

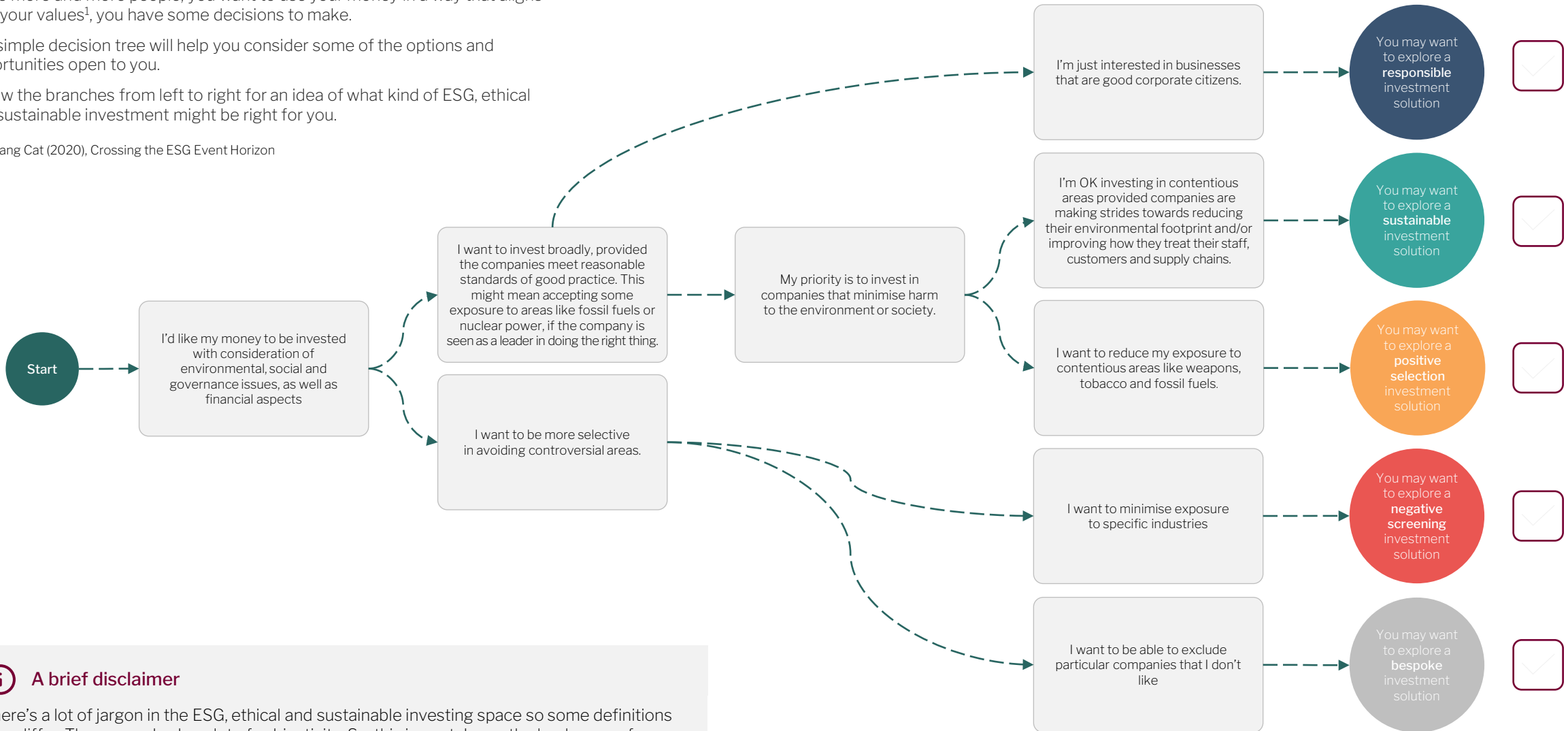
Ethical investing decision tree

If, like more and more people, you want to use your money in a way that aligns with your values¹, you have some decisions to make.

Our simple decision tree will help you consider some of the options and opportunities open to you.

Follow the branches from left to right for an idea of what kind of ESG, ethical and sustainable investment might be right for you.

¹The Lang Cat (2020), Crossing the ESG Event Horizon



A brief disclaimer

There's a lot of jargon in the ESG, ethical and sustainable investing space so some definitions may differ. There can also be a lot of subjectivity. So, this is our take on the landscape of ethical investing, based on nearly 10 years of creating investments in this space.

Ethical investing decision tree

Understanding the differences between different ethical investment approaches

Responsible investment solutions

This type of investment solution typically focuses on good governance and encouraging responsible behaviour and invests across all sectors, considering environmental, social and governance factors.

Clients who want the broadest exposure to ethical investing may prefer this type of ethical investment

Sustainable investment solutions

This type of investment solution typically focuses on addressing environmental and social challenges and invests across all sectors with a focus on environmental and social factors. This often leads to overweight allocations to healthcare, tech and renewables.

Clients who care most about sustainability and tackling climate change may prefer this type of ethical investment

Positive selection investment solutions

This type of investment solution typically focuses on addressing environmental and social challenges but with some negative screening. This usually takes the form of reducing exposure to controversial sectors.

Clients interested in investing in companies with a positive ethical purpose and some negative screening may prefer this type of ethical investment

Negative screening investment solutions

This type of investment solution typically focuses on avoiding investing in controversial business practices and contentious sectors.

Clients who want to avoid certain sectors with strict screening might prefer this type of ethical investment.

Bespoke investment solutions

This type of investment solution is custom made for an individual client and considers their views on sectors or companies. It then looks to avoid investing in those companies and/or sectors.

Clients who want more control over which companies they invest in might prefer this type of ethical investment.

Struggling with the terminology?

Our handy **A-Z of ESG** breaks down some of the most commonly used terms in the world of ESG, ethical and sustainable investing. To get your copy, click [here](#).

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Disclaimer: This document is intended to be used as a general guide to help start a conversation with your financial adviser about the type of ethical investing approach you might like to explore. It should not be construed as financial advice from Parmenion Capital Partners LLP. If you'd like to get advice on whether an investment is suitable for your needs, you should speak to an authorised financial adviser.

Any views expressed within this document are intended as general information only and should not be viewed as a form of personal recommendation. All investment carries risk, and it's important you understand this. If you're in any doubt about whether an investment is suitable for you, please contact your financial adviser.

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