

Climate Action Portfolios



Invest to support the transition to a net zero economy

The Climate Action portfolios are managed with a dual mandate: to achieve long-term capital growth by investing in companies that show climate change leadership.

Climate change is a global issue and investors have a crucial role to play. The EQ Climate Action portfolios offer a diversified portfolio for those that see a significant opportunity in aligning investments to a low carbon world, and the risks of not doing so.

Our portfolios have a ~40% lower carbon footprint than the index.*

They contain nearly twice as many firms offering climate solutions.*

40% of holdings have set science-based targets to reduce their emissions.

Low carbon investing

We measure the carbon footprint of our investments, and measure this against a benchmark. As the climate crisis becomes more acute, today's low carbon companies will be industry leaders and offer protection against regulatory risks.

Solution focused

Companies that offer products and services that help others to reduce their emissions are an important part of the solution. These are companies in a position of strong demand with proven business models that are set to grow.

Actively engaged

Ultimately, every company needs a net zero strategy. As investors, we believe in engaging for change, so we also invest in profitable companies who may not be low carbon today, but where we can use our influence to accelerate change.

Key features

- ✓ Invest for both financial returns and to support the transition to a net-zero economy
- ✓ Fully managed: eight risk-rated profiles, globally diversified across asset classes
- ✓ Avoids armaments, fossil fuel extraction and production, gambling, pornography, thermal coal, tobacco
- ✓ Available on platform for ISAs, SIPP and GIAs
- ✓ Portfolio management fee: 0.32%–0.18% (excluding VAT) based on assets under management
- ✓ Hybrid portfolios keep costs low – underlying fund charges: ~0.5%

*Comparisons are made against the MSCI ACWI IMI Index. Data source: MSCI, EQ Investors, May 2024. The carbon footprint calculation is based on CO₂ equivalent emissions per £1m invested using the "Financed carbon emissions method" and focusing on the equity portion of the portfolio.

What's in the portfolios?

Low carbon leaders

Low carbon leaders have carbon emissions that are at least 33% lower than their industry peers (Data source: MSCI). These companies are industry leaders with advanced climate risk management processes already built into their business models, operations, and supply chains.

Climate solutions

The coming decades will see huge demand for companies that are helping to tackle the climate crisis. Companies whose products reduce carbon emissions across a wide range of industries, and green bonds that are being issued to directly finance the climate transition are positioned to grow strongly.



Improvers

The global economy depends on carbon-intensive sectors to meet real human needs. To transition to a low carbon economy, we need to decarbonise these sectors.

We invest in strongly profitable businesses with credible, science-based plans to reduce their emissions, as well as selected companies where our managers see an opportunity to engage for change.



SCIENCE BASED TARGETS

Independent verification by the Science Based Targets initiative offers a reliable way to judge whether businesses are serious about reducing their emissions over the long term.

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

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Certified



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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