

2024

SARASIN RESPONSIBLE MODEL PORTFOLIOS

Go beyond simple exclusions and set a higher
threshold on ESG issues

This document is intended for professional investors only. Not
for onward distribution.

BENEFITS OF THE SARASIN RESPONSIBLE MODEL PORTFOLIOS FOR YOU AND YOUR CLIENTS

- ✓ **FIVE HIGHLY DIVERSIFIED PORTFOLIOS –**
to meet a range of client risk profiles
- ✓ **INTEGRATED STEWARDSHIP AND ESG FACTORS –**
incorporating standard ethical restrictions
- ✓ **DESIGNED TO PRESERVE AND GROW THE REAL VALUE –**
of clients' investments over time
- ✓ **ACCESS TO SARASIN AND THIRD-PARTY FUNDS –**
from across the market
- ✓ **A UNIQUE INVESTMENT APPROACH –**
high-conviction, thematic and global
- ✓ **MANAGED BY PIONEERS* –**
in multi-asset investing
- ✓ **A PARTNER YOU CAN TRUST –**
with no competing IFA arm

*Since 1988

SERVICE DESIGNED TO MEET YOUR LONG-TERM NEEDS

When it comes to investing, we appreciate not everyone is the same. Some people are prepared to take on higher levels of risk as this could potentially lead to higher returns. Others like to take a more conservative approach, so that their hard-earned savings are not so prone to inevitable ups and downs of the market.

With this in mind, we've developed a range of portfolios designed to meet differing investor risk profiles. In other words, the Sarasin Model Portfolios intend to get your clients to their goals at a pace they are comfortable with.

PIONEERS IN MULTI-ASSET INVESTING

The portfolios have been built around a single core principle: seeking to preserve and grow the real value of your money over time. Returns are generated by investing in Sarasin's global thematic funds. These are complemented by our selection of actively-managed funds and low-cost index tracking investments from across the market. To ensure your chosen portfolio stays in-line with your attitude to risk over time, it is managed within clearly defined risk parameters.

The portfolios are managed by our experienced Sarasin Model Portfolios team, who enjoy all the support of a long-established organisation that's been at the forefront of multi-asset investing for 30 years. What's more, the service has been awarded the maximum five-star rating from Defaqto, a highly-respected company that evaluates the benefits and features of financial products.



INTEGRATED STEWARDSHIP AND ETHICS

THERE IS NO SINGLE APPROACH TO ESG INTEGRATION

While the concept of environmental, social and governance (ESG) integration has spread quickly in financial markets, approaches vary widely. In some cases, a simple ‘ESG overlay’ is employed, where the asset manager applies a third party’s ESG scores to all its potential investments and then avoids those receiving low ratings.

In other instances, the manager may emphasise company engagement to communicate concerns to company executives over the importance of these factors to long-term corporate health. This is very close to the company engagement employed by ethical investors, though the focus is on protecting shareholder value rather than broader ethical considerations.

Sarasin & Partners undertakes the most fully integrated approach and considers ESG value drivers alongside all other factors when assessing the investment case, risks and company valuation. We also address long-term ESG value drivers in company engagements. Such a holistic approach leads to ESG no longer being separated out as a particular focus and actually being truly embedded at the heart of our investment process.

THE ESG INVESTMENT SPECTRUM

The evolution of ‘responsible investment’ has not stopped. We have been on a journey from the original Quaker-based exclusionary strategies, through a more nuanced set of best-in-class and active engagement approaches, to mainstream investors that want to maximise long-term returns embracing ESG factors.

The rising awareness of ESG factors and the desire to have a positive impact with one’s investment has resulted in the launch of a number of funds and strategies across the responsible investment spectrum.

The table below helps to illustrate the types of investments available and their underlying financial and impact objectives. We have highlighted where our Responsible Model Portfolios sit on this spectrum.

WHERE DO THE RESPONSIBLE MODEL PORTFOLIOS SIT ON THE SPECTRUM OF ESG?

FINANCIAL GOALS	FINANCIAL ONLY	RESPONSIBLE		SUSTAINABLE	IMPACT	PHILANTHROPY
	DELIVERING COMPETITIVE RETURNS				DIFFICULT TO MEASURE	ACCEPT LOSS OF CAPITAL
ESG GOALS	INTEGRATED ESG					
	SARASIN RESPONSIBLE MODEL PORTFOLIOS					
INVESTMENT PROFILE	POSITIVE ESG OUTCOMES					
	No/or little consideration of ESG factors, societal or environmental impact	Full investment universe, ESG analysis part of the process	Removal of certain stocks or sectors deemed harmful to the environment and/or society	Identifying sustainable outcomes and avoiding harm	Significant contributions to positive societal outcomes with acceptance of below market returns	Full/significant loss of capital in the pursuit of societal goals
EXCLUSIONARY CRITERIA	AVOIDING INVESTMENT IN COMPANIES THAT CONFLICT WITH THE CLIENT'S AIMS/STAKEHOLDER VIEWS					

For illustrative purposes only.

PASSIONATE ABOUT RESPONSIBLE STEWARDSHIP

We consider ourselves stewards of our clients' assets. We take a responsible ownership approach to investment and believe this ultimately delivers stronger financial returns over the long term.

We believe investors have the power to grow and protect capital in a way that benefits society. This is why we look beyond the financial performance of a company. We consider the environmental, social and governance (ESG) factors that also affect the future of every business.

We look for businesses that are likely to create enduring value for our clients. When we invest, we do so for the long term. We actively engage with the companies, holding management teams to account.

TAKING A LONG-TERM VIEW IN OUR INVESTMENT PROCESS

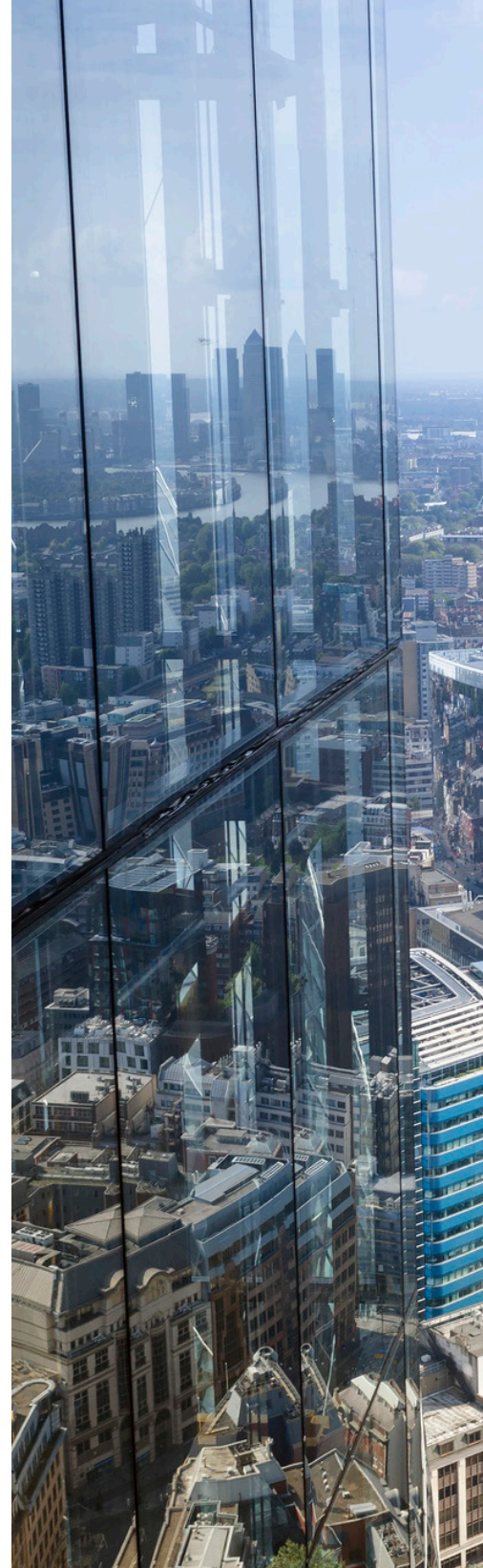
We look a decade ahead. A company's effect on the environment and society matters when we evaluate its prospects. Alongside this, we consider the potential impact of long-term trends, such as climate change and labour conditions, on our investments.

ACTIVE ENGAGEMENT WITH COMPANIES AND THIRD PARTY FUND MANAGERS

Investors have a shared responsibility in holding the board and company executives to account for the performance of the business. On behalf of our clients we closely monitor investee companies. We engage with management when we have concerns regarding corporate governance, capital structure

and strategy. We carefully vote on matters put to shareholders. Poor governance can adversely affect the returns for investors. Equally, good stewardship can lead to better returns.

When we select other funds, we look for two things. We need confidence in their ability to deliver their investment objectives, and we need comfort in their approach to responsible stewardship.





We ask managers to communicate their approach to responsible stewardship and how ESG factors impact on investment analysis and decision-making processes.

**EXAMPLES OF THIRD PARTY FUND MANAGER
QUESTIONS FROM OUR DDQ QUESTIONNAIRE INCLUDE:**

Do you engage with company boards on areas of concern in general (strategy; capital allocation; governance; labour treatment; climate risks; etc)?

Can you provide your voting policy, and recent voting records for the stocks held?

Can you provide your firm's UK Stewardship Code Statement?

A DISTINCTIVE INVESTMENT PHILOSOPHY

We believe our investment process sets us apart from the competition. In addition to our responsible stewardship approach, it is built on the following pillars:

1 THEMATIC

We aim to identify powerful and inexorable global trends that shape tomorrow's world. Our investments aim to give meaningful exposure to these themes over the long term (five years or longer).

2 GLOBAL

We aim to seek out investment opportunities regardless of geographic location. We typically invest in multinational companies that serve customers around the world.

3 LONG TERM

Our long-term vision underpins our entire investment process. It is the starting point for all of our investment strategies, and the real driving force behind our pioneering global thematic investment process.

BACKED BY A DIVERSE, WELL-RESOURCED TEAM

Our experienced investment team stretches from global analysts to economists and risk experts, all sharing knowledge and ideas on a daily basis. This team-based approach, combined with our responsible principles, ensures dynamic portfolios with high conviction at their core.

EXPERIENCED IN MULTI-ASSET INVESTING

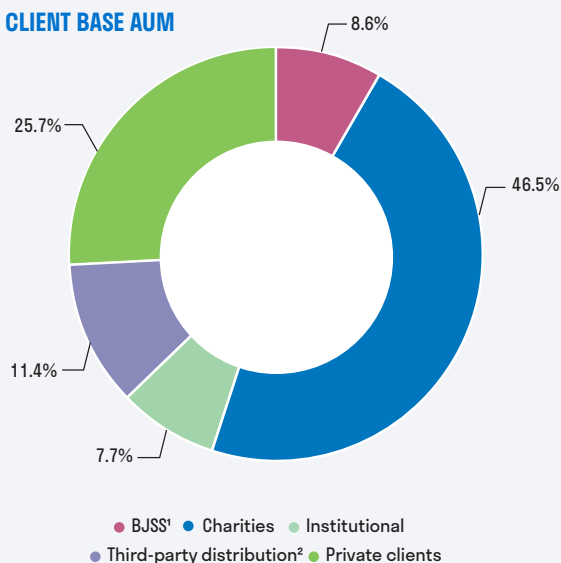
With one of the longest track records of multi-asset investing in the UK*, we excel in creating diversified solutions for our clients. We launched our first multi-asset portfolio in 1988. We employ a dynamic asset allocation process, drawing upon the full range of asset classes to create solutions tailored to the needs and risk tolerances of our clients.

*Since 1988.

AN INVESTMENT PARTNER YOU CAN TRUST

Sarasin & Partners LLP is an asset manager on behalf of intermediaries, charities, institutions, pension funds and private clients. We manage approximately £18.8 billion (as at 31.12.23) of assets for clients from the UK and around the world.

CLIENT BASE AUM


















Data as at 31.12.23 (updated annually)

¹ BJSS - J. Safra Sarasin Group

² Where we manage regulated funds for third parties these are categorised under third party

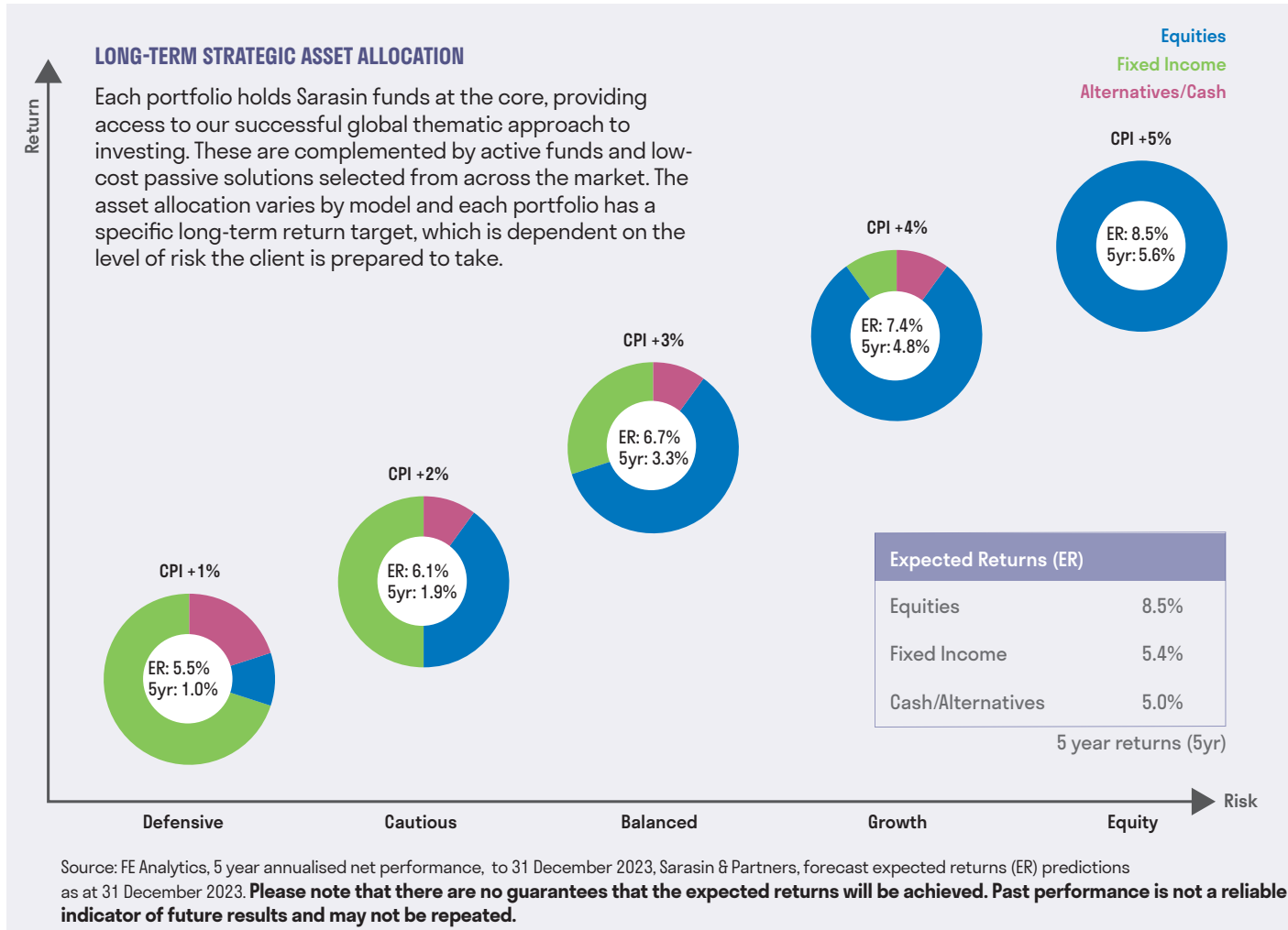
FIVE PORTFOLIOS OFFERING DIFFERENT RISK/REWARD PROFILES

The Sarasin Responsible Model Portfolios service provides access to five thematic multi-asset portfolios differing in their equity weighting and target-return profile. They offer you and your clients an all-in-one solution to asset allocation, fund selection and risk management, at a highly-competitive price of just 0.12% including VAT.*

Model Portfolios	Responsible Defensive	Responsible Cautious	Responsible Balanced	Responsible Growth	Responsible Equity
Long-term return objective	CPI + 1.0%	CPI + 2.0%	CPI + 3.0%	CPI + 4.0%	CPI + 5.0%
DT Ratings					
Defaqto Risk Ratings					
Synaptic risk ratings					
DFM Fee	0.10%	0.10%	0.10%	0.10%	0.10%

Source: Sarasin & Partners LLP, 31.12.23

*The underlying investments within each portfolio also have ongoing charges

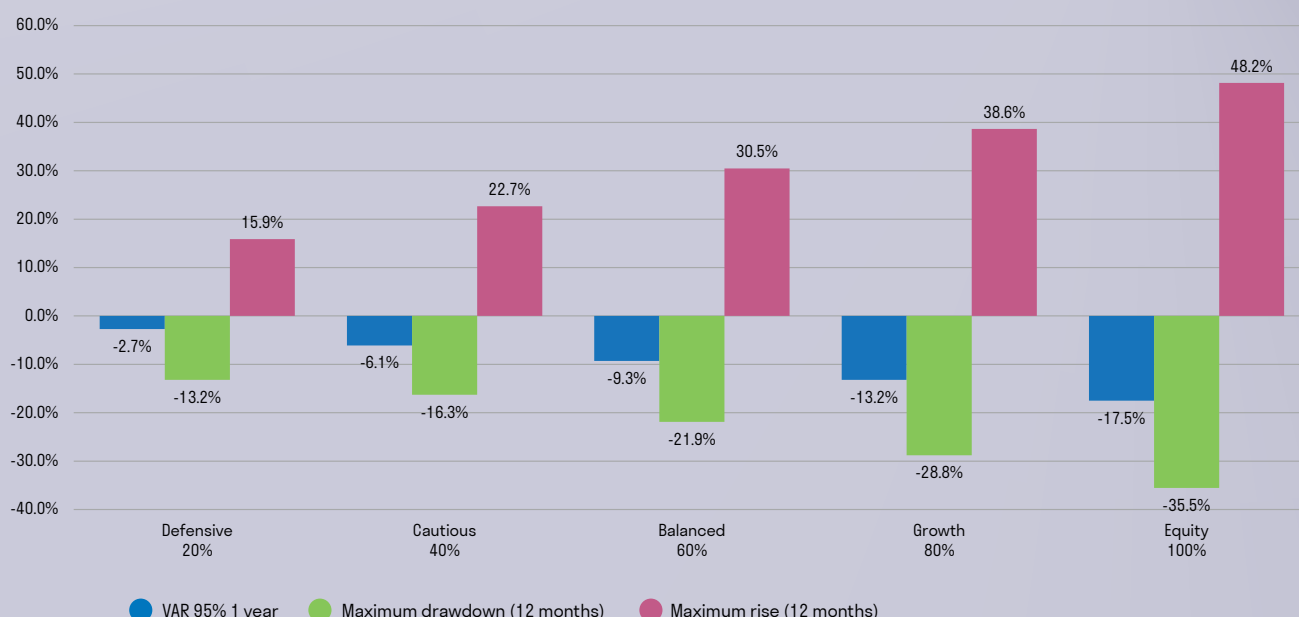


UNDERSTANDING RISK AND RETURN

EXPLAINING VALUE AT RISK FOR OUR RANGE OF MODEL PORTFOLIOS

Our independently risk-profiled portfolios make it easier to match your clients' attitudes to risk to the appropriate model portfolio. The chart shows the maximum upside and downside of each portfolio's benchmark since the year 2000.

OUR MODEL PORTFOLIOS PERFORMANCE DATA (GBP)



We offer five portfolios with escalating risk profiles. Each portfolio is defined by its allocation to global equities and is called the “neutral equity” weighting of the portfolio. We offer portfolios that range from 20% to 100% invested in global equity and these are intended to indicate the level of risk your client may be exposed to: the higher the allocation to equities, the higher the anticipated volatility of your portfolio's returns.

The indices used for our 20-100% benchmarks are ICE BofA ML Sterling Broad Market, MSCI All Countries World Daily, MSCI All Countries World (Local Currency) and SONIA (Sterling Overnight Index Average).

The chart above gives the historic performance profile of our five model portfolios based on historic data from 1 January 2000 to 31 December 2022. It shows the maximum rise over any 12 month period (crimson), the maximum fall (green), and the Value at Risk (blue) at a 95% confidence level (explanation below). This is the observed maximum gain in the performance of the indices in each composite

benchmark over any one 12 month period between 1 January 2000 and 30 June 2022. The chart above illustrates the relationship between the historic returns of each of our five portfolio models. The returns are based on the combination of returns from each index that makes up the underlying composite benchmark. Please note that despite our best endeavours, there is no guarantee that the management of your portfolio will match or exceed the returns of your benchmark.

VaR is the statistical measure of ‘minimum’ anticipated loss over a given period. Our calculations are based on historical observations between 1 January 2000 and 31 December 2022. For example, a 95% 1 year VaR of -9.3 (as in Balanced Option 3) means that you could expect to lose at least 9.3% 1 in 20 years (5% of the time). For a portfolio of £1,000,000 using the same data you should expect to lose at least £93,000 once in 20 years.

Past performance is not a reliable indicator of future results and may not be repeated.

Source: Sarasin & Partners LLP, December 2022, chart updated biennially.

Performance shown above is based on benchmark performance only.

A ROBUST PROCESS DESIGNED TO DELIVER OVER THE LONG TERM

The tried and tested investment methodology for the Sarasin Responsible Model Portfolios follows a rigorous path. This approach results in high-conviction portfolios which reflect our unique investment philosophy – thematic, global and long term – and draws upon our extensive experience in multi-asset investing.

1

STRATEGIC ASSET ALLOCATION

INVESTMENT
STRATEGY GROUP
6 MONTHLY MEETING

Each portfolio is built around carefully modelled allocations to a range of different assets which can deliver the return target over a rolling five-year period. The neutral allocation to equities for each portfolio is shown in the table opposite.

Our Investment Strategy Group drive the selection of asset classes in our strategic benchmarks and define the long-term strategy that will influence asset allocation of the portfolios.

2

TACTICAL ASSET ALLOCATION

INVESTMENT POLICY
COMMITTEE
QUARTERLY MEETING

Each portfolio has the flexibility to tactically adjust asset allocation based on our views and the prevailing market conditions. Each model has a strict risk budget and so any tactical decisions will never expose clients to undue risk. Policy is set at the quarterly Investment Policy Committee meeting. This committee includes the heads of each asset class team, alternative assets specialists and multi-asset fund managers. These shorter-term views (less than five years) are typically expressed through tracker funds to keep costs low.

3

INSTRUMENT SELECTION PROCESS

MODEL
PORTFOLIOS TEAM
ONGOING

Our experienced Model Portfolios team are responsible for selecting the funds to reflect the agreed asset allocation for each portfolio. Sarasin funds will form the core of each model, providing access to our global thematic approach. The team conduct in-depth quantitative and qualitative research to identify active funds and passive solutions from across the market to complement the core holdings.

4

ONGOING REVIEW

MODEL
PORTFOLIOS TEAM
ONGOING

The portfolios are constantly monitored to ensure that they remain in-tune with their designated risk/reward profile and reflect our views on asset allocation and the underlying fund holdings. This includes regular rebalancing of the portfolios to reflect market movements over time.

THE EXPERIENCE AND EXPERTISE TO MANAGE YOUR MONEY

The Sarasin Responsible Model Portfolios go beyond simple exclusions, setting a higher threshold on environmental, social and governance issues and truly embedding them at the heart of the investment process.



Active long-term thematic investment

Fully integrate ESG considerations in the evaluation of companies' prospects



Active Ownership

Promote effective and responsible governance of the companies our clients own



Thought leadership and policy outreach

Seek to shape the investment landscape to promote sustainable returns



Avoidance

Negative screening incorporating standard ethical restrictions

INCORPORATING ETHICAL EXCLUSIONS

We have thought carefully about each ethical issue and set out a clear set of policies, with clear definitions for each. Our approach is both quantitative and qualitative and considers the materiality of each exclusion based upon the percentage of revenues for the overall business

involved in the production and distribution of ethically unacceptable products, such as gambling, tobacco, alcohol, adult entertainment, armaments and the extraction of thermal coal or the production of oil from tar sands.

EXCLUSIONS ARE SPLIT INTO THREE KEY AREAS:

1

Investments which are prohibited under international treaties

such as landmines and cluster bombs

2

Standard ethical exclusions

such as tobacco, alcohol and armaments

3

Climate Change

such as thermal coal and tar sands

NEGATIVE SCREENS



LANDMINE



CLUSTER BOMB



ADULT ENTERTAINMENT



ALCOHOL



ARMAMENTS



TAR SANDS



THERMAL COAL



CIVILIAN FIREARMS



GAMBLING



TOBACCO



PREDATORY LENDING



FOSSIL FUELS

Note: Fossil Fuels exclusion applies to Sarasin funds.

THE EXPERIENCE WELL RESOURCED INVESTMENT TEAM

BACKED BY AN EXPERIENCED, WELL-RESOURCED TEAM

The Sarasin Responsible Model Portfolios draw upon a wealth of investment expertise. The team has vast experience in areas such as macroeconomic analysis, asset allocation, fund analysis and portfolio construction as well as multi-asset investing and risk management. Responsible

MODEL PORTFOLIOS TEAM

BEN GILBERT
Model Portfolio Manager



EDWARD LLOYD
Deputy Model Portfolio Manager



EMMA COLLINS
Head of MPS Administration



Key individuals from the investment team

GUY MONSON
Chief Market Strategist
Over 30 years' exp.

PHIL COLLINS
CIO, Multi-Asset
Over 30 years' exp.

JEREMY THOMAS
CIO, Global Equities
Over 20 years' exp.

SUBITHA SUBRAMANIAM
Chief Economist & Head of Asset Mgt.
Over 20 years' exp.

MARK VAN MOORSEL
Fixed Income Co-Manager
Over 17 years' exp.

Generating ideas from specialist teams

Macro	Global Equities	Fixed Income	Stewardship	Real Estate	Risk	Alternatives
Head Economist 1 Economist	Head of Global Equities 7 Analysts	2 Co-Heads of Fixed Income 2 Analysts	Head of Stewardship 2 Analysts	Portfolio Manager 1 Analyst	Risk Team 7 Analysts	Alternatives Team 2 Analysts

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DELIVERING EXCEPTIONAL ADVISER SERVICE

Providing first-class support to financial advisers is at the very heart of the Sarasin Model Portfolios. This includes offering access to a dedicated business development team and a direct line to our sales support desk, who can help you with all your questions on the service.

We are also able to provide you with market-leading levels of transparency through our award-winning reporting service. In fact, we have been consistent winners at the Private Asset Managers (PAM) Awards since 1999 for categories such as Quality of Reporting, Overall Service Quality, and Investment Performance.

Consolidated valuations can be provided quarterly or half-yearly and allow you and your clients to review their portfolios with confidence.

DEDICATED SALES MATERIALS AND COMMUNICATIONS

To help you in your conversations with your clients, we provide user-friendly brochures that explain the aims and benefits of the service in simple terms. We also produce regular factsheets and market communications so that you can keep track of the progress of all five portfolios.

HERE TO SUPPORT YOU



CHRISTOPHER CADE
Head of UK Sales
Northern HC & East Anglia



PHILIP BERRY
Business Development Director,
Intermediary Clients
North



ZOE COSSINS
Senior Associate Partner,
Intermediary Clients
South East



WILLIAM COLVILLE
Senior Associate Partner,
Intermediary Clients
London



IESTYN RICHARDS-REES
Senior Associate Partner,
Intermediary Clients
Wales & South West



SINEAD MCGURK
Business Development Director,
Intermediary Clients
North



DUANE HISNIP
Regional Business Development
Manager, Intermediary Clients



CAROLINE BOND
Senior Distribution
Support Manager

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NOTES

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To find out more about how the Sarasin Responsible Model Portfolios could help your clients or request client-facing sales materials, please contact us directly on:

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E SALES@SARASIN.CO.UK

