



# ETHICAL MODEL PORTFOLIO SERVICE OVERVIEW

This document provides an overview of King & Shaxson's seven ethically screened and positively invested model portfolios. Please contact us for an in depth product brochure, including asset allocation and investment rationale.



## ABOUT KING & SHAXSON

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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 fund management since 2002.

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

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.

King & Shaxson 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 part of PhillipCapital, founded in Singapore in 1975 and now present in 15 countries. London is the global centre of excellence for ESG investing, providing expertise and thought leadership to the wider group.



The PhillipCapital Group has \$63bn in assets under administration (£10 billion in London) and \$4bn in assets under management. The group offers a range of financial services, including fund management, banking, securities dealing, and research.



King & Shaxson service both professional and retail clients, including banks, building societies, local authorities, fund managers, financial advisers and their clients.





# ABOUT KING & SHAXSON ASSET MANAGEMENT

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The foundations of King & Shaxson Asset Management were built in 2002 on the back of CEO Wayne Bishop's desire to have his personal values reflected in his portfolio. Since then, we have been supporting financial advisers in building long-term relationships with their clients through the successful understanding of investing for positive change.

Taking an active management approach, we seek out investments which have a positive sustainable outcome on people and the planet, in turn taking clients' ethics and values and reflecting it in their investment portfolio.

We are continually monitoring and reviewing investment positions with a forward-looking and adaptive outlook, and our approach goes beyond just looking at ESG data. Our ethical screening is as important to us as the financial investment process. We ensure that our investments meet the clients' 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.

# KING & SHAXSON'S ETHICAL MODEL PORTFOLIOS

Our initial range of Ethical Model Portfolios were launched in February 2010 following demand from our IFA clients for a discretionary ethically screened product that could be accessed through wraps and platforms.

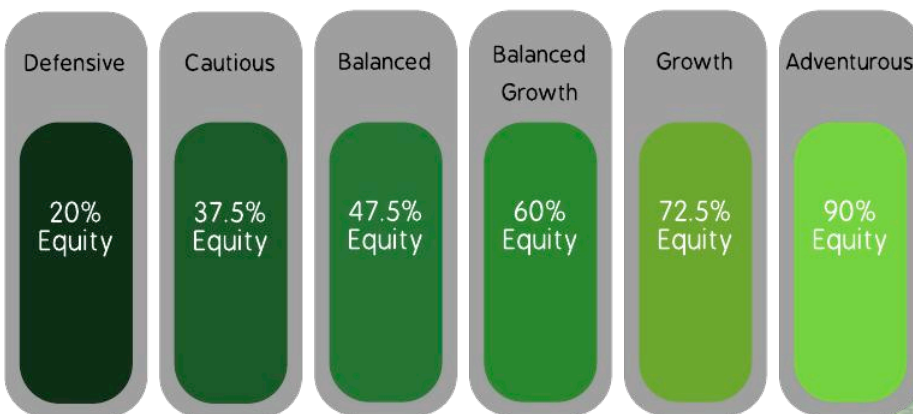
Whilst continually evolving, we have designed negative and positive screens to meet the vast majority of ethical investor's concerns. We have a stringent negative screen in place, avoiding areas such as tobacco production, but also areas such as fossil fuel exploration & production. Whilst our portfolios are not focussed 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.

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

Now available on multiple platforms, advisers have access to seven models including an income portfolio. Allocation is 100% to funds across a range of asset classes. The portfolios and their equity neutral level can be found below:

## Fund MPS Range

Allocation 100% to Funds



FE Analytics

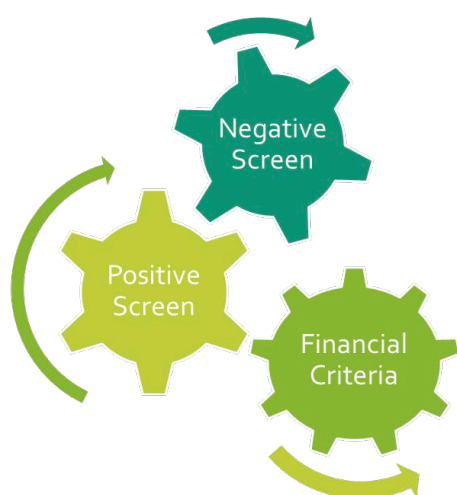


# OUR SCREENING PROCESS

The method we use to screen investments includes both a process-driven **quantitative** and values-based **qualitative** approach. This is because whilst quantitative **Environmental, Social and Governance 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.

We utilise both a negative and positive screening process to filter out the harmful and include the investments with a positive outcome on society or the environment. For the model portfolios, this is laid out in the documentation.

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



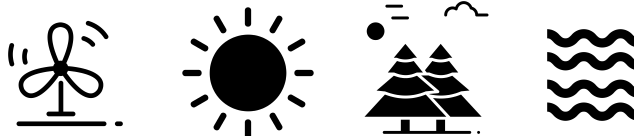
## Targeted Activity

- ✓ **Climate Change**  
(Alternative Energy/ Green Building/ Energy Efficiency)
- ✓ **Natural Capital**  
(Sustainable Water/ Sustainable Agriculture/ Pollution Prevention & Control)
- ✓ **Basic Needs**  
(Nutrition/ Sanitation/ Major Disease Treatment/ Affordable Housing)
- ✓ **Empowerment**  
(Education/ Connectivity/ SME Finance)

## Excluded Activity

- ✗ **Adult Entertainment**
- ✗ **Alcohol Production**
- ✗ **Armaments**
- ✗ **Fossil Fuel Exploration & Production**
- ✗ **Gambling**
- ✗ **Major Environmental Concerns**
- ✗ **Tobacco Production**
- ✗ **>3% Nuclear Power Generation** (based on overall portfolio level exposure)

Our aim is to achieve zero exposure to the above sectors. Whilst our portfolios are not focussed 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.



## Specific Company Exclusions

On top of the screens above, we currently have specific exclusions for a number of companies. Facebook (Meta), Apple, Amazon & Google (Alphabet), Alibaba & Tencent - we would seek to avoid these large tech companies due to concerns over social and governance practices. This includes aggressive tax practices, labour issues, supply chain concerns, gaming addiction and data abuse. Some of these companies form a highly significant part of global indices, so it is important the implication of their exclusion (alongside other sectors) is understood.



# KING & SHAXSON INVESTMENT TEAM

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King & Shaxson's investment committee meets on a regular basis. The committee draws on the traditional strengths of King & Shaxson and has a top-down macro focus, taking into account factors such as geopolitics, interest rates and economic data, which shape asset allocation across model portfolios.

The investment committee will make tactical shifts to asset classes which are broadly broken down as cash, bonds, property, infrastructure, and equities. Within each asset class, further considerations are had to the types of sub assets or styles depending on the macro factors highlighted above. Model portfolios are re-balanced throughout the year (on average 4-6 times).

Whilst portfolios are not directly thematic in their approach, the investment committee look at sectors and themes side by side, understanding where to allocate based on financial and sustainable outcomes. All underlying companies of funds are screened on an ongoing basis.



# CONTACT US

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