



## CLIMATE ASSETS FUNDS - ADVISER Q&A

### Adviser Checklist

- You are encouraged to read this document in full to understand the changes that are being made and the reasons why. Please raise any questions that you may have with your usual Quilter Cheviot representative(s).
- Where you have a client invested in the Climate Assets Balanced Fund, Advisers do not need to take any action unless you wish for your client(s) to be moved from the Climate Assets Balanced Fund to the Climate Assets Growth Fund.
- If you are unsure of who to contact, please email: [climateassetsfund@quiltercheviot.com](mailto:climateassetsfund@quiltercheviot.com) and a member of the team will be happy to assist.
- Please keep an eye out for future updates.

### 1 What investment changes are being made?

A new fund, the 'Climate Assets Growth Fund', (a sub-fund of The Sun Portfolio Fund) has launched. The Climate Assets Growth Fund is a multi-asset fund that will focus on sustainable investment, and its objective is to provide clients with long-term capital growth. The Fund will have an equity allocation between 75% and 95%.

The Fund previously known as 'Climate Assets Fund' (a sub-fund of The Sun Portfolio Fund), has been renamed the 'Climate Assets Balanced Fund'. The investment objective of this Fund is to provide growth and income, and it has an equity allocation of 60% to 75%.

### 2 Why has Climate Assets Growth Fund been launched?

#### a) To provide another option for clients

The Climate Assets Balanced Fund is suitable for clients with a 'medium' willingness to accept risk, leading to a Balanced solution.

The Climate Assets Growth Fund caters for clients with a 'medium-to-higher' willingness to accept risk, leading to a Growth solution.

#### b) To provide access to a wider risk/reward profile

The Climate Assets Strategy, underpinned by our two Funds, provides clients with a choice of products that cater for different risk tolerances that match their responsible investment preferences.

#### c) To provide clients with access to the full extent of our sustainable investment expertise

Our Sustainable Investment Team has been managing segregated mandates based on the Climate Assets Strategy with a 'medium-to-higher' willingness to accept risk since 2017.

### 3 When will the Growth Fund launch?

The Climate Assets Growth Fund launched on 21 September 2022.

### 4 What is the minimum investment in the Fund?

If buying the Fund on a platform, the minimum investment is determined by the platform.

If buying the Fund directly through Tutman (Thesis Unit Trust Management Limited), the minimum initial purchase is £1,000, with subsequent minimum purchases of £100.

### 5 Will Quilter Cheviot's Fund management fee change?

No, the annual management charge (AMC) is 1% for the B-share class. The ongoing charges are capped at 1.2%, although this figure does not include transaction costs, which are disclosed separately.



## 6 What are the investment themes for the Funds?

Consistent with the Climate Assets Balanced Fund, the Climate Assets Growth Fund focuses on investment opportunities that arise from companies providing solutions to improve resilience to climate change and healthcare challenges. It invests across clean energy, food, health, resource efficiency and water.

To be considered for inclusion in the Climate Assets Funds, companies must offer solutions to the global challenge of delivering 'more with less' for a rapidly growing population with a low carbon footprint. Currently over 70% of the revenue generated by companies held in the Climate Assets Balanced and Climate Assets Growth Funds is aligned with one or more of the UN Sustainable Development Goals.

**Clean energy:** (SDG category 7, 13 and 15) Companies that provide solutions to the problems of using fossil fuels and energy scarcity and security, such as those involved in renewable energy generation, green transport, products and technologies for green building design and construction and energy efficiency.

**Food:** (SDG category 1, 2 and 12) Companies providing solutions to food supply or demand imbalance such as those companies involved in grain production and harvesting, food testing, food processing, measurement and control and high-tech agriculture supplies.

**Health:** (SDG category 3, 4, 5 and 10) Companies providing products and solutions to improve healthcare that align to the objectives of the Fund, such as companies involved in medical supplies and devices, vaccines and products for infectious disease, medical analysis and testing.

**Resource efficiency:** (SDG category 8, 9, 11, 16 and 17) Companies providing solutions to the problems of resource scarcity such as those involved in waste management, production and processing of environmentally friendly materials, waste-to-energy, coastal protection, productivity and efficiency gains and process control.

**Water:** (SDG category 6 and 14) Companies providing solutions to water scarcity such as those involved in water supply and distribution, water analysis, monitoring and purification, water metering and efficient methods of crop irrigation.

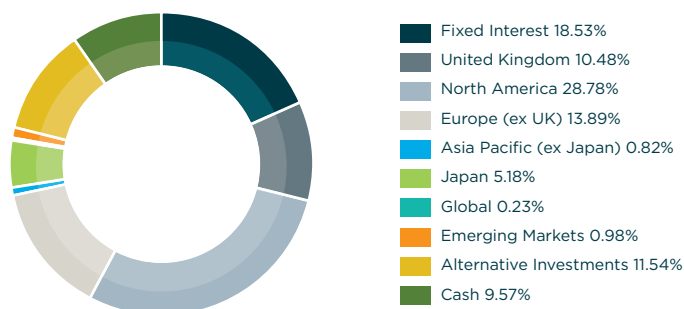
## 7 Are there any negative screening criteria?

The Funds specifically avoid companies generating revenue in controversial industries such as adult content, alcohol, armaments, fossil fuels, gambling, nuclear and tobacco. Materiality and strategic considerations are considered regarding human rights and environmental impact.

We use a third-party independent research provider to assess all holdings against the negative criteria.

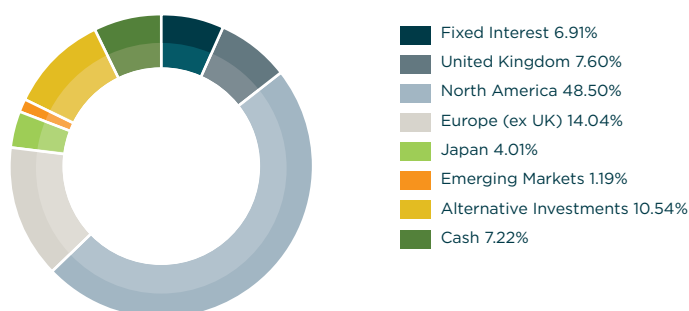
## 8 What are the current asset allocations of the Funds?

### Climate Assets Balanced Fund



As at 30 September 2022

### Climate Assets Growth Fund



As at 30 September 2022

## 9 How will the Fund themes be managed with a higher equity content?

Typically, all of the investment themes are represented in the investments of the Fund. Market valuations and economic conditions determine if any one of these themes takes precedence at any given time.

Companies in which the Fund invests, in aggregate, generate at least 50% or more of their revenue from at least one of the five investment themes and all improve resilience to climate change and healthcare.

## 10 Who will be the authorised corporate director (ACD) of the Funds?

The ACD of both Funds is Tutman (Thesis Unit Trust Management Limited). Tutman is responsible for the oversight, administration and operation of the Funds, whilst Quilter Cheviot acts as the appointed Investment Manager to the Funds.

## 11 What does this mean for my clients invested in the Climate Assets Balanced Fund?

The investments in the Climate Assets Balanced Fund have not changed, other than the addition of 'Balanced' to the name. The investment process and philosophy remain the same. Equally, the Sustainable Investment Team remains unchanged.



**12 Will there be CGT (capital gains tax) implications for clients who decide to move from the Balanced into the Growth Fund?**

Whilst under the same portfolio (sub-funds of The Sun Portfolio Fund), the Climate Assets Balanced Fund and the Climate Assets Growth Fund are different. Shares can be switched but this could result in a CGT liability if held outside of a SIPP or an ISA.

**13 How will advisers be able to invest in the Funds on behalf of clients?**

The Climate Asset Growth Fund is listed on various platforms including Aegon, Aviva, Hubwise, Novia and Quilter Platform. Other platforms are being added to match the distribution for the Climate Assets Balanced Fund. If the Fund is not available on your chosen platform, please let your business development manager know. The Growth Fund can also be bought through Tutman or through Quilter Cheviot, if your client already holds an account with us.

**14 Can the Fund be held as part of a discretionary portfolio?**

Yes, subject to the needs and responsible investment preferences of the individual client.

**15 What will happen to the performance record of the Funds?**

The track record built for the Climate Assets Balanced Fund will be unaffected. The Climate Assets Growth Fund performance track record will be available after the first year.

**16 What information can advisers provide to clients who want to invest/move their investments?**

You can find our brochure, factsheets, information on the costs and charges as well as the key investor information documents (KIIDs) by visiting: [Climate Assets Funds | Quilter Cheviot](#)

**17 Who can I speak to if I want to find out more?**

Please do not hesitate to contact your usual Quilter Cheviot representative for further information. If you are unsure of who to contact, please email: [ClimateAssetsFunds@quiltercheviot.com](mailto:ClimateAssetsFunds@quiltercheviot.com), and a member of the team will be happy to assist.

**QUILTER CHEVIOT**

Senator House  
85 Queen Victoria Street  
London EC4V 4AB

**Please contact our  
Marketing Department  
on +44 (0)20 7150 4000 or email  
[marketing@quiltercheviot.com](mailto:marketing@quiltercheviot.com)**



[quiltercheviot.com](http://quiltercheviot.com)

**Investors should remember that the value of investments, and the income from them, can go down as well as up and that past performance is no guarantee of future returns. You may not recover what you invest.**

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