



Ethical Investing

Investing for people and the planet



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A short guide on how you can invest for your future & have positive impact on the world, all at the same time.

For many people the world has never been a better place than it is today. The world population is, on average, healthier and richer than ever, living longer, and is better educated. Overall, the number of people dying from wars and violence is decreasing.

On the other hand, the world is also confronted with an increasing number of challenges, such as natural resource scarcity, climate change, biodiversity loss, unstable social systems and inequality.

What is 'ethical' investing?

Investing ethically incorporates environmental, social and governance (ESG) values into where you invest your money. This method of investing seeks to make a positive impact on the world whilst balancing the objective of making profitable returns.

You can choose to avoid certain companies (this is called '**negative screening**') such as weapons manufacturers or oil & gas companies.

Alternative, you can opt to be more proactive (often termed '**impact investing**'), where you choose to invest in companies that have an objective towards positive change - e.g. climate change.

Why choose ethical?

Our planet and society face interconnected challenges. There are pressures on the environment and social infrastructure, born from an economic system that is largely measured in terms of output and growth.

In response to these challenges, more individuals are moving towards taking more responsibility.

Many believe the current system cannot continue to exclusively pursue economic expansion and financial return, regardless of the cost.

Ethical investing is for people that want to transition towards a more balanced environmental & social system.

What's important to you?

The United Nations' Sustainable Development Goals have become the measuring stick in all types of ethical investing. The 17 goals below were designed to help channel efforts towards overcoming the world's biggest challenges, like climate change and poverty, by 2030.

Different investment funds will prioritise different ethical objectives. Therefore, it is often beneficial to consider what matters most to you...



How does investing ethically affect performance?

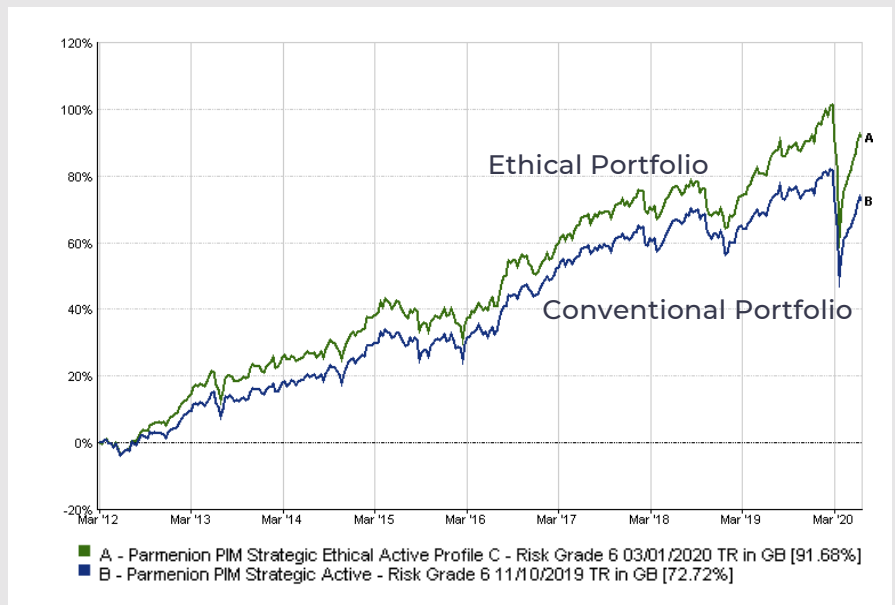
Ethical investing does not sacrifice your investment performance

There is no evidence to support the notion that investing ethically results in inferior investment returns.

It would be fair to say that an ethical portfolio is likely to cost more, due to the additional governance and screening that must be undertaken.

That said, it's also reasonable to assume that over the long-term, as individuals become more conscious around the environmental, social & governance issues (ESG) within competing companies.

In fact, there is a growing body of research that suggest no major differences in risk-adjusted performance between conventional & ethical investment funds.



Here to help...

As Independent Financial Planners that help people get the most out of their investments, we have experience in helping you align your money with your values.

If you'd like to know if we can help you, get in touch by calling 01179 902 602, or you can [book yourself in for a free initial consultation here.](#)



How to invest ethically?

Rather than attempt to research hundreds of different companies yourself, it makes sense for most people to select a group of ethical funds.

Ethical fund managers will regularly search for new companies to invest in, whilst also monitoring the activities and practises of the companies already in the fund, to ensure expected standards are maintained.

As major shareholders, funds can use their influence and voting power to steer the company towards higher ethical standards, or even directly lobby board directors to help steer the organisation to become more sustainable.

They keep the companies invested in accountable to the required standards, while also ensuring they are a strong future investment prospect.

You can use research tools like [FundEcoMarket](#) to identify funds which meet your ethical criteria. Alternatively, you can work with a financial advisor to help you identify which investments are suitable.

Just make sure to do your research before investing. Some companies have been accused of '**greenwashing**', giving the impression that they are more ethical than they really are.

This guide provides information about investing, but no personal advice. Remember that investments can go up and down in value, you may get back less than you put in.

We hope this guide helps you to put a plan in place.
If you would like to speak to an adviser about your investing ethically,
you can call us on **01179 902 602**.

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