



investment architecture

*Sustainable Opportunities Balanced Fund*

# Annual Sustainability Disclosure Report

*Annual Report for the year ended 31 December 2025*

## Fund Details

Authorised Corporate Director: Thesis Unit Trust Management Limited

Investment Manager: Quilter Cheviot Limited

FCA Product Reference Number: 635038

TCFD Report Link: <https://www.tutman.co.uk/wp-content/uploads/Sustainable-Opportunities-Balanced-TCFD-Dec-2025.pdf>

Sustainable investment labels help investors find products that have a specific goal. This fund uses a Sustainability Focus label to identify that it invests mainly in assets that focus on sustainability for people or the planet.

## Sustainability Goal:

The aim of the Fund is to provide capital growth and income, net of fees, over the longer term (rolling 5-year periods) and to support the development of sustainable societies by:

-pursuing five environmental and social investment themes, as follows:

- **Clean Energy:** by investing in companies whose products, solutions or services reduce the use of hydrocarbon-based fossil fuels, such as those involved in renewable energy generation, the EV value chain, products and technologies for sustainable building design and construction and energy efficiency.
- **Food:** by investing in companies whose products, solutions or services address the imbalance in the supply of and demand for high quality nutrition, including processes which support the provision of high-quality nutrition, such as companies involved in organic grain production and harvesting, food testing for pathogens or allergens, food processing techniques that maintain nutritional value, low-waste food packaging solutions, and high-tech agriculture supplies.
- **Health & Well-Being:** by investing in companies whose products, solutions or services improve ineffective healthcare, protection and support systems such as companies involved in medical supplies and devices, vaccines and products for infectious disease, medical analysis and testing, hospitals, healthcare facilities, health insurance to financially protect and/or companies that improve well-being through other means, such as by providing products, solutions or services which promote good quality social and supported housing, support financial inclusion, and/or life

insurance to aid financial resilience, high-quality education, training and job creation, or those that increase equal opportunities and financial services for underserved groups.

- **Resource Efficiency:** by investing in companies whose products, solutions, or services reduce the depletion and inefficient use of the earth's resources and/or help to expand the circular economy, including companies involved in waste-to-energy, recycling, sustainable transport, cyber-security and technology solutions for facilitating the digital economy, and energy-efficient electrification and productivity and efficiency innovations which reduce environmental impact or enable increasing efficiency through policies or institutions.

- **Water:** by investing in companies whose products, solutions or services improve the imbalance in the supply of and demand for water and water systems such as those companies involved in water supply and distribution, recycling, water analysis, monitoring and purification, water metering, leak prevention and detection, and efficient methods of crop irrigation.

-allocating capital to countries that have made significant progress towards the development of sustainable societies with respect to both people and the planet, including in relation to the five environmental and social investment themes (Clean Energy, Food, Health & Well-Being, Resource Efficiency and Water), by investing in the sovereign debt instruments of such countries.

The Fund's sustainable investment strategy is not expected to have a material effect on the financial risk and return of the Fund in absolute terms. However, such an investment strategy may result in the performance of the Fund being different from its comparator benchmark, which does not take sustainability objectives into account.

The Fund's sustainable investment strategy is not expected to directly lead to material negative environmental and/or social outcomes. However, it is possible that on occasion Fund holdings may be linked to negative environmental and/or social outcomes. Whether due to changing circumstance, or the availability of new information, it may be identified that a current investment is not consistent with the sustainable investment policy. The risk of this may be higher than for some other funds, as this Fund predominantly invests in global companies with diverse operations.

## **Progress against the objective:**

The Fund continues to meet its sustainability objective. It supports the development of sustainable societies by pursuing five environmental and social investment themes. As at 31<sup>st</sup> December 2025, 83% of the Fund was invested in assets determined "sustainable" as per the Sustainability Standard, set out within the Fund's prospectus. This was made up of 69% sustainable company investments (equities, corporate bonds and alternatives) and 14% sustainable sovereign debt investments.

## **Sustainability Approach:**

The Fund aims to ensure that at least 70% of the Scheme Property is invested in Sustainable Assets.

The Fund may also invest up to 30% in assets that are not Sustainable Assets. This may include cash, equities, corporate bonds, alternative investments or sovereign debt instruments which do not meet the criteria to be Sustainable Assets.

The Fund will not invest in any assets which conflict with the sustainability objective of the Fund. Assets will always be excluded where they fall under the definition of Excluded Assets. Such assets will not be held by the Fund.

Tutman is a trading style of TUTMAN LLP and Thesis Unit Trust Management Limited. TUTMAN LLP is registered in England and Wales, number OC369415 and Thesis Unit Trust Management Limited is registered in England and Wales, number 03508646. Both entities are authorised and regulated by the Financial Conduct Authority and have their registered office at Exchange Building, St. John's Street, Chichester PO19 1UP. Group VAT Number 717 6168 21.

The Investment Manager applies a “pass-fail approach” in determining whether a company meets the standard to be a Sustainable Asset.

Debt and equity investments in companies, alternative investments, and sovereign debt instruments all have the potential to be considered a Sustainable Asset.

This standard has been assessed as appropriate for determining the assets that the Fund invests in by independent functions within the ACD and the Investment Manager. The standard is independently assessed at least annually, and when any material change is made to the Fund, to ensure it remains appropriate.

For companies to be Sustainable Assets: At least 50% of the revenue generating activity of each company must be aligned with any combination of the underlying targets of one or more of the 17 UN Sustainable Development Goals.

For sovereign debt instruments to be Sustainable Assets: The issuing country must have achieved i) an SDG index score of 80 or higher; and ii) a “green” rating for all of the investment theme core indicators, in both cases based on data from the most recent SDSN Sustainable Development Report.

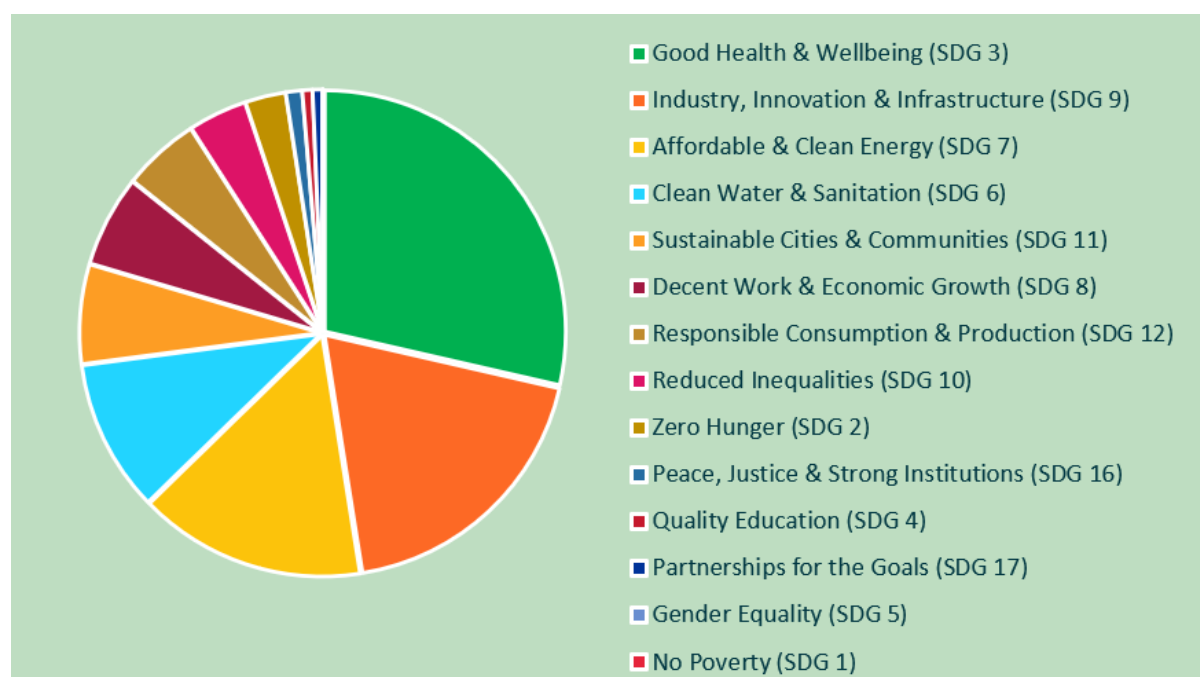
The Investment Manager’s Stewardship Strategy supports the Fund’s sustainability objective in the following ways:

- The Investment Manager will vote to encourage companies in ways that support the development of sustainable societies.
- The Investment Manager will engage with companies to better understand, and to encourage, their wider sustainability characteristics and sustainability potential.
- The Investment Manager will engage with companies, where appropriate, in support of the Fund’s escalation plan.

More information on the Investment Manager’s voting and engagement strategies is available in the Fund’s Prospectus.

## Key Performance Indicator Progress:

Key Performance Indicator	Methodology	Sustainable Opportunities Balanced Fund As at 31 <sup>st</sup> December 2025
<b>Sustainable Assets</b>	% of the total Fund assets, by value, that is invested in assets that are classified as Sustainable Assets	83.2%
<b>Thematic Alignment</b> % of Sustainable Assets (excluding sovereign debt), by value which is aligned with each thematic area	Clean Energy Theme Investment	17.6%
	Food Theme Investment	1.4%
	Health & Well-Being Theme Investment	39.1%
	Resource Efficiency Theme Investment	34.7%
	Water Theme Investment	7.2%
<b>Sovereign SDG Index Score</b>	Weighted average of SDG index score of the issuers of sovereign debt instruments held as Sustainable Assets by the Fund	81.85 out of 100
<b>Company SDG Alignment</b>	Individual SDG alignment  % of holdings total revenue generating activity (excluding cash and sovereign debt) which is aligned with each individual SDG	<i>See below</i>
	Total SDG alignment  % of holdings total revenue generating activity (excluding cash and sovereign debt) which is aligned with any SDG	73.7%



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## Sustainability Metrics:

Category	Key Performance Indicator	Methodology	Additional Explanation
<b>Sustainable Assets</b>	Investment in Sustainable Assets	% of the total Scheme Property, by value, that is invested in assets that are classified as Sustainable Assets under the standard set out above.	<p><i>This KPI allows investors to see the proportion of the Fund's underlying assets which have been assessed by the Investment Manager as supporting progress towards the Fund's sustainability objective.</i></p> <p><i>All asset types are included within the calculation.</i></p>
<b>Thematic Alignment<sup>1</sup></b>	Clean Energy Theme Investment	% of Sustainable Assets (excluding sovereign debt), by value which is aligned with the Clean Energy thematic area.	<p><i>This KPI allows investors to see the proportion of Sustainable Fund investments which is assessed by the Investment Manager as aligned with each of the five environmental and social investment themes set out in the sustainability objective.</i></p> <p><i>Sustainable sovereign debt assets are excluded from these calculations as they are not allocated to an individual investment theme.</i></p> <p><i>Alignment with the thematic area is determined by the Investment Manager based upon the asset's specific SDG alignment profile.</i></p>
	Food Theme Investment	% of Sustainable Assets (excluding sovereign debt), by value which is aligned with the Food thematic area.	
	Health & Well-Being Theme Investment	% of Sustainable Assets (excluding sovereign debt), by value which is aligned with the Health & Well-being thematic area.	
	Resource Efficiency Theme Investment	% of Sustainable Assets (excluding sovereign debt), by value which is aligned with the Resource Efficiency thematic area.	
	Water Theme Investment	% of Sustainable Assets (excluding sovereign debt), by value which is aligned with the Water thematic area.	
<b>Sovereign SDG Index Score</b>	Average SDG index score	Weighted average SDG index score of the issuers of sovereign debt instruments held as Sustainable Assets by the Fund.	<p><i>This KPI allows investors to see the weighted average SDG index score of the issuers of sovereign debt instruments held as Sustainable Assets by the Fund.</i></p> <p><i>This metric is based on the country scores as set out in the most recent SDSN Sustainable Development Report.</i></p>

<sup>1</sup> Where an investee company's activity may be related to multiple thematic areas, the Investment Manager determines the single most relevant thematic area for reporting purposes.

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Category	Key Performance Indicator	Methodology	Additional Explanation
<b>Country level KPIs</b>	Individual country indicators	<p>Current KPIs reflect the five investment theme core indicators, being:</p> <ul style="list-style-type: none"> <li>• CO<sub>2</sub> emissions from fuel combustion per total electricity output</li> <li>• Prevalence of undernourishment</li> <li>• Life expectancy at birth</li> <li>• Non-recycled municipal solid waste</li> <li>• Population using at least basic drinking water services</li> </ul>	<p><i>This will monitor how effectively each issuer of sovereign debt instruments held by the Fund delivers on the Fund's sustainability objective to support the development of sustainable societies.</i></p> <p><i>If these monitored country-level KPIs indicate that a country may not be delivering effectively on the Fund's sustainability objective, the Investment Manager will investigate further and may engage its escalation plan.</i></p> <p><i>The Investment Manager will use available data from the most recent SDSN Sustainable Development Report.</i></p>
<b>Company SDG Alignment</b>	Individual and total SDG alignment	% of holdings total revenue generating activity (excluding cash and sovereign debt) which is aligned with each individual SDG as well as the total aligned with any SDG	<p><i>This KPI allows investors to see the specific SDGs with which their investment is aligned. At any one time, investors can expect to see an SDG alignment profile that is spread across many of the 17 SDGs but with strong alignment to certain SDGs where the underlying targets align particularly closely with one of the five thematic areas.</i></p> <p><i>This KPI can also help to inform investors of the total proportion of revenue generating activity undertaken by Fund investments which is attributable to providing sustainability solutions, products or benefits, and therefore supports the development of sustainable societies in line with the fund's sustainability objective.</i></p> <p><i>This metric is calculated using each holding's SDG alignment profile, as determined by an external independent research provider.</i></p> <p><i>Sovereign debt and cash are excluded from these calculations as revenue alignment is not applicable for these asset types.</i></p>
<b>Company level KPIs</b>	Individual Company KPIs	<p>Example KPIs used:</p> <ul style="list-style-type: none"> <li>• Clean Energy: Renewable Energy Generated (GWh)</li> <li>• Food: Food Waste Avoided (Tonnes)</li> <li>• Health &amp; Well-Being: Patients Treated</li> <li>• Resource Efficiency: Recycling Rate %</li> </ul>	<p><i>A minimum of one individual asset-level KPI will be defined for each Sustainable company to monitor how effectively each delivers on the Fund's sustainability objective to support the development of sustainable societies.</i></p> <p><i>These KPIs will be considered and defined at the asset selection stage. If monitored company-level KPIs indicate that a company may not be delivering effectively on the Fund's sustainability objective, the Investment</i></p>

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Category	Key Performance Indicator	Methodology	Additional Explanation
		<ul style="list-style-type: none"> <li>Water: Customer Water Treated for Reuse M<sup>3</sup></li> </ul>	<p><i>Manager will investigate further and may engage its escalation plan.</i></p> <p><i>Data is collected by the Investment Manager directly from company reporting. The KPIs may be limited by data availability and are subject to change as additional data points are identified.</i></p>

## Stewardship Strategy:

The Investment Manager's stewardship strategy has supported the Fund's sustainability objective through voting and engagement.

This includes voting to encourage companies in ways that support the development of sustainable societies. For the Fund's holdings in 2025, it voted on 779 individual resolutions at 48 company meetings, this represents 100% of resolutions on which it had voting rights. It voted against management on 9 of these resolutions.

It also engaged with companies to better understand, and to encourage, their wider sustainability characteristics and sustainability potential. For the Fund's holdings in 2025, it undertook 15 separate engagements covering a broad range of topics. Engagements are separated into three categories 1) Reactive - dialogue held in response to a specific AGM controversy 2) Proactive - including both thematic and collaborative engagements and 3) Business as Usual - regular check ins.

No assets have been escalated and/or removed from the portfolio specifically due to sustainability concerns identified.

Further information on the Investment Manager's approach to Stewardship can be found here: [Stewardship | Quilter Cheviot](#) )

## Further information

Further information relating to this fund can be found through the following routes:

General fund information: [Sustainable Opportunities Funds | Quilter Cheviot](#)

Other regulatory documentation, which should be read in conjunction with and form part of this Annual SDR Report, including the Prospectus, Consumer Facing Document, Key Investor Information Document, the Taskforce for Climate-related Financial Disclosures report and the Assessment of Value: [www.tutman.co.uk](http://www.tutman.co.uk).

This information has been issued by Thesis Unit Trust Management Limited who are authorised and regulated by the Financial Conduct Authority.

Data contained within this report has been provided by the Investment Manager.

This report is for information purposes only and does not constitute an offer or an invitation to invest in the Fund.