

2008 - UPDATE

2008 Profit Distribution.

At the end of our 19th year of trading, we are in a position to distribute **£25000** to a range of charities and good causes. The groups include Christian Aid, Wildfowl & Wetlands Trust, Dr Hadwen Trust and Global Witness. A full list of organisations and projects supported is available on our web site or by calling/emailing.

2009 is our 20th anniversary, and to celebrate this we are aiming to distribute an even larger sum, hopefully with an element of matched funding from some of the main ethical fund providers. 20 years is a milestone for any business, but for Ethical Investors we'd like to feel that our alternative approach, via such things as our profit distribution, demonstrates that being ethical and running a business are not mutually exclusive.

2012 – Another change for pensions

Pension simplification was brought in from April 2006 and by and large it did help to simplify things. So, instead of leaving things alone, the government is now embarking on what may well be the biggest

upheaval in pension provision since the introduction of the first Basic State Pension!

Whilst there are no plans to change the Basic State Pension (yet), everything else about State Pension provision will change. The Second State Pension (S2P – what was SERPS) will be scrapped. From April 2012, it will then be a requirement for all employees to pay around 4% to a new State Pension Scheme, known as a Personal Account. At the same time, all employers will be required to pay 3% to the Personal Account of each employee.

We have written a short paper explaining the changes, and this is available on our web site, or we can email/post you a copy if you contact our Head Office.

More pensions news – new service available

Ethical Investors has recruited a new member to our advisory team; Dennis Parello has joined as our in-house Pension Transfer specialist. Dennis' arrival brings a new level of advice capability to Ethical Investors, allowing us to advise clients on all aspects of pension transfers from old employer schemes, as well

as the highly complicated area of pension splitting in divorce.

If you would like advice on what to do with pensions left with old employers, please contact Dennis on the normal Head Office number or email – dennis@ethicalinvestors.co.uk

Better qualified advice from Ethical Investors

The British Standards Institution (BSI) has launched a new standard, **BS ISO 22222**, which specifies the ethical behaviour, competences and experience required of financial planners and which enhances the transparency and efficiency of the process of financial planning.

The standard raises service levels for consumers and sets a benchmark for practitioners well beyond the current minimum regulatory requirements, allowing advisers to differentiate themselves in the marketplace. It sets requirements for personal financial planners, codifies best practice in financial planning across the world and will help to increase consumer confidence.

We are pleased to announce that our Director, Lee Coates, has been

accredited to ISO 22222, and is now one of less than 50 advisers in the UK to attain this highest level.

Mortgages

With so many people coming to the end of a fixed rate or other special deal, and with interest rates much higher and credit hard to find, don't forget that Ethical Investors has an in-house Mortgage expert. Kevin Brogan has years of experience in the mortgage market and is well placed to find you the best possible deal in these difficult times. Over the last few months rates have been improving dramatically with some special deals now back on the table for borrowers.

In addition, we can look at the ethical aspects of your borrowing, if required, and we are continuing to offer our 'Carbon Offset Mortgage' service to all of our clients, at no cost to them. For further information call our Head office or email Kevin@ethicalinvestors.co.uk

F&C/Friends Provident Stewardship and Banks

In mid-2007 the Stewardship Committee of Reference approved banks for inclusion within the Stewardship range of funds. The 'consultation' on this significant shift in ethical policy was conducted amongst a limited number of F&C/Friends Provident staff. Investors in the fund were not consulted,

although some investors were informed via a Newsletter. According to representatives of the Committee of Reference, there has been almost no negative reaction to the changes from investors. Our experience is that few investors in Stewardship are aware of the change, so investors are hardly in a position to comment one way or another.

We are keen to gauge the response of Stewardship investors to this major change and would ask everyone to email or write to us with their views. Please use the email address – info@ethicalinvestors.co.uk and we will use the responses to compile a report to the Stewardship Committee of Reference.

Market turmoil – don't panic

For much of 2008 global stock markets have been living in 'interesting times'. The Credit Crunch, slow down/recession and the exposing of greedy and selfish 'financial professionals' has left share prices in a volatile position last seen in 1987 and 2000. The only advice we can offer investors is to sit tight and to take the long-term view. Once the dust has settled on the financial security of the big banks and investment companies some normality will return, and attention can be given to managing money in a slowdown/recession, with an eye on eventual

recovery. The very brave may consider that now is a good time to invest, but stocks markets are not the only way of investing ethically.

And finally, some rest –

Nineteen years after starting Ethical Investors in a small back bedroom, and after recently working towards, and achieving, ISO22222 accreditation, Ethical Investors' Director, Lee Coates, will be taking a sabbatical. Lee will be away from early November 2008, returning in late January 2009. He is taking the opportunity to spend time with his family and to travel.

During Lee's absence, his clients can receive ongoing financial advice from other advisers within Ethical Investors, as well as support from Lee's Para-planner Matt Ayres or the rest of the admin team – Tracy Didcote, Sara Aldridge and Caroline Brimfield. The team at Ethical Investors is keen to offer a 'business as normal' service.

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