

# EVERYTHING ETHICAL

## MONTHLY NEWSLETTER

– ETHICAL MPS

### Everything Ethical Newsletter – November 2025

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#### Market Commentary

Global equity markets sustained a period of weakness in November as increasing attention was paid to lofty tech valuations, with AI bubble calls growing ever louder. Despite a rally into month end, a global basket of stocks returned -0.48%. There was further uncertainty over the path of Federal Reserve rate cuts with the delays to economic data releases as a result of the US shutdown clouding the picture. This created a risk averse sentiment in the month, demonstrated by riskier assets, such as cryptocurrency, having a particularly weak month.

Under the surface, value equities outperformed as did smaller companies as investors moved away from more concentrated areas of the market. This was reflected in portfolios core global sustainable funds detracting from performance whilst Schroder's Global Sustainable Value Equity fund returned +2.15%. With the risk off sentiment, Emerging Markets weighed the most with the abrdn EM SDG Equity fund returning -3.59%. Healthcare continued to be well supported, with the Polar Capital Healthcare Opportunities fund returning +5.05%. With its more defensive properties, the Regnan Sustainable Water and Waste returned +0.29%.

In the UK, the budget was the main event of the month following extensive speculation and rumour in the run-up to it. Despite some large swings, longer dated UK government debt yields were relatively flat on the month, with the fiscal headroom that was delivered soothing bond markets. That being said, the government has plenty of work to do in rebuilding some of its credibility. There is also some nervousness that the can has been kicked down the road, given the fiscal loosening that will occur in the next two years as spending increases, followed by a period of tightening as taxes rise later on in the parliament. Portfolios UK equity exposure was mixed, with the more value focussed Janus Henderson UK Responsible Income fund keeping in line with global equities and returning -0.45%, whilst the growth focussed Liontrust Sustainable Future UK Growth fund returned -2.29%.

November did see a significant increase in expectations for a rate cut by the Bank of England in December. At the start of the month, the market was pricing in less than a 40% chance of a cut, by month end this had risen to over 90%. This on the back of swathes of poor economic data coming out of the UK with regards to the labour market, retail sales and confidence gauges, alongside a close split decision at November's MPC meeting. Fixed income was a positive contributor across the board, notably global credit which benefited from the risk off sentiment; T Rowe Price Global Impact Credit and Rathbone Global Sustainable Bond returned +0.37% and +0.48% respectively.



Despite yields remaining stable, infrastructure investments lagged. There was significant M&A news in the renewable infrastructure sector, with a merger between HICL and TRIG proposed by both boards. It came under immense scrutiny from HICL shareholders and the chances of it going through looked slim within a day (as of 1st Dec it was called off). We felt the emergence of M&A talk may have provided some support, as it did within the REIT sector earlier in the year, but to no avail. In recent months, the underlying infrastructure exposure has shifted away from the UK to lock in recent profits and gain exposure to more defensive infrastructure globally.

### Model Portfolio transactions in the month:

There were no changes to portfolios during the month.

### Performance:

Funds MPS	November 2025
Defensive	-0.11%
Cautious	-0.41%
Balanced	-0.58%
Balanced Growth	-0.78%
Growth	-1.02%
Adventurous	-1.34%

### MPS Stock pick feature

**Smurfit Westrock** is a global leader in sustainable paper-based packaging. They create solutions from renewable, recyclable materials to help deliver a better future for all. Pollution and waste from single use packaging remains a huge issue for the environment. This is a major environmental problem with increasing concerns for human health. Through an investment in their green bond, the proceeds arising focus on projects around the circular economy, including reclamation and recycling of used fibres, paper milling and packaging conversion. A small proportion of the proceeds will be invested in sustainable management of forestry assets.

### Fund House Meetings

During November we met with Foresight, Robeco, BlueBay, ColumbiaThreadneedle, HANetf, CCLA, RLAM & T Rowe Price.

### Ethical News

**Westmorland & Furness Council** has approved the **UK's largest floating solar project** at the Port of Barrow. The council approved the 40MW Barrow EnergyDock project, set to be the UK's largest floating solar project. Associated British Ports will construct the project on Cavendish Dock in Cumbria. The installation, covering about one-third of the dock, aims to provide cleaner, resilient energy for the region without hindering current leisure activities.

**Global energy transition investment reached a record \$2.4 trillion in 2024, with renewable energy hitting \$807 billion.** However, annual growth slowed significantly to 7.3%. The International Renewable Energy Agency (IRENA) notes that 90% of investment is

concentrated in advanced economies and China, necessitating scaled-up finance to meet the goal of tripling renewable capacity by 2030.

**Brazilian coffee farmers are having to change their coffee production in response to climate change.** Droughts and hotter temperatures are affecting the growth of mild arabica coffee in Brazil. Consequently, farmers are increasingly shifting investments to robusta, a more bitter variety that tolerates heat and resists diseases. Robusta production has grown over 81% in the past 10 years, outpacing arabica, Brazil's main coffee export.

**The Congo Basin forest, which is larger than India, is the world's biggest tropical carbon sink.** It absorbs 600 million tons of carbon dioxide annually. However, a new scientific report warns that rising deforestation from logging and slash-and-burn agriculture threatens this crucial climate bulwark.

Gavi and UNICEF secured a deal for the R21/Matrix-M™ malaria vaccine, dropping the price to \$2.99 which is expected to bring \$90 million in savings. These savings will secure over 30 million additional doses, enabling the full vaccination of nearly 7 million more children against malaria over five years. The deal is financed by Gavi through an advance payment enabled by the innovative **International Finance Facility for Immunisation (IFFIm) mechanism**.

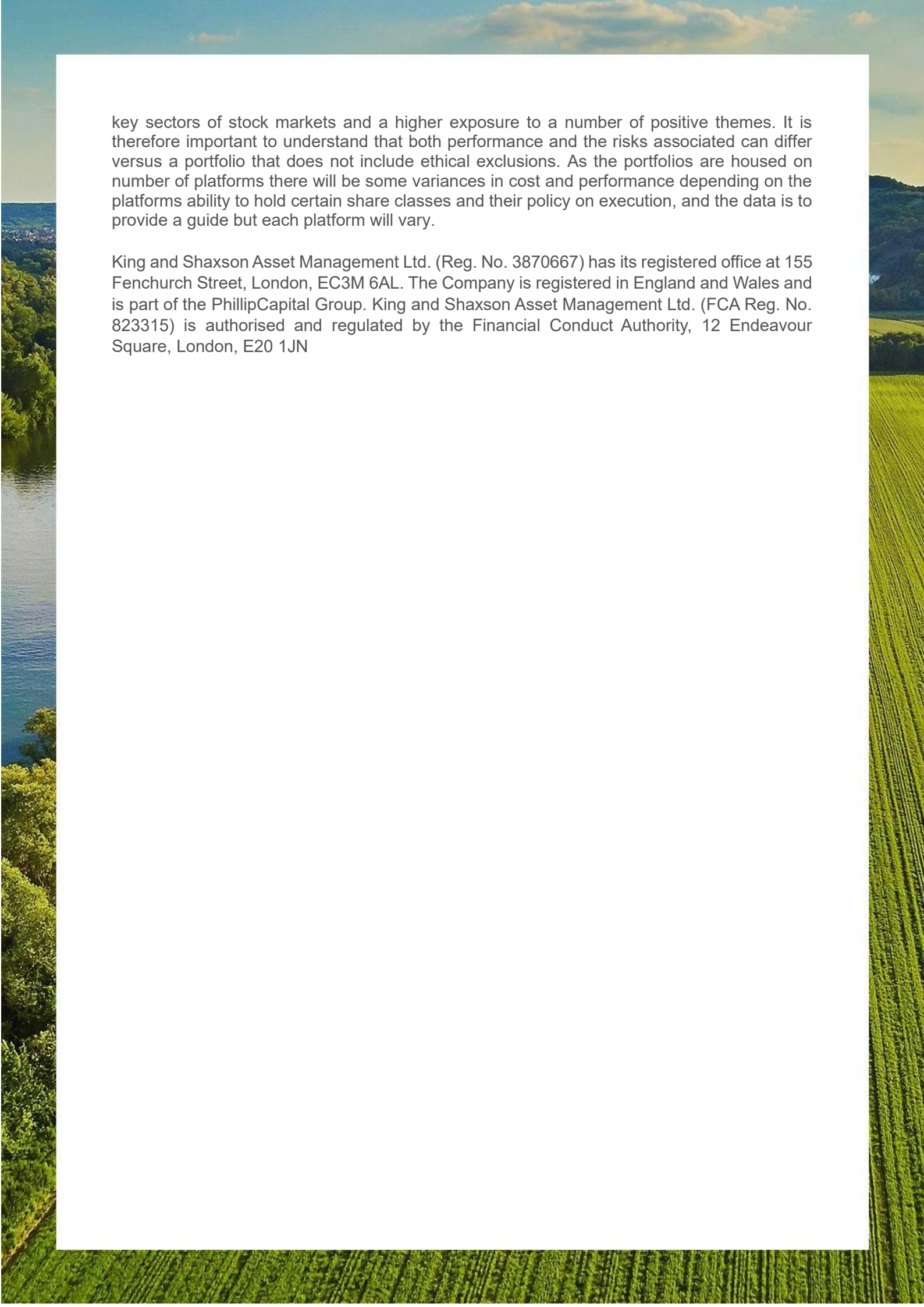
**Primark's sustainability report reveals that 74% of its garments now utilise recycled or sustainably sourced fibres**, an increase from 66% in 2023. The fast fashion giant recorded an overall 5.7% reduction in total greenhouse gas emissions compared to 2019, including a 71% cut in Scope 1 and 2 emissions. All clothing, textile, and footwear suppliers are now onboarded to its traceability programme. Whilst this progress is welcome, fast fashion remains an area of concern, not just from environmental damage from water pollution and microplastics, but also exploitative labour practices. As a result, the sector remains un-investable.

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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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