

The Positive Impact Portfolios actively select funds that aim to make a positive impact on society and the environment through their investments. Our quarterly updates feature companies that our funds invest in, showcasing their solutions to real world problems.

Since 2017 we have been using the United Nations' Sustainable Development Goals as a way to think about impact. The 17 Goals provide a holistic framework for action around the most critical issues for society and for our planet. We have mapped the underlying holdings in the portfolios to these goals, and in this update will focus on three examples for Goals **8 – Decent Work and Economic Growth**; **9 – Industry, Innovation and Infrastructure**; and **10 – Reduced Inequalities**.

### 1 Supporting micro, small and medium enterprises in Indonesia

**8 DECENT WORK AND ECONOMIC GROWTH**



Indonesia has the largest economy in South East Asia and the sixteenth largest economy in the world by nominal GDP, expected to grow by 41.9% over the coming 5 years. To realise this potential, micro, small and medium enterprises will play a pivotal role to promote growth, create jobs and alleviate poverty. Indeed, micro, small and medium enterprises contribute 57%

### EXAMPLE HOLDING

Bank Rakyat Indonesia



Bank Rakyat Indonesia (BRI) is one of the largest banks in Indonesia and focuses on providing financial services to the community and micro, small and medium enterprises to address issues of financial inclusion and access to credit. Since 2008, BRI has doubled its network consisting of branches, outlets and units – partly to target underbanked customers in remote areas in Indonesia. As a result, over the last two years, BRI has increased its amount of outstanding loans by 30% with micro, small and medium enterprises representing now 72.5% of the total loan book.

Also, BRI is collaborating with the Ministry of Communications and Informatics to provide free domain facilities to one million small entrepreneurs in Indonesia in an effort to facilitate the digitalization of the sector.

Source: 2016 Annual Report

For more details about the 17 UN Goals and to download our 2012-2017 Impact Review please visit our website: [eqinvestors.co.uk](http://eqinvestors.co.uk)

## SUSTAINABLE DEVELOPMENT GOALS



to the country's GDP and employ 89% of the private workforce. However, the small and medium enterprises sector is underbanked and characterised by a low level of debt in comparison to larger companies, partly due to demand not being met by financial institutions.

## FUND IN FOCUS

### Hermes Impact Opportunities Equity



Bank Rakyat Indonesia received investments from the Hermes Impact Opportunities fund which favours companies addressing unmet needs in society and making a positive impact on people and the planet. Financial inclusion is one of Hermes' main themes and the fund also invests in other companies, like ProCredit Holding Inc which also provide financing to small and medium enterprises in emerging countries.



## 2 Connecting renewable energy production to the grid

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



By 2040, Bloomberg New Energy Finance expect that 72% of new energy capacity and more than 35% of global electricity generation will come from renewables, up from 5% today. However, developing renewable resources presents a new set of technological challenges not previously faced by the grid. Indeed, location of renewable resources usually far from population centers and the variability of renewable generation mean that long distance transmission is crucial to regional and local excesses or deficits.

### EXAMPLE HOLDING

#### Prysmian Group

**Prysmian**  
Group

Prysmian is a world leader in subsea energy cables and has developed solutions that help energy to be transmitted across land and under seas, between countries and continents. For example, Prysmian installed a number of offshore cables for London Array, the largest offshore wind farm in the world located in the Thames Estuary.

Prysmian is also helping National Grid and ScottishPower Transmission build the Western Link, a £1 billion project which will help to bring renewable energy from Scotland to homes and businesses in Wales and England through a 385km subsea cable.

## FUND IN FOCUS

### Liontrust Sustainable Future European Growth

**LIONTRUST**

Prysmian received investments from the Liontrust Sustainable Future European Growth fund which supports European companies that are making our environment and society more sustainable and resilient. Infrastructure and Innovation is an important theme for the fund and they also invest in Valeo for example which has been visionary in focusing early on auto equipment that reduce carbon emissions and are used in electric vehicles.



## EXAMPLE HOLDING

Motability Operations



Motability is a national charity set up with all-party parliamentary support in 1977 to help disabled people with their personal mobility. The Motability Scheme enables disabled people to use their government-funded mobility allowances to lease a new car, scooter or powered wheelchair. This gives them the freedom to get to work or college, go shopping or enjoy a day trip out with their families.

The scheme is operated by Motability Operations which provides leasing packages to over 650,000 clients with affected mobility. The scheme has grown so popular that it now represents 10% of new car sales in the UK. Customer satisfaction levels have remained at 98% for five consecutive years. The company invests significantly in its fleet of vehicles (currently valued at £6.5bn) – for example providing free adaptations. It also donates a significant amount of its profits to the Motability Charity who provide support for disabled people that are not eligible to receive disability benefits.

## FUND IN FOCUS

Threadneedle UK Social Bond



Motability Operations received investments from the Columbia Threadneedle UK Social Bond fund which invests in companies or institutions helping to tackle social issues. Reducing inequalities is one of the main themes within the fund and they also invest in a number of bonds issued by building societies which promote equality and financial education.

## 3 Mobility for disabled people

6.8 million people in the UK are affected by physical impairments to their mobility, the most common impairment for disabled people.

Unfortunately, the need for basics like mobility aids, care and transport means that disabled people's day to day living costs are 25% higher than those of non-disabled people. But despite having higher living costs, disabled people are far less likely to be employed than non-disabled people: fewer than 50% of working-age disabled people are in work, compared to 75% of non-disabled people.

Affordable solutions to improve mobility of disabled people are essential to help them access work opportunities.

10 REDUCED INEQUALITIES

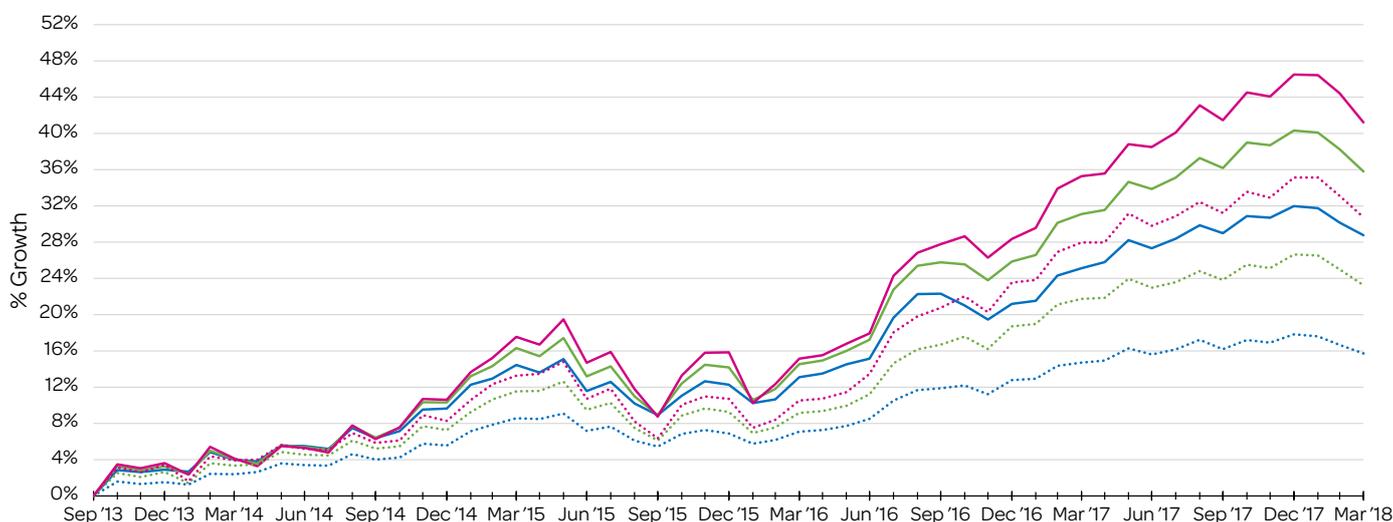


## Next steps:

You can download a Positive Impact Portfolio brochure, view factsheets and invest online via the EQ website. Please get in touch for further information:

 [eqinvestors.co.uk](http://eqinvestors.co.uk)  
 **020 7488 7110**  
 [positive@eqinvestors.co.uk](mailto:positive@eqinvestors.co.uk)

Cumulative performance since inception 30/09/2013 to 31/03/2018



Annual performance		Apr 17 - Mar 18	Apr 16 - Mar 17	Apr 15 - Mar 16	Apr 14 - Mar 15
Positive Impact Cautious		2.91%	10.63%	-1.17%	10.04%
ARC Cautious *		0.89%	7.11%	-1.38%	6.04%
Positive Impact Balanced		3.58%	14.45%	-1.52%	11.77%
ARC Balanced *		1.23%	11.52%	-2.12%	7.93%
Positive Impact Adventurous		4.39%	17.49%	-2.06%	12.89%
ARC Steady Growth *		2.15%	15.77%	-2.41%	9.00%

**Risk warning**  
 Past performance is not a guide to future performance. The value of investments and the income derived from them may go down as well as up and investors may get back less than they originally invested. The Positive Impact Portfolios are available in seven different risk profiles, of which three are shown here. Inception dates may vary; please see factsheets for full details.

### EQ Investors Limited, Centennium House, 100 Lower Thames Street, London EC3R 6DL

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