

## Ethical Investment Portfolios

A year after the Whitechurch Ethical Investment Solutions were launched it is satisfying to report that the strategies have made a strong start, holding up well against the ARC benchmarks.

### Portfolio Performance Table

	Start	31/05/2017	31/03/2017	31/12/2016	30/06/2016
End	30/06/2017	30/06/2017	30/06/2017	30/06/2017	30/06/2017
		1 Month	3 Months	6 Months	1 Year

<b>Prestige Ethical Income and Growth 4</b>	-0.4%	2.1%	5.3%	11.4%
ARC £ Cautious Private Client Index	-0.6%	0.2%	1.9%	5.9%

<b>Prestige Ethical Income and Growth 5</b>	-1.9%	2.0%	5.8%	13.8%
ARC £ Balanced Asset Private Client Index	-0.7%	0.6%	3.2%	10.1%

<b>Prestige Ethical Income and Growth 7</b>	-1.4%	3.2%	8.0%	21.4%
ARC £ Equity Risk Private Client Index	-0.8%	1.2%	5.5%	16.3%

Asset Risk Consultants (ARC) provide investment consulting, manager research and performance reporting to private clients, charities, family offices, professional trustees and advisers. Their analysts collate investment performance and use the data to establish the risk range of Private Client Indices.

**Source:** Whitechurch Securities Ltd, FE Analytics.

Performance figures are calculated to 30/06/2017 net of fees in sterling. Unit Trust prices are calculated on a bid-to-bid basis OEICs, Investment Trust and Share prices are calculated on a mid to mid basis, with net income reinvested. The value of investments and any income will fluctuate and investors may not get back the full amount invested. Currency exchange rates may affect the value of investments.

## Investing in tomorrow

It is our belief that companies that are socially responsible and embrace sustainable growth methods are potentially market leading businesses of the future. Adopting this methodology and implementing these practices can make companies better managed, more efficient and attractive for investors.

Here we look at a couple of themes that are important to the Prestige Ethical strategies and which have contributed to the positive start for Prestige Ethical Income & Growth 5.

## A changing world

The world is changing rapidly; climate change is a key concern with many countries committing to meet goals set at the Paris Climate Conference in 2015. An increasing global population is increasing demands on healthcare, water and infrastructure whilst food shortages are placing new demands on agriculture.

New technologies are being developed to cope with these changes and address the problems we are facing and these are opening up new investment opportunities. These opportunities range from companies providing security against the growing threat of cybercrime as our world becomes more focused on online systems; renewable energy companies and those involved in agricultural resource efficiency, through to companies which help to deliver healthier foods via the production of natural ingredients aimed at tackling obesity and diabetes.

Companies involved in such areas of the market which have high environmental, social and governance standards are considered to have a positive impact on society and are included in many of the funds we use.

## Evolving businesses

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

The Rana Plaza disaster in Bangladesh in 2013 was a wakeup call for many companies in the fashion industry to look more carefully at their supply chains and the rights and safety of workers employed throughout that chain, whilst the BP Deepwater Horizon oil spill created huge fines and court costs for BP.

Simply translated, disasters such as these will have a negative impact on a company's share price. Significant fines and court costs will have an even longer term negative impact on a company's overall profile. By applying a high level of screening for Environmental, Social and Corporate Governance many funds in the ethical space seek to mitigate exposure to such companies which may have left themselves open to such reputational issues.

## 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.

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