# King & Shaxson Asset Management Balanced Model Portfolio

Launched March 2010

Monthly Factsheet as at 30th April 2025

A "Balanced" risk portfolio seeks to provide a balance between capital protection and appreciation by investing in a diversified portfolio of asset classes over the long-term (10 years). The portfolio is suitable for those whose financial situation can tolerate a moderate level of volatility in performance.

defaqto 5 RISK RATING BALANCED

ev Risk 1 - 5 | Risk 1 - 7 | Risk 1 - 10

DYNAMIC PLANNER PROFILED 5

FE Analytics

## Fees

| | |
|---|---|
| DFM fee: 0.20% to 0.40% (based on AUM) | |
| Portfolio OCF | 0.51% |
| Transactional Cost | 0.10% |
| Historic Yield | 2.03% |
| 5-Year Volatility | 8.53% |

## Excluded Activity

**X Adult Entertainment X Alcohol Production X Armaments X Fossil Fuel Exploration & Production X Major Environmental Concerns X Gambling X Tobacco Production**

Our aim us to achieve zero exposure to the above sectors. Whilst our portfolios are not focused on transition companies, where companies have credible and substantial plans to transition away from excluded activities, and where these plans are already evidently well underway, they may be included in portfolios. Eg Orsted

## 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 - British Land

Despite the building industry's significant environmental footprint, British Land is actively mitigating its impact by targeting a 50% reduction in embodied carbon within new developments as well as increasing operational performance of the existing portfolio. They also create positive value through the social impact of their spaces, including education initiatives, employment initiatives and creating affordable spaces. They are industry leading in their green build practices, 100% of their portfolio is certified to green building standards and they mandate net biodiversity gain of 15% in all new developments. British Land are strong from a governance perspective and are living wage accredited.

## Fund Manager's Report

April 2025 will certainly go down in the history books as Donald Trump's so called 'Liberation Day' sparked turmoil in financial markets and global trade. As Trump imposed the steepest US tariffs in a century, with at least 10% on all imports, equity weakness was widespread whilst there was a flight to safe havens such as gold and the Swiss Franc. Noticeably, this did not include the US dollar and US Treasuries, which have historically been considered safe haven assets.

Amongst the worst hit were US companies with overseas supply chains, affecting many consumer facing companies as well as big technology and semiconductors. This fed through to currency as investors looked to broaden away from the US, with the Euro and Japanese Yen soaring against the dollar. Many commentators began pointing to this moment as marking the peak of "US exceptionalism".

Weaker US GDP and hotter consumer price data on the last day of the month reflects the mood music in the current tariff environment. Stagflation has become a concern and has placed pressure on US bond yields, pressuring the negative correlation that fixed income has played during the recent equity market weakness. This places the Federal Reserve in a very tricky situation, but despite Trump's efforts to the contrary we do not believe the Fed will be in any rush to cut interest rates. This is in contrast to the Bank of England who are expected to deliver a rate cut in May, and a further 3 rate cuts to leave the bank rate at close to 3.5% by year end.

Portfolios held up relatively well given their lower exposure to US equities (compared to a conventional index) and the US dollar. In particular, the lack of exposure to US big tech companies was beneficial as markets continued to broaden in the selloff, with US equities underperforming global equities once more. The last week of the month did see equities rally as the US administration showed signs of their desire to pull back on tariff plans. A global basket of developed country stocks returned -2.40% after showing a -9.25% at one point in the month. These returns were broadly in line with many large-cap sustainable funds in our universe. Our regional exposure to the UK market was a standout performer, with Liontrust Sustainable Future UK Growth returning +3.97% whilst Janus Henderson UK Responsible Income returned +2.17%.

Surprisingly, given the wider weakness in healthcare, portfolios holding in Polar Capital Healthcare Opportunities was a standout performer in that sector, returning +0.37% for the month, highlighting the importance of active management. For reference, a global basket of healthcare companies returned -5.27%. Meanwhile, Water and Waste continued to perform strongly with Regnan Water and Waste returning +1.14% in the month.
After dragging on performance in prior quarters, it was encouraging to see that portfolio exposure to infrastructure was resilient and a positive contributor to performance, with RM Alternative Income returning +3.76% in April.

Similarly, portfolios continued to benefit from their shorter-duration stance. UK short-dated yields fell noticeably in the month as expectations for interest-rate cuts increased amidst the economic fears surrounding global trade. There is now close to 1% of interest rate cuts priced into the market by the end of 2025, versus 0.5% at the start of the month. Longer-dated yields fell an unsubstantial amount, with term-premium continuing to be applied to long-dated assets amidst fiscal sustainability concerns and global uncertainty.

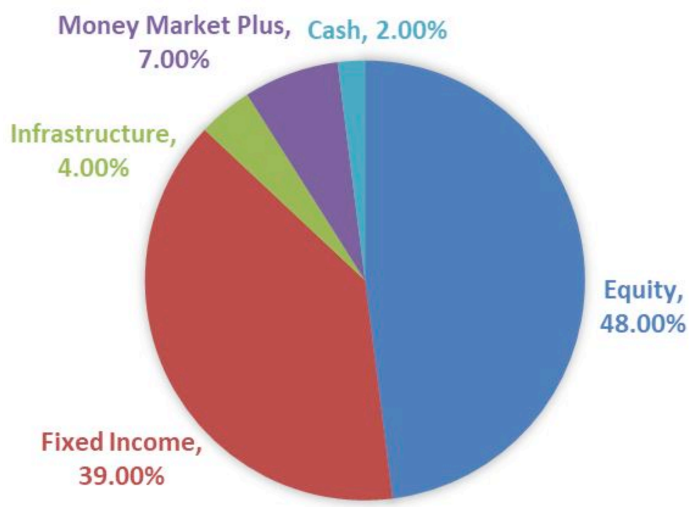
## Top 5 Equity Funds

| | |
|---|---|
| JH UK Responsible Income | 5.50% |
| CT Sustainable Global Equity Income | 5.00% |
| JH Global Sustainability Equity Fund | 4.50% |
| Hermes Sustainable Global Equity | 4.50% |
| Schroders Global Sustainable Value | 4.50% |

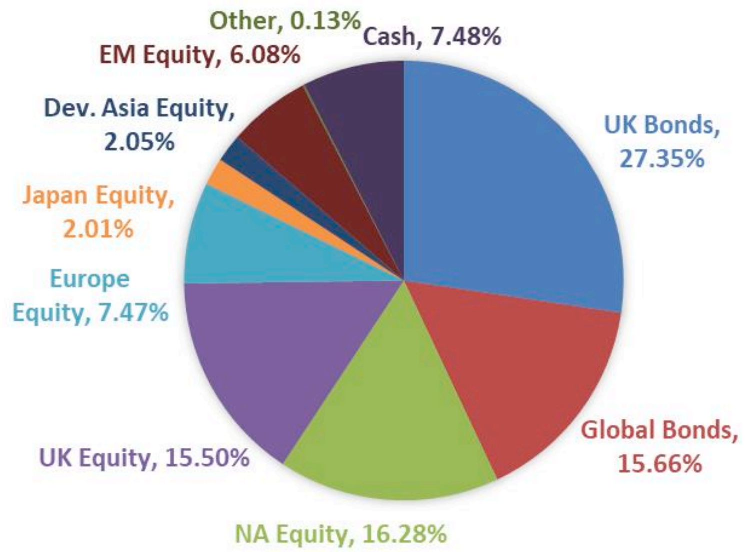
## Top 5 Bond Funds

| | |
|---|---|
| Threadneedle Social Bond Fund | 7.00% |
| Aegon Global Sustainable Sov Bond Fund | 7.00% |
| Lyxor UK Government Bond 0-5 ETF | 6.50% |
| Wellington Global Impact Bond Fund | 6.00% |
| AXA Short Duration Green Bond | 5.50% |

## Asset Allocation




## Geographical Allocation




## Cumulative Performance (Net of DFM fee & OCFs)

| 3 months | 6 months | 1 year | 3 years | 5 years | 10 Years | Inception |
|---|---|---|---|---|---|---|
| -2.38% | -1.08% | 2.33% | -3.32% | 14.02% | 45.53% | 118.61% |

## Discrete Performance (Net of DFM fee and OCFs)

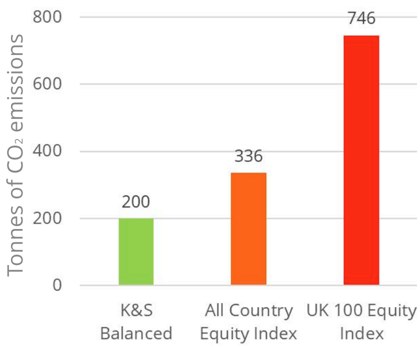
| Apr 24 to Mar 25 | Apr 23 to Mar 24 | Apr 22 to Mar 23 | Apr 21 to Mar 22 | Apr 20 to Mar 21 |
|---|---|---|---|---|
| 2.33% | 2.42% | -7.75% | -1.19% | 19.35% |

## Cumulative Performance Since Inception (based on £10k Invested)

The chart below provides an indicative guide to the performance returns for a £10,000 investment since the inception of the model portfolio. Please remember this factsheet is just a snapshot in time in relation to performance data, and is not intended or to be relied upon by retail investors. Note that the value of investments and the income arising from them, may fall as well as rise and is not guaranteed.


*Source: FE Analytics and King & Shaxson Asset Management*

## Fund Carbon Data



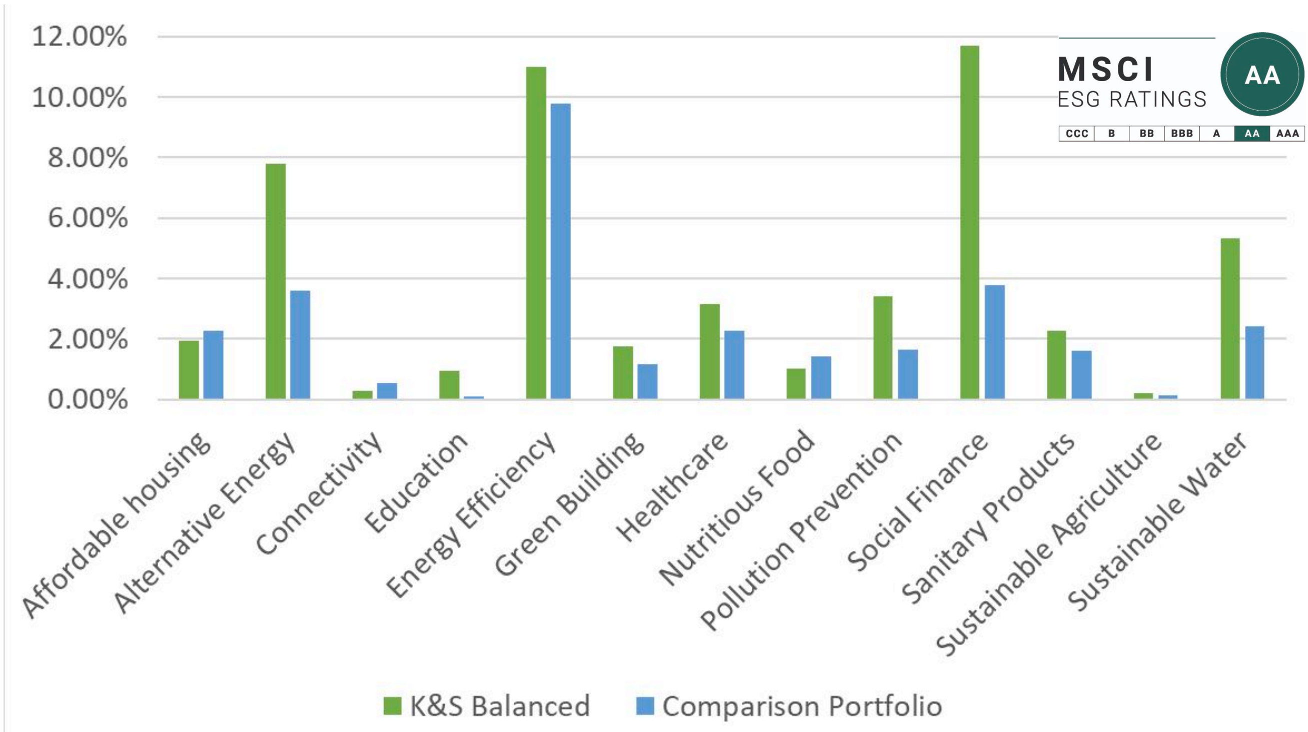

**Methodology:** Represents a normalized measure of a fund's contribution to climate change that apportions companies' carbon emissions. This figure measures the total annual Scope 1, 2 & 3 carbon emissions in tonnes (reported or estimated) associated with $1 million invested in the equity element of the portfolio. It is calculated as the sum of companies' Scope 1+2+3 carbon emissions weighted by the most recently available enterprise value including cash (EVIC) and by the weight of companies in the fund. Correct as at February 2025 (Source: MSCI)

## 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 February 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.

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MSCI's coverage of the funds underlying companies within your portfolio is not yet 100% (Funds MPS overall coverage ranging from 70-88%). It is therefore possible that there could be some upside in the exposure to the positive investment themes. We do expect the coverage to expand over time, as the quality and depth of reporting widens through the universe of investable stocks. Four funds held in portfolios, the Gravis Clean Energy Income fund, the Foresight UK Infrastructure fund, the Gravis UK Infrastructure Income Fund and the RM Alternative Income Fund, have an underlying company coverage between 25-46%. Therefore, for these four funds only, we have inferred the alternative energy data from the fund house's own material, as this has a clear revenue link to this theme.

## Contact Details

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Disclaimer: Please remember this factsheet is just a snapshot in time in relation to performance data, and is not intended or to be relied upon by retail investors. Note 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. Investors should be aware of the underlying risk associated with investing in shares of small-cap stocks and emerging markets. These can prove to be more volatile than in more developed stock markets. Derivative instruments may be used from time to time for the purpose of efficient portfolio management.
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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