

SARASIN

AUDITED ANNUAL REPORT  
AND ACCOUNTS

31 December 2021

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**Sarasin IE Diversified Endowments Fund**

(an Open-Ended Unit Trust)

Central Bank of Ireland Regulated

For the financial year 01 January 2021 to 31 December 2021

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## **Sarasin IE Diversified Endowments Fund**

### **Notification of Amendments to Sarasin IE Diversified Endowments Fund**

Class V income unit class launched on 11 May 2021.

On 4 January 2022, Sarasin Funds Management (Ireland) Limited was replaced as Management Company of the Irish fund range by Waystone Management Company (IE) Limited.

# Sarasin IE Diversified Endowments Fund

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## Sarasin IE Diversified Endowments Fund

### Key Information

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	<b>Class I Income Units</b>	<b>Class I Accumulating Units</b>	<b>Class J Income Units</b>	<b>Class V Income Units</b>
Base Currency	Euro	Euro	Euro	Euro
Launch date	06 November 2018	08 November 2018	06 November 2018	11 May 2021
Dealing day	Daily	Daily	Daily	Daily
Sedol number	7A88VEU	1A88VFU	8A88VEU	BGMJS46

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Prices are quoted daily on our website at [www.sarasinandpartners.com](http://www.sarasinandpartners.com). There is no redemption charge.

All data cited is in base currency on a NAV basis, gross income reinvested. Past performance does not guarantee future returns. The value of investments and the income from them can go down as well as up and an investor may not get back the amount originally invested. This can be as a result of market movements and also of variations in the exchange rates between currencies.

It should be noted that 100% of the Manager's annual and administration charges are deducted from the Trust's capital. There is no minimum investment period, though we would recommend that you view your investment as medium to long term (i.e. 5 to 10 years).

## **Sarasin IE Diversified Endowments Fund**

### **Board of Directors of the Manager and Directory**

#### **Directors of the Manager**

##### **Waystone Management Company (IE) Limited**

Tim Madigan\*<sup>^</sup>  
Conor MacGuinness  
David McGeough\*  
Siobhan Moloney  
Caoimhghin O'Donnell  
Denise Coughlan

#### **Depositary**

Northern Trust  
Fiduciary Services (Ireland) Limited  
Georges Court  
54-62 Townsend Street  
Dublin 2

#### **Administrator and Registrar**

Northern Trust International Fund  
Administration Services (Ireland) Limited  
Georges Court  
54-62 Townsend Street  
Dublin 2

#### **Irish Legal Advisers to the Trust**

A&L Goodbody  
IFSC  
North Wall Quay  
Dublin 1

\* Independent non-executive Director

<sup>^</sup> Chairperson

#### **Manager (from 4 January 2022)**

Waystone Management  
Company (IE) Limited  
3rd Floor  
76 Lower Baggot Street  
Dublin 2

#### **Former Manager (up to 4 January 2022)**

Sarasin Funds Management  
(Ireland) Limited  
Georges Court  
54-62 Townsend Street  
Dublin 2

#### **Investment Manager**

Sarasin & Partners LLP  
Juxon House  
100 St. Paul's Churchyard  
London EC4M 8BU  
(Authorised and Regulated by the FCA)

#### **Auditor**

Deloitte Ireland LLP  
Chartered Accountants & Statutory Audit Firm  
Deloitte & Touche House  
Earlsfort Terrace  
Dublin 2

# Sarasin IE Diversified Endowments Fund

## Introduction

### Authorisation

Sarasin IE Diversified Endowments Fund (the “Trust”) is an open-ended unit trust authorised by the Central Bank of Ireland (the “Central Bank”) and authorised as an Undertaking for Collective Investment in Transferable Securities (“UCITS”), pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended) (the “UCITS Regulations”) and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (the “Central Bank UCITS Regulations”). The Trust is recognised in the United Kingdom by the Financial Conduct Authority (“FCA”) under Section 270 of the Financial Services and Markets Act, 2000.

The Trust commenced operations on 6 November 2018 following the merger of Sarasin Diversified Fund for Charities, another fund of Sarasin approved by Extraordinary General Meeting on 23 October 2018.

The Directors of the Former Manager voluntarily adopted the Corporate Governance Code for Irish Domiciled Collective Investment Schemes which was published on 14 December 2011 by Irish Funds, the association for the funds industry in Ireland, as the Trust’s corporate governance code.

Sarasin & Partners LLP, who are authorised and regulated by the FCA, market the Trust in the UK.

The following Unit Classes were active during the financial year:

<b>Unit Class</b>	<b>Launch Date</b>
Class I Income Units	6 November 2018
Class I Accumulating Units	8 November 2018
Class J Income Units	6 November 2018
Class V Income Units	11 May 2021

### Manager

From the 4 January 2022, Waystone Management Company (IE) Limited (the “Manager”) was appointed Manager of the Trust replacing Sarasin Funds Management (Ireland) Limited (the “Former Manager”).

### Investment Manager

Sarasin & Partners LLP (the “Investment Manager”), London, is authorised and regulated by the FCA, and is a subsidiary of the Bank J Safra Sarasin Group, of Basel, Switzerland.

# Sarasin IE Diversified Endowments Fund

## Trust Details

As at 31 December 2021

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<b>Annual Management Charges per Unit Class</b>	
Class I Units	0.75%
Class J Units	0.75%
Class X Units*	1.35%
Class V Units	0.40%

<b>Fixed Operating Charge per Unit Class</b>	
Class I Units	0.15%
Class J Units	0.15%
Class X Units*	0.25%
Class V Units	0.15%

\*Unit classes not yet launched.

## **Sarasin IE Diversified Endowments Fund**

### **Manager's Responsibilities**

The Manager is responsible for preparing the Annual Report and the Trust's financial statements in accordance with the applicable laws and regulations. In preparing the financial statements the Manager is required to:

- 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 Trust will continue in operation.

The Manager is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and to enable it to demonstrate that the financial statements comply with the UCITS Regulations and the Central Bank UCITS Regulations. In this regard, the Directors of the Manager have appointed Northern Trust International Fund Administration Services (Ireland) Limited for the purpose of maintaining proper books of account. Accordingly, the books of account are kept at the following address: Georges Court, 54-62 Townsend Street, Dublin 2, Ireland.

The Manager is responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Manager has entrusted the assets of the Trust to the Depositary for safekeeping and in this regard the Manager has appointed Northern Trust Fiduciary Services (Ireland) Limited as Depositary. The address at which this business is conducted is as follows: Georges Court, 54-62 Townsend Street, Dublin 2, Ireland.

### **Depositary's Responsibilities**

The Depositary is required to:

- take responsibility for safe-keeping the assets of the Trust in accordance with the UCITS Regulations;
- ensure that the Trust is managed by the Manager in accordance with the Trust Deed and the UCITS Regulations;
- prepare a report for inclusion in the annual report on the conduct of the Manager in relation to the management of the Trust in accordance with the Trust Deed and the UCITS Regulations.

### **Connected Persons**

Any transaction carried out with a UCITS by a management company or depositary to the UCITS, the delegates or sub-delegates of the management company or depositary, and any associated or group of such a management company, depositary, delegate or sub-delegate ("connected persons") must be carried out as if negotiated at arm's length. Transactions must be in the best interests of the unitholders.

The Directors of the Manager are satisfied that there are arrangements (evidenced by written procedures) in place, to ensure that the obligations set out in Regulation 43(1) of the Central Bank UCITS Regulations are applied to all transactions with connected persons, and are satisfied that transactions with connected persons entered into during the financial year complied with the obligations set out in Regulation 43(1) of the Central Bank UCITS Regulations.



# Sarasin IE Diversified Endowments Fund

## Market Review

### World economy

The global economy staged an impressive recovery in 2021 after the deepest economic contraction since the Great Depression of the 1930s. The rapid deployment of Covid-19 vaccines and their high efficacy in combatting severe disease, allowed the easing of government restrictions in many countries from spring, and summer ushered in a new wave of optimism giving households and firms greater confidence to consume and spend. The global economy is expected to have grown by 5.8% in 2021, after a contraction of 3.4% in 2020 (Real GDP in USD terms). However, the economic recovery was highly uneven across countries, reflective of access to vaccines, impact of supply bottlenecks on industrial production and trade, and government policies to control the pandemic and alleviate pressure on their health systems.

The US economy led the major advanced economies, with GDP recovering to its pre-pandemic level in Q2 2021. Large fiscal and monetary stimulus powered the recovery, and wages rose sharply as shortages of labour started to emerge. By December 2021, the unemployment rate had re-traced back to 3.9% - after starting the year at 6.4% - and consumer price inflation ended the year at a 39-year high of 7.0%. The significant overshoot of inflation beyond the central banks' target of 2%, and its unexpected persistence, mounted pressure on the Federal Reserve to dial back its accommodative monetary policy stance. At the December meeting, the Federal Reserve decided to double the pace that it reduces its asset purchases, and Federal Open Market Committee (FOMC) members, on average, projected that interest rate rates could be increased three times in 2022.

The European economy also staged a remarkable rebound in 2021. The currency bloc is estimated to have grown by 5.2% and remains on track to recover to its pre-pandemic size by early 2022. However, supply bottlenecks acted a significant drag on production, especially in Germany, and the emergence of the omicron variant led to a delay in the recovery of services consumption. In the UK, the Bank of England surprised markets by raising interest rates at their December meeting, despite weakening activity data and the re-introduction of Covid restrictions amidst surging Covid infection cases.

Activity in Asia was weaker than expected, and China's economy underperformed expectations with forecasts continuously being revised downwards. As the year progressed, downside economic risks intensified driven by the collapse of the property giant Evergrande, policy restrictions on the property market, power shortages, regulatory crackdowns, and the continuation of the government's Covid suppression strategy. In turn, the central bank shifted to a more decisive policy easing stance, by cutting the reserve requirement ration twice in July and December. In Japan, activity remained relatively subdued in 2021 but expectations ended the year on an optimistic note as Japan's new Prime Minister, Fumio Kishida, approved \$316bn additional fiscal stimulus.

### Global equities

During the first half of the year, the successful vaccination rollout in the US, combined with exceptional fiscal spending from the newly inaugurated Biden administration, led to the US leading the economic recovery. This momentum continued and, as a result, US equities outperformed other regions over the year.

In contrast, Chinese equities had an extremely poor year. New initiatives seeking to tackle an overly indebted property sector, as well as the new Common Prosperity goals, led global investors to be more circumspect in reviewing stocks that are listed in China. Furthermore, events such as the property developer Evergrande's debt default, ride hailing company Didi delisting from the New York Stock Exchange and Chinese geopolitical hawkishness have brought periods of increased scrutiny and nervousness.

## **Sarasin IE Diversified Endowments Fund**

### **Market Review (continued)**

#### **Global equities (continued)**

Equity markets were characterized by a reversal in trends that dominated the pandemic year. The traditional energy sector has been a laggard for many years, with Energy underperforming the global equity index considerably between 2010 – 2020. This was compounded last year as oil prices fell to their lowest ever level. However, the announcements of effective vaccines in November last year and the prospective return to normality provided an initial boost to fortunes, before shortages in natural gas and coal led to another leg up in energy prices. Therefore, the energy sector was the best performing of 2021. Similarly, banks which had suffered from interest rates at the zero-bound, enjoyed a revival in fortunes as markets and central banks signalled their confidence in rate hikes.

#### **Fixed income**

Sterling bond yields rose significantly over the year 2021, with 10-year gilt yields rising from ~0.20% to almost 1% by year-end, having touched 1.2% in October. The ICE UK gilt index produced a total return of -5.2% over the year. Sterling non-gilt spreads started and ended the year at 96bp, having tightened into 83bp over the first nine months of the year before fully retracing in the fourth quarter. Sterling non-gilts returned -3.0% over the year, representing an excess return of +1.1% over maturity-matched gilts. Over the year as a whole, financials, in particular subordinated financials, were a top-performing sector. Cyclical non-financials (such as energy, basic, autos, retail) were relatively weak as were very low beta sectors like agency/supranational.

At the start of the year the market was actually pricing rate cuts from the Bank of England by the end of 2021. In the event we got a 15bp hike in December as inflationary pressures mounted. The Consumer Price Index rose from ~1.5% to over 4% over the course of 2021 and is expected to rise further into 2022. Coupled with robust economic growth, this has led the market to price another four 25bp rate hikes in 2022.

#### **Currencies**

With a central bank tightening cycle on the horizon and inflation hitting levels not seen in three decades, currency markets in 2021 weighed the likelihood and the effect of higher US interest rates on the potential for a stronger dollar. New highly virulent variants of Covid-19 have also caused hotspots of infection and economic uncertainty causing periodic support for safe haven currencies. The general trend of the year was dollar strengthening. Measured by a weighted index, the dollar appreciated by 6.4% over the course of the year, hitting a peak shortly after the news of Omicron broke in late November. The Japanese Yen was the worst performing major currency in 2021 as the country struggled with its Covid-19 vaccination programme leading to cycles of rising cases and restrictions on activity. Ultimately, this led to the ousting of the Prime Minister and fresh elections. In Europe, both the Euro and Swiss Franc have depreciated slightly since the start of the year when compared to the dollar. Having strengthened in the first half of the year, Sterling retraced in the second half to end the year marginally below where it started.

The most dramatic narrative from currency markets in 2021 came from emerging markets and Turkey, in particular. After an unusually long period of sensible monetary policy, President Recep Tayyip Erdogan fired the head of the central bank in September before cutting interest rates four times before the end of the year, despite inflation above 30%.

Sarasin & Partners LLP  
January 2022

All opinions and estimates contained in this report constitute the Investment Manager's judgement and view as of the date of the report and are subject to change without notice. The report is for the assistance of the recipients, but is not to be relied upon as authoritative or taken in substitution for the exercise of judgement by the recipient.

## Sarasin IE Diversified Endowments Fund

### Depository Report to Unitholders

We, Northern Trust Fiduciary Services (Ireland) Limited, appointed Depository to Sarasin IE Diversified Endowments Fund (the "Trust") provide this report solely in favour of the unitholders of the Trust for the financial year 31 December 2021 ("Accounting Period"). This report is provided in accordance with the UCITS Regulations – European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (SI No 352 of 2011) as amended, Directive 2009/65/EU which implemented into Irish Law (the "Regulations"). We do not, in the provision of this report, accept nor assume responsibility for any other purpose or person to whom this report is shown.

In accordance with our Depository obligation as provided for under the Regulations, we have enquired into the conduct of the Manager of the Trust for the Annual Accounting Period and we hereby report thereon to the unitholders of the Trust as follows;

We are of the opinion that the Trust has been managed during the Annual Accounting Period, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Manager by the constitutional documents and by the Regulations; and
- (ii) otherwise in accordance with the provisions of the constitutional document and the Regulations.



For and on behalf of  
Northern Trust Fiduciary Services (Ireland) Limited  
Georges Court  
54-62 Townsend Street  
Dublin 2  
Ireland

28 April 2022

## INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF SARASIN IE DIVERSIFIED ENDOWMENTS FUND

### Report on the audit of the financial statements

#### Opinion on the financial statements of Sarasin IE Diversified Endowments Fund (the 'Fund')

In our opinion the Fund's financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Fund as at 31 December 2021 and of the profit for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework, the applicable Regulations and the provisions of the Trust Deed

The financial statements we have audited comprise:

- the Statement of Comprehensive Income;
- the Statement of Changes in Net Assets attributable to Unitholders;
- the Statement of Financial Position;
- the Statement of Cash Flows; and
- the related notes 1 to 18, including a summary of significant accounting policies as set out in note 2.

The relevant financial reporting framework that has been applied in their preparation is International Financial Reporting Standards as adopted by the European Union ("IFRS") ("the relevant financial reporting framework").

The applicable regulations that have been applied in their preparation is the Unit Trusts Act, 1990 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 and Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations, 2019 ("the applicable Regulations").

#### Basis for opinion

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

We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority, 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

In auditing the financial statements, we have concluded that the Manager's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Fund's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Manager with respect to going concern are described in the relevant sections of this report.

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## INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF SARASIN IE DIVERSIFIED ENDOWMENTS FUND

### **Other information**

The other information comprises the information included in the Audited Annual Report and Accounts, other than the financial statements and our auditor's report thereon. The Manager is responsible for the other information contained within the Audited Annual Report and Accounts. 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.

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 this regard.

### **Responsibilities of the Manager for the financial statements**

The Manager is responsible for the preparation and fair presentation of the financial statements in accordance with the relevant financial reporting framework, and for such internal control as the Manager 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 Manager is responsible for assessing the Fund'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 Manager either intend to liquidate the Fund 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 (Ireland) 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.

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.

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## INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF SARASIN IE DIVERSIFIED ENDOWMENTS FUND

- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity (or where relevant, the group) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

### Report on other legal and regulatory requirements

#### Opinion on other matters prescribed by the applicable Regulations

Based solely on the work undertaken in the course of the audit, we report that:

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the Fund were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.

#### Use of our report

This report is made solely to the Fund's unitholders, as a body, in accordance with the applicable Regulations and the provisions of the Trust Deed. Our audit work has been undertaken so that we might state to the Fund's unitholders 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 Fund and the Fund's unitholders as a body, for our audit work, for this report, or for the opinions we have formed.



Christian Macmanus  
For and on behalf of Deloitte Ireland LLP  
Chartered Accountants and Statutory Audit Firm  
Deloitte & Touche House, 29 Earlsfort Terrace, Dublin 2

29 April 2022

## **Sarasin IE Diversified Endowments Fund**

### **Investment Review for the financial year 01 January 2021 to 31 December 2021**

#### **Review**

Risk markets were favoured in 2021 as investors welcomed strong signs of economic recovery. The news of effective Covid-19 vaccinations in November 2020 was the start of a dramatic shift, from social distancing restrictions to the prospect of a return to normality. However, the pandemic has not stopped affecting the world. Inflation has seen government bond yields in the US and Europe rise, while returning economic activity led to another year of strong equity market returns.

Macroeconomic data improved throughout the year, underpinned by substantial fiscal packages and loose monetary policy. However, supply chain disruptions, rising energy prices and higher wages saw inflation rise sharply in the second half of the year. As a result, central banks, including the US Federal Reserve (Fed), began slowing the pace of their asset purchases. It also started discussing impending interest rate rises. In addition, Covid-19 continued to effect markets, economies and everyday life. First the Delta variant in the summer, then the Omicron variant at the end of the year. Despite these headwinds, equity markets were buoyed by the rapid increase in corporate earnings, seemingly looking through near-term uncertainty related to Covid-19.

Overall, the fund underperformed the benchmark over the year as the pathway to reopening economies led to a rotation in equity markets. This saw many of those stocks that had sold off last year rebound significantly, notably energy and travel companies. As such, much of our underperformance can be better explained by the stocks not held in the fund rather than the stocks that were held.

#### **Positives**

During the course of the year, the US led the economic recovery. This was thanks to a successful vaccination rollout in the US, combined with exceptional fiscal spending from the newly inaugurated Biden administration. As a result, US equities outperformed other regions. The rise in employment, wages and savings that accompanied the reopening has boosted consumer spending, helping companies like Home Depot and Costco, the world's fifth largest retailer. Both businesses have seen sales growth accelerate throughout the period, often ahead of analysts' expectations.

Companies involved in the manufacturing of semiconductors, particularly ASML, continued their good momentum into 2021. This was underpinned by robust demand that's making headlines for shortages in the automotive industry. These shortages led to further orders from the likes of TSMC and Intel as they expanded production capacity. They rely on ASML for its extreme ultraviolet (EUV) lithography machines which help manufacture the smallest, most sophisticated computer chips. Against this backdrop, ASML was a key contributor to performance over the period.

Other positives in this area included Broadcom, one of the largest semiconductor design companies in the world and a leader in high-performance networking and communications semiconductors. These are the foundations of the digital economy – from enabling high-speed network traffic to powering the algorithms used in the world's most sophisticated artificial intelligence (AI) applications. The company enjoys strong cash flows and recent guidance has been very positive. Broadcom has also announced a \$10 billion share buyback and a 14% dividend increase.

Also among information technology companies, the fund's position in tech giant Microsoft has delivered strong results throughout the year and continues to benefit from its move to more cloud-based software, such as the Azure platform.

## **Sarasin IE Diversified Endowments Fund**

### **Investment Review for the financial year 01 January 2021 to 31 December 2021 (continued)**

#### **Negatives**

As mentioned previously, the main reason for the fund's underperformance versus the benchmark over the year was due to the performance of stocks that are not in the portfolio, rather than the stocks we owned. By way of example, the traditional energy sector has been a laggard for many years, with energy underperforming the global equity index considerably between 2010 – 2020. Thanks to our thematic investment process, we anticipated that the oil and gas industry was likely to come under pressure from emissions requirements related to climate change. As such, we have been underweight the sector relative to the index for years, having sold our remaining exposure in February 2020. This was helpful, as the energy sector continued to underperform during the pandemic. However, it has been a drag on the portfolio performance of late, while the sector rebounded from very low valuations. We do not view this as a structural shift in the fortunes and prospects of oil and gas companies and have therefore been reluctant to increase our exposure.

Individual detractors included France-based manufacturer Alstom, after the acquisition of Bombardier led to unforeseen costs. Integrating the company and disposing of problematic contracts have proven more expensive than first thought. This has weighed on both company earnings and the share price. Though disappointing, we still see a number of thematic opportunities for the rail company. China-based internet company Alibaba also weighed on returns, as the Chinese government's unexpected crusade against large internet companies intensified over the year. Alibaba's share price fell as investors considered the long-term implications of the crackdown.

Other detractors included insurer and pension provider AIA Group, which has suffered from a number of insurance claims relating to the pandemic. However, given the company's strong presence in Asia, and mainland China in particular, we believe it is set to benefit from ageing demographics and the resulting demand for savings and protection products.

#### **Transactions**

Purchases included Indian bank HDFC. The share price traded sideways for the first half of the year, with investors wary of investing in India due to difficulties with the Delta variant. However, with Covid-19 cases at an inflection point, it seemed that the worst of the second wave had passed and, as such, we started a position in anticipation of a recovery.

Other purchases included EssilorLuxottica, the world's largest designer, manufacturer and retailer of eyeglasses. The company benefits from superior economies of scale, and it can exploit synergies from its recent merger too.

We started selling our position in Denmark-based energy company Orsted in November. After a period of record-high returns, the group's share price suffered a bout of profit-taking following its cut to 2021 guidance in January. It became clear that the competition in the market is increasing and such an environment could lead to diminishing returns over time.

#### **Outlook**

Although infection rates are rising across the world, there is evidence that Omicron is a milder variant than previous strains. Many investors are convinced that it will have a minimal impact on long-term economic growth. That being said, we are likely to see further volatility in risk markets as the full economic impact – especially on specific sectors – becomes clear.



## **Sarasin IE Diversified Endowments Fund**

### **Investment Review for the financial year 01 January 2021 to 31 December 2021 (continued)**

#### **Outlook (continued)**

Other issues also continue to cause problems for investors, including rising inflation, supply chain shortages and higher energy prices. All of these will need to be watched closely for their impact on economic growth and policy. We have seen an increasing focus on controlling inflation from the Fed, as it slows down its pace of asset purchases and prepares to raise interest rates. While the European Central Bank (ECB) is more likely to maintain stimulus for longer, recent statements suggest the bank no longer believes inflation to be a transitory issue. Globally, ultra-loose monetary policy is undoubtedly being tightened, undoing one of the major supporting factors from asset markets since March 2020.

However, governments continue to spend through extensive fiscal programmes. Trillions have been pledged, targeting societal inequality with 'levelling up' policies, and industry stimulus such as US President Joe Biden's infrastructure package and the UK's 'Green Budget'. Crucially, governments' mentality towards debt has shifted, meaning we're unlikely to see a return to the austerity that followed the 2008 crisis. Instead, policy makers are likely to employ a strategy of financial repression to keep real yields negative, thereby reducing the relative size of government debt.

We expect trends that have accelerated due to the pandemic – such as e-commerce and working from home – are here to stay. Opportunities will be driven by the shift to a more digital world, automation, climate change mitigation and adaptation. There are also long-term demographic trends and shifts in consumption patterns, in the emerging and the developed markets.

Beyond the pandemic, there are other challenges we monitor. Rising inequality is one of our greatest worries following the consequences of the virus disproportionately affecting lower skilled, lower income populations. Already fragile global supply chains also continue to be tested and now face pressure from accelerating global demand, reshoring production and strategic supply nationalism.

Despite the challenges, we remain positive on the prospects for the coming year and beyond, supported by strong economic momentum thanks to healthy corporate and household balance sheets. The magnitude of the reversal within equity markets during 2021 is highly unlikely to be repeated in 2022 as things have returned to relative normality. Therefore, it is likely that equity market returns will be driven by those companies who are best placed to continue increasing their profitability and, crucially, maintain pricing power as inflation persists. The fund is well placed for this environment. Ultimately, the reaction function of central banks to inflation and economic data will likely continue to define asset markets over the next 12 months. Our expectation is that yields will keep rising at a modest pace to tackle inflation. The fund is positioned accordingly.

Sarasin & Partners LLP  
January 2022

## Sarasin IE Diversified Endowments Fund

### SFDR Disclosures (unaudited)

In accordance with EU Sustainable Finance Disclosure Regulation (“SFDR”), Articles 8 and 9, this Trust promotes environmental and/or social characteristics, but does not have sustainable investment as its objective.

The Investment Manager believes that social and environmental impacts can represent material risks to investment values and a narrow focus on financial factors is unsustainable.

Environmental and social characteristics are promoted in two ways:

First, the Investment Manager has developed and operates detailed methodologies to assess, measure and monitor the environmental and social factors for investments and for each asset class there is a common set of considerations.

Environmental assessments may include: climate change; use of materials, waste and failure to recycle (Circular Economy); land and biodiversity damage; water and ocean pollution and mismanagement; air pollution and particulates.

Social assessments may include: supply chain including working conditions, forced labour and discrimination; employee contracts and treatment; customer harms; bribery and corruption; unfair social contribution and broader societal impacts such as tax behaviour.

Secondly, the Investment Manager also promotes positive environmental and social outcomes through its engagement with investee entities and broader policy outreach. It devotes resources to raising concerns with entities where their environmental, social and/or governance performance is inadequate, and in the case of equity holdings, it implements a voting policy that is aligned with its ESG expectations. It may join collective actions on sustainability issues or pledge certain actions to promote sustainable outcomes on behalf of the Trust.

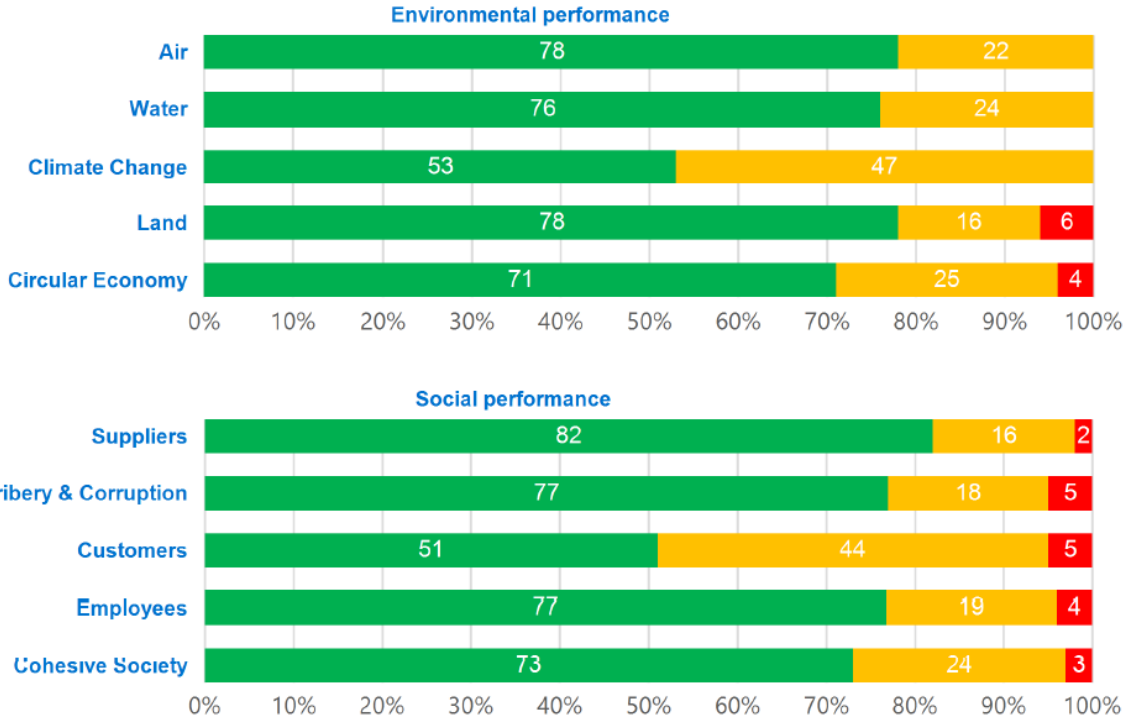
It is the Investment Manager's intention that all of the Trust's investments are aligned with the environmental and social characteristics it promotes. However, exceptions may occur if sufficiently detailed information about the investment cannot be obtained but the Investment Manager believes that the investment does not conflict with the objective and policy of the Trust.

More product-specific information about the Trust can be found on the website at [www.sarasinandpartners.com](http://www.sarasinandpartners.com).

Environmental and social impacts are measured by the Sarasin Sustainable Impact Matrix (SSIM). Investments are allocated a red, amber or green (“RAG”) indicator for each of the fifteen SSIM factors. Investments that are judged to cause a significant adverse impact will be allocated a red indicator for the relevant SSIM factor. The SSIM RAG indicators for the stocks in which the Trust invests are shown in the chart below. Stocks with red RAG indicators that are retained in the portfolio have been judged to have the scope to transition to cause less adverse impact over time. A further measure of the scope to transition is evidenced by any engagements with the underlying investee entity, which can be seen in the engagement report on the Investment Manager's website.

**Sarasin IE Diversified Endowments Fund**

**SFDR Disclosures (unaudited) (continued)**



Source: SSIM as at 31st December 2021. Classification of the Trust’s equity portfolio, based on securities’ environmental and social characteristics, as measured by SSIM.

As at 31st December 2021, 79% of the Trust’s assets had been classified with RAG indicators in accordance with the SSIM.

As at 31st December 2021, 21% of investments were therefore not yet classified in accordance with the SSIM.

Please note that those investments classified as ‘green’ do not necessarily equate to sustainability-related investments, as defined by the EU Taxonomy.

It is the Investment Manager’s intention that all of the Trust’s investments are aligned with the environmental and social characteristics it promotes. However, exceptions may occur if sufficiently detailed information about the investment cannot be obtained but the Investment Manager believes that the investment does not conflict with the objective and policy of the Trust.

# Sarasin IE Diversified Endowments Fund

## Schedule of Investments (unaudited)

As at 31 December 2021

Holdings	Investment Assets	Fair Value EUR	% of Net Assets
<b>Equities: 71.11% (2020: 71.74%)</b>			
<b>Cash Harvest: 15.60% (2020: 15.56%)</b>			
4,633	American Tower REITS	1,191,887	1.43
6,997	Apple	1,101,802	1.32
30,800	Bridgestone	1,170,554	1.41
1,703	Broadcom	1,000,938	1.20
6,295	Crown Castle International REITS	1,156,414	1.39
181,525	Enel	1,278,934	1.54
1,587	Equinix REITS	1,184,939	1.43
30,256	Goodman Group REITS	514,159	0.62
13,098	HDFC Bank ADR	748,779	0.90
345,554	L&G	1,217,811	1.47
12,085	Otis Worldwide	922,351	1.11
13,922	Taiwan Semiconductor Manufacturing ADR	1,481,253	1.78
<b>Total Cash Harvest</b>		<b>12,969,821</b>	<b>15.60</b>
<b>Cyclical Franchise: 17.25% (2020: 15.38%)</b>			
1,280	Accenture	468,138	0.56
27,502	Bank of Nova Scotia	1,742,486	2.09
7,307	CME	1,475,893	1.77
4,100	Daikin Industries	821,425	0.99
4,891	Deere	1,478,146	1.78
110,670	DS Smith	506,968	0.61
3,241	Home Depot	1,174,030	1.41
36,110	ING Groep	442,167	0.53
7,468	JPMorgan Chase	1,045,361	1.26
7,636	Marriott International	1,112,494	1.34
32,655	National Instruments	1,263,241	1.52
15,294	Prudential	231,167	0.28
5,141	Schneider Electric	888,622	1.07
3,911	Siemens	597,131	0.72
5,797	United Parcel Service	1,095,712	1.32
<b>Total Cyclical Franchise</b>		<b>14,342,981</b>	<b>17.25</b>
<b>Defensive Franchise: 21.15% (2020: 20.20%)</b>			
8,558	Air Liquide	1,309,887	1.57
23,387	Aramark	762,348	0.92
19,820	Colgate-Palmolive	1,481,356	1.78
2,183	Costco Wholesale	1,087,768	1.31
3,073	CSL	572,084	0.69

# Sarasin IE Diversified Endowments Fund

## Schedule of Investments (unaudited) (continued)

As at 31 December 2021

Holdings	Investment Assets (continued)	Fair Value EUR	% of Net Assets
<b>Equities: 71.11% (2020: 71.74%) (continued)</b>			
<b>Defensive Franchise: 21.15% (2020: 20.20%) (continued)</b>			
6,139	EssilorLuxottica	1,149,896	1.38
5,845	Koninklijke DSM	1,157,895	1.39
11,395	Medtronic	1,052,013	1.26
12,569	Merck	856,682	1.03
6,002	Microsoft	1,799,486	2.16
5,832	Middleby	1,014,732	1.22
3,187	Moody's	1,100,787	1.32
19,989	NextEra Energy	1,638,450	1.98
38,640	Sonic Healthcare	1,154,246	1.39
31,102	Unilever - London	1,455,209	1.75
<b>Total Defensive Franchise</b>		<b>17,592,839</b>	<b>21.15</b>
<b>Disruptive Growth: 12.23% (2020: 16.56%)</b>			
89,800	AIA	799,918	0.96
522	Alphabet	1,347,146	1.62
385	Amazon.com	1,147,625	1.38
7,429	Amgen	1,486,784	1.79
1,688	ASML	1,196,370	1.44
1,565	BlackRock	1,263,324	1.52
2,544	Jack Henry & Associates	376,841	0.45
4,258	Mastercard	1,358,602	1.63
842	Orsted	94,595	0.11
718	ServiceNow	415,376	0.50
13,300	Tencent	688,163	0.83
<b>Total Disruptive Growth</b>		<b>10,174,744</b>	<b>12.23</b>
<b>Special Situation: 4.88% (2020: 4.04%)</b>			
28,099	Alstom	871,631	1.05
7,209	Prologis REITS	1,069,997	1.29
20,250	Vonovia	981,113	1.18
8,235	Walt Disney	1,134,572	1.36
<b>Total Special Situation</b>		<b>4,057,313</b>	<b>4.88</b>
<b>Total Equities</b>		<b>59,137,698</b>	<b>71.11</b>
<b>Investment Funds: 7.92% (2020: 8.70%)</b>			
174,607	International Public Partnerships	352,790	0.42
21,683	Invesco Physical Gold ETC ETF	3,371,751	4.05

# Sarasin IE Diversified Endowments Fund

## Schedule of Investments (unaudited) (continued)

As at 31 December 2021

Holdings	Investment Assets (continued)		Fair Value EUR	% of Net Assets
<b>Investment Funds: 7.92% (2020: 8.70%) (continued)</b>				
90,004	Neuberger Berman Uncorrelated Strategies Fund		927,937	1.12
114,782	Oakley Capital Investments Fund		571,928	0.69
231,369	Sarasin Funds ICVC - Sarasin Digital Opportunities		256,464	0.31
294,102	Syncona		736,217	0.89
433,290	US Solar Fund		367,120	0.44
<b>Total Investment Funds</b>			<b>6,584,207</b>	<b>7.92</b>
<b>Bonds: 12.90% (2020: 17.03%)</b>				
<b>Fixed Interest: 11.05% (2020: 13.43%)</b>				
		<b>Bond Ratings</b>		
150,000	Alpha Trains Finance 2.064% 30/06/2025	BBB	156,212	0.19
100,000	America Movil 2.125% 10/03/2028	BBB+	109,335	0.13
150,000	Ascendas REITS 0.75% 23/06/2028	A-	145,931	0.18
14,000,000	Asian Development Bank 6.15% 25/02/2030	AAA	171,496	0.21
60,000	Bank Nederlandse Gemeenten 0.05% 13/07/2024	AAA	60,536	0.07
100,000	British Telecommunications 9.625% 15/12/2030	BBB	129,570	0.16
95,000	Bundesrepublik Deutschland 4.75% 04/07/2028	AAA	127,783	0.15
390,000	Bundesrepublik Deutschland 4.75% 04/07/2034	AAA	634,979	0.76
250,000	Bundesrepublik Deutschland Bundesanleihe 4.25% 04/07/2039	AAA	440,792	0.53
200,000	Bundesrepublik Deutschland Bundesanleihe 5.5% 04/01/2031	AAA	306,930	0.37
100,000	Cadent Finance 0.75% 11/03/2032	BBB+	97,166	0.12
140,000	Chile Government International Bond 0.83% 02/07/2031	A	139,855	0.17
200,000	Credit Agricole 4.375% 17/03/2025	BBB+	189,924	0.23
150,000	Digital Intrepid 0.625% 15/07/2031	BBB	141,733	0.17
100,000	Electricite de France 2% 02/10/2030	BBB+	110,812	0.13
200,000	Fidelity National Information Services 1% 03/12/2028	BBB	203,702	0.24
100,000	Fluxys Belgium 2.75% 27/11/2029	NA	108,875	0.13
100,000	France Government Bond 2.1% 25/07/2023	AA	125,441	0.15
100,000	France Government Bond 2.25% 25/05/2024	AA	106,844	0.13
320,000	France Government Bond 2.75% 25/10/2027	AA	376,916	0.45
470,000	France Government Bond 4.75% 25/04/2035	AA	739,637	0.89
200,000	Greenko Solar Mauritius 5.55% 29/01/2025	BB	180,500	0.22
550,000	International Bank for Reconstruction & Development 5.75% 14/01/2028	AAA	70,198	0.08
200,000	Italy Government Bond 2.50% 01/12/2024	BBB-	214,116	0.26
80,000	Italy Government Bond 3.1% 15/09/2026	BBB-	112,468	0.14
330,000	Italy Government Bond 5.25% 01/11/2029	BBB-	441,863	0.53
2,500,000	KfW 5.80% 19/01/2028	AAA	131,423	0.16
350,000	Kingdom of Belgium Government Bond 2.25% 22/06/2023	AA-	364,956	0.44
100,000	Mexico Government International Bond 1.125% 17/01/2030	BBB	97,135	0.12
100,000	Nasdaq 0.875% 13/02/2030	BBB	100,298	0.12
300,000	Netherlands Government Bond 2.25% 15/07/2022	AAA	304,838	0.37
550,000	Netherlands Government Bond 4% 15/01/2037	AAA	871,099	1.05
100,000	Phoenix 4.375% 24/01/2029	BBB+	116,111	0.14
310,000	Portugal Obrigaçoes do Tesouro OT 4.1% 15/02/2045	BBB	502,251	0.60

# Sarasin IE Diversified Endowments Fund

## Schedule of Investments (unaudited) (continued)

As at 31 December 2021

Holdings	Investment Assets (continued)		Fair Value EUR	% of Net Assets		
<b>Bonds: 12.90% (2020: 17.03%) (continued)</b>						
<b>Fixed Interest: 11.05% (2020: 13.43%)</b>						
		<b>Bond Ratings</b>				
100,000	RTE Réseau de Transport d'Electricite 2.00% 18/04/2036	A	113,875	0.14		
300,000	SELP Finance 0.875% 27/05/2029	BBB+	294,015	0.35		
30,000	Spain Government Bond 3.45% 30/07/2066	BBB+	45,308	0.05		
50,000	Spain Government Bond 5.4% 31/01/2023	BBB+	53,259	0.06		
150,000	SSE 1.75% 16/04/2030	BBB+	161,908	0.19		
100,000	Verbund 0.90% 01/04/2041	A-	101,312	0.12		
158,000	Verizon Communications 1.85% 18/05/2040	BBB+	165,928	0.20		
125,000	Yorkshire Building Society 0.625% 21/09/2025	A-	126,942	0.15		
<b>Total Fixed Interest</b>			<b>9,194,272</b>	<b>11.05</b>		
<b>Floating Interest: 1.85% (2020: 3.60%)</b>						
100,000	Channel Link Enterprises Finance FRN 1.761% 30/06/2050	BBB	100,487	0.12		
100,000	Cooperatieve Rabobank UA 0.875% FRN 05/05/2028	A-	102,421	0.12		
200,000	Electricite de France FRN 3.375% 31/12/2049	BB+	207,110	0.25		
100,000	Iberdrola International FRN 1.875% 31/12/2049	BBB-	99,519	0.12		
102,000	Lloyds Banking FRN 3.5% 01/04/2026	A-	112,742	0.14		
100,000	Natwest FRN 0.75% 15/11/2025	BBB+	101,454	0.12		
300,000	Orsted FRN 1.50% 18/02/3021	BB+	295,794	0.36		
134,000	SSE FRN 3.125% 31/12/2049	BBB-	143,799	0.17		
105,000	Standard Chartered FRN 2.50% 09/09/2030	BBB	110,128	0.13		
250,000	UniCredit FRN 2.2% 22/07/2027	BBB-	263,828	0.32		
<b>Total Floating Interest</b>			<b>1,537,282</b>	<b>1.85</b>		
<b>Total Bonds</b>			<b>10,731,554</b>	<b>12.90</b>		
<b>Financial Derivative Instruments: 0.07% (2020: 0.17%)</b>						
<b>Forward Currency Contracts: 0.03% (2020: 0.17%)</b>						
Counterparty	Currency Buys	Currency Sells	Maturity Date	Unrealised Gain	% of Net Assets	
Bank of New York	GBP	1,385,000	EUR 1,621,970	1.1711 17/03/2022	24,125	0.03
<b>Total Fair Value Gains on Forward Currency Contracts</b>				<b>24,125</b>	<b>0.03</b>	

# Sarasin IE Diversified Endowments Fund

## Schedule of Investments (unaudited) (continued)

As at 31 December 2021

Counterparty	Description	Base Currency	Strike Price	No of. Contracts	Maturity Date	Fair Value EUR	% of Net Assets	
Goldman Sachs	MSCI World Put 9200*	USD	120.2000	35	21/03/2022	37,169	0.04	
<b>Total Options Purchased</b>						<b>37,169</b>	<b>0.04</b>	
<b>Total Financial Derivative Instruments</b>						<b>61,294</b>	<b>0.07</b>	
<b>Total Investment Assets</b>						<b>76,514,753</b>	<b>92.00</b>	
<b>Investment Liabilities</b>								
<b>Financial Derivative Instruments: (0.25%) (2020: (0.07%))</b>								
<b>Forward Currency Contracts: (0.11%) (2020: (0.07%))</b>								
Counterparty	Currency Buys	Currency Sells			Maturity Date	Unrealised Loss	% of Net Assets	
Bank of New York	USD	460,000	EUR	406,810	0.8844	17/03/2022	(984)	-
Bank of New York	EUR	18,977,723	USD	21,527,000	0.8816	17/03/2022	(14,022)	(0.02)
Bank of New York	EUR	4,601,008	GBP	3,934,000	1.1695	17/03/2022	(74,614)	(0.09)
<b>Total Fair Value Losses on Forward Currency Contracts</b>						<b>(89,620)</b>	<b>(0.11)</b>	
<b>Options Written: (0.14%) (2020: 0.00%)</b>								
Counterparty	Description	Base Currency	Strike Price	No of. Contracts	Maturity Date	Fair Value EUR	% of Net Assets	
Goldman Sachs	Walt Disney Put 155**	USD	3.0400	(32)	21/01/2022	(8,595)	(0.01)	
Goldman Sachs	Merck Put 80**	USD	3.3300	(151)	21/01/2022	(44,359)	(0.05)	
Goldman Sachs	Medtronic Put 115**	USD	10.4500	(74)	21/01/2022	(68,321)	(0.08)	
<b>Total Options Written</b>						<b>(121,275)</b>	<b>(0.14)</b>	
<b>Total Financial Derivative Instruments</b>						<b>(210,895)</b>	<b>(0.25)</b>	
<b>Total Investment Liabilities</b>						<b>(210,895)</b>	<b>(0.25)</b>	



## Sarasin IE Diversified Endowments Fund

### Schedule of Investments (unaudited) (continued)

As at 31 December 2021

	Fair Value EUR	% of Net Assets
<b>Total Value of Investments</b>	<b>76,303,858</b>	<b>91.75</b>
Cash	6,948,549	8.35
Other Net Liabilities	(84,187)	(0.10)
	<hr/>	<hr/>
<b>Net Assets Attributable to Unitholders</b>	<b><u>83,168,220</u></b>	<b><u>100.00</u></b>
		<hr/>
<b>Portfolio Classification</b>		<b>% of Total Assets 31.12.2021</b>
Transferable securities admitted to official stock exchange listing or traded on a regulated market		83.47
Investment Funds		7.87
Exchange traded derivatives		0.04
Over the counter derivatives		0.03
Cash		8.30
Other Assets		0.29
<b>Total</b>		<b><u>100.00</u></b>

\* Covered by underlying assets

\*\* Not covered by underlying assets

## Sarasin IE Diversified Endowments Fund

### Summary of Material Portfolio Changes for the financial year 01 January 2021 to 31 December 2021 (unaudited)

#### Sales

<b>Holding</b>	<b>Description</b>	<b>€</b>
255,415	Sarasin IE Sustainable Global Real Estate Equity Class Z	2,387,353
1,702,671	Sarasin IE Sustainable Global Real Estate Equity	2,005,747
13,811	TE Connectivity	1,631,001
2,374	ASML	1,394,918
10,960	Orsted	1,351,299
35,017	Admiral	1,265,560
40,050	Wisdomtree Commodity	1,104,216
3,976	Microsoft	1,042,166
6,103	First Republic Bank	1,008,401
3,137	Roche	891,388
3,247	Accenture	873,074
4,846	Ecolab	859,460
197	Givaudan	776,311
5,079	Middleby	773,715
43,590	Compass	735,282
6,313	Taiwan Semiconductor Manufacturing ADR	631,474
1,554	Broadcom	625,277
13,376	Service Corporation International	586,780
8,049	NextEra Energy	571,525
22,468	Sonic Healthcare	552,903
39,036	Alibaba	534,225
3,617	Schneider Electric	514,891
389,858	Sarasin Funds ICVC - Sarasin Digital Opportunities	477,367
12,200	Bridgestone	473,637
2,668	Koninklijke DSM	464,801
6,377	Otis Worldwide	453,287
213	Booking	428,814
2,060	CSL	404,185
3,676	Apple	386,173
76,309	DS Smith	385,663
2,100	Daikin Industries	384,757

The significant changes to the portfolio for 2021 are the aggregate purchases of a security exceeding 1% of the total value of purchases and aggregate disposals greater than 1% of the total value of sales.

**Total proceeds of all sales during the year excluding financial derivative instruments** **€36,983,822**

## Sarasin IE Diversified Endowments Fund

### Summary of Material Portfolio Changes for the financial year 01 January 2021 to 31 December 2021 (unaudited) (continued)

#### Purchases

Holding	Description	€
255,415	Sarasin IE Sustainable Global Real Estate Equity Class Z	2,005,746
5,224	Deere	1,531,119
32,655	National Instruments	1,268,192
8,299	Invesco Physical Gold ETC ETF	1,195,441
6,139	EssilorLuxottica	1,158,484
4,948	American Tower REITS	1,036,786
18,538	Unilever - London	899,128
13,988	HDFC Bank ADR	876,987
7,699	Prologis REITS	863,727
16,020	Vonovia	854,496
40,050	Wisdomtree Commodity	831,774
9,082	Colgate-Palmolive	619,466
4,177	Siemens	574,176
403,840	Sarasin Funds ICVC - Sarasin Digital Opportunities	496,753
300,000	France Government Bond 4.75% 25/04/2035	488,862
171,333	Syncona	484,940
3,197	Koninklijke DSM	481,027
32,313	Goodman Group REITS	460,704
38,564	ING Groep	451,722
6,428	Merck	433,166
2,127	CSL	385,481
8,497	Alstom	356,500
250,000	Italy Government Bond 5.25% 01/11/2029	348,228
200,000	Portugal Obrigacoes do Tesouro OT 4.1% 15/02/2045	326,106
200,000	Netherlands Government Bond 4% 15/01/2037	323,904
310,000	Germany Government Bond 0.00% 15/08/2050	301,915
250,000	France Government Bond 2.75% 25/10/2027	301,548
300,000	Orsted FRN 1.50% 18/02/3021	300,000
300,000	SELP Finance 0.875% 27/05/2029	298,251
37,944	Enel	295,266
2,005	Middleby	294,290
1,635	CME	288,475
1,505	Amgen	284,600
823	Costco Wholesale	273,718

The significant changes to the portfolio for 2021 are the aggregate purchases of a security exceeding 1% of the total value of purchases and aggregate disposals greater than 1% of the total value of sales.

**Total cost of all purchases during the year excluding financial derivative instruments** €25,920,746

## Sarasin IE Diversified Endowments Fund

### Statement of Comprehensive Income

For the financial year ended 31 December 2021

		01.01.2021 to 31.12.2021	01.01.2020 to 31.12.2020
	Notes	€	€
<b>Revenue</b>			
Dividend income		1,127,995	1,243,079
Bond interest income		278,257	311,425
Deposit Interest		1,207	3,266
Options income		238,124	419,580
Net realised/unrealised gains on investments held at fair value through profit or loss	3	10,235,946	4,808,639
		<b>11,881,529</b>	<b>6,785,989</b>
<b>Expenses</b>			
Management fees	4	(468,308)	(535,958)
Fixed operating charge	4	(121,155)	(109,308)
General expenses		(2,573)	(1,106)
<b>Operating Profit</b>		<b>11,289,493</b>	<b>6,139,617</b>
<b>Finance costs</b>			
Bank interest expense		(47,313)	(26,092)
Distributions	2,5	(1,319,195)	(1,789,322)
Equalisation		(126,740)	(5,630)
<b>Taxation</b>			
Withholding tax	9	(154,331)	(147,293)
<b>Total comprehensive profit for the year</b>		<b>9,641,914</b>	<b>4,171,280</b>
<b>Change in Net Assets Attributable to Unitholders from Investment Activities</b>		<b>9,641,914</b>	<b>4,171,280</b>

### Statement of Changes in Net Assets Attributable to Unitholders

For the financial year ended 31 December 2021

		01.01.2021 to 31.12.2021	01.01.2020 to 31.12.2020
		€	€
<b>Opening Net Assets Attributable to Unitholders</b>		76,833,355	74,915,586
Movement due to sales and repurchases of units:			
Amounts received on creation of units		69,327,178	3,723,982
Amounts paid on cancellation of units		(72,764,887)	(5,977,524)
		(3,437,709)	(2,253,542)
Change in net assets attributable to Unitholders from investment activities		9,641,914	4,171,280
Retained distribution on accumulation units		130,660	31
<b>Closing Net Assets Attributable to Unitholders</b>		<b>83,168,220</b>	<b>76,833,355</b>

The accompanying notes form an integral part of these financial statements.

# Sarasin IE Diversified Endowments Fund

## Statement of Financial Position

As at 31 December 2021

	Notes	31.12.2021 €	31.12.2020 €
<b>Assets</b>			
<b>Financial assets at fair value through profit or loss:</b>			
	2,12		
Investments in transferable securities		69,869,252	68,203,425
Investments in Investment Funds		6,584,207	6,684,570
Financial derivative instruments		61,294	130,047
<b>Other Assets</b>			
Securities sold receivable		18,415	161,898
Interest and dividends receivable		220,555	192,804
Sundry debtors		-	33
Cash and cash equivalents:	6		
Bank Deposits		6,347,864	1,964,521
Margin Cash		550,639	1,994
Cash collateral		50,046	223
<b>Total other assets</b>		<u>7,187,519</u>	<u>2,321,473</u>
<b>Total Assets</b>		<u><u>83,702,272</u></u>	<u><u>77,339,515</u></u>
<b>Financial liabilities at fair value through profit or loss:</b>			
	2,12		
Financial derivative instruments		210,895	53,060
<b>Other Liabilities</b>			
Management fee payable		69,462	48,617
Fixed operating charge payable		21,205	9,607
Securities purchased payable		-	4,519
Distributions payable	5	228,379	389,264
Bank Interest Payable		4,111	1,093
<b>Total other liabilities</b>		<u>323,157</u>	<u>453,100</u>
<b>Total Liabilities</b>		534,052	506,160
<b>Net Assets Attributable to Unitholders</b>		<u><u>83,168,220</u></u>	<u><u>76,833,355</u></u>

The accompanying notes form an integral part of these financial statements.

The financial statements on pages 28 to 48 were approved by the Board of Directors of the Manager on 28 April 2022 and signed on its behalf by:

*Caoimhghin O'Donnell*

Director

*E. Madip*

Director

## Sarasin IE Diversified Endowments Fund

### Statement of Cash Flows

For the financial year ended 31 December 2021

	01.01.2021 to 31.12.2021 €	01.01.2020 to 31.12.2020 €
<b>Operating Activities</b>		
Change in net assets attributable to unitholders from investment activities	9,641,914	4,171,280
<b>Adjustments for:</b>		
Increase in financial instruments at fair value through profit or loss	(1,338,876)	(3,351,812)
Decrease/(increase) in receivables	115,765	(144,962)
Decrease in payables	(129,943)	(29,877)
<b>Cash flows from operating activities</b>	<b>8,288,860</b>	<b>644,629</b>
<b>Financing Activities</b>		
Subscriptions	69,327,178	3,823,982
Redemptions	(72,764,887)	(5,977,524)
Retained distribution on accumulation units	130,660	31
<b>Cash flows used in financing activities</b>	<b>(3,307,049)</b>	<b>(2,153,511)</b>
Net increase/(decrease) in cash and cash equivalents during the year	4,981,811	(1,508,882)
Cash and cash equivalents at the beginning of the year	1,966,738	3,475,620
<b>Cash and cash equivalents as at end of the year</b>	<b>6,948,549</b>	<b>1,966,738</b>

The accompanying notes form an integral part of these financial statements.

# Sarasin IE Diversified Endowments Fund

## Notes to the Financial Statements

### 1. Accounting Convention

#### **Basis of accounting**

These financial statements comprise the separate financial statements for Sarasin IE Diversified Endowments Fund, an open-ended unit trust constituted by a Trust Deed.

#### **Statement of Compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and Irish statute comprising the Trust Deed and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) (the "UCITS Regulations"), the Central Bank (Supervision and Enforcement) Act 2013 (as amended) (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (the "Central Bank UCITS Regulations") and the Unit Trust Act 1990.

#### **New accounting standards, amendments and interpretations issued but not yet effective and not early adopted**

A number of new accounting standards, amendments and interpretations are effective for annual periods beginning after 1 January 2022 and earlier application is permitted; however, the Trusts have not early adopted the amended standards in preparing these financial statements. None of these are expected to have a significant impact on the Trusts financial statements when they become effective.

### 2. Accounting Policies

The principal accounting policies adopted are set out below.

#### **Foreign exchange translation**

##### (a) Functional and presentation currency

The functional and presentational currency of the Trust is the Euro, which reflects the fact that all redeemable participating units are subscribed and redeemed in the currency.

##### (b) Transactions and balances

Foreign currency transactions are recorded at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated using exchange rates prevailing at the Statement of Financial Position date. Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

Translation differences on financial instruments held at fair value through profit or loss are reported as part of unrealised gain/(loss) on revaluation of financial assets and liabilities at fair value through profit or loss in the Statement of Comprehensive Income.

#### **Income / Expense**

Dividend income and expense is reported gross of non-reclaimable withholding tax. Income and expense arising from investments is accounted for on an accrual basis. Equalisation received from holdings in investment funds is treated as a return of capital.

#### **Investment transactions and valuation**

#### **Classification and measurement of financial assets and financial liabilities**

On initial recognition, a financial asset is classified as measured at: amortised cost, at FVTOCI or at FVTPL. The Trust classifies its investments based on the contractual cash flow characteristics of the financial assets and Trusts business model.

# Sarasin IE Diversified Endowments Fund

## Notes to the Financial Statements (continued)

### 2. Accounting Policies (continued)

#### Investment transactions and valuation (continued)

#### Classification and measurement of financial assets and financial liabilities (continued)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows: and
- The contractual cash terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A debt instrument is measured at FVTOCI only if it meets both of the following conditions and is not designated as at FVTPL:
  - The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets: and
  - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. All other financial assets are classified as measured at FVTPL. This includes all derivative financial assets.

On initial recognition, the Trust may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

#### Financial Assets at Fair Value

On adoption of IFRS 9, the Trust's investment portfolio is classified as FVTPL, as the contractual cash flows are not solely principal and interest and therefore, is measured at FVTPL.

#### Financial Assets at Amortised Cost

These include receivables for securities sold which are held for collection, securities purchased not yet delivered to the Trust, other receivables and cash and cash equivalents. These are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate, less provision for impairment.

#### Impairment of Financial Assets

Under IFRS 9, the Trust operates an 'expected credit loss' model for the assessment of impairment of financial assets. Impairment losses are recorded if there is an expectation of credit losses. It is no longer necessary for a credit event to have occurred before credit losses are recognised. This model applies to the Trust's financial assets excluding investments held at FVTPL. The assets do not have a history of credit risk or expected future recoverability issues, therefore under the expected credit loss model there is no impairment to be recognised and hence no change to the carrying values of the Trust's assets.

#### Financial Liabilities

In accordance with IFRS 9 the Trust classifies its financial liabilities other than derivatives, as measured at amortised cost. Derivatives, if any, not designated in a qualifying hedge relationship are mandatorily classified at FVTPL.

#### Recognition

Regular purchases and sales of investments are recognised on the trade date – the date on which the Trust commits to purchase or sell the investment. Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the statement of comprehensive income.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.



# Sarasin IE Diversified Endowments Fund

## Notes to the Financial Statements (continued)

### 2. Accounting Policies (continued)

#### Investment transactions and valuation (continued)

##### Recognition (continued)

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the statement of comprehensive income within other net changes in fair value of financial assets and liabilities at fair value through profit or loss in the period in which they arise.

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income within dividend income when the Trust's right to receive payments is established. Interest on debt securities at fair value through profit or loss is recognised in the statement of comprehensive income within interest income based on the effective interest rate. Dividend expense on short sales of equity securities is included within other net changes in fair value on financial assets and financial liabilities at fair value through profit or loss.

##### Measurement

Financial instruments are measured initially at fair value (transaction price) plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Subsequent to initial recognition, all instruments classified at fair value through profit or loss are measured at fair value with changes in fair value recognised in the Statement of Comprehensive Income.

Financial assets classified as loans and receivables are carried at amortised cost using the effective interest rate method, less impairment losses, if any.

Financial liabilities, other than those at fair value through profit or loss, are measured at amortised cost using the effective interest rate method. Financial liabilities arising on redeemable units issued by the Trust are carried at the redemption amount representing the investors' right to a residual interest in the Trust's assets.

Fair value is the amount that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants. In determining fair value, securities which are quoted, listed or traded on a recognised exchange will be valued at the mid-market price on each valuation day, as a practical expedient. Units or shares in investment funds will be valued at the latest available net asset value per unit or share class thereof as at the Valuation Point for the relevant Dealing Day, as published by the relevant investment fund.

##### Derecognition

The Trust derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire or it transfers the financial asset and the asset qualifies for derecognition. On derecognition of a financial asset, the difference between the carrying amount of the asset allocated to the portion of the asset derecognised, and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the Statement of Comprehensive Income.

The Trust enters into transactions whereby they transfer assets recognised on its Statement of Financial Position, but retains either all or substantially all of the risks and rewards of the transferred asset or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised. Transfers of assets with retention of all or substantially all risks and rewards include, for example, securities lending and repurchase transactions.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

# Sarasin IE Diversified Endowments Fund

## Notes to the Financial Statements (continued)

### 2. Accounting Policies (continued)

#### Investment transactions and valuation (continued)

##### Operating Expenses

The fixed operating charge which includes certain fees and expenses is charged by the Manager. The fees and expenses applicable to the fixed operating charge are discharged by the Manager.

##### Cash and Cash Equivalents

Short-term highly liquid investments with maturities of three months or less, excluding corporate bonds, are classified as cash equivalents.

##### Net Asset Value per Unit

The Net Asset Value per Unit is calculated in accordance with the Prospectus by dividing the net assets of the Trust by the number of units in issue.

##### Derivative Financial Instruments

Derivatives are recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and options pricing models, as appropriate.

Forward foreign currency transactions are valued daily based on the closing forward contract rates on the relevant foreign exchange market. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. The best evidence of the fair value of a derivative at initial recognition is the transaction price (i.e., the fair value of the consideration given or received). Subsequent changes in the fair value of any derivative instrument are recognised immediately in the Statement of Comprehensive Income.

##### Use of estimates

The preparation of financial statements in accordance with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the period. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

##### Offsetting financial assets and liabilities

Financial assets and liabilities are offset when a current legal right of offset exists and there is intent to realise the asset and settle the liability simultaneously or on a net basis.

##### Distributions

The Directors may declare dividends quarterly on or about 31 March, 30 June, 30 September and 31 December in each financial year to the Unitholders of Income Units out of the profits of the Trust attributable to the Income Units.

The profits attributable to any Accumulating Units shall be retained within the Trust and will be reflected in the value of the Accumulating Units.

All revenue and expenses are apportioned to the Trust's unit classes pro rata to the value of the net assets of the relevant unit class on the day the revenue or expense is recognised. All expenses other than those relating to the purchase and sale of investments are charged against revenue, on an accruals basis. When determining the amount available for distribution the total expenses will be transferred to capital.

# Sarasin IE Diversified Endowments Fund

## Notes to the Financial Statements (continued)

### 2. Accounting Policies (continued)

#### Investment transactions and valuation (continued)

##### Distributions (continued)

Equalisation is calculated by reference to prices prevailing on the dealing day on which units were purchased and, as such, represents the amount of income attributable to these units. Equalisation on these units is repaid with the first distribution after their issue or, if redeemed prior to this time, is included in the redemption proceeds. The income element of the issue and redemption prices is dealt with in the Statement of Comprehensive Income. For the purposes of United Kingdom taxation, equalisation is not liable to income tax but must be deducted from the cost of units for capital gains tax purposes.

##### Redeemable Units

The Trust's units are assessed as liability instruments. The units are redeemable at the Unitholders' option. Distributions of these units are recognised in the Statement of Comprehensive Income as a finance cost. Unit classes in operation at the financial year end are disclosed on page 4.

##### Trust Commissions

The Trust's commissions and charges incurred on the purchase and sale of investments are reported in the Statement of Comprehensive Income in net realised/unrealised gains/(losses) on investments held at fair value through profit or loss.

##### Transaction Costs

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

In the case of debt securities and financial derivative instruments, any transaction costs are generally included in the purchase price paid for the security or instrument. As such, there are no transaction costs disclosed separately in these financial statements. The impact of any such transaction costs which are not separately identifiable is included in the Statement of Comprehensive Income as part of the various realized and unrealised gains or losses on investments, futures, swaps and foreign currencies lines.

Separately identifiable transaction costs are disclosed in note 4.

##### Comparative Figures

The comparative figures for the Financial Statements are for the period ended 31 December 2020.

### 3. Net realised/unrealised gains/(losses) on investments

	01.01.2021 to 31.12.2021 €	01.01.2020 to 31.12.2020 €
<b>Non-derivative securities</b>		
Realised gains/(losses) on sale of Investments	7,865,165	(331,907)
Unrealised gains on revaluation of Investments	4,370,855	3,440,137
	<u>12,236,020</u>	<u>3,108,230</u>
<b>Derivative contracts</b>		
Realised (losses)/gains on sale of Investments	(2,295,987)	1,408,485
Unrealised losses on revaluation of Investments	(239,417)	(47,912)
Realised/unrealised gains on foreign currency movements	<u>535,330</u>	<u>339,836</u>
<b>Net realised/unrealised gains on investments</b>	<u><u>10,235,946</u></u>	<u><u>4,808,639</u></u>

## Sarasin IE Diversified Endowments Fund

### Notes to the Financial Statements (continued)

#### 3. Net realised/unrealised gains/(losses) on investments (continued)

The realised gain/(loss) from financial instruments represents the difference between the transaction price and its sale/settlement price.

Unrealised gains/(losses) represents the difference between transaction price, or the carrying amount of financial instruments at the beginning of the financial year, and their carrying amount at the end of the financial year.

#### 4. Expenses

The Manager (Sarasin Funds Management (Ireland) Limited up to 4 January 2022) receives out of the assets of the Trust an annual Management fee. The Management fee for each class is shown on page 7 under Trust Details. The fee is calculated on the last Business Day in each period of one month, is accrued daily and is payable on the ninetieth day. The Manager is also entitled to be reimbursed out of the assets of the Trust for all reasonable out-of-pocket expenses.

The management fees incurred for the financial year ending 31 December 2021 were €468,308 (31 December 2020: €535,958) and €69,462 payable at 31 December 2021 (31 December 2020: €48,617).

The Manager also receives a monthly fee ("fixed operating charge") as disclosed on page 7 under Trust Details. The fixed operating charge was used to pay the Depositary and the Administrator.

Under the terms of the Depositary Agreement the Depositary is entitled to receive an annual fee of 0.0305% on the first £300 million of the Net Asset Value of the Trust 0.0225% on the next £300 million of the Net Asset Value of the Trust and 0.0145% thereafter. In addition, the Depositary shall be entitled to receive additional custody fees for safekeeping and transaction costs as may be agreed in writing from time to time between the Manager and the Depositary.

The Administrator shall be entitled to receive an annual fee paid monthly in arrears of 0.080% on the first £300 million of the Net Asset Value of the Trust, 0.028% on the next £300 million of the Net Asset Value of the Trust and 0.020% of the Net Asset Value of the Trust thereafter, subject to an annual minimum fee of £10,000. In addition, the Administrator shall be entitled to receive such additional fees as may be agreed in writing from time to time between the Manager and the Administrator.

The fixed operating charge incurred for the financial year ending 31 December 2021 was €121,155 (31 December 2020: €109,308) and €21,205 was payable at 31 December 2021 (31 December 2020: €9,607).

Transaction costs incurred for the purchase and sale of investments for the financial year ended 31 December 2021 were €22,586 (31 December 2020: €34,863).

## Sarasin IE Diversified Endowments Fund

### Notes to the Financial Statements (continued)

#### 5. Distributions and Accumulations

	01.01.2021 to 31.12.2021	01.01.2020 to 31.12.2020
	€	€
<b>First Quarter Distribution</b>		
Class I Income Units	425,121	247,050
Class J Income Units	12,289	9,316
	<u>437,410</u>	<u>256,366</u>
<b>First Quarter Accumulation</b>		
Class I Accumulation Units	41,631	5
	<u>41,631</u>	<u>5</u>
<b>Second Quarter Distribution</b>		
Class I Income Units	41,123	639,238
Class J Income Units	8,030	22,584
Class V Income Units*	105,786	-
	<u>154,939</u>	<u>661,822</u>
<b>Second Quarter Accumulation</b>		
Class I Accumulation Units	27,382	11
	<u>27,382</u>	<u>11</u>
<b>Third Quarter Distribution</b>		
Class I Income Units	56,889	465,324
Class J Income Units	11,202	16,515
Class V Income Units*	299,716	-
	<u>367,807</u>	<u>481,839</u>
<b>Third Quarter Accumulation</b>		
Class I Accumulation Units	38,020	8
	<u>38,020</u>	<u>8</u>
<b>Final Distribution</b>		
Class I Income Units	35,178	379,178
Class J Income Units	6,962	10,086
Class V Income Units*	186,239	-
	<u>228,379</u>	<u>389,264</u>
<b>Final Accumulation</b>		
Class I Accumulation Units	23,627	7
	<u>23,627</u>	<u>7</u>
<b>Total Distributions</b>	<u><u>1,319,195</u></u>	<u><u>1,789,322</u></u>

\* Class V Income was launched on 11 May 2021.

#### 6. Cash and Cash Equivalents

	31.12.2021	31.12.2020
	€	€
Bank Deposits	6,347,864	1,964,521
Cash collateral	50,046	223
Margin Cash	550,639	1,994
	<u>6,948,549</u>	<u>1,966,738</u>

## **Sarasin IE Diversified Endowments Fund**

### **Notes to the Financial Statements (continued)**

#### **6. Cash and Cash Equivalents (continued)**

Cash at bank balances are held with The Northern Trust Company (TNTC). TNTC is a wholly owned subsidiary of Northern Trust Corporation. Northern Trust Corporation is publicly traded and a constituent of the S&P 500. Northern Trust Corporation has S&P credit rating of A+ (31 December 2020: A+).

Margin account cash is held with Goldman Sachs which has S&P credit rating of A+ (31 December 2020: A+).

Collateral Cash is held with Bank of New York Mellon which has S&P credit rating of AA- (31 December 2020: A).

#### **7. Disclosure of Dealing Arrangements and Soft Commissions**

The Manager may from time to time make arrangements with other persons under which those persons arrange for the provision to them of investment related services or other benefits the receipt of which is intended to assist them in the provision of Investment Management Services and be of benefit to the Trust. The Manager does not always make direct payment for such services but instead may place Trust business with those or other persons. The Trust will pay brokerage at rates not in excess of customary institutional full service brokerage rates and all transactions effected for the Trust will be such as to secure for them best execution, disregarding any benefit which might accrue directly or indirectly to the Trust from the services or benefits provided under such arrangements. No cash rebates will be retained by the Manager.

There were no soft commissions agreements entered into by the Former Manager on behalf of the Trust during the financial year ended 31 December 2021 and 31 December 2020.

The average rate for dealing commissions incurred relating to the purchases and sales within the portfolio during the financial year was 0.03% (31 December 2020: 0.05%) of the value of each transaction.

#### **8. Financial Derivative Instruments**

The Trust employs efficient portfolio management techniques for the purposes of protection, risk mitigation, currency hedging, alpha generation and exposure. At the discretion of the Directors of the Manager, the Trust may enter into financial derivative contracts, such as; forward contracts, futures and options (including currency options). Open financial derivative instrument contracts at the financial year end are disclosed in the Schedule of Investments, including the relevant counterparty, the underlying securities, currencies or indices, and the market value or unrealised gain/loss on the contract at the financial year end. The realised and unrealised gains/(losses) on derivative contracts for the financial year ending 31 December 2021 are included in note 3 Net realised/unrealised gains/(losses) on investments.

#### **9. Taxation**

The amounts disclosed as taxation in the Statement of Comprehensive Income relate solely to withholding tax suffered at source on income.

Irish domiciled funds are not liable to tax in respect of income and gains, other than on the occurrence of a chargeable event. A chargeable event includes any distribution payment to unitholders or any encashment, redemption, transfer or cancellation of units or a deemed disposal of units every eight years beginning from the date of acquisition of the units.

## Sarasin IE Diversified Endowments Fund

### Notes to the Financial Statements (continued)

#### 9. Taxation (continued)

A chargeable event does not include:

- (i) any transactions in relation to units held in a recognised clearing system as designated by order of the Revenue Commissioners of Ireland; or
- (ii) an exchange of units representing one Trust for another Trust within the Scheme; or
- (iii) an exchange of units arising on a qualifying amalgamation or reconstruction of the Trust with another trust; or
- (iv) a Unitholder who is neither resident nor ordinarily resident in Ireland at the time of the chargeable event provided the necessary signed statutory declarations are held by the Trust; or
- (iv) certain exempted Irish resident investors who have provided the Trust with the necessary signed statutory declarations.

In the absence of an appropriate declaration, the Trust will be liable to Irish Tax on the occurrence of a chargeable event. Capital gains, dividends and interest received by the Trust may be subject to withholding taxes imposed by the country of origin and such taxes may not be recoverable by the Trust or its Unitholders.

#### 10. Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The Manager is regarded as a related party (Sarasin Funds Management (Ireland) Limited up to 4 January 2022, Waystone Management Company (IE) Limited thereafter). The Manager is entitled to receive a Management Fee out of the assets of the Trust. The Management fee for each class is shown on page 7 under Trust Details. Details of Management Fees charged for the financial year are disclosed within the Statement of Comprehensive Income. Management fees payable at financial year end are disclosed within the Statement of Financial Position.

The Manager is also entitled to receive a Fixed Operating Charge out of the assets of the Trust. Details of the fixed operating charge are disclosed within the Statement of Comprehensive Income. Details of the fixed operating charge payable at financial year end are disclosed with the Statement of Financial Position.

Michael Barr and Brian McDermott are Directors of the Former Manager and partners of the Trust's legal advisers and each are considered to be a related party. Legal fees for the financial year are included in the fixed operating charge on the Statement of Comprehensive Income.

Remuneration of the Directors of the Former Manager in respect of qualifying services for the financial year ended 31 December 2021 was €55,000 (31 December 2020: €55,000). €nil was payable by the Manager to Directors at 31 December 2021 (31 December 2020: €10,000). Refer to page 50 for the details of Directors' remuneration.

The Directors of the Former Manager held no investments in the Trust as at 31 December 2021 (31 December 2020: None).

Other than disclosed below, no related parties held units in the Trust as at 31 December 2021.

## Sarasin IE Diversified Endowments Fund

### Notes to the Financial Statements (continued)

#### 10. Related Party Transactions (continued)

The following related parties held units in the Trust as at 31 December 2021:

The following units were held by Sarasin Funds Management (Ireland) Limited:

	Distribution Units	Accumulation Units
Sarasin IE Diversified Endowments Fund	-	-

The following related parties held units in the Trust as at 31 December 2020:

The following units were held by Sarasin Funds Management (Ireland) Limited:

	Distribution Units	Accumulation Units
Sarasin IE Diversified Endowments Fund	-	750

The Trust held investments in the following collective investment schemes managed by a related party company at 31 December 2021:

Investment	Market Value	Percentage Holding
Sarasin Funds ICVC - Sarasin Digital Opportunities Class Z INC	256,464	0.31

The Trust held investments in the following collective investment schemes managed by a related party company at 31 December 2020:

Investment	Market Value	Percentage Holding
Sarasin IE Sustainable Global Real Estate Equity Class I EUR INC	1,973,396	2.57
Sarasin Funds ICVC - Sarasin Digital Opportunities Class I INC	471,234	0.61

#### 11. Auditor Remuneration

The remuneration (excluding VAT) for all work carried out by the statutory audit firm in respect of the financial year is as follows:

	01.01.2021 to 31.12.2021 €	01.01.2020 to 31.12.2020 €
Statutory audit of the Sarasin IE Diversified Endowments Fund	11,250	10,710
Other assurance services	-	-
Tax advisory services	-	-
Other non audit services	-	-



# Sarasin IE Diversified Endowments Fund

## Notes to the Financial Statements (continued)

### 12. Risk Management

The objectives, policies and strategy employed by the Manager in holding financial instruments are explained below.

#### Investment Strategy

The Trust will invest in a broadly diversified global portfolio of securities, primarily including equities and debt securities traded on the main global Regulated Markets. The Trust will employ a diversified strategic allocation approach, investing in debt securities to produce a reasonable level of current income as well as investing in equities to seek to achieve long term capital growth and income growth.

#### Sensitivity Analysis

The Trust invests in equities. The exposure to equity markets is then reduced if deemed necessary whether through physical sales or through the use of short futures and options. Exposure to foreign currencies is also 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 60-70%.

The Investment Manager uses a risk management technique known as value-at-risk (VaR) to measure the Trust's global exposure and to seek to ensure that the use of FDIs by the Trust is within regulatory limits. The Investment Manager will use the absolute VaR measure.

VaR is independently calculated by StatPro Risk who evaluates the volatility and correlation of the trust's holdings over a two periods. 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 the Trust 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" as at 31 December 2021 was 14.87% (31 December 2020: 14.55%).

The following represents the highest, lowest and average utilisation of the VaR as at 31 December 2021:

<b>Ccy</b>	<b>Low</b>	<b>Avg</b>	<b>High</b>
EUR	14.00	14.60	15.35

The following represents the highest, lowest and average utilisation of the VaR as at 31 December 2020:

<b>Ccy</b>	<b>Low</b>	<b>Avg</b>	<b>High</b>
EUR	6.14	12.07	14.55

The leverage ratio as at 31 December 2021 was 92.98% (31 December 2020: 124.33%).

#### a) Currency risk

Certain of the financial assets and financial liabilities of the Trust are denominated in currencies other than the functional currency with the effect that the Statement of Comprehensive Income and Statement of Financial Position can be significantly affected by currency movements.

The Trust's exposure to currency risk is comprised mainly in the value of the Trust's investments, as a significant proportion of the portfolio is denominated in currencies other than the reporting currency. Risk decomposition is also looked at on a currency basis, to ensure that no excessive foreign currency risk coming from derivative positions or currency hedging.

## Sarasin IE Diversified Endowments Fund

### Notes to the Financial Statements (continued)

#### 12. Risk Management (continued)

##### a) Currency risk (continued)

The material currency exposures as at 31 December 2021 and 31 December 2020 were as follows:

	31.12.2021	31.12.2020
	€	€
AUD	2,242,960	1,723,595
BRL	75,022	-
CAD	1,742,486	1,210,923
CHF	-	808,443
DKK	94,595	1,811,527
GBP	2,317,450	1,290,873
HKD	1,488,080	2,579,912
INR	175,078	-
JPY	2,009,057	2,483,568
USD	23,936,518	19,739,313
ZAR	139,059	-
<b>Total</b>	<b>34,220,305</b>	<b>31,648,154</b>

The amounts shown above take into account the effect of any forward contracts and other derivatives entered into to manage currency exposure.

All assets are monetary assets except for equities.

##### b) Interest rate risk profile of financial assets and financial liabilities

The financial assets held by the Trust include a number of bonds. The interest rate profile of the financial assets held by the Trust is as follows:

Currency	Total		Floating Rate Financial Assets		Fixed Rate Financial Assets	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	€	€	€	€	€	€
BRL	70,198	-	-	-	70,198	-
EUR	16,791,270	14,420,181	8,470,110	4,710,828	8,321,160	9,709,353
GBP	8	123,349	8	8	-	123,341
INR	171,496	-	-	-	171,496	-
USD	515,707	503,629	15,712	15,891	499,995	487,738
ZAR	131,423	-	-	-	131,423	-

## Sarasin IE Diversified Endowments Fund

### Notes to the Financial Statements (continued)

#### 12. Risk Management (continued)

##### b) Interest rate risk profile of financial assets and financial liabilities (continued)

The financial assets held by the Trust include a number of bonds. The interest rate profile of the financial assets held by the Trust is as follows: (continued)

Currency	Fixed Rate Financial Assets Weighted Average Interest Rate		Fixed Rate Financial Assets Weighted Average Period for Which Rate is fixed	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	%	%	Months	Months
BRL	5.75%	-	73	-
EUR	2.34%	2.74%	4,046	106
GBP	-	5.69%	-	30
INR	6.15%	-	98	-
USD	6.16%	6.16%	184	73
ZAR	5.80%	-	73	-

##### c) Market price risk

Market price risk arises mainly from uncertainty about future prices of financial instruments used in the Trust's business. It represents the potential loss the Trust might suffer through holding market positions in the face of price movements.

The Trust's investment portfolios are exposed to market price fluctuations which are monitored by the Manager in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers set out in the offering documents mitigates the risk of excessive exposure to any particular type of security or issuer. This is done by monitoring both net and gross exposure of the Trust on a daily basis. In addition, the ex-ante volatility and Value-at-Risk of the Trust are monitored daily and are calculated by a third-party risk analysis provider. This allows the holdings that contribute most to the particular Trust's risk to be highlighted and ensures there is no undesirable concentration of risk in a particular stock, sector or country.

##### d) Short term debtors and creditors

Short term debtors and creditors are deemed immaterial to the Trust and have therefore been excluded from the financial instruments disclosures, other than the disclosure in respect of currency exposures.

For impairment considerations under IFRS 9, refer to page 32.

# Sarasin IE Diversified Endowments Fund

## Notes to the Financial Statements (continued)

### 12. Risk Management (continued)

#### e) Fair value of financial assets and financial liabilities

The carrying amount of financial assets and financial liabilities as presented in the Statement of Financial Position represents their fair value. Investment Funds are valued by reference to the latest net asset value of the units as published by the Investment Fund.

#### f) Liquidity risk

Liquidity risk exists when a particular instrument is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid (as is the case with many privately negotiated derivatives), it may not be possible to initiate a transaction to liquidate a position at an advantageous price, to assess or value a position or to assess the exposure to risk.

An adverse price movement in a derivative position may also require a cash payment to counterparties that might in turn require, if there is insufficient cash available in a fund, the sale of investments under disadvantageous conditions. The primary source of this risk to the Trust is the liability to Unitholders for any redemption of units. This risk is minimized by holding cash and readily realizable securities and access to overdraft facilities. Net assets attributable to holders of redeemable units have a liquidity of more than 90 days because it would take more than three months to realise all investments and return proceeds to Unitholders.

#### g) Counterparty and settlement risk

The Trust may enter into derivative transactions in over-the-counter markets, which will expose the Trust to the credit of their counterparties. The Trust may also 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 bankruptcy or insolvency of a counterparty, the Trust could experience delays in liquidating the position as well as significant losses, including declines in value during the period in which the Trust seeks to enforce its rights, the inability to realise any gains during such period and fees and expenses incurred in enforcing its rights.

The Manager considers any risk of dealing through a broker to be minimal because delivery of stock by the Trust is only made once payment has been received on a sale. On a purchase, payment would only be made once the stock has been received from the broker. If any party failed to meet their obligations, then the trade would fail. Where cash is held in broker margin accounts, these positions are monitored daily to ensure that the Trust's exposure to any individual counterparty is kept within strict limits.

In addition, the Trust has to comply with investment parameters as disclosed in the Trust Deed.

Northern Trust Fiduciary Services (Ireland) Limited ("NTFSIL") is the appointed Depositary of the Trust, responsible for the safe-keeping of assets. NTFSIL has appointed The Northern Trust Company ("TNTC") as its global sub-custodian. Both NTFSIL and TNTC are wholly owned subsidiaries of Northern Trust Corporation ("NTC"). As at the financial year end date 31 December 2021, NTC had a long term credit rating from Standard & Poor's of A+ (31 December 2020: A+).

TNTC (as global sub-custodian of NTFSIL) does not appoint external sub-custodians within the U.S., the U.K., Ireland, Canada, Belgium, France, Germany, Netherlands and Saudi Arabia. However, in all other markets, TNTC appoints local external sub-custodians.

NTFSIL, in the discharge of its depositary duties, verifies the Trust's ownership of Other Assets, (as defined under Other Assets, Art 22(5) of UCITS V Directive 2014/91/EU), by assessing whether the Trust holds the ownership based on information or documents provided by the Trust or where available, on external evidence. TNTC, in the discharge of its delegated depositary duties, holds in custody (i) all financial instruments that may be registered in a financial instruments account opened on the books of TNTC and (ii) all financial instruments that can be physically delivered to TNTC.

## Sarasin IE Diversified Endowments Fund

### Notes to the Financial Statements (continued)

#### 12. Risk Management (continued)

##### g) Counterparty and settlement risk (continued)

TNTC ensures all financial instruments (held in a financial instruments account on the books of TNTC) are held in segregated accounts in the name of the Trust, clearly identifiable as belonging to the Trust, and distinct and separately from the proprietary assets of TNTC, NTFSIL and NTC.

In addition TNTC, as banker, holds cash of the Trust on deposit. Such cash is held on the Statement of Financial Position of TNTC. In the event of insolvency of TNTC, in accordance with standard banking practice, the Trust will rank as an unsecured creditor of TNTC in respect of any cash deposits.

Insolvency of NTFSIL and or one of its agents or affiliates may cause the Trust's rights with respect to its assets to be delayed.

The Responsible Party manages risk by monitoring the credit quality and financial position of the Depository and such risk is further managed by the Depository monitoring the credit quality and financial positions of sub-custodian appointments.

##### h) Legal risk

There is a possibility that the agreement(s) governing the derivative transactions and derivative techniques may be terminated due, for instance, to supervening illegality or change in the tax or accounting laws relative to those at the time such agreement was originated. There is also a risk if such agreements are not legally enforceable or the derivative transactions are not documented correctly.

##### i) Fair value hierarchy

The table overleaf analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (as prices) or indirectly (derived from prices).
- Level 3 – Inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement.

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

## Sarasin IE Diversified Endowments Fund

### Notes to the Financial Statements (continued)

#### 12. Risk Management (continued)

##### i) Fair value hierarchy (continued)

For the financial year ended 31 December 2021 and 31 December 2020 all other assets and liabilities, other than investments at fair value, whose carrying amounts approximate to fair value have been considered to be classified within Level 2 of the fair value hierarchy.

<b>31.12.2021</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at fair value through profit or loss:	€	€	€	€
Equities	59,137,698	-	-	59,137,698
Investment Funds	3,371,751	3,212,456	-	6,584,207
Bonds	-	10,731,554	-	10,731,554
Options purchased	-	37,169	-	37,169
Open forward currency contracts	-	24,125	-	24,125
	<u>62,509,449</u>	<u>14,005,304</u>	<u>-</u>	<u>76,514,753</u>
Financial liabilities at fair value through profit or loss:				
Options written	-	(121,275)	-	(121,275)
Open forward currency contracts	-	(89,620)	-	(89,620)
	<u>-</u>	<u>(210,895)</u>	<u>-</u>	<u>(210,895)</u>
<b>31.12.2020</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at fair value through profit or loss:	€	€	€	€
Equities	55,122,781	-	-	55,122,781
Investment Funds	2,000,921	4,683,649	-	6,684,570
Bonds	-	13,080,644	-	13,080,644
Open forward currency contracts	-	130,047	-	130,047
	<u>57,123,702</u>	<u>17,894,340</u>	<u>-</u>	<u>75,018,042</u>
Financial liabilities at fair value through profit or loss:				
Open forward currency contracts	-	(53,060)	-	(53,060)
	<u>-</u>	<u>(53,060)</u>	<u>-</u>	<u>(53,060)</u>

## Sarasin IE Diversified Endowments Fund

### Notes to the Financial Statements (continued)

#### 13. Net Asset Value Per Unit Per Class

Unadjusted net asset values per unit per valuation for each class are as follows:

As at	Net Asset* Value €	Number of Base Units	Net Asset** Value Per Unit
<b>Class I Income Units</b>			
31.12.2019	72,452,363	42,970,787	1.69
31.12.2020	75,220,551	42,323,656	1.78
31.12.2021	11,639,342	5,837,756	1.99
<b>Class I Accumulating Units</b>			
31.12.2019	1,295	750	1.73
31.12.2020	1,397	750	1.86
31.12.2021	7,818,211	3,667,044	2.13
<b>Class J Income Units</b>			
31.12.2019	2,831,766	1,687,293	1.68
31.12.2020	2,000,670	1,130,964	1.77
31.12.2021	2,303,372	1,160,691	1.98
<b>Class V Income Units***</b>			
31.12.2021	61,635,675	57,641,136	1.07

\* Per valuation, unadjusted.

\*\* The NAV per Unit for disclosure purposes has been rounded to two decimal places.

\*\*\* Class V Income was launched on 11 May 2021.

#### 14. Movement in Unit Capital

Movements in participating units during the financial year were as follows:

31.12.2021	Units in issue at start of year	Issued during the year	Redeemed during the year	Units in issue at end of year
Class I Income Units	42,323,656	483,635	(36,969,535)	5,837,756
Class I Accumulating Units	750	3,667,044	(750)	3,667,044
Class J Income Units	1,130,964	29,727	-	1,160,691
Class V Income Units*	-	61,384,336	(3,743,200)	57,641,136

\* Class V Income was launched on 11 May 2021.

31.12.2020	Units in issue at start of year	Issued during the year	Redeemed during the year	Units in issue at end of year
Class I Income Units	42,970,787	2,257,361	(2,904,492)	42,323,656
Class I Accumulating Units	750	-	-	750
Class J Income Units	1,687,293	19,323	(575,652)	1,130,964

## **Sarasin IE Diversified Endowments Fund**

### **Notes to the Financial Statements (continued)**

#### **15. Significant Events during the Financial Year**

Class V income unit class launched on 11 May 2021.

There were no other significant events during the year.

#### **16. Subsequent Events**

On 4 January 2022, Sarasin Funds Management (Ireland) Limited was replaced as Management Company of the Irish fund range by Waystone Management Company (IE) Limited.

The Trust's exposure to Russia is negligible. There are no direct holdings of Russian-listed securities and minimal holdings in companies with exposure. Where companies have exposure, we are monitoring them to understand the actions they are taking, and how they have considered the human rights implications of these measures. In our engagement with companies, we are seeking a robust risk management process, adequate disclosure and strong board oversight aiming to minimise not only operational and financial but also humanitarian and reputational risks. We will monitor the situation closely and will continue to take investment decisions to protect our clients' interests.

There were no other events subsequent to the year end which require disclosure in, or adjustment to, these financial statements.

#### **17. Contingent Liabilities and Commitments**

There were no contingent liabilities or commitments at 31 December 2021 (31 December 2020: Nil).

#### **18. Approval of the Financial Statements**

The financial statements were approved by the Board of Directors of the Manager on 28 April 2022.



## Sarasin IE Diversified Endowments Fund

### Supplemental Unaudited Information

#### Exchange Rates

The principal rates as at 31 December 2021 and 31 December 2020 are as follows:

Currency	31.12.2021	31.12.2020
	€	€
Australian Dollar	1.5612	1.5856
Canadian Dollar	1.4416	1.5628
Czech Republic Koruna	24.8605	26.2405
Danish Krone	7.4369	7.4402
Hong Kong Dollar	8.8266	9.5151
Indian Rupee	84.1368	89.6795
Indonesian Rupiah	16,131.6976	17,244.2784
Japanese Yen	130.2986	126.4969
Philippine Peso	57.7159	58.9417
Swedish Kronor	10.2558	10.0252
Swiss Franc	1.0334	1.0812
UK Sterling	0.8399	0.8993
US Dollar	1.1319	1.2274

#### Reconciliation of Net Asset Value Per Unit

	31.12.2021	31.12.2020
	€	€
NAV per Unit per Valuation	1.221	1.777
Distribution payable on income units	(0.003)	(0.009)
NAV per Unit per financial statements	1.218	1.768

## **Sarasin IE Diversified Endowments Fund**

### **Supplemental Unaudited Information (continued)**

#### **UCITS Remuneration Disclosure**

The following disclosures relate to the Former Manager, Sarasin Funds Management (Ireland) Limited, and pertain to the financial year in which the Former Manager acted as Manager to the Trust.

The provisions of the UCITS Remuneration Code took effect in full on 18 March 2016. That legislation requires the fund manager, Sarasin Funds Management (Ireland) Limited (the “Former Manager”), 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 profile, prospectus, trust deed and deed of constitution of the UCITS fund to which it has been appointed (the “Trust”), nor impair compliance with the Former Manager’s duty to act in the best interests of the Trust.

As the nature and range of the Former Manager’s activities, its internal organisation and operations are, in the Former Manager’s 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 Former Manager has addressed certain requirements regarding remuneration imposed upon it by the regulations.

The board of Directors of the Former Manager consists of five Directors serving during the financial year to 31 December 2021 (each a Director). The Former Manager has no additional employees.

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

As noted below, the Former Manager relies on the remuneration policies and procedures of each delegate to ensure that their remuneration structures promotes 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 Trust.

It should be noted that the Former Manager has appointed the Board of Directors of the Former Manager and has no additional employees. The Former Manager 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 Former Manager 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 Former Manager, it is not possible to separately identify remuneration related to service provision specific to the Former Manager, and any allocation approach is considered, by the Board of Directors of the Former Manager, not to provide meaningful disclosure.

The Board of Directors of the Former Manager are therefore considered to be those that have a material impact on the risk profile of the Trust. Accordingly, the remuneration provisions of the regulations only affect the Former Manager with regard to the Board of Directors of the Former Manager. Each Director of the Former Manager 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 Former Manager, which is considered to be consistent with the powers, tasks, expertise and responsibility of the Directors of the Former Manager. The fee payable to each Director of the Former Manager is reviewed from time to time, based on the evolution of the Former Manager’s activities.

**Sarasin IE Diversified Endowments Fund**

**Supplemental Unaudited Information (continued)**

**UCITS Remuneration Disclosure (continued)**

The Directors of the Former Manager do not receive performance based variable remuneration, therefore avoiding any potential conflicts of interest. In addition, all but two of the Directors of the Former Manager have waived the fees to which they would otherwise be entitled. As a result, the total fixed and variable remuneration of the Directors of the Board of the Former Manager considered to comprise the entire staff of the Former Manager for the financial year ending 31 December 2021 is €55,000 (31 December 2020: €55,000). For the avoidance of doubt, remuneration is not specific to services provided to the Former Manager in respect of its role in sole relation to the Trust, it relates to services provided to the Former Manager in respect of the Former Manager’s role in relation to all Funds to which it is the appointed Manager.

The total remuneration of those individuals considered to comprise the entire staff of the Former Manager is analysed below:

Fixed Remuneration	€55,000
Variable Remuneration	€nil
Total	€55,000
FTE Number of staff	nil

Given the internal organisation of the Former Manager, and considering its size with the limited nature, scope and complexity of its activities, it is not considered proportionate for the Former Manager to set up a remuneration committee. The Board of Directors of the Former Manager notes that the net assets of the Trust and the legal structure of the Former Manager 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 Former Manager.

The Board of Directors of the Former Manager 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 of Directors of the Former Manager. The Remuneration Policies of Sarasin Funds Management (Ireland) Limited and Sarasin & Partners LLP are available at [www.sarasinandpartners.com/important-information](http://www.sarasinandpartners.com/important-information).

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