</b>	<b>2,825,921</b>	<b>(1,208,335)</b>	<b>21,748,666</b>

	Share Premium	Capital Reserve	Revenue Reserve	Total
	£	£	£	£
<b>Kleinwort Hambros Multi Asset Balanced Fund</b>				
Balance at 31 July 2017	39,352,421	38,992,571	(278,622)	78,066,370
Received on issue of participating shares	7,280,774	-	-	7,280,774
Payable on redemptions of participating shares	(11,836,499)	-	-	(11,836,499)
Retained distribution on accumulation shares	-	8,425	-	8,425
Net capital gains	-	3,047,786	-	3,047,786
Revenue after tax and distributions	-	-	20,424	20,424
Other losses - Capital expenses	-	-	-	-
<b>Balance at 31 July 2018</b>	<b>34,796,696</b>	<b>42,048,782</b>	<b>(256,198)</b>	<b>76,587,280</b>

	Share Premium	Capital Reserve	Revenue Reserve	Total
	£	£	£	£
<b>Kleinwort Hambros Multi Asset Conservative Fund</b>				
Balance at 31 July 2017	10,914,337	2,329,752	(162,081)	13,082,008
Received on issue of participating shares	1,500,465	-	-	1,500,465
Payable on redemptions of participating shares	(1,552,705)	-	-	(1,552,705)
Retained distribution on accumulation shares	-	195,999	-	195,999
Net capital gains	-	99,052	-	99,052
Revenue after tax and distributions	-	-	8,212	8,212
Other losses - Capital expenses	-	(243,862)	-	(243,862)
<b>Balance at 31 July 2018</b>	<b>10,862,097</b>	<b>2,380,941</b>	<b>(153,869)</b>	<b>13,089,169</b>

	Share Premium	Capital Reserve	Revenue Reserve	Total
	£	£	£	£
<b>Kleinwort Hambros Multi Asset Growth Fund</b>				
Balance at 31 July 2017	32,589,988	23,442,058	(402,919)	55,629,127
Received on issue of participating shares	1,554,892	-	-	1,554,892
Payable on redemptions of participating shares	(7,192,376)	-	-	(7,192,376)
Retained distribution on accumulation shares	-	-	-	-
Net capital gains	-	3,730,999	-	3,730,999
Revenue after tax and distributions	-	-	(257,848)	(257,848)
Other losses - Capital expenses	-	-	-	-
<b>Balance at 31 July 2018</b>	<b>26,952,505</b>	<b>27,173,057</b>	<b>(660,767)</b>	<b>53,464,794</b>

	Share Premium	Capital Reserve	Revenue Reserve	Total
	£	£	£	£
<b>Kleinwort Hambros International Equity Fund</b>				
Balance at 31 July 2017	8,621,475	14,791,625	(81,115)	23,331,985
Received on issue of participating shares	361,570	-	-	361,570
Payable on redemptions of participating shares	(3,917,246)	-	-	(3,917,246)
Retained distribution on accumulation shares	-	23,050	-	23,050
Net capital gains	-	1,847,943	-	1,847,943
Revenue after tax and distributions	-	-	8,390	8,390
Other losses - Capital expenses	-	-	-	-
<b>Balance at 31 July 2018</b>	<b>5,065,799</b>	<b>16,662,618</b>	<b>(72,725)</b>	<b>21,655,692</b>

	Share Premium	Capital Reserve	Revenue Reserve	Total
	£	£	£	£
<b>Kleinwort Hambros GBP Currency Fund</b>				
Balance at 31 July 2017	2,916,867	184	(78,728)	2,838,323
Received on issue of participating shares	-	-	-	-
Payable on redemptions of participating shares	(2,829,494)	-	-	(2,829,494)
Net capital gains	-	102	-	102
Revenue after tax and distributions	-	-	(8,931)	(8,931)
Other losses - Capital expenses	-	-	-	-
<b>Balance at 31 July 2018</b>	<b>87,373</b>	<b>286</b>	<b>(87,659)</b>	<b>-</b>

# Notes to the Financial Statements (continued)

## 13. Net assets attributable to Participating Shareholders (continued)

For the year ended 31 July 2018 (continued)

	Share Premium	Capital Reserve	Revenue Reserve	Total
<b>Kleinwort Hambros EUR Currency Fund</b>	€	€	€	€
Balance at 31 July 2017	3,626,494	(24,863)	(172,519)	3,429,112
Received on issue of participating shares	4,657	-	-	4,657
Payable on redemptions of participating shares	(3,412,066)	-	-	(3,412,066)
Net capital gains	-	378,289	-	378,289
Revenue after tax and distributions	-	-	(399,992)	(399,992)
Other losses - Capital expenses	-	-	-	-
<b>Balance at 31 July 2018</b>	<b>219,085</b>	<b>353,426</b>	<b>(572,511)</b>	<b>-</b>
<b>Kleinwort Hambros USD Currency Fund</b>	US\$	US\$	US\$	US\$
Balance at 31 July 2017	1,153,607	293	(107,062)	1,046,838
Received on issue of participating shares	-	-	-	-
Payable on redemptions of participating shares	(1,040,727)	-	-	(1,040,727)
Net capital gains	-	8,467	-	8,467
Revenue after tax and distributions	-	-	(14,568)	(14,568)
Other losses - Capital expenses	-	-	-	-
<b>Balance at 31 July 2018</b>	<b>112,870</b>	<b>8,760</b>	<b>(121,630)</b>	<b>-</b>
<b>Kleinwort Hambros International Bond Fund</b>	£	£	£	£
Balance at 31 July 2017	3,306,820	(343,026)	10,986	2,974,780
Received on issue of participating shares	4,912	-	-	4,912
Payable on redemptions of participating shares	(2,941,107)	-	-	(2,941,107)
Retained distribution on accumulation shares	-	19,052	-	19,052
Net capital gains	-	(42,415)	-	(42,415)
Revenue after tax and distributions	-	-	3,663	3,663
Other losses - Capital expenses	-	(18,885)	-	(18,885)
<b>Balance at 31 July 2018</b>	<b>370,625</b>	<b>(385,274)</b>	<b>14,649</b>	<b>-</b>
<b>Kleinwort Hambros EUR Fixed Income Fund</b>	€	€	€	€
Balance at 31 July 2017	4,372,362	(300,792)	9,144	4,080,714
Received on issue of participating shares	22,214	-	-	22,214
Payable on redemptions of participating shares	(4,095,281)	-	-	(4,095,281)
Net capital gains	-	28,565	-	28,565
Revenue after tax and distributions	-	-	6,962	6,962
Other losses - Capital expenses	-	(43,174)	-	(43,174)
<b>Balance at 31 July 2018</b>	<b>299,294</b>	<b>(315,401)</b>	<b>16,106</b>	<b>-</b>
<b>Kleinwort Hambros Trojan Fund</b>	£	£	£	£
Balance at 31 July 2017	737,270	(347,474)	(38,870)	350,926
Received on issue of participating shares	-	-	-	-
Payable on redemptions of participating shares	-	-	-	-
Net capital gains	-	8,777	-	8,777
Revenue after tax and distributions	-	-	(6,839)	(6,839)
Other losses - Capital expenses	-	-	-	-
<b>Balance at 31 July 2018</b>	<b>737,270</b>	<b>(338,697)</b>	<b>(45,709)</b>	<b>352,864</b>
<b>Total</b>	£	£	£	£
Balance at 31 July 2017	129,926,043	83,782,477	(2,863,991)	210,844,499
Effect on Foreign exchange rates	(76,277)	(13,456)	(344)	(90,076)
Received on issue of participating shares	12,527,171	-	-	12,527,171
Payable on redemptions of participating shares	(43,855,168)	-	-	(43,855,168)
Retained distribution on accumulation shares	-	246,526	-	246,526
Net capital gains	-	8,384,686	-	8,384,686
Revenue after tax and distributions	-	-	(569,696)	(569,696)
Other losses - Capital expenses	-	(589,377)	-	(589,377)
<b>Balance at 31 July 2018</b>	<b>98,521,771</b>	<b>91,830,827</b>	<b>(3,454,031)</b>	<b>186,898,565</b>

# Notes to the Financial Statements (continued)

## 13. Net assets attributable to Participating Shareholders (continued)

For the year ended 31 July 2017

	Share Premium	Capital Reserve	Revenue Reserve	Total
	£	£	£	£
<b>Kleinwort Hambros Sterling Fixed Income Fund</b>				
Balance at 1 August 2016	26,806,379	4,489,823	(1,192,113)	30,104,089
Received on issue of participating shares	4,537,635	-	-	4,537,635
Payable on redemptions of participating shares	(6,841,277)	-	-	(6,841,277)
Net capital gains	-	(400,524)	-	(400,524)
Revenue after tax and distributions	-	-	(18,006)	(18,006)
Other losses - Capital expenses	-	(321,126)	-	(321,126)
<b>Balance at 31 July 2017</b>	<b>24,502,737</b>	<b>3,768,173</b>	<b>(1,210,119)</b>	<b>27,060,791</b>
	Share Premium	Capital Reserve	Revenue Reserve	Total
	£	£	£	£
<b>Kleinwort Hambros Multi Asset Balanced Fund</b>				
Balance at 1 August 2016	50,248,831	31,846,195	(268,889)	81,826,137
Received on issue of participating shares	3,383,078	-	-	3,383,078
Payable on redemptions of participating shares	(14,279,488)	-	-	(14,279,488)
Retained distribution on accumulation shares	-	8,140	-	8,140
Net capital gains	-	7,138,236	-	7,138,236
Revenue after tax and distributions	-	-	(9,733)	(9,733)
Other losses - Capital expenses	-	-	-	-
<b>Balance at 31 July 2017</b>	<b>39,352,421</b>	<b>38,992,571</b>	<b>(278,622)</b>	<b>78,066,370</b>
	Share Premium	Capital Reserve	Revenue Reserve	Total
	£	£	£	£
<b>Kleinwort Hambros Multi Asset Conservative Fund</b>				
Balance at 1 August 2016	12,167,829	1,814,019	(159,760)	13,822,088
Received on issue of participating shares	2,062,614	-	-	2,062,614
Payable on redemptions of participating shares	(3,316,106)	-	-	(3,316,106)
Retained distribution on accumulation shares	-	183,407	-	183,407
Net capital gains	-	584,098	-	584,098
Revenue after tax and distributions	-	-	(2,321)	(2,321)
Other losses - Capital expenses	-	(251,772)	-	(251,772)
<b>Balance at 31 July 2017</b>	<b>10,914,337</b>	<b>2,329,752</b>	<b>(162,081)</b>	<b>13,082,008</b>
	Share Premium	Capital Reserve	Revenue Reserve	Total
	£	£	£	£
<b>Kleinwort Hambros Multi Asset Growth Fund</b>				
Balance at 1 August 2016	39,580,668	15,965,314	(122,781)	55,423,201
Received on issue of participating shares	1,269,626	-	-	1,269,626
Payable on redemptions of participating shares	(8,260,306)	-	-	(8,260,306)
Retained distribution on accumulation shares	-	-	-	-
Net capital gains	-	7,476,744	-	7,476,744
Revenue after tax and distributions	-	-	(280,138)	(280,138)
Other losses - Capital expenses	-	-	-	-
<b>Balance at 31 July 2017</b>	<b>32,589,988</b>	<b>23,442,058</b>	<b>(402,919)</b>	<b>55,629,127</b>
	Share Premium	Capital Reserve	Revenue Reserve	Total
	£	£	£	£
<b>Kleinwort Hambros International Equity Fund</b>				
Balance at 1 August 2016	10,753,463	12,051,034	(82,635)	22,721,862
Received on issue of participating shares	1,463,338	-	-	1,463,338
Payable on redemptions of participating shares	(3,595,326)	-	-	(3,595,326)
Retained distribution on accumulation shares	-	80,308	-	80,308
Net capital gains	-	2,660,283	-	2,660,283
Revenue after tax and distributions	-	-	1,520	1,520
Other losses - Capital expenses	-	-	-	-
<b>Balance at 31 July 2017</b>	<b>8,621,475</b>	<b>14,791,625</b>	<b>(81,115)</b>	<b>23,331,985</b>
	Share Premium	Capital Reserve	Revenue Reserve	Total
	£	£	£	£
<b>Kleinwort Hambros GBP Currency Fund</b>				
Balance at 1 August 2016	3,465,992	184	(62,496)	3,403,680
Received on issue of participating shares	43,659	-	-	43,659
Payable on redemptions of participating shares	(592,784)	-	-	(592,784)
Net capital gains	-	-	-	0
Revenue after tax and distributions	-	-	(16,232)	(16,232)
Other losses - Capital expenses	-	-	-	-
<b>Balance at 31 July 2017</b>	<b>2,916,867</b>	<b>184</b>	<b>(78,728)</b>	<b>2,838,323</b>

# Notes to the Financial Statements (continued)

## 13. Net assets attributable to Participating Shareholders (continued)

For the year ended 31 July 2017 (continued)

	Share Premium	Capital Reserve	Revenue Reserve	Total
<b>Kleinwort Hambros EUR Currency Fund</b>	€	€	€	€
Balance at 1 August 2016	4,152,478	(8,834)	(141,326)	4,002,318
Received on issue of participating shares	538,694	-	-	538,694
Payable on redemptions of participating shares	(1,064,678)	-	-	(1,064,678)
Net capital gains	-	(16,029)	-	(16,029)
Revenue after tax and distributions	-	-	(31,193)	(31,193)
Other losses - Capital expenses	-	-	-	-
<b>Balance at 31 July 2017</b>	<b>3,626,494</b>	<b>(24,863)</b>	<b>(172,519)</b>	<b>3,429,112</b>
<b>Kleinwort Hambros USD Currency Fund</b>	Share Premium	Capital Reserve	Revenue Reserve	Total
	US\$	US\$	US\$	US\$
Balance at 1 August 2016	1,239,205	280	(98,037)	1,141,448
Received on issue of participating shares	-	-	-	-
Payable on redemptions of participating shares	(85,598)	-	-	(85,598)
Net capital gains	-	13	-	13
Revenue after tax and distributions	-	-	(9,025)	(9,025)
Other losses - Capital expenses	-	-	-	-
<b>Balance at 31 July 2017</b>	<b>1,153,607</b>	<b>293</b>	<b>(107,062)</b>	<b>1,046,838</b>
<b>Kleinwort Hambros International Bond Fund</b>	Share Premium	Capital Reserve	Revenue Reserve	Total
	£	£	£	£
Balance at 1 August 2016	3,623,962	(330,235)	11,715	3,305,442
Received on issue of participating shares	-	-	-	-
Payable on redemptions of participating shares	(317,142)	-	-	(317,142)
Retained distribution on accumulation shares	-	86,678	-	86,678
Net capital gains	-	(49,343)	-	(49,343)
Revenue after tax and distributions	-	-	(729)	(729)
Other losses - Capital expenses	-	(50,126)	-	(50,126)
<b>Balance at 31 July 2017</b>	<b>3,306,820</b>	<b>(343,026)</b>	<b>10,986</b>	<b>2,974,780</b>
<b>Kleinwort Hambros EUR Fixed Income Fund</b>	Share Premium	Capital Reserve	Revenue Reserve	Total
	€	€	€	€
Balance at 1 August 2016	4,741,166	(18,310)	12,220	4,735,076
Received on issue of participating shares	108,312	-	-	108,312
Payable on redemptions of participating shares	(477,116)	-	-	(477,116)
Net capital gains	-	(214,713)	-	(214,713)
Revenue after tax and distributions	-	-	(3,076)	(3,076)
Other losses - Capital expenses	-	(67,769)	-	(67,769)
<b>Balance at 31 July 2017</b>	<b>4,372,362</b>	<b>(300,792)</b>	<b>9,144</b>	<b>4,080,714</b>
<b>Kleinwort Hambros Trojan Fund</b>	Share Premium	Capital Reserve	Revenue Reserve	Total
	£	£	£	£
Balance at 1 August 2016	737,270	(338,912)	(31,225)	367,133
Received on issue of participating shares	-	-	-	-
Payable on redemptions of participating shares	-	-	-	-
Net capital gains	-	(8,562)	-	(8,562)
Revenue after tax and distributions	-	-	(7,645)	(7,645)
Other losses - Capital expenses	-	-	-	-
<b>Balance at 31 July 2017</b>	<b>737,270</b>	<b>(347,474)</b>	<b>(38,870)</b>	<b>350,926</b>
<b>Total</b>	Share Premium	Capital Reserve	Revenue Reserve	Total
	£	£	£	£
Balance at 1 August 2016	155,233,659	66,442,839	(2,484,012)	219,192,486
Effect on Foreign exchange rates	(25,184)	460,914	(10,006)	425,724
Received on issue of participating shares	13,318,624	-	-	13,318,624
Payable on redemptions of participating shares	(38,601,056)	-	-	(38,601,056)
Retained distribution on accumulation shares	-	358,533	-	358,533
Net capital gains	-	17,201,702	-	17,201,702
Revenue after tax and distributions	-	-	(369,973)	(369,973)
Other losses - Capital expenses	-	(681,541)	-	(681,541)
<b>Balance at 31 July 2017</b>	<b>129,926,043</b>	<b>83,782,447</b>	<b>(2,863,991)</b>	<b>210,844,499</b>

# Notes to the Financial Statements (continued)

## 14. Earnings per share

	Sterling Fixed Income Fund	Multi Asset Balanced Fund	Multi Asset Conservative Fund	Multi Asset Growth Fund	International Equity Fund	GBP Currency Fund
	2018	2018	2018	2018	2018	2018
	£	£	£	£	£	£
Total return/(loss)	(280,090)	3,141,646	141,140	3,473,151	1,882,115	(8,829)
Weighted average number of shares in issue	7,948,146	57,672,615	12,378,891	40,033,790	10,713,129	-
Gain/(Loss) per share	(0.04)	0.05	0.01	0.09	0.18	-

	EUR Currency Fund	USD Currency Fund	International Bond Fund	EUR Fixed Income	Trojan Fund
	2018	2018	2018	2018	2018
	€	US\$	£	€	£
Total return/(loss)	(21,703)*	(6,101)*	(36,708)*	19,643*	1,938
Weighted average number of shares in issue	-	-	-	-	606,854
Gain/(Loss) per share	-	-	-	-	0.00

\*Cell fully redeemed on 30 November 2017

	Sterling Fixed Income Fund	Multi Asset Balanced Fund	Multi Asset Conservative Fund	Multi Asset Growth Fund	International Equity Fund	GBP Currency Fund
	2017	2017	2017	2017	2017	2017
	£	£	£	£	£	£
Total return/(loss)	210,385	7,191,555	608,907	7,196,606	2,749,525	(16,232)
Weighted average number of shares in issue	8,883,847	64,148,507	12,922,493	44,819,568	12,544,477	3,088,900
Gain/(Loss) per share	0.02	0.11	0.05	0.16	0.22	(0.01)

	EUR Currency Fund	USD Currency Fund	International Bond Fund	EUR Fixed Income	Trojan Fund
	2017	2017	2017	2017	2017
	€	US\$	£	€	£
Total return/(loss)	(47,222)	(9,012)	(12,375)	(157,657)	(16,207)
Weighted average number of shares in issue	4,118,653	1,160,153	3,200,337	4,571,497	606,854
Gain/(Loss) per share	(0.01)	(0.01)	(0.00)	(0.03)	(0.03)

# Notes to the Financial Statements (continued)

## 15. Contingent liabilities

There are no contingent liabilities at the balance sheet date.

## 16. Financial instruments and associated risks

The Board reviews and agrees policies for managing its risk exposure. These policies are summarised below and have remained unchanged during the year under review.

The financial instruments held by the Company comprise investments, derivatives, some cash and liquid resources and various items such as debtors and creditors that arise directly from the Company's operations. The instruments held by the Company mainly consist of securities quoted on a recognised investment exchange. The main risks arising from the Company's financial instruments are market price risk, interest rate risk, liquidity risk, currency risk and credit risk.

### Market price risk

Market price risk is the possibility that future changes in market prices may make a financial instrument less valuable or more onerous. The Company's market price risk is managed by the Alternative Investment Fund Manager through diversification of the investment portfolio in accordance with the investment policy of each Cell.

The Company's exposure to market price risk is comprised mainly of movements in the value of the Company's investments. The Company's investment portfolio complies with the investment parameters as disclosed in its prospectus and supplemental scheme particulars.

The Directors valued all the investments in other investment funds at the net asset value of the fund as at the relevant valuation date as determined in accordance with the terms of the funds and as notified to the Company by the relevant fund manager or relevant administrator. The valuation date of each fund may not always be coterminous with the valuation date of the Company and in such cases the valuation of the fund at the last valuation date is used. The net asset values reported by the relevant fund managers and / or the relevant fund administrators and used by the Directors as at 31 July 2018, may be unaudited as at that date and may differ from the amounts which would have been realised from a redemption of the investment in the relevant fund as at 31 July 2018.

Futures result in exposure to market risk based on changes in market prices relative to contracted amounts. Market risks arise due to the possible movement in foreign currency exchange rates, indices and securities values underlying these instruments. In addition, because of the low margin deposits normally required in relation to notional contract sizes, a high degree of leverage may be typical of a futures account. As a result, a relatively small price movement in

an underlying of a futures contract may result in substantial losses to the Company. Futures trading may also be illiquid. Certain futures exchanges do not permit trading in particular futures contracts at prices that represent a fluctuation in price during a single day's trading beyond certain set limits. If prices fluctuate during a single day's trading beyond those limits, the Company could be prevented from promptly liquidating unfavourable positions and could thus be subject to substantial losses.

### Fair value

The Company has adopted "Amendments to FRS 102", section 34 which establishes a hierarchy to be used to estimate the fair value of investments that are publicly traded or whose fair value can be reliably measured if they are not publicly traded. The levels of the hierarchy are as follows:

- (1) Fair value based on a quoted price for an identical instrument in an active market and will generally include equities, some highly liquid bonds and exchange traded derivatives.
- (2) Fair value based on a valuation technique using observable market data and will generally include evaluated pricing techniques using inputs such as quoted prices for similar instruments, interest rates, yield curves or credit spreads.
- (3) Fair value based on a valuation technique that relies significantly on non-observable market data and will include values not primarily derived from observable market data.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes "observable data" requires significant judgement by the Directors. The Directors consider observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

Level 3 investments - These include investments which are not quoted in an active market or have market values which are not readily available and are valued based on the most recent transactions or market information available.

## Notes to the Financial Statements (continued)

### 16. Financial instruments and associated risks (continued)

The following table analyses within the fair value hierarchy the Company's investments measured at fair value:

	Total	Sterling Fixed Income Fund	Multi Asset Balanced Fund	Multi Asset Conservative Fund	Multi Asset Growth Fund	International Equity Fund	Trojan Fund
	2018	2018	2018	2018	2018	2018	2018
	£	£	£	£	£	£	£
Level 1	180,298,105	21,097,170	73,267,044	12,556,412	51,788,130	21,578,089	-
Level 2	230,823	-	30,161	8,772	2,488	-	200,662
Level 3*	-	-	-	-	-	-	-
		21,097,170	73,297,205	12,565,184	51,790,618	21,578,089	200,662

	Total	Sterling Fixed Income Fund	Multi Asset Balanced Fund	Multi Asset Conservative Fund	Multi Asset Growth Fund	International Equity Fund
	2017	2017	2017	2017	2017	2017
	£	£	£	£	£	£
Level 1	193,846,170	26,750,358	72,661,960	12,232,440	52,797,579	22,904,038
Level 2	250,000	-	26,455	7,630	2,334	-
Level 3*	-	-	-	-	-	-
	194,096,170	26,750,358	72,688,415	12,240,070	52,799,913	22,904,038

	International Bond Fund	EUR Fixed Income	Trojan Fund
	2017	2017	2017
	£	€	£
Level 1	2,918,377	4,004,715	-
Level 2	-	-	213,581
Level 3*	-	-	-
	2,918,377	4,004,715	213,581

\*There were no transfers to or from level 3 during the year (2017: None).

# Notes to the Financial Statements (continued)

## 16. Financial instruments and associated risks (continued)

### Credit risk

Credit risk is the risk that an issuer or counter party will be unable or unwilling to meet a commitment that it has entered into with the Company. The Alternative Investment Fund Manager assesses the risk associated with fixed interest investment by performing financial analysis on the issuing companies as part of its normal scrutiny of prospective investments. The Alternative Investment Fund Manager also monitors the creditworthiness of the counterparties with which the Company holds cash and cash equivalents. The Company holds cash with BNP Paribas Securities Services SCA - Guernsey Branch which has been assigned a P-1 rating by Moody's Investors Service.

A Cell may invest in collective investment schemes. Investment limit restrictions within the Scheme Particulars are taken into consideration when investing. All portfolios are monitored post-trade to ensure no investment limit restrictions have been breached.

### Liquidity risk

Liquidity risk is the risk that the Company will encounter when realising assets or otherwise raising funds to meet financial commitments.

The maturity of the Cells' cash and financial assets and liabilities (excluding participating redeemable shares and investments) relating to the cash and investment activities are within 1 year. Some of the Company's investments may comprise securities which are traded in recognised financial markets. The Company may also invest in securities which may lack an established secondary trading market or are otherwise considered illiquid. Liquidity of a security relates to the ability to easily dispose of the security and the price to be obtained and does not generally relate to the credit risk or likelihood of receipt of cash at maturity. Consequently, no further disclosure on the maturity of investments is made in assessing the liquidity risk of investments.

The Company also manages its liquidity risk through its borrowing facility and is further disclosed in Note 18.

### Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates and arises where instruments are denominated in a currency different from the base currency of the Company. The Manager may from time to time arrange for the Cells to enter into transactions in derivative instruments such as options, swaps and forward foreign exchange contracts and take short positions with a view to hedging the Cells' currency exposure.

### Custody risk

Custody risk is the risk that the Company will suffer the loss of securities held in custody as a result of insolvency, negligence or fraudulent action of the Custodian or of a Sub-Custodian.

The Company appointed BNP Paribas Securities Services SCA - Guernsey Branch as the Custodian of the Company and the assets of the Cells contained therein by an agreement dated 12 October 2012. BNP Paribas Securities Services SCA - Guernsey Branch, is licensed by the GFSC under the provisions of the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended).

The Custodian ensures that the Company is not exposed to custody risk by holding the assets of the Company in a non-trading nominee company. This arrangement ensures that the Company's assets are segregated from the assets of BNP Paribas and are therefore protected.

### Interest rate and currency risk

The Company's exposure to market risk for changes in interest rates relates primarily to the Company's investments in corporate and government loans as well as cash.

# Notes to the Financial Statements (continued)

## 16. Financial instruments and associated risks (continued)

### Interest rate and currency risk (continued)

The interest rate profile of the Company's fixed coupon debt instruments as at 31 July 2018:

	Total as per Portfolio Statement	Weighted average interest rate*	Weighted average period until maturity
	2018	2018	2018
	£	%	Years
<b>Sterling Fixed Income Fund</b>			
Corporate Bonds	11,609,125	4.86%	8.48
Government Bonds	5,557,001	1.12%	2.76
	<b>17,166,126</b>	<b>5.98%</b>	<b>11.24</b>

	Total as per Portfolio Statement	Weighted average interest rate*	Weighted average period until maturity
	2018	2018	2018
	£	%	Years
<b>Multi Asset Balanced Fund</b>			
Corporate Bonds	-	-	-
Government Bonds	7,460,332	3.67%	7.46
	<b>7,460,332</b>	<b>3.67%</b>	<b>7.46</b>

	Total as per Portfolio Statement	Weighted average interest rate*	Weighted average period until maturity
	2018	2018	2018
	£	%	Years
<b>Multi Asset Conservative Fund</b>			
Corporate Bonds	-	-	-
Government Bonds	2,490,699	2.87%	6.30
	<b>2,490,699</b>	<b>2.87%</b>	<b>6.30</b>

	Total as per Portfolio Statement	Weighted average interest rate*	Weighted average period until maturity
	2018	2018	2018
	£	%	Years
<b>Multi Asset Growth Fund</b>			
Corporate Bonds	-	-	-
Government Bonds	1,579,273	4.75%	1.60
	<b>1,579,273</b>	<b>4.75%</b>	<b>1.60</b>

# Notes to the Financial Statements (continued)

## 16. Financial instruments and associated risks (continued)

### Interest rate and currency risk (continued)

The interest rate profile of the Company's fixed coupon debt instruments as at 31 July 2017:

	Total as per Portfolio Statement	Weighted average interest rate*	Weighted average period until maturity
	2017	2017	2017
	£	%	Years
<b>Sterling Fixed Income Fund</b>			
Corporate Bonds	12,355,652	4.25%	8.48
Government Bonds	9,363,697	3.26%	6.87
	<b>21,719,349</b>	<b>7.51%</b>	<b>12.75</b>

	Total as per Portfolio Statement	Weighted average interest rate*	Weighted average period until maturity
	2017	2017	2017
	£	%	Years
<b>Multi Asset Balanced Fund</b>			
Corporate Bonds	3,861,317	-	7.36
Government Bonds	15,553,691	4.17%	5.73
	<b>19,415,008</b>	<b>4.17%</b>	<b>13.09</b>

	Total as per Portfolio Statement	Weighted average interest rate*	Weighted average period until maturity
	2017	2017	2017
	£	%	Years
<b>Multi Asset Conservative Fund</b>			
Corporate Bonds	390,032	-	7.36
Government Bonds	2,946,646	2.74%	6.43
	<b>3,336,678</b>	<b>2.74%</b>	<b>13.79</b>

	Total as per Portfolio Statement	Weighted average interest rate*	Weighted average period until maturity
	2017	2017	2017
	£	%	Years
<b>Multi Asset Growth Fund</b>			
Corporate Bonds	2,661,660	-	7.36
Government Bonds	2,921,347	4.75%	2.60
	<b>5,583,007</b>	<b>4.75%</b>	<b>9.96</b>

	Total as per Portfolio Statement	Weighted average interest rate*	Weighted average period until maturity
	2017	2017	2017
	£	%	Years
<b>Elite International Bond Fund</b>			
Corporate Bonds	1,180,776	3.57%	5.09
Government Bonds	857,539	3.10%	6.56
	<b>2,668,315</b>	<b>6.67%</b>	<b>11.65</b>

	Total as per Portfolio Statement	Weighted average interest rate*	Weighted average period until maturity
	2017	2017	2017
	€	%	Years
<b>Elite EUR Fixed Income Fund</b>			
Corporate Bonds	2,563,896	2.79%	7.07
Government Bonds	798,012	4.26%	5.70
	<b>3,361,908</b>	<b>7.05%</b>	<b>12.77</b>

\* The weighted average interest rate is based on the current coupon of each asset weighted by its market value.

# Notes to the Financial Statements (continued)

## 16. Financial instruments and associated risks (continued)

### Interest rate and currency risk (continued)

The interest rate and currency profile of the Company as at 31 July 2018 is as follows:

	Total	Financial assets/(liabilities) on which no interest is paid	Fixed rate assets	Floating rate assets/(liabilities)
	£	£	£	£
<b>Sterling Fixed Income Fund</b>				
Sterling	21,749,013	71,431	17,166,126	4,511,456
US dollars	(347)	-	-	(347)
<b>Balance at 31 July 2018</b>	<b>21,748,666</b>	<b>71,431</b>	<b>17,166,126</b>	<b>4,511,109</b>

	Total	Financial assets/(liabilities) on which no interest is paid	Fixed rate assets	Floating rate assets/(liabilities)
	£	£	£	£
<b>Multi Asset Balanced Fund</b>				
Euro	127,701	61,787	-	65,914
Sterling	76,209,069	64,156,016	7,460,332	4,592,721
US dollars	250,510	6,957	-	243,553
<b>Balance at 31 July 2018</b>	<b>76,587,280</b>	<b>64,224,760</b>	<b>7,460,332</b>	<b>4,902,189</b>

	Total	Financial assets/(liabilities) on which no interest is paid	Fixed rate assets	Floating rate assets/(liabilities)
	£	£	£	£
<b>Multi Asset Conservative Fund</b>				
Euro	20,029	16,316	-	3,712
Sterling	12,901,452	9,880,330	2,490,699	530,423
US dollars	167,688	647	-	167,041
<b>Balance at 31 July 2018</b>	<b>12,089,169</b>	<b>9,897,293</b>	<b>2,490,699</b>	<b>701,178</b>

	Total	Financial assets/(liabilities) on which no interest is paid	Fixed rate assets	Floating rate assets/(liabilities)
	£	£	£	£
<b>Multi Asset Growth Fund</b>				
Euro	231,887	102,934	-	128,953
Sterling	52,907,930	49,991,444	1,579,273	1,337,213
US dollars	324,977	5,966	-	319,010
<b>Balance at 31 July 2018</b>	<b>53,464,794</b>	<b>50,100,344</b>	<b>1,579,273</b>	<b>1,785,177</b>

	Total	Financial assets/(liabilities) on which no interest is paid	Fixed rate assets	Floating rate assets/(liabilities)
	£	£	£	£
<b>International Equity Fund</b>				
Australian dollars	320,142	320,141	-	1
Canadian dollars	1,115,129	1,113,311	-	1,818
Euro	4,398,916	4,394,828	-	4,088
Hong Kong dollar	1,523,390	1,521,585	-	1,805
Japanese yen	2,052,216	2,052,228	-	(12)
Sterling	1,364,723	1,302,647	-	62,076
Swedish krona	401,644	401,655	-	(11)
Swiss franc	888,234	888,297	-	(63)
US dollars	9,591,298	9,582,024	-	9,274
Chinese yuan	-	-	-	-
<b>Balance at 31 July 2018</b>	<b>21,655,692</b>	<b>21,576,714</b>	<b>-</b>	<b>78,977</b>

	Total	Financial assets/(liabilities) on which no interest is paid	Fixed rate assets	Floating rate assets/(liabilities)
	£	£	£	£
<b>Elite Trojan Fund</b>				
Sterling	352,865	200,094	-	152,771
<b>Balance at 31 July 2018</b>	<b>352,865</b>	<b>200,094</b>	<b>-</b>	<b>152,771</b>

The floating rate financial assets comprise bank balances that bear interest based on the rates prevailing for each currency and floating rate note investments.

# Notes to the Financial Statements (continued)

## 16. Financial instruments and associated risks (continued)

### Interest rate and currency risk (continued)

The interest rate and currency profile of the Company as at 31 July 2017 is as follows:

	Total	Financial assets/(liabilities) on which no interest is paid	Fixed rate assets	Floating rate assets/(liabilities)
	£	£	£	£
<b>Sterling Fixed Income Fund</b>				
Sterling	27,060,791	(43,909)	23,337,128	3,767,572
<b>Balance at 31 July 2017</b>	<b>27,060,791</b>	<b>(43,909)</b>	<b>23,337,128</b>	<b>3,767,572</b>

	Total	Financial assets/(liabilities) on which no interest is paid	Fixed rate assets	Floating rate assets/(liabilities)
	£	£	£	£
<b>Multi Asset Balanced Fund</b>				
Euro	189,791	150,606	-	39,185
Sterling	78,062,998	53,311,493	19,415,006	5,336,499
US dollars	(186,419)	(109,290)	-	(77,129)
<b>Balance at 31 July 2017</b>	<b>78,066,370</b>	<b>53,352,809</b>	<b>19,415,006</b>	<b>5,298,555</b>

	Total	Financial assets/(liabilities) on which no interest is paid	Fixed rate assets	Floating rate assets/(liabilities)
	£	£	£	£
<b>Multi Asset Conservative Fund</b>				
Euro	86,078	32,040	-	54,038
Sterling	12,748,219	8,861,277	3,336,678	550,264
US dollars	247,711	(6,857)	-	254,568
<b>Balance at 31 July 2017</b>	<b>13,082,008</b>	<b>8,886,460</b>	<b>3,336,678</b>	<b>858,870</b>

	Total	Financial assets/(liabilities) on which no interest is paid	Fixed rate assets	Floating rate assets/(liabilities)
	£	£	£	£
<b>Multi Asset Growth Fund</b>				
Euro	434,161	251,102	-	183,059
Sterling	55,348,686	47,187,751	5,583,008	2,577,927
US dollars	(153,720)	(105,713)	-	(48,007)
<b>Balance at 31 July 2017</b>	<b>55,629,127</b>	<b>47,333,140</b>	<b>5,583,008</b>	<b>2,712,979</b>

	Total	Financial assets/(liabilities) on which no interest is paid	Fixed rate assets	Floating rate assets/(liabilities)
	£	£	£	£
<b>International Equity Fund</b>				
Australian dollars	450,152	445,539	-	4,613
Canadian dollars	1,188,020	1,188,020	-	-
Chinese yuan	21,904	21,904	-	-
Euro	4,175,329	4,175,344	-	(15)
Hong Kong dollar	1,526,043	1,509,845	-	16,198
Japanese yen	2,136,277	2,136,278	-	(1)
Sterling	1,830,153	1,518,953	-	311,200
Swiss franc	1,516,348	1,516,348	-	-
US dollars	10,487,759	10,388,321	-	99,438
<b>Balance at 31 July 2017</b>	<b>23,331,985</b>	<b>22,900,552</b>	<b>-</b>	<b>431,433</b>

	Total	Financial assets/(liabilities) on which no interest is paid	Fixed rate assets	Floating rate assets/(liabilities)
	£	£	£	£
<b>Sterling Currency Fund</b>				
Sterling	2,838,323	(1,931)	-	2,840,254
<b>Balance at 31 July 2017</b>	<b>2,838,323</b>	<b>(1,931)</b>	<b>-</b>	<b>2,840,254</b>

	Total	Financial assets/(liabilities) on which no interest is paid	Fixed rate assets	Floating rate assets/(liabilities)
	€	€	€	€
<b>Euro Currency Fund</b>				
Euro	3,431,242	(365)	-	3,431,607
Sterling	(2,130)	(2,130)	-	-
<b>Balance at 31 July 2017</b>	<b>3,429,112</b>	<b>(2,495)</b>	<b>-</b>	<b>3,431,607</b>

# Notes to the Financial Statements (continued)

## 16. Financial instruments and associated risks (continued)

### Interest rate and currency risk (continued)

	Total	Financial assets/(liabilities) on which no interest is paid	Fixed rate assets	Floating rate assets/(liabilities)
<b>US Dollar Currency Fund</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
Sterling	(1,905)	(1,905)	-	-
U.S Dollars	1,048,743	980	-	1,047,763
<b>Balance at 31 July 2017</b>	<b>1,046,838</b>	<b>(925)</b>	<b>-</b>	<b>1,047,763</b>
	<b>Total</b>	<b>Financial assets/(liabilities) on which no interest is paid</b>	<b>Fixed rate assets</b>	<b>Floating rate assets/(liabilities)</b>
<b>International Bond Fund</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Sterling	2,135,634	9,703	1,840,183	285,748
US dollars	481,019	2,216	477,976	827
Euro	358,127	1,937	350,156	6,034
<b>Balance at 31 July 2017</b>	<b>2,974,780</b>	<b>13,856</b>	<b>2,668,315</b>	<b>292,609</b>
	<b>Total</b>	<b>Financial assets/(liabilities) on which no interest is paid</b>	<b>Fixed rate assets</b>	<b>Floating rate assets/(liabilities)</b>
<b>EUR Fixed Income Fund</b>	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>
Euro	3,721,866	26,848	3,655,808	39,210
Sterling	(2,250)	(2,250)	-	-
US dollars	361,098	962	-	360,136
<b>Balance at 31 July 2017</b>	<b>4,080,714</b>	<b>25,560</b>	<b>3,655,808</b>	<b>399,346</b>
	<b>Total</b>	<b>Financial assets/(liabilities) on which no interest is paid</b>	<b>Fixed rate assets</b>	<b>Floating rate assets/(liabilities)</b>
<b>Elite Trojan Fund</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Sterling	349,726	212,850	-	137,876
<b>Balance at 31 July 2017</b>	<b>349,726</b>	<b>212,850</b>	<b>-</b>	<b>137,876</b>

The floating rate financial assets comprise bank balances that bear interest based on the rates prevailing for each currency and floating rate note investments.

## 17. Capital Management

The capital structure of the Fund at period end consists of the net assets attributable to the Participating Shareholders of each of the cells. The Manager monitors the risks associated with the invested capital, including managing of the liquidity of the Fund so as to be able to meet the redemption requests of the unit holders.

Refer to Borrowing facilities note 18 where borrowings have been disclosed.

## 18. Borrowing facilities

At 31 July 2018 the Company had a £6,000,000 facility with BNP Paribas to utilise on behalf of all the cells.

The facility will be made available for a maximum of 5 consecutive days and is primarily available to meet any shortfall arising out of the failure of transactions to settle in the expected timescale.

The Company had drawn down the following amounts as at 31 July 2018: Kleinwort Hambros Multi Asset Balanced Fund £nil (2017: £77,129), Kleinwort Hambros Multi Asset Growth Fund £Nil (2017: £48,007) and Sterling Fixed Income Fund £347.

## 19. Ultimate Controlling Party

The issued share capital of the Company is owned by numerous parties and therefore, in the opinion of the Directors, there is no ultimate controlling party in the Company.

# Notes to the Financial Statements (continued)

## 20. Events after the Balance Sheet Date

Subsequent to the year end, the net asset value per unit of the cells have changed as set out in the tables below. This movement takes into account routine transactions but also reflects the market movements in recent months.

Cell	Net Asset Value Per Share as at 31 July 2018	Net Asset Value Per Share as at 14 November 2018	Increase / (Decrease) in Net Asset Value	% Change
Sterling Fixed Income Fund	3.03	2.49	(0.54)	17.8
Multi Asset Balanced Fund	1.36	1.30	(0.06)	4.4
Multi Asset Conservative Fund	1.08	1.05	(0.03)	2.8
Multi Asset Growth Fund	1.40	1.32	(0.08)	5.7
International Equity Fund	2.14	2.01	(0.13)	6.1
Trojan Fund*	0.58	0.60	0.02	3.4

\*The KH Hambros Trojan Fund most recent valuation date of the Cell was 31 October 2018.

### Distributions

On 27 July 2018 the following dividends were declared: Kleinwort Hambros Sterling Fixed Income Fund £159,008, Kleinwort Hambros Multi Asset Balanced Fund £74,448, Kleinwort Hambros Multi Asset Conservative Fund £130,808, Kleinwort Hambros International Equity Fund £25,702. These dividends were paid on 28 September 2018.

On 29 October 2018 the following dividends were declared: Kleinwort Hambros Sterling Fixed Income Fund £145,221. These dividends will be paid on 17 December 2018.

# Cell Portfolio of Investments

## Kleinwort Hambros Sterling Fixed Income Fund

As at 31 July 2018

Nominal	Description	Cost £	Market Value £	% of Net Assets
	<b>Government Bonds 25.56% (2017: 34.61%)</b>			
2,336,000	Treasury 1.75% 22/07/2019	2,364,224	2,359,360	10.85
2,968,000	UK Treasury 0.5% 22/07/22	2,913,120	2,917,841	13.41
264,000	UK Government 2.25% 07/09/2023	257,255	279,800	1.29
		<b>5,534,599</b>	<b>5,557,001</b>	<b>25.55</b>
	<b>Corporate Bonds 71.46% (2017: 64.24%)</b>			
210,000	Apple Inc 3.05% 31/7/2029	227,445	225,908	1.04
520,000	Aviva 5.9021% 31/12/2050	549,900	548,106	2.52
210,000	Baa Funding 6% 20/03/20	226,202	225,130	1.04
310,000	Barclays 7.875% Perp	335,188	332,863	1.53
400,000	BHP Billiton 6.5% 221022	455,920	456,240	2.10
220,000	BK Ned Gemeenten 5.375% 07/06/21	247,108	245,718	1.13
440,000	Bupa 6.125% Perp 29/12/49	474,980	469,150	2.16
565,000	Bupa Finance 5% 25/4/23	622,065	615,313	2.83
300,000	Centrica Plc 5.25% 100475	318,300	317,880	1.46
240,000	Chorus Ltd 6.75% 060420	261,024	259,560	1.19
200,000	Cnp Assurances 7.375% 30/09/41	230,440	225,740	1.04
370,000	Coventry 6.375% 01/11/19	383,409	381,322	1.75
200,000	Credit Agri 7.5% Perp Bds	221,240	222,830	1.02
220,000	Daimler AG 2.75% 041220	227,339	226,006	1.04
300,000	Elec De France 6% Perp	311,670	311,970	1.43
510,000	European Ib 1.125% 9/7/21	511,472	510,255	2.35
200,000	Fidelity 6.75% 19/10/20	224,100	220,670	1.01
700,000	Gdf Suez 4.625% Frn Perp	713,860	710,675	3.27
605,000	Hammerson 3.5% 271025	633,290	623,754	2.87
400,000	Hiscox Ltd 6.125% 241125	448,800	440,560	2.03
120,000	Ipic Gmtn 6.875% 140326	159,600	157,320	0.72
610,000	KFW 0.875% 15/03/2022	604,467	603,443	2.77
540,000	Liv Friendly 6.5% 220543	602,694	594,297	2.73
210,000	Lloyds Bankng 7.625% Perp	231,000	232,323	1.07
240,000	Lloyds Bnk 7.625% 22/4/25	310,368	308,508	1.42
125,000	Marks&Spencer 6.125 Dec19	132,816	132,463	0.61
360,000	Nationwide 6.875% 20/6/19	373,320	371,664	1.71
270,000	Next Plc 5.375% 26/10/21	300,267	298,107	1.37
320,000	Ngg Finance 5.625% 18/06/73	353,536	352,422	1.62
100,000	Ocado Group Plc 4% 150624	101,110	100,520	0.46
410,000	Orange Var Perp	452,804	446,223	2.04
460,000	Phoenix Gr 4.125% 20/7/22	476,330	471,316	2.17
290,000	Scot Widows 5.5% 16/6/23	322,567	321,668	1.48
700,000	Swiss Rn Perp	728,420	720,125	3.31
200,000	Switch HI 4.375% 13/12/22	222,500	219,320	1.01
250,000	Talktalk Tel 5.375% 15122	252,500	251,588	1.16
200,000	Virgin Money 8.75% Perp	212,500	212,090	0.98
405,000	Volkswagen 2.25% 120425	399,933	397,325	1.83
220,000	Wells Fargo 2.125% 22/4/22	221,846	221,386	1.02
400,000	Western Power 3.875% 17/10/2024	438,420	435,720	2.00
860,000	HSBC PLC 5.625% 17/01/20	863,330	660,923	3.04
110,000	Nordea Bank 2.125% 13/11/2019	111,639	111,304	0.51
320,000	Thames Wtr Utilities Caymn Finance Ltd 4% 19/06/2025	365,811	350,464	1.61
		<b>15,861,530</b>	<b>15,540,169</b>	<b>71.45</b>
	<b>Total Investments 97.00% (2017: 99.85%)</b>	<b>21,396,129</b>	<b>21,097,170</b>	<b>97.00</b>
	<b>Net Current Assets 3.00% (2017:1.15%)</b>		<b>651,496</b>	<b>3.00</b>
	<b>Net Assets attributable to Participating Shareholders as at 31 July 2018</b>		<b>21,748,666</b>	<b>100.00</b>

The investments held by the cell as at 31 July 2018 were all listed or quoted securities.

As at 31 July 2018, the credit rating of the debt investments held by the Cell ranged from AAA to BBB- as provided by Standard & Poors credit rating agency.

The Cell has elected not to present the debt element of the portfolio broken down by credit rating as there are no debt investments below investment grade and therefore the level of credit risk in this element of the portfolio is deemed to be low and as such providing a breakdown on this basis is not deemed to add any significant meaningful information.

# Cell Portfolio of Investments (continued)

## Kleinwort Hambros Elite Multi Asset Balanced Fund

As at 31 July 2018

Nominal	Description	Cost £	Market Value £	% of Net Assets
	<b>Government Bonds 9.74% (2017: 19.92%)</b>			
	<b>United Kingdom 9.74% (2017: 19.92%)</b>			
4,256,100	UK Government 4.75% 07/03/2020	5,016,105	4,529,342	5.91
1,094,000	UK Treasury 2% 26/01/2035	2,651,856	2,930,990	3.83
		<b>7,667,961</b>	<b>7,460,332</b>	<b>9.74</b>
	<b>Funds 85.97% (2017: 68.26%)</b>			
	<b>United Kingdom 20.07% (2017: 27.46%)</b>			
1,415,900	FIL Investment Services(UK)Limited Institutional Emerging Markets W Acc	1,451,931	2,177,654	2.84
2,147,100	FIL Investment Services	2,544,566	3,978,576	5.19
1,376,922	Threadneedle UK Inc	1,775,573	2,233,504	2.92
2,388,784	Kames Capital High Yield Bond Fund	2,392,875	2,312,582	3.02
195,042	Tapestry Investment Co Pcc Ltd	14,968	28,476	0.04
11,436,200	M&G Corp Bond I GBP Inc	4,670,130	4,637,379	6.06
		<b>12,850,043</b>	<b>15,368,171</b>	<b>20.07</b>
	<b>Euroland 65.90% (2017: 40.80%)</b>			
3,386,804	FIL Investment Management	3,356,323	5,327,443	6.96
671,084	Hermes Investment Management	908,983	1,454,843	1.90
16,400	Legg Mason FD Clearbridge	2,964,940	3,993,236	5.21
391,529	Pimco Global	5,330,296	5,258,234	6.87
12,100	Tokio-Marine Funds	2,122,651	2,944,735	3.84
793,330	J O Hambro Capital Mgt Ltd Continental Euro A Gbp	2,833,153	3,689,778	4.82
106,937	Blackrock Luxembourg S.A. Continental Europe	1,993,060	2,421,054	3.16
25,450	AXA World Funds Emerging Markets Short Duration	2,357,302	2,272,685	2.97
10,590	GLG Japan CoreAlpha Equity GBP	2,224,641	2,210,663	2.89
159,530	iShares Physical Gold USD	3,067,039	2,922,191	3.82
20,700	Lyxor Asset Management I Strat	2,298,675	2,298,675	3.00
1,026,200	Lyxor Core Multi Units Lx	7,052,109	8,029,502	10.48
18,200	Lyxor Investment S Trend	2,281,403	2,281,403	2.98
30,700	Lyxor Newcits I. Si2 Gbp	3,070,000	3,070,000	4.01
16,700	Multi Units Lux FTSE	2,361,721	2,292,575	2.99
		<b>44,222,296</b>	<b>50,467,017</b>	<b>65.90</b>
	<b>Equities 0.00% (2017: 0.00%)</b>			
	<b>United Kingdom 0.00% (2017: 0.00%)</b>			
561,734	Duet Real Estate Finance	234,852	1,685	-
		<b>234,852</b>	<b>1,685</b>	<b>-</b>
	<b>Corporate Bonds 0.00% (2017: 4.95%)</b>			
	<b>United Kingdom 0.00% (2017: 4.95%)</b>			
	<b>Total Investments 95.71% (2017: 93.13%)</b>	<b>64,975,152</b>	<b>73,297,205</b>	<b>95.71</b>
	<b>Net Current Assets 4.29% (2017: 6.87%)</b>		<b>3,290,075</b>	<b>4.29</b>
	<b>Net Assets attributable to Participating Shareholders as at 31 July 2018</b>		<b>76,587,280</b>	<b>100.00</b>

The investments held by the cell as at 31 July 2018 were all listed or quoted securities.

As at 31 July 2018, the credit rating of the debt investments held by the Cell ranged from AAA to BBB- as provided by Standard & Poors credit rating agency.

The Cell has elected not to present the debt element of the portfolio broken down by credit rating as there are no debt investments below investment grade and therefore the level of credit risk in this element of the portfolio is deemed to be low and as such providing a breakdown on this basis is not deemed to add any significant meaningful information.

# Cell Portfolio of Investments (continued)

## Kleinwort Hambros Multi Asset Conservative Fund

As at 31 July 2018

Nominal	Description	Cost £	Market Value £	% of Net Assets
	<b>Government Bonds 19.04% (2017:22.53%)</b>			
	<b>United Kingdom 19.04% (2017: 22.53%)</b>			
808,700	UK Government 4.75% 07/03/2020	952,224	860,618	6.58
803,300	UK Government 1.75% GILT 22/07/2019	830,821	811,333	6.20
305,600	UK Treasury 2% 26/01/2035	740,774	818,748	6.26
		<b>2,523,819</b>	<b>2,490,699</b>	<b>19.04</b>
	<b>Corporate Bonds 0.00% (2017:2.98%)</b>			
	<b>United Kingdom 0.00% (2017: 2.98%)</b>			
	<b>Funds 76.98% (2017: 68.06%)</b>			
	<b>United Kingdom 16.16% (2017: 25.42%)</b>			
255,731	FIL Investment Services(UK)Limited Institutional Emerging Markets W Acc	290,924	393,314	3.00
176,504	Threadneedle UK Inc	244,272	286,307	2.19
533,502	Kames Capital High Yield Bond Fund	514,697	516,483	3.95
60,079	Tapestry Investment Company	4,259	8,772	0.07
2,242,100	M&G Corp Bond I GBP Inc	918,905	909,172	6.95
		<b>1,973,057</b>	<b>2,114,048</b>	<b>16.16</b>
	<b>Euroland 60.82% (2017: 42.64%)</b>			
468,467	FIL Investment Management	487,671	736,898	5.63
68,655	Pimco Global	935,081	922,038	7.04
720,600	Smith & Williamson Inc	699,113	656,467	5.02
1,305	Tokio-Marine Funds	225,525	317,593	2.43
91,969	J O Hambro Cap-Cont Eurp	349,311	427,748	3.27
14,280	Jpmorgan Gbl Corp Gbp	970,068	931,342	7.12
4,750	Multi Units Lux Ftse	661,236	652,080	4.98
2,880	AXA Fund Emgerging Short Durtion	267,926	257,184	1.96
21,170	iShares Goldishs Phys USD	407,003	387,781	2.96
4,700	Lyxor Asset Management I Strat	521,921	521,921	3.99
157,300	Lyxor Core Multi Units Lx	1,080,975	1,230,794	9.40
3,100	Lyxor Investment S Trend	388,591	388,591	2.97
5,300	Lyxor Newcits I. Si2 Gbp	530,000	530,000	4.05
		<b>7,524,421</b>	<b>7,960,437</b>	<b>60.82</b>
	<b>Total Investments 96.02% (2017: 93.57%)</b>	<b>12,021,297</b>	<b>12,565,184</b>	<b>96.02</b>
	<b>Net Current Assets 3.98% (2017: 6.43%)</b>		<b>523,985</b>	<b>3.98</b>
	<b>Net Assets attributable to Participating Shareholders as at 31 July 2018</b>		<b>13,089,169</b>	<b>100.00</b>

The investments held by the cell as at 31 July 2018 were all listed or quoted securities.

As at 31 July 2018, the credit rating of the debt investments held by the Cell ranged from AAA to BBB- as provided by Standard & Poors credit rating agency.

The Cell has elected not to present the debt element of the portfolio broken down by credit rating as there are no debt investments below investment grade and therefore the level of credit risk in this element of the portfolio is deemed to be low and as such providing a breakdown on this basis is not deemed to add any significant meaningful information.

# Cell Portfolio of Investments (continued)

## Kleinwort Hambros Multi Asset Growth Fund

As at 31 July 2018

Nominal	Description	Cost £	Market Value £	% of Net Assets
	<b>Government Bonds 2.95% (2017: 5.25%)</b>			
	<b>United Kingdom 2.95% (2017: 5.25%)</b>			
1,484,000	UK Government 4.75% 07/03/2020	1,746,109	1,579,273	2.95
		<b>1,746,109</b>	<b>1,579,273</b>	<b>2.95</b>
	<b>Funds 93.91% (2017: 89.66%)</b>			
	<b>United Kingdom 23.83% (2017: 32.40%)</b>			
1,474,094	FIL Investment Services(UK)Limited Institutional Emerging Markets W Acc	1,512,134	2,267,157	4.24
2,939,887	FIL Investment Services	3,415,076	5,447,611	10.19
1,388,677	Threadneedle UK Inc	1,801,646	2,252,572	4.21
8,113	Tapestry Investment Co Pcc Ltd	683	1,185	-
113,600	Jupiter Unit Trust Managers European Fund	2,259,199	2,773,521	5.19
		<b>8,988,738</b>	<b>12,742,046</b>	<b>23.83</b>
	<b>Euroland 70.08% (2017: 52.48%)</b>			
2,363,087	FIL Investment Management	2,341,819	3,717,136	6.95
956,263	Hermes Investment Management	1,295,258	2,073,083	3.88
15,311	Legg Mason FD Clearbridge	2,393,109	3,728,075	6.97
156,884	Pimco Global	2,142,621	2,106,952	3.94
10,762	Tokio-Marine Funds	1,926,746	2,619,110	4.90
124,700	Blackrock Luxembourg S.A. Continental Europe	2,242,106	2,823,208	5.28
10,000	Ishares Vii Plc - Ishares Core S&P 500 Ucits	1,517,480	2,084,050	3.90
588,400	J O Hambro Capital Mgt Ltd Continental Euro A Gbp	1,973,358	2,736,648	5.12
12,000	AXA Fund Emerging Short Duration	1,116,360	1,071,600	2.00
9,900	GLG Japan CoreAlpha Equity GBP	2,079,693	2,066,625	3.87
116,982	iShares Goldishs Phys USD	2,249,037	2,142,818	4.01
14,500	Lyxor Asset Management I Strat	1,610,183	1,610,183	3.01
701,200	Lyxor Core Multi Units Lx	4,818,689	5,486,539	10.26
12,700	Lyxor Investment S Trend	1,591,968	1,591,968	2.98
16,100	Lyxor Newcits I. Si2 GBP	1,610,000	1,610,000	3.01
		<b>30,908,427</b>	<b>37,467,995</b>	<b>70.08</b>
	<b>Corporate Bonds 0.00% (2017: 4.78%)</b>			
	<b>United Kingdom 0.00% (2017: 4.78%)</b>			
	<b>Equities 0.00% (2017: 0.00%)</b>			
	<b>United Kingdom 0.00% (2017: 0.00%)</b>			
434,628	Duet Real Estate Finance	168,533	1,304	-
		<b>168,533</b>	<b>1,304</b>	<b>-</b>
	<b>Total Investments 96.86% (2017: 94.91%)</b>	<b>41,811,807</b>	<b>51,790,618</b>	<b>96.86</b>
	<b>Net Current Assets 3.14% (2017: 5.09%)</b>		<b>1,674,176</b>	<b>3.14</b>
	<b>Net Assets attributable to Participating Shareholders as at 31 July 2018</b>		<b>53,464,794</b>	<b>100.00</b>

The investments held by the cell as at 31 July 2018 were all listed or quoted securities.

As at 31 July 2018, the credit rating of the debt investments held by the Cell ranged from AAA to BBB- as provided by Standard & Poors credit rating agency.

The Cell has elected not to present the debt element of the portfolio broken down by credit rating as there are no debt investments below investment grade and therefore the level of credit risk in this element of the portfolio is deemed to be low and as such providing a breakdown on this basis is not deemed to add any significant meaningful information.

# Cell Portfolio of Investments (continued)

## Kleinwort Hambros Elite International Equity Fund

As at 31 July 2018

Nominal	Description	Cost £	Market Value £	% of Net Assets
	<b>Equities 99.65% (2017: 98.14%)</b>			
	<b>Asia 14.60% (2017: 15.59%)</b>			
410,000	China Construction Bank	182,015	282,999	1.31
13,500	Bridgestone Coporation	372,730	404,024	1.87
94,500	CLP Holdings Limited	561,365	822,805	3.80
191,400	Mizuho Financial Group	252,265	253,723	1.17
21,200	Kirin Holdings Company Limited Npv	379,551	412,703	1.91
11,000	Nippon Telegraph & Telephone Corp Npv	376,493	387,262	1.79
15,900	Canon Inc Common Stock	404,723	391,606	1.81
5,900	Omron Corp Npv	258,807	202,912	0.94
		<b>2,787,949</b>	<b>3,158,034</b>	<b>14.60</b>
	<b>Canada 5.14% (2017: 5.06%)</b>			
9,572	Bank of Montreal	380,236	577,857	2.67
8,450	George Weston Ltd	452,875	535,454	2.47
		<b>833,111</b>	<b>1,113,311</b>	<b>5.14</b>
	<b>Euroland 28.16% (2017: 24.39%)</b>			
28,100	Relx NV	296,917	469,584	2.17
5,540	Vinci	291,302	425,023	1.96
2,191	Allianz Ag	228,111	369,191	1.70
16,000	Scor Se	393,550	476,030	2.20
7,000	Swiss Re Ag	499,054	489,492	2.26
8,903	Amadeus It Group Sa	333,649	579,792	2.68
5,300	Schneider Electric Sa Common Stock	310,423	326,243	1.51
2,554	Wirecard Ag Npv	134,072	365,295	1.69
22,800	Abb Limited	375,489	398,805	1.84
1,700	Continental AG	325,950	299,595	1.38
123,000	Intesa Sanpaolo	283,665	288,902	1.33
2,200	Linde AG NPV	346,917	351,406	1.62
8,900	Total SA Common Stock	407,257	443,766	2.05
64,000	Geely Automobile Holdings Ltd	161,981	111,356	0.51
497,000	Wh Group Ltd USD	394,702	304,424	1.41
8,600	Hexagon Ab-B	372,194	401,655	1.85
		<b>5,155,233</b>	<b>6,100,559</b>	<b>28.16</b>
	<b>United Kingdom 8.59% (2017: 9.37%)</b>			
10,811	Amdocs Limited	400,690	556,930	2.57
9,300	Carnival Plc Ord	429,942	411,525	1.90
28,905	Compass Group Plc - Ord	337,966	473,897	2.19
31,700	Smith & Nephew PLS USD	413,870	418,599	1.93
		<b>1,582,468</b>	<b>1,860,951</b>	<b>8.59</b>

# Cell Portfolio of Investments (continued)

## Kleinwort Hambros Elite International Equity Fund (continued)

As at 31 July 2018

Nominal	Description	Cost £	Market Value £	% of Net Assets
	<b>United States of America 41.68% (2017: 41.82%)</b>			
2,424	Amgen Inc (USD)	248,223	363,179	1.68
9,088	Wells Fargo and Company	305,813	396,810	1.83
3,732	Berkshire Hathaway Class'b'	343,477	562,822	2.60
3,589	Cintas Corporation	200,636	559,479	2.58
4,440	Nextera Energy Inc	308,150	567,037	2.62
10,331	Waste Management Inc	327,878	708,698	3.27
5,000	Avery Dennison Corporation Common Stock	326,662	437,107	2.02
11,422	Procter & Gamble Company	731,541	704,215	3.25
4,525	Valero Energy Corporation	247,719	408,173	1.88
14,300	Bank Of America Corporation	311,118	336,692	1.55
17,962	Corning Inc Common Stock USD	396,969	454,407	2.10
3,800	Curtiss-Wright Corporation USD	364,861	385,489	1.78
2,700	F5 Network Inc	373,411	352,743	1.63
5,800	Johnson & Johnson	582,822	585,969	2.71
21,900	Keycorp USD	326,731	348,346	1.61
6,100	Microsoft Corporation	385,164	493,417	2.28
5,073	Texas Instruments Inc	317,304	430,494	1.99
3,800	Union Pacific Com USD	364,148	434,201	2.01
5,728	Walt Disney Co	425,382	495,815	2.29
		<b>6,888,009</b>	<b>9,025,093</b>	<b>41.68</b>
	<b>Australia 1.48% (2017: 1.91%)</b>			
6,956	Rio Tinto Ltd	285,970	320,141	1.48
		<b>285,970</b>	<b>320,141</b>	<b>1.48</b>
	<b>Total Investments 99.65% (2017: 98.14%)</b>	<b>17,532,740</b>	<b>21,578,089</b>	<b>99.65</b>
	<b>Net Current Assets 0.35% (2017: 1.86%)</b>		<b>77,603</b>	<b>0.35</b>
	<b>Net Assets attributable to Participating Shareholders as at 31 July 2018</b>		<b>21,655,692</b>	<b>100.00</b>

The investments held by the cell as at 31 July 2018 were all listed or quoted securities.

As at 31 July 2018, the credit rating of the debt investments held by the Cell ranged from AAA to BBB- as provided by Standard & Poors credit rating agency.

The Cell has elected not to present the debt element of the portfolio broken down by credit rating as there are no debt investments below investment grade and therefore the level of credit risk in this element of the portfolio is deemed to be low and as such providing a breakdown on this basis is not deemed to add any significant meaningful information.

# Cell Portfolio of Investments (continued)

## Kleinwort Hambros Global Trojan Fund

As at 31 July 2018

Nominal	Description	Cost £	Market Value £	% of Net Assets
	<b>Funds 56.87% (2017: 60.87%)</b>			
	<b>United Kingdom 56.87% (2017: 60.87%)</b>			
1,771	EEA Fund Management Guernsey Ltd	276,110	200,662	56.87
		<b>276,110</b>	<b>200,662</b>	<b>56.87</b>
	<b>Total Investments 60.86% (2016: 96.07%)</b>	<b>276,110</b>	<b>200,662</b>	<b>56.87</b>
	<b>Net Current Assets 39.14% (2016: 3.93%)</b>		<b>152,202</b>	<b>43.13</b>
	<b>Net Assets attributable to Participating Shareholders as at 31 July 2017</b>		<b>352,864</b>	<b>100.00</b>

# Cell Summary of Material Portfolio Changes

## Kleinwort Hambros Sterling Fixed Income Fund

For the year ended 31 July 2018

Acquisitions	Cost £
<b>Government Bonds</b>	
UK Government 1.75% GILT 22/07/19	3,032,198
UK Government GILT 0.5% 22/07/2022	2,913,120
	<b>5,945,318</b>
<b>Corporate Bonds</b>	
Council Of Europe Development Bank 0.625% 15/06/22	1,095,490
European Investment Bank France 21/05/2021	1,007,100
Bat Capital Corporation 2.125% 15/08/2025	998,341
European Investment Bank 0.875% 15/12/2023	996,510
Unilever PLC 1.375% 15/09/2024	993,900
Discovery Communications 2.5% 20/09/2024	991,500
Toronto-Dominion Bank 0.7445% 30/01/2023	836,420
Elm B.V. - 6.3024%-Frm Sub Perp	728,420
	<b>7,647,681</b>
<b>Top 10 acquisitions in the period</b>	<b>13,592,999</b>

Disposals	Proceeds £
<b>Government Bonds</b>	
UK Government GILT Inflation Linked 1.875% 22/11/2022	2,135,373
UK Treasury 5% 07/03/2025	1,869,067
UK Government 2.75% GILT 07/9/2024 Gbp0.01	1,493,614
	<b>5,498,054</b>
<b>Corporate Bonds</b>	
Euro Inv Floating Rate Bond 17/02/2020	1,407,196
UK Government 3.75% GILT 07/09/02020 Gbp	1,215,588
Council Of Europe Development Bank 0.625% 15/06/22	1,074,631
European Investment Bank France 21/05/2021	1,006,271
Lloyds Bank PLC Floating Rate Note 16/01/2020	1,003,088
Barclays Bank PLC Floating Rate Mtn 15/09/2017	1,000,000
Marks & Spencer PLC Bonds 4.75% 12/06/2025	991,020
	<b>7,697,794</b>
<b>Top 10 disposals in the period</b>	<b>13,195,848</b>

# Cell Summary of Material Portfolio Changes (continued)

## Kleinwort Hambros Elite Multi Asset Balanced Fund

For the year ended 31 July 2018

Acquisitions	Cost £
<b>Funds</b>	
Lyxor Core Morningstar ETF	7,234,906
M&G Investment Man Corporate Bond I Gbp Inc	4,670,130
Multi Units Luxembourg Lyxor Ftse Actuaries	3,507,227
Lyxor Newcits Irl Plc	3,070,000
iShares Physical M Ishs Phys Gold	3,067,039
AXA World Emerging Markets Short Duration Bonds	2,357,302
Lyxor Dimension Irl Plc Lyxor/Tiedemann Arbitrage	2,298,675
Lyxor Investment Strategies Plc Epsilon Global	2,281,403
GLG Japan Corealpha Equity	2,224,641
Legg Mason Global Funds Clearbridge	1,715,981
	<b>32,427,304</b>
<b>Top 10 acquisitions in the period</b>	<b>32,427,304</b>

Disposals	Proceeds £
<b>Government Bonds</b>	
UK Treasury 4.75% 07/03/2020	7,338,903
	<b>7,338,903</b>
<b>Corporate Bonds</b>	
SG Issuer 8Y Eln 09/12/24(Sg Call Wts)	3,905,035
	<b>3,905,035</b>
<b>Funds</b>	
Fil Investment Services Uk Ltd Index Us P Inc Nav	4,913,113
iShares Vii Plc - iShares Core S&P 500 Ucits	3,680,713
J O Hambro Capital Management Ltd Continental Euro A Gbp	2,838,976
Blackrock Luxembourg S.A. Continental Europe	2,351,269
Jupiter Unit Trust Managers European Fund	2,316,803
Fil Inv Services(UK)Ltd Instl Emerging Markets W Acc Nav	2,002,161
Threadneedle Investment Fund Icvc	1,939,122
Kames Icvc - High Yield Bond Fund	1,848,550
	<b>21,890,707</b>
<b>Top 10 disposals in the period</b>	<b>33,134,645</b>

# Cell Summary of Material Portfolio Changes (continued)

## Kleinwort Hambros Multi Asset Conservative Fund

For the year ended 31 July 2018

Acquisitions	Cost £
<b>Funds</b>	
Lyxor Core Morningstar	1,166,189
M&G Investment Man Corporate Bond I Gbp Inc	918,905
Lyxor Newcits Irl Plc Sandler Us Equity Si2 Gbp	530,000
Lyxor Dimension Irl Plc Lyxor/Tiedemann Arbitrage	521,921
Multi Units Luxembourg Lyxor Ftse Actuaries	500,913
iShares Physical M Ishs Phys Gold Etc	407,003
Lyxor Investment Strategies Plc Epsilon Global	388,591
Fil Investment Services UK Ltd Index	277,178
Axa World Emerging Markets Short Duration Bonds	267,926
J O Hambro Capital Management Ltd Continental	162,754
	<b>5,141,380</b>
<b>Top 10 acquisitions in the period</b>	<b>5,141,380</b>

Disposals	Proceeds £
<b>Government Bonds</b>	
UK Government 1.75% Gilt 22/07/19	401,885
	<b>401,885</b>
<b>Corporate Bonds</b>	
SG Issuer 8Y Eln 09/12/24(Sg Call Wts)	394,448
	<b>394,448</b>
<b>Funds</b>	
Fil Investment Services UK Ltd	1,187,745
Ishares Gbp Ultrashort Bond Ucits Etf	1,064,723
Multi Units Luxembourg Lyxor Ftse Actuaries	506,855
Blackrock Luxembourg S.A. Continental Europe	446,814
Smith & Williamson Invest Funds Short Dated Corp	386,500
J O Hambro Capital Mgt Ltd	382,341
Threadneedle Investment Fund Icvc	128,541
Lyxor Core Morningstar	92,954
	<b>4,196,473</b>
<b>Top 10 disposals in the period</b>	<b>4,992,806.17</b>

# Cell Summary of Material Portfolio Changes (continued)

## Kleinwort Hambros Multi Asset Growth Fund

For the year ended 31 July 2018

Acquisitions	Cost £
<b>Funds</b>	
Lyxor Core Morningstar	5,011,794
iShares Physical M Ishs Phys Gold Etc	2,783,506
SPDR S&P Us Dividend Aristocrats Ucits Etf	2,633,647
GLG Investments PLC - Glg Japan Corealpha Equity	2,079,693
Lyxor Dimension Irl PLC Lyxor/Tiedemann Arbitrage	1,610,183
Lyxor Newcits Irl Plc Sandler US Equity	1,610,000
Lyxor Investment Strategies PLC Epsilon Global	1,591,968
Axa World Emerging Markets Short Duration Bonds	1,562,904
Fil Inv Services Ltd	23,584
	<b>18,907,279</b>
<b>Top 10 acquisitions in the period</b>	<b>18,907,279</b>

Disposals	Proceeds £
<b>Government Bonds</b>	
UK Treasury 4.75% 07/03/2020	1,209,284
	<b>1,209,284</b>
<b>Corporate Bonds</b>	
SG Issuer 8Y Eln 09/12/24(Sg Call Wts)	2,691,796
	<b>2,691,796</b>
<b>Funds</b>	
iShares Vii Plc -iShares Core S&P 500 Ucits	2,884,233
SPDR S&P Us Dividend Aristocrats UCITS ETF	2,517,932
Fil Inv Services(UK)Ltd	1,917,490
Kames Icvc - High Yield Bond Fund	1,627,775
J O Hambro Capital Mgt Ltd	1,559,989
Blackrock Luxembourg S.A.	1,444,421
Tokio Marine Funds Japanese	1,212,798
Jupiter Unit Trust Managers European Fund	1,200,092
	<b>14,364,730</b>
<b>Top 10 disposals in the period</b>	<b>18,265,810</b>

# Cell Summary of Material Portfolio Changes (continued)

## Kleinwort Hambros Elite International Equity Fund

For the year ended 31 July 2018

Acquisitions	Cost £
<b>Equities</b>	
Johnson & Johnson	651,454
Walt Disney Company	469,123
WPP Plc	464,985
Smith & Nephew	413,870
Total SA	407,257
Canon Inc	404,723
Texas Instruments Incorporated	398,616
Corning Inc	396,969
WH Group Ltd	394,702
Microsoft Corporation	385,164
	<b>4,386,863</b>
<b>Top 10 acquisitions in the period</b>	<b>4,386,863</b>

Disposals	Proceeds £
<b>Equities</b>	
Jack Henry & Associates Inc	715,170
Nestle SA	693,381
Teleflex Inc	557,827
Muenchener Rueckversicherungs	552,439
Dr Pepper Snapple Group Inc	544,417
Comcast Corporation Com	517,432
General Dynamics Corporation	490,816
Roche Holding	489,903
Lockheed Martin Corporation	489,019
Autozone Inc	467,855
	<b>5,518,259</b>
<b>Top 10 disposals in the period</b>	<b>5,518,259</b>

# Cell Summary of Material Portfolio Changes (continued)

## Kleinwort Hambros Trojan Fund

For the year ended 31 July 2018

Acquisitions	Cost £
<b>Funds</b>	
EEA Fund Mgt Guerns Ltd Eea Life Settlements C Gbp	21,697
<b>Total disposals in the period</b>	<b>21,697</b>

# Alternative Investment Fund Managers Directive

In accordance with the Alternative Investment Fund Managers Directive (the 'Directive'), SG Kleinwort Hambros Bank Limited in its capacity as Alternative Investment Fund Manager ('AIFM') is required to disclose specific information in relation to the following aspects of the Company's management:

## Leverage and borrowing

Leverage is defined as any method by which the Company increases its exposure through borrowing or the use of derivatives. 'Exposure' is defined in two ways – 'gross method' and 'commitment method' – and the Company must not exceed maximum exposures under both methods. 'Gross method' exposure is calculated as the sum of all positions of the Company (both positive and negative), that is, all eligible assets, liabilities and derivatives, including derivatives held for risk reduction purposes. 'Commitment method' exposure is also calculated as the sum of all positions of the Company (both positive and negative), but after netting off derivative and security positions as specified by the Directive.

For the "Gross method, the following has been excluded:

- the value of any cash and cash equivalents which are highly liquid investments held in the base currency of the AIF that are readily convertible to a known amount of cash, subject to an insignificant risk of changes in value;
- cash borrowings that remain in cash or cash equivalent as defined above and where the amounts of that payable are known should be excluded from the calculation.

The total amount of leverage calculated as at 31 July 2018 is as follows:

Gross method	0.966
Commitment method	1.010

## Liquidity

The Alternative Investment Fund Manager's policy is that the Company should normally be close to fully invested (i.e. with liquidity of 5% or less) but this is subject to the need to retain liquidity for the purpose of effecting the cancellation of Units, and the efficient management of the Company in accordance with its objectives. There may therefore be occasions when there will be higher levels of liquidity, for example following the issue of shares or the realisation of investments. This policy has been applied consistently throughout the review period and as a result the Alternative Investment Fund Manager has not introduced any new arrangements for managing the Company's liquidity.

## Risk management policy note

Please refer to Note 16, Risk management policies, in the Notes to the Financial Statements on pages 30 to 62, where the current risk profile of the Company and the risk management systems employed by the Alternative Investment Fund Manager to manage those risks, are set out.

## Remuneration

The AIFM is subject to a remuneration policy which is consistent with the principles outlined in the European Securities and Markets Authority guidelines on sound remuneration policies under the Directive. The remuneration policies are designed to ensure that any relevant conflicts of interest can be managed appropriately at all times and that the remuneration of its Directors and senior management is in line with the risk policies and objectives of the AIFs it manages. SG Kleinwort Hambros Bank Limited paid no Director's fees or any remuneration to senior staff management for the year ended 31 July 2018.