

## Ethical investing

“Ethical model portfolios are designed to do two things: to provide you with a return and to make sure your money is doing ‘good’.”

You and your financial adviser will have identified your risk profile, financial goals and investment preferences. You may also discuss any advantages or disadvantages of investing all or a percentage of your investment into ethical funds versus your financial goals. This section will give you more detail into how an ethical portfolio works so that you can decide whether or not you wish to use this investment approach.

YOU has extremely thorough due diligence processes for our three ethical portfolios (Cautious, Balanced and Growth), which is the same rigorous process for all of our investment solutions. In addition, we want to ensure that the funds, the fund managers, and the fund groups are all committed to ethical investing and not simply providing a green rhetoric to take advantage of a growing trend.

There are many phrases that you may hear when the industry talks about ethical investing; the main phrases you will hear are:

- Ethical
- ESG (Environmental and Social Governance)
- Impact
- Sustainable

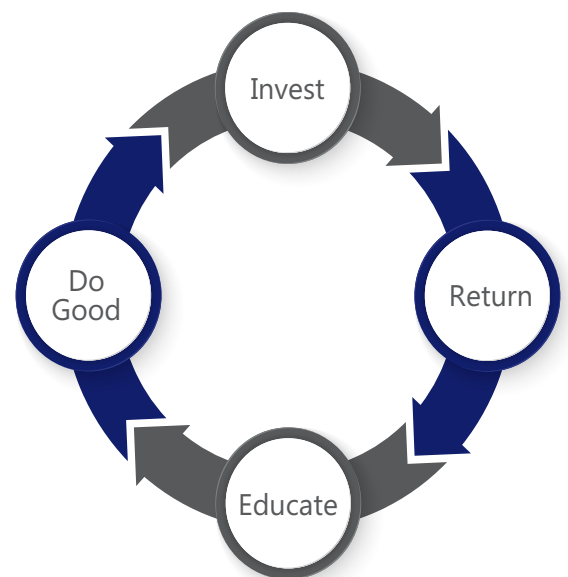
### Our three ethical portfolios

We offer three Ethical model portfolios: cautious, balanced and growth. The risk profile for cautious is 1-3, for balanced 4-6 and finally growth is 7-9. Each model combines investments in socially responsible, ethical, and sustainable funds with a strategy for long-term capital growth. All funds in this sector are independently monitored for consistency in their ethical and environmental credentials.

### The UN’s Principles for Responsible Investment:

The Principles for Responsible Investment were created by an international group of institutional investors, which was convened by the United Nations (UN). We want fund groups to be signed up to the UN’s Principles for Responsible Investment.

- **Principle 1:** We will incorporate ESG issues into investment analysis and decision-making processes.
- **Principle 2:** We will be active owners and incorporate ESG issues into our ownership policies and practices.
- **Principle 3:** We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- **Principle 4:** We will promote acceptance and implementation of the Principles within the investment industry.
- **Principle 5:** We will work together to enhance our effectiveness in implementing the Principles.
- **Principle 6:** We will each report on our activities and progress towards implementing the Principles.



Our commitment is to give you a suitable product to invest ethically, to provide an appropriate return for the level of risk being taken, to further educate you on the issues and news stories that could affect your investment and show how your money is doing good things for the world.

## Our investment process

The team uses a combination of quantitative and qualitative methods to select suitable investments for inclusion in the Model Portfolio ranges and Multi-Asset Blend Funds. There are several stages to the selection process, which are detailed on this page:

1

Looking at the long term view of potential funds, which all our investment solutions are based upon.

2

Our current views on which asset classes offer the best returns and which are challenged.

3

Researching the very best funds within all the sectors that offer ethical propositions. We want fund groups to be signed up to the UN's Principles for Responsible Investment.

4

Building the Cautious, Balanced and Growth Ethical portfolios, covering risk profiles 1 through to 9.

5

An unconstrained approach to ethical style, blending ESG, sustainability, stewardship, and exclusion.

The information in this document is general in nature and does not constitute legal, tax or investment advice. We recommend that potential investors seek professional financial advice before making any investment. YOU Asset Management Limited is authorised and regulated by the Financial Conduct Authority. The material in this presentation has been prepared by YOU Asset Management and provides background information about YOU Asset Management's activities as at the date of this presentation.