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Consumer Duty Value Assessment
Ethical MPS (MPS) – Q4 2025

Background

King & Shaxson Asset Management Limited ("KSAM") offers a range of discretionary managed portfolios to its clients. The Consumer Duty requirements of the FCA require manufacturers of products to undertake an assessment of whether or not a product provides fair value to the customer. This includes an evaluation of both the financial benefits (such as costs and performance) as well as the non-financial benefits (such as service). This assessment is conducted annually, with this document informing potential distributors of our value assessment process, the result, and any subsequent adjustments to ensure the product offers fair value.

This assessment focusses on King & Shaxson Asset Management's Ethical Model Portfolios, which have been managed since 2010. Each category assessed includes a score which feeds through to the overall value assessment. This scoring is based on the following 4 metrics:

Star Rating	Assessment	Further details
☆ ☆ ☆ ☆	Outstanding Value	Provides excellent value that exceeds expectations. Outcomes demonstrate significant benefits to the Adviser and Client.
☆ ☆ ☆	Good Value	Provides value that meets expectations. Outcomes demonstrate good benefits to the Adviser and Client.
☆ ☆	Adequate Value	Provides below average value by only meeting basic expectations. The outcomes may lack expected benefits and improvements are required.
☆	Low Value	Provides minimal value. Outcomes do not effectively meet needs or objectives and requires significant improvement.

Overall Assessment

KSAM has concluded that its MPS offering provides fair value to its customers, scoring an overall 3 star or Good Value:

Star Rating	Assessment	Further details
☆ ☆ ☆	Good Value	Provides value that meets expectations. Outcomes demonstrate good benefits to the Adviser and Client.

There are no disadvantageous findings following this review. Feedback from advisers through the assessment period has been enacted, such as increasing the speed of notification of rebalance changes and enhancing details in quarterly reports.

Product Characteristics

KSAM's model portfolio service ("MPS") provides a portfolio of predominantly active funds in a model portfolio structure. The following client needs are met:

- Customers can select an investment service that meets their financial needs, with a range of risk profiles available from Defensive to Adventurous.
- The portfolios cater to the more stringent ethical investors screening needs, and despite the universe restrictions, still seek to provide competitive risk adjusted financial investment returns over the long term (10 years).

This is achieved through active management of the portfolios while providing a stringent ethical screen to filter out unethical investments (known as a negative ethical screen). This will exclude industries which have a harmful social or environmental impact. Additionally, the MPS product will actively seek out impact investments (known as a positive ethical screen) which will align with the ethical preferences of its clients.

What are the features and benefits of the Ethical MPS?

- Asset allocation across number of asset classes to provide a range of risk levels;
- Exposure to largely actively managed funds that are liquid across different asset classes;
- Active management of the portfolio's strategic asset allocation;
- Long term investment horizon (10 years);
- Ethical screening to:
    - filter unethical investments (negative ethical screen);
    - actively include impact investments (positive ethical screen);
- Reporting and support:
    - Monthly Factsheets;
    - Investment commentary (monthly, quarterly and ad-hoc via text and video);
    - Ethical reporting on underlying positive outcomes of the portfolios (monthly, quarterly, annual & ad-hoc reporting);
- Multiple platform availability (and support where possible);
- Access to portfolio and risk data validated by a range of third-party providers;
- Access to foundation or cheaper share classes where KSAM have a strong relationship with the underlying fund manager.

What are the limitations of the Ethical MPS?

Negative screens increase the unsystematic risk in the portfolio as they exclude areas of the market, restricting the investment universe and therefore making the portfolio less diversified. This will mean performance will differ from conventional investments, which at times can lead to both out performance and underperformance.

The Ethical MPS screen is set by KSAM and not by the underlying client, whose screening criteria may not match given ethical screens are personal to each individual. On top of this, the screen leads to the use of underlying funds which are actively managed. As a result, the Ethical MPS is not suitable for clients seeking exposure to passive investments which are lower in cost.

Where the product is not held in an efficient tax wrapper, we are unable to actively manage a client's capital gains tax allowance.

Target Market

While the MPS solution is available to all client types (Retail, Professional Client and Eligible Counterparties), the primary target market for KSAM's MPS solutions is retail individuals who wish to invest their funds in an ethical manner, taking advantage of the ethical screens utilised by the firm, whilst achieving a return in accordance with their risk appetite over the long term (+10 years). Clients should have taken financial advice prior to investing.

Who these products are not suitable for:

- Investors that cannot tolerate some risk of loss;
- Investors whose investment objective is a guarantee of capital preservation;
- Clients seeking a non-advised or execution only service
- Investors with a large portfolio value who require active management of capital gains allowances

Distribution Strategy

KSAM hosts its MPS on various platforms with distribution of its products to the end client undertaken through regulated Financial Advisers. Our distribution strategy is therefore predicated on distribution via intermediary.

KSAM provides the necessary information to the intermediary prior to enabling access to the model portfolios, all of which is available on an ongoing basis. This includes a range of documents and videos available at the KSAM website, as well as availability of a BDM/CRM to provide any clarity on the product. Our documentation is also set out in a format that can be used with the underlying client.

KSAM does not pay any fee, commission, profit share etc to IFAs.

Clients with vulnerable characteristics

These products are designed for clients with a range of risk appetites from Defensive to Adventurous, which may include some customers with characteristics of vulnerability or who may experience vulnerability in the future.

KSAM's distribution strategy is agent as client (agent being a qualified financial adviser). As a result, retail investors investing in the Ethical MPS are clients of the IFA and are wholly unknown to KSAM. This does not mean they cannot be vulnerable, but the adviser should seek to achieve good outcomes for any vulnerable clients which in turn should not impact the value of the product provided by KSAM.

KSAM constructs and operates the model portfolio to the best of its ability in accordance with the model's objectives. Whilst not having oversight of the underlying client, KSAM have literature (available on the website in a client friendly format) on our Ethical MPS to assist the financial adviser in supporting vulnerable customers.

Individual Portfolio Details

Portfolio	Risk profile	Product description & Investment Objectives	Equity Neutral Allocation
Defensive	Low	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) whilst meeting the majority of investors' ethical concerns. Whilst the emphasis is on lower volatility and capital preservation, a small amount of risk will be taken to seek a higher return.	20%
Cautious	Low	A "Cautious" risk portfolio seeks to provide a high level of capital protection whilst still allowing investors the ability to achieve long-term growth (10 years) whilst meeting the majority of investors' ethical concerns. Whilst the emphasis is on lower volatility and capital preservation, a small amount of risk will be taken to seek a higher return.	37.5%
Balanced	Med	A "Balanced" risk portfolio seeks to provide a balance between capital protection and by investing in a diversified portfolio of asset classes over the long-term (10 years) whilst meeting the majority of investors' ethical concerns.	50%
Balanced Growth	Med	A "Balanced Growth" portfolio seeks to provide a riskier alternative to the balanced portfolio, with a bias toward capital appreciation in a diversified portfolio of assets whilst meeting the majority of investors' ethical concerns.	60%
Growth	Med-High	A "Growth" risk portfolio seeks to have a higher bias towards capital appreciation over the long term (10 years) whilst meeting the majority of investors' ethical concerns.	72.5%
Adventurous	High	An "Adventurous" risk portfolio seeks to achieve high returns over the long term (10 years) whilst meeting the majority of investors' ethical concerns	90%

Value Assessment

The following pages provide an assessment of value for both financial and non-financial metrics.

Expected Total Price

The price of a product is required to be assessed with respect to the "expected total price" to be paid by a retail customer. We have assessed all the costs of MPS which are detailed below:

Type of charge applied	Definition
Discretionary Fund Management ("DFM") Fee	This is our annual management fee for providing the discretionary management service.
Ongoing Charges Figures ("OCF")	As a portfolio of funds, the portfolio will be invested in a number of funds run by well-established fund houses. OCF is the ongoing management charges levied by the manager of each fund invested in and related to their costs of running the fund.
Transactional costs	Transactional costs are costs incurred by the underlying funds when undertaking transactions.

With respect to each of the above charges, the only one in our direct control is our DFM fee, which is between 0.20% to 0.40% depending on the AUM level of the adviser firm. This is an ongoing fee based on the level of AUM of the portfolio.

Underlying OCFs are higher as most funds within the portfolios are actively managed in order to meet the stringent screen in place. Combining our highest DFM fee, the overall costs including fund OCFs and transactional costs is 0.89% to 1.33%. When combining our lowest DFM fee, where a large proportion of clients sit, the range is 0.69% to 1.13%.

We have reviewed various alternative providers for comparable active ethical products and our DFM is in line with market rates. Although this can be on the higher side initially, with an DFM of 0.40%, this reflects our flexibility and willingness to work with smaller financial advisers to set up on additional platforms, something other providers may not be willing to facilitate. This is also reflective of the costs incurred by the firm in manufacturing and maintaining the product, particularly with respect to the stringent ethical screen, ethical and sustainable reporting, as well as obtaining external risk reviews from the likes of Defaqto, EV and Dynamic Planner. Our research showed that there were no comparable products that were priced significantly lower than ourselves.

Star Rating	Assessment	Further details
☆ ☆ ☆	Good Value	Provides value that meets expectations. Outcomes demonstrate good benefits to the Adviser and Client.

Performance & Volatility

When reviewing performance of the Ethical MPS, there are limited benchmarks which reflect the true nature of the underlying universe that the portfolios are trying to target. This is most notable given the exclusion of major tech heavyweights that have performed strongly over the assessment period. We therefore believe a peer review is most appropriate when assessing performance, and over the assessment period we noted the following:

Portfolio	Assessment (Nov 24 to Nov 25)	
Defensive	☆ ☆ ☆	Good Value
Cautious	☆ ☆ ☆	Good Value
Balanced	☆ ☆ ☆	Good Value
Balanced-Growth	☆ ☆ ☆	Good Value
Growth	☆ ☆ ☆	Good Value
Adventurous	☆ ☆ ☆	Good Value

With regards to volatility, we note each portfolio has remained within its risk boundaries as validated by third party risk providers. Where portfolios received amber notifications that risk was potentially drifting out of line, these were remedied at the next rebalance.

Feedback was received with regards to the speed of communication of rebalances and the layout of our quarterly reports, which has since been remedied and improved during the assessment period.

Given the above, the assessment for performance (including non-financial) and volatility can be found below:

Star Rating	Assessment	Further details
☆ ☆ ☆	Good Value	Provides value that meets expectations. Outcomes demonstrate good benefits to the Adviser and Client.

Company Information

King & Shaxson Asset Management Limited (Reg. No. 3870667) has its registered office at 1st Floor, 155 Fenchurch, London, EC3M 6AL. 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.

Disclaimer

Please remember 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.

All information contained in this document has been prepared by King & Shaxson Asset Management. The information contained in this document is for general information purposes only and should not be considered a personal recommendation or specific investment advice. Nothing in this document constitutes an offer to buy or sell securities of any type or should be construed as an offer or the solicitation of an offer to purchase or subscribe or sell any investment or to engage in any other transaction.