



Quarterly Investment Review Q4 2025
Quilter Cheviot Global Income & Growth Fund for Charities

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Market commentary

Quarter ended 31 December 2025

Global stock markets delivered robust double-digit gains for the third consecutive year. UK and European equities were standout performers, outpacing US stocks after two years of American market dominance. This shift highlights the value of portfolio diversification. Currency movements played a significant role, as sterling appreciated against the US dollar. Bonds also performed well, supported by interest rate cuts, and falling inflation.

European stocks benefited from large-scale government spending on defence and infrastructure, while US equities faced headwinds from increased trade tariffs following Donald Trump's "liberation day" announcement. Although some tariffs have been reduced, the effective rate remains much higher than in 2024. Despite these challenges, the US economy showed resilience, with earnings per share growing. UK stocks' strong performance was driven by geopolitical tensions, higher commodity prices, and strong performance from the financial sector driven by higher net interest margins and lower default rates. Domestically we ended the year with an anticlimactic Autumn Budget, with most measures delayed and no immediate boost to growth, according to the OBR.

Portfolio commentary

This was a solid quarter, with the portfolio achieving an overall return of **3.7%**, **behind the demanding increase of 4.2% for the comparator but usefully ahead of the expected increase of 2.4% delivered by the peer group, the ARC Steady Growth Charity Index.** For the full year, the portfolio delivered a return of **11.2%**, **compared to 15.3% for the benchmark and 8.6% for the peer group.**

Equities enjoyed a positive period; the largest contributors were **Merck (+27%) AMD (+32%) Rio Tinto (+23%) AstraZeneca (+23%) and Thermo Fisher Scientific (+20%)**. There were also notable contributions from Samsung which doubled in

2025, Alphabet, British Land, and the Pacific North of South Emerging Markets Fund. In contrast, **Netflix (-22%) BAE Systems (-16%) Microsoft (-6%) Relx (-15%) and Meta (-10%)** were the main detractors.

Alternatives were a mixed bag with the renewable energy infrastructure investment coming under pressure and offsetting positive contributions from the iShares Gold ETC and the property funds. We are continuing to monitor the infrastructure investments but believe that investors long term interests are best served by maintaining the investments for the time being. The VH Global fund is in the process of winding up and returning cash to shareholders and management are confident of delivering Net Asset Value, compared to the current share price discount of 37%.

Significant Transactions

We recycled the October 2025 Gilt redemption into a medium dated issue due for redemption in 2034 offering a gross redemption yield of 4.5%. We also accepted an element of profit from Siemens as well as trimming Netflix and Microsoft. We increased our defence diversification through a new holding in SAAB which is well placed to benefit from the structural increase in European defence spending.

Outlook

Despite negative headlines, financial markets provided strong returns in 2025. The volatility following the US tariff announcement underscores the importance of maintaining a long-term perspective and not making knee-jerk reactions. After a very strong run higher, US tech valuations are elevated, and we now see risks as more evenly balanced than they were a couple of years ago. We believe AI is a potentially transformative technology and there remains considerable growth potential ahead, but the picture is uncertain and for investors this means diversification is crucial.

Overall, we believe the outlook is normalising, although several risks remain which could lead to lower growth and/or higher inflation. The chances of a recession are lower than six months ago, and we prefer to remain invested. With growth and earnings outlooks positive the backdrop appears favourable for stocks, particularly in Europe and Emerging Markets. Fixed income continues to offer attractive yields but there are risks around inflation and the sustainability of government debt levels. Credit spreads remain very tight but with some justification given the current benign economic backdrop.



Howard Jenner

Executive Director &
Fund Manager

Portfolio overview

As at 31 December 2025

Fund name	Quilter Cheviot Global Income & Growth Fund for Charities
Investment mandate	To grow the capital value and provide income over the long-term
Performance Comparator	12% iBoxx £ UK Gilts, 5.5% iBoxx Sterling Corporates, 30% MSCI UK IMI, 40% MSCI AC World Index ex UK, 10% Alternatives (50% iBoxx £ Gilts 1-5 Years/50% MSCI AC World Index (ACWI), 2.5% Bank of England Base Rate.
Inception date	08 January 2020
Lead portfolio manager	Howard Jenner
Total assets	£204,911,756.10

Performance overview

To 31 December 2025

	3 Months %	1 Year %	3 Year %	5 Year %	Since inception cumulative %	Since inception annualised %
Quilter Cheviot Global Income and Growth Fund for Charities	3.7	11.2	34.1	34.6	47.6	6.7
Performance Comparator - composite of market indices*	4.2	15.3	43.1	50.9	55.4	7.6
Benchmark CPI +3.5%	1.5	6.9	21.8	51.2	57.4	7.9
Relative Return to Performance Comparator	-0.5	-4.1	-9.0	-16.4	-7.8	-0.9
Relative Return to Benchmark	2.2	4.3	12.4	-16.6	-9.7	-1.1

*12% iBoxx £ UK Gilts, 5.5% iBoxx Sterling Corporates, 30% MSCI UK IMI, 40% MSCI AC World Index ex UK, 10% Alternatives (50% iBoxx £ Gilts 1-5 Years/50% MSCI AC World Index (ACWI), 2.5% Bank of England Base Rate. **Past performance is not a reliable indicator of future results.**

Portfolio overview

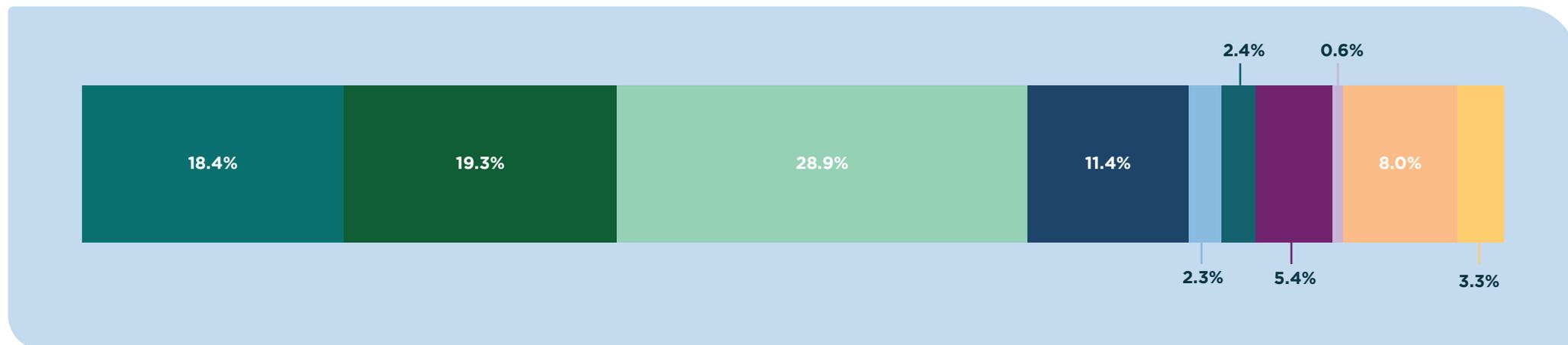
30 September 2025 to 31 December 2025

Fund name	£ Value
Value at beginning of period	£187,759,311.47
Net contributions/withdrawals	£9,919,935.86
Realised gains and losses	£2,046,312.64
Unrealised gains and losses	£4,131,622.68
Cash dividends	£1,054,573.45
Cash interest	-
Value at end of period	£204,911,756.10

Income distributions

Date of Distribution	Distribution per Unit
31 May 2020	0.6847p
31 August 2020	0.7332p
30 November 2020	0.6043p
28 February 2021	0.6231p
31 May 2021	0.8714p
31 August 2021	0.7872p
30 November 2021	0.8466p
28 February 2022	0.5578p
31 May 2022	0.9853p
31 August 2022	0.9074p
30 November 2022	0.8006p
28 February 2023	0.7089p
31 May 2023	0.9993p
31 August 2023	0.7642p
30 November 2023	0.8565p
29 February 2024	0.6605p
31 May 2024	1.09p
31 August 2024	0.8452p
30 November 2024	0.8733p
28 February 2025	0.717p
31 May 2025	1.1273p
31 August 2025	0.8768p
30 November 2025	0.7806p

Portfolio asset allocation



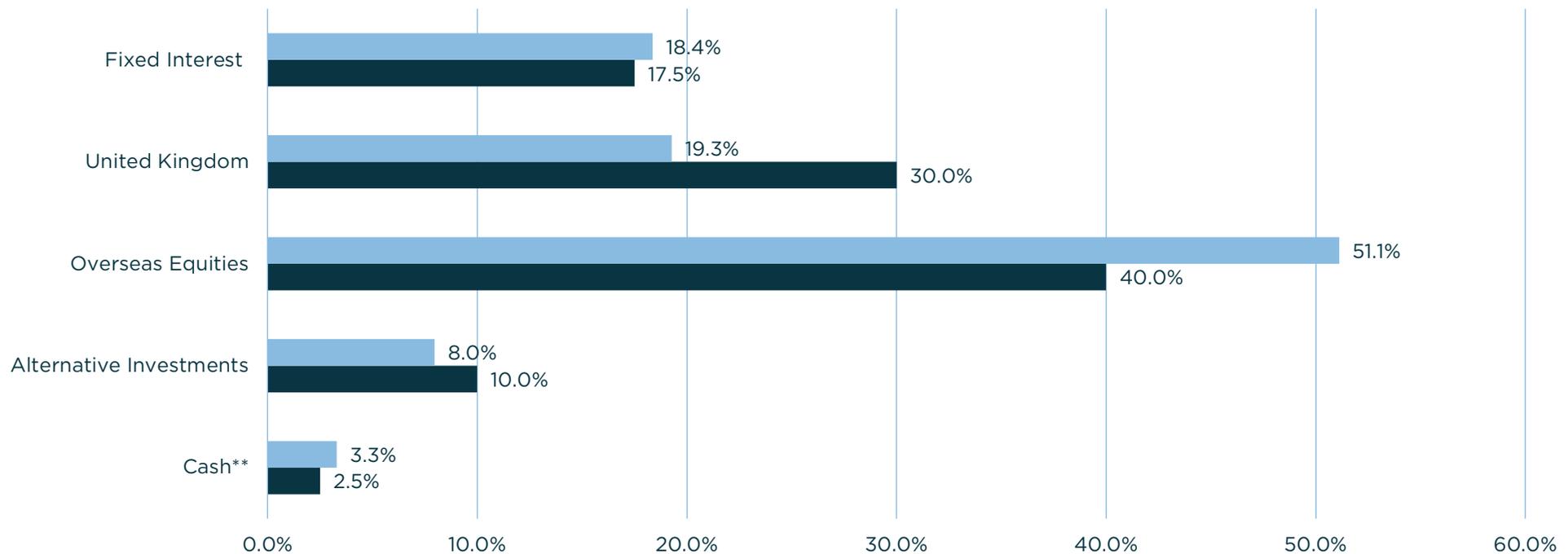
● Fixed interest	18.4%
● United Kingdom	19.3%
● North America	28.9%
● Europe ex. UK	11.4%
● Japan	2.3%

● Asia Pacific	2.4%
● Emerging markets	5.4%
● Global	0.6%
● Alternative Investments	8.0%
● Cash	3.3%

* Cash includes unsettled subscriptions to the Fund and unsettled trades.

Portfolio asset allocation

Portfolio positioning versus the Performance Comparator*



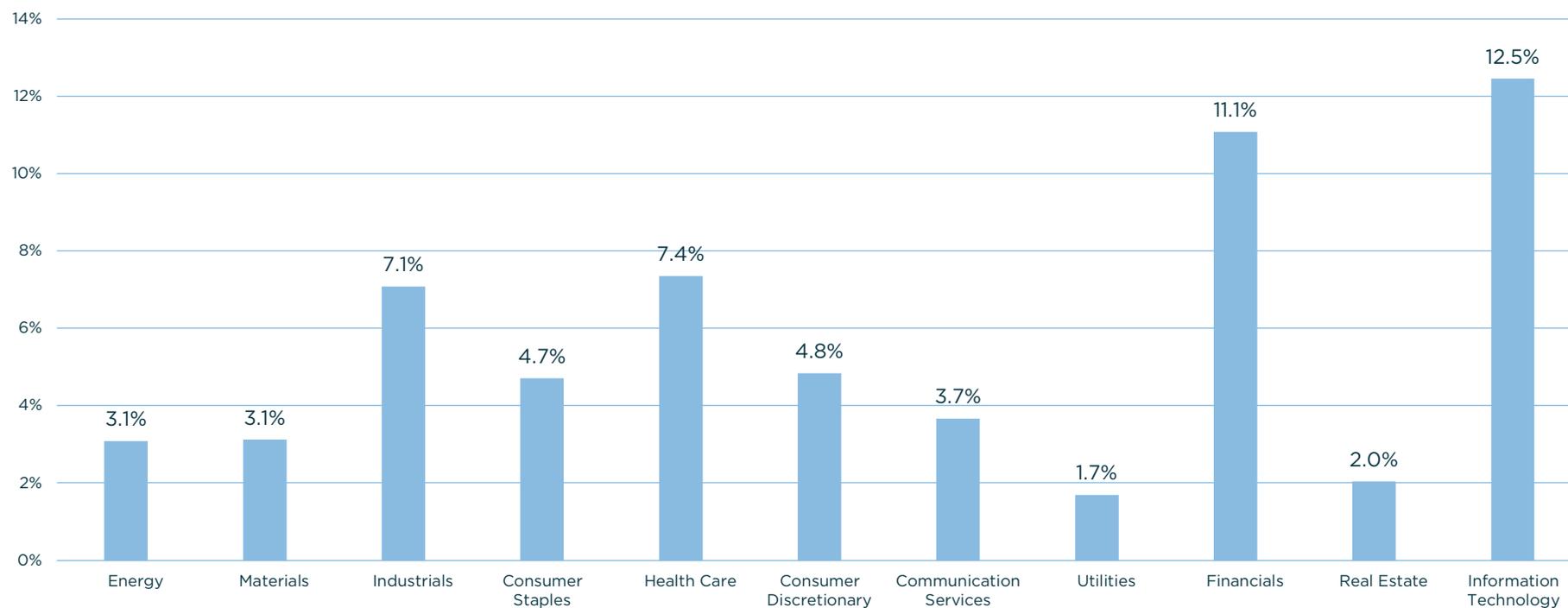
● Quilter Cheviot Global Income & Growth Fund for Charities

● Performance comparator - composite of market indices*

*12% iBoxx £ UK Gilts, 5.5% iBoxx Sterling Corporates, 30% MSCI UK IMI, 40% MSCI AC World Index ex UK, 10% Alternatives (50% iBoxx £ Gilts 1-5 Years/50% MSCI AC World Index (ACWI), 2.5% Bank of England Base Rate

** Cash position includes unsettled subscriptions to the Fund and unsettled trades.

Equities sector allocation*



* Shown as percentage of total fund value

Top 20 holdings

As at 31 December 2025

Holding	Country	Sector	Weight %
Microsoft	North America	Information Technology	2.95
Pacific North of South Emerging Markets	Emerging Markets	Equity Investment Instruments	2.72
Amazon	United Kingdom	Consumer Discretionary	2.28
United Kingdom (Government of) 4.125% 29/01/2027	United Kingdom	UK Government Securities	1.98
United Kingdom(Government of) 3.25% 31/01/2033	United Kingdom	UK Government Securities	1.98
Royal London Unit Trust Managers Sterling Credit	United Kingdom	Other UK Fixed Interest	1.95
Ishares Physical Gold	Global	Alternative Investments - Commodities	1.82
Government Of United Kingdom 3.5% 31/01/2034	United Kingdom	UK Government Securities	1.72
Rio Tinto	United Kingdom	Materials	1.67
Shell	United Kingdom	Energy	1.67
M&G Japan	Japan	Equity Investment Instruments	1.55
ING	Netherlands	Financials	1.54
Merck	North America	Health Carre	1.46
Premier Miton Corporate Bond	United Kingdom	Other UK Fixed Interest	1.45
AstraZeneca	United Kingdom	Health Carre	1.44
Government Of United Kingdom 4.5% 07/12/2042	United Kingdom	UK Government Securities	1.44
TotalEnergies	France	Energy	1.42
NVIDIA	North America	Information Technology	1.36
JPMorgan Chase	North America	Financials	1.31
BAE Systems	United Kingdom	Industrials	1.25

Top 10 contributors

As at 31 December 2025

Holding	Sector	Contribution to return
Merck	Health Care	0.41
Advanced Micro Devices	Information Technology	0.35
Rio Tinto	Materials	0.31
AstraZeneca	Health Care	0.31
Thermo Fisher Scientific	Health Care	0.28
Samsung Electronics	Information Technology	0.24
iShares Physical Gold	Alternative Investments - Commodities	0.23
Pacific North of South Emerging Markets	Equity Investment Instruments	0.20
Alphabet	Communication Services	0.18
British Land	Real Estate	0.15

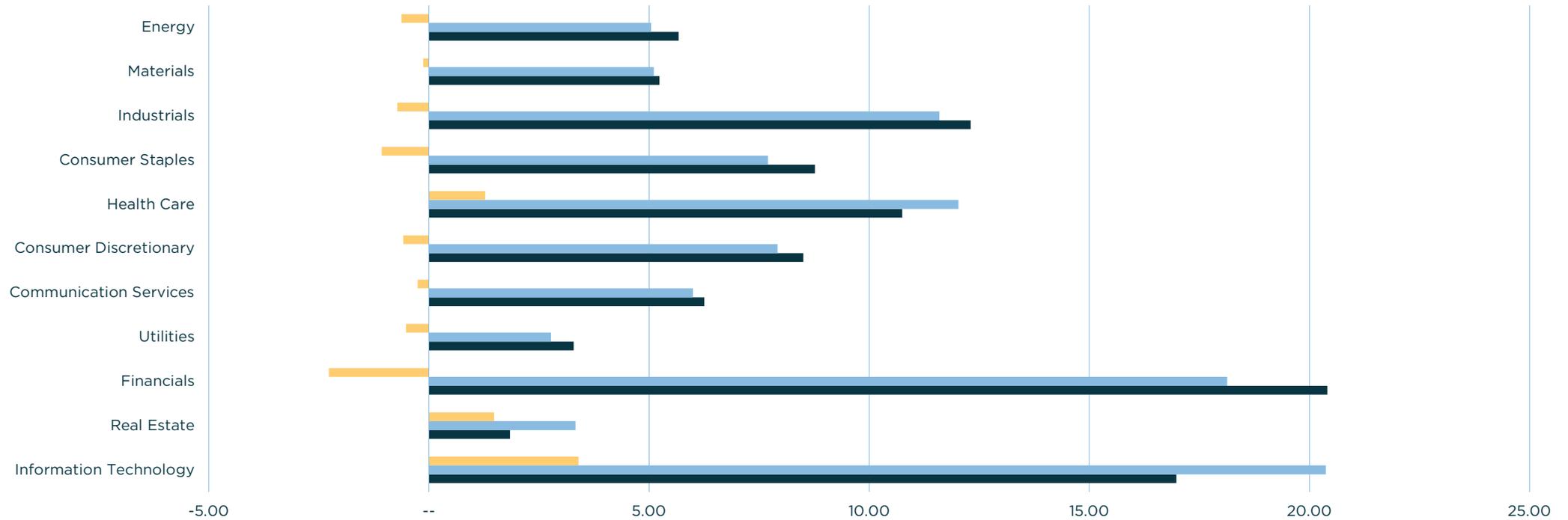
Top 10 detractors

As at 31 December 2025

Holding	Sector	Contribution to return
Netflix	Communication Services	-0.25
BAE Systems	Industrials	-0.19
Microsoft	Information Technology	-0.13
RELX	Industrials	-0.12
Meta	Communication Services	-0.12
United Rentals	Industrials	-0.12
Mondelez	Consumer Staples	-0.11
T-Mobile	Communication Services	-0.10
Whitbread	Consumer Discretionary	-0.10
Linde	Materials	-0.10

Sector asset allocation & attribution analysis - equities

Sector allocation comparison - direct equity positions only (rebased to 100)



- Quilter Cheviot Global Income & Growth Fund for Charities
- Performance comparator
- Difference

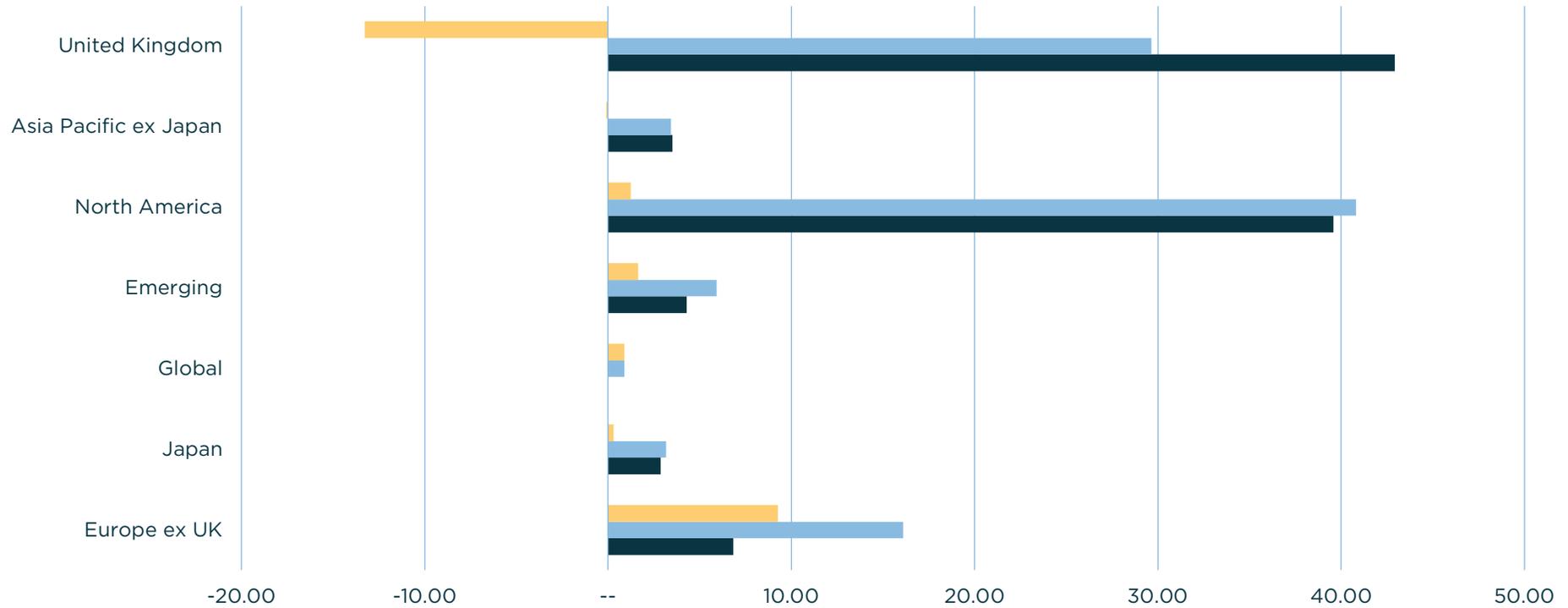
Sector asset allocation & attribution analysis - equities

Quarterly sector attribution – direct equity positions only

	Allocation	Selection (Incl. Interaction)	Total Attribution Effect
Health Care	0.07	0.28	0.35
Information Technology	0.02	0.31	0.32
Real Estate	-0.05	0.27	0.22
Energy	0.00	0.12	0.12
Consumer Discretionary	0.04	0.03	0.08
Utilities	-0.01	0.09	0.08
Industrials	0.10	-0.08	0.02
Materials	-0.02	-0.15	-0.17
Consumer Staples	0.05	-0.39	-0.33
Financials	-0.07	-0.30	-0.37
Communication Services	0.01	-0.64	-0.63
Total	0.16	-0.56	-0.40

Regional asset allocation & attribution analysis - equities

Regional allocation comparison - direct equity positions and funds holdings (rebased to 100)



- Quilter Cheviot Global Income & Growth Fund for Charities
- Performance comparator
- Difference

Regional asset allocation & attribution analysis - equities

Regional allocation comparison - direct equity positions and funds holdings

	Allocation	Selection (Incl. Interaction)	Total Attribution Effect
Europe ex UK	0.13	0.54	0.67
Emerging	-0.07	0.32	0.25
Pacific ex Japan	0.01	0.15	0.17
Global	0.02	--	0.02
Japan	0.00	0.01	0.01
North America	-0.01	-0.36	-0.37
UK	-0.25	-0.74	-0.98
Total	-0.17	-0.11	-0.28

Attribution summary - equities

Top Ten Contributors	Region	Sector	Security Return	Fund Weight - Average	Benchmark Weight - Average	Average Active Weight	Total Attribution Effect
Merck	Health Care	North America	35.76	2.12	0.15	1.97	0.51
Advanced Micro Devices	Information Technology	North America	36.07	1.43	0.23	1.19	0.43
Thermo Fisher Scientific	Health Care	North America	26.19	1.99	0.14	1.85	0.33
Samsung Electronics	Information Technology	Asia Pacific Ex Japan	37.98	1.09	--	1.09	0.33
Rio Tinto	Materials	United Kingdom	21.28	2.45	1.03	1.42	0.20
British Land	Real Estate	United Kingdom	18.94	1.32	0.06	1.26	0.16
3i	Financials	United Kingdom	--	--	0.62	-0.62	0.16
Rockwell Automation	Industrials	North America	9.86	1.56	0.03	1.54	0.14
Roche	Health Care	Switzerland	28.94	0.83	0.17	0.66	0.14
Rolls-Royce	Industrials	United Kingdom	--	--	1.60	-1.60	0.14

Top Ten Detractors	Region	Sector	Security Return	Fund Weight - Average	Benchmark Weight - Average	Average Active Weight	Total Attribution Effect
NatWest	Financials	United Kingdom	--	--	0.81	-0.81	-0.14
AstraZeneca	Health Care	United Kingdom	24.73	2.25	3.47	-1.22	-0.16
Marks and Spencer	Consumer Staples	United Kingdom	-7.75	1.54	0.13	1.41	-0.16
Whitbread	Consumer Discretionary	United Kingdom	-20.01	0.68	0.08	0.59	-0.16
BAE Systems	Industrials	United Kingdom	-15.28	1.91	0.92	0.99	-0.17
Zoetis	Health Care	North America	-11.50	1.05	0.04	1.02	-0.17
T-Mobile	Communication Services	North America	-14.11	0.96	0.07	0.89	-0.18
Barclays	Financials	United Kingdom	--	--	0.99	-0.99	-0.18
Microsoft	Information Technology	North America	-5.19	4.77	2.28	2.49	-0.19
Linde	Materials	North America	-9.89	1.33	0.13	1.20	-0.19

Key portfolio activity

For the period 30 September 2025 to 31 December 2025

Significant Purchases	Region	Sector	Rationale
United Kingdom (Government Of) 4.625% Bds 31/01/2034	Fixed Interest - United Kingdom	UK Government Securities	Recycled the October 2025 Gilt redemption into a medium dated issue due for redemption in 2034 offering a gross redemption yield of 4.5%.
Saab	Equities - Global	Industrials	Saab is a European Defence prime based in Sweden. Saab has a diverse product portfolio across its five segments, including man-portable munitions, missile systems, surveillance systems, fighter jets, submarines and more. We see Saab as a key beneficiary of the structural increase in Defence spending in Europe given its high defence exposure, attractive product portfolio, supportive home market in Sweden, and improved opportunity for export sales post Sweden's accession to NATO.

Significant Sales	Region	Sector	Rationale
Siemens	Equities - Global	Industrials	Trimming our industrial exposure to fund SAAB
United Kingdom (Government Of) 3.5% Bds 22/10/2025	Fixed Interest - United Kingdom	UK Government Securities	Redemption, proceeds used to fund 2034 gilt purchase

Voting and engagement for the Fund

Quarter ended 31 December 2025

Below we have outlined some examples of our engagement during the three months to the end of December 2025. In line with SRD II disclosure regulations we have, in the majority of cases, included the name of the company or fund. In some cases we will not, as this would be unhelpful in the long-term to the ongoing engagement process. This activity is part of the overall firmwide approach to responsible investment and is not specific to the Fund.

We use ISS as our proxy voting service provider and based on our responsible investment principles, ISS provides recommendations on each resolution companies put forward to shareholders. We do not always follow the ISS recommendations as, we believe, it is important that as responsible investment is integrated into our investment process, Quilter Cheviot makes up its own mind.

In all cases where we have a concern regarding a company, we make contact to discuss the issues ahead of the AGM.

LEGAL & GENERAL - Environment

Objective: Our engagement with the company's group climate team served primarily to clarify its array of climate commitments and targets, to understand whether these are comprehensive across all the group's companies. L&G confirmed its range of targets appears complex because of its membership in and the applicability of multiple third-party climate frameworks which include SBTi, Net Zero Asset Owners Alliance (NZAOA) and the Net Zero Asset Managers Initiative (NZAM). The majority of its existing targets are covered by those it received SBTi validation for in 2021. The only parts of the Group's business not covered by these are targets for its less-material Scope 3 emissions (categories 1-12,14).

The team we spoke with made clear that the company remains wholeheartedly committed to its 'climate-responsible' approach and is a fervent supporter of the initiatives it has become a firm advocate of. However, the group's Climate Director emphasised that the company's support does not guarantee its adherence to these standards in future. During the consultation and piloting work with SBTi, the company made clear it has reservations about some of the terms and requirements included in this guidance. It is generally felt that SBTi is at risk of prioritising scientific rigour over practical achievability in its standards.

Outcome: L&G to date has a robust reputation as a stalwart supporter and early endorser of climate frameworks and decarbonisation commitments, including the SBTi. Its targets and thorough climate strategy across all of the group's businesses can attest to this, and the relevance to its core business (insurance) remains paramount. However, its lukewarm reception of SBTi's latest guidance specific to financial institutions attests to a degree of wariness which has set in amongst even the SBTi's most keen advocates. As with other early movers in climate, the true test of whether it will continue to participate in SBTi validation will only become clear nearer to the expiry of its 2030 near-term targets.

ANGLO AMERICAN - Governance

Objective: We took part in a shareholder consultation on the change to the remuneration policy being proposed as part of the special general meeting to approve the merger with Teck Resources.

Anglo American is undergoing major transformation, including a planned "merger of equals" with Teck Resources, following significant portfolio changes and

Voting and engagement for the Fund

Quarter ended 31 December 2025

restructuring. The current remuneration structure is seen as inadequate for retaining and motivating key executives during this period of uncertainty and transformation. An amendment to the remuneration policy is intended to ensure management is incentivised to deliver both the merger and ongoing strategic priorities. If the merger is completed, executives are guaranteed to receive at least 62.5% of their long-term incentive performance (LTIP) awards for the 2024 and 2025 time periods, even if performance targets are not fully met. This is higher than the minimum but not the maximum possible payout. If the merger happens and the calculated vesting is less than 62.5%, the difference will vest upon merger completion. If the merger does not happen, the awards vest according to the usual performance criteria. Anglo American wants to guarantee a substantial portion of executive LTIP awards if the merger with Teck completes, to ensure leadership stability and focus during a critical period. This is a one-off adjustment, not a permanent change.

Outcome: We communicated to the company that we are broadly comfortable with the proposed changes. While we appreciate this is not a typical clause, given our view that the merger is potentially highly accretive for the company, and that the management certainly deserve merit for having “engineered” the merger - we are willing to provide provisional support in this specific case.

ASTRAZENECA - Governance

Objective: Through the Investor Forum we met the chair of AstraZeneca to discuss the company’s decision to pursue a New York Stock Exchange (NYSE) listing alongside its London listing. The purpose was to understand the strategic rationale and implications for shareholders. This engagement was intended to gather information and clarify any concerns (e.g. effects on shareholder rights and market liquidity) to inform our voting decision on the listing proposal at the upcoming general meeting.

The chair outlined that AstraZeneca’s move to directly list its shares on the NYSE is driven by the need to broaden its global investor base and improve share liquidity. Currently, US investors access AstraZeneca via American Depositary Receipts (ADRs), which the chair noted are an outdated mechanism limiting some investors. A direct NYSE listing will enable more investors, especially in the US (AstraZeneca’s largest market), to invest more easily, supporting the company’s growth ambitions.

The chair stressed that this step is not a move to relocate the company. AstraZeneca will remain headquartered and tax-resident in the UK, keeping its primary London listing. By maintaining its UK domicile and a “harmonised listing structure,” the company avoids disrupting its European and UK stakeholder base while tapping US capital markets. We discussed technical details for UK shareholders, where holdings will be converted into depositary interests (DIs) on the UK share register to facilitate US trading, but shareholders will retain all rights as before. The chair indicated there should be minimal operational impact on investors.

The group also inquired whether external pressures (such as US government incentives to invest locally or UK market conditions) influenced this decision. The chair acknowledged a challenging UK environment for pharma (e.g. relative market size and medicine pricing pressures) but framed the listing move chiefly as a proactive strategic step rather than a reaction to political pressure. The company has committed significant investment in the U.S. (around \$50 billion by 2030) to

Voting and engagement for the Fund

Quarter ended 31 December 2025

grow its business, and the NYSE listing is part of enabling that growth by accessing deeper capital pools. Proxy advisory firms have recommended support, with no major concerns raised.

Outcome: This engagement provided us with reassurance about AstraZeneca's plans and its detailed consideration of shareholder interests. As a result, we voted in favour of the company's proposal to list on the NYSE, supporting management's strategy to enhance global liquidity while retaining its UK foundation. On the basis of our engagement, we hold the view that there will be no adverse impact on shareholder rights, and our responsible investment view of the company remains the same. We will monitor the implementation, with trading in New York expected to begin in early 2026.

DIAGEO - Governance

Objective: As part of an Investor Forum group discussion, we engaged the chair and Senior Independent Director (SID) at Diageo. The objective was to better understand Diageo's strategic direction and governance following recent leadership changes.

The chair outlined growth priorities, emphasising new opportunities in low- and no-alcohol beverages (where Diageo is already about four times larger than competitors) and ready-to-drink products, while still pursuing premiumisation (encouraging trade-up to premium brands) as a long-term strategy. He acknowledged that premiumisation remains the company's "north star," though macroeconomic pressures especially a slowdown in North America and changing consumer habits (e.g. younger generations drinking less, or the impact of new weight-loss drugs) are tempering near-term growth.

The chair candidly admitted that under the previous CEO, the board had been slow to respond to emerging challenges and too anchored to past successful practices. This experience has prompted a search for a new CEO who can bring a forward-looking perspective and be a visible, confident leader in guiding the company through a changing environment. In the interim, the current CFO has taken up the CEO role.

The company's capital allocation approach is now conservative: management conceded that leverage (debt levels) is above target and that they over-invested in capacity by extrapolating pandemic trends. They have accordingly tempered capital expenditures, slowed certain projects (such as a carbon-capture initiative, although Diageo is still aligned with the Science Based Targets initiative (SBTi) goals), and are exploring the sale of non-core assets to refocus on the balance sheet. Some plans are on hold until permanent leadership is in place. Despite recently shrinking the board from 11 to eight members, the chair does not intend large structural board changes. In fact, there is scope to increase the board again. Diageo aims to recruit new directors with current CEO experience and strong US market knowledge to bolster its expertise. The chair's self-stated style is "highly involved and transparent," fostering a closer board-management relationship and greater director accountability.

Outcome: Diageo's board recognises past shortcomings and looks to be taking appropriate steps to reposition the company. We validated our existing responsible investment categorisation of the holding, as the discussion confirmed our current assessment of Diageo's governance trajectory. We will continue to monitor Diageo's progress on refreshing leadership and executing the amended strategic direction.

Voting and engagement for the Fund

Quarter ended 31 December 2025

INTERMEDIATE CAPITAL - Governance

Objective: We participated in a shareholder remuneration consultation, coordinated by the chair of the Remuneration Committee and Head of Reward, to provide feedback on the company's draft remuneration policy, to be put forward at the 2026 AGM.

ICG will retain its current pay structure which investors, including Quilter Cheviot, previously supported. The single incentive plan covering both annual and long-term performance will continue using a unified scorecard (65% financial metrics, 35% strategic/operational) to determine variable outcomes.

The policy's alignment mechanisms remain in place. At least 70% of each executive director's annual award is deferred into equity. Deferred shares vest in tranches over 5 years, which is a longer vesting period than many peers use. ICG also caps the firm-wide bonus pool to 30% of five-year average pre-incentive cash profit, preventing excessive payouts regardless of performance

The main changes proposed related to pay increases. For the CEO, base salary would rise by 15%. The maximum variable pay would increase from 8x base salary to 10x base salary. In monetary terms, the CEO total compensation cap moves up from £6.75 million to £9.46 million per year. The pay cap had remained unchanged since 2014.

ICG's Remuneration Committee justifies the changes on several grounds. ICG's scale and performance have increased substantially with fee income tripling and market cap doubling in the last seven years, whereas the CEO pay maximum was frozen, losing c.33% of its real value to inflation. A recent external pay review confirmed ICG's executive pay was below peers in both private and listed markets. The new policy would bring pay roughly to peer-median levels.

Outcome: The remuneration proposal appears well-justified and balanced. It updates ICG's pay levels to be competitive globally (crucial for a FTSE 100 firm in a niche industry dominated by US players), yet it retains a conservative UK governance framework (caps expressed as multiples, extensive deferrals, shareholder consultation). The plan directly links the higher pay potential to continued strong performance and shareholder returns, which have been good. By aligning the CEO's maximum pay to peer median, ICG does not appear to be attempting to lead the market, but modernising pay-levels. We indicated broad support, pending analysis of the final policy. We also requested that an increase in shareholding requirements is considered to balance higher total reward. Our responsible investment categorisation remains stable.

LEGAL & GENERAL - Governance

Objective: We took part in the company's remuneration consultation process to discuss Legal & General's proposed changes to the remuneration policy ahead of the 2026 Annual General Meeting. The meeting was held with the chair of the Remuneration Committee, Group Reward Director and Investor Relations. The purpose of the discussion was to outline our remuneration policy expectations and provide feedback on the proposal.

Legal & General outlined its intention to renew its remuneration policy, with limited changes to overall structure and quantum, but more material changes to long-term incentive (LTI) measures to better align with the group's strategic priorities. The company's strategy focuses on sustainable growth, a sharper focus on core businesses, and enhanced returns. The proposed changes include increasing the maximum LTI quantum for the CEO from 300% to 350% of salary, with the CFO's grant remaining at 250% for 2026. The annual bonus maximum will be set at 200% of salary for all executive directors, simplifying the policy.

Voting and engagement for the Fund

Quarter ended 31 December 2025

The most significant change is the introduction of a 'strategic progress' metric within the LTI, accounting for 30% of the award and incorporating a 10% climate-related target. This replaces the previous standalone climate metric and is designed to ensure that management is rewarded for delivering on a broad range of quantitative key performance indicators (KPIs) across all business divisions, rather than a single metric. The Remuneration Committee will assess performance holistically, but the assessment will be underpinned by quantitative KPIs that have been disclosed to the market. Maximum vesting will require meeting or exceeding all key targets across the group and divisions. While the KPIs are publicly available the weighting of each component and how they contribute to the overall strategic award will be at the board's discretion. This is probably the most controversial element of the proposal, providing a larger degree of discretion. The board has committed to providing a detailed breakdown of how the decision made after the award is granted. The board believes this adds a degree of strategic flexibility and prevents a mechanistic outcome. Despite only making up 20% of overall LTI awards, there is a degree of uncertainty in how this element of pay will operate or be reported on until implemented.

Other changes include a revised bespoke peer group for relative total shareholder return (TSR). The company also proposes to increase the CEO's shareholding requirement to 350% of salary, in line with the increase in PSP quantum. Pension provision for Executive Directors will rise to 13% from 2026, matching the wider workforce.

Outcome: We are broadly supportive of the proposed changes, subject to further detail on the operation and disclosure of the strategic progress metric and climate integration. Concerns around the level of discretion applied to the strategic component of the LTI can, in our opinion, be mitigated by providing clear, quantitative targets and transparent reporting on performance outcomes. Our voting decision on the renewed policy will be contingent on the final iteration of the proposal put forward to shareholders once the consultation period has closed. The responsible investment categorisation remains unchanged.

Voting and engagement for the Fund

Quarter ended 31 December 2025

Over the fourth quarter we voted at:



4x Votes against management

Key voting activity:

2x votes in favour of carrying out human rights risk assessment (shareholder proposal)

1x vote against management on compensated related resolutions

It is important to note that on a number of occasions having engaged with the relevant company we did not follow ISS' recommendations.

Portfolio holdings

As at 31 December 2025

Description	Price	% of Total	Estimated yield %
Fixed Interest - United Kingdom			
<i>UK Government Securities</i>			
United Kingdom(Government Of) 4.125% Bds 29/01/2027 GBP 1000	£100.42	1.98	4.11
United Kingdom(Government Of) 4.125% Bds 22/07/2029 GBP 1000	£100.87	0.99	4.09
United Kingdom(Government Of) 3.25% Bds 31/01/2033 GBP 1000	£93.89	1.98	3.46
United Kingdom(Government Of)4.625% Bds 31/01/2034GBP 1000	£101.73	1.72	4.54
United Kingdom(Government Of) 4.5% Gilt Snr 07/12/2042 GBP1000	£94.14	1.44	4.78
United Kingdom(Government Of) 4.25% Snr Bds 07/12/2046 GBP1000	£88.65	0.96	4.79
<i>UK Index Linked Securities</i>			
United Kingdom(Government Of) 2% I/L Gilt Bds 26/01/2035 GBP1000	£238.89	0.98	0.84
<i>Other UK Fixed Interest</i>			
A2D Funding II Plc 4.5% Gtd Snr Nts 30/09/2026 GBP100'Regs'	£99.83	0.49	4.51
Motability Operations Group Plc 4.375% Gtd Snr EMTN 08/02/27 GBP1000000'7	£100.21	0.50	4.37
National Grid Electricity Dist West 4% Snr EMTN 08/06/2027 GBP 100000	£99.63	0.50	4.01
European Investment bank 3.75% Snr Bds 07/12/27 GBP1000 1926/0100	£99.92	0.49	3.75
Royal Bank of Canada 5.0% Snr Nts 24/01/2028 GBP 100000	£101.83	0.52	4.91
Places for People Homes Ltd 3.625% Gtd Snr EMTN 22/11/28 GBP1000'10'	£97.28	0.45	3.73
British Telecommunications 5.75% Snr Bds 07/12/2028 GBP1000 'Regs'	£104.49	0.47	5.50
London & Quadrant Housing Trust 2.25% Snr Sec Nts 20/07/2029 GBP 100000'A'	£91.76	0.50	2.46
Apple Inc 3.05% Snr Nts 31/07/2029 GBP 100000 'SEC'	£97.13	0.50	3.14
Premier Portfolio Managers Ltd Miton Corporate Bd Monthly Income C Inc	£0.74	1.45	4.90
Royal London Bond Funds ICVC Royal London Sterling Credit Z GBP Dis	£1.25	1.95	5.43
Sequoia Economic Infrast Inc Fd Ltd NPV	£0.79	0.50	8.70

Portfolio holdings continued - as at 31 December 2025

Description	Price	% of Total	Estimated yield %
Equities - Global			
Energy			
<i>Oil, Gas & Consumable Fuels</i>			
Shell Plc ord EURO.07	£27.27	1.67	3.93
Totalenergies SE EUR2.5	€ 55.49	1.42	6.01
Materials			
<i>Chemicals</i>			
Linde Plc Com EURO.001	\$428.36	0.81	1.41
Metals & Mining			
Anglo American	£30.77	0.64	0.70
Rio Tinto ord GBPO.10	£59.86	1.67	4.75
Industrials			
<i>Aerospace & Defense</i>			
BAE Systems ord GBPO.025	£17.10	1.25	1.99
Saab AB NPV B	SEK 539.70	0.53	0.37
<i>Electrical Equipment</i>			
Emerson Electric Co Com USD0.54945	\$135.29	1.08	1.67
Rockwell Automation Inc Com USD1	\$393.68	1.06	1.42
<i>Industrial Conglomerates</i>			
Siemens AG NPV(Regd)	€ 239.05	0.69	2.24
<i>Trading Companies & Distributors</i>			
United Rentals Inc Com Stk USD0.01	\$817.25	0.74	0.88

Portfolio holdings continued - as at 31 December 2025

Description	Price	% of Total	Estimated yield %
Professional Services			
Experian ord USD0.10	£33.54	0.43	1.42
Relx Plc GBPO.1444	£30.17	0.82	2.13
Transportation Infrastructure			
Canadian Pacific Kansas City Ltd Com NPV	C\$74.29	0.48	0.87
Consumer Discretionary			
Textiles, Apparel & Luxury Goods			
Adidas AG NPV (Regd)	€ 169.60	0.50	1.18
Compagnie Financiere Richemont SA CHF1 (Regd)	CHF 172.07	0.77	1.74
Hotels, Restaurants & Leisure			
Compass Group Plc ord GBPO.1105	£23.65	0.92	2.07
Whitbread ord GBPO.76797385	£25.42	0.38	3.80
Internet & DMR			
Amazon Com Inc Com USD0.01	\$232.53	2.28	-
Consumer Staples			
Multiline Retail			
Marks & Spencer Group ord GBPO.01	£3.29	1.01	1.15
Beverages			
Coca-Cola Co Com USD0.25	\$70.07	0.90	2.92
Diageo Ord GBPO.28 101/108	£16.03	0.90	4.95

Portfolio holdings continued - as at 31 December 2025

Description	Price	% of Total	Estimated yield %
Food Products			
Magnum Ice Cream Co NPV (The) ord EUR 3.50 (DI)	11.79	0.02	-
Mondelez Intl Inc Com NPV	\$54.81	0.89	3.72
Nestle SA CHF0.10 (Regd)	CHF 78.75	0.50	3.87
Personal Products			
Unilever ord GBPO.031111	£48.65	0.49	3.59
Health Care			
Health Care Equipment & Supplies			
Stryker Corp Com Stk USD0.10	\$354.12	0.61	1.00
Pharmaceutical			
Astrazeneca ord USD0.25	£137.32	1.44	1.77
Merck & Co Inc Com USD0.50	\$106.06	1.46	3.23
Novartis AG CHF0.50 (Regd)	CHF 109.61	1.46	3.19
Roche Holdings AG Genusscheine NPV	CHF 328.25	0.56	2.96
Sanofi EUR2	€ 82.67	0.66	4.74
Zoetis Inc Com USD0.01 CI 'A'	\$126.41	0.62	1.68
Life Sciences, Tools & Services			
Thermo Fisher Scientific Ord	\$583.45	1.25	0.30
Financials			
Banks			
BNP Paribas EUR2	€ 80.73	0.50	3.21
HSBC Holdings Ord	£11.72	1.14	4.22
Ing Groep N.V. EURO.01	€ 23.96	1.54	4.41
JPMorgan Chase & Co. Com USD1.00	\$323.42	1.31	1.86
Nordea Bank Abp	SEK 174.50	0.83	5.84
Diversified Financial Services			
M&G Plc Ord GBPO.05	£2.87	0.91	7.05

Portfolio holdings continued - as at 31 December 2025

Description	Price	% of Total	Estimated yield %
Capital Markets			
Ares Management Corporation Com USD0.01 Class A	\$163.23	0.75	2.77
ICG Plc ord GBPO.2625	£20.46	0.64	4.11
London Stock Exchange Group ord GBPO.06918604	£89.56	0.66	1.52
Insurance			
Allianz Se (Regd)(Vinkuliert)	€ 391.70	0.83	3.94
Legal & General Group ord GBPO.025	£2.61	0.70	8.20
Marsh & McLennan Companies Inc Com USD1.00	\$187.36	0.75	1.94
Prudential GBPO.05	£11.45	0.51	1.57
Information Technology			
IT Services			
Visa Inc Com Stk USD0.0001 'A'	\$353.62	1.25	0.76
Software			
Bytes Technology Group Plc Ord GBPO.01	£3.60	0.41	2.82
Intuit Inc Com USD0.01	\$669.88	0.85	0.72
Microsoft Corp Com USD0.00000625	\$487.48	2.95	0.75
Palo Alto Networks Inc com USD0.0001	\$186.85	1.21	-
Technology Hardware, Storage & Peripherals			
Apple Inc Com USD0.00001	\$273.08	1.00	0.38
Samsung Electronics REG S GDR	\$2,055.00	0.75	1.06
Semi Conductors & Semiconductor Equipment			
Advanced Micro Devices Inc Com Stk USD0.01	\$215.34	0.78	-
ASML Holding NV EUR0.09	€ 914.05	0.78	0.71
Broadcom Inc Com USD0.001	\$349.85	0.47	0.75
Nvidia Corp Com USD0.001	\$187.54	1.36	0.02
Taiwan Semiconductor Manufacturing Spon ADS Each Rep 5 Ord TWD10	\$299.58	0.65	0.88

Portfolio holdings continued - as at 31 December 2025

Description	Price	% of Total	Estimated yield %
Communication Services			
<i>Wireless Telecom Services</i>			
T-Mobile Inc Com USD0.00001	\$203.80	0.56	1.87
<i>Entertainment</i>			
Netflix Inc Com USD0.001	\$93.78	0.82	-
<i>Interactive Media & Services</i>			
Alphabet Inc Cap USD0.001 CI C	\$314.55	0.78	0.27
Meta Platforms Inc Com USD0.000006 CI 'A'	\$665.95	1.23	0.32
Tencent Holdings Ltd HKD0.00002	HK\$599.00	0.28	0.75
Utilities			
<i>Electric Utilities</i>			
Enel Spa EUR1	€ 8.87	0.55	5.29
<i>Multi-Utilities</i>			
National Grid ord GBP0.12431289	£11.46	1.15	4.14
Real Estate			
<i>Equity Real Estate Investment Trusts</i>			
British Land Co Plc ord GBP0.25	£4.01	0.85	5.67
Equinix Inc Com USD0.001	\$769.71	0.67	2.45

Portfolio holdings continued - as at 31 December 2025

Description	Price	% of Total	Estimated yield %
Collectives			
<i>Closed End Investments</i>			
Blackrock Throgmorton Trust ord 5p	£6.22	0.67	2.89
Schroder Oriental Income Fund ord GBPO.01	£3.40	0.58	3.58
<i>Unit Trusts</i>			
Baillie Gifford & Co Japanese Income Growth W4 Dis	£1.51	0.70	2.12
Fidelity Investment Funds Fidelity Asia Pacific Opps	£1.54	0.45	1.18
Heptagon Fund ICAV Driehaus Emerging Markets Equity QG GBP	£124.70	1.20	-
JPMorgan Fund ICVC JPM Emerging Markets C Net Dis	£2.16	1.24	0.74
M&G Investment Funds M&G Japan Sterling PP Dis	£1.74	1.55	1.80
Pacific Capital UCITS Funds Plc Pacific North of South EM	€16.88	2.72	2.68
Polar Capital Funds Plc Automation & Artificial Intel S GBP Cap	£24.42	0.63	-
Alternative Investments			
<i>Infrastructure</i>			
Foresight Solar Fund Ltd	£0.65	0.35	12.54
Greencoat UK Wind ord GBPO.01	£0.99	0.32	10.47
HICL Infrastructure Plc ord GBPO.0001	£1.17	0.71	7.17
International Public Partner ord GBPO.0001	£1.25	0.92	6.85
Primary Health Properties	£0.98	0.51	7.25
The Renewables Infrastructure Grp Ord NPV	£0.69	0.40	10.96
VH Global Sustainable Energy Opps Plc ord GBPO.01	£0.66	0.57	8.81
<i>Commodities</i>			
Ishares Physical Metals Plc Ishares Physical Gold ETC USD (GBP) Acc	£62.19	1.82	-

Portfolio holdings continued - as at 31 December 2025

Description	Price	% of Total	Estimated yield %
Property			
Abrdn European Logistics Income Plc ord GBPO.01	£0.26	0.18	12.93
JPM Global Core Real Assets	£0.77	0.27	-
Property Income Trust for Charities	£0.76	0.73	5.37
Charities Property Fund Income	£1.21	0.38	4.76
Private Equity			
NB Private Equity Partners Limited Class'A'Ord Shs USD0.01	£16.22	0.79	4.44
Cash Products			
Cash - GBP	£1.00	2.31	
Royal London Bond Funds ICVC Royal London Shrt Term Money Mkt Y Dis	£0.97	0.98	4.36

The Fund team



Howard Jenner
Executive Director &
Fund Manager



Charles Mesquita
Charities Director



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