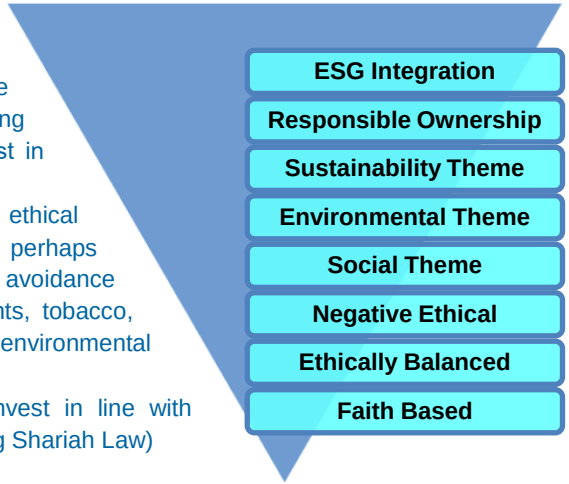
SRI Styles - in brief
Understanding sustainable, responsible and ethical investment options:

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

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

Ethically led options:

- **'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, perhaps strict, negative 'ethical' avoidance criteria eg avoiding armaments, tobacco, gambling, poor social or environmental practices.
- **'Faith Based'** investments invest in line with specific religious principles (eg Shariah Law)



Theme led options:

- **'Sustainability Themed'** funds select investments in line with a specific theme or group of sustainability related issues that can be as diverse as helping to facilitate the transition towards more sustainable lifestyles, climate change and health. Many also have ethical screening criteria.
- **'Environmental Themed'** funds bring one or more environmental issue (eg clean energy, resource efficiency, waste management) into their investment selection strategies, sometimes alongside ethical screening criteria.
- **'Social Themed'** funds focus on 'people issues' (eg employment and basic necessities of life) when selecting holdings.

Corporate Strategies:
The following strategies apply to all or most of the assets managed by some investments fund management companies. This is in addition to the strategies they employ for running individual ethical or SRI funds. These strategies may not significantly alter where a fund invests.

- **'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 used to help manage investment risk.
- **'Responsible Ownership'** – a 'corporate level' strategy whereby a fund manager uses their position as an investor to encourage companies to improve their environmental, social or governance practices when it is in the best interest of investors. (eg through meeting with senior management and voting shares.)

Additional information

- 'SRI Styles' are a simplification of a **diverse and dynamic** market that has evolved over many years to suit a range of different aims.
- **Fund approaches and strategies vary** within each SRI Style
- **There is crossover between some of Styles**
- The SRI Policies, Features and Corporate Activity filters offer additional detail.
- We recommend advisers **check fund specific details**, eg via the 'More Info' boxes and URLs or direct with fund managers as part of your due diligence.
- The Fund EcoMarket '**SRI StyleFinder'** questionnaire can help identify 'best fit' SRI Styles.
- Fund EcoMarket offers **full report functions** for adviser audit trail purposes.

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