King & Shaxson Asset Management Cautious Model Portfolio

KING & SHAXSON Asset Management | Rewarding your Values

WINNER THREE TIMES Investment Life & Pensions Moneyfacts Awards 2020 -2022 Best Ethical Discretionary Fund Manager

2010 - 2025 Celebrating 15 years of Ethical MPS

Launched March 2010

Monthly Factsheet as at 30th June 2025

A "Cautious" risk portfolio seeks to provide a level of capital protection whilst still allowing investors the ability to achieve long-term growth (10 years). The portfolio is suitable for risk-averse investors whose financial temperament cannot tolerate much variation in performance. Whilst the emphasis is on lower volatility and capital preservation, a modest amount of risk will be taken to seek a higher return.

defaqto 4 RISK RATING CAUTIOUS BALANCED

ev Risk 1 - 5 | Risk 1 - 7 | Risk 1 - 10

DYNAMIC PLANNER PROFILED 4

FE Analytics

Fees

DFM fee: 0.20% to 0.40% (based on AUM)	
Portfolio OCF	0.44%
Transactional Cost	0.10%
Historic Yield	2.53%
5-Year Volatility	7.53%

Excluded Activity

X Adult Entertainment X Alcohol Production X Armaments X Fossil Fuel Exploration & Production X Major Environmental Concerns X Gambling X Tobacco Production

Our aim us 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


Wayne Bishop
Chief Executive Officer


Harry Thompson
Portfolio Manager


Will Arnold
Assistant Portfolio Manager


Craig Hart
Platform & MPS Proposition

Stock Pick - Iberdrola

Iberdrola is one of the largest global utilities companies with electric utility operations in nearly 40 countries. Boasting a 54-gigawatt portfolio of hydro, wind, natural gas, and nuclear power plants, it is the largest owner of wind farms in the world, representing nearly 40% of its portfolio. Iberdrola also owns and operates electricity and distribution networks in Spain, the UK, the US, and Brazil. They are committed to Net Zero Carbon emissions by 2040, which is not only an improvement of the industry average of 2050, but also within an increasingly important developing country, Brazil, which historically trades environmental sustainability for development.

Fund Manager's Report

Equities continued their rebound, with major US equity markets approaching, and in some cases, reaching all-time highs. For the month, growth stocks significantly outperformed value, with an ETF of global equities returning +2.59% in sterling terms. This was led by the a rebound in tech stocks buoyed by renewed enthusiasm around Artificial Intelligence. This has pushed Nvidia, which has suffered under trade tensions and the Chinese DeepSeek breakthrough in January, to an all-time high, recapturing its title as the world's most valuable company.

The positive optimism was boosted in the latter stages of the month as China and the US appeared to make some progress in finalising a trade deal, which would include an agreement on rare earths. There were also more positive comments around a trade deal with the European Union and India. This softer tone coming out of the White House suggests a prolonged trade war amongst key partners could be averted. Meanwhile, easing tensions in the Middle East, which led to a spike in the oil price which subsequently eased, has further supported risk sentiment.

The US dollar remains under pressure, reaching multi year lows versus Sterling and the Euro. The dollar currency basket has fallen by more than 10% this year, weighed by trade concerns, as well as more recent political pressure on the Federal Reserve (Fed) to cut interest rates. A near term announcement of Powell's replacement would create a shadow Fed and undermine the existing rhetoric. Interest rate cuts whilst inflation is not yet completely tamed would lead to a steeper curve, and we maintain our duration at the shorter end as a result.

Safe haven flows, concerns over slowing growth, and the growing expectation for policy easing from global central banks saw fixed income rally during the month. The benchmark ten-year gilt yield fell around 16bps. A leading green bond index rose 0.34% which underperformed portfolios active sustainable and impact bond exposure which climbed between 1.27%-1.43%. With an easing in yields and improved sentiment towards the asset class, portfolios alternative infrastructure exposure continued its rally, returning 4.67% for the month, meaning a +9.77% return for the second quarter.

Following last month's strong rally, companies within the electrification and energy transition theme continued to recover, assisted by the improved optimism around AI focused Capex from large tech names. Portfolios holding, RobecoSAM Smart Energy, was the standout, returning +7.39% for the month. Underlying portfolio company Schnieder Electric, the electrical power equipment manufacturer, re-affirmed their guidance during a month end call with analysts which has alleviated concerns in the sector.

Renewable energy companies have been particularly volatile over the last couple of months, exacerbated in June by conflicting rhetoric as the Republican tax bill moves between lawmakers. They have faced large pressure given the expected amendments to tax credits, with residential solar and offshore wind facing the greatest pressure. A taxation on wind and solar projects with Chinese materials has further weighed on some equipment makers such as Vestas Wind Systems (manufacturer of wind turbines). Whilst renewables are still expected to grow given the rise in electricity demand brought about by datacentres, different technologies will be favoured, such as onshore wind. In many cases, renewables are cheaper and faster to deploy than fossil fuel projects, particularly given the current shortage of gas turbines.

In mid – July we will have Q2 reporting from the US and this will have to reflect a world post-liberation day. It is not just the numbers, but the outlooks that will count, and we see this as a risk (hence our recent rebalance). The big "whatever" US budget, the UK backtracking on cost cutting measures and Europe's sudden love of defence at the cost of more debt are all major concerns for bond markets at a time when interest rates are falling. Bond vigilantes are more vocal, but risks are skewed to governments and more opaque private debt/equity funds.

Although volatile, geopolitics are impacting the market less, but the real-world impact on shipping, the oil price and supply chains are still an issue, and a cost push inflation risk. Whilst there is little ambiguity with Donald Trump, how the world reacts still remains far less certain.

The current heatwave reminds us all climate change is still real, despite the short-term dynamics noted above, money is still being invested to address the environmental and social issues. This process has become far more global, and portfolios are reflecting this shift.

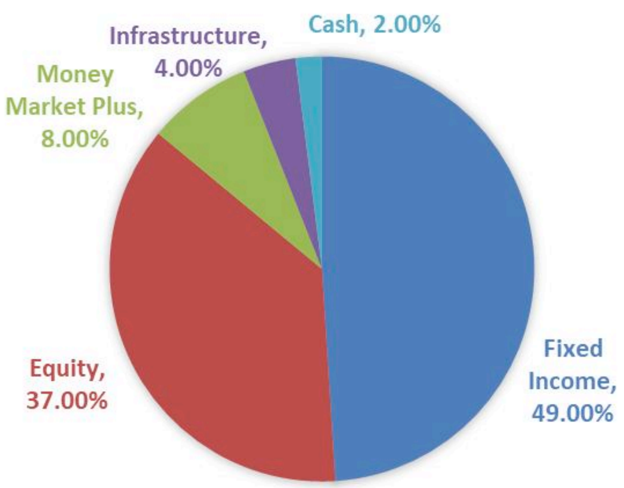
Top 5 Equity Funds

Hermes Sustainable Global Equity	4.50%
CT Sustainable Global Equity income	4.50%
JH Global Sustainability Eq Fund	4.00%
Schroders Global Sustainable Value	4.00%
JH UK Responsible Income	4.00%

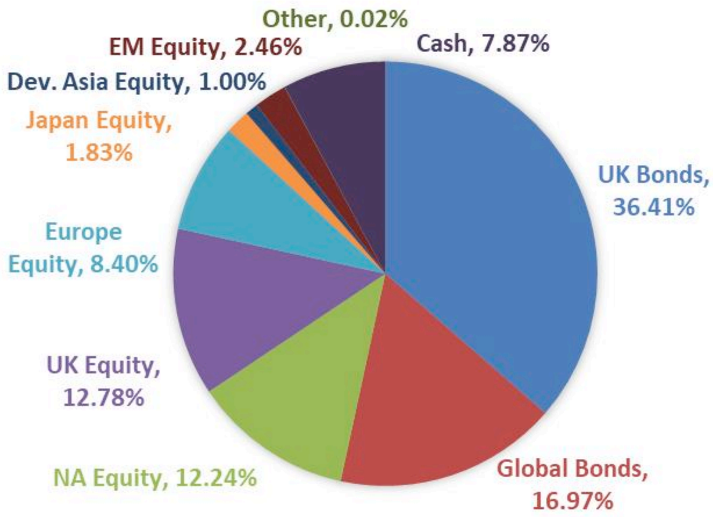
Top 5 Bond Funds

Aegon Global Sustainable Sov Bond Fund	10.00%
AXA Short Duration Green Bond	8.00%
Threadneedle Social Bond Fund	8.00%
T Rowe Price Global Impact Credit	8.00%
Lyxor UK Government Bond 0-5 ETF	7.00%

Asset Allocation



Geographical Allocation



Cumulative Performance (Net of DFM fee & OCFs)

3 Months	6 Months	1 Year	3 Years	5 Years	10 Years	Inception
3.41%	3.24%	4.17%	5.44%	10.57%	44.64%	108.18%

Discrete Performance (Net of DFM fee and OCFs)

Jul 24 to Jun 25	Jul 23 to Jun 24	Jul 22 to Jun 23	Jul 21 to Jun 22	Jul 20 to Jun 21
4.17%	6.07%	-4.58%	-7.46%	13.32%

Cumulative Performance Since Inception (based on £10k Invested)

The chart below provides an indicative guide to the performance returns for a £10,000 investment since the inception of the model portfolio. Please remember this factsheet is just a snapshot in time in relation to performance data, and is not intended or to be relied upon by retail investors. Note that the value of investments and the income arising from them, may fall as well as rise and is not guaranteed.

Source: FE Analytics and King & Shaxson Asset Management

Fund Carbon Data

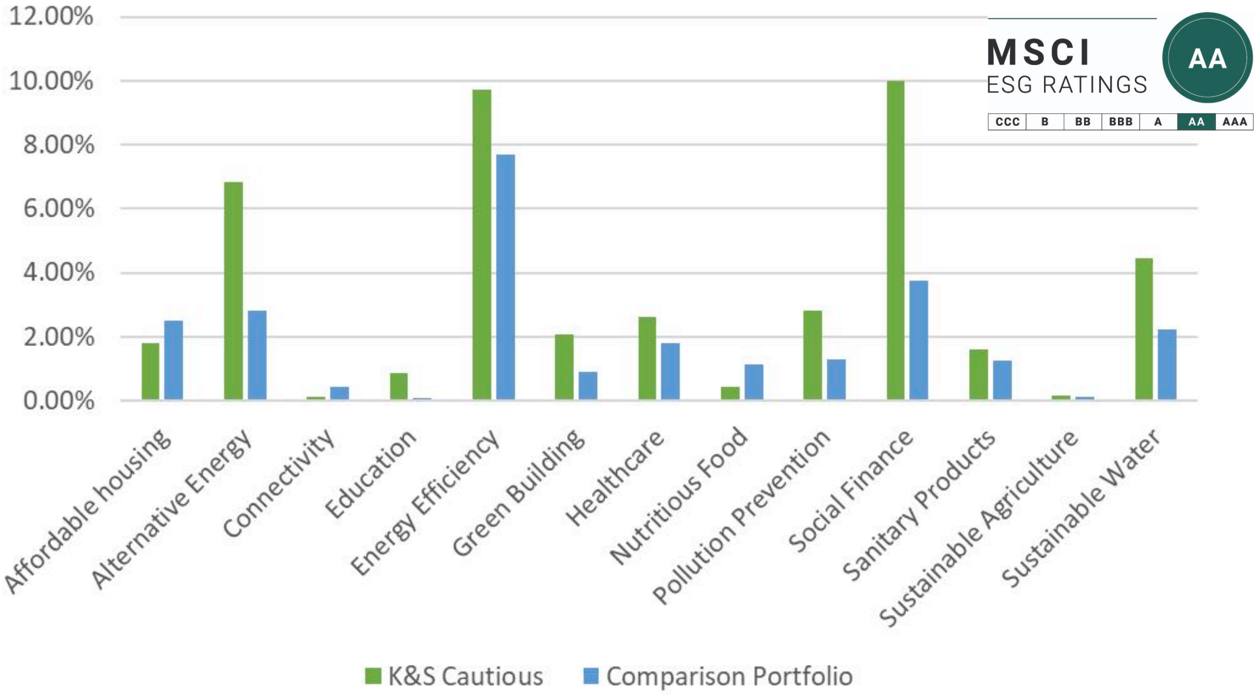
Methodology: Represents a normalized measure of a fund's contribution to climate change that apportions companies' carbon emissions. This figure measures the total annual Scope 1, 2 & 3 carbon emissions in tonnes (reported or estimated) associated with \$1 million invested in the equity element of the portfolio. It is calculated as the sum of companies' Scope 1+2+3 carbon emissions weighted by the most recently available enterprise value including cash (EVIC) and by the weight of companies in the fund. Correct as at May 2025. (Source: MSCI)

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 May 2025)

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 overall coverage ranging from 70-88%). 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. Four funds held in portfolios, the Gravis Clean Energy Income fund, the Foresight UK Infrastructure fund, the Gravis UK Infrastructure Income Fund and the RM Alternative Income Fund, have an underlying company coverage between 25-46%. Therefore, for these four funds only, we have inferred the alternative energy data from the fund house's own material, as this has a clear revenue link to this theme.

Contact Details

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