

BRIGHTER WORLD MPS MONTHLY NEWSLETTER

Brighter World Newsletter – November 2025

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Market Commentary

We are pleased to celebrate the two-year anniversary of the Brighter World portfolios in November. Despite the volatility since launch, which seems to be the new norm, we continue to be pleased with the return dynamics of the Brighter World portfolios. The strategy continues to deliver on its aim of being a cost-conscious range of portfolios providing access to sustainable companies of the future.

Focusing on November, global equity markets sustained a period of weakness as increasing attention was paid to lofty tech valuations, with AI bubble calls growing ever louder. The global SRI basket of stocks returned -1.35% for the month. There was further uncertainty over the path of Federal Reserve rate cuts with the delays to economic data releases as a result of the US shutdown clouding the picture. This created a risk averse sentiment throughout the month, demonstrated by riskier assets, such as cryptocurrency, having a particularly weak month.

This weakness was reflected in all regions within the core equity allocation returning a negative value in November. Emerging Markets weighed the most with the EM SRI allocation returning -2.12%. The UK continued to outperform other regions, returning a less severe -0.13%, whilst the USA SRI returned a -1.69%.

In the UK, the budget was the main event of the month following extensive speculation and rumour in the run-up to it. Despite some large swings, longer dated UK government debt yields were relatively flat on the month, with the fiscal headroom that was delivered soothing bond markets. That being said, the government has plenty of work to do in rebuilding some of its credibility. There is also some nervousness that the can has been kicked down the road, given the fiscal loosening that will occur in the next two years as spending increases, followed by a period of tightening as taxes rise later on in the parliament.

November did see a significant increase in expectations for a rate cut by the Bank of England in December. At the start of the month, the market was pricing in less than a 40% chance of a cut, by month end this had risen to over 90%. This on the back of swathes of poor economic data coming out of the UK with regards to the labour market, retail sales and confidence gauges, alongside a close split decision at November's MPC meeting. This did help short dated sterling fixed income rally, with the iShares £ Ultrashort Bond ESG fund returning +0.33% whilst the Amundi UK Government 0-5Y fund returned 0.27%. The standout performer within portfolios fixed income exposure was the HSBC Sustainable Development Bank Bond fund which returned +0.58%.

Portfolios thematic allocations were largely negative on the month, declining alongside global equities. The recent addition of WisdomTree Cybersecurity fund coincided with some weak reporting from underlying companies; however, it's a long-term theme we remain supportive of. Research showed that cyber-attacks cost the UK economy £15 billion per year alone, prompting the UK government to announce places in November to strengthen defence for essential public services. This spending is not isolated and is a theme we expect to remain front and centre. Healthcare continued to support returns, with the Xtrackers MSCI World Healthcare ETF returning +7.21% for the month. The JPM Climate Change Solutions fund returned -0.93%, supported by core holding, SSE who reported strong earnings and a large investment plan to fund renewable expansion and grid investment.

Model Portfolio transactions in the month:

There were no changes to portfolios during the month.

Performance:

Brighter World MPS	Nov 2025
3	0.03%
4	-0.48%
5	-0.77%
6	-0.90%
7	-1.08%
8	-1.24%
9	-1.41%

MPS Stock pick feature:

TenneT is a leading European grid operator. They are committed to providing a secure and reliable supply of electricity 24 hours a day, 365 days a year, while helping to drive the energy transition in their pursuit of a brighter energy future – more sustainable, reliable and affordable than ever before. *Lighting the way ahead together.* Their infrastructure is often located in or near nature reserves, protected landscapes or other ecologically valuable areas. That's why they take measures to protect and even enhance nature. They use nature-inclusive designs, such as bird nesting boxes, flower-rich strips, or artificial reefs near offshore platforms. On land, they make vegetation management around high-voltage connections more sustainable. In 2024, they signed a contract to structurally implement ecologically responsible maintenance. At sea, they take measures that support marine life, such as installing fish-friendly seabeds. In 2024, they conducted research near Hollandse Kust Zuid. It showed that larger stones on the seabed lead to greater biodiversity: the larger the stones, the more species are found.

Ethical News

Global energy transition investment reached a record \$2.4 trillion in 2024, with renewable energy hitting \$807 billion. However, annual growth slowed significantly to 7.3%. The International Renewable Energy Agency (IRENA) notes that 90% of investment is concentrated in advanced economies and China, necessitating scaled-up finance to meet the goal of tripling renewable capacity by 2030.

Westmorland & Furness Council has approved the **UK's largest floating solar project** at the Port of Barrow. The council approved the 40MW Barrow EnergyDock project, set to be the UK's largest floating solar project. Associated British Ports will construct the project on Cavendish Dock in Cumbria. The installation, covering about one-third of the dock, aims to provide cleaner, resilient energy for the region without hindering current leisure activities.

Brazilian coffee farmers are having to change their coffee production in response to climate change. Droughts and hotter temperatures are affecting the growth of mild arabica coffee in Brazil. Consequently, farmers are increasingly shifting investments to robusta, a more bitter variety that tolerates heat and resists diseases. Robusta production has grown over 81% in the past 10 years, outpacing arabica, Brazil's main coffee export.

The Congo Basin forest, which is larger than India, is the world's biggest tropical carbon sink. It absorbs 600 million tons of carbon dioxide annually. However, a new scientific report warns that rising deforestation from logging and slash-and-burn agriculture threatens this crucial climate bulwark.

Gavi and UNICEF secured a deal for the R21/Matrix-M™ malaria vaccine, dropping the price to \$2.99 which is expected to bring \$90 million in savings. These savings will secure over 30 million additional doses, enabling the full vaccination of nearly 7 million more children against malaria over five years. The deal is financed by Gavi through an advance payment enabled by the innovative International Finance Facility for Immunisation (IFFIm) mechanism.

Primark's sustainability report reveals that 74% of its garments now utilise recycled or sustainably sourced fibres, an increase from 66% in 2023. The fast fashion giant recorded an overall 5.7% reduction in total greenhouse gas emissions compared to 2019, including a 71% cut in Scope 1 and 2 emissions. All clothing, textile, and footwear suppliers are now onboarded to its traceability programme. Whilst this progress is welcome, fast fashion remains an area of concern, not just from environmental damage from water pollution and microplastics, but also exploitative labour practices. As a result, the sector remains un-investable.

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key sectors of stock markets and a higher exposure to a number of positive themes. It is therefore important to understand that both performance and the risks associated can differ versus a portfolio that does not include ethical exclusions. As the portfolios are housed on number of platforms there will be some variances in cost and performance depending on the platforms ability to hold certain share classes and their policy on execution, and the data is to provide a guide but each platform will vary.

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