



Naisbitt King

Integrity - Vision - Performance

Corporate Presentation

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Meet the Senior Team



Alastair King
Chairman & Founder



Corinne Lee
COO/Head of Family Office



Trevor Cooper
CIO



Paul Hawkins
Portfolio Manager/Consultant



Sophia Mooney
Compliance



Zinzan Hunter
Research Analyst

Alastair King

Chairman & Founder

Qualified solicitor & venture capitalist prior to founding Naisbitt King

Sheriff of London for 2023 and Lord Mayor of London (subject to election) from November 2024

Corinne Lee

Chief Operating Officer

Head of family office at Naisbitt King

Highly experienced broker and primary dealer in the bond market

Trevor Cooper

Chief Investment Officer

Highly experienced in fund management, bond trading & issuance

Fellow of the Chartered Institute of Securities and Investments (FSICl)

Paul Hawkins

Portfolio Manager/Consultant

Specialist in Sterling credit and head of bond trading at RBS, Barclays & Santander

Chairman of the Eurosterling Steering committee for many years

Sophia Mooney

Compliance

Head of compliance and CSR at Naisbitt King

Experienced in the Arts world having spent 7 years at Sotheby's

Zinzan Hunter

Research Analyst

Graduated from the University of Leeds with a first-class degree in Physics

Studying towards CFA Level I having completed the IMC

Fixed Income Specialists

Bespoke Portfolio

We individually tailor each client's portfolio, considering:

- Portfolio goals
- Currency selection
- Risk profile
- Ethical preferences

Value Opportunity

Our team has years of experience in credit markets and being nimble allows us to navigate different market conditions

Clients receive a personal and accountable service from our team



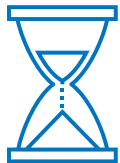
Why Choose NKAML?



Lower cost to the client compared to a peer group of investment firms



Focused on credit market so there are no distractions with equity, private equity, or commodity markets
Experts in credit rather than generalists



NKAML is **nimble**; descisions can be made quickly in respect of events needing a timely response - a key differentiator



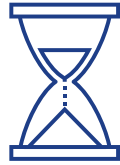
Personal service including individual reporting and accountability for every portfolio
We are always available to **chat bonds!**

Investment Process



Naisbitt King

Investment Philosophy



TIMING

We believe in time in the market and timing the market

We manage throughout market cycles rather than gambling with the cycle, while difficult times are inevitable, our track record demonstrates we can and do navigate them better than most



OUR APPROACH

Credit markets create opportunities for active management

Relentless focus on our portfolios ensures the best performance at all times



DEEP EXPERTISE

Owning credit brings with it a certainty that most markets cannot offer

There are known cash flows, income, and a fixed maturity date

This certainty has a great appeal in an uncertain world

Case for Credit

NEW ISSUANCE

New issuance is an integral part of the credit market
Non-financial corporation issuance is up **36%** in the first half of the year, according to S&P Global

OPPORTUNITIES

Market dislocations are a frequent occurrence
This brings with it both risk and opportunity

VOLATILITY

The equity market remains volatile
The fixed income market offers historically attractive returns with less volatility

LOW DEFAULT RATES

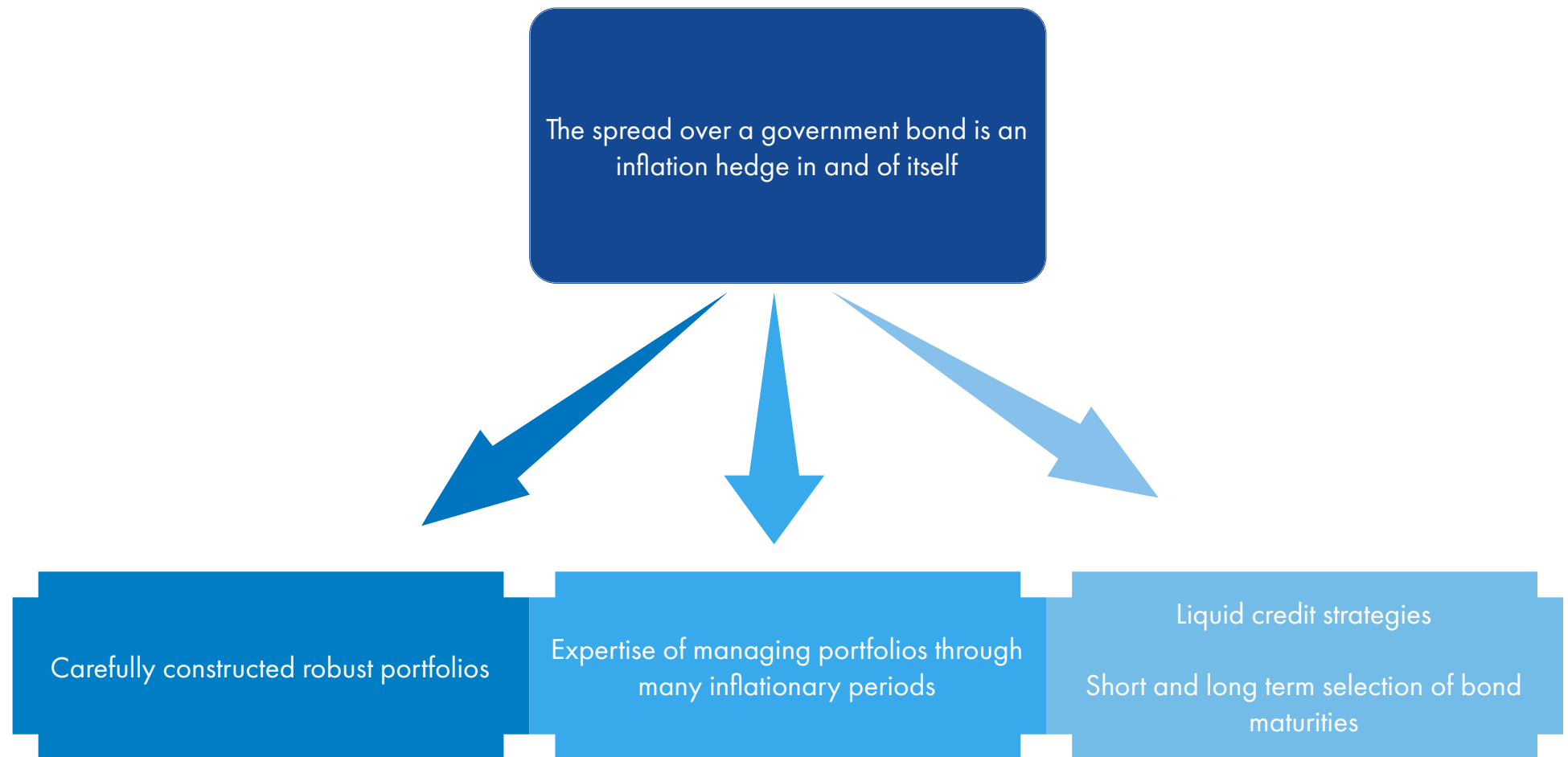
High yield default rates, **3.2% in June 2023**, remain low compared to history
The default rate peaked at 12% in 2009 according to S&P Global

MARKET KNOWLEDGE

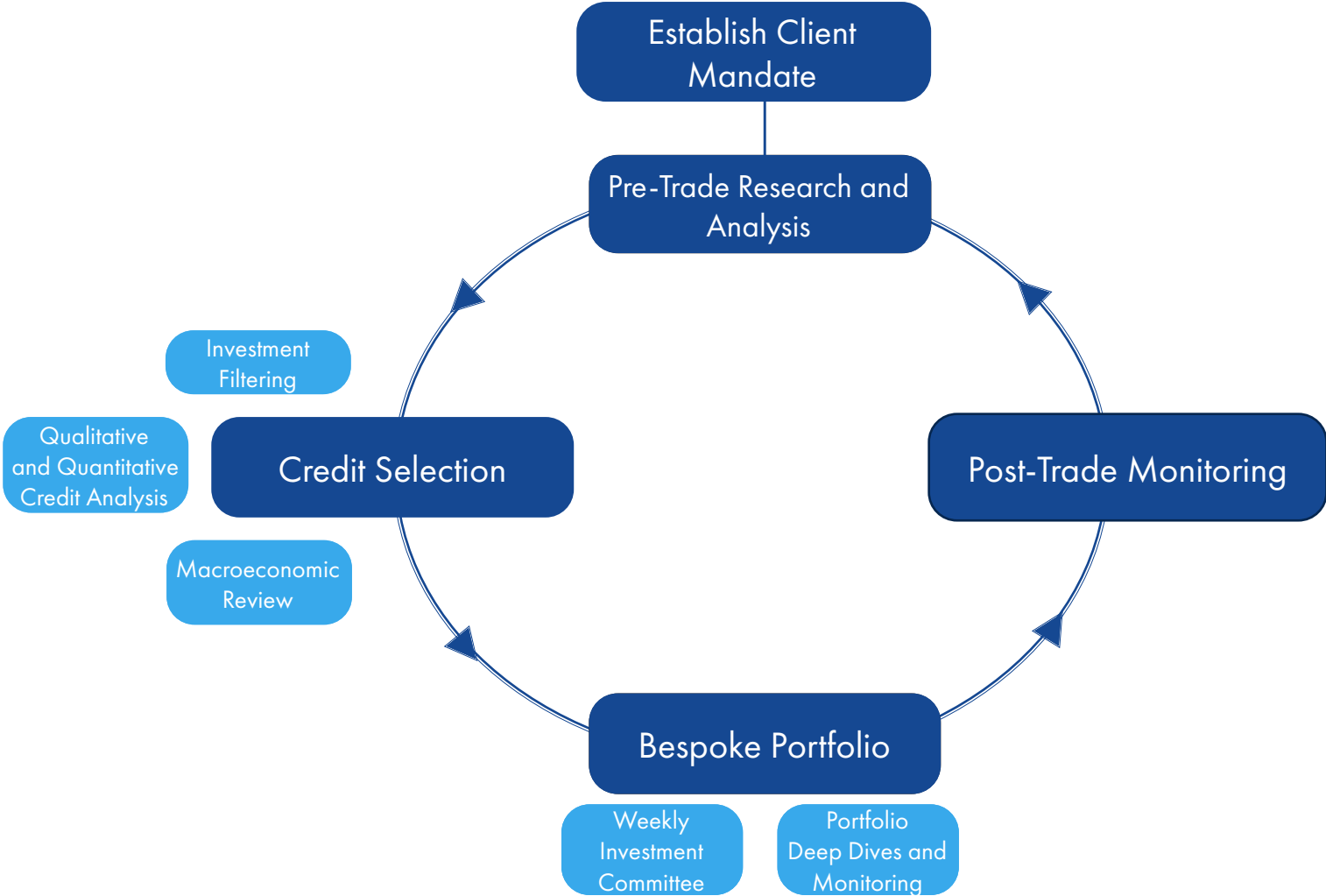
NKAML focus on the best risk adjusted opportunities for the current market cycle



Investing in Credit during Inflationary Periods



Our Investment Process

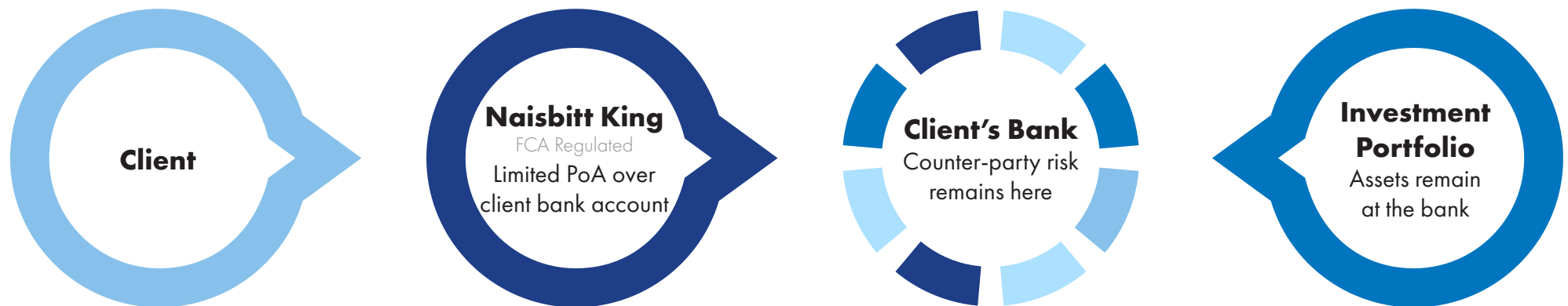


Designing Your Mandate

Mandates are the basis for all portfolios, detailing the **scope** and **requirements** of all investments to the client's satisfaction

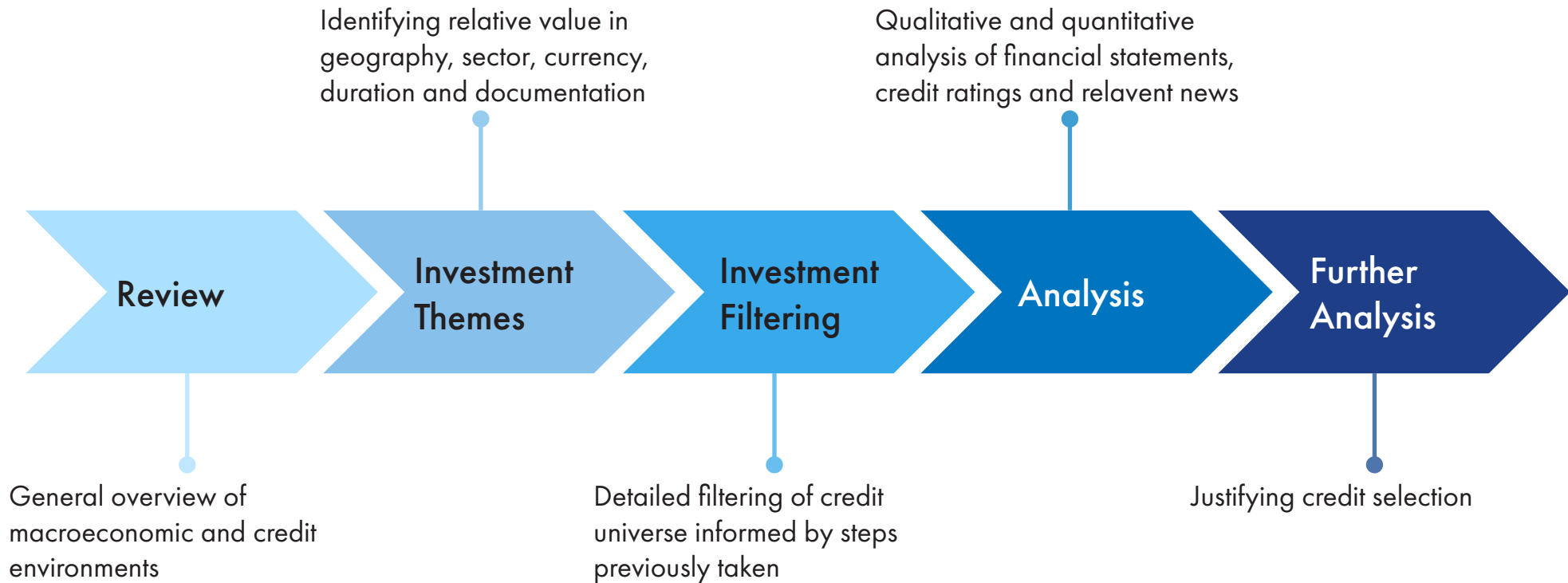
We take time to understand clients needs and preferences from their investments

NKAML invest on a **discretionary** basis, instructing the client's private bank on purchase and sell orders for a set amount which NKAML has limited power of attorney over



NKAML also offer advisory portfolios, where the investment decisions lie with the client, following advice from NKAML

NKAML Process

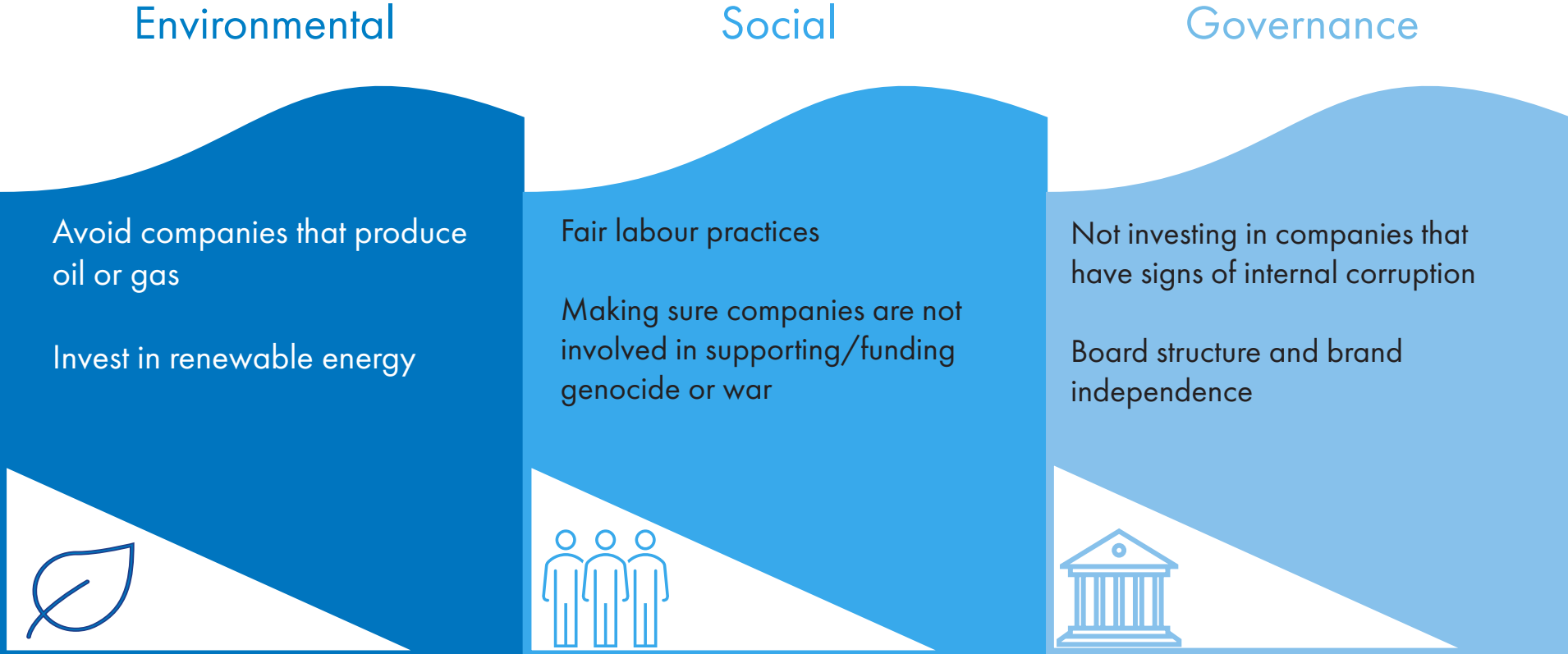


Post-Trade Analysis and Reporting



Examples of ESG Preferences

NKAM is able to cater to a diverse range of **ESG preferences**, from strict criteria to none at all



Macroeconomic Environment



NaisbittKing

The Rates Environment

US Treasury 10 Year



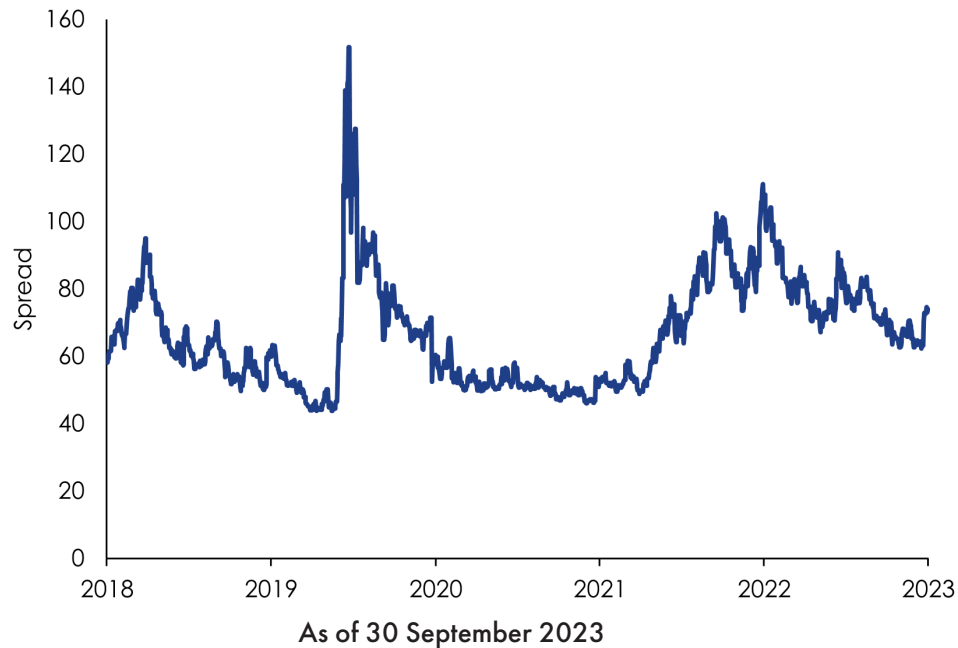
UK GILT 10 Year



As of 30 September 2023

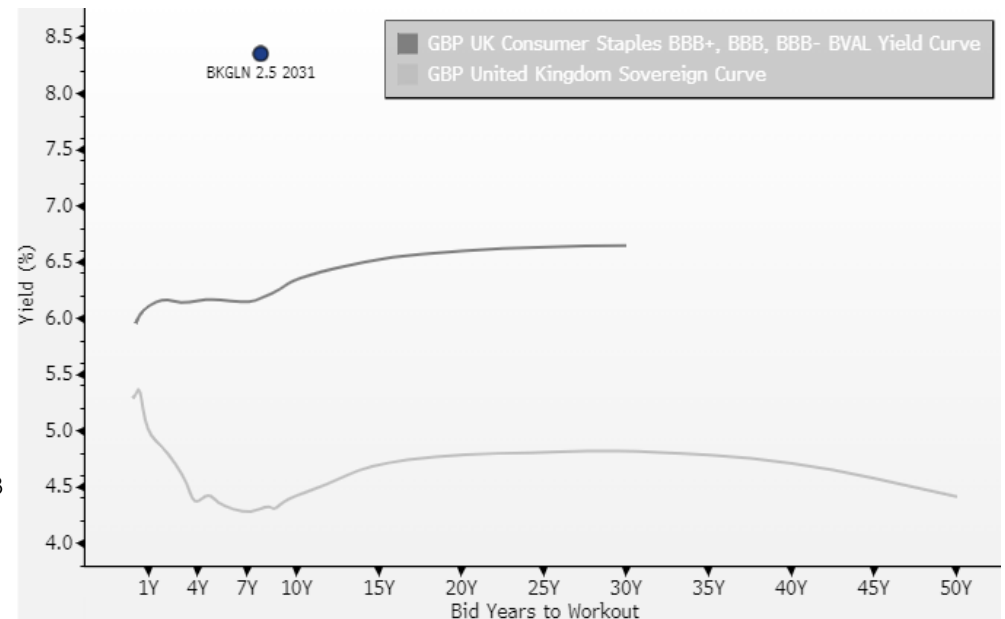
The Credit Environment (case study)

Markit CDX North America Investment Grade Index



Berkeley Group (BBB-) is a housebuilder based in the UK with cash exceeding debts on its balance sheet (net cash)

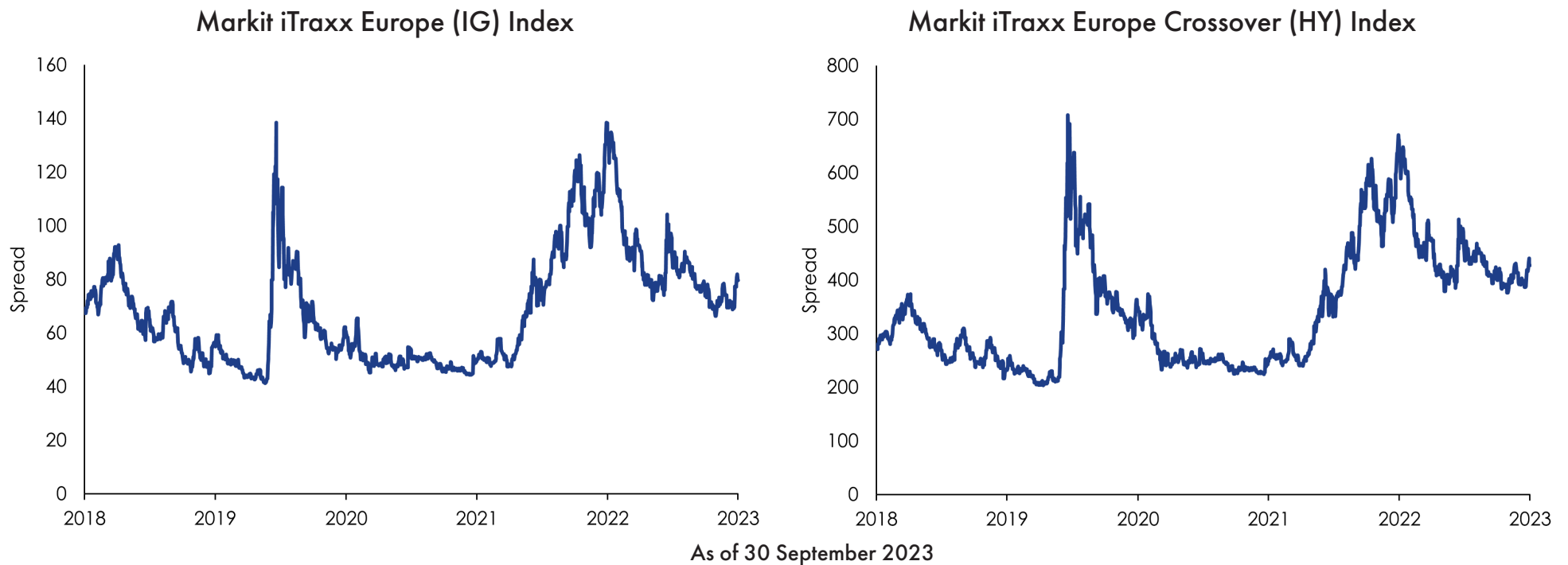
Yet due to a lack of name recognition the bond **trades wide** of the industry, yielding 8.1%



Market Risk

Elevated spreads represent an opportunity for investors to earn **greater yields** in both investment grade and high yield credit

However, careful credit selection is needed as interest rates and financing costs rise



The Markit iTraxx Europe and Markit iTraxx Europe Crossover indices, comprised of 125 CDS contracts on **investment grade** (IG) and 75 CDS contracts on **high yield** (HY) European corporates respectively, show the spreads are at elevated levels compared with history

Credit Market Risk

Credit spread indices demonstrate risk in the credit market

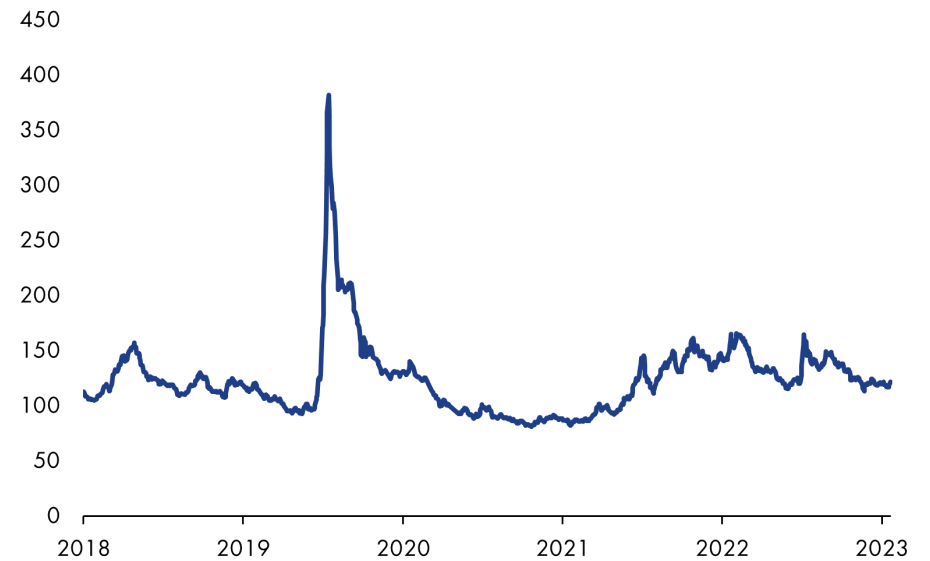
Spreads remain at **elevated levels** compared with history, excluding the effects of the pandemic

Investing in a wider spread environment suggests the market prices in elevated levels of risk

With careful selection and analysis **higher yields** are available for investors

Current spreads and yields are **attractive compared with history**

5 Year USD Investment Grade Bond Sector Spread Index



As of 30 September 2023

Banking Crisis (case study)

Poor management and successive scandals led to the downfall of **Credit Suisse**

Systemically important banks remain **highly capitalised** beneficiaries of the weakness in regional American banks as consumers move deposits to systemic **'too big to fail'** banks

SYSTEMIC BANKS = WELL CAPITALISED

	CET1 Ratio (%)	Price to Book Value
Morgan Stanley	15.2	1.48
Goldman Sachs	14.9	1.01
HSBC	14.7	0.94
UBS	14.4	0.92
Lloyds Bank	14.2	0.77
Barclays	13.8	0.46
JP Morgan Chase	13.8	1.48
Deutsche Bank	13.8	0.35
BNP Paribas	13.6	0.66
NatWest	13.5	0.68
Citigroup	13.4	0.42
Bank of Nova Scotia	12.7	1.08
Banco Santander	12.3	0.63

As of 30 June 2023



Additional Tier 1

Additional Tier 1 bonds, the riskiest part of banks capital structure, is **essential to bank capital structure**

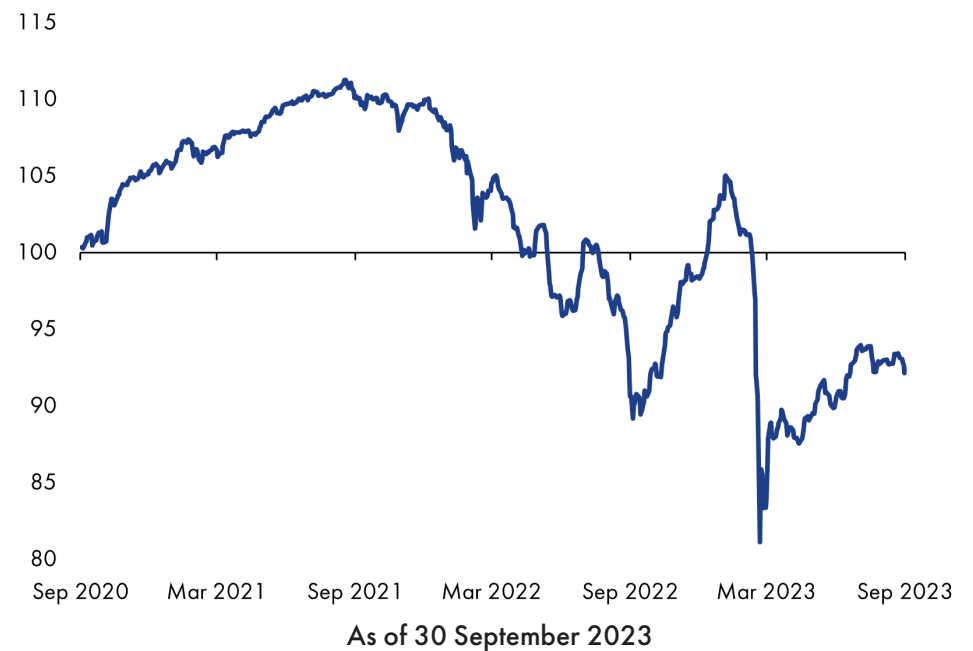
Regulators need the market to function efficiently and **existential threats** are limited

Yield to worst (assuming the bond is not called) now offers a very **compelling yield**

CET1 ratios offer returns disproportionate to the risk

Credit Suisse fallout offers an **opportunity** as a result of **idiosyncratic** issues

Bloomberg Developed Market Contingent Capital USD Index



NKAML Performance



Naisbitt King

NKAML Competitive Performance

	ETF	Global Bond Fund	NKAML
Nimble	No	No	Yes
Bespoke	No	No	Yes
Individual Reporting	No	No	Yes
Personal Service	No	No	Yes

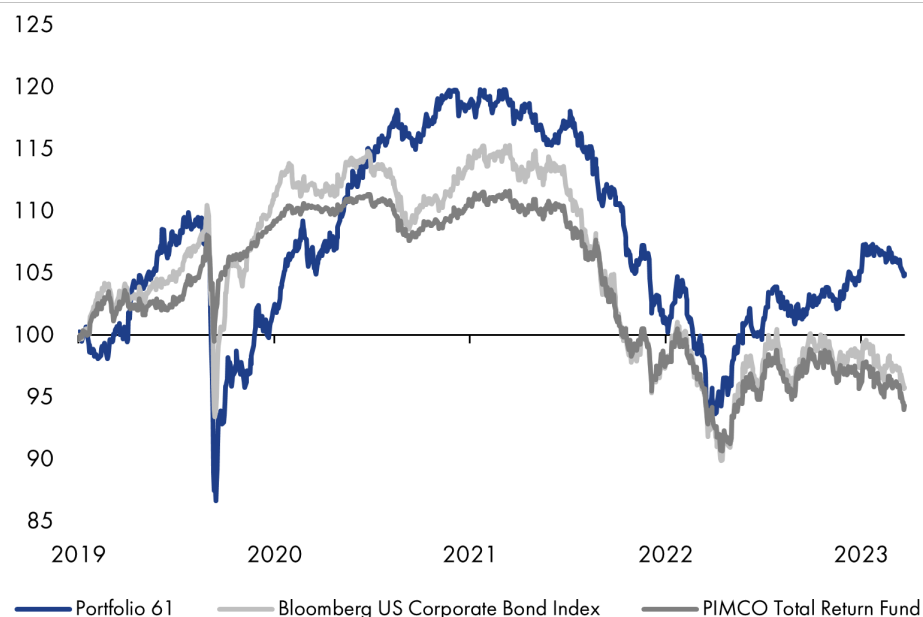
Portfolio Case Study

This discretionary portfolio was created for a South African client with a deep knowledge of credit markets. The portfolio is multi-currency, containing sterling and dollar denominated bonds.

Comprised of a wide ranging list of investment grade and high yield holdings, the current average credit rating of the portfolio is Baa2/BBB/BBB. Financials comprise 47% of the portfolio with a diverse spread of industries comprising the remaining 53%.

The mandate includes a list of sectors the client won't invest in, including: automobiles, airlines, retail, property, among others. Yet since inception, in 2019, this portfolio has returned +4.76% versus -5.71% for the PIMCO total return fund (TRF) over the same period and -4.97% with the Dollar benchmark.

Portfolio 61 Performance vs Dollar Benchmark vs PIMCO TRF



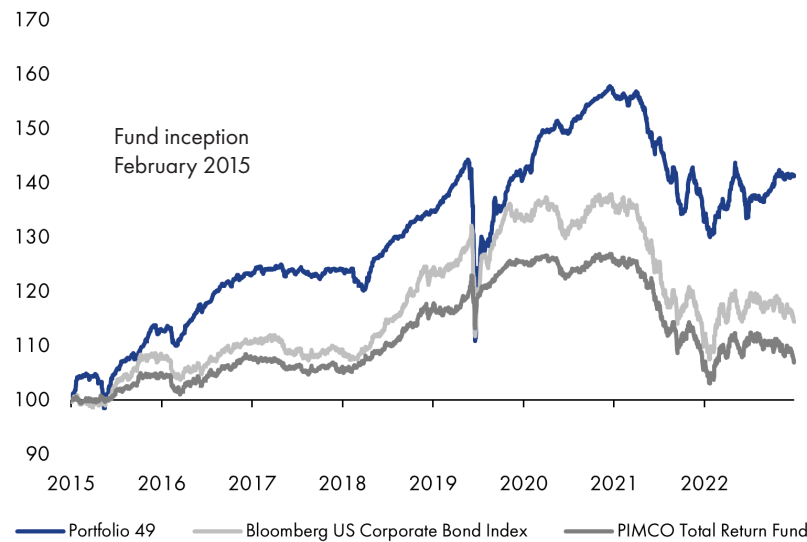
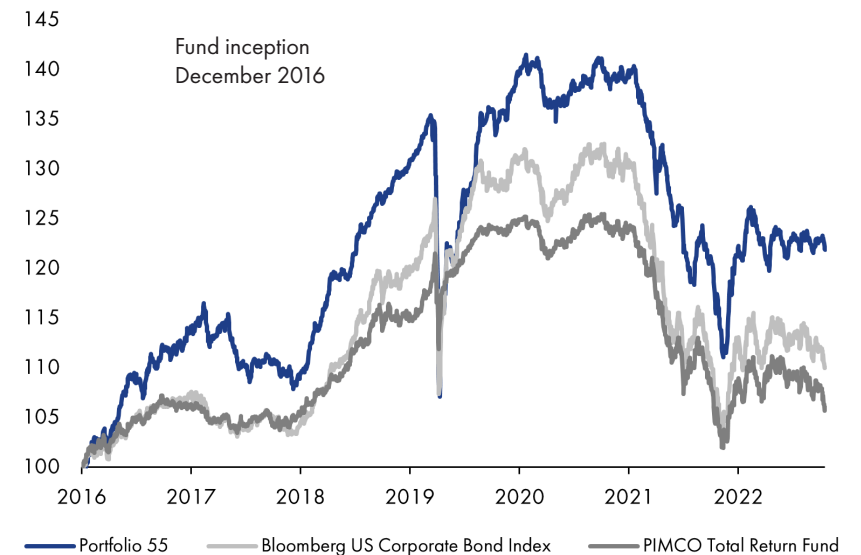
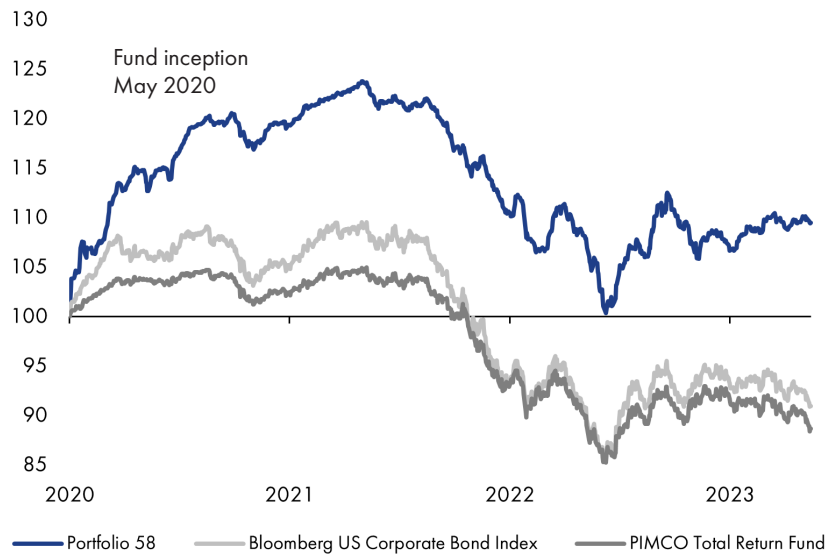
Portfolio 61 - Monthly Total Return

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2019													
2020	1.53%	-2.26%	-12.68%	5.27%	-0.15%	1.70%	5.84%	2.41%	-2.13%	0.65%	4.57%	2.74%	6.25%
2021	0.77%	0.79%	-1.13%	1.34%	2.29%	-1.24%	1.05%	-0.50%	-1.34%	0.58%	-2.21%	1.66%	1.97%
2022	-1.69%	-1.06%	-1.89%	-4.44%	-0.12%	-4.45%	1.79%	-3.96%	-5.50%	2.37%	2.90%	0.75%	-14.66%
2023	3.56%	-1.25%	-0.23%	1.50%	-0.87%	1.76%	2.67%	-0.40%	-1.81%				4.90%

As of 30 September 2023



Portfolio Performance



As of 30 September 2023

Additional Information



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Disclaimer

DEFINITIONS OF INDICES AND TERMS AND ADDITIONAL RISKS

Additional Risks:

Investing in fixed income products is subject to certain risks, including interest rate, credit, inflation, call, prepayment and reinvestment risk. Any fixed income security sold or redeemed prior to maturity may be subject to substantial gain or loss.

Holders of foreign securities can be subject to foreign exchange risk, exchange-rate risk and currency risk, as exchange rates fluctuate between an investment's foreign currency and the investment holder's domestic currency. Conversely, it is possible to benefit from favorable foreign exchange fluctuations. High Yield bonds are speculative non-investment grade bonds that have higher risk of default or other adverse credit events which are appropriate for high risk investors only.

Investments in emerging markets may not be suitable for all investors. Emerging markets involve a greater degree of risk and increased volatility. Changes in currency exchange rates and differences in accounting and taxation policies outside the USA or the UK can raise or lower returns. Some overseas markets may not be as politically and economically stable as the USA, UK and other nations. Investments in emerging markets can be more volatile.

Preferred investments share characteristics of both stocks and bonds. Preferred securities are typically long-dated securities with call protection that fall in between debt and equity in the capital structure. Preferred securities carry various risks and considerations which include: concentration risk; interest rate risk; lower credit ratings than individual bonds; a lower claim to assets than a firm's individual bonds; higher yields due to these risk characteristics; and "callable" implications meaning the issuing company may redeem the stock at a certain price after a certain date.

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Investment strategies are selected from both NKAML and third-party asset managers and are subject to review process from our manager research teams. From this pool of strategies, our portfolio construction teams select those strategies we believe fit our asset allocation goals and forward looking views in order to meet the portfolio's investment objective. As a general matter, we prefer NKAML managed strategies.

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IMPORTANT INFORMATION

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