EQ investors	EQ futureleaders	EQ #sustainableworld	EQ #PositiveImpact
Objectives *The strategy for achieving the client's goals.*	Dual mandate 1) To achieve long-term capital growth, 2) By investing in the most responsibly run businesses and avoiding the most controversial activities. This is achieved by investing in low cost passive funds that invest in well-run businesses, showing leadership within their sector in managing relevant environmental, social and governance (ESG) risks, and that avoid the most controversial activities. This is complemented by sustainable thematic funds.	Dual mandate 1) To achieve long-term capital growth, 2) Prioritise positive sustainability outcomes. This is achieved by investing in active and passive funds aligned with one or more of the strategy's three sustainable pillars; Impact Solutions - Core products and services contributing towards the UN Sustainable Development Goals, ESG Leaders - Best at managing environmental, social and governance (ESG) risks & Climate Focus - Show leadership addressing climate change. Engagement supports companies on this path.	Dual mandate 1) To achieve long-term capital growth 2) By investing in solutions that address the world's major social and environmental challenges This is achieved by investing in actively managed funds, focused on companies that deliver positive impact through their products and services, while also being responsibly run. This positive impact approach naturally excludes controversial activities.
Targeted profile of underlying companies *The types of companies you will find in the portfolio.*	Core: Companies with strong Environmental, Social & Governance (ESG) credentials across industries. Satellite: Includes specific exposure to companies with products and services that solve social or environmental problems, which are aligned with the UN Sustainable Development Goals (SDGs). Diversified across sectors and regions.	Companies demonstrating positive sustainability outcomes through any of the following pillars: Impact solutions: Core products and services contributing towards the UN Sustainable Development Goals, ESG Leaders: Best at managing environmental, social and governance (ESG) risks. Climate Focus: how leadership addressing climate change. Engagement supports companies on this path. Diversified across sectors and regions.	Companies whose products and services solve social and environmental problems, providing intentional, material, and additional impact on the UN Sustainable Development Goals (SDGs). Companies also need to show leading and/or improving ESG credentials. Diversified across sectors and regions.
Investment approach	Passive	Hybrid	Active
Underlying fund cost* *MiFID II Total Cost (OCF + Transactional + Incidental costs)*	0.25%	0.44%	0.53%

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Number of funds*	19	21	18
DFM fee *No VAT. Fee depends on AUM.*	0.10–0.20%	0.18–0.32%	0.18–0.32%
Investor profile *Illustrating different client needs and priorities.*	• Wants to invest sustainably at low cost • Prioritises lower cost over sustainability preferences, in their investments • Wants to support sustainability leaders across most sectors	• Wants to invest n different approaches to sustainability as long as it is transparently defined and reported • Wants a flexible approach investing in climate focus, impact solutions and ESG leaders • Does not feel the need to be prescriptive about sustainability preferences, but want to leverage on experts to define sustainability outcomes	• Wants to focus on investing in solutions to social and environmental challenges, as defined by the UN Goals • Wants to exclude as many controversial activities as possible, which harm people & planet • Wants to see the measurable impact associated with their investments • Interested in advancing impact across social and environmental issues, including through stewardship. • Passionate about sustainability in their personal life
Negative screens / exclusions *The types of companies you will NOT find in the portfolio.* *Negative screens are applied on companies flagging in a given category beyond a minimum threshold of revenues, which is usually >5% but varies by category. Please see full exclusion policy document here.*	• Alcohol • All armaments and weapons • Fossil fuel exploration and production • Gambling • Pornography • Tobacco • Thermal coal	• All armaments and weapons • Fossil fuel exploration and production • Gambling • Pornography • Tobacco • Thermal coal	Naturally avoids most controversial sectors and business activities preventing progress towards the UN Goals, including: • Air travel • Alcohol • All armaments and weapons • Animal farming • Fossil fuel exploration, production, distribution and service • Gambling • Military contracting • Mining • Palm oil • Pornography • Pesticides • Thermal coal • Tobacco • Unhealthy food and beverages

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Impact / sustainability reporting *Measurements available*	Carbon footprinting UN Sustainable Development Goal (SDG) alignment Annual Future Leaders Sustainability Report Quarterly case study reporting	Carbon footprinting UN Sustainable Development Goal (SDG) alignment Climate alignment Impact calculator Annual Sustainability Report Quarterly case study reporting	Carbon footprinting UN Sustainable Development Goal (SDG) alignment Impact calculator Annual Positive Impact Report Quarterly case study reporting
SDG alignment* *Proportion of the portfolio that positively contributes to at least one of the SDGs.*	59.2%%	66.2%	85.5%
Negative impact* *Proportion of the portfolio that negatively impacts on (any) SDG.*	2.6%	1.2%	0%
Carbon footprint* *Carbon intensity (market value) covering Scope 1, 2 & 3 within the portfolio*	57% lower than Global Equities	50% lower than Global Equities	49% lower than Global Equities
Climate alignment* *The proportion of the portfolio in companies that are contributing to decarbonisation*	Not relevant for this proposition	55.6% (Low carbon and Climate solutions), 32.5% (Transition leaders)	Not relevant for this proposition
Style bias	The exclusions of fossil fuels, armament and tobacco mean that the portfolios have an underweight to value vs a more traditional benchmark or peer group	The exclusions of fossil fuels, armament and tobacco mean that the portfolios have an underweight to value vs a more traditional benchmark or peer group. Use of multiple sustainability approaches could introduce a minor overweight to growth vs a more traditional benchmark or peer group.	The exclusions of mining, fossil fuels, armament and tobacco mean that the portfolios have an underweight to value vs a more traditional benchmark or peer group. The focus on companies evolving in fast growing themes mean that the portfolios are likely to have an overweight to growth vs a more traditional benchmark or peer group.

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Market cap bias	Structural bias towards large size companies.	The hybrid approach combined leads to a structural bias towards large sized companies.	The focus on fast growing themes means the portfolios are likely to have an overweight to medium and smaller companies vs a more traditional benchmark or peer group.
Regional bias	The portfolios don't have a UK equity bias. The equity allocation is spread across US, Europe, UK, Asia, Japan and Emerging Markets and broadly based on the aggregate market capitalisations of those regions.	The portfolios don't have a UK equity bias. The equity allocation is spread across US, Europe, UK, Asia, Japan and Emerging Markets and broadly based on the aggregate market capitalisations of those regions.	The portfolios don't have a UK equity bias. The equity allocation is spread across US, Europe, UK, Asia, Japan and Emerging Markets and broadly based on the aggregate market capitalisations of those regions.
Performance divergence (ie tracking error) vs traditional portfolios / indices	The tracking approach limits the potential for performance divergence vs traditionally managed portfolios and indices.	Low to moderate tracking error due to limited negative exclusions and limited style and market cap biases.	Positive Impact Portfolios can experience larger divergence than other portfolios due to a higher number of sector exclusions. They can also experience higher volatility than other portfolios due to their style and market cap biases.
Concentration of holdings*	948 underlying equity holdings 8,154 underlying bond holdings	598 underlying equity holdings 1,705 underlying bond holdings	355 underlying equity holdings 910 underlying bond holdings

*For a Balanced Risk profile, Data as at February 2025. Source: MSCI, Morningstar, EQ Proprietary

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