

We are specialists who offer financial advice to clients who want to align their investments with their ethical preferences

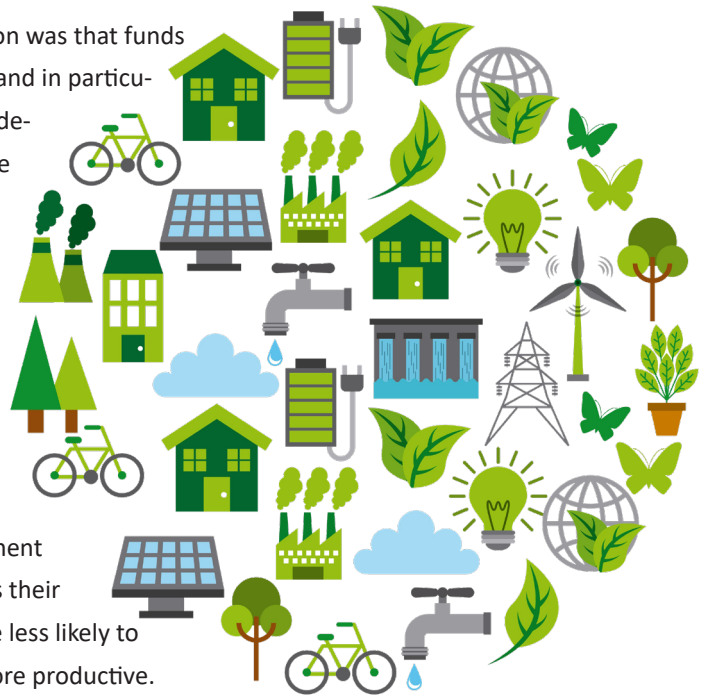
Independent Financial Advisers

The Ethical Investment Co-operative is a firm of Independent Financial Advisers specialising in ethical, environmental and responsible investment. Formed in 1997, the advisers have extensive experience in all aspects of financial planning incorporating clients ethical/environmental concerns within the arrangements.

Why Ethical?

The term ethical/environmental investment over time has evolved into ways of analysing company behaviour and is associated with the terms of SRI (Socially Responsible Investment) and more recently ESG (Environmental, Social and Governance).

When ethical funds were in their infancy, a common assumption was that funds which incorporate environmental, SRI and ESG characteristics, and in particular those with a strict ethical screen applied, must involve a trade-off with performance. Over time the debate about performance has turned on its head. We believe that considering these issues in investments makes sound financial sense, as well as being the right thing to do, this view is increasingly backed up by research and evidence. Numerous studies find a link between company-level ESG performance and their financial and operational performance; in particular, there is evidence that taking ESG into account can help to protect against volatility and downside risk. Investing in companies which consider the impact on their stakeholders (e.g. employees, the environment and suppliers) may actually improve long term performance, as their products may command a premium in the market, they may be less likely to be sued and their employees may be happier and therefore more productive.



We find that strong ESG performance can be a signal for quality, which can support stock selection. Looking at the track record of SRI funds in practice, although some market conditions may see them deviate from mainstream benchmarks, the evidence shows that SRI portfolios have performed in line with mainstream peers over the long term, and may have superior risk characteristics.



ESG momentum matters; promising new research shows how investor engagement can lead to positive ESG momentum and financial out-performance.

ESG/ethical investment is an important part of this movement to help change corporate attitudes. The aim is to consider the impact of the investment decisions and to return a profit, but not at any cost. It is about education and influencing corporate behaviour.

- straightforward ethical financial advice
- friendly and approachable
- transparent charges
- experience and expertise



Our advice process comprises of a number of stages



There are four main approaches...

Bespoke Screening ... allows us to identify funds that avoid investing in certain types of industry/companies, for example, tobacco, human rights, arms trade. It also enables us to identify funds that engage in positive activities- animal welfare, equal opportunities – or activities that are aimed at improving the environment. This is appropriate where you have specific areas of concern or wish to support. Adopting this approach can bring in restrictions and increase risk where an investor wishes to avoid all areas. Therefore it is often useful to have a classification of areas of high importance to those with lesser importance.

Risk based ethical model portfolios ... we have operated our risk based ethical models for over 11 years so there is a long history associated with the performance. These are ideal when approaching ethical investment from a general aspect, however the focus still covers a wide range of concerns which tend to be typical areas investors are looking to avoid/include. All funds included will have an ethical screen and policy, rather than funds with just an ESG score/rating, which will not necessarily mean they will have any ethical/environmental objectives.

Best in class... these funds will invest in sectors that are not obviously 'ethical', for example oil and gas, but with companies with, say, a better record on the environment or human rights than others in the sector. This approach will probably include companies with the highest ESG rating for their sector, generally not an approach often adopted.

Engagement... with this approach, we identify funds where the managers work with companies they invest in to improve social, governance and environmental practices.



- Initial contact**
- ...to explain our services and fees
 - ...to understand your objectives
 - ...to identify your current situation
 - ...to agree your investment/pension risk profile

- Getting to know you and you getting to know us**
- ...to agree the scope of the advice required
 - ...to understand your needs
 - ...to understand what you can expect from us
 - ...to collect relevant information

- Ethical and risk profiling**
- ...to identify what is important to you
 - ...to demonstrate how you can invest according to your values

- Initial Report**
- ...to ensure you have a record of our advice
 - ...to outline what you are aiming to achieve
 - ...to understand the costs

- Research, Report and Recommendation**
- ...to explain the rationale behind our recommendations
 - ...to agree a course of action
 - ...to understand how these link in with your objectives and how they match your risk and ethical preferences

- Implementation**
- ...to organise the arrangements and put these in place

- Ongoing Advice**
- ...peace of mind
 - ...review and continued suitability
 - ...access to an adviser at all times
 - ...access to our portal to track your investments
 - ...secure messaging and document facility

- Fees and charges**
- ...competitive charging
 - ...disclosure of costs

Staying on track...

Our service does not stop once the recommended investments are in place. It is usually prudent to review investment portfolios regularly to ensure any products you have in place to meet your financial objectives remain suitable. The frequency of the review and what it will include will be agreed with you, as well as confirming the overall annual fees and charges. As an ongoing client you will also have access to our portal amongst many things.

Past performance is not necessarily a guide to the future. The value of investments and the income from them can fall as well as rise as a result of market and currency fluctuations and you may not get back the amount originally invested. All products purchased through EIC Ltd should be regarded as medium to long-term investments.

The Ethical Investment Co-operative Ltd.

Registered office: 1 Aske Stables, Aske, Richmond, DL10 5HG Tel: 01748 889440 Company Registration number: 3350281 England & Wales The Ethical Investment Co-operative Ltd is authorised and regulated by the Financial Conduct Authority.