# MONTHLY HOUSE VIEWS

## October 2020

## Treading cautiously, but increasingly optimistic

September was almost set up to fail. The US markets had seen a strident August rally of over 7% in dollar-terms — the strongest monthly gain since 1984 — leaving valuations looking strained. Japan had seen a similar surge, the 4%+ rally in Europe was impressive, and even Brexit-plagued Britain managed a 2% advance. Then the tone darkened: news commentaries read, "September is never a good month in election years", "September's often the worst month of the year", or even just "we need a correction to get these markets looking reasonably valued."

Seemingly on cue, US equities posted four weeks of declines in a row: Between the 2nd and 23rd, the US market slipped about 10% – a correction in market parlance. Yet it's worth bearing in mind that equity markets weren't so problematic internationally. Admittedly, over the same period Europe also stumbled, slipping 5%, but Japanese equities were almost flat and the UK even eked out a gain. **The market volatility was, ironically, triggered by the technology sector, which has been a driver of outsized returns.** Over the summer, many tech stocks – especially those fostering an improved work-from-home capability – surged in value, leaving prices hard to justify. **As a result, investors fled technology names and the US tech sector slipped by nearly 17% up to the 23rd.** Then, for little reason other than that the sell-off had run its course, September caught a bounce to end the month, which has carried forward into October, and global equities – led by the US – are within shooting distance of all-time highs again.

**With this oscillating backdrop and a US election looming, some may rightly ask if risk assets may be challenged again.** While we accept that there are several salient risks ahead – we are far from out of the COVID-19 woods – the US election is one which has little impact on our investment decision making. **Long-term investors should be more focused on where risk-assets are likely to be on 4th November 2025, rather than 4th November 2020.**

**Firstly, no one knows who will win the election, if it will be controversial, or how markets will react in the short-term to what no one can predict in the first place.** Four years ago, there were widespread fears of what would happen if Donald Trump were to win; few expected such an outlandish thing could occur. He did win, and markets generally rallied. Indeed, **conventional wisdom from experts on election outcomes or the likely market reaction is a poor guide for investment decision making.**

**Secondly, history tells us there is little to choose from between the two main US parties in terms of equity market performance over the long-term. From 1877 to now, the average, real (i.e. net of inflation) annual equity market return under Democratic regimes is +7.3%; under Republican administrations, it is +7.4%. In plain words, there is no difference between the two at the headline level for investors over time.** There are huge differences within the data set and each administration has its idiosyncrasies. Nonetheless, the reason returns tend to average out over time, regardless of the party in power, is most likely because the US enjoys rule of law and established institutions that handle the basics of governance (e.g. enforcing contracts, ensuring peaceful transfers) relatively well.

**As we have noted in the run-up to myriad geopolitical risk events, our investment process seeks to evaluate the long-term fundamentals rather than focus on short-term movements.** It is deliberately long-term to eschew the "noise" which inevitably surrounds such events, and look to what we consider indelible, longstanding drivers of asset returns: economic climate, valuation, momentum and sentiment. **To the degree that geopolitical events impact these pillars of our process, we pay attention.** To the degree they do not, they are more-often-than-not red herrings best ignored.

**Bottom Line**

Over the third quarter, we have begun modestly adding to risk assets following our reduction during the seismic ructions in markets early in the year. As always, we are guided by our investment process:

- **Economic regime:** Our Leading Economic Macro Indicator (LEMI) suggests **the global economy has moved from a regime of "contraction" into one of "recovery"**, albeit one that is slow, deeply uneven and largely dependent on the course of the Coronavirus. Nonetheless, **our base case is that there will be no more full lockdowns** in major economies and that there is now sufficient strength in the recovery, lowering the chances of falling into another recession.

- **Valuations:** Valuations for equities – the largest source of risk and return in most strategies – remain **challenging in absolute terms. However, with global interest rates near zero, there is a case for a higher than usual tolerance to valuations**. Moreover, when compared to government bonds, equities still have a clear advantage in terms of long-term expected returns.
- **Momentum:** As of the end of June, the global equity market tipped into positive territory on the ten-month moving average metric that we favour. **The trend has persisted for several months – despite September's sell-off – which supports risk-taking in equities**.
- **Sentiment:** Of the indicators we follow, some imply bullishness and some imply bearishness. Overall, **sentiment is neutral**.

**While the above changes resulted in a recent increase in risk in most strategies, it is modest, and we remain underweight risk assets compared to our benchmarks. We recognise that the current market backdrop is more uncertain than usual and volatility is elevated – therefore we are treading cautiously, even as we are increasingly optimistic.**

# OUR ASSET ALLOCATION

The table below presents the latest conclusions of the KH Investment Committee:

| | | | Summary house views | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | Strong UW | UW | N | OW | Strong OW | Change since last KHIC |
| EQUITY | | GLOBAL EQUITY | | ■ | | | | |
| | | United States | | | | ■ | | |
| | | Eurozone | | | ■ | | | |
| | | United Kingdom | | | ■ | | | |
| | | Japan | | | | ■ | | |
| | | Emerging | | ■ | | | | |
| FIXED INCOME | SOVEREIGN | GLOBAL RATES | | | ■ | | | |
| | | U.S. Treasuries | | | ■ | | | |
| | | German Bunds | | | ■ | | | |
| | | UK Gilts | | | ■ | | | |
| | | EM Government Bonds ($) | ■ | | | | | |
| | | Duration USD* | | | | ■ | | |
| | | Duration EUR* | | | | ■ | | |
| | | Duration GBP* | | | | ■ | | |
| | CORPORATE | US Investment Grade | | ■ | | | | |
| | | Eurozone Investment Grade | | ■ | | | | |
| | | UK Investment Grade | | ■ | | | | |
| | | High Yield | ■ | | | | | |
| FOREX | | EURUSD | | | ■ | | | |
| | | JPYUSD | | | ■ | | | |
| | | GBPUSD | | | ■ | | | |
| | | EM FX (vs. USD) | | ■ | | | | |
| ALTERNATIVE | | COMMODITIES | | | | ■ | | |
| | | Brent | | ■ | | | | |
| | | Gold | | | | | ■ | |
| | | ALT. STRATEGIES | | | ■ | | | |
| | | L/S Equity | | | | ■ | | |
| | | Event-Driven | | | | ■ | | |
| | | FI Arbitrage | | ■ | | | | |
| | | Global Macro | | ■ | | | | |
| | | CTAs | | | | ■ | | |

| | Positioning | *Duration |
|---|---|---|
| O/W | Overweight | Long – 7-10 years |
| N | Neutral | Intermediate – 5-7 years |
| U/W | Underweight | Short – 3-5 years |

Source: Kleinwort Hambros 09-October-2020

*Duration: short = Up to 5 years, medium = 5-7 years, long = 7+ years. HY = High Yield bonds (higher return but greater risks), IG = Investment Grade bonds (higher quality but lower return)

| EQUITIES | |
|---|---|
| **United States** | The recent sell-off shaved some froth from lofty valuations, and fundamentals of large-cap companies that are able to robustly grow turnover in spite of the ongoing hostile business environment remain supportive. We are Overweight. |
| **Europe** | Given the increasing number of new COVID-19 cases, further restrictions are likely to weigh on business confidence. We are Neutral. |
| **UK** | With the introduction of new restrictions on activity to subdue the second wave of Coronavirus infections, we do not expect the UK's attractive valuations to hold much sway with investors. We remain Neutral. |
| **Japan** | The Japanese equity market is attractively valued, and momentum is positive. Furthermore, the safe-haven characteristics of the Yen provide some buffer against market volatility. We are Overweight. |
| **Emerging (EM)** | China's equity market is one of the few to be showing positive performance year-to-date. However, Brazil, India and Russia are facing deep recessions. We remain Underweight. |

| FIXED INCOME | |
|---|---|
| **Sovereigns** | Given the extremely low (or negative) rate environment on offer from developed market sovereigns, their traditional role as income generators and shock absorbers has been somewhat diminished. We are Neutral. |
| **Duration*** | We retain a medium-to-long duration position across most portfolios as a bulwark against wide volatility in risk assets. |
| **Investment Grade**** | Absolute yields remain low but the asset class offers a reasonably compelling pick-up over government bonds. We have added to existing positions but remain Underweight. |
| **High Yield**** | High Yield bonds remain more vulnerable to economic challenges, especially the weakest issuers. We are Underweight. |
| **Emerging debt (in $)** | Yield spreads have narrowed considerably from their peaks in recent months. While the yield on offer is compelling, we no long feel it warrants the credit risk that EM issuers carry. We are Underweight. |

| CURRENCIES | |
|---|---|
| **EUR/USD** | The euro has failed to break out of its recent range, and we still expect the cross to be driven largely by market sentiment. |
| **GBP/USD** | Sterling has overcome many obstacles so far, volatility remains a risk, but ultimately, we predict an upward trend. |
| **EUR/GBP** | Choppy trading continues within a restricted range. For the next month we expect EUR/GBP to stay close to 0.9000. |
| **USD/JPY** | Consolidation has occurred close to the 106.00. With the carry trade less attractive we anticipate a trend lower. |
| **Emerging** | A select few EM currencies are doing better versus the dollar; however, we stay vigilant considering the economic realities. |

| ALTERNATIVES | |
|---|---|
| **Hedge funds** | We prefer strategies which can hold their own in bear markets, such as Merger Arbitrage, trend followers and Equity long/short. |
| **Gold** | Gold demand shows little sign of flagging despite September's correction and we remain Overweight. |
| **Oil** | We expect oil prices to trade sideways in coming months at best and have no direct exposure. |
| **Income producing Alts.** | Attractive opportunities exist in infrastructure, selected real estate and specialist lenders for Target Return and income-focused strategies. |

Source: Kleinwort Hambros 09-October-2020

*Duration: short = Up to 5 years, medium = 5-7 years, long = 7+ years. HY = High Yield bonds (higher return but greater risks), IG = Investment Grade bonds (higher quality but lower return)

**HY = High Yield bonds (higher return but greater risks); IG = Investment Grade bonds (higher quality but lower return)

# FIXED INCOME

## Low yields and credit spreads

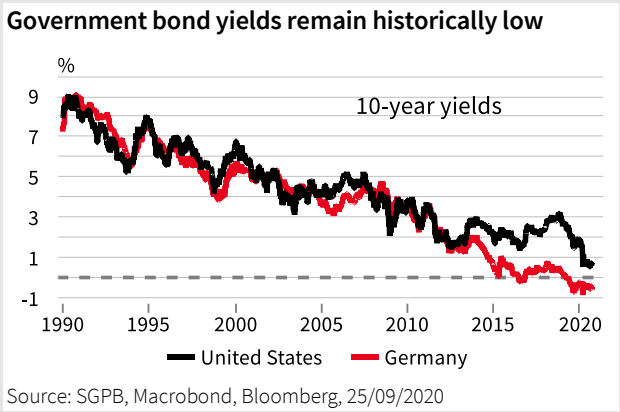
Government bonds remain unattractive, offering negligible or negative yields to investors. "Credit" markets offer more value but selectivity is required. We maintain a relative preference for Investment Grade (IG) issuers over High Yield (HY) or Emerging Market (EM) debt.

September's sell-off in risk assets has seen money flow into sovereign bond markets helping maintain yields close to their lows. However, rising risk aversion has put pressure on credit markets, especially lower quality HY bonds where high leverage and recession conditions mean elevated default risk. Although their pace of buying has slowed in recent weeks, central banks are set to remain active investors in sovereign and corporate bond markets, which should contribute to keeping bond yields low and credit spreads tight.

### Sovereigns

US. Treasury yields collapsed to historic lows during the pandemic-induced turmoil in Q1 and have since settled into a narrow trading range between 0.60% and 0.80%. The Fed's recent update to its policy framework signaled greater tolerance for inflation but, perhaps surprisingly, implied expected inflation has since fallen back to trade at 1.58% at present. We expect that inflationary pressures will remain low and that the Fed will continue asset purchases, keeping 10-year yields close to today's levels.

Eurozone. July's green light for the EU recovery fund has helped keep a cap on periphery "spreads" (i.e., the difference in yields between 10-year German bunds and Italian, Spanish or Portuguese bonds) as investors have concluded that euro zone breakup risk has diminished. Moreover, the ECB continues its asset purchases, buying around €20bn on average each week across its programmes. We conclude that 10-year yields and periphery spreads are likely to remain low for the foreseeable future.



Source: SGPB, Macrobond, Bloomberg, 25/09/2020

UK. The Bank of England governor Andrew Bailey recently made clear that negative interest rates were not imminent in the UK. However, with hard Brexit risks rising and tighter coronavirus restrictions, we expect monetary policy to remain extremely accommodative and 10-year sovereign yields to stay close to historical lows.

### Credit

US. With COVID-19 cases continuing to spread and equity markets coming under pressure, corporate bond "spreads" (the yield differential over sovereign bonds) have risen in recent weeks. However, issuance of IG bonds by non-financial companies has soared 79% year-on-year to all-time highs, as companies take advantage of low borrowing costs. This shows no sign of slowing down. We continue to prefer IG credit to HY. The former benefit from direct Fed purchases and offer positive real yields while the default risk for the latter has been exacerbated by deeply uneven economic conditions.

Eurozone. Despite historically low borrowing costs, IG issuance remains well below 2009's highs. This is largely due to the decline in new issues by financial companies – normally the mainstay of euro zone credit – which have fallen to the lowest point since 2003 and may soon be surpassed by non-financial issuance for the first time ever. IG spreads have remained low, helped by ECB purchases, while HY spreads have risen on worries about deteriorating credit quality. In this context, IG credit remains the cornerstone within fixed income portfolios.

UK. Sterling credit spreads also widened modestly in September, in line with the dollar and euro markets. Here again, we mark a preference for IG over HY issuers. Credit quality for the latter is likely to come under pressure from the recession and lingering fears about a "no-deal" exit from the EU's single market at year-end.

### Emerging debt

A number of EM sovereign issuers – such as Argentina or Turkey – face rising inflation and current account deficits, putting pressure on their currencies against the dollar. Moreover, the pandemic continues to spread across emerging economies. While the EM government bonds offer a 340 basis point pick-up in yields over US Treasuries, we continue to believe the risks are not commensurate with the rewards.

# EQUITIES

## Increasingly attractive, but more volatile than usual

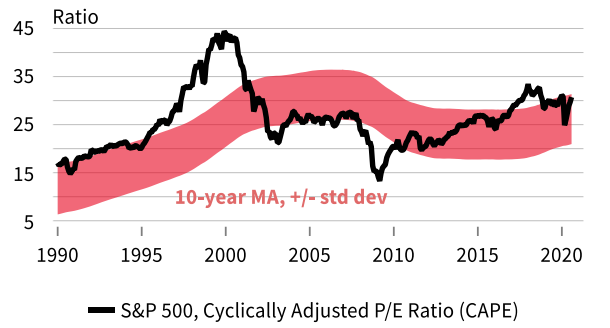
Global equities have suffered a correction in September but have surged over the last six months reversing all the pandemic-linked losses.

**US.** After a sharp August rally, US equities have traded lower over September as worries emerged over extended valuations and mixed economic data. Q2 earnings vastly outperformed consensus expectations, but now forecasts for Q3 earnings-per-share (EPS) have been revised higher, leaving limited room for more positive surprises. Looking ahead, we expect the recovery to slow and also some additional short-term volatility if the presidential election is hotly contested.

September's dip in prices has slightly improved valuations, but they still remain close to two-decade highs. Moreover, the market remains heavily dependent on a small number of mega-cap technology and internet stocks, which have dominated index performance over recent years and which trade at almost twice their 10-year median price to earnings ratio. However, with rates near zero, there is a good case for a higher than usual tolerance to valuations, particularly for large-cap companies that appear to be immune to the business cycle ("secular growth"). Moreover, the positive trend has persisted despite September's sell-off which supports risk-taking in equities. We are Overweight.

**Eurozone.** Analysts have continued to revise 2020 earnings expectations lower over the summer as rising COVID-19 cases have raised concerns about new lockdowns and restrictions. Forecasts for next year call for a 52.6% rebound, but they are also likely to be revised downwards. Although we do not expect nationwide lockdowns to be reimposed – which should help economies avoid a double-dip recession – further restrictions are likely to weigh on business confidence, especially in services as demonstrated by September's business confidence surveys.

**US equities rich, but momentum is strong**




Source: SGPB, Macrobond, 25/09/2020

**UK.** The recent introduction of a bill which could cancel part of the UK's Withdrawal Agreement from the EU has cast doubt on the successful conclusion of ongoing trade talks, further heightening uncertainties for business. And with the introduction of new restrictions on activity to subdue the second wave of Coronavirus infections, we do not expect the UK's attractive valuations to hold much sway with investors.

**Japan.** Tokyo outperformed global equity markets in September, despite the surprise resignation of Prime Minister Abe, the architect of Abenomics stimulus policies. The outlook for corporate earnings remains strong – the consensus expects 42.9% growth next year after -8.3% this year – and the ratio of prices to cyclically-adjusted earnings remains close to multi-decade lows. With new PM Suga set to continue with Abenomics, we expect Tokyo to outperform and we are Overweight.

**Emerging Markets.** Analysts expect a -9.2% decline in EPS this year, but this is expected to be followed by a 31.7% bounce in 2021. Much of this resilience is set to come from Asia, where Chinese growth is likely to continue to lift economies across Asia-Pacific. However, the logic of this story is an old one, and EM equities have failed to rise above their 2007 highs in recent years. While we agree with the basic thesis, we prefer to gain our exposure to Asian/Chinese growth via Japanese equities.

# CURRENCIES

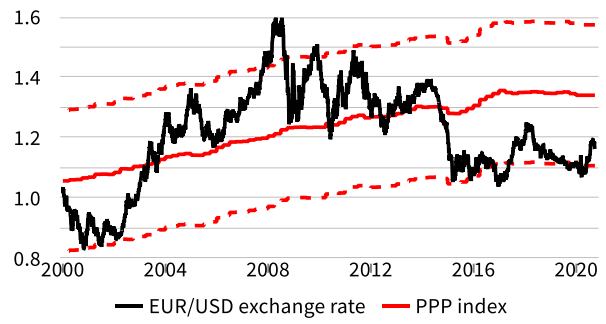
## Running out of steam

With the upcoming US election on November 3rd, the US dollar will be more sensitive than in normal times. So far, volatility has remained subdued, but we don't expect it to remain this way.

**Dollar Index.** An overdue 2.5% recovery was seen towards the end of September, although the move wasn't sustained. A drop in equity markets triggered a flight to safety, but the USD couldn't continue to attract support. With more fiscal and monetary stimulus around the corner in the US, the medium-term outlook doesn't look compelling for the greenback. That said, over the next month, we could see some major swings, and potentially even a short-term US dollar bounce. The consensus view is that the US dollar will weaken after the US election irrespective of who wins, but we would recommend caution going into an event such as this, which can sometimes turn conventional logic on its head.

**GBP/USD.** Headwinds for sterling include: a second COVID-19 wave, Brexit deadlock and negative rates. If you were to look at these factors in isolation you wouldn't bet on the pound. However, the US dollar has even more on its plate as we go into the US election in November. Monetary easing continues and fiscal easing is to be ramped up, which will weaken the US dollar more, and potentially even further under a Biden Presidency. For the start of next year, we are moving our GBP/USD forecast up to 1.3200 and revising up the 1 year forecast to 1.3700.

**The euro should gain ground next year**




Source: SGPB, Macrobond, 25/09/2020

**EUR/USD.** The US dollar staged a minor comeback in September, sending EUR/USD down to almost 1.1600. If the equity markets sell off, we could see EUR/USD dip below 1.1700 again. However, for the next three months we don't have particularly strong conviction. We do though, expect volatility to rise in the equity markets and FX markets. The ECB continues to quote euro strength as a hinderance to their monetary policy, however the single currency has gone on regardless. Overall, we anticipate EUR/USD to be marginally higher than the current levels at 1.1800 by end of the year, and for euro to further reduce its purchasing power parit7y (PPP) weakness over the next year.

**EUR/GBP.** Looking at a five-year price chart and referencing PPP, one can see that the pound is undervalued versus the EUR. However, we don't predict a significant turnaround in euro strength, and instead choppy range bound trading remains our outlook from here. Our forecast for Q1 of next year is set at 0.8939.

**USD/JPY.** The rest of the world may have to battle with similar deflationary pressures, to what Japan has been dealing with for many years. Our expectation is that USD/JPY drifts lower from here towards the 105 region. For investors looking for protection from an equity correction the Yen is likely to offset some of that risk.

**EM Currencies.** Year-to-date, the majority of commodity currencies are down versus the US dollar; The Brazilian Real is down by 28%, and the Canadian dollar is down by just under 2%. The oil price has bounced back aggressively, from the all-time lows in March, however we remain cautious of currencies reliant on commodities. The main story in Asia, has been the dramatic decline in USD/CNY, which has fallen by 5.5% since the end of May. This is a significant move considering that the pair is managed – surely US/China trade wars will have had a large influence on the cross.

# ALTERNATIVES

## Gold and some hedge fund strategies remain effective diversifiers

Oil should trade sideways in coming months. Gold demand shows little sign of flagging despite higher prices and we remain Overweight. We prefer hedge fund strategies which hold their own in bear markets, such as Merger Arbitrage, trend followers and Equity long/short.

### Commodities

Oil

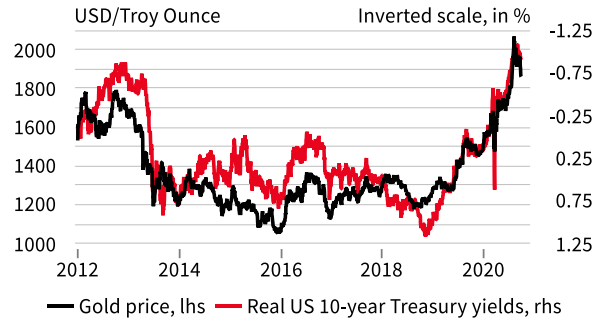
Crude oil prices corrected in September as the pandemic continued to spread globally and new restrictions on activity put a dampener on mobility and demand for oil. The International Energy Agency (IEA) now expects total global oil demand to fall by 8.4 m barrels per day (mb/d) in 2020 before recovering 5.5 mb/d next year, still leaving it well below 2019 levels. On the other hand, global supply is set to shrink by 7.1 mb/d this year, meaning that oversupply is likely to persist.

In this context, OPEC and Russia held talks in mid-September to shore up support for the output cuts – currently set at 7.7 mb/d – which are due to run until year-end in order to put a floor under prices. In the longer term, further production cuts could be driven by oil majors in developed markets. For example, BP announced plans in August to cut hydrocarbon output by 40% by 2030 while boosting low-carbon investment 10-fold. In the short term however, we expect oil prices to trade sideways and we have no direct exposure to oil.

Gold

As the Dollar Index bounced and equity markets sold off in September, gold prices tumbled, down some -10% from August's all-time high. The decline was reminiscent of the brief correction in March this year when margin selling to raise cash pushed equities and gold down together. We now expect gold to resume its uptrend, just as it did from April onwards.

**We expect gold to resume its uptrend**




Source: KH, FactSet 09/08/2020

Demand for gold from investors remains strong. Inflows into gold-backed ETFs have triggered 938 tonnes (t) of bullion purchases so far this year, taking total holdings to a new all-time high of 3,824t at end August. On the other hand, central bank purchases hit the lowest monthly level since December 2018. However, physical demand for gold showed signs of life in August – wholesale demand picked up in China and Indian imports hit a nine-month high – while gold supply fell -6% in the first half due to Coronavirus disruption.

We continue to Overweight gold for its diversification benefits and upside potential.

### Hedge funds

**Prefer Merger Arbitrage type strategies**

Hedge funds can help in unstable market conditions, but selectivity is key. We prefer strategies which hold their own in bear markets, such as Merger Arbitrage, trend followers and Equity long/short. These strategies provide relatively safe, uncorrelated sources of returns from equities, our most significant allocation across balanced and growth multi-asset strategies. These investments have been positive contributors of returns – and lowered risk – especially during periods of volatility. In the recent market volatility, our hedge fund selections have all held their own and performed exactly as we would have wished them to.

**Income Producing**

In Target Return and income strategies, we are exploiting several niche investment opportunities in selected real estate (e.g. medical centres, student accommodation), infrastructure and specialist lending (e.g. pharmaceutical royalties, economic infrastructure).

Past performance should not be seen as an indication of future performance. Investments may be subject to market fluctuations, and the price and value of investments and the income derived from them can go down as well as up. Your capital may be at risk and you may not get back the amount you invest.

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### Channel Islands

SG Kleinwort Hambros Bank (CI) Limited is a participant in the Jersey Bank Depositors Compensation Scheme (the "JBDC Scheme"). The JBDC Scheme offers protection for eligible deposits of up to £50,000. The maximum total amount of compensation is capped at £100,000,000 in any five year period. Full details of the JBDC Scheme and banking groups covered are available on the States of Jersey website www.gov.je/dcs or on request.

SG Kleinwort Hambros Bank (CI) Limited – Guernsey Branch is a participant in the Guernsey Banking Deposit Compensation Scheme (the "GBDC Scheme"). The GBDC Scheme offers protection for "qualifying deposits" up to £50,000, subject to certain limitations. The maximum total amount of compensation is capped at £100,000,000 in any five year period. Full details are available on the GBDC Scheme's website www.dcs.gg or on request.

Please note the Channel Islands are not part of the UK and when you conduct business with SG Kleinwort Hambros Bank (CI) Limited you will not be eligible for: (a) the protections provided under the UK's Financial Services and Markets Act 2000 other than protections relating specifically to UK regulated mortgage business; or (b) referring complaints to the UK's Financial Ombudsman Service. However SG Kleinwort Hambros Bank (CI) Limited's UK regulated mortgage business is covered under the UK's Financial Services Compensation Scheme ("FSCS"). You may be entitled to compensation from the FSCS if SG Kleinwort Hambros Bank (CI) Limited cannot meet its obligations in relation to UK regulated mortgage business. This depends on the circumstances of the claim. For further information about the FSCS (including the amounts covered and eligibility to claim) please contact your Private Banker or refer to the FSCS website: www.fscs.org.uk.

### Gibraltar

SG Kleinwort Hambros Bank (Gibraltar) Limited is a participant in the Gibraltar Deposit Guarantee Scheme (the "Deposit Scheme"). Most deposits denominated in currencies of the European Economic Area and Euros are covered. Further details of the Deposit Scheme are available on request or can be found at www.gdgb.gi. The Deposit Scheme does not apply to fiduciary deposits.

SG Kleinwort Hambros Bank (Gibraltar) Limited is a participant in the Gibraltar Investor Compensation Scheme (the "Investor Scheme"). [Payments under the Investor Scheme are limited to 90% of a client's total eligible investments which qualify for

compensation subject to a maximum payment to any one client of €20,000 (or the sterling equivalent).] [Note: include the limit wording if the document is not a Financial Promotion (limits not required for Financial Promotions/Advertisements.)] You may be entitled to compensation from the Investment Scheme if we cannot meet our obligations. Further details of the Investor Scheme are available on request or can be found at www.gics.gi. If you would not normally be classified as a retail client you may not be eligible for this scheme.

## General

Kleinwort Hambros is part of Societe Generale Private Banking, which is part of the wealth management arm of the Societe Generale Group. Societe Generale is a French bank authorised in France by the Autorité de Contrôle Prudentiel et de Resolution, located at 61, rue Taitbout, 75436 Paris Cedex 09 and under the prudential supervision of the European Central Bank. It is also authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Further information on the Kleinwort Hambros Group including additional legal and regulatory details can be found at: www.kleinworthambros.com