

# Future Leaders Portfolios



## *Invest sustainably using low-cost index funds*

The Future Leaders portfolios are managed with a dual mandate: to achieve long-term capital growth by investing in the most responsibly run businesses whilst avoiding the most controversial activities.

Managed by EQ Investors, a leading investment firm with over 10 years' experience in sustainable investing. Future Leaders combines investors' growing preference for socially responsible portfolios with the increasing popularity of low-cost passive funds.

### ✔ Sustainable

Future Leaders portfolios select the most sustainable companies based on published Environmental, Social and Governance ('ESG') data.

They also use thematic funds to provide an overweight to sustainable sectors (clean energy, healthcare and green bonds).

### ✔ Long term returns

Our investment process focuses on long-term returns, driven by changes in the fundamental value of assets, whilst retaining a flexible approach that is able to adapt to evolving economic and market circumstances.

### ✔ Low cost

These portfolios are built using index funds with low fund charges.

All our portfolios are globally diversified, and regularly rebalanced to reflect our views on the potential returns from different markets.

## What can ESG data tell us?



### Environment

How a company impacts the natural environment, for example through water use or carbon emissions.



### Social

How a company treats people, such as its employees, its customers, and its local community.



### Governance

How the business polices itself, including the independence and expertise of its board.

## Key features

- Invest in sustainability leaders – companies that are best managing Environmental, Social and Governance risks.
- Sustainable themes: climate solutions, health innovation, digital security, water, green bonds.
- Avoids 11 harmful activities including armaments, fossil fuel extraction, tobacco and gambling.
- Fully managed, with 8 risk-rated profiles, globally diversified across asset classes and a 3 year track record.
- Highly liquid – sustainable index trackers and Exchange Traded Funds (ETFs).
- Available on platform for ISAs, SIPPs and GIAs.
- Portfolio management fee: 0.20%–0.10% (depending on AUM)
- Underlying fund charges: ~0.25%

# Sustainability credentials

A variety of sustainability data can be used in passive funds to create sustainability outcomes.

We set high ambitions when designing the Future Leaders Portfolios around the Impact Management Project's ABC framework:



## A voiding harm

Future Leaders excludes the most harmful business activities. This includes:

- Alcohol
- Controversial and conventional weapons
- Gambling
- Pornography
- Tobacco
- Fossil fuel exploration and production

## Benefiting stakeholders

Environmental, social and governance assessments look at how responsibly any given business operates, and compares their practices to their industry peers.

The core of our Future Leaders Portfolios only selects companies that are “ESG leaders” – in the top quartile for their industry, adhering to MSCI SRI Filtered Paris Aligned Benchmark (PAB) methodology.

## Contributing to solutions

We use the UN Sustainable Development Goals as a framework for seeking companies providing solutions to unmet social and environmental needs.

Our portfolios are designed to overweight these companies, via thematic exposure to tracker funds that positively select companies providing climate solutions, health innovation, digital security, water, green bonds.

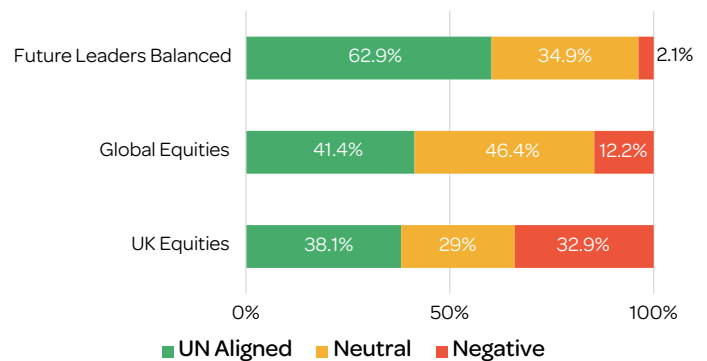
## Investing for the UN Sustainable Development Goals

Our proprietary analytics looks under the bonnet of investment portfolios to show whether holdings are making positive contribution to the UN Goals. The chart below shows how Future Leaders compares with market indices:



Comparison data as at May 2024. Source: EQ.

Investments aligned to the UN Goals



## Find out more

If you have a question about the EQ Future Leaders Portfolios, please speak to your financial adviser.

**Past performance is not a guide to future performance.** The value of investments and the income derived from them can go down as well as up, so you could get back less than you originally invested.



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