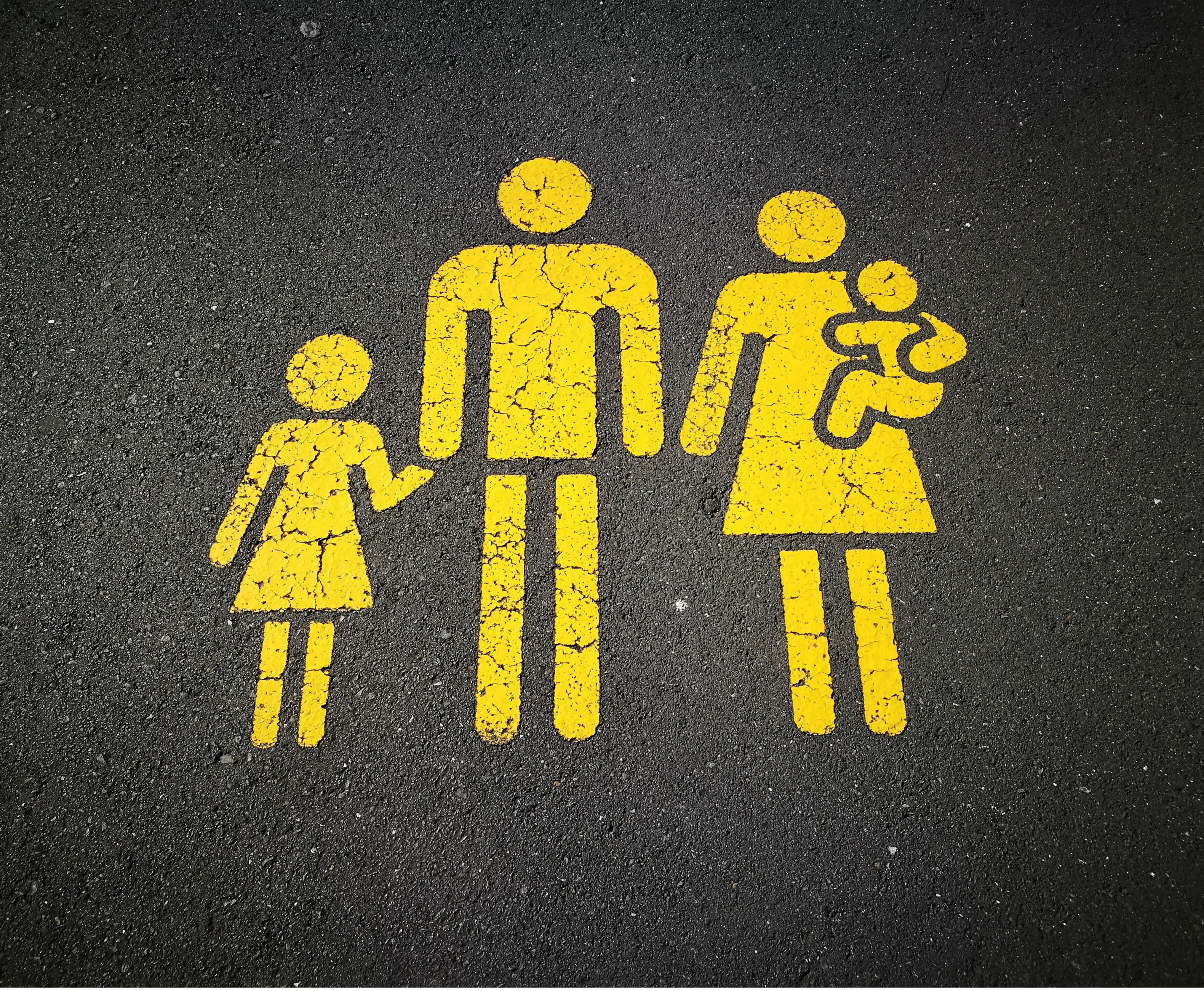

THE GOOD ISA GUIDE

This guide is brought to you by

GOOD WITH MONEY
MORE MONEY, FEWER PROBLEMS

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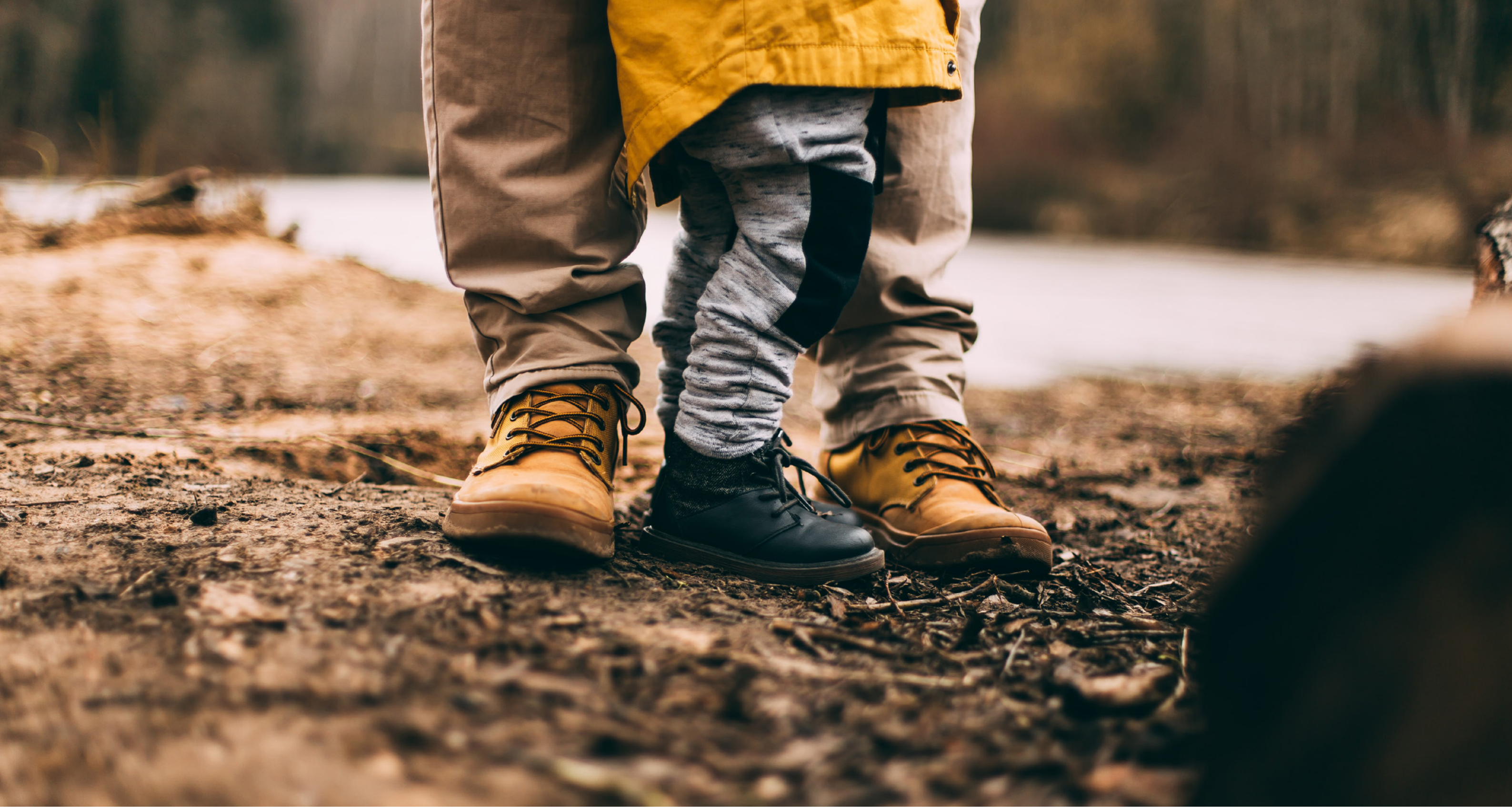
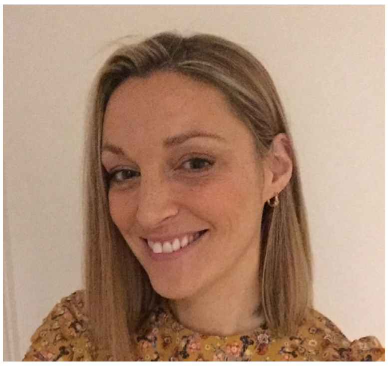
Contents





By Lori Campbell
Editor of Good With Money

Introduction

Make your ISA Good - a #NicerISA

Are there things you want to help change about the world - such as climate change, biodiversity loss, the plastic problem or gender inequality - but don't know how?

Where you spend and save your money can make a big difference, but it's where you invest it that can literally change the world.

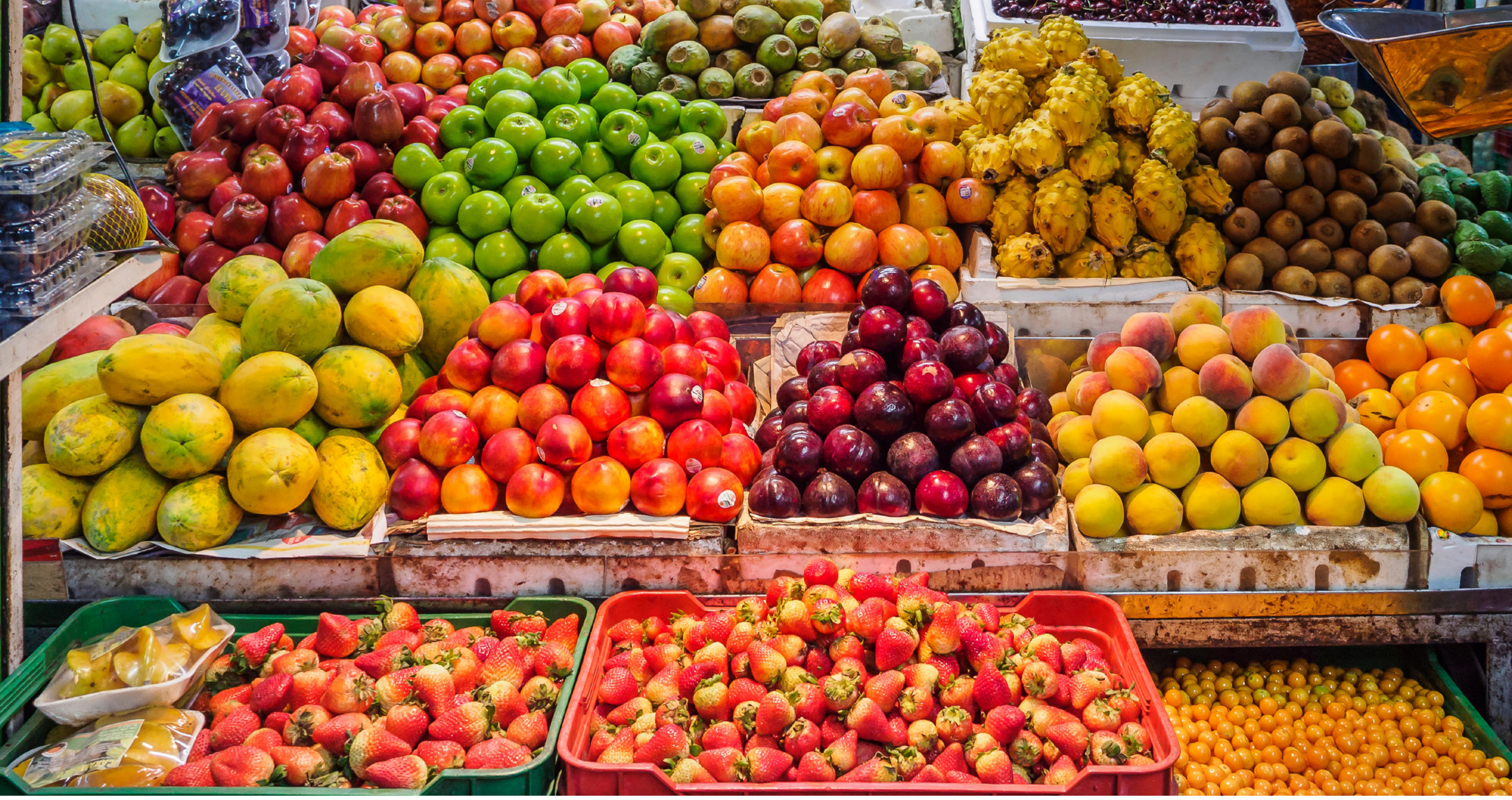
Through a Stocks and Shares ISA, you can put your money into responsible funds that are making a positive environmental and social impact.

The best sustainable ISAs go far beyond simply avoiding investing in destructive industries such as fossil fuels, arms and tobacco. They put your money to work with companies and organisations that are striving to solve the world's most urgent issues.

This means you're not only investing in your own financial future, but in a more sustainable world for you and future generations to live in too.

So this ISA season, whether you are aiming to invest your full £20,000 allowance or just to get started with small monthly contributions, make it a #NicerISA.

This guide provides general information only. It is not financial advice. If you invest in any of the products mentioned in this guide, you do so at your own risk. Your capital is at risk, losses from investments are not covered by the Financial Services Compensation Scheme and past performance is not a guide to future performance. Tax treatment is dependent on individual circumstances and is subject to change.



By Lisa Stanley
Co-founder, Good With Money

How to separate the Good from the Greenwash

When ISAs first launched in 1999, the term 'ESG' - which stands for environmental, social and governance - had not yet been coined.

Fast forward 23 years, and there's now around 350 sustainable funds to choose from in the UK.

Recent research from sustainable investment manager Liontrust reflects increasing appetites for sustainable investing, with 43 per cent of investors polled planning to put more of their money into the sustainable or ESG sectors.

But as the number of investment funds labelled as 'sustainable' has grown alongside this demand, it has become increasingly difficult to work out which are really delivering on their climate or positive impact claims.

There's still a lot of information and sometimes murky claims to wade through before deciding where to put your ISA money for the best.

New regulations proposed by the UK's Financial Conduct Authority (the FCA) are set to counter this growing challenge of greenwash. The FCA says that without common labelling standards, there is a risk that people are left overwhelmed by the vast array of choices available and unable to assess just how sustainable an investment is.

The almost endless and seemingly interchangeable use of sustainable or ethical financial terms and jargon is likely to confuse investors even further.

The FCA has proposed that, "Certain investment products will be required to display a label reflecting their sustainability characteristics." We're waiting excitedly for firm proposals and the public consultation!

Until then, hopefully this guide will go some way to explaining what's available and how you can invest for good.

Can you get a good financial return as well as a good environmental or social one?

The good news is that there's no longer a choice to be made between doing good with your ISA and aiming for a financial return - it is very possible to profit for your own pocket as well as the planet and society.

Around a third (31 per cent) of the investors polled by Liontrust said they chose sustainable funds because they believe they perform better financially.

Indeed, Good With Money's latest Good Investment Review, issued in partnership with Square Mile Research, found that sustainable funds have outperformed the sector average over the last five years. From October 2017 to October 2021, the ethical UK equity funds monitored in the review brought average returns of 58.7 per cent compared with 44.2 per cent for all funds in the sector.

Why an ISA?

Every adult in the UK aged over 18 can pay up to £20,000 into an ISA each year without paying any tax. For children aged under 18, the annual limit for a Junior ISA (JISA) is £9,000.

You have until the end of the financial year on April 5 to use that year's allowance - it doesn't roll over, so if you don't use it you'll lose it.

The latest HMRC figures show that a massive £75 billion was paid into 13 million Adult ISAs in 2019 to 2020[1].

The majority of this - £48.7 billion - was paid into Cash ISAs (this is a simple savings account that you don't pay tax on). With inflation sky-rocketing, Cash ISAs are safe but not particularly inspiring places for your money.

With a Stocks and Shares ISA, you can invest your money in funds that are helping the planet and society with the prospect of a higher profit over the long term than if you had saved in cash. However, it's important for potential investors to remember that the value of your investments can go down as well as up and your capital is at risk.

There is also the option of an Innovative Finance ISA (IFISA), which enables you to invest directly in pioneering positive impact companies that are tackling the issues you care about most.

[1] https://www.gov.uk/government/statistics/annual-savings-statistics/commentary-for-annual-savings-statistics-june-2021)

7 steps to a #NicerISA

So now you're convinced you want a #NicerISA this year, where do you start?

1 Start with the everyday - your bank

If you're keeping your money in cash, it makes sense to opt for a bank or provider that you know is aiming for a positive impact on the planet or society.

Who you choose for your everyday banking and savings can have a huge impact. Some of the main high street banks don't have great records when it comes to the business sectors they invest in or lend their customers' money to - often investing in deforestation, fossil fuels, armaments etc. Banks like Starling or Triodos, and Nationwide Building Society, offer much more climate-friendly accounts.

2 Money management apps

In recent years there's been an increasing number of money management apps designed to get us all more engaged with our finances and at the same time make it easier for us to 'do our bit' when it comes to the environment or society.

Sugi helps you analyse the carbon impact of your current investments, compare investments and offset your portfolio. Chip and Plum rounds up any small change in your account and automatically moves it into a separate bank account which, over time, adds up. Moneybox does the same, and you can access its 'Socially Responsible Investment' options too.

3 Cash ISAs

Thanks to rocketing inflation, it's pretty difficult to get a good return on Cash ISAs at the moment. However, they can offer some protection compared to investing in the potentially risker stock markets.

If you are sticking with cash, look for ethical or environmentally-friendly accounts with the likes of Ecology Building Society, Triodos Bank, Charity Bank or the Sharia-compliant accounts on offer with Gatehouse Bank. Platforms like Raisin also offer good rates on Sharia accounts.

4 Innovative Finance ISAs

If you're looking for returns slightly above cash, but still don't want to invest in equities, you could consider peer-to-peer investments or an Innovative Finance ISA (IFISA) with platforms such as Ethex, Energise Africa, Abundance Investments or Triodos Crowdfunding.

Read more on Ethex/ Energise Africa in their article below.

5 Investment platforms for ready-made portfolios

If you are investing without an adviser, there are a growing number of easy-to-use investment platforms, 'robo-advisers' and apps that offer ready-made green portfolios. These platforms allow you to invest in funds that pool investors' money together to put into companies and sectors working to build a more sustainable future. Good With Money likes Simply EQ's Positive Impact Portfolios, Clim8 Invest, Circa5000, Wealthify's Ethical Plans and Moneybox's Socially Responsible options.

Cushon started off as a workplace financial wellbeing service but now offers a range of options for individuals, including the Ethical CushonMix ready-made portfolios.

We also like The Big Exchange from The Big Issue and you can find out more about this platform in their article below.

6 Responsible fund choices

Check out Good With Money's regular Good Investment Review to see which funds get the highest green rating - you can also ask your IFA.

If you are self-selecting funds on a platform such as Hargreaves Lansdown or Interactive Investor, you may find it difficult to find out enough information on the underlying investments of the funds you have chosen. Starting with the fund factsheets is a good idea, but you could also consider some questions to ask to **find out how green your fund really is:**

Which companies does the fund invest in? Only revealing the Top 10 holdings is not enough - the firm should detail every sector and company the fund invests in, and why it does, or why not. What else do they invest in? Does the firm offer one or two 'token' sustainable funds amidst a sea of mainstream (=fossil fuels) funds or do they have proven depth and breadth in the sector?

How long has the investment firm or fund manager been managing money in sustainable sectors? Are they truly experienced or are they just hitching a ride on the bandwagon?

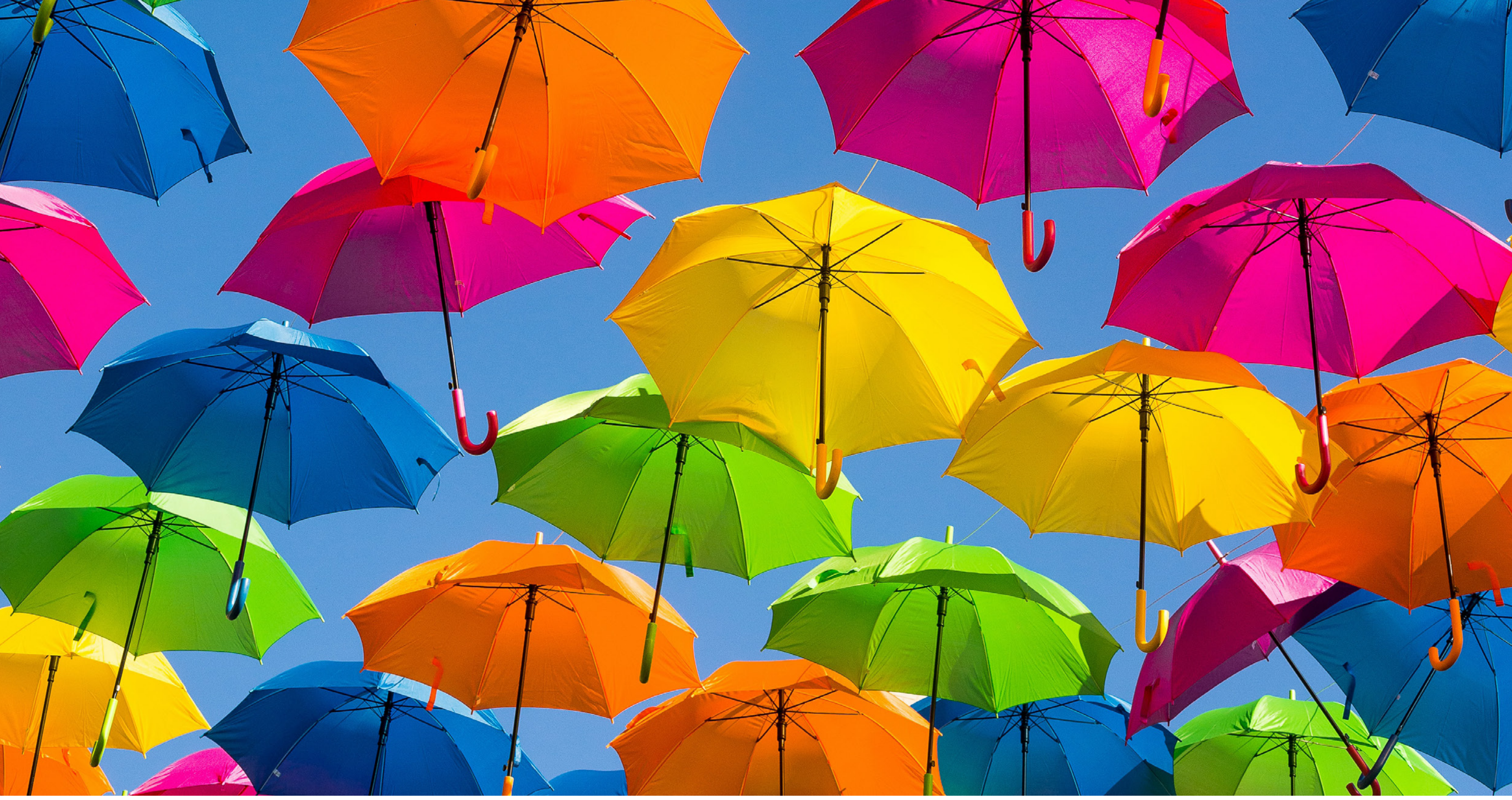
How engaged are they? Do they regularly vote on corporate issues that matter to you, challenging companies and maintaining a dialogue with them on tricky issues, or is there little evidence of this?

One consistently good performer is Liontrust. John Fleetwood, author of the Good Investment Review, said, 'When they launched the Liontrust Sustainable Funds European Growth fund 21 years ago, Liontrust had the foresight to invest in a substantive team of sustainable investment specialists long before it became fashionable. This early adoption has paid dividends in spades, with the Sustainable Future funds becoming a mainstay of the company's products and having rewarded investors handsomely'.

Read Liontrust's view below on what's next for sustainable investing.

7 Find an IFA

For ethical financial advisers, check out Pennine Wealth, BlueSphere, and Castlefield, among a growing number of others. **You could also contact Path Financial after reading their ISA article below.**



Lisa Ashford
CEO, Ethex and Energise Africa

A tax-efficient route to net zero

As you're reading this guide to ISAs, it's likely that you're already aware of the potential financial benefits of saving or investing within an ISA. But do you know that the money in your ISA can be doing much more? In fact, your ISA allowance can be a powerful weapon in the fight against climate change, but it could also be funding activities that are harmful to the planet.

We want to help more people understand the power of their money and learn how the funds sitting within your tax-efficient ISA accounts could even be working towards helping us achieve our net zero goals!

Why net zero?

Last year, just before the much-anticipated COP26 Climate Summit was hosted in Glasgow, the UK government published its 'Build back greener' strategy document, outlining the ways we will meet our 2050 net zero commitments.

The 400-page report highlights the importance of action on climate change, setting out key government policies designed to help us reach our climate goals, such as ending sales of petrol and diesel cars and a transition to green energy. However, there's a consensus that the report does not go far enough and we have yet to see any positive action from the government to put the policies into action.

The power of individual action

In the face of government inactivity, many of us are looking at actions we can take at an individual and local level to create a greener future. Alongside moves like choosing more sustainable food, switching to electric vehicles and reducing energy usage, people across the UK are also recognising the power of their money to create a real positive impact on the planet and its people.

So when you're looking for a way to take advantage of your annual ISA allowance, you should also consider how investing in an Innovative Finance ISA could have the added impact of accelerating us towards our net zero targets.

Is it really green?

But how can you tell if your ISA fund is doing good? Unfortunately, when you invest in an ISA with one of the UK's 'big banks', you could be unwittingly be funding activities you're personally opposed to. Despite the UK's commitment to make the transition from fossil fuels to renewables, it has been revealed that several of the big banks are still funding new fossil fuel projects.

A recent shock report from campaign group ShareAction showed that 25 banks that signed up to reduce emissions have actually provided £24 billion to 50 companies with large oil and gas expansion plans that are profiting from the recent hike in energy prices. It's not where most sustainably-minded people would choose to put their money, but how can you be sure your money is actually doing something good?

A direct approach

When you put your money into an Innovative Finance ISA, such as those offered by Ethex and Energise Africa, you are making a direct investment into an organisation or project, so it's easy for you to see where your money is going. And as we perform rigorous checks on every organisation we list on the platforms, you can be assured that your investment is actively helping to create a positive impact on people and the planet.

Whether you're interested in helping support community energy generation, building a better infrastructure for electric vehicles or enabling off-grid families in sub-Saharan Africa to access clean and affordable energy, your ISA investment can be something you can be proud of!

Your ISA, your choice

As an investor, you have a lot of options open to you as you consider where you should use your tax-free ISA allowance and this guide is a great place to start to help you understand these.

If you could do one thing to personally accelerate our net zero transition, benefit people and the planet and earn a potential tax-free return, you should consider how you use your ISA allowance. While you don't need to be a financial expert to understand how the Innovative Finance ISA works, it's worth doing a bit of research to determine if it's right for you, as the peer-to-peer lending structure means it's a higher risk investment and any projected returns are not guaranteed.

You should also be aware that you can only open one new Innovative Finance ISA with one single provider each tax year, but you do have the option to transfer in funds from an existing cash or stocks and shares ISA from previous years without affecting your £20,000 limit for this year.

So if you take a closer look at your ISA investments and decide you don't like what you see, you have the opportunity to make your money work harder to do good. If you're interested in learning more about the Innovative Finance options from Ethex and Energise Africa, take a look at the websites to learn more and see what tax-efficient investing opportunities are available and get all the information you need to make the decision on whether to use your ISA to get us closer to our net zero targets.

Capital is at risk and returns are not guaranteed. Tax benefits are subject to individual circumstances and may be subject to change.

By Mike Appleby
Investment manager on the Liontrust Sustainable Investment team

Final notes on COP26 – and the path to 27 in Sharm El-Sheikh

Another disturbing report from the Intergovernmental Panel on Climate Change (IPCC), published in late February, has warned of the 'irreversible' impacts of global warming. This latest research reveals close to half the world's population are 'highly vulnerable to climate change' and warns each additional increment of global warming above the 1.5 degrees set out in the Paris Agreement will bring risks of new and worsened climate damages.

This comes on the back of November's COP26 in Glasgow, where keeping the 1.5 degrees alive was a central goal, and our report card for the event reads some good, some bad and some moderate.

To give a quick history lesson, 2009's COP15 in Copenhagen was widely deemed a washout apart from introducing the broad target of keeping maximum temperature rises to below 2 degrees compared to pre-industrial levels. At that point, when widespread acceptance of the science behind climate change was still some distance away, average global temperatures had increased around 0.8°C from the 1880 baseline and were on the way towards a 3.5°C rise by the end of the century. If anyone is thinking these are small numbers, a degree here and there can mean the difference between another ice age or not.

If we fast forward to 2015, COP21 in Paris is seen as the most successful so far, in that we finally saw a formally agreed goal to limit average rises to under 2 degrees, and ideally less than 1.5, by 2100. Countries were also asked to submit commitments on emissions reductions by 2030, called Nationally Determined Contributions (NDCs), to be reviewed five years later at COP26.

The world has now moved up to 1.2°C warming and if we consider the most optimistic scenario, which assumes full implementation of all announced targets including net zero, long-term strategies (LTS) and NDCs, we would be under the Paris target of 2 degrees, at 1.8°C, by 2100. Taking a more pragmatic view, real-world action based on current policies would see us well above the Paris Agreement by that point at 2.7°C, which suggests growing urgency at the remaining Climate Change COPs running up to 2030 – starting at this year's 27 in Sharm El-Sheikh – and those tightening regulations to reduce emissions globally over the next few decades.

As with many of the figures underlying our sustainable investment themes, data on climate change – particularly that current 1.2°C increase in average global temperatures – are alarming and the trajectory of greenhouse gas (GHG) emissions does not look to be turning, with atmospheric carbon dioxide still rising. The world will continue to depend on plentiful, cheap energy for our modern way of life and we currently get 80 per cent of primary energy from fossil fuels, which, tellingly, is still measured in terms of tonnes of oil equivalent.

Under the surface, however, there is evidence of an ongoing energy transition and we always stress that change is both non-linear and tends to happen quickly: once a better, cheaper alternative is found, it displaces the incumbent rapidly. GHG intensity has been falling across major economies over the last 30 years, with the greatest progress in China where emissions per unit of GDP have more than halved.

Meanwhile, innovation and scale have driven down the cost of renewable technology, from solar, to wind, to lithium-ion batteries, translating into exceptional demand growth. From being prohibitively expensive a decade ago, solar energy is now the lowest-cost option available in the US, cheaper even than fracked natural gas. Alongside this demand growth for renewables has come demand destruction for high CO_2-emitting areas: coal-fired electricity generation in the US has fallen 61per cent since 2008, for example, and dropped below nuclear in 2020 in terms of energy share.

In the Liontrust Sustainable Future investment process, we talk about an interlinked pyramid of actors driving structural shifts, with a combination of science (bringing greater understanding of an issue), society calling for change and governments setting policy and regulation, and finally businesses developing and distributing solutions. From our perspective as investors, these companies tend to have two advantages that are misunderstood by the wider market: strong growth and less competition.

Our view is that all parts of the economy – government, companies and individuals – are ratcheting up their ambition in an iterative, interdependent process. As society demands greater action and businesses show what can be done, governments have the leeway to increase their decarbonisation targets. Encouragingly, the path to zero carbon does not require amazing new inventions: we are on the way towards 25 per cent more solar energy, 60 per cent of global car sales being electric and all new buildings being zero carbon ready by 2030, for example. As US science fiction writer William Gibson said, 'the future is already

here, it's just not evenly distributed', and we feel companies on the right side of the energy transition and providing lower-carbon solutions should benefit as this distribution improves.

As we have stressed since launching the Liontrust Sustainable Future funds in 2001, the required reduction in carbon emissions will impact the whole economy, including our energy system and how we heat and cool buildings, while also driving transformations in transport, industrial processes, agriculture and land use. Many of our sustainable themes are therefore linked to the shift away from fossil fuels, including energy and industrial efficiency, renewable energy and more circular economies, but also how we build our cities, how we feed ourselves and how we finance the investment needed to enable a rapid transition.

This move to an ultra-low carbon economy will also have a considerable impact on investment returns: companies contributing to the shift should prosper while those on the wrong side of the transition, or not confronting its ramifications, are at risk of secular decline. We continue to invest in the winners, avoid the losers, and engage with companies to encourage more ambitious decarbonisation targets.

Key Risks & Disclaimer

Past performance is not a guide to future performance. The value of an investment and the income generated from it can fall as well as rise and is not guaranteed. You may get back less than you originally invested. This document is issued by Liontrust Fund Partners LLP (2 Savoy Court, London WC2R 0EZ), authorised and regulated in the UK by the Financial Conduct Authority (FRN 518165) to undertake regulated investment business. **This is a marketing communication**. Before making an investment, you should read the relevant Prospectus and the Key Investor Information Document (KIID), which provide full product details including investment charges and risks. These documents can be obtained, free of charge, from www.liontrust.co.uk or direct from Liontrust. Always research your own investments and if you are not a professional investor please consult a regulated financial adviser regarding the suitability of such an investment for you and your personal circumstances. This should not be construed as advice for investment in any product or security mentioned, an offer to buy or sell units/shares of Funds mentioned, or a solicitation to purchase securities in any company or investment product. Examples of stocks are provided for general information only to demonstrate our investment philosophy. The investment being promoted is for units in a fund, not directly in the underlying assets. It contains information and analysis that is believed to be accurate at the time of publication, but is subject to change without notice. Whilst care has been taken in compiling the content of this document, no representation or warranty, express or implied, is made by Liontrust as to its accuracy or completeness, including for external sources (which may have been used) which have not been verified. It should not be copied, forwarded, reproduced, divulged or otherwise distributed in any form whether by way of fax, email, oral or otherwise, in whole or in part without the express and prior written consent of Liontrust.

By Jill Jackson
CEO of The Big Exchange

The Big Exchange
How you can make a positive impact with your ISA

More people than ever are looking to invest their money with a conscience. This means making a positive impact on the wider world as well as aiming for a personal profit.

The investment industry has switched on to this rising demand and you'd now be hard-pressed to find a provider not offering a selection of sustainable or ethical funds.

What makes The Big Exchange truly unique in the world of investment platforms is that positive impact is all we do. It's not an alternative or additional way to invest for us - it's the way.

Co-founded by The Big Issue and a number of leading asset managers in October 2020, The Big Exchange only lists funds that are proven to be making a tangible positive difference to the planet and society.

We're passionate about making investing for good accessible to all, and enabling people to understand exactly where their investment is going.

We've seen an incredible 300 per cent increase in our customer base over the last year and are proud to say that - in sharp contrast to traditional investing trends - half of our investors are women, and 40 per cent are first-time investors.

Through The Big Exchange Stocks and Shares ISA, you can choose to invest in funds that help towards the issues you care about most; whether that's tackling the climate crisis, finding solutions to the plastic problem, or providing safe housing for vulnerable people.

It's a powerful way to bring about positive change. New research from Nordea Asset Management shows that making your lifetime's investments more sustainable can have 27x more impact on reducing your carbon footprint than giving up flying or going vegan.

Purely positive impact

Nine funds have recently been added to The Big Exchange, taking the total number of funds available to 60, with five soon to be added. These funds are all rated against the United Nations' Sustainable Development Goals.

To give a picture of how much impact each investment makes, we use a unique Olympic-style medal system. Every fund on the platform has been awarded a Gold, Silver or Bronze medal, with Gold having the highest ability to provide social or environmental change.

If you're new to investing, a ready-made bundle of funds is an easy way to invest across multiple positive impact areas. The three bundles on offer - 'cautious', 'balanced' or 'adventurous' - have been put together by independent experts based on how much risk the investments are likely to take over time.

Or, if you want a more hands-on approach, you can pick your own funds from our full list of rated investments. You can rank each fund on performance, cost, or the type of medal they received from our impact assessment.

Transparency

For those who want to dive a bit deeper, we also provide more detailed information on each fund than is typically available on other platforms. The finance industry often makes it extremely difficult to find out what's behind the funds we invest in. But if we can see what's in the food we eat by looking at the packaging, why can't the same be said about our finances?

We aim to change this and have partnered with an innovative company called Tumelo to give our customers 100 per cent transparency on what they're investing in. With many platforms, investors can see the Top 10 holdings of a fund, but with The Big Exchange you can drill down and see every company within your selection of funds.

We want to put the power in your hands so you can make your money count in line with your personal values.

All our funds go much further than simply avoiding companies involved in damaging industries or that have unethical practices. We want to fund new and existing companies that are proactively working to solve the world's most urgent problems.

We do a bottom-up stock analysis where we look at every company in a fund, how it behaves, and the type and level of engagement the fund manager has with it.

The 'Triple Bottom Line'

It used to be a widely-held view that if you put your money to work sustainably, you'd have to take a financial hit. However, increasingly the success of some companies has been linked to their approach to being sustainable.

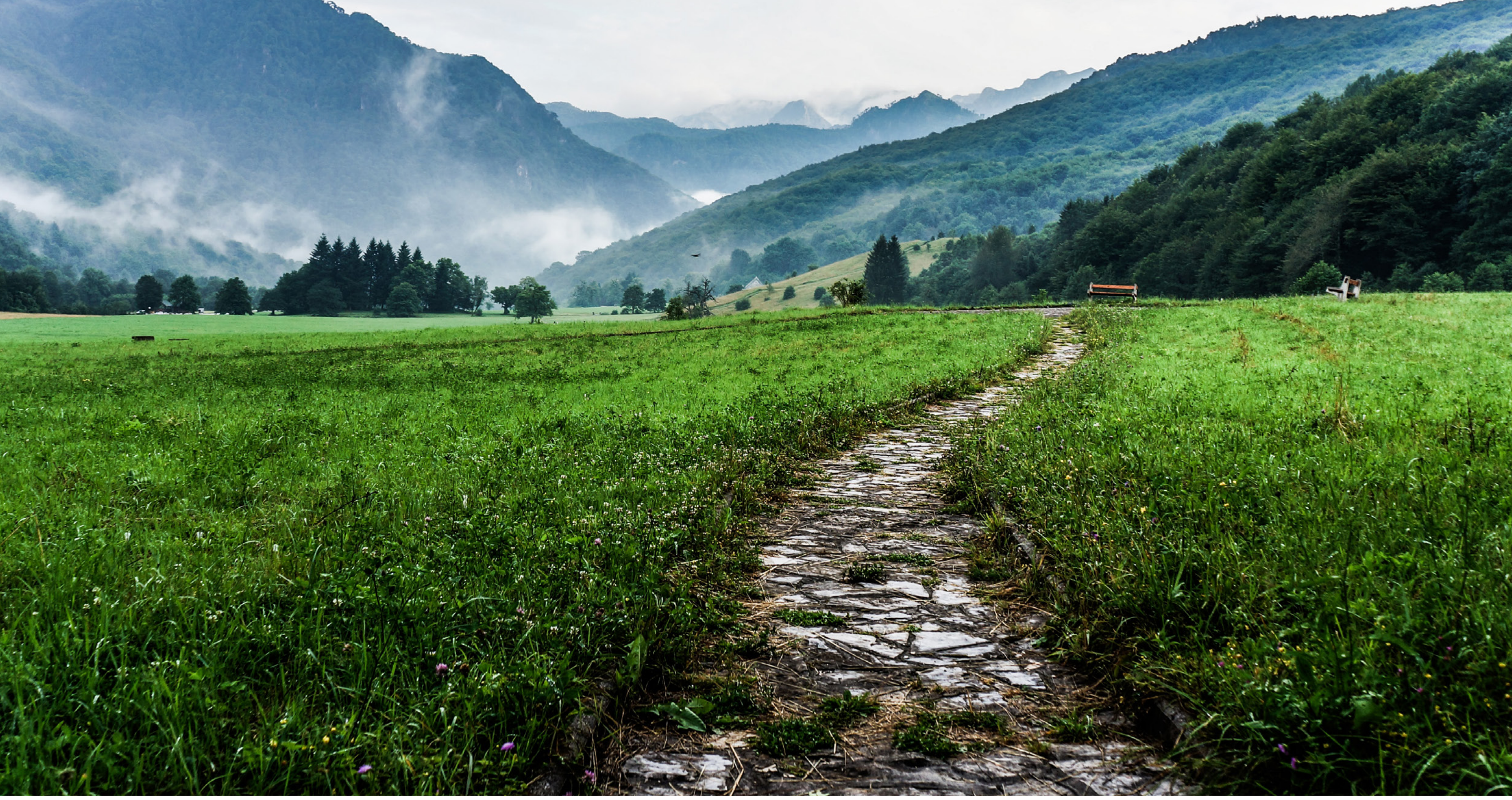
You can easily see how the funds have performed on The Big Exchange over the last one, three and five years.

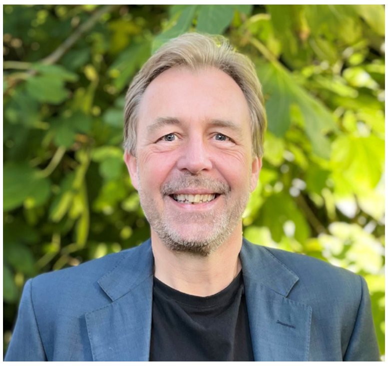
All of our funds aim for a triple bottom line; this means a financial return for you, a financial return for society and a financial return for the planet. However, it's important to remember that investing places your capital at risk and the value of investments can go down as well as up.

Keeping costs low

As well as being fully transparent about what our funds invest in, we're also transparent with fees. This is because we want to make finance a level playing field for everyone. So no matter how much or how little you invest (you can start from £25 per month or a lump sum of £100), the annual fee on The Big Exchange is 0.25 per cent. We're proud of this being among the lowest on the market.

As with every other investing platform or bank, on top of this you will also need to pay a fee to the fund manager. This ranges from 0.5 per cent to 1.8 per cent per year. A calculator on The Big Exchange website shows you, in pounds and pence, your expected costs according to how much you invest.





By David Macdonald
Founder, Path Financial

Path Financial

People have always wanted good investments. But now more than ever they want their investments not just to be good but to do good too. That's where we can come in. Here at Path Financial we are passionate about helping our customers align their Individual Savings Account (ISA) and pension investments with their high ethical standards and values. We call this "impact investment". It's all we do. We are experts and leaders. Importantly, by empowering choice we give consumers a loud voice in helping them influence company behaviour, shaping the future they want to see.

An Ethical and Positive Impact ISA

We will go on to look at why ISAs are such a good investment and why they are a key component in any savings strategy. Before we do that, let's pause for a moment to consider the impact and influence an ISA contribution can have on the planet and its people. If you are reading this, we assume you are a caring consumer looking to have more mindful money. In terms of carbon alone, the reduction in CO_2e between directing just one year's ISA input to a low carbon portfolio with Path Financial compared to a traditional investment could be as much as six tonnes. That is way more than the emissions of an average car over a year. (Source: WHEB) And there are other benefits too such as promoting a circular economy, water and waste recycling and helping people out of poverty.

We go way beyond traditional "ethical investment" which tends to merely screen out major controversies such as tobacco, weapons and alcohol (but not necessarily screening out oil and coal). Instead, we positively seek out investments which are providing solutions for people and planet. That is to say, investments that are contributing to the achievement of the United Nations' Sustainable Development Goals. We do this with a rigorous investment management approach which looks at the entire investment fund universe to source and blend

together the best performing of the deepest green funds. This process is designed to provide superior investment returns. We feel that this seems inevitable where a portfolio avoids dying dinosaur industries and supports solutions and a better future.

We are pioneering the future of impact investment. In 2021, to align with COP26, we were proud to introduce the UK's first Climate Solutions Portfolio. As the number of investment funds with positive impact credentials increases, we are at the forefront of making specialist portfolios available to investors who want to address specific issues.

ISA Strategy

When most people think about ISAs they think about tax-free bank accounts, so-called "Cash ISAs". With interest rates as low as they are at the moment this does not make for the most compelling or exciting drive to action! Indeed you would need to have a large ISA investment in a Cash ISA even to be reaching the tax threshold for returns from an interest bearing deposit account. As a result, many people don't even bother to use their ISA allowance at all "What's the point?" they say, returns are low and the tax-savings are minimal.

Well, the point is that an ISA does not have to be in cash – it could be in a "Stocks and Shares" ISA. A well-designed and diversified portfolio can give better investment returns over the long-term; should be a good way to beat inflation investment and can be more "green". Bear in mind that with a stocks and shares investment there are usually two elements to the investment return: capital growth (i.e. share prices going up) and dividend income (the share of profits paid to investors for holding the shares).

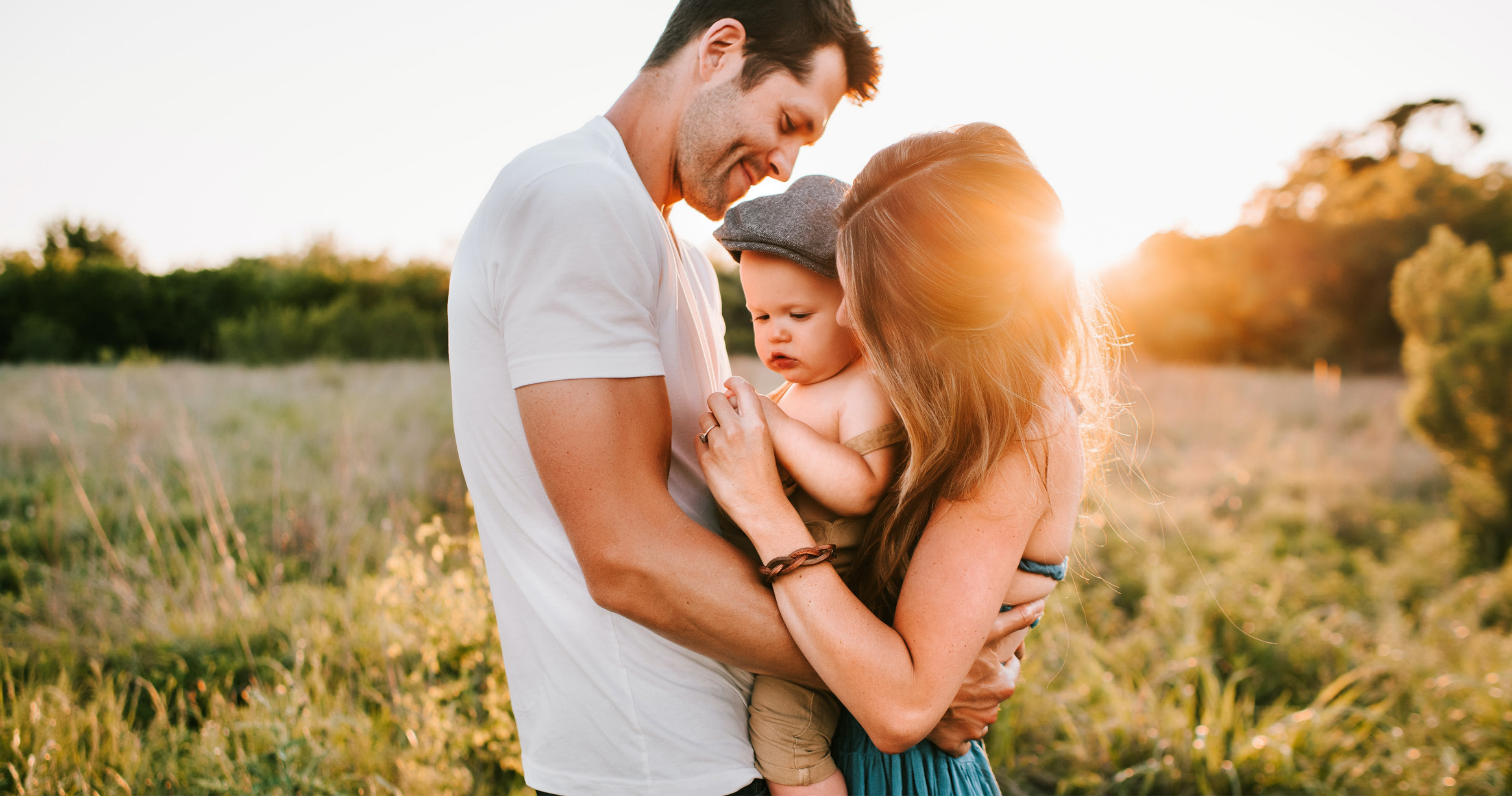
- ISAs are exempt from capital gains tax. This is the part that many people know about already. This is important since, as the portfolio gets bigger it means that there is no tax whatsoever on the growth.
- Less well known is the fact that ISAs can give you a tax-free income from the dividends that they receive on shares held in the funds in your portfolio. Dividends tend to be far, far higher than the interest rates available from banks and are usually very stable regardless of share prices. Dividends also tend to go up over the longer term. So, ISAs are a great way to supplement pensions with a tax-free income.
- Investments into stocks and shares tend to be a good way to protect against the ravages of inflation. A lot of people don't think about inflation but if the price of things is going up by, say 5per cent a year and you are only getting a 1per cent interest rate then you are impacted in real terms with a -4 per cent interest rate – the purchasing power of your money is falling. With stocks and shares investment over time the returns tend to be above inflation.
- With a possible input of £20,000 per annum or £40,000 for a couple, it is possible to quickly amass a large pot. It is vital that ISA allowances are used every year that you can afford to, since the allowances are "use-it-or-lose-it"

in each tax year. With a regular maximum contribution for 10 years or so and some decent growth, a fund could easily have grown to £250 thousand for an individual or £500 thousand for a couple.

- Stocks and Shares ISAs are available to UK-resident individuals aged over 18.

Your future and the future for the planet and its people

We would be delighted to talk with you about how to align your investments with your own values and attitudes to investment risk. We can show you how an ISA fits in with a strategic financial plan to ensure you and your loved ones get ultimate financial security. We can also talk about a higher purpose where you do well by doing good.



Conclusion

During a month that saw Western leaders try to break free from Russia's dominant position in oil and gas, flooding on Australia's East coast ranking among the country's top climate disasters, and unseasonal Spanish wildfires and winter droughts devastating the country's crops, it's hard not to agree with Hoesung Lee, Chair of the IPCC when he said: "...it is a dire warning about the consequences of inaction."

The power in, and need for, collective action has never been greater, and the more of us that take the action to make our money good, the better chance we have to effect much needed change.

So hopefully this Guide will also spur you into action and help you choose a #NicerISA this tax year.

About Good With Money

Good With Money is a money website with a difference: it is all about how your money can do more good for people and planet, as well as line your pocket.

It created the **Good Egg mark**, a licence for financial services companies which make a positive impact.

Sign up to the weekly newsletter for the latest reviews and deals **here**.

Contact details

Want to get in touch with us?

Good With Money
www.good-with-money.com
PR and communications: lisa@good-with-money.com

Ethex / Energise Africa
www.ethex.org.uk / www.energiseafrica.com

Liontrust
www.liontrust.co.uk

The Big Exchange
www.bigexchange.com

Path Financial
www.thepath.co.uk

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