

**Whitechurch**  
Securities Ltd  
WEALTH MANAGERS

Ethical Investment Solutions

Award Winning Wealth Management



# Ethical Investing

**An increasing number of people wish to see their personal values regarding moral and environmental issues reflected in their investment portfolios.**

However, ethical issues are complex and views vary across the board on what constitutes an ethical investment. Personal values may have common themes but there are significant differences on what an individual's view may be on particular issues such as animal welfare, nuclear power, investing in tobacco companies – and so the list goes on.

## Defining ethical investing

Ethical investing comes in many forms often referred to as SRI (Social and Responsible Investments) or ESG (Environmental, Social and Governance) investing. Ultimately, all of these have a similar end goal to create an investment solution for clients, incorporating social, environmental and corporate governance issues into the way funds are managed.

## Rewarding the positive, excluding the negative

	
<p>Positive screens seek to invest in companies which provide positive contributions to society.</p> <p>For example companies which provide clean energy or are beneficial to society such as providing social housing.</p>	<p>Negative screens exclude companies / sectors based on certain measures.</p> <p>For example tobacco stocks, companies involved in animal testing, companies with a negative environmental impact.</p>

In many cases a fund will include 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.

## Shades of green

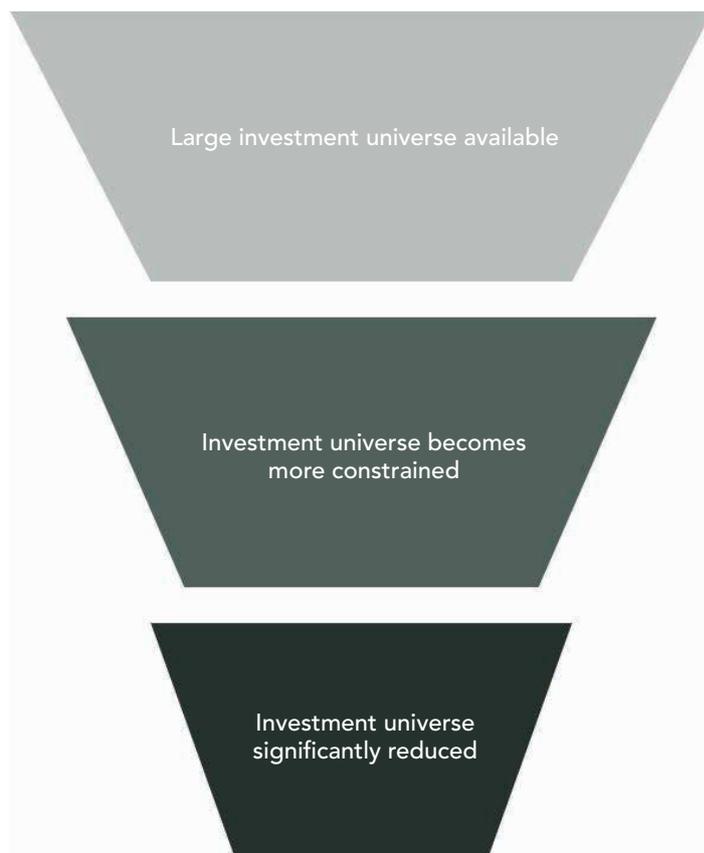
Funds are often classified using shades of green to help investors identify how strict the selection criteria is likely to be.

**Light green**, those which take into account some ethical considerations and look to invest into companies which are trying to act responsibly.

**Dark green**, those which take into account a wide range of ethical concerns and have strict standards for implementation.

Whilst this may seem a relatively simple method for classification, finding funds which meet all of a client's requirements can at times be tricky.

It should also be considered that the more ethical requirements an investor has, the harder it will be to find feasible investments; risk and volatility can also increase due to lack of diversity within the portfolio.



## Ethical Screening

We work with Ethical Screening, an independent research company, to ensure funds and equities meet our clients ethical investment criteria.

[www.ethicalscreening.co.uk](http://www.ethicalscreening.co.uk)

# Whitechurch Ethical Investment Solutions

## Our Ethical Investment Philosophy

Whitechurch Ethical portfolios are suited to clients looking to invest whilst taking into consideration a range of socially responsible criteria.

Our ethical portfolios look to exclude companies:

- Substantially involved in or causing animal testing (non-medical)
- With - or operating in countries with - poor human rights records
- Whose main source of revenue is gambling
- Involved in arms production and export
- Involved in the production and sale of tobacco\*
- Which irresponsibly produce, sell and promote alcohol
- Involved in pornography and nuclear power, where possible

In addition to the above negative screening, our ethical portfolios look to apply a positive overlay - rewarding companies for positive actions in the areas of renewable energy, reducing environmental impact, positive social contributions etc. Funds used within our portfolios are screened by **Ethical Screening**, an independent third party, to ensure they meet our criteria.

*\*Where the majority of the company's proceeds come from sources other than alcohol or tobacco revenues, for example supermarkets, they are not excluded on the basis of possible tobacco sales as this is not their major source of revenue. Often the managers will implement a threshold level e.g no more than 10% of companies profits should come from tobacco sales.*

Our Ethical Investment Philosophy also determines that when we are considering funds for inclusion in portfolios we factor in the business ethos and values of the parent fund management company. As such, we will look to exclude funds from fund management businesses whose main operations may lead to them providing funding for contentious industries.

**Our ethical investment solutions are available through our range of investment management services. The services outlined below should be read along with the main service brochures.**

## Whitechurch Portfolio Management Service

This service provides access to Whitechurch investment management for clients with a minimum of £3,000 to invest. Under this service, exposure to our ethical investment solutions is available through the Whitechurch Ethical Balanced Portfolio.

- This portfolio will invest in a range of funds diversified across different asset classes with the objective of producing income and capital growth.
- The portfolio will be managed based upon the ethical criteria determined by the Whitechurch Ethical Investment Philosophy (see opposite).
- The portfolio will have a balanced risk profile of 5/10.\*\*

## Whitechurch Prestige Investment Management Service

This service provides investors with access to a wide range of portfolios based upon their risk and return profiles. It is available for investors with a minimum investment of £50,000.

- This portfolio will invest in a range of funds diversified across different asset classes with the objective of producing income and capital growth.
- The portfolio will be managed based upon the ethical criteria determined by the Whitechurch Ethical Investment Philosophy (see opposite).
- Portfolios will be available with risk profiles ranging from 4/10 to 7/10.\*\*

## Whitechurch Personally Tailored Service

This service provides access to truly bespoke offerings and is available for investors with over £250,000 to invest. This service can also include tax planning.

- Investments can be in UK equities alongside funds to provide a well-diversified portfolio. However, this will incur an additional screening cost.
- The portfolio will be managed based upon the ethical criteria determined by the client.
- The investment objective and risk profile\*\* will be determined by the client.

### \*\*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.*

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

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