



# Income Focus

MKC Invest Income Focus 5  
May 2025

MKC Wealth  
Risk Rating

Equity Target

Portfolio Objective:

Inception Date: 01.07.2024

The MKC Invest Income Focus portfolio 5 aims to provide a natural distribution yield from a diversified portfolio of collective investments managed such that the risk level of the portfolio will be suitable for an investor at level 5 on the MKC "Baseline" scale of investment risk. The yield target will be at least 200% of the relevant benchmark yield over a rolling 12-month period. The portfolio aims to outperform the yield of this strategic asset allocation over the course of a market cycle through active asset allocation and the selection of predominantly higher-yield actively managed funds from a range of providers. While long-term capital growth is a reasonable expectation from the portfolio given its underlying asset exposures, this portfolio will be measured solely by its distribution yield.

Balanced

50%

Baseline Benchmark 5:  
60% Morningstar Global Target Market Exposure  
50% Morningstar Global Core Bond (GBP) Hedged

## Market Overview:

Equity markets delivered a strong performance in May, supported by moderating rhetoric around trade tariffs and broadly positive corporate earnings. While volatility remained elevated—particularly during episodes such as the brief threat of additional tariffs on Europe, which were quickly delayed—overall sentiment improved markedly compared to the previous month.

As a result, equities posted one of their strongest months in recent times, with developed markets returning 6%. Having previously fallen the furthest, the US led the recovery, though gains were broad-based, with all major indices firmly in positive territory.

In contrast, bond yields rose over the month, driven largely by fiscal concerns in the US—a situation compounded by Moody's decision to lower its credit rating—and by weak demand for longer-dated sovereign debt more generally. There was some respite late in the month as trade tensions and inflation fears eased, but yields nevertheless ended the period marginally higher.

## Historic Performance\*

Time Period: 06/06/2020 to 05/06/2025



— Baseline Benchmark 5

27.9%

## Calendar Year Returns\*

Data Point: Return Calculation Benchmark: Baseline Benchmark 5

	2020	2021	2022	2023	2024
Baseline Benchmark 5	9.56	8.42	-10.44	10.45	10.63

## Cumulative Return\*

Data Point: Return Calculation Benchmark: Baseline Benchmark 5

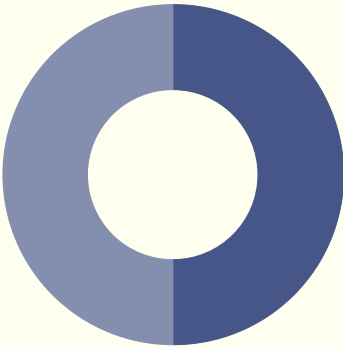
	YTD	3 Months	6 Months	1 Year	3 Years	5 Years
Baseline Benchmark 5	-0.05	-0.13	-1.49	5.62	18.13	27.93

\*To comply with FCA regulations we are unable to provide performance numbers for this portfolio until it has a track record of at least 12 months. For context, we have provided the historic performance of the suitable benchmark but this must not be taken as an indication of likely future performance.

Source: Morningstar Direct

Asset Allocation - MKC Invest Income Focus 5

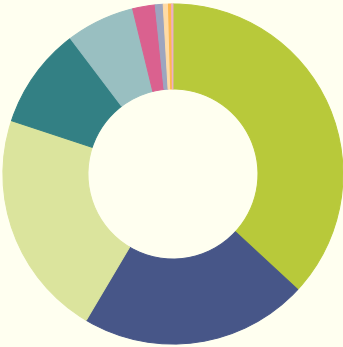
Portfolio Date: 10/01/2024



	%
Equity	50.0
Bond	50.0
<b>Total</b>	<b>100.0</b>

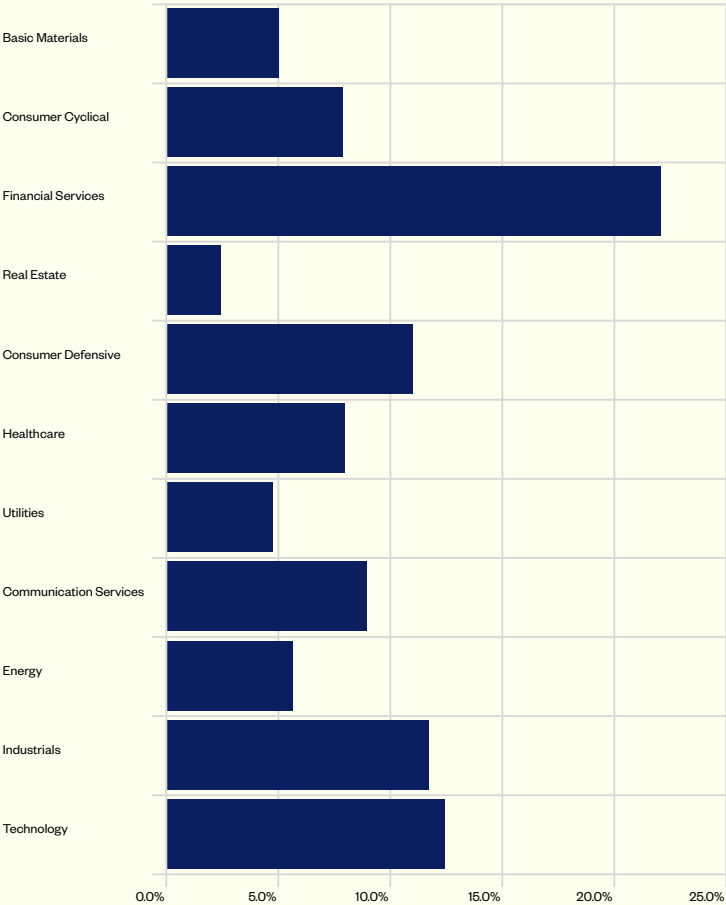
Equity Regional Exposure - MKC Invest Income Focus 5

Portfolio Date: 31/05/2025



	%
United Kingdom	36.9
North America	21.6
Europe dev	21.6
Asia dev	9.6
Asia emrg	6.5
Australasia	2.1
Latin America	0.8
Africa/Middle East	0.5
Europe emrg	0.3
Japan	0.1
<b>Total</b>	<b>100.0</b>

Equity Sector Exposure



Top 10 Underlying Securities:

	Portfolio Weighting %
HSBC Holdings PLC	1.23
Shell PLC	1.16
Unilever PLC	1.10
AstraZeneca PLC	1.07
Taiwan Semiconductor Manufacturing Co Ltd	0.85
United Kingdom of Great Britain and Northern Ireland 4.125%	0.82
British American Tobacco PLC	0.72
NVIDIA Corp	0.68
Microsoft Corp	0.68
GSK PLC	0.64

Historic Yield\*:

Baseline Benchmark 5: 2.24%  
Income Focus 5: 5.48%

Costs and Charges:

Underlying fund costs: 0.49%  
DIM Charge: 0.20%  
Total Cost: 0.69%

Funds:

Funds	Portfolio Weighting %
Vanguard U.S. Govt Bd Idx £ H Dist	12.00
Schroder US Eq Inc Mxmsr L Inc £	10.00
Vanguard Global Credit Bond Inv GBPH Inc	10.00
Polar Optl Eurp Ex UK Inc I Inc	8.00
Fidelity Enhanced Income W Inc Monthly	7.00
Schroder UK-Listed Equity Inc MxmsrZ£Inc	7.00
Jupiter Monthly Income Bd U1 GBP Inc	6.00
Schroder Asian Income Maximiser L £ Inc	6.00
Aegon High Yield Bond GBP B Inc	5.00
Fidelity Global Enhanced Income W Mlthly	5.00
Liontrust Sust Fut Mn Inc Bd P Grs Inc	5.00
M&G Dividend GBP I Inc	4.00
Artemis SmartGARP Glb EM Eq I Inc GBP	3.00
ArtemisFds(Lux) SD Glb HY Bd FI GBP IncH	3.00
M&G Short Dated Corp Bd GBP I Inc	3.00
MI TwentyFour Core Corp Bd A Grs Inc	3.00
Royal London Short Duration Gilts M Inc	3.00

Portfolio performance has been calculated using Morningstar Direct and is believed accurate based on the standard pricing of any underlying investment funds held in the portfolio. In some cases, clients may benefit from additional discounts to those same funds on their chosen custody platform. This will cause differences between actual performance and the performance calculated by Morningstar. We expect in all cases that these differences, where present, will be to investors' advantage.

\*These yield figures are backward-looking and indicate the typical percentage yield from share dividends, bond coupons or other forms of earned investment income that would have been received over the period stated. Future yields are likely to differ substantially from historic yields.

Important Information:

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