



# LYNDHURST

PLAN • INVEST • PROTECT

FINANCIAL MANAGEMENT

LYNDHURST SUSTAINABLE FUTURE

Investing for a cleaner, safer and healthier future





## Welcome To Lyndhurst Sustainable Future

The world is changing faster than ever before, and the wellbeing of the future depends on the decisions we make today. Working towards, and investing in a future that will be cleaner, safer and healthier, starts with small steps in the right direction.

Our vision is to develop a sustainable financial advisory business that has a positive impact on the environment in Hertfordshire, and beyond. We can proudly say that we are a carbon neutral business, a target we set for ourselves and had achieved by the end of 2022. By donating to My Carbon Plan, a local not-for-profit organisation committed to increasing the levels of forestation in the UK, we have completely offset the carbon footprint of our team at Lyndhurst.

When it comes to our investment philosophy, it is no longer just about healthy returns and wealth creation. Our new Sustainable Portfolios include some of the most forward thinking and innovative companies, whose conduct has a positive impact on the planet and our lives.

As Head of Sustainable Investing at Lyndhurst Financial Management, I'm proud to be part of this journey alongside our experienced team of Financial Advisors. Our objective is to help you to achieve your investment goals, whilst making a positive contribution to a more sustainable world.



**Scott Draycon**  
Head of Sustainable Investing,  
Lyndhurst Financial Management.





Sustainable investing is essentially about investing in progress, finding better ways of doing business, and creating the momentum needed towards building a better future. Companies who are pioneers in solving the world's biggest challenges are more likely to be better positioned to grow. Not least because a company's focus on sustainability factors is fundamentally indicative of the quality of its board and management, which in turn should lead to more successful and resilient businesses.

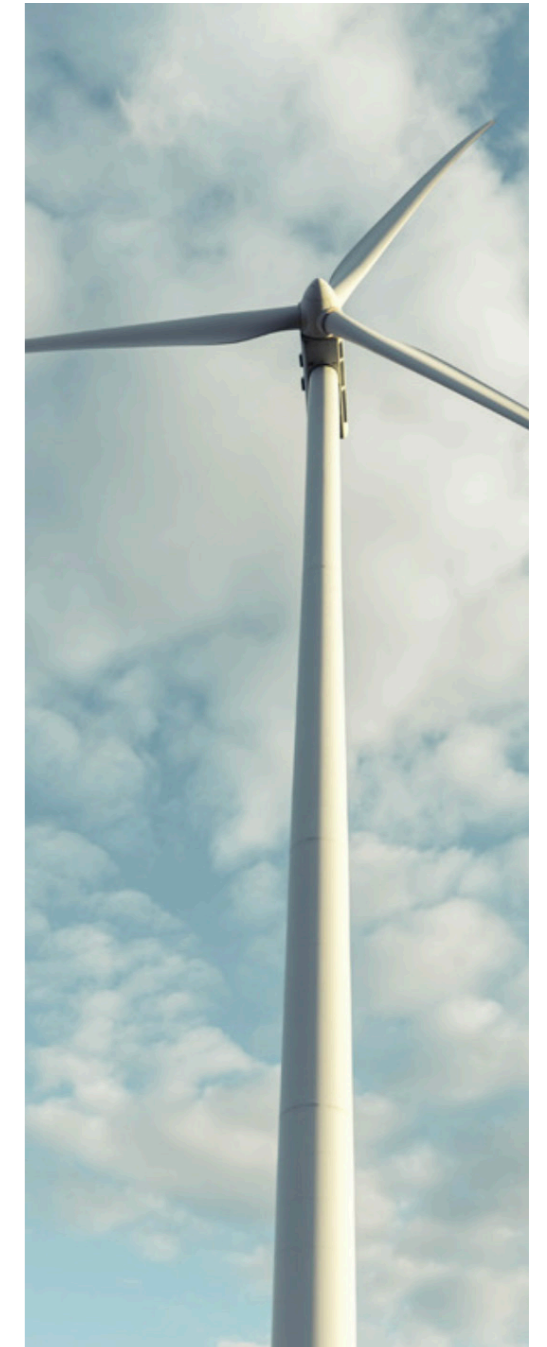
Though there is no clear consensus in the literature, there are several studies that seem to support the notion that ESG-oriented companies should outperform over the long term.

Several studies support this.

- A joint meta study by **NYU Stern** and **Rockefeller** Asset Management analysed over 1000 individual studies regarding **ESG and financial performance**, arriving at the conclusion that both underlying corporate performance and investment performance were enhanced in the high **ESG companies**.<sup>1</sup>
- **Morningstar**, a leading investment research firm, found that a strong positive correlation existed between a company's relative market performance and its sustainability rating over a turbulent period of market volatility.<sup>2</sup>
- Equally, a study out of the **University of Munich's Economic Research department** concluded that shifting environmental preferences and news about environmental disasters can result in comparatively high expected returns for green assets. However, in the long run, the expected returns of assets scoring high on **ESG criteria** should be lower than those of the market portfolio.<sup>3</sup>

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1. <https://www.stern.nyu.edu/sites/default/files/assets/documents/ESG%20Paper%20Aug%202021.pdf>  
2. <http://www.ft.com/content/733ee6ff-446e-4f8b-86b2-19ef42da3824>  
3. [https://www.econstor.eu/bitstream/10419/260854/1/cesifo1\\_wp9724.pdf](https://www.econstor.eu/bitstream/10419/260854/1/cesifo1_wp9724.pdf)







## Investing For Growth

Sustainable investing and maximising profits are not mutually exclusive. Assets in dedicated sustainable investing strategies have grown at a rapid pace in recent years, and this trend is showing no signs of slowing. There are several reasons for this.

### 1. Increasing demand

Asset owners and financial decision makers understand that sustainable investment solutions need to be incorporated into their investment strategy.

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### 2. Risk mitigation

Risk mitigation Environmental, Social and Governance (ESG) factors, research and analysis can potentially identify investment risks. In fact, 4 out of 5 asset owners agree that sustainable investing may be an effective risk management strategy and lead to higher profitability.

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### 3. Corporate performance

Companies that are focused on addressing, combating and developing solutions to sustainability tend to have improved corporate performance over the long term, mostly as a function of their forward looking boards and the long-term planning that management tends to undertake.

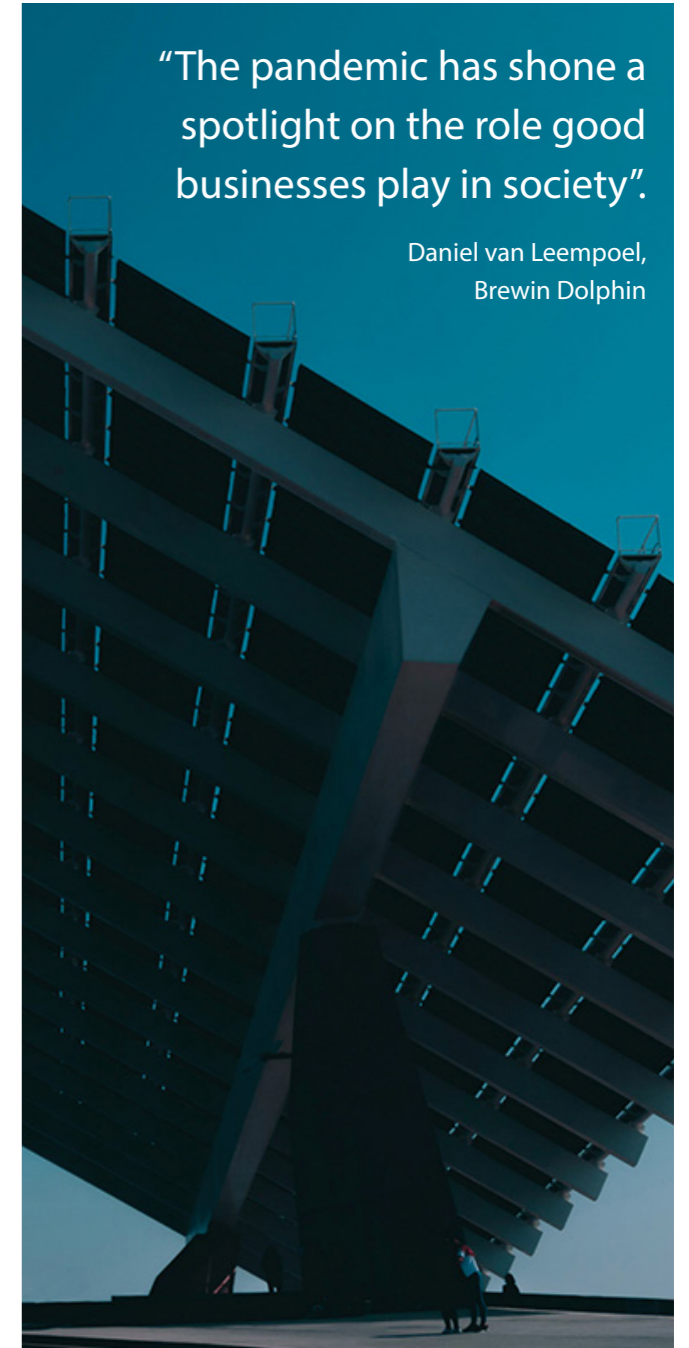
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### 4. Lower volatility

2004 to 2018, sustainable funds experienced 20% less downside risk compared with traditional funds. While the coronavirus pandemic induced a global recession and market volatility in the first half of 2020, sustainable funds held up better than their traditional counterparts, delivering superior returns in all but one category.

“The pandemic has shone a spotlight on the role good businesses play in society”.

Daniel van Leempoel,  
Brewin Dolphin







## Sustainable Trends And Themes

The aim of sustainable investing is to generate long-term financial returns while contributing positively to society.

In line with our own values, we have sought to provide clients with further investment options through our sustainable proposition covering a range of preferences.

The sustainable funds included in the portfolio take a thematic approach, providing increased exposure to some of the world's most forward thinking and innovative companies. These themes have also been key to performance over the last decade. We reassess them during our quarterly reviews to make sure they continue to drive returns.



## Themes From Some Of Our Selected Funds

Alongside the fund managers we work with we have identified a number of key sustainable themes, including those below.



FUND HOUSE

**Royal London Asset Management**

INVESTING IN

- Industry 4.0
- Circular Economy
- AI and Cloud Computing
- Electric Vehicles
- Next Generation Medicine
- Social/Financial Infrastructure
- Energy Transition



FUND HOUSE

**Columbia Threadneedle Investments**

INVESTING IN

- Sustainable Mobility
- Health and Wellbeing
- Technological Innovation
- Energy Transition
- Access to Finance
- Resource Efficiency



FUND HOUSE

**Liontrust**

INVESTING IN

- Better Resource Efficiency
- Improved Health
- Greater Safety/Resilience



FUND HOUSE

**Legal and General Investment Management**

INVESTING IN

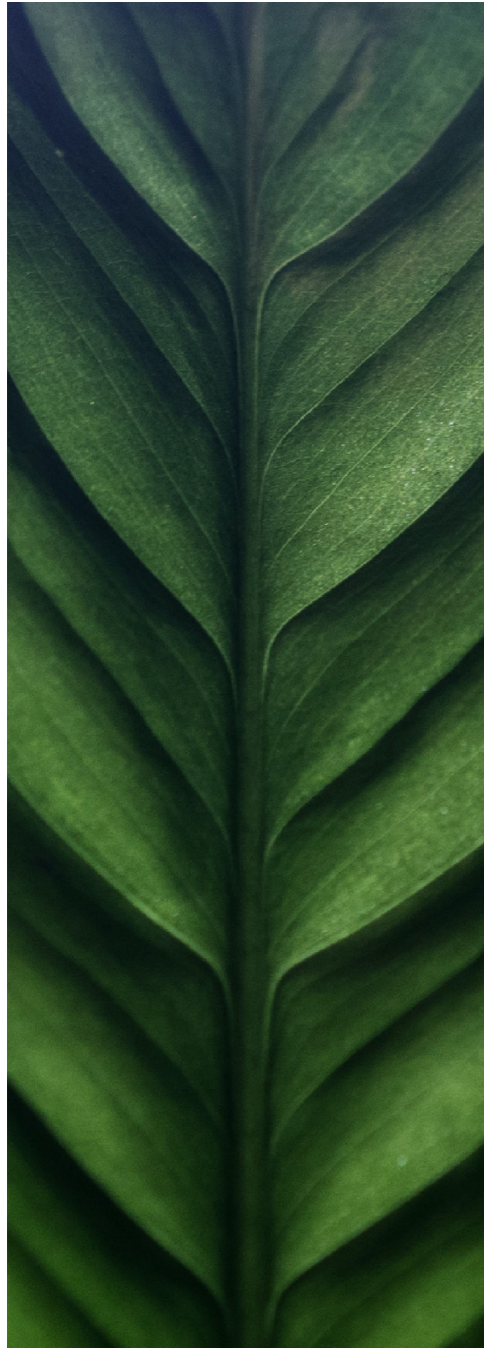
- Energy transition
- Green technologies
- Ethnic and socially diverse businesses
- Health innovations

We understand some clients may have specific requirements in terms of their sustainable investment plan. If this is the case, we are happy to introduce you to our approved Discretionary Wealth Manager to develop a bespoke portfolio that could include specific areas you may wish to avoid or invest in.

Please remember that past performance is not a guide to future performance and the value of an investment and any income generated from them can fall as well as rise and is not guaranteed, therefore you may not get back the amount originally invested and potentially risk total loss of capital.







## Our Approach

The Lyndhurst Financial Management Investment Committee have brought our ethos and investment capabilities together, to create Sustainable Portfolios that have a defined risk target. We use strategic asset allocations and a robust process of fund selection, to build stress tested solutions across a range of preferences and risk profiles.

We analyse not just the quantitative performance and risk metrics of our funds but we also continually assess the wider picture through regular meetings with fund managers at leading fund management houses. The aim is to create long-term value for clients alongside sustainable benefits for the economy, environment, and society.

Performance of a medium level 5 out of 10 risk portfolio since 2020 in comparison to cash



10/04/2020 - 12/04/2023 Data from FE fundinfo 2023

Cumulative performance is the gain or loss generated from an investment fund to date over a specific period of time. The chart above shows % growth from 10.04.20 – 12.04.23. The chart is calculated using unit prices with net income re-invested into the fund. The figures here refer to the past. Past performance is not a reliable guide to future performance.

● A – Lyndhurst Sustainable RP5 TR in GB [15.56%] ● B – BlackRock – Cash D Acc TR in GB [2.15%]

### Important information

**Capital at risk.** All financial investments involve an element of risk. Therefore, the value of the investment and the income from it will vary and the initial investment amount cannot be guaranteed. As with any other form of investing, sustainable investing still comes with risk. This means there's a chance you may get back less than you put in. Sustainable investment should be seen as a medium-to-long-term commitment, meaning you should be prepared to invest for at least five years. Please remember that past performance is not a guide to future performance and the value of an investment and any income generated from them can fall as well as rise and is not guaranteed, therefore you may not get back the amount originally invested and potentially risk total loss of capital. The issue of units/shares in Funds may be subject to an initial charge, which will have an impact on the realisable value of the investment, particularly in the short term. Investments should always be considered as long term.





## Sustainable Practices

At Lyndhurst we fully endorse the United Nations 17 Sustainable Development Goals and are evolving our business to enable our team, our clients, and our community to support them too.

- Our vision is to develop a sustainable carbon neutral financial advisory business that has a positive impact on the environment in Hertfordshire and has a client investment philosophy that also makes a positive impact on the world in which we live. This is evidenced by our achievement of becoming carbon neutral, as of 2022.
- Our purpose is to provide high quality financial advice that is accessible to all through a highly qualified team, creating value for all our stakeholders.

Those stakeholders are:

### Our clients

We will continue to develop investment solutions, in conjunction with our fund management partners, that will be aligned with the UN SDG above along with providing our clients and their families with high quality professional advice for all their financial needs.

### Our team

We will continue to provide an environment where ideas are discussed freely. Our recruitment policy is fully inclusive, we will actively work to improve the ability, opportunity, and dignity of those disadvantaged based on their identity.

### Our communities

We will continue to support the local communities where we operate, helping them to create an enhanced place to live and work.







## Offset Your Carbon Footprint

We are happy to make an introduction to a local company so you can offset your carbon footprint. My Carbon Plan is a not-for-profit organisation dedicated to increasing the levels of forestation in the UK. As well as preserving existing woodland, planting trees is an effective way of capturing carbon, as they capture more carbon as they are growing, compared to when they are fully mature.

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If you choose to become a My Carbon Plan donor, you'll receive regular updates on how your funds are being used, as well as an annual update on the impact of your contribution. Please let us know if you would like us to introduce you to My Carbon Plan.

## How My Carbon Plan Works

To get the maximum impact from the trees they plant, My Carbon Plan follows a few basic principles:

### 🌱 1. Careful selection of trees

Different trees absorb carbon at different rates. One broad leaf tree, such as an oak, will absorb between 25-35kg of carbon per year. A smaller tree variety may absorb less but may be planted more densely - so will capture similar levels of carbon per acre each year.

### 🌿 2. Planting different types of tree

Trees native to a particular country or region; or trees suitable for an appropriate end use-case e.g. biofuel or construction.

### 🐾 3. Ensuring existing wildlife is not disrupted

Being sensitive to the local habitat and ecosystem, and where possible improving the local biodiversity.

### 🌳 4. Planting on different land types

Owned land is secured for 100 years, which ensures full life-cycle protection of the trees and protect their end use. Partner sites are secured for a minimum of 10 years and are managed by partners who have signed up to a commitment to preserve and protect the trees. Micro sites help assist with raising awareness of the impact of everyone's carbon footprint.

### 🔄 6. Virtuous circle

Planting a tree is only the start of the process. My Carbon Plan conduct regular checks to ensure the trees are being well-maintained.

### 🌍 7. Sustainability

As trees reach maturity, they can be used for sustainable purposes - such as furniture, construction and biofuels. As long as they are replaced with a similar number of saplings.



## Family Wellbeing

We all experience life's ups and downs, and recently times have been tough for many, impacting people's mental and physical health. That's why we wanted to further support our clients' wellbeing through a selection of services available for when you need them the most.

The Lyndhurst Client EAP service covers you and your immediate family members, 24 hours a day, 7 days a week, 365 days a year and includes the following support:

### Life support

Unlimited access to counselling for emotional problems and a pathway to structured telephone counselling or face-to-face counselling sessions at your convenience.

### Medical information

Qualified nurses are on hand to offer advice on a range of medical or health related issues. They can't diagnose but can offer a sympathetic ear and practical information and advice.

### Legal information

For any issues that cause anxiety or distress including debt management, accountancy, lawsuits, consumer disputes, property or neighbour legalities.

### Bereavement support

This service offers qualified and experienced counsellors who can help with grief and related stress plus a team of legal advisors to help with legal issues.

### Cognitive Behavioural Therapy (CBT) online

We recognise the value of self-help tools in dealing with a range of issues, which is why we have a range of CBT self-help modules, informative fact sheets and invaluable advice videos from leading qualified counsellors. to-face counselling sessions at your convenience.

This service is included at no charge as part of the Lyndhurst Wealth Service for those clients that are investing in our sustainable propositions.

### Important information

The support services are provided by third parties that aren't regulated by the Financial Conduct Authority. These services aren't part of our terms and conditions, so can be amended or withdrawn at any time.







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### **Important information**

This brochure is for information purposes only and is not intended to offer advice. Remember, with investment your capital is at risk. The value of your portfolio could go down as well as up and you may get back less than you invest. Past Performance is not a reliable indicator of future performance.

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