Brighter World MPS 9

Launched December 2023

Monthly Factsheet as at 31st May 2025

King & Shaxson Asset Management | Rewarding your Values

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

A risk "9" portfolio seeks to achieve high returns over the long term (10 years) whilst meeting the majority of investors' ethical concerns.

Fees

DFM Fee	0.20%
Portfolio OCF	0.26%
Transactional Cost	0.10%
Historic Yield	0.24%
1 Year Annualised Volatility	8.47%

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 - Howden Joinery

Yorkshire-based trade kitchen manufacturer Howden Joinery adopts sustainable behaviours right across its business, from material sourcing to manufacturing, right through to depot waste management and their distribution fleet. Their vision it to become the UK's leading sustainable kitchen and joinery supplier. Using innovative, recyclable, and recycled materials is key to controlling their emissions, in addition to manufacturing their products in-house. They produce 40% of their products in the UK, and look to source other UK products where they can to control and reduce their carbon footprint. Since 2022, they've used renewable energy at manufacturing sites, distribution centres, and depots. The SBTi has approved their near-term, science-based emissions reduction target, and they have committed to set long-term emissions reduction targets to reach net zero by 2050. 96% of their depots and all of their manufacturing sites are powered by renewable energy and they use lower-emission fuels, like hydrotreated vegetable oil, producing 90% less CO2 per litre than diesel trucks.

Fund Manager's Report

Global equity markets continued their end-of-April rally into May, with a leading developed market index returning +4.91% in sterling terms. However, much of the attention has once again focused on government deficits, particularly the ballooning US deficit. This follows the progression of Trump's 'big, beautiful' tax and spending bill, which is set to add trillions to the US deficit due to tax breaks and increased defence spending.

Global equity markets continued their end-of-April rally in May, reflected with a +5.93% return for the Amundi MSCI World SRI Climate Paris Aligned Fund (held within the portfolios core). This risk on sentiment was also reflected in the returns of the satellite thematic allocation, notably the +14.91% return for the Vaneck Semiconductor ETF. However, much of the attention once again has been on government deficits, in particular the ballooning US deficit. This comes following the progression of Trump's 'big, beautiful' tax and spending bill, which is set to add trillions to the US deficit given the tax breaks and increased defence spending.

This development brought out the bond bears in full force, with a weak 20-year bond auction in the US causing some equity market volatility in the second half of the month. The $16 billion issue of 20-year bonds by the US Treasury on 21/05 was awarded at 5.047%, well above the average of the past six auctions of 4.613%.

Longer term debt has borne the brunt of the selling and adds further pressure to government deficits as debt repayments are already spiralling. This has caused Moody's to strip the US government of its top credit rating. While Trump and Treasury Secretary Bessent have been quick to downplay the move, it certainly adds fuel to the fire. As we have previously mentioned, this is the reason we prefer to stay in the shorter area of the curve, with portfolios overall duration around the 4-5yr level. A leading green bond index returned +0.24% for the month which was an outperformance of UK sterling corporate index of -0.08% return, and an outperformance of a leading medium gilt index at -1.30%.

After a weak start to the year, there was a strong rebound in the climate and environment focussed universe, with the JPM Climate Solutions ETF returning +7.01%, whilst Rize Environmental 100 ETF returned +6.61%. There was initially some relief for clean energy names given the hope that the clean energy provisions would not be watered down as much in upcoming legislation. However, as part of the "One Big Beautiful Bill Act", we saw significant amendments to these provisions brought in through the Inflation Reduction Act in 2022. There are changes to a range of credits that predominantly cut their timeline much shorter, including clean hydrogen project credits, home improvement credits, and clean vehicle credits. There are also restrictions on projects that have certain foreign entities or foreign components involved. The two key amendments include a shorter phase out of credits for renewable projects and removing third party-owned models from qualification for credits, which impacts a large part of the US residential solar market. There is some hope that as the bill passes through the senate, we may see some more positive revisions to the bill.

As with everything in the global economy, uncertainty is a major hurdle, so whilst the clean energy legislation sours sentiment, it will eventually lead to reduced policy uncertainty – an essential step for sector progress. As we have seen over the last few years, there is still demand from corporate America for clean energy, particularly when you look at the growth of US data centres. Whilst the basket of clean energy stocks looks cheap, there are areas that are under pressure, such as US residential solar, while other segments remain attractive. There will, however, be an element of patience required as the political landscape calms.

A lot depends on the volatility of the US government in the months ahead, and whether or not trade tensions will ease or escalate. We have already begun to see the impact of tariffs and trade wars on the US economy, and let's not forget, the 90-day tariff pause is up in early July. As a result, we are hesitant to add to equity risk at this moment in time.

Cumulative Performance (Net of DFM fee & OCFs)

3 months	6 months	1 year	3 years	5 years	Since Inception (30/11/23)
-1.42%	-2.26%	2.26%	N/A	N/A	9.40%

Discrete Performance (Net of DFM fee and OCFs)

Jun 24 to May 25	Jun 23 to May 24	Jun 22 to May 23	Jun 21 to May 22	Jun 20 to May 21
2.26%	N/A	N/A	N/A	N/A

Thematic Allocation

JPM Climate Change Solutions	5.00%
Legal & General Clean Water	4.50%
Rize Environmental Impact 100 ETF	4.00%
Xtrackers MSCI World Health Care	3.50%
VanEck Semiconductor ETF	2.50%

Top 5 Funds

Amundi Index MSCI APAC Ex Japan SRI	12.00%
Amundi Index MSCI Emerging Markets	12.00%
Amundi Index MSCI USA SRI PAB	11.00%
UBS Emerging Market SRI Fund	10.00%
Amundi Index MSCI Japan SRI PAB	8.00%

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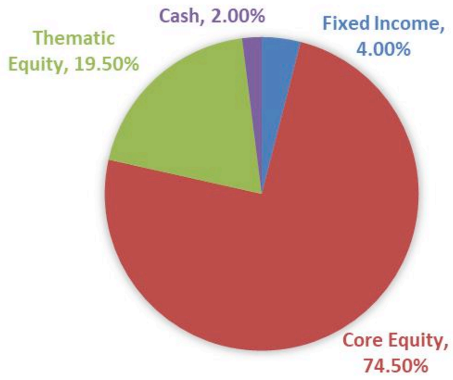
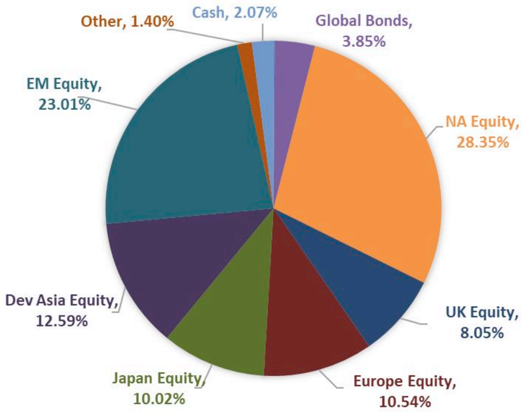
Asset Allocation



Geographical Allocation

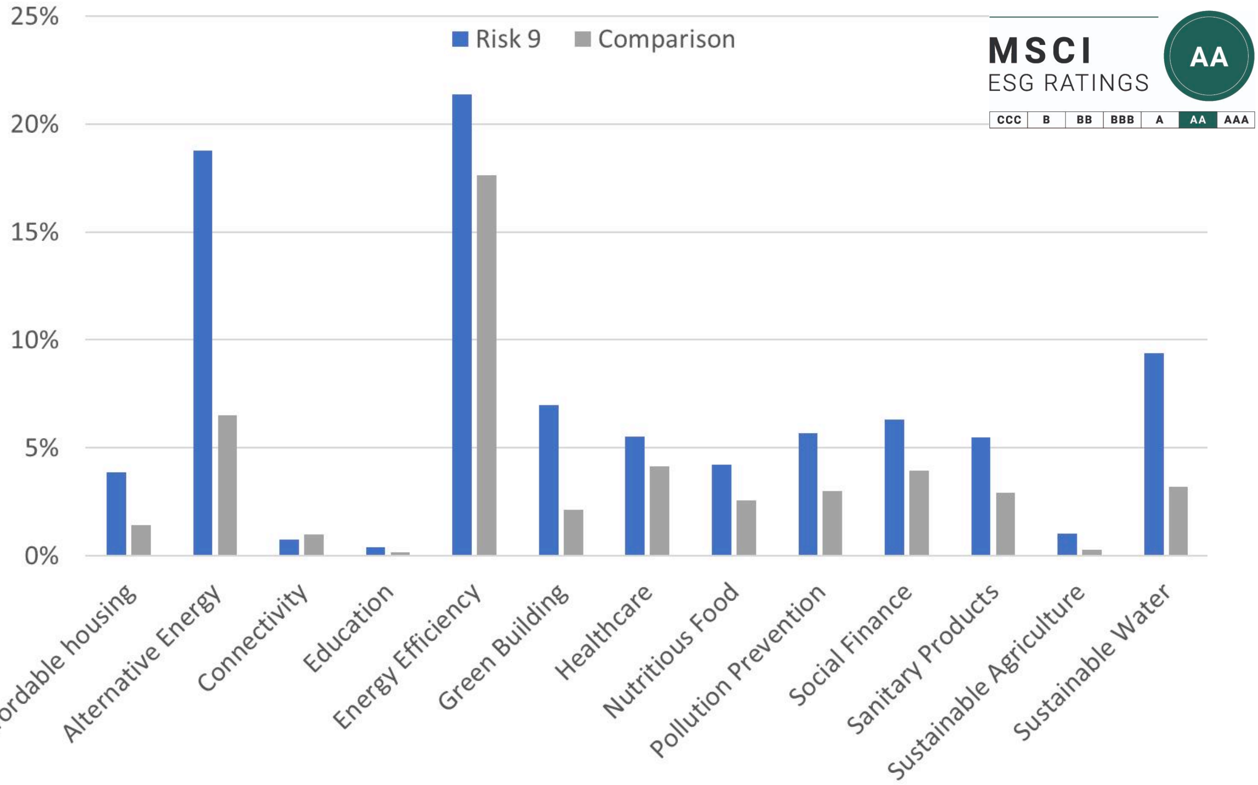


Fund SDR Classification

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 May 2025)

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

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ESG and Impact investing, will by its very nature, have no or very limited exposure to some 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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