

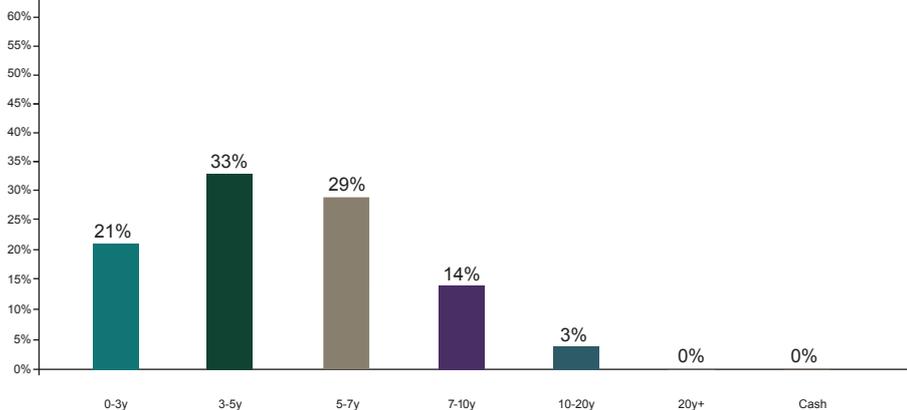
HC KLEINWORT HAMBROS FIXED INCOME FUND

Market commentary

As expected, the Bank of England (BoE) raised interest rates by 25 bps to 0.50% and left its Quantitative Easing (QE) target unchanged at £435bn commenting that any further rate rise would be at a gradual pace and to a limited extent. The BoE's GDP growth forecast was largely unchanged at 1.6% for 2018 and 1.7% for 2019 and 2020, respectively. Inflation is expected to peak at 3.2% in October and gradually move lower to 2.4% in 2018 and 2.2% in 2019. In terms of the growth outlook, it highlighted that Brexit risk was a significant source of uncertainty.

The dovish takeaway from the BoE update pushed sterling and UK Gilt yields lower. The UK's services sector – which accounts for 80% of GDP – posted its strongest rise in six months in October. Annual wage growth rose to 2.2% in September from 2.1% in August. However, it's still well behind inflation at 3.1%, the net effect on the average worker is equivalent to a pay cut. A tight labour market would have been expected to push up wages more forcefully than it has. Nonetheless, the BoE expects it eventually will, forecasting pay growth to accelerate in 2018 to between 2.5% and 3.5%. The fund was down 0.1% on the month.

Fund maturity profile as at 30 Nov 17



Source for all data: Kleinwort Benson (as at 30-Nov-17). 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.

Fund details

Long term benchmark

Barclays Sterling Aggregate Bond Index

Fund classes available

A Class

Fund size as at 30 November 2017

£55.2 million

Base currency

Sterling

Price listing

FT

Bloomberg ticker

Income units – CFEFIAI LN
Accumulation units – CFEFIAA LN

Domicile

UK

Minimum initial investment

£50,000

Launch date

28 March 2011

Pricing frequency

Daily

Current 12 month gross yield

3.7%

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

Host Capital Limited

Auditor

Grant Thornton

Single year fund performance (5 years ending November)

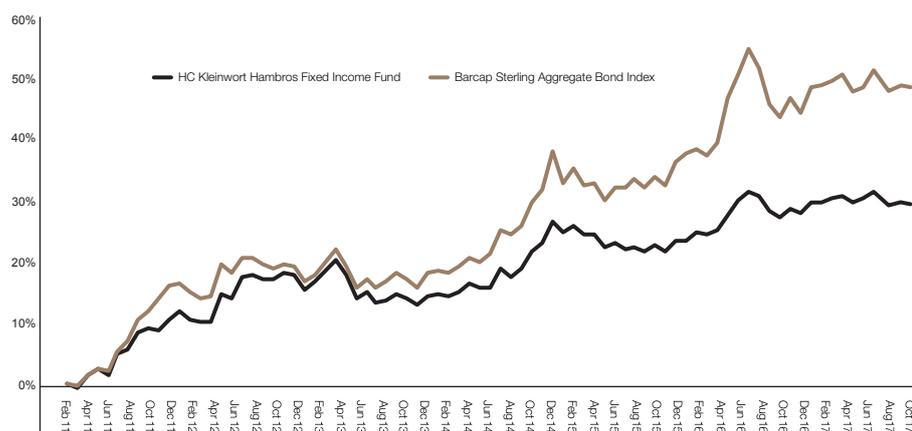
Nov 12 – Nov 13	Nov 13 – Nov 14	Nov 14 – Nov 15	Nov 15 – Nov 16	Nov 16 – Nov 17
-3.5%	6.9%	0.7%	3.7%	1.9%

Fund performance (%)

Since launch*	5 years*	4 years*	3 years*	2 years*	1 year*	6 months*	3 months*	1 month*
29.8%	9.9%	13.8%	6.5%	5.7%	1.9%	-0.9%	-1.2%	-0.1%

*To 30 November 2017

Bi-monthly cumulative performance (month-end prices)



Composite credit ratings

	% of fund
AAA	22.1%
AA	21.9%
AA-	11.2%
A+	6.4%
A	4.9%
A-	8.5%
BBB+	4.8%
BBB-	10.2%
BB+	3.8%
BB	3.7%
Unrated	2.1%
Cash	0.4%

Monthly returns (%)

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2011	Fixed Income Fund				1.5	1.2	-1.2	3.3	0.8	2.6	0.6	-0.4	1.8	10.7
	FTSE Govt All Stocks				1.5	1.2	-0.6	3.2	1.5	3.3	1.1	2.1	1.7	16.1
2012	Fixed Income Fund	1.1	-1.2	-0.3	-0.1	4.3	-0.7	3.1	0.1	-0.3	-0.2	0.9	-0.3	6.4
	FTSE Govt All Stocks	0.4	-1.3	-0.8	0.4	4.3	-0.9	2.0	-0.2	-0.7	-0.7	0.8	-0.5	2.7
2013	Fixed Income Fund	-2.0	1.1	1.6	1.46**	-2.0	-3.3	1.0	-1.5	0.3	0.7	-0.5	-0.9	-4.1
	Barcap Sterling Aggregate Bond Index	-1.9	0.9	1.8	1.63**	-2.3	-2.9	1.2	-1.0	0.9	1.1	-0.9	-1.1	-2.9
2014	Fixed Income Fund	1.1	0.3	-0.1	0.6	1.0	-0.4	0.0	2.5	-1.1	1.0	2.6	1.0	8.9
	Barcap Sterling Aggregate Bond Index	2.1	0.2	0.0	0.9	1.1	-0.5	0.9	3.3	-0.6	1.2	3.0	1.7	13.9
2015	Fixed Income Fund	2.9	-1.3	0.8	-1.1	-0.1	-1.6	0.6	-0.9	0.2	-0.5	0.9	-0.8	-1.0
	Barcap Sterling Aggregate Bond Index	4.9	-3.9	1.9	-2.1	0.4	-2.1	1.7	0.0	0.9	-0.9	1.1	-1.1	0.4
2016	Fixed Income Fund	1.3	0.2	0.9	-0.3	0.7	2.0	1.8	1.2	-0.5	-2.1	-0.7	1.1	5.6
	Barcap Sterling Aggregate Bond Index	3.1	1.0	0.5	-0.8	1.7	5.0	2.7	2.8	-2.2	-3.8	-1.3	2.0	10.8
2017	Fixed Income Fund	-0.7	1.6	0.0	0.4	0.4	-0.9	0.5	0.7	-1.4	0.3	-0.1		0.8*
	Barcap Sterling Aggregate Bond Index	-1.7	3.0	0.3	0.4	0.7	-1.8	0.4	1.9	-2.5	0.4	0.2		1.1*

* 2017 – Year To Date ** Pre April 2013 the benchmark was FTSE Govt All Stocks

Source for all data: Kleinwort Benson (as at 30-Nov-17). 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.

Fees and charges

Fixed Income Fund			
Initial charge*	7.00%	Ongoing charges figure**	1.13%***
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 0.88% for the institutional share class when assets of over GBP 5 million are in SG Kleinwort Hambros managed funds.

***Calculated as at 30-Apr-2017. This amount may fluctuate according to fund size and underlying holdings.

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