

Quilter Investors Creation Balanced Portfolio TCFD report 2025

Published: March 2026

This report provides you with information on the impact of the portfolio on climate change and the exposure of the portfolio to climate-related risks, consistent with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and chapter 2 of the FCA ESG sourcebook for product-level TCFD reporting.

For more information about our approach to climate-related governance, strategy, and risk management, please read the [Quilter TCFD report 2025](#).

This report is for the 12-month period up to 31 December 2025.

Investment objective

To achieve capital growth over a period of five years or more. The portfolio is diversified across asset classes, with exposure to equities between 15% and 55% and with volatility of between 6% and 10%. The volatility range is a target, based on long term actuarial assumptions and the Fund is managed to stay within this range most of the time. The volatility range is regularly reviewed and may change from time to time due to changes in these assumptions.

The assessment in this report is based on the objective outlined above and reflects the reporting period from 1 January 2025 – 31 December 2025. Please note, this objective changed on 30 March 2026.

For more information on the portfolio, including the new objective, please refer to the latest factsheet [here](#).

Information on the data used in this report

The data used in this report is primarily available for company level holdings, such as equities (company shares) and corporate bonds (debt and loans). The metrics are calculated using the data that is available and, where appropriate, scaled to represent the remainder of the portfolio. Total carbon emissions are not scaled.

Some asset classes are excluded from our calculations. For example, we excluded derivatives because they do not have reliable or widely accepted calculation methodologies. As a result, data coverage varies across metrics for both the portfolio and the MSCI ACWI comparator. Where coverage is lower, around 50% or below, the reliability and interpretability of the results declines.

Metrics from previous reporting years are included for transparency. However, comparisons over time should be made with caution, as year on year results can be influenced by:

- changes in data quality and calculation methodologies
- changes in the size and composition of the portfolio
- changes in the types of investments held in the portfolio.

Please note, investments providing similar economic exposure can produce materially different metrics. For example, a portfolio with equity exposure through company shares will have materially different metrics to a portfolio with equity exposure through derivatives despite delivering similar investment outcomes.

For more information on the metrics and terminology used in this report, please refer to the additional information section and glossary from page 6 onwards.

Need additional help reading documents?

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 quilter.com/document-help.

Carbon emissions

Carbon emissions, or financed emissions, are the total carbon emissions of the underlying holdings of the portfolio. For the definition and calculation methodology for each of the metrics, please refer to the additional information on page 4.

	(2025)			(2024)	(2023)
	Portfolio	Comparator	Difference	Portfolio	Portfolio
Total carbon emissions					
Corporate (Scope 1 & 2) (Data coverage) ¹	3,660.7 (63.3%)	-	-	3,047.7 (59.6%)	3,224.0 (55.3%)
Corporate (Scope 3) (Data coverage) ¹	33,858.2 (63.3%)	-	-	33,250.7 (59.6%)	41,195.7 (55.3%)
Carbon footprint					
Corporate (Scope 1 & 2) (Data coverage) ¹	51.2 (63.3%)	39.7 (99.8%)	29.0%	43.2 (59.6%)	41.3 (55.3%)
Corporate (Scope 3) (Data coverage) ¹	473.5 (63.3%)	449.1 (99.8%)	5.4%	471.4 (59.6%)	528.3 (55.3%)
Weighted average carbon intensity (WACI)²					
Corporate (Scope 1 & 2) (Data coverage) ¹	90.5 (63.4%)	111.1 (99.8%)	-18.5%	79.4 (61.9%)	61.3 (58.8%)
Corporate (Scope 3) (Data coverage) ¹	960.5 (63.5%)	1,137.9 (99.9%)	-15.6%	-	-
Sovereign bonds (Scope 1 & 2) ³ (Data coverage) ⁴	157.3 (100%)	-	-	-	-
Sovereign bonds (Scope 3) ² (Data coverage) ⁴	68.5 (100%)	-	-	-	-

¹The data coverage % for corporates is shown out of our total AuM.

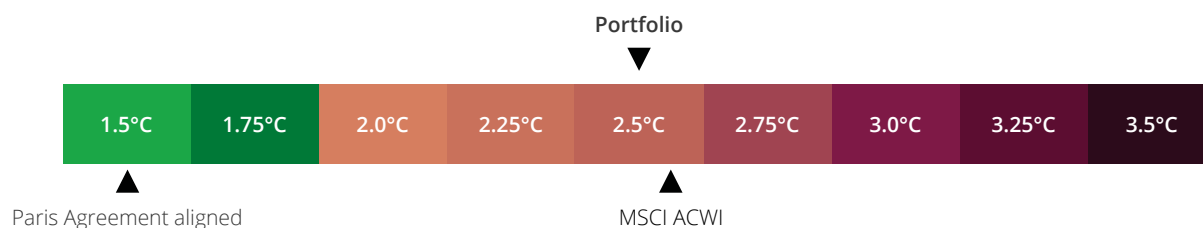
²Corporate Scope 3 WACI and sovereign bond WACI were not included in the 2023 and 2024 product reports, so these data points are not presented here.

³Sovereign emissions have been excluded for holdings with less than 1% exposure.

⁴The data coverage % for sovereigns is shown out of sovereign bond AuM.

Implied temperature rise (ITR)

Implied temperature rise (ITR) is an estimate of how aligned the portfolio is with the global temperature rise limit of 1.5°C above pre-industrial levels set by the Paris Agreement. It measures how much the global temperature may rise if the decarbonisation efforts of the underlying holdings of the portfolio and the economy continue as currently. ITR is primarily driven by the undershoot or overshoot of the decarbonisation trajectory of the underlying holdings of the portfolio relative to the carbon budgets set to achieve the Paris Agreement.



	Portfolio	MSCI ACWI	Paris Agreement
Implied temperature rise (ITR)	2.5°C	2.7°C	1.5°C
(Data coverage)	(63.3%)	(99.6%)	-

Climate value at risk (climate VaR)

Climate value at risk (climate VaR) estimates the potential financial loss or gain caused by climate change in four climate scenarios.

Climate policy and technology developments to enable a transition to a low-carbon economy (transition components) and the physical risks of climate change (physical risk component) could significantly impact the future value of the portfolio. Climate VaR is the sum of the effects of the transition components and the physical risk component on the value of the underlying holdings of the portfolio by the year 2100 in four global temperature rise scenarios.

Climate Value at Risk (CVaR)				
Scenario	Climate policy	Technology opportunities	Physical risk	Aggregated total
1.5°C On Track (Net Zero 2050)	-13.2%	1.7%	-1.1%	-12.6%
MSCI ACWI	-11.0%	1.0%	-1.0%	-11.0%
2.0°C Delayed Transition	-5.5%	0.5%	-2.1%	-7.0%
MSCI ACWI	-4.6%	0.2%	-1.9%	-6.2%
3.0°C Nationally Determined Contributions	-3.9%	0.6%	-2.9%	-6.2%
MSCI ACWI	-3.3%	0.2%	-2.6%	-5.7%
3.0°C Fragmented World	-1.1%	0.1%	-3.2%	-4.1%
MSCI ACWI	-0.9%	0.0%	-2.8%	-3.7%
Data coverage - Portfolio	54.1%	47.5%	53.8%	51.8%
Data coverage - MSCI ACWI	99.8%	92.8%	99.6%	97.4%

Please note, the data coverage for climate VaR is the average data coverage for the three risk and opportunity drivers. Due to rounding, the aggregated figures for Climate VaR may not sum perfectly.

Potential impacts on the value of the portfolio for each climate scenario

	Transition risks	Primarily transition risks, but also some physical risks	Physical risks
Main drivers of impact	<ul style="list-style-type: none"> Gradual carbon pricing and early policies adoption so effects are steadily priced in. Gains from exposures to sectors and regions supporting the green transition but carbon-intensive sectors lose value. Sizable early expenditures to adjust to regulations and a transitioning economy, but the market remains stable. 	<ul style="list-style-type: none"> Abrupt carbon pricing shifts and divergent climate policies cause sharp, unexpected costs. Sudden changes in asset values due to climate-related policies and events, especially for carbon-intensive sectors and in certain geographies. Increased market volatility and economic complexity. 	<ul style="list-style-type: none"> More frequent and severe climate events impair assets and disrupt supply chains. Irreparable loss of natural resources and stranding of assets, especially in vulnerable geographies drive major market losses. Macroeconomic stress and system-wide instability.
Potential impact on the portfolio	<p><i>Realised losses are front-loaded due to rapid economic change needed to achieve the transition. However, physical risks of climate change become manageable, minimising market disturbance. Equities are affected more compared with fixed-income holdings because of less disruptive market corrections in an orderly transition.</i></p>	<p><i>The overall effects may only be realised in the medium term, but market uncertainty and unmanaged physical risks will shock asset prices, specifically for holdings in regions more vulnerable to climate change. Equities are especially impacted by this volatility, but market fluctuations will also impact pricing and yields of fixed income.</i></p>	<p><i>While predictable 'business-as-usual' profits are enjoyed initially, the build-up of climate change effects will cause significant ecological, socio-economic, and economic disruption, which will impact all markets, sectors, and regions in the medium to long term. As a result, both equities and fixed-income holdings will be impacted in this scenario.</i></p>

Additional information

Scope 1 and 2 carbon emissions

This refers to the amount of *directly* produced scope 1 and scope 2 GHG emissions, for which the underlying holdings of the portfolio are responsible, measured in tonnes of carbon dioxide equivalent (tCO₂e) emissions. 'Carbon dioxide equivalent' is a methodology to convert the emissions of other greenhouse gases, such as methane, into the equivalent carbon dioxide emissions to allow for easier comparisons. Scope 1 emissions are the direct emissions from owned or controlled sources of a company. Scope 2 emissions are indirect emissions from the generation of bought energy.

The calculation for Scope 1 & 2 is:

$$\left(\frac{\text{current value of investment}}{\text{enterprise value including cash (EVIC)}} \times \text{scope 1 and scope 2 GHG emissions} \right)$$

Scope 3 carbon emissions

The amount of *indirectly* produced (or value chain-generated) GHG emissions, for which the underlying holdings of the portfolio are responsible, measured in tonnes of carbon dioxide equivalent (tCO₂e) emissions. It represents emissions produced from related products or services that are not directly generated by the company but are produced because of the company. Scope 3 tends to be much larger than scope 1 and 2 but is difficult to track and report.

The calculation for Scope 3 is:

$$\left(\frac{\text{current value of investment}}{\text{enterprise value including cash (EVIC)}} \times \text{scope 3 GHG emissions} \right)$$

Carbon footprint

The carbon footprint consists of the emissions of the companies invested in, apportioned to the investment amount. It represents the amount of emissions produced per US\$1m investment made, which means that it can be used to compare between different investments on the same basis. The position weight compares the value of the investment against the market value of the company (EVIC). Please note, we provide a scope 1 and 2 carbon footprint and a separate scope 3 carbon footprint.

The calculation is:

$$\frac{\frac{\text{aggregated position value}}{\text{enterprise value including cash (EVIC)}} \times \text{company emissions (tCO}_2\text{e)}}{\text{portfolio value (US$m)}}$$

Weighted average carbon intensity (WACI)

Corporates

WACI represents the carbon intensity in tonnes of carbon dioxide equivalent emissions produced for every US\$1m of revenue of each of the underlying holdings of the covered portfolio, multiplied by its weight. It represents the average carbon intensity on a weighted basis responsible for generating the equivalent emissions for each US\$1m revenue received. It is another type of climate indicator that allows for comparisons between different investments. The calculations for each company are:

The calculation for Scope 1 and 2 is:

$$\frac{\text{value of investment (US\$)}}{\text{total covered portfolio value}} \times \frac{\text{scope 1 and 2 emissions (tCO}_2\text{e)}}{\text{revenue (US$m)}}$$

The calculation for Scope 3 is:

$$\frac{\text{value of investment (US\$)}}{\text{total covered portfolio value}} \times \frac{\text{scope 3 emissions (tCO}_2\text{e)}}{\text{revenue (US$m)}}$$

The standardised framework for these calculations is set by the Greenhouse Gas Protocol.

Sovereign bonds

WACI is calculated using the national greenhouse gas emissions relative to GDP of the sovereign issuer, weighted by the allocation of the portfolio to each sovereign issuer.

Scope definitions for sovereign issuer emissions:

Scope 1 and 2: Emissions from sources within the territory of the sovereign issuer, including exported goods and services, plus emissions from imported electricity, heat, steam, or cooling.

Scope 3: Emissions linked to non-energy imports resulting from activities within the territory of the sovereign issuer.

The calculations for Scope 1 and 2 are:

$$\frac{\text{value of investment (US\$)}}{\text{total portfolio value}} \times \frac{\text{Sovereign issuer's Scope 1 and 2 emissions (tCO}_2\text{e)}}{\text{Sovereign issuer's purchasing power parity adjusted GDP (US\$m)}}$$

The calculation for Scope 3 is:

$$\frac{\text{value of investment (US\$m)}}{\text{total portfolio value}} \times \frac{\text{Sovereign issuer's Scope 3 emissions (tCO}_2\text{e)}}{\text{Sovereign issuer's purchasing power parity adjusted GDP (US\$m)}}$$

Please note, corporate and sovereign WACI are reported separately as the methodologies differ (revenue-based for corporates vs GDP-based for sovereign issuers) and should not be added to generate a 'total' intensity figure. Disclosing sovereign issuer WACI separately ensures clarity and avoids double counting.

Climate value at risk (climate VaR)

Climate VaR is a way to quantify the potential losses or gains in certain future scenarios of climate change and how we respond to it. To get the climate VaR, the impacts from three main risk and opportunity drivers are estimated for a certain timeframe and then added up. Climate VaR is usually used as a medium- to long-term, forward-looking indicator and our values shown are for the year 2100 based on the climate scenarios used. At the aggregated level (e.g. fund or portfolio), Climate VaR is calculated as a weighted average of the Climate VaR values of the covered corporate entities, reflecting their relative exposure within the fund or portfolio.

Climate VaR components

Climate VaR combines the transition and physical risks and their associated impacts from climate change. The transition components take into account potential policies or regulations to address climate change as well as potential innovations and technology adoption required to move away from fossil-fuels and other carbon emitting activities. The physical component of climate risk incorporates geophysical and ecological impacts, such as weather changes, sea level rises, storms, and floods as well as the consequential impacts on businesses, supply chains, and infrastructure such as disruptions and damage.

Each of the components contribute towards an aggregate climate VaR, which is presented as a percentage change to the monetary value of the portfolio by the year 2100. Climate VaR is a newly adopted metric with varying assumptions, inputs, and methodologies currently in use. Our climate VaR data comes from our data provider, MSCI, which offers climate data solutions to us and many of our peers. It should not be seen as a decisive prediction of the future, but rather a possible outcome due to significant factors that can change the value of the portfolio.

Climate scenarios

The climate scenarios were created by the Network for Greening the Financial System (NGFS). Each scenario makes different assumptions about how the transition and the physical risks related to climate change will impact the economy and therefore the value of the underlying holdings of the portfolio. The three NGFS scenarios used for our climate VaR analysis are:

- **1.5°C On Track (Net Zero 2050)** - limits global warming to 1.5°C through stringent climate policies and innovation, reaching global net zero carbon dioxide (CO₂) emissions around 2050. This scenario assumes that decarbonisation and climate mitigation policies are introduced swiftly with moderate regional variation, and that technological solutions are developed and introduced readily.
- **2.0°C Delayed Transition** - assumes annual emissions do not decrease until 2030. Strong policies are needed to limit warming to below 2°C. This scenario assumes that various climate related policies are only introduced after 2030 and are likely to cause considerable economic disruption.
- **3.0°C Nationally Determined Contributions** - assumes national decarbonisation targets pledged by Paris Agreement signatories are achieved. Given the acknowledged 'emissions gap' – between the total pledged emissions reductions and the reductions needed to limit warming to 1.5–2.0°C – global warming increases beyond 2.5°C.
- **3.0°C Fragmented World** - assumes a more piecemeal, disordered, and, ultimately, inadequate global effort to reduce emissions. This scenario assumes climate policies will be introduced inconsistently across the world, delaying their implementation and thwarting global efforts to reach net zero.

Climate scenarios are made up of different socio-economic, emission-related, and physical climate pathways modelled to produce potential future outcomes due to climate change and its consequences. They help to imagine different outcomes based on various factors, such as how much we reduce greenhouse gas emissions or how technology evolves. These scenarios are not predictions but possible futures that help us understand the potential impacts of climate change and plan accordingly. They can be used by scientists, policymakers, and businesses to address and adapt to climate change.

Implied temperature rise

Implied temperature rise (ITR) gives an estimate of how much the temperature may rise by 2100 based on the current carbon performance, ambitions, and actions of the companies that the underlying holdings of the portfolio invests in within the wider economy. It is a forward-looking indicator used as an easy way to gauge whether the underlying holdings are on track to achieve the Paris Agreement goals. It takes into account current emissions of the underlying holdings, decarbonisation plans, and credibility in achieving targets, along with global, regional, and industry-level emissions, and decarbonisation pathways and plans. It is used primarily as an alignment indicator and is not a precise estimate for future temperature rise.

For more information on the climate value at risk and implied temperature rise data points we use and the methodologies, please view MSCI's information [climate value at risk](#) and [implied temperature rise](#) documentation.

Glossary

Assets under management (AuM)

AuM is expressed as the amount of money managed in a unit of currency.

Carbon intensive sectors

Carbon-intensive sectors are industries that emit significant amounts of CO₂ and other greenhouse gases. Examples include energy production, aviation, steel, cement, and chemical manufacturing.

Carbon pricing

Carbon pricing is a policy tool that assigns a cost to emitting carbon dioxide (CO₂) and other greenhouse gases, encouraging businesses and individuals to reduce their emissions by making it more expensive to pollute.

Climate policy

Climate policy is the new regulations at national and international level to enable a transition to a low-carbon economy that impact carbon-related activities.

CO₂ equivalent (CO₂e)

CO₂e is a metric used to express the impact of each different GHG in terms of the amount of CO₂ that would create the same degree of warming so that the impacts of different GHGs can be compared. The emission of different greenhouse gases (GHG) warms the earth at different intensities. For example, releasing one tonne of methane into the atmosphere has a greater warming potential than releasing one tonne of CO₂.

Corporate

Corporate investments refer to holdings in companies, such as equities and corporate bonds, where emissions are attributed to the underlying business activities.

Data coverage

The proportion of the portfolio's holdings within the asset type for which data is available. This is aggregated for metrics where multiple asset classes are included. This will include reported and estimated emissions.

Decarbonisation trajectory

A decarbonisation trajectory outlines the planned path and timeline for reducing carbon emissions over time to meet specific climate targets, such as achieving net-zero emissions by 2050.

Enterprise value including cash (EVIC)

EVIC is a measure of the total company value (market capitalisation of the company, preferred equity, minority interest, total debt, cash, and cash equivalents).

Greenhouse gas (GHG) emissions

Greenhouse gas (GHG) emissions refer to the release of gases into the atmosphere that absorb and retain heat within the Earth's surface, akin to a greenhouse. The most important greenhouse gases include carbon dioxide, methane, and water vapour. Other significant greenhouse gases include nitrous oxide, ozone, and fluorinated gases. In carbon accounting (used to estimate GHG emissions), we convert emissions from other GHGs into carbon dioxide equivalents.

Greenhouse Gas Protocol

Greenhouse Gas Protocol is the leading global standard for measuring and managing emissions known as 'carbon accounting'. It provides a comprehensive framework for tracking carbon emissions and other greenhouse gases across operations, supply chains, and climate initiatives.

Green transition

Green transition, broadly speaking, refers to the shift from a fossil-fuel-based economy to one that is sustainable, low-emissions, and resilient to climate change.

Net zero transition

Net zero transition implies reducing greenhouse gas emissions to zero and balancing any remaining emissions with carbon removal efforts, aiming for net zero emissions by 2050.

Network for Greening the Financial System (NGFS)

NGFS is an industry group of central banks and supervisors which develops climate-related risk management resources for the finance sector. It worked in collaboration with a global academic consortium to develop a range of future scenarios that can be used to assess potential future climate risks to economic and financial systems

Paris Agreement

The Paris Agreement is a legally binding international treaty on climate change. It was adopted by 196 parties at COP21 in Paris on 12 December 2015. Its goal is to limit global warming to well below 2°C, preferably 1.5°C, compared to pre-industrial levels.

Partnership for Carbon Accounting Financials (PCAF)

PCAF is a global collaboration of financial institutions that aims to measure and disclose the greenhouse gas (GHG) emissions associated with their investments and loans. PCAF provides a standardised framework to help these institutions assess their environmental impact and align their strategies with global climate goals.

Physical risks

Physical risks include temperature increases that cause sea levels to rise, and extreme and more frequent weather events (with the associated business interruption and damage across operations and supply chains).

Sovereign

Sovereign investments refer to debt issued by national governments, where emissions are linked to the country-level footprint rather than a single company.

Technology developments

Technology developments are the technological changes required to deliver energy-efficient, lower-carbon products and services that would disrupt existing markets

Undershoot and overshoot

Undershoot and overshoot refer to the deviation from a target or expected outcome. Overshoot occurs when something exceeds its target or intended level, while undershoot happens when it falls short of the target.

Important Information

All data is as at 31 December 2025. The data was sourced from MSCI via FactSet in January 2025 using the most up-to-date data available, which may differ from the data used elsewhere and in other reports. We use reported and estimated data in our calculations. All figures are rounded to one decimal place.

The value of investments can fall as well as rise. You might get back less than you invested.

The performance figures shown refer to past performance. Past performance is not a reliable indicator of future performance.

This communication is issued by Quilter, a trading name of Quilter Investors Limited.

Quilter Investors Limited is registered in England and Wales under number 04227837.

Registered office at Senator House, 85 Queen Victoria Street, London, EC4V 4AB.

Quilter Investors Limited is authorised and regulated by the Financial Conduct Authority under reference number 208543.

The Quilter Investors Creation Balanced Portfolio is a sub-fund of Quilter Investors Multi-Asset OEIC, an investment company with variable capital incorporated in England and Wales. Quilter Investors Multi-Asset OEIC is authorised by the Financial Conduct Authority as a non-UCITS retail scheme and can be distributed to the public in the United Kingdom.

Quilter uses all reasonable skill and care in compiling the information in this communication and in ensuring its accuracy, but no assurances or warranties are given. Investors should not rely on the information in this communication when making investment decisions. Nothing in this communication constitutes advice or a personal recommendation. This communication is for information purposes only and is not an offer or solicitation to buy or sell any Quilter product.

Data from third parties is included in this communication and those third parties do not accept any liability for errors and omissions. Investors should read the important information provided by the third parties, which can be found at [quilter.com/third-party-data](https://www.quilter.com/third-party-data).

Document owner: Head of Responsible Investment, Quilter

MM00423/Quilter Investors Creation Balanced Portfolio