WAVERTON INVESTMENT FUNDS PLC
(THE "COMPANY")

SHAREHOLDER ENGAGEMENT AND SUSTAINABLE FINANCE POLICY

Adoption: 9 March 2021
Last Revision: 9 March 2021

1. Introduction

This policy has been adopted by the Company pursuant to Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the "SFDR").

This document describes the policy (the "Policy") which the Company has adopted in order to comply with the requirements of the SFDR. This Policy forms part of and should be read in conjunction with the risk management framework adopted by the Company and is without prejudice to the rules on risk integration under the UCITS Directive.

References herein to the "Company" or "we", "us" or "our" shall where appropriate, be deemed to include references to the Company itself and/or any one or more delegate portfolio managers appointed by the Company to carry out investment decision making as a delegate of the Company including, without limitation, the Investment Manager.

It is the responsibility of the board of directors of the Company (the "Board") to ensure that the design of the Policy is appropriate for the Company, given the nature, scale and complexity of the Company and its sub-funds (each, a "Fund") under management. The designated persons of the Company, where relevant to their respective managerial functions and as appropriate, provide assistance and advice to the Board in relation to the design, implementation, compliance and periodic review of this Policy.

2. Definitions

"**ESG**" means environmental, social and governance;

"**Financial Market Participant**" means, in the context of UCITS, a UCITS Management Company, including a self-managed investment company such as the Company;

"**Fund**" or "**Funds**" means the sub-funds of the Company, as applicable;

"**Investment Manager**" or "**Waverton**" means Waverton Investment Management Limited;

"**Pre-Contractual Disclosures**" means, in the context of the Company, its Prospectus;

"**Prospectus**" means any prospectus issued by the Company as may be amended, supplemented or replaced from time to time;

"**Sustainability Factors**" mean environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters;

"**Sustainable Investment**" means an investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy, or an investment in an economic activity that contributes to a social objective, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance;

"**Sustainability Risk**" means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment;

"**UCITS Directive**" means Directive 2009/65/EC, as amended, supplemented or replaced from time to time;

"**Undertaking For Collective Investment In Transferable Securities**" or "**UCITS**" means an undertaking authorised in accordance with Article 5 of the UCITS Directive.

3. Disclosures on Integration of Sustainability Risks

The Company integrates relevant Sustainability Risks in its investment decision making processes. In addition, the Company has prepared descriptions of the following in Pre-Contractual Disclosures for its Funds (to the extent applicable):

3.1 the manner in which Sustainability Risks are integrated into its investment decisions; and

3.2 the results of the assessment of the likely impacts of Sustainability Risks on the returns of the Funds.

For each of the Funds, further information is set out in the Pre-Contractual Disclosures in Appendix A to this Policy.

Where the Company deems Sustainability Risks not to be relevant, the descriptions referred to above in the Pre-Contractual Disclosures shall include a clear and concise explanation of the reasons therefor.

4. Consistency of Remuneration Policy with the Integration of Sustainability Risks

The Company has established and maintains a remuneration policy in accordance with the requirements under the UCITS Directive and has incorporated information on how that policy is consistent with the integration of Sustainability Risks, and has published that information on its website.

5. Disclosures on the Promotion of Environmental or Social Characteristics in Pre-Contractual Disclosures (so-called "Article 8" Funds)

Where a Fund promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices, the information to be disclosed in the Pre-Contractual Disclosures shall include the following:

(a) information on how the promotion of those characteristics are met;

(b) if an index has been designated as a reference benchmark, information on whether and how this index is consistent with those characteristics. The Company shall include in the Pre-Contractual Disclosures an indication of where the methodology used for the calculation of the index referred is to be found.

Where the Company makes available a Fund as referred to in Article 6 of Regulation (EU) 2020/852 of the European Parliament and of the Council, the Company shall include in the information to be disclosed pursuant to Article 6(1) and (3) of this Regulation the information required under Article 6 of Regulation (EU) 2020/852.

For any such Fund, further information is set out in the Pre-Contractual Disclosures in Appendix A to this Policy.

6. **Disclosures on Funds that have Sustainable Investment as an Objective in Pre-Contractual Disclosures (so-called "Article 9" Funds)**

Where a Fund has Sustainable Investment as its objective and an index has been designated as a reference benchmark, the information to be disclosed in the Pre-Contractual Disclosures shall be accompanied by the following:

(c) information on how the designated index is aligned with that objective;

(d) an explanation as to why and how the designated index aligned with that objective differs from a broad market index.

Where a Fund has Sustainable Investment as its objective and no index has been designated as a reference benchmark, the information to be disclosed in the Pre-Contractual Disclosures shall include an explanation on how that objective is to be attained.

Where a Fund has a reduction in carbon emissions as its objective, the information to be disclosed in the Pre-Contractual Disclosures shall include the objective of low carbon emission exposure in view of achieving the long- term global warming objectives of the Paris Agreement.

Where no EU Climate Transition Benchmark or EU Paris-aligned Benchmark in accordance with Regulation (EU) 2016/1011 of the European Parliament and of the Council is available, the information referred to in the Pre-Contractual Disclosures shall include a detailed explanation of how the continued effort of attaining the objective of reducing carbon emissions is ensured in view of achieving the long-term global warming objectives of the Paris Agreement.

The Company shall include in the information to be disclosed in the Pre-Contractual Disclosures an indication of where the methodology used for the calculation of the indices and the benchmarks referred to above are to be found.

The Company shall include in the information to be disclosed in the Pre-Contractual Disclosures of this Regulation the information required under Article 5 of Regulation (EU) 2020/852.

For any such Fund, further information is set out in the Pre-Contractual Disclosures in Appendix A to this Policy.

7. **Disclosures on the Promotion of Environmental or Social Characteristics and of Sustainable Investments on Website**

The Company shall publish and maintain on its website the following information for each Fund referred to in Article 8(1) and Article 9(1), (2) and (3) of SFDR:

7.1 a description of the environmental or social characteristics or the Sustainable Investment objective, as applicable;

7.2 information on the methodologies used to assess, measure and monitor the environmental or social characteristics or the impact of the Sustainable Investments selected for the Fund, including its data sources, screening criteria for the underlying assets and the relevant sustainability indicators used to measure the environmental or social characteristics or the overall sustainable impact of the Fund;

7.3 the information referred to in Articles 8 and 9;

7.4 the information set out in the annual financial statements of the Company in connection promotion of environmental or social characteristics and of sustainable investments, in accordance with Article 11 of the SFDR.

The information to be disclosed pursuant to the first subparagraph shall be clear, succinct and understandable to investors. It shall be published in a way that is accurate, fair, clear, not misleading, simple and concise and in a prominent easily accessible area of the website.

8. Review of disclosures

The Company shall ensure that any information published in accordance with this policy is kept up to date. Where the Company amends such information, a clear explanation of such amendment shall be published on its website.

9. Marketing Communications

Without prejudice to stricter sectoral legislation, including the UCITS Directive, the Company shall ensure that its marketing communications do not contradict the information disclosed pursuant to the SFDR.

10. Review of Policy

The Board and the relevant designated person(s) of the Company, as applicable, will review this policy, as appropriate and on at least an annual basis.

APPENDIX A

PROSPECTUS DISCLOSURES

THE FOLLOWING TO BE INCLUDED IN THE SECTION ENTITLED "RISK FACTORS"

Sustainability Risks

The SFDR defines "sustainability risks" as environmental, social or governance events or conditions that, if they occur, could cause an actual or a potential material negative impact on the value of an investment. The Company, the Investment Manager, the Fund's issuers or investee companies and other parties, such as service providers of the Fund or of counterparties of the Fund's issuers or investee companies, may be negatively affected by sustainability risks. If appropriate for an investment, the Investment Manager may conduct sustainability risk-related due diligence and/or take steps to mitigate sustainability risks and preserve the value of the investment; however, there can be no assurance that all such risks will be mitigated in whole or in part, nor identified prior to the date the risk materialises. The Company, the Investment Manager, the Fund's issuers or investee companies and other parties may maintain insurance to protect against certain sustainability risks, where available on reasonable commercial terms, although such insurance is subject to customary deductibles and coverage limits and may not be sufficient to recoup all losses. Any of the foregoing may therefore adversely affect the performance of the Fund and its investments.

THE FOLLOWING TO BE INCLUDED AS A NEW SECTION ENTITLED "SUSTAINABLE FINANCE DISCLOSURES REGULATION"

SUSTAINABLE FINANCE DISCLOSURES REGULATION

The Company has adopted the Investment Manager's policy in relation to the integration of sustainability risks into investment decisions for the Funds. A sustainability risk is an environmental, social or governance ("ESG") event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment.

Waverton Global Equity Fund

The Investment Manager has integrated sustainability risks, as a sub-set of risks generally that could cause an actual or potential material negative impact on the value of an investment, as part of its investment decision-making process for the Fund. If appropriate for an investment, the Investment Manager may conduct sustainability risk-related due diligence and/or take steps to mitigate sustainability risks and preserve the value of the investment. These risks are monitored on an ongoing basis as part of each Investment Manager's active portfolio management strategy.

The Investment Manager assesses ESG factors in the same way it would assess any other factor that could impact (positively or negatively) a company's competitive advantage and ability to grow, and this process forms an integral part of both the initial due diligence on a company, and the ongoing monitoring of both existing and potential holdings. In addition to its own fundamental research, the Investment Manager uses information from leading specialist ESG research firms that provide risk-based ratings in relation to a target company's exposure to ESG risks and opportunities, as well as data on contentious product involvement and known controversies.

Reliance on these ESG risk ratings is open to subjective interpretation in the absence of a standard or enforceable methodology, and compounded by significant variation in the extent and quality of disclosure by companies on a global basis that frequently leads to inconsistent and inaccurate outcomes. These risk ratings are not the ultimate driver of a final investment decision, but are a useful additional source of information on which it is necessary to apply the knowledge, experience and judgement of the Investment Manager's research team. ESG risk ratings tend to adjust "after the event", so that the Investment Manager's direct and active engagement with company management and understanding of their business, is an essential part of making a fully informed investment decision.

The Investment Manager has a clear framework around stock selection which considers key criteria to ensure a thorough assessment of all relevant factors (financial and non-financial). It incorporates an assessment of a target company's exposure to ESG factors by virtue of its business model and the industry in which it operates, its management of any associated risks (or opportunities), and an estimation of the potential financial impact of such risks (or opportunities). It includes analysis of whether changing customer preferences and regulatory requirements around ESG standards will impact its competitive position and demand for its products or services, and whether the company has the management depth and corporate culture to sustain its competitive advantage over the long term. It also assesses whether management incentives are aligned with the achievement of strategic objectives that balance the needs of all its stakeholders and, if there is evidence of poor business ethics and behaviour in the past, what steps were taken to prevent future corporate governance failures. Ultimately, the Investment Manager considers the target company's valuation taking into account both the growth opportunity over the long term as well as the financial implications of any known or potential risks, including ESG risks. Where companies are exposed to greater ESG risks, the valuation of such companies is intended to reflect the known and/or potential financial impact, and the Investment Manager's due diligence also seeks to provide evidence that management is already actively working to reduce its exposure to such risks and moving towards best practice standards.

The Fund may be exposed to certain potential sustainability risks as, amongst others, reflected in the section of the Prospectus entitled "Risk Factors – Sustainability Risk". Notwithstanding the foregoing, sustainability risks will not be relevant to certain non-core activities undertaken by the Fund (for example, hedging). As of the date hereof, the portfolio of the Fund is comprised of different investments that may change over time as a result of specific investment decisions made and accordingly the identification and assessments of risks, including sustainability risks, will take place on an investment-by-investment basis as noted above. The Investment Manager's assessment is that integration of known sustainability risks in investment decisions, combined with a diversified portfolio appropriate for the Fund in light of its investment objective and strategy, should help mitigate the potential material negative impact of sustainability risks on the returns of the Fund, although there can be no assurance that all such risks will be mitigated in whole or in part, nor identified prior to the date the risk materialises.

The Company does not consider the adverse impacts of its investment decisions on sustainability factors, within the meaning of Article 4(1)(a) of the SFDR, for the time being. The Company does not currently do so because, among other reasons, the final regulatory technical standards which set forth the scope of "principal adverse impacts" and the corresponding mandatory reporting template have not yet been adopted by European legislators, which makes voluntary compliance with Article 4(1)(a) challenging. The Company's position on this matter will be reviewed at least annually.

Further information on the Company and the Investment Manager's approach to sustainability risks is available at www.waverton.co.uk.

Waverton Global Core Equity Fund

The Investment Manager has integrated sustainability risks, as a sub-set of risks generally that could cause an actual or potential material negative impact on the value of an investment, as part of its investment decision-making process for the Fund. If appropriate for an investment, the Investment Manager may conduct sustainability risk-related due diligence and/or take steps to mitigate sustainability risks and preserve the value of the investment. These risks are monitored on an ongoing basis as part of each Investment Manager's active portfolio management strategy.

The Investment Manager assesses ESG factors in the same way it would assess any other factor that could impact (positively or negatively) a company's competitive advantage and ability to grow, and this process forms an integral part of both the initial due diligence on a company, and the ongoing monitoring of both existing and potential holdings. In addition to its own fundamental research, the

Investment Manager uses information from leading specialist ESG research firms that provide risk-based ratings in relation to a target company's exposure to ESG risks and opportunities, as well as data on contentious product involvement and known controversies.
Reliance on these ESG risk ratings is open to subjective interpretation in the absence of a standard or enforceable methodology, and compounded by significant variation in the extent and quality of disclosure by companies on a global basis that frequently leads to inconsistent and inaccurate outcomes. These risk ratings are not the ultimate driver of a final investment decision, but are a useful additional source of information on which it is necessary to apply the knowledge, experience and judgement of the Investment Manager's research team. ESG risk ratings tend to adjust "after the event", so that the Investment Manager's direct and active engagement with company management and understanding of their business, is an essential part of making a fully informed investment decision.

The Investment Manager has a clear framework around stock selection which considers key criteria to ensure a thorough assessment of all relevant factors (financial and non-financial). It incorporates an assessment of a target company's exposure to ESG factors by virtue of its business model and the industry in which it operates, its management of any associated risks (or opportunities), and an estimation of the potential financial impact of such risks (or opportunities). It includes analysis of whether changing customer preferences and regulatory requirements around ESG standards will impact its competitive position and demand for its products or services, and whether the company has the management depth and corporate culture to sustain its competitive advantage over the long term. It also assesses whether management incentives are aligned with the achievement of strategic objectives that balance the needs of all its stakeholders and, if there is evidence of poor business ethics and behaviour in the past, what steps were taken to prevent future corporate governance failures. Ultimately, the Investment Manager considers the target company's valuation taking into account both the growth opportunity over the long term as well as the financial implications of any known or potential risks, including ESG risks. Where companies are exposed to greater ESG risks, the valuation of such companies is intended to reflect the known and/or potential financial impact, and the Investment Manager's due diligence also seeks to provide evidence that management is already actively working to reduce its exposure to such risks and moving towards best practice standards.

The Fund may be exposed to certain potential sustainability risks as, amongst others, reflected in the section of the Prospectus entitled "Risk Factors – Sustainability Risk". Notwithstanding the foregoing, sustainability risks will not be relevant to certain non-core activities undertaken by the Fund (for example, hedging). As of the date hereof, the portfolio of the Fund is comprised of different investments that may change over time as a result of specific investment decisions made and accordingly the identification and assessments of risks, including sustainability risks, will take place on an investment-by-investment basis as noted above. The Investment Manager's assessment is that integration of known sustainability risks in investment decisions, combined with a diversified portfolio appropriate for the Fund in light of its investment objective and strategy, should help mitigate the potential material negative impact of sustainability risks on the returns of the Fund, although there can be no assurance that all such risks will be mitigated in whole or in part, nor identified prior to the date the risk materialises.

The Company does not consider the adverse impacts of its investment decisions on sustainability factors, within the meaning of Article 4(1)(a) of the SFDR, for the time being. The Company does not currently do so because, among other reasons, the final regulatory technical standards which set forth the scope of "principal adverse impacts" and the corresponding mandatory reporting template have not yet been adopted by European legislators, which makes voluntary compliance with Article 4(1)(a) challenging. The Company's position on this matter will be reviewed at least annually.

Further information on the Company and the Investment Manager's approach to sustainability risks is available at www.waverton.co.uk.

Waverton Asia Pacific Fund

The Investment Manager has integrated sustainability risks, as a sub-set of risks generally that could cause an actual or potential material negative impact on the value of an investment, as part of its investment decision-making process for the Fund. If appropriate for an investment, the Investment Manager may conduct sustainability risk-related due diligence and/or take steps to mitigate sustainability risks and preserve the value of the investment. These risks are monitored on an ongoing basis as part of each Investment Manager's active portfolio management strategy.

The Investment Manager assesses ESG factors in the same way it would assess any other factor that could impact (positively or negatively) a company's competitive advantage and ability to grow, and this process forms an integral part of both the initial due diligence on a company, and the ongoing monitoring of both existing and potential holdings. In addition to its own fundamental research, the Investment Manager uses information from leading specialist ESG research firms that provide risk-based ratings in relation to a target company's exposure to ESG risks and opportunities, as well as data on contentious product involvement and known controversies.

Reliance on these ESG risk ratings is open to subjective interpretation in the absence of a standard or enforceable methodology, and compounded by significant variation in the extent and quality of disclosure by companies on a global basis that frequently leads to inconsistent and inaccurate outcomes. These risk ratings are not the ultimate driver of a final investment decision, but are a useful additional source of information on which it is necessary to apply the knowledge, experience and judgement of the Investment Manager's research team. ESG risk ratings tend to adjust "after the event", so that the Investment Manager's direct and active engagement with company management and understanding of their business, is an essential part of making a fully informed investment decision.

The Investment Manager has a clear framework around stock selection which considers key criteria to ensure a thorough assessment of all relevant factors (financial and non-financial). It incorporates an assessment of a target company's exposure to ESG factors by virtue of its business model and the industry in which it operates, its management of any associated risks (or opportunities), and an estimation of the potential financial impact of such risks (or opportunities). It includes analysis of whether changing customer preferences and regulatory requirements around ESG standards will impact its competitive position and demand for its products or services, and whether the company has the management depth and corporate culture to sustain its competitive advantage over the long term. It also assesses whether management incentives are aligned with the achievement of strategic objectives that balance the needs of all its stakeholders and, if there is evidence of poor business ethics and behaviour in the past, what steps were taken to prevent future corporate governance failures. Ultimately, the Investment Manager considers the target company's valuation taking into account both the growth opportunity over the long term as well as the financial implications of any known or potential risks, including ESG risks. Where companies are exposed to greater ESG risks, the valuation of such companies is intended to reflect the known and/or potential financial impact, and the Investment Manager's due diligence also seeks to provide evidence that management is already actively working to reduce its exposure to such risks and moving towards best practice standards.

The Fund may be exposed to certain potential sustainability risks as, amongst others, reflected in the section of the Prospectus entitled "Risk Factors – Sustainability Risk". Notwithstanding the foregoing, sustainability risks will not be relevant to certain non-core activities undertaken by the Fund (for example, hedging). As of the date hereof, the portfolio of the Fund is comprised of different investments that may change over time as a result of specific investment decisions made and accordingly the identification and assessments of risks, including sustainability risks, will take place on an investment-by-investment basis as noted above. The Investment Manager's assessment is that integration of known sustainability risks in investment decisions, combined with a diversified portfolio appropriate for the Fund in light of its investment objective and strategy, should help mitigate the potential material negative impact of sustainability risks on the returns of the Fund, although there can be no assurance that all such risks will be mitigated in whole or in part, nor identified prior to the date the risk materialises.

The Company does not consider the adverse impacts of its investment decisions on sustainability factors, within the meaning of Article 4(1)(a) of the SFDR, for the time being. The Company does not currently do so because, among other reasons, the final regulatory technical standards which set forth the scope of "principal adverse impacts" and the corresponding mandatory reporting template have not yet been adopted by European legislators, which makes voluntary compliance with Article 4(1)(a) challenging. The Company's position on this matter will be reviewed at least annually.

Further information on the Company and the Investment Manager's approach to sustainability risks is available at www.waverton.co.uk.

Waverton UK Fund

The Investment Manager has integrated sustainability risks, as a sub-set of risks generally that could cause an actual or potential material negative impact on the value of an investment, as part of its investment decision-making process for the Fund. If appropriate for an investment, the Investment Manager may conduct sustainability risk-related due diligence and/or take steps to mitigate sustainability risks and preserve the value of the investment. These risks are monitored on an ongoing basis as part of each Investment Manager's active portfolio management strategy.

The Investment Manager assesses ESG factors in the same way it would assess any other factor that could impact (positively or negatively) a company's competitive advantage and ability to grow, and this process forms an integral part of both the initial due diligence on a company, and the ongoing monitoring of both existing and potential holdings. In addition to its own fundamental research, the Investment Manager uses information from leading specialist ESG research firms that provide risk-based ratings in relation to a target company's exposure to ESG risks and opportunities, as well as data on contentious product involvement and known controversies.

Reliance on these ESG risk ratings is open to subjective interpretation in the absence of a standard or enforceable methodology, and compounded by significant variation in the extent and quality of disclosure by companies on a global basis that frequently leads to inconsistent and inaccurate outcomes. These risk ratings are not the ultimate driver of a final investment decision, but are a useful additional source of information on which it is necessary to apply the knowledge, experience and judgement of the Investment Manager's research team. ESG risk ratings tend to adjust "after the event", so that the Investment Manager's direct and active engagement with company management and understanding of their business, is an essential part of making a fully informed investment decision.

The Investment Manager has a clear framework around stock selection which considers key criteria to ensure a thorough assessment of all relevant factors (financial and non-financial). It incorporates an assessment of a target company's exposure to ESG factors by virtue of its business model and the industry in which it operates, its management of any associated risks (or opportunities), and an estimation of the potential financial impact of such risks (or opportunities). It includes analysis of whether changing customer preferences and regulatory requirements around ESG standards will impact its competitive position and demand for its products or services, and whether the company has the management depth and corporate culture to sustain its competitive advantage over the long term. It also assesses whether management incentives are aligned with the achievement of strategic objectives that balance the needs of all its stakeholders and, if there is evidence of poor business ethics and behaviour in the past, what steps were taken to prevent future corporate governance failures. Ultimately, the Investment Manager considers the target company's valuation taking into account both the growth opportunity over the long term as well as the financial implications of any known or potential risks, including ESG risks. Where companies are exposed to greater ESG risks, the valuation of such companies is intended to reflect the known and/or potential financial impact, and the Investment Manager's due diligence also seeks to provide evidence that management is already actively working to reduce its exposure to such risks and moving towards best practice standards.

The Fund may be exposed to certain potential sustainability risks as, amongst others, reflected in the section of the Prospectus entitled "Risk Factors – Sustainability Risk". Notwithstanding the foregoing, sustainability risks will not be relevant to certain non-core activities undertaken by the Fund (for example, hedging). As of the date hereof, the portfolio of the Fund is comprised of different investments that may change over time as a result of specific investment decisions made and accordingly the identification and assessments of risks, including sustainability risks, will take place on an investment-by-investment basis as noted above. The Investment Manager's assessment is that integration of known sustainability risks in investment decisions, combined with a diversified portfolio appropriate for the Fund in light of its investment objective and strategy, should help mitigate the potential material negative impact of sustainability risks on the returns of the Fund, although there can be no assurance that all such risks will be mitigated in whole or in part, nor identified prior to the date the risk materialises.

The Company does not consider the adverse impacts of its investment decisions on sustainability factors, within the meaning of Article 4(1)(a) of the SFDR, for the time being. The Company does not currently do so because, among other reasons, the final regulatory technical standards which set forth the scope of "principal adverse impacts" and the corresponding mandatory reporting template have not yet been adopted by European legislators, which makes voluntary compliance with Article 4(1)(a) challenging. The Company's position on this matter will be reviewed at least annually.

Further information on the Company and the Investment Manager's approach to sustainability risks is available at www.waverton.co.uk.

Waverton Global Strategic Bond Fund

The Investment Manager has integrated sustainability risks, as a sub-set of risks generally that could cause an actual or potential material negative impact on the value of an investment, as part of its investment decision-making process for the Fund. If appropriate for an investment, the Investment Manager may conduct sustainability risk-related due diligence and/or take steps to mitigate sustainability risks and preserve the value of the investment. These risks are monitored on an ongoing basis as part of each Investment Manager's active portfolio management strategy.

The Investment Manager assesses ESG factors in the same way it would assess any other factor that could impact (positively or negatively) a company's competitive advantage and ability to grow, and this process forms an integral part of both the initial due diligence on an issuer, and the ongoing monitoring of both existing and potential holdings. In addition to its own fundamental research, the Investment Manager uses information from leading specialist ESG research firms that provide risk-based ratings in relation to a target company's exposure to ESG risks and opportunities, as well as data on contentious product involvement and known controversies.

Reliance on these ESG risk ratings is open to subjective interpretation in the absence of a standard or enforceable methodology, and compounded by significant variation in the extent and quality of disclosure by issuers on a global basis that frequently leads to inconsistent and inaccurate outcomes. These risk ratings are not the ultimate driver of a final investment decision, but are a useful additional source of information on which it is necessary to apply the knowledge, experience and judgement of the Investment Manager's research team. ESG risk ratings tend to adjust "after the event", so that the Investment Manager's direct and active engagement with company management and understanding of their business, is an essential part of helping to reduce ESG risks attached to that particular investment.

The Investment Manager has a clear framework around issuer selection which considers key criteria to ensure a thorough assessment of all relevant factors (financial and non-financial). It incorporates an assessment of a target company's exposure to ESG factors by virtue of its business model and the industry in which it operates, its management of any associated risks (or opportunities), and an estimation of the potential financial impact of such risks (or opportunities). It includes analysis of whether changing customer preferences and regulatory requirements around ESG standards will impact its competitive position and demand for its products or services, and whether the company has the management depth and corporate culture to sustain its competitive advantage over the long term. It also assesses whether management incentives are aligned with the achievement of strategic objectives that balance the needs of all its stakeholders and, if there is evidence of poor business ethics and behaviour in the past, what steps were taken to prevent future corporate governance failures. Ultimately, the Investment Manager considers the target issuer's valuation taking into account the liquidity and solvency of the issuer over the long term as well as the financial implications of any known or potential risks, including ESG risks. Where companies are exposed to greater ESG risks, the valuation of such companies is intended to reflect the known and/or potential financial impact, and the

Investment Manager's due diligence also seeks to provide evidence that management is already actively working to reduce its exposure to such risks and moving towards best practice standards.

The Fund may be exposed to certain potential sustainability risks as, amongst others, reflected in the section of the Prospectus entitled "Risk Factors – Sustainability Risk". Notwithstanding the foregoing, sustainability risks will not be relevant to certain non-core activities undertaken by the Fund (for example, hedging). As of the date hereof, the portfolio of the Fund is comprised of different investments that may change over time as a result of specific investment decisions made and accordingly the identification and assessments of risks, including sustainability risks, will take place on an investment-by-investment basis as noted above. The Investment Manager's assessment is that integration of known sustainability risks in investment decisions, combined with a diversified portfolio appropriate for the Fund in light of its investment objective and strategy, should help mitigate the potential material negative impact of sustainability risks on the returns of the Fund, although there can be no assurance that all such risks will be mitigated in whole or in part, nor identified prior to the date the risk materialises.

The Company does not consider the adverse impacts of its investment decisions on sustainability factors, within the meaning of Article 4(1)(a) of the SFDR, for the time being. The Company does not currently do so because, among other reasons, the final regulatory technical standards which set forth the scope of "principal adverse impacts" and the corresponding mandatory reporting template have not yet been adopted by European legislators, which makes voluntary compliance with Article 4(1)(a) challenging. The Company's position on this matter will be reviewed at least annually.

Further information on the Company and the Investment Manager's approach to sustainability risks is available at www.waverton.co.uk.

Waverton Absolute Return Fund

The Investment Manager has integrated sustainability risks, as a sub-set of risks generally that could cause an actual or potential material negative impact on the value of an investment, as part of its investment decision-making process for the Fund. If appropriate for an investment, the Investment Manager may conduct sustainability risk-related due diligence and/or take steps to mitigate sustainability risks and preserve the value of the investment. These risks are monitored on an ongoing basis as part of each Investment Manager's active portfolio management strategy.

The Investment Manager assesses ESG factors in the same way it would assess any other factor that could impact (positively or negatively) a company's competitive advantage and ability to grow, and this process forms an integral part of both the initial due diligence on a company, and the ongoing monitoring of both existing and potential holdings. In addition to its own fundamental research, the Investment Manager uses information from leading specialist ESG research firms that provide risk-based ratings in relation to a target company's exposure to ESG risks and opportunities, as well as data on contentious product involvement and known controversies.

Reliance on these ESG risk ratings is open to subjective interpretation in the absence of a standard or enforceable methodology, and compounded by significant variation in the extent and quality of disclosure by companies on a global basis that frequently leads to inconsistent and inaccurate outcomes. These risk ratings are not the ultimate driver of a final investment decision, but are a useful additional source of information on which it is necessary to apply the knowledge, experience and judgement of the Investment Manager's research team. ESG risk ratings tend to adjust "after the event", so that the Investment Manager's direct and active engagement with company management and understanding of their business, is an essential part of making a fully informed investment decision.

The Investment Manager has a clear framework around stock, bond and alternatives investment selection which consider key criteria to ensure a thorough assessment of all relevant factors (financial and non-financial). It incorporates an assessment of a target investment's exposure to ESG factors by virtue of its business model and the industry in which it operates, its management of any associated risks (or opportunities), and an estimation of the potential financial impact of such risks (or opportunities). It includes analysis of whether changing customer preferences and regulatory requirements around ESG standards will impact its competitive position and demand for its products or services, and whether the company has the management depth and corporate culture to sustain its competitive advantage over the long term. It also assesses whether management incentives are aligned with the achievement of strategic objectives that balance the needs of all its stakeholders and, if there is evidence of poor business ethics and behaviour in the past, what steps were taken to prevent future corporate governance failures. Ultimately, the Investment Manager considers the target investment's upside taking into account both the growth opportunity over the long term as well as the financial implications of any known or potential risks, including ESG risks. Where companies are exposed to greater ESG risks, this upside needs to reflect the known and/or potential financial impact, and the Investment Manager's due diligence also seeks to provide evidence that management is already actively working to reduce its exposure to such risks and moving towards best practice standards.

The Fund may be exposed to certain potential sustainability risks as, amongst others, reflected in the section of the Prospectus entitled "Risk Factors – Sustainability Risk". Notwithstanding the foregoing, sustainability risks will not be relevant to certain non-core activities undertaken by the Fund (for example, hedging). As of the date hereof, the portfolio of the Fund is comprised of different investments that may change over time as a result of specific investment decisions made and accordingly the identification and assessments of risks, including sustainability risks, will take place on an investment-by-investment basis as noted above. The Investment Manager's assessment is that integration of known sustainability risks in investment decisions, combined with a diversified portfolio appropriate for the Fund in light of its investment objective and strategy, should help mitigate the potential material negative impact of sustainability risks on the returns of the Fund, although there can be no assurance that all such risks will be mitigated in whole or in part, nor identified prior to the date the risk materialises.

The Company does not consider the adverse impacts of its investment decisions on sustainability factors, within the meaning of Article 4(1)(a) of the SFDR, for the time being. The Company does not currently do so because, among other reasons, the final regulatory technical standards which set forth the scope of "principal adverse impacts" and the corresponding mandatory reporting template have not yet been adopted by European legislators, which makes voluntary compliance with Article 4(1)(a) challenging. The Company's position on this matter will be reviewed at least annually.

Further information on the Company and the Investment Manager's approach to sustainability risks is available at www.waverton.co.uk.

Waverton Multi-Asset Income Fund

The Investment Manager has integrated sustainability risks, as a sub-set of risks generally that could cause an actual or potential material negative impact on the value of an investment, as part of its investment decision-making process for the Fund. If appropriate for an investment, the Investment Manager may conduct sustainability risk-related due diligence and/or take steps to mitigate sustainability risks and preserve the value of the investment. These risks are monitored on an ongoing basis as part of each Investment Manager's active portfolio management strategy.

The Investment Manager assesses ESG factors in the same way it would assess any other factor that could impact (positively or negatively) a company's competitive advantage and ability to grow, and this process forms an integral part of both the initial due diligence on an issuer, and the ongoing monitoring of both existing and potential holdings. In addition to its own fundamental research, the Investment Manager uses information from leading specialist ESG research firms that provide risk-based ratings in relation to a target company's exposure to ESG risks and opportunities, as well as data on contentious product involvement and known controversies.

Reliance on these ESG risk ratings is open to subjective interpretation in the absence of a standard or enforceable methodology, and compounded by significant variation in the extent and quality of disclosure by companies on a global basis that frequently leads to inconsistent and inaccurate outcomes. These risk ratings are not the ultimate driver of a final investment decision, but are a useful additional source of information on which it is necessary to apply the knowledge, experience and judgement of the Investment Manager's research team. ESG risk ratings tend to adjust "after the event", so that the Investment Manager's direct and active engagement with company management and understanding of their business, is an essential part of making a fully informed investment decision.

The Investment Manager has a clear framework around stock, bond and alternatives investment selection which consider key criteria to ensure a thorough assessment of all relevant factors (financial and non-financial). It incorporates an assessment of a target investment's exposure to ESG factors by virtue of its business model and the industry in which it operates, its management of any associated risks (or opportunities), and an estimation of the potential financial impact of such risks (or opportunities). It includes analysis of whether changing customer preferences and regulatory requirements around ESG standards will impact its competitive position and demand for its products or services, and whether the company has the management depth and corporate culture to sustain its competitive advantage over the long term. It also assesses whether management incentives are aligned with the achievement of strategic objectives that balance the needs of all its stakeholders and, if there is evidence of poor business ethics and behaviour in the past, what steps were taken to prevent future corporate governance failures. Ultimately, the Investment Manager considers the target investment's upside taking into account both the growth opportunity over the long term as well as the financial implications of any known or potential risks, including ESG risks. Where companies are exposed to greater ESG risks, the upside needs to reflect the known and/or potential financial impact, and the Investment Manager's due diligence also seeks to provide evidence that management is already actively working to reduce its exposure to such risks and moving towards best practice standards.

The Fund may be exposed to certain potential sustainability risks as, amongst others, reflected in the section of the Prospectus entitled "Risk Factors – Sustainability Risk". Notwithstanding the foregoing, sustainability risks will not be relevant to certain non-core activities undertaken by the Fund (for example, hedging). As of the date hereof, the portfolio of the Fund is comprised of different investments that may change over time as a result of specific investment decisions made and accordingly the identification and assessments of risks, including sustainability risks, will take place on an investment-by-investment basis as noted above. The Investment Manager's assessment is that integration of known sustainability risks in investment decisions, combined with a diversified portfolio appropriate for the Fund in light of its investment objective and strategy, should help mitigate the potential material negative impact of sustainability risks on the returns of the Fund, although there can be no assurance that all such risks will be mitigated in whole or in part, nor identified prior to the date the risk materialises.

The Company does not consider the adverse impacts of its investment decisions on sustainability factors, within the meaning of Article 4(1)(a) of the SFDR, for the time being. The Company does not currently do so because, among other reasons, the final regulatory technical standards which set forth the scope of "principal adverse impacts" and the corresponding mandatory reporting template have not yet been adopted by European legislators, which makes voluntary compliance with Article 4(1)(a) challenging. The Company's position on this matter will be reviewed at least annually.

Further information on the Company and the Investment Manager's approach to sustainability risks is available at www.waverton.co.uk.

Waverton Multi-Asset Growth Fund

The Investment Manager has integrated sustainability risks, as a sub-set of risks generally that could cause an actual or potential material negative impact on the value of an investment, as part of its investment decision-making process for the Fund. If appropriate for an investment, the Investment Manager may conduct sustainability risk-related due diligence and/or take steps to mitigate sustainability risks and preserve the value of the investment. These risks are monitored on an ongoing basis as part of each Investment Manager's active portfolio management strategy.

The Investment Manager assesses ESG factors in the same way it would assess any other factor that could impact (positively or negatively) a company's competitive advantage and ability to grow, and this process forms an integral part of both the initial due diligence on an issuer, and the ongoing monitoring of both existing and potential holdings. In addition to its own fundamental research, the Investment Manager uses information from leading specialist ESG research firms that provide risk-based ratings in relation to a target company's exposure to ESG risks and opportunities, as well as data on contentious product involvement and known controversies.

Reliance on these ESG risk ratings is open to subjective interpretation in the absence of a standard or enforceable methodology, and compounded by significant variation in the extent and quality of disclosure by companies on a global basis that frequently leads to inconsistent and inaccurate outcomes. These risk ratings are not the ultimate driver of a final investment decision, but are a useful additional source of information on which it is necessary to apply the knowledge, experience and judgement of the Investment Manager's research team. ESG risk ratings tend to adjust "after the event", so that the Investment Manager's direct and active engagement with company management and understanding of their business, is an essential part of making a fully informed investment decision.

The Investment Manager has a clear framework around stock, bond and alternatives investment selection which consider key criteria to ensure a thorough assessment of all relevant factors (financial and non-financial). It incorporates an assessment of a target investment's exposure to ESG factors by virtue of its business model and the industry in which it operates, its management of any associated risks (or opportunities), and an estimation of the potential financial impact of such risks (or opportunities). It includes analysis of whether changing customer preferences and regulatory requirements around ESG standards will impact its competitive position and demand for its products or services, and whether the company has the management depth and corporate culture to sustain its competitive advantage over the long term. It also assesses whether management incentives are aligned with the achievement of strategic objectives that balance the needs of all its stakeholders and, if there is evidence of poor business ethics and behaviour in the past, what steps were taken to prevent future corporate governance failures. Ultimately, the Investment Manager considers the target investment's upside taking into account both the growth opportunity over the long term as well as the financial implications of any known or potential risks, including ESG risks. Where companies are exposed to greater ESG risks, the upside needs to reflect the known and/or potential financial impact, and the Investment Manager's due diligence also seeks to provide evidence that management is already actively working to reduce its exposure to such risks and moving towards best practice standards.

The Fund may be exposed to certain potential sustainability risks as, amongst others, reflected in the section of the Prospectus entitled "Risk Factors – Sustainability Risk". Notwithstanding the foregoing, sustainability risks will not be relevant to certain non-core activities undertaken by the Fund (for example, hedging). As of the date hereof, the portfolio of the Fund is comprised of different investments that may change over time as a result of specific investment decisions made and accordingly the identification and assessments of risks, including sustainability risks, will take place on an investment-by-investment basis as noted above. The Investment Manager's assessment is that integration of known sustainability risks in investment decisions, combined with a diversified portfolio appropriate for the Fund in light of its investment objective and strategy, should help mitigate the potential material negative impact of sustainability risks on the returns of the Fund, although there can be no assurance that all such risks will be mitigated in whole or in part, nor identified prior to the date the risk materialises.

The Company does not consider the adverse impacts of its investment decisions on sustainability factors, within the meaning of Article 4(1)(a) of the SFDR, for the time being. The Company does not currently do so because, among other reasons, the final regulatory technical standards which set forth the scope of "principal adverse impacts" and the corresponding mandatory reporting template have not yet been adopted by European legislators, which makes voluntary compliance with Article 4(1)(a) challenging. The Company's position on this matter will be reviewed at least annually.

Further information on the Company and the Investment Manager's approach to sustainability risks is available at www.waverton.co.uk.

Waverton Sterling Bond Fund

The Investment Manager has integrated sustainability risks, as a sub-set of risks generally that could cause an actual or potential material negative impact on the value of an investment, as part of its investment decision-making process for the Fund. If appropriate for an investment, the Investment Manager may conduct sustainability risk-related due diligence and/or take steps to mitigate sustainability risks and preserve the value of the investment. These risks are monitored on an ongoing basis as part of each Investment Manager's active portfolio management strategy.

The Investment Manager assesses ESG factors in the same way it would assess any other factor that could impact (positively or negatively) a company's competitive advantage and ability to grow, and this process forms an integral part of both the initial due diligence on an issuer, and the ongoing monitoring of both existing and potential holdings. In addition to its own fundamental research, the Investment Manager uses information from leading specialist ESG research firms that provide risk-based ratings in relation to a target company's exposure to ESG risks and opportunities, as well as data on contentious product involvement and known controversies.

Reliance on these ESG risk ratings is open to subjective interpretation in the absence of a standard or enforceable methodology, and compounded by significant variation in the extent and quality of disclosure by issuers on a global basis that frequently leads to inconsistent and inaccurate outcomes. These risk ratings are not the ultimate driver of a final investment decision, but are a useful additional source of information on which it is necessary to apply the knowledge, experience and judgement of the Investment Manager's research team. ESG risk ratings tend to adjust "after the event", so that the Investment Manager's direct and active engagement with company management and understanding of their business, is an essential part of helping to reduce ESG risks attached to that particular investment.

The Investment Manager has a clear framework around issuer selection which considers key criteria to ensure a thorough assessment of all relevant factors (financial and non-financial). It incorporates an assessment of a target company's exposure to ESG factors by virtue of its business model and the industry in which it operates, its management of any associated risks (or opportunities), and an estimation of the potential financial impact of such risks (or opportunities). It includes analysis of whether changing customer preferences and regulatory requirements around ESG standards will impact its competitive position and demand for its products or services, and whether the company has the management depth and corporate culture to sustain its competitive advantage over the long term. It also assesses whether management incentives are aligned with the achievement of strategic objectives that balance the needs of all its stakeholders and, if there is evidence of poor business ethics and behaviour in the past, what steps were taken to prevent future corporate governance failures. Ultimately, the Investment Manager considers the target issuer's valuation taking into account the liquidity and solvency of the issuer over the long term as well as the financial implications of any known or potential risks, including ESG risks. Where companies are exposed to greater ESG risks, the valuation of such companies is intended to reflect the known and/or potential financial impact, and the Investment Manager's due diligence also seeks to provide evidence that management is already actively working to reduce its exposure to such risks and moving towards best practice standards.

The Fund may be exposed to certain potential sustainability risks as, amongst others, reflected in the section of the Prospectus entitled "Risk Factors – Sustainability Risk". Notwithstanding the foregoing, sustainability risks will not be relevant to certain non-core activities undertaken by the Fund (for example, hedging). As of the date hereof, the portfolio of the Fund is comprised of different investments that may change over time as a result of specific investment decisions made and accordingly the identification and assessments of risks, including sustainability risks, will take place on an investment-by-investment basis as noted above. The Investment Manager's assessment is that integration of known sustainability risks in investment decisions, combined with a diversified portfolio appropriate for the Fund in light of its investment objective and strategy, should help mitigate the potential material negative impact of sustainability risks on the returns of the Fund, although there can be no assurance that all such risks will be mitigated in whole or in part, nor identified prior to the date the risk materialises.

The Company does not consider the adverse impacts of its investment decisions on sustainability factors, within the meaning of Article 4(1)(a) of the SFDR, for the time being. The Company does not currently do so because, among other reasons, the final regulatory technical standards which set forth the scope of "principal adverse impacts" and the corresponding mandatory reporting template have not yet been adopted by European legislators, which makes voluntary compliance with Article 4(1)(a) challenging. The Company's position on this matter will be reviewed at least annually.

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Waverton Tactical Equity Fund

The Investment Manager has integrated sustainability risks, as a sub-set of risks generally that could cause an actual or potential material negative impact on the value of an investment, as part of its investment decision-making process for the Fund. If appropriate for an investment, the Investment Manager may conduct sustainability risk-related due diligence and/or take steps to mitigate sustainability risks and preserve the value of the investment. These risks are monitored on an ongoing basis as part of each Investment Manager's active portfolio management strategy.

The Investment Manager assesses ESG factors in the same way it would assess any other factor that could impact (positively or negatively) a company's competitive advantage and ability to grow, and this process forms an integral part of both the initial due diligence on a company, and the ongoing monitoring of both existing and potential holdings. In addition to its own fundamental research, the Investment Manager uses information from leading specialist ESG research firms that provide risk-based ratings in relation to a target company's exposure to ESG risks and opportunities, as well as data on contentious product involvement and known controversies.

Reliance on these ESG risk ratings is open to subjective interpretation in the absence of a standard or enforceable methodology, and compounded by significant variation in the extent and quality of disclosure by companies on a global basis that frequently leads to inconsistent and inaccurate outcomes. These risk ratings are not the ultimate driver of a final investment decision, but are a useful additional source of information on which it is necessary to apply the knowledge, experience and judgement of the Investment Manager's research team. ESG risk ratings tend to adjust "after the event", so that the Investment Manager's direct and active engagement with company management and understanding of their business, is an essential part of making a fully informed investment decision.

The Investment Manager has a clear framework around stock selection which considers key criteria to ensure a thorough assessment of all relevant factors (financial and non-financial). It incorporates an assessment of a target company's exposure to ESG factors by virtue of its business model and the industry in which it operates, its management of any associated risks (or opportunities), and an estimation of the potential financial impact of such risks (or opportunities). It includes analysis of whether changing customer preferences and regulatory requirements around ESG standards will impact its competitive position and demand for its products or services, and whether the company has the management depth and corporate culture to sustain its competitive advantage over the long term. It also assesses whether management incentives are aligned with the achievement of strategic objectives that balance the needs of all its stakeholders and, if there is evidence of poor business ethics and behaviour in the past, what steps were taken to prevent future corporate governance failures. Ultimately, the Investment Manager considers the target company's valuation taking into account both the growth opportunity over the long term as well as the financial implications of any known or potential risks, including ESG risks. Where companies are exposed to greater ESG risks, the valuation of such companies is intended to reflect the known and/or potential financial impact, and the Investment Manager's due diligence also seeks to provide evidence that management is already actively working to reduce its exposure to such risks and moving towards best practice standards.

The Fund may be exposed to certain potential sustainability risks as, amongst others, reflected in the section of the Prospectus entitled "Risk Factors – Sustainability Risk". Notwithstanding the foregoing, sustainability risks will not be relevant to certain non-core activities undertaken by the Fund (for example, hedging). As of the date hereof, the portfolio of the Fund is comprised of different investments that may change over time as a result of specific investment decisions made and accordingly the identification and assessments of risks, including sustainability risks, will take place on an investment-by-investment basis as noted above. The Investment Manager's assessment is that integration of known sustainability risks in investment decisions, combined with a diversified portfolio appropriate for the Fund in light of its investment objective and strategy, should help mitigate the potential material negative impact of sustainability risks on the returns of the Fund, although there can be no assurance that all such risks will be mitigated in whole or in part, nor identified prior to the date the risk materialises.

The Company does not consider the adverse impacts of its investment decisions on sustainability factors, within the meaning of Article 4(1)(a) of the SFDR, for the time being. The Company does not currently do so because, among other reasons, the final regulatory technical standards which set forth the scope of "principal adverse impacts" and the corresponding mandatory reporting template have not yet been adopted by European legislators, which makes voluntary compliance with Article 4(1)(a) challenging. The Company's position on this matter will be reviewed at least annually.

Further information on the Company and the Investment Manager's approach to sustainability risks is available at www.waverton.co.uk.

Waverton Real Assets Fund

The Investment Manager has integrated sustainability risks, as a sub-set of risks generally that could cause an actual or potential material negative impact on the value of an investment, as part of its investment decision-making process for the Fund. If appropriate for an investment, the Investment Manager may conduct sustainability risk-related due diligence and/or take steps to mitigate sustainability risks and preserve the value of the investment. These risks are monitored on an ongoing basis as part of each Investment Manager's active portfolio management strategy.

The Investment Manager assesses ESG factors in the same way it would assess any other factor that could impact (positively or negatively) a company's competitive advantage and ability to grow, and this process forms an integral part of both the initial due diligence on a company, and the ongoing monitoring of both existing and potential holdings. In addition to its own fundamental research, the Investment Manager uses information from leading specialist ESG research firms that provide risk-based ratings in relation to a target company's exposure to ESG risks and opportunities, as well as data on contentious product involvement and known controversies.

Reliance on these ESG risk ratings is open to subjective interpretation in the absence of a standard or enforceable methodology, and compounded by significant variation in the extent and quality of disclosure by companies on a global basis that frequently leads to inconsistent and inaccurate outcomes. These risk ratings are not the ultimate driver of a final investment decision, but are a useful additional source of information on which it is necessary to apply the knowledge, experience and judgement of the Investment Manager's research team. ESG risk ratings tend to adjust "after the event", so that the Investment Manager's direct and active engagement with company management and understanding of their business, is an essential part of making a fully informed investment decision.

The Investment Manager has a clear framework around stock, bond and alternatives investment selection which consider key criteria to ensure a thorough assessment of all relevant factors (financial and non-financial). It incorporates an assessment of a target investment's exposure to ESG factors by virtue of its business model and the industry in which it operates, its management of any associated risks (or opportunities), and an estimation of the potential financial impact of such risks (or opportunities). It includes analysis of whether changing customer preferences and regulatory requirements around ESG standards will impact its competitive position and demand for its products or services, and whether the company has the management depth and corporate culture to sustain its competitive advantage over the long term. It also assesses whether management incentives are aligned with the achievement of strategic objectives that balance the needs of all its stakeholders and, if there is evidence of poor business ethics and behaviour in the past, what steps were taken to prevent future corporate governance failures. Ultimately, the Investment Manager considers the target investment's upside taking into account both the growth opportunity over the long term as well as the financial implications of any known or potential risks, including ESG risks. Where companies are exposed to greater ESG risks, the upside needs to reflect the known and/or potential financial impact, and the Investment Manager's due diligence also seeks to provide evidence that management is already actively working to reduce its exposure to such risks and moving towards best practice standards.

The Fund may be exposed to certain potential sustainability risks as, amongst others, reflected in the section of the Prospectus entitled "Risk Factors – Sustainability Risk". Notwithstanding the foregoing, sustainability risks will not be relevant to certain non-core activities undertaken by the Fund (for example, hedging). As of the date hereof, the portfolio of the Fund is comprised of different investments that may change over time as a result of specific investment decisions made and accordingly the identification and assessments of risks, including sustainability risks, will take place on an investment-by-investment basis as noted above. The Investment Manager's assessment is that integration of known sustainability risks in investment decisions, combined with a diversified portfolio appropriate for the Fund in light of its investment objective and strategy, should help mitigate the potential material negative impact of sustainability risks on the returns of the Fund, although there can be no assurance that all such risks will be mitigated in whole or in part, nor identified prior to the date the risk materialises.

The Company does not consider the adverse impacts of its investment decisions on sustainability factors, within the meaning of Article 4(1)(a) of the SFDR, for the time being. The Company does not currently do so because, among other reasons, the final regulatory technical standards which set forth the scope of "principal adverse impacts" and the corresponding mandatory reporting template have not yet been adopted by European legislators, which makes voluntary compliance with Article 4(1)(a) challenging. The Company's position on this matter will be reviewed at least annually.

Further information on the Company and the Investment Manager's approach to sustainability risks is available at www.waverton.co.uk.

Waverton European Capital Growth Fund

The Investment Manager has integrated sustainability risks, as a sub-set of risks generally that could cause an actual or potential material negative impact on the value of an investment, as part of its investment decision-making process for the Fund. If appropriate for an investment, the Investment Manager may conduct sustainability risk-related due diligence and/or take steps to mitigate sustainability risks and preserve the value of the investment. These risks are monitored on an ongoing basis as part of each Investment Manager's active portfolio management strategy.

The Investment Manager assesses ESG factors in the same way it would assess any other factor that could impact (positively or negatively) a company's competitive advantage and ability to grow, and this process forms an integral part of both the initial due diligence on a company, and the ongoing monitoring of both existing and potential holdings. In addition to its own fundamental research, the Investment Manager uses information from leading specialist ESG research firms that provide risk-based ratings in relation to a target company's exposure to ESG risks and opportunities, as well as data on contentious product involvement and known controversies.

Reliance on these ESG risk ratings is open to subjective interpretation in the absence of a standard or enforceable methodology, and compounded by significant variation in the extent and quality of disclosure by companies on a global basis that frequently leads to inconsistent and inaccurate outcomes. These risk ratings are not the ultimate driver of a final investment decision, but are a useful additional source of information on which it is necessary to apply the knowledge, experience and judgement of the Investment Manager's research team. ESG risk ratings tend to adjust "after the event", so that the Investment Manager's direct and active engagement with company management and understanding of their business, is an essential part of making a fully informed investment decision.

The Investment Manager has a clear framework around stock selection which considers key criteria to ensure a thorough assessment of all relevant factors (financial and non-financial). It incorporates an assessment of a target company's exposure to ESG factors by virtue of its business model and the industry in which it operates, its management of any associated risks (or opportunities), and an estimation of the potential financial impact of such risks (or opportunities). It includes analysis of whether changing customer preferences and regulatory requirements around ESG standards will impact its competitive position and demand for its products or services, and whether the company has the management depth and corporate culture to sustain its competitive advantage over the long term. It also assesses whether management incentives are aligned with the achievement of strategic objectives that balance the needs of all its stakeholders and, if there is evidence of poor business ethics and behaviour in the past, what steps were taken to prevent future corporate governance failures. Ultimately, the Investment Manager considers the target company's valuation taking into account both the growth opportunity over the long term as well as the financial implications of any known or potential risks, including ESG risks. Where companies are exposed to greater ESG risks, the valuation of such companies is intended to reflect the known and/or potential financial impact, and the Investment Manager's due diligence also seeks to provide evidence that management is already actively working to reduce its exposure to such risks and moving towards best practice standards.

The Fund may be exposed to certain potential sustainability risks as, amongst others, reflected in the section of the Prospectus entitled "Risk Factors – Sustainability Risk". Notwithstanding the foregoing, sustainability risks will not be relevant to certain non-core activities undertaken by the Fund (for example, hedging). As of the date hereof, the portfolio of the Fund is comprised of different investments that may change over time as a result of specific investment decisions made and accordingly the identification and assessments of risks, including sustainability risks, will take place on an investment-by-investment basis as noted above. The Investment Manager's assessment is that integration of known sustainability risks in investment decisions, combined with a diversified portfolio appropriate for the Fund in light of its investment objective and strategy, should help mitigate the potential material negative impact of sustainability risks on the returns of the Fund, although there can be no assurance that all such risks will be mitigated in whole or in part, nor identified prior to the date the risk materialises.

The Company does not consider the adverse impacts of its investment decisions on sustainability factors, within the meaning of Article 4(1)(a) of the SFDR, for the time being. The Company does not currently do so because, among other reasons, the final regulatory technical standards which set forth the scope of "principal adverse impacts" and the corresponding mandatory reporting template have not yet been adopted by European legislators, which makes voluntary compliance with Article 4(1)(a) challenging. The Company's position on this matter will be reviewed at least annually.

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Waverton European Dividend Growth Fund

The Investment Manager has integrated sustainability risks, as a sub-set of risks generally that could cause an actual or potential material negative impact on the value of an investment, as part of its investment decision-making process for the Fund. If appropriate for an investment, the Investment Manager may conduct sustainability risk-related due diligence and/or take steps to mitigate sustainability risks and preserve the value of the investment. These risks are monitored on an ongoing basis as part of each Investment Manager's active portfolio management strategy.

The Investment Manager assesses ESG factors in the same way it would assess any other factor that could impact (positively or negatively) a company's competitive advantage and ability to grow, and this process forms an integral part of both the initial due diligence on a company, and the ongoing monitoring of both existing and potential holdings. In addition to its own fundamental research, the Investment Manager uses information from leading specialist ESG research firms that provide risk-based ratings in relation to a target company's exposure to ESG risks and opportunities, as well as data on contentious product involvement and known controversies.

Reliance on these ESG risk ratings is open to subjective interpretation in the absence of a standard or enforceable methodology, and compounded by significant variation in the extent and quality of disclosure by companies on a global basis that frequently leads to inconsistent and inaccurate outcomes. These risk ratings are not the ultimate driver of a final investment decision, but are a useful additional source of information on which it is necessary to apply the knowledge, experience and judgement of the Investment Manager's research team. ESG risk ratings tend to adjust "after the event", so that the Investment Manager's direct and active engagement with company management and understanding of their business, is an essential part of making a fully informed investment decision.

The Investment Manager has a clear framework around stock selection which considers key criteria to ensure a thorough assessment of all relevant factors (financial and non-financial). It incorporates an assessment of a target company's exposure to ESG factors by virtue of its business model and the industry in which it operates, its management of any associated risks (or opportunities), and an estimation of the potential financial impact of such risks (or opportunities). It includes analysis of whether changing customer preferences and regulatory requirements around ESG standards will impact its competitive position and demand for its products or services, and whether the company has the management depth and corporate culture to sustain its competitive advantage over the long term. It also assesses whether management incentives are aligned with the achievement of strategic objectives that balance the needs of all its stakeholders and, if there is evidence of poor business ethics and behaviour in the past, what steps were taken to prevent future corporate governance failures. Ultimately, the Investment Manager considers the target company's valuation taking into account both the growth opportunity over the long term as well as the financial implications of any known or potential risks, including ESG risks. Where companies are exposed to greater ESG risks, the valuation of such companies is intended to reflect the known and/or potential financial impact, and the Investment Manager's due diligence also seeks to provide evidence that management is already actively working to reduce its exposure to such risks and moving towards best practice standards.

The Fund may be exposed to certain potential sustainability risks as, amongst others, reflected in the section of the Prospectus entitled "Risk Factors – Sustainability Risk". Notwithstanding the foregoing, sustainability risks will not be relevant to certain non-core activities undertaken by the Fund (for example, hedging). As of the date hereof, the portfolio of the Fund is comprised of different investments that may change over time as a result of specific investment decisions made and accordingly the identification and assessments of risks, including sustainability risks, will take place on an investment-by-investment basis as noted above. The Investment Manager's assessment is that integration of known sustainability risks in investment decisions, combined with a diversified portfolio appropriate for the Fund in light of its investment objective and strategy, should help mitigate the potential material negative impact of sustainability risks on the returns of the Fund, although there can be no assurance that all such risks will be mitigated in whole or in part, nor identified prior to the date the risk materialises.

The Company does not consider the adverse impacts of its investment decisions on sustainability factors, within the meaning of Article 4(1)(a) of the SFDR, for the time being. The Company does not currently do so because, among other reasons, the final regulatory technical standards which set forth the scope of "principal adverse impacts" and the corresponding mandatory reporting template have not yet been adopted by European legislators, which makes voluntary compliance with Article 4(1)(a) challenging. The Company's position on this matter will be reviewed at least annually.

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