



Fund EcoMarket

Practical sustainable investment support
for financial services intermediaries



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www.FundEcoMarket.co.uk

Introduction to Fund EcoMarket

Our aim is, and always has been, to help change the way people invest.

We do this by bringing together information on retail sustainable, responsible, ESG and ethical investment funds to help intermediaries match client aims to fund options.

This is our way of helping all investors to play their part in delivering a safer, cleaner and more sustainable future.

Fund EcoMarket was launched in 2011. It is a 'whole of onshore, regulated, retail, SRI market' fund information tool - designed to complement other intermediary tools. It is open to all and available for free to use thanks to our partners.

About Fund EcoMarket

What is Fund EcoMarket?

Fund EcoMarket is a searchable directory of all regulated, retail, onshore funds that focus on sustainability, responsible ownership, ethical and/or ESG issues.

It is designed for UK financial advisers but is open to all. Content includes over 200 filter options, fund details and links supplied by fund managers. Funds are classified by our proprietary 'SRI Styles' labels – which is our way of helping intermediaries find funds with broadly similar characteristics.

How can it help intermediaries?

Fund EcoMarket is designed around the 'IFA' advice process. It enables users to match specific client aims to fund options and is accompanied by fact find and reporting support.

Its purpose is to make undertaking detailed, bespoke research into sustainable fund strategies easier – and to complement your research tools.

The database enables you to read about fund methods, aims and strategies in a level of detail not found elsewhere to help you match clients' specific preferences as closely as possible.

Why use Fund EcoMarket?

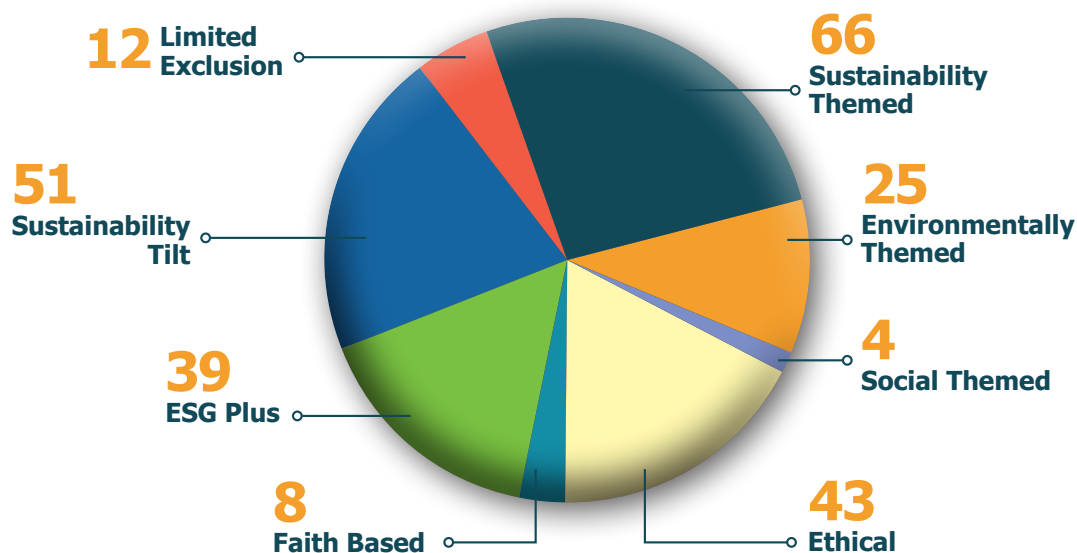
SRI Services is independent. Fund EcoMarket is free to use – thanks to the support of over 20 fund partners – and our tools are designed specifically for financial services intermediaries who want to offer clients the best possible service in this area.

Our information is sourced directly from fund managers – to avoid researcher bias and short cuts.

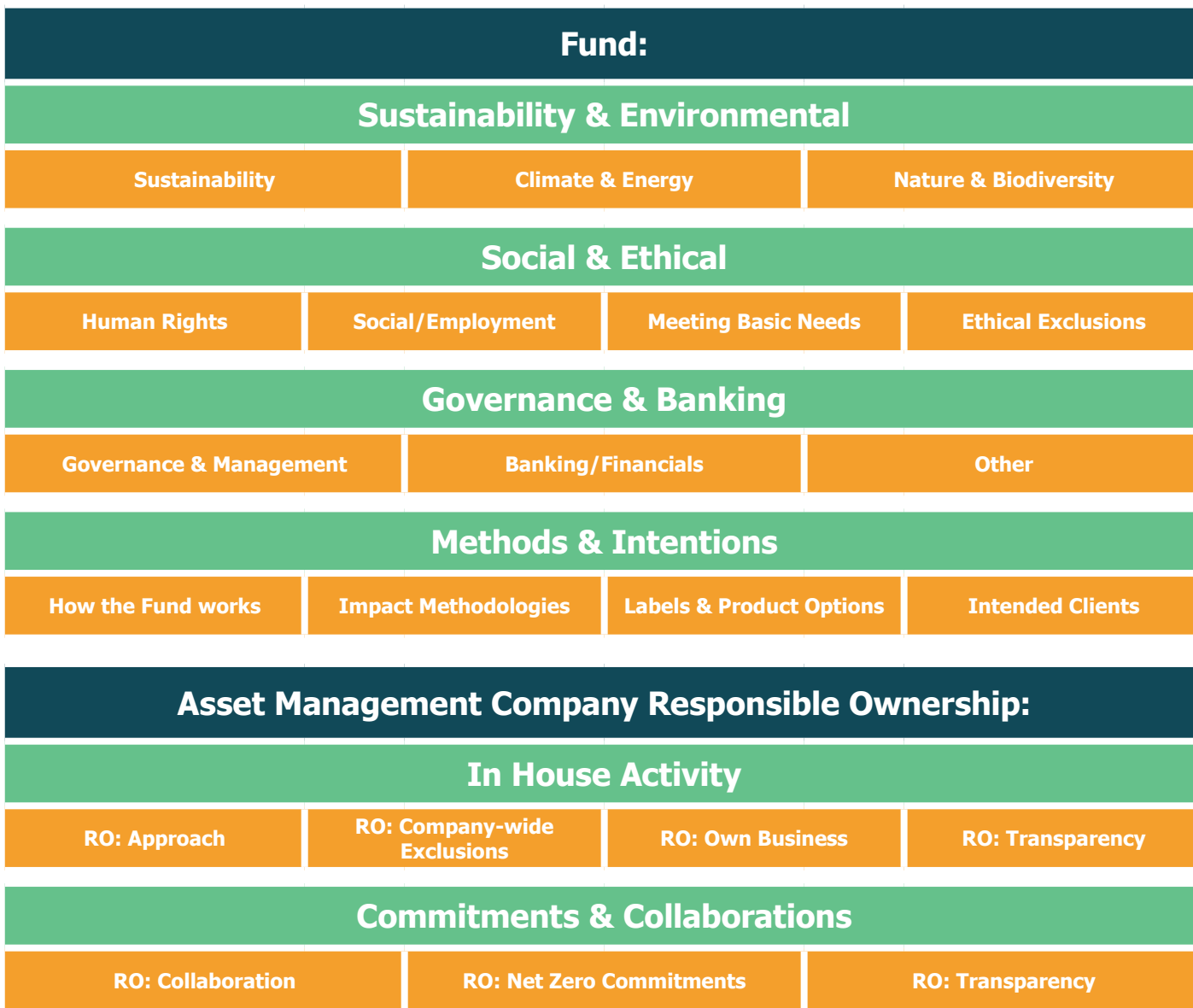
The level of detail in the database helps you to understand what funds do, where they will and will not invest – and why – so that you are well placed to meet specific client preferences.

Number of primary funds in each Fund EcoMarket SRI Style

(As at 28 February 2022)



Fund EcoMarket SRI/ESG filters

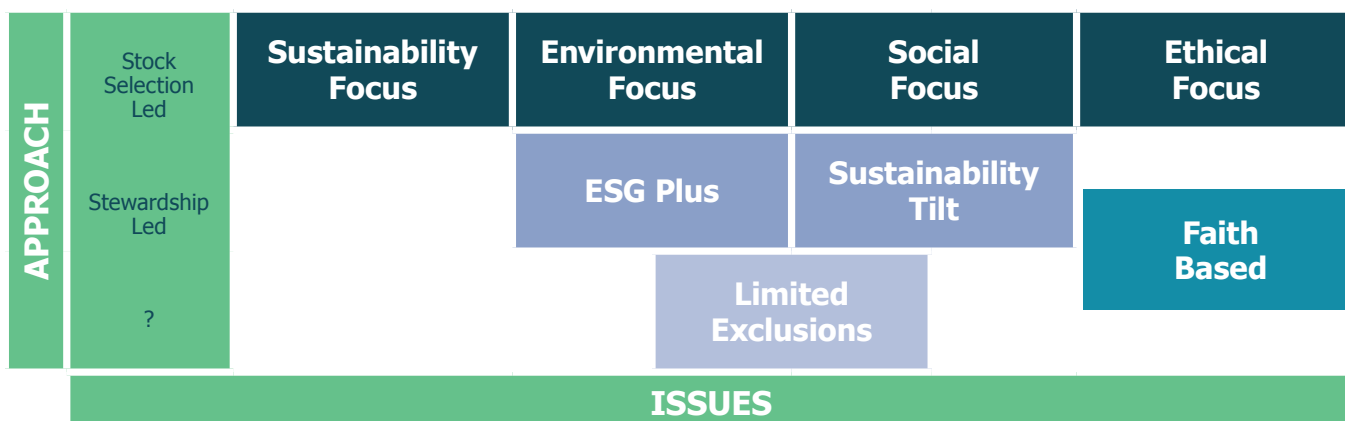


Introducing SRI Styles

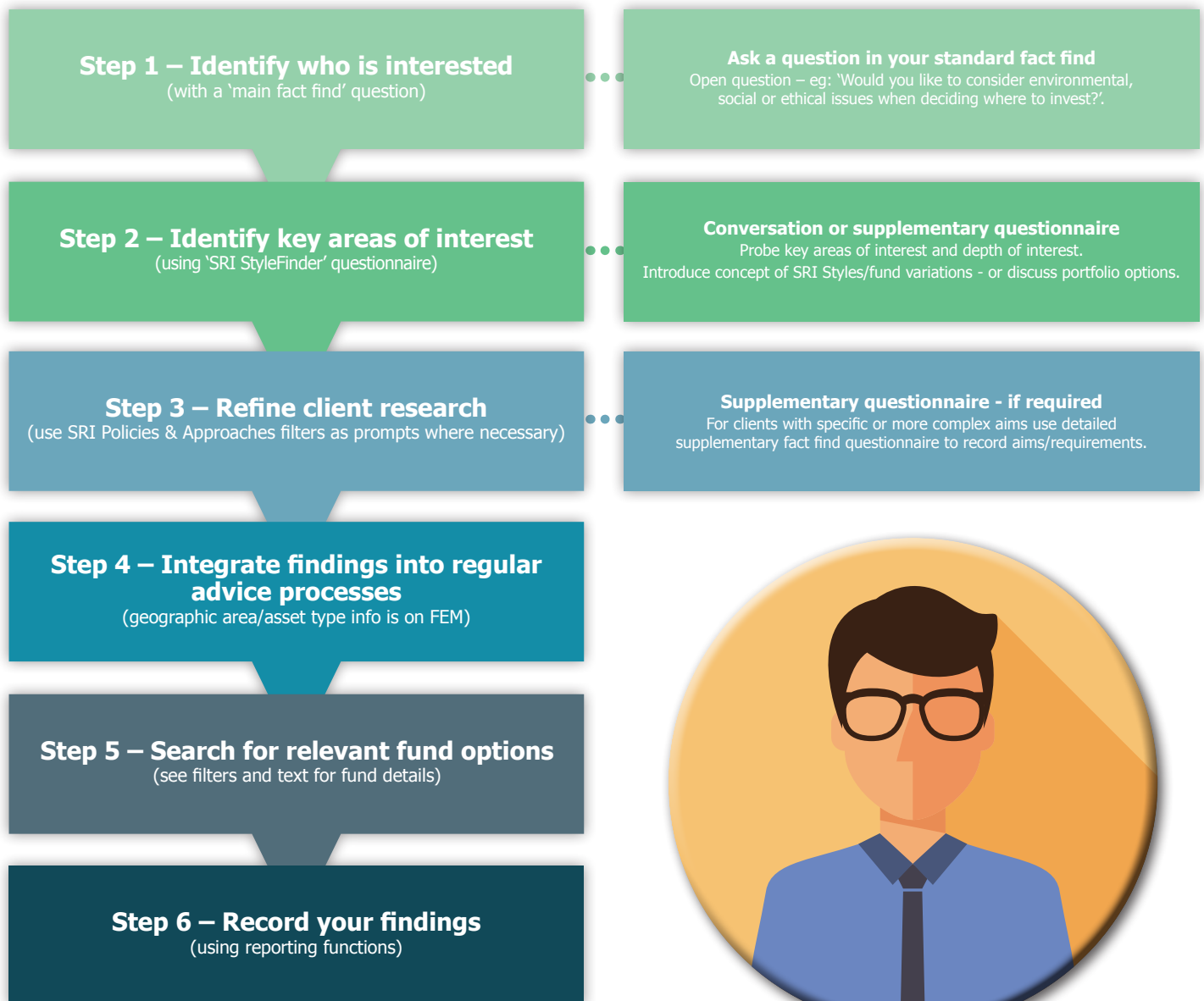
Different funds focus on different issues and lead with different approaches.

Both stock selection and stewardship strategies vary greatly between funds and fund managers (see fund details).

The SRI Styles classification we offer vary in the balance between stewardship activity and more focused stock selection. Funds with a more focused approach tend to invest in fewer controversial companies. Funds in the lower bands tend to invest across more sectors. This can be broadly mapped as follows:



Building your sustainable investment advice process with Fund EcoMarket support



Understanding where we can help

1

SRI StyleFinder factfind

Ask your client to complete the SRI Stylefinder questionnaire to identify the types of strategies that may suit their aims

2

Fund EcoMarket database

Use detailed database filter options to find, research and compare funds that match specific personal aims and opinions

3

Select & generate report

Select funds of interest, generate a list and 'Save or Print' for your audit trail

The Big 3

Mapping core client motivations to fund options

	Limited	Tilted	Values led		Sustainability themes			
SRI Style name	Limited Exclusions	ESG Plus	Sustainability Tilt	Faith Based	Ethical Focus	Social Focus	Environmental Focus	Sustainability Focus
Mapping client motivation to fund purpose	Has named area(s) of exclusions - typically avoid only a small fraction of universe.	ESG (environmental, social and governance) risk focus - with additional exclusions and/or stewardship strategies.	Integrates sustainability into research. Favour companies with higher standards. May invest in all sectors. May have exclusions and stewardship policies.	Screening strategy intended for investors of a specific faith.	Focus on ethical values - with environmental, social and governance criteria. May combine exclusions, positive selection and/or stewardship activity.	Focus on social themes, issues and opportunities. Many have exclusions. Stewardship activity may apply.	Focus on environmental themes, issues and opportunities. May have exclusions. Stewardship activity may apply.	Focus on sustainability themes, trends and opportunities, often with ethical exclusions. May hold 'transition' and/or 'solutions' companies. Stewardship/engagement likely.
Managing sustainability challenges well makes good business sense	?	✓	✓	?	✓	✓	✓	✓
I want to use my investments to deliver positive real world impacts and outcomes	X	?	?	X	?	✓	✓	✓
My main focus is ethical issues – but environmental, social and governance issues are important also	X	?	?	?	✓	?	?	?

Key:



Yes/Most funds in this style with meet this aim



Maybe/Many of the funds in this style will meet this aim



No/Most funds in this style will not meet this aim

Fund strategies vary within these SRI Styles and there is cross over between many of the Styles. Please see additional fund information.

Example clients

Which SRI Styles suit which client needs?

These client examples illustrate that different strategies and funds meet different client needs.

Example filter options that reflect likely client aims are listed below. These relate to the 'Policies, Issues and Themes', 'Approaches and Application' and 'Responsible Ownership' filters on Fund EcoMarket.

See chart to match fund SRI Styles to client examples.



Client 1

'General interest in sustainability'

Policies: Sustainability policy, Sustainability theme, ESG Integration strategy, Favours cleaner greener companies, Social policy.

Approaches: Balances company 'pros and cons'/best in sector, Combines ESG strategy with other SRI criteria.

Responsible Ownership: Responsible Ownership policy, Encourage GHG/Carbon reduction, UK Stewardship Code Signatory

Note: Most funds in this area recognise this - methods vary. Use additional filters if the client has stronger views



Client 2

'Looking for sustainability solutions & positive impacts'

Policies: Sustainability theme (and listed sub themes), Favours cleaner greener companies, Responsible supply chain policy

Approaches: Aims to generate positive impacts, Measures positive impacts (and additional impact criteria), Positive selection bias, UN SDG focus, Invest over 25/50% in solutions companies, (see impact options)

Responsible Ownership: Responsible ownership policies, Climate Action 100+ member

Note: Strategies vary. Positive selection helps redirect capital, 'impact focus' shows greater emphasis on outcomes



Client 3

'Climate focus/wants to avoid oil companies'

Policies: Excludes coal, oil and gas majors, - additional extensions: Excludes fracking, Tar sands, Arctic drilling. Favours cleaner greener companies, Sustainability theme

Approaches: Positive selection bias, Combines ESG strategy with other SRI criteria

Responsible Ownership: Climate Action 100+ members, Reviewing carbon/fossil fuel exposure for all funds

Note: Funds that do not say they exclude oil companies may invest in oil companies. Be careful about the term 'fossil free' which is currently almost unachievable



Client 4

'Focused on people/social issues'

Policies: Social policy, Human rights policy, Avoids oppressive regimes, Child labour exclusion, ESG Integration strategy, Anti Bribery & corruption policy

Approaches: Favours companies with strong social policies, Invests in social housing, Positive social impact theme (at top end of spectrum), UN SDG focus

Responsible Ownership: Diversity engagement strategy eg gender & race



Client 5

'Focused on ethics/personal values'

Policies: Ethical policy, also use individual filters eg Excludes tobacco, Armaments, Gilts, Gambling

Approaches: Combines ESG integration with other SRI Strategies

Note: Multiple options – ethical and themed funds generally consider these issues or have strategies that direct investment away from controversial sectors



Client 6

'Wants fund manager to encourage change/be 'responsible owners' across all investments'

See '**Corporare Activity**' filter for company-wide activity eg Responsible ownership policy, Encourage carbon/greenhouse gas reduction, Responsible ownership as a key differentiator, Vote all shares at AGMs, PRI/Climate Action 100+ membership



Client 7

'Focused on animal issues'

Policies: Ethical subsection: Animal welfare policy, Animal testing exclusion, Excludes animal testing except for medical purposes, vegetarian/vegan

Note: Also consider funds with positive/sustainability themes

Example clients

Is this SRI Style likely to meet this client's needs?

	Limited	Tilted		Values led		Sustainability themes		
SRI Style name	Limited Exclusions	ESG Plus	Sustainability Tilt	Faith Based	Ethical Focus	Social Focus	Environmental Focus	Sustainability Focus
Client aim								
1. General interest in sustainability	?	✓	✓	?	✓	✓	✓	✓
2. Keen interest in sustainability & positive outcomes	X	?	?	X	?	✓	✓	✓
3. Wants to avoid coal, oil and gas majors	X	?	?	?	?	?	✓	✓
4. Focused on social/people issues	X	?	?	?	✓	✓	?	✓
5. Wants to avoid arms, tobacco & other damaging industries	?	?	?	?	✓	?	?	✓
6. Wants to encourage companies to improve	?	?	?	X	?	✓	✓	✓
7. Animal welfare focus	X	?	?	?	?	?	?	?

Key:



Yes/Most funds in this style with meet this aim



Maybe/Many of the funds in this style will meet this aim



No/Most funds in this style will not meet this aim

Fund strategies vary within these SRI Styles and there is cross over between many of the Styles. Please see additional fund information.

Partners

Fund EcoMarket is free to use thanks to the following fund managers



**UPDATED PARTNER LOGOS
TO BE SUPPLIED/INSERTED**



Some key terms explained:

- **ESG** – investments that consider ‘environmental social and governance’ issues, typically focused on risks.
- **Sustainable Investment** – investment in companies that help us to meet or own needs in ways that do no damage the prospects of others to do the same, today and in future.
- **Ethical** – issues relating to ‘personal values’, most commonly in this context exclusion of armaments and tobacco companies. In practice almost all ethical funds pay close attention to ESG issues also.
- **Tilt** – refers to underweighting or overweighting positions in line with a fund’s published strategy.
- **Impact** – refers to strategies that focus significantly on delivering positive ‘real world’ outcomes and measuring their related achievements (such as reductions in carbon emissions).
- **Stewardship/Responsible Ownership** – describes fund manager activity aimed at encouraging better practices (eg transitioning to lower carbon, or improved employment practices) amongst the companies they invest in – normally through meetings with senior management and voting at AGMs.
- **SRI Styles** – our classification system that highlights both the major ‘issues’ funds focus on and ‘how’ they are integrated into investment strategies. (See our ‘SRI Styles Directory’ on Fund EcoMarket.)
- **Net Zero** – the goal of reducing greenhouse gas (eg carbon and methane) emissions to levels which can be dealt with naturally (and/or with technology) in order to halt the year on year emissions increases which are causing global temperatures to rise.

Fund EcoMarket is a whole of SRI market tool (listing all regulated, retail, onshore screened and themed funds, plus some additional entries) which is primarily intended for use by UK based financial advisers. It is available free of charge thanks to our fund manager partners.

Fund EcoMarket is for information purposes only. It is intended to be used in addition to users’ regular information sources. SRI Services is not regulated or authorised to offer advice and whilst we aim to keep information as up to date as possible we can not be held responsible for advice given to clients.

