Statement of Investment Principles
2025

The Waverton Staff Scheme

updated July 2022

1 Introduction

1.1 This Statement sets out the principles governing decisions concerning investments for the Waverton Staff Scheme ("the Scheme") in accordance with the requirements of the Pensions Act 1995 & 2004 and, the Occupational Pension Schemes (Investment) Regulations 2005. It is subject to periodic review by the Trustees.

1.2 In finalising this Statement the Trustees have consulted the Adviser, Ascot Lloyd, who have confirmed that they have the appropriate knowledge and experience to give advice required by section 35(5)(a) of the Act.

1.3 The Trustees have consulted Waverton Investment Management Limited as the Principal Employer under the Scheme, and agreed the approach taken in this Statement.

1.4 The Scheme provides Defined Contribution (DC) benefits for members and their dependants in accordance with its Trust Deed and Rules (the Rules).

1.5 This Statement is consistent with the investment powers of the Trustees as set out in the Rules and the Trustees will refer to the Rules for any clarification of their investment powers. (See Appendix 2.) Neither this Statement nor the Rules restrict the Trustees' investment powers by requiring the consent of the Principal Employer.

1.6 With the exception of cash, the Trustees do not themselves conduct any day-to-day management of any of the Scheme's investments. Such management is delegated to appropriately qualified investment managers.

2 Choosing investments

2.1 The Trustees have given discretion to the investment manager to consider suitability of investments within set parameters of the Statement of Investment Principles.

2.2 The Trustees have selected a model portfolio solution managed by Waverton Investment Management Limited with multiple risk profiles.

3 Governance

3.1 The Trustees of the Scheme are responsible for the investment of the Scheme assets. The Trustees take some decisions themselves and delegate others. When deciding which decisions to take themselves and which to delegate, the Trustees have taken into account whether they have the appropriate training and expert advice in order to take an informed decision. The Trustees have established the following decision-making structure:

Trustees

- Set structures and processes for carrying out their role
- Select and monitor asset allocation and suitability of risk profile
- Select investment managers
- Monitor investment managers
- Consider new investment ideas and approaches

Adviser

- Overview on all aspects of the investment of the Scheme assets, including implementation
- Advises on this Statement
- Provides any appropriate training

Investment Managers

- Operate within the terms of this Statement and their written contracts
- Select individual investments with regard to their suitability and diversification
- Advise Trustees on suitability if underlying investments

4 Types of investments to be held

4.1 The Scheme's assets have increased to be in excess of £17m.

4.2 There will be no self-investment in Waverton Investment Management Limited or any associated companies.

4.3 The fund manager will adopt an asset profile that conforms with the following:

Waverton Investment Management Limited Balanced MPS
Waverton Investment Management Limited Growth MPS

The default option is for members to be allocated investment in the balanced MPS. Members are allowed either upon entry into the scheme or on an annual basis to alter their 100% allocation to either the Waverton Investment Management Growth MPS or the Waverton Investment Management Balanced MPS.

Members are able to select all or a portion of their pot to be allocated to the life-styling option (outlined in clause 5.3) regardless of their age or proximity to retirement.

There will normally be no direct investment in property or illiquid assets.

5 Fund Choice

5.1 DC

The Waverton Investment Management Balanced MPS is intended for investors with a medium attitude to risk and a minimum time horizon of 6 years. The portfolio seeks a longer-term return of 3.0% above inflation measured by the UK Consumer Price Index ("CPI") and consists of the following underlying profile.

It has a natural equity weighting of 60%

Equity range	40% to 80%
Bonds & Cash range	15% to 60%
Alternative Assets range	0% to 35%

The Waverton Investment Management Growth MPS is intended for investors with a high attitude to risk and a minimum time horizon of 7 years. The portfolio seeks a longer-term return of 3.5% above inflation measured by the UK Consumer Price Index ("CPI") and consists of the following underlying profile.

It has a natural equity weighting of 75%

Equity range	55% to 90%
Bonds & Cash range	5% to 45%
Alternative Assets range	0% to 25%

5.2 Fund Choice

5.2.a The Trustees policy is to provide suitable information for members so that they can make appropriate investment decisions.

5.2.b The Trustee's policy is that all members' default option is to invest in the Waverton Investment Management Balanced portfolio, except for those who are subject to life-styling.

5.3 Lifestyle Matrix - In addition to the above Freestyle selection all DC schemes must offer a lifestyle matrix and a suggested approach is set out in the following table: -

Years to Retirement	Waverton Balanced Portfolio	Cash	Waverton Sterling Bond Fund
6+	100%	0	0
5	80%	10%	10%
4	60%	20%	20%
3	40%	30%	30%
2	20%	40%	40%
1	0	50%	50%

The default life-styling option will be 50% held in the Waverton Investment Management Limited Sterling Bond Fund and 50% in cash.
These percentages are to be based on market value at the time of investment.

5.4 As Administrators, ALBS write to all members 12 months before the movement in the above table begins, to ensure that the individual understands the implications of a decision they made possibly many years previously.

6 Pension Flexibility

6.1 Introduced from April 2015, there is no longer a requirement to purchase an annuity, a member can take their entire fund in cash, less tax. The Trustees, Consultant and Adviser have considered whether the Lifestyle default should change as a result.

6.2 They have concluded that as there is still a need for a regular income in retirement, no change is required, but the default will be kept under annual review.

7 Concentration of investments

7.1 To avoid undue concentration, the funds held within the MPS solution each have different investment objectives.

Waverton Absolute Return Fund
The objective is to achieve long-term capital growth through investment in a diversified portfolio of securities.

Waverton Real Assets Fund
The objective is to generate a positive real return through a combination of capital growth and income via a diversified portfolio giving exposure to real assets. Real assets include, but are not limited to, real estate, infrastructure, commodities, asset financing and specialist lending.

Waverton Sterling Bond Fund
The objective of the fund is to achieve capital growth and income through investment in UK and international government and corporate bonds.

Waverton Strategic Equity Fund
The objective is to achieve growth by indirect investment in companies worldwide via investment in other third-party funds including, for example, exchange traded funds.

8 Risk - DC

8.1 The Trustees consider the following sources of risk:

- Risk of not meeting the reasonable expectations of members, bearing in mind members' contributions and fund choices.
- Risk of the default lifestyle option being unsuitable for the requirements of some members.
- Risk of fund managers not meeting their objectives ("manager risk"). This risk is considered by the Trustees and their advisers both upon the initial appointment of the fund manager and on an on-going basis thereafter.
- The risk of fraud, poor advice or acts of negligence ("operational risk"). The Trustees have sought to minimise such risk by ensuring that all advisers and third party service providers are suitably qualified and experienced and that suitable liability and compensation clauses are included in all contracts for professional services received.

8.2 Due to the complex and interrelated nature of these risks, the Trustees consider these risks as part of each formal strategy review. The Trustee's policy is to review the range of funds offered and the suitability of the lifestyle option annually.

8.3 These risks are considered as part of each normal strategy review. In addition, the Trustees measure risk in terms of the performance of the assets compared to the benchmarks quarterly, along with monitoring any significant issues with the fund managers that may impact their ability to meet the performance expectations.

9 Investment objectives - DC

9.1 To provide a range of investment options suitable to meet members' needs, by providing options that give members a reasonable expectation of: -

- optimising the value of their assets at retirement, allowing for individuals' risk tolerances
- maintaining the purchasing power of their savings in real (i.e. post-inflation) terms
- providing protection for accumulated assets in the years approaching retirement against a sudden (downward) volatility in the capital value, and fluctuations in the cost of annuities

whilst considering the impact that increased complexity may have on administration requirements and the overall cost of the arrangements.

9.2 Lifestyle option will be offered which will aim to provide an investment option which is suitable for most members, taking into account their proximity to retirement.

10 Realisation of investments

10.1 Subject to any cash requirements of the Scheme to meet benefit payments, the realisation of investments is delegated to the appointed fund managers as part of their day-to-day activities.

11 Socially responsible investment and voting

11.1 The Trustees expect the Investment Manager to exercise the rights attaching to investments on behalf of all participants in the manner which supports the investment and performance objectives of the Scheme.

11.2 The Trustees believe their primary duty is to act in the best financial interests of the beneficiaries.

11.3 The Trustees expect that, when selecting investments for purchase, retention or sale, social, environmental and ethical considerations will be among the factors that the investment manager will take into account in the pursuit of long-term return.

12 Corporate Governance

12.1 The Pensions Act 1995 requires Trustees to include a Statement of their policy (if any) on the exercise of rights (including voting rights) attaching to investments.

12.2 The Trustees expect the Investment Manager to exercise the rights attaching to investments on behalf of all participants in the manner which supports the investment and performance objectives of the Scheme.

13 Salary Sacrifice and Additional Voluntary Contribution

13.1 The same funds are used given that this is a DC scheme.

14 Myners Principles

14.1 The Trustees note the Myners principles and follow them to the extent that they are relevant to the size of the Scheme. The main principles are:

- only those with sufficient expertise should take investment decisions
- clear objectives should be set for fund managers relevant to the circumstances of the Scheme
- consider all asset classes to reflect the Scheme's own characteristics and not just the average asset allocation among other funds
- have a clear understanding of transaction costs involved
- operate a formal process of performance measurement.

15 Compliance

15.1 The Trustees will require any investment manager appointed by them to report at regular intervals (at least half yearly) to the Trustees on that manager's stewardship of the share of the Scheme assets under the manager's control.

15.2 The Trustees will review this Statement regularly in response to any material changes.

15.3 Any such review will be based on written, expert advice and will be in consultation with the Employer. Copies of the amended Statement will be sent to the appointed Investment Adviser and the Scheme Auditor.

Signed for and on behalf of the Trustees ______________________ Date: 02/09/2025

Appendix 1 – Investment Clause in Trust Deed

Investment Powers under the Rules Dated 13 January 2005: Rule 9

9.1 Investment

For the purposes of the Scheme the Trustees may, subject to sections 33, 35 and 36 of the 1995 Act, anywhere, themselves or with others, acquire, hold, maintain, improve or dispose of any property, participate in or finance any company or business, deposit (whether or not at interest), lend or borrow money or other property, mortgage, charge or encumber any assets, enter any contract undertake any obligation, give any indemnity or insure assets for any risk and amount.

9.2 Investment – Particular cases

Under Rule 9.1 above (but, except under 9.2.6 below, without prejudice to its generality):

9.2.1 Types of Property

Property includes any interest in property, and property may be real or personal, moveable or immoveable, tangible or intangible, income producing or not and may consist of policies of insurance, units in collective funds (including units in fund sonly available to tax exempt investors) or, subject to section 40 of the 1995 Act, employer – related investments (as defined in that section);

9.2.2 Application of assets

assets may be applied or encumbered for any purpose which will or may benefit the Scheme, whether or not this may be regarded as investment or may involve a risk of loss, and as if the assets were beneficially owned by the Trustees personally;

9.2.3 Borrowing

borrowing may be for any purpose (including acquisition of assets, which may be charged to secure the borrowing);

9.2.4 Policy to secure benefits

benefits may be secured by an Insurance Policy taken out by the Trustees.

9.2.5 Nominee holdings

assets may be acquired (and/or held) by nominees.

9.2.6 Asset Pooling

assets may (so long as HMRC Approval is not prejudiced) be pooled with those of other retirement benefits or personal pension schemes if the pool is one which is available generally for investment by such schemes.

9.2.7 No need to consult beneficiaries

there is no obligation to consult (or give effect to the wishes of) Beneficiaries and section 11(1) of the Trusts of Land and Appointment of Trustees Act 1996 does not apply to the Scheme.

9.3 Investment consultation

The Trustees will consult with the Principal Company and obtain and consider written financial advice before preparing or revising the statement of investment principles required for the Scheme in accordance with section 35 of the 1995 Act.