

WS KLEINWORT HAMBROS MULTI ASSET BALANCED FUND

Market commentary

In April, UK CPI rose by 9% year on year, increasing by 2.5% between March and April alone. Over 50% of this monthly increase was driven by energy prices with electricity up 54% and gas 96%.

UK nominal wage growth reached an 7% annual increase in Q1 2022. In March, nominal wages rose at a 10% annual rate, with an almost 12% rise in the private sector. The difference between the private and public sector was 8.2% vs 1.6% during Q1 and at some stage may begin to close as public sector unions demand higher settlements.

UK March GDP data showed a 0.1% reduction, this was entirely driven by the reduction in the vaccine programme and in test and trace. Consumer activity should hold up better than expected, helped by the c. £240bn of accumulated savings, but that progressively the spend will switch from goods towards services and experiences.

The Equity allocation was the main drivers of returns, though alternatives and bonds were also detractors. Equity performance was led by the US, though all other regions except emerging markets delivered declines. Despite this poor outcome, Robeco US Premium Equities, JOHCM Continental European and Hermes Asia-Ex Japan all delivered positive returns.

Bonds were impacted by their duration positioning, particularly the government positions. Alternatives benefited from commodity exposure, offset by the weakness of gold. In addition, all three trading strategies delivered modest declines as well.

Definitions

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

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

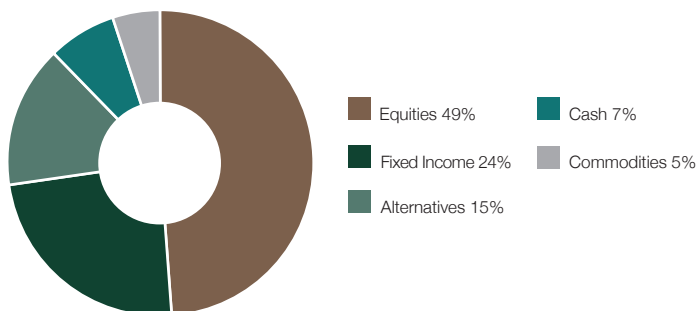
Hedged refers to the removal of a risk we don't want to take, in this case we have removed the fluctuations of the US Dollar/Sterling exchange rate.

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.

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.

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

Asset allocation



Source for all data: Kleinwort Hambros (as at 31 May 2022). 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
Allocation 40-60% Equity

Fund classes

Income and Accumulation

Fund size as at 31 May 2022

£85.2 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

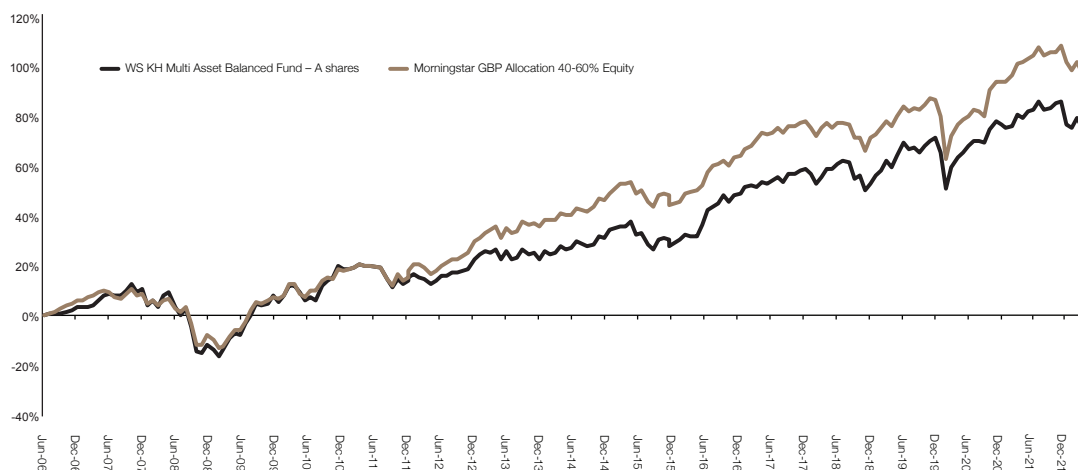
Authorised Corporate Director

Waystone Management (UK) Limited

Auditor

Grant Thornton

Half-yearly cumulative performance (month-end prices)



Source for all data: Kleinwort Hambros (as at 31 May 2022). 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 May)

May 17 – May 18	May 18 – May 19	May 19 – May 20	May 20 – May 21	May 21 – May 22
3.1%	0.4%	2.5%	9.9%	-3.3%

Fund performance to 31 May 2022 (%)

Since launch	5 years	4 years	3 years	2 years	1 year	6 months	3 months	1 month
73.8%	12.8%	9.4%	8.9%	6.3%	-3.3%	-6.4%	-1.0%	-1.1%

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%	-0.6%	1.5%	0.2%	1.7%	-1.6%	0.5%	0.9%	0.5%	4.7%
2022													-6.8%*

*2021 - Year To Date

Yearly figures compounded

Descriptive stats from launch date to 31 May 2022

	WS KH Multi Asset Balanced A	Morningstar GBP Allocation 40-60% Equity	MSCI AC World Net TR (GBP)
Annualised rate of return (ROR)	3.5%	4.2%	9.2%
Annualised volatility	8.2%	7.4%	13.4%
Sharpe ratio	0.3	0.4	0.7
Percent of positive months	62.3%	64.9%	63.7%
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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Marketing

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Channel Islands

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Channel Islands

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Gibraltar

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