King & Shaxson Asset Management Adventurous Model Portfolio

Launched March 2010

Monthly Factsheet as at 31st October 2023

KING & SHAXSON Asset Management | Rewarding your Values

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

An "Adventurous" risk portfolio seeks to achieve high returns. Investors must be prepared to accept a high level of risk and volatility in the expectations of higher-than-average returns over the longer term (10 years). The portfolio will mainly consist of equity funds so investors will take a high degree of risk with their capital.

defaqto 8 RISK RATING ADVENTUROUS | ev Risk 1 - 5, Risk 1 - 7, Risk 1 - 10 GROWTH | DYNAMIC PLANNER PROFILED 8 | FE ANALYTICS BE BETTER INFORMED

Fees

DFM fee: 0.24% to 0.48% inc VAT (based on AUM)	
Portfolio OCF	0.89%
Transactional Cost	0.20%
Historic Yield	1.10%
5 yr Volatility	13.86%

Excluded Activity

X Adult Entertainment X Aggressive Tax Practices X Alcohol Production X Armaments X Fossil Fuels X Gambling X Human Rights Abuse X Illegal Deforestation X Intensive Farming X Nuclear Generation X Poor Environmental Management X Tobacco Production

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

Investment Committee

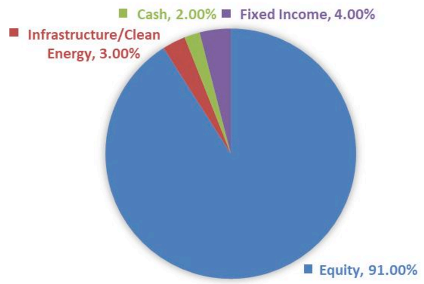
Wayne Bishop
Chief Executive Officer

Craig Hart
Platform & MPS Proposition

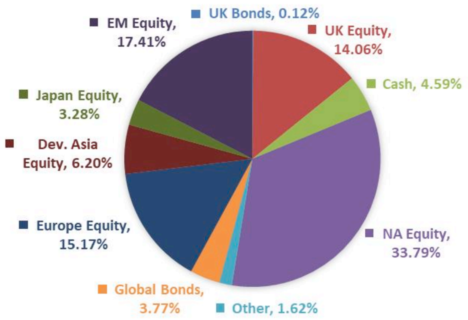
Harry Thompson
Portfolio Manager

Will Arnold
Assistant Portfolio Manager

Asset Allocation



Geographical Allocation



Fund Manager's Report

The market has been positioning for higher for longer in respect to interest rates, with cuts being pushed further down the road. Since then, there have been a number of developments which have consolidated this view. Aside from the housing market, economic data points to an economy that is remaining strong, in particular the US labour market. There have also arisen new risks in the Middle East, a truly devastating situation that needs no further comment here. The impact on global financial markets has so far been minimal, but the risk of wider escalation has the potential to do so. As a leading Wall Street CEO recently commented, "this may be the most dangerous time the world has seen in decades".

We are of the view that the rate hiking cycle has peaked, particularly in Europe and the UK. European inflation numbers released at the end of the month showed meaningful falls, and commentary from the Central Bank suggest they are at the peak. We have also seen this from bank earnings, where many have warned that net-interest income is expected to drop next year after a year of benefitting from rate hikes. Given this rationale, we have seen value in shorter-duration fixed-income and have increased exposure to this, at the expense of more interest rate sensitive asset classes. We remain concerned on longer-duration yields given the supply and demand dynamics as central banks continue with quantitative tightening and government deficits continue to grow.

We are seeing signs of capitulation in various subsectors we are exposed to, particularly renewable energy. We see the continued weakness as opportunities to buy given the longer-term investment thesis (please see recent comments). We increased exposure to clean energy in the month, although the focus was on better capitalised names given the headwinds of higher rates.

Given sentiment, we have looked to increase exposure to larger-cap equities, to complement the more disruptive and solutions-based companies within portfolios. Large-cap companies are better capitalised and have a more diversified and global footprint, which will build some resilience into the portfolios. A sector that has been of interest is healthcare, where the larger-cap companies have also disappointed alongside smaller-cap. We see a compelling investment case in some of these names. As a result, equity exposure moved higher over the month.

October also saw a wave of company reporting which gave investors further data and information to digest. The slowdown in global growth is beginning to take hold, with industrial companies such as ABB (focused on electrification and automation) seeing earnings lower than expected due to weakness in Europe and China. Companies in this sector have benefitted from full order backlogs that have built up since Covid, but these are now starting to normalise as the economic backdrop gets tougher. On the flip side, several consumer facing companies have reported better than was expected as consumers continue to be resilient in the face of higher interest rates because of rising salaries. We anticipate this to start pivoting as the labour market continues to soften in the UK and Europe, and will eventually start to in the US.

Cumulative Performance (Net of DFM fee & OCFs)*

3 months	6 months	1 year	3 years	5 years	10 Years
-9.83%	-8.12%	-5.83%	-0.67%	22.86%	73.06%

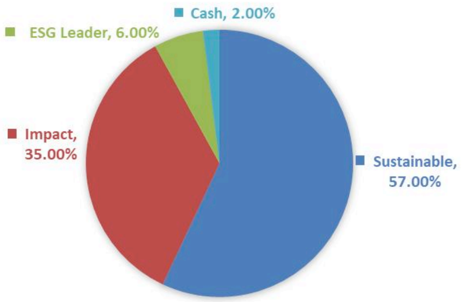
Discrete Performance (Net of DFM fee and OCFs)*

Nov 22 to Oct 23	Nov 21 to Oct 22	Nov 20 to Oct 21	Nov 19 to Oct 20	Nov 18 to Oct 19
-5.83%	-12.72%	20.85%	9.00%	13.47%

Top 5 Funds*

UBAM Positive Impact EM Equity Fund	10.00%
Stewart Investors Asia Sustainability Fund	10.00%
JH UK Responsible Income Fund	9.00%
M&G Positive Impact Fund	8.00%
Polar Capital Healthcare Opportunities Fund	8.00%

Ethical Classification*

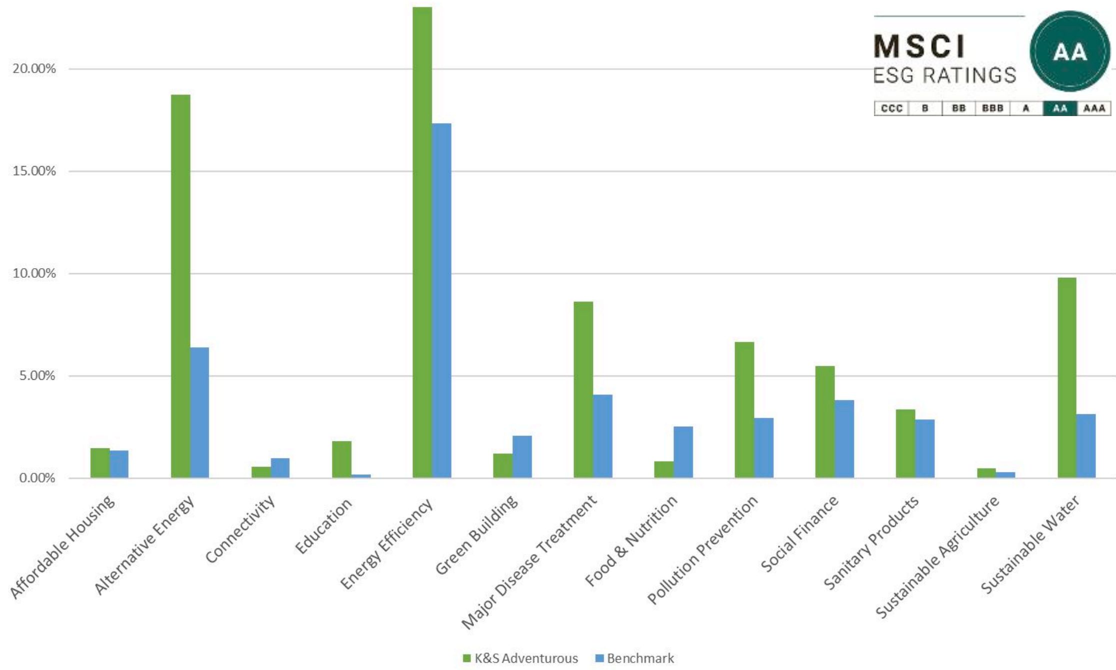


Stock Pick - Dexcom

Dexcom are a leader of diabetes care technology. They have spent the last 20 years innovating and developing simpler and better ways for people with type 1 diabetes to measure, track and manage their diabetes. Until recently the only way to know your glucose levels was to prick your finger, which is still practised by many people with diabetes today. Whilst finger pricking is able to measure your current glucose level at the time, it can't predict where your glucose levels are heading or how quickly. So, you end up having to finger prick again and again to try and build up a picture. Continuous glucose monitoring (CGM) systems, such as the Dexcom CGM System, measure glucose levels every 5 minutes, letting you see how your glucose levels are changing over time, and allows you to predict what they'll do next – without finger pricks or scanning.

Positive Investment Themes (Correct as at October 2023)

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.



MSCI's coverage of the funds underlying companies within your portfolio is not yet 100% (Funds MPS coverage ranging from 68- 84%). 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. Two funds held in portfolios, the Gravis Clean Energy Income fund and the Foresight UK Infrastructure fund, had an underlying company coverage between 30-40%.Therefore, for these two funds only, we 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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