



BESPOKE PORTFOLIO SERVICE OVERVIEW

This document provides an overview of King & Shaxson's bespoke portfolio service. Aimed at clients who would like their portfolio to reflect their core beliefs and values.



ABOUT KING & SHAXSON

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 an 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 (£280 million in London). 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

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.

BESPOKE PORTFOLIO SERVICE

We have been managing bespoke portfolios since 2002 as we know certain clients have specific ethical preferences that would not be suited by a single strategy fund or model portfolio.

Our highly personal service not only takes the effort and worry out of investing, but is also tailored to meet the client's individual values. The client, whether that's an individual, company, trust or charity, sets 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 our model portfolios, the client is in complete control of the ethical screen we'll abide to.

Investments are direct, meaning no use, or very limited use, of funds, which ensures the ethical screen is met. The service can also take into account a number of factors, such as CGT management, inter-generational wealth transfers, income requirements etc. Available accounts include: GIAs, ISAs, SIPPs and Trusts.

Our bespoke offering also includes a rather compelling standalone cash management service that builds on our heritage in the money markets, which dates back to 1866.

WHY CHOOSE A BESPOKE PORTFOLIO

Strong Values

The portfolio would reflect the concerns of the underlying client. This means we utilise both a negative and positive screen based on the client's completed values-based questionnaire.

Regular Updates

Stay up to date with portfolio changes through our monthly 'Everything Ethical' newsletter, which also covers events close to our client's hearts. On top of this, we provide ad-hoc, quarterly and yearly reporting to ensure clients know where their capital is invested.

Professional Management

Our qualified managers design a portfolio that meets your needs, and monitor it on a daily basis, making timely and seamless changes as required. This ensures risks are controlled and tax considerations are taken into account.

Trusts & Charities

We have over 20 yrs of experience managing trusts and charitable trusts. We can cater to individuals or organisations who require a tax-efficient investment solution, whether that's for estate planning purposes, charity funds, or endowments.

THE PROCESS



Complete Values-based questionnaire

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



In-depth proposal

Detailed proposal outlining the potential investments based on personal investment and ethical objectives, including our rationale for investing in each holding.



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).

OUR SCREENING PROCESS

Our highly personal service not only takes the effort and worry out of investing, but is also tailored to suit the client's 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 combination of filtering out the harmful and including the investments with a positive outcome on society or the environment, has served our clients well for close to 20 years. The method we use to screen investments includes both a process-driven quantitative and values-based qualitative approach:

Quantitative

We will examine investments from an Environmental, Social and Governance perspective by using ESG data provided by third party screeners such as MSCI as well as data from the companies themselves, industry sources and focussed pressure groups

The detailed reports and data sources provide a great deal of information on a company for our screening process. This includes non-financial data that is material to each company or sector on ESG factors (e.g. toxic emissions, data security, board diversity, business ethics etc).

A key element is the business involvement reports which highlight if any of the investments' activity is contrary to the negative screens in place. Examples include animal testing, alcohol production and armaments, to name but a few.

Importantly, the data will also provide us business involvement from those products or services that are deemed as having a positive outcome on the environment or society. We can use this data to help us determine which K&S Bespoke Theme the investment is classified in, more of which is covered in the next section. At this stage, a consideration and assessment of an investment's overall ESG score and its eligibility for a portfolio based upon the negative screen will happen, which will not be definitive and may be overruled.

It is important to note:

Quantitative ESG data serves the process but does not drive it.

Qualitative

We do not solely rely on ESG data or business involvement reports for our screening purposes, all potential investments are considered by the investment team in-line with the client's response to the VBQ. Our in-house qualitative research is based on various sources including company disclosures, industry reports, reliable news sources, pressure groups, management meetings etc. Put simply, this will be where we truly understand a company's operations and this feeds directly into the screening process. This also includes any ESG controversies that have arisen, and whether these issues are addressed in a manner we would expect from a company we would seek to invest in.

Through this understanding, we can identify which environmental or social issue the investment is seeking to address and determine whether they are truly doing so, whilst not contradicting the negative screen. For example, certain healthcare companies that are addressing key social issues would not be eligible for clients that do not want exposure to the practice of animal testing.

Our approach ensures we have a sound understanding of each investment's mission, avoiding those that have a detrimental impact by operating in a manner that promotes profits at all cost. As part of understanding this mission, we classify each investment into one of our nine investment themes which have similarities and overlaps with the Sustainable Development Goals (SDGs). We know investing is more than just an electronic process, it is something that requires 'a more human approach', so our qualitative approach is an important part of our screening method.

KING & SHAXSON INVESTMENT TEAM

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 bespoke 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. Bespoke changes are made on a day-to-day basis.

By investing in direct assets within bespoke portfolios, the investment committee have a good understanding of the types of companies that are included in model portfolios, from both a financial as well as a screening perspective. All underlying companies of funds are screened on an ongoing basis.



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