

The EQ Positive Impact Portfolios invest in companies that are making a positive impact on society and the environment by providing solutions to real world problems. We use the United Nations Sustainable Development Goals as a way to map the impact of their products and services.

Our quarterly updates feature examples of these companies and funds; here we will focus on three relating to Goals 12 - Responsible consumption and production; 7 - Affordable and clean energy; and 3 - Good health and well-being.



Deposit-return schemes for single-use plastics

Plastic bottles are the most prevalent form of plastic pollution in European waterways. Given that 80% of ocean plastics originate from rivers, they present a major contributor to the global plastic problem.

One part of the single-use plastics directive that EU Parliament passed in law earlier this year requires member states to achieve a 90% collection target for plastic bottles by 2029, and 77% by 2025. As success stories from Germany and Norway (at 93% and 95% recycling rates) show, this can only really be achieved through a coordinated approach to drinks container collection and reuse/recycle schemes. Bottle deposit-return systems are common to both countries.

The UK currently recycles only 55% of plastic bottles, and would likely implement a similar strategy to increase its plastic recycling rate.

FUND IN FOCUS

Impax Environmental Markets



Tomra Systems received investments from the Impax Environmental Markets fund, which invests in companies whose core business models provide solutions to environmental challenges. Other companies in the fund that contribute to circular solutions to waste managements are Brambles, and Lenzing.



EXAMPLE HOLDING

Tomra Systems



Tomra Systems is the world's largest developer and operator of bottle deposit-return machines.

These machines are deployed under regional or national schemes in which each bottle is sold with an added premium. This acts as a deposit and is returned in cash upon return of the physical plastic bottle via a Tomra machine. This system incentivises safe disposal of plastic bottles and thus improves collection rates drastically – it has been proven effective across all of Germany since 2003.

Tomra is well positioned to benefit from the EU single-use plastics directive. Standardising the size, weight and materials used in drinks containers makes it easier to recycle or reuse them on return. The company's sensor technology is also being applied to sorting fresh produce, helping to reduce waste in food supply chains.

7 AFFORDABLE AND CLEAN ENERGY



Leading the fight against climate change

Our Positive Impact Portfolios target innovative, profitable and growing businesses that demonstrate material positive

impacts on people and planet. It is also important to shine a light on more defensive investment options available to us. For example, green bonds present fixed income investments, whose proceeds are spent on climate-related or other types of environmental projects. More recently, countries have started setting up green bond schemes which present the best of both worlds – sovereign debt liquidity and quality while also helping countries transition towards a low carbon future in accordance with the Paris Agreement.

FUND IN FOCUS

Allianz Green Bond Fund



The Allianz Green Bond Fund invests only in fixed income securities, where all bond proceeds are purely used to finance or refinance green projects, adhering to best-practise guides like the ICMA green bond principles. Projects include clean public transport, renewable energy and housing insulation. Other sovereigns have issued green bonds, including China and the Netherlands.

EXAMPLE HOLDING

French Green Bond



Proceeds from the first French sovereign green bond are helping France meet its carbon reduction commitments and environmental protection goals.

The anticipated impacts are strictly defined and reported on in detail each year, giving investors security of the use of their capital by the French government. Examples of green interventions funded in 2018 included renovating housing for improved energy efficiency, funding sustainable forest management, reduced electricity rates for operators of rail transport or electric/hybrid buses, and funding research to benefit climate change planning.

This French example has set the benchmark for other nations to follow, with countries like Belgium and Poland now also offering investors the opportunity to contribute to national progress on environmental targets, without taking more financial risk than through similar, but non-green, government bonds.

Want to learn more about the UN Goals, and why we use them? Take a look at our annual Impact Report – and calculate the impact of your own portfolio online – at: eqinvestors.co.uk

SUSTAINABLE DEVELOPMENT GOALS



3 GOOD HEALTH AND WELL-BEING



Delivering the benefits of digital healthcare

The quality, speed, cost and proximity of healthcare access varies greatly across the world. Evening out the barriers to

healthcare is a key objective highlighted in the UN Sustainable Development Goals.

A recent survey in the UK shows that patients wait over two weeks on average to get seen by their GP. In the US this pattern is worse, where waiting times and other barriers to access are mainly driven by inefficient use and uneven distribution of doctors across the country.

Given that pressures on the healthcare systems around the world are only going to increase with ageing populations, there is an urgent need to reduce barriers to access good quality healthcare. Telehealth (or telemedicine) is a recent development in the healthcare sector, and has seen phenomenal take-up. It is a general term describing the use of technology to remotely manage care.

EXAMPLE HOLDING

Teladoc Health



Teladoc Health is a US based business, now operational in 130 countries, that has pioneered in the space of technology-enabled healthcare access.

The company has developed a smartphone application to connect clinicians, doctors and mental health counsellors that have excess capacity in their day with patients in need of their care. It is also building out an Artificial intelligence capability that can help patients receive the most relevant type of care.

Teladoc has been the first telehealth company to go public and has been rapidly growing its user base – now serving 37 million clients from a network of 3,000 healthcare professionals. By displaying continuous customer satisfaction above most direct-to-consumers care providers, Teladoc demonstrates that positive patient outcomes can go hand-in-hand with reducing costs to the healthcare sector.

FUND IN FOCUS

Janus Henderson Global Sustainable Equity

Janus Henderson

INVESTORS

Teladoc Health received investment from the Janus Henderson Global Sustainable Equity fund, which focuses on investing in companies that are contributing to and benefiting from sustainability megatrends. Another company that contributes to improved health and wellbeing, held within the fund, is Encompass Health Corp which specialises in patient rehabilitation after trauma, and elderly social care.



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:



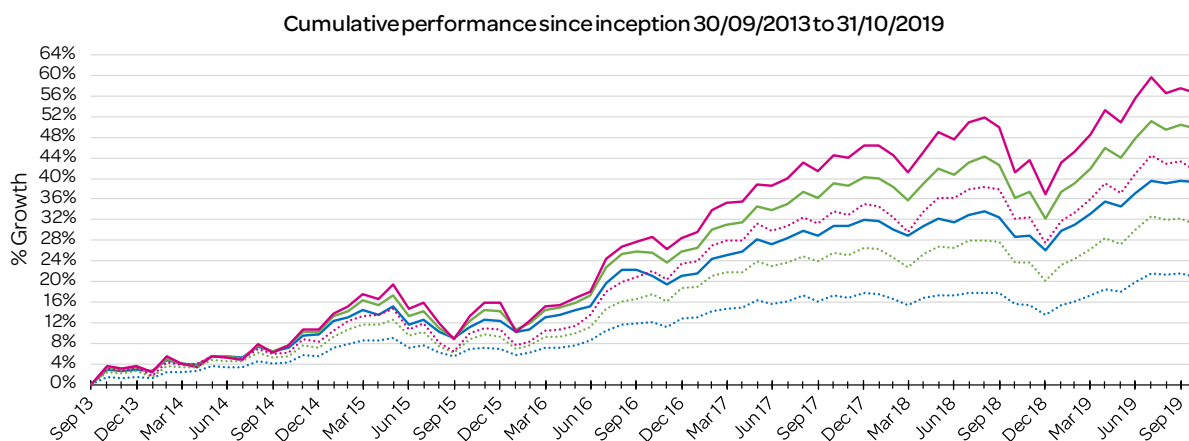
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Annual performance		Nov 18 - Oct 19	Nov 17 - Oct 18	Nov 16 - Oct 17	Nov 15 - Oct 16	Nov 14 - Oct 15
Positive Impact Cautious	—	8.18%	-1.64%	8.16%	8.95%	3.66%
ARC Cautious	.....	4.64%	-1.38%	4.46%	5.02%	2.49%
Positive Impact Balanced	—	9.81%	-1.99%	10.69%	11.71%	4.53%
ARC Balanced	.....	5.97%	-1.48%	6.74%	8.01%	3.22%
Positive Impact Adventurous	—	10.84%	-2.28%	12.33%	13.58%	5.33%
ARC Steady Growth	.....	7.00%	-1.07%	9.45%	10.87%	3.72%

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.



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