Positive Impact Portfolio (PIP) Offshore EUR - All Equity Model Portfolio Factsheet

31 Jul 2020

This strategy selects funds that invest in companies helping to tackle social and environmental problems, while avoiding sectors such as tobacco, armaments, pornography or gambling.

This portfolio is designed for the most adventurous risk profile, with up to 100% invested in equity funds. It is unconstrained by selection criteria within the universe of available equity funds, and can make concentrated investments, use sector specific funds, and invest in any geographic region. As a high risk portfolio, its performance is expected to be volatile. We benchmark this portfolio against the Managed Portfolio Indices (MPI) High Risk Benchmark in Euros.

Past performance since inception: 31/12/2019 to 31/07/2020

Cumulative data not available
(inception within a year)

Discrete performance

Discrete data not available
(inception within a year)

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 PIP Offshore EUR 10	-	-	-	-	-	-
MPI High Risk EUR	-	-	-	-	-	-

Discrete performance	Aug 19 - Jul 20	Aug 18 - Jul 19	Aug 17 - Jul 18	Aug 16 - Jul 17	Aug 15 - Jul 16
EQ PIP Offshore EUR 10	-	-	-	-	-
MPI High Risk EUR	-	-	-	-	-

Volatility	1Y	3Y	5Y	Since incep.
EQ PIP Offshore EUR 10	-	-	-	-
MPI High Risk EUR	-	-	-	-

Underlying fund charges & yield	
Ongoing charges	0.78%
12 month indicative yield	0.32%

Portfolio manager

Damien Lardoux, CFA

Damien manages our Positive Impact and Future Leaders 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.

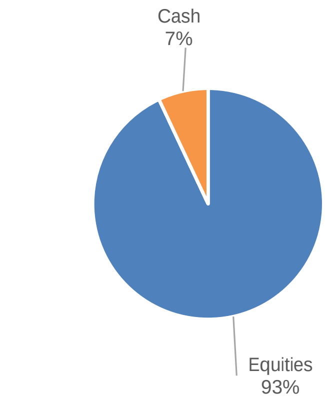
Model performance is shown in euros, net of underlying fund charges and an EQ management fee of 0.33% per annum, but excludes platform and advice fees. Underlying funds and fund charges may vary depending on platform. All income reinvested; actual returns may vary. MPI benchmark figures are based on participating investment managers' actual performance data, net of fees, following the last quarter end; benchmark figures for the current quarter will be based on MPI'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.

IMPACT CHAMPION DISCRETIONARY FUND MANAGER | 2018 IMPACT AWARDS

TOP 100 | TOP DFM

Asset allocation

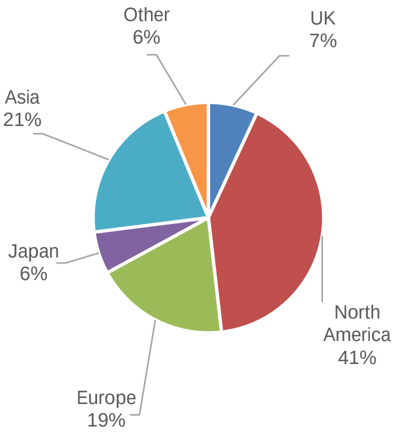


Asset class outlook

Equities: Equities were being driven by positive developments in the global economy until facing material weakness as the coronavirus spread globally. The path of future growth is currently highly uncertain and dependent on two factors: i) the public health response to the virus and the consequent impact on growth; and ii) the monetary and fiscal response to the virus and how much of the negative growth impact they are able to offset. We think uncertainties are rising, not falling and so have slightly reduced our exposure while increasing defensiveness within them.

Cash: We have tactically increased our cash holdings.

Equities breakdown



Equities outlook

UK: The government's sizeable majority gives it the ablity to implement policy without significant difficulties. However, dealing with COVID19 overshadows pretty much all other agenda items. That means we are heading towards a hard cliff-edge Brexit unless we ask for an extension. On a longer term view, we think the sector composition of the UK equity market is less attractive than other regions and so we are reducing our holdings here.

North America: The extent of damage caused by COVID19 economic shut-downs is still unknown but the innovation and growth of tech-enabled businesses in the US makes the market more attractive than others on a relative basis. We temper our enthusiasm given a recent increase in trade rhetoric against China.

Europe: The scale of Europe's fiscal and monetary response to the COVID19 crisis is significantly smaller than in the US and elsewhere. This may limit the degree to which economic damage can be averted. The bias to industrial activity in the economy and within equity markets mean both will be sensitive to global manufacturing activity and less to how severely consumers are locked down.

Japan: Although the Tokyo Olympics have been postponed, Japan has launched a fiscal and monetary stimulus programme that will help to limit the damage. Similar to Europe, Japan is more sensitive to industrial activity and so could start to recover before social distancing measures return to normal.

Asia: in China, the country is back to operating at around 60% of its capacity. Although most lockdowns have been removed, there are lasting impacts on consumer behaviour and the country's export companies are facing a massive drop in demand as the rest of the world is in lockdown. The market could perform very strongly when easing measures are introduced in the West.

Top holdings	Asset class	Category	Weighting
BMO Responsible Global Emerging Markets	Equities	Emerging Markets	15.0%
Baillie Gifford WorldWide Positive Change	Equities	Global	12.0%
Janus Henderson Global Sustainable Equity	Equities	Thematic	11.0%
BMO Responsible Global Equity	Equities	Global	10.0%
Hermes Impact Opportunities	Equities	Thematic	10.0%
Impax Asian Environmental Markets	Equities	Thematic	6.0%
Impax Environmental Markets	Equities	Thematic	6.0%
Polar Capital Biotechnology	Equities	Thematic	6.0%
Fidelity Sustainable Water & Waste	Equities	Thematic	5.0%
Pictet Water	Equities	Thematic	5.0%

What are the UN Sustainable Development Goals?

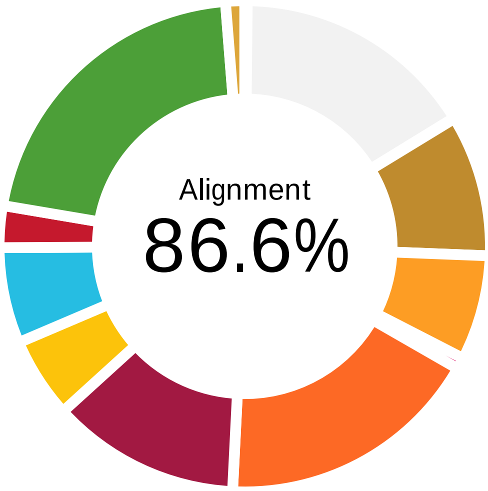
Launched following the 2015 UN Summit in Paris, the 17 Sustainable Development Goals address the issues the UN sees as most challenging to our world. The UN Sustainable Development Goals are unique in that they call for action by all countries, poor, rich and middle-income to promote prosperity while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

1 NO POVERTY	
2 ZERO HUNGER	1.7%
3 GOOD HEALTH & WELL-BEING	22.4%
4 QUALITY EDUCATION	0.9%
5 GENDER EQUALITY	
6 CLEAN WATER & SANITATION	10.3%
7 AFFORDABLE & CLEAN ENERGY	6.3%
8 DECENT WORK & ECONOMIC GROWTH	10.8%
9 INDUSTRY, INNOVATION & INFRASTRUCTURE	20.2%
10 REDUCED INEQUALITIES	0.0%
11 SUSTAINABLE CITIES & COMMUNITIES	3.8%
12 RESPONSIBLE CONSUMPTION & PRODUCTION	9.9%
13 CLIMATE ACTION*	
14 LIFE BELOW WATER	0.1%
15 LIFE ON LAND	0.1%
16 PEACE, JUSTICE & STRONG INSTITUTIONS	
17 PARTNERSHIP FOR THE GOALS	
NEUTRAL	13.0%
NEGATIVE	0.3%

SUSTAINABLE DEVELOPMENT GOALS



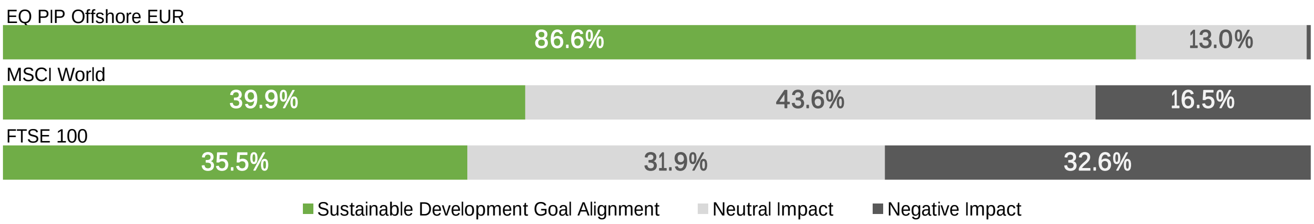
UN Sustainable Development Goals with no figure indicate that the portfolio has a 0% exposure; this is because either the Sustainable Development Goal presents very few investable opportunities, or that companies within the portfolio may give exposure to multiple goals and the more relevant goal has 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 MSCI World & FTSE 100



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.The above data may slightly differ depending on the platform being used.

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