KING & SHAXSON
Asset Management | Rewarding your Values

King & Shaxson Asset Management
Brighter World MPS

Targeting Sustainable Companies of the Future whilst limiting the systematic risk associated with ESG screens

Brighter World MPS - Celebrating 2 Years!

It doesn’t feel like it was that long ago that we celebrated the one-year anniversary of the Brighter World MPS strategy; a lot has happened since then, and unsurprisingly, a lot of it has centred around the US President.

Despite the volatility, which seems to be the new norm, we continue to be pleased with the return dynamics of the Brighter World portfolios. As we head into year three, it is an ideal time to revisit the benefits of the strategy and highlight what has gone well over the last two years.

Firstly, the strategy continues to deliver on its aim of being a cost-conscious range of portfolios providing access to sustainable companies of the future. The portfolios (profiles 3 to 9) have also delivered on providing competitive risk-adjusted returns, without the concentration of major markets:

Performance and Volatility			
30 Nov 25	OCF + Transaction charges	2 Year Return	2 Year Volatility
Brighter World 3	0.15% + 0.03%	+11.65%	3.72%
Brighter World 4	0.18% + 0.05%	+13.89%	5.16%
Brighter World 5	0.20% + 0.06%	+15.77%	7.04%
Brighter World 6	0.22% + 0.06%	+17.43%	8.18%
Brighter World 7	0.23% + 0.07%	+18.58%	9.38%
Brighter World 8	0.24% + 0.07%	+19.77%	9.59%
Brighter World 9	0.26% + 0.06%	+20.85%	10.03%

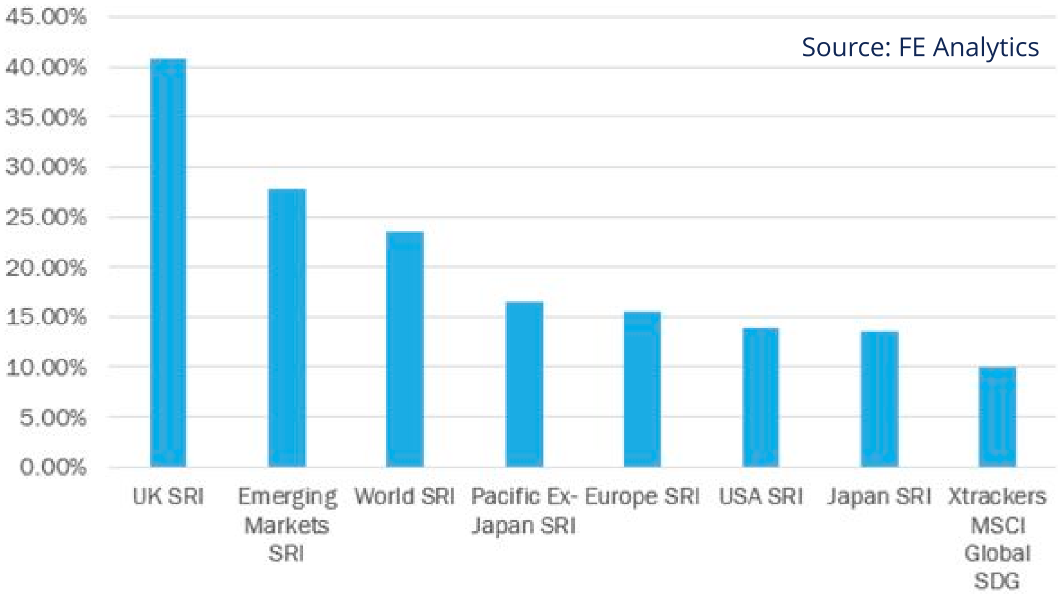
Source: FE Analytics

The ability to easily understand both positive and negative returns within the models was another outcome we were seeking to achieve. Being the two-year anniversary, it’s fitting that there are two pertinent factors of note which have helped drive these positive returns through a diversified portfolio range.

Core Geographical Allocation

Our underweight to the US (based on a global basket of stocks and compared against major peers), has supported returns, notably since April 2025 in the wake of “Liberation Day”. The portfolios have been weighted towards the UK and increasingly Emerging Markets higher up the risk scale, with the SRI core indices of the UK and EM performing strongly versus other regions:

2 year returns of core SRI holdings within the Brighter world strategy:

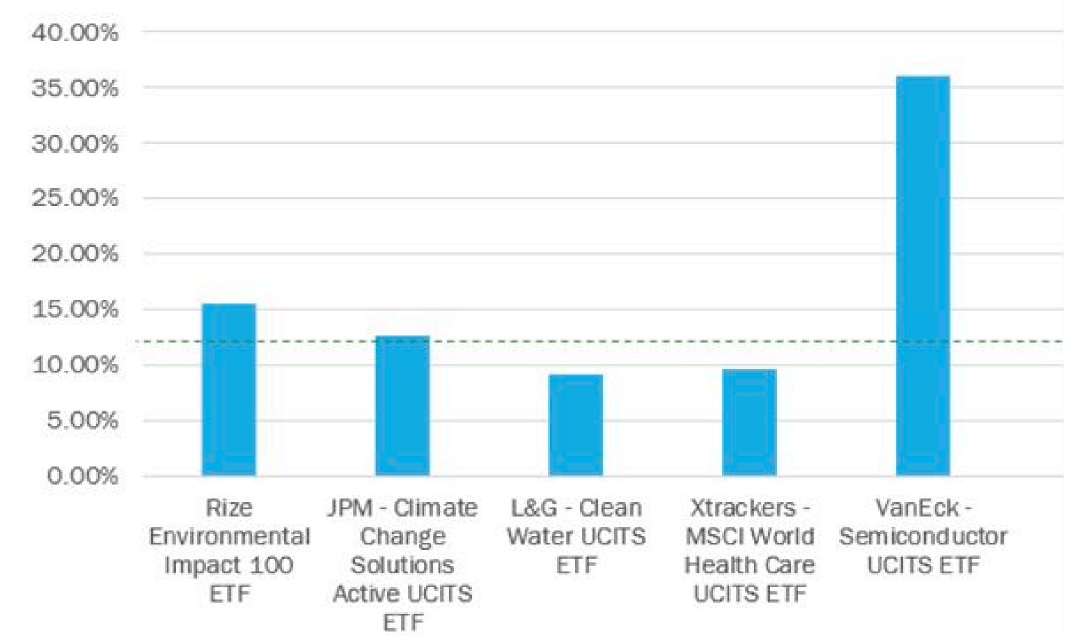


The core allocation to funds that track each region allows us to add value as active managers by tactically shifting client's portfolio allocations based on various factors.

Thematic Contribution in 2025

The thematic sleeve of clients' portfolios has been an increasingly positive contributor to investment returns in 2025. Notably, portfolios semiconductor exposure, which was sold in October 2025 following a strong rally and concerns around AI froth in the market.

Climate and environmental themed funds have continued their recovery led by strong returns in clean energy and grid infrastructure. Healthcare has been a notable laggard for much of 2025, but has returned +18.99% in H2 2025 (to the end of November), outperforming global equities by circa 5% to the end of Nov 25.



(The dotted line reflects the return of global equities. The above returns are not a reflection of returns within portfolios due to rebalances and allocation changes, but a general guide to returns of thematic holdings held during 2025).

The satellite thematic exposure will enhance client's portfolio sustainability credentials by providing exposure to environmental and/or social solutions providers. Allocation to each theme will be in the low single digits, with the aim of improving resiliency compared to some of the more concentrated sustainable portfolios, whilst still having broad exposure to areas of interest to clients.

Charges (correct as at Dec 25)	
Management Fee	**0.20%**
Portfolios OCF range	**0.15% to 0.26%**
Transaction Costs range	**0.03% to 0.06%**

About the Brighter World Model Portfolios

Our Brighter World MPS were launched in 2023 and offer clients a lower cost alternative to our ethical MPS whilst still adhering to a relatively stringent screen. Investing predominantly into passive funds, the portfolios provide access to sustainable companies with an active management overlay.

A Natural Evolution

We first started managing bespoke ethical portfolios predominantly for faith based investors wanting to avoid sin sectors, such as tobacco or arms

We have launched a range of low cost model portfolios which provide exposure to a broader universe of sustainable companies and future themes

We launched our range of actively managed ethical model portfolios, which over time have grown from more avoidance based to being aligned with sustainable companies

Investment Approach:

The portfolios will be managed by applying the same top-down approach to geographical and asset allocation that has been in place since 2002.

The core bond and equity allocations are passive investments. However, an active management overlay is applied to create an appropriate blend of investments.

The portfolios have been constructed with strategic or benchmark allocations, with the investment managers making tactical asset and geographical allocation investment decisions at each rebalance.

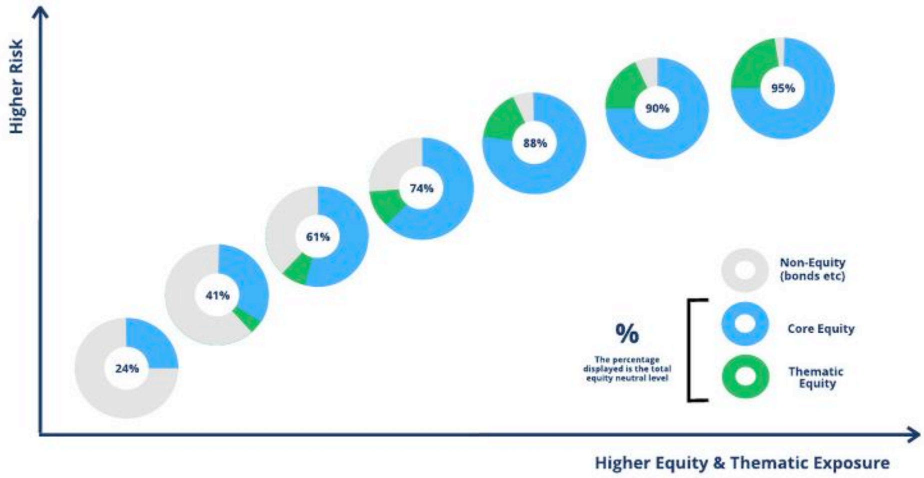
The asset classes utilised include cash, bonds, equities and real assets (infrastructure and property). Each have a blend of core passive exposure with an element of thematic/active ETFs which provide exposure to solutions-based companies.

Screen:

Whilst adhering to a robust negative screen, there is a slight variance to our existing ethical model portfolios, predominantly through the use of company revenue limits.

The Brighter Future MPS screen avoids or restricts exposure to Alcohol Production, Adult Entertainment, Gambling Ownership, Oil & Gas Exploration & Production, Tobacco Production, and Weapons Production. Where there are revenue limits, are aim is still to achieve 0% exposure.

An ESG overlay is applied to the core equity allocation to ensure the best of class companies are selected. Meanwhile, our satellite thematic exposure will enhance the portfolio's sustainability credentials by providing exposure to environmental and/or social solutions providers.



Core Bond Allocation:
Includes exposure to government and corporate debt. We have also maintained the positive investment focus through allocations to labelled bonds including green, social and sustainable bonds. Tactical changes to portfolios will reflect different views on economic conditions and changes in credit quality and duration will take place.

Core Equity Allocation:
We have opted for the Amundi MSCI SRI range of funds. Whilst screened, they provide exposure to a diversified and broad universe, more so than our current ethical model portfolios. The indices target sector weights that reflect the investable universe to limit the systematic risk introduced by the ESG selection process. This results in broader country, industry and style exposure versus our existing portfolios.

Satellite Thematic Allocation
Tapping in to the growing thematic fund market, this allocation will provide exposure to areas such as clean energy, water and waste, healthcare, semiconductors etc. The investment committee will analyse the themes and sub-themes and allocate based on financial and ESG outcomes.

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