

Fund aim

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

Investment style

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

Fund facts

Launch Date	14 November 2023
Benchmark	CPI +3.0%
Fund Size	GBP 50.7m
No. of Holdings	63
Domicile	Ireland
Sedol	BS82CH4
Bloomberg Code	WAMBPSG ID
Fund Type	OEIC
Base Currency	GBP
Other Currencies	None
Ex Dividend Dates	31 Jan, 30 Apr, 31 Jul, 31 Oct

Waverton's approach to TCFD

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

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

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

Climate risk

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

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

We focus on our equity holdings for now, as the reported carbon data is more prevalent across this asset class and direct equities accounted for 63% of Waverton's total AUM as at 31 December 2023. In due course, we will progressively expand reporting to include all assets classes as the relevant data becomes available.

WAVERTON MULTI-ASSET BALANCED FUND EMISSIONS	tCO2e
Scope 1 & 2 Financed Emissions	1,199
Scope 3 Financed Emissions	16,942
Total Portfolio Financed Emissions	18,141
Total Carbon Footprint tCO2e / £m Invested Capital	532
Total Portfolio Sales Intensity tCO2e / £m Sales	1,818
Weighted Average Carbon Intensity tCO2e / £m Sales	1,054

15 LARGEST EMISSIONS CONTRIBUTORS	EQUITIES WEIGHT	EMISSIONS FISCAL YEAR	SHARE OF Co TOTAL EMISSIONS tCO2e	% OF TOTAL FINANCED EMISSIONS	SCOPE 1&2 tCO2e	SCOPE 3 tCO2e	TOTAL tCO2e
Shell Plc	3.0%	2022	5,324	29.3%	58,000,000	1,174,000,000	1,232,000,000
Hitachi,Ltd.	3.1%	2022	4,249	23.4%	1,538,000	267,670,000	269,208,000
Siemens Aktiengesellschaft	2.6%	2022	2,494	13.7%	582,000	457,605,000	458,187,000
Anglo American plc	1.5%	2022	1,457	8.0%	13,300,000	98,540,201	111,840,201
Toyota Motor Corp.	1.6%	2022	774	4.3%	6,180,000	570,489,269	576,669,269
Costco Wholesale	2.2%	2022	557	3.1%	2,831,617	171,274,463	174,106,080
SLB	2.3%	2022	413	2.3%	1,923,507	34,850,000	36,773,507
UPM-Kymmene Oyj	2.3%	2022	382	2.1%	4,720,000	5,034,000	9,754,000
Taylor Maritime Investments	0.4%	2022	324	1.8%	11,220	540,632	551,852
Asahi Group Holdings,Ltd.	2.3%	2022	277	1.5%	686,000	8,328,000	9,014,000
Linde plc	2.0%	2022	255	1.4%	37,716,000	25,859,001	63,575,001
United Rentals, Inc.	2.1%	2022	247	1.4%	424,291	13,283,076	13,707,367
Sandvik AB	2.6%	2022	190	1.0%	144,000	5,403,878	5,547,878
Shin-Etsu Chemical Co Ltd	2.1%	2022	187	1.0%	6,656,308	11,138,504	17,794,812
Industria de Diseno Textil,	3.1%	2022	163	0.9%	11,232	17,223,484	17,234,716

Data and Methodology

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

PROFILE OF FISCAL YEAR DATA	2023	2022	2021	N/A
	1.3%	88.1%	4.5%	6.1%

EMMISSIONS COVERAGE	SCOPE 1	SCOPE 2	SCOPE 3
With Data	93.0%	90.8%	89.7%
Without Data	7.0%	9.2%	10.3%

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

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

(with c = borrower or investee company)

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

For listed companies:

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

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

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

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

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

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

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