Monthly factsheet as at 31December 2021

KING&SHAXSON ethical investing

King & Shaxson Ethical Balanced Portfolio

WINNER TWO TIMES Investment Life & Pensions Moneyfacts Awards 2020-2021 Best Ethical Discretionary Fund Manager

Fees

0.24% to 0.48% inc VAT (based on AUM level)	
5 Year Volatility	8.12%
Portfolio Underlying Fund Charges	0.65%

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

DYNAMIC PLANNER PROFILED 5

Fund Manager's Report

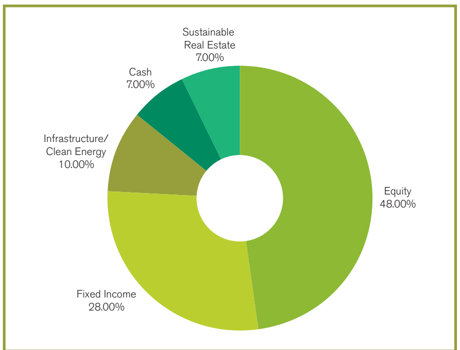
Looking back over the month of December, the threat of exponentially rising Covid-19 cases and changing monetary policy has been key. There has been a rush against the clock of booster vaccinations in the run up to Christmas; with rising infection rates and families preparing to reunite, obtaining lateral flow test kits briefly became a Christmas miracle before supply chains reacted. Boris Johnson managed to push Plan B through parliament, introducing work from home measures and mandatory face coverings in all indoor venues excluding hospitality. At current, hospitalisation of the Omicron variant is still unclear, although current findings are in support of vaccine uptake. The Omicron variant stays at the forefront of concerns as we enter January.

The Bank of England caught markets off guard with the first interest rate rise in three years, to 0.25%. Usually, a hawkish approach to monetary policy is well flagged as to not spook the markets, but the lack of clear indication and the current Covid-19 environment meant it was generally unexpected. Despite the surprise, the central bank's attempt to control inflation and inflation expectations was well received by markets, bringing back confidence in the UK's ability to get a grip on rising prices. A similar aggressive approach was seen in the US, where the Fed announced a speeding up of the tapering process to allow rate rises to be used as a tool to stop inflation becoming entrenched. It seems on the whole central banks are finally reacting to the serious inflation threats posed to the some of world's largest economies. Even the European Central Bank announced plans to scale back its bond-buying, although it is unlikely, we'll see a rate hike next year.

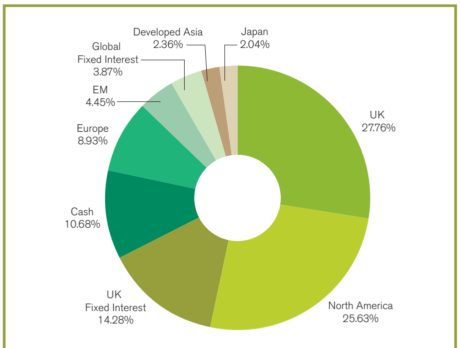
Equity markets have been more volatile throughout the month as a result of the new variant and changing monetary policy environment; global markets hit their biggest one-day gain at the start of the month as new data pointed at Omicron being less deadly. Equity markets have also in general rallied in post-Christmas trading; it seems FOMO (fear of missing out) continues to drive investor appetite to buy the dips, but there are concerns over the sustainability of high-returning equity markets that we've seen in 2021. It has certainly been the year of equities, and bond markets have suffered on the flip side of this; investors continue to favour short-term debt, if any, as further tightening of monetary policy is anticipated.

Energy prices are expected to continue to rise, putting pressure on UK households; the government are now considering a much wider package of help for those facing a financial squeeze as a result. Supply chain constraints were expected in the run up to Christmas, with the likes of Apple having to halt some assembly lines for several days as Chinese factories shut due to energy restrictions. Supply shortages and a lack of delivery drivers may have left the unprepared empty-handed on Christmas day. However, the easing of supply constraints and a replenishment of inventories may add support in the quarters ahead. There were no changes to portfolios during the month.

Asset Allocation*



Geographical Analysis*



Cumulative Performance (Net of DFM fee & OCFs)*

3 months	6 months	1 year	3 years	5 years
2.51%	4.43%	7.70%	41.58%	50.37%

Discrete Performance (Net of DFM fee and OCFs)*

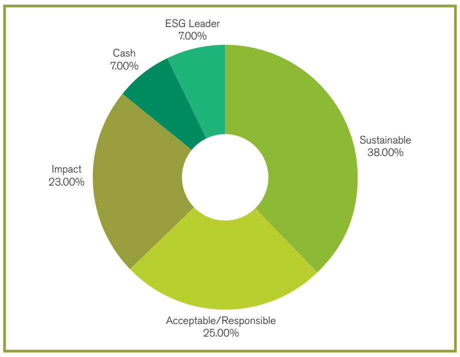
Jan 21 to Dec 21	Jan 20 to Dec 20	Jan 19 to Dec 19	Jan 18 to Dec 18	Jan 17 to Dec 17
7.70%	11.38%	18.02%	-3.81%	10.42%

Top 10 Funds*

Threadneedle Social Bond Fund	9.00%
Cash	7.00%
Rathbone Ethical Bond Fund	7.00%
Foresight Sustainable Real Estate	7.00%
Aegon Ethical Corp Bond Fund	6.00%
Edentree Resp & Sust Bond Fund	6.00%
Janus Henderson UK Responsible Income	6.00%
Liontrust SF UK Growth Fund	6.00%
M&G Positive Impact Fund	6.00%
Ninety One UK Sustainable Fund	6.00%

*Source: King and Shaxson Asset Management Ltd

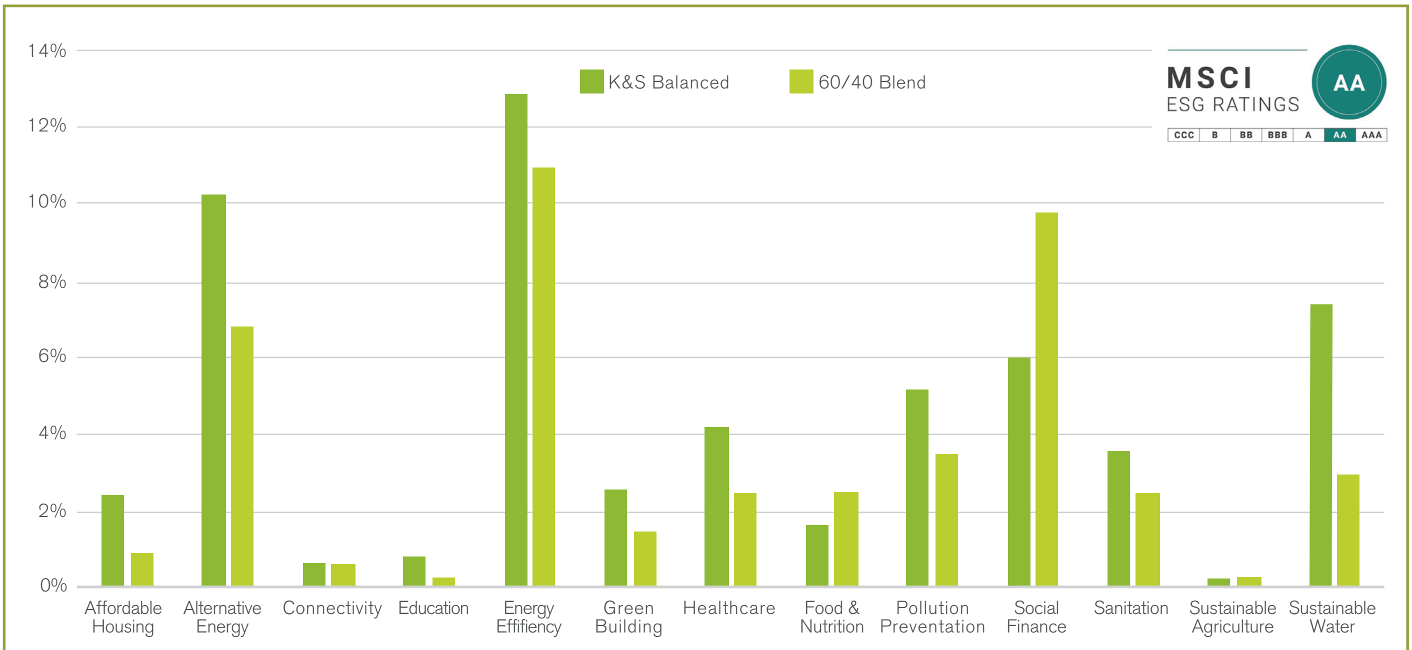
Ethical Classification*



Stock Pick – BIFFA is the UK's no.1 Industrial & Commercial waste collection service provider, with nationwide operations covering over 95% of UK postcodes with their fleet. We regard it as a Positive Outcome investment and it is the preferred provider of waste collection to residents of 40 local authorities across the UK, with 4 of the top 10 best performing councils (from the DEFRA recycling league table) being looked after by them. Anaerobic Digestion (AD) technology is increasingly being deployed across the UK, converting waste food matter into bio methane. Anaerobic digestion technology is used to generate green energy, which is then exported to the National Grid. Its operations are certified to environmental standard ISO14001, and the company has significantly and progressively reduced its carbon emissions per tonne of waste processed. Having reduced emissions by 70% since 2002, its 2030 targets include a further 50% reduction in CO2 emissions, ceasing to buy fossil-fuelled vehicles and buying 100% renewable electricity for its operations.

Positive Investment Themes (Correct as at H2 2021)

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 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 is 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.

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