

**Fees**

|  |       |
|--|-------|
| 0.24% to 0.48% inc VAT<br>(based on AUM level) |       |
| 3 Year Volatility                              | 6.68% |
| Portfolio Underlying<br>Fund Charges           | 0.46% |

A “Defensive” risk portfolio seeks to provide an enhanced level of capital protection whilst still allowing investors the ability to achieve modest long-term growth (10 years). The portfolio is suitable for risk-averse investors whose financial temperament cannot tolerate variation in performance. Whilst the emphasis is on lower volatility and capital preservation, a small amount of risk will be taken to seek a higher return.



**Fund Manager’s Report**

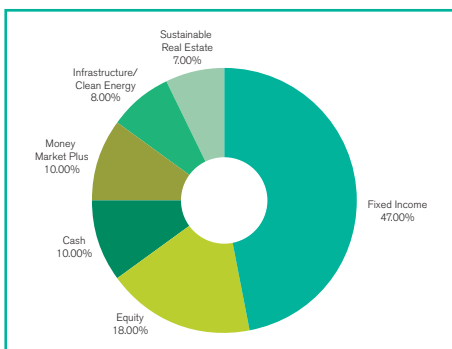
Looking back over the month of December, the threat of exponentially rising Covid-19 cases and changing monetary policy has been key. There has been a rush against the clock of booster vaccinations in the run up to Christmas; with rising infection rates and families preparing to reunite, obtaining lateral 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.

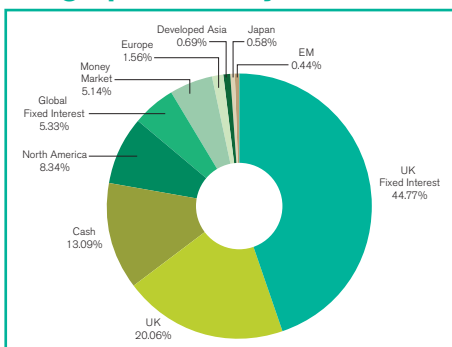
Equity markets have been more volatile throughout the month as a result of the new variant and changing monetary policy environment; global markets hit their biggest one-day gain at the start of the month as new data pointed at Omicron being less deadly. Equity markets have also in general rallied in 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 mths | 6 mths | 1 yr  | 3 yr   | Inception (20/11/2018) |
|--------|--------|-------|--------|------------------------|
| 1.69%  | 2.60%  | 3.08% | 25.48% | 24.28%                 |

**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 |
|------------------|------------------|------------------|------------------|------------------|
| 3.08%            | 8.51%            | 12.18%           | n/a              | n/a              |

**Top 10 Funds\***

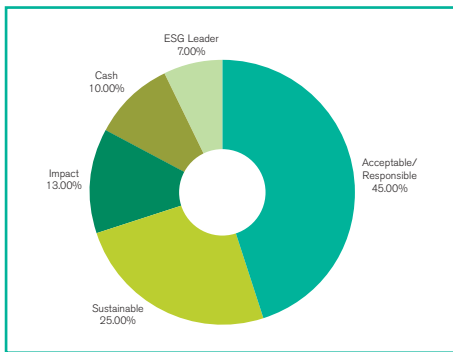
|   |        |
|---|--------|
| Cash                                    | 10.00% |
| Edentree Resp & Sust Bond Fund          | 10.00% |
| Rathbone Ethical Bond Fund              | 10.00% |
| RLAM Cash Plus Fund                     | 10.00% |
| Threadneedle UK Social Bond             | 10.00% |
| Vanguard UK Inflation-Linked Gilt Index | 10.00% |
| Foresight UK Infrastructure Fund        | 8.00%  |
| Aegon Ethical Corp Bond Fund            | 7.00%  |
| Foresight Sustainable Real Estate       | 7.00%  |
| Ninety One UK Sustainable Fund          | 4.00%  |

**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. King & Shaxson Asset Management Limited (Reg. No. 3870667) has its registered office at 1st floor, Cutlers Court, 115 Houndsditch, London, EC3A 7BR. 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.

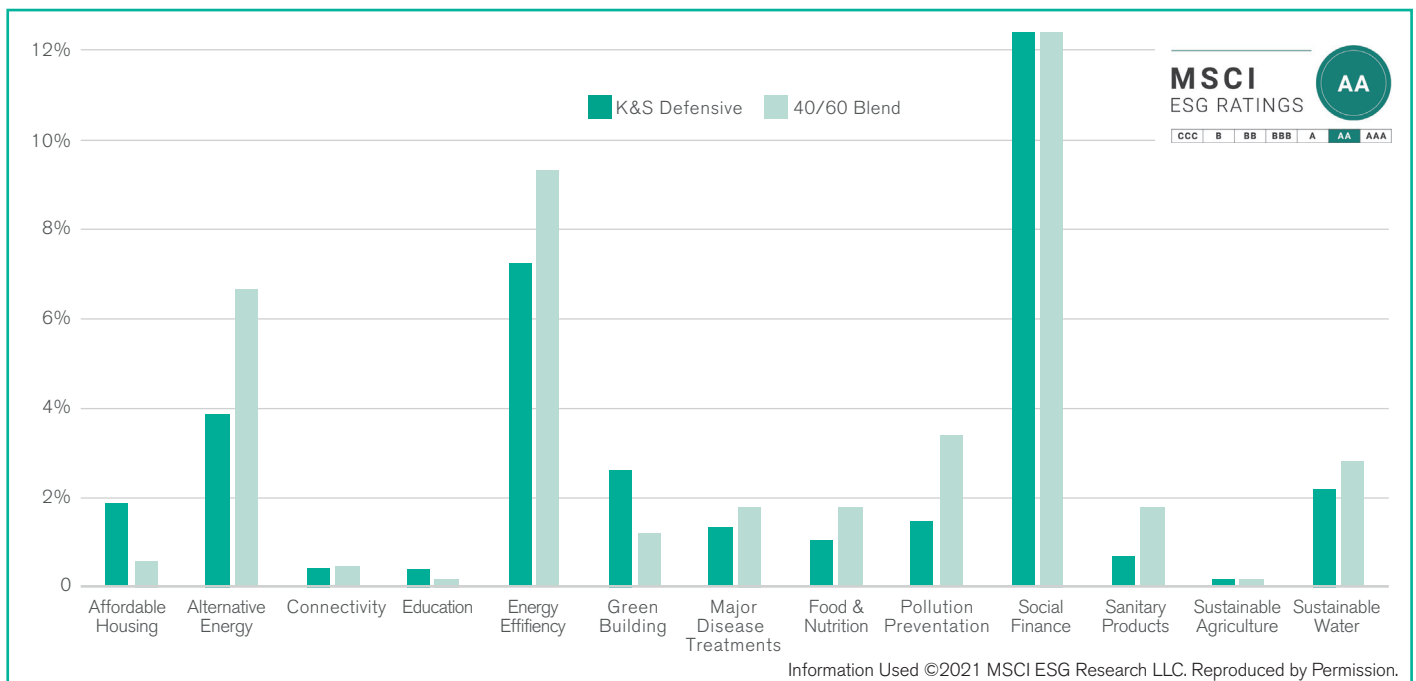
## Ethical Classification\*



**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.



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.

## Contact Details

### King & Shaxson Ethical Investing

1st Floor, Cutlers Court, 115 Houndsditch, London EC3A 7BR

[www.kingandshaxsonethical.co.uk](http://www.kingandshaxsonethical.co.uk)

T: 020 7426 5960 E: [ethical@kasl.co.uk](mailto:ethical@kasl.co.uk)

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