

# WS KLEINWORT HAMBROS GROWTH FUND

## Market commentary

September was dominated by the debate surrounding how transitory, or not, inflationary pressures currently are, and how quickly central banks should be taking action. In the US, 10-year bond yields rose around 20bps to 1.51% and UK 10-year bond yields rising 40 bps to around 1.0%.

The debate has been made more complex by the fact that, in the short term, economic activity in Q3 2021 has been dampened in most Western economies by the spread of the Delta variant. It is encouraging that cases have begun to drop considerably in the US and most European countries in September.

Sharply rising commodity prices were a feature of the month, particularly oil, gas and coal; in many respects this reflects years of under-investment in what are seen by many investors as 'sunset' industries.

The fund's equities and bonds were the main driver of returns, though alternatives also modestly detracted. Equities suffered from the weakness of global equity markets and in particular its US and European positioning, though the Japanese and Asian exposure delivered positive returns. During September our growth biased implementation held back returns in particular BlackRock Continental European Flexible (-5.3%), Loomis Sayles US Growth Equity (-4.6%) and Pictet Environmental Opportunities (-3.1%). This was partially offset by Baillie Gifford (+3.7%) and Hermes Asia Ex Japan (+1.5%).

Gold, down 4.1% was the biggest negative in alternatives, with the trading strategies broadly flat. Bonds suffered from their government exposure, and to a lesser amount, its credit positioning.

## Definitions

**Alternatives** are investments that have a low correlation to equity and bond markets.

**Credit** refers to the funds combined exposures of Investment Grade and High Yield Credit.

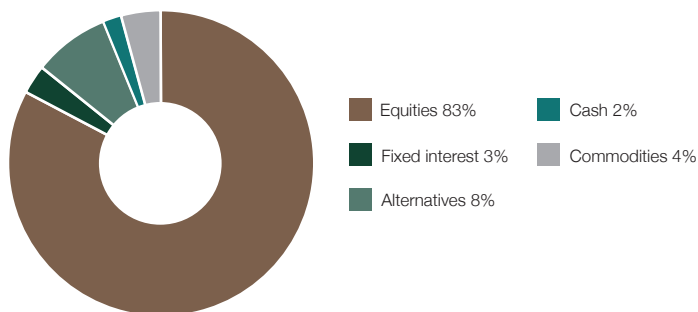
**Government bonds** are loans to governments, which pay interest over their lifetime and are repaid at a given date.

**Hedged** refers to the removal of a risk we don't want to take, in this case we have removed the fluctuations of the US Dollar/Sterling exchange rate.

**High Yield Credit** is the same as Investment Grade Credit, though the borrowers have a lower credit quality. The level of interest paid is higher than Investment Grade Credit to compensate for the additional credit risk the lenders are taking.

**Investment Grade Credit** refers to loans to companies that pay interest over their lifetime and are repaid at a given date. The level of interest paid is higher than government bonds to compensate for the additional credit risk the lenders are taking.

## Asset allocation



Source for all data: Kleinwort Hambros (as at 30 September 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

### Benchmark

Morningstar EAA Fund GBP  
Moderately Adventurous Allocation

### Fund classes available

A Class

### Fund size as at 30 September 2021

£77.2 million

### Base currency

Sterling

### Price listing

Bloomberg

### Bloomberg ticker

Income units – CFKBCAI LN  
Accumulation units – CFKBCAA LN

### Domicile

UK

### Minimum initial investment – Class A

£100,000

### Minimum subsequent investment

£500

### Launch date

27 July 1998

### Pricing frequency

Daily

### Structure

FCA Authorised UCITs scheme.  
(Fund changed from a Unit Trust to an OEIC on 30 Nov 2009)

### Dividend distribution dates

30 June

### Wrappers

ISA, SIPP

### Investment Manager

SG Kleinwort Hambros Bank Limited

### Authorised Corporate Director

Waystone Management (UK) Limited

### Auditor

Grant Thornton

## Top ten holdings

	% of fund
Lyxor Core Morningstar US	10.2%
Baillie Gifford WW Japan	8.2%
Ishares S&P 500 Acc	7.4%
Pictet Global	7.4%
Robeco Capital Growth	6.9%
Fidelity Emg Markets	6.1%
Hermes Asia Ex Japan	6.1%
Blackrock Lux SA Eur Flex	5.9%
JO Hambro Capital Mgt	5.6%
AXA World Funds	5.1%

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

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

Sep 16 – Sep 17	Sep 17 – Sep 18	Sep 18 – Sep 19	Sep 19 - Sep 20	Sep 20 - Sep 21
6.4%	4.4%	4.5%	1.8%	13.4%

## Performance table %

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021*
WS KH Growth Fund	10.9%	10.3%	-29.6%	26.3%	13.0%	-4.2%	7.9%	13.3%	-0.6%	2.3%	13.7%	6.9%	-7.4%	16.9%	5.9%	6.7%
Morningstar EAA Fund GBP Moderately Adventurous Allocation	8.8%	3.3%	-20.7%	19.2%	11.9%	-5.8%	10.5%	14.8%	5.2%	2.3%	13.4%	10.0%	-6.5%	15.7%	5.3%	7.9%

\*Figures are as at 31 December, except 2021 - Year to Date  
All performance figures compounded monthly

Source for all data: Kleinwort Hambros (as at 30 September 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. 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. **Past performance should not be seen as an indication of future performance.**

## Fees and charges

Growth Fund			
Initial charge*	5.00%	Ongoing charges figure**	2.06%***
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 1.31% for the institutional share class when assets of over GBP 5 million are in SG Kleinwort Hambros managed funds.

\*\*\* Calculated as at 30-Apr-2020. This amount may fluctuate according to fund size and underlying holdings.

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