king
FINANCIAL PLANNING

King Model
Income Portfolio

FACTSHEET
May 2025

RISK LEVEL
5

FEATURES

IA Sector - Mixed Investments 20%-60% Shares

Daily Dealing

Multi-Asset: Equities, Bonds, Commodities, Property

RISK AND REWARD PROFILE

3	4	**5**	6	7	8

Lowest Risk — Highest Risk

This model has an internal risk rating classification of 5 and will aim to maintain this risk rating classification. The risk rating range is from 1 (lowest risk) to 10 (highest risk). This range is utilised across the whole of our investment proposition.

DETAILS

Inception: 2nd March 2009

CHARGES

Ongoing Charges Figure (OCF): 0.70%

Top 10 holdings
Artemis Target Return Bond I Acc
X-Trackers II Eurozone Government Bond UCITS ETF
Royal London UK Government Bond Z Inc
MAN GLG High Yield Opportunities Professional C
Muzinich Global Tactical Credit F Inc GBP
Invesco Tactical Bond (UK) M Acc
CG The Dollar Hedged Inc GBP
iShares II Plc $ Tips 0-5 UCITS ETF GBP
BH Absolute Return Government Bond
MS Emerging Market Debt Hdg Acc GBP

Income Yield **
2.74%

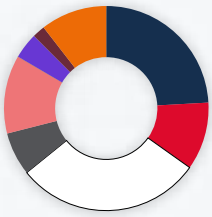
INVESTMENT OVERVIEW

The aim of the model is to increase in value, over a minimum of 5 years, by investing in a range of asset classes and global markets. The model will be actively managed, on a low risk strategy. It will aim to maintain an internal risk rating classification of 5.

CUMULATIVE PERFORMANCE

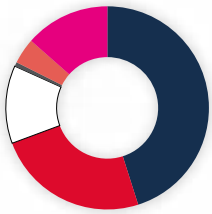
	1 Month	YTD	1 Year	3 Years	5 Years	ITD
Portfolio (GBP)	1.82	1.85	4.99	8.63	27.66	163.28
IA Sector - Mixed Investments 20%-60% Shares	2.07	1.81	5.24	10.57	22.49	139.62

ASSET ALLOCATION



- 24.11% Global Bonds
- 10.72% UK Bonds
- 29.35% North American Equities
- 6.85% Uk Equities
- 12.40% European Equities
- 0.00% Emerging Market Equities
- 4.08% Japanese Equities
- 1.99% Other International Equities
- 10.50% Other

REGIONAL ALLOCATION



- 39.34% North America
- 24.49% United Kingdom
- 8.39% Europe ex UK
- 3.63% Asia ex Japan
- 4.29% Japan
- 19.86% Rest of World

INVESTMENT OVERVIEW

The aim of the model is to increase in value, over a minimum of 5 years, by investing in a range of asset classes and global markets. This will be achieved through a combination of capital growth, which is profit on investments held, and income, which is money paid out of investments such as dividends from shares and interest from bonds.

INVESTMENT POLICY

The model will be actively managed, on a low risk strategy. It will aim to maintain an internal risk rating classification of 3. The risk rating range is from 1 (lowest risk) to 10 (highest risk). This range is utilised across the whole of our investment proposition. The model will invest in a number of different asset classes across global markets, including shares in companies, bonds, property and commodities.

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ABOUT KING FINANCIAL PLANNING

James King has been successfully advising clients for over 25 years. King Financial Planning's aim is simple: to provide independent and professional advice at a fair cost. King Model Portfolios are appropriate for a wide range of investors, including private clients, pensions, trusts, companies and charities.

KING MODEL PORTFOLIOS

The King Model Portfolios consist of index-tracking investments, providing low-cost exposure to a comprehensive range of assets and markets. The portfolios target specific levels of volatility and are matched to a client's attitude to risk. This approach aims to reduce costs and outperform the model portfolio benchmark. Clients will benefit from a competitive, transparent charging structure, on-going active portfolio management and online access to their portfolios 24 hours a day.

INVESTMENT PHILOSOPHY

The fund management industry has experienced significant change in the last quarter of a century. Product innovation has enabled investors to benefit from wider exposure to global financial markets with far greater efficiency and at a lower cost. Index-tracking investments such as Exchange Traded Funds (ETF) have grown increasingly important. We believe an actively managed, globally allocated, multi-asset portfolio, comprised of low-cost ETFs with diversified holdings in equity, bond, commodity and property markets is statistically more likely to outperform a traditional "stock picking" manager most of the time.

INVESTMENT STRATEGY

The King Model Portfolios are medium to long term investments (5 years or more) and are not suitable for money which might be needed in the short term.

INVESTMENT TEAM

The Tavistock Asset Management Investment Committee carries direct responsibility for all discretionary investments at the firm. The principal focus of the committee is to monitor the performance of each investment solution within the Centralised Investment Proposition (CIP) against its stated investment objectives, target market and long-term return objective versus its peer group.

ABOUT TAVISTOCK

Tavistock Asset Management (TAM) is authorised and regulated by the Financial Conduct Authority to provide Discretionary Fund Management (FRN: 955719). Tavistock Asset Management Limited is a wholly owned subsidiary of Tavistock Investments Plc. TAM manage over £1bn of assets on behalf of all clients, aiming to provide private clients with access to institutional quality portfolio management at a retail price. TAM's model portfolios provide individual investors with the benefit of collective buying power to ensure that the charges they incur for model portfolio management, platform fees and dealing are amongst the lowest in the industry. Currently, Tavistock has over 175 financial advisers helping 50,000+ private clients look after more than £3.5bn of investments.

PEER GROUP

Although the PROFILE is not benchmarked against the IA sector one may wish to compare the performance of King Income Portfolio to the IA Mixed Investment 20%-60% Shares sector for peer group analysis.

CONTACT INFORMATION

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The Portfolio is available on the following platforms:

M&G WEALTH PLATFORM

MORNINGSTAR WEALTH PLATFORM

The value of an investment in the King Model Portfolios may fall as well as rise. Past performance should not be seen as an indication of future performance.



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MANAGER COMMENTARY

May was a strong month for equity markets, as a combination of events acted to slow the implementation of new US trade tariffs – a policy announcement that had so roiled markets less than a month before. This time, the immediate catalyst for market strength was a sharp de-escalation in tensions between the USA and China, culminating in the postponement of punitive trade tariffs for several months. These actions built upon previous 90-day pauses announced in April, which had applied to the rest of the world excluding China, and gave investors, markets and governments some space to breathe after the shock of 'Liberation Day' when this new trade policy was first revealed.

In addition, the administration swiftly reversed its threat to impose 50% tariffs on the EU (within a day to be precise) and, to cap it all, towards the end of May, a US trade court ruled that President Trump's actions in using emergency powers to implement tariffs were unlawful in the first place. The result of all these events was firstly, one of the strongest May rallies in the US equity market in 35 years and, secondly, the widespread use of a new four-letter acronym – TACO – to explain the market's thinking (at least from the point of view of financial journalists trying to report on these rapidly changing events).

TACO – aka 'Trump Always Chickens Out' – was attributed to the Financial Times journalist Robert Armstrong, who used it in his column in early May to describe his view on the prevailing market narrative. By the end of May, it had morphed into a global shorthand description of market performance, investor thinking, and the future outlook. In the TACO narrative, risk assets were rising because President Trump's 'bark' really is much worse than his actual 'bite'. In other words, the US administration is developing a habit of chickening out of its policy rollout when put under pressure by markets. If we extrapolate this narrative, then ultimately the end point would be a level of tariffs that markets could live with (i.e., a watered-down version of the initial rollout). Coupled with ongoing, generally solid global economic data, the mood had now definitively shifted to 'risk on' in May.

This is certainly a plausible narrative, but unfortunately, in our opinion, not quite as simple to achieve as a four-letter acronym would imply. Perhaps most obviously, this US administration is consistent in stating that tariffs form a core part of its reform and revenue raising agenda. The trade court decision was also quickly reversed by a higher court, pending the appeals process, leaving everything as it was before – at least for the moment. The administration has also made clear that other legal tools will be used to deliver on the tariff objective if the initial route is blocked. A pause for negotiation is also clearly not the same thing as a trade agreement, leaving plenty of room for unfriendly market outcomes if the USA and China cannot come to acceptable terms.

We would also take careful note of the weak performance of global bond markets during May, particularly at the long end of the government bond market. Globally, yields for bonds with 30-year maturities and beyond have been rising steadily for several years, as interest rates normalise upwards from unusually low levels. However, during May, the speed of this rise became particularly uncomfortable in Japan, and the level of current yields in the USA (c. 5% for 30-year US Treasuries) became uncomfortable for investors, given the prospect of a US government intent on turning the spending taps on. These price movements are making some bond investors very wary of a crisis in confidence akin to a 'Liz Truss moment' for the US and Japan, with bad consequences for the real economy if that happens.

Putting all these issues together as we approach the midpoint of the year, we think that markets overall will most likely pause for breath, awaiting further developments. It is difficult to see how equity markets can keep on rising from here when global trade policy is so uncertain, and consumer confidence so volatile consequently. Earnings forecasts are solid in the near term but are also heavily caveated, given that the chances of a manmade accident in the real economy are high. More importantly, bond markets are clearly on edge, reflecting the weak state of government balance sheets and the lack of room for further largesse – even in the USA, with all its significant advantages. Portfolios remain widely diversified across geographies and asset classes consequently, and we are approaching the midpoint of the year with confidence – albeit that we are also positioned for a 'muddle through' type of environment where progress is likely to be positive but erratic.

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**Rolling 1-year dividend yield as of the valuation point of the underlying holdings on 31/05/25 (applicable to income share class only). The yield incorporates the NAV as of the valuation point date.

Date of data: 31st May 2025 unless otherwise stated.

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