



Annual Product-Level Sustainability Report for the Verus Responsible Balanced Fund

Executive Summary

The Verus Responsible Balanced Fund is a diversified multi-asset UCITS fund targeting long-term capital growth through investments aligned to sustainable environmental and social outcomes. During the period 20 December 2024 to 19 December 2025, the Fund was managed in line with its prospectus and sustainability disclosures, including the requirement that at least 75% of invested assets (excluding cash) align with one or more UN Sustainable Development Goals. Sustainability is integrated throughout the investment process via due diligence on underlying managers, ongoing monitoring, third-party assessments and exception oversight, with ESG risks managed through diversification and governance controls. While no material sustainability breaches occurred, relative performance reflected deliberate responsible investment constraints and stabilising allocations that can temper returns in strong market conditions; the Fund remains an unlabelled SDR product with governance and disclosures aligned to FCA anti-greenwashing expectations.

1. Scope, regulatory status and reporting period

Fund name: Verus Responsible Balanced Fund

Authorised Corporate Director: WAY Fund Managers Limited

Investment Adviser: LGT Wealth Management UK LLP

SDR classification: This is an unlabelled sustainability product using sustainability-related terms.

Reporting period: 20 December 2024 to 19 December 2025

Publication date: 17 April 2026

Investment Strategy and Policy: The Verus Responsible Balanced Fund integrates sustainability at the core of its investment strategy, aiming to deliver capital growth while investing at least 75% of its invested portfolio (excluding cash) in assets aligned with one or more UN Sustainable Development Goals. This requirement is implemented through LGT Wealth Management's best-in-class framework and proprietary 1–5 star sustainability rating, with a minimum of 75% of net asset value invested in 4–5 star assets and exclusions applied to 1–2 star assets. The Fund also applies explicit norms-based exclusions, including strict revenue limits for alcohol, tobacco and thermal coal, and a full exclusion of controversial weapons. As a diversified multi-asset strategy, it may invest up to 75% in equities and up to 25% in stabilising assets such as government bonds and physically backed gold ETFs assessed as sustainable or neutral. Sustainability characteristics are monitored through quarterly independent UN SDG screening and ongoing reporting on portfolio-level metrics such as carbon, water and waste relative to a benchmark.

This report constitutes the Fund's annual product-level sustainability disclosure. It explains how the Fund's stated sustainability characteristics have been applied in practice and how sustainability risks and outcomes have been monitored over the reporting period.

2. Investor summary

The Verus Responsible Balanced Fund seeks to achieve long-term capital growth while investing predominantly in assets that provide sustainable solutions to global environmental and social challenges. Over the reporting period, the Fund was managed in accordance with its prospectus, investment policy and sustainability disclosures, including the requirement that at least 75% of the invested portfolio (excluding cash) is aligned with sustainable solutions linked to one or more United Nations Sustainable Development Goals (UN SDGs).

The Fund does **not** apply a UK sustainable investment label. However, it uses the term “Responsible” in its name and marketing, and therefore provides this disclosure to explain clearly, fairly and not misleadingly how sustainability considerations are applied in practice.

3. Sustainability characteristics of the Fund

3.1 Sustainability approach and characteristics

The Fund has defined sustainability characteristics, meaning that sustainability considerations are a core and ongoing element of the investment process.

The Fund aims to invest a minimum of 75% of its invested portfolio (excluding cash) in assets that provide sustainable solutions to global social and environmental challenges. Sustainable exposure is typically achieved through:

- Collective investment schemes that explicitly align to one or more UN SDGs; and
- Where applicable, direct equity or fixed-income securities assessed as providing sustainable solutions.

3.2 Asset allocation and strategy

The Fund follows a diversified balanced investment strategy, which during the reporting period included:

- Up to 75% exposure to equity assets (directly or via collective investment schemes);
- Exposure to fixed income and alternative assets where consistent with the Fund’s sustainability approach; and
- Limited holdings in cash and near-cash instruments for liquidity and operational purposes.

4. Sustainability investment process

4.1 Identification of sustainable investments

Sustainable investments are identified through a combination of:

- The published sustainability strategies of underlying collective investment schemes; and
- External sustainability assessments, methodologies and data used by underlying managers and/or appointed data providers.

The Investment Adviser undertakes initial and ongoing due diligence to assess whether underlying holdings:

- Demonstrate alignment with one or more UN SDGs.
- Apply sustainability considerations systematically within their investment process; and
- Remain consistent with their stated sustainability approach.

4.2 Stewardship, engagement and voting

The Fund invests primarily via collective investment schemes and therefore does not exercise direct voting rights. Stewardship oversight is undertaken indirectly by reviewing:

- The engagement and voting policies of underlying fund managers; and
- Available reporting on stewardship activity where provided.

No direct engagement with investee companies is carried out at the Fund level.

4.3 Ongoing Management

Over the reporting period, the Fund monitored its sustainability approach primarily through the proportion of assets assessed as aligned with one or more UN SDGs, continuing to meet its requirement that at least 75% of the invested portfolio (excluding cash) was SDG-aligned. This assessment is based largely on the stated sustainability strategies and SDG frameworks of underlying collective investment schemes, supplemented by external sustainability data where available. Given the Fund's multi-asset, fund-of-funds structure, these metrics provide an indicative measure of exposure to sustainable solutions rather than a precise measure of environmental or social impact and may rely on manager disclosures, third-party methodologies and estimated data. Differences in underlying approaches and data availability mean figures are subject to judgement and are not always directly comparable. Accordingly, sustainability metrics are considered alongside qualitative due diligence and broader risk oversight, taking these limitations into account.

5. Sustainability risks and risk management

5.1 Relevant sustainability risks

The sustainability risks considered most relevant to the Fund include:

- Environmental risks such as climate transition and physical climate impacts;
- Social risks including labour standards, supply-chain practices and human rights; and
- Governance risks, including board effectiveness, remuneration structures and business ethics.

5.2 Management of sustainability risks

Sustainability risks are managed and monitored through:

- Diversification across asset classes, regions and investment managers;
- Ongoing due diligence and periodic review of underlying holdings; and
- Integration of sustainability oversight into the Fund's broader risk, compliance and governance framework.

While sustainability risks may affect investment performance, they are not considered likely to prevent the Fund from meeting its long-term investment objective over the reporting period.

6. Sustainability performance during the reporting period

6.1 Delivery of sustainability characteristics

During the reporting period:

- The Fund continued to meet its policy requirement that at least 75% of invested assets were aligned with sustainable solutions;
- Changes to asset allocation and underlying holdings were assessed for consistency with the Fund's sustainability characteristics; and
- No material breaches of the Fund's sustainability approach were identified.

6.2 Sustainability indicators and data

Due to the Fund's multi-asset and fund-of-funds structure, sustainability performance is assessed primarily on a **qualitative and proportional basis**, rather than through uniform quantitative impact metrics.

Monitoring includes:

- Ongoing confirmation of UN SDG alignment at underlying fund level;
- Use of third-party sustainability ratings and assessments where available; and
- Exception monitoring where an underlying holding no longer meets sustainability expectations.

6.3 Fund investment performance (share-class specific MI)

Share class	ISIN	Fund return (%)	Comparator benchmark	Benchmark return (%)
A Income	GB00BCW3L962	5.72	IA Mixed Investment 40–85% Shares	11.44
A Accumulation	GB00BCZYG915	5.72	IA Mixed Investment 40–85% Shares	11.44
B Income	GB00BCW3LB80	6.49	IA Mixed Investment 40–85% Shares	11.44
B Accumulation	GB00BCZYG41	6.47	IA Mixed Investment 40–85% Shares	11.44
Z Accumulation	GB00BFZ5GX93	6.56	IA Mixed Investment 40–85% Shares	11.44
Z Income	GB00BFZ5R471	Not shown in the supplied FE extract	IA Mixed Investment 40–85% Shares	11.44

Data source: FE Fund. Performance shown net of fees and charges. **Period:** 20/12/2024 – 19/12/2025.

Performance is reviewed as part of the Fund’s ongoing **Product Governance Review** and **Assessment of Value** processes and considered alongside volatility, asset allocation and drawdown characteristics.

Performance narrative – sustainability constraints

Over the reporting period, relative performance versus the IA Mixed Investment 40–85% Shares comparator reflected the Fund’s **responsible investment constraints** and portfolio construction. In particular:

- **Opportunity set constraints:** The requirement to maintain at least 75% exposure to assets assessed as providing sustainable solutions constrained allocations to certain sectors and issuers during market phases where those areas outperformed the broader market.
- **Style and sector effects:** Emphasis on underlying strategies with stronger ESG profiles can lead to periods of relative under- or out-performance when markets favour higher-emitting or governance-challenged sectors.
- **Risk management trade-offs:** The balanced, diversified structure and use of stabilising assets moderated volatility, which can dampen returns in strongly risk-on markets while providing resilience during drawdowns.

These constraints are intentional and consistent with the Fund’s stated sustainability characteristics and long-term risk objectives. They are not expected to prevent delivery of the Fund’s long-term capital growth objective.

Past performance is not a reliable indicator of future results.

7. Adverse outcomes, limitations and data reliance

When pursuing its sustainability characteristics, the Fund may:

- Hold assets with indirect or transitional sustainability impacts; and
- Rely on external sustainability data and disclosures that may involve judgement, estimation or incomplete information.

The Fund does not guarantee that all investments will generate positive environmental or social outcomes at all times.

8. Governance and ongoing oversight

Sustainability oversight for the Fund is embedded within WAY Fund Managers Limited’s broader governance and product oversight framework, including:

- Quarterly sustainability and investment reviews independent of the Investment Adviser;
- Integration with Product Governance Reviews and Assessment of Value processes; and
- Escalation of material sustainability issues through established risk and compliance channels.

9. Naming, marketing and anti-greenwashing statement

The use of the term “Responsible” in the Fund’s name reflects the investment approach and sustainability characteristics described in this report. Marketing materials are designed to be clear, fair and not misleading, and are consistent with the disclosures provided herein, in line with the FCA’s anti-greenwashing expectations.

10. Further information

Additional information, including the Prospectus, Key Investor Information Document and Consumer Facing Disclosure, is available on the WAY Fund Managers Limited website.

Important: This document is provided for information only and does not constitute financial advice.

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