

SRI INVESTMENT PROPOSITION

RISK

There are several aspects to investment risk, how you feel about risk, how much risk you can afford, or wish, to take and the risk of not meeting a particular goal or objective. In order to establish your attitude to risk, we ask you to complete a Risk Profiler Questionnaire. The profiler involves a questionnaire to assess how you feel about risk and is designed to help you judge whether you are comfortable with the potential gains and losses from selecting a particular level of risk.

Once we have established the level of risk you are comfortable with, you will be offered an investment portfolio designed to target the agreed level. If your risk profile is level 5 on a scale of 1 to 10, you are likely to invest in a portfolio with the target level of risk being 5 out of 10 –although you may decide that for specific goals you might want to target a higher or lower level of risk.

SUSTAINABLE AND RESPONSIBLE INVESTMENTS (SRI)

Also known as ethical investing. It is the practice of investing money in companies and funds that have positive social impacts. We offer portfolios which give the investor peace of mind that the companies invested in rate high on an ethical scale. SRI issues include:

Environmental

Challenges such as climate change, pollution and use of natural resources

Social

Issues that relate to people such as child labour, equal opportunities and human rights

Governance

Issues relating to company management such as board structure, executive remuneration, bonuses and corruption

Ethical

Values based and ethical concerns such as tobacco, irresponsible marketing and animal welfare

INVESTMENT OPTIONS

We use a diverse portfolio of SRI's, all meeting the high standards set by Rayner Spencer Mills (RSM).

Model Portfolio (Melodic Range)

A Model Portfolio service is available. This is an advisory service rather than discretionary, the difference being you are involved in the decision process.

The recommended SRI Rayner Spencer Mills (RSM) portfolio funds are normally used but allocation may be adjusted to match the Defaqto level of targeted risk.

Bespoke

A bespoke service is also available, which can also take into account other investments held. The recommended funds are primarily selected from a shortlist of SRI UK based regulated funds using 'Rated Funds' provided by independent analysts Rayner Spencer Mills (RSM) and/or the Gold/Silver/Bronze funds from Morningstar. The analysis looks at the fund performance and volatility against its peer group, the experience of the fund manager, the strength of the management company and the method of management.

CHARTS

The following charts are simulated based on the current constituent funds of the Model Portfolios and based on a bid to bid price basis and assumes income is reinvested. Source of data is the Morningstar Workstation system.

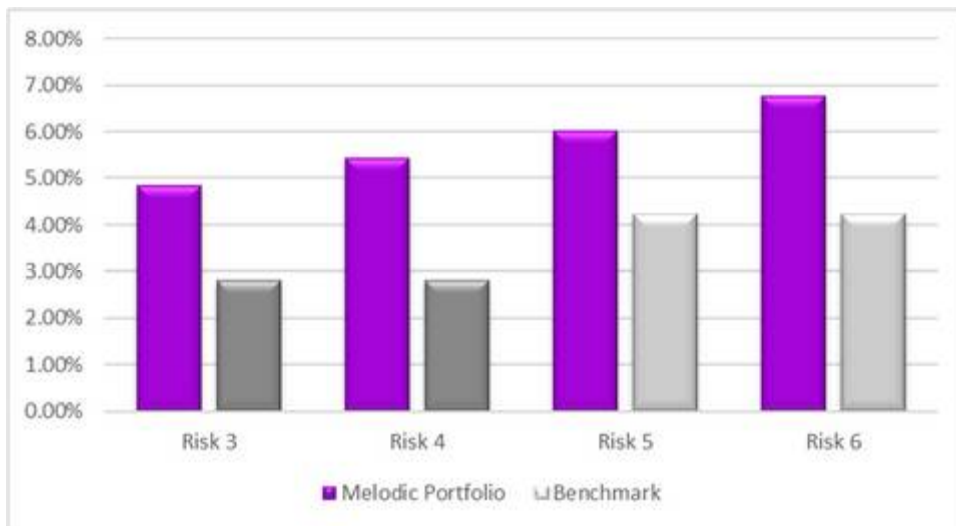
A deduction has been made against the figures for the platform costs and adviser's ongoing service totalling 1.35%. The actual cost could be lower depending on the amount invested and the type of investment.

The benchmark used is the 'average' for the relevant Mixed Investment or Flexible Investment Sector.

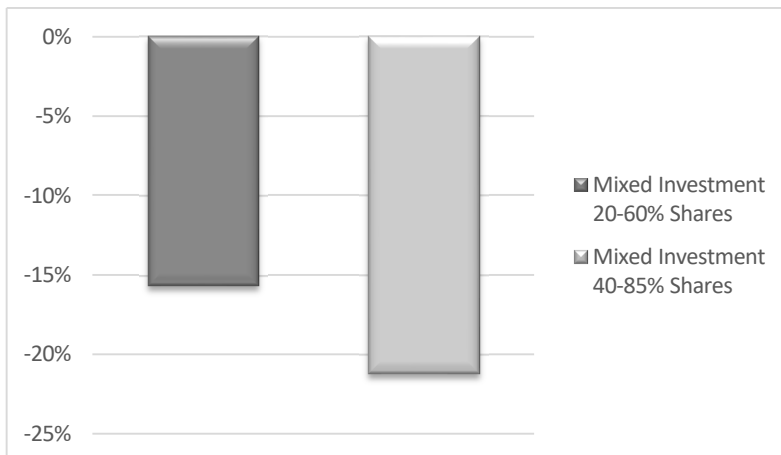
Please note the value of investments can fall as well as rise and past performance is no indication of future results

5-year annualised performance to 01/06/2020 of our SRI Growth Portfolios;

GROWTH PORTFOLIOS



BENCHMARK LOSS DURING 2008



Benchmarks are the following Sector Averages:

Mixed Investments 20 - 60% Sector
- against Risk Levels 3 and 4
Mixed Investments 40-85% Sector
- against Risk Levels 5 and 6