



# Income Focus

MKC Invest Income Focus 5  
June 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:

June saw global economic markets contend with heightened uncertainty, driven by ongoing concerns over trade tariffs, broader economic policy, and, more recently, renewed geopolitical tensions following Israel's attack on Iran.

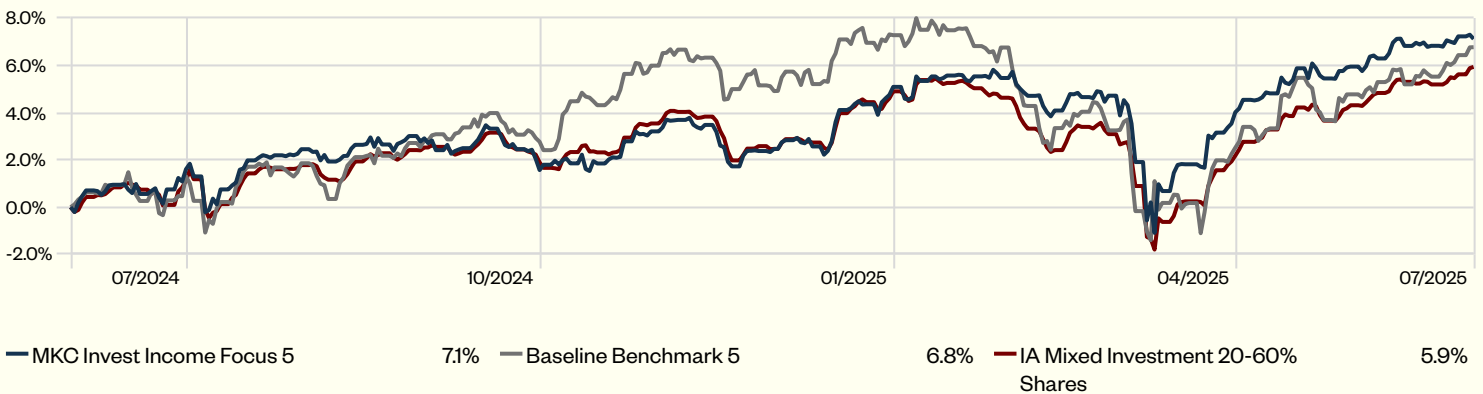
Despite these headwinds, equity markets delivered strong gains over the month. Nowhere was this more evident than in the United States, where markets not only recouped all losses from the first quarter but also reached new record highs on both the S&P 500 and the NASDAQ.

The bond market presented a more mixed picture. Yields on US 10-year Treasuries fell significantly, reflecting their traditional role as safe-haven assets during periods of conflict. Nevertheless, concerns about the scale of US debt persist, and broader discomfort with recent policy decisions is most clearly illustrated by the continued weakness of the US dollar.

Closer to home, the European Central Bank cut rates by 25 basis points during the month as inflation eased. The Bank of England, however, was unable to follow suit, with data indicating that UK inflation remains uncomfortably high. This, combined with ongoing concerns about the Government's fiscal policy, led to a further rise in 10-year Gilt yields.

## Historic Performance\*

Time Period: 01/07/2024 to 01/07/2025



## Calendar Year Returns\*

Data Point: Return    Calculation Benchmark: Baseline Benchmark 5

	2020	2021	2022	2023	2024
MKC Invest Income Focus 5	—	—	—	—	—
Baseline Benchmark 5	9.56	8.42	-10.44	10.45	10.63
IA Mixed Investment 20-60% Shares	3.49	6.31	-9.67	6.86	6.18

## Cumulative Return\*

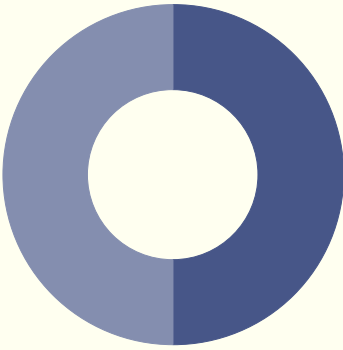
Data Point: Return    Calculation Benchmark: Baseline Benchmark 5

	YTD	3 Months	6 Months	1 Year	3 Years	5 Years
MKC Invest Income Focus 5	4.54	2.48	4.54	7.12	—	—
Baseline Benchmark 5	1.77	3.05	1.76	6.77	22.97	29.93
IA Mixed Investment 20-60% Shares	3.38	3.13	3.38	5.93	17.23	21.85

\*The performance shown is net of fund and investment management charges. Past performance is not a reliable indicator of future results.

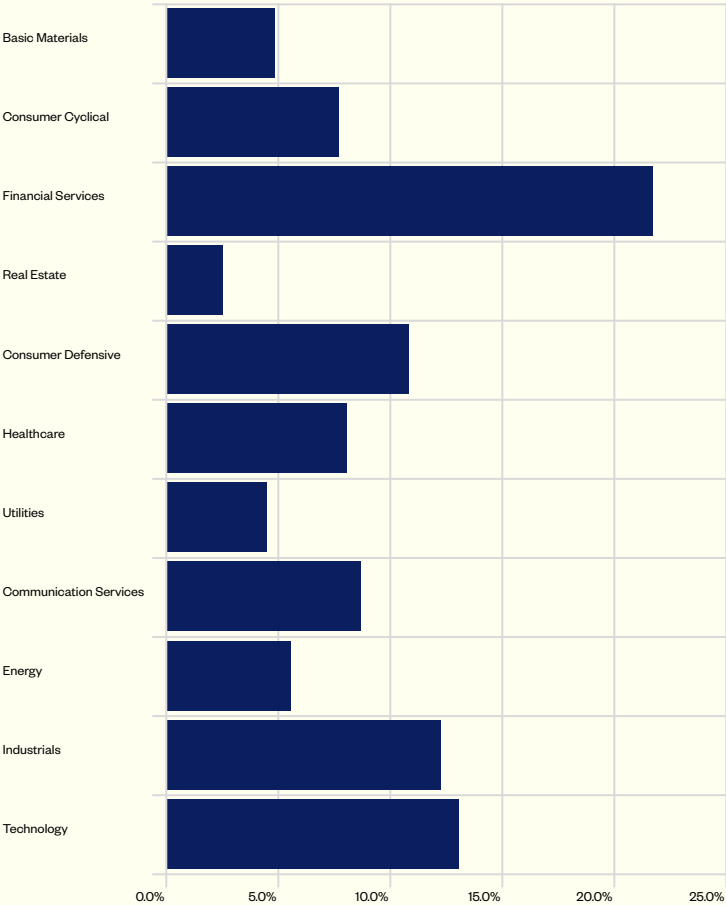
Asset Allocation - MKC Invest Income Focus 5

Portfolio Date: 10/01/2024

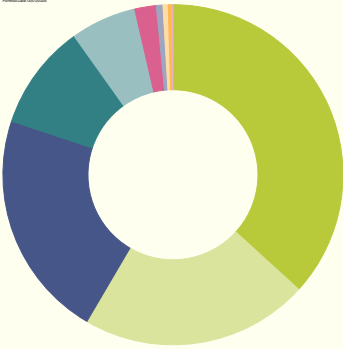


	%
Equity	50.0
Bond	50.0
Total	100.0

Equity Sector Exposure



Equity Regional Exposure - MKC Invest Income Focus 5



	%
United Kingdom	36.8
Europe dev	21.7
North America	21.7
Asia dev	10.0
Asia emrg	6.2
Australasia	2.0
Latin America	0.6
Africa/Middle East	0.5
Europe emrg	0.3
Japan	0.1
Total	100.0

Top 10 Underlying Securities:

	Portfolio Weighting %
HSBC Holdings PLC	1.20
Shell PLC	1.12
AstraZeneca PLC	1.00
Unilever PLC	1.00
United Kingdom of Great Britain and Northern Ireland 4.125%	0.91
Taiwan Semiconductor Manufacturing Co Ltd	0.89
NVIDIA Corp	0.73
British American Tobacco PLC	0.73
Microsoft Corp	0.68
United Kingdom of Great Britain and Northern Ireland 4.5%	0.64

Historic Yield\*:

Baseline Benchmark 5: 2.27%  
Income Focus 5: 5.52%

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
Polar Cptl 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 European ABS I GBP Inc	5.00
Aegon High Yield Bond GBP B Inc	5.00
Fidelity Global Enhanced Income W Mithly	5.00
Liontrust Sust Fut Mn Inc Bd P Grs Inc	5.00
Vanguard Global Credit Bond Inv GBPH 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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Source: Morningstar Direct