

A "Growth" risk portfolio seeks to have a higher bias towards capital appreciation and is suitable for those whose financial situation can tolerate an above moderate to high level of volatility in performance, in return for above average returns over the long term (10 years).



Fees

DFM fee: 0.20% to 0.40% (based on AUM)

Portfolio OCF 0.83%

Transactional Cost 0.17%

Historic Yield 1.31%

5 yr Volatility 3.59%

Excluded Activity

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

Our aim is 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



Stock Pick - Klabin

Founded in 1899 and headquartered in São Paulo, Brazil, Klabin S.A. is a leader in the paper and pulp industry, specialising in the production of sustainable paper & packaging solutions. It engages in responsible forestry practices, planting and managing pine and eucalyptus trees. This ensures a sustainable supply of raw materials while preserving biodiversity. Klabin plants over 90 trees every minute, expanding its 719,000 hectares of forestry, 42% of which are conservation areas. This provides a protected home for over 855 species of fauna and 1968 species of flora, dozens of which are threatened by extinction. By producing sustainable packaging, including recycled paper, industrial bags, corrugated boxes, Klabin's products are designed to be biodegradable and recyclable, offering a more sustainable alternative to traditional plastic packaging.

Fund Manager's Report

Big tech stocks linked to the Artificial Intelligence theme continue to drive equity indices higher, with Nvidia briefly becoming the world's most valuable listed company in June. In the quarter, more sectors in the main US bourses were negative than were positive whilst larger capitalisation companies with strong balance sheets continue to outperform. Higher for longer rates in the US are now priced in, but data in June continued to show inflation trending down, although the job market was hotter than expected. As expected, the European Central Bank (ECB) cut rates, although it was seen as quite hawkish given they raised their estimates for inflation. Corporate earnings did point once more to a weakening economy, with several high-profile retailers missing expectations and providing very weak forward guidance.

It was politics, however, that was the big driver in markets during June as attention was placed once more on the size of government deficits, driven by a new wave of populism through Europe as right-wing parties performed well at the European elections. The surprise calling of an election in France heightened this, with Marine Le Pen's National Rally expected to perform strongly on a mandate expected to increase the deficit, at a time when France are already under scrutiny from the EU. Political developments and policies have led to commentators reminding the market of what happened in the UK under the leadership of Liz Truss.

Attention is also on the other side of the Atlantic, with a dismal performance from President Biden in a debate leading to renewed attention on how Trump 2.0 will play out in bond markets. The expectation is that long-term interest rates are rising relative to the short-term, and we continue to remain cautious towards extending portfolio duration. Surprisingly, in the context of the last few years, the UK appears stable ahead of the general election, with economic policies being similar between Labour and the Conservatives. Markets are happy with the expected Labour government, and we have an improving view to the UK.

The clean energy and energy transition universe had a weak month, reflected in the global clean energy index being down over 8%. Concerns over earnings and the prolonged higher rate scenario in 2024 have continued to weigh. Meanwhile, as noted above, the support for Trump and the growth of populist parties in Europe were both seen as having a detrimental impact on the roll out of clean policies. US solar was particularly hit following question marks over Biden's credibility. Major solar indices were down around 13% in June, with leading players such as First Solar returning -16.46% in sterling terms.

Portfolios developing world exposure benefited from the outcome of the Indian election, which was initially taken negatively given the incumbent, Modi, lost his overall majority. However, this is now seen as a positive given it will add a layer of scrutiny over government direction. Markets now expect a renewed focus on economic growth, with key government positions, such as finance, being held by previous ministers despite the coalition. The Indian mid-cap market was up over 8% in local currency terms for June, which left it at over 14% in the green for the second quarter. We continue to favour India for our emerging exposure, but have taken opportunities in previous rebalances to rotate into selected broader EM markets, and more specifically, China.

Portfolios healthcare exposure was a standout in the month, with Polar Capital Healthcare Opportunities fund returning over 6.5% in sterling terms. The wider healthcare sector was slightly in the green in June, whilst biotech was a standout subsector. Stock selection was a key driver of returns, with the fund's largest holding, Zealand Pharma, returning over 38% in June following the early results of its next-generation weight-loss compound which puts it in competition with leading brands.

Cumulative Performance (Net of DFM fee & OCFs)

3 months	6 months	1 year	3 years	5 years	10 Years
-0.53%	2.96%	6.31%	-2.37%	24.63%	85.30%

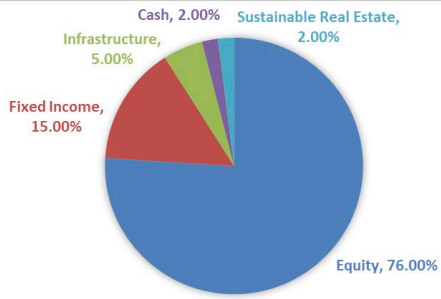
Discrete Performance (Net of DFM fee and OCFs)

Jul 23 to Jun 24	Jul 22 to Jun 23	Jul 21 to Jun 22	Jul 20 to Jun 21	Jul 19 to Jun 20
6.31%	3.07%	-10.90%	21.20%	5.32%

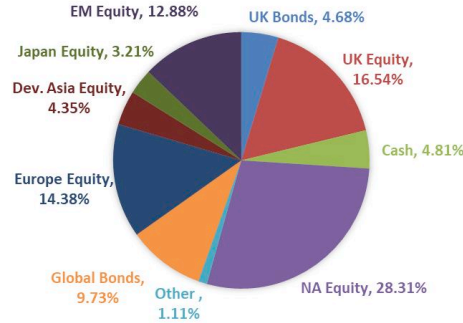
Top 5 Funds

Janus Henderson UK Responsible Income	9.00%
Janus Henderson Global Sustainability Equity Fund	7.00%
M&G Positive Impact Fund	7.00%
Regnan Global Equity Impact Solutions	7.00%
Polar Capital Healthcare Opportunities	6.50%

Asset Allocation



Geographical Allocation

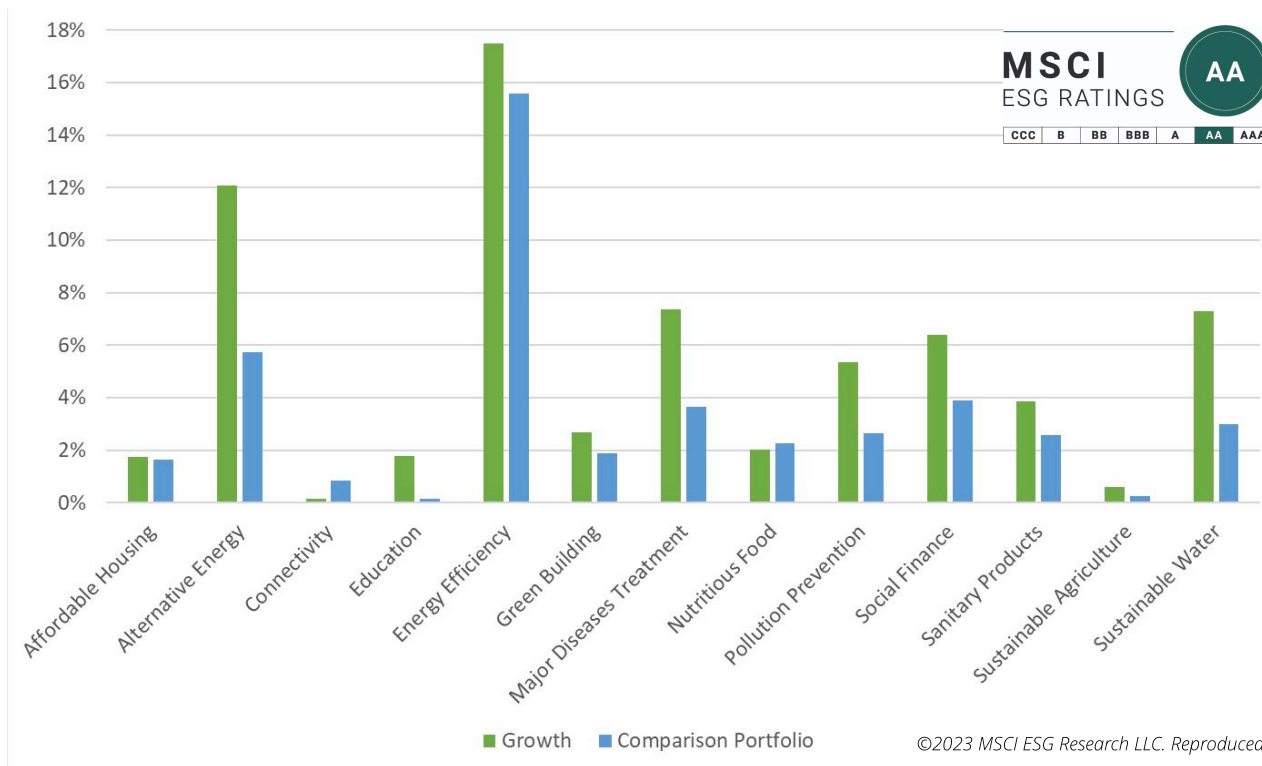


Fund SDR Classification

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 April 2024)

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

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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