

## Background

King & Shaxson Asset Management Limited (“KSAM”) offers a range of discretionary managed portfolios to its clients. The Product Governance requirements of MiFID II and Consumer Duty obligations of the FCA aim to ensure that firms which manufacture and distribute financial instruments act in the best interests of investors at all stages of a Product’s development and distribution life-cycle. The purpose of this summary is to inform our clients and potential distributors about our products, target markets, investment objectives, distribution strategy and risks associated with our portfolios.

## Product & Characteristics

### What is this product called?

**Brighter World Model Portfolio** (“Lower Cost Model Portfolio”)

### What are its key characteristics?

- Constructed by KSAM and made available solely to advised investors on third-party fund platforms;
- Comprises third-party managed ETFs and index funds with either an ESG or positive environmental or social focused screen, selected for their provision of:
  - screening to filter out investments not meeting their stated negative screen;
  - selection of investments actively meeting their stated positive screen or objective;
  - diversification of asset allocation across a number of asset classes;
- Actively managed in the sense that KSAM will continually review the funds selected and make changes where considered appropriate and in the best interests of investors;
- Based on a long-term investment horizon (10 years);
- Allows investors to select from a range of portfolios appropriate to their risk tolerance or appetite;
- Allows investors to gain exposure to an ESG focussed portfolio that includes a negative and positive social and environmental screen at lower cost than for a fully actively managed model portfolio service or bespoke portfolio (where KSAM selects all the individual instruments and assets comprising the portfolio in accordance with that portfolio’s investment criteria).
- Whilst currently out of scope, we consider these portfolios to have mixed objectives with regards to the FCA’s SDR regulations.

**What client needs are met?**

- The desire to generate long-term capital returns while investing in a way which broadly accords with their ESG screening criteria.
- To gain exposure to a positive focussed ESG model portfolio with negative screens at lower cost compared to actively managed funds.

## Target Market

While the ETF Model Portfolio is available to all client types (Retail, Professional Client and Eligible Counterparties), the primary target market is retail individuals, advised by authorised financial professionals, who wish to invest their funds in a ESG screened manner, taking advantage of the selection process utilised by KSAM, whilst achieving a return in accordance with their risk appetite. Clients should have taken financial advice prior to investing.

### Who these products are not suitable for:

- Investors that cannot tolerate any risk of loss;
- Investors whose investment objective is a guarantee of capital preservation;
- Investors unwilling to invest in any asset or security unless it meets the most stringent of ESG screening criteria (due to the variance in screen to KSAMs existing ethical model portfolios, a greater level of compromise is had on the Brighter Future MPS)
- Investors wanting their investment to be wholly controlled by a single manager;
- Investors unprepared to accept that investing in a ESG manner may mean missing out on profitable opportunities presented by companies, sectors etc that do not meet ESG criteria;
- Investors with a large unwrapped or taxable portfolio value who require active management of capital gains allowances

**Please see the individual product assessment below for detailed information**

## Distribution Strategy

KSAM hosts its ETF Model Portfolios on various platforms with distribution of its products to the end client undertaken through Independent Financial Advisers. Our distribution strategy is therefore predicated on distribution via intermediary.

## Clients with vulnerable characteristics

These products are designed for clients with a range of risk appetites, these are ranked numerically in terms of risk, which may include some customers with characteristics of vulnerability or who may experience vulnerability in the future. As our distribution strategy requires an investment adviser, we work with the adviser to achieve good outcomes for any vulnerable clients. This may include switching to a lower risk portfolio which better caters for the client's needs, providing additional explanatory literature or providing additional assistance to the adviser where possible.

Individual Portfolio Assessment

Portfolio	Risk profile	Product description & Investment Objectives	Expected volatility	Target Market	Who is this product suitable for	Risk tolerance and ability to bear loss	Distribution Strategy	Who the product is not suitable for
<b>Brighter World 3</b>	Low	A “Defensive 3” risk portfolio seeks to provide an enhanced level of capital preservation whilst still allowing investors the ability to achieve modest 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.	Expected annualised volatility: <ul style="list-style-type: none"><li>4-7%</li></ul>	Retail clients who have taken financial advice prior to investing.	The portfolio is suitable for risk-averse investors whose financial temperament cannot tolerate variation in performance.	Capital is not guaranteed which means that investors could lose up to 100% of the amount invested.	Distribution via intermediary (independent financial adviser)	This product is not suitable for the following investors: <ul style="list-style-type: none"><li>Those investors that cannot tolerate some risk of loss; or</li><li>Those investors whose investment objective is a guarantee of capital preservation.</li></ul>
<b>Brighter World 4</b>	Low	A “Cautious 4” risk 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.	Expected annualised volatility:  5-9%	Retail clients who have taken financial advice prior to investing.	The portfolio is suitable for risk-averse investors whose financial temperament cannot tolerate much variation in performance.	Capital is not guaranteed which means that investors could lose up to 100% of the amount invested.	Distribution via intermediary (independent financial adviser)	This product is not suitable for the following investors: <ul style="list-style-type: none"><li>Those investors that cannot tolerate some risk of loss; or</li></ul> Those investors whose investment objective is a guarantee of capital preservation.
<b>Brighter World 5</b>	Low - Med	A risk “5” portfolio seeks to provide a balance between capital appreciation and protection by investing in a	Expected annualised volatility:	Retail clients who have taken financial advice prior to investing.	The portfolio is suitable for those whose financial situation can tolerate a moderate	Capital is not guaranteed which means that investors could lose up to 100%	Distribution via intermediary (independent	This product is not suitable for the following investors:

Portfolio	Risk profile	Product description & Investment Objectives	Expected volatility	Target Market	Who is this product suitable for	Risk tolerance and ability to bear loss	Distribution Strategy	Who the product is not suitable for
		diversified portfolio of asset classes over the long-term (10 years) whilst meeting the majority of investors' ethical concerns.	<ul style="list-style-type: none"> <li>7-11%</li> </ul>		level of volatility in performance.	of the amount invested.	financial adviser)	<ul style="list-style-type: none"> <li>Those investors that cannot tolerate some risk of loss; or</li> <li>Those investors whose investment objective is a guarantee of capital preservation.</li> </ul>
<b>Brighter World 6</b>	Med	A "Balanced Growth 6" risk portfolio seeks to have a higher bias towards capital appreciation over the long term (10 years) whilst meeting the majority of investors' ethical concerns.	<p>Expected annualised volatility:</p> <ul style="list-style-type: none"> <li>9-13%</li> </ul>	Retail clients who have taken financial advice prior to investing.	This portfolio is suitable for those whose financial situation can tolerate an above moderate level of volatility in performance.	Capital is not guaranteed which means that investors could lose up to 100% of the amount invested.	Distribution via intermediary (independent financial adviser)	<p>This product is not suitable for the following investors:</p> <ul style="list-style-type: none"> <li>Those investors that cannot tolerate a moderate to high level of volatility in performance;</li> <li>Those investors that cannot tolerate some risk of loss; or</li> <li>Those investors whose investment objective is a guarantee of capital preservation.</li> </ul>
<b>Brighter World 7</b>	Med-High	A "Growth 7" risk portfolio seeks to achieve high returns over the long term (10 years) whilst meeting the majority of investors' ethical concerns	<p>Expected annualised volatility:</p> <ul style="list-style-type: none"> <li>12-16%</li> </ul>	Retail clients who have taken financial advice prior to investing.	This portfolio is suitable for those are prepared to accept a above moderate to high level of risk and volatility and take a high level of risk with their capital.	Capital is not guaranteed which means that investors could lose up to 100% of the amount invested.	Distribution via intermediary (independent financial adviser)	<p>This product is not suitable for the following investors:</p> <ul style="list-style-type: none"> <li>Those investors that cannot tolerate a higher level of volatility in performance;</li> </ul>

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								<ul style="list-style-type: none"> <li>Those investors that cannot tolerate some risk of loss; or</li> <li>Those investors whose investment objective is a guarantee of capital preservation.</li> </ul>
<b>Brighter World 8</b>	High	A “Adventurous 8” risk portfolio seeks to achieve high returns over the long term (10 years) whilst meeting the majority of investors’ ethical concerns	Expected annualised volatility:  13-17%	Retail clients who have taken financial advice prior to investing.	This portfolio is suitable for those are prepared to accept a high level of risk and volatility and take a high level of risk with their capital.	Capital is not guaranteed which means that investors could lose up to 100% of the amount invested.	Distribution via intermediary (independent financial adviser)	<p>This product is not suitable for the following investors:</p> <ul style="list-style-type: none"> <li>Those investors that cannot tolerate a high level of volatility in performance;</li> <li>Those investors that cannot tolerate some risk of loss; or</li> </ul> <p>Those investors whose investment objective is a guarantee of capital preservation.</p>
<b>Brighter World 9</b>	High	A “High Adventurous 9” risk portfolio seeks to achieve high returns over the long term (10 years) whilst meeting the majority of investors’ ethical concerns	Expected annualised volatility:  15-19%	Retail clients who have taken financial advice prior to investing.	This portfolio is suitable for those are prepared to accept a high level of risk and volatility and take a high level of risk with their capital.	Capital is not guaranteed which means that investors could lose up to 100% of the amount invested.	Distribution via intermediary (independent financial adviser)	<p>This product is not suitable for the following investors:</p> <ul style="list-style-type: none"> <li>Those investors that cannot tolerate a high level of volatility in performance;</li> <li>Those investors that cannot tolerate some risk of loss; or</li> </ul>

Portfolio	Risk profile	Product description & Investment Objectives	Expected volatility	Target Market	Who is this product suitable for	Risk tolerance and ability to bear loss	Distribution Strategy	Who the product is not suitable for
								Those investors whose investment objective is a guarantee of capital preservation.

### Company Information

King & Shaxson Asset Management Limited (Reg. No. 3870667) has its registered office at 1st floor, 155 Fenchurch Street, London, EC3M 6AL The Company is registered in England and Wales and is part of the PhillipCapital Group. King & Shaxson Asset Management Limited (FCA Reg. No. 823315) is authorised and regulated by the Financial Conduct Authority, 12 Endeavour Square, London, E20 1JN.

### Disclaimer

Please remember that the value of investments and the income arising from them may fall as well as rise and is not guaranteed. You may not get back the amount invested, especially in the early years. All information contained in this document has been prepared by King & Shaxson Ethical Investing. The information contained in this document is for general information purposes only and should not be considered a personal recommendation or specific investment advice. Nothing in this document constitutes an offer to buy or sell securities of any type or should be construed as an offer or the solicitation of an offer to purchase or subscribe or sell any investment or to engage in any other transaction.