

Fund aim

The investment objective of Waverton Multi-Asset Balanced Fund is to achieve long term capital growth through investment of up to 100% of its assets in a diversified portfolio of equities, fixed and/or floating rate global government and corporate Debt Securities, Structured Products, deposits, cash, money market instruments and commodities.

Investment style

The Fund has a multi-asset structure and invests in a portfolio of direct equities, bonds and alternative strategies, and may use open-ended funds and exchange traded funds to gain exposure to those asset classes. The Fund will maintain a relatively concentrated portfolio with a high degree of flexibility.

Fund facts

Launch Date	14 November 2023
Morningstar Sector	GBP Allocation 40-60% Equity
Benchmark	CPI +3.0%
Fund Size	GBP 192.4m
No. of Holdings	70
Domicile	Ireland
Sedol	BS82CH4
Bloomberg Code	WAMBPSG ID
Fund Type	OEIC
Base Currency	GBP
Other Currencies	None
Ex Dividend Dates	31 Jan, 30 Apr, 31 Jul, 31 Oct

Waverton's approach to TCFD

At Waverton, we fully recognise our responsibility to help drive positive environmental change, but also acknowledge that meaningful change on a global scale will take time.

We believe this necessitates a pragmatic approach, where we actively engage with companies in all sectors and focus on their direction of travel. We seek to identify those that can successfully adapt to and mitigate ESG risks over time and, while we invest in many companies with good ESG credentials, investing in companies that play an important role in the transition to a low carbon economy is also an important consideration.

This TCFD product report aligns with UK regulatory requirements as well as with Waverton's overall approach to managing climate-related risk and opportunities, which we set out in our [TCFD report](#).

Climate risk

There are various metrics used to identify, measure and report on the climate-related risks of companies. Regulatory disclosure requirements, and a full understanding of the data, have been key considerations for our metric selection and information disclosure. Avoiding anything that could be subject to significant recalculation on an annual basis, misleading or misinterpreted has been a primary focus.

The key component across many metrics, including ITR and CVAR, is carbon emissions. While measurement and reporting of this by companies still needs to show significant improvement, we have initially focused on collating and reporting the aggregate total from our direct equity investments. Part of this included manual standardisation of the reported data to ensure more consistent reporting.

We focus on our equity holdings for now, as the reported carbon data is more prevalent across this asset class and direct equities accounted for close to 70% of Waverton's total AUM as at 31 December 2024. In due course, we will progressively expand reporting to include all assets classes as the relevant data becomes available.

WAVERTON MULTI-ASSET BALANCED FUND EMISSIONS	2023	2024	% CHANGE
Scope 1 & 2 Financed Emissions tCO2e	1,199	5,457	+355.2%
Scope 3 Financed Emissions tCO2e	16,942	96,543	+469.9%
Total Portfolio Financed Emissions tCO2e	18,141	102,000	+462.3%
Total Carbon Footprint tCO2e / £m Invested	532	902	+69.5%
Total Portfolio Sales Intensity tCO2e / £m Sales	1,818	3,120	+71.6%
Weighted Average Carbon Intensity tCO2e / £m	1,054	3,370	+219.7%

15 largest contributors to financed emissions

	% EQUITIES WEIGHT	EMISSIONS FISCAL YEAR	SHARE OF Co TOTAL EMISSIONS tCO2e	% OF TOTAL FINANCED EMISSIONS	SCOPE 1&2 tCO2e	SCOPE 3 tCO2e	TOTAL tCO2e
GE Vernova Inc. #	2.4%	2023	41,420	40.6%	539,154	1,118,000,000	1,118,539,154
Shell Plc	2.6%	2023	16,324	16.0%	57,000,000	1,147,000,000	1,204,000,000
Hitachi, Ltd.	3.6%	2023	8,885	8.7%	618,000	213,710,000	214,328,000
Siemens Aktiengesellschaft	2.5%	2023	8,388	8.2%	550,000	483,188,000	483,738,000
Sumitomo Mitsui Financial Group #	2.4%	2023	6,657	6.5%	103,000	917,481,000	917,584,000
Anglo American plc	1.6%	2023	4,322	4.2%	12,500,000	95,800,000	108,300,000
Yum China Holdings, Inc. #	3.0%	2023	2,544	2.5%	2,211,668	10,102,062	12,313,730
Toyota Motor Corp.	1.6%	2023	2,428	2.4%	5,430,000	587,460,000	592,890,000
Sequoia Economic Infrastructure Inc Fund #	0.4%	2023	2,339	2.3%	6,294,519	437,506	6,732,025
UPM-Kymmene Oyj	1.5%	2023	1,357	1.3%	3,861,000	7,610,000	11,471,000
Schlumberger Limited	1.5%	2023	1,219	1.2%	1,866,000	35,090,000	36,956,000
Asahi Group Holdings Ltd	2.1%	2023	990	1.0%	660,000	8,028,000	8,688,000
Shin-Etsu Chemical Co Ltd	1.9%	2023	679	0.7%	6,508,000	10,866,000	17,374,000
Sandvik AB	1.4%	2023	663	0.7%	141,000	9,000,000	9,141,000
GE Aerospace #	1.9%	2023	413	0.4%	728,593	30,620,000	31,348,593

Indicates new addition to Top 15

Sources: Waverton, Morningstar, MSCI, FactSet, Company data. Data as at 31 December 2024.

Attribution

To provide a clearer explanation of the key drivers for the changes in financed emissions, the table below provides attribution analysis calculated for equity holdings between December 2023 and December 2024

CHANGE IN FINANCED EMISSIONS ATTRIBUTION	tCO2e
Top 15 Financed Emissions as at 31 Dec 23 - Emissions Year 2022	17,305
Change in Reported Emissions for New Additions to Top 15	+38,954
Change in Reported Emissions for Unchanged Top 15 Stocks	-259
Change due to AUM & Stock Selection	+43,981
Change due to Stocks Relegated or Sold from Top 15	-1,353
Top 15 Financed Emissions as at 31 Dec 24 - Emissions Year 2023	98,628

Data and Methodology

We acknowledge that measurement and reporting of GHG emissions by companies still needs to show significant improvement and we have made every effort to manually standardize the reported data to ensure more consistent reporting. For full transparency, we include the data inconsistencies across fiscal year and coverage in the tables below.

PROFILE OF EMISSIONS DATA AVAILABILITY - % OF AUM	2023	2024	DIFFERENCE IN %
Scope 1	93.0%	98.8%	+5.9%
Scope 2	90.8%	96.2%	+5.5%
Scope 3	89.7%	93.7%	+4.0%

The methodology used to calculate financed emissions and intensity metric is in line with the TCFD, FCA ESG Sourcebook and PCAF. The financed emissions of a loan or investment in a company are calculated by multiplying the attribution factor by the emissions of the respective borrower or investee company. The total financed emissions of a listed equity and corporate bonds portfolio are calculated as follows:

$$\text{Financed emissions} = \sum \text{Attribution factor}_c \times \text{Company emissions}_c$$

(with c = borrower or investee company)

The attribution factor represents the proportional share of a given company - that is, the ratio of the outstanding amount to EVIC for listed companies and the total equity and debt for bonds to private companies:

For listed companies:

$$\text{Financed emissions} = \sum_c \frac{\text{Outstanding amount}_c}{\text{Enterprise Value Including Cash}_c} \times \text{Company emissions}_c$$

A key consideration in applying these formulae is the consistency between the calculation of EVIC and the value of portfolio holdings, which determine the share of GHG emissions. We have found in some third party models this rigour is absent. Therefore, we have created our own model for firm and product level reporting, developed in conjunction with Factset, predominantly utilising MSCI GHG emissions data and FactSet financial data. The MSCI GHG emissions data is supplemented by data taken from directly from the latest investee company disclosures, which in some cases is more up to date, or judged to be more accurate.

The protocols we are using for the calculation of a company EVIC and revenue are:

- Total market value as at portfolio valuation date and aligned with portfolio currency.
- Company balanced sheet values (minorities and total debt) aligned to the latest GHG emissions fiscal reporting period and portfolio currency.
- Company revenue aligned to the latest GHG emissions fiscal reporting period and portfolio currency.

Some of the climate metrics shown in the report are based on historical emissions data, which may not be a reliable indicator of future emissions and these should not be the sole basis on which you base your investment decisions. The source of the data used in the report includes Waverton, FactSet, MSCI and Company data. While every care has been taken in populating this output, however it must be appreciated that neither Waverton Investment Management nor the sources used guarantee the accuracy, adequacy or completeness of this information or make any warranties regarding results from its usage.

For more information or questions on this report please contact sustainability@waverton.co.uk

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