

# WS KLEINWORT HAMBROS MULTI ASSET BALANCED FUND

## Market commentary

In the US retail sales grew in March by 28% year-on-year and 10% sequentially from February. Most commodity prices continued to rise sharply, with copper up 13%, oil up 8% and the Bloomberg Agriculture index up 12%.

In the UK the Markit composite PMI index, at 60.0 versus 41.2 in January, shows how broad the improvement in business confidence has been, with services now in a strongly expansionary phase too, whilst March retail sales were +5.4% year-on-year, despite the country still being in lockdown.

Inflation expectations continued to rise in April: the US 10-year breakeven inflation rate rose 6bps to 2.43%. This was not matched by a rise in bond yields. During the month, the US 10-year treasury yield actually fell by around 10bps to 1.64%, which looks somewhat odd given the accelerating growth profile highlighted above.

The fund's return was driven by its equity allocation, though its bond and alternatives positions were also modest positive contributors. The fund's US and European equity allocation delivered the best returns, though its Japanese exposure modestly detracted. All funds delivered positive returns, with the exception of Ballie Gifford Japanese, though it still outperformed its benchmark. The best performances came from BlackRock Continental European Flexible, AXA Framlington UK, Jupiter European Growth and Loomis Sayles US Growth Equity, all outperforming their respective benchmarks.

The fixed income positioning saw small gains from both its government and credit exposure. Within alternatives both gold and the trading strategies delivered small, positive gains. The best performances came from gold (+4.5%) and Lyxor Tiedemann (+2.0%).

## 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.

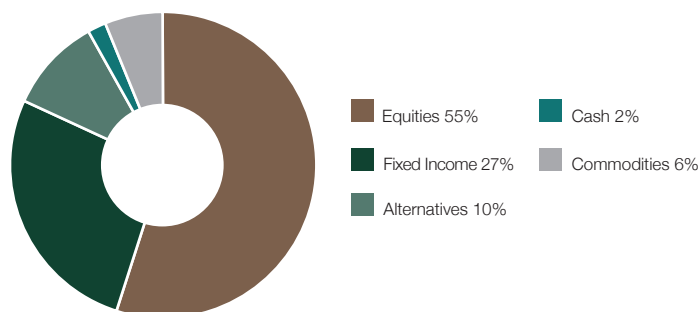
**Government bonds** are loans to governments, which pay interest over their lifetime and are repaid at a given date.

**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 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

### Benchmark

Morningstar GBP Moderate Allocation Category

### Fund classes

Income and Accumulation

### Fund size as at 30 April 2021

£80.4 million

### Base currency

Sterling

### Price listing

Bloomberg

### Bloomberg ticker

Income units – CFENBAI LN  
Accumulation units – CFENBAA LN

### Domicile

UK

### Launch date

16 July 2006

### Pricing frequency

Daily

### Structure

FCA Authorised Non-UCITs scheme

### Dividend distribution dates

30 June

### Investment Manager

SG Kleinwort Hambros Bank Limited

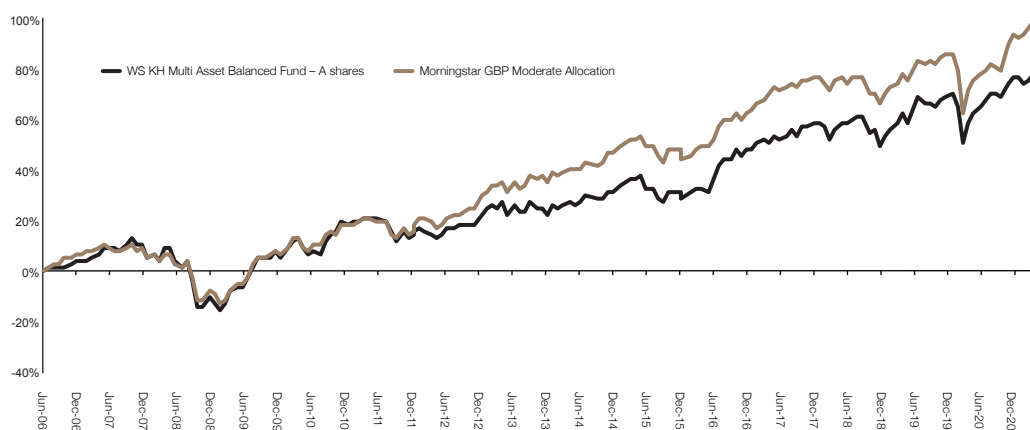
### Authorised Corporate Director

Waystone Management (UK) Limited

### Auditor

Grant Thornton

## Half-yearly cumulative performance (month-end prices)



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. Actual weighting and investment allocations are subject to change on an ongoing basis and may not be exactly as shown. 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 |
|-----------------|-----------------|-----------------|-----------------|-----------------|
| 14.7%           | 2.8%            | 4.2%            | -1.7%           | 13.2%           |

## Fund performance to 30 April 2021 (%)

| Since launch | 5 years | 4 years | 3 years | 2 years | 1 year | 6 months | 3 months | 1 month |
|--------------|---------|---------|---------|---------|--------|----------|----------|---------|
| 80.9%        | 36.8%   | 19.2%   | 16.0%   | 11.3%   | 13.2%  | 6.7%     | 2.0%     | 2.7%    |

## Monthly returns (%)

| A Shares | Jan   | Feb   | Mar   | Apr   | May   | Jun   | Jul   | Aug   | Sep   | Oct    | Nov   | Dec   | Year   |
|----------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|-------|-------|--------|
| 2006     |       |       |       |       |       |       | 0.6%  | 0.3%  | -0.1% | 0.5%   | 0.6%  | 1.4%  | 3.3%   |
| 2007     | 0.3%  | -0.1% | 0.6%  | 1.9%  | 2.1%  | 0.1%  | -0.1% | -0.5% | 2.4%  | 2.1%   | -2.9% | 0.9%  | 6.9%   |
| 2008     | -5.7% | 2.0%  | -2.6% | 4.6%  | 0.8%  | -5.2% | -2.9% | 2.6%  | -7.4% | -10.5% | -0.3% | 3.9%  | -20.0% |
| 2009     | -2.2% | -3.1% | 2.5%  | 6.0%  | 2.3%  | -0.9% | 4.7%  | 3.8%  | 4.3%  | -0.2%  | 0.4%  | 3.1%  | 22.1%  |
| 2010     | -2.5% | 3.0%  | 3.2%  | 0.4%  | -2.6% | -3.2% | 1.3%  | -1.1% | 5.7%  | 1.7%   | 1.3%  | 3.8%  | 11.1%  |
| 2011     | -1.1% | 0.3%  | 0.6%  | 0.7%  | -0.1% | -0.2% | -0.7% | -3.8% | -3.1% | 3.3%   | -1.7% | 1.1%  | -4.7%  |
| 2012     | 0.9%  | 1.1%  | -1.1% | -0.7% | -1.5% | 1.1%  | 2.1%  | 0.4%  | 0.6%  | 0.0%   | 0.6%  | 0.4%  | 3.9%   |
| 2013     | 3.1%  | 2.0%  | 0.7%  | -0.5% | 1.3%  | -3.3% | 2.7%  | -2.4% | 0.1%  | 3.0%   | -1.4% | 0.1%  | 5.4%   |
| 2014     | -2.2% | 2.7%  | -0.6% | 0.5%  | 1.8%  | -0.9% | 0.4%  | 2.0%  | -1.3% | 0.4%   | 2.7%  | -0.7% | 4.7%   |
| 2015     | 2.5%  | 1.0%  | 0.4%  | 0.0%  | 1.1%  | -3.8% | 0.6%  | -3.3% | -1.5% | 3.1%   | 0.5%  | -0.7% | -0.3%  |
| 2016     | -2.0% | 2.1%  | 1.3%  | -0.2% | -0.3% | 3.6%  | 4.4%  | 1.1%  | 0.8%  | 2.2%   | -1.7% | 1.8%  | 13.6%  |
| 2017     | 0.5%  | 1.8%  | 0.6%  | -0.6% | 1.6%  | -0.6% | 0.8%  | 1.0%  | -1.2% | 2.2%   | -0.2% | 0.9%  | 6.8%   |
| 2018     | 0.4%  | -1.2% | -2.6% | 1.8%  | 2.0%  | 0.0%  | 1.3%  | 0.8%  | -0.3% | -3.8%  | 0.6%  | -3.9% | -5.2%  |
| 2019     | 2.1%  | 2.0%  | 1.2%  | 2.5%  | -1.8% | 3.2%  | 3.0%  | -1.4% | 0.2%  | -1.1%  | 1.6%  | 1.1%  | 13.3%  |
| 2020     | 0.7%  | -3.3% | -8.9% | 5.8%  | 2.4%  | 1.3%  | 1.6%  | 1.3%  | -0.1% | -0.6%  | 3.2%  | 1.9%  | 4.5%   |
| 2021     | -0.4% | -1.1% | 0.4%  | 2.7%  |       |       |       |       |       |        |       |       | 1.6%*  |

\*2021 - Year To Date

Yearly figures compounded

## Descriptive stats from launch date to 30 April 2021

|                                 | WS KH Multi Asset<br>Balanced A | Morningstar GBP Moderate<br>Allocation Category | MSCI AC World Net TR<br>(GBP) |
|---------------------------------|---------------------------------|---|-------------------------------|
| Annualised rate of return (ROR) | 4.1%                            | 4.7%  | 9.6%                          |
| Annualised volatility           | 8.3%                            | 7.5%  | 13.7%                         |
| Sharpe ratio                    | 0.3%                            | 0.5   | 0.7%                          |
| Percent of positive months      | 62.9%                           | 65.7%   | 64.6%                         |
| Maximum drawdown                | -25.7%                          | -21.5%  | -34.7%                        |
| Best month (%)                  | 6.0%                            | 5.9%  | 9.4%                          |
| Worst month (%)                 | -10.5%                          | -9.6%   | -11.6%                        |

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Past performance should not be seen as an indication of future performance.

## Fees and charges

| KH Multi-Asset Balanced Fund |       |                          |          |
|------------------------------|-------|--------------------------|----------|
| Initial charge*              | 7.00% | Ongoing charges figure** | 2.13%*** |
| 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 1.38% for the institutional share class when assets of over GBP 5 million are in SG Kleinwort Hambros managed funds.

\*\*\* Calculated as at 31-Mar-2020. This amount may fluctuate according to fund size and underlying holdings.

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