



**Rewarding Your Values  
since 2002**

A photograph of a forest path in autumn. The path is covered in fallen orange and yellow leaves. The trees are tall and thin, with their leaves in various shades of green, yellow, and orange. A dark grey rectangular box is overlaid on the center of the image, containing white text.

**We have been  
investing ethically  
since 2002.**

**Let us reward your  
client's values.**

# 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 since 1866 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.

## Services...

King & Shaxson is a leading dealer in bonds, both fixed and floating rate, 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, King & Shaxson is able to bid on behalf

of investors at Treasury bill tenders.

King & Shaxson Asset management provides a distinctive ethical investment service, with a sole focus on investing in solutions to social and environmental challenges.

Finally, 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.

## Client focused...

We draw from a diversity of professional backgrounds, creating a blend of experience, skill and dedication, which is shared with our clients.

The diverse client base includes private clients, institutions such as universities, local authorities, building societies, trusts, charities, pension funds, fund managers, insurance companies, and international banks.

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 ETHICAL PORTFOLIOS:

King & Shaxson began investing ethically in 2002, at a time when this approach to investing was well and truly on the fringe. How things have changed since then.

Many investors are now keen to see their savings and pensions align with their own values. For us, it has always been our focus to see the mighty power of the investment world harnessed for good.

Our bespoke service (from £250k), creates individual portfolios with sound investments, which at the same time reflect each client's individual ethics.

## **A personal service...**

We operate on a discretionary mandate, meaning we are free to manage portfolios according to the ethical screen in place. This releases the client and adviser from the day to day management of the portfolio.

Pivotal to the operation is the understanding of each client's ethics which can be established via the King & Shaxson values-based questionnaire. This usually leads to a focus on investments which finance solutions to various environmental and social challenges.

## **Professional management...**

We pride ourselves in knowing how to reflect each client's values in their portfolio.

To begin the process, every client will receive a detailed portfolio proposal, outlining the potential investments and our rationale for investing in each holding.

All investments are monitored on a daily basis, allowing for timely and seamless changes to be made. We also ensure that risks are controlled in accordance with each client's risk tolerance, and we can take into account any CGT management.

Monthly, quarterly and yearly reports are produced, which alongside ad-hoc updates, means clients and advisers can review each portfolio periodically.

# ETHICAL MODEL PORTFOLIOS

Our ethical model portfolios were launched in February 2010 following demand from our IFA clients for a discretionary service that could be accessed through platforms. Unlike some of our competitors, we have a long track record in constructing screened portfolios.

## Funds MPS...

Clients can access a range of 'Fund' model portfolios that combine collective investments, with five models catering for different risk requirements, from defensive to adventurous, as well as a portfolio that caters for a higher level of income.

## Direct Equity MPS...

We also offer a further four 'Direct Equity' model portfolios which combine collectives and direct equity holdings. This offering may suit the more ethically minded client as we have full control over the individual equities in the portfolio. These portfolios range from Cautious (Cautious Green) to Adventurous (Dark Green).

## Efficient, Expert Investments...

Ethical screening is as important to us as the investment process. We will examine investments from an Environmental, Social and Governance perspective, applying both a negative and positive screen. Portfolios will avoid fossil fuels, tobacco, alcohol, gambling, armaments, poor environmental management, and Nuclear, to name but a few avoidance sectors.

Meanwhile, the portfolios are distinguished by their tilt towards positive investments, which finance solutions to the social and environmental challenges we currently face.

Although we have no control over the underlying holdings of each collective, we aim to make each portfolio as 'ethical' as possible. We monitor each funds underlying holdings to ensure it lives up to the expectations of our clients. This is combined with ongoing interaction with each fund house for justification of holdings.





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ethical investing



# GOOD INVESTMENT SENSE MEETS HIGH STANDARD ETHICS:

The interaction between investment objectives and ethics is very important in portfolio construction. This applies both in terms of positive (where we add investments that are more impact focused) and negative screening (what we exclude).

Despite being a rigorous process, we believe the investment decisions are relatively straightforward, whilst the ethical criterion takes a 'more human' approach.

Asset allocation is a key aspect in managing each portfolios overall risk and we believe in active asset allocation.

Beyond this, we must apply a thorough screening process, have a strong understanding of the investments mission, and finally, a strong understanding of the client's motives.

For our bespoke service, we are able to gain an extensive understanding of each client's motives via the values-based questionnaire, and we strongly advise on a pro-active relationship with all advisers.

In the case of the model portfolios, the screening process is laid out clearly in our documentation, in terms of what we include and exclude from portfolios. It matters to our clients that we get this right and abide by the mandate we operate to.

We are able to draw on a number of resources for our screening, including the use of MSCI, who provide in-depth analysis into firms environmental, social and governance-related business practices.

This is supplemented with qualitative in-house research, which drills down into the companies operations, direction of travel, and more specific issues such as lending practices for banks.

Our screening is an ongoing operation, and all collectives for our model portfolios are screened on a monthly basis in a process we call 'under the bonnet' screening.

# MEET THE ETHICAL TEAM

## Wayne Bishop

### Portfolio Manager & CEO



With 27 years City experience in both London and Frankfurt, I started the Ethical Asset Management service in 2002. Having studied both Business and later Theology at University, I have a clear understanding of the need for successful businesses that contribute to the well-being of our planet and its entire population. This is more than a business, this is a passion.

## Harry Thompson

### Portfolio manager



Ethical investing isn't a new concept; however it is clearly evident to see the growing awareness around the topic. The work of Sir David Attenborough has stirred emotions in many generations who have changed the way we view our planet. I am excited to be part of this revolution that I feel is only in its infancy as we seek to unwind the damage that has been done over the last few decades.

## Craig Hart

### Assistant PM & Client Relationship Manager



Who doesn't want to breathe clean air and leave a lasting legacy for future generations to come. Investing in companies that are challenging and changing historic practices and making the world a better place is the right thing to do and will very soon be the norm. For me it's not just a badge and the ideals of King & Shaxson Ethical mirrors my personal investment philosophy.

## Peter Thompson

### Business Development Manager



I have over 16 years of experience in B2B consultancy, namely in the investment and platform markets. I focus on client engagement in a market that goes from strength to strength, as individuals align their investments with their personal values. Away from the office, I enjoy cooking, playing golf and spending time with my two daughters.

# NOTES

# DISCLAIMER

Past performance is no guarantee of future performance and the value of investments and the income from them may go down as well as up and is not guaranteed. Rates of exchange may cause the value of investments to go up or down. The level of yield may be subject to fluctuation and is not guaranteed. You may not get back the amount invested, especially in the early years. Investors should be aware of the underlying risk associated with investing in shares of small-cap stocks and emerging markets. These can prove to be more volatile than in more developed stock markets.

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