



Your ISA guide

# Investing with purpose



# Introduction

**This guide is designed to shine a light on your path to impact, as you begin your journey of investing with purpose.**

Here, you will discover the fundamentals of Individual Savings Accounts (ISAs), including how they work, the benefits they offer and the key points to consider when managing risk.

We also highlight the Triodos Stocks and Shares ISA along with our range of ethical Impact Funds. Each fund is chosen to help you invest in a future that matters.

Inside, you will find clear and honest information to empower you to align your financial goals with your values.

## **Important points to remember:**

This guide is here to help make your own decisions, but it's not a personal recommendation. If you're unsure, you should consider financial advice. Unlike cash, investments go up and down in value over time. Depending on the price when you sell, you could get back less than you put in.

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# The basics of ISAs

When you start exploring Triodos ISAs, designed to support a positive future for people and the planet, you'll uncover a world of exciting opportunities. Rules, acronyms, and occasional exceptions might appear more complex at first. At Triodos, the process is simplified to offer a

clear and transparent way to invest in a better future.

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by Hannah Duncan  
Journalist and freelance investment writer

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# The basic rules of ISAs

## 1. You can save or invest up to £20,000 per tax year

You can put up to £20,000 into ISAs each tax year. If you don't use your allowance, you lose it. The £20,000 allowance resets every tax year, and any unused amount is not carried over.

From 6 April 2027 onwards, ISA holders under the age of 65 can only put £12,000 of their ISA allowance into a Cash ISA each year. Stocks and Shares ISA allowance remains unchanged, and you can continue to invest your full ISA allowance in an investment ISA like a Stocks and Shares ISA.

## 2. You can have more than one ISA

You can have more than one type of ISA and split your £20,000 allowance across them. For example, you could have a Cash ISA, a Stocks and Shares ISA, a Lifetime ISA (up to £4,000 per year), and an Innovative Finance ISA. You can also pay into several ISAs of the same type in the same tax year, as long as you don't go over your £20,000 allowance across them all.

## 3. Despite the name, you can invest with an ISA

The name Individual Savings Account can be confusing. ISAs aren't only for saving. Stocks and Shares ISAs allow you to invest tax efficiently.

With a Triodos Stocks and Shares ISA, you invest through Impact Investment Funds. You can invest with as little as £25 per month or with a lump sum from £250. It is important to remember that investing is not the same as putting your money into a savings account – your money is at risk. Investments should be held for the long term (five years or more) and they will go up and down in value over time, so you could get back less than you originally invested.

## 4. It's easy to transfer ISAs

You're not locked into an ISA. Your financial plans can change, and your ISA can change with them.

You can transfer a Cash ISA to an Investment ISA, or the other way around. Transferring to Triodos is straightforward: open your new ISA and complete an ISA transfer form. This ensures you keep the tax benefits of your ISA. Bear in mind that there may be charges applicable from your existing provider, such as if you have a fixed term ISA, so check with them first.

## 5. ISAs can reflect your values

Where you save or invest your money can make a real difference for people and the environment.

If your current provider doesn't align with what matters to you, you may be ready to move your ISA to one that does.

Visit [bank.green](https://www.bank.green) to learn more about what your bank could be funding.

# Is a Stocks & Shares ISA right for me?



by Hannah Duncan  
Journalist and freelance  
investment writer

As an investment lover, I completely understand the urge to set up a Stocks and Shares ISA.

Especially one that prioritises people and the planet. But

before diving in, it's better to take a moment and consider if it's really the best move for you. Investing is a serious commitment, lasting at least five years and ideally longer.

There are some situations where a Cash ISA could suit your needs better than investing. In this article, we're

breaking down six questions to ask yourself as you decide the right blend for you.

Please remember that the ISA rules can change from year to year, and while this article is meant to be helpful, it's not financial advice. For personalised support, speak directly to a professional. You can learn more about financial advice and find advisers in your area at [unbiased.co.uk](https://unbiased.co.uk).

## 1. Pay off "bad debt"

If you have ongoing high-interest debt, such as credit cards, buy now pay later agreements or payday loans, it's usually better to make sure you can pay these off first before considering

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investing. Putting your money into investing while interest is compounding could be a false economy.

Be sure to check interest rates and any early repayment fees before deciding.

## 2. Build a rainy-day fund

Before investing, it's wise to set aside cash for emergencies. This can help if you lose your job or face unexpected costs.

Many experts recommend having enough savings to cover three-to-six months of essential living expenses. Remember that if you are under 65 years old, this is the last year when you can use your full £20,000 allowance in a Cash ISA. From April 2027 onwards, the maximum deposit for Cash ISAs will be £12,000 each year (under 65s only).

## 3. Figure out your timeframe

Before investing, consider when you may want to use your money. Your goals and timeline matter. For example, if you're funding a retirement in 30 years, your blend of ISAs should look very different from someone who is planning to buy a first property within two years.

Cash savings are the least risky option in the short term. But after a few years, inflation levels can eat away at its value, so that it loses purchasing power. Investing in AAA-rated debt is riskier than cash savings, but the coupons (interest) help to buffer against inflation, making it a better option for five year timeframes. Stocks and shares are riskier still, but they are a lot more inflation-proof, generally if you invest for more than five years in a wide selection of equity funds

you'd expect to make a profit.

Generally speaking, the longer you invest, the more risk you may be able to take.

## 4. Check your risk tolerance

As the saying goes, no pain no gain.

Investors cannot make returns without risk. However, the amount (if any) you chose to take is up to you.

Everyone feels differently about investment risk. There is no right or wrong answer.

Some people find it hard to sleep at night if they think they could lose money. Others shrug it off. The way that you feel is personal, and so you must do what is right for you.

Spreading your money across many different assets, known as "diversification", helps to buffer the risk. This is why many investors and fund managers choose to purchase funds, which are groups of assets.

## 5. Maximise your tax efficiency

A Stocks and Shares ISA allows you to keep any profits free from Income Tax and Capital Gains Tax.

You can invest up to £20,000 each tax year – that means over five years, if the ISA allowance remains at £20,000, you could invest £100,000 in a tax-efficient way.

## 6. Investing with impact

Investing isn't only about financial return, it's also about what your money supports.

You can choose to invest in organisations that contribute positively to society and the environment. Triodos has been working with nature and the planet for more than 30 years, to deliver guilt-free investments you can feel good about.



# Why choose impact investing?

Impact investing, including investing through a Stocks and Shares ISA, connects your money with organisations working towards a better future.

## **To address global challenges**

Environmental pressure, climate change and social inequality call for changes in how we live and invest. More investors are looking for responsible options that support a future that works for everyone.

## **To support key sectors**

Impact Investment Funds aim to deliver social or environmental outcomes alongside financial returns. They focus on areas such as renewable energy, sustainable agriculture, healthcare, education, affordable housing, financial inclusion and climate change mitigation.

## **Expert fund management**

Impact Investment Funds are selected and managed by specialists. They balance financial risk with the aim of contributing positively to society and the environment.

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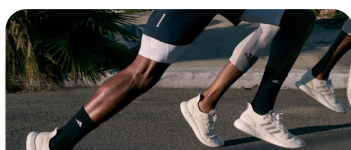
# Investing in a Triodos Stocks & Shares ISA

We offer four Impact Investment Funds that you can easily invest in through our tax-efficient Stocks and Shares ISA. Each fund supports positive outcomes for society and the environment.

Triodos believes deep changes are needed in how our systems work, so people can live well on a thriving planet. Every investment we choose fits within our five connected

transition themes: food, resources, energy, society and wellbeing. These themes are also linked to the United Nations Sustainable Development Goals.

Investments should be regarded as long term (five years or more). Values can go down as well as up, and you may get back less than you invest. Triodos Impact Funds investments are not covered by the Financial Services Compensation Scheme, but the cash held within a Stocks and Shares ISA is.



### Triodos Global Equities Impact Fund

Invests globally in large, well established companies supporting the transition towards a sustainable society. Well diversified across a variety of themes and sectors towards greater sustainability.

[Find out more >](#)



### Triodos Pioneer Impact Fund

Invests globally in small and medium-sized innovative companies pioneering the transition to a more sustainable economy and society.

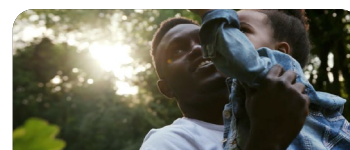
[Find out more >](#)



### Triodos Sterling Bond Impact Fund

Invests in corporate, green and social bonds, and UK government gilts, with a focus on higher-impact issuers.

[Find out more >](#)



### Triodos Future Generations Impact Fund

Invests in small and medium-sized companies that consider the welfare of children, add benefit for future generations through their products, services, and also the way in which they work children. A unique investment fund which supports UNICEF.

[Find out more >](#)

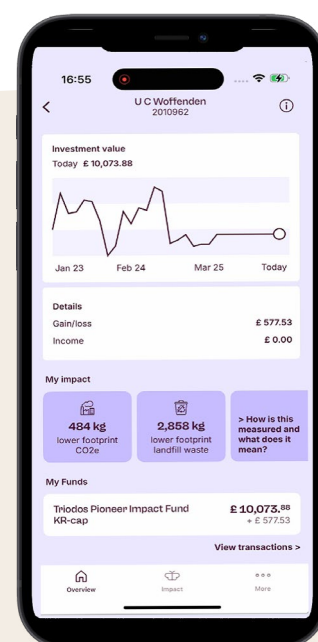
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# What makes Triodos investments different?

- Over 30 years of experience in impact investing
- Detailed sustainability analysis for every investment
- Clear insight into where your money is invested
- Award winning Impact Investment Funds
- We go beyond ESG (environmental, social and governance standards to measure impact) and exclusions
- We do this by focusing on companies that develop solutions to the world's most critical sustainability challenges

## Managing investments in the Triodos App

- See how your investments translate into outcomes such as lowered greenhouse gas footprint and non-recyclable waste
- Buy and sell investments directly in the app
- Invest from as little as £25 per month
- Read articles and stories about the people and organisations we finance



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# Meet Dylan

**We spoke with Dylan, a Triodos Stocks and Shares ISA customer, about why he's chosen to save and invest with Triodos. Dylan lives in London and works for an international charity, Peace Direct.**

## **Why do you save in an ISA?**

I want to know that my savings are in good hands and that the savings are benefitting from the tax free allowances that the government provides to individual savers via ISAs.

## **Why did you open an ISA with Triodos Bank?**

I chose Triodos specifically because of its ethical credentials. I think it is very important that consumers not only minimise the harm that they do through their purchases but that they choose companies that contribute to a fairer, more equitable, more sustainable world. Triodos does this, in contrast to most other banks in the UK.

## **Why did you pick your particular type of ISA?**

I have four different ISAs with Triodos.

I have an Online Cash ISA, which gives me absolute security of my investment. I also have an Ethical Stocks and Shares ISA, which is invested into three different funds: Sterling Bonds, Global Equities and Pioneer companies. Each of these ISAs offers something slightly different. I like the security that comes with a Cash ISA but I also don't mind the risk (and potentially higher returns) from the Global Equities and Pioneer Funds. Having a mixed portfolio appeals to both my risk conscious and risk taking sides!

## **How would you describe your savings behaviour? Lump sum, a little at a time?**

Little at a time! My wife and I don't have much disposable income at the end of the month so often many months will pass before we are able to put a little money aside. However, I have also had a few lump sum payments into the savings account as a result of members of my family passing away.

## **Tell me why it is important to you that your bank supports your values?**

For me, it is very important that my bank

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aligns with my values and I believe strongly that all consumers must do more to ensure that their purchases do not contribute to the exploitation of workers, human rights abuses, damage to the environment and the continuation of the arms trade. We are all so much more aware than we were 20 years ago of the interconnectedness of things and we simply cannot turn a blind eye to the role that we as consumers play in perpetuating unjust and harmful acts against other people and the planet. That's why having an ethical bank is important. Banks are an engine of society, providing loans to people and businesses. If a bank is willing to loan funds to companies that do harm to the environment or which produce weapons that kill innocent civilians, then we as consumers are complicit if we choose to ignore our consumer power and continue to bank with these institutions.

### **Why do you trust Triodos with your money?**

I trust Triodos with my money because it has been around for a while, is well established both in the UK and in Europe and seems to be governed well. Its commitment to transparency is excellent and this gives me confidence that the bank is well run.

### **Do you have scepticism about the sustainability claims of other banks?**

Yes, I think most consumers do. Very few banks have an ethical policy so their sustainability claims may be part of a wider PR/greenwashing exercise. That's not to say that I am completely cynical about such efforts. It's just that many high street

banks seem interested in doing only what is necessary to keep the critics at bay, and often this is very superficial.

### **What sectors/problems in society would you like your money to support most?**

While there are so many problems in society, I would like more effort to be spent on tackling violence and division in the UK and around the world, tackling human rights abuses here and overseas, addressing poverty and inequality, and protecting the environment. The climate emergency is an existential threat that all of us should be doing our part to tackle.

### **What sectors/problems in society would you be most concerned about your money supporting?**

I would be most concerned about my money being invested in companies that fuel the arms trade. The arms trade is one of the most pernicious and grotesque manifestations of what is wrong with aspects of our society. I would also be concerned about my money being invested in fossil fuels or the tobacco industry.

### **Would you consider taking more risks with your savings to boost returns due to low interest rates?**

I already do this through my investment in Stocks and Shares ISAs.

### **Have you ever considered crowdfunding in projects you feel passionately about?**

Yes, I have already done this and it was very successful.

# Understanding investment risk



by **Roger Hattam**  
Director of Retail Banking,  
Triodos Bank UK

As individuals, we take risks every day. For the most part we do these unconsciously, such as driving a car, riding a bike, or crossing a road.

However, being consciously aware of taking a risk and trying to weigh up the pros and cons associated with it can be unnerving for anyone.

This can be the same for first time impact investors as, like any investment, it's different to putting your money into a savings account, because the value of your investment can go down as well as up. But while investment risk should always be taken seriously, there are things you can do to gain a better understanding of risk and what levels you may be comfortable with.

A good place to begin is to ask questions of yourself, your money and, in the case of impact investment, what you're passionate about supporting.

Here's how many of our investors start their journey towards understanding impact investment risk:

## **What are your short-term and longer-term money goals?**

Mapping out your short-term and long-term goals is a great place to start. Once these are clear it's easier to understand what you'd want this investment to do, for example to generate a return to save for a big life event or for future financial security.

In addition, do you have savings that could support any short-term or unplanned costs? Due to the risk involved in investments, returns aren't guaranteed so it's important to have cash savings set aside as well.

Many experts suggest having an emergency fund that could cover your outgoings for between three to six months.

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### **What amount of money do you want to consider investing and for how long?**

Next is identifying what money you can afford to invest and how long you'd be comfortable with it being invested.

Our impact investments have been designed to be long-term – five years or more – so you should only invest money that you don't plan to touch for this amount of time.

While you can take your money out from our funds should you need to, investing for five years or more increases your chances of being able to ride out any short-term volatility in the market. Selling at the wrong time could mean that you get back less than you put in. Be aware there is always risk associated with investing as investments can go up as well as down and you may not get your capital back.

### **What's important to me?**

Broadly this starts with establishing the answers to questions like 'What are my values and financial goals, and how do I want to align my investment to those?' Then it's a matter of looking at individual investments to see if any align with the kind of impact you want to make, as well as your goals.

For example, the Triodos Pioneer Impact Fund invests in smaller listed companies that are pioneering in the field of sustainability, whereas the Triodos Global Equities Fund supports globally listed companies which are moving towards greater sustainability. The Pioneer Fund is higher risk, but has a potentially greater impact. Whenever you're investing in a fund, read the Key Investor Information Document (KIID) first.

This should tell you what kind of sectors it invests in, the types of investments it holds, and the risks it's subject to.

There's risk with all investments and you should seek advice if you're not sure.

### **Is this the right provider and do you understand the fees and charges?**

When exploring the marketplace, you should look for a provider you trust and whose vision aligns with yours. This also includes understanding what your money would be invested in and for what purpose, the fees and charges involved, and clarity on what the expected impact is.

These answers should always be very clear and don't be afraid to ask for more information if not. You should also watch out for investment fraud by checking that you're dealing with a genuine, regulated provider.

For help with this, visit:

[fca.org.uk/scamsmart](https://www.fca.org.uk/scamsmart)

### **Have I got other investments?**

Some investors like to diversify their investments with impact investments. This helps to spread your risk by having a portfolio of investments with different risks associated with it. You might like to consider lower risk investments like bonds if you hold lots of higher risk investments such as equities (also known as shares). We always talk about all the risks associated with investments such as our Impact Investment Funds. These are always clear and there's supplementary information available under each fund page on our website.

Visit: [triodos.co.uk/impact-investments/](https://www.triodos.co.uk/impact-investments/)

# Getting started

## Learn more about investing

If you're considering investing but you can't decide whether it might be right for you, keep in mind that these articles and our website are not advice. If you're unsure about whether an investment is right for you, you should consider financial advice.

[triodos.co.uk/is-investing-right-for-me](https://triodos.co.uk/is-investing-right-for-me)

[triodos.co.uk/how-does-a-fund-work](https://triodos.co.uk/how-does-a-fund-work)

## Explore our global investments map

You can see where our funds are invested through our interactive global map and how each company is contributing to the UN sustainable goals.

Explore our map at:

[triodos.co.uk/impact-investments/](https://triodos.co.uk/impact-investments/)

[where-our-investment-goes](https://triodos.co.uk/impact-investments/where-our-investment-goes)

## Want to get started with a Triodos ISA?

Visit: [triodos.co.uk/ethical-isas](https://triodos.co.uk/ethical-isas)

## About Triodos Bank UK

Triodos Bank was founded in 1980 with the intention of providing sustainable financial products that enable individuals and organisations to use their money in ways that benefit people and the environment.

UK investment into our award-winning Triodos Impact Investment Funds has grown significantly over the last few years and as one of the world's leading impact investors we're proud of our heritage and expertise.

Triodos Investment Management, the investments arm of Triodos Bank, is a driving force in the transformation towards ensuring a thriving planet for future generations. They have identified five key transitions for this transformation – the food transition, resource transition, energy transition, societal transition and the wellbeing transition. In the UK, our Impact Funds deliver across these, with differing levels of risk and return.

Join the good side

