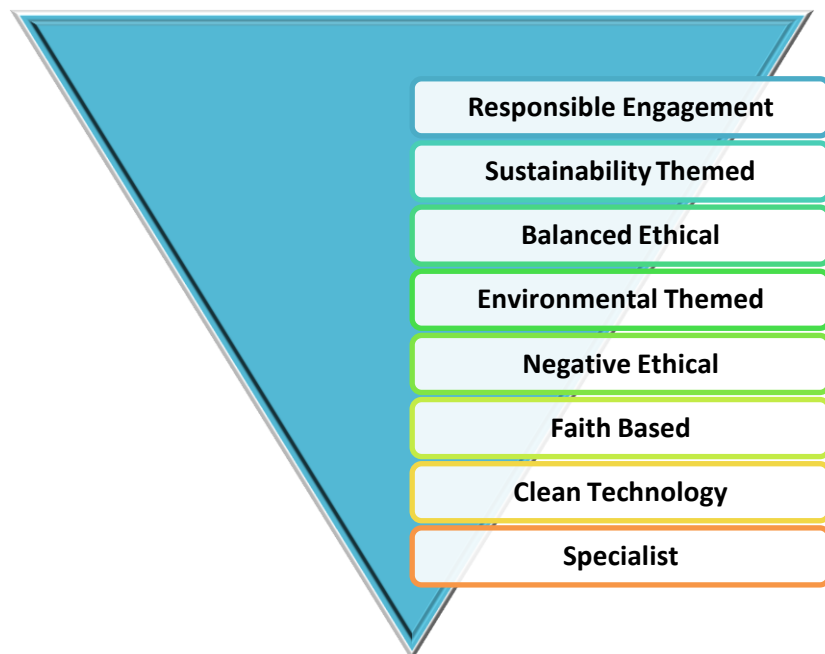


Adviser Overview: Fund EcoMarket ‘SRI Styles’

The Fund EcoMarket tool segments SRI funds into ‘SRI Styles’ based on their core Sustainable and Responsible Investment attributes (ie the approaches they take to the main ethical, social and/or environmental issues they focus on.) These are as follows:



Responsible Engagement funds are regular or ‘mainstream’ investments which use investment ownership to encourage positive change through dialogue and other ‘responsible engagement’ strategies, such as shareholder voting. Engagement strategies do not normally directly impact where a fund can invest.

Sustainability Themed funds research a range of issues relating to the sustainability agenda when considering where to invest. They aim to hold positive, forward-looking companies, with strong environmental and social credentials. Fund managers typically favour companies that are well placed to benefit from regulatory, legislative and other likely changes.

Balanced Ethical funds are ethically screened funds that balance the positive and negative aspects of company behaviour across a range of ethical, social and environmental issues. They are likely to invest in most sectors, favouring market leaders or ‘best in sector’ companies. They tend to have fewer absolute negative exclusions than ‘traditional ethical’ funds.

Environmentally Themed funds significantly integrate environmental opportunities and risks into their investment decisions. Environmental funds may focus on a range of environmental issues or themes or specialise in a area (eg climate change). Some consider social and ethical issues alongside environmental criteria and may exclude companies that do not meet certain standards.

Negative Ethical funds primary approach is clear, strict avoidance of a range of negative ethical or ‘values based’ areas. They are likely to also consider a range of environmental and social issues, screening out companies that do not meet the fund’s (mainly negative) criteria. They may also have positive aims but these do not override the fund’s avoidance screens.

Faith Based funds invest in line with a specific set of religious values.

Clean Technology funds specialise in market leading clean technology and environmental solutions companies. Fund managers often focus on ‘environmental markets’ and may favour pure-play companies that are well placed to lead change. Some invest more broadly than others. These are thematic funds and do not have ethical screening criteria.

Specialist funds are intended primarily for specialist, experienced or higher net worth investors who are comfortable with higher potential risk levels. Their focus can be diverse. They may prioritise positive societal impacts over short/medium term financial return. Some are termed ‘Impact Investments’.

This information is for use by Financial Services professionals only.

See www.sriservices.co.uk/fund-ecomarket-tool for full ‘SRI Styles Directory’ and access to the adviser database tool.

See www.sriServices.co.uk for further information.

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