



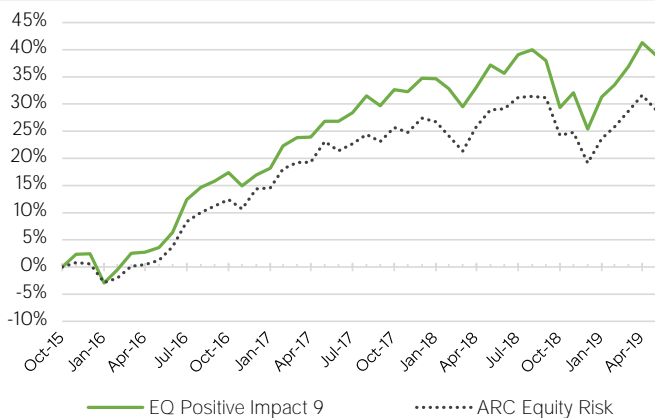
# Positive Impact 9 - Adventurous Plus Model Portfolio Factsheet

31 May 2019

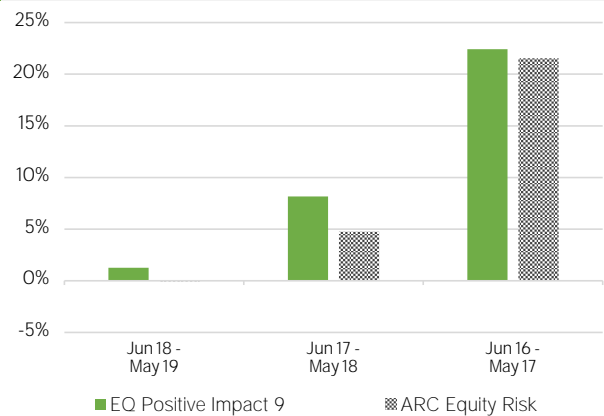
EQ's Positive Impact portfolios take a fresh look at the ethical and socially responsible universe. They identify fund managers who actively seek out companies whose products and services solve social and environmental challenges such as climate change, education or healthcare. In addition, they will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

This portfolio maintains a bias towards higher volatility investments, with up to 100% invested in equity funds. It aims to diversify risk by investing across regions, and enhance returns through its asset allocation strategy and fund selections. As a high risk portfolio, its performance is expected to be volatile. We benchmark this portfolio against the Asset Risk Consultants (ARC) Equity Risk Benchmark.

## Past performance since inception: 31/10/2015 to 31/05/2019



## Discrete performance



Cumulative performance	3M	6M	1Y	3Y	5Y	Since incep.
EQ Positive Impact 9	4.08%	5.19%	1.27%	34.11%	-	38.93%
ARC Equity Risk	2.45%	3.27%	-0.05%	27.25%	33.40%	28.86%

Discrete performance	Jun 18 - May 19	Jun 17 - May 18	Jun 16 - May 17	Jun 15 - May 16	Jun 14 - May 15
EQ Positive Impact 9	1.27%	8.16%	22.43%	-	-
ARC Equity Risk	-0.05%	4.74%	21.55%	-3.74%	8.91%

Volatility	1Y	3Y	5Y	Since incep.
EQ Positive Impact 9	11.65%	8.60%	-	8.68%
ARC Equity Risk	9.54%	7.75%	7.57%	7.47%

Underlying fund charges & yield	
Ongoing charges	0.84%
12 month yield	1.04%

## Portfolio manager



### Damien Lardoux, CFA

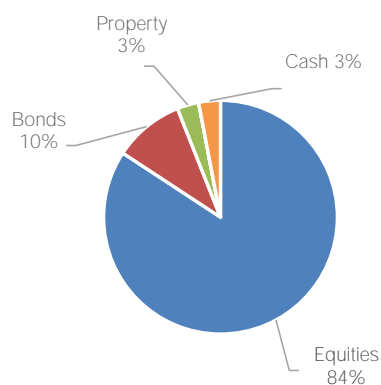
Damien manages our Positive Impact and Low Cost portfolios, and is actively involved in our fund and asset allocation research. Before joining EQ, he was responsible for asset allocation, security selection and portfolio construction at Bank of America Merrill Lynch. Damien has an MSc in Management from 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 0.59% (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.

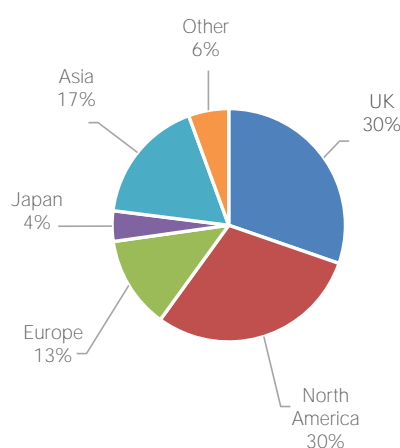
Past performance is not a reliable indicator of future performance. The value of investments and income derived from them can go down as well as up and you may get back less than originally invested.



## Asset allocation



## Equities breakdown



## Asset class outlook

**Equities:** Equities have rallied globally on the pause in central bank policy tightening. More recent weakness in equities has been driven by rising risk of trade barriers between the US & China in particular. The potential for easing monetary policy leads us to a more neutral outlook.

**Bonds:** With interest rates having risen considerably in the US and with the aggregate market demonstrating late cycle characteristics, we prefer government bonds which we believe will provide an element of protection.

**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 slightly positive as we expect elevated levels of volatility in equities.

## Equities outlook

**UK:** We maintain a neutral position to the UK as we balance considerations such as equity market valuations, the strength of the UK economy and the risk of a significant move in sterling.

**North America:** The US economy is still growing but weakening from the supercharged growth of 2017 and early 2018. 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, but there are signs of change. European exports to China are a significant contributor to business activity. If the recent uptick in Chinese PMI data is sustained, we could see a recovery in European exports too.

**Japan:** Japanese consumers weaken and industrial production has nose dived. We have slightly reduced our exposure again, waiting for more positive signs of growth.

**Asia:** China's recent economic stimulus has boosted manufacturing, but was much smaller and more targeted than that delivered in 2015. We turn slightly positive 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
BMO Responsible Global Emerging Markets	Equities	Emerging Markets	11.0%
Investec UK Sustainable Equity	Equities	UK	8.0%
SLI UK Ethical	Equities	UK	7.8%
Royal London Sustainable Leaders	Equities	UK	7.5%
Pictet Water	Equities	Thematic	6.8%
Impax Asian Environmental Markets	Equities	Thematic	6.0%
Polar Capital Biotechnology	Equities	Thematic	5.5%
Impax Environmental Markets	Equities	Thematic	5.0%
BMO Responsible Global Equity	Equities	Global	4.5%
Hermes Impact Opportunities	Equities	Thematic	4.3%

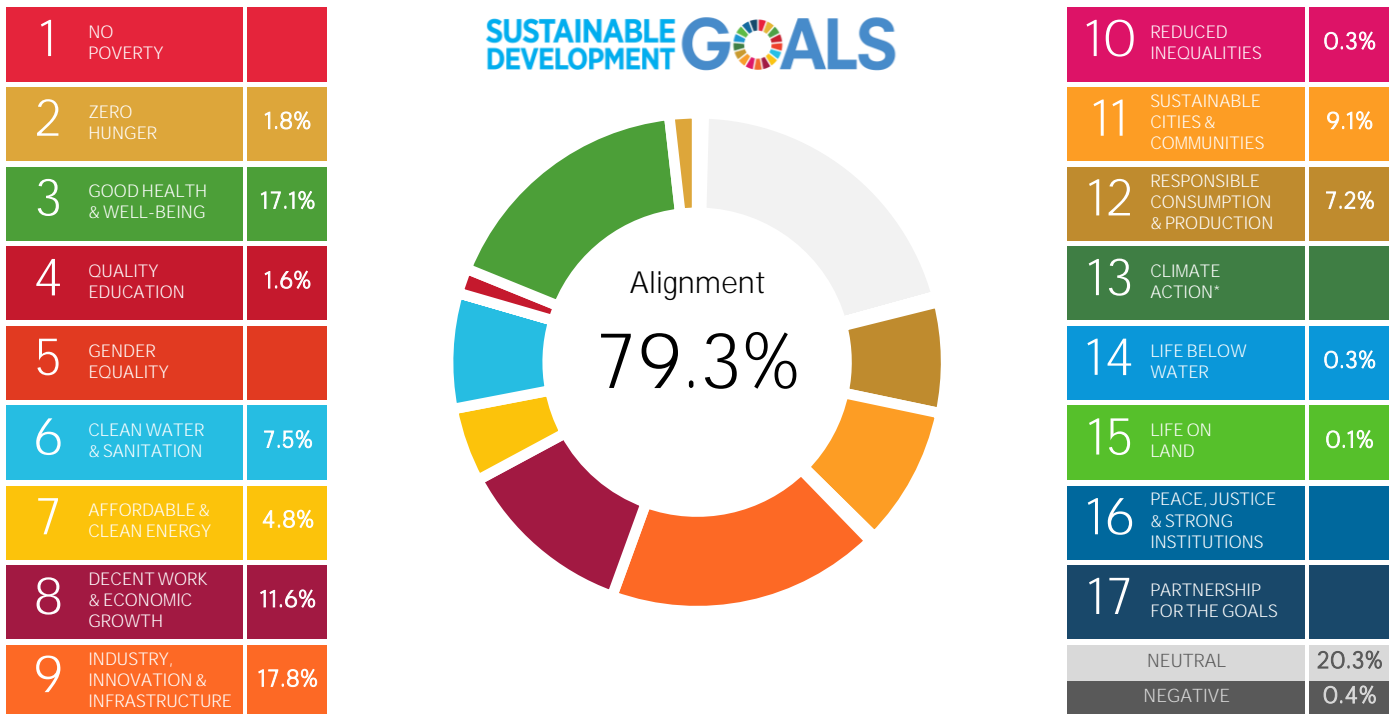
This model portfolio factsheet is for illustrative purposes only. The performance of portfolios linked to this model may differ from the performance of the model itself, due to the variation in timing of the initial and subsequent investments. Percentages may not add up to 100% as they are rounded to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

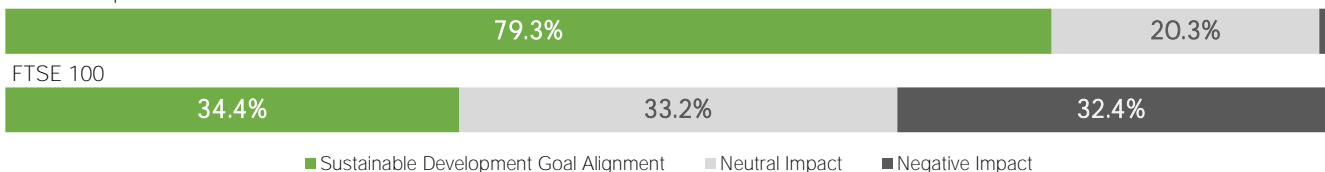
## A framework for impact

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 9 - Adventurous Plus



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.

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