EQ Positive Impact Adventurous Plus

Model Portfolio Factsheet | FOR FINANCIAL ADVISERS & CLIENTS | Feb 2024

Invest to solve social and environmental problems.

Company Description

EQ Investors is an award-winning discretionary fund manager focused on sustainable and impact investing. Proud to be a Certified B Corporation (B Corp), we firmly believe investors can achieve their goals while doing good for people and the planet.

Key Facts

Factsheet Date	29/02/2024
Launch Date	31/10/2015
Portfolio Yield (indicative)	1.26%
EQ Management Charge	0.32%
Underlying fund MiFID II Charges**	
Ongoing	0.44%
Transactional	0.17%
Incidental	0.00%
Total	0.61%

Source: EQ, Morningstar

Investment Team

Damien Lardoux, CFA
Portfolio Manager
Head of Impact Investing

Tertius Bonnin
Assistant Portfolio Manager
Investment Analyst

Louisiana Salge
Head of Sustainability

Awards

IFA mps Awards Winner – Best Sustainable/Responsible investing MPS 2022 Winner

defaqto EXPERT RATED ★★★★★

Investment Week Sustainable Investment Awards 2022 – WINNER – Best Sustainable Portfolio Range

Global Awards by WealthBriefing – WealthForGood AWARDS 2023 – WINNER – Best Sustainability and ESG Thought Leadership (Europe) – EQ Investors

CITYWIRE WEALTH MANAGER – BEST AVAILABILITY OF SUSTAINABLE INVESTMENT STRATEGIES – WINNER

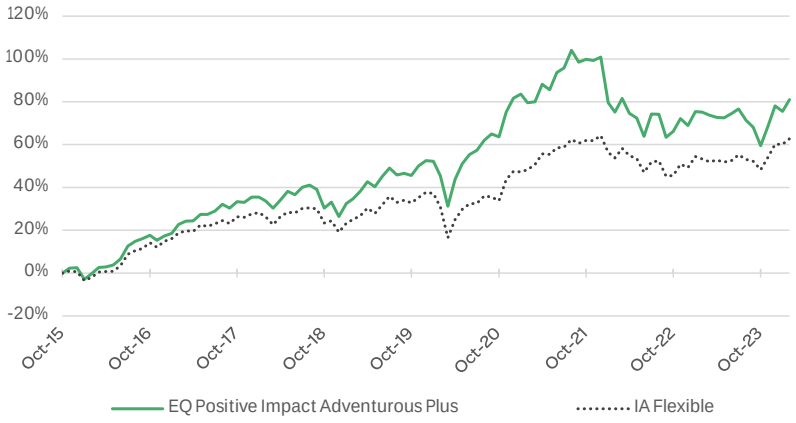
Platform Availability

7IM, abrdn Wrap, Advance, Aegon, Aegon ARC, AJ Bell, Aviva, Fundment, Funds Network, Fusion Wealth, Hubwise, M&G Wealth, Morningstar, Novia, Nucleus, Parmenion, P1, Quilter, Scottish Widows, Transact and True Potential.

Portfolio Objective

The Positive Impact portfolios have been designed with a dual mandate, to maximise financial returns and to deliver a positive impact on both society and the environment. Our positive impact approach naturally avoids controversial sectors. Indeed, it favours those companies whose products and services are providing solutions to the world's major challenges. This Adventurous Plus portfolio is diversified across a mix of equities, fixed income, infrastructure and cash.

Portfolio Performance*



Cumulative Performance (%)	3M	6M	1Y	3Y	5Y	Since launch
EQ Positive Impact Adventurous Plus	7.41	5.64	3.33	0.78	34.37	80.97
IA Flexible	5.72	6.34	6.13	9.78	30.17	62.76

Discrete Performance (%)	Mar 23 Feb 24	Mar 22 Feb 23	Mar 21 Feb 22	Mar 20 Feb 21	Mar 19 Feb 20
EQ Positive Impact Adventurous Plus	3.33	-0.03	-2.43	23.54	7.92
IA Flexible	6.13	-0.23	3.68	13.35	4.60

Volatility (%)	1Y	3Y	5Y	Since launch
EQ Positive Impact Adventurous Plus	11.35	12.75	13.03	11.47
IA Flexible	6.95	8.04	10.13	9.08

DFM Risk Profiler

defaqto 8 RISK RATING ADVENTUROUS

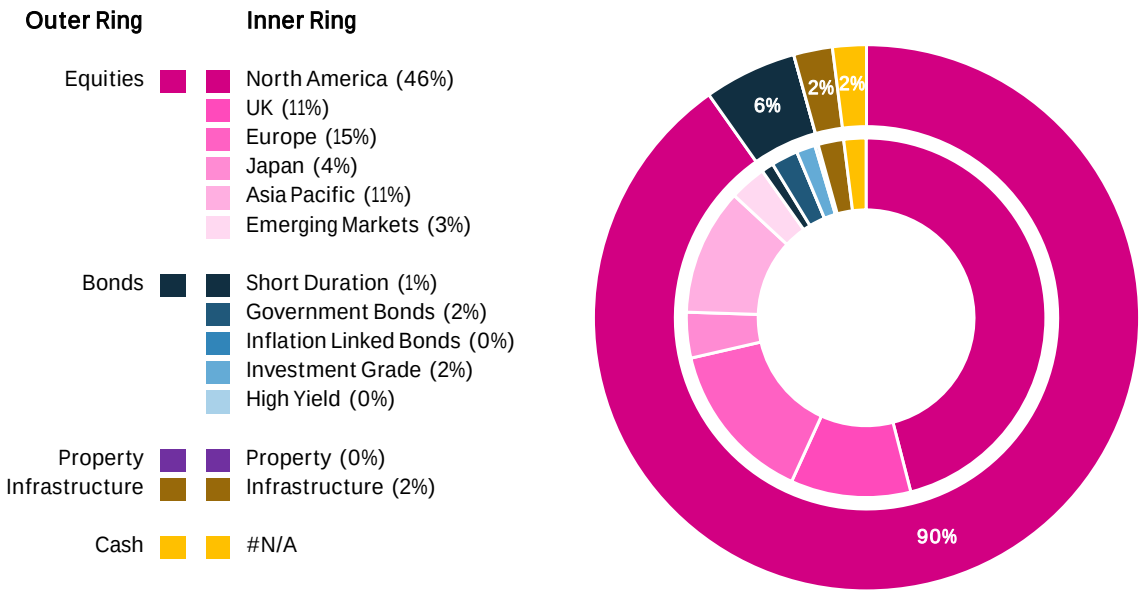
ev10 GROWTH

Oxford Risk 5/5 6/7

Past performance is not a reliable indicator of future performance. All performance is shown in sterling, net of EQ's management fee (0.32%) and underlying fund charges. It does not include platform or adviser fees. Investment Association (IA) is a universe index comprising multi asset funds that has a set equity exposure range. Source: EQ, Morningstar.

Asset Allocation

The chart below shows the short-term asset allocations of the portfolio. Percentages are subject to rounding.



Top fund holdings (1-5)	Weighting
CT Sustainable Global Equity Income	14.0%
Janus Henderson US Sustainable Equity	13.8%
Schroder Global Sustainable Value	12.5%
Regnan Sustainable Water and Waste	9.0%
Impax Environmental Leaders	8.8%

Top fund holdings (6-10)	Weighting
Stewart Investors Global Emerging Markets Leaders	6.3%
Wellington Global Impact Bond	5.5%
Ninety One Global Environment	5.3%
Baillie Gifford Positive Change	5.0%
M&G Positive Impact	4.5%

Top 10 underlying companies	Description	Weighting
Microsoft	Cloud infrastructure, developer of soft and hardware technology solutions	2.5%
Waste Management	Waste management solutions, recycling, e-cycling and waste conversion	1.4%
Taiwan Semiconductor Manufacturing	Leader in semiconductors manufacturing, key enabler to climate transition	1.3%
Xylem	Innovative water solutions including monitoring, testing and treatment	1.2%
Autodesk	3D design tools helping build more resource efficient products and buildings	1.1%
TE Connectivity	Produces electronic components, network solutions, and specialty products	1.1%
Schneider Electric	Provider of sustainable energy and efficiency technology	1.1%
GlaxoSmithKline	Pharmaceutical company developing medicines, vaccines and more	0.9%
HDFC Bank	Promoting financial inclusion through microfinance loans in India	0.9%
Linde	Supplier of industrial gasses including hydrogen for clean fuel	0.9%

The top 10 underlying equity holdings represent the top 10 equity exposures held in an aggregated list of each funds' underlying holdings in the portfolio. Multiple issues of a single company are aggregated in this list. Icons represent the overall company alignment to the UN Sustainable Development Goals. To produce this data, we use a snapshot of the funds held at the last rebalance.

UN Sustainable Development Goals: A framework for impact

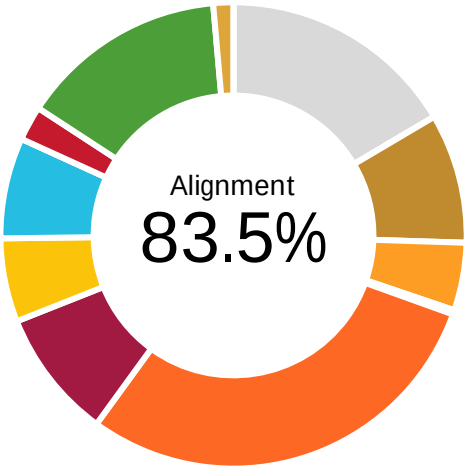
The 17 UN Sustainable Development Goals ("Global Goals") describe the world's greatest social and environmental challenges. These have been agreed as the global call to action by over 190 countries around the world. We use the Global Goals as our framework for impact, positively selecting investments that contribute to solutions to these diverse unmet needs, while excluding investments that harm progress on the goals.

Some Global Goals can be tackled by a company's core products and services; here we invest in funds positively selecting companies providing these solutions. Other Global Goals are more directly targeted through companies' operations; here we expect funds to select responsibly run companies driving positive change through their management. Our approach aims to positively impact non-investable goals through engagement on the operations of the company.
To download a copy, please visit https://eqinvestors.co.uk/advisers/blog/positive-impact-report-2021/

Portfolio alignment with the UN Sustainable Development Goals

1 NO POVERTY	
2 ZERO HUNGER	1.4%
3 GOOD HEALTH & WELL-BEING	14.4%
4 QUALITY EDUCATION	2.4%
5 GENDER EQUALITY	
6 CLEAN WATER & SANITATION	7.0%
7 AFFORDABLE & CLEAN ENERGY	5.8%
8 DECENT WORK & ECONOMIC GROWTH	9.0%
9 INDUSTRY, INNOVATION & INFRASTRUCTURE	29.5%

SUSTAINABLE DEVELOPMENT GOALS

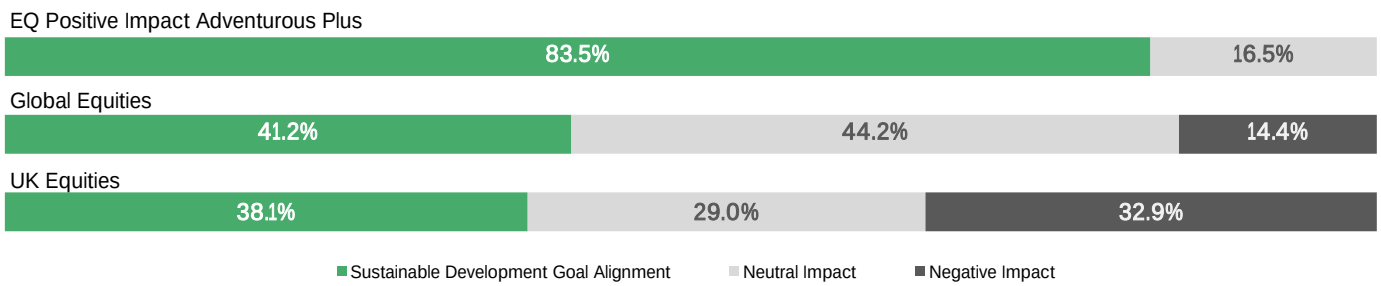


10 REDUCED INEQUALITIES	0.3%
11 SUSTAINABLE CITIES & COMMUNITIES	4.7%
12 RESPONSIBLE CONSUMPTION & PRODUCTION	9.0%
13 CLIMATE ACTION*	
14 LIFE BELOW WATER	
15 LIFE ON LAND	
16 PEACE, JUSTICE & STRONG INSTITUTIONS	
17 PARTNERSHIP FOR THE GOALS	
NEUTRAL	16.5%
NEGATIVE	

Global Goals with no figure indicate the portfolio has 0% exposure; this is because either the Global Goal presents few investable opportunities, or companies within the portfolio provide exposure to multiple goals and the most relevant goal has been selected. *The Climate Action goal overlaps with more specific goals, so we have instead mapped our exposure to these.

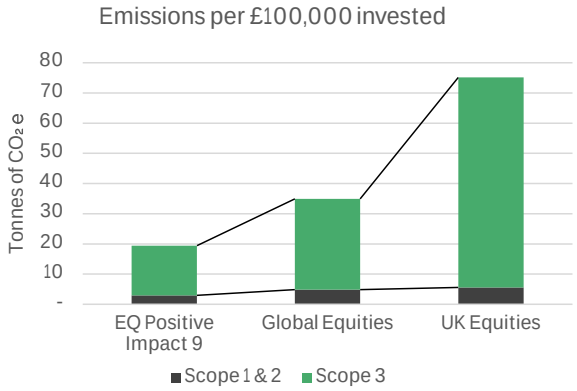
To produce this data, we use a snapshot of the funds held at the last rebalance. Underlying fund holdings are updated on an annual basis in July. New funds added to the portfolio use the latest holding data available at the time. Percentages may not add up to 100% as they are rounded to the nearest decimal. Portfolio data may differ depending on the platform used.

Portfolio impact comparison to Global Equities & UK Equities



To calculate the alignment for 'Global Equities' and 'UK Equities', we use data from ETFs tracking the performance of MSCI ACWI and FTSE 100, respectively.

Carbon Footprint



% reduction in carbon emissions vs UK Equities

-74.1%

£100,000 GBP invested in the EQ Positive Impact Adventurous Plus portfolio implied an annual emissions reduction of 56 tonnes of carbon dioxide equivalent, compared to investing the same amount into UK Equities.

The difference in reduction is equivalent to the annual emissions of:

- **12** average passenger cars driven within one year;
- **14** UK household's energy use within one year; or
- **6.3** thousand gallons of gasoline burned.

Data source: MSCI, Analysis: EQ Investors, data as at the last rebalance.

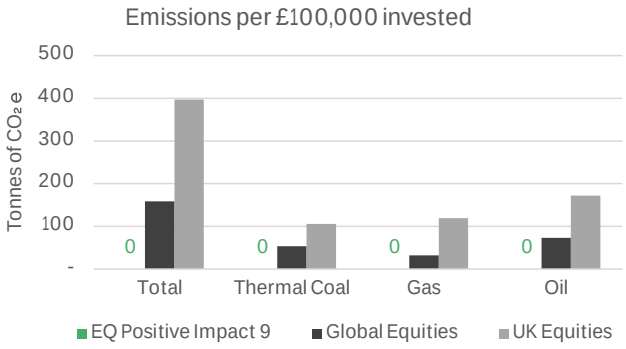
Climate Change Scenarios

Climate change's current path is still uncertain, and depends on how fast the global economy responds to the challenge to cut global carbon emissions - which are the main driver of global climate change. It is therefore relevant to understand whether the companies within a portfolio are aligned to a desirable emission reduction pathway for us. Climate scientists and global leaders have agreed that limiting global temperature rise to 1.5°C is the most desirable and yet realistic scenario.

Potential Emissions from Fossil Fuel Reserves

Currently, only 20% of the Earth's existing fossil fuel reserves can be burned while limiting global warming to the 1.5 degrees target by 2050, making the rest un-usable. To compare fuel reserves, we express potential emissions to greenhouse gas emissions as tons of CO2.

Certain fuels such as thermal coal, oil sands, shale oil/gas have a higher carbon content than other types. In addition to carbon intensity, extraction can be costly and climate unfriendly because of geological, technical and environmental challenges.



Data source: MSCI, Analysis: EQ Investors, data as at the last rebalance.

To calculate the alignment for 'Global Equities' and 'UK Equities', we use data from ETFs tracking the performance of MSCI ACWI and FTSE 100, respectively.

We use an industry standard methodology, which lets us associate the tonnes of CO2 equivalent emitted per 1m GBP invested, scaled down to 100,000 GBP invested. We use the "Financed carbon emissions method", using Enterprise Value including Cash (EVIC) as recommended in the PCAF carbon accounting standard[1].

We only focus on the equity portion of the portfolio to enable comparability with a standard market index, and include direct and indirect carbon emissions from the businesses (Scope 1,2 and 3 as defined by the greenhouse gas protocol)[2].

[1] For more information, please visit https://carbonaccountingfinancials.com/files/downloads/PCAF-Global-GHG-Standard.pdf

[2] For more information, please visit https://ghgprotocol.org/calculation-tools

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*The value of investments and income derived from them may fluctuate and investors may not get back the amount originally invested. The performance of portfolios linked to this model may differ from the model itself, due to the variation in timing of the initial and subsequent investments. This portfolio is not suitable for all investors: investments may only be undertaken based on a recommendation from a financial adviser.

**The MIFID II Ex-Ante charges are forward looking estimates based on the previous fiscal year's information and may vary year to year. 'Ongoing Costs' include adviser, administration, custodian, legal and other fees that typically do not vary year to year. 'Transaction Costs' include the costs of buying or selling assets for the fund. 'Incidental Costs' include performance fees. For newly launched funds that do not have historical data available, the Ex-Ante figure is estimated. The fund charges shown are based on the share classes available on the Pershing platform; charges may vary across platforms based on share class availability.