

[Good Money Week](#) provides an annual focus for efforts to raise awareness about environmental, social and governance-related investment issues, also known as ESG.

Or, to put it another way with a consumer lens, it invites the question : have you thought about whether your money is looked after in a way which matches your values?

For those consumers who do care about how the return on their money is generated, it is natural to assume they may be more inquisitive as they seek information and reassurance that their money is being looked after in a way which aligns with their values.

I've been spending time looking at the various communication challenges in this area. An important outcome here is that confidence and trust exists between consumers and their chosen investment manager, in terms of money being looked after in line with expectations.

When it comes to investment funds with a goal linked some kind of ethical, environmental or social component, what then is the best way to build that trust?

It is not yet mainstream for UK investment managers to fully publish a complete list of holdings in a fund. For the consumer who has an appetite to know more, and who seeks reassurance about what is held inside a fund, information can be difficult to find and may be limited to a list of the top ten holdings.

Is the answer simply to go in the direction of full disclosure?

On the one hand, full transparency along these lines in itself is a confidence-builder, as it has the effect of the investment manager saying "we've nothing to hide".

An alternative view is that this 'data dump' involving a list of, say, 60 holdings certainly provides information, but is it useful information for consumers?

My personal view is that, on its own, disclosing the full holdings of a fund is not sufficient. I see it is part of a much larger picture, involving more meaningful and regular communication with consumer investors, which brings alive recent activity in a fund, and helps to further demystify 'what's inside and why'. That 'why' helps to reinforce the particular ethical, environmental or social policy in place for the fund, whether it be a positive filter to actively select companies which have a beneficial social impact, for example. Or a negative screen such that companies engaged in certain activities are not held within a fund (typical examples here are tobacco or armaments). The list of holdings tells you what, but not why, and both are important in my view.

It is worth acknowledging the barrier that publishing a full list of holdings creates more work (and more cost?) for an investment manager. But this needs to be counterbalanced by what could be seen as the bigger win of transparency and trust. And as the [Morningstar](#) report shows, the time delay in providing data means this is not a real time reporting issue but rather a retrospective one, which means it need not impact on day-to-day dealing.

The consumer financial services market continues to evolve and grow in the UK. The regulatory landscape makes it easy for consumers to directly access investment funds, and technology means this can be done from a smartphone. The desire for quick information is not yet being matched by meaningful communication, as template fund factsheets can prompt more questions than they answer.

The time is ripe for fresh solutions to this communication challenge and Good Money Week will be an opportunity to explore these issues at greater length.

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