



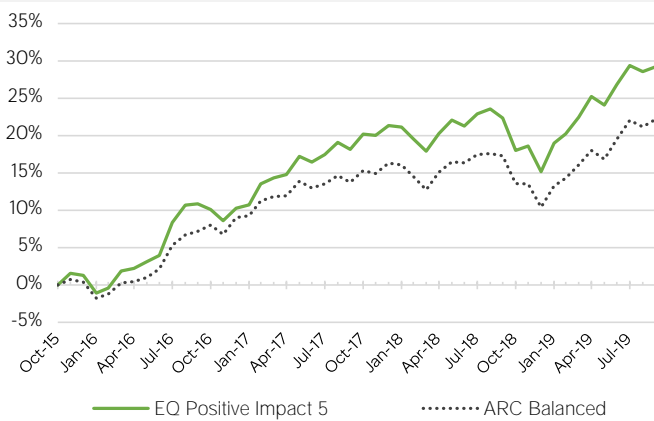
# Positive Impact 5 - Cautious Plus Model Portfolio Factsheet

30 Sep 2019

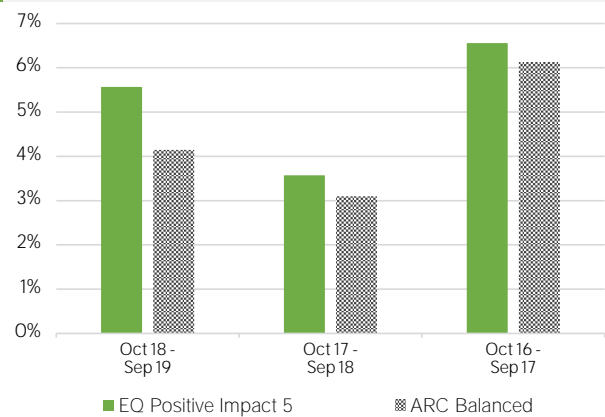
This strategy selects funds that invest in companies helping to tackle social and environmental problems, while avoiding sectors such as tobacco, armaments, pornography or gambling.

This portfolio maintains a bias towards lower volatility investments with equity holdings limited to 60%. It focuses on capital protection with a moderate participation in equity market growth, and aims to reduce investment risk by diversifying across regions and asset classes. We benchmark this portfolio against the Asset Risk Consultants (ARC) Balanced Benchmark.

## Past performance since inception: 31/10/2015 to 30/09/2019



## Discrete performance



Cumulative performance	3M	6M	1Y	3Y	5Y	Since incep.
EQ Positive Impact 5	1.86%	5.49%	5.57%	16.51%	-	29.18%
ARC Balanced	2.20%	5.23%	4.15%	13.96%	26.37%	22.14%

Discrete performance	Oct 18 - Sep 19	Oct 17 - Sep 18	Oct 16 - Sep 17	Oct 15 - Sep 16	Oct 14 - Sep 15
EQ Positive Impact 5	5.57%	3.57%	6.56%	-	-
ARC Balanced	4.15%	3.10%	6.13%	9.96%	0.84%

Volatility	1Y	3Y	5Y	Since incep.
EQ Positive Impact 5	7.35%	5.34%	-	5.43%
ARC Balanced	6.66%	4.81%	4.89%	4.69%

Underlying fund charges & yield	
Ongoing charges	0.66%
12 month indicative yield	2.07%

## Portfolio manager



**Damien Lardoux, CFA**

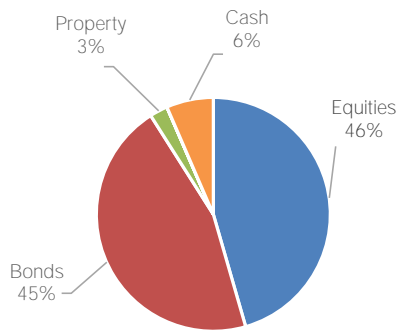
Damien manages our Positive Impact portfolios, and is actively involved in our fund and asset allocation research. Before joining EQ, he was responsible for asset allocation, security selection and portfolio construction at Bank of America Merrill Lynch. Damien has an MSc in Management from Reims Management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



## Asset class outlook

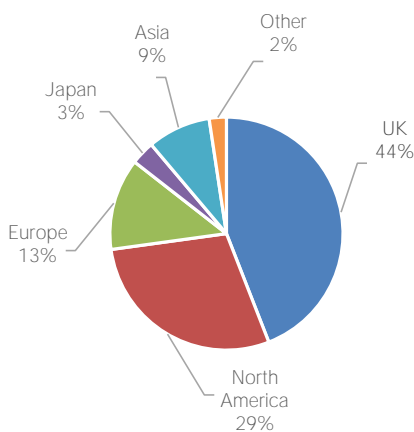
**Equities:** Equities are being driven on one hand by the US-China trade war that presents downside risk and on the other hand by the easing of monetary conditions by central banks across the globe that presents upside potential. We have reduced our overall exposure to equities slightly, focused on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

**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 alternatives 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 breakdown



## 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 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
EdenTree Amity Sterling Bond	Bonds	Investment Grade	12.0%
Rathbone Ethical Bond	Bonds	Investment Grade	12.0%
Threadneedle UK Social Bond	Bonds	Investment Grade	10.5%
Royal London Sustainable Leaders	Equities	UK	8.5%
Investec UK Sustainable Equity	Equities	UK	6.5%
ASI UK Ethical Equity	Equities	UK	4.5%
Pictet Water	Equities	Thematic	4.5%
Impax Environmental Leaders	Equities	Thematic	4.0%
Allianz Green Bond	Bonds	Investment Grade	3.0%
Royal London Sustainable Managed Income	Bonds	Investment Grade	3.0%

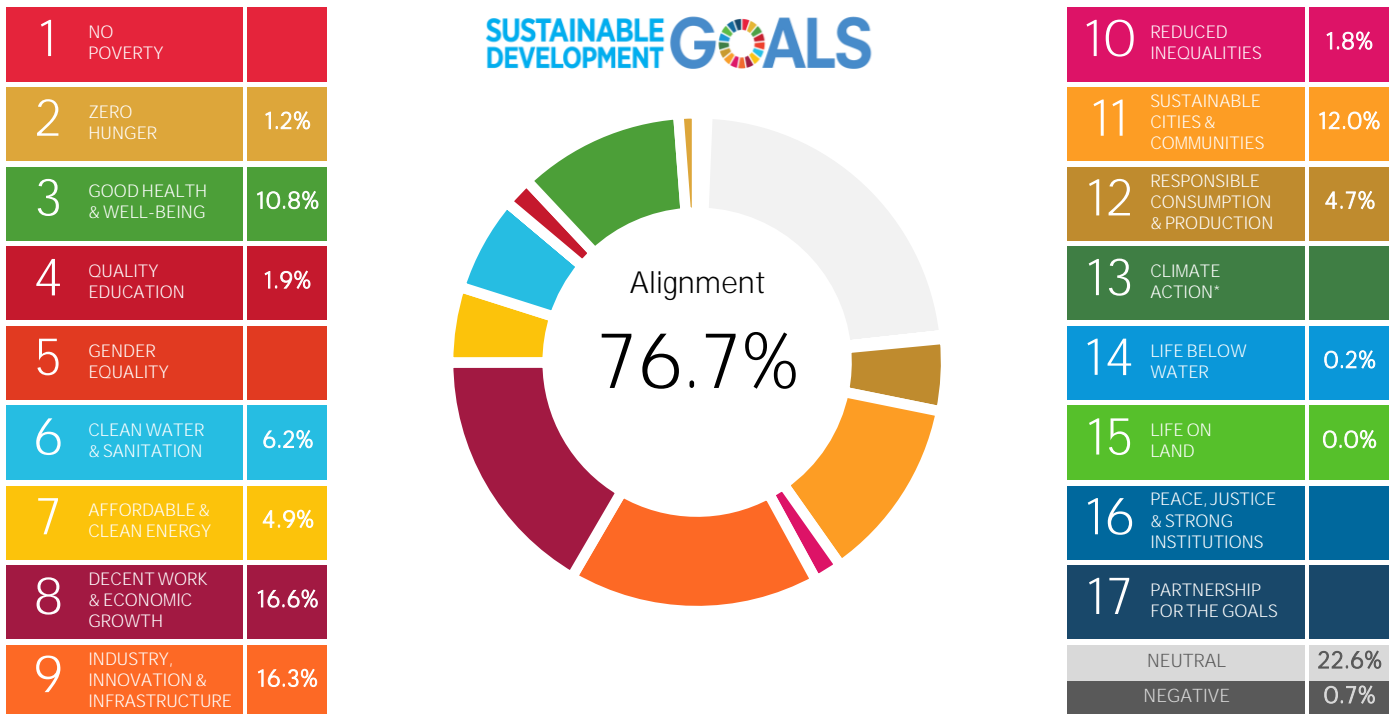
This model portfolio factsheet is for illustrative purposes only. The performance of portfolios linked to this model may differ from the performance of the model itself, due to the variation in timing of the initial and subsequent investments. Percentages may not add up to 100% as they are rounded to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

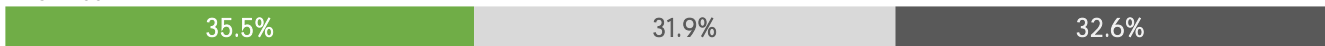
Negative impact relates to companies whose core products or services have a detrimental impact on society or the environment, such as alcohol, armaments, fossil fuels, gambling, mining or tobacco. Neutral impact relates to those companies whose core products or services do not have a clear positive or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

## Portfolio impact comparison to FTSE 100

EQ Positive Impact 5



FTSE 100



■ 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.