

A planet-friendly portfolio for a new baby like Archie

■ **Investment** Lowering pollution and building a nest egg are not irreconcilable aims. **Mark Atherton** picks the best ethical funds and stocks

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FOR ALL



While it's unlikely that Archie Harrison Mountbatten-Windsor will ever need to worry about his financial future, the environment is likely to be of even greater concern by the time he comes of age.

Financial advisers will be keen to remind his parents, the Duke and Duchess of Sussex, that they can help with both by opening a Junior Isa and investing it in ethical and sustainable stocks and shares.

Moira O'Neill, head of personal finance at Interactive Investor, a fund supermarket, says: "If parents invest the maximum permitted amount — £4,368 — each year in a Junior stocks and shares Isa and the money grows at 5 per cent annually, their child would collect a lump sum of £129,026 at 18."

She says that investing in sustainable funds will also help to make the planet a better and safer place. Here we put together a potential ethical portfolio for the Duke and Duchess of Sussex's new arrival.

■ Shares

Helal Miah of the Share Centre, a stockbroker, says one company that is doing something practical to counteract toxic emissions from millions of cars is Johnson Matthey. The specialist science and chemicals company

provides materials for catalytic converters, which help to reduce toxic emissions from car exhaust fumes. Miah says: "As the motor industry begins to focus on electric cars, Johnson Matthey has been investing heavily in developing improved battery technology, using materials such as lithium, cobalt and manganese."

Miah thinks that, given their interest in humanitarian work, the Duke and

tubeless "pump patch" for diabetics. He says it is small, waterproof and delivers insulin round the clock, sparing diabetics the round of multiple daily injections. He also recommends Aquafil, which has developed technology that recovers waste nylon from used fishing nets, fabric scraps and carpets, feeding it back into the textile production process as a raw material.

■ Investment trusts

Several trusts are focused specifically on making money for investors while improving the environment. Pascal Dowling of Kepler, an investment trust specialist, says that Greencoat UK Wind, which has 34 UK wind farms, "is a good example of a fund that is actively driving the shift to green energy on our doorstep. The trust is targeting a yield of 5.1 per cent for 2019, while reinvesting any excess cashflow for growth."

He also likes Menhaden Capital, which invests in companies that deliver, or benefit from, the efficient use of energy and resources. It is managed by the financier Ben Goldsmith, brother of Zac, the MP for Richmond Park and North Kingston. He says: "It had a difficult start in life, but, since the portfolio was repositioned at the start of 2017, performance has started to improve."

O'Neill thinks alternative energy has been the growth story of the past five years in the investment trust sector. She says: "We like the Renewables Infrastructure Group, which holds stocks that generate electricity from renewable energy sources — a good holding for those who don't want their investments to be at the expense of the planet. Investors have not had to sacrifice



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Duchess might also be interested in putting money into RA International, which provides construction and supply services in remote locations across Africa and the Middle East. He says: "In some cases this will be for oil and mining companies but it is better known for providing these services in regions that have suffered from conflict or natural disasters."

Ben Willis from Chase de Vere, an independent financial planner, highlights the work of Insulet, which produces a



£129,026

how much a baby's Junior stocks and shares Isa could be worth if parents invested the maximum amount to age 18 (based on a 5 per cent annual return)

performance either. The trust is up 24 per cent over one year and 60 per cent over five.”

She also likes Impax Environmental Markets, which puts money into companies that target the cleaner and more efficient delivery of basic services such as energy, water and waste. Renewable energy features strongly, as does recycling.

■ Unit trusts

If you want a fund that combines sustainability and environmentalism with the potential for good financial returns, Ben Faulkner of EQ Investors, a wealth manager, highlights Hermes Impact Opportunities and the Investec UK Sustainable Equity fund which have both developed ten impact

themes for their investment strategies linked to the UN Sustainable Development Goals. “We see the Investec fund as the go-to for those wanting to make a positive impact when investing in UK equities. Its themes include accessible finance, accessible healthcare and sustainable infrastructure,” he says.

John Fleetwood of 3D Investing, which rates ethical and sustainable funds, picks WHEB Sustainability fund, which invests in the industries that will be needed as people live longer, such as healthcare and resource efficiency.

He also likes VT Gravis Clean Energy Income fund, which invests in solar and wind companies that will be beneficiaries of the move towards more renewable energy.