



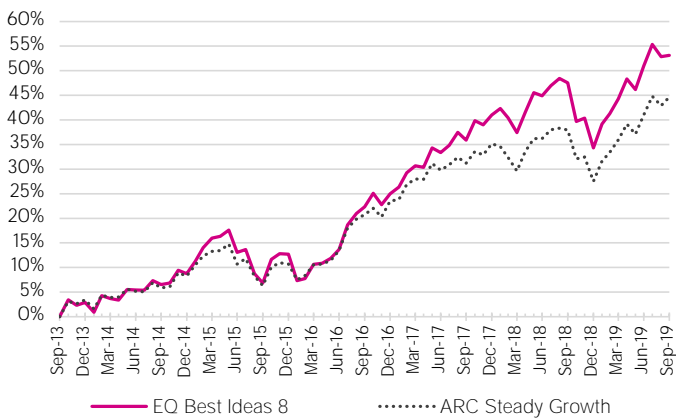
# Best Ideas 8 - Adventurous Model Portfolio Factsheet

30 Sep 2019

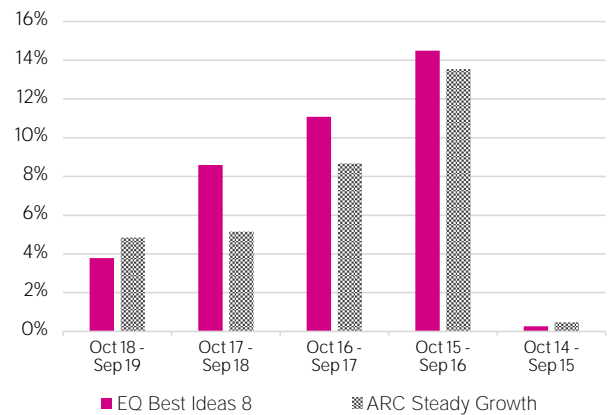
Our signature strategy invests in the very best ideas unearthed by our research team. This includes both specialist, actively managed funds and passive tracker funds, with an overall aim of beating the market.

This portfolio maintains a bias towards higher volatility investments, with up to 95% invested in equity funds. It aims to diversify risk by investing across regions, and enhance returns through its asset allocation strategy and fund selections. We benchmark this portfolio against the Asset Risk Consultants (ARC) Steady Growth Benchmark.

## Past performance since inception: 30/09/2013 to 30/09/2019



## Discrete performance



Cumulative performance	3M	6M	1Y	3Y	5Y	Since incep.
EQ Best Ideas 8	1.46%	6.16%	3.79%	25.19%	43.72%	53.15%
ARC Steady Growth	2.58%	6.41%	4.84%	19.79%	36.65%	44.64%

Discrete performance	Oct 18 - Sep 19	Oct 17 - Sep 18	Oct 16 - Sep 17	Oct 15 - Sep 16	Oct 14 - Sep 15
EQ Best Ideas 8	3.79%	8.59%	11.08%	14.49%	0.27%
ARC Steady Growth	4.84%	5.15%	8.67%	13.54%	0.47%

Volatility	1Y	3Y	5Y	Since incep.
EQ Best Ideas 8	10.30%	7.35%	7.64%	7.36%
ARC Steady Growth	8.86%	6.42%	6.45%	6.24%

Underlying fund charges & yield	
Ongoing charges	0.78%
12 month indicative yield	1.50%

## Portfolio manager



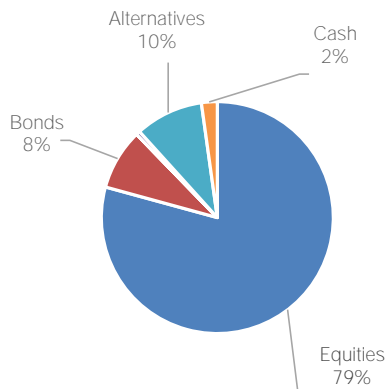
### Kasim Zafar, CFA

Kasim is EQ's Investment Strategist and also the Investment Manager for the EQ Investors Best Ideas and Low Cost model portfolios. He leads EQ's research in portfolio strategy and supports the investment team's fund research across all asset classes. He began his career in investments in 2002 at a boutique alternative investment specialist, moving into multi-asset investing in 2010. He has gained experience as an investment manager and analyst across global capital markets, building portfolios with varying risk and return objectives. Kasim is a CFA charter holder, being a regular member of the CFA Institute and CFA UK. He graduated with a BSc (Hons) in Physics from Imperial College.

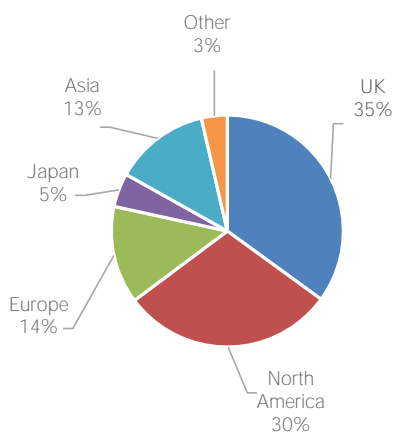
Model performance is shown in sterling, net of underlying fund charges and an EQ management fee of 0.59% (including VAT) per annum, but excludes platform and advice fees. Underlying fund charges may vary depending on platform. All income reinvested; actual returns may vary. ARC benchmark figures are based on participating investment managers' actual performance data, net of fees, following the last quarter end; benchmark figures for the current quarter will be based on ARC's estimates which are subject to revision. Data sources: EQ, Morningstar.

Past performance is not a reliable indicator of future performance. The value of investments and income derived from them can go down as well as up and you may get back less than originally invested.

## Asset allocation



## Equities breakdown



## Asset class outlook

**Equities:** Equities are being driven on one hand by the US-China trade war that presents downside risk and on the other hand by the easing of monetary conditions by central banks across the globe that presents upside potential. We have reduced our overall exposure to equities slightly, focused on quality companies and proceed with a caution.

**Bonds:** With the aggregate market showing signs of being in the late stages of the business cycle, we prefer government bonds and have significantly reduced our exposure to corporate bonds that can fall at the same time as other growth assets.

**Property:** We maintain our preference for prime property with long leases within the industrial and alternatives sectors as we see headwinds for the standard retail and office segments of the market. Within model portfolios that invest via open ended funds, we have removed exposure to property entirely due to concerns about liquidity over the UK's exit from the EU.

**Alternatives:** The market environment is currently governed by macro risk sentiment rather than micro business fundamentals. This can cause trouble for a variety of strategies, especially systematic ones. We have reduced our investments and focused on discretionary managers.

**Cash:** We remain neutral on our cash weighting, ready to increase tactically if deterioration is seen in global financial conditions and if risks to the global economy from the US-China trade war intensify.

## Equities outlook

**UK:** UK industrial activity has deteriorated materially and the risks of "no-deal" have intensified. The outcomes remain binary, so we maintain a neutral position and remain balanced within UK equities, ready for any Brexit outcome.

**North America:** The US economy is slowing but still growing. As with other regions, the weakness is found mainly in the industrial sector but consumer facing sectors are starting to show some weakness also.

**Europe:** European business activity has slowed down alarmingly and recent hopes of change have failed to materialise. We have reduced exposure further.

**Japan:** Japanese consumers remain weak and industrial production has fallen further. We have slightly reduced our exposure again, waiting for more positive signs of growth.

**Asia:** China's recent economic stimulus has boosted manufacturing, but there has been a marked drop in new export orders. We remain neutral on the region, held back from further optimism given ongoing trade tensions with the US.

## Top 10 holdings

Top 10 holdings	Asset class	Category	Weighting
Fundsmith Equity	Equities	Global	7.5%
Liontrust Special Situations	Equities	UK	7.0%
Threadneedle UK Equity Income	Equities	UK	7.0%
JOHCM UK Dynamic	Equities	UK	6.0%
Vanguard US Equity Index	Equities	United States	6.0%
BNY Mellon Global Income	Equities	Global	5.0%
Troy Trojan	Mixed Investments	Flexible	5.0%
First State Global Listed Infrastructure	Equities	Thematic	4.0%
Janus Henderson Strategic Bond	Bonds	Flexible Bonds	4.0%
Rathbone Global Opportunities	Equities	Global	4.0%

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This model portfolio factsheet is for illustrative purposes only. The performance of portfolios linked to this model may differ from the performance of the model itself, due to the variation in timing of the initial and subsequent investments. Percentages may not add up to 100% as they are rounded to the nearest percent. This model portfolio is not suitable for all investors: investments may only be undertaken based on a recommendation from a financial adviser. While the information in this factsheet is believed to be correct, it cannot be guaranteed. No representation or warranty, expressed or implied, is given as to its accuracy or completeness. The Ongoing Charges relates to the MIFID II Ex-Ante Ongoing Charge of the underlying funds for re-occurring fees during the fiscal year. The charge includes adviser, administration, custodian, legal and any other fees that will typically not vary from year to year. It will not include any one-off charges (e.g. Entry, Exit or switching charges), Incidental Costs (e.g. performance fees) or Transaction Costs (the costs of buying or selling assets for the fund). The Ongoing Cost is a forward looking estimate, based on the last financial year's information and may vary from year to year. For newly launched funds, which do not have the previous year's information to calculate the Ongoing Cost, the figure is estimated. The Ongoing Cost used for this portfolio is based on the share classes available on the Novia platform, charges may vary across platforms based on share classes available. EQ Investors Limited ("EQ"), its partners and employees accept no liability for the consequences of you or your advisers acting upon the information contained herein. This factsheet constitutes neither investment advice, nor an offer to sell, nor is it a solicitation of an offer to purchase any security or any other investment or product. This factsheet may not be reproduced or distributed in any format without EQ's prior written consent.

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