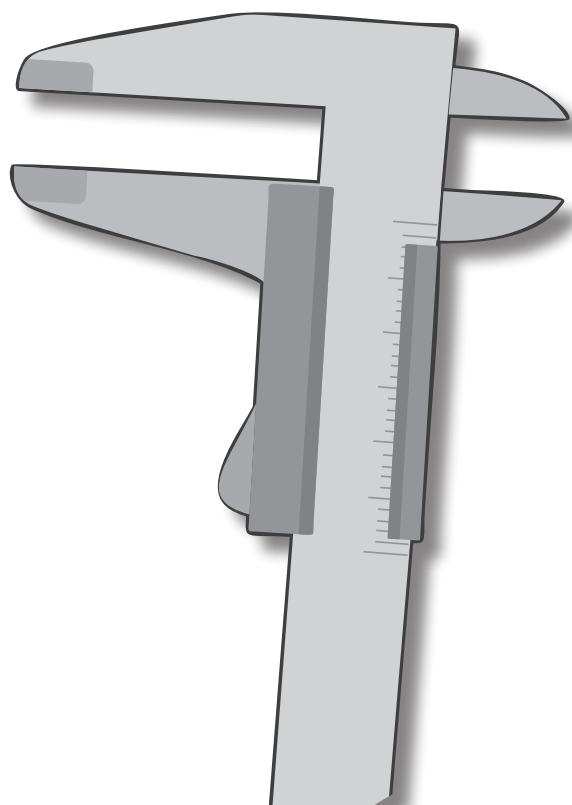
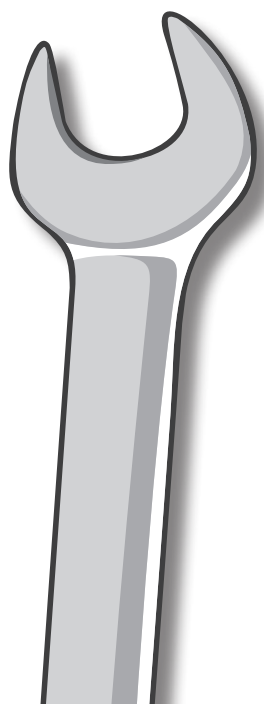


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ADVISER ETHICAL TOOLKIT



ETHICAL INVESTING: ADVISER CONCERNS

Below are some of the concerns (and misconceptions) from advisers that we come across when discussing ethical investment solutions.

“Am I required to ask if clients are interested in ethical investing?”

It is not currently a regulatory requirement for advisers to talk to clients about ethical, green or SRI investing. However, you are expected to know your clients and offer appropriate advice.

If you are aiming to achieve the best practice adviser ISO standard ISO22222 (BS 8435) then it is a requirement to ask an SRI fact find question.

“There aren’t enough funds to choose from”

In the past the choice of funds was limited but the market has grown. We undertake careful analysis to ensure that any funds under consideration meet all of a client’s ethical requirements. Using funds which meet [Whitechurch ethical portfolio screening](#) requirements we have been able to build well-diversified portfolios investing in UK equities, overseas equities, fixed interest and property.

“What are the benefits of engaging with a client on this issue?”

If you don’t ask the question you could risk a complaint at a later date from the client if this was an area they would like to have discussed. You could even face the scenario of losing the client to another adviser, if they offer this service.

“My clients are not interested in ethical or SRI investing”

Unless you have asked the question how can you be sure your client is not interested? There is increasing interest in this area with substantial and growing media coverage which stimulates public interest. Although a client may not have expressed an interest in the initial fact find, several years later this may have changed.

“Ethical funds perform poorly”

Historically ethical funds have not always performed well as they tend to exclude certain stocks and sectors of the market such as tobacco or oil. However, the market is changing and new opportunities are opening up, helping to improve performance.

Whitechurch Ethical investment portfolios adhere to a predefined and comprehensive set of ethical requirements which we believe will fit the needs of many investors. Three years on from launch we are pleased with the performances so far, details of which can be found on our website – [Ethical Investment Commentary](#).

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Would your client like any social, ethical or environmental issues to be taken into account for their investments?

YES

NO

Do they have any specific concerns?

NO

Have you had a discussion following our questionnaire? If you have, continue with the rest of the usual factfind process

YES

Do they have enough information to support their decision?

NO

Document their key areas of concern

YES

Look out for our updated SRI guide for more information

If they favour investing in ways which are beneficial to society and the environment, ethical / socially responsible / impact portfolios will support this

Ethical, Environmental and Social Investments

Client Questionnaire

Client's Name	
Adviser's Name	

The purpose of this questionnaire is to gain a better understanding of your views about particular areas of investments. The information we obtain will be used to build an investment portfolio which takes into account your views on key ethical, environmental and social issues as well as your financial objectives.

Section 1: Your Priorities

1. Thinking about any personal concerns you have for ethical, environmental and social issues, how important is it to you that your investments also reflect these concerns?

Select one of the following

- Very important
 Important
 A little important
 Not important (If you tick this answer please do not complete the survey further)

2. In terms of balancing these personal concerns with your financial goals, how would you rank the following in order of importance?

(1 = most important, 4 = least important)

- Preservation of capital
 Maximising financial return
 Avoiding ethically unacceptable activities
 Having your investments contribute to beneficial social or environmental impact

3. How much do you agree with the following statement: "I prefer to invest in companies whose core activity is to find solutions to major social or environmental challenges"?

Select one of the following

- Strongly agree
 Tend to agree
 Potentially agree
 Tend to disagree
 Strongly disagree

Section 2: Your General Ethical, Environmental or Social Opinion

Which of the following best describes the amount of concern you have with regard to ethical, environmental or social issues.

Please select the relevant statement that applies to you;

- I generally want my money invested in companies that are, on average, more beneficial to society and the environment and not contentious ethically. However, I do not have any specific issues of personal concern; I would be happy to go with more progressive funds with broad criteria on these issues. (By selecting this answer you will have completed this survey)
- I generally want my money invested in companies that are, on average, more beneficial to society and the environment and not contentious ethically. I also have some specific areas of concern. (If you select this answer please proceed to complete Section 3)

General Investments Risk Warning

Past performance is not necessarily a guide to future performance. Investment returns cannot be guaranteed and you may not get back the full amount you invested. The stockmarket should not be considered as a suitable place for short term investment. Levels and bases of, and reliefs from, taxation are subject to change and values depend on the circumstances of the investor.

Ethical Investments Risk Warning

Funds which are screened to meet ethical investment criteria will not invest in certain sectors or companies. The exclusion of such areas of the market may result in periods of under-performance when compared with relevant main benchmarks. For instance, if tobacco stocks are enjoying extremely strong returns an ethical investment portfolio will not participate.

Section 3: Your Specific Ethical, Environmental or Social Concerns

The following questions assess how you feel about certain areas of investment

Please select one column option for each area, to indicate whether you are:

Very Concerned: This is a business activity that you are worried about, however, you wouldn't mind investing in a company that has limited (less than 10%) exposure to this issue.

Mildly Concerned: You would invest in a company that is exposed to this issue, however you are concerned about this and would like to see active progression towards reducing the exposure.

Not Concerned: This issue does not concern you.

	Very Concerned	Mildly Concerned	Not Concerned
Tobacco production	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Alcohol production	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Gambling	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Pornography – Sale and Production	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Human rights abuses	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Animal testing – cosmetics	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Animal testing – chemicals or health	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Armaments – weapons related	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Poor environmental management	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Nuclear power	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Fossil fuels – exploration & production	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please indicate any areas of such concern that you would like to be totally excluded from your investment portfolios:

Ethical restrictions versus investment goals

It is not always possible to find Ethical/Socially Responsible Investment funds to match everyone's personal preferences. On some occasions may not be possible to get a fund that has a total exclusion on all the areas of your concern (however, please note all funds used will encompass the Whitechurch Ethical policy). In this case, you may need to make some compromises which your adviser will discuss with you. It should also be noted that some funds used will take account of other areas which are not of concern to you.

DECLARATION

I have provided this information on the understanding that it will be used to form the basis of advice and recommendations made to me, and that I am not under any obligation to take up any recommendation made.

I have completed the Whitechurch Full Financial Fact Find to provide information which Whitechurch will use in delivering relevant key services to me. The information I have provided includes my contact details and my preference with regards to Whitechurch contacting me about additional products and services.

Name	
Signature	
Date	

Making an Impact with your Investments

As concerns about climate change and the environment become more prevalent many people are starting to consider their own personal impact. Whilst many make changes to their everyday lives to lessen their environmental footprint have you thought about the impact of your savings and investments?

If you would like to align your investment choices with your social and environmental values then Socially Responsible Investment (SRI) may be for you.

Socially Responsible Investment is a term used to describe investments which take into consideration social and environmental factors as part of the investment decision making process.

In this guide we will explore how this area of investment is evolving, why it is becoming more important and explain some of the key terminology.



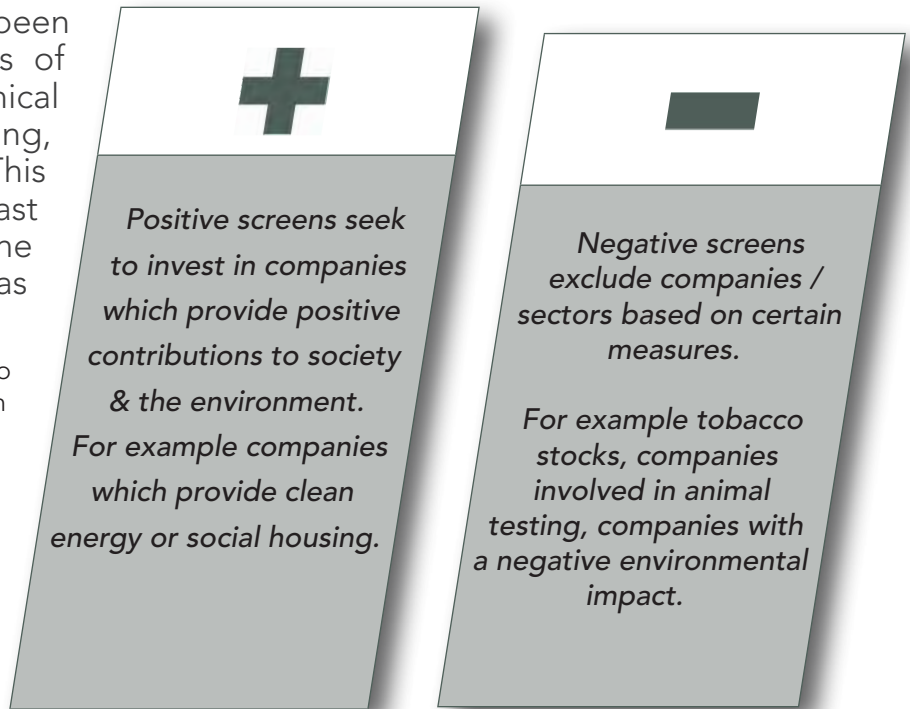
Contents

- Investment screening
- The Evolution of Socially Responsible Investment
- Shades of Green - How Ethical is my Investment
- Investing in a changing world
- The United Nations Sustainable Development Goals
- The changing face of business
- Environmental, Social and Governance factors (ESG)
- Positive Impact
- Thematic investing
- Is Socially Responsible Investment for me?
- Jargon buster
- Frequently asked questions.

Investment Screening

Historically, ethical investing has been about excluding stocks or sectors of the market perceived to be unethical such as alcohol, tobacco, gambling, defence or armaments. This exclusionary method has in the past led to underperformance versus the wider market when excluded areas outperformed.

In more recent times the market has evolved to focus more on positive screening. As focus on climate change and environmental and social issues have come to the fore and Governments have signed up to initiatives such as the Paris Climate Agreement and the United Nations Sustainable Development Goals many companies are becoming more focused on aligning themselves with these goals.



Socially Responsible Investing can be traced back to religious orders such as the Quakers and Methodists who originally wanted to exclude 'Sin stocks' such as alcohol, tobacco and gambling.

1971 - The PAX Fund was launched in the US inspired by anti-war activists during the Vietnam War.

1984 - Saw the launch of the first ethical fund in the UK - **The Friends Provident Stewardship Fund**

End of the 90's - approximately £3.3 billion invested in 50 ethical funds.

The Evolution of Socially Responsible Investment

Over time this developed to include a wider range of sectors such as arms and this exclusionary method 'Negative screening' became popular with Charities as well as individual investors.

1983 - EIRIS (Ethical Investment Research Services) was established as the UK's first independent research for ethical investors.

Increasing availability of news started to highlight to people the environmental impact of things such as deforestation and Human Rights abuse by companies within the supply chain.

Increased newsflow, aided by increasing use of social media brought issues to people's attention and ethical consumerism grew.

Shades of Green – How Ethical is My Investment?

Funds can be classified using shades of green to help investors identify how strict the criteria are likely to be.

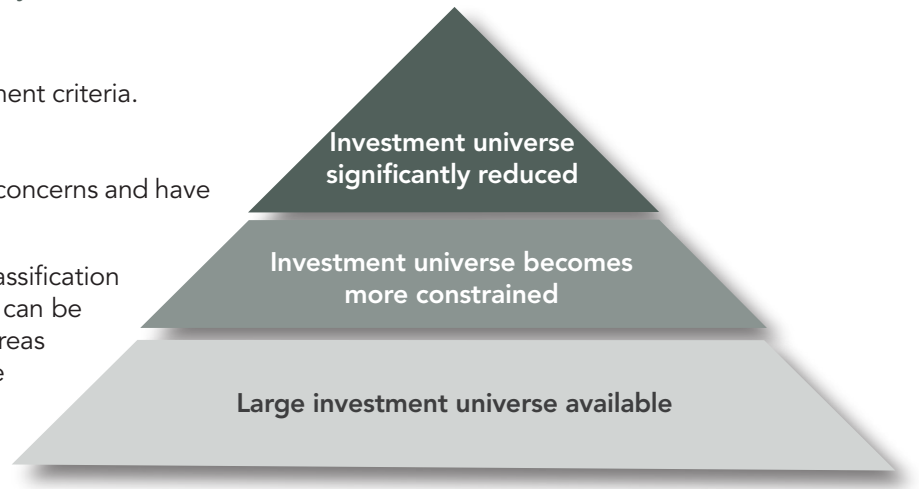
Light green funds

These will normally have a more relaxed investment criteria.

Dark green funds

These take into account a wide range of ethical concerns and have strict standard, for implementation.

Whilst this seems a relatively simple method for classification finding funds to meet all of an investors criteria can be tricky. It should also be considered the more areas an investor wants to screen out the smaller the investment universe becomes.



The Paris Climate Agreement (COP 21) really brought climate change and carbon emissions to the forefront and environmental issues are becoming a central issue for many companies and investors.

On 1 January 2016 the **Sustainable Development Goals (SDGs)** officially came into force

In **October 2017**, David Attenborough bought attention to the plastic problem in the ocean in Blue Planet II

European Parliament banned single-use plastic including straws in **March 2019**

By the end of **2015** EIRIS stats showed the UK ethical fund market size was £13bn and growing.

2017 report of the Task Force on Climate-related Financial Disclosures (TCDF)

The import of over 24 types of waste was banned in China in **January 2018**.

Investing in a Changing World

The World is changing rapidly; an increasing global population is placing new demands on healthcare, infrastructure and agricultural systems and climate change has become a key concern.



In 2015 the UN held a global summit in Paris where all but two countries signed up to reduce their carbon emissions to help tackle climate change. The impact of this is now feeding through to businesses as Governments look to align their economies to reduce CO2 output and meet these targets in the face of growing public pressure.

These are creating structural changes within society and the economy and new products and services are being developed to address the issues the world is now facing, in turn this is changing the investment landscape and providing new opportunities.

For instance:

Renewable Energy – Companies producing efficient and environmentally friendly energy alternatives.

Electric vehicles – the market is developing and the petrol and diesel cars we have been so used to are gradually falling from favour as people move to EV's to reduce their carbon impact.

Cyber-crime – as the world has moved online this has opened up new challenges and cyber security is increasingly important.

Healthy Living – people are becoming more aware of the benefits of living healthily, this is extending beyond dropping habits such as smoking and companies are now looking to develop cost effective natural foods to combat health issues such as obesity and diabetes.

The United Nations Sustainable Development Goals

The United Nations Sustainable development goals were launched in 2015 and comprise 17 global 'goals' which target key objectives for economic, social and environmental development.



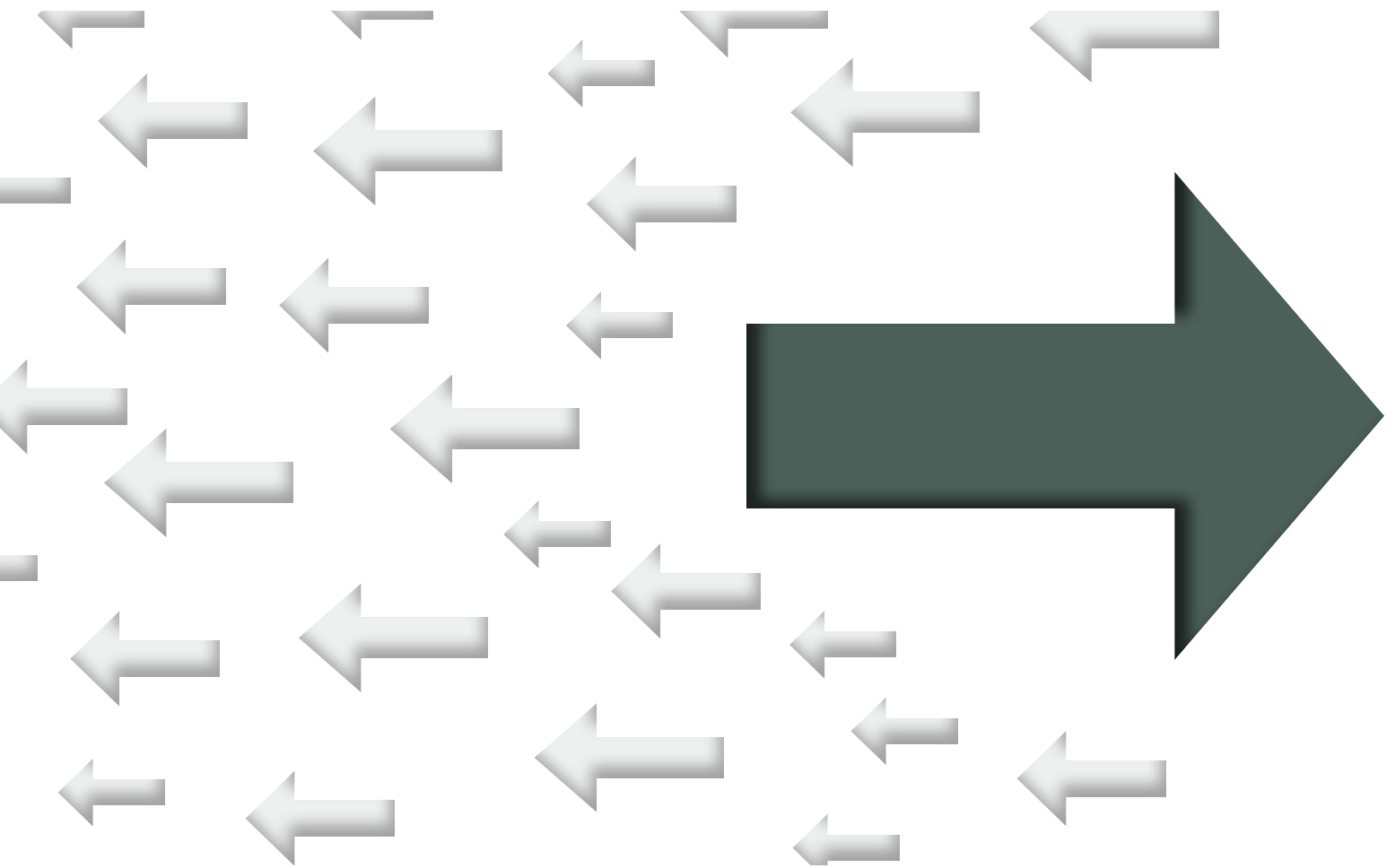
The SDG's aim to create a model for long term economic growth achieved without compromising the environment or placing unfair burdens on societies.

Many Socially Responsible investments look to align themselves with these goals and look to explain how the companies they invest in contribute to these goals, through regular reporting.

JARGON BUSTER

If you would like to gain a better understanding of some of the terms and vocabulary used within this guide, check out the jargon buster on page 12.

The changing face of business



The way many businesses now operate is also changing, increased global news coverage and use of social media highlights business practices that many find unacceptable and companies are making changes to address this.

These practices cover a wide range of areas including how the business interacts with all stakeholders, employees, customers and the communities in which they operate as well as the environment.

High profile examples in recent year of environmental disasters at oil companies and mining companies or governance issues at major banks have impacted on the company not just through significant fines and court costs but deterioration in trust in well-known brands which has impacted on the company earnings and share price.

Global awareness of issues such as gender inequality in the work place is making companies reassess how employees are treated and remunerated.

Many large shareholders are now committed to 'engaging' for positive change. They can use their influence to push the company to make changes to working practices and use their voting rights at company AGMS in order to influence policies moving forward. This is also known as 'investor stewardship' or 'shareholder activism.' In extreme cases if the company refuses to make changes and the shareholder feels no more can be done they may divest their holding.

Environmental, Social and Governance issues - ESG



ESG is an increasingly popular phrase within investment and can mean different things to people. At its most basic level it is a company's policy in the areas of

Environment – the natural environment in which it operates and the impact its operations have on this environment including the company's carbon footprint.

Social – this criteria examines how it manages its relationships with employees, suppliers, customer and the communities within which it operates

Governance – how the company's leadership operates and behaves and 'governs' the company, it looks at executive pay, audits, internal controls and shareholders rights.

Companies which have strong policies in these areas and look after the environment and stakeholders are favoured by Responsible investors. Whilst a company can score very highly on ESG issues it does not mean it will suit all investors as it may still provide a product or service they do not wish to invest in e.g a tobacco company can have excellent governance and social policies but for many the end product is still undesirable.

Positive Impact

As the area of SRI investing has developed the focus has moved from just screening out areas where people don't want to invest to focussing on investments which aim is to provide capital to address the world's biggest challenges (as per the UN SDG's) which in the past have been the domain of philanthropists.

In its purest form impact investing should be with the intention to generate positive measurable social and or environmental impact as well as a positive financial return.

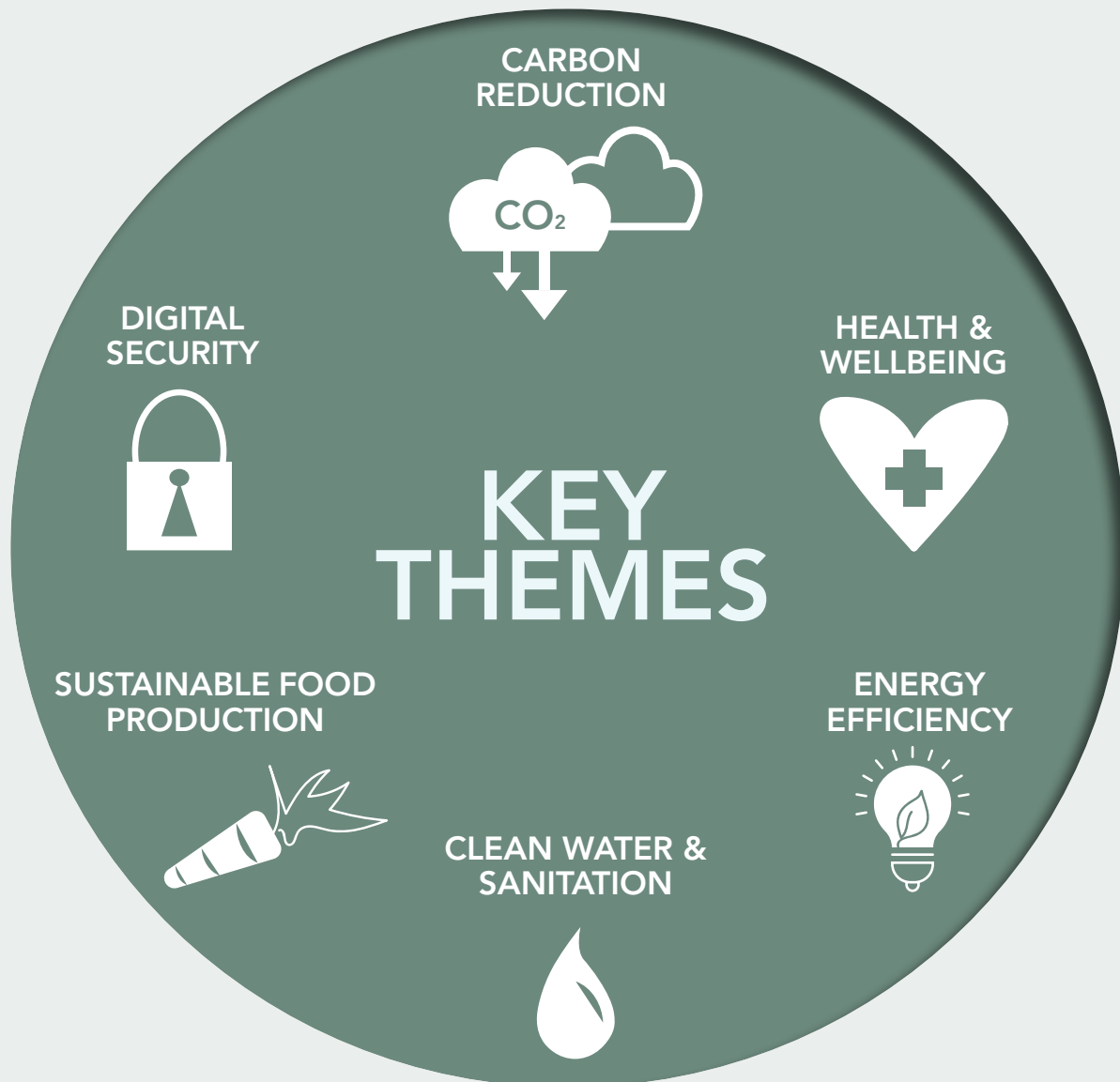
Whilst it is easy to quantify financial return measuring social and environmental impact can be very difficult as there are many variables. A popular example of measuring environmental impact is to look at the CO2 footprint of a company or fund.

Many funds now produce annual impact reports which gives examples of the positive ways in which money is being invested.

Although this 'positive impact' is not necessarily quantifiable. Whilst this is very helpful for investors to understand where they are invested it is not always quantifiable.



Thematic Investing



Many managers take a thematic approach when it comes to positive screening and investing, identifying key trends e.g clean water and sanitation, sustainable food production and carbon reduction as areas of growth as companies seek to find solutions to these issues.

This thematic approach is then used either as a basis for the fund or a selection of themes are implemented throughout the fund.

An example of a thematic fund would be one focused on reducing environmental impact. The managers would look for companies which provide products or services which focus on reducing other companies environmental impact, for example they could provide recycling services, filters to reduce air pollution or solutions to reduce consumption of a resource in the manufacturing process such as water.

Or a fund may have a social or positive impact theme by investing in socially beneficial activities and areas such as affordable housing, education and community services.

A manager may run a more general fund such as one invested in global equities and use a positive overlay to invest across a broad range of themes.

So what is the benefit of this?

The use of thematic investing is twofold:

- It allows fund managers to invest for positive change by investing in companies which are providing solutions to global issues
- In cases such as social themes, where the positive impact is easily measurable, it allows fund managers to identify areas of future growth as the companies providing the solutions are operating in the areas where there is visible growing demand

Is Socially Responsible Investment for Me?

Ethical investing is not for everyone; peoples values vary widely and what one person views as a cause for concern may be disputed by others or they will just not consider such issues when it comes to investing.

After reading this guide you may have a clearer idea about this area of investment and you can consider if:

There are specific areas you do not want to be invested in

Being mindful that the more areas you want to exclude will reduce the investment universe and increase risk and volatility due to lack of diversity.

Or

There aren't any specific areas you wish to be excluded from...

However, you would like to invest in companies that consider their environmental and social impact and in many cases look to provide solutions to problems such as healthcare, clean water and carbon emissions. You would also like the companies ESG policies to be considered. Many companies do take this into consideration whether or not they are in an SRI fund. However, an SRI fund should ensure that ONLY companies which act in this manner are invested in.



* It should be noted if you have a large number of restrictions or very esoteric restrictions it may not be possible to find suitable solutions.

Jargon Buster

Climate Action 100: A global collaborative investor engagement initiative, launched in Dec. 17. It co-ordinates engagement with 100 'systematically important' companies accounting for two thirds of annual industrial greenhouse gas emissions as well as 60 others with the opportunity to drive the low-carbon transition. It asks companies to engage of Governance, Emissions management and disclosure.

Corporate Governance: A set of processes rules or practices by which a company is directly controlled by balancing all the stakeholders' interests. It provides the framework for attaining a company's objectives. Stakeholders encompass everyone involved from the CEO, board and management through to staff, customers, suppliers and shareholders. It essentially governs how a company behaves.

Corporate Responsibility/Corporate Social Responsibility (CSR): This describes a company's initiatives to assess and take responsibility for its effects on environmental and social wellbeing. Or how their operations may impact customers, employees, communities and the environment. The term generally applies to positive efforts which go beyond that required by the regulators.

Divestment: Green and ethical funds may divest or sell stocks when they feel that a company no longer meets their investment criteria. The funds may reinvest in that same company, if and when they feel that it is again suitable. *Engagement* is often a precursor to divestment in an attempt to encourage companies to improve their ESG performance. The term is regularly being seen at the moment in relation to Fossil Fuel related stocks, as pressure over reducing carbon emissions is leading people to move away from investment in this area.

Engagement: Engagement is the process by which investors or fund managers seek to maintain or improve the corporate social, environmental, ethical (SEE) or governance policy, the management or performance of companies through dialogue and voting practices.

Investors can engage with companies to:

- Encourage more responsible business practices
- Encourage greater transparency and disclosure
- Improve investment returns by encouraging companies to manage SEE risks or to address new social or environmental business opportunities.

Ethical Investments: Normally refers to investments which have been screened to fit certain criteria and often includes a negative screen to remove 'sin stocks' such as tobacco and arms as well as positive screen criteria.

Environmental and Social Governance (ESG): Environmental, and Social Governance criteria are used as a measure, by investors, of a company's approach to dealing with these issues. Environmental criteria look at how a company performs as a steward of the natural environment. Social criteria examines how a company manages relationships with employees, customers, suppliers and communities where it operates. Governance addresses the company's management and internal controls; the overall management and behaviour of the company. The theory is that companies with good ESG policies should perform better, however, it should be noted that most companies including Oil and Mining companies will have an ESG policy now and investing into funds defined as ESG may result in investment in areas you do not wish to be exposed to.

Green Investments: A term used to describe investments which focus on environmental issues.

Greenwashing: This is when a company or group promotes itself or its products or services as environmentally or eco-friendly without following through with action. Or they promote a general service, as eco-friendly when it is actually an industry standard.

Impact Investing: Investments that measure both financial returns and their benefit to society, aiming to achieve a balance between the two. Often the investment is made directly into a specific project where returns can be seen and measured. Such investments can be of a higher risk and potentially only appropriate for wealthier and more experienced investors.

Social, Environmental and Ethical Factors (SEE): Commonly referred to as SEE, this covers the entire range of issues in SRI and is often used in discussions on risk. Social factors refer to how a company performs within communities and whether it provides needed services or charitable donations as well as whether it minimises its impact on the areas in which it operates. Environmental factors refer to company policy on the environment or an environment management system to set targets for the continued improvement of its performance in areas like energy efficiency and waste management. Ethical factors covers a broad range of other areas including involvement in animal testing, alcohol, tobacco, gambling, genetic engineering, arms or the military and human rights.

Socially Responsible Investing (SRI): Also known as sustainable investment, responsible investment, socially responsible investment (SRI) and ethical investment. It refers to any area of the financial sector where the environmental, social governance and ethical principles of the investor (whether an individual or institution) influence which organisation or venture they choose to place their money with. It also encompasses how an investor might use their power as a shareholder to encourage better environmental and social behaviour from the companies they invest in.

Sustainability: Sustainable development can be described as development which meets the needs of the present without compromising the ability of future generations to meet their own needs. It is about balancing three goals or 'pillars' - environment, society and economy - to enable communities throughout the world to satisfy basic needs and enjoy a better quality of life, without compromising the quality of life for future generations.

Task force on Climate-related Financial Disclosures (TCFD): TCFD was set up by the Financial Stability Board with the aim of establishing consistent, high quality climate risk reporting across sectors and regions.

Thematic Investing: Investments which follow a particular theme which may be socially driven, environmentally orientated or a combination of both, for example a clean energy fund.

UKSIF: UK Sustainable Investment Forum.

UNPRI: United Nations Principles for Responsible Investment

UN SDG's: United Nations Sustainable Development Goals, see page x for more details on these.

Frequently Asked Questions

How does the performance compare?

Historically 'Ethical Investments' were known to underperform as they were based on mainly exclusionary criteria. However, this has now evolved and whilst it should be considered that there will be times when performance will be 'out of sync' with the market if an area where there is no exposure such as mining or oils does well, over the long term performance is proving to be comparable, and at times better.

Can investors be 'a bit ethical'?

Some investors, for a variety reasons, do not want to invest all their money into SRI funds. They should speak to an adviser to discuss a solution that meets their needs.

If a fund has 'sustainable' in the title will it meet my requirement?

Not necessarily. You always need to look carefully at the underlying criteria and discuss with your financial adviser to ensure it meets your requirements.

If you would like further information about ethical investments, please contact us on 0117 916 6193 or email ethical@whitechurch.co.uk.



Whitechurch Securities Ltd

WEALTH MANAGERS



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Sustainable Investing at Whitechurch

Award Winning Wealth Management



Whitechurch Securities

Sustainable Investing

- Sustainable Investment
- The case for Sustainable Investment
- Investment Philosophy and Process
- Whitechurch PMS Responsible Dynamics
- Whitechurch PMS Ethical Balanced
- Whitechurch Prestige Ethical
- Whitechurch Personally Tailored Portfolios
- Glossary

This guide should be read along with the main service brochures. Please ask your financial adviser for a copy of the relevant guides below for further information.

- Socially Responsible Investing (SRI) Guide - In this guide we explore how the social & environmental area of investment is evolving, why it is becoming more important and explain some of the key terminology.
- Portfolio Management Service Brochure - An overview of all the Whitechurch Dynamic and Active Portfolios including greater detail of our Sustainable Dynamics range.
- Prestige Investment Management Service Brochure - An overview of the Whitechurch Prestige range including greater detail of its ethical options.
- Personally Tailored Service Brochure - An overview of our bespoke options where you can build an ethical portfolio tailored to your goals and needs.

For further information on our Ethical Investment Solutions please contact your Financial Adviser.





Sustainable Investment

What is Sustainable Investment?

Growing awareness around environmental and social issues in recent years has led many people to start considering the impact of their investments.

- Do the companies they are invested in provide goods and services which are harmful or positive to the environment?
- Do the companies act in a responsible way towards their employees and the communities they operate in?
- Are their supply chains fair and transparent?

Sustainable investment allows you to take into consideration these factors and many more to ensure savings and investments contribute to positive changes and a fairer society as well as achieving financial objectives.

There are many approaches to sustainable investment

Ethical or Exclusions based investment is one of the most popular methods using a screening process to exclude companies in industries such as tobacco, armaments, gambling etc.

Best in Class selects only the companies that overcome a defined ranking hurdle based on Environmental, Social and Governance hurdles (ESG Criteria) within each sector.

Thematic focuses on selecting companies that fall under a sustainability related theme such as clean technology, renewable energy, healthcare, or climate change mitigation.

Impact Investment refers to investments made with the intent of generating a positive social or environmental impact alongside a financial return.

ESG Investing is where investors explicitly acknowledge the relevance of environmental, social and governance (ESG) issues in their investment decisions. The aim is to account for the risks and opportunities and therefore 'price' environmental, social and governance risks and opportunities.

Examples of ESG Issues



The case for Sustainable Investment

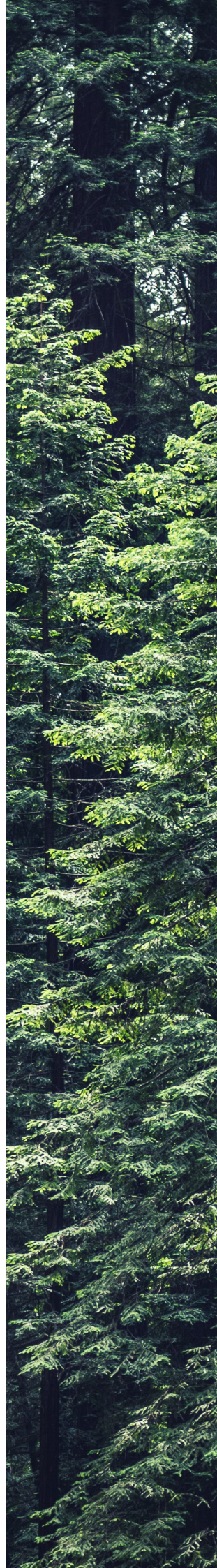
Historically this area of the market had been focused purely on avoiding stocks which did not meet with investors values which, at times, led to under-performance when large areas of the market such as oil and mining or tobacco were performing strongly.

With the introduction of the UN Sustainable Development Goals* many managers in this space looked to use these to measure positive impact by looking for companies that contributed to the advancement of these goals.

The Paris Climate Agreement (COP 21)* united countries in an agreement to reduce carbon emissions and global warming. This agreement has sparked a raft of global regulation which, in turn, is channelling investment into the transition to a low carbon economy.

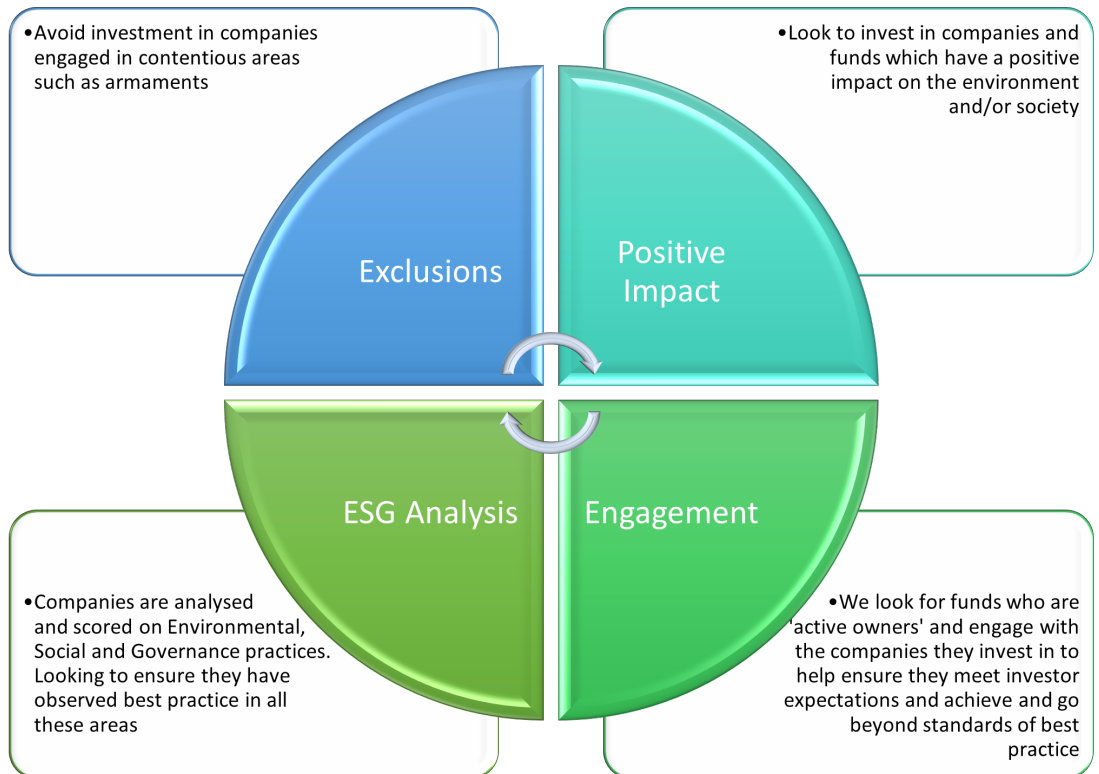
As the world faces the challenges of climate change and creating a fairer society for all, regulation will change and new products and services will evolve and adapt to meet these needs, creating investment opportunities.

**Please see Glossary Appendix 2 for further details on the UN Sustainable Development Goals & The Paris Climate Agreement (COP 21)*



Whitechurch Investment Philosophy & Process

Whitechurch have a range of integrated multi-asset sustainable portfolios. The portfolios are built to screen out key contentious areas, whilst also channelling investment towards companies which are beneficial towards society and the environment.



Our Process:



Fund universe screened to ensure they exclude our negative criteria



Fund research undertaken: Regular meetings with fund managers



Active Asset allocation: Decisions made at monthly meetings based on economic and market data



Portfolio construction



Risk control / oversight

Whitechurch PMS

Responsible Dynamics

Portfolio Management Service (PMS) - Responsible Dynamics

- Investment from a minimum of £3,000 (Directly with Whitechurch)
- Invests predominantly in passive funds (maximum of 30% in active funds)
- Active asset allocation
- Diversified across a range of asset classes
- Income and Growth objective
- Low Cost
- Range of risk profiles 3 - 7 out of 10**

PMS Responsible Dynamic Investment Criteria

Funds within the Responsible Dynamic portfolios use a combination of best-in-class approach (using ESG metrics) combined with negative screening.

Negative screens ensure investment in companies whose main operations are in contentious industries are avoided. Our PMS Responsible Dynamics range avoids investment in the areas of:

- Tobacco
- Thermal Coal
- Weapons
- Alcohol
- Gambling
- Nuclear Power
- Adult Entertainment
- GMO
- Fossil Fuel (Production & reserves)

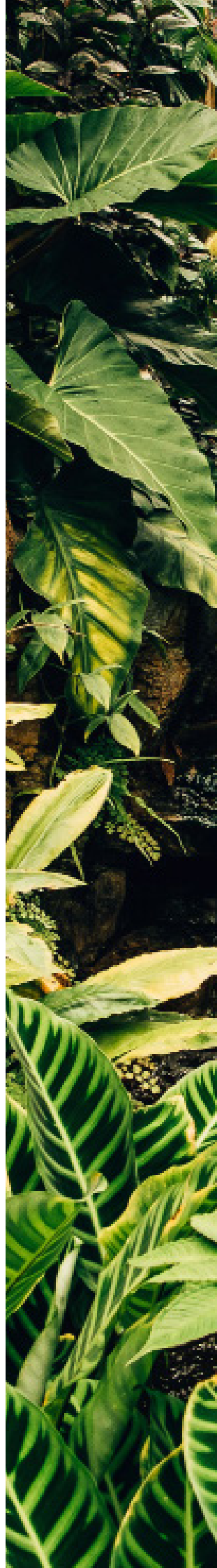
Companies within the remaining fund universe are then scored against Environmental, Social & Governance (ESG) metrics and are assessed against the UN Global Compact* on 4 pillars:

- Human Rights
- Labour Rights
- Environment
- Anti-Corruption

**Please see Glossary Appendix 3 for further details on the UN Global Compact*

****Risk Profiles**

Risk is defined as the risk to the capital or original investment based on a minimum 5 year investment term. Whitechurch provides a risk rating of portfolios on a scale of 1 to 10. With 1 being the lowest risk and 10 being the highest risk.





Whitechurch PMS

Ethical Balanced

The Whitechurch PMS Ethical Balanced portfolio offers investors access to a risk level 5 Income & Growth active portfolio.

The portfolio can be accessed directly through Whitechurch (*minimum investment of £3,000*) or via a range of platforms (*minimum dependent on platform*)

The portfolios will invest in a range of predominately active funds diversified across different asset classes in line with our investment process.

The PMS Ethical balanced portfolio follows our investment philosophy and process (see page 4) but looks to exclude investment in companies involved in:

- Non-medical animal testing
- Gambling
- Armaments
- Tobacco
- Alcohol
- Adult Entertainment

The portfolios also take into consideration human rights and environmental screens with managers using the UN Global Compact* as a base.

Prestige Ethical

Investment Management Service

The Whitechurch Prestige Ethical portfolios offer investors access to a range of Income & Growth orientated portfolios from risk rating 4 - 7 out of 10**

Portfolios can be accessed directly through Whitechurch (*minimum investment of £50,000*) or via a range of platforms (*minimum dependent on the platform*)

Portfolios will invest in a range of predominately active funds diversified across different asset classes in line with our investment process.

The Prestige Ethical range follows our investment philosophy and process (see page 4) but looks to exclude investment in companies involved in:

- Non-medical animal testing
- Gambling
- Armaments
- Tobacco
- Alcohol
- Adult Entertainment

The portfolios also take into consideration human rights and environmental screens.

*Please see Glossary Appendix 3 for further details on the UN Global Compact

****Risk Profiles**

Risk is defined as the risk to the capital or original investment based on a minimum 5 year investment term. Whitechurch provides a risk rating of portfolios on a scale of 1 to 10.

Personally Tailored Portfolios

Whitechurch Personally Tailored portfolios provide access to a truly bespoke offering for clients with over £250,000 to invest. The investment objective and risk profile will be determined by the client in conjunction with the adviser.

Why might a Personally Tailored Portfolio be suitable?

- Portfolios can include direct UK equities* blended alongside funds to create a diversified portfolio.
- Clients can set their own ethical criteria; it should be noted that the more you increase the exclusion criteria the more it decreases the available investment universe.
- We can create 'positive impact' portfolios centred more around companies which provide social/positive change.
- We can blend together standard funds and positive impact or ethical funds if required.
- Capital Gains tax can be managed.
- Income needs can be discussed and potentially met.
- Portfolios can be focused towards environment or social issues.

**additional screening cost incurred.*

Glossary

Appendix 1

Whitechurch launched their first range of Sustainable Investment portfolios in March 2016 with the Whitechurch Prestige Ethical range, quickly followed by the PMS Ethical balanced later that year and further extended with the PMS Responsible Dynamics range in 2021.

Whitechurch has been recognised by independent agencies for its Sustainable investment offerings.

Best Discretionary Fund Manager Awarded Excellence in Ethical Investment Solutions - Winner

The Fund Awards employ a dedicated and extensive research, submission and judging process to ensure that every award is issued purely on merit. Research was centred around an in-depth evaluation of skills, services on offer and fund performance as well as feedback from peers & professionals.



Best ESG Solution for Advisers - Finalist

Whitechurch is proud to have been listed as a finalist for Best ESG Solution for Advisers at the Professional Adviser Awards 2022 held in London. The Professional Adviser Awards, which seek to reward excellence within the financial advice community considered over 250 contenders for their awards.



ESG Investor of the Year - Shortlisted

Whitechurch is proud to have been shortlisted as ESG Investor of the Year for the Business Green Leaders Awards, celebrating the many achievements of the green economy ahead of the COP26 Climate Summit in Glasgow.



Throughout the company Whitechurch look to fully engage and act in a responsible way. We support several schemes that we think are important to the ways in which a business functions and have become signatories to signal our commitment.

UNPRI Signatory

Whitechurch is a signatory of the UNPRI. We believe that we have a duty to act in the best long-term interests of our investors and that environmental, social, and corporate governance (ESG) issues can affect the performance of investment portfolios. We also recognise that applying these Principles may better align investors with broader objectives of society.

Signatory of:



UKSIF Membership

Whitechurch is a member of the UK Sustainable Investment and Finance Association (UKSIF). UKSIF works with professionals in the financial services industry to promote sustainable and responsible finance in the UK. Our UKSIF membership is a demonstration of our commitment to offering investment solutions that support society and the environment.



Women in Finance

Whitechurch has made a pledge for gender balance across financial services by becoming a signatory of the HM Treasury Women in Finance Charter. We are committed to work together with HM Treasury & other signatories to build a more balanced and fair industry. Firms that sign up to this Charter are pledging to be the best businesses in the sector.



Appendix 3

UN Global Compact

Aims to 'mobilise a global movement of sustainable companies and stakeholders to create the world we want'.

The UN Global Compact supports companies to:

Do business responsibly by aligning their strategies and operations with Ten Principles based on 4 pillars of human rights, labour, environment and anti-corruption.

Ten Principles are derived from the:

- Universal Declaration of Human Rights
- International Labour Organization Declaration on Fundamental Principles and Rights at Work
- Rio Declaration on Environment and Development
- UN Convention against Corruption

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.

Principle 2: Businesses should make sure they are not complicit in human rights abuses.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour.

Principle 5: Businesses should uphold the effective abolition of child labour.

Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges.

Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.

Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Whitechurch
Securities Ltd
WEALTH MANAGERS

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