



HAWKSMOOR  
INVESTMENT MANAGEMENT



SUSTAINABLE WORLD  
INVESTMENT SERVICES  
FOR FINANCIAL ADVISERS



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# Sustainable investing

## Changes in investor behaviour

A growing awareness of environmental issues and social responsibility has led to an increased appetite for scrutinising how companies make their profits. There is a motivation among investors to see their savings and investments contribute to positive changes in the world, as well as providing them with their desired financial objectives.

Sustainable investing is gaining popularity across all age ranges. Offering your clients Hawksmoor's Sustainable World portfolio options allows them to align their financial objectives with their commitment to sustainability issues.

Hawksmoor's range of Sustainable World investment services is a robust way to make investment choices which support the aims of the **United Nations Sustainable Development Goals** and the 2015 Paris Climate Change Agreement (COP 21) *(see Appendix 1)*.

“An agreement that will empower us to chart a new path for our planet, a smart and responsible path, a sustainable path.”

*US Secretary of State John Kerry,  
on COP 21*

## Changes in the sustainable investment universe

The world of sustainable investing is developing and maturing rapidly.



### Investing in sustainable portfolios now means:

- no sacrifice in terms of performance
- no need to take on additional risk
- no large minimum amount required to invest (for MPS)
- no premium fees required to access the sustainable investment universe (DPMS and MPS fees are no higher for our specialist Sustainable World options)

## Changes in the regulatory environment

The European Commission is proposing that environmental, social and governance (ESG) preferences should be part of all client suitability assessments. This would be mandatory for all those providing investment advice, including wealth managers and financial advisers.

“ I would argue that an industry which enables the support of... ethical investment and social responsibility, will be one where the trust will be stronger and deeper, and the culture will prosper. And, the regulator can help by enabling change to happen. ”

*Andrew Bailey, Chief Executive of the FCA, 2018.*

# Why choose Hawksmoor?

At Hawksmoor, we specialise in providing discretionary investment management services to Financial Advisers and their clients.

We work to **complement Advisers**, not compete with them.

By offering two different Sustainable World choices, we can help you provide a suitable sustainable investment solution for your clients.

## Sustainable World Discretionary Portfolio Management Service (DPMS)

A bespoke, personalised service which offers regular direct contact with a named Investment Manager

## Sustainable World Model Portfolio Service (MPS)

An on-platform solution that offers a lighter-touch relationship with the portfolio managers

When you work with Hawksmoor, you can always be certain of the following:



The client relationship always remains yours, and our Investment Managers are always willing to work with you.



As active managers, we closely monitor all the portfolios in which your clients' money is invested.



You can access our extensive investment expertise, saving you time and paperwork.





# Our Sustainable World investment services

## Sustainable World DPMS

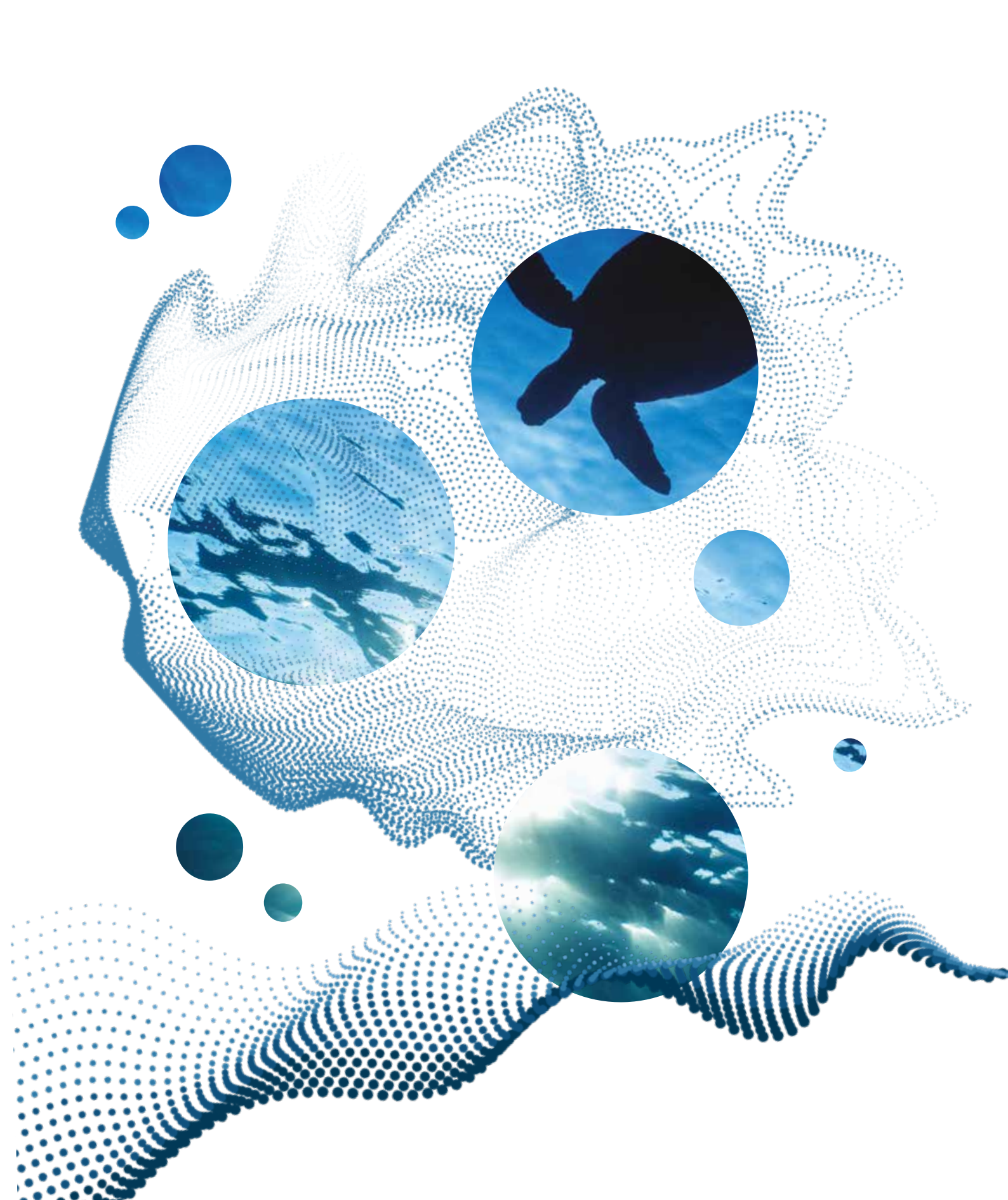
(see our *Explaining Your Portfolio* document for more details of our DPMS service)

## Sustainable World MPS

(see our *Model Portfolio Service* brochure for more details)

Low Low-Moderate Moderate Moderate-High High	<b>Portfolio Risk Levels</b>	Cautious (0-40% Equity) Moderate (40-60% Equity) Adventurous (60-80% Equity) Equity Risk (80-100% Equity)
Growth Income Balance of Income and Capital Growth	<b>Portfolio Objectives</b>	Balanced
Can include sustainable / ethical / positive impact funds, investment trusts and direct equities	<b>Portfolio Investment Universe</b>	Invested in sustainable / ethical / positive impact funds
£100,000	<b>Minimum Amounts</b>	No minimum (other than that stated by platform)
<ul style="list-style-type: none"><li>Personalised quarterly investment reports sent by Hawksmoor</li><li>Direct communication with a named Investment Manager (for you - and your client if required) at least once a year to ensure the portfolio is still accurately reflecting your client's unique requirements</li></ul>	<b>Communication</b>	<ul style="list-style-type: none"><li>Monthly MPS Factsheets</li><li>Quarterly markets and performance commentary</li><li>Direct communication with the portfolio managers (for Advisers)</li><li>Performance analysis available through FE Transmission</li></ul>
	<b>Service Ratings and Risk Ratings</b>	
Online Portfolio Valuation portal	<b>Online access</b>	Performance analysis available through FE Transmission





# Investment philosophy and process



Our investment philosophy is based on what we believe to be every investor's basic objective: that they should expect to receive a net return in excess of inflation, taxes and charges over the longer term. Underlying this deceptively simple ambition is our rigorous and highly disciplined process, defining our asset allocation and security selection procedures.

We provide a range of portfolio options within our Sustainable World Investment Services. Each of these has a defined investment objective and level of risk, designed to ensure that portfolios behave and perform as clients expect. The options and portfolio disciplines are designed to dovetail with Advisers' suitability processes.

Our bespoke **Sustainable World Discretionary Portfolio Management Service** may invest directly in selected UK and overseas equities, to build a portfolio that matches your clients' individual needs.

Our **Sustainable World Model Portfolio Service** is invested entirely into open-ended funds.

For further information about how we construct and manage investment portfolios for your clients, please see our *Explaining Your Portfolio* document.



# Sustainable investment research



## **We do extensive research on sustainable investments - so you don't have to**

With a variety of different approaches to 'ethical,' 'responsible' and 'sustainable' investment, it can be difficult to compare the selection criteria for equities and funds that are deemed to be sustainable.

It requires extensive research to assess sustainability credentials and to identify attractive investments.

Hawksmoor's award-winning in-house Research team has a rigorous and disciplined approach to selecting sustainable investments. This includes attending regular meetings and updates with the managers of sustainable funds, and conducting in-depth research across the universe of stocks that qualify for sustainable investment.

For our Sustainable World investment services the Research team uses the categories of Impact, Integration and Exclusion.



## Impact

We look for companies and funds which aim to make a positive impact on the environment and/or society. Examples of these include improving the efficiency of using natural resources, improving healthcare and quality of life, building a more inclusive society, providing financial services to under-served populations, and transforming energy systems to power low-carbon economies. They also include businesses that help companies increase efficiencies in all aspects of their operations.

## Integration

We look for companies and funds which embrace the best practices of sustainability, including ESG issues. These include businesses that support and educate supply chains, source sustainably, support recycling and closed-loop systems, or improve energy efficiencies. We also look for companies that have employment best practices and engage with the communities in which they work.

## Exclusion

We avoid investment in companies engaged in contentious issues. These may include involvement with tobacco, gambling, armaments and harmful chemicals. They also include any association with human rights abuses and exploitation of workforces or supply chains. We will avoid producers of fossil fuels, but will support businesses that help these companies transition to lower carbon and less polluting business models.



# We keep your clients' money safe

Investments in our **Sustainable World Discretionary Portfolio Management Service** are held in a ring-fenced nominee account so we can deal with all the portfolio administration efficiently. This will include collecting and distributing dividends and other income payments, corporate actions and executing all trades promptly.

We outsource the safe custody of your clients' investments to Pershing Securities, one of the longest established UK custodian and settlement companies with nearly \$1 trillion in assets under administration.

Pershing Securities is a subsidiary of the Bank of New York Mellon which has more than \$33 trillion in assets under custody. Pershing Securities provides a comprehensive public indemnity policy to protect your clients against such events as fire, fraud or theft. Both Pershing Securities and Hawksmoor are covered by the Financial Services Compensation Scheme.

Investments in our **Sustainable World Model Portfolio Service** are via a number of leading platforms including:



# Appendix 1

## United Nations Sustainable Development Goals

### What are they?

The Sustainable Development Goals (SDGs) are a collection of 17 global goals set by the United Nations General Assembly (UNGA), one of the six principal organs of the United Nations (UN). They act as a future global development framework.

The SDGs were set in 2015 as part of the UNGA's 2030 agenda and consist of the following:



(Source: [www.un.org/sustainabledevelopment](http://www.un.org/sustainabledevelopment))

### Where did they come from?

The United Nations led a post-2015 Development Agenda to define the future global development framework that would succeed the Millennium Development Goals, which acted as the framework from 2000 until 2015. The SDGs are an evolution of ideas and beliefs that date back to 1983 when the United Nations created the World Commission on Environment and Development, which defined sustainable development as development that “meets the needs of the present without compromising the ability of future generations to meet their own needs.”

### Why do we need them?

Adopted by all United Nations Member States, the SDGs are a call for action by all countries to promote peace and prosperity for people and the planet, now and into the future. They recognise that ending world issues such as poverty must go hand-in-hand with an approach that builds economic growth and addresses a range of social needs including education, health, equality, and job opportunities, while tackling climate change and working to preserve our planet.

## COP 21 - The Paris Agreement

COP 21 is the name given to the 2015 United Nations Climate Change Conference held in Paris. This was a significant milestone in the battle against global warming as the conference negotiated the Paris Agreement, a global agreement that aims to achieve a legally binding and universal agreement on climate change, with the aim of keeping global warming below 2°C. It was decided that the agreement would enter into force when joined by at least 55 countries which together represent 55% of global greenhouse gas emissions. On 22nd April 2016 (Earth Day), 174 countries signed the agreement and began adopting it within their own legal systems.

The Paris Agreement is undoubtedly an important milestone towards reducing the impact of global warming and was described as “a historic turning point” by Laurent Fabius, France’s Minister for Foreign Affairs and International Development at the time.

Since records began in 1880, the global average temperature has risen 0.8°C. Two-thirds of the warming has occurred since 1975, at a rate of roughly 0.15 - 0.20°C per decade. (Source: NASA’s Goddard Institute for Space Studies)



# Contact us



For more information on our Sustainable World investment services, or to arrange a meeting with an Investment Manager, please contact our Business Development team:

**Jill Gill**

01392 454708    [jill.gill@hawksmoorim.co.uk](mailto:jill.gill@hawksmoorim.co.uk)

Hawksmoor's outsourcing solutions include:

- other Discretionary Portfolio Management Service options
- other Model Portfolio Service options
- an AIM Portfolio Service utilising Business Property Relief to assist with estate planning

Hawksmoor also manages a range of award winning multi asset funds.

More information about Hawksmoor and our services is available at [www.hawksmoorim.co.uk](http://www.hawksmoorim.co.uk)

Head Office: 17 Dix's Field, Exeter EX1 1QA



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## IMPORTANT INFORMATION

Hawksmoor Investment Management Limited ("Hawksmoor") is authorised and regulated by the Financial Conduct Authority. Its registered office is 2nd Floor Stratus House, Emperor Way, Exeter Business Park, Exeter, Devon EX1 3QS with company Number: 6307442.

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**For Professional Advisers only.** (HA4282)





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