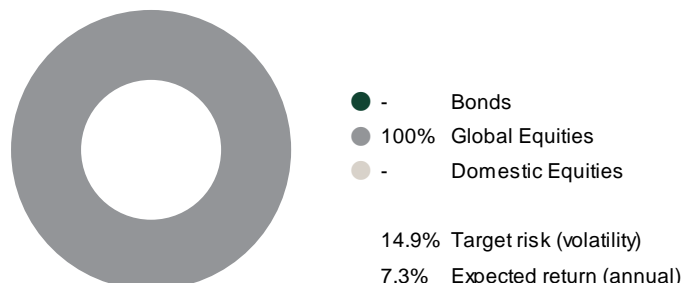


Asset allocation ranges

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

Asset class	Range (%)
Cash	0 to 10
Government bonds	0
Credit	0
Equities	90 to 100
Real estate	0
Commodities	0
Alternative strategies	0

Historical Reference Allocation



What does this Model do?

This model seeks to generate capital growth significantly exceeding 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 The historical reference allocation above shows how a portfolio has typically been constructed to achieve the stated risk and return figures.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 Benson's 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

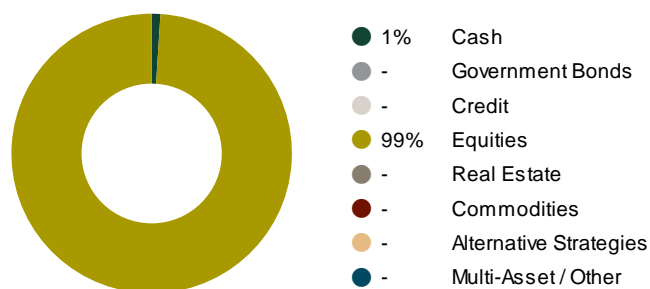
Over the quarter the portfolio rose in value by 5.4%, significantly outperforming its ARC peer group, which returned 3.8%. The portfolio continues to benefit from a global equity allocation with a significant allocation to the US market.

The majority of the performance came from the US and European positions. The UK, Japan and Asia all recorded positive absolute gains, but lagged the performance of the ARC peer group. The emerging markets allocation was the only region to deliver a negative return, driven by the weakness of Fidelity Emerging Markets.

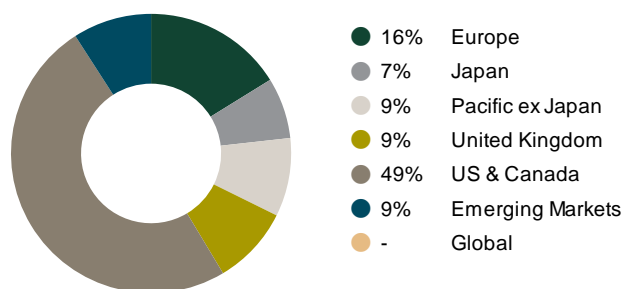
The best funds in the US were Fidelity US Index (+10.7%), Fidelity US Growth (+6.2%) and Legg Mason US aggressive (+5.9%). In Europe both PM Europe Dynamic (+7.2%) and J O Hambro Capital Management (JOHCM) Continental European (+6.6%) performed well. In the UK GVQ UK Focus (+4.1%) benefited from bid approaches for Lavendon and Sky at significant premiums to market valuation.

There were no changes to the strategy's overall asset allocation or implementation

Current asset allocation



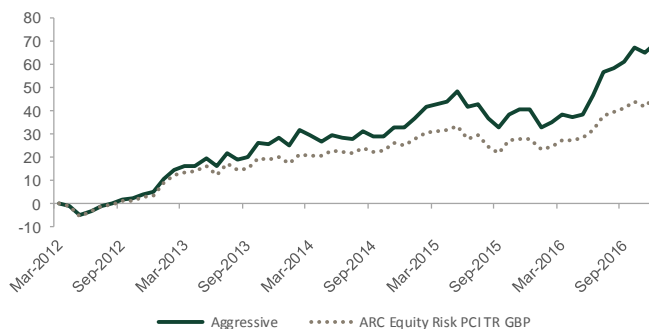
Equity allocation



Top 10 holdings

	(%)
Fidelity Index US Fund	10.0
iShares Core S&P 500 USD Acc	10.0
SPDR® S&P US Dividend Aristocrats ETF	8.0
Fidelity American Growth	7.0
Legg Mason ClearBridge US Aggressive Growth	7.0
Wells Fargo US All Cap Growth	7.0
JOHCM Continental European	7.0
Tokio Marine Japanese Equity Focus	7.0
Hermes Asia Ex Japan Equity	7.0
Threadneedle UK Fund	6.0

Performance Chart



Performance

	YTD*	3 months*	1 year*	Inception*
Aggressive	20.5	5.4	20.5	69.7
ARC PCI**	14.8	3.8	14.8	46.8
+ / -	5.7	1.6	5.7	22.9
Volatility***	-	-	12.3	10.1

* to 31 December 2016

** ARC Equity Risk PCI TR GBP

*** Annualised data

Notes: model launch data 01/04/2012; performance net of underlying fund fees but gross of Kleinwort Benson's annual management charge, platform fees and advisor charges; Latest quarter of ARC performance data are based on ARC estimates. Past performance is not an indicator of future returns.

Source: ARC, Morningstar, Bloomberg and Kleinwort Benson

Yield, fees and charges

Yield (gross)	0.9%
Kleinwort Benson's annual management charge (via platforms)	0.35% plus VAT

Available Platforms:

Ascentric
AXA Elevate
Novia
Transact
Aviva
Nucleus
Standard Life

General risk information

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