

Climate Assets Balanced Fund and Climate Assets Growth Fund

Managed by Quilter Cheviot

SPECIALISTS IN INVESTMENT MANAGEMENT

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The Climate Assets Balanced Fund and Climate Assets Growth Fund may be collectively referred to as the “Climate Assets Funds”.

The Climate Assets Balanced Fund and Climate Assets Growth Fund are sub-funds of The Sun Portfolio Fund (FCA Registered Fund Number 504474).

Thesis Unit Trust Management Limited (“Tutman”) is the Authorised Corporate Director of the Funds.

Introducing the Climate Assets Funds

The Climate Assets Funds, Climate Assets Balanced and Climate Assets Growth, focus on investment opportunities that support the development of sustainable societies by pursuing five environmental and social investment themes.



Proven track record

Pioneers in sustainable investment with a track record of strong returns over more than a decade.

Thematic approach through multi-asset allocation

A diversified portfolio investing in solutions to the economic and environmental challenges of climate and demographic changes.

Sustainable investment expertise

Access to an experienced team with specialist expertise in sustainable, ethical and responsible investment.

Past performance is not a reliable indicator of future performance.

“ We decided to launch the Climate Assets Balanced Fund in 2010 as we could not find a well-managed multi-asset fund with a focus on solutions to the challenges of climate change and demographics.”

Claudia Quiroz
Head of Sustainable Investment

“ Increased investor awareness of climate change and demand for a growth strategy led us to launch the Climate Assets Growth Fund, using the same tried and tested approach but with a higher equity content.”

Caroline Langley
Deputy Fund Manager

Unique investment philosophy

Investments across the five investment themes provide a broad range of sustainability solutions, products and services.

1. Clean Energy

Renewable energy generation, sustainable transport, the electric vehicle value chain, products & technologies for sustainable building design & construction & energy efficiency

2. Food

Grain production & harvesting, food testing, food processing, food packaging, measurement & control & high-tech agriculture supplies

3. Health & Well-Being

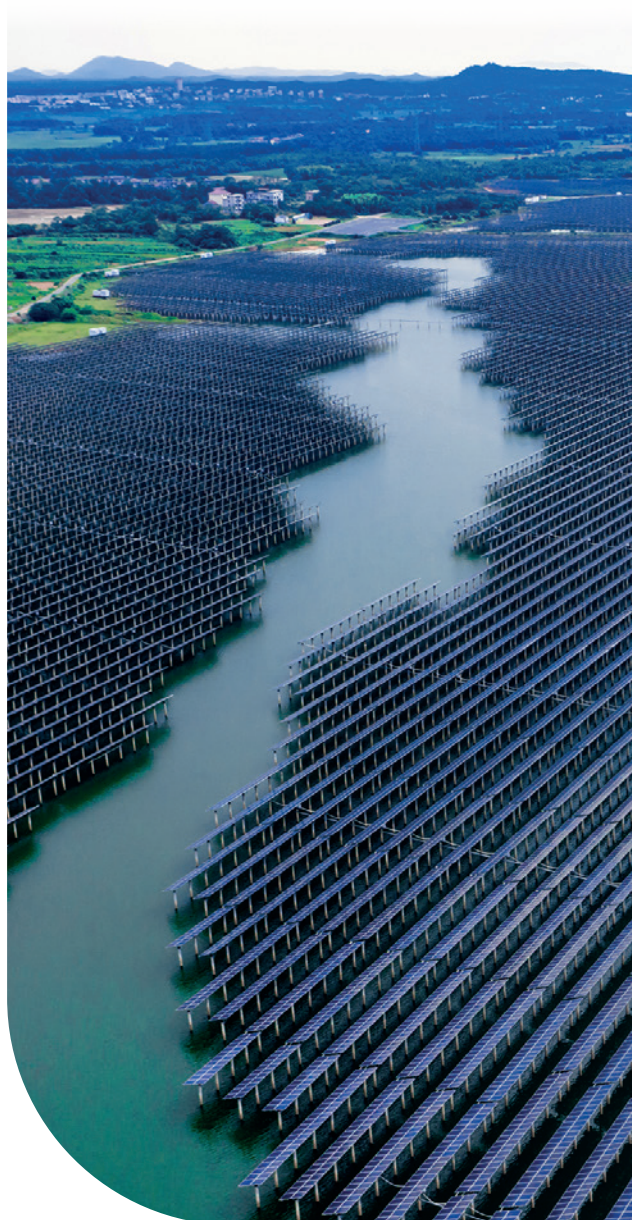
Medical supplies & devices, vaccines & products for infectious disease, medical analysis & testing, hospitals, healthcare facilities, social & supported housing, & supporting financial inclusion

4. Resource Efficiency

Recycling, waste-to-energy, productivity & efficiency gains, & cyber and technology solutions for facilitating the digital economy

5. Water

Water supply & distribution, water analysis, monitoring & purification, water metering & efficient methods of crop irrigation



Ethical exclusions

Meeting clients' ethical values

We use independent research and analysis to ensure our exclusion criteria are applied fairly and consistently.

A considered approach is taken for applying each exclusion incorporating an assessment of the extent of a company's involvement and the nature of the activity, where appropriate.

1 Adult content

Companies involved in the production or distribution of pornographic material.

2 Alcohol

Companies which derive more than 50% of their revenue from the manufacture or sale of alcoholic drinks.

3 Environment

Companies will be excluded where their activities have a significant negative environmental impact, such as mining and chemical manufacture.

4 Factory farming

Companies involved in the rearing of animals in intensive conditions.

5 Fossil fuels

Companies involved in the exploration, extraction or production of fossil fuels, including natural gas, oil and coal.

6 Gambling

Companies which derive more than 50% of their revenue from the operation of gambling facilities.

7 Human rights

Companies where there is credible evidence that operations, knowingly or unintentionally, cause or contribute to the abuse of human rights.

8 Armaments

Companies that manufacture or sell weapons or weapon systems, or provide strategic components or services specifically for military use.

9 Nuclear

Companies that are involved in the generation of nuclear power, or provide nuclear services to the military.

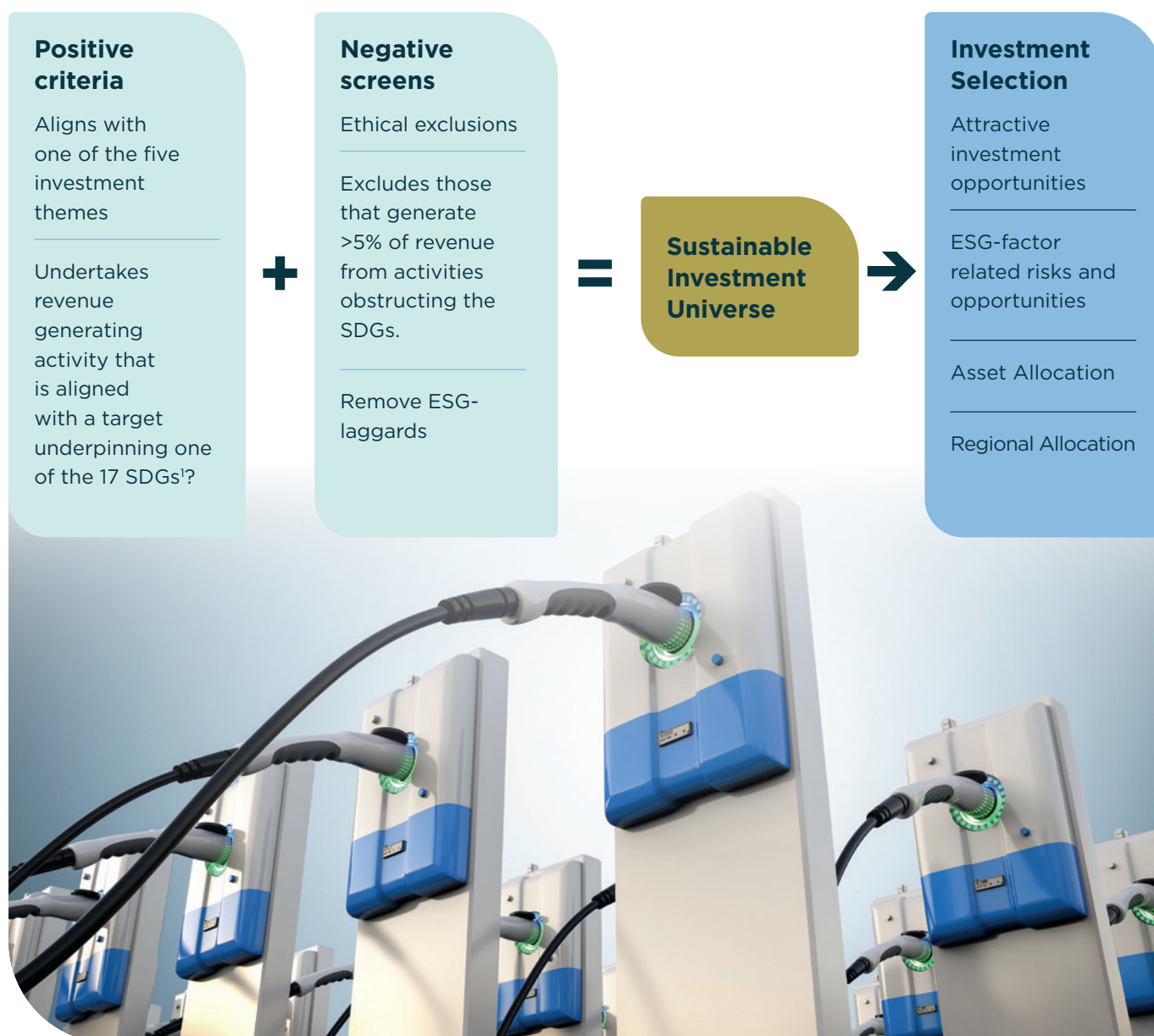
10 Tobacco

Companies which derive more than 50% of their revenue from the production or manufacture of tobacco products.

Robust investment process

Quilter Cheviot's team of sustainable investment specialists actively invest across asset classes according to economic and market conditions. This multi-asset investment approach helps to reduce the volatility of returns over the longer term without compromising the income that is generated. The Funds reflect Quilter Cheviot's house views on asset class allocation according to either a balanced or growth risk profile.

Quilter Cheviot's large research team identify attractive investment opportunities based on in-depth analysis, face-to-face meetings with company management and detailed due diligence. The investment approach is multi-layered with the Sustainable Investment Universe identified through a combination of positive and negative analyses.



¹ An investment may be held as long as there is some positive revenue alignment ≥ 10% , however, it would only be classified as having material sustainable characteristics if it accounts for ≥ 50% of its revenue generating activity.

Companies making a measurable difference

To assess companies' sustainability characteristics and determine how an investment may contribute to one of the five investment themes, we use the UN Sustainable Development Goals (SDGs) framework. Set in 2015, these were a call for action by all countries – rich, middle-income and poor – to promote prosperity while protecting the planet.

The Funds' aim is to invest at least 70% in companies that have material sustainability characteristics. We recognize companies as such when at least 50% of their revenue-generating activities align with the specific targets of one or more of the SDGs. Investors can expect to see that revenue alignment profiles are spread across many of the SDGs. Usually however, there is a strong revenue alignment to particular SDGs that align closely with our five themes.



“ Over 77%¹ of the revenue generated by companies held in the Climate Assets Balanced and Growth Funds is aligned with one or more SDG.”

Source: Ethical Screening and Quilter Cheviot as at 30 September 2024.

¹ This includes all equity and corporate bonds, as well as alternative investments. Sovereign debt and cash were excluded from the calculation.

Investing in sustainable opportunities



ThermoFisher
SCIENTIFIC

Thermo Fisher Scientific

North American Medical Equipment Manufacturer

Investment Theme: Health & Well-Being

The company manufactures laboratory instruments, equipment and software that contribute to the discovery and development of vaccines and medicines.

SDG 3: It aligns with the goal by promoting healthy lives and well-being for all ages.



edp
Renewables

EDP Renewables

Portuguese Renewable Energy Manufacture and Operator

Investment Theme: Clean Energy

The company develops and generates renewable energy contributing to the target to substantially increase the share of renewable energy in the global energy mix.

SDG 7: It aligns with the goal by promoting access to affordable, reliable, sustainable and modern energy for all.



Daiseki

Daiseiki

Japanese Waste Disposal Service Provider

Investment Theme: Resource Efficiency

The company treats and recycles industrial waste. It processes waste oil which helps to reduce demand for fossil fuels.

SDG 12: It aligns with the goal by promoting sustainable consumption and production patterns.

Please note: any security shown is for illustrative purpose only and may not be held within the current Climate Assets Funds.

Responsible Investment at Quilter Cheviot

Our Responsible Investment team has overall responsibility for our active ownership work (including engagement and voting) as well as industry collaborations. They work with our analysts to continually enhance our ESG integration approach and drive our quantitative ESG data frameworks. The team also focuses on strategic and regulatory developments.

Stewardship

Our stewardship activities include monitoring and engaging with companies on environmental, social and governance issues. Examples of engagement topics include executive remuneration, capital structure, diversity, climate disclosures, climate lobbying and supply chains.

Engagement - Our analysts engage in purposeful dialogue with companies on key issues. We express our views and protect our clients' interests through direct engagement with company management.

This includes engaging to encourage companies in ways that benefit people and the planet, and to better understand the sustainability characteristics of investments.

Voting - We vote on all the global equities (including UK investment trusts) within the Climate Assets Funds. We use a third-party voting service provider to facilitate this process. Voting decisions are a reflection of our considered views.

This includes voting to encourage companies in ways that benefit people and the planet.

ESG integration

This is the explicit and systematic inclusion of ESG (environmental, social and governance) issues in investment analysis and decisions to better manage risks and safeguard returns for clients. Our analysts undertake qualitative analysis of the challenges and opportunities associated with ESG factors, and overlay this with quantitative data analysis. Data is sourced from multiple external providers and presented within sector specific dashboards to highlight the most important factors.



¹ As far as reasonably possible given the local regulations regarding share voting. Other infrequent instances of non-vote placement may include where Crest Depository Interests (CDIs), ADRs or GDRs are held. Ability to vote on these holdings differs on a case by case basis.

Actively engaged ownership

2024 engagement examples

Environmental

• **A P T I V** •

Engaged on their climate risk management and Scope 3 emissions strategy

Aptiv is committed to reducing Scope 3 emissions, advancing low-carbon product development and setting science-based targets. We encouraged further engagement along its supply chain

Social



Engaged on the workforce impact of automation and climate-related transition strategies

Republic Services is committed to up-skilling its workforce and creating new roles in renewable natural gas and recycling, emphasizing employee development and enhanced worker safety

Governance

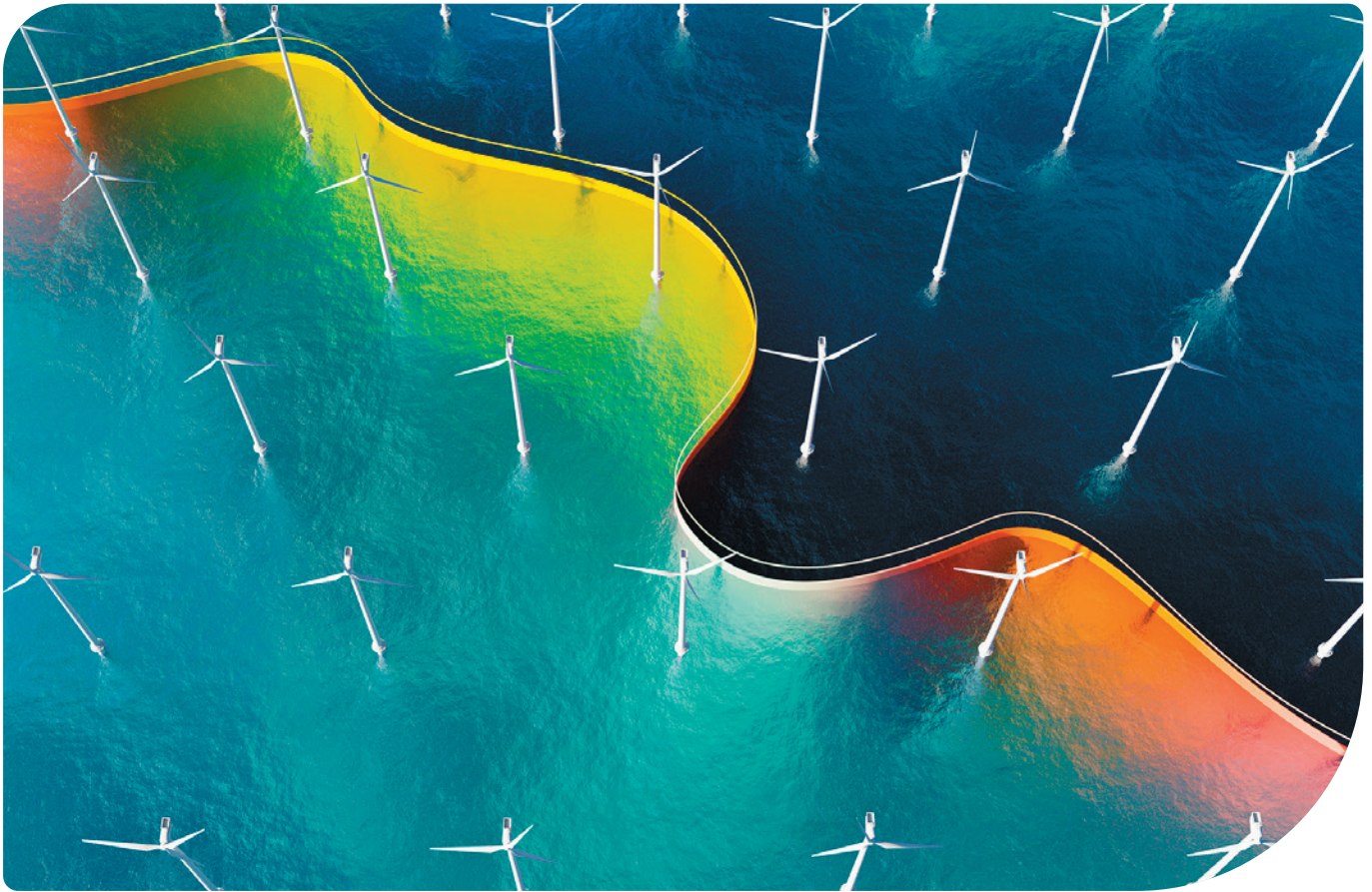


Engaged with EDPR on board gender diversity compliance

EDPR is committed to complying with Spanish corporate governance requirements on Board gender representation, ahead of their 2025 implementation.

“We care that investors in the Climate Assets Funds invest in companies that provide diverse sustainable solutions that help progress towards the Sustainable Development Goals.”

Toby Rowe
Sustainable Investment Specialist



Climate Assets Funds

		Climate Assets Balanced Fund	Climate Assets Growth Fund
Investment objective	→	Capital Growth & Income	Capital Growth
Positive investment themes	→	Clean Energy, Food, Health & Well-Being, Resource Efficiency & Water	Clean Energy, Food, Health & Well-Being, Resource Efficiency & Water
Equity content	→	60% to 75%	75% to 95%
Time frame	→	5 years or more	5 years or more
Benchmark*	→	Investment Association Mixed Investments 40%-85% shares	Investment Association Global
Key negative criteria (please see p5 for further detail)	→	Alcohol, Armaments, Fossil Fuels, Gambling, Nuclear & Tobacco	Alcohol, Armaments, Fossil Fuels, Gambling, Nuclear & Tobacco
Launch year	→	2010	2022

* The Climate Assets Funds comparator benchmarks are the respective Investment Association peer groups. These peer groups have been selected as comparators because they are broadly aligned with the Funds' equity exposures and geographic focuses, as defined in the Funds' investment policy.

Sustainable Investment team

Your Climate Assets team



Claudia Quiroz, Head of Sustainable Investment

- Lead Fund Manager since the launch in 2010
- More than 20 years' experience in sustainable, ethical and responsible investment



Caroline Langley, Deputy Fund Manager

- Co-creator of the Funds' philosophy with nearly 20 years' investment experience
- MSc in Environmental Technology specialising in Global Environmental Change and Policy



Harry Gibbon, Investment Manager

- Researches stock ideas and investment themes with a focus on sustainability
- Assists with the management of the Funds' strategy



Toby Rowe, Sustainable Investment Specialist

- Responsible for sustainability analysis and reporting with 10 years financial services and investment industry experience
- Chartered accountant and member of the ICAEW with a CFA UK Climate and Investing certificate

The wider team includes



Eleni Makri, Sustainable Investment Associate

- Assists with sustainability analysis and reporting
- BSc with Honors in Global Sustainable Development at the University of Warwick



Drew Beckley, Trainee Investment Manager

- Assists with the administration of the Funds
- Currently studying for the Chartered Wealth Management qualification



Patrick Main, Trainee Investment Manager

- Assists with the administration of the Funds
- Currently studying for the Chartered Wealth Management qualification



Motunrayo Fakorede, Trainee Investment Manager

- Assists with the administration of the Funds
- MSc Investment and Management & MSc Behavioural Finance

Investing with us

Keeping you fully informed

- We host regular update webinars
- You can receive a monthly Climate Assets Funds e-newsletter
- You can find further insights, information on the costs and charges as well as the key investor information documents (KIIDs) by visiting: quiltercheviot.com/our-services/climate-assets-funds/

Investing made easy

- The Funds have both income and accumulation units available.
- There are several ways you can invest:
 - Via a third-party platform
 - Directly with Quilter Cheviot
 - Bespoke mandates



Our experts are here to help you

Speak to our team today

Contact us today to find out how we can support you and your clients.



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- 7 Jersey
- 8 Leeds
- 9 Leicester
- 10 Liverpool
- 11 London
- 12 Manchester
- 13 Salisbury





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The value of investments, and the income from them, can go down as well as up and past performance is no guarantee of future returns. Investors may not receive back the amount originally invested. Investments and investment services referred to may not be suitable for all recipients.

This document is a financial promotion.

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quiltercheviot.com

The Climate Assets Balanced Fund and Climate Assets Growth Fund are sub-funds of The Sun Portfolio Fund (FCA Registered Fund Number 504474). Please refer to the Prospectus & Key Investor Information documents for further details, available free of charge from the authorised corporate director Thesis Unit Trust Management Limited (Authorised and Regulated by the FCA, 186882), Exchange Building, St John's Street, Chichester, West Sussex, PO19 1UP.