Brighter World MPS 4

Launched December 2023

Monthly Factsheet as at 31st October 2024

KING & SHAXSON Asset Management | Rewarding your Values

WINNER THREE TIMES Investment Life & Pensions Moneyfacts Awards 2020 -2022 Best Ethical Discretionary Fund Manager

A risk "4" portfolio seeks to provide a high level of capital preservation whilst still allowing investors the ability to achieve long-term growth (10 years) whilst meeting the majority of investors' ethical concerns. Whilst the emphasis is on lower volatility and capital preservation, a small amount of risk will be taken to seek a higher return.

Fees

DFM Fee	0.20%
Portfolio OCF	0.20%
Transactional Cost	0.04%
Historic Yield	1.18%
1 Year Annualised Volatility	5.32%

Excluded Activity

X **Tobacco Production**	**>0%**
X **Controversial / Nuclear Weapons**	**>0%**
X **Civilian Firearms Production**	**>0%**
X **Alcohol Production**	**>5%**
X **Adult Entertainment**	**>5%**
X **Gambling**	**>10%**
X **Oil & Gas Production**	**>10%**

The above factors are excluded at the respective revenue limits at an underlying company level. Whilst there are revenue limits in place, where possible, we will aim to achieve a result where the portfolios exposure is close to zero.

Targeted Activity

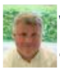
✓ **Climate Change**
(Alternative Energy, Energy Efficiency, Green Building)

✓ **Natural Capital**
(Sustainable Water, Pollution Prevention, Sustainable Agriculture)

✓ **Basic Needs**
(Nutrition, Major Diseases Treatment, Sanitation, Affordable Housing)

✓ **Empowerment**
(SME Finance, Education, Connectivity)

Investment Committee


Wayne Bishop
Chief Executive Officer


Harry Thompson
Portfolio Manager


Will Arnold
Assistant Portfolio Manager


Craig Hart
Platform & MPS Proposition

Stock Pick - Amazon Reforestation Bond

The International Bank for Reconstruction and Development (IBRD) has launched a new Amazon reforestation 'outcome' bond. The bond proceeds are transferred to Brazil-based reforestation company Mombak, who fund partnerships with landowners in the Amazon rainforest to reforest degraded land with native tree species. Mombak will calculate how much CO2 has been sequestered by reforesting degraded land, and in the latter years of the bond's life, investors will receive a variable coupon that's linked to the value of the Carbon Removal Units generated. This outcome bond does not only provide direct exposure to measurable environmental impact in the Brazilian Amazon, but also provides reassurance knowing the issuer is following the international best practice in managing project risks.

Fund Manager's Report

Financial markets became increasingly preoccupied by the run-up to the US elections in October. For the majority of the month polls favoured Trump which saw the so called 'Trump Trade' in full swing. The dollar strengthened driven by his views on tariffs and continuing US growth exceptionalism. There will be a looser fiscal policy regardless of who wins, which will be inflationary, but even more so should Trump win with policies such as deportations and the aforementioned tariffs. Yields rose significantly in the month, with the US 10-year opening the month at 3.77% and closing it at 4.28%.

UK yields also sold off dramatically in the closing stages of the month, and have continued higher following the UK budget. There is large concern over the increased in spending and how much will actually be raised by the employer national insurance rise, given the impact this might have on future wage growth.

The rise in yields caused weakness in portfolios fixed income allocation, where labelled bond funds sold off around 1-1.5% for the month. Portfolios infrastructure exposure was also weak given the rise in yields, as was portfolios exposure to small and mid-cap companies with a more sustainable profile given the growth style of this allocation.

The impact on renewables is the most obvious threat to portfolios as we head into the US election. The general consensus is that it will be very hard to repeal key legislation such as the Inflation Reduction Act given the benefit to many Republican states. One should also not forget that renewables actually grew in Trump's first term, and the demand from corporate America will continue to fuel growth. Nonetheless, sentiment will be hit and we will comment further once the dust settles in November.

If anything, the risks of a Trump Presidency lie outside of America, with the spotlight on Europe in particular. The European Central Bank lowered their deposit facility rate to 3.25% in a unanimous decision, citing a somewhat weaker economy. They do not expect a recession in the region, with a soft landing the base case with disinflationary pressures 'well on track'. Whilst highlighting they haven't yet reached their 2% medium inflation target; the risks are greater to the downside rather than up.

The ECB president commented that any hardening of trade barriers will have its downside risks, given the importance of global trade to the European economy. Further, if support is withdrawn for Ukraine, this will put increased strain on spending at a time when fiscal sustainability and debt levels are at the fore. We have an increasingly negative view towards the European economy, and announcements in the month such as Volkswagen closing factories in Germany for the first time underlined the point.

Amidst everything else, third quarter reporting kicked off with a bang with the US banks reporting strong numbers predominantly in the trading and capital markets divisions. Margins were better than expected and the likes of credit card delinquencies are still low showing continued resilience in the US economy. Subsequently, earnings have on the whole underwhelmed investors, with big tech companies once again catching the eye in dragging indices down after their reports. Generally, European names have fared even worse, with the car industry in particular causing pain as noted above.

Cumulative Performance (Net of DFM fee & OCFs)

3 months	6 months	1 year	3 years	5 years	Since Inception (30/11/23)
-0.38%	3.25%	N/A	N/A	N/A	6.64%

Discrete Performance (Net of DFM fee and OCFs)

Nov 23 to Oct 24	Nov 22 to Oct 23	Nov 21 to Oct 22	Nov 20 to Oct 21	Nov 19 to Oct 20
N/A	N/A	N/A	N/A	N/A

Thematic Allocation

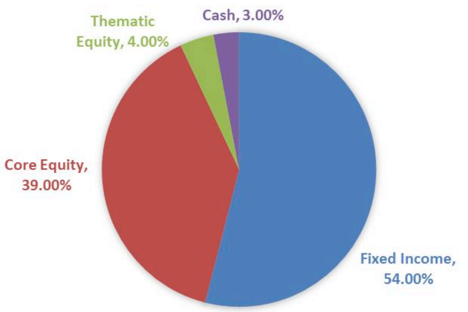
Legal & General Clean Water ETF	1.00%
Rize Environmental Impact 100 ETF	1.00%
iShares Global Clean Energy ETF	1.00%
Xtrackers MSCI World Healthcare ETF	1.00%

Top 5 Funds

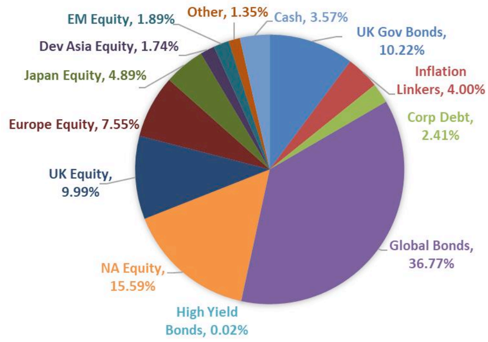
Lyxor Global Green Bond 1-10y ETF	14.00%
iShares Development Bank Bond ETF	13.00%
Amundi Index MSCI World SRI PAB ETF	9.50%
Amundi Index MSCI UK SRI PAB ETF	8.50%
Amundi Index MSCI Europe SRI PAB ETF	5.50%

Brighter World MPS 4

Asset Allocation



Geographical Allocation

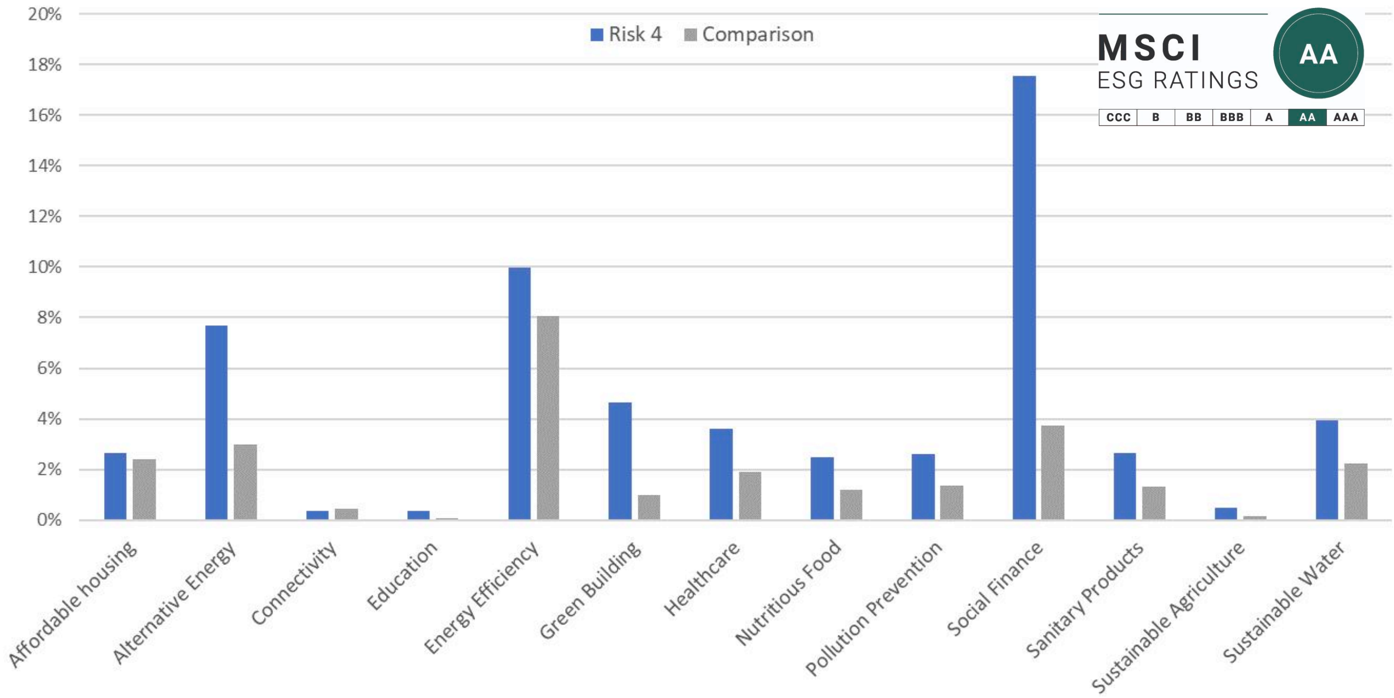


Fund SDR Classification

Information pending: We will report to clients on the underlying fund exposure according to the SDR fund sustainability fund labels, once fully implemented. The labelling will help underlying investors identify the make up our model portfolios according to the four fund labels.

Positive Investment Themes (Correct as at July 2024)

Whilst we have access to all the underlying holdings held within each collective, it would be unrealistic to detail each individual company and their own specific positive outcomes. Instead, the data below looks at the portfolios holistically, and maps their exposure to a number of positive investment themes, such as alternative energy, sustainable water, or green buildings, to name but a few. We have taken third party data from MSCI and used their thirteen 'Sustainable Impact Metrics', which cover environmental and social impact, and compared it to a blend of global equity and bonds depending on risk.



Contact Details

King & Shaxson Asset Management
1st Floor, 155 Fenchurch Street, London EC3M 6AL

www.kingandshaxsonethical.co.uk
T: 020 7426 5960 **E:** ethical@kasl.co.uk