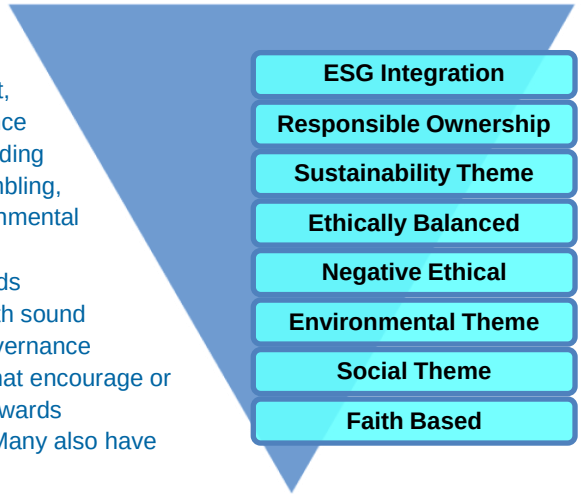
SRI Styles - in brief
Understanding sustainable, responsible and ethical investment options:

SRI Styles help explain the key differences between sustainable, responsible and ethical investment options by highlighting their core features.

Screened and Themed fund options:
The following fund options have policies that, alongside conventional financial strategies, help direct where money is invested.

- **'Ethically Balanced'** funds combine a wide range of positive and negative ethical criteria (eg favouring companies with strong social and environmental practices, avoiding major polluters and manufacturers of tobacco and armaments). Such funds often make pragmatic decisions regarding 'pros and cons' or apply 'best in sector' strategies.
- **'Negative Ethical'** funds core ethical strategy is to apply clear, often strict, negative 'ethical' avoidance criteria such as avoiding armaments, tobacco, gambling, poor social or environmental practices.
- **'Sustainability Themed'** funds typically select companies with sound environmental, social and governance strategies - favouring those that encourage or help facilitate the transition towards more sustainable lifestyles. Many also have ethical screening criteria.



- **'Environmental Themed'** funds bring environmental issues into their investment strategies, sometimes alongside ethical screening criteria. Some focus on sound management of issues - others favour 'solutions' companies (eg clean energy, resource efficiency, waste management).
- **'Social Themed'** funds focus on 'people issues' (eg employment and basic necessities of life) and assess societal benefits as well as financial returns.
- **'Faith Based'** investments invest in line with specific religious principles (eg Shariah Law)

Corporate Strategies:
The following strategies apply to investments offered by some fund managers for both 'ethical' and 'non ethical' options. These strategies may not significantly alter where a fund invests at present but can help manage risk and encourage positive change.

- **'ESG Integration'** – a 'corporate level' strategy whereby some fund managers consider 'Environmental, Social and Governance' issues as part of their regular investment research and decision making - often across all funds, normally to help manage investment risk.
- **'Responsible Ownership'** – a 'corporate level' strategy whereby a fund manager uses their position as an investor to encourage the companies they invest in to improve their environmental, social governance practices eg by holding meetings with senior management and voting shares at AGMs.

Additional information

- 'SRI Styles' are a simplification of a **diverse and dynamic** market that has evolved over many years to meet a range of different aims.
- **Fund approaches and strategies vary** within each SRI Style (eg funds 'set the bar' at different levels when looking for companies with 'good practices' and often favour or avoid different things).
- There is **crossover between some of Styles** (eg most fund of these fund specific options look for 'sound environmental and social practices' and most do not invest in tobacco and armaments manufacturers).
- You are recommended to **consult a financial adviser** and **check fund specific details** before considering investments.
- The Fund EcoMarket '**SRI StyleFinder'** questionnaire can help identify 'best fit' SRI Styles.

This is for information purposes only. SRI Consultants Ltd (T/A Fund EcoMarket) are not authorised to offer advice. Please contact a qualified financial adviser for further information.
May 2016