Grayside Financial Services
1st Floor, 55 High Street,
Epsom, Surrey KT19 8DH
Tel: 01372 726 162 **Fax:** 01372 724 988
Email: enquiries@grayside.co.uk

GRAYSIDE
FINANCIAL SERVICES

Conscientious investor

Investing today to help make a better tomorrow

In a fast-changing world, sustainability is a growing concern for investors. Sustainable investing funds position investors to manage the risks associated with environmental, social and governance (ESG) factors, capture the opportunities and contribute to positive change.

The tremendous toll of the coronavirus (COVID-19) pandemic crisis – on health, economic wellbeing and everyday activity – has precipitated a widespread reassessment of the way we live our lives. For governments, businesses and investors, an essential question has been to understand the sources of resilience during this past year and how to build on them to prepare for any future crises.

INFLUENCING POSITIVE CHANGES

If you're someone who wants to make a positive difference, you might be interested to know how you, your money and the things you care about could all benefit from sustainable investing. At its core, ESG investing is about influencing positive changes in society by being a better investor.

Investment into ESG funds has been growing at an accelerating pace over the last five years. Recent research suggests that 9% of investors currently hold ESG investments[1], with 12% of investors saying they don't currently hold ESG investments but plan to in the next year. 17% say they are likely to make their first ESG investments in 2022 or later. These numbers suggest a snowballing rate of ESG investing adoption over the next few years.

RESISTANCE TO FUTURE CRISES

As the nation emerges from the COVID-19 pandemic and begins to rebuild the economy, there is the opportunity to rebuild based on new principles. ESG concerns can be embedded in the recovery, to create an economy with more resistance to future crises. Companies are also under growing pressure to report transparently on their ESG-related practices.

More people today understand the increasing importance of responsible investing in investment decisions and it's arguably the most important investment trend of recent decades. ESG strategies factor environmental, social and governance considerations into the investment process, with the goal of generating long-term, sustainable returns for investors.

Responsible investing is about 'doing the right thing', encouraging sustainability and contributing to positive, lasting change.

Environmental – Renewable energy, lower carbon emissions, water management, pollution control.

Social – Labour practices, human rights, data protection, selling practices, corporate supply chains.

Governance – Board makeup, corruption policies, auditing structure.

Grayside Financial Services
1st Floor, 55 High Street,
Epsom, Surrey KT19 8DH
Tel: 01372 726 162 **Fax:** 01372 724 988
Email: enquiries@grayside.co.uk

GRAYSIDE
FINANCIAL SERVICES

APPROACH RESPONSIBLE INVESTING

There's no single, universal way to be a responsible investor, but these factors will enable the growth of ESG funds by giving investment managers more options to invest in, and improved ways to assess and monitor, the ESG rating of an investment.

While ESG investing is an opportunity you might be eager to explore, there are some considerations. Your investments must align not only with your values but also with your growth expectations and risk appetite. As with any approach to investing, you should choose the funds that are right for you and obtain professional financial advice to understand the market you want to invest in. ■

LOOKING TO BOOST PORTFOLIO PERFORMANCE

It's a common misconception that investing responsibly means accepting lower returns but, increasingly, evidence says otherwise. Adding an ESG criteria could help boost portfolio performance. This investment ethos also delivers benefits beyond the bottom line and recognises that modern-day investment should be a matter of long-term ownership and sound stewardship. Speak to us for more information or to discuss your requirements.

Source data:
[1] OnePlanetCapital 09 March 2021