

SG KLEINWORT HAMBROS

GROWTH

MODEL PORTFOLIO SOLUTIONS

This document is designed for professional intermediaries only and is not intended for client use.

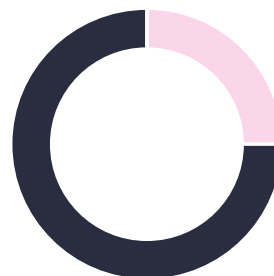
RISK RATING 4

ASSET ALLOCATION RANGES

The allocation to asset class asset class will typically fall within these ranges:

Asset class	Range (%)
Cash	0 to 25
Government bonds	0 to 50
Credit	0 to 25
Equities	50 to 95
Real estate	0 to 12
Commodities	0 to 12
Alternative strategies	0 to 12

HISTORICAL REFERENCE ALLOCATION



25%	Bonds
75%	Global Equities
-	Domestic Equities
11.4%	Target risk (volatility)
6.8%	Expected return (annual)

WHAT DOES THIS MODEL DO?

This model seeks to achieve capital growth in excess of inflation. The historical reference allocation above shows how a portfolio has typically been constructed to achieve the stated risk and return figures. However, the risks and returns of different assets are not static over time and historical returns are not a guide to future returns. This model therefore uses Kleinwort Hambros' dynamic asset allocation to invest in a wider range of asset classes in response to changing market and economic conditions. The model's current indicative asset class ranges are detailed above and may vary over time.

PERFORMANCE UPDATE

Over the quarter the portfolio appreciated 1.6%, ahead of its ARC peer group which rose 0.1%. The equity allocation was the main driver of returns, driven by its US exposure, though all other regions delivered positive returns with the exception of its emerging markets allocation. The bonds and alternatives positions both modestly detracted.

The fight against inflation took centre stage as central banks struggled to balance achieving their inflation target and not crashing economies. In the US inflation looks set to decline further, with the Fed only raising rates by 0.25% in May and pausing in June. The Bank of England increased rates by 0.25% in May and by 0.5% in June as inflation was showing no signs of rolling over. While current economies are not forecast to enter recession, though only by marginal amounts, there is plenty of scope for recession to become reality.

Global equity markets returned 3.9% during the second quarter. Japanese and US Markets delivered the best returns up 2.5% and 5.6% respectively. At the other end Asian and emerging markets lagged falling 3.8% and 1.9%. In a reversal of trends in 2022, growth continued to outperformed value, with the Russell 1000 Growth up 9.3%, well ahead of the S&P 500. The best performances came from BlackRock Continental European Flexible (+1.8%), Lyxor Net Zero 2050 S&P 500 Climate PAB ETF (+6.2%) and Fidelity Japan Value (+2.8%). Both Fidelity Emerging Markets and Hermes Asia Ex-Japan outperformed their respective markets on a relative basis.

The fixed income positioning was impacted by its government bond exposure, in particular its longer dated gilt position, which we increased over the period. While in the short term this has impacted returns when rates decline, we expect our longer duration positions will add value. The investment grade credit was impacted as interest rate expectations rose over the quarter, though given the good credit quality of the underlying companies we expect to make back this short fall as and when rates fall.

The alternatives were modestly negative. The trading strategies delivered a positive return driven by Lyxor Epsilon and Lyxor Sandler. This was more than offset by the weakness of gold and real assets, the later again being impacted by rising rates.

In April we added a new holding of Moorea Defined Return fund to the portfolio funded by reducing Lyxor Sandler. This invests in a range of structured products, improving the diversification of the diversifiers in the portfolio.

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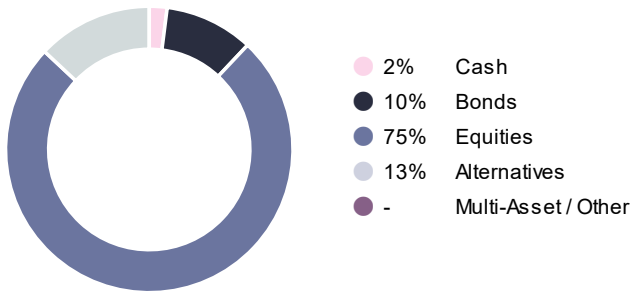
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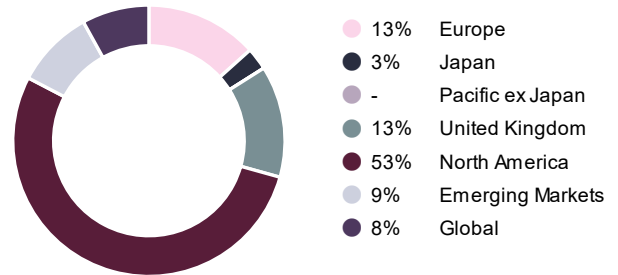
In May we increased the duration exposure in our government bond allocation. This was followed by a reduction of the gold exposure increasing the Invesco Sterling Bond fund. Finally, we reduced our emerging market positions to add to our US exposure increase the iShares S&P 500 Equal Weight ETF allocation.

In June we further increased the duration exposure of our government bond position. We also reduced Lyxor Sandler adding to Moorea Defined Return fund.

CURRENT ASSET ALLOCATION



EQUITY ALLOCATION



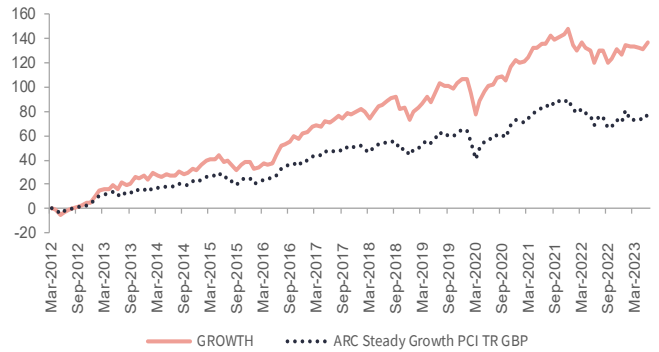
Source: SG Kleinwort Hambros as at 31 June 2023

Actual weighting and investment allocations are subject to change on an ongoing basis and may not be exactly as shown.

TOP 10 HOLDINGS

	(%)
Lyxor S&P 500 ETF	10.0
iShares Core S&P 500 ETF	9.0
iShares S&P 500 Equal Weight ETF	8.0
Robeco BP US Premium Equities Fund	8.0
iShares Core FTSE 100 ETF	6.0
Pictet Global Environmental Opportunities Fund	6.0
BGF Continental European Flexible Fund	5.0
JOHCM Continental European Fund	5.0
Lyxor Net Zero 2050 S&P 500 Climate PAB ETF	5.0
Invesco Sterling Bond Fund	4.0

PERFORMANCE CHART



Past performance should not be seen as an indication of future performance. Performance net of underlying fund fees but gross of SG Kleinwort Hambros's annual management charge, platform fees and advisor charges. The deduction of such fees and charges will reduce the gross performance shown above.

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RISK RATING 4

PERFORMANCE

	YTD*	3 months*	1 year*	5 year*	Inception*
Growth	4.5	1.6	7.8	28.0	136.8
ARC PCI**	4.2	2.5	5.2	16.1	77.8
+ / -	0.3	-0.9	2.6	11.9	59.0
Volatility***	-	-	8.8	10.3	8.9

	Jul 2018 to Jul 2019	Jul 2019 to Jul 2020	Jul 2020 to Jul 2021	Jul 2021 to Jul 2022	Jul 2022 to Jul 2023
Growth	8.0	-0.5	16.3	-2.2	4.9
ARC PCI**	4.7	-3.1	16.3	-4.0	0.8

* to 31/06/2023

** ARC Steady Growth PCI TR GBP

*** Annualised data

Notes: model launch date 01/04/2012; performance net of underlying fund fees but gross of SG Kleinwort Hambros's annual management charge, platform fees and advisor charges; Latest quarter of ARC performance data are based on ARC estimates.

YIELD, FEES AND CHARGES

Yield (gross)	1.4%
Kleinwort Hambros annual management charge (via platforms)	0.35% plus VAT

Available Platforms:

Elevate
Novia
Transact
Standard Life



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. The tax benefits and liabilities will depend on individual circumstances and may change in the future. The performance chart represents the cumulative performance since inception, against the cumulative return in %. Performance net of underlying fund fees but gross of SG Kleinwort Hambros's annual management charge, platform fees and advisor charges. The deduction of such fees and charges will reduce the gross performance shown above. Estimated yield is calculated based on distributed 12 month historic yield data and reflects the actual cash distribution yield, which may change

Source: ARC, Morningstar, Bloomberg and SG Kleinwort Hambros as at 31 June 2023

Target Market

Target Market Category	Suitable for ... ✓	Not suitable for ... X
Client categorisation	Retail	-
Knowledge & Experience	Basic	-
Capacity for loss	Required	Clients who cannot bear loss
Risk tolerance	High	-
Objectives	<ul style="list-style-type: none"> ▪ Growth ▪ Long term 	<ul style="list-style-type: none"> ▪ Capital Preservation ▪ Short/Medium term
Distribution	Advised or Discretionary	Execution Only

Source: SG Kleinwort Hambros as at 31 June 2023.

Important Information

This document is a marketing communication provided for information purposes and does not constitute investment advice or a recommendation. It is not intended for distribution in or into the United States of America nor directly or indirectly to any U.S. person.

Financial promotion

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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.

Council Directive (EU) 2018/822 amending Directive 2011/16/EU ("DAC 6") – Gibraltar Accounts

The arrangement described herein may be considered as a reportable cross-border arrangement according to Council Directive (EU) 2011/16 regarding disclosable arrangements under hallmark category D (as amended by The Income Tax Act 2010 (Amendment) (EU Exit) Regulations 2021) and, as such, may need to be reported to the relevant tax authorities in accordance with the regulations. Cross-border arrangements involving tax residents and/or intermediaries situated in Spain may still be subject to DAC 6 reporting under all hallmarks as foreseen in the applicable regulations.

SG Kleinwort Hambros Bank Limited, Gibraltar Branch does not provide tax advice and you should consult your tax advisors for any further assistance.

Council Directive (EU) 2018/822 amending Directive 2011/16/EU ("DAC 6") – UK Accounts

The arrangement described herein may be considered as a reportable cross-border arrangement according to Council Directive (EU) 2011/16 regarding disclosable arrangements under hallmark category D (as amended by The International Tax Enforcement (Disclosable Arrangements) (Amendment) (No. 2) (EU Exit) Regulations 2020) and, as such, may need to be reported to the relevant tax authorities in accordance with the relevant regulations.

SG Kleinwort Hambros Bank Limited does not provide tax advice and you should consult your tax advisors for any further assistance.

Tax, Accounting and Legal

Any services and investments may have tax consequences and it is important to note that SG Kleinwort Hambros Bank Limited does not provide tax advice. The level of taxation depends on individual circumstances and such levels and bases of taxation can change. You should seek professional tax advice to understand any applicable tax consequences. In addition, the material is not intended to provide and should not be relied on for, accounting or legal purposes and independent advice should be sought where appropriate.

Marketing

If you do not wish to receive this document in the future, please let your Private Banker know or call us on +44 (0) 207 597 3000. Telephone calls may be monitored or recorded.

Compensation Schemes

The UK head office and Gibraltar branch of SG Kleinwort Hambros Bank Limited are covered by the Financial Services Compensation Scheme ("FSCS"). Investors and depositors may be entitled to compensation under the Financial Services Compensation Scheme ("FSCS") if Kleinwort Hambros cannot meet its obligations, depending on the circumstances of the claim. Most clients – including most individuals and businesses – are covered by the scheme, up to the limit of £85,000 per person. Full details of the scheme are available at: www.fscs.org.uk.

SG Kleinwort Hambros Bank Limited, Jersey Branch 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 at: www.gov.je/dcs.

SG Kleinwort Hambros Bank 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 at: www.dcs.gg. For further information about the schemes (including the amounts covered and eligibility to claim), please contact your Private Banker.

Jersey and Guernsey do not have compensation schemes in relation to investment services. However UK-regulated mortgage business conducted by SG Kleinwort Hambros Bank Limited is covered by the FSCS if you were resident in the UK at the time the service was provided.

Legal and Regulatory information

This document is issued by SG Kleinwort Hambros Bank Limited which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the UK. The company is incorporated in England & Wales under number 964058 with registered office at One Bank Street, Canary Wharf, London E14 4SG. Services provided by non-UK branches of SG Kleinwort Hambros Bank Limited will be subject to the applicable local regulatory regime, which will differ in some or all respects from that of the UK. Please see the Information Documents on our website for further information: <https://www.kleinworthambros.com/en/important-information>.

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