Quilter Affluent Managed Solutions TCFD Report 2023

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Introduction

We are committed to using our resources, expertise, and influence to address climate-related risks and opportunities in the way we invest.

Steven Levin
Chief Executive Officer

A message from our Chief Executive Officer

It is clear that climate change is having an increasingly damaging impact on our planet. Transition to a net zero economy is critical if we are to mitigate these impacts. Within the Quilter Affluent business, we believe we have an important role to play in the transition to a net zero world and in proactively supporting actions to combat climate change. We are committed to using our resources, expertise, and influence to address climate-related risks and opportunities in the way we invest.

During 2023, we made the following progress:

1. Affluent responsible investment principles: We have set ***five core principles*** by which we implement responsible investing throughout the Quilter Affluent business, starting with the core investment processes operated by Quilter Investors. This implementation has facilitated systematic consideration of environmental, social, and governance factors, including climate-related factors, in investment selection, monitoring, and oversight. Further work is planned to extend this to the client advice and distribution processes throughout the Affluent business.
2. Data and research integration: We continued to enhance our data and systems to achieve enhanced transparency of investment exposure, to understand and record centrally the responsible investment approaches of the managers we invest with, and to systematically apply the most appropriate third-party company research to help us develop realistic targets for our investments, and to evidence and measure our progress.
3. Manager engagement and collaboration: We have engaged extensively with our investment partners relating to their own commitment, approach, and integration of climate-related risks and opportunities, providing a clear advantage for positive market influence and participation, effective collaboration, and quality delivery of products with climate-related mandates, such as the WealthSelect Responsible and Sustainable portfolios.

This inaugural TCFD report for Quilter's Affluent business describes our overall approach to measuring and managing climate risks and opportunities of the investments we make on behalf of our Affluent customers. The report describes our strategy to take actions based on robust research of multiple aspects of these investments, and to implement actions by integration with core processes and governance structures. In this way, our goal is to make a well-founded, credible contribution toward the transition to a net zero economy and mitigate the impacts of climate change.

Compliance statement

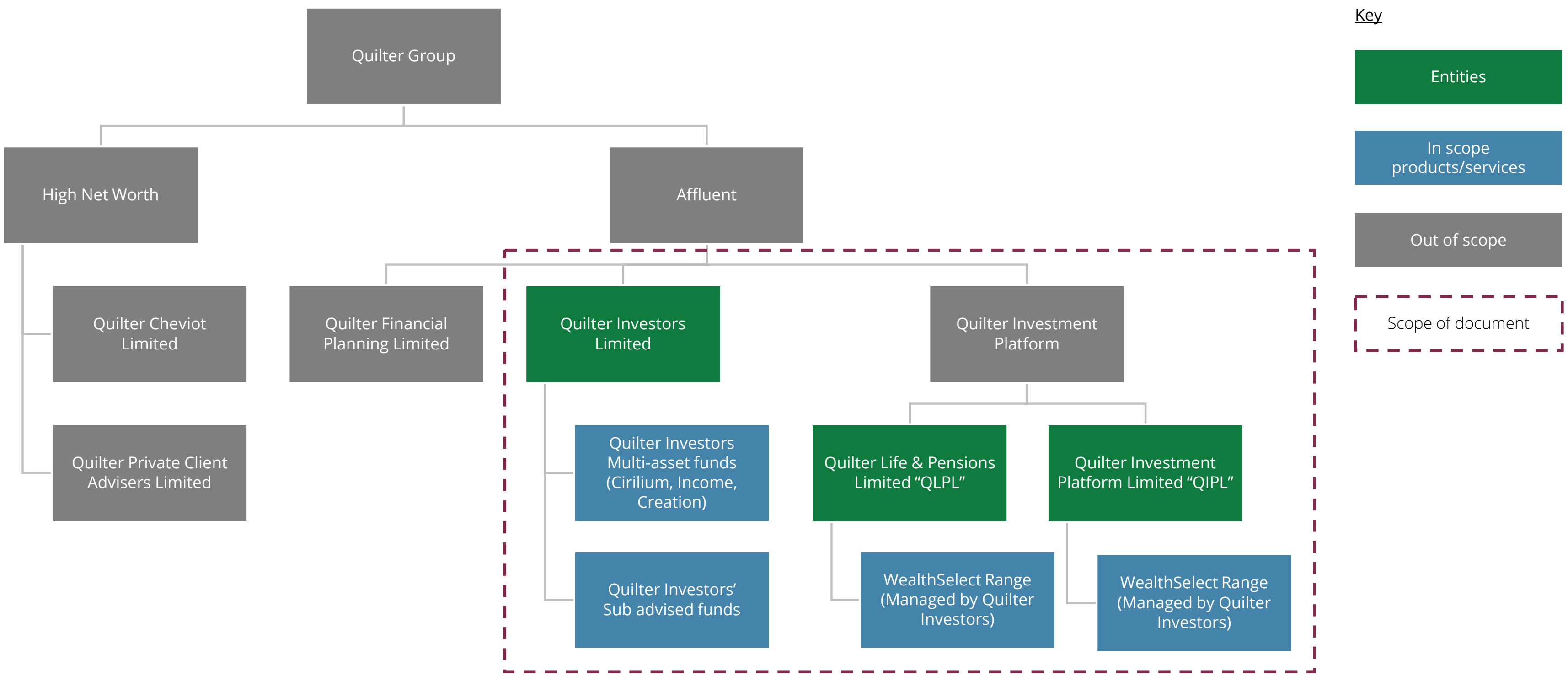
The disclosures contained in this report, including any third party or group disclosures cross-referenced within it, comply with the entity reporting requirements under Chapter 2 of the FCA's ESG Sourcebook ('Disclosure of climate related financial information') for the calendar year ending 31 December 2023 and are mostly consistent with the 11 recommendations set out by the TCFD. Our separate product reports disclose the required metrics in line with Chapter 2 of the FCA's ESG Sourcebook, and for 2023 these will be published by 30 June 2024.

See the glossary for an explanation of key terms used in this report.

About the Quilter Affluent business

Quilter plc is a leading UK wealth management business and is listed on both the London and Johannesburg stock exchanges.

Quilter plc is a holding company containing a number of companies shown below (referred to collectively to as the Quilter Group) that has an adviser and customer offering spanning financial advice, investment platform, investment solutions, and discretionary fund management.



The Quilter Affluent business:

Quilter Investors Limited

Our fund management business provides advisers and their customers with multi-asset investment solutions to meet their needs.

Quilter Investment Platform (comprised of Quilter Life & Pensions Limited and Quilter Investment Platform Limited)

Enables financial advisers to deliver the very best service to customers and their families, to help them achieve their financial goals. We offer a comprehensive range of products and investments through our award-winning online investment platform.

Quilter Financial Planning (out of scope)

Supports over 1,500 restricted financial planners in the UK. Advisers within our network partner with us to help them run and grow their business. Our national advice business, Quilter Financial Advisers, helps customers across the UK with all their financial planning needs.

Our approach to managing climate risks and opportunities

This report sets out the Affluent business's approach and activities in relation to climate risks and opportunities for 2023 as required by the TCFD. This report focuses on the investment solutions managed by the Quilter Affluent business, including multi-asset portfolios, managed portfolio services, and sub-advised funds. As these investment solutions are managed by the same teams, processes, and systems, with no material difference in terms of the governance, strategy, risk management, or metrics or targets, we refer to these products collectively as 'Affluent managed solutions' throughout the report.

As at 29 December 2023, the Assets under Management (AuM) within the Affluent managed solutions that are in scope of this report is £27.2bn.

For the investments the Affluent business manages on behalf of our clients, targets have been set in respect of our WealthSelect Responsible and Sustainable portfolios. In 2024 we expect to launch the climate action plan for the remaining investments the Affluent business manages on behalf of its clients.

For information on Quilter plc's group TCFD report, visit: ***plc.quilter.com/tcfd***. This report is structured in line with that of the Group and there is no material deviation.

In producing the report, we have taken into account the following guidance:

- The Financial Conduct Authority's ESG Sourcebook.
- Section C of the TCFD Annex "Guidance for all sectors" and the additional guidance for asset managers.
- The Financial Reporting Council's review of TCFD reporting. Specifically:

(1) the TCFD Final Report and the TCFD Annex to the extent not already referred to in this chapter
(2) the TCFD Technical Supplement
(3) the TCFD Guidance on Risk Management Integration and Disclosure; and
(4) the TCFD Guidance on Metrics, Targets, and Transition Plans.

This disclosure is structured in line with that of the Group and is largely consistent with the 11 recommendations set by the TCFD. We have indicated within our disclosure summary the extent to which we have met the recommendations.

A glossary of terms used in the report can be found in Appendix A.

A full list of the products managed within the Quilter Affluent business can be found in Appendix B.

Considering climate-related risks and opportunities is important to us because:

- it helps us meet our customers' evolving requirements and expectations.
- we recognise that climate risk is an investment risk.
- it is a regulatory requirement.

What are we doing?

As a business we broadly have the following actions relating to emissions:

- The Group has set operational emissions targets (covering Scope 1 and 2 emissions) and these form part of the long-term incentive plan (LTIP) for our Executive Directors.
- 2.5% of the LTIP is linked to the emissions for the Group operations.
- Work is in progress in assessing the emissions relating to purchased goods and services.

Disclosure summary

The TCFD's recommendations, first launched in 2017, are based around the four themes of governance, strategy, risk management, and metrics and targets. Within these themes, there are 11 recommendations to support effective disclosure for all organisations. This report focuses on the Affluent business reporting in line with the TCFD recommendations and recommended disclosures. For information on Quilter plc, ***visit: plc.quilter.com/tcfd***. Where we refer to the Group report in this table, we have referenced the relevant pages.

Pillar	Description	TCFD recommended disclosure	Our disclosure	Pages
Governance	Disclose the organisation's governance around climate-related risks and opportunities.	Describe the Board's oversight of climate-related risks and opportunities.	The relevant Quilter Affluent Boards (Quilter Life & Pensions Limited Board, Quilter Investment Platform Limited Board and Quilter Investors Limited Board) and committees review, challenge, and approve the TCFD report.	10-11
		Describe management's role in assessing and managing climate-related risks and opportunities.	The TCFD working group is responsible for the identification and assessment of climate-related risks and opportunities. The group comprises representatives from Responsible Investment, Risk, Finance, and Corporate Sustainability. The TCFD Steering Committee meets regularly to monitor and approve progress. Further detail on the overall group governance and oversight is in the Group TCFD report (pages 10-14).	12
Strategy	Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	We have created a new working group and we have reviewed our approach and have reconfigured this into three categories which represent our business: operations, investments, and advice and distribution. We have described how climate-related risks and opportunities have been systematically integrated into core investment processes and the approach for development of our climate action plan.	15-20
		Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	To assess climate-related risks and opportunities we have considered four factors. 1) Timeframe: given the long-term trajectory of how we approach climate-related risks and opportunities, we set these timeframes to reflect this. Short term is 0-5 years, medium term 5-15 years, long term 15 years+. 2) Type of climate risk: transitional risk relates to the global transition to a lower carbon economy and physical risk is associated with the physical impacts of climate change. 3) Risk/opportunity type: idiosyncratic risk refers to implicit risks exclusive to a company. Systemic risk refers to broader trends that could impact the overall market or sector. Opportunity: efforts to mitigate and adapt to climate change also produce opportunities for organisations, for example, through resource efficiency and cost savings, the adoption of low-emission energy sources, the development of new products and services, access to new markets, and building resilience along the supply chain. Climate-related opportunities will vary depending on the region, market, and industry in which an organisation operates. 4) Business area: operations, investments, and advice and distribution. Climate-related risks and opportunities are considered at a Group and subsidiary level to inform our management of these. As the risks relating to investments may increase over time, we are working on climate action plans for our investments.	14
		Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	We have undertaken and disclosed a quantitative investment climate-related scenario analysis based on four different scenarios. This is based on actual holdings and will be undertaken on an annual basis. Climate-related risks and opportunities are considered at a Group and subsidiary level to inform our management of these.	21

Pillar	Description	TCFD recommended disclosure	Our disclosure	Pages
Risk management	Disclose how the organisation identifies, assesses, and manages climate-related risks.	Describe the organisation's processes for identifying and assessing climate-related risks.	We have described how climate-related risks have been integrated into our risk management framework, with responsible investment and corporate sustainability incorporated into a refreshed risk taxonomy within the Group report (pages 33-34).	23
		Describe the organisation's processes for managing climate-related risks.	We have described how climate-related risks and opportunities have been systematically integrated into core investment processes and the approach for development of our climate action plan.	24-25
		Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	We have described how fund- and company-level risk exposure is incorporated through existing investment selection and oversight processes.	24-25
Metrics and targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	We have described the metrics disclosed consistently throughout TCFD product reports which cover all AuM. The disclosure includes the sources, systems, and construction of bottom-up calculations for our products.	27
		Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	For information on Scope 1, 2, and 3 emissions relating to our operations please refer to pages 36-37 of the Group report. For Affluent managed solutions, climate metrics are included in TCFD product reports along with commentary from our portfolio managers.	33-34
		Describe the targets used by the organisation to manage climate-related risks and opportunities, and performance against targets.	We have disclosed our plans to set targets through climate action plans to be delivered in 2024. Our quantitative targets may be mandate specific or, as a fund investor, based on engagement outcomes with our external fund managers.	28

Governance

Our governance approach for climate-related risks and opportunities.

Our Governance

Accountability for the oversight and management of climate-related risks and opportunities is held by a number of senior leaders and facilitated through a management and Board governance framework.

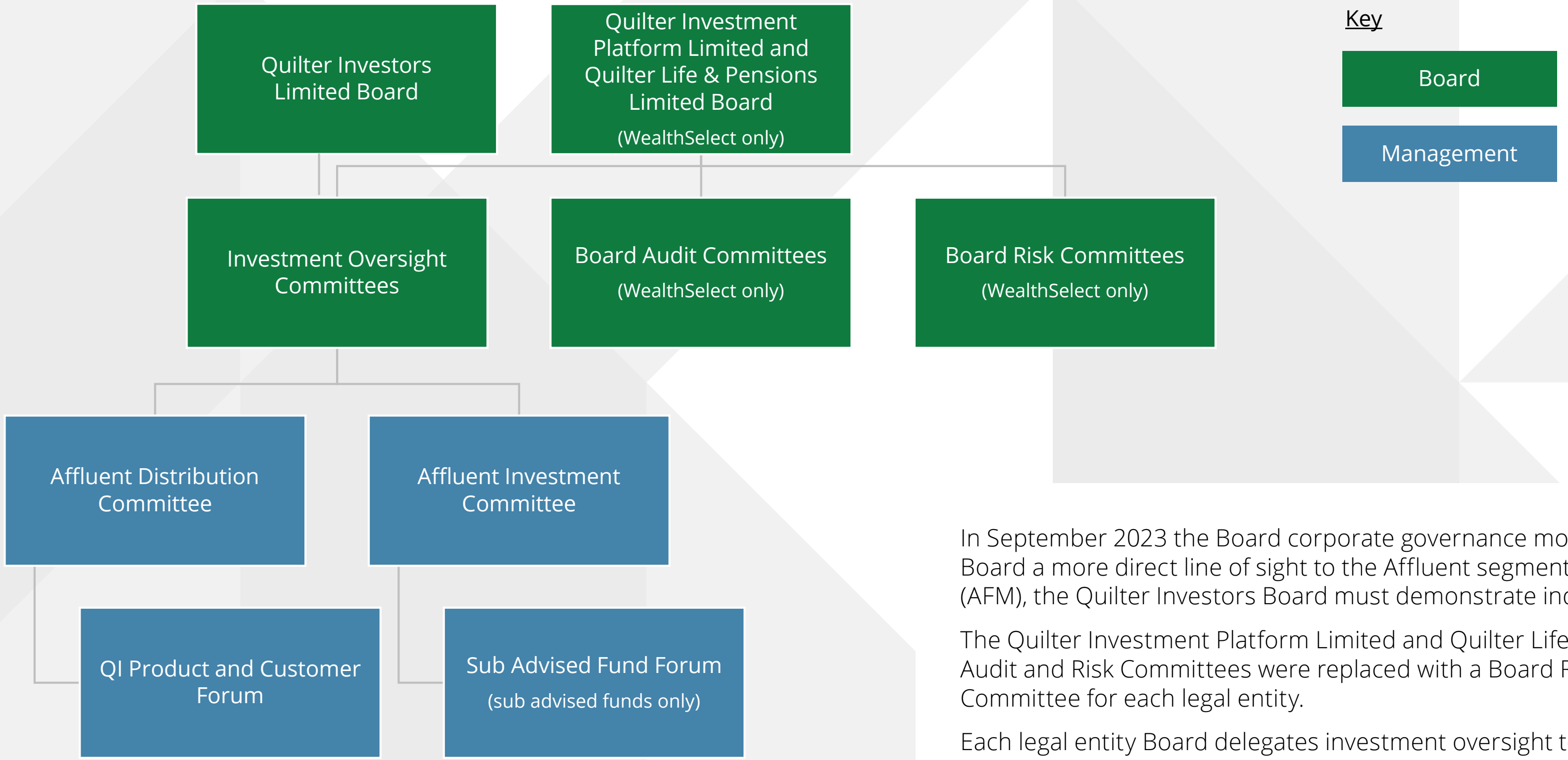


Figure 1: Governance of the Quilter Affluent business

In September 2023 the Board corporate governance model was changed to give the Group Board a more direct line of sight to the Affluent segment. As an authorised fund manager (AFM), the Quilter Investors Board must demonstrate independent decision making.

The Quilter Investment Platform Limited and Quilter Life & Pensions Limited Governance, Audit and Risk Committees were replaced with a Board Risk Committee and a Board Audit Committee for each legal entity.

Each legal entity Board delegates investment oversight to an Investment Oversight Committee (IOC).

Subsequently, with effect from 1 January 2024, the management governance has been revised to align to Board governance to encourage accountability and eliminate instances of unnecessary duplication.

On the following pages we set out the responsibilities of the Boards, Board Committees and Management Committees relevant to climate-related disclosures.

Board oversight of climate-related risks and opportunities

Board	Climate-related responsibilities	Activity in 2023
Quilter Life & Pensions Limited Board	Key Board responsibilities include: – setting strategy and oversight of management – internal controls and risk management – material contracts – corporate governance.	– Reviewed and approved the own risk and solvency assessment (ORSA), a forward-looking assessment of the risk and solvency situation, which included the financial risks related to climate change. – Approved the 2022 Quilter Life & Pensions Limited TCFD report.
Quilter Investment Platform Limited Board	Key Board responsibilities include: – setting strategy and oversight of management – internal controls and risk management – material contracts – corporate governance.	– Reviewed and approved the internal capital adequacy and risk assessment (ICARA), which included the climate-related operational risks.
Quilter Investors Limited Board	Key Board responsibilities include: – setting strategy and oversight of management – internal controls and risk management – material contracts – corporate governance.	– Oversaw TCFD reporting and data-gathering requirements ahead of Quilter Investors Limited first-year reporting requirements. – Considered the financial risks related to climate change as part of the review of the ICARA process. – Considered appropriate climate-related risk assessments and factored key assumptions into the preparation of the Quilter Investors Limited financial statements.

Board Committees' oversight of climate-related risks and opportunities

Board Committee	Climate-related responsibilities	Activity in 2023
Quilter Investment Platform Limited Board and Quilter Life & Pensions Limited Board Audit Committees	Oversee the principles, policies, and practices adopted in the preparation of the financial statements of the Group. Assess whether annual financial statements comply with statutory requirements including TCFD disclosures.	– Considered the Group's TCFD-aligned disclosures and the verification process to support the disclosures made. – The predecessor Governance, Audit and Risk Committee reviewed and approved for publication of 2022 Quilter Life & Pensions Limited entity report.
Quilter Investment Platform Limited Board and Quilter Life & Pensions Limited Board Risk Committees	Oversee the management of climate-related risks associated with environmental, social, and governance (ESG) risks. Review management's risk recommendations. Provide challenge and guidance on the structure and implementation of the Quilter group's risk management framework.	– Received updates on long-term climate-related risks over extended time horizons within emerging risk updates. – Reviewed the Quilter Life and Pensions Limited and Quilter Investment Platform Limited climate change scenarios and noted the management actions that have been agreed for the Group. – Considered the financial risks related to climate change as part of the review of the ORSA. – Considered the ICARA, which included the climate-related operational risks.
Investment Oversight Committees (IOCs)	Ensure customers are provided with products and services which perform as they would expect. Oversee the effective implementation of the investment proposition strategy agreed by the Quilter Life & Pensions Limited, Quilter Investment Platform Limited, and Quilter Investors Limited Boards while seeking assurance as to the delivery of good customer outcomes and management of potential conflicts of interest.	– Oversaw the management and control of conflicts of interest related to WealthSelect, as well as overseeing the performance, investment risk, and adherence to investment mandates including those pertaining to ESG and/or sustainability objectives, ensuring that due regard is paid to customer expectations and outcomes.

Management's role regarding climate-related risks and opportunities

Climate-related risk and opportunity management is embedded across Quilter and in the various strategic and day-to-day processes. The following governance meetings are fundamental to the oversight of the multi-asset portfolios, sub-advised funds, and managed portfolio services:

Management Committee	Climate-related responsibilities	Activity in 2023
Affluent Investment Committee *(was Management Investment Forum)*	Provides independent oversight and challenge of portfolio management activities for the multi-asset, sub-advised funds, and managed portfolio services with the aim of ensuring that investors are provided with products that perform as expected. Oversees and monitors the integration and embedding of ESG considerations into the investment process and ensures that any related customer objectives are being met.	– On a quarterly basis throughout the year, the Quilter Investors, Cirilium, Creation, and Monthly Income portfolios and WealthSelect were reviewed with the aim of ensuring the portfolios were being managed as expected. This included the monitoring of the ESG-specific objectives of the WealthSelect Responsible and Sustainable portfolios, including carbon emissions data, where appropriate.
Quilter Investors Sub-advised Funds Forum	Provides independent oversight of Quilter Investors Limited sub-advisers and the activities they perform on Quilter Investors' behalf. NB The majority of sub-advised funds are invested into by WealthSelect.	– Oversight of new or replacement sub-advisers, which included the launch of the new Quilter Investors Timber Equity Fund, which has an objective to invest in companies which support sustainable forestry and timber practices.
Quilter Investors Product and Customer Forum *(was Quilter Investors Product and Customer Outcome Forum)*	Ensures that there is an effective and adequate framework in place for the multi-asset and sub-advised funds; covering the design, approval, and marketing throughout their lifecycle, to meet customer needs and legal, regulatory, and Quilter policy requirements.	– Oversight of the design of products to ensure they meet the needs of an identified target market and appropriate consideration of the ESG requirements.

Strategy

The climate-related risks and opportunities we are exposed to and the impact of climate-related issues on our business and strategy.

Strategy

Quilter's Affluent business is aligned with the Quilter group approach to the way we consider the risks and opportunities that we face and have placed more emphasis on the short-, medium-, or long-term nature of these, as well as delineating between operations, investment, and advice and distribution to make this process more transparent.

A timeline and description of Quilter group strategy relating to operations climate risks and opportunities, which encompasses the Affluent business are included in the Group TCFD report.

We consider the climate-related investment risks and opportunities according to the following factors:

Factor	Description	Explanation
Timeframe	Short term 0-5 years Medium term 5-15 years Long term 15+ years	– Given the long-term trajectory of how we approach climate-related risks and opportunities we set these timeframes to reflect this.
Type of climate risk	Transitional Physical	– Transitional risk relates to the global transition to a lower carbon economy. – Physical risk is associated with the physical impacts of climate change.
Risk/opportunity type	Idiosyncratic risk Systemic risk Opportunity	– Idiosyncratic risk refers to implicit risks exclusive to a company. – Systemic risk refers to broader trends that could impact the overall market or sector. – Opportunity: efforts to mitigate and adapt to climate change also produce opportunities for organisations, for example, through resource efficiency and cost savings, the adoption of low-emission energy sources, the development of new products and services, access to new markets, and building resilience along the supply chain. Climate-related opportunities will vary depending on the region, market, and industry in which an organisation operates.

Business area	Operations
	Investments
	Advice and distribution
		– As each of these business areas face different risks and opportunities the reporting focuses on each area separately. Whilst there are some common risks, the risk mitigation will be very different depending on the business area the risk relates to.
		  – Operations risks are reported in the Group TCFD report for all entities.
		  – We split investments, and advice and distribution as the latter is not exposed to the same risks and opportunities and by taking this approach, conclusions will be more explicit.
		  – Advice and distribution activities will be covered by the ***Quilter responsible investment principles*** through the Affluent responsible investment implementation activities over the next year.

Investment risks and opportunities

Theme	Type of climate risk	Risk / opportunity type	Emissions	Impact of the risk	Time frame	Risk management
Policymakers not enforcing decarbonisation targets for the assets we invest in.	Transitional	Systemic risk	Scope 3	Without global government regulation and support it will be difficult to engage for change with the assets we invest in on behalf of our customers.	M	We collaborate with standard setting bodies such as: – IIGCC Institutional Investors Group on Climate Change. – The Investor Forum. – CDP. – Investment Association. Research: In 2023 we contributed to the following publications and research: – IIGCC derivatives and hedge fund guidance. – IIGCC sovereign bonds and country pathways discussion paper. – Explore partner manager innovations relating to forward-looking climate-related models for scenario analysis. – Implementing new systems to enhanced data quality. – Engagement with ESG data providers to adhere to the code of conduct for ESG ratings and product providers. – Ongoing training with the investment team – Governance framework of committees within Quilter Investors.
Misleading claims regarding the climate-related outcomes or credentials related to a strategy, product or responsible investment related activity (greenwashing).	Transitional risk	Idiosyncratic risk	Scope 3	– This will negatively impact our customers and our reputation as well as potentially lead to fines and action by our regulator(s). – Training across the Group on responsible investment and anti-greenwashing on an ongoing basis. – Governance forums for product and strategies to ensure that we are meeting our customers' outcomes.	S	– Implementing new systems to enhanced data quality. – Engagement with ESG data providers to adhere to the code of conduct for ESG ratings and product providers. – Ongoing training with the investment team – Governance framework of committees within Quilter Investors.

Time Period Key: S Short term 0-5 years; M Medium term 5-15 years; L Long term 15+ years.

Investment risks and opportunities (continued)

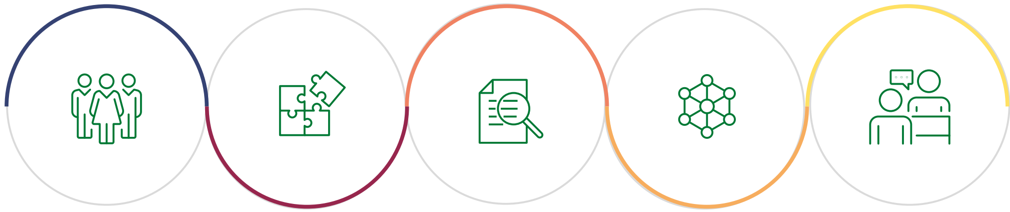
Theme	Type of climate risk	Risk / opportunity type	Emissions	Impact of the risk	Time frame	Risk management
Misrepresenting outcomes or attributes in literature (internal and external) – includes policies, sales aids, brochures, adverts (greenwashing).	Transitional	Idiosyncratic risk	Scope 3	– This will negatively impact our customers and our reputation as well as potentially lead to fines and action by the regulator(s). – Marketing processes and procedures including oversight controls.	S	Marketing processes and procedures including controls and oversight. We use the CLEAR principles aligned to Consumer Duty. The CLEAR toolkit was designed using behavioural science principles to help us improve communications with our customers.
Ensuring we develop products and strategies to meet our customers' climate-related requirements and expectations.	Transitional risk Physical risk	Idiosyncratic risk Opportunity	Scope 3	– If we do not do this it will negatively impact our customers and our reputation as well as potentially lead to fines and action by the regulator(s). – Capture of customers' preferences through the advice and suitability processes. – Adviser and customer surveys.	S M	WealthSelect Responsible and Sustainable ranges are aligned to their mandate to maintain a smaller carbon footprint than the reference index.
Investing in assets that do not have robust climate transition plans and those that may become stranded assets.	Transitional risk Physical risk	Idiosyncratic risk	Scope 3	– In order to meet our customers' expectations and to meet our responsibilities as an asset manager. – If we do not do this, it will negatively impact our customers and our reputation as well as potentially lead to fines and action by the regulator(s). – Development of climate action plan in 2024.	M L	Development of climate action plan in 2024 incorporating quantitative and qualitative research findings alongside ongoing stewardship programme and participation in initiatives.
Misleading claims regarding the climate-related outcomes or credentials related to a strategy, product, or responsible investment-related activity (greenwashing).	Transitional risk Physical risk	Idiosyncratic risk	Scope 3	This will negatively impact our customers and our reputation as well as potentially lead to fines and action by the regulator(s). Training across the Group on responsible investment and anti-greenwashing on an ongoing basis. Governance forums for product and strategies to ensure that we are meeting our customers' outcomes.	S	– Participation on the Global Financial Innovation Network greenwashing TechSprint in collaboration with AI providers and regulators. – Explore a partnership with an AI provider to assess the potential use of AI to identify ESG risks and opportunities, including climate related.

Theme	Type of climate risk	Risk / opportunity type	Emissions	Impact of the opportunity	Time frame
Investing in assets that are supporting the transition	Transitional risk Physical risk	Opportunity	Scope 3	– In order to meet our customers' expectations and meet our responsibilities as an asset manager. – Development of climate action plan in 2024.	M L

Time Period Key: S Short term 0-5 years; M Medium term 5-15 years; L Long term 15+ years.

Responsible investment integration

For investments, Quilter's Affluent business supports the ***Quilter responsible investment principles*** and these principles are implemented through existing teams, processes, and systems creating the opportunity to fully embed ESG risks and opportunities, including those related to climate change. Work is underway for the Quilter responsible investment principles to be further implemented across Quilter's Affluent business activities throughout 2024 and 2025. This project will seek to align responsible investment practices across Quilter's Affluent business with particular focus on core activities of advice and distribution.



For Affluent customers, we make investment solutions available via the channels provided by our advice and distribution networks. The assets managed in 2023 invest predominantly in investment funds, rather than directly in companies, and we consider sustainability factors through our ESG-integrated investment research process, implemented through the responsible investment tier framework found in Appendix C and described in the risk management section. The related processes allow us to record and monitor the climate-related commitments and actions of the firms and funds our portfolios invest in, as well as our exposure to climate-related risks and opportunities through the company/issuer level investments.

This responsible investment tier framework also aligns the minimum expectations of our investments to specific commitments of our investment solutions ensuring we meet commitments to our customers. This includes climate-related commitments such as maintaining a carbon footprint smaller than the stated global equity index – a requirement for the WealthSelect Responsible and Sustainable portfolios.

This also facilitates portfolio managers in that, for example, WealthSelect Responsible portfolio managers may use funds categorised as tier 2 or tier 3 as their investment universe, and WealthSelect Sustainable portfolios use funds categorised as tier 3, assured that the portfolio's fund and issuer level responsible investment-related commitments are met by those investments.

Issuer-level information can be analysed by geography, sector, fund, or portfolio and combined with additional proprietary or external research, for the purposes of identifying overall climate-related risks and opportunities, including opportunities for meaningful research and impactful engagement planning and to contribute to the development of the climate action plan. For the TCFD product reports, the recommended metrics are aggregated bottom-up from issuer to portfolio level as described in the metrics and targets section on pages 27-28.

Our fund investment solutions lend themselves to several strategic climate-related opportunities:

- Whole market research opportunities help us to develop well-evidenced positions that are aligned with best practice.
- Strong partnerships foster shared learning for effective collaboration and advocacy for initiatives that are useful to the investment community.
- Firm, fund, and issuer analysis supports a multi-layered stewardship approach that considers ownership structures and influences for driving positive change.

As we develop our climate action plan through 2024 and 2025, our activities focus on these opportunities and incorporating findings into business, investment, and stewardship processes.

Climate action plan timeline

We are in the process of developing our climate action plan. This will be developed based on our research findings and in alignment with formal rules and guidance provided by the FCA and associated parties and initiatives.

H2 2022

Quantitative analysis of sustainability focused investment funds: (pre-TCFD) data analysis, prioritisation method and scoring, tool design.

H1&2 2023

Qualitative research with sustainability focused managers, follow up, analysis, and initial findings.

H1 2024

Validation of findings (feedback to managers and relevant initiatives/bodies). Qualitative research development and staged roll-out plan.

H2 2024

Apply quantitative and qualitative data analysis across investments to identify further research and engagement priorities.

Design scalable baseline framework for effective, measurable climate-related activities (climate action plan) derived from these findings.

2025

Structured manager engagements with specific objectives according to agreed prioritisation.

Continuation of research to full coverage of investments and incorporation of engagement feedback loops (advocacy plan).

Targets will be measurable statements delivered through the climate action plan that can be tracked and reported annually, and will include clear methods for implementation, however, we will not be seeking to assign attribution to our activities as we believe our evidence-based approach will be aligned with other investors to create supportive, structured influence toward a transition to a net zero world.

The climate action plan will be strategically implemented through existing processes which are described in the 'Risk management' section. We acknowledge that some of these areas will require increased resources in order to achieve these goals and targets, which will feed into the broader business development plans.

Stewardship

We believe stewardship is most effective for maximising long-term value when activities serve and support investment decisions. Our Stewardship Programme aims to achieve this in two ways:

- Ensuring we meet the standards required for our customers, by fully integrating stewardship into investment processes and in alignment with our firm level and mandate commitments. This is implemented through the responsible investment tier framework that records responsible investment-related minimum standards that apply to the Firm, Fund and Issuer level of investment exposure monitored through manager due diligence and investment risk processes. Where we identify risks that any of these areas may not reach the standards promised to our customers, we work collaboratively to engage with managers on the issue.
  - Where mandates include climate-related commitments, for example in the WealthSelect Sustainable and Responsible portfolios, we commit to keeping carbon footprint below the benchmark.
- Promoting well-functioning markets long term, by focusing on risks and opportunities with regards the broader context of our customers' investments. This is implemented by thematic integration and collaboration through our strong relationships with investment partners and guided by monitoring of the regulatory landscape and research of the most material themes emerging. In addition, we carefully consider our commitment to initiatives and collaborations that are aligned to these thematic areas.
  - Quilter's three thematic priorities include climate change as our highest thematic priority and the focus for thematic stewardship activities to date.

More information about the Stewardship Programme can be found in the ***Quilter FRC Stewardship Code Report.***

Identifying customers' responsible investment preferences

In 2022 across Quilter, we introduced responsible investment preferences within the advice and discretionary investment management businesses. Quilter advisers integrate a client's responsible investment preferences within the advice and suitability processes that they follow, enabling our customers to consider these preferences alongside risk and desired investment returns. This enables our customers to invest in line with their values and needs. Every customer has their own requirements around risk appetite, ability to bear loss, and income requirements, as well as the investment time horizon. These are the key areas that will determine what is the right investment approach for the customer.

Assets under management with specific responsible or sustainable investment-related mandates

Through the advice and suitability processes referred to above we are beginning to formally identify customers' responsible investment preferences which we are able to track through the allocation of capital to our products and strategies designed to have responsible or sustainable investment-related mandates, as outlined below.

Strategy/product	Mandate	AuM £m as at 31/12/2023
WealthSelect Responsible	The WealthSelect Responsible portfolios (active, passive and blend) aim to achieve capital growth while managing environmental, social, and governance risk of the portfolio, and maintain a smaller carbon footprint than the reference index. The portfolios have exposure to a diversified range of investments in the UK and globally by investing in funds that we identify as leaders in the integration and management of ESG factors. In addition to meeting these criteria, at least 50% of the portfolios' assets will be in funds that pursue explicit environmental and/or social targets, or characteristics as part of their investment process.	296
WealthSelect Sustainable	The Sustainable portfolios (active) aim to achieve capital growth, whilst seeking to support sustainable solutions to environmental and social challenges, that help to achieve the objectives of the UN Sustainable Development Goals. The ESG risks of the portfolios will be managed, and exposure to unsustainable activities minimised while maintaining a smaller carbon footprint than the reference index. The portfolios will have exposure to a diversified range of investments in the UK and globally, and will invest a substantial portion of their assets in funds that target a broad range of sustainable outcomes, and which are leaders in the integration and management of ESG factors, with exceptions where necessary to achieve an appropriately diversified portfolio. In addition, the portfolios will exclude companies with exposure to the: Manufacture or sale of controversial weapons; Manufacture of tobacco products. As well as those that: Derive more than 5% of their revenue from thermal coal extraction; Derive more than 5% of their revenue from unconventional oil and gas extraction (Arctic oil and gas exploration, oil sands, shale energy).	144
Quilter Investors Timber Equity Fund	The Quilter Investors Timber Equity Fund adopts a thematic strategy accompanied with a layer of ESG exclusions applied to the fund. The fund invests in sustainable forestry companies that produce wood-based materials, or companies in the timber value chain that provide biodegradable alternatives to plastics, concrete, or steel. The focus will be on ensuring trees are replanted, forests are nurtured and re-grown, and carbon is captured as part of an overarching mandate to maintain biodiversity. The fund applies an exclusion policy relating to companies that have exposure above a certain threshold to activities that result in negative impacts on the environment or society – this includes not committing capital in countries lacking strong forest legislation, or where legislation is not enforced.	130
Quilter Investors Ethical Equity Fund	The Quilter Investors Ethical Equity Fund invests at least 80% of the value of its property in shares of companies located in developed and emerging markets anywhere in the world. Ethical considerations are integral to the fund's investment objective. This entails the explicit and systematic inclusion of ethical factors in investment analysis and decisions, to better manage risks and improve returns. The fund operates two screening processes: (i) a negative screen to ensure that the fund does not invest in companies that do not meet its ethical criteria; and (ii) a positive screen to focus investment into companies and sectors which the investment adviser believes make a positive contribution to society by exhibiting ethical practices. To be considered for inclusion in the fund, in addition to passing the negative screen, companies must offer solutions to the global and emerging challenges of delivering 'more with less' for a rapidly growing population with a finite supply of resources and within a carbon constrained environment. As such, the fund holds shares in companies that the investment adviser considers enable a cleaner and more efficient economy, underpinned by the following investment themes: energy, food, water, and resource efficiently.	160

Climate scenario analysis

We conducted two types of climate scenario analysis, one qualitative which covers Quilter plc, and one quantitative which encompasses the investment solutions managed by Quilter Investors. These scenario analyses are summarised in the table below.

Scenario analysis	Coverage	Frequency	Description
Qualitative	Quilter plc	Long term	Three qualitative scenarios have been tested to explore our resilience to a range of long-term climate outcomes. These explore both transition and physical risks to different extents. The objective and outcome of the exercise was to consider and identify potential management actions to support and inform our strategy. These are long-term scenarios and so the conclusions of these are not expected to change significantly from year to year unless there is a significant change in the business or the external environment. For this reason, long-term scenarios will be considered periodically, or following a significant change in the business or external environment. The three scenarios used were based on standard industry scenarios which were defined by the ***Network for Greening the Financial System ('NGFS')***.
		Short term	Short-term stress and scenario testing is performed on an annual basis to inform our risk exposures, assess capital and liquidity requirements, assess the effectiveness of management actions, and assess the resilience of the business. Examples of short-term scenarios tested in 2023 which explicitly or implicitly cover the financial risks from climate change are as follows: – **economic downturn scenario** – **climate-related disclosure** – **third-party risk scenario** – **advice risk** We have a strong and resilient balance sheet and sufficient capital and liquidity to withstand all of the ***scenarios tested.***
Quantitative	Affluent managed solutions	Short term	Short-term quantitative scenario analysis is performed annually according to the requirements of the Financial Conduct Authority (FCA)'s Environmental, Social, and Governance (ESG) Sourcebook. This scenario analysis covers all AuM including 22 multi-asset funds, 56 WealthSelect managed portfolios and 39 sub-advised funds. The quantitative scenario analysis was based on MSCI ESG Research LLC data and metrics. It includes Climate Value at Risk (CVaR) across four scenarios (orderly transaction (1.5°C), disorderly transaction (1.5°C), orderly transaction (2.0°C), and hothouse world (3.0°C). The output of these scenario analyses is presented in the ***product reports*** and this will inform our climate action plan.

Risk management

How we identify, assess, and manage climate-related risks, particularly within our investment activities.

Risk management

Risk management across Quilter Plc

Underpinning Quilter's risk management framework which is described in the TCFD Group report (page 33) is a simplified risk categorisation taxonomy, which facilitates the setting of risk appetite and risk reporting. Within this risk taxonomy, a stand-alone Responsible Investment and Corporate Sustainability risk category captures the risks associated with the Group's actions as a responsible investor and its behaviour in relation to corporate sustainability.

Climate-related risk management for investments

The management of climate-related risks is considered as part of the investment process for Affluent managed solutions. The table below provides an overview of the investment process we follow:

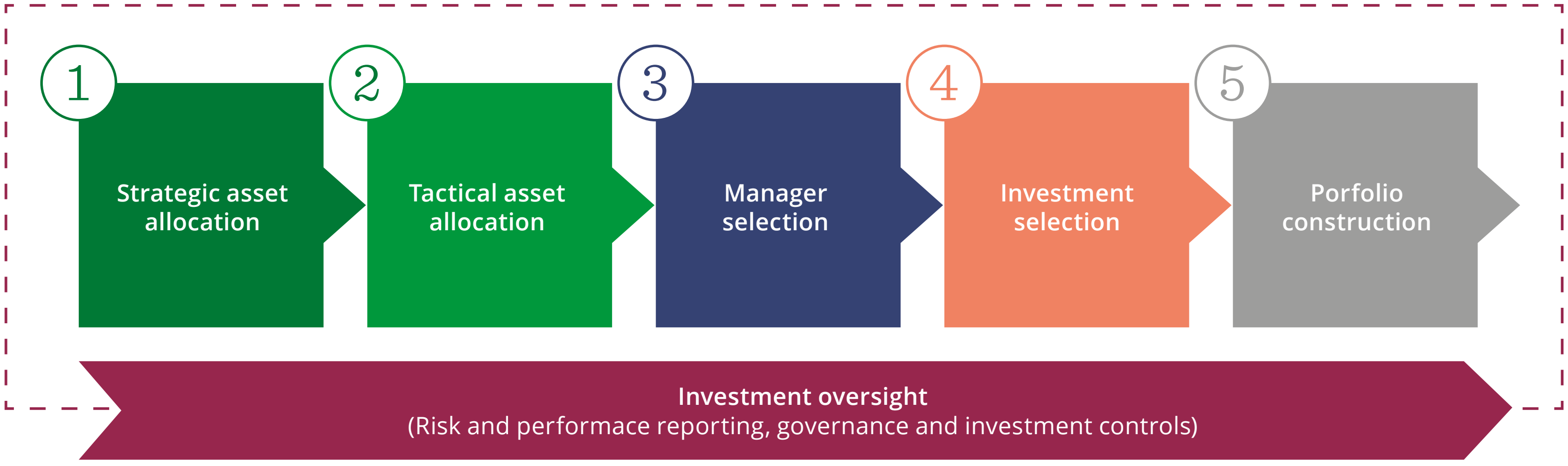


Figure 2: Investment process

Key stages of integration of responsible investment and climate-related risks and opportunities:
Strategic asset allocation Where investment solutions are committed to climate-related characteristics, such as WealthSelect Responsible and Sustainable ranges, climate-related data is incorporated into the strategic asset allocation setting process to ensure the asset allocation result aligns with climate objectives.
Manager selection and monitoring The fund selection follows a rigorous investment due diligence process that integrates consideration of the fund's responsible investment practices to assign a proprietary tier categorisation: – **Philosophy:** ESG integration is a core part of the investment philosophy. – **Process:** ESG factors are integrated in the investment process. – **People:** The team has the appropriate skills and is supported by the appropriate data, tools, and resources. – **Portfolio:** Demonstrate a good management of ESG risks, including climate related. The responsible investment tiers also set incremental minimum standards that align with the commitments of the investment solutions offered. For tiers 2 and 3, we expect managers to monitor carbon emissions metrics, and additionally for tier 3 there are restrictions relating to fossil fuel investment. Further to minimum standards, the manager research process includes systematic collection of climate-related information, including: any climate-related targets with KPIs, alignment with SBTi, inclusion of the fund in any firm-level climate-related targets and climate-related approach and examples. In considering a fund's responsible investment tier categorisation, the responsible investment approach of the firm is also included. Our ODD process facilitates systematic and efficient management of information, including firm-level climate commitments and related engagement approach.
Portfolio construction The managed portfolios are constructed using an appropriate combination of funds to ensure compatibility with the customer's attitude to risk and sustainability preferences. Responsible investment data dashboards, which include climate-related metrics as appropriate to the mandate, are used as part of the portfolio management and risk-monitoring process on an ongoing basis to ensure portfolios are managed in line with their objectives. For WealthSelect Responsible and Sustainable portfolios, this process considers the carbon footprint of the portfolio as compared to the reference index (MSCI World). All TCFD product reports also include a commentary from our portfolio managers to describe factors affecting the reported metrics of these portfolios. (Note: As the investment decisions for the sub-advised funds are delegated to external managers, TCFD Product Reports for these funds will include metrics only.)

Key stages of integration of responsible investment and climate-related risks and opportunities:
Investment Oversight (risk reporting) Dashboards presenting ESG and climate-related risks of investment exposure through look-through holdings are used to monitor and track risks and exposure to unsustainable activities of investments. These dashboards can be adapted for different uses, including climate-related mandate commitments, such as maintaining a smaller carbon footprint than the reference index. They are used as part of reporting run on a monthly basis by the investment risk and the responsible investment teams with any above tolerance data points flagged for further investigation by the investment and research teams. Where appropriate, this may result in an engagement with managers. Some of the ESG metrics included in the dashboards are greenhouse gas ('GHG') emissions, weighted average carbon intensity ('WACI'), and product involvement in oil and gas, shale, oil sands, thermal coal extraction, and fossil fuel generation. Commitment to GHG reduction targets and alignment to the United Nation's Sustainable Development Goals are also included for consideration.
Stewardship Stewardship plays an important role in supporting our approach to managing climate-related risks and opportunities responsibly across our investment solutions. We believe that, for most of our strategies, an approach of engagement rather than divestment is the most appropriate initial action to take. Our three thematic priorities at Quilter are climate change, natural capital, and human rights. We engage on climate-related issues with both companies and funds, where appropriate, and we also participate in collaborative engagement. It is important to us that we take advantage of our strategic opportunities as a fund investor to build a robust and relevant body of evidence to design our thematic stewardship approach so that we properly assess risks and capture the best opportunities to mitigate and advocate for climate action. As noted in our strategy, over the last 12-18 months, we have undertaken thorough research with tier 3 managers to understand challenges and learning opportunities for integration of climate action, such as transition plans and engagement into investment processes. This has provided us with clear insights into best practice in the industry, as well as the overall profile of our tier 3 investments. As we validate and feed back our initial findings to managers and relevant initiatives this year, we note useful contributions to the next phase in the climate action plan development timeline: – Clear insights into challenges and opportunities for integration of climate action for various asset classes and sectors. – Collective feedback for engagement with climate initiatives such as CDP and SBTi. – Robustly designed set of structured questions for staged roll-out of climate action research to all managers. These will all contribute to the next phase of qualitative and quantitative analysis that will inform our climate action plan towards the end of 2024. In 2023 Quilter was reconfirmed as a signatory of the UK Stewardship Code 2020, which sets out the expectations of how investors manage money on behalf of customers and sets out 12 principles for asset managers. We have submitted our Stewardship Report for 2023 and are awaiting confirmation. Read more about our Stewardship activities in our Stewardship Code Report here: ***Reports and statements | Quilter plc***

Metrics and targets

The metrics and targets we use to measure, monitor, and manage our exposure to climate-related risks and opportunities.

Metrics and targets

Affluent managed solutions use the same teams, processes, and systems. As such the metrics included in the TCFD product reports have the same data sources and methodologies, which are outlined below. All data used as at 29 December 2023.

Where investment decisions for the sub-advised funds are delegated to external managers, reporting for these funds will include metrics only this year. We may review this in future as we work with these partners to understand and address differences and outliers from our analysis through the year.

More information relating to operational metrics and targets can be found in the ***Quilter group TCFD report***.

Product report metrics calculation

For the product report calculations we use functionality provided by Factset, which allows portfolios to be analysed via bottom-up calculations. Each of our TCFD product reports includes the following metrics, using MSCI ESG Research data:

- Scope 1 and 2 greenhouse gas emissions
- Scope 3 greenhouse gas emissions
- Carbon emissions per $1m invested
- Total carbon of the entire portfolio
- Weighted average carbon intensity (WACI).

As Quilter Affluent managed solutions have exposure to carbon intensive assets, forward-looking quantitative analysis of several climate scenarios has been included for all portfolios. These are listed in the Glossary (Appendix A).

- Climate value at risk (climate VaR)
- Quantitative scenario analysis or an 'orderly transition', 'disorderly transition', and 'hothouse world'

We have included a coverage percentage for each metric, representing the percentage of the portfolio and the percentage of the MSCI ACWI, for which data is available to calculate these metrics.

Other inputs to the calculation process are:

- portfolio positions
- fund holdings
- prices and exchange rates
- MSCI climate and CVaR packages as integrated with Factset

For product-level calculations, asset classes such as sovereign bonds, cash and derivatives (including short positions) are excluded for calculation purposes with the remaining portfolio reweighted to 100%. For remaining asset classes, primarily listed equities and corporate bonds, most metrics are available from MSCI. The MSCI methodology calculates metrics using only the covered part of the portfolio. For uncovered assets it assumes the aggregate portfolio exposure is applicable to the rest of the portfolio and scales the number to compare against the index. We have therefore reported the proportion of assets covered ('coverage') for all metrics. **For portfolios with a lower level of coverage (below 50%) the validity of this assumption becomes less reliable.**

For the calculations made for monitoring of WealthSelect Responsible and Sustainable emissions targets against benchmark, the assets included vary slightly from those included for TCFD product report calculations. This is due to distinct asset types included for monitoring purposes, defined at product launch, and before TCFD regulation.

MSCI climate data

In the calculations of the TCFD product report metrics, we have placed reliance on the accuracy of our third-party climate data solution – MSCI ESG Research LLC. Where MSCI use reported carbon emissions data, reporting periods may not be aligned. In some cases, reported data may also be dated as MSCI use the latest disclosed emissions data.

Scope 3 emissions

For our investments we include Scope 1 and Scope 2 emissions together and Scope 3 emissions separately. For Scope 1 and Scope 2 data, the average ratio of reported vs estimated or modelled data is around 80%. Scope 3 data available is inconsistent in nature as most of the data is modelled or estimated. The modelled and estimated data is produced using various methodologies and approaches, and therefore we do not include Scope 3 modelled or estimated data in Scope 3 calculations.

Targets

Currently, explicit emissions targets apply for WealthSelect Responsible and Sustainable ranges only. These portfolios are managed to ensure they have a smaller carbon footprint that their reference index (MSCI World) through integration in the investment process outlined in the 'Risk management' section. The portfolio emissions calculated and reported for managing and monitoring these climate targets are calculated using a variation of the methodology for the TCFD product reports as described above.

Further targets to apply across other Quilter Affluent managed solutions will be included in the climate action plan being developed through 2024.

Appendices

Appendix A – Glossary of terms

Term	Definition
Carbon footprint	Allocated emissions to all financiers (EVIC) normalised by millions USD invested. This metric compares portfolio impact across portfolios in tonnes CO_2e per US$1m.
Climate value at risk	Climate VaR provides a stressed market valuation of a security in relation to aggregated transition and physical cost and profit projections until the end of the century. The climate VaR metric, expressed as a positive or negative percentage, reflects a change from a portfolio's current valuation, assesses how an investment portfolio could be impacted by climate policy risk and extreme weather (physical climate risks), and benefited by a low-carbon technology transition.
Climate scenario: Disorderly transition	A climate scenario that assumes higher transition risks due to policies being delayed or divergent across countries and sectors but still limits the increase to 1.5 degrees Celsius.
Climate scenario: Hothouse world	A climate scenario that assumes some climate policies are implemented in some jurisdictions, but global efforts are insufficient to halt significant global warming and the global temperature increases to 3.0 degrees Celsius.
Climate scenario: Orderly transition 1.5	A climate scenario that assumes climate policies are introduced early and become gradually more stringent, limiting the global temperature increase to 1.5 degrees Celsius by 2100.
Climate scenario: Orderly transition 2.0	A climate scenario that limits the increase to 2.0 degrees Celsius.
Exchange-traded fund	An exchange-traded fund (ETF) is a type of investment fund and exchange-traded product, ie they are traded on stock exchanges.
ESG	Environmental, social, and governance. Environmental concerns include climate and broader environmental issues, like biodiversity. Social factors range from modern slavery to international development. Governance refers to the way that companies are controlled and directed.
FCA	Financial Conduct Authority.
Greenhouse Gas Reporting Protocol	The GHG Protocol supplies the world's most widely used greenhouse gas accounting standards.
Investment pathways	These are default strategies for customers who enter retirement without a financial adviser. They have been designed around four different ways in which such customers might want to access their pension (see here for further details).
Investment trust	An investment trust is a public limited company (PLC) traded on the London Stock Exchange, so investors buy and sell from the market, meaning that the value is affected by supply and demand.
MSCI	Morgan Stanley Capital International.
NGFS	The Network of Central Banks and Supervisors for Greening the Financial System.
ORSA	The own risk and solvency assessment or 'ORSA' is a self-directed process undertaken by insurance groups to gauge the adequacy of their risk management and solvency conditions under normal and severe scenarios. This is required under the Prudential Regulation Authority's Solvency II regime.
PRA	Prudential Regulation Authority.

Appendix A – Glossary of terms (continued)

Term	Definition
Scope 1 emissions	The direct greenhouse gas (GHG) emissions from sources that are owned or controlled by the company. Scope 1 emissions result from a company's internal operations, including on-site energy production, vehicle fleets, manufacturing operations, and waste. The values represent metric tonnes of CO_2 equivalent.
Scope 2 emissions	The indirect greenhouse gas (GHG) emissions attributable to operations that are owned or controlled by the company. Scope 2 emissions result from the emissions generated in the production of energy (electricity, steam, heat, and cooling) that is purchased by a company generated upstream from the organisation. For purchased electricity, organisations are required to report Scope 2 emissions according to a 'location-based' and a 'market-based' method.
Scope 3 emissions	These are all indirect emissions (not included in Scope 2) that occur in a company's value chain, including both upstream and downstream emissions (eg business travel, waste).
Stewardship	Stewardship is the responsible allocation, management, and oversight of capital to create long-term value for customers and beneficiaries leading to sustainable benefits for the economy, the environment, and society.
Sub-advised funds	These are funds operated by our associate company, Quilter Investors Limited (QIL), who as the Authorised Fund Manager (AFM) has overall responsibility for them. QIL as AFM must therefore ensure the funds comply with applicable regulations and their investment objectives and policies. The underlying investment management, however, is outsourced to third-party investment managers (also known as sub-advisers) who undertake the day-to-day investment decisions.
Total carbon emissions	Allocated emissions to all financiers (EVIC). This metric aims to understand the absolute emissions of the portfolio in tonnes CO_2e.
TCFD	The Task Force on Climate-related Financial Disclosures. The Financial Stability Board created the TCFD to improve and increase reporting of climate-related information.
The Group	Quilter plc and its underlying companies.
UK Stewardship Code	The UK Stewardship Code 2020 sets high stewardship standards for those investing money on behalf of UK savers and pensioners, and those that support them. Stewardship is the responsible allocation, management, and oversight of capital to create long-term value for customers and beneficiaries leading to sustainable benefits for the economy, the environment, and society.
WealthSelect	A managed portfolio service offered by Quilter and available to customers of Quilter's platform.
Weighted Average Carbon Intensity ('WACI')	A portfolio's exposure to carbon-intensive companies, expressed in tonnes CO_2e/\$m revenue. This metric is recommended by the TCFD. Certain asset classes are excluded from the WACI calculation. Most significantly, these include government bonds, asset-backed securities, cash, foreign currencies, and derivatives.

Appendix B – Affluent managed solutions

The products managed within the Quilter Affluent business are shown below.

Report
Quilter Cheviot Global Income and Growth for Charities Fund
Quilter Investors Absolute Return Bond Fund
Quilter Investors Asia Pacific (ex Japan) Fund
Quilter Investors Asia Pacific (ex Japan) Large-Cap Equity Fund
Quilter Investors Asia Pacific Fund
Quilter Investors China Equity Fund
Quilter Investors Cirilium Adventurous Blend Portfolio
Quilter Investors Cirilium Adventurous Passive Portfolio
Quilter Investors Cirilium Adventurous Portfolio
Quilter Investors Cirilium Balanced Blend Portfolio
Quilter Investors Cirilium Balanced Passive Portfolio
Quilter Investors Cirilium Balanced Portfolio
Quilter Investors Cirilium Conservative Blend Portfolio
Quilter Investors Cirilium Conservative Passive Portfolio
Quilter Investors Cirilium Conservative Portfolio
Quilter Investors Cirilium Dynamic Blend Portfolio
Quilter Investors Cirilium Dynamic Passive Portfolio
Quilter Investors Cirilium Dynamic Portfolio
Quilter Investors Cirilium Moderate Blend Portfolio
Quilter Investors Cirilium Moderate Passive Portfolio
Quilter Investors Cirilium Moderate Portfolio
Quilter Investors Compass Portfolio 3 Portfolio
Quilter Investors Compass Portfolio 4 Portfolio
Quilter Investors Compass Portfolio 5 Portfolio

Report
Quilter Investors Corporate Bond Fund
Quilter Investors Creation Adventurous Portfolio
Quilter Investors Creation Balanced Portfolio
Quilter Investors Creation Conservative Portfolio
Quilter Investors Creation Dynamic Portfolio
Quilter Investors Creation Moderate Portfolio
Quilter Investors Diversified Bond Fund
Quilter Investors Dynamic Bond Fund
Quilter Investors Emerging Markets Equity Fund
Quilter Investors Emerging Markets Equity Growth Fund
Quilter Investors Emerging Markets Equity Income Fund
Quilter Investors Ethical Equity Fund
Quilter Investors Europe (ex UK) Equity Fund
Quilter Investors Europe (ex UK) Equity Growth Fund
Quilter Investors Europe (ex UK) Equity Income Fund
Quilter Investors Global Dynamic Equity Fund
Quilter Investors Global Equity Absolute Return Fund
Quilter Investors Global Equity Growth Fund
Quilter Investors Global Equity Value Fund
Quilter Investors Global Unconstrained Equity Fund
Quilter Investors Investment Grade Corporate Bond Fund
Quilter Investors Japanese Equity Fund
Quilter Investors Monthly Income and Growth Portfolio
Quilter Investors Monthly Income Portfolio

Report
Quilter Investors Natural Resources Fund
Quilter Investors North American Equity Fund
Quilter Investors Precious Metals Equity Fund
Quilter Investors Sterling Corporate Bond Fund
Quilter Investors Sterling Diversified Bond Fund
Quilter Investors Timber Equity Fund
Quilter Investors UK Equity 2 Fund
Quilter Investors UK Equity Fund
Quilter Investors UK Equity Growth Fund
Quilter Investors UK Equity Income Fund
Quilter Investors UK Equity Large-Cap Income Fund
Quilter Investors UK Equity Opportunities Fund
Quilter Investors US Equity Growth Fund
Quilter Investors US Equity Income Fund
Quilter Investors US Equity Small-Mid-Cap Fund
Quilter WealthSelect Managed Active 3 Portfolio
Quilter WealthSelect Managed Active 4 Portfolio
Quilter WealthSelect Managed Active 5 Portfolio
Quilter WealthSelect Managed Active 6 Portfolio
Quilter WealthSelect Managed Active 7 Portfolio
Quilter WealthSelect Managed Active 8 Portfolio
Quilter WealthSelect Managed Active 9 Portfolio
Quilter WealthSelect Managed Active 10 Portfolio
Quilter WealthSelect Managed Blend 3 Portfolio

Appendix B – Affluent managed solutions (continued)

Report
Quilter WealthSelect Managed Blend 4 Portfolio
Quilter WealthSelect Managed Blend 5 Portfolio
Quilter WealthSelect Managed Blend 6 Portfolio
Quilter WealthSelect Managed Blend 7 Portfolio
Quilter WealthSelect Managed Blend 8 Portfolio
Quilter WealthSelect Managed Blend 9 Portfolio
Quilter WealthSelect Managed Blend 10 Portfolio
Quilter WealthSelect Managed Passive 3 Portfolio
Quilter WealthSelect Managed Passive 4 Portfolio
Quilter WealthSelect Managed Passive 5 Portfolio
Quilter WealthSelect Managed Passive 6 Portfolio
Quilter WealthSelect Managed Passive 7 Portfolio
Quilter WealthSelect Managed Passive 8 Portfolio
Quilter WealthSelect Managed Passive 9 Portfolio
Quilter WealthSelect Managed Passive 10 Portfolio
Quilter WealthSelect Responsible Active 3 Portfolio
Quilter WealthSelect Responsible Active 4 Portfolio
Quilter WealthSelect Responsible Active 5 Portfolio
Quilter WealthSelect Responsible Active 6 Portfolio
Quilter WealthSelect Responsible Active 7 Portfolio
Quilter WealthSelect Responsible Active 8 Portfolio
Quilter WealthSelect Responsible Active 9 Portfolio
Quilter WealthSelect Responsible Active 10 Portfolio
Quilter WealthSelect Responsible Blend 3 Portfolio

Report
Quilter WealthSelect Responsible Blend 4 Portfolio
Quilter WealthSelect Responsible Blend 5 Portfolio
Quilter WealthSelect Responsible Blend 6 Portfolio
Quilter WealthSelect Responsible Blend 7 Portfolio
Quilter WealthSelect Responsible Blend 8 Portfolio
Quilter WealthSelect Responsible Blend 9 Portfolio
Quilter WealthSelect Responsible Blend 10 Portfolio
Quilter WealthSelect Responsible Passive 3 Portfolio
Quilter WealthSelect Responsible Passive 4 Portfolio
Quilter WealthSelect Responsible Passive 5 Portfolio
Quilter WealthSelect Responsible Passive 6 Portfolio
Quilter WealthSelect Responsible Passive 7 Portfolio
Quilter WealthSelect Responsible Passive 8 Portfolio
Quilter WealthSelect Responsible Passive 9 Portfolio
Quilter WealthSelect Responsible Passive 10 Portfolio
Quilter WealthSelect Sustainable Active 3 Portfolio
Quilter WealthSelect Sustainable Active 4 Portfolio
Quilter WealthSelect Sustainable Active 5 Portfolio
Quilter WealthSelect Sustainable Active 6 Portfolio
Quilter WealthSelect Sustainable Active 7 Portfolio
Quilter WealthSelect Sustainable Active 8 Portfolio
Quilter WealthSelect Sustainable Active 9 Portfolio
Quilter WealthSelect Sustainable Active 10 Portfolio

Appendix C – Quilter Investors responsible investment tier framework

Responsible investment tier	Firm	Fund	Issuer
Tier 1 – Basic responsible investment integration	Basic level industry commitments.	Awareness of material ESG risks.	No involvement in cluster munitions or anti-personnel mines.
Tier 2 – Advanced responsible investment integration	Basic level industry commitments and appropriate organisational resources and support.	Awareness of materials ESG risks, opportunities, and related activities that are intentionally managed and actively discussed as part of investment decisions.	No involvement in cluster munitions or anti-personnel mines and active monitoring, and management of ESG risk, carbon emissions, controversies, and compliance to UNGC with related active ownership.
Tier 3 – Sustainability objectives	Basic level industry commitments and appropriate organisational resources and support with relevant sustainability knowledge and expertise.	Awareness of materials ESG risks, opportunities, and related activities that are intentionally managed and actively discussed as part of investment decisions with particular attention to doing no significant harm and creating positive sustainability outcomes.	No involvement in any controversial weapons or tobacco manufacture and active monitoring and management of ESG risk, carbon emissions, controversies, and compliance to UNGC with related active ownership.

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More and more of our investors are using screen reading software as a quick and easy way to read their documentation if they are blind, partially sighted, or dyslexic. Alternatively, we can write to you in several alternative formats, such as large print, braille, audio, and OpenDyslexic font.

Find out more about screen readers, accessing your documents online, and our alternative format options at ***www.quilter.com/document-help***.

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