

Many Happy Returns!

Whitechurch Ethical Investment Solutions



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Investment Manager

Just over a year ago (March 2016) we launched our ethical range of portfolios via our Prestige Investment Management Service. We have just celebrated the first anniversary of the first portfolio launched in the range – Prestige Ethical Income and Growth, risk level 4 – and it has been a very good start for this cautious risk strategy.

The strategy returned 8% over the year versus the ARC Sterling Cautious Private Client index which returned 6.7%

	1 month	3 months	6 months	12 months
Prestige Ethical Income and Growth 4	0.8%	3.1%	3.3%	8.0%
ARC Sterling Cautious Private Client Index	0.1%	1.3%	2.1%	6.7%

Current Asset Allocation and fund selection of the Prestige Ethical Income and Growth 4 portfolio.



UK Equities

- F&C Responsible UK Income
- Premier Ethical
- Standard Life UK Ethical

Global Equities

- Alliance Trust Sustainable Future Global Growth
- F&C Responsible Global Equity
- Henderson Global Care Growth

Fixed Interest

- Alliance Trust Sustainable Future Corporate Bond
- EdenTree Amity Sterling Bond
- F&C Responsible Sterling Bond
- Kames Ethical Corporate Bond
- Rathbone Ethical Bond
- Royal London Ethical Bond

Why invest ethically?

Many of us would like to be able to reflect our personal values in our investments but have been held back in the past due to lack of choice and perceived poor performance of funds in the 'ethical' space. Over the past few years however the landscape in this part of the investment market has changed dramatically.

Investment performance

Historically, ethical investing has been about excluding stocks or sectors of the market perceived to be unethical such as alcohol, tobacco, gambling, defence or companies with poor environmental or human rights records. This exclusion has in the past led to under-performance of such funds, versus the wider market, as there was little choice of proxy investment and when areas such as tobacco or mining outperformed these funds under-performed.

Increased awareness

The market has developed and many funds now seek out companies they consider are providing a positive contribution to society. Such as those providing social initiatives or clean energy. This approach is often referred to as Socially Responsible Investing or SRI. In many cases, a fund will have a combination of the two approaches - starting with a negative screen to exclude certain areas and then applying a positive screen to help identify the most attractive companies.

The Whitechurch Way

Whitechurch Ethical portfolios are built using a range of funds which employ a negative screen to take out key areas of concern, as an initial starting point, but also have a positive criteria overlay - seeking out companies providing solutions for a changing world.

Whitechurch Investment Team, April 2017

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