

# WS KLEINWORT HAMBROS EQUITY INCOME FUND

## Market commentary

The Investment Association UK Equity Income sector returned 3.4% compared to MSCI UK and MSCI World which rose 4.4% and 4.3% respectively. The fund itself appreciated 3.2% on a total return basis, behind the benchmark. The fund's performance can be broken down as follows; Stock selection was lost 0.1%, and fees cost 0.1%; asset allocation was in line with the benchmark.

Stock selection was a detractor over the month. On the positive side Aberdeen Standard UK Equity Unconstrained Income (+4.9%) was the standout performer, benefitting from its mid and small cap exposure. In particular holdings of Equiniti, Vistry, Tyman, OSB Group and International Personal Finance added significant value. On the negative side Majedie UK Income (+2.3%) and Artemis Income (2.0%) both lagged. Majedie was impacted by its lack of materials exposure and overexposure to consumer staples. Artemis benefited from being underweight energy, but this was more than offset by being underweight industrials and overweight telecoms and financials. Stocks impacting both were Direct Line Insurance, Tesco and British American Tobacco.

Asset allocation was in line with the benchmark over the month. Currently the fund has approximately 17% of its assets invested outside the UK equity market. The overseas investments performed well, delivering a return of (4.1%) ahead of the benchmark, driven by Lyxor ETF S&P 500 (+5.0%) and Schroder Oriental Income (+4.4%). The alternative sources of income delivered an average return of 2.4%, well ahead of expectations, driven by GCP Asset Backed Income (+9.2%), which benefited from the erosion of its discount. It was supported by Primary Health Property (+2.9%) and HICL (+3.4%).

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

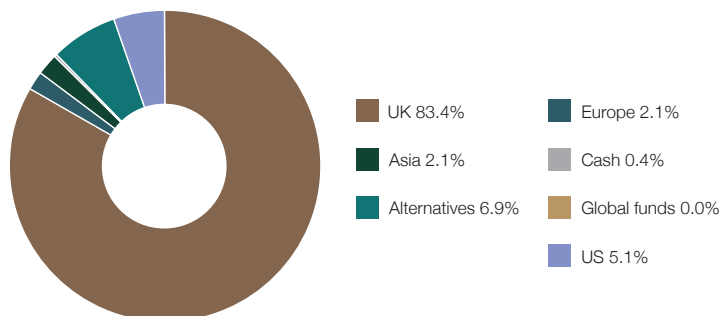
## Definitions

**Alternative sources of income** are investments that have a low correlation to equity and bond markets and deliver a higher level of income.

**Asset Allocation** reflects the managers decision to invest away from the UK equity market to enhance returns.

**Total Return** is the actual return of an investment, which includes interest, capital gains, dividends and distributions realised over a given time scale.

## Asset allocation



Source for all data: Kleinwort Hambros (as at 30 April 2021). Actual weighting and investment allocations are subject to change on an ongoing basis and may not be exactly as shown. Investors should understand the different asset classes which make up the strategy as they have different risk characteristics.

## Fund details

### Long term benchmark

IA UK Equity Income sector

### Fund classes available

A Class

### Fund size as at 30 April 2021

£45.0 million

### Base currency

Sterling

### Price listing

Bloomberg

### Bloomberg ticker

Income units – CKBEIFI LN  
Accumulation units – CKBEIFA LN

### Domicile

UK

### Minimum initial investment

£50,000

### Launch date

28 March 2011

### Pricing frequency

Daily

### Current Gross Yield

3.3%

### Structure

FCA Authorised UCITs scheme

### Dividend distribution dates

31 March, 30 June, 30 September  
and 31 December

### Investment Manager

SG Kleinwort Hambros Bank Limited

### Authorised Corporate Director

Waystone Management (UK) Limited

### Auditor

Grant Thornton

## Monthly cumulative performance



Source for all data: Kleinwort Hambros (as at 30 April 2021). Calculation basis: Sterling, bid to bid, total return. All returns in Sterling unless stated otherwise. Fund returns are actual returns after all fees and expenses are deducted. **Past performance should not be seen as an indication of future performance.**

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

Apr 16 – Apr 17	Apr 17 – Apr 18	Apr 18 – Apr 19	Apr 19 – Apr 20	Apr 20 – Apr 21
15.0%	3.9%	-1.6%	-17.0%	20.9%

## Fund performance (%)

	Since launch*	5 years*	4 years*	3 years*	2 years*	1 year*	6 months*	3 months*	1 month*
WS KH Equity Income Fund	62.9%	18.0%	2.6%	-1.2%	0.4%	20.9%	27.3%	9.5%	3.2%

\*To 30 April 2021.

## Performance table (%)

	2011*	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021**
WS KH Equity Income Fund	-2.6%	10.9%	23.4%	2.6%	3.4%	6.9%	9.7%	-12.2%	17.0%	-12.1%	8.7%
IA OE UK Equity Income	-3.0%	14.1%	25.2%	3.2%	6.1%	8.9%	11.5%	-10.6%	20.1%	-11.6%	10.4%
ARC Equity Risk PCI	-5.8%	10.1%	16.1%	4.1%	1.8%	13.7%	11.4%	-5.9%	17.3%	5.8%	6.2%

\* Launch date 28 March 2011.

\*\* 2021 - Year to date.

All performance figures compounded monthly.

## Top ten holdings

	% of fund
River & Mercantile UK Equity Income	10.6%
Schroder UK Alpha Income	10.6%
Artemis Income Fund	10.6%
Royal London UK Equity Income	10.6%
Threadneedle UK Equity Income	10.5%
JO Hambro UK Equity Income	10.2%
Aberdeen UK Equity Income Unconstrained	8.6%
Majedie UK Income	7.0%
Fidelity MoneyBuilder Dividend	4.7%
Lyxor ETF S&P 500	3.1%
<b>Total</b>	<b>86.5%</b>

Source for all data: Kleinwort Hambros (as at 30 April 2021). Actual weighting and investment allocations are subject to change on an ongoing basis and may not be exactly as shown.

## Fees and charges

Equity Income Fund			
Initial charge*	7.00%	Ongoing charges figure**	2.40%***
Performance fee	0.00%	Exit Penalty	0.00%

\* May be waived for clients of SG Kleinwort Hambros.

\*\* This includes fund administration charges. The ongoing charge is reduced to 1.65% for the institutional share class when assets of over GBP 5 million are in SG Kleinwort Hambros managed funds.

\*\*\* Calculated as at 30-Apr-20. This amount may fluctuate according to fund size and underlying holdings.

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