



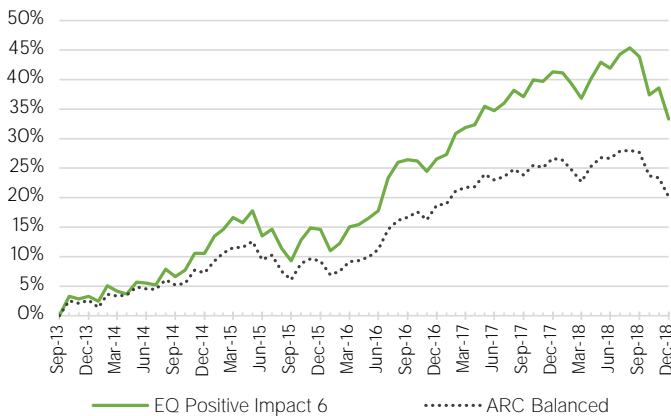
# Positive Impact 6 - Balanced Model Portfolio Factsheet

31 Dec 2018

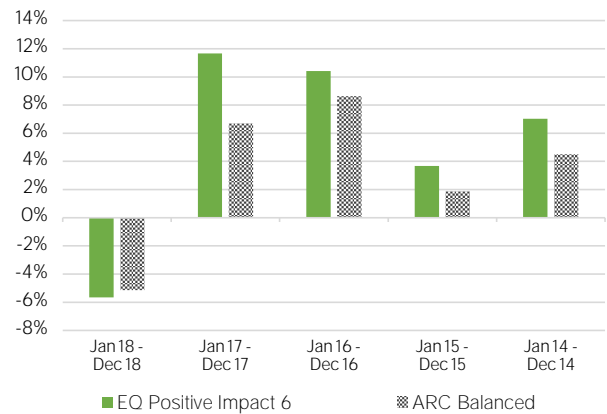
EQ's Positive Impact portfolios take a fresh look at the ethical and socially responsible universe. They identify fund managers who actively seek out companies whose products and services solve social and environmental challenges such as climate change, education or healthcare. In addition, they will avoid exposure to the most controversial sectors such as tobacco, armaments, pornography or gambling.

This portfolio has a range of investments with different risks, where equity holdings are limited to 75%. It aims to reduce investment risk by diversifying across regions and asset classes, and achieve a balance of capital protection and participation in equity market growth. We benchmark this portfolio against the Asset Risk Consultants (ARC) Balanced Benchmark.

## Past performance since inception: 30/09/2013 to 31/12/2018



## Discrete performance



Performance Includes the Ongoing Charges Figure (OCF), the transactional and incidental costs for the underlying funds and EQ discretionary management fee.

Cumulative performance	3M	6M	1Y	3Y	5Y	Since incep.
EQ Positive Impact 6	-7.33%	-6.05%	-5.66%	16.31%	29.08%	33.32%
ARC Balanced	-5.90%	-5.14%	-5.14%	9.95%	17.06%	20.14%

Discrete performance	Jan 18 - Dec 18	Jan 17 - Dec 17	Jan 16 - Dec 16	Jan 15 - Dec 15	Jan 14 - Dec 14
EQ Positive Impact 6	-5.66%	11.67%	10.41%	3.68%	7.03%
ARC Balanced	-5.14%	6.69%	8.64%	1.87%	4.51%

## Volatility

EQ Positive Impact 6		7.57%	6.53%	6.40%	6.38%
ARC Balanced		5.27%	4.69%	4.69%	4.70%

## Underlying fund charges & yield

Ongoing charges	0.73%
12 month yield	2.16%

## Portfolio manager



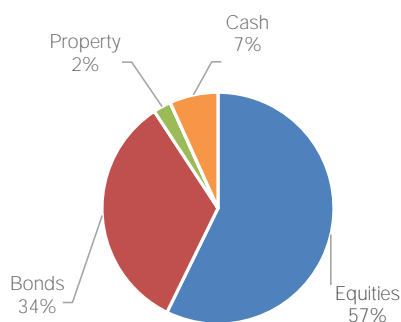
### Damien Lardoux, CFA

Damien manages our Positive Impact and Low Cost portfolios, and is actively involved in our fund and asset allocation research. Before joining EQ, he was responsible for asset allocation, security selection and portfolio construction at Bank of America Merrill Lynch. Damien has an MSc in Management from Reims Management School and an MSc in Wealth and Asset Management from ESCP-EAP Paris Business School. He is a CFA charter holder.

Model performance is shown in sterling, net of underlying fund charges and an EQ management fee of 0.42% (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



## Asset class outlook

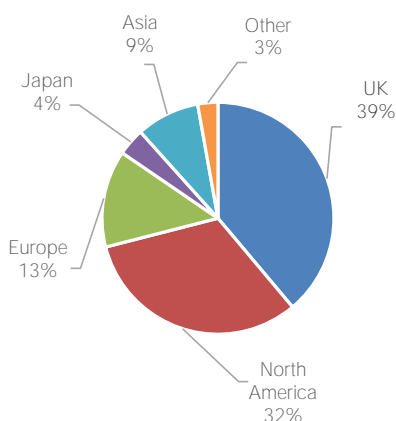
**Equities:** Equities have recently benefited from a pick-up in growth globally but a slight moderation coupled with uncertainty surrounding rising trade barriers and monetary policy tightening leads us to a more neutral outlook.

**Bonds:** Overall we are still slightly underweight bonds, but with interest rates having risen considerably in the US and with the aggregate market demonstrating late cycle characteristics, we have reduced our underweight to build additional resilience in portfolios.

**Property:** We currently see limited value in this asset class so our exposure is restricted to listed real estate investment companies.

**Cash:** In the absence of suitable alternative investments, cash is used for risk management purposes. Our view on cash is neutral as although we expect elevated levels of volatility in equities, we think there is still a reasonable chance of sterling weakness.

## Equities breakdown



## Equities outlook

**UK:** We maintain a neutral position to the UK despite concerns around implications of Brexit negotiations as the equity market offers exposure to the global economy. While consumer and healthcare stocks are defensively exposed to global growth, the former will benefit from a strengthening global consumer.

**North America:** The US economy continues to display remarkable strength. Both business surveys and measured economic activity are healthy. We see very few signs of a recession although some moderation in growth is possible from elevated levels. The trade dispute with China remains the region's greatest threat.

**Europe:** Eurozone industrial activity has slowed down as the prospect of slowing Chinese growth and increased trade barriers hits sentiment. Meanwhile, the Italian government's initial budget proposal was rejected by Brussels. We don't think we are looking at another Eurozone sovereign debt crisis, but we have further dialled back our European equity exposure with the expectation of a better buying opportunity.

**Japan:** We have reduced our overweight, patiently waiting for a sustained improvement in retail, a turn in industrial production and/ or some form of Chinese economic stimulus to support the region.

**Asia:** Though longer term growth prospects for the region are very strong, tightening monetary policy and the impact of potential trade barriers with the US have led us to close our overweight position.

## Top 10 holdings

Top 10 holdings	Asset class	Category	Weighting
EdenTree Amity Sterling Bond	Bonds	Investment Grade	13.5%
Rathbone Ethical Bond	Bonds	Investment Grade	13.5%
Royal London Sustainable Leaders	Equities	UK	8.8%
EdenTree Amity UK	Equities	UK	8.3%
SLI UK Ethical	Equities	UK	5.5%
Impax Environmental Leaders	Equities	Thematic	5.0%
Pictet Water	Equities	Thematic	5.0%
Threadneedle UK Social Bond	Bonds	Investment Grade	5.0%
BMO Responsible Global Equity	Equities	Global	4.3%
Janus Henderson Global Sustainability	Equities	Thematic	3.5%

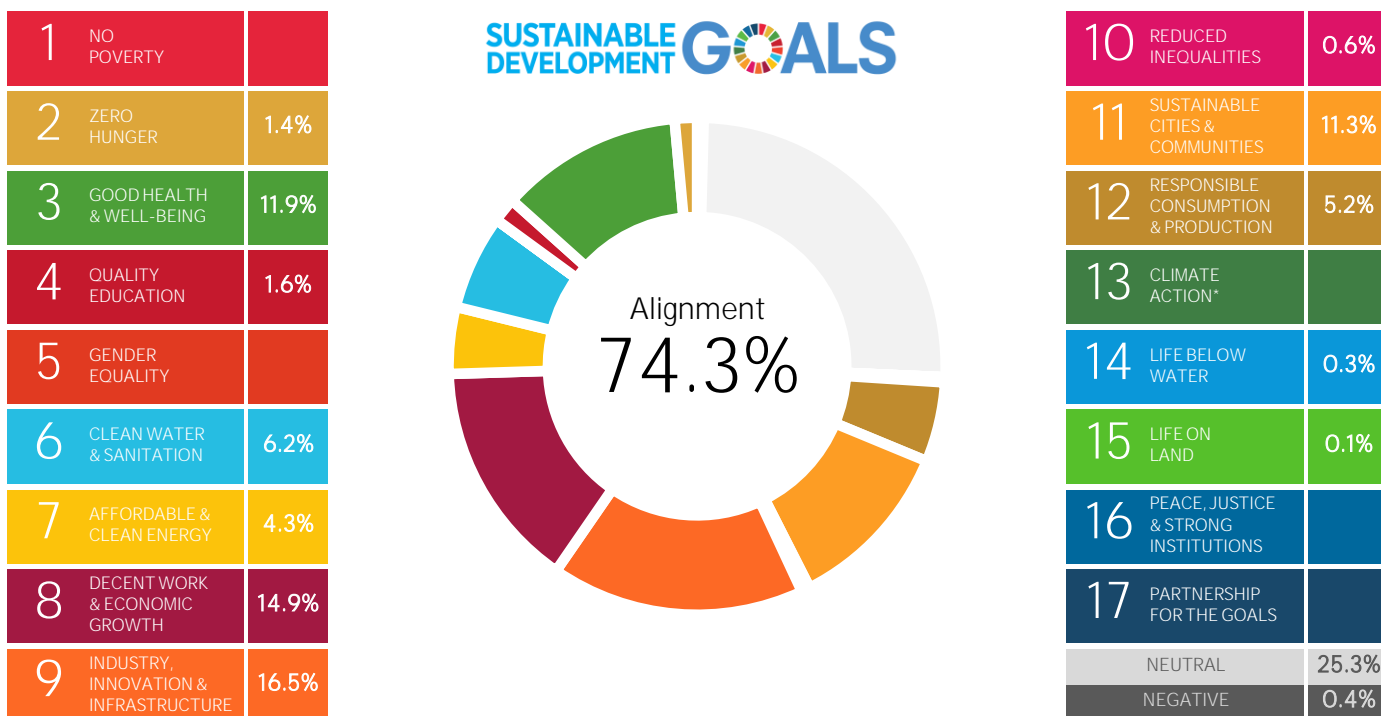
This model portfolio factsheet is for illustrative purposes only. The performance of portfolios linked to this model may differ from the performance of the model itself, due to the variation in timing of the initial and subsequent investments. Percentages may not add up to 100% as they are rounded to 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.

## What are the UN Sustainable Development Goals?

Launched following the 2015 UN Summit in Paris, the 17 Sustainable Development Goals address the issues the UN sees as most challenging to our world. The UN Sustainable Development Goals are unique in that they call for action by all countries, poor, rich and middle-income to promote prosperity while protecting the planet.

Funds in the portfolio are screened using our proprietary scoring system, which focuses on companies providing solutions to a range of social and environmental problems while screening out companies responsible for creating these problems. Further detail is outlined in our annual Impact Report. To download a copy, please visit <https://eqinvestors.co.uk/blog/celebrating-five-years-positive-impact/>

## Portfolio alignment with the UN Sustainable Development Goals



UN Sustainable Development Goals with no figure indicate that the portfolio has a 0% exposure: this is because either the Sustainable Development Goal presents very few investable opportunities, or that companies within the portfolio may give exposure to multiple goals and the more relevant goal has been selected. Percentages may not add up to 100% as they are rounded to the nearest decimal.

\*The Climate Action goal overlaps with some more specific goals, so we have instead mapped our exposure to these.

## A framework for impact

We have analysed the impact of each company's core products and services and actual alignment with the UN Sustainable Development Goals. In the case of a company aligning with multiple Goals, we have selected the most relevant based on contribution to revenues.

Negative impact relates to companies whose core products or services have a detrimental impact on society or the environment, such as alcohol, armaments, fossil fuels, gambling, mining or tobacco. Neutral impact relates to those companies whose core products or services do not have a clear positive or negative impact on society or the environment.

## Portfolio impact comparison to FTSE 100

Positive Impact 6 - Balanced



■ Sustainable Development Goal Alignment ■ Neutral Impact ■ Negative Impact

To produce this data we looked at all of the funds held within the portfolio with weightings as of the last rebalance. In regards to the fund's holding data, we are referring to the data used in the last annual Impact Report.

020 7488 7110

enquiries@eqinvestors.co.uk

@eqinvestors

EQ Investors

EQ Investors, Centennium House, 100 Lower Thames Street, London EC3R 6DL

EQ Investors Limited is authorised and regulated by the Financial Conduct Authority.

Registered in England & Wales at 6th Floor, 60 Gracechurch Street, London EC3V 0HR. Company Number 07223330.