WAVERTON

RESPONSIBLE INVESTMENT – STEWARDSHIP 2022

Our purpose is underpinned by three core values: Responsibility of Stewardship, Pursuit of Excellence and Value of Partnership.

REALISING PEOPLE'S PURPOSE

As responsible stewards of capital, we are committed to helping others achieve what matters most to them.

Responsibility of Stewardship

We take care of all that we are entrusted to protect and safeguard. Client relationships and assets, employees' careers and their wellbeing are at the heart of this.

We have a responsibility as a business to help achieve high social and environmental standards within our wider community.

Pursuit of Excellence

We strive to be outstanding in all that we do.

We constantly challenge ourselves to learn, so we can improve what we do and adapt to the changing needs of our clients and staff.

Value of Partnership

We believe in an alignment of purpose with our clients and we work in partnership with them towards common objectives.

We share ownership of our company and we have a responsibility to each other and to our society.

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FOREWORD

Following the publication of our first Stewardship Report last year, we were delighted to have been approved as a signatory of the UK Stewardship Code. This was great validation of our thoughtful and responsible management of our clients' assets. This report seeks to demonstrate the efforts we put into providing the best results for all our stakeholders.

In our 2021 edition we highlighted some of our plans for 2022, and I am pleased to report that we have made great progress. We strengthened our Board with the recruitment of a new independent non-executive Director and restructured our Sustainability Committee, which now includes two independent non-executive Directors. Across the business we have made progress on gender diversity, including at Board level. Waverton also completed the measurement of its operational carbon footprint, from which we can set targets to reduce our impact and work to achieve our operational net zero target by 2030. Achieving 100% renewable-sourced electricity in our London office is a great milestone on this journey.

From an investment perspective, we have increased our collaborative engagement, not only playing an active role in initiatives with both CDP and Climate Action 100+, but also participating in the Financial Conduct Authority's (FCA) consultation process ahead of the introduction of the UK's Sustainability Disclosure Requirements (SDR). During the year, members of the Investment team introduced the second iteration of our materiality framework and this has now been fully integrated into the investment process of our Equities and Fixed Income teams. We are currently in the process of introducing a similar framework for Alternatives. This ensures key material issues are identified and investigated in a more consistent manner across the wider Investment team, and provides a more formal foundation for our engagement activities.

In the same way that the consideration of ESG factors is integrated into our investment process, responsible stewardship is embedded in our corporate culture. One of our three corporate values is the "Pursuit of Excellence", and we are constantly seeking to improve our performance in all areas of the business. As we endeavour to convey through each of the Stewardship Code's 12 Principles, we are always evolving our approach. In support of promoting better corporate disclosure, Waverton will begin reporting in line with the Task Force on Climate-related Financial Disclosures framework from 2023, outlining our approach to managing climate-related risks and opportunities across the business.

This report does not solely seek to illustrate our achievements, rather it aims to highlight our endeavours to continually improve, guided as we are by our values and purpose.

Nick Tucker
Chief Executive Officer

INTRODUCTION

We review our responsible investment policies on an ongoing basis, using what is learned along the way to continue refining our approach.

The latter half of this report illustrates how Waverton approaches the integration of ESG factors into the investment process of each asset class. We also highlight examples of where we have helped influence positive outcomes through our engagement and voting activity in 2022. This demonstrates both our integrated approach and the constructive nature of the Investment team's relationships with companies, third-party managers and other industry participants. With the investment research template upgrades implemented in 2021, we have also been able to collate more data and provide additional detail on our voting and engagement activity.

Last year we highlighted collaborative engagement as an area of greater focus for 2022 and in Principle 10, we have provided details on our progress. We will be participating in CDP's Non-Disclosure Campaign again in 2023. While encouraging more companies to provide climate disclosures was the focus of our attention last year, we will also be encouraging more widespread water and forestry disclosure amongst our investee companies this year. Alongside this, members of the Investment team are undertaking a review of the biodiversity and deforestation risk profile of the companies included in our Global Equity Recommended List, as well as company actions and disclosures. To date these factors have been a lower priority in addressing the impacts of climate change.

As Nick mentions in his foreword, we have been actively involved in the consultation process ahead of the implementation of SDR in the UK, organising and participating in industry roundtable discussions and providing detailed responses to the FCA. We are encouraged by its proposals to date, especially as they highlight the importance of incorporating transition and engagement, as well as the shortcomings of using negative screening or blanket exclusions, as a way to achieve effective sustainability outcomes.

We believe our approach aligns well with the stance being proposed by the FCA, as we have always adopted a pragmatic and forward-looking perspective that acknowledges a necessary period of transition. We aim to identify businesses allocating capital in a responsible manner, ensuring resilience in their underlying business model and long-term sustainability in all its forms.

Mindful of limits on our time and resources, we focus on those aspects where we can be most effective in encouraging better corporate behaviours and, importantly, that we provide clients with a carefully considered approach to responsible investment that not only creates value for them as shareholders, but also contributes to credible, positive impact over time.

Jennifer Fisher
Head of Equities

WAVERTON AT A GLANCE

WHO WE ARE

£9.1bn
Assets under management

166
Employees

24
Person
Investment team

34.7%
Employee ownership

Independent

Top Performing Funds*

* Top performing funds based on their positioning within the top 10% of performing funds over a 3 year period.

HOW WE SERVICE CLIENTS

Four key channels:
PRIVATE CLIENTS | CHARITIES | ADVISERS | INSTITUTIONS

- Strong, consistent performance
- Tailored service and reporting
- First class digital experience

INVESTMENT PHILOSOPHY

- Global
- Active
- Direct
- High conviction
- ESG integrated

ESG INTEGRATION

- Robust, pragmatic and forward looking
- Collaborating to promote higher standards
- Firm-wide stewardship culture

OUR ACHIEVEMENTS AND MILESTONES IN 2022

567
COMPANY ENGAGEMENTS

10
COMPANIES ACCOUNT > 90% OF OUR GLOBAL RECOMMENDED PORTFOLIO EMISSIONS

5
SUSTAINABILITY PILLARS FORM THE BASIS OF OUR MATERIALITY FRAMEWORK

100%
RENEWABLE-SOURCED ELECTRICITY IN WAVERTON LONDON OFFICE

86%
OF ALL EMPLOYEES COMPLETED ESG TRAINING THROUGH THE PRI ACADEMY

A SELECTION OF AWARDS FROM 2022

STEP Private Client Award: Investment Team of the Year

Citywire Wealth Manager Investment Performance Awards

2022 Wealthbriefing European Awards - Charity Team

Waverton Global Strategic Bond Fund

Waverton Multi-asset Income Fund

Mary Haly won the Spears' award for the best High Net Worth Manager

PURPOSE AND GOVERNANCE

Principles

I

PURPOSE, STRATEGY AND CULTURE

Our purpose

Waverton is an independent investment manager offering award-winning investment solutions for private clients, charities, financial advisers, and institutions. Our commitment to client service drives everything we do.

Our highly experienced Investment team sits at the core, with multi-asset capabilities that have been expanded and enhanced over time. While our investment process has evolved, our investment philosophy and the company's focus on providing the highest levels of service to our clients remain steadfastly unchanged.

A personal approach has always been at the heart of Waverton's business. We are thoughtful about what we do and work hard to help people achieve their goals and ambitions, be that our clients, our employees, our shareholders or our community.

REALISING PEOPLE'S PURPOSE

As responsible stewards of capital, we are committed to helping others achieve what matters most to them.

Our purpose is underpinned by our core values: Responsibility of Stewardship, Pursuit of Excellence and Value of Partnership. These all reflect the culture of our company and are embedded in our business and stewardship activities across the firm.

Responsibility of Stewardship

We take care of all that we are entrusted to protect and safeguard. Client relationships and assets, employees' careers and their wellbeing are at the heart of this.

We also have a responsibility as a business to help drive the transition towards higher social and environmental standards within our wider community.

Pursuit of Excellence

We strive to be outstanding in all that we do.

We constantly challenge ourselves to learn, so we can improve what we do and adapt to the changing needs of our clients and employees.

Value of Partnership

We believe in an alignment of purpose with our clients and we work in partnership with them to achieve their long-term objectives. We share ownership of our company and have a responsibility to each other and to society.

BUSINESS STRATEGY

We are independent and owner-managed, and a significant number of directors and employees of the firm have an equity stake in Waverton, helping to ensure they are aligned to the values and financial sustainability of the business. The majority of our revenue is derived from portfolio or fund management fees, so it is in the best interests of the firm to deliver superior real returns for our clients over the long term.

GROW DIRECT-TO-CLIENT APPROACH	DEVELOP STRATEGIC PARTNERSHIPS	CREATE SCALABLE BUSINESS MODEL
Attract new clients from niche profiles such as entrepreneurs and US clients	Position 'Whole of Waverton' to expand relationships	Strengthen operational infrastructure
Promote integrated wealth and investment proposition	Become partner of choice for advisers and networks	Build brand and reputation for excellence and service
Build regional presence	Provide market-leading performance and service	Promote scalable investment solutions eg MPS, Waverton Funds

PURPOSE, STRATEGY AND CULTURE *CONTINUED*

Our culture

Fostering and maintaining a strong corporate culture is integral to our ability to meet our stewardship responsibilities. Good governance, the implementation of high standards and effective policies across the firm, and how we interact with our clients and partners, all foster a corporate culture that promotes the long-term success of Waverton.

This is further supported by our commitment to integrate sustainability throughout the business. Our Waverton Impact programme consists of four pillars; Responsible Investment; People & Wellbeing; Environment; and Community. We recognise we have a responsibility to understand and support the needs of all our stakeholders, from our clients and employees to our suppliers and the wider community.

Responsible Investment

We are thoughtful, long-term investors and responsible stewardship of our clients' capital is at the core of Waverton's business. We fully recognise our responsibility to help drive positive environmental and social change, but also acknowledge that meaningful change on a global scale will take time. We believe this necessitates a pragmatic approach, where we prefer to actively engage with companies in all sectors and focus on their direction of travel. All aspects of our approach to Responsible Investment are covered in this report.

People & Wellbeing

Our people remain integral to the ongoing success of the business. We maintain a regular, direct and transparent level of engagement with all our employees. Our annual employee engagement survey yielded positive results overall, and we continue to use the insights gained to evolve our internal processes, an indication of our commitment to a strong and positive culture.

Strengthening our policies and procedures and demonstrating a responsible and supportive approach to our people has allowed us to make real progress as the firm grows.

Read more about our equality, diversity and inclusion commitments in Principle 2.

Environment

Waverton is committed to managing its impact on the environment and has set a goal to reach operational net zero by 2030. In 2022, we measured our carbon emissions in line with the Greenhouse Gas (GHG) Protocol. We have reported our Scope 1 and Scope 2 emissions in our Annual Report & Accounts 2022. In 2023, we will set targets to reduce our operational emissions and will seek carbon neutrality through the purchase of carbon credits to offset our residual emissions. We will be working with our partners to understand our Scope 3 carbon emissions, including our investments, and will identify opportunities to manage and reduce this where we can. From 2023, we will begin reporting in line with the Task Force on Climate-related Financial Disclosures framework.

Community

Waverton has a proud history of supporting the wider community in several ways, from corporate fund raising to personal causes, to volunteering alongside charities. We have set a target to donate £1m by 2030.

In 2022, we donated more than £54,000 to charitable and community causes. Further, we encourage our employees to support causes that matter to them. Our giving policy provides matched funding to their charitable donations/fundraising efforts and we introduced two days volunteer leave for all employees.

Read more about our sustainability progress in our Annual Report & Accounts 2022.

EMPLOYEE SURVEY HIGHLIGHTS

89%
feel motivated to perform well in their role

87%
are proud to say they work for Waverton

70%
feel valued for their contribution to the success of the firm

Investment philosophy

Client strategies are managed to clear risk and return objectives, principally focused on outperforming inflation over the long term. To achieve this, we use an active, direct and global approach through discretionary portfolios or specialist funds. We attach great importance to investing in what we believe to be the best ideas worldwide, be that in equities, funds, fixed interest or alternative asset classes.

Effectiveness of our stewardship activities

The investment returns we generate for clients, quality of our client service and longevity of our client relationships are the clearest measure of the effectiveness of our stewardship activities, and we will outline these in following sections of this report.

OUR INVESTMENT BELIEFS

GLOBAL
A global approach provides clients with the widest possible set of investment opportunities to grow their capital in real terms over the long term.

ACTIVE
We strongly believe in the benefits of active management, both in terms of asset allocation and security selection. With greater flexibility to avoid areas at risk of capital loss, we aim to better protect capital in periods of drawdown and capture the upside as markets rebound.

DIRECT
Direct investment provides greater control over portfolio construction, in turn providing clients with greater transparency around what they own.

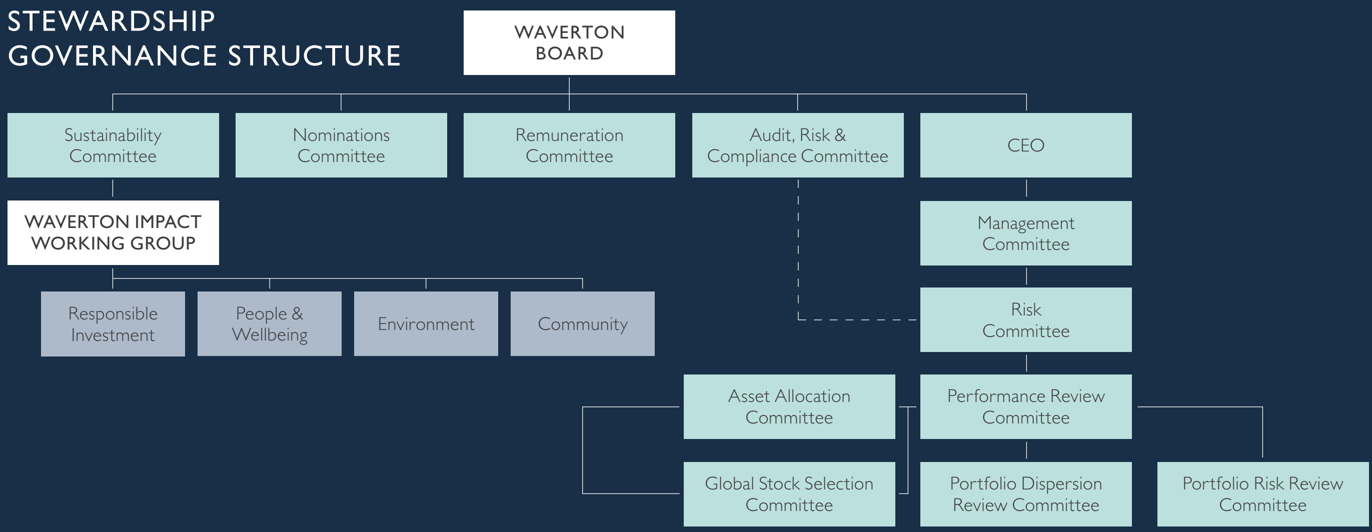
HIGH CONVICTION
A concentrated portfolio facilitates more detailed knowledge of each holding, and better management of risk.

ESG INTEGRATED
Consideration of ESG factors forms an integral part of our fundamental research, as these factors are intrinsically linked to the long-term financial sustainability and returns of an asset.

FOCUS ON REAL RETURNS
We aim to compound superior risk-adjusted returns over a cycle.

2 GOVERNANCE, RESOURCES AND INCENTIVES

STEWARDSHIP GOVERNANCE STRUCTURE



Governance overview

The Board of Waverton is the ultimate governing body of the firm. It is responsible for setting the strategic direction of the business, ensuring the long-term success of the business for the benefit of its stakeholders, and ensuring that the company acts to deliver good outcomes for its clients. The Board meets formally at least five times a year.

Sustainability Committee

In 2021, the Board established a Sustainability Committee (Susco), to oversee our corporate sustainability obligations and our Responsible Investment commitments, including the UN Principles for Responsible Investment, FRC Stewardship Code and other ESG regulatory and voluntary commitments as and when required. In 2022, the Board agreed to bolster its ESG experience and recruited a new independent non-executive Director, Alexandra Innes, who took on the role of Chair of Susco in January 2023.

In 2022, Susco refined its membership to provide effective strategic oversight. It comprises: two independent non-executive Directors, CEO, Chief Operating Officer, Head of Equities and Corporate Sustainability Manager.

Its remit is to promote and support Waverton's long-term sustainability agenda, which includes our integrated ESG investment approach, stewardship reporting, responsible business activities, Equality, Diversity and Inclusion (ED&I) initiatives and the wellbeing of our employees. The Committee meets at least quarterly.

Day-to-day accountability for sustainability lies with the Waverton Impact Working Group. This group has representation from across the business, and is responsible for setting objectives and targets, and measuring progress across the four pillars of Waverton Impact: Responsible Investment, People & Wellbeing, Environment and Community.

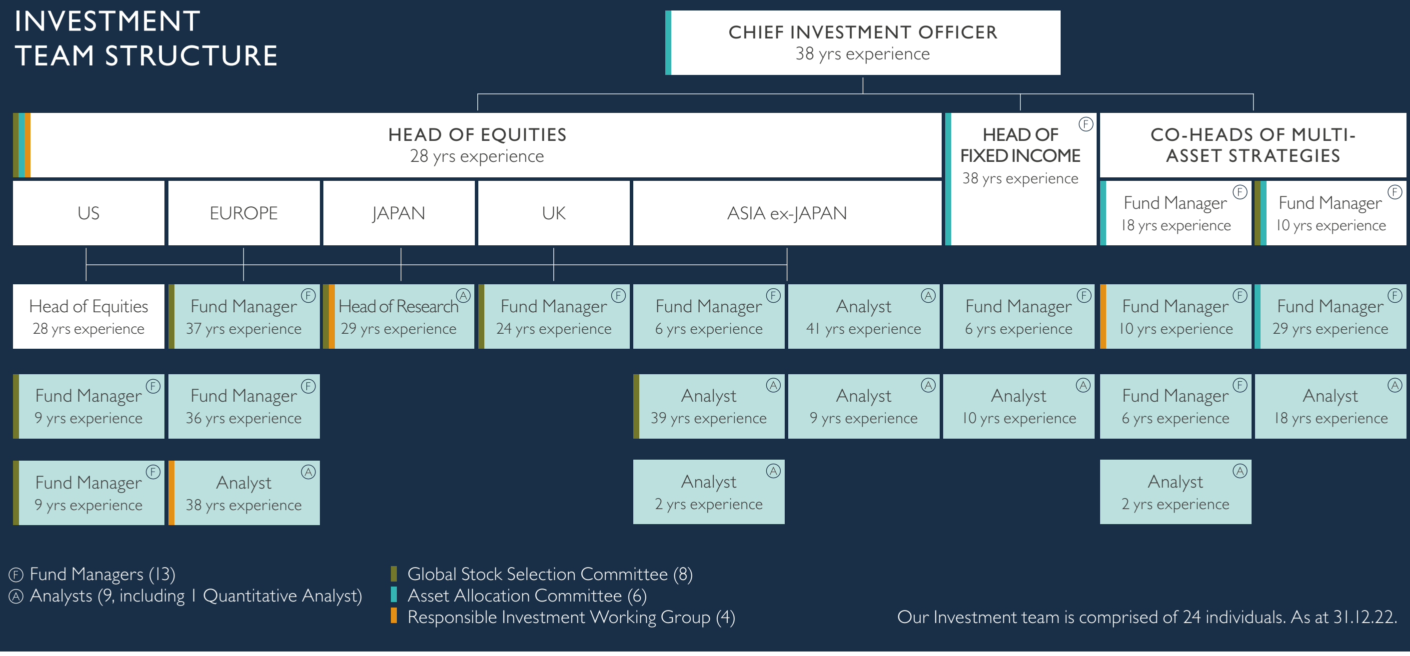
Audit, Risk & Compliance Committee

The Audit, Risk & Compliance Committee (ARCC), chaired by non-executive Director David Morgan, is responsible for the review and oversight of the company's risk management and seeks regular assurance that the system of internal controls is effective in managing risks in line with this, as well as for the oversight of the financial reporting and audit processes, and compliance with regulatory matters. ARCC regularly receives presentations from Heads of Departments to ensure wide engagement with the business.

The Board receives regular updates on the progress of its committees throughout the year and is consulted on decisions as required.

Read more about our other Board committees in our Annual Report & Accounts 2022.

INVESTMENT TEAM STRUCTURE



Management Committee

The Board also oversees our Management Committee (Manco) and reviews and constructively challenges its performance against the overall strategy. Manco assists the CEO in the performance of his duties as set by the Board, and in the day-to-day management of the business. Manco is also responsible for accurate and regular messaging to staff around strategy and wider business culture, so that Waverton's core values are maintained.

Stewardship governance

There are several oversight committees to cover the full investment process, one of which is the Asset Allocation Committee (AAC). Chaired by our Chief Investment Officer (CIO) and including five of the most senior members of our Investment team, the AAC recommends the house position on asset allocation across client strategies.

The AAC meets every six weeks with a broader Asset Allocation Forum (AAF) held in advance of the meeting.

The AAF brings together the views of those that focus on macroeconomic research (top-down) and the analysis of the asset class teams (bottom-up), whose fundamental company research often provides more forward-looking insights into the health of the global economy. The AAF also serves as a platform for the AAC to gather views from all of Waverton's investment professionals.

Conclusions from the AAC feed into recommendations across all investment strategies that we manage, guiding specific short-term asset class weights. These views are immediately communicated across the firm and respective weights are reflected in our portfolio management system to be implemented in portfolios as appropriate.

Investment team

The Investment team is led by our CIO, with the Head of Equities, Head of Fixed Income and Co-Heads of Multi-asset Strategies reporting to him. We continue to evolve the structure and oversight of our Investment team to ensure we maintain the quality of our investment services to clients.

The team includes 24 individuals and is predominantly based in London, with three of our Asian equity specialists based in Bangkok. Working from the same location and time zone for most of the team offers greater opportunity for collaboration and the sharing of ideas. The centralised location also means the Investment team is accessible to clients and portfolio managers, facilitating easy and timely communication.

Our strengthened centralised team has enabled us to meet our ongoing commitment to direct investment on a global basis. Given our integrated approach to ESG, all related research, engagement and voting activity is carried out by the dedicated fund managers and analysts who form the Investment team.

This incorporates all asset class specialists: equities, fixed income, alternatives and third-party funds. Each asset class team has clearly defined selection criteria which are consistent with the company's approach to Responsible Investment.

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GOVERNANCE, RESOURCES AND INCENTIVES *CONTINUED*

In 2022, we established a Responsible Investment Working Group to enhance the coordination and implementation of our integrated ESG approach across the wider Investment team. Working Group members have a depth of ESG and sustainability experience which is utilised by wider team members and client-facing colleagues. Members also present on ESG integration and relevant topics in our weekly investment meetings and directly with the business channels to raise awareness and understanding of ESG and Waverton's approach. Further, our Senior Multi-asset Analyst was highly commended in the ESG Advocate Award category in the 2022 Wealth Partnership Awards.

The Investment team is overseen by our Performance Review Committee and Portfolio Risk Review Committee, who are supported by data analytics from the Performance & Risk team. These committees review investment performance on a regular and ongoing basis to ensure our portfolios operate within their given mandates.

Monitoring dispersion

At a portfolio level, the Portfolio Dispersion Review Committee monitors the performance of private client and charity client portfolios and requires managers to validate returns if portfolios are identified as outliers.

Resourcing

To support our activities as responsible stewards of our clients' capital, we are committed to ensuring that we are appropriately resourced in terms of staff levels, professional qualifications and access to relevant tools that enable employees to perform their roles.

We adhere to all regulatory certification requirements and actively support our employees in their pursuit of professional qualifications through organisations including the FCA, CFA Institute, and CISI.

Our Investment team has access to specific sustainability resources through our membership of CDP (previously the Carbon Disclosure Project), the World Benchmarking Alliance, the UN Principles for Responsible Investment (PRI) and ESG data from MSCI. Several of our existing research providers are also incorporating extensive ESG data within their fundamental research, which we frequently find to be more relevant to, and aligned with, our integrated approach to ESG.

Waverton's Corporate Sustainability Manager coordinates our company-wide sustainability programme through Waverton Impact, and continues to work closely with the Investment team to further embed our integrated ESG approach across the wider business.

Equality, Diversity and Inclusion

We pride ourselves on creating and sustaining a positive and inclusive working environment. Ensuring we continue to improve Equality, Diversity and Inclusion (ED&I) is one of Waverton's sustainability priorities.

Diversity of thought and opinion is a critical part of making good investment decisions for our clients and we are fortunate to have a highly talented Investment team with a blend of experience levels, skill sets, and nationalities. The combination brings different perspectives to our discussions, fostering greater debate and adding significant value to our asset allocation, security selection and portfolio construction decisions.

Great progress has been made over the past two years on our gender diversity, with improved levels of female representation across the firm, including at Board level and on Manco. In addition, 40% of new hires in 2022 were female. This supports our Women in Finance Charter commitments, where Waverton has pledged to have 33% of senior management made up of women by 2025. We continue to work with partners, including Girls Are INvestors, upReach and Investment 20:20 to improve the diversity of our candidate pools.

In June 2022, we carried out our first ED&I survey, achieving 85% response rate. The survey was rolled out to provide tangible data on diversity and inclusion. This data has been used to inform the future ED&I strategy and initiatives for 2023.

The results on inclusion were positive, with 73% of employees feeling as though they belong at Waverton and 94% feeling respected by colleagues. The results pointed to work being required to enhance diversity in the business, something that was already acknowledged and underway.

Training

As the industry's understanding of ESG and sustainability issues continues to evolve, we are committed to providing the tools and training to support our Investment team and client-facing colleagues when considering ESG risks and opportunities in their decision-making. At the end of 2021, we rolled out firm-wide ESG training in partnership with the PRI Academy to support employees in their understanding of ESG. By the end of 2022, 86% of all employees had completed the course, of which 25 individuals, primarily from our front office, completed the Advanced Responsible Investment module.

PARTNERSHIPS TO SUPPORT OUR DIVERSITY TARGETS

Women in Finance Charter 1st anniversary

INVESTMENT 20/20 THE TALENT SOLUTION FROM THE INVESTMENT ASSOCIATION

GAIN Girls Are INvestors

upReach Transforming Social Mobility

The training was rolled out to all employees, including the Board and Manco. New starters are provided access to this core learning.

Throughout the year we seek on-the-job training opportunities and deliver ESG teach-in sessions to the front office teams. In addition, continuous professional development is facilitated through regular collaboration and exchanges within teams, as well as relevant webinars and conferences employees attend throughout the year. Employees also have access to broader training via LinkedIn Learning. Individual training needs can be addressed throughout the year but are formally assessed during on-boarding and end of year appraisals.

Employees are encouraged to seek ESG-related training topics as part of their CPD training obligations. This could be professional qualifications, for example we make the CFA ESG certificate available for all interested employees, or a combination of in-house teach-ins and participation in industry roundtables. In September 2022, we invited the Head of Global ESG Research from Bernstein to present to front office colleagues, while our Heads of Institutional and Adviser Solutions attended an ESG regulatory roundtable for the Discretionary Fund Managers' community in November 2022.

We also welcome the opportunity to contribute to developing ESG industry training practices. Through our partnership with the PRI Academy, our Co-Head of Multi-asset Strategies contributed to the development of their new ESG in Alternative investments training module, testing the module and providing feedback prior to it going live.

Incentives and remuneration

All employees have clearly-defined objectives which outline their responsibility for contributing to the successful achievement of Waverton's strategic targets, and to ensure the highest standards of personal conduct. These objectives form an integral part of the year-end remuneration process and are considered when determining individual performance-related bonuses. All remuneration (including bonuses) is scrutinised by the Remuneration Committee.

Our integrated ESG approach means that performance against stewardship activities and objectives is already included into overall performance reviews of the Investment team. Senior management also have specific stewardship objectives. As we learn more, we will assess whether implementing more specific ESG targets in remuneration policy is needed.

Our CEO and Manco members are now all responsible for supporting stewardship and responsible business activities, particularly in relation to our sustainability targets. Additionally, our CIO and heads of asset classes are responsible for ESG integration in line with Waverton's investment approach within their respective teams.

Effectiveness of our governance structure

At Waverton we seek to apply best in class principles to make our governance as effective as possible.

Our structure ensures clear line of sight from Board level down to the execution teams, with crossover between various parts of the business to ensure a broad perspective on activities and risk.

We have robust business continuity plans in place, covering a range of topics including severe disruptions to our infrastructure and succession planning.

Employees are able, and indeed encouraged, to own shares in the company, to provide better alignment with Waverton's strategic priorities.

3

CONFLICTS OF INTEREST

Conflicts of Interest Policy

We are committed to act in the best interest of our clients and treat all our clients fairly, in line with the FCA's regulatory standards for investment managers.

We maintain a Conflicts of Interest Policy on our website, which identifies applicable conflicts and sets out the controls and processes in place to mitigate risk.

Read our Conflicts of Interest Policy on our website.

Where conflicts of interest are identified, they are mapped and categorised on the internal Conflicts Register, which is maintained by Compliance. Each new conflict is reviewed and assessed by the team, with additional review by the Risk Committee to ensure the controls in place mitigate the risk sufficiently.

We have established procedures which are designed to identify and manage conflicts of interests between Waverton and all other group entities. These include several organisational and administrative arrangements to safeguard the interests of clients and minimise the potential for conflicts to arise.

On a six-monthly basis, Compliance conducts independent assessments of conflicts of interest as part of the monitoring programme. This reviews the controls in place against each identified conflict of interest to ensure they are appropriately designed and operating effectively. Each assessment is risk-rated according to the findings noted.

Our Conflicts of Interest Policy and Register are both reviewed on an annual basis by Compliance, the Risk Committee, the Audit, Risk & Compliance Committee (ARCC) and the Board, to ensure they remain fit for purpose.

All new employees undergo strict training and guidance on internal policies and procedures as well as the expectations of our regulators. This covers all scenarios where conflicts of interest can arise, such as gifts and hospitality, personal account dealing and market abuse.

Additionally, all employees are required to disclose any personal or business-related conflicts of interest to Compliance. A monthly email communication is sent to all staff reminding them of their obligations to inform Compliance of any changes to personal circumstances that may present a conflict of interest.

POTENTIAL CONFLICT OF INTEREST

Conflict	Risk management approach
1. Where Waverton acts as a discretionary investment manager for clients, a conflict could arise between Waverton, the investee company or a client when exercising voting rights. Read more about our proxy voting process in Principle 12.	Waverton collaborates with Glass Lewis, a leading independent voting advisory service provider, using proxy voting where we feel there is an opportunity to enhance or protect shareholder value. The use of Glass Lewis provides a default recommendation in line with industry peers. Waverton reviews recommendations on a case-by-case basis, however, and may deviate from the recommendation in line with our investment approach. The responsibility for voting decisions sits with the Investment team who undertake the fundamental analysis, and build and maintain the relationship with investee companies around the world. Decisions are proposed by a specialist and approved by the regional and/or global equity fund managers. Voting decisions for investment companies are made by the Multi-asset team. In the unlikely event a conflict were to arise, the voting recommendation of Glass Lewis will be instructed.
2. Where an employee or officer of Waverton also serves as an officer of an investee company, Waverton may utilise its voting rights in a manner that personally benefits the employee or benefits Waverton over the shareholders and Waverton clients.	Waverton maintains a Conflicts Register that records the external roles undertaken by all employees and officers. There are strict procedural controls in place to prevent such external investee companies to be held in client accounts, thereby mitigating the voting rights risk. If such a scenario were to arise, Waverton would abstain from the vote to ensure a fair and independent vote is held by the remaining shareholders. Compliance obtains and assesses each external interest and role undertaken by new hires, including the newly appointed independent non-executive Director in 2022, from a client risk perspective.
3. Where an employee or officer of Waverton also holds external roles, such as advisory board memberships, non-executive roles and investment committee memberships for other companies, Waverton may utilise its discretionary investment powers to recommend and purchase these companies for client portfolios outside of the investment process to the benefit of the employee or Waverton, over the client.	Waverton's Conflicts Register records the external roles undertaken by all employees and officers. There are strict procedural controls in place to prevent such external roles from being undertaken, and an independent risk assessment by Compliance on the roles undertaken. System configurations are in place to alert the team to trades involving these companies. External roles are also reviewed by the Risk Committee on at least an annual basis. During 2022, there were no purchases for discretionary-managed client portfolios in companies where a Waverton employee or officer has an external role. Compliance monitoring of external roles did not identify any additional roles not previously disclosed nor to any client detriment.
4. Incentive structures for Waverton's research and portfolio management teams that increase the risk of inappropriate recommendations, risk-taking and short-termism in conflict with maximising shareholder value over the long term.	Waverton's Remuneration Policy, maintained and handled by HR, ensures that employees are not remunerated solely based on performance of stock recommendations or client performance. Remuneration is aligned with business strategy, objectives, values and long-term interests of the company and its clients.
5. Where Waverton's engagement with potential or current investee companies gives rise to inside information, this could be utilised by employees or officers of Waverton to the detriment of clients, other shareholders and the wider structure of the markets.	Employees and officers are informed about the Market Abuse Regulations upon joining Waverton. Compliance acts as gatekeeper for the receipt of inside information. Over the course of 2022, there were six instances where Waverton was in receipt of inside information. Compliance prevented the trading of these stocks until the news became public information. In addition, Waverton makes use of an external trade surveillance tool to screen all trades for the risk of market abuse, including inside information.

4

PROMOTING WELL-FUNCTIONING MARKETS

Managing market-wide and systemic risk

As a business, we rely on the ability to invest in stable and well-functioning financial markets to serve our clients and other stakeholders. Equally, as responsible stewards of capital, we have an obligation to contribute to the long-term sustainability of financial markets in any way we can.

Waverton's six pillar risk framework ensures we monitor and review all potential areas of market wide risk and systemic risks to the business. The risk framework is a quantitative risk monitoring tool that was developed by Waverton to support well-functioning financial markets.

Within Waverton's risk governance and oversight structure, there are three committees with specific oversight for investment performance and risk:

- Performance Review Committee;
- Portfolio Dispersion Review Committee; and
- Portfolio Risk Review Committee (PRRC).

The latter is responsible for identifying and managing market risk. The PRRC is supported by the Performance & Risk team, which sits independently from the Investment team and monitors risk daily.

Waverton's Board is kept informed of potential risks to the business and how these risks would impact the company.

Stress tests

A key part of the PRRC's remit is to identify systemic risks and review the exposure of client assets to them. The systemic risks are built into stress tests using a third-party factor-based risk model (FactSet MAC Model). These tests are incorporated into our risk monitoring systems and form part of our six pillar risk management framework.

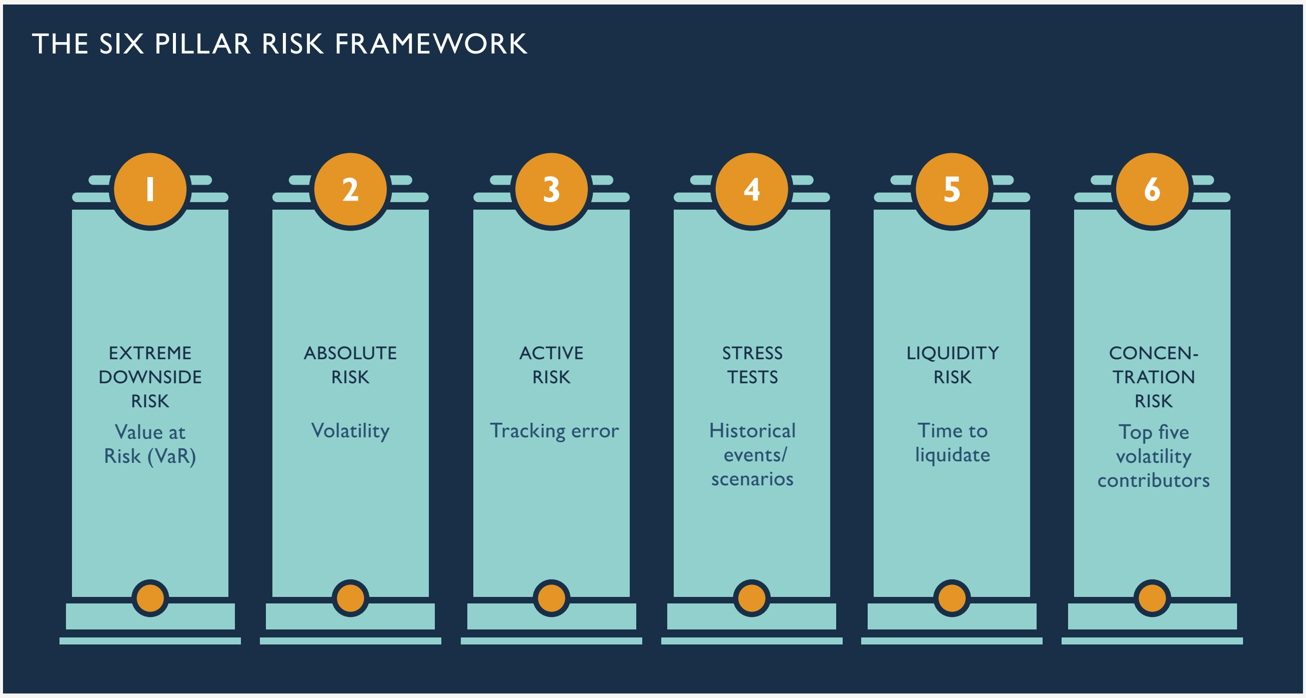
Stress tests are performed monthly and are reviewed formally on a quarterly basis by the PRRC.

Stress tests are reviewed individually and are aggregated when we set risk limits, referencing the risk profile of portfolios when setting these limits.

Climate change

Assessing environmental and climate-related risks and opportunities is part of our integrated ESG approach. The long-term financial sustainability of a company cannot be properly assessed without considering the impact that climate risks (transition and physical) could have on its business model and ability to generate and grow free cash flow.

Similarly, the risks a company could face by virtue of the location of its operations, exposing it to greater risks from climate change and/or severe weather-related events, could also impact its growth potential over time. We expect well-managed companies to be forward-thinking in their allocation of capital, constantly assessing innovative technology and practices to mitigate transition and physical climate-related risks, and with effective business contingency plans in place in the event of severe weather-related damage and disruption.



Monitoring climate risk

The assessment of climate risk is a constantly evolving area that companies continue to report on in various ways, using different methods of measurement, or sometimes not at all. Through our memberships of Climate Action 100+ and the CDP, we help promote the implementation of common standards and greater transparency around corporate disclosures on environmental impact. Both initiatives allow us to collaborate with others to encourage wider implementation of more standardised disclosures, and also provide the Investment team with access to their libraries of global corporate environmental data.

The availability of good quality and consistently presented carbon data (especially if investing globally) still remains an issue for anyone in the investment industry attempting to accurately assess a fund/portfolio's current carbon footprint and its path to net zero.

To date, we have used MSCI's carbon portfolio analytics to provide an assessment of our fund/portfolio exposures but during the summer of 2022, members of the Equities team completed an extensive project to calculate the carbon emissions of our Global Recommended Portfolio (GRP), using data provided in company Sustainability Reports and/or available via CDP.

The intention was to provide as much consistency as possible in terms of measurement, (e.g. location vs. market-based), base currency (US$), currency conversion (average vs. year-end) and the year with most comprehensive verified data (2020).

At the time (August 2022), we established that 75% of our GRP's emissions were accounted for by just five companies (out of 38) and approximately 85% by 10 companies, a finding that helped us to focus resource for further analysis and monitoring on an ongoing basis.

The charts below relate to the most recent carbon analysis undertaken on the GRP (March 2023), with verified 2021 data now more widely available. This shows that over 90% of the portfolio's carbon emissions are accounted for by just 10 companies (out of 36).

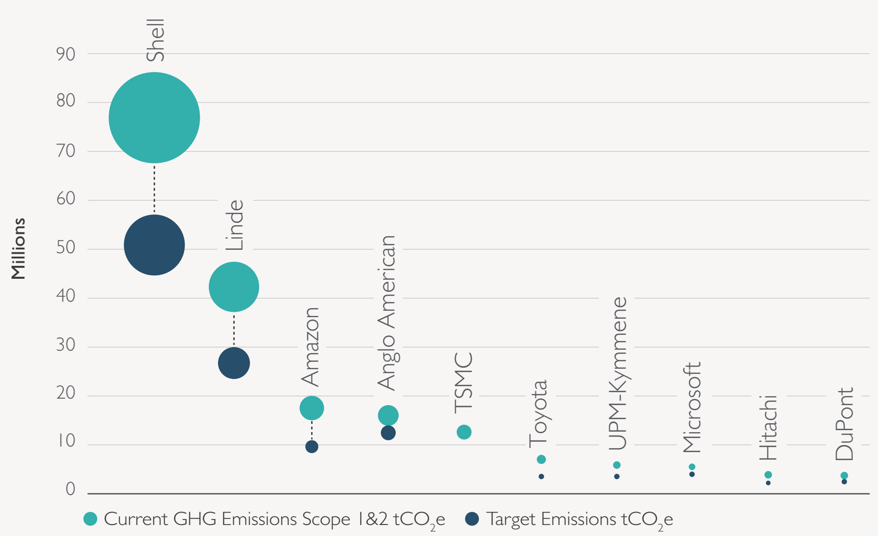
Our own measure of carbon intensity was also not dissimilar to that produced by MSCI, highlighting the advantage of our investment criteria that tend to favour the selection of large cap, well-managed companies with above-average disclosure standards.

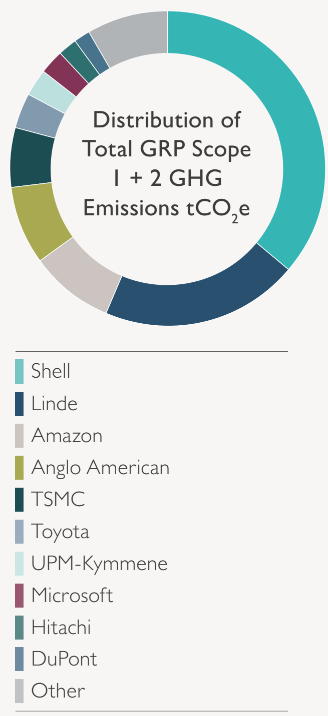
We also gained a greater understanding of the subtleties of each firm's approach to carbon reporting that will help us to encourage better target setting and monitor progress more effectively in the future.

From 2023 we will begin reporting in line with the Task Force on Climate-related Financial Disclosures (TCFD) framework, which will outline our approach to enhanced climate change analysis in our risk framework.

DEMONSTRATING HOW WE MONITOR CLIMATE-RELATED RISKS AND OPPORTUNITIES

GRP Top 10 Company GHG Emissions and Implied Reductions by 2030 Predominantly Based on SBTi Targets (Bubble Size Proportional to Absolute tonnes CO_2e)





Sources: MSCI / Corporate Accounts / Waverton

4

PROMOTING WELL-FUNCTIONING MARKETS *CONTINUED*

CASE STUDY G

Brook Absolute Return Fund

Issue

Within our Absolute Return Fund and also held within specific bespoke client portfolios, we invest in a third-party long/short global equity fund which has a rigorous fundamental investment process, focused on relative valuation and market mispricing.

In March 2022, the fund was significantly negatively impacted as the Russia/Ukraine conflict intensified. Going into the crisis, the managers held ~10% in Russian assets. Given the market shock, liquidity implications, as well as concerns over holding Russian stocks given the geopolitical risk, we actively reviewed the governance, escalation approach and investment processes of the fund.

Action

We met with the managers, reviewed the fund oversight process and challenged them on their holding rationale. The team's decision to take long positions in Sberbank, Rusal, Inter Rao and TCS Group Holding – companies they know very well – was reaffirmed as calculated, based on the long-term risk-reward on offer, and we sought to understand the investment rationale despite these risks. We were satisfied that the team had identified value and understood their positions well – acting in line with their investment process and governance oversight framework. Additionally, we were reassured that the team had monitored and known these companies over the long term. For example, TCS had been held by the team for almost 10 years prior to this mark down.

Outcome

We challenged the team on their process surrounding the write down of Russian assets, and were comfortable with the decisions they made in this unique situation. We also undertook liquidity analysis of the wider portfolio throughout the remainder of the year, as well as increased the frequency of updates to ensure that the team were escalating their concerns directly to the management teams at the affected companies.

We actively escalated our concerns to the manager ensuring that sufficient governance was being undertaken.

Russia/Ukraine conflict

In early 2022, when tensions between Russia and Ukraine escalated, the Performance & Risk team worked with the Investment team to identify both direct and indirect exposure to the affected countries, especially the former given the raft of co-ordinated western sanctions swiftly implemented and aimed at putting a stranglehold on Russia's economy and its access to capital.

Waverton had no direct exposure to securities listed in Russia or Ukraine within portfolios or within our in-house managed funds, largely because they rarely (if ever) meet our selection criteria from either a governance standards or liquidity (average daily volume) standpoint. Any exposure we had was limited to our ownership of a few third-party funds that held some level of exposure to Russian investments, and indirectly via investee companies with revenue exposure to the region.

Waverton's level of engagement involved communicating with the relevant third-party managers (see case study) to establish what action they would be taking, and other members of the Investment team also engaged with those investee companies with meaningful exposure to the region to ascertain what cash flow and assets might be at risk.

In addition to exposure monitoring, the PRRC created custom stress tests to assess the potential impact to performance from potential global stagflationary pressures resulting from the conflict.

Rising inflation – recession risk

Inflationary pressures began to build in mid-2021, driven by pandemic-related economic dislocation and the ramifications of global supply chains overly reliant on China, unprecedented amounts of fiscal and monetary stimulus, and an increase in demand as markets started to reopen.

In early 2022, inflationary pressures were exacerbated by the Russia/Ukraine conflict, given the region's importance in the supply of critical soft (wheat, sunflower oil, fertilizers) and hard commodities (oil and natural gas, metals, minerals and industrial gases) to the rest of the world.

Central Banks persisted with their view that the upward pressure on prices would prove "transitory" until it became increasingly apparent that there were longer term structural drivers behind it. Rather belatedly, their attention switched to aggressive monetary tightening in order to regain control of inflation. Both the pace of tightening and its multi-country implementation saw a significant rise in the probability of a global recession.

The PRRC created a number of custom stress tests to model the effects of inflation and recession on portfolios. A number of scenarios were created including historical periods where inflation was higher and recessions followed. This involved modelling scenarios similar to those experienced in the 1970s and 1980s.

We continue to carefully assess the risks associated with inflation and to consider how we manage those risks effectively. This may involve changes to our asset allocation, investing in inflation-protected securities, or using other risk-management strategies.

In addition to managing investment risk, we also have a broader responsibility to promote sustainable and responsible investment practices that consider the wider social and environmental impacts of inflation. This includes considering the impact on issues such as poverty, income inequality, and environmental sustainability.

By engaging with companies and other stakeholders to encourage responsible practices and promote long-term financial sustainability and value creation, we can contribute towards mitigating the systemic risks posed by inflation and contribute to a more sustainable and resilient financial system.

Liquidity risk

In 2022, as asset prices adjusted to rising interest rates, the liquidity monitoring undertaken by the Performance & Risk team identified a deterioration in a number of asset classes and in particular the UK Real Estate Investment Trust sector, which had been significantly impacted by the unfavourable reaction to Prime Minister Truss's disastrous mini-budget announcement in UK financial markets. In line with our governance structure, the heightened risk was raised at the PRRC, and it was agreed that the frequency of liquidity monitoring would be increased to monitor the changing situation of security liquidity.

When assessing liquidity, we look at the aggregated position either held or proposed. A pre-trade liquidity due diligence process, developed in 2020 by the Investment and Performance & Risk teams, helped to limit investment in a number of Real Estate Investment Trusts during 2022, where liquidity had significantly deteriorated.

Industry-wide initiatives and consultations

Waverton and its employees are actively involved in a number of industry-wide initiatives and consultations to promote well-functioning markets.

Waverton responded to the FCA's CP22/20 Sustainability Disclosure Requirements (SDR) proposal. Overall, we welcomed the proposal, particularly on its pragmatic approach to ESG and Sustainability labelling, Authorised Funds and Alternative Investment Funds.

However, we believe that Model Portfolio Solutions (MPS) services were left mostly unaddressed within CP22/20 and that more consultation should therefore be considered with Discretionary Fund Managers (DFM), given their role as gatekeepers for the advisory market to fund managers.

Waverton participates in a DFM industry forum. In November 2022, we hosted a cross-industry collaborative roundtable on regulation to encourage and uphold best practice. Output from the meeting enabled a consolidated DFM view, which was submitted to the FCA in response to their proposed CP22/20 SDR.

Waverton also submitted a response to the HM Treasury consultation on the Packaged Retail and Insurance-based Investment Products (PRIIPs) Regulation review, where there is significant regulatory uncertainty between the UK and EU member states, as well as other capital markets across the world. In addition, we continue to engage with investment companies, brokers, clients and internally on this subject.

In 2022, we supported CDP's Non-Disclosure and Science-Based Targets campaigns.

CDP focuses on:

Climate Water Forests

We are committed to promoting the implementation of common standards, greater transparency and best practice around corporate disclosures across the ESG spectrum. In addition to participating in CDP collaborations, we also engage directly with them and other data providers, such as MSCI and Glass Lewis, as well as other third-party service providers. We prefer to maintain constructive two-way relationships, so that when we identify data anomalies or inconsistencies in information, we feed this back to them with the aim of helping to improve data quality or positively influence policy.

See our case study on page 55 for further details.

Read more about our collaborative engagement activities in Principle 10.

5 REVIEW AND ASSURANCE

Policy review

Our responsible investment policies, including our integrated approach to ESG, engagement and proxy voting, are reviewed on an ongoing basis. We focus on those aspects where we can be most effective and help influence positive outcomes and, most importantly, that we provide clients with genuinely responsible outcomes. Given the explosive growth in ESG/Sustainable investment and growing awareness of the issues around greenwashing and mislabelling of related products, we have been careful to avoid box ticking exercises that bring no benefits to clients nor help in the transition to higher ESG standards and delivery of real-world outcomes.

During 2022, we continued to refine our integrated investment approach. Developments include:

- introducing a second iteration of our proprietary materiality framework
- establishing a Responsible Investment Working Group to oversee our Stewardship priorities and progress

Read more about our materiality framework in Principle 7.

Assurance

Our corporate policies and governance are also reviewed on a regular basis. We work with an external provider to provide internal audit services and to present an audit plan to the Audit, Risk & Compliance Committee (ARCC).

The audit plan is based on our key strategic objectives and the associated risk profile and assurance framework within the firm. From this, an internal audit universe of auditable entities and audit priority is created for a four-year cycle which is reviewed annually.

On an annual basis, different parts of the business are selected to undergo an internal audit. Selection considerations include key risk drivers and other factors sourced from business plans, the risk register, compliance monitoring, requests by our ARCC, management concerns, sector challenges and emerging issues.

Waverton is committed to remediate any recommendations from internal auditors. Improvements made by the business are reviewed by internal auditors and the Risk Committee, and ARCC and the Board have oversight over the remediation progress.

The Sustainability Committee considers best practice and policy for implementation against the four main themes within its remit: Responsible Investment, People & Wellbeing, Environment, and Community. It meets at least quarterly to review and monitor progress made against our targets.

Due to the size of our firm, we have not sought external verification of our processes to date. However, we are signatories to the FRC's Stewardship Code and UN Principles for Responsible Investment, both of which require our approach to meet minimum standards which is assessed and reviewed annually.

Stewardship reporting

Our stewardship reporting complies with all relevant regulatory requirements. Preparation of Waverton's annual Stewardship Code submission to the FRC is completed in collaboration with relevant functions to ensure reporting is fair, balanced and understandable. It is reviewed and approved at our Sustainability Committee, which includes two independent non-executive Directors.

We produce a separate annual Engagement & Voting Report, and broader client communications on our integrated approach to ESG. Across our reporting, we always strive to ensure that our messaging is transparent and an accurate representation of Waverton's responsible investment approach.

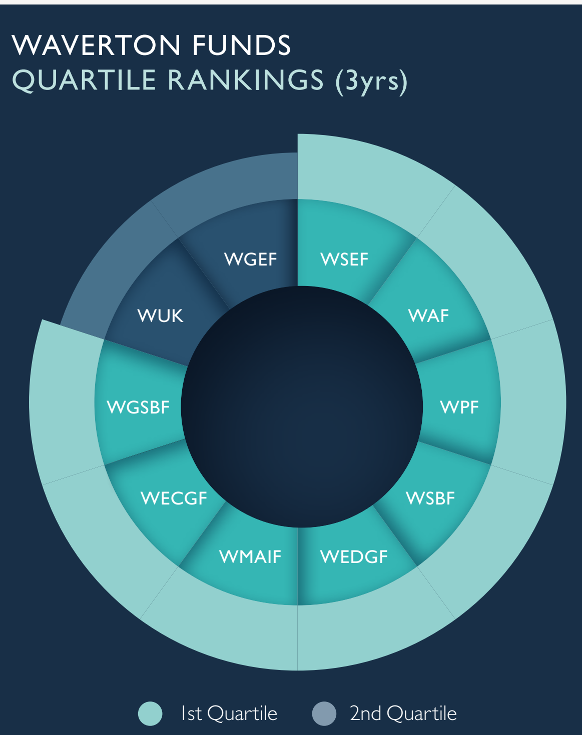
Effectiveness of our processes and policies

One of the ways we measure the effectiveness of our structure, process and policies is through the consistency of our investment performance. Participation in the Asset Risk Consultants (ARC) Survey highlights the industry leading investment performance delivered, for example, by our Private Client business. Moreover, our Institutional Funds delivered 3-year returns in the first or second quartile for the first time in their history, with five funds in the top decile.

ARC provides a range of services to private clients, charities, family offices, professional trustees and their trusted advisers, including performance reporting. To this end, ARC has an extensive research capability to assist investors and their professional advisers in making informed investment decisions.

The central aim of this research function is to place performance into perspective. The performance tables on the opposite page highlight our performance versus peers included in the survey, across our two largest business channels.

The breadth of performance across risk profiles (from Defensive to Equity) highlights the quality of output being provided by the Investment team across all asset classes.



WSEF	Waverton Strategic Equity Fund
WAF	Waverton Asia Fund
WPF	Waverton Portfolio Fund
WSBF	Waverton Sterling Bond Fund
WEDGF	Waverton European Dividend Growth Fund
WMAIF	Waverton Multi-asset Income Fund
WECGF	Waverton European Capital Growth Fund
WGSBF	Waverton Global Strategic Bond Fund
WUK	Waverton UK Fund
WGEF	Waverton Global Equity Fund

Source: Waverton. As at 31.12.22

Performance tables

For Private Clients, we have achieved 1st quartile returns over 1, 3, 5 and 10 years for Equity, Growth, Balanced and Cautious mandates. With respect to MPS mandates, we have achieved 1st quartile returns across all mandates over 3, 5 and 10 years.

ARC PCI Survey vs Private Client House Composites to end 2022

ARC PCI VS HOUSE COMPOSITES	1 YEAR		3 YEARS		5 YEARS		10 YEARS	
	RETURN	QUARTILE	RETURN	QUARTILE	RETURN	QUARTILE	RETURN	QUARTILE
Private Clients Defensive GBP	-7.7	3rd	0.7	2nd	8.8	1st	45.2	1st
Private Clients Cautious GBP	-6.1	1st	8.5	1st	17.0	1st	69.5	1st
Private Clients Balanced GBP	-7.3	1st	10.8	1st	22.1	1st	85.2	1st
Private Clients Growth GBP	-7.9	1st	13.6	1st	26.0	1st	99.7	1st
Private Clients Equity GBP	-8.4	1st	20.3	1st	36.1	1st	138.5	1st

MPS (External) - ARC PCI Survey to end 2022

ARC PCI SURVEY	1 YEAR		3 YEARS		5 YEARS		10 YEARS	
MPS MODEL	RETURN	QUARTILE	RETURN	QUARTILE	RETURN	QUARTILE	RETURN	QUARTILE
MPS Defensive	-9.3	4th	7.6	1st	13.5	1st	51.2	1st
MPS Cautious	-9.9	3rd	10.4	1st	18.3	1st	67.6	1st
MPS Balanced	-10.3	3rd	14.5	1st	24.8	1st	89.2	1st
MPS Growth	-10.6	3rd	17.8	1st	29.7	1st	108.4	1st
MPS Equity	-10.6	2nd	22.0	1st	38.6	1st	139.9	1st

Risk warning: Past performance is no guarantee of future results and the value and income from such investments and their strategies may fall as well as rise. You may not get back your initial investment. Capital security is not guaranteed.

INVESTMENT APPROACH

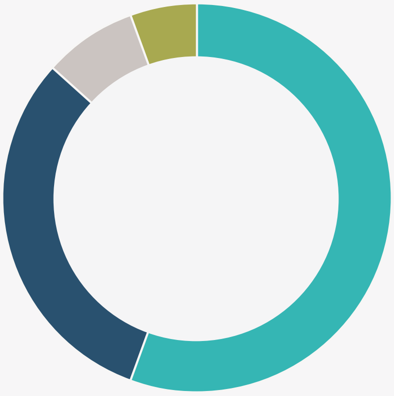
Principles

6 CLIENT AND BENEFICIARY NEEDS

At Waverton, we put our clients first. Ensuring that our services are valued and appropriate for each client is at the core of our approach, and we are able to cater for clients with a wide range of different requirements.

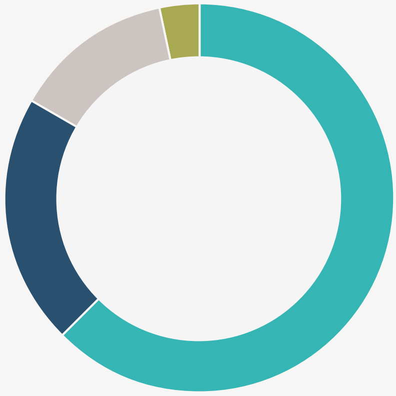
Our investment approach and stewardship activities are designed to deliver superior levels of client service, alongside real returns that meet our clients' investment objectives over the long term. We service clients across four business channels: Private Clients, Charities, Advisers, and Institutions.

AUM BY BUSINESS CHANNEL (%)



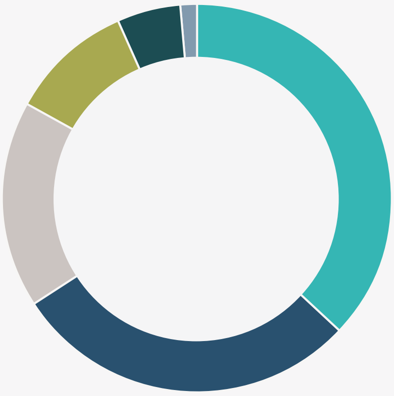
Private Clients	55.7
Adviser Solutions	31.0
Charities	7.8
Institutional Solutions	5.5

AUM BY ASSET CLASS (%)



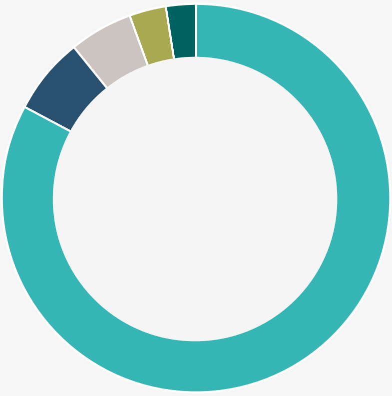
Equities	62.5
Bonds	21.0
Alternatives	13.3
Cash	3.2

AUM BY REGION (%)



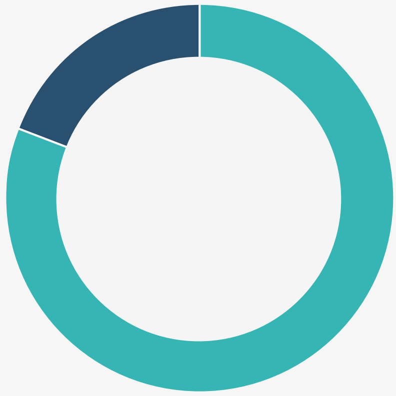
North America	37.1
United Kingdom	28.9
Europe ex UK	17.1
Asia Pacific ex Japan	10.3
Japan	5.3
Emerging Markets	1.3

AUM BY CLIENT LOCATION(%)



United Kingdom	82.8
Channel Islands	6.6
Other	5.3
Europe	3.0
United States	2.3

AUM BY CLIENT TYPE (%)



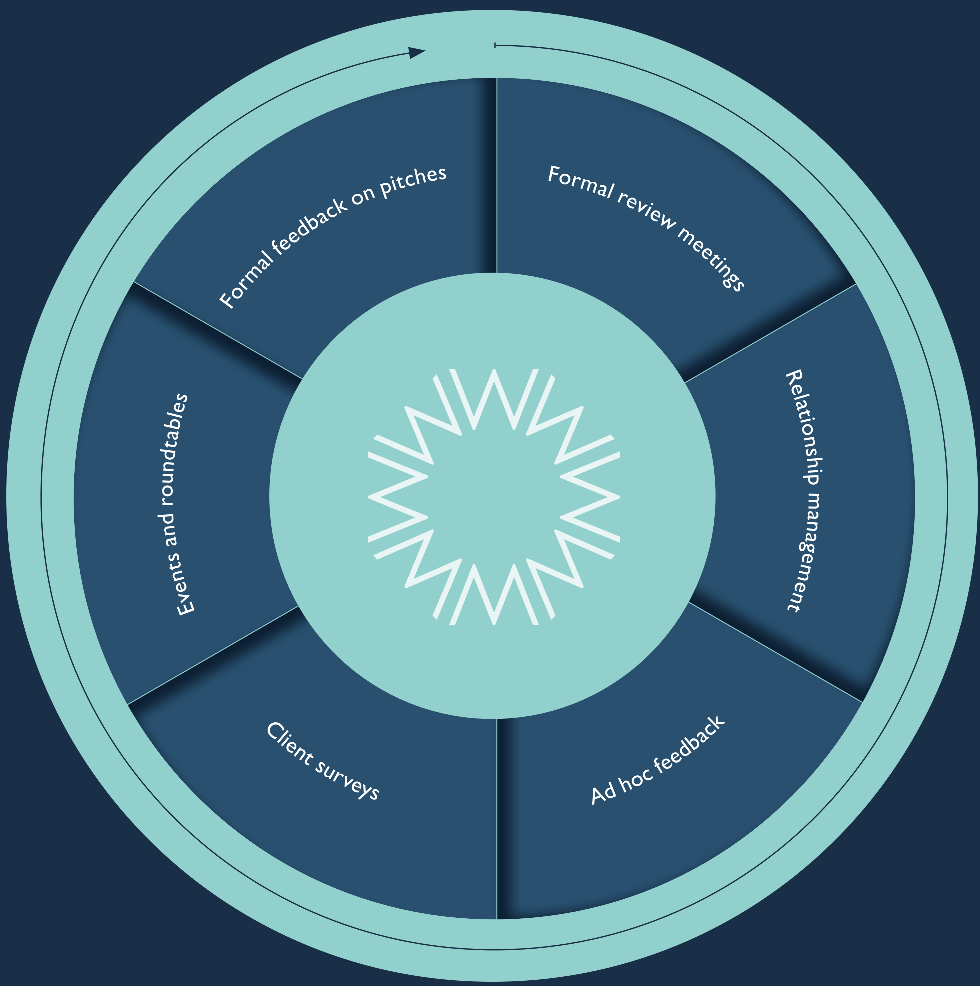
Retail	81.1
Professional	18.9

Source: Waverton. As at 31.12.2022

CLIENT AND BENEFICIARY NEEDS *CONTINUED*

SEEKING CLIENT VIEWS

Capturing the views and expectations of our clients is essential. We continually seek feedback in a variety of ways:



OUR APPROACH TO CONSUMER DUTY

Consumer Duty is new legislation that is being introduced by the FCA and due to go live in July 2023. The aim of the policy is to ensure that companies in the financial services industry are providing an appropriate standard of care to consumers.

At Waverton, we believe that our standards were already compliant with the legislation prior to its introduction – we take care to prioritise our clients' needs. The new rules require us to prove our actions.

We seek to garner feedback from clients and prospective clients in a wide range of formats. We find that this allows a more complete catalogue of feedback, and it can be that one form of client engagement may lead to a greater response from a certain set of clients.

CASE STUDY

Short Dated Credit Strategy

Issue

As we entered 2022, soaring inflation increased pressure on central bankers to tighten financial conditions. This led to a sharp rise market expectations for interest rate hikes and, consequently, drove an upward shift in government bond yields, particularly in the 1-3 year maturity part of the curve. This rise in yields occurred simultaneously with a general widening of credit spreads (the yield premium offered by corporate bonds compared to government bonds) as investors weighed the rising risks of an economic slowdown.

The barrier for smaller clients is the minimum lot size for these bonds, which are typically £100k for a single bond, meaning only the largest clients could afford adequate diversification. Putting our clients' interests first and adapting to market conditions where possible, is at the heart of everything we do to achieve real returns that meet our client's long-term investment objectives.

Action

Building on our experience of developing and running various types of bank-structured products, and combining this with our experience of selecting short-dated credits for primarily institutional and larger private clients, we identified an opportunity in response to the move in rates at the short end of the yield curve. Market events created a very attractive entry point for very low-risk parts of client portfolios.

By investing in a portfolio of GBP 1-3 year investment grade corporate bonds, an investor would be able to obtain a gross yield-to-maturity of over 5.4% – far in excess of what could be earned from bank cash deposits. This innovative bank-issued security, where the selection of the credits is managed by Waverton and whose value is backed by our selection of bonds, is relatively new in asset management.

Outcome

The outcome is we have a new security that can be bought in trade sizes as small as £1,000, opening up the investment opportunity to smaller clients. The returns available exceed cash deposit returns but offer a 'near cash' risk profile. Since launch, we have significantly outperformed the benchmark for this type of investment, driven by our fixed income credit selection process.

CASE STUDY

Investing in Client Service

Issue

We aim to deliver superior levels of client service. We have expanded the Client Life-Cycle team who look after all clients when they are onboarding at Waverton. This can be a particularly complex and multi-faceted process, so every care is taken to ensure that clients are confident and comfortable with each stage.

Action

Clients are asked to complete a client questionnaire, associated appendix and, where relevant, the US Withholding Tax form. This can be completed either digitally in a secure web-based form or on paper. Along with the questionnaire, clients are also provided with the relevant terms and conditions and fee schedule for their records. To aid transparency between us and the client, they are given an ex-ante total expense report based on their expected holdings. Efforts are also taken to ensure that appropriate documentation is provided to fulfil any regulatory requirements that the client's structure may have, for example if it is a charity, company, or trust. This process is overseen by our Client Life-Cycle team, and the portfolio managers are on hand to help where required.

We have continued to develop our client onboarding software that was first introduced in May 2022, and have opened around 200 accounts using our new digital process, the fastest being in under 24 hours. We can engage and onboard clients with their advisers steering them through the process securely. All AML and KYC details are collected digitally with no need for any paperwork to be manually completed or sent into the office, this all happens behind a two-factor security portal that has been developed by our own in-house Development team. Whilst enhancing these procedures, we have continually kept the client at the centre of all decisions.

Outcome

The account opening process is now fully centralised with an expert team on hand to deal with all scenarios, no matter how complex. Feedback has been extremely positive, and we are now able to onboard clients in a fraction of the time of a paper-based system. We also continue to add functionality to improve our client service. Waverton was delighted to be short-listed in 2022 for an innovation award for our new onboarding process.

6

CLIENT AND BENEFICIARY NEEDS *CONTINUED*

Meeting our clients' needs

The starting point for any client new to Waverton begins with a thorough and detailed exploration of their needs and investment objectives for the available funds.

After encountering a wide variety of client requirements over many years, we now offer an equally wide range of services to cater for the most common scenarios. For example, our International Clients Committee (ICC) draws on the experience of a team with an average 23 years investment experience across all major asset classes. The ICC has extensive knowledge gained from working across multiple jurisdictions on behalf of clients and their investment vehicles, to deliver appropriately constructed portfolios that may also incorporate enhanced segregation of income and capital where appropriate.

Another specialist service is our offering for US persons, be they resident in the US or elsewhere. These clients have complex tax reporting requirements that may include reporting in multiple jurisdictions, each with their own rules governing the tax implications of different securities. Our offering includes bespoke and model portfolios, both of which are designed to meet the needs of US persons whilst also delivering the excellent investment service common to all Waverton portfolios.

We made great strides in 2022 following the appointment of a Head of Wealth Planning, London at Waverton Wealth, who works alongside our portfolio managers. This means clients have access to both a portfolio manager to look after their portfolio in line with their investment objectives, and a wealth planner from Waverton Wealth who works with them to create a bespoke wealth plan. This joined-up approach helps ensure a client's wider wealth, including assets such as property and businesses – is structured to be tax efficient and match their goals.

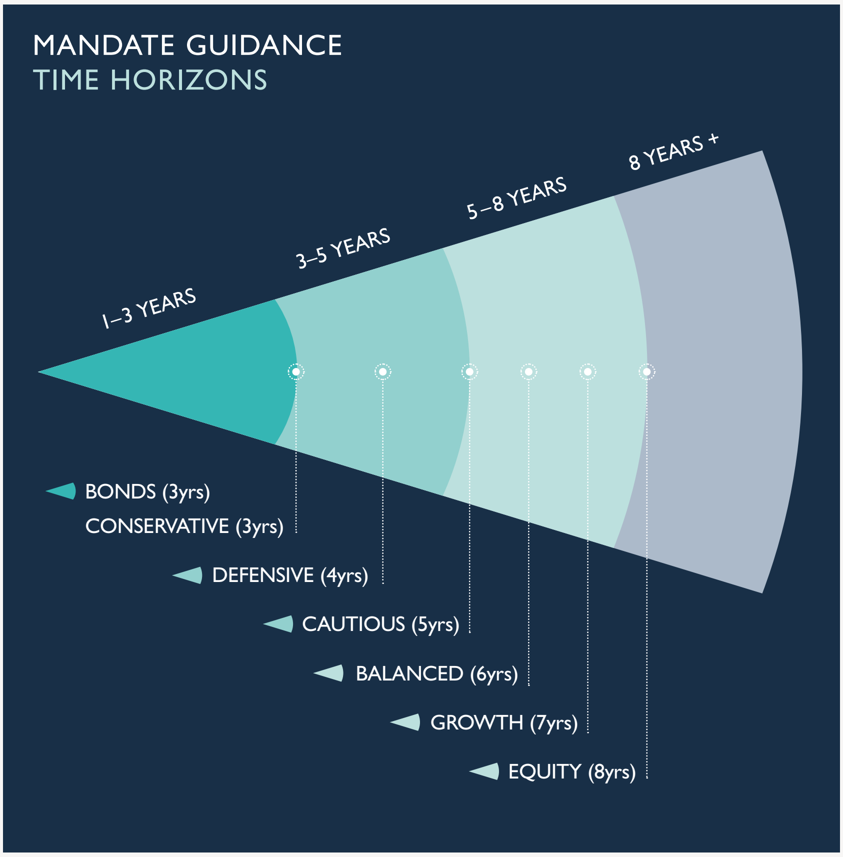
Communicating with our clients

Throughout the year, we produce both regular and ad hoc market commentary and investment insights which are distributed to our clients as appropriate.

We ensure that our clients are briefed and kept up-to-date with our investment horizons and expected returns. This is fundamental to the way we manage their assets, and as long-term investors, the approach we take to strategic asset allocation does change from time to time. This may impact the way our portfolios are managed to ensure we meet the investment objectives of our clients, whilst remaining within their risk appetite and tolerance for loss. We publish updated reports with supporting rationale to help clients keep abreast of these changes and the thinking behind our decisions.

At the start of all new client relationships, we provide a guide to our investment mandates which details the asset classes and investment horizons that we consider when constructing portfolios. The guide is updated regularly and distributed across our client base.

We outline time horizons in all our mandates. These ranges provide our clients with the assurance that their portfolios will be managed in accordance with their objectives. These time horizons are an important consideration, since they seek to allow time for the portfolio to recover from any drawdowns.



Regular reporting

Our reporting process is designed around our clients. We offer detailed and transparent reporting to keep clients informed about their assets and how they are performing. Clients can choose more simplified reports and every client has the option of printed or digital copies. Many clients made the transition to digital reports during the pandemic, with more than 60% of our clients now accessing their valuation documents online. This move chimes with our company-wide drive to reduce the use of paper, aligning with our operational net zero target. Furthermore, as highlighted in the case study on page 25, client onboarding is now almost 100% automated via our online portal.

All clients receive a full valuation of each portfolio, a record of all income and capital movements and a performance report each quarter. They also receive a quarterly investment publication *Market Perspectives*. This publication, authored by one of our most experienced portfolio managers has proven to be very popular with its readers.

We continue to prepare MSCI ESG Risk and MSCI Climate Risk Reports for our Funds, Global Recommended Portfolio and specific client portfolios on a quarterly and ad hoc basis. These reports provide data across a range of ESG metrics, and compare them to a market benchmark.

Waverton was founded on the strong belief that clients should be as close as possible to those making investment decisions, rather than pure relationship managers who are detached from the core of the business. One of the advantages of operating out of one location, is that our Investment team is easily accessible to both our portfolio managers and our clients.

At the end of the financial year, each client and/or their adviser receives more detailed reports including:

- an investment report
- dividend and interest statements
- composite tax certificates
- an acquisition schedule.

CLIENT COMMUNICATION AND COMMENTARY

6

CLIENT AND BENEFICIARY NEEDS *CONTINUED*

Communicating our responsible investment approach

In 2022, we published a series of Responsible Investment reports. These include a detailed guide on our integrated ESG approach, as well as our first Engagement & Voting Report. During the second quarter of this year, we will be providing updated reports covering our activities in 2022.

Building relationships that last

As part of our client engagement, we host a range of formal and informal events throughout the year, both online and in-person. We know our clients value the personal contact beyond their regular review meetings and so do we. Some of these events are more investment focused, and others more social. The attendance and feedback from these events inform us on how our clients like to engage and helps us to build trusted, lasting relationships.

Our annual Investment Forum held in September 2022, was held at BAFTA, and the 100+ guests responded positively to both the invitation and the agenda.

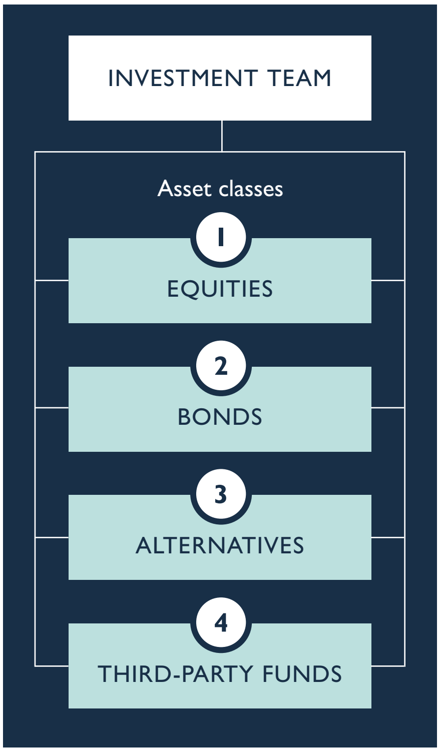
CLIENT ENGAGEMENT EVENTS

7 STEWARDSHIP, INVESTMENT AND ESG INTEGRATION

Investment objectives

As outlined in Principle 6, client strategies are managed to clear risk and return objectives, principally focused on outperforming inflation over a full market cycle. To achieve this we have always adopted a global, active, high conviction and predominantly direct investment approach, believing firmly in the benefits of active management both in terms of asset allocation and disciplined security selection. We aim to better protect capital in periods of drawdown and capture the upside as markets rebound, thereby compounding superior risk-adjusted returns over the long term.

While Waverton's investment philosophy has remained unchanged throughout its history, our investment process has certainly evolved over time, and our direct investment universe now incorporates a wider range of asset classes.



The benefits of a combined approach

Waverton's investment process incorporates both bottom-up fundamental analysis and top-down macroeconomic research. Regular communication with companies has always been an integral part of our investment process, providing both a clearer understanding of individual businesses and industries, as well as important insights on real economic activity. We blend this with analysis of global macroeconomic data to give us as much visibility as possible regarding the outlook from a macroeconomic, regional, industry and consumer perspective.

Fundamental research

Our bottom-up research is based on detailed fundamental analysis and the identification of clearly-defined selection criteria relevant to each asset class. We have strengthened our internal research capabilities over the last decade, adding dedicated resource across all asset classes to create a centralised Investment team. This recognises Waverton's ongoing commitment to global and direct investment in a world of ongoing digital disruption, ever growing scrutiny around ESG factors and geopolitical uncertainty.

The asset allocation guidelines and individual asset class recommendations provided by the Investment team feed into all four business channels, with all Waverton clients benefiting from an institutional grade investment process which is rigorous, robust and repeatable, with proven results through market cycles and rotations.

Responsible Investment

We are thoughtful, long-term investors and responsible stewardship of our clients' capital is at the core of Waverton's business. We fully recognise our responsibility to help drive positive environmental and social change, but also acknowledge that meaningful change on a global scale will take time.

This necessitates a pragmatic approach, where we prefer to actively engage with companies in all sectors and focus on their direction of travel.

At the corporate level, we have chosen not to implement "blanket exclusions", and our potential investment universe includes not only companies with strong ESG credentials today, but also:

- those we believe can successfully mitigate ESG risks going foward, and
- those that play a necessary part in the transition to a low carbon economy.

Excluding companies on the basis of what they do today or have done in the past, assumes that companies stand still. In reality, technology evolves and well-managed businesses will successfully adapt to the competitive dynamics of their industry and the changing demands of their customers and/or regulators. We have adopted a pragmatic approach, therefore, aiming to identify businesses allocating capital in a responsible manner, ensuring resilience in their business model and long-term financial sustainability.

Read more about how we engage with companies in Principles 9 and 11.

Read more about how we exercise our influence in Principle 12.

ESG methodologies

Our ESG methodology is ESG integration via a materiality framework adapted from the Sustainability Accounting Standards Board's (SASB) ESG materiality framework. We have access to MSCI ESG ratings and research which can provide some useful reference points, but they are not a decision driver. For Waverton, the consideration of ESG factors is not a separate process but a natural part of good fundamental investment research.

STEWARDSHIP, INVESTMENT AND ESG INTEGRATION *CONTINUED*

Materiality framework

Identifying, prioritising and assessing the issues that are material and relevant to companies within specific industries is a core part of the fundamental research process, as they ultimately impact a company's long-term financial sustainability and the creation of shareholder value. We also believe that focusing on material ESG issues when evaluating a company's performance with regard to ESG factors, is a far more effective way to assess real-world environmental and social outcomes.

For example, use of water and management of wastewater is highly relevant to the operations of a specialty chemicals manufacturer, where there are both operational and environmental implications, but not to a social media company. Conversely within the social media industry, our focus is better placed on the effectiveness of data security systems and the treatment of user data, rather than its use of water and management of wastewater.

The latter has little relevance to a digital platform's business model, but issues that compromise the security and privacy of its user data have social consequences, and could also potentially undermine the company's long-term financial viability.

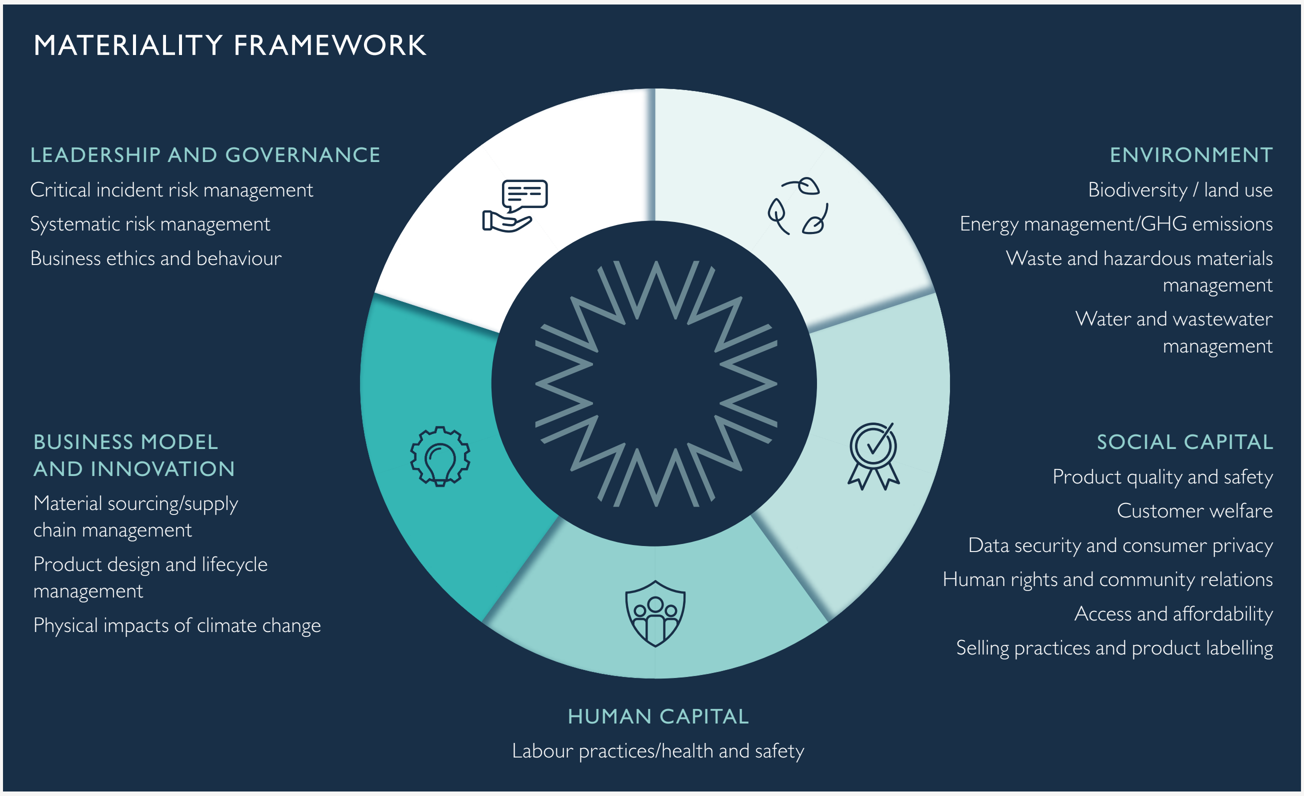
In our 2021 Stewardship Report, we reported that members of the Equities team had adapted SASB's ESG materiality framework to provide a more consistent approach to identifying factors that are material to companies within industry groups. It is based around five sustainability pillars, shown in the chart below alongside the factors that fall within each.

We produced a second iteration in 2022, refining the framework to capture six material factors per sub-industry group, including "other material factors" in order to capture any ad hoc controversies. Our sub-industry groups are based on Global Industry Classification Standards (GICS) in order to align with our MSCI benchmark.

We have always considered the assessment of corporate governance absolutely central to our due diligence on all companies, as governance standards and business ethics will be indicative of the management of all other issues, including those that are environmental and social in nature.

The framework ensures key material issues are identified and investigated in a more consistent manner across the wider Investment team, and provides a more formal foundation for engagement activities that can be captured within our research templates, and automatically collated for more specific reflections on our ESG engagements over time.

This approach has been fully integrated into the investment process of our direct Equities and Fixed Income teams, and we are in the process of introducing a similar framework for our Alternatives team, albeit a different approach will be required for some of the more complex sub-asset classes.



The following sections provide a summary of the investment process within each major asset class.

DIRECT EQUITIES

Direct equities account for approximately two-thirds of Waverton's total AUM. Our investment philosophy is summarised below, with a global investment universe providing our clients with the widest possible set of investment opportunities and access to industry-leading companies and sectors not well represented in the UK. We construct high conviction portfolios (30-40 stocks) and are disciplined in our stock selection. Our unwillingness to compromise on our investment criteria drives our portfolios to be benchmark agnostic but aware.

GLOBAL EQUITIES AT WAVERTON

GLOBAL
Widest set of potential investment opportunities

ACTIVE
What we choose to avoid is just as important as what we own

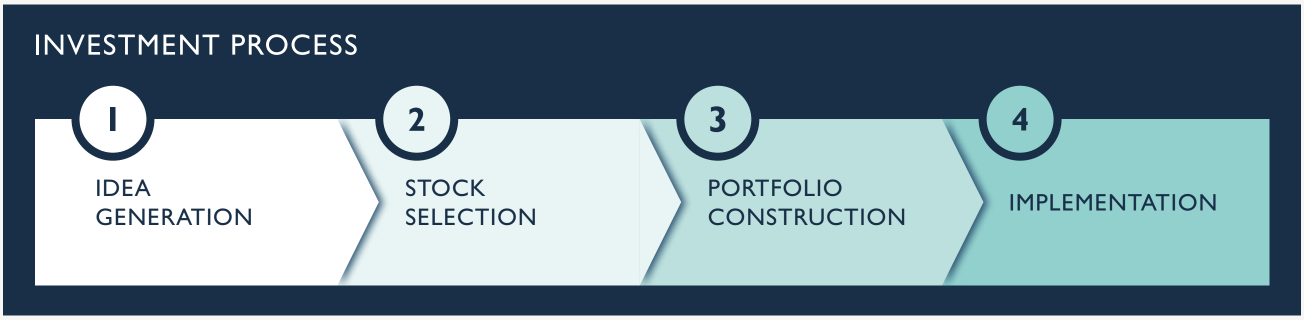
HIGH CONVICTION PORTFOLIO
Concentration provides transparency and better management of risk

MINIMISE DOWNSIDE RISK
Active approach helps us to avoid areas at risk of capital loss

SUPERIOR RISK-ADJUSTED RETURNS
Aim to outperform CPI +4.5% benchmark and the MSCI ACWI over the cycle

INTEGRATION OF ESG
Consideration of ESG factors an integral part of fundamental analysis

STEWARDSHIP, INVESTMENT AND ESG INTEGRATION *CONTINUED*



Investment process

The global equity index (MSCI All Country World Index) includes approximately 3,000 stocks. We impose strict guidelines that require potential investee companies to have sufficient liquidity (>$20m average daily volume over 12 months) to own in client portfolios across the business, so that we can liquidate positions quickly if required. In practice, this filter removes the majority of companies in less liquid Emerging Markets where we therefore rarely invest directly. Our resulting global investment universe is approximately 1,500 companies.

1 IDEA GENERATION

The Equities team conducts its own fundamental research and is responsible for idea generation. This is conducted at the regional level but in filtering the investment universe further, the team relies on:

1. monthly team meetings and frequent ad hoc discussions to draw on the collective skill and experience of the whole team to identify trends and discuss opportunities
2. company meetings (500+ per annum) that are an integral part of providing industry and company specific insights, and
3. access to third-party research and industry specialists.

The team is predominantly based out of our London office (three of our Asian equity specialists are based in Bangkok), facilitating short lines of communication and effective collaboration.

Investment criteria

The basis of our investment criteria is an assumption that the value of a company is a reflection of its discounted future cash flow. We view the potential to grow free cash flow (FCF = cash flow from operations less capital expenditure) as the clearest indicator of a company's long-term financial sustainability. Any business which can grow revenue, expand its profit margins, and/or use less capital in the future is capable of growing free cash flow, and we analyse the drivers of and potential risks to of each of these elements in detail.

The ability to generate FCF reduces a company's reliance on external sources of capital to fund is operations and future growth, and is particularly pertinent in an environment of tighter lending standards and rising credit costs. As a financial metric, FCF is less susceptible to manipulation than earnings per share (EPS) and, given differences in regional accounting standards, is also more comparable on a global basis.

We therefore aim to identify companies with:

- **Durability:** A clear and sustainable competitive advantage
- **Opportunity:** An opportunity to grow future FCF
- **Alignment:** High (or improving) governance standards and appropriately aligned remuneration policies
- **Valuation:** A fundamentally attractive valuation given the opportunities and risks

Integration of ESG factors

The identification of these four key criteria ensures a thorough review of both quantitative and qualitative factors, including those related to ESG. We do not view the consideration of ESG factors as a separate process but an integral part of the detailed fundamental analysis undertaken by the Equities team, and a natural part of their regular dialogue with companies.

We therefore assess environmental and social factors in the same way as any other material factor that could impact a company's financial sustainability and long-term investment performance (positively or negatively), either by enhancing/undermining its competitive position (Durability) and/or ability to grow FCF over the long term (Opportunity).

Similarly, analysis of a company's fundamental business operations necessarily involves an assessment of its governance structure/standards to ensure effective board level oversight, as well as a review of whether management is incentivised to allocate capital in a way that maximises FCF growth and minimises risk (Alignment).

Approach across regions

During our analysis, we are aware of the distinct differences that persist not only between financial transparency and governance standards across regions, but even more so from the perspective of regulatory frameworks around sustainability standards and reporting.

Supporting the implementation of internationally recognised best practices is clearly an important way of encouraging higher standards and, ultimately, in the interest of all stakeholders. We discuss our involvement in two climate-related collaborative initiatives that are focused on improving and standardising corporate disclosures (CDP and Climate Action 100+) in Principle 10, as well as our active participation in the consultation process with the FCA relating to the UK's proposed Sustainability Disclosure Requirements.

It is also important to recognise, however, that holding companies accountable to the same standards globally at this stage, is not necessarily conducive to a positive change in behaviours.

Making investment decisions on the basis of a "one size fits all" approach in relation to ED&I, board structure or remuneration policies, for example, can prove counterproductive and a better outcome might be achieved by taking specific industry and local market factors into account. In line with our pragmatic approach, therefore, we seek to identify companies allocating capital responsibly and working towards incremental improvements in ESG standards over time.

Read more about how our engagement helped influence positive outcomes in 2022 in Principles 9, 10 and 12.

Identifying responsible allocators of capital

Responsible allocators of capital tend to be those companies with strong or improving corporate governance, and forward-looking management already meeting or adapting to the evolving ESG requirements of customers, regulators, shareholders and other stakeholders.

These companies are more likely to maintain a competitive advantage over time, supporting their market share and revenue growth. Moreover, management teams incentivised to maximise free cash flow growth and returns on capital over the long term, will also implicitly strive to be as efficient as possible, in regard to both their cost and capital structure. Our selection criteria encapsulate all these elements:

INTEGRATED APPROACH TO ESG

PRIMARY RESEARCH
Company analysis and meetings
Regional/global sector thematic reviews
Proprietary materiality framework

SECONDARY RESEARCH
Broker views and forecasts
Industry specialists
Specialist ESG/Sustainability data

ASSESS ESG IMPACT ON

- LONG-TERM DEMAND
- COMPETITIVENESS
- REGULATION
- PHYSICAL AND SYSTEMIC RISKS

DURABILITY

ASSESS IMPACT ON FUNDAMENTALS

- MARKET SHARE
- PROFITABILITY
- FREE CASH FLOW
- SOLVENCY

OPPORTUNITY

ASSESS QUALITATIVE FACTORS

- REPUTATION/ CORPORATE CULTURE
- FINANCIAL TRANSPARENCY
- BOARD STRUCTURE/ MANAGEMENT INCENTIVES
- OWNERSHIP/ VOTING CONTROL

ALIGNMENT

7

STEWARDSHIP, INVESTMENT AND ESG INTEGRATION *CONTINUED*

2 STOCK SELECTION

Stock selection is the responsibility of the Global Stock Selection Committee (GSSC). All members of the committee have dedicated investment roles and are part of the Investment team. It is chaired by the Head of Equities and includes the Head of Equity Research, equity specialists from all five regions, and one of the Co-Heads of our Multi-asset Strategies.

Each regional team applies the same selection criteria to identify potential opportunities, helping to facilitate stock comparisons on a global basis. The GSSC maintains a Global Recommended List (GRL) of around 60-80 stocks and seeks to identify genuine industry leaders when looked at in a global context, rather than just an amalgamation of best ideas in each region.

3 PORTFOLIO CONSTRUCTION

We use this list as the basis for the construction of the equity exposure of our high conviction client portfolios (30-40 stocks). Our disciplined approach to stock selection and FCF focus helps us to avoid areas of permanent capital loss. While we are not benchmark constrained, our equity exposure tends to be broadly diversified, avoiding any excessive bias towards a particular sector, region or single macro factor.

Factor analysis

In 2019, members of our Equities team built a proprietary "factor" exposure tool which aggregates the entire investment universe into discrete categories of Growth, Core and Value. The Value and Growth classifications are highly correlated to changes in equity discount rates (being a function of growth and inflation expectations).

Beyond our regional and sector exposures, therefore, this framework has enabled us to study the impact of differing macroeconomic trends on style returns and to assess how our portfolios might perform under different inflationary and growth scenarios, providing us with a useful layer of additional risk analysis.

Portfolio characteristics

Our investment criteria lead us to larger, well-capitalised companies with high quality characteristics, irrespective of whether they are cyclical or non-cyclical or classified as Growth, Core or Value within our style framework. Quality in itself is not one of our discrete style categories. We define Core stocks as medium/high return businesses either with stable end markets or more cyclical end markets displaying structural tailwinds.

We have always adopted a pragmatic approach, with the flexibility to shift the emphasis within portfolios depending on our economic growth, inflation and discount rate expectations. The low growth/low inflation period that typified the post-GFC decade, favoured a longer duration Growth bias in our stock selection. Our expectations for a very different inflation/interest rate environment and more permanent shift in market leadership over the next few years, however, has seen us gradually shift the balance of our equity exposure since the pandemic in 2020.

4 IMPLEMENTATION

Portfolio/fund managers have ultimate responsibility for the construction, ongoing management and oversight of client portfolios/funds, using the guidelines provided by the Investment team but also taking into account specific client requirements relating to income, ethical preferences and/or tax considerations.

As discussed in Principle 2, all client portfolios and fund strategies are regularly reviewed by the relevant performance and risk committees, to ensure portfolios are constructed in line with recommended guidelines and managed within appropriate risk parameters. Managers are required to validate returns if portfolios/funds are identified as outliers.

Measuring ESG factors

Accurately measuring or scoring companies' exposure to ESG risks and opportunities remains problematic, open to subjective interpretation in the absence of a standard or enforceable methodology, and compounded by significant variation in the quality of corporate disclosures on a global basis. Third-party ESG scores/ratings tend to be backward looking and fail to capture a company's direction of travel which, combined with issues around materiality and data accuracy, can lead to very misleading outcomes.

We believe it is the recognition of these discrepancies using our detailed knowledge of companies that enables us to identify opportunities where value can be captured and alpha generated.

Our approach in practice

The natural outcome of our selection criteria is client portfolios with above-average ESG standards and below-average carbon risk when compared with benchmark indices. Companies which have poor or deteriorating ESG credentials usually fail our stock selection process on financial sustainability grounds following detailed fundamental analysis.

This reinforces our view that an integrated and active approach that also captures the ESG "improvers" and "enablers" of the transition, is an effective and repeatable way to deliver both genuinely responsible outcomes and strong risk-adjusted returns for clients over the long term.

INVESTING ACROSS THE ENERGY TRANSITION SUPPLY CHAIN

The Energy Trilemma

- No energy transition without energy security
- No energy security without conventional hydrocarbons (for the foreseeable future)
- Governments prioritising Affordable over Sustainable

Points to consider

While continually improving, renewable energy currently remains less reliable than fossil fuels and energy storage is not yet commercially viable at scale.

In the meantime, undersupply from renewables has to be met by Liquefied Natural Gas (LNG) and by extending the lives of coal and oil-fired power stations.

A growing number of large oil and gas companies have the capital to invest billions in renewable energy programmes, the expertise to manage large complex projects, and can lobby to push regulation and fiscal incentives in the right direction. For example, Shell has the largest EV-charging network of all fossil fuel companies and based on current projections, will also be a top five global wind and solar power provider by 2030 (behind Enel, Iberdrola and NextEra).

Significant amounts of ongoing infrastructure spending is required to facilitate the transition to a low carbon economy. As the CEO of Vulcan Materials previously commented: "The three… [infrastructure areas] that are aggregate-intensive are water [hydro], solar… and wind energy".

Numerous studies highlight the long-term demand this will create for the industrial/precious metals and minerals critical to the decarbonisation and electrification process, as well as the equipment and technology solutions that enable more sustainable excavation and refining practices.

Our approach

An integrated approach to ESG recognises both the transition process and the importance of engagement to help influence positive outcomes. See our engagement case studies on pages 43-45 for further details.

Well-managed businesses with a focus on efficient capital allocation and FCF growth do not stand still. We seek to identify those that will successfully adapt to the competitive dynamics of their industry, and the increasingly discerning demands of their customers, regulators and other stakeholders.

These companies tend to be forward-looking, with management already working to mitigate their exposure to ESG risks, and on a path to an improved ESG profile over the medium to long term.

From an investment perspective, this is often where more value is to be found, providing us with the opportunity to deliver a balance between superior risk-adjusted investment returns and credible positive outcomes over the long term.

We highlight below key elements of the energy transition supply chain, and some of the companies on our Global Recommended List that are playing an integral role in changing the world's energy mix in order to slow the rate of global warming.

BASIC MATERIALS	SUSTAINABLE EXTRACTION	INFRASTRUCTURE	RENEWABLE ENERGY
ANGLO AMERICAN Industrial/precious metals & minerals	**SANDVIK** Products/solutions for mining, rock excavation & processing	**HITACHI** Smart networks/transportation	**IBERDROLA** Wind, solar & hydro
VULCAN MATERIALS Aggregates & concrete	**METSO** Sustainable technologies/solutions and services for mining, aggregates, metals refining & recycling	**SIEMENS** Automation & smart buildings/ networks	**SHELL** Wind, solar & hydrogen
SHELL Oil & natural gas	**SCHLUMBERGER** Oilfield services/equipment, carbon reduction technologies, methane extraction & CCS	**TECHNIP ENERGIES** Engineering and construction of CCS & low-carbon LNG plants	
	INTERTEK Testing & assurance	**LINDE** Hydrogen infrastructure	
		SHELL Electric charging network & CCS	

STEWARDSHIP, INVESTMENT AND ESG INTEGRATION *CONTINUED*

FIXED INCOME

Our fixed income strategy is heavily influenced by top-down analysis of markets, complemented by a thorough examination of the credit fundamentals of individual corporate issuers. As part of this, our Fixed Income team follows the same integrated ESG and stewardship approach outlined by our Equities team. There are, however, some nuances to fixed income that are different to equities.

Voting with our feet

Unlike with equities, bondholders are not entitled to a vote at shareholder meetings. This means that engagement opportunities through voting are minimal. While the team takes an active approach to challenging management on ESG issues, it is unfortunately common for bondholder concerns to be overlooked. Thus, for issuers not willing to engage and address ESG concerns, our most effective tool can be divestment. Please see the case study on the facing page.

Green bonds

We believe that 'green' or, more broadly, 'sustainability-linked' bonds are a quick-fix solution for investors looking to avoid more rigorous fundamental ESG analysis of issuing entities. While we do invest in a number of bonds issued under sustainability frameworks, we prefer to take a more holistic approach to our assessments by performing our own thorough ESG analysis on the entity. We see numerous examples of issuers with otherwise very poor ESG credentials issue green bonds that we consider to be unfit for purpose – an example of greenwashing.

MULTI-ASSET STRATEGIES

Alternatives

Over 2022, we made several improvements to our Alternatives strategies. The most meaningful change is the decision to adopt the firm-wide ESG integration process across our Multi-asset Strategies.

As a result, we have formalised our Alternatives ESG integration and identified how we approach different sub-asset classes. Where an asset has characteristics that are applicable to GICS sub-industry groups, we assess the investment using our firm-wide proprietary materiality framework outlined on page 30. This includes assets such as infrastructure, utilities, shipping, property, amongst other real assets.

However, we recognise that many of our managers operate in the derivatives space, thus their investment teams do not interact with management of public or private companies in relation to their trading. These alternative strategies are outside the scope of most ESG issues (which are more directly relevant to equity or fixed income portfolios). This raises multiple challenges with regards to ESG integration.

FIXED INCOME AT WAVERTON

Waverton has undertaken a review of best practice for these non-traditional investments and, for now, we expect firms to maintain high levels of governance and expect our investee firms to have relevant Responsible Investment policies and practices applicable to their investment strategy.

We are continuing to work with our IT Development team to embed the materiality framework into our research templates, so it automatically feeds into our internal research portal, as it does for the other asset classes.

Third-party funds

In addition to the framework outlined above for alternative assets (including Investment Trusts), we assess collective investment vehicles using a Spectrum of Capital, which is a widely adopted Impact Framework developed by Bridges Fund Management. This framework allows us to assess the ethical and responsible investment approach of a fund.

It provides a tool for fund selection in the first instance, but also determines what we can expect in terms of stewardship activities, fund outcomes and provides guidance for the ongoing monitoring of a fund. The framework allows us to assess the overarching fund approach towards ESG and Responsible Investment, before undertaking further relevant analysis around the following areas:

– **Firm and culture:** does the business align with stakeholder interests
– **Investment process:** how does the fund incorporate its ESG approach and does it align with approach identified in the Spectrum of Capital framework
– **Fund outcomes:** evaluation of the investment process outcomes to ensure alignment with the ESG approach
– **Oversight committees and risk:** does the firm and investment manager have sufficient ESG oversight in place

CASE STUDY S G

Weibo

Weibo is a Chinese internet platform that creates, distributes and provides search services for Chinese-language content. During 2022, the Communist Party of China stepped up its censorship activities following the protests around Covid lockdowns. As part of this, we saw Weibo become increasingly used as a political tool.

Issue

Somewhat understandably, coinciding with China's crackdown on its tech giants, Weibo put up little resistance to their role as a political tool, increasing the number of posts that they removed in case they became a government target. Within their terms of service, they have a policy that gives them the right to "interrupt or terminate the provision of Weibo services (if) the user damages the image of regulatory authorities, state agencies and governments".

Action

From reading articles online, there appeared to be growing evidence of Weibo censoring any and all allegations of sexual misconduct. We decided to send an enquiry to Investor Relations (IR) asking whether there had been a conscious expansion of their censorship policy to include any-and-all things that may stoke public discontent on the Weibo platform. The fear was that (1) this is ethically dubious; and (2) users of the platform would become frustrated by the scale of censorship and move onto other platforms – thereby decreasing the user count and earnings potential of the company going forward.

This also coincides with relatively weak disclosures from the company which has made us nervous of owning the bonds in the past.

Outcome

Having waited two weeks for a response from IR, we made the assumption that they were unlikely to provide us with a response, so we opted to take advantage of the strong performance of the bond and to sell our holding (maturity 2030) in full.

8

MONITORING MANAGERS AND SERVICE PROVIDERS

Service providers

We assess and rate all service providers that support our corporate and investment activities according to their contribution to our processes and client service.

Our Risk Committee identifies critical providers who may hold or process our client data. We have a risk-based monitoring approach and carry out additional due diligence for critical providers, including quarterly reviews with any concerns escalated to the Risk Committee. We also carry out annual due diligence and cyber security assessments, and screen critical providers annually against sanctions or regulatory fines.

Third-party research and data providers

The Investment team uses third-party research providers to complement their own fundamental analysis, enhance their knowledge and understanding, and to provide an important diversity of opinion through discussions with industry/regional/asset class specialists we value highly.

We maintain a concentrated number of broker relationships, avoiding unnecessary duplication of content while also ensuring sufficient breadth and differentiation of published research, direct access to valued analysts/industry experts, as well as entry to conferences, thematic events and company meetings. This includes access to information provided by specialist ESG data providers.

The availability of good quality and standardised ESG data still remains an issue for anyone in the investment industry attempting to accurately assess a fund/portfolio's ESG credentials. We therefore fully support the FCA's proposal, outlined in November 2022, to introduce regulatory oversight of certain ESG data and ratings providers through a voluntary Code of Conduct. We are actively involved in conversations with the lead Chair for the upcoming consultation process.

In addition, members of our Investment team maintain constructive two-way relationships with providers, so that when we identify data anomalies or inconsistencies in information, we feed this back to them with the aim of helping to improve data quality.

See our case study on page 44 for further details.

Review process

We monitor and regularly review our existing providers to assess the quality of their offering alongside the evolving requirements of the Investment team and the services of alternative or new research providers. Senior members of our Investment team meet twice a year to assess performance and our usage of their services.

Our assessment of value incorporates both quantitative and qualitative inputs and the Investment team logs all analyst, industry specialist and corporate interactions via Waverton's internal research portal to track the level and type of activity throughout the year. This data is checked, collated, and circulated quarterly. Each regional team also adds a qualitative overlay to ensure the level of fee payment remains appropriate for both the amount, type and quality of research consumed.

Each asset class team undertakes an annual review to determine external research requirements for the following year. This involves discussions with each of our providers and can lead to the renegotiation of fees or termination of the relationship. The latter would reflect a deterioration in research quality, departure of key contacts, loss of differentiation and/or value.

As our current multi-year ESG data contract with MSCI comes up for renewal in late 2023, we will be undertaking a detailed review of our future needs during the year. This will include discussions with multiple alternative providers, some of which we may have already trialled during 2022.

Proxy voting provider

We partner with Glass Lewis, a leading independent voting advisory services provider for our proxy voting. As part of our review and monitoring of Glass Lewis, we have regular correspondence with our account manager querying report details, voting recommendations and changes to these. Glass Lewis were selected based on their alignment with our investment approach, quality of their offering and general ability to support the Investment team.

An example of our constructive two-way partnership can be found in the case study on page 56.

Third-party funds

Our fund selection process involves ongoing research, evaluation, and monitoring. For those funds in which we invest, we maintain a close and regular dialogue with the fund management team, seeking to meet them at least every 12 months but more frequently if there is an important event, such as unusual levels of volatility or an identified change in investment style.

We monitor our asset managers' activity via formal and informal processes against the selection criteria.

On a weekly basis, portfolio and fund performance is reviewed and discussed by the Multi-asset team. The team scrutinise the collective's performance, delving into style biases, sector biases and peer group performance. Attribution reports are analysed, and look-through analysis is provided where available.

Where funds are not meeting our performance expectations, the team will escalate by assigning additional analysis and follow-up with the relevant analyst. More informally, we actively monitor existing holdings' daily performance via a watch list and utilise a weekly fund chart pack to review performance on an ongoing basis. Performance monitoring is supported via internal teams, FactSet data and Morningstar inputs.

CASE STUDY

Monitoring third-party funds

Issue

In 2022, due to market conditions, monitoring and oversight of our third-party fund managers became more important than ever. Many of our smaller company, growth-oriented funds delivered elevated volatility levels in the first quarter of 2022 and thus active reviews were undertaken.

Action

One such fund was a micro-cap US-oriented equity fund which delivered a negative absolute return of 21% in the first quarter of 2022; this was dramatically out of kilter with previous performance returns, thus understanding the drivers was integral. We reviewed the fund's investment thesis, the process the team undertook, and delved into the underlying portfolio holdings. Ultimately, we established that the stocks were caught up in the market sell-off related to higher inflation, supply chain issues, geopolitical crises, and the subsequent expectation of much higher future interest rates. Underlying holdings were concentrated in sectors which were more exposed, including healthcare and technology. Additionally, the micro-cap factor compounded this sell-off issue.

Outcome

After meeting with the managers, we acknowledged that the underlying companies were still growing by an average of 8% and the price decline was driven by aggressive market tightening forecasts – this reassured us that the fund's philosophy and process remained intact.

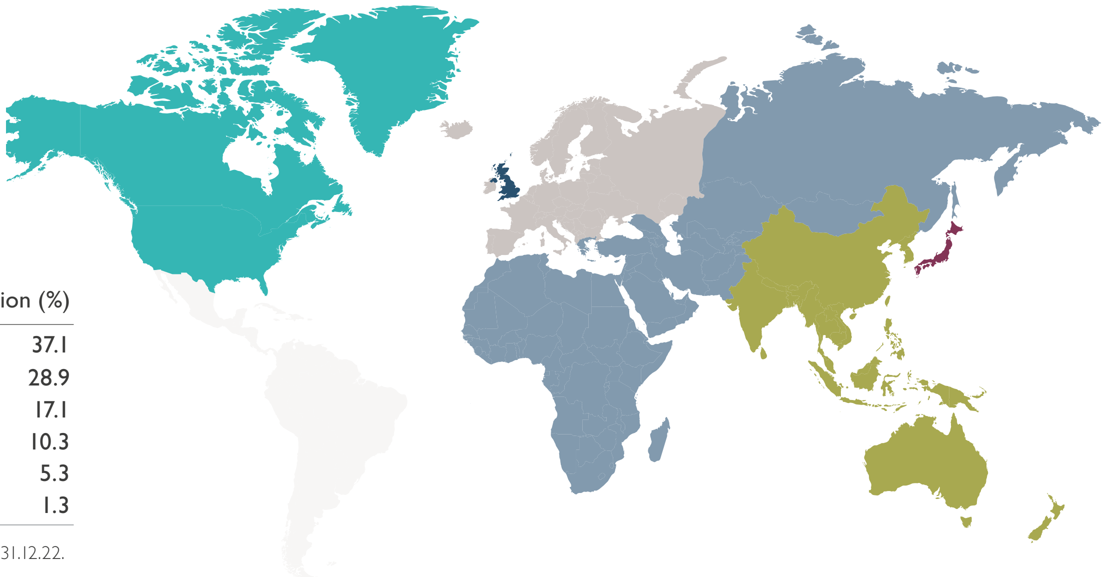
We also reassessed the fee paid in light of the disappointing absolute performance and equally were reassured that we had access to the most economical investment, particularly vs. peers. We decided to retain this position as we believed the stocks within the fund had been oversold.

Over the course of the year, we met with the managers regularly and, while still the fund remained challenged due to the macroenvironment, the fund volatility normalised. In the second half of 2022, the fund delivered a strong positive return performing in the top decile vs. peers. Our patience, long-term approach and monitoring process allowed us to not act without base preventing us from selling the fund at the bottom of the market.

ENGAGEMENT

Principles

9 ENGAGEMENT



Waverton AUM by region (%)

North America	37.1
United Kingdom	28.9
Europe ex UK	17.1
Asia Pacific ex Japan	10.3
Japan	5.3
Emerging markets	1.3

Source: Waverton. Data as at 31.12.22.

Engagement policy

The investment philosophy that underpins Waverton's responsible stewardship of client capital is based on our long-held belief in the benefits of a global, direct, active and high-conviction investment approach. We are long-term investors and, as such, have always preferred to build constructive relationships with company management and engage with them on a regular basis.

Direct communication not only facilitates a deeper understanding of a company's business model and direction of travel, but also a fuller assessment of corporate culture and governance standards, all of which are difficult to gauge accurately from scrutinising corporate reports and disclosures alone. We firmly believe that positive real-world outcomes require not only detailed fundamental analysis and constructive two-way discussions with company management, but also (crucially) a forward-looking approach that passive managers and/or those reliant on screening are unable to achieve.

We have always been pragmatic in our approach and focus attention on the aspects of engagement where we believe we can be most effective in influencing or encouraging better behaviours, whether in relation to a company's management of specific ESG issues or improvements in public disclosures. Our objective is to provide clients with a carefully considered and credible approach to Responsible Investment that not only creates value for them as shareholders, but that also contributes to incremental improvements in ESG standards and genuine positive impact over time.

Direct investment approach

Direct and regular dialogue with companies has always formed an important part of our fundamental research process. This enables more meaningful engagement with management, ensuring a complete understanding of their growth strategy, and the opportunity to better assess the management team and its ability to execute effectively. These meetings provide a forum for us to advocate for the strong governance and responsible allocation of capital that will ensure resilience in a company's underlying business model and its long-term financial sustainability.

Our long-term investment horizon and the experience of many of our Equities team have facilitated long-standing relationships with companies and brokers across all major regions, providing us with good access to, and discussions with, senior management.

567
Company meetings
(2021: 673)

52%
of meetings 1-1 or with small groups
(2021: 45%)

76%
of meetings with senior management
(2021: 76%)

ENGAGEMENT *CONTINUED*

We undertake hundreds of meetings a year both in the UK and overseas, believing that meeting companies in their home territory often provides valuable anecdotal insights into their culture, as well as highlighting important regional differences. While travel restrictions have now been largely lifted, meetings with companies in the Asia-Pacific region and Japan in particular, remained largely virtual in 2022.

During the year, we participated in 567 meetings with companies worldwide, fewer than the prior year and a reflection of lower attendance at large annual conferences in the US, Japan and Asia.

Approximately 50% of our meetings in 2022 were with companies in which we are invested. We meet with many others, however, not only as part of a continuous review of potential investments, but also because these conversations provide valuable insights into the competitive dynamics of an industry, as well as the relationship with and practices of those that may be suppliers or customers of our investee companies. This is particularly important given the greater scrutiny now given to ESG standards throughout a company's entire supply chain.

Identifying engagement topics

We firmly believe that focusing on material ESG issues when evaluating a company's performance with regard to ESG factors, is a far more effective way to assess real-world environmental and social outcomes.

For example, the energy source and efficiencies in the energy intensity of heavy industrial companies have significant operational implications, but will also have a meaningful impact on "absolute" carbon emissions on a global basis over time.

When analysing a pharmaceuticals business, however, our focus is better placed on assessing its standards around product quality and safety, access and affordability, selling practices and product labelling. Serious lapses in these areas could not only cause widespread social harm, but also carry significant reputational and financial risks that have the potential to undermine the company's financial sustainability.

While it is important for all companies to have energy transition plans in place, the point here is that the total carbon emissions of the pharmaceutical sector are relatively low. AstraZeneca is a long-standing holding at Waverton and while it has manufacturing operations around the world, its total carbon emissions (based on Scope 1 + 2 emissions as per our analysis shown on page 17) equate to just 0.1% of our Global Recommended Portfolio's total GHG emissions or, looked at another way, just 0.5% the level of Shell's. As our most recent analysis showed, over 90% of our model portfolio's emissions are accounted for by 10 companies (out of 36 holdings). AstraZeneca is in 22nd position.

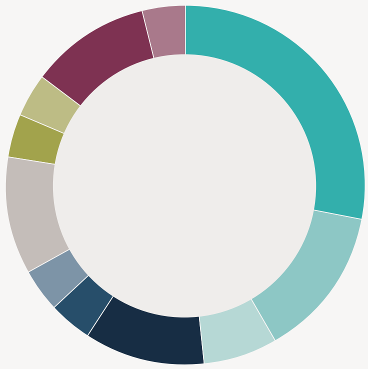
Waverton's materiality framework, adapted from SASB's ESG materiality framework, provides a more consistent approach to identifying factors that are material to companies within industry groups. It is based around five sustainability pillars: Environment; Social Capital; Human Capital; Business Model & Innovation; and Leadership & Governance.

Read more about our materiality framework in Principle 7.

While much of this is intuitive from a fundamental research perspective, the introduction of a formal materiality framework helps to prioritise the many factors that are inherent within the normal consideration of the risks and opportunities of investment decisions. It also ensures key material issues are identified and investigated in a more consistent manner across the wider Investment team, and provides a more formal foundation for engagement activities. These are now captured within our research templates, uploaded onto our internal portal and the data automatically collated for reporting purposes.

As an example, the chart below highlights the mix of specific ESG engagement topics discussed during company meetings last year.

ESG Engagement Topics (%)



Environment
- GHG Emissions
- Energy Management
- Waste & Hazardous Materials Management

Social Capital
- Product Quality & Safety
- Customer Welfare
- Data Security & Consumer Privacy

Human Capital
- Labour Practices

Business Model & Innovation
- Materials Sourcing & Efficiency
- Physical Impacts of Climate Change

Leadership & Governance
- Business Ethics & Behaviour
- Critical Incident Risk Management

Source: Waverton.

CASE STUDY G

Shell (UK)

Issue

An important element of our investment case for Shell is that its ESG profile is improving. It continues to invest billions of pounds in transforming its business, and is a leader in the energy transition within the oil and gas industry.

Given recent events, it has become increasingly evident that energy security is a critical factor in the achievement of energy transition, while we also need to acknowledge that energy security will be impossible to achieve without the use of hydrocarbons for a long time.

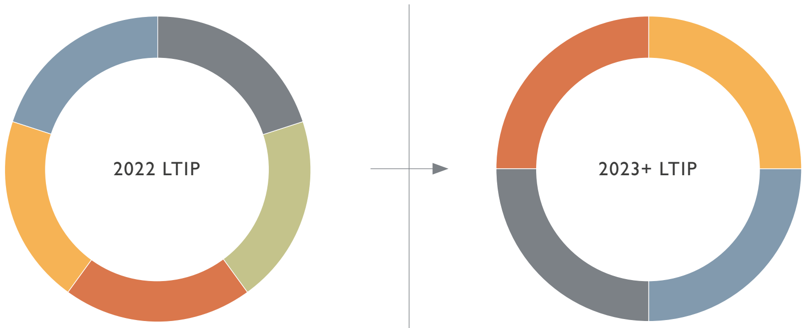
Our investment philosophy encompasses engagement with companies in all sectors to encourage positive change, therefore, while optimising long-term returns for shareholders. Consequently, in 2022 our interactions with Shell have been broad and numerous. While Environmental issues often attract the most publicity, especially for the oil and gas industry, and Social performance is crucial for employee development and wellbeing (in which Shell has experienced a lapse in 2022), good Governance is the primary foundation of business management that underpins all ESG outcomes.

Action

Our most recent engagement, and arguably the most important, has been helping Shell formulate new performance and reward structures for the incoming CEO Wael Sawan (appointed in January 2023). Getting this correct is crucial to encouraging good decisions (operational and strategic), better corporate behaviour and alignment with shareholder interests.

In November 2022, we participated in a meeting with the Chair of Shell's Remuneration Committee, Neil Carson, along with a few other investors. Topics of discussion in which we had particular concerns and provided input included:

2023 Policy Review: Strategy and link to remuneration (LTIP)



2022 LTIP	
Relative measures 60%	
Total shareholder return	20%
ROACE growth	20%
CFFO growth	20%
Absolute measures 40%	
FCF	20%
Energy transition	20%

2023+ LTIP	
Financial delivery Relative CFFO	25%
Shareholder returns Relative TSR	25%
Disciplined capital spending Absolute FCF	25%
Growing the future business Absolute Energy transition	25%

Source: Shell, November 2022

- The extended overlap of the outgoing and new CEO in order to tackle tricky legacy areas such as windfall taxes.
- Questioning whether bonus targets are sufficiently challenging, given the average target hit rate has been 97%, and have been exceeded in seven out of the last ten years.
- Alterations to the return on capital/ cash flow metrics for the proposed LTIP has raised particular concerns. It appeared these new metrics removed a profitability measure which remains critical for us.
- More work is needed for divisional metrics to be benchmarked against more comparable businesses. Being able to properly monitor energy transition progress is vital, of which assessing renewables performance in absolute terms, as well as relative to industry leaders is core.
- We have been vocal about the removal of an "absolute" top three Total Shareholder Returns (TSR) measure underpinning the Long-Term Incentive Plan (LTIP), to be replaced by a less challenging TSR metric "relative" to a broader industry peer group. This is detrimental to shareholder alignment. Our objection is shared by other shareholders.

Outcome

The chart above shows an overview of the proposed changes to the Remuneration Policies. Not all metrics have been altered, but the addition of organic free cash flow growth is welcome and changes to factor weights are sensible, especially the Energy Transition increase to 25% (from 20%).

We trust that Shell has listened to shareholders' misgivings about some of the new methodologies and requests for improved disclosure. We are hopeful that amendments and improvements will be made, enabling support for the proposals when presented for shareholder approval at the AGM in May 2023.

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ENGAGEMENT *CONTINUED*

CASE STUDY E

Vulcan Materials (US)

Issue

Our enquiry to the company was prompted by our Equities team's work assessing water intensity across a range of sectors and for companies within the Waverton Global Recommended Portfolio. We noted that Vulcan's intensity was substantially higher than its construction material company peers and thought there had been a mistake with the units of measurement (e.g. giga litres rather than mega litres).

Action

After persistent requests, we eventually had a call with Vulcan's Investor Relations (IR) team and discovered a more fundamental reason for the apparent disclosure error in its 2021 ESG Report. It transpired that the incorrect data was in fact an estimate made by a third party on behalf of Vulcan Materials. The company subsequently ascertained that the figures for water use in 2021 (total fresh water withdrawn cubic metres – 100% ground water) and those disclosed for prior years, were inaccurate. While confirming that most rainwater collected and groundwater withdrawn was recycled, it admitted that the only metering of water used by the company was where it had supply contracts with water utilities.

Outcome

As a consequence of this discovery, the IR team told us that the company was undertaking a number of projects to properly determine its water usage, both by the adoption of appropriate measurement and the installation of necessary metering. It confirmed that these projects will initially be focused on sites within areas of particular water stress, but also noted that it would not be possible to cover all sites in 2023 (404 aggregates sites and 173 concrete facilities) or to provide new validated water data until later in 2023.

Discovering such data inaccuracies has wider implications, highlighting the need to question the veracity of statements made in corporate ESG reports and, in turn, used by the ESG rating agencies and other providers of specialist ESG data. In this instance, it led us to consult with CDP who had recently raised Vulcan's water submissions rating (in 2022) from D to C. During our discussions, they confirmed that the erroneous water data in isolation wasn't sufficiently material to its rating assessment of Vulcan, but that they are implementing changes to ensure better data quality in future.

One of the benefits of a concentrated and long-term investment approach is the detailed knowledge we build over time of the companies in which we invest. This helps us to recognise anomalies in the data and can lead to constructive engagement with the company and other related parties, with the aim of encouraging improvements to a company's practice on an ESG issue and/or improved public disclosures.

We remain investors in the company and recognising that achieving higher standards requires a period of transition, we will continue to monitor the situation to ensure that Vulcan delivers against its aspirations to reduce water usage effectively.

In the meantime, the company also continues to help local communities and improve the resiliency of natural resources in the US, by turning former quarry sites into drinking water reservoirs.

CASE STUDY E S G

Rio Tinto (UK)

Issue

We have been active investors in Rio Tinto in our Waverton UK Equity Fund for some time, but implemented a Hold recommendation for broader ownership across client portfolios for most of 2021 and 2022, due to significant ESG issues concerning the company and end-demand/pricing pressures. While environmental risks have been prominent for natural resources companies for many years, recently investors have focused on the social impacts of mining on communities, land use and biodiversity.

Action

Our engagement with Rio Tinto in 2021 (as reported in our 2021 Stewardship Report) and 2022 focused specifically on new community and heritage controversies, as well as legacy issues which have not yet been resolved and could carry unquantified liabilities. During a meeting with the company in November 2022, our suggestion that Rio Tinto split out environmental provisions from employee-related provisions on the balance sheet, in order to increase transparency and become best-in-class, was noted by Investor Relations (IR).

Outcome

We were particularly encouraged, therefore, to see in their full year 2022 earnings release, that the company disclosed the closure and restoration costs separately in their balance sheet provisions, in line with our suggestion.

Ongoing

Engagement with Rio Tinto is ongoing, and the relationship is developing positively, as are its ESG performance, strategy and disclosure, which is pleasing.

Nevertheless, improvements are still required and progress is understandably slow given its history and the changes taking place.

Governance is central to delivering a sustainable business in all its forms: durability, return for shareholders, as well as improving ESG standards. There have been substantial changes in management, with more to come. In 2021, Rio Tinto appointed a new CEO, Jakob Stausholm, and new CFO, Peter Cunningham. Nine members of the Executive Committee also took up new roles. In 2022, Dominic Barton became the new Chair of the Board.

In 2021, we noted that composition of the Sustainability Committee had not changed materially despite several controversies. We argued that shareholders would be better served if the Committee and its Chair, had greater representation from outside the mining, oil and gas industry.

We raised this again in 2022, and voted for change (against Chair Megan Clark) which wasn't successful. We were led to believe that Megan Clark would be stepping down in 2023, but note that she is up for re-election despite two years of shareholder opposition. We will vote for change again this year. She was retained due to a close relationship with the local communities impacted by the Yukaan Gorge destruction, and continuity was important to repair and maintain existing relationships. By November 2024, however, she will have served for 10 years, reinforcing our concerns around board independence and diversity of industry experience.

It is evident that Rio Tinto is reforming, and it is noteworthy management has been putting emphasis on "its social license to operate". ESG, and specifically carbon reduction, are at the top of strategy goals. In post-conference discussions we had with the CFO on the topic, he recognised the importance of transparency and good disclosure as part of satisfying stakeholder needs. While a complex challenge, Rio is endeavouring to meet all of the reporting requirements globally. The CFO said that having the right culture and having the right ESG approach is crucial to delivering the strategy and de-risking cash flows. This new approach is evident in the discussions we have had with IR too.

Rio Tinto recognises the lack of ESG metrics in the current LTIP, raised by us and other shareholders. These are being considered for the 2023 plan but further discussions with Australian shareholders are required, as these investors prefer TSR measures. They see these as all-inclusive and do not want separate ESG metrics. Local political sensitivities and goodwill have to be carefully managed given the size of the Australian asset base. This is something to carefully monitor in the coming months.

Another important topic of engagement has been the changes Rio Tinto has implemented after the damaging harassment report published in Feb 2022. We now have a better understanding of how poor working conditions and reporting frameworks have been. However, Rio has reacted and local conditions have improved, but it recognises there is more to do. Cultural change takes time and education plays an important part. Rio is also implementing a more independent and better trained channel to monitor employee development and grievances. We understand the report will be repeated in 2024 to assess progress.

9 ENGAGEMENT *CONTINUED*

CASE STUDY (E)

Urban Logistics REIT Plc

Issue

In 2021, we identified that Urban Logistics, a UK-based investor in industrial and logistics properties and a top ten holding in Waverton's Real Assets Fund, had a poor ESG rating score (rated CCC by MSCI).

Action

Over the course of 2022, we questioned the company on this rating and after continued challenges and analysis, we identified that the company had the following initiatives in place:

- Over 99% of properties had recorded Environmental Performance Certificate (EPC) ratings
- The company was implementing an EPC strategy for every individual asset in the portfolio
- The company was working towards GRESB (Global Real Estate Sustainability Benchmark) and EPRA sBPR (European Public Real Estate Sustainability Best Practices Recommendations)
- All leases for a period of 18 months encompassed 'green clauses'
- They had committed to a first Sustainable Green debt facility with Aviva

We asked the company to explore the reasons for the poor score and to actively engage with MSCI to rectify the rating, as we did not think the rating was reflective of their progress.

Outcome

In January 2023, Urban Logistics received an MSCI rating of 'A' (up from CCC). This was a testament to the significant improvements made in ESG performance and improved reporting, including their upgrades from GRESB and EPRA's sBPR awards. This upgrade has resulted in the company being eligible for a number of ESG passive and active investment products, thus resulting in more efficient ESG capital allocation.

Engagement across other asset classes

Fixed Income

As fixed income investors, we do not have the ability to engage during AGMs for publicly listed companies. We are, however, meaningful capital providers to companies reliant on credit markets for their financing. Our approach to fundamental research and identifying key material issues to engage on is in line with the wider Investment team's approach. Where we see inadequacies or have queries relating to material ESG and sustainability issues, we ensure we raise these during company calls with the CEO/CFO and in writing, usually with the Investor Relations team, until we are reassured that the risks are managed properly. Where we are not satisfied, or have not received a response and believe the risk significantly impedes the investment case, we will divest our position.

Multi-asset Strategies

Our team benefits from all engagement activities undertaken by the Equities and Fixed Income teams. Additionally, where we identify an issue with management in alternatives or a real estate investment which we feel is to the detriment of the best interests of shareholders (financially or otherwise), we will engage directly with portfolio companies.

In the first instance, we will voice our concerns to both the company's broker and management. Should the issue persist, we start informal conversations with the board before formally writing to the board if the issues are not resolved. We engage with other shareholders on the issues where appropriate and often initiate conversations to voice our concerns.

With regards to collective investment vehicles, we delegate engagement and escalation. Engagement and escalation policies and records are key to our fund selection process, as are their ESG and sustainability approaches, where appropriate.

We expect all our third-party funds to actively monitor their investments and escalate appropriately in line with their engagement process.

Read more about our engagement approach as part of our escalation process in Principle 11.

10

COLLABORATION

Collaborative engagement

Our approach to signing up to collaborative initiatives remains highly selective. We continue to review opportunities for collaboration carefully, ensuring we fully understand the implications of what we are signing up to from an investment perspective, taking into account alignment with our investment approach and an engagement style that is complementary to our own. We are mindful of the limits on our time and resources and, as ever, focus on supporting those collaborative engagements where we feel we can have a positive influence on the outcome and where we believe the initiatives will have a genuine real-world impact.

Climate change collaborations

Action

We signed up to two leading collaborative initiatives on climate change in 2021 – Climate Action 100+ and CDP (formerly known as the Climate Disclosure Project) – both of which focus on encouraging the adoption of global standards and improving the quality of corporate disclosures on environmental impact (carbon emissions, water, deforestation). As the prerequisite to more accurate and comparable assessment of companies' current performance and progress against environmental targets, we firmly endorse both initiatives.

During 2022, members of the Equities team were actively involved in two CDP campaigns: the Non-Disclosure Campaign (NDC) which engages with companies that have not previously responded to requests to disclose data through CDP's climate change, forests and/or water security questionnaires; and Science-Based Targets Campaign, aimed at encouraging more companies to set 1.5°C science-based emissions

Outcomes

We engaged with 42 companies in the NDC, either in the lead role (5) or as a co-signatory. 34 successful outcomes were achieved, a 27% success rate which is above the average achieved across the entire campaign.

We were particularly pleased that our lead role in communications with Keyence, Japan's third largest company and a global leader in automation solutions, delivered a positive outcome. Notoriously uncommunicative with investors, it is noteworthy that the company subsequently submitted a Climate Report and received a C rating for its climate disclosure in 2022, a good rating for its first submission. It also submitted the Distinct company NDC documentation. The Water and Forestry submission is not directly relevant as Keyence is an intellectual property company, with no manufacturing facilities of its own.

Overall, the result of the 2022 non-disclosure engagement campaign has yielded a very positive and encouraging outcome.

As part of Climate Action 100+, we were also part of an ongoing collaborative engagement group focused on the auto industry in Asia, representing the only European investor.

Focus for 2023

In this year's CDP Non-Disclosure Campaign, we have requested to take a lead role with seven investee companies (four in Japan, two in the UK and one in Europe). We will also be a co-signatory alongside peers for targeted companies that have yet to provide disclosures on one or more of CDP's three environmental pillars. Encouraging more companies to provide Climate disclosures was the focus of our attention in 2022, but in this year's NDC, we will also be encouraging more widespread Water and Forestry disclosures amongst our investee companies.

Alongside this, members of the Investment team are undertaking a review of the biodiversity and deforestation risk profile of companies included in our Global Recommended List, as well as company actions and disclosures regarding forestry where this is a material factor. To date these factors have been a lower priority in addressing the impacts of climate change. However, there is a strong circular argument given the vital role played by forests in absorbing CO_2 produced by global industrial activity, but also for plant life itself and the support of biodiversity.

Regulatory developments

As we are all aware, the regulatory landscape around sustainability continues to evolve. During the year, members of the Investment team worked closely with consultants, contributed to industry conferences, and participated in or led industry roundtables on regulatory topics. We are actively involved in the consultation process relating to the pending Sustainability Disclosure Requirements (SDR) in the UK and have provided detailed responses to FCA consultation papers. We are also in conversations with the lead Chair for the upcoming consultation on the introduction of regulatory oversight of ESG data and ratings providers through a voluntary Code of Conduct.

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COLLABORATION *CONTINUED*

In addition, Waverton's Co-Head of Multi-asset Strategies has co-ordinated our ongoing engagement in the Packaged Retail and Insurance-based Investment Products (PRIIPs) Regulation review. HM Treasury opened a consultation in 2022.

The guidance issued by the Investment Association in July 2020 regarding two separate but linked pieces of EU regulation (AIFMD, PRIIPS), has created significant regulatory uncertainty between the UK and EU member states, as well as other capital markets across the world. By classifying closed end funds (CEFs) as packaged retail investment products, there are different interpretations on the requirements with regards cost and charges disclosure that distorts investment decision making and risks harming investor outcomes.

While PRIIPs is intended to provide retail investors with a single document with which to compare certain products, there has been significant feedback on its requirements and shortcomings. In particular, by multi-asset investors who make up a very significant proportion of the shareholder registers of CEFs in the UK. Throughout 2022 we constantly engaged with investment companies, brokers, clients and internally on this subject. This culminated in submitting our response to HM Treasury's consultation in February 2023. We will continue to monitor developments closely.

Independent Investment Management Initiative (IIMI)

We are active members of the Independent Investment Management Initiative (IIMI), a membership body and think tank representing independent owner-manager investment firms. A Waverton Management Committee member sits on the Board of IIMI, while one of our Board members remains an adviser to its Board. We also support the organisation where we can with office space and hosting of webinars and meetings.

We have contributed to thought leadership pieces and ESG articles, most recently on the important topic of greenwashing. Members of our Investment team also attend events and webinars hosted by IIMI, particularly in relation to stewardship and ESG topics and discussions.

We are keen to represent the boutique investment firm perspective on stewardship activities. With so many conversations around stewardship, sustainability and ESG being led by the largest asset managers, with the resources to support investment approaches that are often different to our own, we feel that it is important to provide the perspective of smaller investment firms and therefore value our collaborations on the IIMI.

Discretionary Fund Manager (DFM) Forum

Waverton's Senior Multi-asset Analyst co-Chairs a Discretionary Fund Manager forum which meets to share expertise with industry peers to help drive change in the investment industry, with a particular focus on ethical investment approaches. In November 2022 the forum held a Regulation roundtable, outputs of which provided a consolidated DFM feedback view to the FCA's CP22/20 SDR proposal.

Charity sector collaboration

Our Charities team participated in two webinars on the 2022 Butler-Sloss vs The Charity Commission case, where the Commission was seeking legal clarification of the extent to which charities are able to adopt restrictions within their investments. The webinars were hosted by the Honorary Treasurers Forum and included presenters from legal and accounting firms and a diverse range of participants, as well as Waverton's Charities team. This was a significant moment for charity investments, with the 30-year old 'Bishop of Oxford' case now appearing to have lagged recent advances in the thinking on sustainability, given impetus by the Paris Climate Agreement of 2015. The Butler-Sloss case gave some clarity but charity Trustees, mindful of their fiduciary duty, welcome any assistance from the investment community in interpreting the rules at such events.

We continue to participate in the Charity Investors Group (CIG). The CIG was formed to create a forum for investment debate. Its aims are to promote good governance in, and understanding of, charity investment. The CIG is led by a management committee of ten, with charities and fund managers equally represented. Waverton's Head of Charities is a member of the committee.

11 ESCALATION

Escalation policy

As long-term investors we aim to build constructive relationships with the companies we invest in. The Investment team undertakes detailed fundamental analysis prior to making a new investment and we aim to meet and engage with the company at least once prior to making the final decision.

Where we identify concerns with investee companies, we aim to discuss these with our contacts within the company and will escalate our views through their senior management if required. The Investment team uses its discretion, based on its knowledge and understanding of the company to determine a need for intervention on a case-by-case basis. The benefit of managing concentrated portfolios is that it facilitates a more detailed understanding of each investment, helps us to identify risks/opportunities and to closely monitor each company over a period of time.

In those instances where an unforeseen event could materially undermine our original investment thesis and the long-term creation of shareholder value, we look to raise these concerns directly with the company (or fund manager in the case of third-party vehicles). Companies will be exposed to industry specific risks which our materiality framework seeks to highlight, as well as company-specific and/or systemic risks. Any of these have the potential to represent a thesis break, whereby a company's long-term ability to grow free cash flow could be meaningfully impaired.

We do not implement a specific comply-or-sell policy for engagement issues and while we are firm believers in the benefits of active management, we are not activist investors. We prefer to engage with companies, strive to have the ear of top management, to air and exchange views, and help encourage positive behaviours. We acknowledge there needs to be a reasonable period of transition, during which we monitor progress on an ongoing basis.

In the event we identify an issue that we believe permanently undermines the basis of our original investment thesis, we will sell our shareholding.

Escalation across other asset classes

Fixed Income

We use engagement as our first method for escalation should the need arise. Where our engagement efforts have not been able to achieve the desired impact and changes, the primary method of escalation for a bond investor is divestment. In line with the broader approach within the Investment team, we will review the impact of the issues on the investment case and whether there is a thesis break. Depending on the outcome of our evaluation, we either choose to accept that the risk is priced into the valuation, or we divest if we believe the risk materially impedes the investment case.

Read our case study on page 37 for more detail on the outcome of our escalation activity with Weibo, a Chinese internet platform.

Multi-asset Strategies

Waverton's Multi-asset Strategies follow the company-wide process in place for escalation. We escalate through engagement in the first instance, targeting more senior management as the escalation process evolves; this includes meeting with relevant employees, writing letters and even working collaboratively with other investors to ensure our voice is heard. Divestment is our ultimate recourse should we feel there is a thesis break and/or the response to our engagement efforts have not mitigated our concerns.

The direct (stock/bond) escalation process in relation to third-party funds is delegated to external managers. In line with our own approach, however, we expect all our funds (and their respective investment teams) to actively monitor their investments and escalate appropriately as per their engagement process.

We are comfortable for this to be done via voting, consortium, face-to-face meetings and other engagement projects such as campaigns.

We regularly oversee the third-party funds teams to ensure managers are monitoring their underlying holdings accordingly. We do this via ongoing reviews, ad hoc discussions, and regular reporting. We expect all asset managers to escalate governance concerns via their agreed investment processes, which we scrutinise upon investment and on an ongoing basis. This includes ensuring our asset managers directly engage with their portfolio companies (and escalate where appropriate), meet with management on relevant issues, and file shareholder resolutions which promote sustainability and stewardship. Providing us with updates, sharing progress and delivering suitable reports is required for this oversight which is documented within our research system. Where a fund manager is unable to provide this service, they do not meet our thresholds for continued investment.

It should be noted we have an even higher threshold of escalation and engagement for ESG-specific funds. For these funds, we require detailed engagement processes to be in place as well as effective client reporting such as annual engagement reports, so that we can monitor and challenge their actions. Specifically, we expect these asset managers to vote on issues ranging from board structures through to executive compensation, and undertake collaborative engagements with other investors to help encourage progress and expand their reach. These asset managers must provide us with detailed information on their engagement journeys including in-depth information on the engagement (what, how and why), expected milestones to be met, as well as the outcome they are aiming to achieve.

Read more about our third-party fund escalation practices in the case study on page 18.

EXERCISING RIGHTS AND RESPONSIBILITIES

Principles

12 EXERCISING RIGHTS AND RESPONSIBILITIES

Exercising voting rights

Waverton is a discretionary investment manager and clients entrust us with making investment decisions on their behalf, including exercising voting rights. Given the predominantly segregated nature of our Private Client and Charities' portfolios, we aggregate holdings across the business (Private Clients; Charities; Adviser Solutions; Institutional Solutions) and vote on our 100 largest direct equity positions, and all other holdings owned within our regional and global equity funds (approximately 80 additional holdings).

This accounts for 92% of our total equity AUM. The remaining 8% is made up of a tail of approximately 450 holdings, 60% of which are less than £100,000 in value. Many of these are single holdings, the majority of which are "non-discretionary" holdings (i.e. held at the client's request), temporary legacy holdings as we transition portfolios over from other investment managers, or holdings with unusually large capital gains where the client has requested no sale.

We partner with Glass Lewis, a leading independent voting advisory service provider, using proxy voting where we feel there is an opportunity to enhance or protect shareholder value. An integral part of this relates to helping influence corporate behaviours in a way that will contribute to positive environmental and societal impacts.

The responsibility for voting decisions sits with the Investment team who undertake the fundamental analysis, and build the relationships with investee companies around the world. This is an essential part of a genuinely integrated approach to ESG. Decisions are proposed by a specialist within the relevant regional team and approved by the regional and/or global equity fund managers. Voting decisions for investment companies are made by the Multi-asset team.

An advantage of our largely direct and high-conviction approach is that, unlike passive and/or funded investment solutions, it enables us to have more detailed understanding of our individual holdings and to monitor them effectively on an ongoing basis.

Voting policy

We firmly believe that a company's governance standards are usually indicative of its management of other issues, including those that are environmental and social in nature.

Accordingly, we place significant emphasis on promoting transparency, better disclosure of relevant risk factors, robust governance structures, responsible allocation of capital, appropriate executive remuneration policies and management engagement with shareholders.

While the majority of our proxy voting aligns with Glass Lewis recommendations, we review each proposal on a case-by-case basis when voting events occur, paying particular attention to recommendations that are against management or relate to contentious issues on which we may have strong views (For or Against). This has resulted in voting actions that are contrary to Glass Lewis' recommendation.

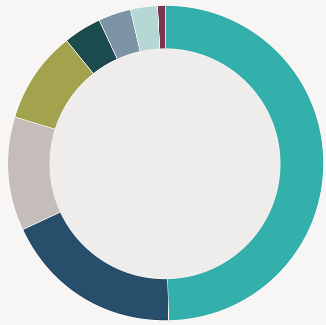
Voting activity 2022

In this second year of formally reporting our proxy voting activity, we are providing more analysis and an extended picture of the profile of ballots and proposals, and a particular look at where we voted Against Glass Lewis recommendations, Against management proposals or Against shareholder proposals.

Figure 1 highlights the profile of proposals by category and **Figure 2** the geographic distribution of ballots versus 2021, demonstrating the global nature of our directly invested equities.

Figure 1

2022 Proposals by category (%)

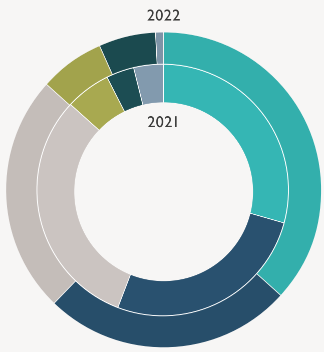


Board-related	49.8
Audit/Financials	18.4
Capital management	11.5
Compensation	9.5
Changes to company statutes	3.9
Shareholder proposals	3.4
Admin/other	2.6
M&A	0.8

Source: Glass Lewis/Waverton.

Figure 2

Geographic distribution of ballots (%)



	2021	2022
US and Canada	752	847
Europe ex UK	670	586
UK	790	563
Japan	143	159
Asia ex Japan	95	135
Other	95	13

Source: Glass Lewis/Waverton.

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EXERCISING RIGHTS AND RESPONSIBILITIES *CONTINUED*

Analysis of where we voted against the proposal

The "Voting Against analysis" is of particular interest because most votes conducted at AGMs are to formally ratify legal administrative proposals, financial accounts, management boards etc and few are contested. This is shown in **Figure 3** which highlights that the vast majority of our voting is in line with Glass Lewis recommendations and with management proposals.

Our votes Against were relatively evenly split between votes against management (shown in dark blue 45%) or votes against shareholders (shown in grey 55%).

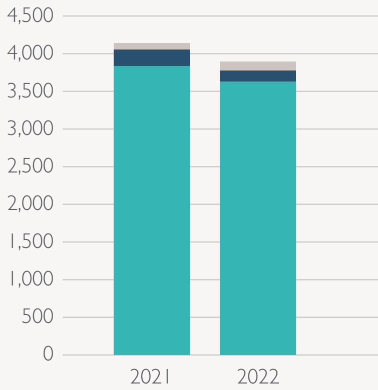
Shareholder proposals

Within our voting universe, while the number of shareholder proposals remains low as a proportion of the total (3.4%), these increased by 74% in 2022, driven predominantly by an increase in proposals put forward by the shareholders of large cap US companies (see **Figure 4**). In its 2022 Review of Shareholder Proposals, Glass Lewis reported that the number of US shareholder proposals increased by 27% in 2022 after a number of years of decline.

Figure 5 shows the voting on shareholder proposals by ESG category. The rationale for many of the Against recommendations put forward by Glass Lewis, and consequently our Against vote decisions (98% Glass Lewis policy compliance), was that proposals were deemed to be unnecessary report requests or proposals encroaching on management responsibilities.

Figure 3

Total proposals FOR and AGAINST



Total proposals FOR/ WITH management

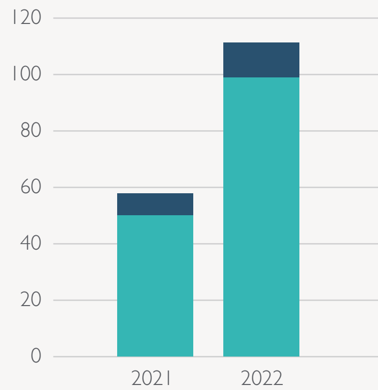
Management proposals With AGAINST vote

Shareholder proposals With AGAINST vote

Source: Glass Lewis/Waverton.

Figure 4

Shareholder proposals



US

Europe

Source: Glass Lewis/Waverton.

Figure 5

Voting on shareholder proposals by ESG pillar (%)

FOR (including abstain)

Environmental	8
Social	23
Governance	19

AGAINST

Environmental	13
Social	27
Governance	22

Source: Glass Lewis/Waverton.

Management Proposals

When it came to voting Against Management Proposals, our compliance with Glass Lewis policy was 81% in 2022 (see **Figure 6**), down from 92% in 2021.

All of the Management Proposals on which we voted Against relate to two main sub-categories of the Governance ESG pillar (see **Figure 7**):

1. Board-related (election of directors)
2. Compensation (incentive plan structures and pay and performance)

Board-related Governance issues were prominent again in 2022 for Asian companies as they were in 2021 (see **Figure 8**). It was in Europe ex UK, however, where we voted Against most frequently, with Compensation a particular issue and where our alignment with Glass Lewis policy was lowest (64%).

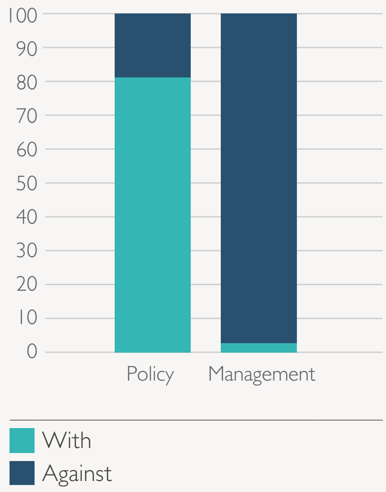
Where we voted against compensation-related proposals in Europe ex UK, there was a particular focus on our Scandinavian holdings. Here, all but one of our vote Against decisions were counter to the Glass Lewis recommendations which were predominantly in favour of the Management Proposal.

In fact, the degree of contention with Remuneration Report recommendations prompted engagement on the topic with Glass Lewis. In our view, there was inconsistent assessment of Remuneration Reports and consequently illogical recommendations across different countries of Europe.

Glass Lewis Research Reports highlight many misgivings concerning incentive structures and disclosure. In a number of instances, however, they prioritised local market norms and practices over and above international best practice, as reasons for mitigation and hence a voting recommendation in line with the Management Proposal. This was particularly notable in the Scandinavian countries.

Figure 6

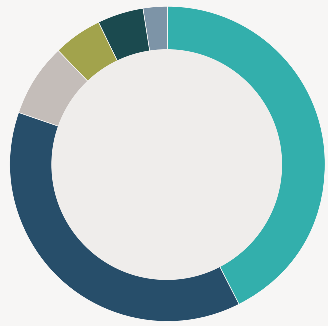
Voting AGAINST Management Proposals (%)



Source: Glass Lewis/Waverton.

Figure 7

Governance sub-category of voting AGAINST Management Proposals 2022 (%)

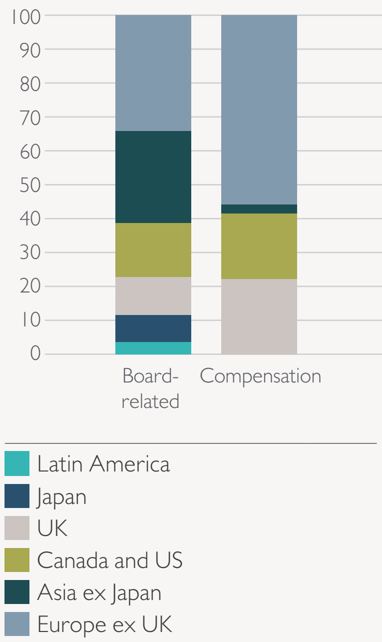


Board-related	42.7
Compensation	37.6
Audit financials	7.6
Capital management	5.1
Other	4.5
Changes to company statutes	2.2

Source: Glass Lewis/Waverton.

Figure 8

Geographic profile of Against Management Proposals by sub-category (%)



Source: Glass Lewis/Waverton.

Please see the case study on page 55 for more detail on the outcome of our engagement activity with Glass Lewis.

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EXERCISING RIGHTS AND RESPONSIBILITIES *CONTINUED*

Compensation policies

Across all regions, the common factors for vote Against recommendations and our Against actions on Compensation were:

- Pay and performance disconnect
- Poor overall design of STIP/LTIPs
- Poor disclosure of metrics and vesting hurdles
- Lack of TSR or relative TSR
- Poor response to shareholder dissent
- Excessive or extraordinary payouts

Board-related proposals

For those Board-related Management Proposals for which there were Against decisions, our policy compliance was 80% and 70% of proposals were for the Election of Directors.

Across all regions, the common factors for vote Against recommendations and our Against actions on the Election of Directors were:

- Insufficient independence
- Overcommitment/serve on too many company boards
- Insufficient board level oversight of ESG issues
- Insufficient gender diversity/ no diversity policy

Ongoing

We will continue to engage with Glass Lewis and companies regarding these topics. We will also endeavour to review, improve and evolve our own voting policies and vote decision logic across all regions. Supporting the implementation of internationally recognised best practices is an important way of encouraging higher standards and is in the interest of all shareholders.

As a genuinely global investor, however, we also acknowledge that a "one size fits all approach" across all regions at this stage is neither realistic nor necessarily the best way to encourage a positive change in behaviours.

Exercising influence across other asset classes

Fixed Income

There are several ways our Fixed Income team exercise their rights and responsibilities as capital providers.

Firstly, pre-issuance engagement is usually part of our fundamental research process. These engagements typically consist of one-to-one or small group meetings and provide an opportunity to raise questions and have detailed discussions on a broad range of issues, including those related to specific ESG matters.

Secondly, when the opportunity arises, we cast our vote on corporate actions from our bond holdings. These may vary from administrative to ESG-related.

Lastly, ongoing monitoring of our investments may give rise to queries, ESG or otherwise, which we will raise with the company, as and when appropriate.

Multi-asset Strategies

Our team is able to provide advice as to best practice and management of shareholder expectations in public markets. Where appropriate, we provide guidance to companies looking to IPO to advocate good corporate governance standards and best practice.

As part of our selection process, we explicitly review a third-party fund's policy on exercising rights and responsibilities, and monitor activity on an ongoing basis.

We expect all our third-party funds to meet our voting standards, including voting on relevant stewardship issues. Additionally, publishing and/or providing information on how the fund managers have voted is essential. We require full transparency around their processes to allow us to monitor them and ensure their actions are in line with their, and our, investment approach.

CASE STUDY G

Glass Lewis

Issue

During 2022, members of the Equities team engaged with Glass Lewis on multiple occasions to specifically discuss their stance on executive remuneration in the Nordic region, a part of the world we have long found to be a source of attractive investment opportunities. The irony is that while Scandinavian companies often lead the way in terms of environmental sustainability, both within their own business practices and the products/services they offer, corporate governance standards often remain well below what would generally be considered best practice not only across Europe (including UK) but developed markets more broadly.

During our discussions, they highlighted that when considering voting proposals related to remuneration policies, factors they take into account include local market executive remuneration practices, as well as total opportunity and vested remuneration against a company's European sector peers. They also aim to take into account the direction of travel (i.e. improvements vis-à-vis the current policy).

Action

Our concerns and points of discussion with Glass Lewis focused on:

- Low levels of vote result collection and disclosure by companies in the region, especially Sweden. A focal point of Glass Lewis' remuneration analysis is tracking a company's response to material shareholder dissent, which is not possible if companies do not disclose vote results. During their 2022 Proxy Season Review for Continental Europe, Glass Lewis noted that while vote results disclosure among Swedish blue chip and mid-cap companies had jumped to 85% in 2021 (a result of virtual meetings during Covid and the need to detail vote collection), it fell back to only 49% in 2022.
- Voting recommendations related to executive remuneration practices placing too much emphasis on local market practices, rather than encouraging the adoption of best practice when put in the context of a wider European sector peer group.
- Of particular concern was their support for remuneration plans that provided poor disclosure around Short Term Incentive (STI) and Long Term Incentive (LTI) plan metrics and, in some cases, equity-based remuneration plans that were not subject to performance conditions and/or a minimum 3-year vesting period.

Outcomes

Based in part on input from Waverton, as well as other stakeholder feedback and its ongoing review of its policies, procedures, and market practice across different regions, Glass Lewis made certain changes to its remuneration policies with respect to Nordic companies, including:

1. Introduction of a new pan-European policy (applicable to blue chips and mid-caps from 2023 AGMs) that will lead to a recommendation to vote against the governance committee chair or equivalent when vote results are not disclosed. This reflects a belief that shareholders would be justified in asking why a European publicly-listed company is failing to collect and disclose detailed vote results from annual meetings.
2. Introduction of a new section into the Continental Europe Guidelines to underline their belief that boards of multi-class companies, which is a common capital structure in the Nordics, should be responsive to minority shareholder concerns.
3. Increased their expectations regarding the level of disclosure of STI and LTI plan metrics and increased their focus on the long-term alignment in remuneration programmes, particularly those of large- and mid-cap companies.
4. Glass Lewis also stated that...
   "Based on Waverton's suggestion on our last call, we have committed to improve the contextualisation of analysis provided at companies that have not adopted a long-term incentive plan, or are proposing an equity-based remuneration plan that is not subject to performance conditions or a minimum three-year vesting period, particularly where we are nevertheless recommending that shareholders support the plan/report".

Over and above any positive outcomes from our direct engagement activities, the changes being implemented by Glass Lewis (highlighted in this case study) should be much more influential on the wider investment community, and subsequently on company management teams.

LIST OF ACRONYMS

AGM
Annual General Meeting

ARC
Asset Risk Consultants

AUM
Assets Under Management

CCS
Carbon Capture and Storage

CISI
Chartered Institute for Securities & Investment

CPD
Continual Professional Development

DFM
Discretionary Fund Manager

ED&I
Equality, Diversity and Inclusion

ESG
Environmental, Social, Governance

FCA
Financial Conduct Authority

FCF
Free Cash Flow

FRC
Financial Reporting Council

GFC
Global Financial Crisis

GHG Protocol
Greenhouse Gas Protocol

GICS
Global Industry Classification Standards

IPO
Initial Public Offering

IR
Investor Relations

LNG
Liquefied Natural Gas

LTIP
Long-Term Incentive Plan

MPS
Model Portfolio Solutions

SASB
Sustainability Accounting Standards Board

SBTi
Science Based Targets initiative

SDR
Sustainability Disclosure Requirements

SMCR
Senior Managers and Certification Regime

TCFD
Task Force on Climate-related Financial Disclosures

TSR
Total Shareholder Returns

UN PRI
United Nations Principles for Responsible Investment

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