

WS KLEINWORT HAMBROS GROWTH FUND

Investment Objective and Policy

To provide a return in the form of capital appreciation over the long term through a portfolio of international equity-based securities, collective investment schemes, bonds, cash and money market instruments.

Market commentary

The snap UK General Election, set for early July, surprised most market commentators but did not materially impact Sterling or bond yields. Labour's consistent lead in polls over the last few months suggests that markets are expecting a clear and decisive result.

Q1 UK GDP exceeded expectations, at 0.6%, driven by March +0.5% driven by investment spending. Inflation fell to 2.3% compared to 3.2% in the prior month, but this was a little higher than expected driven by services inflation which only fell 0.1% to 5.9%. A June rate cut is less likely as a result, but not impossible.

Economic indicators in the US continue to look relatively weak. Retail sales rose 0.2% in April and latest savings ratio for US consumers was 3.2%, demonstrates a sense of exhaustion amongst US consumers. This helps the Fed ease policy relatively soon, but their room for manoeuvre is somewhat restricted by inflation remaining above 3%.

The fund's equities were the main driver of returns driven by US, UK and European exposure; emerging market positioning partially offset this. Within the US positions the most disappointing performance came from the iShares S&P 500 Equal Weight ETF, highlighting the magnificent seven's dominance of the US market. All UK and European holdings delivered strong positive returns, broadly in line with their benchmarks.

Fixed income was a modest contributor with both government and investment grade bonds modestly appreciating over the month. Alternatives were broadly flat over the period though it was encouraging to see Moorea Real Assets and Moorea Defined Return both deliver small positive returns.

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.

Fund details

Benchmark

Morningstar GBP
Allocation 60-80% Equity

Fund classes available

A Class

Fund size as at 31 May 2024

£78.9 million

Base currency

Sterling

Price listing

Bloomberg

Bloomberg ticker

Income shares – CFKBCAI LN
Accumulation shares – CFKBAA 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

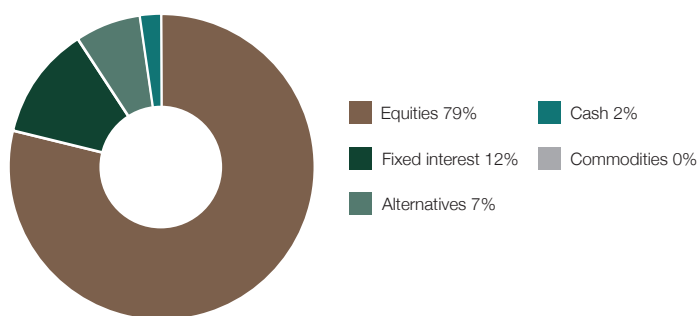
Authorised Corporate Director

Waystone Management (UK) Limited

Auditor

Grant Thornton

Asset allocation



Source for all data: Kleinwort Hambros (as at 31 May 2024). 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.

Top ten holdings

	% of fund
Amundi ETF S&P 500	10.0%
Robeco Capital Growth	7.1%
Ishares Core FTSE 100	6.0%
Pictet Global	6.0%
Ishares S&P 500 Equal Weight UCITs	5.8%
Blackrock Lux SA Eur Flex	5.8%
Ishares S&P 500 Acc	5.8%
Hermes Asia Ex-Japan	5.4%
Amundi S&P 500 Climate	5.2%
JO Hambro Continental Europe	5.0%

Source for all data: Kleinwort Hambros (as at 31 May 2024). 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 May)

May 19 – May 20	May 20 – May 21	May 21 – May 22	May 22 – May 23	May 23 – May 24
3.3%	15.1%	-2.2%	-0.4%	11.5%

Performance table %

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024*
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%	9.5%	-9.9%	8.7%	4.9%
Morningstar GBP 60-80% Equity	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%	11.1%	-10.4%	8.0%	4.4%

*Figures are as at 31 December, except 2024 - Year to Date. All performance figures compounded monthly

Source for all data: Kleinwort Hambros (as at 31 May 2024). Calculation basis: Sterling, bid to bid, total return. All returns in Sterling unless stated otherwise. Fund returns are based on the A accumulation share class and 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

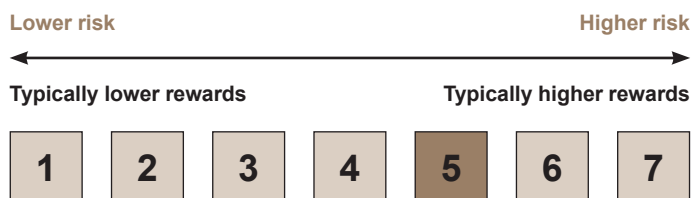
Growth Fund			
Initial charge*	5.00%	Ongoing charges figure**	2.15%***
Performance fee	0.00%	Exit Penalty	0.00%

* May be waived for clients of SG Kleinwort Hambros.

** This includes fund administration charges. The ongoing charge is reduced to 1.40% for the institutional share class when assets of over GBP 5 million are in SG Kleinwort Hambros managed funds.

*** Calculated as at 31-Oct-2023. This amount may fluctuate according to fund size and underlying holdings.

RISK AND REWARD PROFILE



Why is the fund in the specific category?

This Fund is ranked at 5 because funds of this type have experienced medium to high rises and falls in value in the past.

The indicator does not take into account the following risks of investing in this Fund:

Interest Rate Risk: Fixed interest securities are affected by trends in interest rates and inflation. If interest rates go up the value of capital may fall and vice versa. Inflation will also decrease the real value of capital.

Counterparty Risk: As the Fund may enter into structured products agreements there is a risk that other parties may fail to meet their obligations. This may lead to delays in receiving amounts due to the fund, receiving less than is due or receiving nothing.

Currency Risk: As the Fund invests in overseas securities movements in exchange rates may, when not hedged, cause the value of your investment to increase or decrease.

Financial Techniques Impact: The Fund may invest in derivatives. A relatively small movement in the derivative's underlying investment may have a much larger impact, positive or negative, on the value of the fund than if the fund were to hold the underlying investment itself.

Emerging Markets Risk: The Fund invests in some assets which have exposure to emerging market companies. These tend to be more susceptible to large short term swings than shares in more established markets.

Further details on risk factors that apply to this Fund are set out in the Risk Factors section of the prospectus.

A copy of the prospectus and the Key Investor Information Document (KIID) can be found at:
<https://www.waystone.com/our-funds/waystone-management-uk-limited/>

Investment Risk

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. Changes in inflation, interest rates and the rate of exchange may have an adverse effect on the value, price and income of investments.

Important Information

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Marketing

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