

Whitechurch
Securities Ltd
WEALTH MANAGERS

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

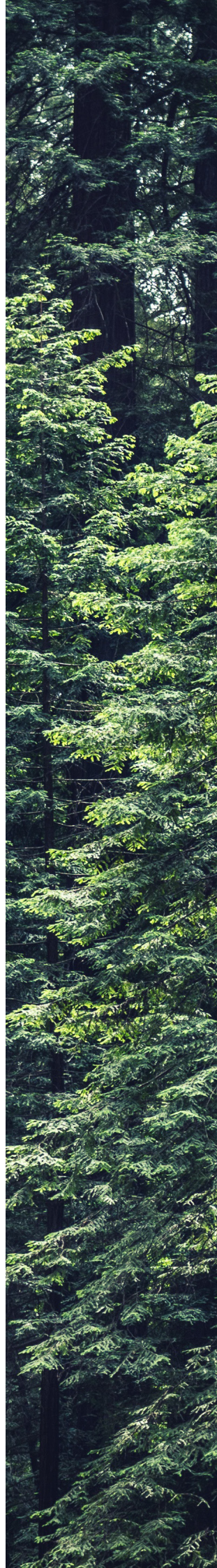
Historically this area of the market had been focused purely on avoiding stocks which did not meet with investors values which, at times, led to under-performance when large areas of the market such as oil and mining or tobacco were performing strongly.

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.

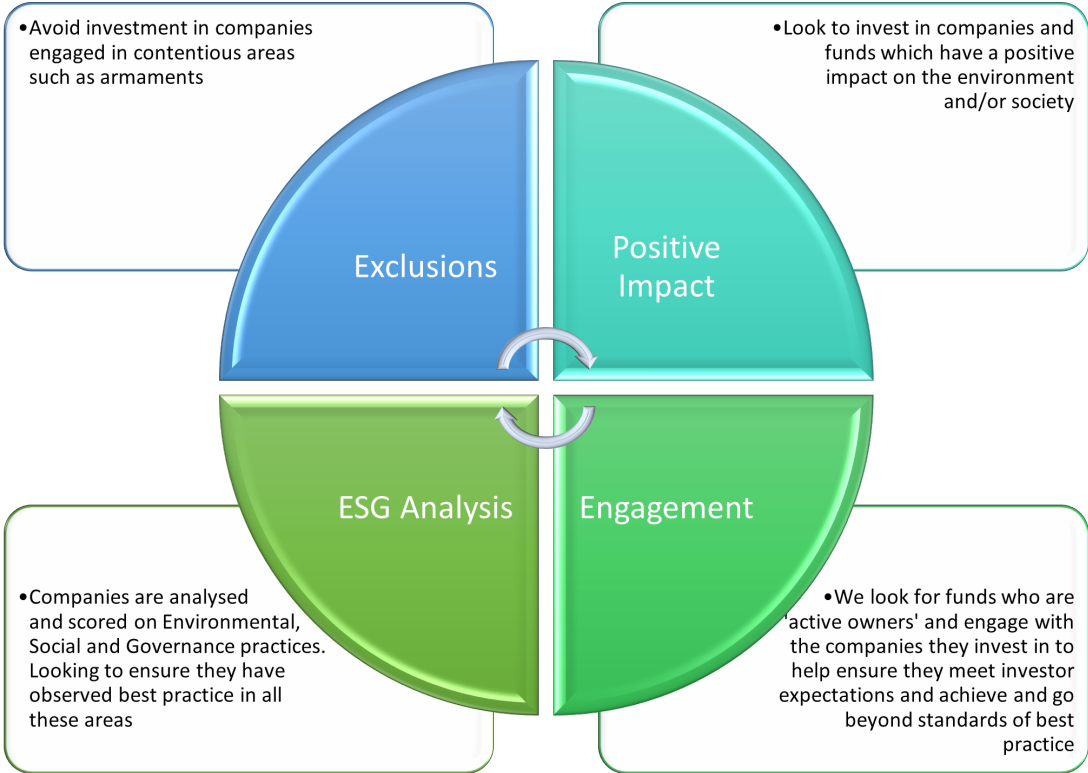
As the world faces the challenges of climate change and creating a fairer society for all, regulation will change and new products and services will evolve and adapt to meet these needs, creating investment opportunities.

**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:



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)

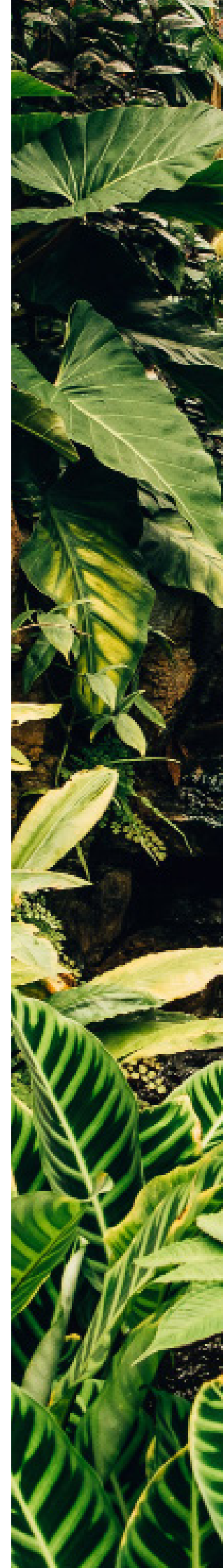
Companies within the remaining fund universe are then scored against Environmental, Social & Governance (ESG) metrics and are assessed against the UN Global Compact* on 4 pillars:

- 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 2

The United Nations Sustainable Development Goals



In 2015 the UN Member States adopted the 2030 Agenda for Sustainable Development, a blueprint for peace and prosperity for people and the planet. At the heart of this agenda are the 17 Sustainable Development Goals which act as a global development framework.

The Goals and Investment

Many managers now use these goals as a way to measure the impact of their portfolios, looking at how the underlying companies align to the goals fit with the targets. Not all goals easily invite investment and some have elements of conflict so managers may select certain goals for a thematic investment approach.

The Paris Climate Agreement and Transition to a low carbon economy

In 2015 the UN Climate Change Conference in Paris saw 174 countries sign an agreement aimed at keeping global warming below 2 degrees Celsius.

This has led to the countries adopting this commitment within their economies and passing regulation to achieve this and transition to a low carbon economy.

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

All contents of the publication are correct at the date of printing. We have made great efforts to ensure the accuracy of the information provided and do not accept any responsibility for errors or omissions. This type of investment is not suitable for everyone. The contents of this brochure do not constitute personal advice. You should take professional investment advice before entering into any obligations or transactions that you are uncertain of, to ensure suitability. 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.

Whitechurch Securities Limited is authorised and regulated by the Financial Conduct Authority (FCA).
FCA Register No. 114318. Registered in England & Wales No. 01576951
Registered Address: The Old Chapel, 14 Fairview Drive, Redland, Bristol, BS6 6PH
Tel: 0117 452 1207 **Fax:** 0117 916 6151 **Web:** www.whitechurch.co.uk