



KING & SHAXSON
Asset Management | Rewarding your Values



**Best Ethical Discretionary
Fund Manager**

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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.

ABOUT KING & SHAXSON



King & Shaxson

King & Shaxson Asset management (KSAM) has offered a distinct ESG and Impact focused portfolio management service through bespoke mandates and model portfolios since 2002. It remains the sole focus of KSAM.

King & Shaxson is a long-established City name with a history that dates back to the mid-nineteenth century. The firm has successfully built on its traditional strengths in the bond and money markets to offer ethical fund management since 2002.

We are owned by PhillipCapital, a privately owned, financially strong and developing Singaporean financial services company. PhillipCapital employs 3,500 people worldwide, with its major interests in Singapore, Hong Kong and other regions of the Far East. The development of London is an important element in PhillipCapital's global growth plan.

King & Shaxson is a leading dealer in bonds and money market instruments, including certificates of deposit and Treasury bills. Listed by the Debt Management Office (DMO) of the UK Treasury as a primary participant in the Treasury bill market. On top of this, the Dowgate MTF is a trading venue operated by King & Shaxson Limited, offering trading in government bonds, supranational bonds, corporate bonds and certain derivative products.

Our Team



- Wayne Bishop
- CEO
- City career began 1991
- Run conventional funds
- Started managing ethical portfolios in 2002



- Harry Thompson
- Portfolio Manager
- City career began 2014
- Business & Finance Degree
- Personal portfolio invested in line



- Craig Hart
- Client Relationships
- City career began 1988
- Corporate bond broking
- Ethical team since 2012



- Peter Thompson
- Sales
- City career began 2001
- Joined K&S 2019
- Your initial point of contact



- Will Arnold
- Trainee PM
- Joined K&S 2021
- History Degree
- Desires to make a positive impact in society

Our Ethos

At King & Shaxson Asset Management, we take your clients ethics and values and reflect it in their investment portfolio. Taking an active management approach, we seek out investments which have a positive impact on people and the planet.

We are continually monitoring and reviewing investment positions with a forward-looking and adaptive outlook, and our approach goes beyond just looking at financial and ESG data. Our ethical screening is as important to us as the financial investment process. We ensure that our investments meet the clients' ethical expectations, and do not just tick boxes.

We draw from a diversity of professional backgrounds, creating a blend of experience, skill and dedication, which is shared with our clients. King & Shaxson strives to provide an exceptional level of service for all of our clients, committing to long term partnerships, which we consider crucial in order to add value.

What we offer

Platform Model Portfolios

Fund MPS

7 Models
Defensive to
Adventurous &
Income
Combine Collective
Investments Only
DFM fee from 0.24%
inc VAT

Direct Equity

4 Models
Cautious Green to
Dark Green
Combines Collectives
& Direct Equity
Holdings
DFM fee 0.24% inc
VAT

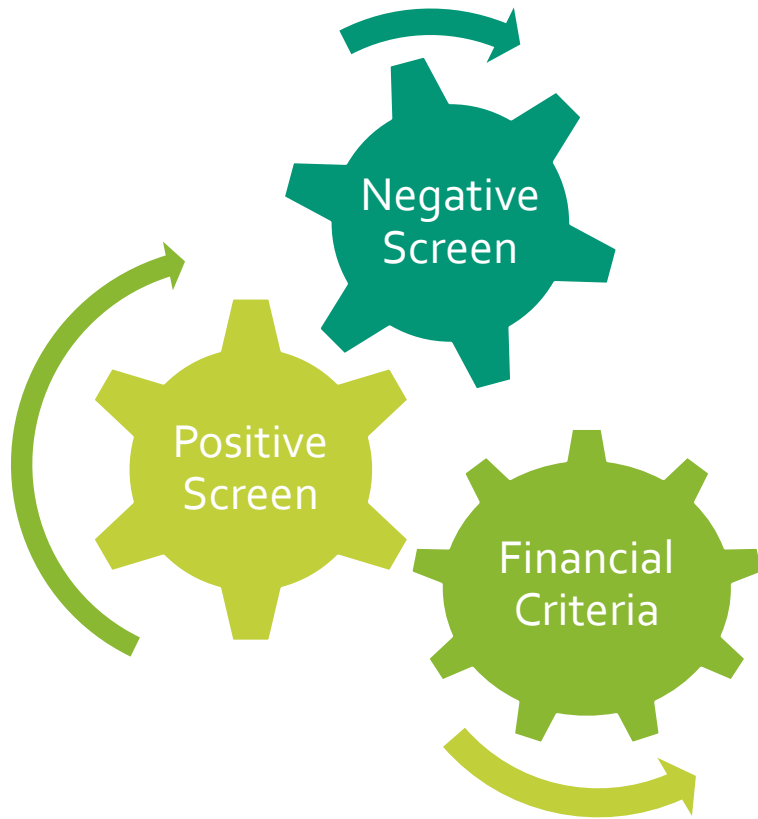
Bespoke Discretionary Service

More ethically minded clients
Full bespoke (Pershing Securities as
custodian)
Based on Values-based questionnaire
that determines ethical screen
Full Proposal before investment
£250,000 minimum investment
GIA, ISA, SIPP, Charities

OUR SCREENING PROCESS



Our Screening Process



We utilise both a **negative** and **positive** screening process to filter out the harmful and include the impactful. These ethical screens take a slightly different shape for our models compared to bespoke: with bespoke it is formed with respect to a client's values-based questionnaire, whilst the screen in place for model portfolios is laid out in the documentation .

The method we use to screen investments includes both a process driven **quantitative** and values-based **qualitative** approach. This is because whilst quantitative ESG data is an important part of screening a company or fund, it is necessary to look beyond just data and take into account other sources of information.



Quantitative and Qualitative Screening Approach

Quantitative

- We primarily use third party screeners (currently MSCI) for our quantitative analysis;
- We examine investments from an Environmental, Social and Governance perspective by using ESG data. We ensure the data we examine is material to each company.
- We make use of business involvement reports, which highlight if any of the investments' activity is contrary to our negative screens, such as revenue from alcohol products, alongside any controversies and how they've been dealt with
- On top of this, we can view revenue exposure to positive investment themes such as alternative energy; this forms the foundation of our reporting for model portfolios

Qualitative

- We perform our qualitative research in house, based on various sources;
- This includes company disclosures, industry reports, reliable news sources, pressure groups etc. Enables us to assess whether a company's products or services are having a societal or environmental benefit, and ensure they are not having detrimental effects
- Other important considerations, including good corporate citizenship; for example, we would assess whether an investment's tax practices meet our ethical expectations
- We know investing is more than just an electronic process, it is something we take human responsibility for, so our qualitative approach is an important part of our screening process



- Thematic/Sector Approach
- Asset Allocation – risk parameters
- Geographical Exposure
- Economic Exposure

- Financial analysis
- Valuations – price targets
- Group and Broker Research
- Fund screening

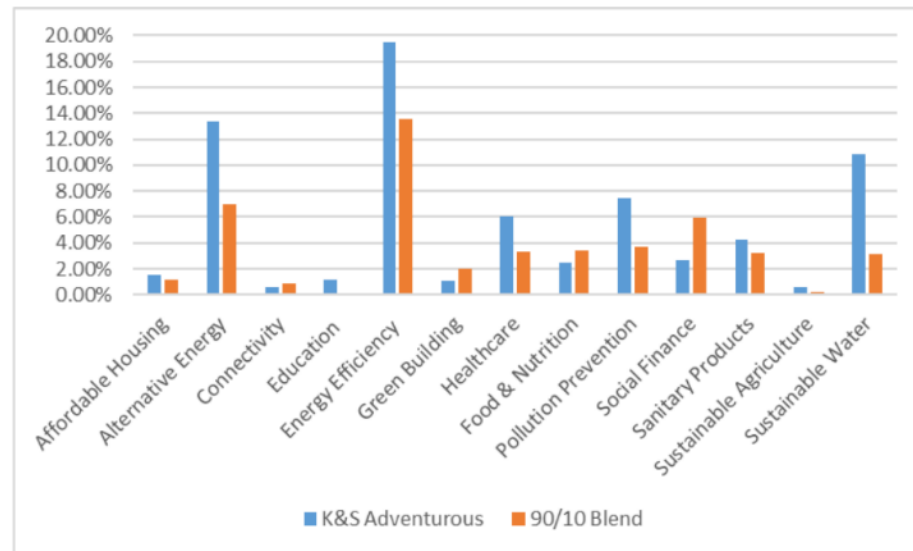
- Bespoke - Meet companies and management
- Funds – Meet fund managers and analysts
- Engagement is a growing area of our business

OUR SERVICES



Platform Model Portfolios

Our ethical model portfolios were launched in February 2010 following demand from our IFA clients for a discretionary ethical product that could be accessed through wraps and platforms. Now available on multiple platforms, advisers have access to eleven models ranging from defensive to adventurous, as well as an income portfolio. Our seven 'Fund MPS' combines collectives only, whilst our 'Direct Equity MPS' combines collectives and direct equity holdings.



We have designed negative and positive screens to meet the vast majority of ethical investor's concerns.

We have a stringent negative screen in place, **avoiding traditional 'sin stocks'**, but also areas such as **Fossil Fuels** and **Nuclear Energy**.

Meanwhile, many of the positive themes we aim to provide exposure to are associated with mega-trends, for example access to healthcare, decarbonisation and the circular economy.

As you can see from the bar chart, we report to clients on these investment themes as well as providing real world examples of how clients capital is supporting these themes.

We pride ourselves on ensuring that each portfolio is constructed to be as 'ethical' as possible within the investment constraints of each portfolio and platform. We conduct monthly screening of ethical funds where we look 'under the bonnet' at the underlying holdings to ensure they still align with our client's values.



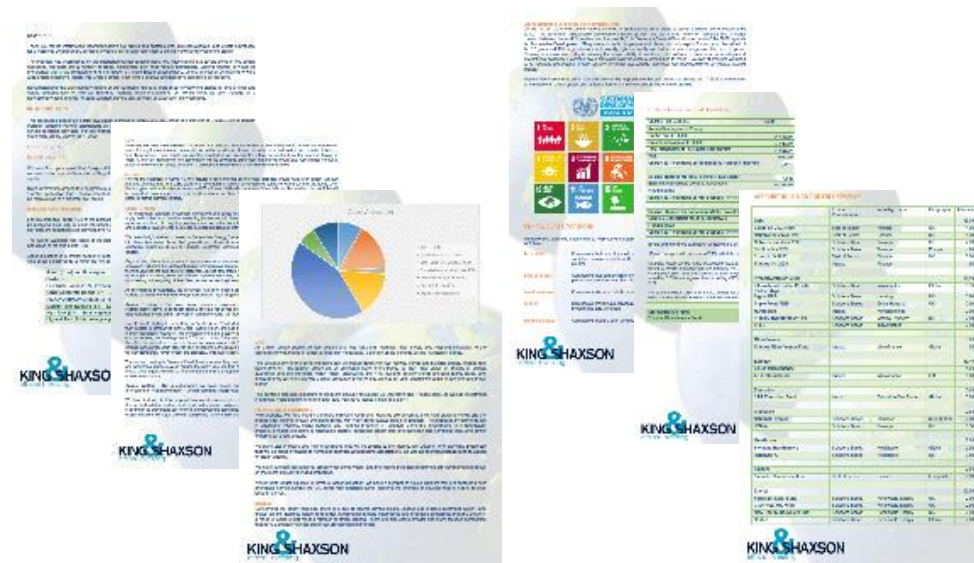
Bespoke Services

We have been managing bespoke ethical portfolios since 2002. We know that certain client's have specific ethical preferences that would not be suited by a model portfolio.

Our highly personal service not only takes the effort and worry out of investing, but is also tailored to suit the clients individual values.

The client, whether that's an individual, company, trust or charity, set the ethical and financial criteria. This means the screens applied are based on the completed Values-based Questionnaire, which is then reflected in a personally designed portfolio. This means, unlike in the model portfolios, you are in complete control of the ethical screen we'll abide to.

Available accounts include: GIAs, ISAs, SIPPS and Bond wrappers.



1

Complete the Values Based Questionnaire

Each portfolio is constructed according to the investors ethical beliefs, made possible by King & Shaxson's Values based Questionnaire (VBQ). Leave no stone unturned.



2

Receive an in-depth portfolio proposal

Every client will receive a detailed portfolio proposal, outlining the potential investments based on the client's investment and ethical objectives, including our rationale for investing in each holding.



3

Portfolio construction

The team of qualified managers will begin constructing your portfolio. The portfolio will be viewable online via our portal as well as via quarterly reports (including a yearly tax pack).



Good morning,
Happy New Year. We hope you and your family and friends enjoyed the festive period and you all remain fit and well.

Please find below the latest market commentary and monthly information on our model portfolio. We also provide an update on ethical news that may be of interest to you or your clients. **If you do not wish to receive this monthly email please let me know by email.**

Market commentary

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 further steps being taken to ease supply chain pressures through parliament, including work from home measures and mandatory face coverings in all indoor venues including hospitality. At current, hospitalisation of the Omicron variant in all major current hotspots are in support of vaccine uptake. The Omicron variant stays at the forefront of concerns as the threat of England caught markets off guard with the line interest rate rise in three years, to 0.25%.

Usually, a hawkish approach to monetary policy is well lagged 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 world's largest economies. Even the European Central Bank announced plans to scale back its bond buying, although it is unlikely to be seen as a rate rise 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 FOMC (fear of rising oil) continues to drive investor appetite to buy the dip, but there are concerns over the sustainability of returns given the markets that we have seen in 2021. It has not been

as we reflect back on all that has happened. The UK settled back into a new and since then the step-start approach to society has seemed to be replaced by a return to normalcy. There is some relief with a in the weeks leading up to Christmas as everyone prepares to startle with another lockdown will be avoided.

It has been good across the spectrum of capital. Companies such as Tesla at, causing a rush into environmentally friendly technology to secure market as leaders get together to discuss the imminent threat of climate change, and stand the outcomes could be promising or disappointing. Over 100 countries at deforestation by 2030, but the likes of India and China contributed to a last legislative, most significantly, working was changed from "phasing out" coal to

that our dark green investors are not exposed to, such as oil and gas, did have a equity market experienced a cyclical rise. However, our investments will continue to long-term performance as we will continue to increasingly pivot towards sustainability. In January, and rejoining the Paris Agreement immediately, we hope to see the play a key part in ensuring the world's biggest economy incorporates ESG and ethical as the world's largest economy.

alone have become quite stretched, and we have been disciplined about top slicing and in selecting ones that still make investment sense. However, the equity market has seen in the face of rising inflation concerns, and we expect some volatility in the months

the month has been a great year for King & Shaxson Asset Management as a company. We at King & Shaxson Asset Management at the Moneyfacts Awards for the second time have seen our assets under management number double since the end of 2020. Our team has grown as we welcome Edie and Will to work alongside the ethical investment as the growth to continue as more ethical investors seek out our long-standing history and

to thank you all for your support and interest in our services over the last twelve months. As we look forward to the year ahead and working alongside advisors and their clients to direct capital

Reporting

All investment documentation will include an ethical profile for each holding, from single equities to funds and unlisted assets.

On top of this, yearly and ad-hoc reports are produced to highlight example companies to which clients would be invested in. This ensures the client truly understands where their money is invested, and also assists advisors in documenting the process.

We also provide monthly "Everything Ethical" factsheets which contain market commentary alongside ethical updates. They will also include rationale for any rebalances or changes to portfolios, as and when they happen.

Every quarter we upload a fund managers report, both in document and video format.





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