



SARASIN

Annual report and audited accounts

31 December 2018

Sarasin Fund of Funds - Global Strategic Growth
Sarasin Fund of Funds - Global Diversified Growth
Sarasin Fund of Funds - Global Growth
Sarasin Fund of Funds - Global Equity

For the year 1 January 2018 to 31 December 2018

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**Management and Professional Service
Providers' Details**

The Company

Sarasin Fund of Funds OEIC
Juxon House
100 St Paul's Churchyard
London EC4M 8BU
Tel: 020 7038 7000
Fax: 020 7038 6851

Authorised Corporate Director

Sarasin Investment Funds Limited
Juxon House
100 St Paul's Churchyard
London EC4M 8BU
Tel: 020 7038 7000
Fax: 020 7038 6851
(Authorised and regulated by the
Financial Conduct Authority)

Directors of the Authorised Corporate Director

G.V. Matthews
S.A.M. Jeffries
C. Bell
J. Lake

Depository

NatWest Trustee and Depository Services Limited
Drummond House
2nd Floor
1 Redheughs Avenue
Edinburgh EH12 9RH
(Authorised by the Prudential Regulation Authority
and regulated by the Financial Conduct Authority
and the Prudential Regulation Authority)

Investment Manager

Sarasin & Partners LLP
Juxon House
100 St Paul's Churchyard
London EC4M 8BU
Tel: 020 7038 7000
Fax: 020 7038 6851
(Authorised and regulated by the
Financial Conduct Authority)
Website: www.sarasinandpartners.com

Auditor

Deloitte LLP
Saltire Court
20 Castle Terrace
Edinburgh EH1 2DB

Registrar/Administrator

Northern Trust Global Services SE UK Branch
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London E14 5NT
Tel: 0333 300 0373
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Representative in Switzerland

J. Safra Sarasin Investmentfonds AG
Wallstrasse 9, CH-4002 Basel

Paying Agent in Switzerland

Bank J Safra Sarasin AG
Elisabethenstrasse 62, CH-4002 Basel

**Place where the relevant documents may be
obtained by investors in Switzerland**

The Prospectus, Articles of Association and Key Investor
Information Document, as well as the latest annual
report and any subsequent half yearly report, may be
obtained free of charge from the representative and the
paying agent in Switzerland

Introduction to Shareholders

The Company

The Sarasin Fund of Funds OEIC (the “Company”) is an Open-Ended Investment Company (OEIC) with Variable Capital incorporated in England and Wales with registered number IC000932 and authorised by the FCA on 14 May 2012. It belongs to the category of UCITS Retail Scheme as recognised by the Regulations. The property of the Company is entrusted to NatWest Trustee and Depositary Services Limited (the “Depositary”).

The objective of the Company is to invest the scheme property in transferable securities with the aim of spreading investment risk and giving its shareholders the benefit of the results of the management of that property. The shareholders have no interest in the scheme property and are not liable for the debts of the Company.

The Company has an umbrella structure, and currently comprises of the Sarasin Fund of Funds - Global Strategic Growth, the Sarasin Fund of Funds - Global Diversified Growth, the Sarasin Fund of Funds - Global Growth, and the Sarasin Fund of Funds - Global Equity.

It should be noted that a series of mergers were conducted on 15 February 2019 having been approved by shareholders on 13 February 2019, reducing the number of sub-funds of the Company from 4 to 2. Sarasin Fund of Funds – Global Strategic Growth was merged into Sarasin Fund of Funds - Global Diversified Growth; and Sarasin Fund of Funds – Global Growth was merged, in two equal parts, into Sarasin Fund of Funds - Global Diversified Growth and Sarasin Fund of Funds – Global Equity.

Sarasin Fund of Funds OEIC is a “Protected Cell Company” meaning the sub-funds are segregated portfolios of assets, and, accordingly, the assets of a sub-fund belong exclusively to that sub-fund, and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the OEIC or any other sub-fund, and shall not be available for any such purpose.

Sub-fund Cross-Holdings

No sub-fund held shares in any other sub-fund during the current or prior year.

The Financial Statements

We are pleased to present the annual financial statements of the Company for the year ended 31 December 2018.

Remuneration Disclosure

The provisions of the UCITS Remuneration Code took effect in full on 18 March 2016. That legislation requires the fund manager, Sarasin Investment Funds Limited (the “ACD”), to establish and apply remuneration policies and practices that are consistent with, and promote, sound and effective risk management and that neither encourage risk taking which is inconsistent with the risk profiles, prospectuses, instruments of incorporation and deeds of constitution of the UCITS funds to which it has been appointed (the “Company”) nor impair compliance with the ACD’s duty to act in the best interests of the Company.

As the nature and range of the ACD’s activities, its internal organisation and operations are, in the Directors’ opinion, limited in their nature, scale and complexity, that is, to the business of a management company engaging in collective portfolio management of investments of capital raised from the public, this is reflected in the manner in which the ACD has addressed certain requirements regarding remuneration imposed upon it by the regulations.

The board of directors of the ACD (the “Board”) consists of four directors (each a Director). The ACD has no additional employees.

The ACD has delegated the performance of the investment and re-investment of the assets of the Company to Sarasin & Partners LLP (the “Investment Manager”).

As noted below, the ACD relies on the remuneration policies and procedures of each delegate to ensure that their remuneration structures promote a culture of investor protection and mitigate conflicts of interest.

The regulations provide that the remuneration policies and practices shall apply to those categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that falls within the remuneration bracket of senior management and risk takers whose professional activities have a material impact on the risk profiles of the Company.

It should be noted that the ACD has appointed the Board and has no additional employees. The ACD has also appointed the Investment Manager under an investment management agreement, which sets out the commercial terms under which the Investment Manager is appointed. Given that the ACD does not directly remunerate any individuals engaged in the performance of the investment management activity, and staff of the Investment Manager are not remunerated solely for their work in relation to services provided to the ACD, it is not possible to separately identify remuneration related to service provision specific to the ACD, and any allocation approach is considered, by the Board, not to provide meaningful disclosure.

Remuneration Disclosure (continued)

The four Directors are therefore considered to be those that have a material impact on the risk profile of the Company. Accordingly, the remuneration provisions of the regulations only affect the ACD with regard to the Board. Each Director is entitled to be paid a fixed director's fee based on an expected number of meetings and the work required to oversee the operations of the ACD, which is considered to be consistent with the powers, tasks, expertise and responsibility of the Directors. The fee payable to each Director is reviewed from time to time, based on the evolution of the ACD's activities.

The Directors do not receive performance based variable remuneration, therefore avoiding any potential conflicts of interest. In addition, three of the four Directors have waived the fees to which they would otherwise be entitled. No amounts were paid directly by the Company.

The total fixed and variable remuneration of the four Directors of the Board considered to comprise the entire staff of the ACD for the financial year ending 31 December 2018 is analysed below:

Fixed Remuneration	£10,000
Variable Remuneration	£0
Total	£10,000

Given the internal organisation of the ACD, and considering its size with the limited nature, scope and complexity of its activities, it is not considered proportionate for the ACD to set up a remuneration committee. The Board notes that the net assets of the Company and the legal structure of the ACD as a management company with a Board of Directors and no other employees are factors supporting the view that a remuneration committee would not be considered appropriate for the ACD.

The Board receives confirmation from the Investment Manager on an annual basis that there has been no material change to its remuneration policy, or if there has been a material change, receives details of those changes to the Board.

The Remuneration Policies of Sarasin Investment Funds Limited and Sarasin & Partners LLP are available at www.sarasinandpartners.com/important-information.

Manager's Report**The world economy**

The year 2018 started with much optimism over the state of the global economy. Global growth had picked up momentum in the second half of 2017, led by a synchronised upswing across Europe, the US and China. Thus, it came as a surprise to receive a string of disappointing data outcomes in the first few months of the year. If 2017 was characterized by economic synchronisation, 2018 was defined by regional idiosyncrasies.

In the US, the second longest expansion in the history of the US economy continued, supported by President Trump's Tax Cuts and Jobs Act. An increasingly tight labour market triggered concerns about rapidly rising wages, and in turn, a heightened rate of monetary tightening by the Federal Reserve. The Federal Reserve increased its hawkish rhetoric through the year referencing above target inflation and continued growth, before raising rates a fourth time in December. In the second half of the year, President Trump's rhetoric towards China, and billions of dollars' worth of tariffs on Chinese goods, harmed sentiment. This, combined with poor forward guidance from the Federal Reserve regarding the future path of quantitative tightening, caused many leading economic indicators to pivot downwards in forth quarter.

China continued to report a deceleration in economic growth. The government shifted towards a more decisive policy stimulus stance, as the government's financial deleveraging drive and weaker infrastructure investment took a hit on the economy. In addition to the domestic slowdown, the Chinese economy faced significant external headwinds. Lead by President Trump, the US was outspoken about China's intellectual property theft, unfair trade practices and cyber theft, raising issues with the WTO. In total, the US levied tariffs on \$250bn of Chinese goods, with threats of further increases. US rhetoric also brought international response, perhaps most significantly in the banning of HuaWei's 5G network from several developed economies.

The disappointment in first quarter was most pronounced in the euro area. A string of factors lead to lower first quarter GDP, with temporary factors said to be responsible including an unseasonably cold winter, labour strikes in France and a bad influenza season in Germany. The rebound in oil prices helped push consumer price inflation higher in the euro area, reaching 2.2% in the year to October. Recognising the underlying improvement in growth fundamentals and pickup in inflation, the European Central Bank voted to half the pace of its asset purchase programme to €15bn per month from September, before it concluded in December. Finally, the run into the new year was mired by strikes in France and new EU emissions testing procedures, causing further issues for large manufacturers.

Manager's Report (continued)

In the UK, the economy lost momentum in the first few months of the year. Snowstorms related to the Beast from the East, together with Brexit uncertainty held back consumer spending and investment. However, consumer spending buoyed by a good summer, led to stronger second quarter and third quarter data. This culminated in a second interest rate rise in August.

Global equities

Due to a proliferation of challenges faced in 2018, equities ended the year lower. The first quarter brought about a sharp sell-off in global equities triggered by a strong jobs growth and wage inflation report from the US. This provoked speculation about the likelihood of an accelerated trajectory for interest rates, but no sooner had markets recovered their poise that Trump's trade war agenda caused another spasm of anxiety. Whilst the steady withdrawal of central bank stimulus led by the US and Europe coupled with rising trade tensions continued to dominate sentiment, the second and third quarters generated positive returns with some of the more highly valued areas of the market such as US technology names proving to be the most resilient. In the final quarter, global equities were badly shaken due to a combination of factors. The most prominent of these was the poor forward guidance from the US Federal Reserve that spooked equity markets.

Overall, 2018 was a good lesson reminding investors that equity investing remains risky, in particular following almost a decade of supportive monetary policy leading virtually all major asset classes higher. This environment is now shifting in earnest, and investors should be reminded that the period of ultra-low volatility during 2017 marked the calmest equity market in more than a decade. While the sometimes violent market moves we observed during the year look extraordinary compared to the prior year, they are actually not too dissimilar from the norm.

Fixed income

UK gilt markets remained broadly rangebound, with the range on the 10-year yield moving up from 0.9-1.5% in 2017 to 1.15-1.75% in 2018 and ending the year marginally higher than it began at just below 1.3%. Total returns to the all-maturity gilt index were marginally positive at 0.5%. Gilts were on the back foot at the start of 2018, with the 10-year yield rising from 1.20% at the start of the year to a peak of close to 1.70% in mid-February as the synchronised global economic expansion that began in late 2016 appeared to continue. However, a sudden spike in equity market volatility and attendant underperformance, coupled with a synchronised deterioration of economic data in virtually all parts of the world outside the United States (which was buoyed by recent fiscal reforms and the announcement of a highly expansionary budget), caused gilt yields to retrace lower through the rest of H1. They then sold off in sympathy with US Treasuries in third quarter as the US Federal Reserve continued to hew to a policy of steady monetary policy contraction before finally rallying again in fourth quarter as Brexit anxiety intensified against a deteriorating global economic and financial market

environment.

After significant outperformance in 2017, sterling credit, particularly corporate, underperformed gilts in 2018, producing negative returns of the order of 1.5-2%. The underperformance was particularly pronounced in the latter part of first quarter, when spreads widened sharply after racing to multiyear tightness in the first few weeks of January. Once again, this was repeated in Q4 as risk markets globally came under severe pressure from the deteriorating growth and corporate earnings outlook, exacerbated by rising trade tensions between the US and China, and the perceived indifference of Federal Reserve policy thereto.

Currencies

Strong economic outcomes in the US and hawkish expectations for the Federal Reserve drove the trade-weighted US dollar to bounce strongly against its major trading partners in the first half of the year, after reaching a trough in February 2018. However, renewed strength in the dollar caused turmoil in the more vulnerable emerging markets, with Argentina raising rates sharply to help support the collapsing peso, and the Turkish lira plunged to record lows. The Euro weakened throughout the year, as one-off events like poor weather and labour strikes drove weaker economic outcomes, and in turn caused the prospects of an earlier withdrawal of monetary stimulus to diminish. Brexit uncertainty continued to drive cable, with the exchange rate strengthening to reach a post-Brexit high of \$1.43 in April before depreciating back to \$1.25-\$1.27 in December.

Guy Monson
Chief Investment Officer
Sarasin & Partners LLP
February 2019

All opinions and estimates contained in this report constitute the Company's judgement and view as of the date of the report and are subject to change without notice.

Fund Details

For the year ended 31 December 2018

		Sarasin Fund of Funds - Global Strategic Growth	Sarasin Fund of Funds - Global Diversified Growth	Sarasin Fund of Funds - Global Growth	Sarasin Fund of Funds - Global Equity
Launch Date		7 Jun 12	10 Dec 14	10 Dec 14	7 Jun 12
Annual Charges per share class	A Class	1.50%	1.50%	1.50%	1.50%
	D Class	0.50%	0.50%	0.50%	0.50%
	F Class	1.00%	1.00%	1.00%	1.00%
	I Class	0.75%	0.75%	0.75%	0.75%
	J Class	0.40%	0.40%	0.40%	0.40%
	P Class	0.50%	0.50%	0.50%	0.50%
	X Class	1.00%	1.00%	1.00%	1.00%
Fixed Rate Operating Charge per share class	A Class	0.23%	0.23%	0.23%	0.23%
	D Class	0.15%	0.15%	0.15%	0.15%
	F Class	0.23%	0.23%	0.23%	0.23%
	I Class	0.15%	0.15%	0.15%	0.15%
	J Class	0.15%	0.15%	0.15%	0.15%
	P Class	0.23%	0.23%	0.23%	0.23%
	X Class	0.23%	0.23%	0.23%	0.23%
Initial Charge per share class	A Class	0.00%	0.00%	0.00%	0.00%
	D Class	N/A	N/A	0.00%	0.00%
	F Class	N/A	N/A	N/A	0.00%
	I Class	0.00%	0.00%	0.00%	0.00%
	J Class	N/A	N/A	N/A	N/A
	P Class	0.00%	0.00%	0.00%	0.00%
	X Class	0.00%	0.00%	0.00%	0.00%
Share Types		Inc and Acc	Inc and Acc	Inc and Acc	Inc and Acc
Minimum Initial Investment	A Class	£1,000	£1,000	£1,000	£1,000
	D Class	£5,000,000	£5,000,000	£5,000,000	£5,000,000
	F Class	£1,000	£1,000	£1,000	£1,000
	I Class	£1,000,000	£1,000,000	£1,000,000	£1,000,000
	J Class	£10,000,000	£10,000,000	£10,000,000	£10,000,000
	P Class	£1,000	£1,000	£1,000	£1,000
	X Class	£1,000	£1,000	£1,000	£1,000
Minimum Monthly Savings Plan	A Class	£100	£100	£100	£100
	D Class	None	None	None	None
	I Class	None	None	None	None
	J Class	None	None	None	None
	P Class	None	None	None	None
	X Class	None	None	None	None

Fund Details (continued)

	Sarasin Fund of Funds - Global Strategic Growth	Sarasin Fund of Funds - Global Diversified Growth	Sarasin Fund of Funds - Global Growth	Sarasin Fund of Funds - Global Equity
ISA	Yes	Yes	Yes	Yes
Annual financial statements	31 Dec	31 Dec	31 Dec	31 Dec
Interim financial statements	30 Jun	30 Jun	30 Jun	30 Jun
Annual Distribution	28 Feb	28 Feb	28 Feb	28 Feb
Interim Distribution	31 Aug	31 Aug	31 Aug	31 Aug

Certification of Accounts by Directors

On 29 March 2019 the UK is due to leave the EU, an event commonly referred to as Brexit. At the date of this report, discussions remain ongoing between the UK and Europe as to the precise nature of the future relationship. It is unclear at this stage whether a constructive deal will be reached, the Brexit date be postponed or that the UK will leave under a no deal scenario. In the event of a no deal scenario, UK domiciled UCITS such as this Company will under EU law become non-EU AIFs and Europe-wide distribution rights under the passporting regime would cease. The Directors of the ACD do not believe that Brexit under any of these scenarios will present significant issues that cannot be mitigated; sub-fund shareholders are predominantly UK based whilst core counterparties of, and service providers to, the Company have contingent arrangements available as necessary to ensure that activities can continue with minimal disruption.

Having considered relevant factors, including Brexit scenarios (see above), the Directors of the ACD are of the opinion that it is appropriate to continue to adopt the going concern basis in the preparation of the Financial Statements as the assets of the Fund consist predominantly of securities that are readily realisable, and accordingly, the Fund has adequate resources to continue in operational existence for the foreseeable future.

In accordance with the requirements of the COLL 4.5.8BR, we hereby certify the Annual Report and audited Financial Statements on behalf of the Authorised Corporate Director, Sarasin Investment Funds Limited.

C. Bell
Director
4 April 2019

S.A.M. Jeffries
Director
4 April 2019

Statement of the Authorised Corporate Director's Responsibilities

The Authorised Corporate Director is responsible for preparing the annual report and the financial statements in accordance with the Open-Ended Investment Companies Regulations 2001 (the "OEIC Regulations"), the Financial Conduct Services Authority's Collective Investment Schemes' Sourcebook ("COLL") and the Company's Instrument of Incorporation. The rules of the Financial Conduct Authority's Collective Investment Schemes Sourcebook requires the Authorised Corporate Director to prepare financial statements for each annual accounting year which give a true and fair view of the financial affairs of the Company and each of its sub-funds, of its net gains or losses and of its revenue or expenditure for the year and to comply with the United Kingdom Generally Accepted Accounting Practice (UK GAAP) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice (SORP) issued by the Investment Association in May 2014.

In preparing those financial statements, the Authorised Corporate Director is required to:

- Comply with the Prospectus and applicable UK accounting standards, subject to any material departure which are required to be disclosed and explained in the financial statements;
- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation for the foreseeable future.

The ACD is responsible for keeping proper accounting records which disclose with the reasonable accuracy at any time the financial position of the Company. The ACD is also responsible for the system of internal controls, for safeguarding the assets, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of an ACD report which complies with the requirements of the Company's Instrument of Incorporation, Prospectus, and COLL. In accordance with COLL 4.5.8BR, the Annual Report and the audited financial statements were approved by the board of directors of the ACD of the Company and authorised for issue on 4 April 2019.

Statement of the Depositary's Responsibilities

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the OEIC Regulations), as amended, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Company's Instrument of Incorporation and Prospectus (together "the Scheme Documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently, and in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption, and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares of the Company are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager (the "AFM") are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Company is managed in accordance with the Regulations and the Scheme documents in relation to the investment and borrowing powers applicable to the Company.

**Report of the Depositary to the Shareholders
of Sarasin Fund of Funds OEIC (the
"Company") for the year ended 31 December
2018**

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the AFM:

- (i) has carried out the issue, sale, redemption, cancellation, and calculation of the price of the Company's shares, and the application of the Company's income in accordance with the Regulations and the Scheme documents of the Company, and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

NatWest Trustee and Depositary Services Limited
Trustee & Depositary Services
Edinburgh
4 April 2019

**Independent Auditor's Report to the
Shareholders of Sarasin Fund of Funds OEIC
for the year ended 31 December 2018**

Report on the audit of the financial statements

Opinion

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Sarasin Fund of Funds OEIC ("the Company") and the sub-funds as at 31 December 2018 and of the net revenue/expense and the net capital losses on the property of the sub-funds for the year ended 31 December 2018; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Statement of Recommended Practice "Financial Statements of UK Authorised Funds", the rules in the Collective Investment Schemes Sourcebook, and the Instrument of Incorporation.

We have audited the financial statements of the Company which comprise for each sub-fund:

- the Statement of Total Return;
- the Statement of Changes in Net Assets Attributable to Shareholders;
- the Balance Sheet;
- the related consolidated and individual notes 1 to 18; and
- the distribution tables.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice: "Financial Statements of UK Authorised Funds" issued by the Investment Association in May 2014, the Collective Investment Schemes Sourcebook, and the Instrument of Incorporation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the Authorised Corporate Director's (ACD's) use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the ACD has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The ACD is responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of Depositary and ACD

As explained more fully in the Statement of Depositary's Responsibilities and the Statement of ACD's Responsibilities, the Depositary is responsible for safeguarding the property of the Company and the ACD is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the ACD determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the ACD is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the ACD either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Collective Investment Schemes Sourcebook

In our opinion:

- proper accounting records for the Company and the sub-fund have been kept and the financial statements are in agreement with those records;
- we have received all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit; and
- the information disclosed in the Annual Report for the year ended 31 December 2018 for the purpose of complying with Paragraph 4.5.9R of the Collective Investment Schemes Sourcebook is consistent with the financial statements.

Use of our report

This report is made solely to the Company's Shareholders, as a body, in accordance with Paragraph 4.5.12R of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority. Our audit work has been undertaken so that we might state to the Company's Shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte LLP
Statutory Auditor
Edinburgh, United Kingdom
4 April 2019

Notes to the Financial Statements

For the year ended 31 December 2018

1. Accounting Policies

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice (SORP) for UK Authorised Funds issued by the Investment Association in May 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

The ACD is confident that the Company will continue in operation for at least the next twelve months from the approval of these financial statements. The Company has adequate financial resources and its assets consist of securities which are readily realisable. As such, the financial statements have been prepared on the going concern basis.

(b) Functional and presentation currency

The functional and presentation currency of each sub-fund is Pounds Sterling.

(c) Valuation of investments

Quoted investments have been valued at bid-market value as at close of business on the last working day of the accounting year, net of any accrued interest which is included in the balance sheet as revenue. Collective Investment Schemes are valued at their bid value for dual priced funds, or the quoted price for single priced funds. The valuation of unlisted investments is based on the ACD's assessment of their estimated realisable value. Suspended securities are valued initially at the suspended price but are subject to regular review. Structured plans are valued at the latest price from the product provider and verified by the ACD weekly.

(d) Foreign Exchange

Where applicable, transactions during the year have been translated into sterling at the rate of exchange ruling at the date of transaction. Revenue received in currency has been translated into sterling at the rates of exchange ruling on the date of receipt by the Depositary. Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the year end.

(e) Revenue

Dividends on equities and distributions from Collective Investment Schemes are recognised when quoted ex-dividend or ex-distribution, respectively (see also Notes 2 (d), (e), and (f)). Other revenue is accounted for on a receipts basis.

(f) Derivative financial instruments

For returns on an option, which has the immediate effect of generating a material capital loss, for instance it is written materially "in the money", then all returns including premiums received, would be regarded as capital in nature. However, if there is no immediate capital loss generated or an immaterial capital loss is generated due to market timing, and not as a direct result of attempting to manufacture income at the expense of capital, the premium received is treated as revenue notwithstanding that any future losses may be treated as capital.

(g) Expense

All expenses other than those relating to the purchase and sale of investments are charged against revenue for UK Corporation tax purposes, on an accruals basis (see also Note 2 (g)).

Operating and administrative costs and expenses incurred by the Company may be paid out of the scheme property. In order to protect the Shareholders from fluctuations in these expenses the ACD has agreed to fix the total amount of these expenses in respect of the sub-funds. This is referred to as the "fixed rate operating charge", this charge will be calculated and accrued daily and deducted monthly in arrears from the sub-funds.

(h) Management fee rebates

Rebates received on underlying funds' management fees are accounted for on an accruals basis and are subsequently attributed to the Company's revenue or capital consistent with the fee structure of the underlying fund.

(i) Taxation

Corporation tax is provided at the rate of 20% of taxable revenue after the deduction of allowable expenses. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in the right to pay less tax or receive a higher tax credit in the future. Deferred tax assets are recognised only to the extent that the ACD considers that it will be more likely than not that there will be taxable profits from which underlying timing differences can be deducted.

Notes to the Financial Statements (continued)**1. Accounting Policies (continued)****(j) Single swing price adjustment**

In certain circumstances, the ACD may charge a dilution adjustment on the sale or repurchase of shares. The adjustment, which is paid into the relevant sub-fund, is intended to cover the net inflows into the sub-fund or net outflows from the sub-fund, so that the price of a share is above or below that which would have resulted from a mid-market valuation. The charging of a dilution adjustment may reduce the redemption price or increase the purchase price of shares. The dilution adjustment for each sub-fund will be calculated by reference to the costs of dealing in the underlying investments of that sub-fund, including any dealing spreads, commissions, and transfer taxes payable on purchases of underlying securities.

(k) Investment Gains and Losses

Gains and losses, including exchange differences, on the realisation of investments and increases and decreases in the valuation of investments held at the balance sheet date, including unrealised exchanged differences, are treated as capital.

(l) Valuation Techniques*Valuation techniques using observable market data*

Valuation techniques should maximise the use of observable market data, such as publicly available information about actual events or transactions, and minimise the use of non-observable data. Observable market data should be observable for substantially the full term of the instrument. Typically this category will include over the-counter instruments (OTCs), instruments priced via multi-broker quotes or evaluated pricing techniques, exchange-traded instruments where the market is persistently not active and instruments subject fair value pricing adjustments made by reference to observable market data. Examples include OTC derivatives, debt securities, convertible bonds, mortgage-backed securities, asset-backed securities and less frequently traded open-ended funds.

For Sarasin Funds, there are corporate bonds which fall in to this category as despite quoted prices being available, trading can be sporadic and there are often significant lengths of time between traded arm's length transactions.

Valuation techniques using non-observable data

Non-observable entity specific data is only used where relevant observable market data is not available. Typically this category will include single broker-priced instruments, suspended/unquoted securities, private equity, unlisted close-ended funds and open-ended funds with restrictions on redemption rights.

Where assets are subject to administration or orderly realisation processes, the ACD may adjust the price to reflect what he considers a more realistic value in the circumstances. The rationale and pricing method is agreed with the Depositary and monitored frequently.

2. Distribution Policies**(a) Basis of distribution**

Revenue produced by the sub-funds' investments accumulates during each accounting year. In order to conduct a controlled distribution flow to shareholders, interim distributions may be made at the ACD's discretion, up to a maximum of the distributable revenue available for the year. If at the end of the accounting year any share class within a sub-fund is in deficit, then funds will be transferred to cover the shortfall from capital.

(b) Unclaimed distributions

All distributions unclaimed for a period of six years after having become due for payment shall be forfeited and shall revert to the capital of the sub-fund.

(c) Apportionment to multiple share classes

With the exception of the ACD's periodic charge, which is directly attributable to individual share classes, all revenue and expenses are apportioned to the sub-fund's share classes pro rata to the value of the net assets of the relevant share class on the day the revenue or expense is recognised.

(d) Stock dividends

Ordinary scrip dividends are recognised as revenue, based on the market value of the shares on the date they are quoted ex-dividend and included in the amount available for distribution. For enhanced stock dividends, the amount of enhancement is treated as capital.

(e) Special dividends and share buy-backs

Special dividends and proceeds from share buy-backs are reviewed on a case by case basis in determining whether the amount is revenue or capital in nature. Where there is evidence to treat all or some of such receipts as revenue, such amounts are recognised as dividend revenue of the sub-fund. Any tax treatment would follow the accounting treatment of the principal amount.

Notes to the Financial Statements (continued)

2. Distribution Policies (continued)

(f) Distributions from collective investment schemes

The first distribution received from investments in collective investment schemes may include an element of equalisation, which represents the average amount of revenue included in the price of units/shares. This equalisation is treated as a return of capital and is not available for distribution.

(g) Expenses

All expenses other than those relating to the purchase and sale of investments are charged against revenue, on an accruals basis. However, in determining the amount available for distribution, all expenses are transferred to capital. This has been decided by the ACD where the sub-fund seeks to distribute income to holders of income shares, to the extent that it is available, as well as achieving its stated objective of achieving long-term capital growth.

(h) Equalisation

Equalisation is accrued revenue included in the price of shares purchased during an accounting year, which, after using monthly groupings to average, is refunded as part of a shareholder's first distribution. As a capital repayment, it is not liable to income tax, but must be deducted from the cost of shares for capital gains tax purposes.

(i) Tax effect of fees offset to capital

Tax effect of fees offset to capital is applied and transferred between the revenue and capital property of the sub-funds.

3. Risk Management Policies

In pursuing each sub-fund's investment objective, the ACD accepts market risk (comprising foreign currency risk, interest rate risk and other price risk) and derivative risk, and in operating each sub-fund accepts liquidity risk and credit risk.

Foreign currency risk is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in foreign currency exchange rates. Each sub-fund's investment portfolio may be invested in overseas securities and the balance sheet can be affected by movements in foreign exchange rates. The ACD may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the sterling value of investments that are priced in other currencies. Revenue received in other currencies is converted to sterling on or near the date of receipt.

Interest rate risk is the risk that the value of a sub-fund's investment holdings will fluctuate as a result of actual or anticipated changes in interest rates. The ACD considers the credit rating, yield and maturity of each debt security, to ensure the yield reflects any perceived risk. The value of such debt securities may also be affected by changes in credit rating or default by the underlying issuer.

Market risk is the risk that the value of a sub-fund's investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate movements or exchange rate movements. Other price risk arises mainly from uncertainty about the future prices of the financial instruments that each sub-fund holds. It represents the potential loss a sub-fund might suffer through holding market positions in the face of price movements. Each sub-fund's investment portfolio is exposed to market price fluctuations which are monitored by the ACD in pursuance of the investment objective and policy as set out in the Instrument of Incorporation. Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation and in the Rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority mitigates the risk of excessive exposure to any particular type of security or issuer.

Derivatives comprise of forward foreign currency contracts, futures, swaps, and option contracts. Forward foreign currency contracts are used to manage currency risk arising from investing in overseas securities. Open positions at the balance sheet date, which are all covered, are included in the Investment Assets/(Liabilities) as applicable. Gains/(losses) on forward foreign exchange transactions are taken to capital. Futures contracts are used to reduce the risks associated with the market risk of the equity portfolio and to align the sub-fund's exposure to market movements with that of the sub-fund's benchmark. The value of these investments may fluctuate significantly. By holding these types of investments, there is a risk of capital depreciation in relation to certain fund assets.

Liquidity risk is the risk that a sub-fund may not be able to settle its financial obligations or that in order to do so, is forced to sell investments or close positions on unfavourable terms. The sub-funds' main liability is the redemption of any shares that investors wish to sell. Assets of a sub-fund may need to be sold if insufficient cash is available to finance such redemptions.

Credit risk is the risk that a sub-fund will suffer a financial loss as a result of a counterparty failing to discharge an obligation. The sub-funds only buy and sell investments through brokers which have been approved by the ACD as an acceptable counterparty. In addition, limits are set to the exposure to any individual broker that may exist at any time and changes in brokers' financial ratings are reviewed. Bonds or other debt securities involve credit risk to the issuer which may be evidenced by the issuer's credit rating. Securities which are subordinated and/or have a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than more highly rated securities. This risk is managed by appraising the credit profile of financial instruments and issuers in line with the sub fund's investment objective and policy.

Notes to the Financial Statements (continued)

3. Risk Management Policies (continued)

Counterparty risk is a risk arising from derivative transactions entered into by the sub-funds uses the positive mark-to-market value of the derivative with the relevant counterparty. The exposure may be reduced through the receipt of collateral. Sub-funds with exposure to counterparties through derivative positions and the collateral held at the balance sheet date can be seen in the Notes to the Financial Statements, Risk Disclosure, Counterparty Risk note of the sub-fund.

Investment Objective and Policy

The sub-fund's investment objective is to seek to achieve long term capital growth from a portfolio of diversified assets.

The sub-fund aims to achieve its objective by investing in shares and units of other collective investment schemes (including but not limited to exchange traded funds). The underlying funds may invest in transferable securities, fixed interest securities, money market instruments, derivatives, and cash and near cash. Generally, 40% of the sub-fund's assets will be in collective investment schemes that predominantly invest in international stocks, although the sub-fund has the flexibility to invest in such collective investment schemes to a greater or lesser degree when deemed appropriate.

The sub-fund may also invest directly in transferable securities, money market instruments, cash and near cash and deposits.

The sub-fund may borrow and enter into stock lending and underwriting arrangements, and may employ derivatives for efficient portfolio management purposes including hedging.

Sensitivity Analysis

The sub-fund invests in third party equity and bond funds. Exposure to foreign currencies can be altered through the use of forwards and occasionally options. The level of equity exposure varies over time depending on how positive the manager is; generally, the level will be in the range of 35-45% (sub-fund adjusted from 50% equity neutral to 40% equity neutral in December 2014).

The Value at Risk (VaR) is independently calculated by StatPro Risk who evaluates the volatility and correlation of the sub-fund's holdings over a period of 2 years. StatPro calculate historical price variations of each asset on a daily basis over this period using a historical simulation methodology with full repricing.

The VaR statistic adopted for Sarasin funds is the "99% / 20-day VaR" model. To calculate this figure, StatPro rank the distribution and then calculate the VaR figure based on the 99th percentile.

The "99% / 20-day VaR" for Fund of Funds - Global Strategic Growth, as at 31 December 2018, was 3.20% (31 December 2017: 3.12%). The lowest, highest, and average utilisation in the year was 2.39%, 3.21%, and 2.65%, respectively (31 December 2017: 2.92%, 3.88%, and 3.57%, respectively).

Investment Review

Due to a proliferation of challenges faced in 2018, almost all markets – equities and corporate bonds – finished down for the year. The first quarter brought about a sharp sell-off in global equities, triggered by a strong jobs growth and wage inflation report from the USA. This provoked speculation about the likelihood of an accelerated trajectory for interest rates – but as soon as markets recovered their poise, Trump's trade war agenda caused another spasm of anxiety.

The steady withdrawal of Central Bank stimulus and rising trade tensions continued to dominate sentiment as the year progressed. Then, in the final quarter, global equities were badly shaken due to a combination of factors. The most prominent of these was poor forward guidance from the US Federal Reserve that spooked both equity and corporate debt markets, which was especially significant given that US equities had been the main driver of returns prior to this. After a tough three quarters of 2018, fixed income had a better final quarter as investors reduced risk exposure.

As we head into 2019, we have maintained small underweight positions in fixed income and equity versus an overweight to alternatives.

Performance

Over the course of the year, the sub-fund underperformed the benchmark by 4.1%. This was mainly as a result of Coronation Emerging Markets 'P' Accumulation and OYSTER Continental European Selection 'I M' GBP Income.

Some of the best relative performers over 2018 were alternatives, including SQN Asset Finance Income 'C' and International Public Partnerships. Oakley Capital was also a notable performer, particularly in the first half of the year. This followed positive results as well as two realisations, such as the sale of Verivox at 2.5x the initial purchase price. Good contributions also came from Sequoia Economic Infrastructure Income and Civitas Social Housing.

Many of our US equity holdings stood out too, with positive relative contributions coming from Edgewood L Select US Select Growth 'I Z' USD Accumulation, Brown Advisory US Mid-Cap Growth 'I Z' USD Accumulation and Fidelity Investment American Special Situations 'W' Accumulation. In the final quarter, uncorrelated strategies such as Jupiter Absolute Return 'I' Accumulation and BMO Global Equity Market Neutral delivered good outperformance amid the market turbulence.

Within fixed income, our UK Gilt holdings made strong positive relative contributions. These funds performed particularly well in the fourth quarter, as investors looked for safe havens given the turmoil in equity markets.

Investment Review (continued)

On the negative side, the biggest relative detractor was OYSTER Continental European Selection 'I M' GBP Income. The manager's quality style and value focus did not play out over the course of the year. Some of our Emerging Markets holdings performed poorly too, including Coronation Global Emerging Markets 'P' Accumulation. TT International Emerging Markets Equity 'H' GBP Accumulation also underperformed, but had a good final quarter delivering above index returns. Banor North American Long Short Equity 'S' EUR Accumulation and Fulcrum Multi Asset Trend 'C' GBP Income also hurt performance in 2018.

Changes and adjustments

In terms of changes to the sub-fund over the year, we rotated our UK allocation into Aurora Investment Trust in February. The management of this trust was taken over by Phoenix Asset Management in January 2016. The team at Phoenix conduct intensive primary research into businesses leading to insights that at times gives them an informational edge over and above the average market participant. They are a great example of the type of investors we look for in terms of culture and approach.

In the second quarter, we rotated out of Baillie Gifford Strategic Bond 'B' Income to fund our position in Neuberger Berman Emerging Markets Debt Blend. Following a strong run, we took profits on some of our alternative funds in the third quarter, namely SQN Asset Finance Income, Sequoia Economic Infrastructure Income and Civitas Social Housing. In the fourth quarter, we redeemed from Kames Sterling Corporate Bond Fund 'B' Income and GAM Multistock Euroland Value Equity 'Ra' GBP on structural changes at Kames and GAM.

Outlook

It should be noted that Sarasin Fund of Funds – Global Strategic Growth was merged into Sarasin Fund of Funds - Global Diversified Growth on 15 February 2019 having been approved by shareholders on 13 February 2019.

Given the denouement of quantitative easing and that we are almost ten years into the recovery cycle, it is reasonable to expect that volatility in markets will continue. The stimulus of US tax cuts and public spending is likely to evaporate and it is difficult to gauge whether the trade tensions between China and the US will intensify or ease in 2019. Hitherto, developing economies have been particular beneficiaries of free trade and the uncertainties have reduced the pace of investment. All the same, these nations could account for two-thirds of global GDP growth over the next decade, as they adopt new technology across multiple industries.

The 2018 final quarter rally in core bond markets – i.e. US Treasuries, German Bunds and UK Gilts – reminded us that bonds as an asset class still have a role to play in portfolios if you want to limit volatility. Nevertheless, bonds are likely to be an impediment to overall returns while there is insufficient income to compensate for capital loss. We still expect to add most value from equities and hold the view that the outlook remains fair for good-quality companies operating in the right areas of the global economy, despite the challenges ahead. Although the US Federal Reserve has persisted in tightening monetary policy, we believe that it can now afford to be patient with inflation relatively quiescent. However, we remain extremely vigilant in assessing whether US wage growth is going to run ahead of expectations.

Against this backdrop, we believe maintaining valuation discipline should create a margin of safety to support performance in times of market deterioration, while ensuring we participate in any upside during more positive periods.

Guy Monson
Chief Investment Officer
Sarasin & Partners LLP
30 January 2019

All opinions and estimates contained in this report constitute the Company's judgement and view as of the date of the report and are subject to change without notice.

Top 10 purchases during the year

iShares FTSE UK Gilt All Stocks
iShares Core GBP Corp Bond
SPDR Barclays UK Gilt
Aurora Investment Trust
SQN Asset Finance Income 'C'
iShares Euro Total Market Value Large
Neuberger Berman Emerging Market Debt Blend
SQN Asset Finance Income
International Public Partnerships
TT International Emerging Markets Equity 'H' GBP Accumulation

Top 10 sales during the year

Kames Sterling Corporate Bond 'B' Income
Muzinich Global Tactical Credit Income
SQN Asset Finance Income
Sequoia Economic Infrastructure Income
F&C True Styles Global Equity Market Neutral
SPDR Barclays UK Gilt
Schroder Recovery 'Z' Accumulation
iShares FTSE UK Gilt All Stocks
International Public Partnerships
SPDR S&P 500

Sub-fund Information

For the year ended 31 December 2018

The Comparative Tables on pages 20 to 28 give the performance of each active share class in the sub-fund.

The 'Return after charges' disclosed in the Comparative Tables is calculated as the return after operating charges per share divided by the opening net asset value per share. It differs from the sub-fund's performance disclosed in the ACD's report, which is calculated based on the latest published price.

Portfolio transaction costs are incurred when investments are bought or sold by a fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the sub-fund.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades.

In addition, there are indirect portfolio transaction costs arising from the 'dealing spread' – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by the fund on each transaction, other types of investments (such as bonds, money instruments, derivatives, collective investment schemes) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and money market sentiment.

SARASIN Fund of Funds - Global Strategic Growth

Sub-fund Information (continued)

Comparative Tables

Global Strategic Growth 'A' Income Shares

	2018 ¹ (pence per share)	2017 (pence per share)	2016 (pence per share)
Change in Net Asset Value per Share			
Opening net asset value per share	137.30	132.10	121.76
Return before operating charges*	(1.29)	10.77	15.58
Operating charges	(2.49)	(3.14)	(2.84)
Return after operating charges*	(3.78)	7.63	12.74
Distributions on income shares	(1.22)	(2.43)	(2.40)
Last quoted share price	132.30	—	—
Closing net asset value per share	—	137.30	132.10
* after direct transaction costs of ² :	(0.01)	0.03	0.01
Performance			
Return after charges ³	(2.75)%	5.78%	10.46%
Other Information			
Closing net asset value (£'000)	—	1	1
Closing number of shares	—	1,000	1,000
Operating charges ⁴	2.24%	2.31%	2.26%
Direct transaction costs	—%	0.02%	0.01%
Prices			
Highest share price	139.40p	138.60p	133.70p
Lowest share price	131.00p	132.30p	115.20p

¹Share class closed on 5 November 2018.

²Direct transaction costs are stated after deducting the proportion of the amounts collected from single swing price adjustment that relate to direct transaction costs. A negative transaction cost figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

³The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

⁴Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. For Sarasin Fund of Funds - Global Strategic Growth, 0.49% of the Operating Charges was made up of synthetic costs.

SARASIN Fund of Funds - Global Strategic Growth

Sub-fund Information (continued)

Comparative Tables (continued)

Global Strategic Growth 'A' Accumulation Shares

	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
Change in Net Asset Value per Share			
Opening net asset value per share	148.86	140.63	127.51
Return before operating charges*	(6.15)	11.59	16.09
Operating charges	(3.29)	(3.36)	(2.97)
Return after operating charges*	(9.44)	8.23	13.12
Distributions	(2.35)	(2.61)	(2.47)
Retained distributions on accumulation shares	2.35	2.61	2.47
Closing net asset value per share	139.42	148.86	140.63
* after direct transaction costs of ¹ :	(0.01)	0.03	0.01
Performance			
Return after charges ²	(6.34)%	5.85%	10.29%
Other Information			
Closing net asset value (£'000)	896	1,140	1,196
Closing number of shares	642,567	765,781	850,350
Operating charges ³	2.24%	2.31%	2.26%
Direct transaction costs	(0.01)%	0.02%	0.01%
Prices			
Highest share price	151.20p	149.10p	140.90p
Lowest share price	138.30p	140.80p	120.40p

¹Direct transaction costs are stated after deducting the proportion of the amounts collected from single swing price adjustment that relate to direct transaction costs. A negative transaction cost figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

²The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. For Sarasin Fund of Funds - Global Strategic Growth, 0.49% of the Operating Charges was made up of synthetic costs.

Sub-fund Information (continued)
Comparative Tables (continued)
Global Strategic Growth 'D' Income Shares

	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
Change in Net Asset Value per Share			
Opening net asset value per share	144.89	137.84	125.77
Return before operating charges*	(5.98)	11.36	16.04
Operating charges	(1.66)	(1.75)	(1.53)
Return after operating charges*	(7.64)	9.61	14.51
Distributions on income shares	(2.29)	(2.56)	(2.44)
Closing net asset value per share	134.96	144.89	137.84
* after direct transaction costs of ¹ :	(0.01)	0.03	0.01
Performance			
Return after charges ²	(5.27)%	6.97%	11.53%
Other Information			
Closing net asset value (£'000)	519	648	665
Closing number of shares	384,209	447,029	482,762
Operating charges ³	1.16%	1.23%	1.18%
Direct transaction costs	(0.01)%	0.02%	0.01%
Prices			
Highest share price	147.20p	146.30p	139.40p
Lowest share price	134.90p	138.00p	119.10p

¹Direct transaction costs are stated after deducting the proportion of the amounts collected from single swing price adjustment that relate to direct transaction costs. A negative transaction cost figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

²The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. For Sarasin Fund of Funds - Global Strategic Growth, 0.49% of the Operating Charges was made up of synthetic costs.

Sub-fund Information (continued)
Comparative Tables (continued)
Global Strategic Growth 'I' Income Shares

	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
Change in Net Asset Value per Share			
Opening net asset value per share	143.45	136.78	125.15
Return before operating charges*	(5.87)	11.31	15.89
Operating charges	(2.00)	(2.10)	(1.83)
Return after operating charges*	(7.87)	9.21	14.06
Distributions on income shares	(2.27)	(2.54)	(2.43)
Closing net asset value per share	133.31	143.45	136.78
* after direct transaction costs of ¹ :	(0.01)	0.03	0.01
Performance			
Return after charges ²	(5.49)%	6.73%	11.24%
Other Information			
Closing net asset value (£'000)	229	259	174
Closing number of shares	171,623	180,270	127,258
Operating charges ³	1.41%	1.48%	1.43%
Direct transaction costs	(0.01)%	0.02%	0.01%
Prices			
Highest share price	145.70p	144.80p	138.30p
Lowest share price	133.20p	137.00p	118.50p

¹Direct transaction costs are stated after deducting the proportion of the amounts collected from single swing price adjustment that relate to direct transaction costs. A negative transaction cost figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

²The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. For Sarasin Fund of Funds - Global Strategic Growth, 0.49% of the Operating Charges was made up of synthetic costs.

SARASIN Fund of Funds - Global Strategic Growth

Sub-fund Information (continued)

Comparative Tables (continued)

Global Strategic Growth 'I' Accumulation Shares

	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
Change in Net Asset Value per Share			
Opening net asset value per share	155.94	146.09	131.35
Return before operating charges*	(6.53)	12.10	16.69
Operating charges	(2.18)	(2.25)	(1.95)
Return after operating charges*	(8.71)	9.85	14.74
Distributions	(2.48)	(2.72)	(2.54)
Retained distributions on accumulation shares	2.48	2.72	2.54
Closing net asset value per share	147.23	155.94	146.09
* after direct transaction costs of ¹ :	(0.01)	0.04	0.01
Performance			
Return after charges ²	(5.59)%	6.74%	11.22%
Other Information			
Closing net asset value (£'000)	357	1,618	1,532
Closing number of shares	242,808	1,037,561	1,048,838
Operating charges ³	1.41%	1.48%	1.43%
Direct transaction costs	(0.01)%	0.02%	0.01%
Prices			
Highest share price	158.40p	156.10p	146.40p
Lowest share price	146.10p	146.30p	124.20p

¹Direct transaction costs are stated after deducting the proportion of the amounts collected from single swing price adjustment that relate to direct transaction costs. A negative transaction cost figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

²The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. For Sarasin Fund of Funds - Global Strategic Growth, 0.49% of the Operating Charges was made up of synthetic costs.

SARASIN Fund of Funds - Global Strategic Growth

Sub-fund Information (continued)

Comparative Tables (continued)

Global Strategic Growth 'P' Income Shares

	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
Change in Net Asset Value per Share			
Opening net asset value per share	144.76	137.85	125.86
Return before operating charges*	(5.94)	11.33	16.06
Operating charges	(1.77)	(1.86)	(1.63)
Return after operating charges*	(7.71)	9.47	14.43
Distributions on income shares	(2.28)	(2.56)	(2.44)
Closing net asset value per share	134.77	144.76	137.85
* after direct transaction costs of ¹ :	(0.01)	0.03	0.01
Performance			
Return after charges ²	(5.33)%	6.87%	11.46%
Other Information			
Closing net asset value (£'000)	43	27	38
Closing number of shares	32,243	18,435	27,241
Operating charges ³	1.24%	1.31%	1.26%
Direct transaction costs	(0.01)%	0.02%	0.01%
Prices			
Highest share price	147.10p	146.10p	139.40p
Lowest share price	134.70p	138.00p	119.20p

¹Direct transaction costs are stated after deducting the proportion of the amounts collected from single swing price adjustment that relate to direct transaction costs. A negative transaction cost figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

²The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. For Sarasin Fund of Funds - Global Strategic Growth, 0.49% of the Operating Charges was made up of synthetic costs.

SARASIN Fund of Funds - Global Strategic Growth

Sub-fund Information (continued)

Comparative Tables (continued)

Global Strategic Growth 'P' Accumulation Shares

	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
Change in Net Asset Value per Share			
Opening net asset value per share	156.78	146.62	131.62
Return before operating charges*	(6.48)	12.16	16.72
Operating charges	(1.93)	(2.00)	(1.72)
Return after operating charges*	(8.41)	10.16	15.00
Distributions	(2.49)	(2.73)	(2.56)
Retained distributions on accumulation shares	2.49	2.73	2.56
Closing net asset value per share	148.37	156.78	146.62
* after direct transaction costs of ¹ :	(0.01)	0.04	0.01
Performance			
Return after charges ²	(5.36)%	6.93%	11.39%
Other Information			
Closing net asset value (£'000)	1,024	611	431
Closing number of shares	690,500	390,073	293,864
Operating charges ³	1.24%	1.31%	1.26%
Direct transaction costs	(0.01)%	0.02%	0.01%
Prices			
Highest share price	159.40p	157.00p	146.90p
Lowest share price	147.20p	146.80p	124.40p

¹Direct transaction costs are stated after deducting the proportion of the amounts collected from single swing price adjustment that relate to direct transaction costs. A negative transaction cost figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

²The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. For Sarasin Fund of Funds - Global Strategic Growth, 0.49% of the Operating Charges was made up of synthetic costs.

SARASIN Fund of Funds - Global Strategic Growth

Sub-fund Information (continued)

Comparative Tables (continued)

Global Strategic Growth 'X' Income Shares

	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
Change in Net Asset Value per Share			
Opening net asset value per share	141.00	134.92	123.88
Return before operating charges*	(5.80)	11.10	15.67
Operating charges	(2.42)	(2.52)	(2.24)
Return after operating charges*	(8.22)	8.58	13.43
Distributions on income shares	(2.23)	(2.50)	(2.39)
Closing net asset value per share	130.55	141.00	134.92
* after direct transaction costs of ¹ :	(0.01)	0.03	0.01
Performance			
Return after charges ²	(5.83)%	6.36%	10.84%
Other Information			
Closing net asset value (£'000)	5,096	7,167	7,462
Closing number of shares	3,903,137	5,082,728	5,530,360
Operating charges ³	1.74%	1.81%	1.76%
Direct transaction costs	(0.01)%	0.02%	0.01%
Prices			
Highest share price	143.20p	142.30p	136.40p
Lowest share price	130.50p	135.10p	117.20p

¹Direct transaction costs are stated after deducting the proportion of the amounts collected from single swing price adjustment that relate to direct transaction costs. A negative transaction cost figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

²The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. For Sarasin Fund of Funds - Global Strategic Growth, 0.49% of the Operating Charges was made up of synthetic costs.

SARASIN Fund of Funds - Global Strategic Growth

Sub-fund Information (continued)

Comparative Tables (continued)

Global Strategic Growth 'X' Accumulation Shares

	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
Change in Net Asset Value per Share			
Opening net asset value per share	152.86	143.68	129.66
Return before operating charges*	(6.35)	11.88	16.36
Operating charges	(2.64)	(2.70)	(2.34)
Return after operating charges*	(8.99)	9.18	14.02
Distributions	(2.42)	(2.67)	(2.50)
Retained distributions on accumulation shares	2.42	2.67	2.50
Closing net asset value per share	143.87	152.86	143.68
* after direct transaction costs of ¹ :	(0.01)	0.04	0.01
Performance			
Return after charges ²	(5.88)%	6.39%	10.81%
Other Information			
Closing net asset value (£'000)	1,076	1,486	1,595
Closing number of shares	747,859	972,419	1,110,301
Operating charges ³	1.74%	1.81%	1.76%
Direct transaction costs	(0.01)%	0.02%	0.01%
Prices			
Highest share price	155.30p	153.10p	144.00p
Lowest share price	142.70p	143.80p	122.50p

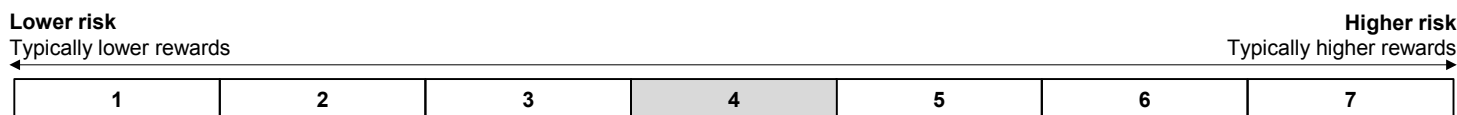
¹Direct transaction costs are stated after deducting the proportion of the amounts collected from single swing price adjustment that relate to direct transaction costs. A negative transaction cost figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

²The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. For Sarasin Fund of Funds - Global Strategic Growth, 0.49% of the Operating Charges was made up of synthetic costs.

Sub-fund Information (continued)

Risk and Reward Profile



- Historical data may not be a reliable indication for the future.
- The risk category shown is not guaranteed and may shift over time.
- The lowest category does not mean 'risk-free'.

The Risk and Reward Indicator

The Risk and Reward Indicator table demonstrates where the sub-fund ranks in terms of its potential risk and return, calculated using the volatility of monthly returns over five years. As it is based upon how the sub-fund has performed in the past, you should note that the sub-fund may well perform differently in the future. The higher the rank the greater the potential reward but the greater the risk of losing money.

The sub-fund is ranked at 4 reflecting observed historical returns and the mixed asset allocation. This ranking is typically higher than a fund which invests in cash deposits but lower than a fund which invests solely in equities.

The following risks may not be fully captured by the Indicator:

Bonds: Investing in bonds offers you the chance to earn returns through growing your capital and generating income. Nevertheless, there is a risk that the organisation which issued the bond will fail, which would result in a loss of income to the sub-fund, along with its initial investment. Bond values are likely to fall if interest rates rise.

Counterparty and Settlement Risk: The sub-fund may enter into derivative transactions in over-the-counter markets, which will expose the sub-fund to the credit risk of their counterparties. The sub-fund may be exposed to the risk of settlement default where the counterparty may default on its obligations to perform under the relevant contract. In the event of the bankruptcy or insolvency of a counterparty, the sub-fund could experience delays in liquidating the position as well as significant losses, including declines in value during the period in which the sub-fund seeks to enforce its rights.

Derivatives: The sub-fund actively invests in derivatives, such as futures, options and swaps, which are linked to the rise and fall of other assets. Derivatives can only be used to manage the sub-fund more efficiently in an attempt to reduce the overall risk of its investments, reduce the costs of investing or generate additional capital or income. Although this may not be achieved and may create losses greater than the cost of the derivative.

Emerging Market Risk: Emerging markets may face more political, economic or structural challenges than developed markets and shares may be less liquid, meaning that investments may not be sold quickly enough to prevent or minimize a loss; they may therefore involve a higher risk than investing in developed markets.

The sub-fund has charges deducted from capital. This may reduce the potential for growth.

Portfolio Statement

For the year ended 31 December 2018

Holding	Investment	Bid Market Value £	% of Net Assets
United Kingdom 3.71% (31 December 2017 - 4.67%)			
129,686	Aurora Investment Trust	236,029	2.56
100,019	Civitas Social Housing	106,520	1.15
		342,549	3.71
Emerging Markets 4.77% (31 December 2017 - 5.49%)			
29,451	Coronation Global Emerging Markets 'P' Accumulation	229,854	2.49
19,947	TT International Emerging Markets Equity 'H' GBP Accumulation	210,645	2.28
		440,499	4.77
Europe (ex-United Kingdom) 7.96% (31 December 2017 - 13.48%)			
6,642	iShares Euro Total Market Value Large	115,305	1.25
904	Memnon European 'I' GBP Accumulation	131,543	1.42
279	OYSTER Continental European Selection 'I M' GBP Income	275,243	2.98
73,215	SQN Asset Finance Income 'C'	65,198	0.71
132,572	TwentyFour Income	147,818	1.60
		735,107	7.96
Japan 2.93% (31 December 2017 - 3.26%)			
14,144	Eastspring Investments Japan Dynamic 'RG' GBP Accumulation	178,840	1.94
426	Invesco Japanese Equity Core 'C' GBP Hedged Accumulation	91,622	0.99
		270,462	2.93
Multi-Regional 5.52% (31 December 2017 - 13.91%)			
39,689	BMO Global Equity Market Neutral	24,424	0.26
609	Fulcrum Multi-Asset Trend 'C' GBP Income	49,659	0.54
47,573	International Public Partnerships	72,882	0.79
183,769	Jupiter Absolute Return 'I' Accumulation	103,149	1.12
1,086	KLS Zebra Global Equity Beta Neutral 'SI' GBP Accumulation	99,247	1.07
7,272	Neuberger Berman Uncorrelated Strategies 'I5' GBP Accumulation	73,957	0.80
50,128	Oakley Capital Investments	87,222	0.94
		510,540	5.52
North America 23.31% (31 December 2017 - 21.16%)			
260	Banor North America Long Short Equity 'S' EUR Accumulation	333,344	3.61
24,218	Brown Advisory US Mid-Cap Growth 'C' USD Accumulation	211,833	2.29
846	Edgewood L Select US Select Growth 'I Z' USD Accumulation	135,440	1.47
39,799	Fidelity Investment American Special Situations 'W' Accumulation	591,011	6.40
1,659	SPDR S&P 500	326,707	3.53

Portfolio Statement (continued)

Holding	Investment	Bid Market Value £	% of Net Assets
North America (continued)			
3,486	Vulcan Global Value Equity 'I' Income	555,504	6.01
		2,153,839	23.31
Pacific (ex-Japan) 0.74% (31 December 2017 - 0.71%)			
60,646	Fidelity Investment Index Pacific Ex-Japan 'P' Income	68,591	0.74
		68,591	0.74
Bonds 49.21% (31 December 2017 - 36.71%)			
746	Ashmore SICAV Emerging Markets Short Duration 'Z' Income	71,472	0.77
184,789	Baillie Gifford Strategic Bond 'B' Income	156,719	1.70
2,908	iShares Core GBP Corp Bond	403,398	4.37
127,485	iShares FTSE UK Gilt All Stocks	1,666,229	18.03
7,392	Neuberger Berman Emerging Market Debt Blend	71,629	0.77
29,393	SPDR Barclays UK Gilt	1,670,110	18.07
5,042	Vontobel TwentyFour Absolute Return Credit	507,809	5.50
		4,547,366	49.21
Forward Currency Contracts 0.13% (31 December 2017 - 0.10%)			
EUR (299,677)	Sold EUR, Bought GBP 271,337 for settlement on 15/02/2019	1,985	0.02
JPY (11,926,915)	Sold JPY, Bought GBP 83,773 for settlement on 15/02/2019	(1,678)	(0.02)
USD (1,938,748)	Sold USD, Bought GBP 1,531,396 for settlement on 15/02/2019	12,125	0.13
		12,432	0.13
Total Value of Investments 98.28% (31 December 2017 - 99.49%)			
		9,081,385	98.28
Net Other Assets		158,731	1.72
Net assets		9,240,116	100.00
Securities are admitted to an official stock exchange listing or traded on another regulated market unless otherwise stated.			
Asset Allocation of Portfolio of Investments is as follows:			
	Collective Investment Schemes	8,501,102	92.00
	Equities	567,851	6.15
	Forward Currency Contracts	12,432	0.13
	Net Other Assets	158,731	1.72
		9,240,116	100.00

Statement of Total Return

For the year ended 31 December 2018

	Notes ¹	£	31.12.2018 £	31.12.2017 £
Income				
Net capital (losses)/gains	4		(673,764)	723,032
Revenue	6	199,248		266,761
Expenses	7	(131,652)		(160,976)
Interest payable and similar charges	9	<u>(81)</u>	<u>(11)</u>	
Net revenue before taxation		67,515		105,774
Taxation	8	<u>—</u>	<u>—</u>	
Net revenue after taxation for the year			<u>67,515</u>	<u>105,774</u>
Total returns before distributions			(606,249)	828,806
Distributions	9		<u>(176,140)</u>	<u>(239,936)</u>
Changes in net assets attributable to shareholders from investment activities			<u>(782,389)</u>	<u>588,870</u>

Statement of Changes in Net Assets Attributable to Shareholders

For the year ended 31 December 2018

	Note ¹	£	31.12.2018 £	31.12.2017 £
Opening net assets attributable to shareholders			12,957,075	13,093,979
Movement due to sales and repurchases of shares:				
Amounts received on issue of shares		746,221		749,866
Less: amounts paid on cancellation of shares		<u>(3,742,396)</u>	<u>(1,564,278)</u>	
			(2,996,175)	(814,412)
Single swing price adjustment			3,100	—
Changes in net assets attributable to shareholders from investment activities (see above)			(782,389)	588,870
Retained distribution on accumulation shares	9		<u>58,505</u>	<u>88,638</u>
Closing net assets attributable to shareholders			<u>9,240,116</u>	<u>12,957,075</u>

¹The notes to these accounts can be found on pages 34 to 42.

Balance Sheet

As at 31 December 2018

	Notes ¹	31.12.2018 £	31.12.2017 £
Assets			
Fixed assets:			
Investments		9,083,063	12,896,135
Current assets:			
Debtors	10	13,717	23,474
Cash and bank balances	11	201,680	122,024
Total assets		<u>9,298,460</u>	<u>13,041,633</u>
Liabilities			
Investment liabilities		(1,678)	(4,770)
Creditors:			
Distribution payable on income shares	9	(43,753)	(66,750)
Other creditors	12	(12,913)	(13,038)
Total liabilities		<u>(58,344)</u>	<u>(84,558)</u>
Net assets attributable to shareholders		<u>9,240,116</u>	<u>12,957,075</u>

¹The notes to these accounts can be found on pages 34 to 42.

Notes to the Financial Statements

For the year ended 31 December 2018

1. Accounting Policies

The accounting policies for this sub-fund match those found on pages 13 and 14.

2. Distribution Policies

The distribution policies for this sub-fund match those found on pages 14 and 15.

3. Risk Management Policies

The risk management policies for this sub-fund match those found on pages 15 and 16.

4. Net Capital (Losses)/Gains

	31.12.2018 £	31.12.2017 £
(Losses)/gains on non-derivative securities	(565,357)	601,757
Losses on derivative securities	–	(19,499)
(Losses)/gains on forward currency contracts	(65,023)	133,443
Currency (losses)/gains	(43,384)	7,331
Net capital (losses)/gains	<u>(673,764)</u>	<u>723,032</u>

5. Purchases, Sales, and Transaction costs

	31.12.2018 £	31.12.2017 £
Analysis of total purchase costs:		
Purchases in year before transaction costs		
Collective Investment Schemes	179,572	1,482,821
Corporate Actions	435,227	580,408
Derivatives	–	9,638
Equities	2,183,964	565,438
Commissions:		
Equities total value paid	1,098	357
Taxes:		
Equities total value paid	–	1,368
Total purchase transaction costs	<u>1,098</u>	<u>1,725</u>
Gross purchases total	<u>2,799,861</u>	<u>2,640,030</u>
Analysis of total sale costs:		
Gross sales in year before transaction costs		
Collective Investment Schemes	3,417,911	1,249,799
Corporate Actions	435,227	580,408
Derivatives	–	2,938
Equities	2,211,689	1,539,650
Commissions:		
Equities total value paid	(1,055)	(1,478)
Total sales costs	<u>(1,055)</u>	<u>(1,478)</u>
Total sales net of transaction costs	<u>6,063,772</u>	<u>3,371,317</u>

Notes to the Financial Statements (continued)

5. Purchases, Sales, and Transaction costs (continued)

	31.12.2018 %	31.12.2017 %
Analysis of total purchase costs:		
Commissions:		
Equities percentage of average NAV ¹	0.01	–
Equities percentage of purchases total	0.05	0.06
Taxes:		
Equities percentage of average NAV ¹	–	0.01
Equities percentage of purchases total	–	0.24

Analysis of total sale costs:

Commissions:		
Equities percentage of average NAV ¹	0.01	0.01
Equities percentage of sales total	0.05	0.10

The average portfolio dealing spread as at 31 December 2018 was 0.26% (31 December 2017: 0.18%).

¹Excluding single swing price adjustment.

6. Revenue

	31.12.2018 £	31.12.2017 £
Bank interest	412	76
Franked UK dividends	3,658	–
Franked CIS revenue	6,940	12,736
Unfranked CIS revenue	21,134	27,313
Franked PID revenue	3,407	–
Offshore dividend CIS revenue	31,609	47,131
Offshore interest CIS revenue	92,100	106,690
Overseas dividends	38,414	72,815
Unfranked PID revenue	1,574	–
	<u>199,248</u>	<u>266,761</u>

7. Expenses

	31.12.2018 £	31.12.2017 £
Payable to the ACD or associates of the ACD, and agents of either of them:		
ACD's annual charge	<u>104,920</u>	<u>129,684</u>
	<u>104,920</u>	<u>129,684</u>
Other expenses:		
Fixed operating charge ¹	24,232	28,792
Sundry expenses	<u>2,500</u>	<u>2,500</u>
	<u>26,732</u>	<u>31,292</u>
	<u>131,652</u>	<u>160,976</u>

¹Expenses due to the Depositary, Custodian, Administrator, Auditor and the FCA are payable by the ACD out of the Fixed operating charge. Fee payable to the Auditors for the year ending 31 December 2018 is £7,018 plus VAT (31 December 2017: £6,814 plus VAT).

Notes to the Financial Statements (continued)

8. Taxation

	31.12.2018 £	31.12.2017 £
a) Analysis of charge for the year:		
Overseas tax suffered	—	—
Current tax (note 8b)	—	—
Deferred tax (note 8c)	—	—
Total tax charge	—	—

b) Factors affecting taxation charge for the year:

The tax assessed for the period is lower (2017: lower) than the standard rate of UK Corporation Tax for an Open Ended Investment Company in the UK of 20% (2017: 20%). The differences are explained below:

Net revenue before tax	67,515	105,774
Corporation tax at 20%	13,503	21,155
Effects of:		
UK dividend revenue not subject to corporation tax	(731)	—
Excess management expenses	3,451	5,381
Franked CIS revenue	(1,388)	(2,547)
Franked PID revenue	(681)	—
Overseas dividend revenue not subject to corporation tax	(7,832)	(14,563)
Offshore dividend CIS revenue	(6,322)	(9,426)
Sub-total	(13,503)	(21,155)
Current year tax charge (note 8a)	—	—

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

c) Provision for the deferred tax

Provision at start of year	—	—
Deferred tax charge for the year	—	—
Provision at end of year	—	—

The sub-fund has not recognised a deferred tax asset of £44,067 (31 December 2017: £40,616) arising from excess management expenses, which will only be utilised to reduce future tax charges if the sub-fund has an excess of unfranked revenue over expenses in future years.

9. Distributions

The distributions take account of revenue added on creation of shares and revenue deducted on the cancellation of shares, and comprise:

	31.12.2018 £	31.12.2017 £
Interim Distribution	66,333	79,261
Interim Accumulation	33,766	48,969
Final Distribution	43,753	66,750
Final Accumulation	24,739	39,669
	168,591	234,649
Add: Amounts deducted on cancellation of shares	11,215	9,832
Less: Amounts added on creation of shares	(3,666)	(4,545)
Distributions	176,140	239,936
Interest payable and similar charges	81	11
Total distributions	176,221	239,947

Notes to the Financial Statements (continued)

9. Distributions (continued)

	31.12.2018 £	31.12.2017 £
Net revenue after taxation	67,515	105,774
Add: Capitalised expenses	131,651	160,976
Add: Undistributed revenue brought forward	6	6
Less: Undistributed revenue carried forward	(4)	(6)
Tax effect of fees offset to capital	(23,028)	(26,814)
Distributions	<u>176,140</u>	<u>239,936</u>

10. Debtors

	31.12.2018 £	31.12.2017 £
Accrued revenue	12,346	10,255
Amount receivable for creation of shares	38	11,836
CIS income tax recoverable	1,333	1,333
Sales awaiting settlement	–	50
	<u>13,717</u>	<u>23,474</u>

11. Cash and Bank Balances

	31.12.2018 £	31.12.2017 £
Cash and bank balances	<u>201,680</u>	<u>122,024</u>
	<u>201,680</u>	<u>122,024</u>

12. Other Creditors

	31.12.2018 £	31.12.2017 £
Amount payable for cancellation of shares	84	16
Accrued expenses	9,551	13,022
Purchases awaiting settlement	3,278	–
	<u>12,913</u>	<u>13,038</u>

13. Commitments, Contingent Liabilities, and Contingent Assets

At 31 December 2018, the sub-fund had no contingent liabilities or assets (31 December 2017: same).

14. Related Parties

ACD fees paid to Sarasin Investment Funds Limited are shown in note 7. The balance due to Sarasin Investment Funds Limited at the year end in respect of this transaction was £7,748 (31 December 2017: £10,645).

At the year end, Sarasin Fund of Funds - Global Strategic Growth held no shares in any other sub-fund or collective investment scheme managed by associated companies of Sarasin Investment Funds (31 December 2017: same).

At the year end, BNY (OCS) Nominees Limited owned below the 25% threshold in the sub-fund on behalf of multiple beneficiaries (31 December 2017: 32.40%).

Notes to the Financial Statements (continued)

15. Shareholders' Funds

The sub-fund has 9 share classes in issue. The shares have no par value and, within each class subject to their denomination, are entitled to participate equally in the profits arising in respect of, and in the proceeds of, the liquidation of the assets in, or the termination of, that sub-fund.

Shares do not carry preferential or pre-emptive rights to acquire further shares. All shares have the same rights on winding up.

Global Strategic Growth 'A' Income Shares

Opening shares	1,000
Shares Created	–
Shares Liquidated	(1,000)
Shares Converted	–
Closing shares	–

Global Strategic Growth 'A' Accumulation Shares

Opening shares	765,781
Shares Created	1,389
Shares Liquidated	(124,603)
Shares Converted	–
Closing shares	642,567

Global Strategic Growth 'D' Income Shares

Opening shares	447,029
Shares Created	–
Shares Liquidated	(62,820)
Shares Converted	–
Closing shares	384,209

Global Strategic Growth 'I' Income Shares

Opening shares	180,270
Shares Created	142,458
Shares Liquidated	(151,105)
Shares Converted	–
Closing shares	171,623

Global Strategic Growth 'I' Accumulation Shares

Opening shares	1,037,561
Shares Created	128
Shares Liquidated	(794,881)
Shares Converted	–
Closing shares	242,808

Global Strategic Growth 'P' Income Shares

Opening shares	18,435
Shares Created	15,372
Shares Liquidated	(1,564)
Shares Converted	–
Closing shares	32,243

Global Strategic Growth 'P' Accumulation Shares

Opening shares	390,073
Shares Created	337,330
Shares Liquidated	(36,903)
Shares Converted	–
Closing shares	690,500

Notes to the Financial Statements (continued)

15. Shareholders' Funds (continued)

Global Strategic Growth 'X' Income Shares

Opening shares	5,082,728
Shares Created	–
Shares Liquidated	(1,179,591)
Shares Converted	–
Closing shares	3,903,137

Global Strategic Growth 'X' Accumulation Shares

Opening shares	972,419
Shares Created	–
Shares Liquidated	(224,560)
Shares Converted	–
Closing shares	747,859

16. Risk Disclosures

The policies in place for controlling the risks associated with pursuing the sub-fund's objectives and operating the sub-fund are detailed in note 3 on pages 15 and 16. A sensitivity analysis of the sub-fund is provided on page 17. Further analysis of the sub-fund's exposure to these risks is detailed below.

Currency exposure as at 31 December 2018

	Monetary exposure £	Non-Monetary exposure £	Total £	%
Euro	157	(269,351)	(269,194)	(2.91)
Japanese yen	–	(85,451)	(85,451)	(0.93)
Sterling	157,119	9,718,281	9,875,400	106.88
US dollar	1,454	(282,093)	(280,639)	(3.04)
	<u>158,730</u>	<u>9,081,386</u>	<u>9,240,116</u>	<u>100.00</u>

Currency exposure as at 31 December 2017

	Monetary exposure £	Non-Monetary exposure £	Total £	%
Euro	–	(427,103)	(427,103)	(3.30)
Japanese yen	–	(111,505)	(111,505)	(0.86)
Sterling	63,755	13,173,030	13,236,785	102.16
US dollar	1,955	256,943	258,898	2.00
	<u>65,710</u>	<u>12,891,365</u>	<u>12,957,075</u>	<u>100.00</u>

Notes to the Financial Statements (continued)
16. Risk Disclosures (continued)

Interest rate exposure as at 31 December 2018

	Floating rate financial assets £	Fixed rate financial assets £	Financial assets not carrying interest £	Total £
Euro	157	—	—	157
Sterling	201,523	—	9,730,543	9,932,066
US dollar	—	—	1,238,632	1,238,632
	<u>201,680</u>	<u>—</u>	<u>10,969,175</u>	<u>11,170,855</u>

	Floating rate financial liabilities £	Fixed rate financial liabilities £	Financial liabilities not carrying interest £	Total £
Euro	—	—	(269,351)	(269,351)
Japanese yen	—	—	(85,451)	(85,451)
Sterling	—	—	(56,666)	(56,666)
US dollar	—	—	(1,519,271)	(1,519,271)
	<u>—</u>	<u>—</u>	<u>(1,930,739)</u>	<u>(1,930,739)</u>

Interest rate exposure as at 31 December 2017

	Floating rate financial assets £	Fixed rate financial assets £	Financial assets not carrying interest £	Total £
Sterling	122,024	—	13,440,322	13,562,346
US dollar	—	—	2,131,231	2,131,231
	<u>122,024</u>	<u>—</u>	<u>15,571,553</u>	<u>15,693,577</u>

	Floating rate financial liabilities £	Fixed rate financial liabilities £	Financial liabilities not carrying interest £	Total £
Euro	—	—	(427,103)	(427,103)
Japanese yen	—	—	(111,505)	(111,505)
Sterling	—	—	(325,561)	(325,561)
US dollar	—	—	(1,872,333)	(1,872,333)
	<u>—</u>	<u>—</u>	<u>(2,736,502)</u>	<u>(2,736,502)</u>

Notes to the Financial Statements (continued)

16. Risk Disclosures (continued)

Fair value

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

Valuation technique as at 31 December 2018

Financial Assets	Level 1 £	Level 2 £	Level 3 £	Total £
Collective Investment Schemes	4,329,567	4,171,535	—	8,501,102
Equities	567,851	—	—	567,851
Forward Currency Contracts	—	14,110	—	14,110
	<u>4,897,418</u>	<u>4,185,645</u>	<u>—</u>	<u>9,083,063</u>
Financial Liabilities				
Forward Currency Contracts	—	(1,678)	—	(1,678)
	<u>—</u>	<u>(1,678)</u>	<u>—</u>	<u>(1,678)</u>

Valuation technique as at 31 December 2017

Financial Assets	Level 1 £	Level 2 £	Level 3 £	Total £
Collective Investment Schemes	3,440,349	7,899,097	—	11,339,446
Equities	1,538,649	—	—	1,538,649
Forward Currency Contracts	—	18,040	—	18,040
	<u>4,978,998</u>	<u>7,917,137</u>	<u>—</u>	<u>12,896,135</u>
Financial Liabilities				
Forward Currency Contracts	—	(4,770)	—	(4,770)
	<u>—</u>	<u>(4,770)</u>	<u>—</u>	<u>(4,770)</u>

The valuation technique has been disclosed under Accounting Policies note 1I on page 14.

Level 1

The unadjusted quoted price in an active market for an identical instrument that the entity can access at the measurement date.

Level 2

Valuation techniques using observable inputs other than quoted prices within Level 1 (i.e., developed using market data).

Level 3

Valuation techniques using unobservable inputs (i.e., for which market data is unavailable).

Notes to the Financial Statements (continued)**16. Risk Disclosures (continued)****Counterparty Risk**

During the year, the sub-fund made use of 'Over The Counter' (OTC) Derivative Instruments. These types of transactions introduce counterparty risk, where a counterparty may fail to meet its financial commitments.

In order to reduce this risk, collateral may be held by the sub-fund. The counterparties to these transactions and any collateral held by the sub-fund at the balance sheet date are shown below:

Counterparty Name as at 31 December 2018	Exposure £	Cash Collateral £
The Bank of New York Mellon	14,110	–

Counterparty Name as at 31 December 2017	Exposure £	Cash Collateral £
The Bank of New York Mellon	18,040	–

Positive exposure represents the mark to market value of derivative contracts and the sub-fund's exposure to that counterparty.

17. Post Balance Sheet Market Movements

It should be noted that Sarasin Fund of Funds – Global Strategic Growth was merged into Sarasin Fund of Funds - Global Diversified Growth on 15 February 2019 having been approved by shareholders on 13 February 2019.

The ACD has applied a 10% threshold to the disclosure of post year end movements in the net asset value per share of the sub-fund from the year end date to the date of signing. This consideration takes into account routine transactions but also significant market movements. There are no share classes where the net asset value per share has moved by greater than 10% therefore there are no post balance sheet events which require disclosure at the year end.

Distribution Tables

For the year ended 31 December 2018

Interim distribution in pence per share

Group 1: Shares purchased prior to 1 January 2018

Group 2: Shares purchased between 1 January 2018 and 30 June 2018

Share	Net Revenue 2018 Pence per Share	Equalisation (note 2i) Pence per Share	Interim Distribution Paid 2018 Pence per Share	Interim Distribution Paid 2017 Pence per Share
Global Strategic Growth 'A' Income Shares¹				
Group 1	1.2180	—	1.2180	1.2990
Group 2	1.2180	—	1.2180	1.2990
Global Strategic Growth 'A' Accumulation Shares¹				
Group 1	1.3242	—	1.3242	1.3904
Group 2	1.3242	—	1.3242	1.3904
Global Strategic Growth 'D' Income Shares¹				
Group 1	1.2925	—	1.2925	1.3658
Group 2	1.2925	—	1.2925	1.3658
Global Strategic Growth 'I' Income Shares				
Group 1	1.2790	—	1.2790	1.3547
Group 2	0.3361	0.9429	1.2790	1.3547
Global Strategic Growth 'I' Accumulation Shares				
Group 1	1.3898	—	1.3898	1.4468
Group 2	1.1864	0.2034	1.3898	1.4468
Global Strategic Growth 'P' Income Shares				
Group 1	1.2913	—	1.2913	1.3657
Group 2	0.3481	0.9432	1.2913	1.3657
Global Strategic Growth 'P' Accumulation Shares				
Group 1	1.3987	—	1.3987	1.4525
Group 2	0.7208	0.6779	1.3987	1.4525
Global Strategic Growth 'X' Income Shares¹				
Group 1	1.2558	—	1.2558	1.3353
Group 2	1.2558	—	1.2558	1.3353
Global Strategic Growth 'X' Accumulation Shares¹				
Group 1	1.3616	—	1.3616	1.4220
Group 2	1.3616	—	1.3616	1.4220

Distribution Tables (continued)

Final distribution in pence per share

Group 1: Shares purchased prior to 1 July 2018

Group 2: Shares purchased between 1 July 2018 and 31 December 2018

Share	Net Revenue 2018 Pence per Share	Equalisation (note 2i) Pence per Share	Final Distribution Paid 2019 Pence per Share	Final Distribution Paid 2018 Pence per Share
Global Strategic Growth 'A' Income Shares²				
Group 1	—	—	—	1.1280
Group 2	—	—	—	1.1280
Global Strategic Growth 'A' Accumulation Shares				
Group 1	1.0298	—	1.0298	1.2178
Group 2	0.3876	0.6422	1.0298	1.2178
Global Strategic Growth 'D' Income Shares¹				
Group 1	1.0013	—	1.0013	1.1930
Group 2	1.0013	—	1.0013	1.1930
Global Strategic Growth 'I' Income Shares¹				
Group 1	0.9899	—	0.9899	1.1813
Group 2	0.9899	—	0.9899	1.1813
Global Strategic Growth 'I' Accumulation Shares¹				
Group 1	1.0871	—	1.0871	1.2733
Group 2	1.0871	—	1.0871	1.2733
Global Strategic Growth 'P' Income Shares				
Group 1	0.9913	—	0.9913	1.1915
Group 2	0.6232	0.3681	0.9913	1.1915
Global Strategic Growth 'P' Accumulation Shares				
Group 1	1.0927	—	1.0927	1.2771
Group 2	0.5311	0.5616	1.0927	1.2771
Global Strategic Growth 'X' Income Shares¹				
Group 1	0.9707	—	0.9707	1.1619
Group 2	0.9707	—	0.9707	1.1619
Global Strategic Growth 'X' Accumulation Shares¹				
Group 1	1.0613	—	1.0613	1.2495
Group 2	1.0613	—	1.0613	1.2495

¹There were no group 2 shares for this period.

²Share class closed on 5 November 2018.

Investment Objective and Policy

The sub-fund's investment objective is to seek to achieve long term capital growth from a portfolio of diversified assets.

The sub-fund aims to achieve its objective by investing in shares and units of other collective investment schemes (including but not limited to exchange traded funds). The underlying funds may invest in global transferable securities, fixed interest securities, money market instruments, immovable property, derivatives, cash and near cash. Generally, 60% of the sub-fund's assets will be in collective investment schemes that predominantly invest in international stocks, although the sub-fund has the flexibility to invest in such collective investment schemes to a greater or lesser degree when deemed appropriate.

The sub-fund may also invest directly in transferable securities, money market instruments, cash and near cash, and deposits.

The sub-fund may borrow and enter into stock lending and underwriting arrangements, and may employ derivatives for efficient portfolio management purposes including hedging.

Sensitivity Analysis

The sub-fund invests in third party equity and bond funds. Exposure to foreign currencies can be altered through the use of forwards and occasionally options. The level of equity exposure varies over time depending on how positive the manager is; generally, the level will be in the range of 55-65% (sub-fund launched December 2014).

The Value at Risk (VaR) is a statistical technique used to measure and quantify the level of risk within an investment portfolio over a specific timeframe.

The Value at Risk (VaR) is independently calculated by StatPro Risk who evaluates the volatility and correlation of the sub-fund's holdings over a period of 2 years. StatPro calculate historical price variations of each asset on a daily basis over this period using a historical simulation methodology with full repricing.

The VaR statistic adopted for Sarasin funds is the "99% / 20-day VaR" model. To calculate this figure, StatPro rank the distribution and then calculate the VaR figure based on the 99th percentile. This is intended to show, with a 99% degree of confidence, the maximum amount that might be lost over a 20-day period.

The "99% / 20-day VaR" for Fund of Funds - Global Diversified Growth, as at 31 December 2018, was 4.34% (31 December 2017: 4.83%). The lowest, highest, and average utilisation in the year was 3.31%, 4.85%, and 3.79%, respectively (31 December 2017: 4.83%, 6.18%, and 5.48%, respectively).

Investment Review

Due to a proliferation of challenges faced in 2018, almost all markets – equities and corporate bonds – finished down for the year. The first quarter brought about a sharp sell-off in global equities, triggered by a strong jobs growth and wage inflation report from the USA. This provoked speculation about the likelihood of an accelerated trajectory for interest rates – but as soon as markets recovered their poise, Trump's trade war agenda caused another spasm of anxiety.

The steady withdrawal of Central Bank stimulus and rising trade tensions continued to dominate sentiment as the year progressed. Then, in the final quarter, global equities were badly shaken due to a combination of factors. The most prominent of these was poor forward guidance from the US Federal Reserve that spooked both equity and corporate debt markets, which was especially significant given that US equities had been the main driver of returns prior to this. After a tough three quarters of 2018, fixed income had a better final quarter as investors reduced risk exposure.

As we head into 2019, we have maintained small underweight positions in fixed income and equity versus an overweight to alternatives.

Performance

Over the course of the year, the fund underperformed the benchmark by 5.1%. This was mainly as a result of Coronation Global Emerging Markets and OYSTER Continental European Selection.

Some of the best relative performers over 2018 were alternatives, including SQN Asset Finance Income and International Public Partnerships. Oakley Capital Investments was also a notable performer, particularly in the first half of the year. This followed positive results as well as two realisations, such as the sale of Verivox at 2.5x the initial purchase price. Good contributions also came from Sequoia Economic Infrastructure Income and Civitas Social Housing.

Many of our US equity holdings stood out too, with positive relative contributions coming from Fidelity Investment American Special Situations, Edgewood L Select US Select Growth, Brown Advisory US Mid-Cap and Vulcan Global Value Equity. In the final quarter, uncorrelated strategies such as Jupiter Absolute Return and BMO Global Equity Market Neutral delivered good outperformance amid the market turbulence.

Within fixed income, our UK Gilt holding made a strong positive contribution. It performed particularly well in the fourth quarter, as investors looked for safe havens given the turmoil in equity markets.

Investment Review (continued)

On the negative side, the biggest relative detractor was OYSTER Continental European Selection. The manager's quality style and value focus did not play out over the course of the year. Some of our Emerging Markets holdings performed poorly too, including Coronation Global Emerging Markets. TT International Emerging Markets Equity also underperformed, but had a good final quarter delivering above index returns. Banor North American Long Short Equity and Fulcrum Multi Asset Trend also hurt performance in 2018.

Changes and adjustments

In terms of changes to the fund over the year, we rotated our UK allocation into Aurora Investment Trust in February. The management of this trust was taken over by Phoenix Asset Management in January 2016. The team at Phoenix conduct intensive primary research into businesses leading to insights that at times gives them an informational edge over and above the average market participant. They are a great example of the type of investors we look for in terms of culture and approach.

In the second quarter, we rotated out of Baillie Gifford Strategic Bond to fund our position in Neuberger Berman Emerging Markets Debt Blend. Following a strong run, we took profits on some of our alternative funds in the third quarter, namely SQN Asset Finance Income, Sequoia Economic Infrastructure Income and Civitas Social Housing. In the fourth quarter, we redeemed from Kames Sterling Corporate Bond Fund and GAM Euroland Value on structural changes at Kames and GAM.

Outlook

Given the denouement of QE (quantitative easing) and that we are almost ten years into the recovery cycle, it is reasonable to expect that volatility in markets will continue. The stimulus of US tax cuts and public spending is likely to evaporate and it is difficult to gauge whether the trade tensions between China and the US will intensify or ease in 2019. Hitherto, developing economies have been particular beneficiaries of free trade and the uncertainties have reduced the pace of investment. All the same, these nations could account for two-thirds of global GDP growth over the next decade, as they adopt new technology across multiple industries.

The 2018 final quarter rally in core bond markets – i.e. US Treasuries, German Bunds and UK Gilts – reminded us that bonds as an asset class still have a role to play in portfolios if you want to limit volatility. Nevertheless, bonds are likely to be an impediment to overall returns while there is insufficient income to compensate for capital loss. We still expect to add most value from equities and hold the view that the outlook remains fair for good-quality companies operating in the right areas of the global economy, despite the challenges ahead. Although the US Federal Reserve has persisted in tightening monetary policy, we believe that it can now afford to be patient with inflation relatively quiescent. However, we remain extremely vigilant in assessing whether US wage growth is going to run ahead of expectations.

Against this backdrop, we believe maintaining valuation discipline should create a margin of safety to support performance in times of market deterioration, while ensuring we participate in any upside during more positive periods.

Guy Monson
Chief Investment Officer
Sarasin & Partners LLP
30 January 2019

All opinions and estimates contained in this report constitute the Company's judgement and view as of the date of the report and are subject to change without notice.

Top 10 purchases during the year

iShares Core UK Gilt
iShares Core GBP Corp Bond
Aurora Investment Trust
SQN Asset Finance Income 'C'
SPDR Bloomberg Barclays UK Gilt
iShares Euro Total Market Value Large
SQN Asset Finance Income
Neuberger Berman Emerging Market Debt Blend
Kames Sterling Corporate Bond 'B' Income
Fidelity Investment Index Pacific Ex-Japan 'P' Income

Top 10 sales during the year

SQN Asset Finance Income
Kames Sterling Corporate Bond 'B' Income
Vulcan Global Value Equity 'I' Income
Sequoia Economic Infrastructure Income
SPDR S&P 500
F&C True Styles Global Equity Market Neutral
GAM Multistock Euroland Value Equity 'Ra' GBP
Schroder Recovery 'Z' Accumulation
Baillie Gifford Corporate Bond 'B' Income
SPDR Bloomberg Barclays UK Gilt UCITS

Sub-fund Information

For the year ended 31 December 2018

The Comparative Tables on pages 48 to 54 give the performance of each active share class in the sub-fund.

The 'Return after charges' disclosed in the Comparative Tables is calculated as the return after operating charges per share divided by the opening net asset value per share. It differs from the sub-fund's performance disclosed in the ACD's report, which is calculated based on the latest published price.

Portfolio transaction costs are incurred when investments are bought or sold by a fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the sub-fund.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades.

In addition, there are indirect portfolio transaction costs arising from the 'dealing spread' – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by the fund on each transaction, other types of investments (such as bonds, money instruments, derivatives, collective investment schemes) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and money market sentiment.

Sub-fund Information (continued)
Comparative Tables
Global Diversified Growth 'A' Accumulation Shares

	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
Change in Net Asset Value per Share			
Opening net asset value per share	156.36	144.72	129.01
Return before operating charges*	(9.47)	15.25	18.80
Operating charges	(3.58)	(3.61)	(3.09)
Return after operating charges*	(13.05)	11.64	15.71
Distributions	(2.21)	(2.50)	(2.53)
Retained distributions on accumulation shares	2.21	2.50	2.53
Closing net asset value per share	143.31	156.36	144.72
* after direct transaction costs of ¹ :	0.02	0.03	0.02
Performance			
Return after charges ²	(8.35)%	8.04%	12.18%
Other Information			
Closing net asset value (£'000)	100	109	111
Closing number of shares	69,611	69,611	76,598
Operating charges ³	2.32%	2.38%	2.34%
Direct transaction costs	0.02%	0.02%	0.02%
Prices			
Highest share price	159.90p	156.60p	145.20p
Lowest share price	141.60p	145.20p	117.50p

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from single swing price adjustment that relate to direct transaction costs. A negative transaction cost figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. For Sarasin Fund of Funds - Global Diversified Growth, 0.59% of the Operating Charges was made up of synthetic costs.

SARASIN Fund of Funds - Global Diversified Growth

Sub-fund Information (continued)

Comparative Tables (continued)

Global Diversified Growth 'I' Income Shares

	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
Change in Net Asset Value per Share			
Opening net asset value per share	149.40	139.53	125.59
Return before operating charges*	(9.04)	14.67	18.34
Operating charges	(2.20)	(2.26)	(1.94)
Return after operating charges*	(11.24)	12.41	16.40
Distributions on income shares	(2.11)	(2.54)	(2.46)
Closing net asset value per share	136.05	149.40	139.53
* after direct transaction costs of ¹ :	0.02	0.03	0.02
Performance			
Return after charges ²	(7.52)%	8.89%	13.06%
Other Information			
Closing net asset value (£'000)	1,746	2,162	2,462
Closing number of shares	1,282,980	1,447,218	1,764,524
Operating charges ³	1.49%	1.55%	1.51%
Direct transaction costs	0.02%	0.02%	0.02%
Prices			
Highest share price	152.90p	150.80p	141.40p
Lowest share price	135.20p	140.30p	114.60p

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from single swing price adjustment that relate to direct transaction costs. A negative transaction cost figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. For Sarasin Fund of Funds - Global Diversified Growth, 0.59% of the Operating Charges was made up of synthetic costs.

Sub-fund Information (continued)
Comparative Tables (continued)
Global Diversified Growth 'I' Accumulation Shares

	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
Change in Net Asset Value per Share			
Opening net asset value per share	161.59	148.33	131.14
Return before operating charges*	(9.88)	15.68	19.23
Operating charges	(2.39)	(2.42)	(2.04)
Return after operating charges*	(12.27)	13.26	17.19
Distributions	(2.29)	(2.71)	(2.58)
Retained distributions on accumulation shares	2.29	2.71	2.58
Closing net asset value per share	149.32	161.59	148.33
* after direct transaction costs of ¹ :	0.03	0.03	0.03
Performance			
Return after charges ²	(7.59)%	8.94%	13.11%
Other Information			
Closing net asset value (£'000)	835	1,378	1,478
Closing number of shares	559,066	852,866	996,297
Operating charges ³	1.49%	1.55%	1.51%
Direct transaction costs	0.02%	0.02%	0.02%
Prices			
Highest share price	165.40p	161.80p	148.80p
Lowest share price	147.50p	148.80p	119.60p

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from single swing price adjustment that relate to direct transaction costs. A negative transaction cost figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. For Sarasin Fund of Funds - Global Diversified Growth, 0.59% of the Operating Charges was made up of synthetic costs.

Sub-fund Information (continued)
Comparative Tables (continued)
Global Diversified Growth 'P' Income Shares

	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
Change in Net Asset Value per Share			
Opening net asset value per share	150.80	140.59	126.24
Return before operating charges*	(9.13)	14.67	18.57
Operating charges	(1.97)	(2.06)	(1.74)
Return after operating charges*	(11.10)	12.61	16.83
Distributions on income shares	(2.13)	(2.40)	(2.48)
Closing net asset value per share	137.57	150.80	140.59
* after direct transaction costs of ¹ :	0.02	0.03	0.02
Performance			
Return after charges ²	(7.36)%	8.97%	13.33%
Other Information			
Closing net asset value (£'000)	5	9	2
Closing number of shares	3,613	6,035	1,664
Operating charges ³	1.32%	1.38%	1.34%
Direct transaction costs	0.02%	0.02%	0.02%
Prices			
Highest share price	154.30p	152.30p	142.50p
Lowest share price	136.70p	141.30p	115.20p

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from single swing price adjustment that relate to direct transaction costs. A negative transaction cost figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. For Sarasin Fund of Funds - Global Diversified Growth, 0.59% of the Operating Charges was made up of synthetic costs.

Sub-fund Information (continued)
Comparative Tables (continued)
Global Diversified Growth 'P' Accumulation Shares

	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
Change in Net Asset Value per Share			
Opening net asset value per share	162.54	148.94	131.47
Return before operating charges*	(9.93)	15.77	19.27
Operating charges	(2.13)	(2.17)	(1.80)
Return after operating charges*	(12.06)	13.60	17.47
Distributions	(2.30)	(2.72)	(2.60)
Retained distributions on accumulation shares	2.30	2.72	2.60
Closing net asset value per share	150.48	162.54	148.94
* after direct transaction costs of ¹ :	0.03	0.03	0.03
Performance			
Return after charges ²	(7.42)%	9.13%	13.29%
Other Information			
Closing net asset value (£'000)	1,248	1,187	918
Closing number of shares	829,284	730,614	616,149
Operating charges ³	1.32%	1.38%	1.34%
Direct transaction costs	0.02%	0.02%	0.02%
Prices			
Highest share price	166.40p	162.70p	149.40p
Lowest share price	148.60p	149.40p	119.90p

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from single swing price adjustment that relate to direct transaction costs. A negative transaction cost figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. For Sarasin Fund of Funds - Global Diversified Growth, 0.59% of the Operating Charges was made up of synthetic costs.

Sub-fund Information (continued)
Comparative Tables (continued)
Global Diversified Growth 'X' Income Shares

	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
Change in Net Asset Value per Share			
Opening net asset value per share	146.78	137.54	124.23
Return before operating charges*	(8.86)	14.44	18.06
Operating charges	(2.63)	(2.70)	(2.32)
Return after operating charges*	(11.49)	11.74	15.74
Distributions on income shares	(2.07)	(2.50)	(2.43)
Closing net asset value per share	133.22	146.78	137.54
* after direct transaction costs of ¹ :	0.02	0.03	0.02
Performance			
Return after charges ²	(7.83)%	8.54%	12.67%
Other Information			
Closing net asset value (£'000)	6,799	9,319	10,955
Closing number of shares	5,103,884	6,348,959	7,965,187
Operating charges ³	1.82%	1.88%	1.84%
Direct transaction costs	0.02%	0.02%	0.02%
Prices			
Highest share price	150.10p	148.20p	139.40p
Lowest share price	132.40p	138.20p	113.30p

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from single swing price adjustment that relate to direct transaction costs. A negative transaction cost figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. For Sarasin Fund of Funds - Global Diversified Growth, 0.59% of the Operating Charges was made up of synthetic costs.

Sub-fund Information (continued)
Comparative Tables (continued)
Global Diversified Growth 'X' Accumulation Shares

	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
Change in Net Asset Value per Share			
Opening net asset value per share	158.46	145.95	129.49
Return before operating charges*	(9.65)	15.39	18.87
Operating charges	(2.86)	(2.88)	(2.41)
Return after operating charges*	(12.51)	12.51	16.46
Distributions	(2.24)	(2.66)	(2.55)
Retained distributions on accumulation shares	2.24	2.66	2.55
Closing net asset value per share	145.95	158.46	145.95
* after direct transaction costs of ¹ :	0.02	0.03	0.02
Performance			
Return after charges ²	(7.89)%	8.57%	12.71%
Other Information			
Closing net asset value (£'000)	2,819	3,921	5,174
Closing number of shares	1,931,340	2,474,149	3,545,457
Operating charges ³	1.82%	1.88%	1.84%
Direct transaction costs	0.02%	0.02%	0.02%
Prices			
Highest share price	162.10p	158.70p	146.40p
Lowest share price	144.20p	146.40p	118.00p

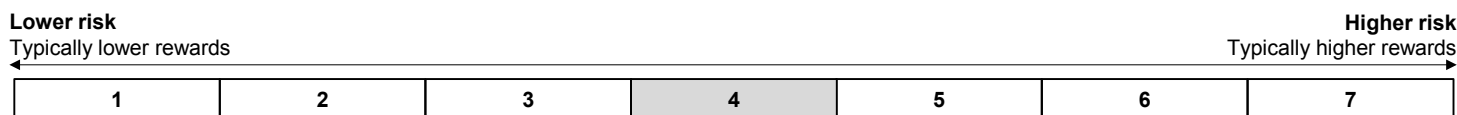
¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from single swing price adjustment that relate to direct transaction costs. A negative transaction cost figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. For Sarasin Fund of Funds - Global Diversified Growth, 0.59% of the Operating Charges was made up of synthetic costs.

Sub-fund Information (continued)

Risk and Reward Profile



- Historical data may not be a reliable indication for the future.
- The risk category shown is not guaranteed and may shift over time.
- The lowest category does not mean 'risk-free'.

The Risk and Reward Indicator

The Risk and Reward Indicator table demonstrates where the sub-fund ranks in terms of its potential risk and return, calculated using the volatility of monthly returns over five years. As it is based upon how the sub-fund has performed in the past, you should note that the sub-fund may well perform differently in the future. The higher the rank the greater the potential reward but the greater the risk of losing money.

The sub-fund is ranked at 4 reflecting observed historical returns and the mixed asset allocation. This ranking is typically higher than a fund which invests in cash deposits but lower than a fund which invests solely in equities.

The following risks may not be fully captured by the Indicator:

Bonds: Investing in bonds offers you the chance to earn returns through growing your capital and generating income. Nevertheless, there is a risk that the organisation which issued the bond will fail, which would result in a loss of income to the sub-fund, along with its initial investment. Bond values are likely to fall if interest rates rise.

Counterparty and Settlement Risk: The sub-fund may enter into derivative transactions in over-the-counter markets, which will expose the sub-fund to the credit risk of their counterparties. The sub-fund may be exposed to the risk of settlement default where the counterparty may default on its obligations to perform under the relevant contract. In the event of the bankruptcy or insolvency of a counterparty, the sub-fund could experience delays in liquidating the position as well as significant losses, including declines in value during the period in which the sub-fund seeks to enforce its rights.

Derivatives: The sub-fund actively invests in derivatives, such as futures, options and swaps, which are linked to the rise and fall of other assets. Derivatives can only be used to manage the sub-fund more efficiently in an attempt to reduce the overall risk of its investments, reduce the costs of investing or generate additional capital or income. Although this may not be achieved and may create losses greater than the cost of the derivative.

Emerging Market Risk: Emerging markets may face more political, economic or structural challenges than developed markets and shares may be less liquid, meaning that investments may not be sold quickly enough to prevent or minimize a loss; they may therefore involve a higher risk than investing in developed markets.

The sub-fund has charges deducted from capital. This may reduce the potential for growth.

Portfolio Statement

For the year ended 31 December 2018

Holding	Investment	Bid Market Value £	% of Net Assets
United Kingdom 6.64% (31 December 2017 - 4.53%)			
238,284	Aurora Investment Trust	433,677	3.20
3,357	iShares Core GBP Corp Bond	465,683	3.44
		899,360	6.64
Emerging Markets 6.94% (31 December 2017 - 8.06%)			
65,451	Coronation Global Emerging Markets 'P' Accumulation	510,825	3.77
40,666	TT International Emerging Markets Equity 'H' GBP Accumulation	429,437	3.17
		940,262	6.94
Europe (ex-United Kingdom) 10.71% (31 December 2017 - 16.38%)			
13,926	iShares Euro Total Market Value Large	241,755	1.78
2,307	Memnon European 'I' GBP Accumulation	335,546	2.48
585	OYSTER Continental European Selection 'I M' GBP Income	576,243	4.25
104,059	SQN Asset Finance Income 'C'	92,665	0.68
184,399	TwentyFour Income	205,605	1.52
		1,451,814	10.71
Japan 4.65% (31 December 2017 - 4.81%)			
31,624	Eastspring Investments Japan Dynamic 'RG' GBP Accumulation	399,860	2.95
1,073	Invesco Japanese Equity Core 'C' GBP Hedged Accumulation	230,835	1.70
		630,695	4.65
Multi-Regional 6.20% (31 December 2017 - 13.34%)			
56,083	F&C True Styles Global Equity Market Neutral	34,508	0.26
860	Fundrock Multi-Asset Trend 'C' GBP Income	70,172	0.52
67,224	International Public Partnerships	102,987	0.76
261,185	Jupiter Absolute Return 'I' Accumulation	146,603	1.08
1,559	KLS Zebra Global Equity Beta Neutral 'SI' GBP Accumulation	142,491	1.05
10,654	Neuberger Berman Emerging Market Debt Blend	103,447	0.76
10,276	Neuberger Berman Uncorrelated Strategies 'I5' GBP Accumulation	104,506	0.77
77,707	Oakley Capital Investments	135,210	1.00
		839,924	6.20
North America 34.15% (31 December 2017 - 32.08%)			
536	Banor North America Long Short Equity 'S' EUR Accumulation	687,622	5.07
48,460	Brown Advisory US Mid-Cap Growth 'C' USD Accumulation	423,874	3.13
1,745	Edgewood L Select US Select Growth 'I Z' USD Accumulation	279,562	2.06
81,589	Fidelity Investment American Special Situations 'W' Accumulation	1,211,591	8.94
4,499	SPDR S&P 500	885,988	6.54

Portfolio Statement (continued)

Holding	Investment	Bid Market Value £	% of Net Assets
North America (continued)			
7,151	Vulcan Global Value Equity 'I' Income	1,139,514	8.41
		4,628,151	34.15
Pacific (ex-Japan) 2.04% (31 December 2017 - 1.12%)			
243,808	Fidelity Investment Index Pacific Ex-Japan 'P' Income	275,746	2.04
		275,746	2.04
UK Property 0.66% (31 December 2017 - 0.00%)			
83,300	Civitas Social Housing	88,714	0.66
		88,714	0.66
Bonds 24.76% (31 December 2017 - 18.73%)			
1,075	Ashmore SICAV Emerging Markets Short Duration 'Z' Income	102,966	0.76
52,496	iShares FTSE UK Gilt All Stocks	686,123	5.06
38,175	SPDR Barclays UK Gilt	2,169,103	16.01
3,951	Vontobel TwentyFour Absolute Return Credit	397,710	2.93
		3,355,902	24.76
Forward Currency Contracts 0.18% (31 December 2017 - 0.15%)			
EUR (688,856)	Sold EUR, Bought GBP 624,365 for settlement on 20/03/2019	4,438	0.03
JPY (35,053,111)	Sold JPY, Bought GBP 246,428 for settlement on 20/03/2019	(5,021)	(0.03)
USD (4,003,552)	Sold USD, Bought GBP 3,157,002 for settlement on 20/03/2019	24,790	0.18
		24,207	0.18
Total Value of Investments 96.93% (31 December 2017 - 99.20%)			
		13,134,775	96.93
Net Other Assets		416,399	3.07
Net assets		13,551,174	100.00

Securities are admitted to an official stock exchange listing or traded on another regulated market unless otherwise stated.

Asset Allocation of Portfolio of Investments is as follows:

Collective Investment Schemes	12,257,315	90.45
Equities	853,253	6.30
Forward Currency Contracts	24,207	0.18
Net Other Assets	416,399	3.07
	13,551,174	100.00

Statement of Total Return

For the year ended 31 December 2018

	Notes ¹	£	31.12.2018 £	£	31.12.2017 £
Income					
Net capital (losses)/gains	4		(1,255,215)		1,544,245
Revenue	6	257,557		372,197	
Expenses	7	(183,536)		(231,565)	
Interest payable and similar charges	9	(169)		(49)	
Net revenue before taxation		73,852		140,583	
Taxation	8	—		(707)	
Net revenue after taxation for the year			<u>73,852</u>		<u>139,876</u>
Total returns before distributions			(1,181,363)		1,684,121
Distributions	9		(235,102)		(350,862)
Changes in net assets attributable to shareholders from investment activities			<u>(1,416,465)</u>		<u>1,333,259</u>

Statement of Changes in Net Assets Attributable to Shareholders

For the year ended 31 December 2018

	Note ¹	£	31.12.2018 £	£	31.12.2017 £
Opening net assets attributable to shareholders			18,085,416		21,100,110
Movement due to sales and repurchases of shares:					
Amounts received on issue of shares		414,949		490,226	
Less: amounts paid on cancellation of shares		(3,617,959)		(4,957,315)	
			(3,203,010)		(4,467,089)
Changes in net assets attributable to shareholders from investment activities (see above)			(1,416,465)		1,333,259
Retained distribution on accumulation shares	9		85,233		119,136
Closing net assets attributable to shareholders			<u>13,551,174</u>		<u>18,085,416</u>

¹The notes to these accounts can be found on pages 60 to 67.

Balance Sheet

As at 31 December 2018

	Notes ¹	31.12.2018 £	31.12.2017 £
Assets			
Fixed assets:			
Investments		13,139,796	17,951,468
Current assets:			
Debtors	10	16,490	135,095
Cash and bank balances	11	486,594	159,683
Total assets		<u>13,642,880</u>	<u>18,246,246</u>
Liabilities			
Investment liabilities		(5,021)	(11,161)
Creditors:			
Bank overdrafts	12	—	(34,973)
Distribution payable on income shares	9	(52,047)	(97,057)
Other creditors	13	(34,638)	(17,639)
Total liabilities		<u>(91,706)</u>	<u>(160,830)</u>
Net assets attributable to shareholders		<u>13,551,174</u>	<u>18,085,416</u>

¹The notes to these accounts can be found on pages 60 to 67.

Notes to the Financial Statements

For the year ended 31 December 2018

1. Accounting Policies

The accounting policies for this sub-fund match those found on pages 13 and 14.

2. Distribution Policies

The distribution policies for this sub-fund match those found on pages 14 and 15.

3. Risk Management Policies

The risk management policies for this sub-fund match those found on pages 15 and 16.

4. Net Capital (Losses)/Gains

	31.12.2018 £	31.12.2017 £
(Losses)/gains on non-derivative securities	(998,991)	1,283,023
Losses on derivative securities	–	(48,010)
(Losses)/gains on forward currency contracts	(156,098)	292,274
Currency (losses)/gains	(100,126)	16,958
Net capital (losses)/gains	<u>(1,255,215)</u>	<u>1,544,245</u>

5. Purchases, Sales, and Transaction costs

	31.12.2018 £	31.12.2017 £
Analysis of total purchase costs:		
Purchases in year before transaction costs		
Collective Investment Schemes	452,317	2,956,573
Corporate Actions	588,327	911,841
Derivatives	–	28,914
Equities	2,643,520	609,714
Commissions:		
Equities total value paid	1,328	208
Total purchase transaction costs	<u>1,328</u>	<u>208</u>
Gross purchases total	<u>3,685,492</u>	<u>4,507,250</u>

Analysis of total sale costs:

Gross sales in year before transaction costs		
Collective Investment Schemes	4,234,493	4,280,268
Corporate Actions	588,327	911,841
Derivatives	–	8,813
Equities	2,698,530	3,729,317
Commissions:		
Equities total value paid	(1,222)	(3,670)
Taxes:		
Equities total value paid	(2)	–
Total sales costs	<u>(1,224)</u>	<u>(3,670)</u>
Total sales net of transaction costs	<u>7,520,126</u>	<u>8,926,569</u>

Notes to the Financial Statements (continued)

5. Purchases, Sales, and Transaction costs (continued)

	31.12.2018 %	31.12.2017 %
Analysis of total purchase costs:		
Commissions:		
Equities percentage of average NAV	0.01	—
Equities percentage of purchases total	0.05	0.03
Analysis of total sale costs:		
Commissions:		
Collective Investment Schemes percentage of average NAV	—	—
Collective Investment Schemes percentage of sales total	—	—
Equities percentage of average NAV	0.01	0.02
Equities percentage of sales total	0.05	0.10
Taxes:		
Equities percentage of average NAV	—	—
Equities percentage of sales total	—	—

The average portfolio dealing spread as at 31 December 2018 was 0.23% (31 December 2017: 0.17%).

6. Revenue

	31.12.2018 £	31.12.2017 £
Bank interest	165	79
Franked UK dividends	8,542	7,834
Franked CIS revenue	14,170	27,737
Unfranked CIS revenue	17,386	20,914
Franked PID revenue	2,892	—
Offshore dividend CIS revenue	67,289	116,343
Offshore interest CIS revenue	73,733	81,955
Overseas dividends	72,069	117,335
Unfranked PID revenue	1,311	—
	<u>257,557</u>	<u>372,197</u>

7. Expenses

	31.12.2018 £	31.12.2017 £
Payable to the ACD or associates of the ACD, and agents of either of them:		
ACD's annual charge	<u>148,682</u>	<u>188,183</u>
	<u>148,682</u>	<u>188,183</u>
Other expenses:		
Fixed operating charge ¹	<u>34,854</u>	<u>43,382</u>
	<u>34,854</u>	<u>43,382</u>
	<u>183,536</u>	<u>231,565</u>

¹ Expenses due to the Depositary, Custodian, Administrator, Auditor and the FCA are payable by the ACD out of the Fixed operating charge. Fee payable on the Auditors for the year ending 31 December 2018 is £7,018 plus VAT (31 December 2017: £6,814 plus VAT).

Notes to the Financial Statements (continued)

8. Taxation

	31.12.2018 £	31.12.2017 £
a) Analysis of charge for the year:		
Overseas tax suffered	–	–
Irrecoverable CIS income tax write off	–	707
Current tax (note 8b)	–	707
Deferred tax (note 8c)	–	–
Total tax charge	–	707

b) Factors affecting taxation charge for the year:

The tax assessed for the period is lower (2017: lower) than the standard rate of UK Corporation Tax for an Open Ended Investment Company in the UK of 20% (2017: 20%). The differences are explained below:

Net revenue before tax	73,852	140,583
Corporation tax at 20%	14,770	28,117
Effects of:		
UK dividend revenue not subject to corporation tax	(1,709)	(1,567)
Excess management expenses	14,550	25,733
Franked CIS revenue	(2,834)	(5,547)
Franked PID revenue	(578)	–
Irrecoverable CIS income tax	–	707
Overseas dividend revenue not subject to corporation tax	(10,741)	(23,467)
Offshore dividend CIS revenue	(13,458)	(23,269)
Sub-total	(14,770)	(27,410)
Current year tax charge (note 8a)	–	707

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

c) Provision for the deferred tax

Provision at start of year	–	–
Deferred tax charge for the year	–	–
Provision at end of year	–	–

The sub-fund has not recognised a deferred tax asset of £118,544 (31 December 2017: £103,994) arising from excess management expenses, which will only be utilised to reduce future tax charges if the sub-fund has an excess of unfranked revenue over expenses in future years.

9. Distributions

The distributions take account of revenue added on creation of shares and revenue deducted on the cancellation of shares, and comprise:

	31.12.2018 £	31.12.2017 £
Interim Distribution	87,338	109,252
Interim Accumulation	54,978	63,924
Final Distribution	52,047	97,057
Final Accumulation	30,255	55,212
	224,618	325,445

Notes to the Financial Statements (continued)

9. Distributions (continued)

	31.12.2018 £	31.12.2017 £
Add: Amounts deducted on cancellation of shares	11,757	27,682
Less: Amounts added on creation of shares	(1,273)	(2,265)
Distributions	<u>235,102</u>	<u>350,862</u>
Interest payable and similar charges	169	49
Total distributions	<u><u>235,271</u></u>	<u><u>350,911</u></u>
Net revenue after taxation	73,852	139,876
Add: Capitalised expenses	183,536	231,565
Less: Equalisation uplift on unit conversions	–	(2)
Add: Undistributed revenue brought forward	3	7
Less: Undistributed revenue carried forward	(7)	(3)
Tax effect of fees offset to capital	(22,282)	(20,581)
Distributions	<u><u>235,102</u></u>	<u><u>350,862</u></u>

10. Debtors

	31.12.2018 £	31.12.2017 £
Accrued revenue	16,233	12,911
Amount receivable for creation of shares	–	112
CIS income tax recoverable	257	257
Sales awaiting settlement	–	121,815
	<u><u>16,490</u></u>	<u><u>135,095</u></u>

11. Cash and Bank Balances

	31.12.2018 £	31.12.2017 £
Cash and bank balances	486,594	159,683
	<u><u>486,594</u></u>	<u><u>159,683</u></u>

12. Bank Overdrafts

	31.12.2018 £	31.12.2017 £
Bank overdrafts	–	34,973
	<u><u>–</u></u>	<u><u>34,973</u></u>

13. Other Creditors

	31.12.2018 £	31.12.2017 £
Amount payable for cancellation of shares	17,047	–
Accrued expenses	13,281	17,639
Purchases awaiting settlement	4,310	–
	<u><u>34,638</u></u>	<u><u>17,639</u></u>

14. Commitments, Contingent Liabilities, and Contingent Assets

At 31 December 2018, the sub-fund had no contingent liabilities or assets (31 December 2017: same).

Notes to the Financial Statements (continued)

15. Related Parties

ACD fees paid to Sarasin Investment Funds Limited are shown in note 7. The balance due to Sarasin Investment Funds Limited at the year end in respect of this transaction was £10,746 (31 December 2017: £14,314).

At the year end, Sarasin Fund of Funds - Global Diversified Growth held no shares in any other sub-fund or collective investment scheme managed by associated companies of Sarasin Investment Funds (31 December 2017: same).

At the year end, BNY (OCS) Nominees Limited owned below the 25% threshold in the sub-fund on behalf of multiple beneficiaries (31 December 2017: 30.46%).

16. Shareholders' Funds

The sub-fund has 7 share classes in issue. The shares have no par value and, within each class subject to their denomination, are entitled to participate equally in the profits arising in respect of, and in the proceeds of, the liquidation of the assets in, or the termination of, that sub-fund.

Shares do not carry preferential or pre-emptive rights to acquire further shares. All shares have the same rights on winding up.

Global Diversified Growth 'A' Accumulation Shares

Opening shares	69,611
Shares Created	–
Shares Liquidated	–
Shares Converted	–
Closing shares	69,611

Global Diversified Growth 'I' Income Shares

Opening shares	1,447,218
Shares Created	42,500
Shares Liquidated	(206,738)
Shares Converted	–
Closing shares	1,282,980

Global Diversified Growth 'I' Accumulation Shares

Opening shares	852,866
Shares Created	–
Shares Liquidated	(293,800)
Shares Converted	–
Closing shares	559,066

Global Diversified Growth 'P' Income Shares

Opening shares	6,035
Shares Created	134
Shares Liquidated	(2,556)
Shares Converted	–
Closing shares	3,613

Global Diversified Growth 'P' Accumulation Shares

Opening shares	730,614
Shares Created	170,744
Shares Liquidated	(72,074)
Shares Converted	–
Closing shares	829,284

Global Diversified Growth 'X' Income Shares

Opening shares	6,348,959
Shares Created	–
Shares Liquidated	(1,260,052)
Shares Converted	14,977
Closing shares	5,103,884

Notes to the Financial Statements (continued)
16. Shareholders' Funds (continued)
Global Diversified Growth 'X' Accumulation Shares

Opening shares	2,474,149
Shares Created	50,050
Shares Liquidated	(579,109)
Shares Converted	(13,750)
Closing shares	1,931,340

17. Risk Disclosures

The policies in place for controlling the risks associated with pursuing the sub-fund's objectives and operating the sub-fund are detailed in note 3 on pages 15 and 16. A sensitivity analysis of the sub-fund is provided on page 45. Further analysis of the sub-fund's exposure to these risks is detailed below.

Currency exposure as at 31 December 2018

	Monetary exposure £	Non-Monetary exposure £	Total £	%
Euro	330	(619,927)	(619,597)	(4.57)
Japanese yen	–	(251,449)	(251,449)	(1.86)
Sterling	416,069	14,350,491	14,766,560	108.97
US dollar	–	(344,340)	(344,340)	(2.54)
	416,399	13,134,775	13,551,174	100.00

Currency exposure as at 31 December 2017

	Monetary exposure £	Non-Monetary exposure £	Total £	%
Euro	–	(904,596)	(904,596)	(5.00)
Japanese yen	–	(369,247)	(369,247)	(2.04)
Sterling	145,109	18,650,400	18,795,509	103.92
US dollar	–	563,750	563,750	3.12
	145,109	17,940,307	18,085,416	100.00

Interest rate exposure as at 31 December 2018

	Floating rate financial assets £	Fixed rate financial assets £	Financial assets not carrying interest £	Total £
Euro	330	–	–	330
Sterling	486,264	–	14,389,263	14,875,527
US dollar	–	–	2,787,872	2,787,872
	486,594	–	17,177,135	17,663,729

Notes to the Financial Statements (continued)

17. Risk Disclosures (continued)

	Floating rate financial liabilities £	Fixed rate financial liabilities £	Financial liabilities not carrying interest £	Total £
Euro	–	–	(619,927)	(619,927)
Japanese yen	–	–	(251,449)	(251,449)
Sterling	–	–	(108,967)	(108,967)
US dollar	–	–	(3,132,212)	(3,132,212)
	–	–	(4,112,555)	(4,112,555)

Interest rate exposure as at 31 December 2017

	Floating rate financial assets £	Fixed rate financial assets £	Financial assets not carrying interest £	Total £
Euro	–	–	109,372	109,372
Sterling	159,683	–	19,437,996	19,597,679
US dollar	–	–	4,494,342	4,494,342
	159,683	–	24,041,710	24,201,393

	Floating rate financial liabilities £	Fixed rate financial liabilities £	Financial liabilities not carrying interest £	Total £
Euro	–	–	(1,013,968)	(1,013,968)
Japanese yen	–	–	(369,247)	(369,247)
Sterling	(34,973)	–	(767,197)	(802,170)
US dollar	–	–	(3,930,592)	(3,930,592)
	(34,973)	–	(6,081,004)	(6,115,977)

Fair value

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

Valuation technique as at 31 December 2018

	Level 1 £	Level 2 £	Level 3 £	Total £
Financial Assets				
Collective Investment Schemes	4,654,257	7,603,058	–	12,257,315
Equities	853,253	–	–	853,253
Forward Currency Contracts	–	29,228	–	29,228
	5,507,510	7,632,286	–	13,139,796
Financial Liabilities				
Forward Currency Contracts	–	(5,021)	–	(5,021)
	–	(5,021)	–	(5,021)

Notes to the Financial Statements (continued)

17. Risk Disclosures (continued)

Valuation technique as at 31 December 2017

	Level 1 £	Level 2 £	Level 3 £	Total £
Financial Assets				
Collective Investment Schemes	3,553,795	12,280,953	—	15,834,748
Equities	2,078,226	—	—	2,078,226
Forward Currency Contracts	—	38,494	—	38,494
	<u>5,632,021</u>	<u>12,319,447</u>	<u>—</u>	<u>17,951,468</u>
Financial Liabilities				
Forward Currency Contracts	—	(11,161)	—	(11,161)
	<u>—</u>	<u>(11,161)</u>	<u>—</u>	<u>(11,161)</u>

The valuation technique has been disclosed under Accounting Policies note 1I on page 14.

Level 1

The unadjusted quoted price in an active market for an identical instrument that the entity can access at the measurement date.

Level 2

Valuation techniques using observable inputs other than quoted prices within Level 1 (i.e., developed using market data).

Level 3

Valuation techniques using unobservable inputs (i.e., for which market data is unavailable).

Counterparty Risk

During the year, the sub-fund made use of 'Over The Counter' (OTC) Derivative Instruments. These types of transactions introduce counterparty risk, where a counterparty may fail to meet its financial commitments.

In order to reduce this risk, collateral may be held by the sub-fund. The counterparties to these transactions and any collateral held by the sub-fund at the balance sheet date are shown below:

Counterparty Name as at 31 December 2018	Exposure £	Cash Collateral £
The Bank of New York Mellon	29,227	—

Counterparty Name as at 31 December 2017	Exposure £	Cash Collateral £
The Bank of New York Mellon	38,494	—

Positive exposure represents the mark to market value of derivative contracts and the sub-fund's exposure to that counterparty.

18. Post Balance Sheet Market Movements

The ACD has applied a 10% threshold to the disclosure of post year end movements in the net asset value per share of the sub-fund from the year end date to the date of signing. This consideration takes into account routine transactions but also significant market movements. The following share classes have exceeded the threshold and, as at the date of signing these accounts, have increased in value by over 10% since 31 December 2018: Global Diversified Growth A Inc, D Inc.

Distribution Tables

For the year ended 31 December 2018

Interim distribution in pence per share

Group 1: Shares purchased prior to 1 January 2018

Group 2: Shares purchased between 1 January 2018 and 30 June 2018

Share	Net Revenue 2018 Pence per Share	Equalisation (note 2i) Pence per Share	Interim Distribution Paid 2018 Pence per Share	Interim Distribution Paid 2017 Pence per Share
Global Diversified Growth 'A' Accumulation Shares¹				
Group 1	1.3391	—	1.3391	1.1924
Group 2	1.3391	—	1.3391	1.1924
Global Diversified Growth 'I' Income Shares				
Group 1	1.2822	—	1.2822	1.2781
Group 2	0.7698	0.5124	1.2822	1.2781
Global Diversified Growth 'I' Accumulation Shares¹				
Group 1	1.3868	—	1.3868	1.3579
Group 2	1.3868	—	1.3868	1.3579
Global Diversified Growth 'P' Income Shares				
Group 1	1.2942	—	1.2942	1.1300
Group 2	0.7032	0.5910	1.2942	1.1300
Global Diversified Growth 'P' Accumulation Shares				
Group 1	1.3957	—	1.3957	1.3629
Group 2	0.7718	0.6239	1.3957	1.3629
Global Diversified Growth 'X' Income Shares¹				
Group 1	1.2585	—	1.2585	1.2597
Group 2	1.2585	—	1.2585	1.2597
Global Diversified Growth 'X' Accumulation Shares				
Group 1	1.3589	—	1.3589	1.3357
Group 2	0.8155	0.5434	1.3589	1.3357

Distribution Tables (continued)

Final distribution in pence per share

Group 1: Shares purchased prior to 1 July 2018

Group 2: Shares purchased between 1 July 2018 and 31 December 2018

Share	Net Revenue 2018 Pence per Share	Equalisation (note 2i) Pence per Share	Final Distribution Paid 2019 Pence per Share	Final Distribution Paid 2018 Pence per Share
Global Diversified Growth 'A' Accumulation Shares¹				
Group 1	0.8685	—	0.8685	1.3110
Group 2	0.8685	—	0.8685	1.3110
Global Diversified Growth 'I' Income Shares				
Group 1	0.8277	—	0.8277	1.2608
Group 2	0.1270	0.7007	0.8277	1.2608
Global Diversified Growth 'I' Accumulation Shares¹				
Group 1	0.9041	—	0.9041	1.3521
Group 2	0.9041	—	0.9041	1.3521
Global Diversified Growth 'P' Income Shares				
Group 1	0.8356	—	0.8356	1.2720
Group 2	0.3868	0.4488	0.8356	1.2720
Global Diversified Growth 'P' Accumulation Shares				
Group 1	0.9090	—	0.9090	1.3593
Group 2	0.7277	0.1813	0.9090	1.3593
Global Diversified Growth 'X' Income Shares¹				
Group 1	0.8111	—	0.8111	1.2401
Group 2	0.8111	—	0.8111	1.2401
Global Diversified Growth 'X' Accumulation Shares¹				
Group 1	0.8832	—	0.8832	1.3272
Group 2	0.8832	—	0.8832	1.3272

¹There were no group 2 shares for this period.

Investment Objective and Policy

The sub-fund's investment objective is to seek to achieve long term capital growth.

The sub-fund aims to achieve its objective by investing in shares and units of other collective investment schemes (including but not limited to exchange traded funds). The underlying funds may invest in global transferable securities, fixed interest securities, money market instruments, derivatives, cash and near cash. Generally, 80% of the sub-fund's assets will be in collective investment schemes that predominantly invest in international stocks, although the sub-fund has the flexibility to invest in such collective investment schemes to a greater or lesser degree when deemed appropriate.

The sub-fund may also invest directly in transferable securities, money market instruments, cash and near cash and deposits.

The sub-fund may borrow and enter into stock lending and underwriting arrangements, and may employ derivatives for efficient portfolio management purposes including hedging.

Sensitivity Analysis

The sub-fund invests in third party equity and bond funds. Exposure to foreign currencies can be altered through the use of forwards and occasionally options. The level of equity exposure varies over time depending on how positive the manager is; generally, the level will be in the range of 75-85% (sub-fund launched December 2014).

The Value at Risk (VaR) is a statistical technique used to measure and quantify the level of risk within an investment portfolio over a specific timeframe.

The Value at Risk (VaR) is independently calculated by StatPro Risk who evaluates the volatility and correlation of the sub-fund's holdings over a period of 2 years. StatPro calculate historical price variations of each asset on a daily basis over this period using a historical simulation methodology with full repricing.

The VaR statistic adopted for Sarasin funds is the "99% / 20-day VaR" model. To calculate this figure StatPro rank the distribution and then calculate the VaR figure based on the 99th percentile. This is intended to show, with 99% degree of confidence, the maximum amount that might be lost over a 20-day period.

The "99% / 20-day VaR" for Fund of Funds - Global Growth, as at 31 December 2018, was 5.72% (31 December 2017: 6.66%). The lowest, highest, and average utilisation in the period was 4.39%, 6.61%, and 4.97%, respectively (31 December 2017: 6.08%, 9.16%, and 7.58%, respectively).

Investment Review

Due to a proliferation of challenges faced in 2018, almost all markets – equities and corporate bonds – finished down for the year. The first quarter brought about a sharp sell-off in global equities, triggered by a strong jobs growth and wage inflation report from the USA. This provoked speculation about the likelihood of an accelerated trajectory for interest rates – but as soon as markets recovered their poise, Trump's trade war agenda caused another spasm of anxiety.

The steady withdrawal of Central Bank stimulus and rising trade tensions continued to dominate sentiment as the year progressed. Then, in the final quarter, global equities were badly shaken due to a combination of factors. The most prominent of these was poor forward guidance from the US Federal Reserve that spooked both equity and corporate debt markets, which was especially significant given that US equities had been the main driver of returns prior to this. After a tough three quarters of 2018, fixed income had a better final quarter as investors reduced risk exposure.

As we head into 2019, we have maintained small underweight positions in fixed income and equity versus an overweight to alternatives.

Performance

Over the course of the year, the fund underperformed the benchmark by 6.2%. This was mainly as a result of Coronation Emerging Markets 'P' Accumulation and OYSTER Continental European Selection 'I M' GBP.

The best contributors over the course of the year were all US equity holdings. Strong relative performance came from Fidelity Investment American Special Situations 'W' Accumulation, Brown Advisory US Mid-Cap Growth 'C' USD Accumulation, SPDR S&P 500, Edgewood L Select US Select Growth 'I Z' USD Accumulation and Vulcan Global Value Equity 'I' Income.

Alternatives holdings, such as SQN Asset Finance Income and International Public Partnerships, also delivered good performance. Oakley Capital was a notable performer too, particularly in the first half of the year. This followed positive results as well as two realisations, such as the sale of Verivox at 2.5x the initial purchase price. A good contribution also came from Sequoia Economic Infrastructure. In the final quarter, uncorrelated strategies such as Jupiter Absolute Return 'I' Accumulation and BMO Global Equity Market Neutral delivered good outperformance amid the market turbulence.

Within fixed income, our UK Gilt holding made a strong positive contribution. It performed particularly well in the fourth quarter, as investors looked for safe havens given the turmoil in equity markets.

Investment Review (continued)

On the negative side, one of the biggest relative detractors was OYSTER Continental European Selection 'I M' GBP Income. The manager's quality style and value focus did not play out over the course of the year. Some of our Emerging Markets holdings performed poorly too, including Coronation Global Emerging Markets 'P' Accumulation. TT International Emerging Markets Equity 'H' GBP Accumulation also underperformed, but had a good final quarter delivering above index returns. Banor North American Long Short Equity 'S' EUR Accumulation and Fulcrum Multi Asset Trend also hurt performance in 2018.

Changes and adjustments

In terms of changes to the fund over the year, we rotated our UK allocation into Aurora Investment Trust in February. The management of this trust was taken over by Phoenix Asset Management in January 2016. The team at Phoenix conduct intensive primary research into businesses leading to insights that at times gives them an informational edge over and above the average market participant. They are a great example of the type of investors we look for in terms of culture and approach.

There was no significant trading activity in the second and third quarters, although we took profits on some of our US equity funds, including Edgewood L Select US Select Growth 'I Z' USD Accumulation. In the fourth quarter, we redeemed from GAM Multistock Euroland Value Equity 'Ra' GBP on structural changes at GAM and decreased our position in Coronation Global Emerging Markets 'P' Accumulation on lack of conviction in the manager.

Outlook

It should be noted that Sarasin Fund of Funds – Global Growth was merged, in two equal parts, into Sarasin Fund of Funds - Global Diversified Growth and Sarasin Fund of Funds – Global Equity, on 15 February 2019 having been approved by shareholders on 13 February 2019.

Given the denouement of QE (quantitative easing) and that we are almost ten years into the recovery cycle, it is reasonable to expect that volatility in markets will continue. The stimulus of US tax cuts and public spending is likely to evaporate and it is difficult to gauge whether the trade tensions between China and the US will intensify or ease in 2019. Hitherto, developing economies have been particular beneficiaries of free trade and the uncertainties have reduced the pace of investment. All the same, these nations could account for two-thirds of global GDP growth over the next decade, as they adopt new technology across multiple industries.

The 2018 final quarter rally in core bond markets – i.e. US Treasuries, German Bunds and UK Gilts – reminded us that bonds as an asset class still have a role to play in portfolios if you want to limit volatility. Nevertheless, bonds are likely to be an impediment to overall returns while there is insufficient income to compensate for capital loss. We still expect to add most value from equities and hold the view that the outlook remains fair for good-quality companies operating in the right areas of the global economy, despite the challenges ahead. Although the US Federal Reserve has persisted in tightening monetary policy, we believe that it can now afford to be patient with inflation relatively quiescent. However, we remain extremely vigilant in assessing whether US wage growth is going to run ahead of expectations.

Against this backdrop, we believe maintaining valuation discipline should create a margin of safety to support performance in times of market deterioration, while ensuring we participate in any upside during more positive periods.

Guy Monson
Chief Investment Officer
Sarasin & Partners LLP
30 January 2019

All opinions and estimates contained in this report constitute the Company's judgement and view as of the date of the report and are subject to change without notice.

Top 8 purchases during the year

Aurora Investment Trust
SPDR Barclays UK Gilt
iShares Euro Total Market Value Large
SPDR S&P 500
Fidelity Investment Index Pacific Ex-Japan 'P' Income
SQN Asset Finance Income 'C'
SQN Asset Finance Income
Invesco Japanese Equity Core 'C' Accumulation

Top 10 sales during the year

Vulcan Global Value Equity 'I' Income
Fidelity Investment American Special Situations
'W' Accumulation
Coronation Global Emerging Markets 'P' Accumulation
Schroder Recovery 'Z' Accumulation
GAM Multistock Euroland Value Equity 'Ra' GBP
SPDR S&P 500
F&C True Styles Global Equity Market Neutral
SQN Asset Finance Income
Brown Advisory US Mid-Cap Growth 'C' USD Accumulation
Neuberger Berman Uncorrelated Strategies
'I5' GBP Accumulation

Sub-fund Information

For the year ended 31 December 2018

The Comparative Tables on pages 73 to 80 give the performance of each active share class in the sub-fund.

The 'Return after charges' disclosed in the Comparative Tables is calculated as the return after operating charges per share divided by the opening net asset value per share. It differs from the sub-fund's performance disclosed in the ACD's report, which is calculated based on the latest published price.

Portfolio transaction costs are incurred when investments are bought or sold by a fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the sub-fund.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades.

In addition, there are indirect portfolio transaction costs arising from the 'dealing spread' – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by the fund on each transaction, other types of investments (such as bonds, money instruments, derivatives, collective investment schemes) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and money market sentiment.

Sub-fund Information (continued)
Comparative Tables
Global Growth 'A' Income Shares

	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
Change in Net Asset Value per Share			
Opening net asset value per share	151.94	139.78	125.00
Return before operating charges*	(12.12)	17.72	19.62
Operating charges	(3.61)	(3.78)	(3.17)
Return after operating charges*	(15.73)	13.94	16.45
Distributions on income shares	(1.68)	(1.78)	(1.67)
Closing net asset value per share	134.53	151.94	139.78
* after direct transaction costs of ¹ :	0.02	(0.02)	0.01
Performance			
Return after charges ²	(10.35)%	9.97%	13.16%
Other Information			
Closing net asset value (£'000)	2	2	2
Closing number of shares	1,296	1,280	1,264
Operating charges ³	2.42%	2.57%	2.51%
Direct transaction costs	0.01%	(0.02)%	0.01%
Prices			
Highest share price	156.60p	153.00p	141.50p
Lowest share price	132.90p	140.40p	110.00p

¹Direct transaction costs are stated after deducting the proportion of the amounts collected from single swing price adjustment that relate to direct transaction costs. A negative transaction cost figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

²The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. For Sarasin Fund of Funds - Global Growth, 0.69% of the Operating Charges was made up of synthetic costs.

Sub-fund Information (continued)
Comparative Tables (continued)
Global Growth 'A' Accumulation Shares

	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
Change in Net Asset Value per Share			
Opening net asset value per share	161.46	146.74	129.80
Return before operating charges*	(13.11)	18.70	20.24
Operating charges	(3.89)	(3.98)	(3.30)
Return after operating charges*	(17.00)	14.72	16.94
Distributions	(1.73)	(1.88)	(1.75)
Retained distributions on accumulation shares	1.73	1.88	1.75
Closing net asset value per share	144.46	161.46	146.74
* after direct transaction costs of ¹ :	0.02	(0.02)	0.01
Performance			
Return after charges ²	(10.53)%	10.03%	13.05%
Other Information			
Closing net asset value (£'000)	1	8	7
Closing number of shares	606	4,770	4,770
Operating charges ³	2.42%	2.57%	2.51%
Direct transaction costs	0.01%	(0.02)%	0.01%
Prices			
Highest share price	166.40p	161.60p	147.40p
Lowest share price	142.00p	147.30p	114.20p

¹Direct transaction costs are stated after deducting the proportion of the amounts collected from single swing price adjustment that relate to direct transaction costs. A negative transaction cost figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

²The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. For Sarasin Fund of Funds - Global Growth, 0.69% of the Operating Charges was made up of synthetic costs.

Sub-fund Information (continued)
Comparative Tables (continued)
Global Growth 'I' Income Shares

	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
Change in Net Asset Value per Share			
Opening net asset value per share	155.92	142.24	126.42
Return before operating charges*	(12.60)	18.13	19.68
Operating charges	(2.45)	(2.62)	(2.15)
Return after operating charges*	(15.05)	15.51	17.53
Distributions on income shares	(1.73)	(1.83)	(1.71)
Closing net asset value per share	139.14	155.92	142.24
* after direct transaction costs of ¹ :	0.02	(0.02)	0.01
Performance			
Return after charges ²	(9.65)%	10.90%	13.87%
Other Information			
Closing net asset value (£'000)	694	993	725
Closing number of shares	499,293	636,762	509,440
Operating charges ³	1.59%	1.74%	1.68%
Direct transaction costs	0.01%	(0.02)%	0.01%
Prices			
Highest share price	160.80p	157.00p	143.90p
Lowest share price	137.40p	142.90p	111.30p

¹Direct transaction costs are stated after deducting the proportion of the amounts collected from single swing price adjustment that relate to direct transaction costs. A negative transaction cost figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

²The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. For Sarasin Fund of Funds - Global Growth, 0.69% of the Operating Charges was made up of synthetic costs.

Sub-fund Information (continued)
Comparative Tables (continued)
Global Growth 'I' Accumulation Shares

	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
Change in Net Asset Value per Share			
Opening net asset value per share	166.45	150.07	131.56
Return before operating charges*	(13.53)	19.14	20.77
Operating charges	(2.62)	(2.76)	(2.26)
Return after operating charges*	(16.15)	16.38	18.51
Distributions	(1.85)	(1.93)	(1.78)
Retained distributions on accumulation shares	1.85	1.93	1.78
Closing net asset value per share	150.30	166.45	150.07
* after direct transaction costs of ¹ :	0.02	(0.03)	0.01
Performance			
Return after charges ²	(9.70)%	10.91%	14.07%
Other Information			
Closing net asset value (£'000)	299	331	1,119
Closing number of shares	198,929	198,929	745,734
Operating charges ³	1.59%	1.74%	1.68%
Direct transaction costs	0.01%	(0.02)%	0.01%
Prices			
Highest share price	171.60p	166.60p	150.80p
Lowest share price	147.70p	150.70p	115.90p

¹Direct transaction costs are stated after deducting the proportion of the amounts collected from single swing price adjustment that relate to direct transaction costs. A negative transaction cost figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

²The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. For Sarasin Fund of Funds - Global Growth, 0.69% of the Operating Charges was made up of synthetic costs.

Sub-fund Information (continued)
Comparative Tables (continued)
Global Growth 'P' Income Shares

	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
Change in Net Asset Value per Share			
Opening net asset value per share	157.06	143.04	126.93
Return before operating charges*	(12.73)	18.22	19.88
Operating charges	(2.21)	(2.38)	(2.05)
Return after operating charges*	(14.94)	15.84	17.83
Distributions on income shares	(1.74)	(1.82)	(1.72)
Closing net asset value per share	140.38	157.06	143.04
* after direct transaction costs of ¹ :	0.02	(0.02)	0.01
Performance			
Return after charges ²	(9.51)%	11.07%	14.05%
Other Information			
Closing net asset value (£'000)	1	18	12
Closing number of shares	742	11,691	8,327
Operating charges ³	1.42%	1.57%	1.51%
Direct transaction costs	0.01%	(0.02)%	0.01%
Prices			
Highest share price	162.00p	158.10p	144.70p
Lowest share price	138.70p	143.70p	111.80p

¹Direct transaction costs are stated after deducting the proportion of the amounts collected from single swing price adjustment that relate to direct transaction costs. A negative transaction cost figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

²The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. For Sarasin Fund of Funds - Global Growth, 0.69% of the Operating Charges was made up of synthetic costs.

Sub-fund Information (continued)
Comparative Tables (continued)
Global Growth 'P' Accumulation Shares

	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
Change in Net Asset Value per Share			
Opening net asset value per share	167.38	150.64	131.90
Return before operating charges*	(13.65)	19.25	20.77
Operating charges	(2.37)	(2.51)	(2.03)
Return after operating charges*	(16.02)	16.74	18.74
Distributions	(1.86)	(1.95)	(1.78)
Retained distributions on accumulation shares	1.86	1.95	1.78
Closing net asset value per share	151.36	167.38	150.64
* after direct transaction costs of ¹ :	0.02	(0.03)	0.01
Performance			
Return after charges ²	(9.57)%	11.11%	14.21%
Other Information			
Closing net asset value (£'000)	321	1,331	71
Closing number of shares	211,945	795,535	47,242
Operating charges ³	1.42%	1.57%	1.51%
Direct transaction costs	0.01%	(0.02)%	0.01%
Prices			
Highest share price	172.60p	167.50p	151.30p
Lowest share price	148.80p	151.20p	116.10p

¹Direct transaction costs are stated after deducting the proportion of the amounts collected from single swing price adjustment that relate to direct transaction costs. A negative transaction cost figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

²The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. For Sarasin Fund of Funds - Global Growth, 0.69% of the Operating Charges was made up of synthetic costs.

Sub-fund Information (continued)
Comparative Tables (continued)
Global Growth 'X' Income Shares

	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
Change in Net Asset Value per Share			
Opening net asset value per share	153.15	140.18	125.01
Return before operating charges*	(12.34)	17.83	19.39
Operating charges	(2.90)	(3.06)	(2.54)
Return after operating charges*	(15.24)	14.77	16.85
Distributions on income shares	(1.69)	(1.80)	(1.68)
Closing net asset value per share	136.22	153.15	140.18
* after direct transaction costs of ¹ :	0.02	(0.02)	0.01
Performance			
Return after charges ²	(9.95)%	10.54%	13.48%
Other Information			
Closing net asset value (£'000)	1,246	1,527	1,886
Closing number of shares	914,498	996,807	1,345,653
Operating charges ³	1.92%	2.07%	2.01%
Direct transaction costs	0.01%	(0.02)%	0.01%
Prices			
Highest share price	157.90p	154.20p	141.80p
Lowest share price	134.60p	140.80p	110.00p

¹Direct transaction costs are stated after deducting the proportion of the amounts collected from single swing price adjustment that relate to direct transaction costs. A negative transaction cost figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

²The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. For Sarasin Fund of Funds - Global Growth, 0.69% of the Operating Charges was made up of synthetic costs.

SARASIN Fund of Funds - Global Growth

Sub-fund Information (continued)

Comparative Tables (continued)

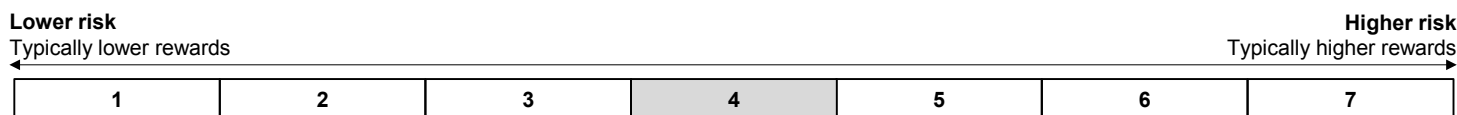
Global Growth 'X' Accumulation Shares

	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
Change in Net Asset Value per Share			
Opening net asset value per share	163.26	147.64	129.92
Return before operating charges*	(13.24)	18.85	20.37
Operating charges	(3.10)	(3.23)	(2.65)
Return after operating charges*	(16.34)	15.62	17.72
Distributions	(1.81)	(1.90)	(1.76)
Retained distributions on accumulation shares	1.81	1.90	1.76
Closing net asset value per share	146.92	163.26	147.64
* after direct transaction costs of ¹ :	0.02	(0.03)	0.01
Performance			
Return after charges ²	(10.01)%	10.58%	13.64%
Other Information			
Closing net asset value (£'000)	1,385	1,617	1,975
Closing number of shares	942,821	990,680	1,337,936
Operating charges ³	1.92%	2.07%	2.01%
Direct transaction costs	0.01%	(0.02)%	0.01%
Prices			
Highest share price	168.30p	163.40p	148.30p
Lowest share price	144.40p	148.20p	114.30p

¹Direct transaction costs are stated after deducting the proportion of the amounts collected from single swing price adjustment that relate to direct transaction costs. A negative transaction cost figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

²The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. For Sarasin Fund of Funds - Global Growth, 0.69% of the Operating Charges was made up of synthetic costs.

Sub-fund Information (continued)**Risk and Reward Profile**

- Historical data may not be a reliable indication for the future.
- The risk category shown is not guaranteed and may shift over time.
- The lowest category does not mean 'risk-free'.

The Risk and Reward Indicator

The Risk and Reward Indicator table demonstrates where the sub-fund ranks in terms of its potential risk and return, calculated using the volatility of monthly returns over five years. As it is based upon how the sub-fund has performed in the past, you should note that the sub-fund may well perform differently in the future. The higher the rank the greater the potential reward but the greater the risk of losing money.

The sub-fund is ranked at 4 reflecting observed historical returns and the mixed asset allocation. This ranking is typically higher than a fund which invests in cash deposits but lower than a fund which invests solely in equities.

The following risks may not be fully captured by the Indicator:

Bonds: Investing in bonds offers you the chance to earn returns through growing your capital and generating income. Nevertheless, there is a risk that the organisation which issued the bond will fail, which would result in a loss of income to the sub-fund, along with its initial investment. Bond values are likely to fall if interest rates rise.

Counterparty and Settlement Risk: The sub-fund may enter into derivative transactions in over-the-counter markets, which will expose the sub-fund to the credit risk of their counterparties. The sub-fund may be exposed to the risk of settlement default where the counterparty may default on its obligations to perform under the relevant contract. In the event of the bankruptcy or insolvency of a counterparty, the sub-fund could experience delays in liquidating the position as well as significant losses, including declines in value during the period in which the sub-fund seeks to enforce its rights.

Derivatives: The sub-fund actively invests in derivatives, such as futures, options and swaps, which are linked to the rise and fall of other assets. Derivatives can only be used to manage the sub-fund more efficiently in an attempt to reduce the overall risk of its investments, reduce the costs of investing or generate additional capital or income. Although this may not be achieved and may create losses greater than the cost of the derivative.

Emerging Market Risk: Emerging markets may face more political, economic or structural challenges than developed markets and shares may be less liquid, meaning that investments may not be sold quickly enough to prevent or minimize a loss; they may therefore involve a higher risk than investing in developed markets.

The sub-fund has charges deducted from capital. This may reduce the potential for growth.

Portfolio Statement

For the year ended 31 December 2018

Holding	Investment	Bid Market Value £	% of Net Assets
United Kingdom 4.58% (31 December 2017 - 5.37%)			
99,374	Aurora Investment Trust	180,861	4.58
		180,861	4.58
Emerging Markets 9.25% (31 December 2017 - 10.83%)			
23,758	Coronation Global Emerging Markets 'P' Accumulation	185,424	4.69
17,040	TT International Emerging Markets Equity 'H' GBP Accumulation	179,940	4.56
		365,364	9.25
Europe (ex-United Kingdom) 13.04% (31 December 2017 - 14.66%)			
408	Argos Argonaut 'X' Accumulation	74,745	1.90
5,391	iShares Euro Total Market Value Large	93,588	2.37
882	Memnon European 'I' GBP Accumulation	128,350	3.25
194	OYSTER Continental European Selection 'I M' GBP Income	190,850	4.83
30,714	SQN Asset Finance Income 'C'	27,351	0.69
		514,884	13.04
Japan 6.27% (31 December 2017 - 6.32%)			
12,487	Eastspring Investments Japan Dynamic 'RG' GBP Accumulation	157,886	4.00
417	Invesco Japanese Equity Core 'C' GBP Hedged Accumulation	89,721	2.27
		247,607	6.27
Multi-Regional 5.45% (31 December 2017 - 13.12%)			
16,445	F&C True Styles Global Equity Market Neutral	10,120	0.26
252	Fundrock Multi-Asset Trend 'C' GBP Income	20,576	0.52
19,712	International Public Partnerships	30,199	0.77
77,091	Jupiter Absolute Return 'I' Accumulation	43,271	1.09
455	KLS Zebra Global Equity Beta Neutral 'SI' GBP Accumulation	41,624	1.05
3,013	Neuberger Berman Uncorrelated Strategies 'I5' GBP Accumulation	30,644	0.78
22,309	Oakley Capital Investments	38,817	0.98
		215,251	5.45
North America 44.14% (31 December 2017 - 42.25%)			
189	Banor North America Long Short Equity 'S' EUR Accumulation	242,550	6.14
17,546	Brown Advisory US Mid-Cap Growth 'C' USD Accumulation	153,471	3.88
581	Edgewood L Select US Select Growth 'I Z' USD Accumulation	93,058	2.36
27,365	Fidelity Investment American Special Situations 'W' Accumulation	406,369	10.29
2,121	SPDR S&P 500	417,689	10.58

Portfolio Statement (continued)

Holding	Investment	Bid Market Value £	% of Net Assets
North America (continued)			
2,698	Vulcan Global Value Equity 'I' Income	429,999	10.89
		1,743,136	44.14
Pacific (ex-Japan) 3.08% (31 December 2017 - 1.55%)			
107,538	Fidelity Investment Index Pacific Ex-Japan 'P' Income	121,626	3.08
		121,626	3.08
Bonds 9.49% (31 December 2017 - 6.26%)			
315	Ashmore SICAV Emerging Markets Short Duration 'Z' Income	30,147	0.76
78,820	Baillie Gifford Strategic Bond 'B' Income	66,847	1.69
4,890	SPDR Barclays UK Gilt	277,850	7.04
		374,844	9.49
Forward Currency Contracts 0.20% (31 December 2017 - 0.22%)			
EUR (220,015)	Sold EUR, Bought GBP 199,208 for settlement on 15/02/2019	1,458	0.04
JPY (15,317,739)	Sold JPY, Bought GBP 107,590 for settlement on 15/02/2019	(2,155)	(0.06)
USD (1,395,749)	Sold USD, Bought GBP 1,102,487 for settlement on 15/02/2019	8,729	0.22
		8,032	0.20
Total Value of Investments 95.50% (31 December 2017 - 100.58%)			
		3,771,605	95.50
Net Other Assets		177,568	4.50
Net assets		3,949,173	100.00
Securities are admitted to an official stock exchange listing or traded on another regulated market unless otherwise stated.			
Asset Allocation of Portfolio of Investments is as follows:			
	Collective Investment Schemes	3,486,345	88.28
	Equities	277,228	7.02
	Forward Currency Contracts	8,032	0.20
	Net Other Assets	177,568	4.50
		3,949,173	100.00

Statement of Total Return

For the year ended 31 December 2018

	Notes ¹	£	31.12.2018 £	31.12.2017 £
Income				
Net capital (losses)/gains	4		(441,392)	623,576
Revenue	6	56,984	84,739	
Expenses	7	(52,537)	(70,361)	
Interest payable and similar charges	9	(126)	(181)	
Net revenue before taxation		4,321	14,197	
Taxation	8	—	—	
Net revenue after taxation for the year			<u>4,321</u>	<u>14,197</u>
Total returns before distributions			(437,071)	637,773
Distributions	9		<u>(54,572)</u>	<u>(82,176)</u>
Changes in net assets attributable to shareholders from investment activities			<u>(491,643)</u>	<u>555,597</u>

Statement of Changes in Net Assets Attributable to Shareholders

For the year ended 31 December 2018

	Note ¹	£	31.12.2018 £	31.12.2017 £
Opening net assets attributable to shareholders			5,827,455	5,797,386
Movement due to sales and repurchases of shares:				
Amounts received on issue of shares		191,341	3,694,289	
Less: amounts paid on cancellation of shares		<u>(1,603,388)</u>	<u>(4,267,839)</u>	
			(1,412,047)	(573,550)
Single swing price adjustment			(128)	2,883
Changes in net assets attributable to shareholders from investment activities (see above)			(491,643)	555,597
Retained distribution on accumulation shares	9		<u>25,536</u>	<u>45,139</u>
Closing net assets attributable to shareholders			<u>3,949,173</u>	<u>5,827,455</u>

¹The notes to these accounts can be found on pages 86 to 94.

Balance Sheet

As at 31 December 2018

	Notes ¹	31.12.2018 £	31.12.2017 £
Assets			
Fixed assets:			
Investments		3,773,760	5,864,461
Current assets:			
Debtors	10	3,043	240,742
Cash and bank balances	11	188,019	33,132
Total assets		<u>3,964,822</u>	<u>6,138,335</u>
Liabilities			
Investment liabilities		(2,155)	(2,993)
Creditors:			
Bank overdrafts	12	–	(236,982)
Distribution payable on income shares	9	(9,661)	(15,229)
Other creditors	13	(3,833)	(55,676)
Total liabilities		<u>(15,649)</u>	<u>(310,880)</u>
Net assets attributable to shareholders		<u>3,949,173</u>	<u>5,827,455</u>

¹The notes to these accounts can be found on pages 86 to 94.

Notes to the Financial Statements

For the year ended 31 December 2018

1. Accounting Policies

The accounting policies for this sub-fund match those found on pages 13 and 14.

2. Distribution Policies

The distribution policies for this sub-fund match those found on pages 14 and 15.

3. Risk Management Policies

The risk management policies for this sub-fund match those found on pages 15 and 16.

4. Net Capital (Losses)/Gains

	31.12.2018 £	31.12.2017 £
(Losses)/gains on non-derivative securities	(341,837)	498,051
Losses on derivative securities	–	(16,876)
(Losses)/gains on forward currency contracts	(62,723)	130,119
Currency (losses)/gains	(36,832)	12,282
Net capital (losses)/gains	<u>(441,392)</u>	<u>623,576</u>

5. Purchases, Sales, and Transaction Costs

	31.12.2018 £	31.12.2017 £
Analysis of total purchase costs:		
Purchases in year before transaction costs		
Collective Investment Schemes	62,358	3,497,935
Corporate Actions	104,420	72,362
Derivatives	–	9,638
Equities	587,314	1,037,333
Commissions:		
Equities total value paid	298	671
Total purchase transaction costs	<u>298</u>	<u>671</u>
Gross purchases total	<u>754,390</u>	<u>4,617,939</u>

Analysis of total sale costs:

Gross sales in year before transaction costs		
Collective Investment Schemes	1,938,627	3,432,612
Corporate Actions	104,420	72,362
Derivatives	–	2,938
Equities	568,605	1,476,421
Commissions:		
Equities total value paid	(263)	(1,135)
Taxes:		
Equities total value paid	–	(1)
Total sales costs	<u>(263)</u>	<u>(1,136)</u>
Total sales net of transaction costs	<u>2,611,389</u>	<u>4,983,197</u>

Notes to the Financial Statements (continued)

5. Purchases, Sales, and Transaction Costs (continued)

	31.12.2018 %	31.12.2017 %
Analysis of total purchase costs:		
Commissions:		
Equities percentage of average NAV ¹	0.01	0.01
Equities percentage of purchases total	0.05	0.06
Analysis of total sale costs:		
Commissions:		
Equities percentage of average NAV ¹	0.01	0.02
Equities percentage of sales total	0.05	0.08
Taxes:		
Equities percentage of average NAV ¹	—	—
Equities percentage of sales total	—	—

The average portfolio dealing spread as at 31 December 2018 was 0.15% (31 December 2017: 0.09%).

¹ Excluding single swing price adjustment.

6. Revenue

	31.12.2018 £	31.12.2017 £
Bank interest	50	69
Franked UK dividends	3,179	305
Franked CIS revenue	5,224	10,918
Unfranked CIS revenue	3,444	4,535
Offshore dividend CIS revenue	26,898	46,086
Offshore interest CIS revenue	5,138	7,483
Overseas dividends	13,051	15,343
	<u>56,984</u>	<u>84,739</u>

7. Expenses

	31.12.2018 £	31.12.2017 £
Payable to the ACD or associates of the ACD, and agents of either of them:		
ACD's annual charge	42,312	56,525
	<u>42,312</u>	<u>56,525</u>
Other expenses:		
Fixed operating charge ¹	10,225	13,836
	<u>10,225</u>	<u>13,836</u>
	<u>52,537</u>	<u>70,361</u>

¹ Expenses due to the Depositary, Custodian, Administrator, Auditor and the FCA are payable by the ACD out of the Fixed operating charge. Fee payable to the Auditors for the year ending 31 December 2018 is £7,018 plus VAT (31 December 2017: £6,814 plus VAT).

Notes to the Financial Statements (continued)

8. Taxation

	31.12.2018 £	31.12.2017 £
a) Analysis of charge for the year:		
Overseas tax suffered	—	—
Current tax (note 8b)	—	—
Deferred tax (note 8c)	—	—
Total tax charge	—	—

b) Factors affecting taxation charge for the year:

The tax assessed for the period is lower (2017: lower) than the standard rate of UK Corporation Tax for an Open Ended Investment Company in the UK of 20% (2017: 20%). The differences are explained below:

Net revenue before tax	4,321	14,197
Corporation tax at 20%	864	2,839
Effects of:		
UK dividend revenue not subject to corporation tax	(635)	(61)
Excess management expenses	8,223	11,691
Franked CIS revenue	(1,045)	(2,184)
Overseas dividend revenue not subject to corporation tax	(2,027)	(3,068)
Offshore dividend CIS revenue	(5,380)	(9,217)
Sub-total	(864)	(2,839)
Current year tax charge (note 8a)	—	—

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

c) Provision for the deferred tax

Provision at start of year	—	—
Deferred tax charge for the year	—	—
Provision at end of year	—	—

The sub-fund has not recognised a deferred tax asset of £38,754 (31 December 2017: £30,531) arising from excess management expenses, which will only be utilised to reduce future tax charges if the sub-fund has an excess of unfranked revenue over expenses in future years.

Notes to the Financial Statements (continued)

9. Distributions

The distributions take account of revenue added on creation of shares and revenue deducted on the cancellation of shares, and comprise:

	31.12.2018 £	31.12.2017 £
Interim Distribution	16,534	15,575
Interim Accumulation	15,611	25,497
Final Distribution	9,661	15,229
Final Accumulation	9,925	19,642
	<u>51,731</u>	<u>75,943</u>
Add: Amounts deducted on cancellation of shares	3,258	14,920
Less: Amounts added on creation of shares	(417)	(8,687)
Distributions	<u>54,572</u>	<u>82,176</u>
Interest payable and similar charges	126	181
Total distributions	<u>54,698</u>	<u>82,357</u>
Net revenue after taxation	4,321	14,197
Add: Capitalised expenses	52,536	70,361
Add: Undistributed revenue brought forward	1	1
Less: Undistributed revenue carried forward	(2)	(1)
Tax effect of fees offset to capital	(2,284)	(2,382)
Distributions	<u>54,572</u>	<u>82,176</u>

10. Debtors

	31.12.2018 £	31.12.2017 £
Accrued revenue	2,704	4,114
Amount receivable for creation of shares	25	64
CIS income tax recoverable	314	314
Currency deals awaiting settlement	–	99
Sales awaiting settlement	–	236,151
	<u>3,043</u>	<u>240,742</u>

11. Cash and Bank Balances

	31.12.2018 £	31.12.2017 £
Cash and bank balances	188,019	33,132
	<u>188,019</u>	<u>33,132</u>

12. Bank Overdrafts

	31.12.2018 £	31.12.2017 £
Bank overdrafts	–	236,982
	<u>–</u>	<u>236,982</u>

Notes to the Financial Statements (continued)

13. Other Creditors

	31.12.2018 £	31.12.2017 £
Amount payable for cancellation of shares	10	50,214
Accrued expenses	3,823	5,462
	<u>3,833</u>	<u>55,676</u>

14. Commitments, Contingent Liabilities, and Contingent Assets

At 31 December 2018, the sub-fund had no contingent liabilities or assets (31 December 2017: same).

15. Related Parties

ACD fees paid to Sarasin Investment Funds Limited are shown in note 7. The balance due to Sarasin Investment Funds Limited at the year end in respect of this transaction was £3,098 (31 December 2017: £4,352).

At the year end, Sarasin Fund of Funds - Global Growth held no shares in any other sub-fund or collective investment scheme managed by associated companies of Sarasin Investment Funds (31 December 2017: same).

16. Shareholders' Funds

The sub-fund has 8 share classes in issue. The shares have no par value and, within each class subject to their denomination, are entitled to participate equally in the profits arising in respect of, and in the proceeds of, the liquidation of the assets in, or the termination of, that sub-fund.

Shares do not carry preferential or pre-emptive rights to acquire further shares. All shares have the same rights on winding up.

Global Growth 'A' Income Shares

Opening shares	1,280
Shares Created	16
Shares Liquidated	–
Shares Converted	–
Closing shares	1,296

Global Growth 'A' Accumulation Shares

Opening shares	4,770
Shares Created	–
Shares Liquidated	(4,164)
Shares Converted	–
Closing shares	606

Global Growth 'I' Income Shares

Opening shares	636,762
Shares Created	–
Shares Liquidated	(137,469)
Shares Converted	–
Closing shares	499,293

Global Growth 'I' Accumulation Shares

Opening shares	198,929
Shares Created	–
Shares Liquidated	–
Shares Converted	–
Closing shares	198,929

Notes to the Financial Statements (continued)
16. Shareholders' Funds (continued)
Global Growth 'P' Income Shares

Opening shares	11,691
Shares Created	961
Shares Liquidated	(11,910)
Shares Converted	–
Closing shares	742

Global Growth 'P' Accumulation Shares

Opening shares	795,535
Shares Created	87,174
Shares Liquidated	(670,764)
Shares Converted	–
Closing shares	211,945

Global Growth 'X' Income Shares

Opening shares	996,807
Shares Created	30,785
Shares Liquidated	(113,094)
Shares Converted	–
Closing shares	914,498

Global Growth 'X' Accumulation Shares

Opening shares	990,680
Shares Created	–
Shares Liquidated	(47,859)
Shares Converted	–
Closing shares	942,821

17. Risk Disclosures

The policies in place for controlling the risks associated with pursuing the sub-fund's objectives and operating the sub-fund are detailed in note 3 on page 15 and 16. A sensitivity analysis of the sub-fund is provided on page 70. Further analysis of the sub-fund's exposure to these risks is detailed below.

Currency exposure as at 31 December 2018

	Monetary exposure £	Non-Monetary exposure £	Total £	%
Euro	128	(197,751)	(197,623)	(5.00)
Japanese yen	–	(109,745)	(109,745)	(2.78)
Sterling	175,582	4,080,668	4,256,250	107.77
US dollar	1,858	(1,567)	291	0.01
	177,568	3,771,605	3,949,173	100.00

Currency exposure as at 31 December 2017

	Monetary exposure £	Non-Monetary exposure £	Total £	%
Euro	–	(287,364)	(287,364)	(4.93)
Japanese yen	–	170,801	170,801	(2.93)
Sterling	(34,009)	6,148,987	6,114,978	104.93
US dollar	(4)	170,646	170,642	2.93
	(34,013)	5,861,468	5,827,455	100.00

Notes to the Financial Statements (continued)

17. Risk Disclosures (continued)

Interest rate exposure as at 31 December 2018

	Floating rate financial assets £	Fixed rate financial assets £	Financial assets not carrying interest £	Total £
Euro	128	—	—	128
Sterling	187,891	—	4,081,853	4,269,744
US dollar	—	—	1,094,049	1,094,049
	<u>188,019</u>	<u>—</u>	<u>5,175,902</u>	<u>5,363,921</u>

	Floating rate financial liabilities £	Fixed rate financial liabilities £	Financial liabilities not carrying interest £	Total £
Euro	—	—	(197,751)	(197,751)
Japanese yen	—	—	(109,745)	(109,745)
Sterling	—	—	(13,494)	(13,494)
US dollar	—	—	(1,093,758)	(1,093,758)
	<u>—</u>	<u>—</u>	<u>(1,414,748)</u>	<u>(1,414,748)</u>

Interest rate exposure as at 31 December 2017

	Floating rate financial assets £	Fixed rate financial assets £	Financial assets not carrying interest £	Total £
Sterling	33,132	—	6,530,490	6,563,622
US dollar	—	—	1,779,002	1,779,002
	<u>33,132</u>	<u>—</u>	<u>8,309,492</u>	<u>8,342,624</u>

	Floating rate financial liabilities £	Fixed rate financial liabilities £	Financial liabilities not carrying interest £	Total £
Euro	—	—	(287,364)	(287,364)
Japanese yen	—	—	(170,801)	(170,801)
Sterling	(236,982)	—	(211,662)	(448,644)
US dollar	—	—	(1,608,360)	(1,608,360)
	<u>(236,982)</u>	<u>—</u>	<u>(2,278,187)</u>	<u>(2,515,169)</u>

Notes to the Financial Statements (continued)

17. Risk Disclosures (continued)

Fair Value

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

Valuation technique as at 31 December 2018

Financial Assets	Level 1 £	Level 2 £	Level 3 £	Total £
Collective Investment Schemes	789,127	2,697,218	—	3,486,345
Equities	277,228	—	—	277,228
Forward Currency Contracts	—	10,187	—	10,187
	<u>1,066,355</u>	<u>2,707,405</u>	<u>—</u>	<u>3,773,760</u>
Financial Liabilities				
Forward Currency Contracts	—	(2,155)	—	(2,155)
	<u>—</u>	<u>(2,155)</u>	<u>—</u>	<u>(2,155)</u>

Valuation technique as at 31 December 2017

Financial Assets	Level 1 £	Level 2 £	Level 3 £	Total £
Collective Investment Schemes	727,453	4,784,797	—	5,512,250
Equities	336,369	—	—	336,369
Forward Currency Contracts	—	15,842	—	15,842
	<u>1,063,822</u>	<u>4,800,639</u>	<u>—</u>	<u>5,864,461</u>
Financial Liabilities				
Forward Currency Contracts	—	(2,993)	—	(2,993)
	<u>—</u>	<u>(2,993)</u>	<u>—</u>	<u>(2,993)</u>

The valuation technique has been disclosed under Accounting Policies note 1I on page 14.

Level 1

The unadjusted quoted price in an active market for an identical instrument that the entity can access at the measurement date.

Level 2

Valuation techniques using observable inputs other than quoted prices within Level 1 (i.e., developed using market data).

Level 3

Valuation techniques using unobservable inputs (i.e., for which market data is unavailable).

Notes to the Financial Statements (continued)**17. Risk Disclosures (continued)****Counterparty Risk**

During the year, the sub-fund made use of 'Over The Counter' (OTC) Derivative Instruments. These types of transactions introduce counterparty risk, where a counterparty may fail to meet its financial commitments.

In order to reduce this risk, collateral may be held by the sub-fund. The counterparties to these transactions and any collateral held by the sub-fund at the balance sheet date are shown below:

Counterparty Name as at 31 December 2018	Exposure £	Cash Collateral £
The Bank of New York Mellon	10,187	–
Counterparty Name as at 31 December 2017	Exposure £	Cash Collateral £
The Bank of New York Mellon	15,842	–

Positive exposure represents the mark to market value of derivative contracts and the sub-fund's exposure to that counterparty.

18. Post Balance Sheet Market Movements

It should be noted that Sarasin Fund of Funds – Global Growth was merged, in two equal parts, into Sarasin Fund of Funds - Global Diversified Growth and Sarasin Fund of Funds – Global Equity, on 15 February 2019 having been approved by shareholders on 13 February 2019.

The ACD has applied a 10% threshold to the disclosure of post year end movements in the net asset value per share of the sub-fund from the year end date to the date of signing. This consideration takes into account routine transactions but also significant market movements. There are no share classes where the net asset value per share has moved by greater than 10% therefore there are no post balance sheet events which require disclosure at the year end.

Distribution Tables

For the year ended 31 December 2018

Interim distribution in pence per share

Group 1: Shares purchased prior to 1 January 2018

Group 2: Shares purchased between 1 January 2018 and 30 June 2018

Share	Net Revenue 2018 Pence per Share	Equalisation (note 2i) Pence per Share	Interim Distribution Paid 2018 Pence per Share	Interim Distribution Paid 2017 Pence per Share
Global Growth 'A' Income Shares				
Group 1	1.0032	—	1.0032	0.8706
Group 2	0.8735	0.1297	1.0032	0.8706
Global Growth 'A' Accumulation Shares¹				
Group 1	1.0697	—	1.0697	0.9179
Group 2	1.0697	—	1.0697	0.9179
Global Growth 'I' Income Shares¹				
Group 1	1.0349	—	1.0349	0.8919
Group 2	1.0349	—	1.0349	0.8919
Global Growth 'I' Accumulation Shares¹				
Group 1	1.1047	—	1.1047	0.9409
Group 2	1.1047	—	1.1047	0.9409
Global Growth 'P' Income Shares				
Group 1	1.0431	—	1.0431	0.8744
Group 2	0.7535	0.2896	1.0431	0.8744
Global Growth 'P' Accumulation Shares				
Group 1	1.1113	—	1.1113	0.9421
Group 2	0.7907	0.3206	1.1113	0.9421
Global Growth 'X' Income Shares				
Group 1	1.0154	—	1.0154	0.8784
Group 2	0.6555	0.3599	1.0154	0.8784
Global Growth 'X' Accumulation Shares¹				
Group 1	1.0823	—	1.0823	0.9258
Group 2	1.0823	—	1.0823	0.9258

Distribution Tables (continued)

Final distribution in pence per share

Group 1: Shares purchased prior to 1 July 2018

Group 2: Shares purchased between 1 July 2018 and 31 December 2018

Share	Net Revenue 2018 Pence per Share	Equalisation (note 2i) Pence per Share	Final Distribution Paid 2019 Pence per Share	Final Distribution Paid 2018 Pence per Share
Global Growth 'A' Income Shares				
Group 1	0.6772	—	0.6772	0.9123
Group 2	0.5595	0.1177	0.6772	0.9123
Global Growth 'A' Accumulation Shares¹				
Group 1	0.6645	—	0.6645	0.9632
Group 2	0.6645	—	0.6645	0.9632
Global Growth 'I' Income Shares¹				
Group 1	0.6917	—	0.6917	0.9334
Group 2	0.6917	—	0.6917	0.9334
Global Growth 'I' Accumulation Shares¹				
Group 1	0.7435	—	0.7435	0.9920
Group 2	0.7435	—	0.7435	0.9920
Global Growth 'P' Income Shares				
Group 1	0.6978	—	0.6978	0.9414
Group 2	0.6318	0.0660	0.6978	0.9414
Global Growth 'P' Accumulation Shares				
Group 1	0.7479	—	0.7479	1.0032
Group 2	0.5263	0.2216	0.7479	1.0032
Global Growth 'X' Income Shares¹				
Group 1	0.6773	—	0.6773	0.9193
Group 2	0.6773	—	0.6773	0.9193
Global Growth 'X' Accumulation Shares¹				
Group 1	0.7273	—	0.7273	0.9733
Group 2	0.7273	—	0.7273	0.9733

¹There were no group 2 units for this period.

Investment Objective and Policy

The investment objective of the sub-fund is to seek to achieve long term capital growth.

The sub-fund aims to achieve its objective by investing in shares and units of other collective investment schemes (including but not limited to exchange traded funds). Generally, 100% of the sub-fund's assets will be in collective investment schemes that predominantly invest in international stocks, although the sub-fund has the flexibility to invest in such collective investment schemes to a lesser degree when deemed appropriate.

The sub-fund may also invest directly in transferable securities, money market instruments, cash and near cash and deposits. The sub-fund may invest in both regulated and unregulated collective investment schemes.

The sub-fund may borrow and enter into stock lending and underwriting arrangements, and may employ derivatives for efficient portfolio management purposes including hedging.

Sensitivity Analysis

The sub-fund invests in third party equity funds. Exposure to foreign currencies can be altered through the use of forwards and occasionally options. The level of equity exposure varies over time depending on how positive the manager is; generally, the level has been in the range of 95-100%.

The Value at Risk (VaR) is independently calculated by StatPro Risk who evaluates the volatility and correlation of the sub-fund's holdings over a period of 2 years. StatPro calculate historical price variations of each asset on a daily basis over this period using a historical simulation methodology with full repricing.

The VaR statistic adopted for Sarasin funds is the "99% / 20-day VaR" model. To calculate this figure, StatPro rank the distribution and then calculate the VaR figure based on the 99th percentile.

The "99% / 20-day VaR" for Fund of Funds - Global Equity, as at 31 December 2018, was 7.18% (31 December 2017: 8.37%). The lowest, highest and average utilisation in the year was 5.28%, 8.39%, and 6.15%, respectively (31 December 2017: 8.19%, 10.05%, and 9.24%, respectively).

Investment Review

Due to a proliferation of challenges faced in 2018, almost all markets finished down for the year. The first quarter brought about a sharp sell-off in global equities, triggered by a strong jobs growth and wage inflation report from the USA. This provoked speculation about the likelihood of an accelerated trajectory for interest rates – but as soon as markets recovered their poise, Trump's trade war agenda caused another spasm of anxiety.

The steady withdrawal of Central Bank stimulus and rising trade tensions continued to dominate sentiment as the year progressed. Then, in the final quarter, global equities were badly shaken due to a combination of factors. The most prominent of these was poor forward guidance from the US Federal Reserve that spooked markets, which was especially significant given that US equities had been the main driver of returns prior to this.

Performance

Over the course of the year, the fund underperformed the benchmark by 6.6%. This was mainly as a result of Coronation Emerging Markets 'P' Accumulation and OYSTER Continental Europe Selection 'I M' GBP Income.

The best contributors over the course of the year were all US equity holdings. Strong relative performance came from Fidelity Investment American Special Situations 'W' Accumulation, SPDR S&P 500, Vulcan Value Equity 'I' Income, Edgewood L Select US Select Growth 'I Z' USD Accumulation and Brown Advisory US Mid-Cap Growth 'C' USD Accumulation.

Within alternatives, Oakley Capital was a notable performer, particularly in the first half of the year. This followed positive results as well as two realisations, such as the sale of Verivox at 2.5x the initial purchase price.

On the negative side, one of the biggest relative detractors was OYSTER Continental European Selection 'I M' GBP Income. The manager's quality style and value focus did not play out over the course of the year. Some of our Emerging Markets holdings performed poorly too, including Coronation Global Emerging Markets 'P' Accumulation. TT International Emerging Markets Equity 'H' GBP Accumulation also underperformed, but had a good final quarter delivering above index returns. Banor North American Long Short Equity 'S' EUR Accumulation also hurt performance in 2018.

Changes and adjustments

In terms of changes to the fund over the year, we rotated our UK allocation into Aurora Investment Trust in February. The management of this trust was taken over by Phoenix Asset Management in January 2016. The team at Phoenix conduct intensive primary research into businesses leading to insights that at times gives them an informational edge over and above the average market participant. They are a great example of the type of investors we look for in terms of culture and approach.

Investment Review (continued)

There was no trading activity in the second quarter. However, following a strong run, we took profits on some of our US equity funds in the third quarter, including Edgewood L Select US Select Growth 'I Z' USD Accumulation. In the fourth quarter, we redeemed from GAM Euroland Value on structural changes at GAM Multistock Euroland Value Equity 'Ra' GBP and decreased our position in Coronation Global Emerging Markets 'P' Accumulation on lack of conviction in the manager.

Outlook

Given the denouement of QE (quantitative easing) and that we are almost ten years into the recovery cycle, it is reasonable to expect that volatility in markets will continue. The stimulus of US tax cuts and public spending is likely to evaporate and it is difficult to gauge whether the trade tensions between China and the US will intensify or ease in 2019. Hitherto, developing economies have been particular beneficiaries of free trade and the uncertainties have reduced the pace of investment. All the same, these nations could account for two-thirds of global GDP growth over the next decade, as they adopt new technology across multiple industries.

Although the US Federal Reserve has persisted in tightening monetary policy, we believe that it can now afford to be patient with inflation relatively quiescent. However, we remain extremely vigilant in assessing whether US wage growth is going to run ahead of expectations.

Against this backdrop, we believe maintaining valuation discipline should create a margin of safety to support performance in times of market deterioration, while ensuring we participate in any upside during more positive periods.

Guy Monson
Chief Investment Officer
Sarasin & Partners LLP
30 January 2019

All opinions and estimates contained in this report constitute the Company's judgement and view as of the date of the report and are subject to change without notice.

Top purchases during the year

Aurora Investment Trust
iShares Euro Total Market Value Large UCITS ETF
Fidelity Investment Index Pacific Ex-Japan 'P' Income
SPDR S&P 500

Top sales during the year

Vulcan Global Value Equity 'I' Income
Fidelity Investment American Special Situations 'W' Accumulation
Schroder Recovery 'Z' Accumulation
GAM Multistock Euroland Value Equity 'Ra' GBP
SPDR S&P 500
Coronation Global Emerging Markets 'P' Accumulation
Aurora Investment Trust
TB Wise Evenlode Income 'C'
iShares Euro Total Market Value Large UCITS ETF
Edgewood L Select US Select Growth 'I Z' USD Accumulation

Sub-fund Information

For the year ended 31 December 2018

The Comparative Tables on pages 100 to 109 give the performance of each active share class in the sub-fund.

The 'Return after charges' disclosed in the Comparative Tables is calculated as the return after operating charges per share divided by the opening net asset value per share. It differs from the sub-fund's performance disclosed in the ACD's report, which is calculated based on the latest published price.

Portfolio transaction costs are incurred when investments are bought or sold by a fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the sub-fund.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades.

In addition, there are indirect portfolio transaction costs arising from the 'dealing spread' – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by the fund on each transaction, other types of investments (such as bonds, money instruments, derivatives, collective investment schemes) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and money market sentiment.

Sub-fund Information (continued)
Comparative Tables
Global Equity 'A' Income Shares

	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
Change in Net Asset Value per Share			
Opening net asset value per share	181.63	163.66	144.06
Return before operating charges*	(16.94)	24.55	25.12
Operating charges	(4.58)	(4.59)	(3.78)
Return after operating charges*	(21.52)	19.96	21.34
Distributions on income shares	(1.64)	(1.99)	(1.74)
Closing net asset value per share	158.47	181.63	163.66
* after direct transaction costs of ¹ :	0.01	0.02	0.02
Performance			
Return after charges ²	(11.85)%	12.20%	14.81%
Other Information			
Closing net asset value (£'000)	39	43	38
Closing number of shares	24,563	23,637	23,367
Operating charges ³	2.56%	2.63%	2.60%
Direct transaction costs	0.01%	0.01%	0.01%
Prices			
Highest share price	188.50p	182.90p	165.70p
Lowest share price	155.40p	165.00p	123.90p

¹Direct transaction costs are stated after deducting the proportion of the amounts collected from single swing price adjustment that relate to direct transaction costs. A negative transaction cost figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

²The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. For Sarasin Fund of Funds - Global Equity, 0.82% of the Operating Charges was made up of synthetic costs.

Sub-fund Information (continued)
Comparative Tables (continued)
Global Equity 'A' Accumulation Shares

	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
Change in Net Asset Value per Share			
Opening net asset value per share	186.61	166.33	144.75
Return before operating charges*	(17.52)	24.95	25.39
Operating charges	(4.72)	(4.67)	(3.81)
Return after operating charges*	(22.24)	20.28	21.58
Distributions	(1.69)	(2.01)	(1.75)
Retained distributions on accumulation shares	1.69	2.01	1.75
Closing net asset value per share	164.37	186.61	166.33
* after direct transaction costs of ¹ :	0.01	0.02	0.02
Performance			
Return after charges ²	(11.92)%	12.19%	14.91%
Other Information			
Closing net asset value (£'000)	262	311	389
Closing number of shares	159,619	166,620	233,638
Operating charges ³	2.56%	2.63%	2.60%
Direct transaction costs	0.01%	0.01%	0.01%
Prices			
Highest share price	193.60p	186.80p	167.30p
Lowest share price	160.70p	167.20p	124.50p

¹Direct transaction costs are stated after deducting the proportion of the amounts collected from single swing price adjustment that relate to direct transaction costs. A negative transaction cost figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

²The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. For Sarasin Fund of Funds - Global Equity, 0.82% of the Operating Charges was made up of synthetic costs.

Sub-fund Information (continued)
Comparative Tables (continued)
Global Equity 'D' Income Shares

	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
Change in Net Asset Value per Share			
Opening net asset value per share	192.12	171.25	149.12
Return before operating charges*	(18.12)	25.80	26.24
Operating charges	(2.81)	(2.84)	(2.30)
Return after operating charges*	(20.93)	22.96	23.94
Distributions on income shares	(1.75)	(2.09)	(1.81)
Closing net asset value per share	169.44	192.12	171.25
* after direct transaction costs of ¹ :	0.01	0.02	0.02
Performance			
Return after charges ²	(10.89)%	13.41%	16.06%
Other Information			
Closing net asset value (£'000)	1,129	1,441	1,398
Closing number of shares	666,353	750,050	816,405
Operating charges ³	1.48%	1.55%	1.52%
Direct transaction costs	0.01%	0.01%	0.01%
Prices			
Highest share price	199.60p	193.40p	173.40p
Lowest share price	166.20p	172.70p	128.40p

¹ Direct transaction costs are stated after deducting the proportion of the amounts collected from single swing price adjustment that relate to direct transaction costs. A negative transaction cost figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

² The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. For Sarasin Fund of Funds - Global Equity, 0.82% of the Operating Charges was made up of synthetic costs.

Sub-fund Information (continued)
Comparative Tables (continued)
Global Equity 'F' Accumulation Shares

	2018 ¹ (pence per share)	2017 (pence per share)	2016 (pence per share)
Change in Net Asset Value per Share			
Opening net asset value per share	192.27	170.53	147.73
Return before operating charges*	(4.37)	25.63	25.95
Operating charges	(3.30)	(3.89)	(3.15)
Return after operating charges*	(7.67)	21.74	22.80
Distributions	(1.18)	(2.08)	(1.79)
Retained distributions on accumulation shares	1.18	2.08	1.79
Closing net asset value per share	184.60	192.27	170.53
* after direct transaction costs of ² :	0.01	0.02	0.02
Performance			
Return after charges ³	(3.99)%	12.75%	15.44%
Other Information			
Closing net asset value (£'000)	—	1	1
Closing number of shares	—	750	750
Operating charges ⁴	2.06%	2.13%	2.10%
Direct transaction costs	—%	0.01%	0.01%
Prices			
Highest share price	199.50p	192.40p	171.50p
Lowest share price	180.00p	171.40p	127.20p

¹ Share class closed on 5 November 2018.

² Direct transaction costs are stated after deducting the proportion of the amounts collected from single swing price adjustment that relate to direct transaction costs. A negative transaction cost figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

³ The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

⁴ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. For Sarasin Fund of Funds - Global Equity, 0.82% of the Operating Charges was made up of synthetic costs.

Sub-fund Information (continued)
Comparative Tables (continued)
Global Equity 'I' Income Shares

	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
Change in Net Asset Value per Share			
Opening net asset value per share	190.58	170.30	148.67
Return before operating charges*	(17.93)	25.65	26.08
Operating charges	(3.26)	(3.29)	(2.65)
Return after operating charges*	(21.19)	22.36	23.43
Distributions on income shares	(1.73)	(2.08)	(1.80)
Closing net asset value per share	167.66	190.58	170.30
* after direct transaction costs of ¹ :	0.01	0.02	0.02
Performance			
Return after charges ²	(11.12)%	13.13%	15.76%
Other Information			
Closing net asset value (£'000)	7,537	8,950	6,619
Closing number of shares	4,494,963	4,696,379	3,886,893
Operating charges ³	1.73%	1.80%	1.77%
Direct transaction costs	0.01%	0.01%	0.01%
Prices			
Highest share price	197.90p	191.80p	172.40p
Lowest share price	164.40p	171.70p	128.00p

¹Direct transaction costs are stated after deducting the proportion of the amounts collected from single swing price adjustment that relate to direct transaction costs. A negative transaction cost figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

²The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. For Sarasin Fund of Funds - Global Equity, 0.82% of the Operating Charges was made up of synthetic costs.

Sub-fund Information (continued)
Comparative Tables (continued)
Global Equity 'I' Accumulation Shares

	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
Change in Net Asset Value per Share			
Opening net asset value per share	195.09	172.45	148.88
Return before operating charges*	(18.49)	25.96	26.23
Operating charges	(3.35)	(3.32)	(2.66)
Return after operating charges*	(21.84)	22.64	23.57
Distributions	(1.78)	(2.11)	(1.81)
Retained distributions on accumulation shares	1.78	2.11	1.81
Closing net asset value per share	173.25	195.09	172.45
* after direct transaction costs of ¹ :	0.01	0.02	0.02
Performance			
Return after charges ²	(11.19)%	13.13%	15.83%
Other Information			
Closing net asset value (£'000)	2,633	4,614	6,346
Closing number of shares	1,519,837	2,365,258	3,680,092
Operating charges ³	1.73%	1.80%	1.77%
Direct transaction costs	0.01%	0.01%	0.01%
Prices			
Highest share price	202.50p	195.30p	173.50p
Lowest share price	169.40p	173.30p	128.10p

¹Direct transaction costs are stated after deducting the proportion of the amounts collected from single swing price adjustment that relate to direct transaction costs. A negative transaction cost figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

²The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. For Sarasin Fund of Funds - Global Equity, 0.82% of the Operating Charges was made up of synthetic costs.

Sub-fund Information (continued)
Comparative Tables (continued)
Global Equity 'P' Income Shares

	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
Change in Net Asset Value per Share			
Opening net asset value per share	191.44	171.17	148.95
Return before operating charges*	(17.98)	25.34	26.05
Operating charges	(2.91)	(2.98)	(2.31)
Return after operating charges*	(20.89)	22.36	23.74
Distributions on income shares	(1.76)	(2.09)	(1.52)
Closing net asset value per share	168.79	191.44	171.17
* after direct transaction costs of ¹ :	0.01	0.02	0.02
Performance			
Return after charges ²	(10.91)%	13.06%	15.94%
Other Information			
Closing net asset value (£'000)	95	6	12
Closing number of shares	56,421	3,235	7,217
Operating charges ³	1.56%	1.63%	1.60%
Direct transaction costs	0.01%	0.01%	0.01%
Prices			
Highest share price	198.90p	192.80p	172.90p
Lowest share price	165.60p	172.30p	128.20p

¹Direct transaction costs are stated after deducting the proportion of the amounts collected from single swing price adjustment that relate to direct transaction costs. A negative transaction cost figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

²The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. For Sarasin Fund of Funds - Global Equity, 0.82% of the Operating Charges was made up of synthetic costs.

Sub-fund Information (continued)
Comparative Tables (continued)
Global Equity 'P' Accumulation Shares

	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
Change in Net Asset Value per Share			
Opening net asset value per share	196.25	173.09	149.18
Return before operating charges*	(18.62)	26.21	26.22
Operating charges	(3.05)	(3.05)	(2.31)
Return after operating charges*	(21.67)	23.16	23.91
Distributions	(1.77)	(2.18)	(1.82)
Retained distributions on accumulation shares	1.77	2.18	1.82
Closing net asset value per share	174.58	196.25	173.09
* after direct transaction costs of ¹ :	0.01	0.02	0.02
Performance			
Return after charges ²	(11.04)%	13.38%	16.03%
Other Information			
Closing net asset value (£'000)	97	283	56
Closing number of shares	55,833	143,924	32,441
Operating charges ³	1.56%	1.63%	1.60%
Direct transaction costs	0.01%	0.01%	0.01%
Prices			
Highest share price	203.80p	196.40p	174.10p
Lowest share price	170.60p	174.00p	128.40p

¹Direct transaction costs are stated after deducting the proportion of the amounts collected from single swing price adjustment that relate to direct transaction costs. A negative transaction cost figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

²The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. For Sarasin Fund of Funds - Global Equity, 0.82% of the Operating Charges was made up of synthetic costs.

Sub-fund Information (continued)
Comparative Tables (continued)
Global Equity 'X' Income Shares

	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
Change in Net Asset Value per Share			
Opening net asset value per share	187.18	167.82	147.00
Return before operating charges*	(17.55)	25.22	25.69
Operating charges	(3.81)	(3.81)	(3.09)
Return after operating charges*	(21.36)	21.41	22.60
Distributions on income shares	(1.70)	(2.05)	(1.78)
Closing net asset value per share	164.12	187.18	167.82
* after direct transaction costs of ¹ :	0.01	0.02	0.02
Performance			
Return after charges ²	(11.41)%	12.76%	15.37%
Other Information			
Closing net asset value (£'000)	20,363	26,354	26,054
Closing number of shares	12,407,125	14,079,511	15,524,782
Operating charges ³	2.06%	2.13%	2.10%
Direct transaction costs	0.01%	0.01%	0.01%
Prices			
Highest share price	194.30p	188.40p	169.90p
Lowest share price	161.00p	169.20p	126.50p

¹Direct transaction costs are stated after deducting the proportion of the amounts collected from single swing price adjustment that relate to direct transaction costs. A negative transaction cost figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

²The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. For Sarasin Fund of Funds - Global Equity, 0.82% of the Operating Charges was made up of synthetic costs.

Sub-fund Information (continued)
Comparative Tables (continued)
Global Equity 'X' Accumulation Shares

	2018 (pence per share)	2017 (pence per share)	2016 (pence per share)
Change in Net Asset Value per Share			
Opening net asset value per share	191.46	169.75	147.03
Return before operating charges*	(18.09)	25.58	25.82
Operating charges	(3.92)	(3.87)	(3.10)
Return after operating charges*	(22.01)	21.71	22.72
Distributions	(1.74)	(2.08)	(1.78)
Retained distributions on accumulation shares	1.74	2.08	1.78
Closing net asset value per share	169.45	191.46	169.75
* after direct transaction costs of ¹ :	0.01	0.02	0.02
Performance			
Return after charges ²	(11.50)%	12.79%	15.46%
Other Information			
Closing net asset value (£'000)	4,162	8,188	7,766
Closing number of shares	2,456,231	4,276,556	4,574,594
Operating charges ³	2.06%	2.13%	2.10%
Direct transaction costs	0.01%	0.01%	0.01%
Prices			
Highest share price	198.70p	191.60p	170.80p
Lowest share price	165.60p	170.60p	126.50p

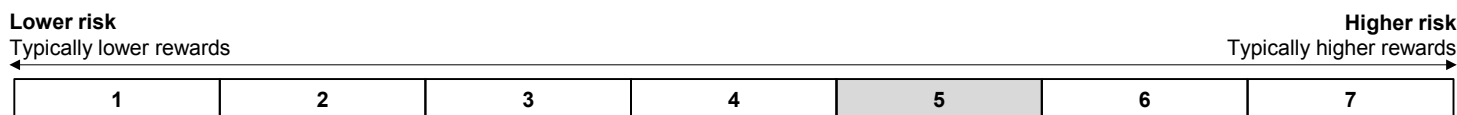
¹Direct transaction costs are stated after deducting the proportion of the amounts collected from single swing price adjustment that relate to direct transaction costs. A negative transaction cost figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

²The return after charges is calculated as the return after operating charges per share divided by the opening net asset value per share.

³Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. For Sarasin Fund of Funds - Global Equity, 0.82% of the Operating Charges was made up of synthetic costs.

Sub-fund Information (continued)

Risk and Reward Profile



- Historical data may not be a reliable indication for the future.
- The risk category shown is not guaranteed and may shift over time.
- The lowest category does not mean 'risk-free'.

The Risk and Reward Indicator

The Risk and Reward Indicator table demonstrates where the sub-fund ranks in terms of its potential risk and return, calculated using the volatility of monthly returns over five years. As it is based upon how the sub-fund has performed in the past, you should note that the sub-fund may well perform differently in the future. The higher the rank the greater the potential reward but the greater the risk of losing money.

The sub-fund is ranked at 5 reflecting observed historical returns. This ranking is typically higher than a fund which invests in cash deposits, as company share price movements tend to be more volatile.

The following risks may not be fully captured by the Indicator:

Counterparty and Settlement Risk: The sub-fund may enter into derivative transactions in over-the-counter markets, which will expose the sub-fund to the credit risk of their counterparties. The sub-fund may be exposed to the risk of settlement default where the counterparty may default on its obligations to perform under the relevant contract. In the event of the bankruptcy or insolvency of a counterparty, the sub-fund could experience delays in liquidating the position as well as significant losses, including declines in value during the period in which the sub-fund seeks to enforce its rights.

Derivatives: The sub-fund actively invests in derivatives, such as futures, options and swaps, which are linked to the rise and fall of other assets. Derivatives can only be used to manage the sub-fund more efficiently in an attempt to reduce the overall risk of its investments, reduce the costs of investing or generate additional capital or income. Although this may not be achieved and may create losses greater than the cost of the derivative.

Emerging Market Risk: Emerging markets may face more political, economic or structural challenges than developed markets and shares may be less liquid, meaning that investments may not be sold quickly enough to prevent or minimize a loss; they may therefore involve a higher risk than investing in developed markets.

The sub-fund has charges deducted from capital. This may reduce the potential for growth.

SARASIN Fund of Funds - Global Equity

Portfolio Statement

For the year ended 31 December 2018

Holding	Investment	Bid Market Value £	% of Net Assets
United Kingdom 5.47% (31 December 2017 - 5.93%)			
1,092,660	Aurora Investment Trust	1,988,641	5.47
		1,988,641	5.47
Emerging Markets 11.51% (31 December 2017 - 13.30%)			
259,567	Coronation Global Emerging Markets 'P' Accumulation	2,025,831	5.58
204,075	TT International Emerging Markets Equity 'H' GBP Accumulation	2,155,036	5.93
		4,180,867	11.51
Europe (ex-United Kingdom) 13.66% (31 December 2017 - 15.83%)			
4,837	Argos Argonaut 'X' Accumulation	885,962	2.44
29,008	iShares Euro Total Market Value Large	503,579	1.38
9,755	Memnon European 'I' GBP Accumulation	1,418,925	3.91
2,185	OYSTER Continental European Selection 'I M' GBP Income	2,153,181	5.93
		4,961,647	13.66
Japan 7.23% (31 December 2017 - 7.84%)			
143,889	Eastspring Investments Japan Dynamic 'RG' GBP Accumulation	1,819,336	5.01
3,746	Invesco Japanese Equity Core 'C' GBP Hedged Accumulation	805,633	2.22
		2,624,969	7.23
Multi-Regional 0.43% (31 December 2017 - 0.98%)			
89,858	Oakley Capital Investments	156,353	0.43
		156,353	0.43
North America 57.18% (31 December 2017 - 53.28%)			
2,459	Banor North America Long Short Equity 'S' EUR Accumulation	3,155,397	8.69
212,453	Brown Advisory US Mid-Cap Growth 'C' USD Accumulation	1,858,300	5.12
6,380	Edgewood L Select US Select Growth 'I Z' USD Accumulation	1,021,951	2.81
327,577	Fidelity Investment American Special Situations 'W' Accumulation	4,864,524	13.39
24,133	SPDR S&P 500	4,752,510	13.09
32,082	Vulcan Global Value Equity 'I' Income	5,112,602	14.08
		20,765,284	57.18
Pacific (ex-Japan) 3.96% (31 December 2017 - 2.02%)			
1,271,890	Fidelity Investment Index Pacific Ex-Japan 'P' Income	1,438,508	3.96
		1,438,508	3.96
Forward Currency Contracts 0.27% (31 December 2017 - 0.26%)			
EUR (2,306,110)	Sold EUR, Bought GBP 2,090,212 for settlement on 20/03/2019	14,857	0.04

Portfolio Statement (continued)

Holding	Investment	Bid Market Value £	% of Net Assets
Forward Currency Contracts (continued)			
JPY (208,626,257)	Sold JPY, Bought GBP 1,466,669 for settlement on 20/03/2019	(29,882)	(0.08)
USD (18,146,571)	Sold USD, Bought GBP 14,309,483 for settlement on 20/03/2019	112,361	0.31
		97,336	0.27
Total Value of Investments 99.71%		36,213,605	99.71
(31 December 2017 - 99.44%)		103,927	0.29
Net Other Assets			
Net assets		36,317,532	100.00
Securities are admitted to an official stock exchange listing or traded on another regulated market unless otherwise stated.			
Asset Allocation of Portfolio of Investments is as follows:			
	Collective Investment Schemes	33,971,275	93.54
	Equities	2,144,994	5.90
	Forward Currency Contracts	97,336	0.27
	Net Other Assets	103,927	0.29
		36,317,532	100.00

Statement of Total Return

For the year ended 31 December 2018

	Notes ¹	£	31.12.2018 £	£	31.12.2017 £
Income					
Net capital (losses)/gains	4		(4,656,382)		6,171,231
Revenue	6	423,122		577,547	
Expenses	7	(522,237)		(576,248)	
Interest payable and similar charges	9	(510)		(182)	
Net (expense)/revenue before taxation		(99,625)		1,117	
Taxation	8	—		—	
Net (expense)/revenue after taxation for the year			<u>(99,625)</u>		<u>1,117</u>
Total returns before distributions			<u>(4,756,007)</u>		<u>6,172,348</u>
Distributions	9		<u>(422,613)</u>		<u>(577,018)</u>
Changes in net assets attributable to shareholders from investment activities			<u><u>(5,178,620)</u></u>		<u><u>5,595,330</u></u>

Statement of Changes in Net Assets Attributable to Shareholders

For the year ended 31 December 2018

	Note ¹	£	31.12.2018 £	£	31.12.2017 £
Opening net assets attributable to shareholders			50,190,983		48,678,900
Movement due to sales and repurchases of shares:					
Amounts received on issue of shares		1,040,949		4,501,246	
Less: amounts paid on cancellation of shares		<u>(9,833,200)</u>		<u>(8,748,198)</u>	
			(8,792,251)		(4,246,952)
Changes in net assets attributable to shareholders from investment activities (see above)			(5,178,620)		5,595,330
Retained distribution on accumulation shares	9		<u>97,420</u>		<u>163,705</u>
Closing net assets attributable to shareholders			<u><u>36,317,532</u></u>		<u><u>50,190,983</u></u>

¹The notes to these accounts can be found on pages 115 to 123.

Balance Sheet

As at 31 December 2018

	Notes ¹	31.12.2018 £	31.12.2017 £
Assets			
Fixed assets:			
Investments		36,243,487	49,932,381
Current assets:			
Debtors	10	259,228	164,387
Cash and bank balances	11	90,791	504,590
Total assets		<u>36,593,506</u>	<u>50,601,358</u>
Liabilities			
Investment liabilities		(29,882)	(22,064)
Creditors:			
Bank overdrafts	12	(112,969)	(50,140)
Distribution payable on income shares	9	(97,033)	(212,039)
Other creditors	13	(36,090)	(126,132)
Total liabilities		<u>(275,974)</u>	<u>(410,375)</u>
Net assets attributable to shareholders		<u>36,317,532</u>	<u>50,190,983</u>

¹The notes to these accounts can be found on pages 115 to 123.

Notes to the Financial Statements

For the year ended 31 December 2018

1. Accounting Policies

The accounting policies for this sub-fund match those found on pages 13 and 14.

2. Distribution Policies

The distribution policies for this sub-fund match those found on pages 14 and 15.

3. Risk Management Policies

The risk management policies for this sub-fund match those found on pages 15 and 16.

4. Net Capital (Losses)/Gains

	31.12.2018 £	31.12.2017 £
(Losses)/gains on non-derivative securities	(3,464,288)	5,154,089
Losses on derivative securities	–	(195,809)
(Losses)/gains on forward currency contracts	(738,019)	1,123,356
Currency (losses)/gains	(454,075)	89,595
Net capital (losses)/gains	<u>(4,656,382)</u>	<u>6,171,231</u>

5. Purchases, Sales, and Transaction costs

	31.12.2018 £	31.12.2017 £
Analysis of total purchase costs:		
Purchases in year before transaction costs		
Collective Investment Schemes	654,815	9,556,142
Corporate Actions	818,501	638,626
Derivatives	–	125,292
Equities	3,914,035	1,232,456
Commissions:		
Equities total value paid	<u>1,958</u>	<u>616</u>
Total purchase transaction costs	<u>1,958</u>	<u>616</u>
Gross purchases total	<u>5,389,309</u>	<u>11,553,132</u>

Analysis of total sale costs:

Gross sales in year before transaction costs		
Collective Investment Schemes	11,773,987	8,188,974
Corporate Actions	818,501	638,626
Derivatives	–	38,189
Equities	2,931,045	6,716,319
Commissions:		
Equities total value paid	(1,415)	(5,229)
Taxes:		
Equities total value paid	<u>(1)</u>	<u>–</u>
Total sales costs	<u>(1,416)</u>	<u>(5,229)</u>
Total sales net of transaction costs	<u>15,522,117</u>	<u>15,576,879</u>

Notes to the Financial Statements (continued)

5. Purchases, Sales, and Transaction costs (continued)

	31.12.2018 %	31.12.2017 %
Analysis of total purchase costs:		
Commissions:		
Equities percentage of average NAV	—	—
Equities percentage of purchases total	0.05	0.05
Analysis of total sale costs:		
Commissions:		
Collective Investment Schemes percentage of average NAV	—	—
Collective Investment Schemes percentage of sales total	—	—
Equities percentage of average NAV	—	0.01
Equities percentage of sales total	0.05	0.08
Taxes:		
Equities percentage of average NAV	—	—
Equities percentage of sales total	—	—

The average portfolio dealing spread as at 31 December 2018 was 0.08% (31 December 2017: 0.04%).

6. Revenue

	31.12.2018 £	31.12.2017 £
Bank interest	378	62
Franked UK dividends	39,355	10,266
Franked CIS revenue	64,829	113,872
Unfranked CIS revenue	—	1,906
Offshore dividend CIS revenue	306,400	451,441
Overseas dividends	12,160	—
	<u>423,122</u>	<u>577,547</u>

7. Expenses

	31.12.2018 £	31.12.2017 £
Payable to the ACD or associates of the ACD, and agents of either of them:		
ACD's annual charge	424,540	468,813
	<u>424,540</u>	<u>468,813</u>
Other expenses:		
Fixed operating charge ¹	95,197	104,935
Sundry expenses	2,500	2,500
	<u>97,697</u>	<u>107,435</u>
	<u>522,237</u>	<u>576,248</u>

¹ Expenses due to the Depositary, Custodian, Administrator, Auditor and the FCA are payable by the ACD out of the Fixed operating charge. Fee payable to the Auditors for the year ending 31 December 2018 is £7,018 plus VAT (31 December 2017: £6,814 plus VAT).

Notes to the Financial Statements (continued)

8. Taxation

	31.12.2018 £	31.12.2017 £
a) Analysis of charge for the year:		
Overseas tax suffered	—	—
Current tax (note 8b)	—	—
Deferred tax (note 8c)	—	—
Total tax charge	—	—

b) Factors affecting taxation charge for the year:

The tax assessed for the period is higher (2017: higher) than the standard rate of UK Corporation Tax for an Open Ended Investment Company in the UK of 20% (2017: 20%). The differences are explained below:

Net revenue before tax	(99,625)	1,117
Corporation tax at 20%	(19,925)	223
Effects of:		
UK dividend revenue not subject to corporation tax	(7,871)	(2,053)
Excess management expenses	104,448	114,868
Excess non-trade loan relationship unutilised	26	24
Franked CIS revenue	(12,966)	(22,774)
Overseas dividend revenue not subject to corporation tax	(2,432)	—
Offshore dividend CIS revenue	(61,280)	(90,288)
Sub-total	19,925	(223)
Current year tax charge (note 8a)	—	—

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

c) Provision for the deferred tax

Provision at start of year	—	—
Deferred tax charge for the year	—	—
Provision at end of year	—	—

The sub-fund has not recognised a deferred tax asset of £660,707 (31 December 2017: £556,341) arising from excess management expenses, which will only be utilised to reduce future tax charges if the sub-fund has an excess of unfranked revenue over expenses in future years.

9. Distributions

The distributions take account of revenue added on creation of shares and revenue deducted on the cancellation of shares, and comprise:

	31.12.2018 £	31.12.2017 £
Interim Distribution	217,691	190,445
Interim Accumulation	73,747	86,887
Final Distribution	97,033	212,039
Final Accumulation	23,673	76,818
	412,144	566,189
Add: Amounts deducted on cancellation of shares	11,322	21,627
Less: Amounts added on creation of shares	(853)	(10,798)
Distributions	422,613	577,018
Interest payable and similar charges	510	182
Total distributions	423,123	577,200

Notes to the Financial Statements (continued)

9. Distributions (continued)

	31.12.2018 £	31.12.2017 £
Net (expense)/revenue after taxation	(99,625)	1,117
Add: Capitalised expenses	522,236	576,248
Add: Equalisation uplift on unit conversions	–	7
Add: Undistributed revenue brought forward	16	19
Less: Undistributed revenue carried forward	(14)	(16)
Tax effect of fees offset to capital	–	(357)
Distributions	422,613	577,018

10. Debtors

	31.12.2018 £	31.12.2017 £
Accrued revenue	29,928	36,993
Amount receivable for creation of shares	228	1,098
Sales awaiting settlement	229,073	126,296
	259,229	164,387

11. Cash and Bank Balances

	31.12.2018 £	31.12.2017 £
Cash and bank balances	90,791	504,590
	90,791	504,590

12. Bank Overdrafts

	31.12.2018 £	31.12.2017 £
Bank overdrafts	112,969	50,140
	112,969	50,140

13. Other Creditors

	31.12.2018 £	31.12.2017 £
Amount payable for cancellation of shares	–	77,699
Accrued expenses	36,090	48,433
	36,090	126,132

14. Commitments, Contingent Liabilities, and Contingent Assets

At 31 December 2018, the sub-fund had no contingent liabilities or assets (31 December 2017: same).

15. Related Parties

ACD fees paid to Sarasin Investment Funds Limited are shown in note 7. The balance due to Sarasin Investment Funds Limited at the year end in respect of this transaction was £29,485 (31 December 2017: £39,484).

At the year end, BNY (OCS) Nominees Limited owned below the 25% threshold in the sub-fund on behalf of multiple beneficiaries (31 December 2017: 33.97%).

Notes to the Financial Statements (continued)**16. Shareholders' Funds**

The sub-fund has 10 share classes in issue. The shares have no par value and, within each class subject to their denomination, are entitled to participate equally in the profits arising in respect of, and in the proceeds of, the liquidation of the assets in, or the termination of, that sub-fund.

Shares do not carry preferential or pre-emptive rights to acquire further shares. All shares have the same rights on winding up.

Global Equity 'A' Income Shares

Opening shares	23,637
Shares Created	926
Shares Liquidated	—
Shares Converted	—
Closing shares	24,563

Global Equity 'A' Accumulation Shares

Opening shares	166,620
Shares Created	798
Shares Liquidated	(7,799)
Shares Converted	—
Closing shares	159,619

Global Equity 'D' Income Shares

Opening shares	750,050
Shares Created	—
Shares Liquidated	(83,697)
Shares Converted	—
Closing shares	666,353

Global Equity 'F' Accumulation Shares

Opening shares	750
Shares Created	—
Shares Liquidated	(750)
Shares Converted	—
Closing shares	—

Global Equity 'I' Income Shares

Opening shares	4,696,379
Shares Created	215,410
Shares Liquidated	(416,826)
Shares Converted	—
Closing shares	4,494,963

Global Equity 'I' Accumulation Shares

Opening shares	2,365,258
Shares Created	29,261
Shares Liquidated	(874,682)
Shares Converted	—
Closing shares	1,519,837

Global Equity 'P' Income Shares

Opening shares	3,235
Shares Created	54,236
Shares Liquidated	(1,050)
Shares Converted	—
Closing shares	56,421

Notes to the Financial Statements (continued)

16. Shareholders' Funds (continued)

Global Equity 'P' Accumulation Shares

Opening shares	143,924
Shares Created	143,591
Shares Liquidated	(231,682)
Shares Converted	–
Closing shares	55,833

Global Equity 'X' Income Shares

Opening shares	14,079,511
Shares Created	46,075
Shares Liquidated	(1,729,503)
Shares Converted	11,042
Closing shares	12,407,125

Global Equity 'X' Accumulation Shares

Opening shares	4,276,556
Shares Created	57,500
Shares Liquidated	(1,867,025)
Shares Converted	(10,800)
Closing shares	2,456,231

17. Risk Disclosures

The policies in place for controlling the risks associated with pursuing the sub-fund's objectives and operating the sub-fund are detailed in note 3 on pages 15 and 16. A sensitivity analysis of the sub-fund is provided on page 97. Further analysis of the sub-fund's exposure to these risks is detailed below.

Currency exposure as at 31 December 2018

	Monetary exposure £	Non-Monetary exposure £	Total £	%
Euro	1,317	(2,075,355)	(2,074,038)	(5.71)
Japanese yen	–	(1,496,551)	(1,496,551)	(4.12)
Sterling	81,465	41,168,644	41,250,109	113.58
US dollar	21,145	(1,383,133)	(1,361,988)	(3.75)
	103,927	36,213,605	36,317,532	100.00

Currency exposure as at 31 December 2017

	Monetary exposure £	Non-Monetary exposure £	Total £	%
Euro	22,854	(2,897,113)	(2,874,259)	(5.73)
Japanese yen	–	(1,423,720)	(1,423,720)	(2.84)
Sterling	307,952	52,231,119	52,539,071	104.68
US dollar	(50,140)	2,000,031	1,949,891	3.89
	280,666	49,910,317	50,190,983	100.00

Notes to the Financial Statements (continued)

17. Risk Disclosures (continued)

Interest rate exposure as at 31 December 2018

	Floating rate financial assets £	Fixed rate financial assets £	Financial assets not carrying interest £	Total £
Euro	1,317	—	—	1,317
Sterling	89,474	—	41,406,727	41,496,201
US dollar	—	—	12,835,134	12,835,134
	<u>90,791</u>	<u>—</u>	<u>54,241,861</u>	<u>54,332,652</u>

	Floating rate financial liabilities £	Fixed rate financial liabilities £	Financial liabilities not carrying interest £	Total £
Euro	—	—	(2,075,355)	(2,075,355)
Japanese yen	—	—	(1,496,551)	(1,496,551)
Sterling	(112,969)	—	(133,123)	(246,092)
US dollar	—	—	(14,197,122)	(14,197,122)
	<u>(112,969)</u>	<u>—</u>	<u>(17,902,151)</u>	<u>(18,015,120)</u>

Interest rate exposure as at 31 December 2017

	Floating rate financial assets £	Fixed rate financial assets £	Financial assets not carrying interest £	Total £
Euro	—	—	22,854	22,854
Japanese yen	—	—	451,240	451,240
Sterling	504,590	—	53,228,402	53,732,992
US dollar	—	—	17,358,066	17,358,066
	<u>504,590</u>	<u>—</u>	<u>71,060,562</u>	<u>71,565,152</u>

	Floating rate financial liabilities £	Fixed rate financial liabilities £	Financial liabilities not carrying interest £	Total £
Euro	—	—	(2,897,113)	(2,897,113)
Japanese yen	—	—	(1,874,960)	(1,874,960)
Sterling	—	—	(1,193,921)	(1,193,921)
US dollar	(50,140)	—	(15,358,035)	(15,408,175)
	<u>(50,140)</u>	<u>—</u>	<u>(21,324,029)</u>	<u>(21,374,169)</u>

Notes to the Financial Statements (continued)

17. Risk Disclosures (continued)

Fair Value

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

Valuation technique as at 31 December 2018

Financial Assets	Level 1 £	Level 2 £	Level 3 £	Total £
Collective Investment Schemes	5,256,089	28,715,186	—	33,971,275
Equities	2,144,994	—	—	2,144,994
Forward Currency Contracts	—	127,218	—	127,218
	<u>7,401,083</u>	<u>28,842,404</u>	<u>—</u>	<u>36,243,487</u>
Financial Liabilities				
Forward Currency Contracts	—	(29,882)	—	(29,882)
	<u>—</u>	<u>(29,882)</u>	<u>—</u>	<u>(29,882)</u>

Valuation technique as at 31 December 2017

Financial Assets	Level 1 £	Level 2 £	Level 3 £	Total £
Collective Investment Schemes	5,504,527	43,165,303	—	48,669,830
Equities	1,110,158	—	—	1,110,158
Forward Currency Contracts	—	152,393	—	152,393
	<u>6,614,685</u>	<u>43,317,696</u>	<u>—</u>	<u>49,932,381</u>
Financial Liabilities				
Forward Currency Contracts	—	(22,064)	—	(22,064)
	<u>—</u>	<u>(22,064)</u>	<u>—</u>	<u>(22,064)</u>

The valuation technique has been disclosed under Accounting Policies note 1I on page 14.

Level 1

The unadjusted quoted price in an active market for an identical instrument that the entity can access at the measurement date.

Level 2

Valuation techniques using observable inputs other than quoted prices within Level 1 (i.e., developed using market data).

Level 3

Valuation techniques using unobservable inputs (i.e., for which market data is unavailable).

Notes to the Financial Statements (continued)**17. Risk Disclosures (continued)****Counterparty Risk**

During the year, the sub-fund made use of 'Over The Counter' (OTC) Derivative Instruments. These types of transactions introduce counterparty risk, where a counterparty may fail to meet its financial commitments.

In order to reduce this risk, collateral may be held by the sub-fund. The counterparties to these transactions and any collateral held by the sub-fund at the balance sheet date are shown below:

Counterparty Name as at 31 December 2018	Exposure £	Cash Collateral £
The Bank of New York Mellon	127,218	616

Counterparty Name as at 31 December 2017	Exposure £	Cash Collateral £
The Bank of New York Mellon	152,393	40,055

Positive exposure represents the mark to market value of derivative contracts and the sub-fund's exposure to that counterparty.

18. Post Balance Sheet Market Movements

The ACD has applied a 10% threshold to the disclosure of post year end movements in the net asset value per share of the sub-fund from the year end date to the date of signing. This consideration takes into account routine transactions but also significant market movements. The following share classes have exceeded the threshold and, as at the date of signing these accounts, have increased in value by over 10% since 31 December 2018: Global Equity A Inc, A Acc, X Inc, X Acc, I Inc, I Acc, P Inc, P Acc, D Inc.

Distribution Tables

For the year ended 31 December 2018

Interim distribution in pence per share

Group 1: Shares purchased prior to 1 January 2018

Group 2: Shares purchased between 1 January 2018 and 30 June 2018

Share	Net Revenue 2018 Pence per Share	Equalisation (note 2i) Pence per Share	Interim Distribution Paid 2018 Pence per Share	Interim Distribution Paid 2017 Pence per Share
Global Equity 'A' Income Shares				
Group 1	1.1161	—	1.1161	0.9382
Group 2	0.7078	0.4083	1.1161	0.9382
Global Equity 'A' Accumulation Shares				
Group 1	1.1466	—	1.1466	0.9439
Group 2	0.6706	0.4760	1.1466	0.9439
Global Equity 'D' Income Shares¹				
Group 1	1.1845	—	1.1845	0.9876
Group 2	1.1845	—	1.1845	0.9876
Global Equity 'F' Accumulation Shares¹				
Group 1	1.1800	—	1.1800	0.9853
Group 2	1.1800	—	1.1800	0.9853
Global Equity 'I' Income Shares				
Group 1	1.1741	—	1.1741	0.9815
Group 2	1.1548	0.0193	1.1741	0.9815
Global Equity 'I' Accumulation Shares				
Group 1	1.2018	—	1.2018	0.9935
Group 2	1.0228	0.1790	1.2018	0.9935
Global Equity 'P' Income Shares				
Group 1	1.1802	—	1.1802	0.9852
Group 2	0.9358	0.2444	1.1802	0.9852
Global Equity 'P' Accumulation Shares				
Group 1	1.2097	—	1.2097	1.0392
Group 2	0.9291	0.2806	1.2097	1.0392
Global Equity 'X' Income Shares				
Group 1	1.1519	—	1.1519	0.9728
Group 2	0.7637	0.3882	1.1519	0.9728
Global Equity 'X' Accumulation Shares				
Group 1	1.1782	—	1.1782	0.9798
Group 2	0.6171	0.5611	1.1782	0.9798

Distribution Tables (continued)

Final distribution in pence per share

Group 1: Shares purchased prior to 1 July 2018

Group 2: Shares purchased between 1 July 2018 and 31 December 2018

Share	Net Revenue 2018 Pence per Share	Equalisation (note 2i) Pence per Share	Final Distribution Paid 2019 Pence per Share	Final Distribution Paid 2018 Pence per Share
Global Equity 'A' Income Shares				
Group 1	0.5274	—	0.5274	1.0476
Group 2	0.4860	0.0414	0.5274	1.0476
Global Equity 'A' Accumulation Shares				
Group 1	0.5457	—	0.5457	1.0710
Group 2	0.4288	0.1169	0.5457	1.0710
Global Equity 'D' Income Shares¹				
Group 1	0.5631	—	0.5631	1.1065
Group 2	0.5631	—	0.5631	1.1065
Global Equity 'F' Accumulation Shares²				
Group 1	—	—	—	1.0986
Group 2	—	—	—	1.0986
Global Equity 'I' Income Shares				
Group 1	0.5577	—	0.5577	1.0977
Group 2	0.3784	0.1793	0.5577	1.0977
Global Equity 'I' Accumulation Shares¹				
Group 1	0.5744	—	0.5744	1.1184
Group 2	0.5744	—	0.5744	1.1184
Global Equity 'P' Income Shares				
Group 1	0.5812	—	0.5812	1.1030
Group 2	0.5607	0.0205	0.5812	1.1030
Global Equity 'P' Accumulation Shares				
Group 1	0.5629	—	0.5629	1.1370
Group 2	0.3963	0.1666	0.5629	1.1370
Global Equity 'X' Income Shares				
Group 1	0.5461	—	0.5461	1.0789
Group 2	0.5265	0.0196	0.5461	1.0789
Global Equity 'X' Accumulation Shares				
Group 1	0.5601	—	0.5601	1.0975
Group 2	0.4737	0.0864	0.5601	1.0975

¹There were no group 2 shares for this period.

²Share class closed on 5 November 2018.



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