

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 minimise exposure to 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. We have a range of ESG portfolios, details of which can be found on our website.

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