SARASIN

AUDITED FINAL REPORT

31 DECEMBER 2022

Sarasin Charity Authorised Investment Funds

Sarasin Endowments Fund

Sarasin Income and Reserves Fund

Sarasin Climate Active Endowments Fund

Sarasin Growth Fund

For the period 1 January 2022 to 31 December 2022

Sarasin Charity Authorised Investment Funds

Sarasin Charity Authorised Investment Funds ("the Trust") is an authorised unit trust. The Trust is authorised by the FCA and is registered with the Charity Commission. The Trust is structured as an umbrella authorised unit trust in that different sub-funds may be established from time to time.

The Trust is authorised by the FCA from 7th December 2017 and appears on the financial services register under product reference number (PRN) 791274. The Trust is registered with the Charity Commission as a charity. Its charity registration number is 1176240.

The Trust currently has four sub-funds;

Sarasin Climate Active Endowments Fund was launched on 16th February 2018.

Sarasin Endowments Fund was launched on 23rd February 2018 as a result of receiving the assets of the Alpha Common Investment Fund for Endowments by way of a fund merger.

Sarasin Income & Reserves Fund was launched on 23rd February 2018 as a result of receiving the assets of the Alpha Fund for Income & Reserves by way of a fund merger.

Sarasin Growth Fund was launched on 23rd September 2021.

The Advisory Committee is independent from Sarasin Investment Funds Limited ("the Operator") and NatWest Trustee and Depositary Services Limited ("the Trustee"). The Advisory Committee has a consultative role and is tasked with representing the interests of Unitholders.

Advisory Committee of all Sarasin Charity Authorised Investment Sub-Funds (as at 31st December 2022)
Mr. Chris Stevens (Chairman)
Mrs. Katie Blacklock
Mrs. Camilla Ritchie

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Professional Service Providers' Details

Corporate Trustee
NatWest Trustee and Depositary Services Limited
250 Bishopsgate
London EC2M 4AA
(Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority)

The Trustee has a supervisory role regarding certain aspects of administration and management of the sub-funds. These responsibilities include oversight of the Operator and its compliance with the Prospectus, oversight of the Registrar and for the custody and control of the property of the sub-funds which, in this instance, it has delegated to Northern Trust. Full details of the Trustee responsibilities are set out on page 12.

The Report of the Trustee can be found on page 11.

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

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

The Operator is responsible for certain aspects of administration and management of the sub-funds as set out in full on page 10. These responsibilities include the management of the investments of the sub-funds and a duty to carry out regular valuations of the property of the sub-funds. Sarasin Investment Funds Limited, as Operator, has appointed Sarasin & Partners LLP as Investment Manager to the sub-funds. Both entities are members of the Bank J Safra Sarasin Group.

The Directors of the Operator are G.V. Matthews, S.A.M. Jeffries, G. Steinberg (Independent Non-Executive Director and Chairperson), and E. Tracey (Independent Non-Executive Director). The Report of the Operator can be found on page 9.

Independent Auditor
Deloitte LLP
Saltire Court
20 Castle Terrace
Edinburgh EH1 2DB

Registrar
Northern Trust Global Services SE UK Branch
50 Bank Street
Canary Wharf
London E14 5NT
Tel: 0333 300 0373
Fax: 020 7982 3924

Prospectus
Full details of the sub-funds are contained in the Prospectus. Copies of the Prospectus are available free of charge from the Operator, and the Trust Deed is available for inspection at the offices of the Operator.

Sarasin Charity Authorised Investment Funds

Market Review 2022

World Economy
Still healing from the dislocations caused by the pandemic, the global economy was hit by a second unforeseen shock with Russia's invasion of Ukraine in February. Commodity prices rose sharply, and concerns mounted in countries with high dependence on imports of Russian energy. Inflation, already running well above central banks' targets across most economies, was pushed even higher throughout the year. In turn, central banks raised policy rates by unusually large increments in a bid to counter surging inflation and the possibility of inflation expectations becoming unanchored. In emerging economies, the strong US dollar and rapid increases in fuel and food prices hit low-income countries particularly hard.

In the US, the Federal Reserve led the hawkish tilt among central banks. Interest rates rose much faster and higher than expected, taking rates from 0.25% at the start of the year to 4.50% by the year end. However, the US labour market defied expectations and remained resilient, while the higher interest rates took a toll on residential investment spending.

The Chinese economy faced strong headwinds, hampered by widespread lockdowns and a deepening property crisis that saw homebuyers boycott mortgage payments on unfinished homes. The 20th National Congress of the Communist Party in the autumn saw President Xi Jinping secure an unprecedented third term in office. Lockdown-weary citizens protested against lockdowns, and in an abrupt volte-face the Chinese government dismantled the key features of its zero-Covid-19 policy at the end of the year.

In Europe, Spain and Italy benefited from a return to travel and tourism, while growth was particularly weak in Germany, reflecting its dependence on Russian gas. The energy shock saw inflation hit double digits across the currency bloc and governments scrambled to secure liquefied natural gas (LNG) supplies, fearing the prospect of energy rationing amid cuts to Russian energy exports. The usually cautious European Central Bank joined the hawkish camp by ending asset purchases and rapidly raising the deposit policy rate from negative 0.50% to 2%.

In the UK, political and financial instability dominated the headlines, with three prime ministers in just eight weeks. The Truss government's mini budget, which featured unfunded tax cuts and lacked oversight by the independent Office for Budget Responsibility, triggered financial turmoil. Government bond yields soared and the pound crashed. The Bank of England restored market conditions but higher borrowing costs added to households' cost of living crisis.

Global Equities
Higher-than-expected global inflation and central banks' responses to it sparked a global equity bear market in 2022 that saw the MSCI ACWI Net Return in US dollars fall by 18.40% over the year.

Rising interest rates took their toll on equity market valuations across the year and caused value equities to outperform growth equities. However, company earnings were generally well supported given high levels of consumer savings left over from the pandemic. The energy sector was the best-performing sector of the year as energy prices rose significantly, while tobacco and aerospace sectors also had a positive year.

Communications was the worst-performing sector of the year, partly due to a 64% fall in Meta's share price reflecting investors' concerns over the company's change in focus from social media to the metaverse. The IT sector was the second-worst performing sector, partly because of falls in the share prices of some of the world's largest companies, including Apple, Microsoft, TSMC and Nvidia. Tesla was another high-profile faller in 2022, its high valuation and controversy surrounding founder Elon Musk combining to result in a near 70% drop in the share price.

Only the UK, Brazilian and Indian equity markets recorded growth in 2022. Having lagged more dynamic markets in the past, the UK market's high concentrations of energy companies, consumer staples, healthcare and insurance made it relatively defensive. In contrast, the US equity market suffered losses as a result of its high concentration of technology and growth companies.

European equities suffered following the Russian invasion of Ukraine, although a milder-than-expected winter and unexpectedly resilient supplies of natural gas resulted in more favourable returns in the fourth quarter. Chinese equities followed a similar trajectory, being hampered by the effects of the Chinese government's zero-Covid-19 policy in the first three quarters before recovering in the fourth quarter, when it became clear that the policy would soon be scrapped.

Brazilian equities enjoyed a good year thanks to its large energy sector, and Indian economic growth underpinned strong performance.

Fixed Income
Sterling non-gilts produced total returns in 2022 of -17.80% (the worst annual performance in the Index's history) and excess returns versus maturity-matched government bonds of -2.20% (the worst since 2018 and second-worst in over a decade). Non-gilt spreads started the year below 100bps before widening to around 200bps in October and tightening again to c.160bps by year-end.

The Gilt All-Stocks Index returned -23.80% for the year (again, the worst in the Index's history). Having started the year below 1%, 10-year gilt yields rose to a multi-year high in October above 4.60%. They then fell as low as 2.90% before finishing the most volatile year in recent memory for gilts at close to 3.70%.

Fixed income markets began the year under pressure as global inflation accelerated and central banks tightened liquidity. The Russian invasion of Ukraine in February caused energy prices to surge and triggered a substantial widening of credit spreads. Yields continued to rise and spreads to widen through mid-year as central banks hiked aggressively into a weakening growth environment in an effort to control decades-high inflation.

Market Review 2022 (continued)

Fixed Income (continued)
Market stress reached its peak in late September amid turmoil in the wake of the UK government's controversial autumn mini-budget announcement. This saw sterling fall to an all-time low against the US dollar and caused UK gilt prices to decline sharply as the bond markets questioned the sustainability of UK fiscal policies.

As a result, liability-driven investors (defined benefit pension schemes and life insurers) found the value of collateral they had posted against long swaps and bond positions declined significantly in value. This forced them to sell bonds to meet margin calls, thus triggering more price declines and hence more margin calls. The sell-off only abated when the Bank of England (BoE) committed to buy up to £5 billion of 20-year gilts per day for two weeks.

The stabilisation and subsequent rebound in bond markets in the fourth quarter attracted strong inflows to the asset class from investors enticed by the highest yields in a decade.

Currencies
Currency markets in 2022 were generally dictated by monetary policy and differentials in government bond yields. US interest rates rose higher than in other developed economies, causing the US dollar to be the strongest performing currency in 2022. By contrast, the Central Bank of Japan continued to hold interest rates at low levels until the final few weeks of the year, causing the yen to depreciate significantly.

Sterling also performed poorly in 2022 following the Truss government's disastrous autumn budget, which resulted in a change in government and a return to austerity rhetoric amongst senior Conservative Party politicians.

The Swiss franc held its value better than most other currencies, partly as a result of interventionist polices, while the euro depreciated.

In emerging markets, the rouble lost significant value versus the US dollar before capital controls in Russia caused it to stabilise and then appreciate. The yuan also depreciated over the course of the year.

Guy Monson
Chief Market Strategist
Sarasin & Partners LLP
27th March 2023

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

The Socially Responsible Investment Policy
The Sarasin Charity Authorised Investment Funds will not invest in companies manufacturing tobacco related products.

In addition, they will avoid investment in companies with above the materiality threshold of their turnover in:

Adult Entertainment
Alcohol
Armaments
Civilian Firearms
Cluster Bombs & Landmines
Gambling
Tobacco

Furthermore, Sarasin Charity Authorised Investment Funds will avoid investment in companies with above the materiality threshold of their turnover in tar sands oil or thermal coal.

The Operator does not believe that these restrictions will materially impact on the performance of any sub-fund and expects them to increase its appeal to charities.

The Trust will be active in voting on company resolutions and will engage in direct dialogue with companies where appropriate.

Notification of Amendments
On 8th August 2022, for each sub-fund, the 'Additional Techniques' section in the investment policy was amended to make clear that the funds use derivatives for investment purposes as well as efficient portfolio management. This information was already set out earlier in each investment policy under the 'Investments' section but we wanted this to be clarified.

On the same date, specifically in relation to Sarasin Endowments Fund, the 'Investment Screening' section was updated to include a reference to the exclusion of companies that are materially engaged in the Tobacco sector. This was, in practice, already screened from the portfolio as set out elsewhere in the Prospectus but we wanted to make the disclosure clearer and consistent.

Assessment of Value
The latest Assessment of Value report, as at 31st December 2022, was published in April 2023 in line with the FCA's requirements. The Assessment of Value is a comprehensive annual review of each sub-fund, conducted across multiple value assessment criteria, with conclusions published with regards to the value that is considered as being provided to investors. The latest report is available on the Sarasin website at www.sarasinandpartners.com.

AIFMD Disclosure
The provisions of the Alternative Investment Fund Managers Directive ("AIFMD") took effect in full on 22nd July 2014. That legislation requires the Operator, Sarasin Investment Funds Limited (the "AIFM"), to establish and apply remuneration policies and practices that are consistent with, and promote, sound and effective risk management and that neither encourage risk taking which is inconsistent with the risk profiles, prospectuses, trust deeds and deeds of constitution of the Alternative Investment Funds to which it has been appointed (the "Trust") nor impair compliance with the AIFM's duty to act in the best interests of the Trust.

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

The board of directors of the AIFM (the "Board") consists of four directors (each a Director). The AIFM has no additional employees.

The AIFM has delegated the performance of the investment of the Trust to Sarasin & Partners LLP (the "Investment Manager").

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

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

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

AIFMD Disclosure (continued)

The Directors 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 AIFM with regard to the Board. Each Director is entitled to be paid a fixed director's fee based on an expected number of meetings and the work required to oversee the operations of the AIFM, which is considered to be consistent with the powers, tasks, expertise and responsibility of the Directors. The fee payable to each Director is reviewed from time to time, based on the evolution of the AIFM's activities and the aggregate fees payable are disclosed in the prospectus of the Trust.

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

The total fixed and variable remuneration of the Directors of the Board considered to comprise the entire staff of the Operator for the financial year ending 31st December 2022, is analysed below:

Fixed Remuneration	£70,000
Variable Remuneration	-
Total	**£70,000**

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

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

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

Leverage

In accordance with the requirements of AIFMD regulations, the AIFMD must set a maximum level of leverage for the Trust and report to investors the total amount of leverage employed by the Trust. Arrangements must also be in place to ensure compliance with the leverage limits.

The leverage limits and the actual leverage employed at the balance sheet date were:

Leverage Limit	**Gross**	**Commitment**
	200%	110%
Actual	**Gross**	**Commitment**
Sarasin Endowments Fund	111%	95%
Sarasin Income and Reserves Fund	97%	94%
Sarasin Climate Active Endowments Fund	109%	97%
Sarasin Growth Fund	100%	95%

The calculation of the Gross Leverage figure does not:

- make a distinction between financial derivative instruments that are used for investment or hedging purposes. As a result, strategies that aim to reduce risk will contribute to an increased level of leverage for the Trust.
- allow the netting of derivative positions. As a result, derivative roll-overs and strategies relying on a combination of long and short positions may contribute to a large increase of the level of leverage when they do not increase, or only cause a moderate increase to, the overall Trust risk.
- take into account the derivative underlying assets' volatility or make a distinction between short-dated or long-dated assets. As a result, a Trust that exhibits a high level of leverage is not necessarily riskier than a Trust that exhibits a low level of leverage.

Statement of the Advisory Committee's Responsibilities
The sub-funds of the Trust have an overall Advisory Committee, which is independent from the Operator and Depositary. It has a consultative role and is tasked with representing the interests of Unitholders as set out in Section 6.4 of the Prospectus.

The Advisory Committee meets up to four times per year and will consider, and can make representations to the Operator, in relation to:

- the appointment of the Operator's and Depositary's delegates;
- the investment objective of the sub-funds;
- the investment policy of the sub-funds;
- the income distribution policy of the sub-funds; and
- fees and charges associated with each Class of Units.

The Advisory Committee is pleased to report on the discharge of its responsibilities for the period ending 31st December 2022 as set out above.

We bring a range of investment, charity and fund management experience. In our early meetings, we have reviewed the performance of the sub-funds, the competitive landscape and the initiatives being pioneered by Sarasin. We have challenged the Investment Manager from the perspective of the Trustees of the charities who have invested, or may choose to invest, in the sub-funds.

At each meeting, in addition to reviewing investment performance, we have reviewed compliance and received a report from the Trustee. We also reviewed the costs associated with managing the sub-funds, including the Operator's remuneration and Total Expense Ratio. We take a critical look at the Investment objective to ensure that it remains appropriate to the relevant sub-fund.

The Committee's review of each sub-fund, and our advice, remains positive.

Mr. C. Stephens
Chairman of the Advisory Committee
26th April 2023

Report of the Operator

Sarasin Investment Funds Limited is the Operator of Sarasin Charity Authorised Investment Funds (the "Trust") and in accordance with the Trust Documents is solely responsible for the selection of the investments, subject to the Trust's investment objective, investment policy, and the terms of the Trust Documents.

The Operator has appointed Sarasin & Partners LLP as the Investment Manager to the Trust (the "Investment Manager"). The Investment Manager provides discretionary investment dealing services together with the related research and valuation facilities across a wide range of investments. The Investment Manager has the authority to make decisions on our behalf, subject to the provisions of the Trust Documents, the Prospectus, the Regulations, the investment objective, and the investment policy of the Trust.

The Operator is responsible for the administration and management of the Trust including its investments. The Operator must carry out regular valuations of the Trust's property and ensure that the units are properly priced.

The Board of Directors of Sarasin Investment Funds Limited meets at least four times a year to consider the status of the Trust and the performance of the Investment Manager, including review of the investment guidelines and the risk management and controls in place. In addition, the Operator reviews a quarterly report from the Corporate Trustee and a Compliance Report that details any issues over the year.

Under the Charities Act 2011, the Operator is required to prepare financial statements for each accounting year which comply with The Charities (Accounts and Reports) Regulations 2008 and which give a true and fair view of the financial position of the Trust at the end of the year, the amounts to be distributed, and the movement in net assets for the year.

In the context of the continuing conflict in Ukraine, the Trust's exposure to Russia continues to be 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 investors' interests.

Two equity holdings have been subject to fair value accounting post year-end, one of which has been subsequently realised. Home REIT PLC is held by Sarasin Endowments Fund, Sarasin Climate Active Endowments Fund and Sarasin Income and Reserves Fund. SVB Financial is held by Sarasin Growth Fund. Further information is disclosed in the Post Balance Sheet Events note in each impacted sub-fund.

Having considered relevant factors, the Directors of the Operator are of the opinion that it is appropriate to continue to adopt the going concern basis in the preparation of the Financial Statements. The assets of the Trust consist predominantly of securities that are readily realisable, and accordingly, the Trust has adequate resources to continue in operational existence for the foreseeable future.

G. Steinberg
Director of Sarasin Investment Funds Limited
26th April 2023

Statement of the Operator's Responsibilities
The Operator, Sarasin Investment Funds Limited, is the authorised fund manager for the purposes of the Regulations and the alternative investment fund manager (or AIFM) for the purposes of the AIFMD Requirements.

The Operator is a private company limited by shares that was incorporated in England and Wales on 10th November 1987.

The Operator is responsible for managing and administering the Trust's affairs in compliance with the Regulations. The Operator has authority to enter into contracts on behalf of the Unitholders for the purposes of, or in connection with, the acquisition, management and/or disposal of property subject to the Trust.

The Operator may delegate investment management, administration and marketing functions in accordance with the Regulations. Notwithstanding such delegation, the Operator remains responsible for any functions so delegated.

It has therefore delegated:

- to the Northern Trust Global Services SE UK Branch, the function of administration, including fund accounting; and
- to the Northern Trust Global Services SE UK Branch, the function of maintenance of the Register of Unitholders.

The Authorised Unit Trust Manager (the "Operator") of the Trust is responsible for preparing the Annual Report and the financial statements in accordance with the Financial Conduct Authority's Collective Investment Scheme's Sourcebook ("COLL") and the Scheme's Trust Deed.

COLL requires the Operator to prepare financial statements for each annual accounting period which:

- are in accordance with United Kingdom Generally Accepted Accounting Practice ("United Kingdom Accounting Standards and applicable law"), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice: "Financial Statements of Authorised Funds" issued by the Investment Management Association ("IMA SORP") in May 2014, as amended in June 2017; and
- give a true and fair view of the financial position of the Trust and each of its sub-funds as at the end of that year and the net revenue and the net capital gains or losses on the property of the Trust and each of its sub-funds for that period.

In preparing the financial statements, the Operator is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the IMA SORP have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in operation.

The Operator is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Trust and enable it to ensure that the financial statements comply with the applicable IMA SORP and United Kingdom Accounting Standards and applicable law. The Operator is also responsible for the system of internal controls, for safeguarding the assets of the Trust and for taking reasonable steps for the prevention and detection of fraud and other irregularities. In accordance with COLL 4.5.8BR, the Annual Report and the Audited financial statements were approved by the board of directors of the Operator of the Trust and authorised for issue on 26th April 2023.

Report of the Trustee to the Unitholders of the Sarasin Charity Authorised Investment Funds (the "Trust") for the Year Ended 31st December 2022

The Trustee must ensure that the Trust is managed in accordance with the Financial Conduct Authority's Collective Investment Fund's Sourcebook, Investment Funds Sourcebook, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Trust Deed and Prospectus (together "the Trust Documents") as detailed below.

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

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

The Trustee must ensure that:

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

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

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

(i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Trust's units and the application of the Trust's income in accordance with the Regulations and the Trust documents, and

(ii) has observed the investment and borrowing powers and restrictions applicable to the Trust.

NatWest Trustee and Depositary Services Limited
Trustee & Depositary Services
Edinburgh
26th April 2023

Statement of the Trustee's Responsibilities

The trustee and depositary of the Trust is NatWest Trustee and Depositary Services Limited, a private company limited by units (registered number 11194605) which was incorporated in England and Wales on 8th February 2018.

The registered office and head office of the Depositary is at 250 Bishopsgate, London EC2M 4AA. Its principal business activity is acting as trustee and depositary of collective investment schemes. The ultimate holding company of the Depositary is The Royal Bank of Scotland Group plc, which is a company incorporated in Scotland.

The Depositary is authorised by and regulated by the Financial Conduct Authority.

The Depositary is responsible for the safekeeping of the Scheme Property and has a duty to take reasonable care to ensure that the Trust is managed in accordance with the provisions of the Regulations relating to the pricing of, and dealing in, Units and the allocation and distribution of income of the Trust and that decisions about the investment of the Scheme Property of each Sub-fund do not infringe any of the investment restrictions set out in the COLL Sourcebook.

Independent Auditor's Report to the Unitholders of The Sarasin Charity Authorised Investment Funds

Report on the audit of the financial statements

Opinion
In our opinion, the financial statements of Sarasin Charity Authorised Investment Funds (the "Trust"):

- give a true and fair view of the financial position of the Trust and the sub-funds as at 31st December 2022 and of the net revenue and the net capital gains/(losses) on the property of the sub-funds for the year ended 31st December 2022; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Statement of Recommended Practice "Financial Statements of UK Authorised Funds", the rules in the Collective Investment Schemes Sourcebook and the Trust Deed.

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

- the Statement of Total Return;
- the Statement of Change in Net Assets Attributable to Unitholders;
- the Balance Sheet;
- the Distribution Tables; and
- related individual notes 1 to 17.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), The Statement of Recommended Practice: "Financial Statements of UK Authorised Funds" issued by the Investment Association in May 2014, as amended in June 2017, the Collective Investment Schemes Sourcebook and the Trust Deed.

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

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

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the Operator'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 Trust'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 Operator with respect to going concern are described in the relevant sections of this report.

Other information
The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Operator is responsible for the other information contained within the annual report. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 Trustee and Operator
As explained more fully in the Statement of Trustee's Responsibilities and the Statement of Operator's Responsibilities statement, the Trustee is responsible for the safeguarding the property of the Unit Trust and the Operator is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Operator 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 Operator is responsible for assessing the Unit Trust'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 Operator either intends to liquidate the Unit Trust or to cease operations, or has no realistic alternative but to do so.

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Unit Trust's industry and its control environment, and reviewed the Unit Trust's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and those charged with governance about their own identification and assessment of the risks of irregularities, including those that are specific to the Trust's business sector.

We obtained an understanding of the legal and regulatory frameworks that the Trust operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the Collective Investment Schemes Sourcebook and relevant tax legislation; and

- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Trust's ability to operate or to avoid a material penalty. These included The Open-Ended Investment Companies Regulations 2001.

We discussed among the audit engagement team including relevant internal specialists such as valuations and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud is manipulation of net asset value through fraudulent manipulation of Investment valuation and Investment existence. In response we have:

- Obtained an understanding of the controls at administrator relating to the valuation and existence of investments through review of the administrator's service organisation control report;
- agreed 100% of the bid prices of quoted investments on the investment ledger at year end to closing bid prices published by an independent pricing source; and
- agreed 100% of the investment units or shares of quoted investments at the year end to confirmations independently received directly from the depositary;

In addition to support our work on this significant risk we have reviewed the completeness and appropriateness of disclosures in relation to fair value measurements and fair value hierarchy, involved our financial instruments specialists to assess the applied valuation methodologies and tested the accuracy of a sample of purchases and sales of investments.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC and the FCA.

Report on other legal and regulatory requirements

Matters on which we are required to report by exception
Under the Charities (Accounts and Reports) Regulations 2008 we are required to report in respect of the following matters if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept by the Trust; or
- the Trust's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Opinions on other matters prescribed by the Collective Investment Schemes Sourcebook
In our opinion:

- proper accounting records for the Trust have been kept and the financial statements are in agreement with those records;
- we have received all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit; and
- the information given in the Operator's report for the year ended 31st December 2022 is consistent with the financial statements.

Use of our report
This report is made solely to the Unit Trust's Unitholders, as a body, in accordance with Paragraph 4.5.12R of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority and Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Unit Trust'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 Unit Trust and the Unit Trust's Unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte LLP
Statutory Auditor
Glasgow, United Kingdom
26th April 2023

Notes

Notes to the financial statements
For the year ended 31st December 2022

1. Accounting Policies

a.) Basis of Accounting
The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) for UK Authorised Funds issued by the Investment Association (IA) in May 2014, as amended in June 2017, the Charities (Accounts and Reports) Regulations 2008, and FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland".

The financial statements have been prepared on a going concern basis, under the historical cost convention as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss.

The Operator is confident that the Trust will continue in operation and be able to meet its liabilities as they fall due for at least the next twelve months from the approval of these financial statements. The Trust has adequate financial resources and its assets consist of securities, which are readily realisable. As such, it is appropriate to continue to adopt the going concern basis in preparing the financial statements of the Trust.

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

c.) Recognition, classification and derecognition of financial instruments
Financial assets and financial liabilities are recognised in the sub-funds’ balance sheet when the sub-funds become a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially recognised at transaction price (including transaction costs) and subsequently measured at amortised cost, except for the sub-funds’ financial instruments classified as financial assets at fair value through profit or loss, which are initially recognised at fair value (excluding transaction costs).

d.) Valuations of financial instruments at fair value
Quoted investments have been valued at bid-market value using prices as at close of business of 30th December 2022, being the last working day of the accounting period, net of any accrued interest which is included in the balance sheet as revenue. Investments in Collective Investment Schemes operated by the Operator are valued at their single price; those managed by other management groups are valued at their contractual bid price.

The valuation of unlisted investments is based on the Operator’s assessment of their estimated realisable value. Suspended securities are valued initially at the suspended price but are subject to constant review.

Open forwards currency contracts are valued based on the difference between the contract value and the market value adjusted by the prevailing spot rate and swap curve.

The market value of over the counter (OTC) derivatives is determined based on valuation pricing models which take into account relevant market inputs as well as the time values, liquidity and volatility factors underlying the positions.

e.) Revenue
Dividends on equities and distributions from Collective Investment Schemes are recognised on the day when quoted ex-dividend or ex-distribution, respectively. Interest on bank deposits is accrued on a day to day basis. Interest on debt securities is recognised on an accruals basis, taking into account the effective yield on the investment. The effective yield basis amortises any discount or premium on the purchase of an investment over its remaining life.

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

g.) Management Fee Rebates
Rebates on the underlying funds’ management fees are accounted for on an accruals basis and are subsequently attributed to the Trust’s revenue or capital consistent with the fee structure of the underlying fund.

1. Accounting Policies (continued)

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

i.) Scrip Dividends
Ordinary scrip dividends are wholly recognised as revenue and are based on the market value of the units on the date they are quoted ex-dividend. Where an enhancement is offered, the enhancement element is taken to capital.

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

k.) Distribution
Revenue produced by the Trust's investments accumulates during each accounting period. The Trust may operate a revenue 'Reserve' account, which remains part of the Trust Property, in order to conduct a controlled distribution flow to unitholders, subject to the provisions of the Trust Documents. Distributions to unitholders will be made on a coupon basis, when it will enable a higher distribution to be paid to unitholders than on the effective yield basis, as detailed in Note 1 (e). All distributions unclaimed for a period of six years after having become due for payment shall be forfeited and shall revert to the capital of the Trust.

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

m.) Expenses
All expenses and fees have been apportioned to capital for the Trust. Details of expenses are disclosed in on pages 38, 69, 100, and 129.

The annual management fee is calculated on the total net assets of the Trust: to the extent that any of the net assets are separately managed by subsidiaries of Sarasin Investment Funds Limited, then the periodic charge is rebated to the value of the subsidiaries' periodic charge made to the underlying holding.

n.) Valuation Techniques
Level 1
Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. A quoted market price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available, with limited exceptions. If an entity holds a position in a single asset or liability and the asset or liability is traded in an active market, the fair value of the asset or liability is measured within Level 1 as the product of the quoted price for the individual asset or liability and the quantity held by the entity, even if the market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

Level 2
Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include: quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, for example interest rates and yield curves observable at commonly quoted intervals, implied volatilities, credit spreads, inputs that are derived principally from or corroborated by observable market data by correlation or other means ('market-corroborated inputs').

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

1. Accounting Policies (continued)

n.) Valuation Techniques (continued)
Level 3
Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

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

o.) Dilution Levy
In certain circumstances, the Operator may charge a dilution levy, in accordance with the Financial Conduct Authority Regulations, on all subscriptions and redemptions of units, which is paid into the sub-funds and included in the Statement of Change in Net Assets Attributable to Unitholders. The levy is intended to cover certain dealing charges not included in the mid-market value of the sub-fund used in calculating the unit price, which could have a diluting effect on the performance of the sub-fund.

Sarasin Endowments Fund

Annual Report and Financial Statements for the period from 01.01.2022 to 31.12.2022

Investment Objective of the Sub-fund as set by the Board
We seek to grow the sub-fund (through increases in investment value and income) by 4.0% per year more than the Consumer Prices Index (CPI) over a rolling 5 year period after deducting fees and costs.

This target is not guaranteed over any period of time and the sub-fund could lose value.

Investment Policy of the Sub-fund
Investments

We invest the sub-fund approximately as follows:

• Shares: 70% in 60 to 100 companies listed on major stock exchanges around the world.

• Bonds: 15%

Up to 20% of the bonds we invest in can be rated higher risk by external ratings agencies but the majority are rated as 'investment grade'.

• Real estate investments: 5%

• Cash or Alternatives: 10%

Exposure to any of the above asset classes may be obtained through investment in funds (including funds managed by Sarasin).

We also invest in derivatives and use them to increase performance and generate income. Derivatives are financial contracts whose value is linked to the price of another asset (e.g. indices, rates, share prices, currencies).

Investment Selection

The strategic asset mix of the sub-fund (as defined by the blended benchmark) sets out how the portfolio will be allocated in normal market conditions. However, the sub-fund is managed on an active basis and when there is a strong sentiment, positive or negative, on a particular asset class or classes, the Investment Manager will actively deviate away from this asset mix and the securities in the underlying indices to try to meet the investment objective. The sub-fund's investments can be from any country/region, sector or industry. Investments are selected to align with the goal of the Paris Climate Change Agreement to keep global temperature increases to well below 2 degrees Celsius above pre-industrial times.

Investment Screening

We avoid investment in companies which are materially engaged in certain sectors, including alcohol, tobacco, armaments, gambling and adult entertainment.

We have an environmental, social and governance strategy. We consider which target investments are likely to benefit from a move towards a lower carbon economy and which may be harmed.

Investment Screening (continued)

We also look to engage with companies we invest in, particularly those whose activities could significantly impact climate change. We may disinvest if we believe those companies are not sufficiently addressing the material risks of such a move.

Additional Techniques

In addition to being able to use derivatives for investment purposes, we will use derivatives for effective portfolio management: to adjust how sensitive the Sub-fund is to changes in currencies, to act on opportunities or control risk, and to gain cost effective access to investments. We usually aim for the sub-fund's exposure to Sterling to be the same as the blended benchmark (around 60%). We use an income reserve to smooth the income we pay over time.

Benchmark Information
The sub-fund's performance can be assessed by reference to:

a. Comparator benchmark reflective of the asset allocation of the sub-fund.

Benchmark	Allocation
ICE BofAML UK Gilts All-Stocks Index	7.50%
ICE BofAML Sterling Corporate Bond Index	7.50%
Sterling Overnight Interbank Average Rate (SONIA)+2%	10.00%
MSCI UK IMI	20.00%
MSCI AC World Index ex UK (Local Currency)	10.00%
MSCI AC World Index ex UK	40.00%
MSCI All Balanced Property Funds Index (One Quarter Lagged)	5.00%

b. The target benchmark of CPI +4% over a rolling 5 year period after deducting fees and costs. CPI is a measure of inflation. If the sub-fund's performance matched CPI over a year, an investment in the sub-fund would provide approximately the same purchasing power as it would have provided a year earlier. The sub-fund will seek to outperform the CPI by 4.0% per year to provide real growth.

Investment Manager's Review

Sub-fund Performance

Cumulative performance		1 yr	3 yrs	5 yrs	Since Inception
		01 Jan 22 - 31 Dec 22	01 Jan 20 - 31 Dec 22	01 Jan 18 - 31 Dec 22	28 Sep 93 - 31 Dec 22
		%	%	%	%
Fund	A Acc (Net)	-9.8	9.1	25.0	522.6
Comparator		-6.9	13.0	27.2	700.2

Discrete performance		01 Jan 22 - 31 Dec 22	01 Jan 21 - 31 Dec 21	01 Jan 20 - 31 Dec 20	01 Jan 19 - 31 Dec 19	01 Jan 18 - 31 Dec 18
		%	%	%	%	%
Fund	A Acc (Net)	-9.8	10.4	9.6	19.9	-4.4
Comparator		-6.9	13.7	6.8	18.5	-4.9

Annualised performance		5 yrs 01 Jan 18 - 31 Dec 22
		%
Fund	A Acc (Net)	4.6
Target	CPI + 4%	8.3

Source: Sarasin & Partners LLP and FE Fundinfo.

Performance is provided net of fees. Past performance is not a guide to future returns and may not be repeated. Performance is calculated in GBP on the basis of net asset values (NAV) and dividends reinvested.

Class A (Acc) has been used as the representative share class in the table above, which launched on 23rd February 2018. The fund merged with the Sarasin Alpha CIF for Endowments on 23rd February 2018, and Sarasin Alpha CIF for Endowments merged with The Alpha Charity Fund on 3rd August 2005. Any performance figures prior to this date reflect the performance of the previous Funds, the first of which launched 28th September 1993.

The comparator of this sub-fund has changed over time, please visit https://sarasinandpartners.com/wp-content/uploads/2020/05/benchmark-history.pdf for a full history. Please note that the performance target is to be achieved over a specific annualised time period - refer to the investment objective above.

Performance figures for other share classes in issue can be obtained by contacting marketing@sarasin.co.uk.

Performance

The sub-fund returned -9.8% (net of charges) for the 12-month period ended 31st December 2022, versus -6.9% for the comparator benchmark.

Review

Global financial markets were weak in 2022, driven by higher than expected inflation and central bank measures that were implemented in an attempt to counter it.

Concerns over inflationary pressures in the US, UK and Europe were already growing in the early part of the year due to elevated spending on goods and services as the world reopened following the pandemic. The situation was exacerbated by high commodity prices, especially oil, natural gas and food, that spiked following Russia's invasion of Ukraine.

Central banks had delayed reacting to the situation in 2021, citing the perceived temporary nature of high inflation, but responded emphatically in 2022 by raising interest rates as part of a pivot from quantitative easing to quantitative tightening. The upward trajectory of rates was fuelled by stronger than expected economic news and tight labour markets that meant demand was less affected by higher borrowing costs.

Investment Manager's Review (continued)
During the year, fixed income and equity markets experienced sharp declines. Alternatives, meanwhile, delivered a mixed performance, while the gold price recovered in the latter part of the year after experiencing a marked fall in response to rising interest rates.

Positives
During the year, defensive sectors such as healthcare outperformed more highly valued sectors that were negatively affected by monetary policy tightening. Pharmaceutical company Merck, for example, contributed positively to the sub-fund's performance. It reported robust earnings due in part to the performance of its primary cancer medication, Keytruda, and COVID-19 drug, Molnupiravir.

Agricultural equipment company Deere & Co was another positive contributor to the sub-fund's performance. It benefited from high demand and strong pricing power that allowed management to offset supply chain issues and high inflation during the year. The company's strong sales, high margins, and rising new order volumes supported its share price.

Insurance provider AIA also performed well and contributed to the sub-fund's return. It was buoyed by the re-opening of the Chinese economy in the final quarter of the year. Having suffered from a lack of cross-border travel between Hong Kong and China during the pandemic, the insurance company's share price recovered rapidly in November and December to finish the year in positive territory.

Elsewhere, Invesco Physical Gold ETC contributed positively to the sub-fund's return. The gold price gained in the latter part of the year in response to less hawkish commentary from the US Federal Reserve and a slower pace of interest rate rises in the US.

Negatives
The technology sector detracted from the sub-fund's return as weaker consumer demand amid extreme inflation and rising interest rates weighed on the share prices of several holdings.

For example, e-commerce firm Amazon.com declined on worries of a potential pullback in consumer spending resulting from a global recession. Google owner Alphabet detracted from returns due to fears that a global economic downturn would weigh on digital advertising spend. Around 80% of its revenue is derived from advertising on services such as Google, YouTube, and Android.

The sub-fund's holding in Walt Disney also detracted as high inflation prompted lower than expected income at the firm's theme parks business. This led to deteriorating investor sentiment during the year when combined with mixed results in the company's direct-to-consumer business. Bob Iger's return as CEO has the potential to stabilise the firm and calm investor uncertainty.

There was weakness in ASML, a leading supplier to the semiconductor industry. The company suffered from falling demand for microchips and uncertainty caused by the US government's restrictions on semiconductor sales to China.

The holding in the Sarasin UK Thematic Smaller Companies fund detracted from performance. The domestic focus of small-caps meant that they faced serious headwinds throughout 2022, including soaring energy, freight and raw material costs as well as rising taxes that increased the cost of doing business in the UK.

Transactions
Adding to the sub-fund's food industry exposure, we bought International Flavors and Fragrances. We believe the business is an innovative partner of choice for companies operating in the nutrition and health food and beverage market.

The sub-fund started a position in the Brevan Howard Absolute Return Government Bond Fund 'A' GBP Acc. It has a strong track record of performance and aims to generate an uncorrelated absolute return through the use of derivatives products primarily in the government bond market.

The sub-fund also made several sales during the year. Among them was renewable energy utility Nextera Energy, which was sold due to concerns that its industry-leading returns on capital may not be sustainable in the long term and that its valuation does not fully reflect this risk.

We also sold the holding in Italian utility company Enel. Although it has grown significantly in recent years, its size and future prospects make it more difficult to sustain growth.

Finally, we exited international hotel group Marriott International 'A'. Having seen a significant rebound in 2022, the stock appeared to be relatively overvalued.

Outlook
The outlook for inflation and interest rates remain among the key concerns for investors, although there is now some hope that interest rates may not need to rise as much as previously feared. Meanwhile, events in Ukraine are changing with remarkable speed, and we continue to monitor risks to the outlook. The relaxation of China's Zero COVID-19 Policy should support global growth but may also support global inflation if it leads to a resurgence in oil and commodity prices.

Other challenges also require close monitoring. The significant and rapid tightening of financial conditions over the past year may have unintended consequences for business activity and market functionality. Generally, company earnings will be put under pressure in the coming year as global growth slows and liquidity has become more difficult to access.

While the outlook for assets remains challenging, there are reasons to be optimistic that economic weakness should be relatively contained. The inflation that has driven central banks to tighten monetary policy is heavily influenced by the effect of high energy prices. If energy prices continue to normalise, inflation should come down over the course of the next year, allowing central banks more flexibility in their policy-setting. Households and banks are also better capitalised than in previous years. This means they have more ability to withstand higher prices and disruption before altering their spending or lending actions.

Investment Manager's Review (continued)
Considering how the sub-fund is positioned for the year ahead, the sub-fund is well placed to deal with the challenges noted above. Once the US Federal Reserve's interest rate rises and other measures designed to reduce liquidity have taken effect, valuation support will hopefully result in a rebound for stocks and support fixed income returns. Recessions tend to lead to pressure on earnings across the board on equities, however, we remain confident that our bias for thematic companies with long term structural earnings drivers should lead the portfolio of stocks to outperform the broader market.

Finally, the price action that took place in 2022 was meaningful. By the end of the year, valuations appeared more reasonable than they had been, affording a more diverse opportunity set for investors seeking to make returns across a selection of assets. In such times, patience and diligence can lead to superior investment returns. At present, this has led to a preference for high-quality, defensive assets that are well-positioned to withstand the implications of the current market outlook.

Melanie Roberts
Partner & Head of Charities
Sarasin & Partners LLP
27th January 2023

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

Sensitivity analysis
The sub-fund invests in equities and bonds. The exposure to equity markets is then reduced 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 30-70%.

Options are used on individual stocks to implement views on specific stocks. Listed options or futures on bond indices are occasionally used to implement yield curve views.

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

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

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

The "99% / 20-day VaR" for Sarasin Endowments Fund, as at 31st December 2022, was 7.13% (31st December 2021: 15.23%). The lowest, highest, and average utilisation in the year was 6.71%, 15.63%, and 9.02%, respectively (31st December 2021: 12.48%, 15.31%, and 14.04%, respectively).

Top 20 Purchases during the year[1]
International Flavors and Fragrances
Siemens
Medical Properties Trust
Medtronic
Brevan Howard Absolute Return Government Bond Fund 'A' GBP Acc
Invesco Physical Gold
Cisco Systems
UK Treasury 2.75% 07/09/2024
Takeda Pharmaceutical
AIA
Schneider Electric
UK Treasury 5.00% 07/03/2025
SGS
PIMCO GIS TRENDS Managed Futures Strategy
ING Groep
Merck
Fulcrum Equity Dispersion Fund
COIF Charities Property
AstraZeneca
Rio Tinto

Top 20 Sales during the year[1]
Invesco Physical Gold
Nextera Energy
United Kingdom Gilt 0.875% 31/07/2033
Costco Wholesale
Middleby
Marriott International 'A'
Enel
Siemens
Home Depot
Ecolab
UK Treasury 2.75% 07/09/2024
Moodys
Equinix
Amgen
Schneider Electric
Bridgestone
JPMorgan Chase
Colgate-Palmolive
Aramark
Daikin Industries

[1] Excluding money market funds.

Sub-fund Information for the year ended 31st December 2022

Size (Units)	Unit Type	Mid Price	Yield*
1,670,231,619	A Income Units	112.00 pence	2.94%
84,806,369	A Accumulation Units	311.00 pence	2.89%

Launch Date		23rd February 2018
Launch Price		Income Units: 101.50 pence Accumulation Units: 242.80 pence
Management Charges	Annual: Initial:	0.75% 0.00%
Unit Types	Income & Accumulation Units	
Accounting Period Ends	Interim: Interim: Interim: Final:	31st March 30th June 30th September 31st December
Initial Minimum Investment:	£1,000	

* The yield shown is the historic yield and is calculated by taking the distribution rate for the last four distributions, multiplied by 100 and divided by the mid price of the units.

The Comparative Tables on pages 27 and 28 give the performance of each active unit class in the sub-fund.

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

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

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

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

Sub-fund Information for the year ended 31st December 2022 (continued)
Comparative Tables

A Income Units

Change in Net Asset Value per Unit

	2022 (pence per unit)	2021 (pence per unit)	2020 (pence per unit)
Opening net asset value per unit	**126.99**	118.31	111.48
Return before operating charges*	**(11.76)**	13.05	11.37
Operating charges (calculated on average price)	**(1.13)**	(1.14)	(0.98)
Return after operating charges*	**(12.89)**	11.91	10.39
Distributions on income units	**(3.29)**	(3.29)	(3.56)
Closing net asset value per unit	**110.81**	126.93	118.31
* after direct transaction costs of[1] :	**0.04**	0.02	0.03
Performance			
Return after charges[2]	**(10.15)%**	10.07%	9.32%
Other Information			
Closing net asset value (£'000)	**1,850,762**	2,080,985	1,690,363
Closing number of units	**1,670,231,619**	1,639,493,036	1,428,804,226
Operating charges[3]	**0.97%**	0.93%	0.86%
Direct transaction costs	**0.03%**	0.01%	0.02%
Prices			
Highest unit price	**127.70**	128.20	120.10
Lowest unit price	**105.90**	116.00	92.68

[1] Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution levies that relate to direct transaction costs. A negative transaction cost figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.
[2] The return after charges is calculated as the return after operating charges per unit divided by the opening net asset value per unit.
[3] Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures. Included in the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. For Sarasin Endowments Fund, 0.15% of the Operating Charges was made up of synthetic costs.

Sub-fund Information for the year ended 31st December 2022 (continued)
Comparative Tables (continued)

A Accumulation Units

Change in Net Asset Value per Unit

	2022 (pence per unit)	2021 (pence per unit)	2020 (pence per unit)
Opening net asset value per unit	**344.48**	312.51	285.10
Return before operating charges*	**(31.97)**	34.86	29.59
Operating charges (calculated on average price)	**(3.09)**	(3.04)	(2.18)
Return after operating charges*	**(35.06)**	31.82	27.41
Distributions	**(8.98)**	(8.77)	(9.22)
Retained distributions on accumulation units	**8.98**	(8.77)	(9.22)
Closing net asset value per unit	**309.42**	344.33	312.51
* after direct transaction costs of[1] :	**0.11**	0.05	0.06
Performance			
Return after charges[2]	**(10.18)%**	10.18%	9.61%
Other Information			
Closing net asset value (£'000)	**262,410**	291,949	249,699
Closing number of units	**84,806,369**	84,788,394	79,901,977
Operating charges[3]	**0.97%**	0.93%	0.86%
Direct transaction costs	**0.03%**	0.01%	0.02%
Prices			
Highest unit price	**346.30**	345.50	314.70
Lowest unit price	**293.30**	306.30	237.10

[1] Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution levies that relate to direct transaction costs. A negative transaction cost figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.
[2] The return after charges is calculated as the return after operating charges per unit divided by the opening net asset value per unit.
[3] Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures. Included in the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. For Sarasin Endowments Fund, 0.15% of the Operating Charges was made up of synthetic costs.

Portfolio Statement as at 31st December 2022

Holding or Nominal Value	Investment	Bid Market Value (£)	% of Net Assets
	Sterling Government Bonds 4.79% (31 December 2021 - 4.14%)		
£14,390,000	UK Treasury 4.25% 07/12/2027	14,767,718	0.70
£12,115,000	UK Treasury 5.00% 07/03/2025	12,451,441	0.59
£10,775,212	UK Treasury 4.50% 07/09/2034	11,420,055	0.54
£7,530,000	UK Treasury 4.75% 07/12/2030	8,117,923	0.38
£7,350,000	UK Treasury 4.25% 07/03/2036	7,598,430	0.36
£6,000,000	UK Treasury 4.50% 07/12/2042	6,368,400	0.30
£5,885,000	UK Treasury 4.25% 07/12/2049	6,111,573	0.29
£5,440,000	United Kingdom Gilt 4.25% 07/12/2040	5,562,454	0.26
£5,240,500	UK Treasury 4.00% 22/01/2060	5,484,184	0.26
£5,220,000	UK Treasury 4.25% 07/06/2032	5,461,289	0.26
£4,250,000	United Kingdom Gilt 6.00% 07/12/2028	4,762,878	0.23
£4,164,000	United Kingdom Gilt 0.875% 31/07/2033	3,108,051	0.15
£2,780,000	High Speed Rail Finance 4.375% 01/11/2038	2,491,047	0.12
£2,000,000	United Kingdom Gilt 4.25% 07/09/2039	2,049,496	0.10
£2,400,000	Affordable Housing Finance 2.893% 11/08/2043	1,850,741	0.09
£3,300,000	United Kingdom Gilt 1.625% 22/10/2071	1,830,568	0.09
£970,000	UK Treasury 2.75% 07/09/2024	955,112	0.04
£600,000	Transport for London 3.875% 23/07/2042	485,413	0.02
£240,000	Network Rail Infrastructure Finance 4.75% 29/11/2035	245,189	0.01
		101,121,962	**4.79**
	Sterling Corporate Bonds 4.65% (31 December 2021 - 3.39%)		
£3,500,000	Vodafone Group PLC 5.90% 26/11/2032	3,684,156	0.17
£3,740,000	M&G 3.875% 20/07/2049	3,600,014	0.17
£3,940,000	Vodafone Group 5.125% 02/12/2052	3,564,124	0.17
£3,800,000	Wells Fargo 2.00% 28/07/2025 2.00% 28/07/2025	3,504,687	0.17
£2,800,000	SSE 8.375% 20/11/2028	3,189,290	0.15
£3,000,000	NIE Finance PLC 6.375% 02/06/2026	3,104,459	0.15
£3,200,000	Unite (USAF) 3.921% 30/06/2025	3,047,502	0.14
£3,000,000	Scottish Widows 5.50% 16/06/2023	3,004,788	0.14
£3,200,000	Channel Housing Link Enterprises Finance 3.043% 30/06/2050	2,661,645	0.13
£3,000,000	Bazalgette Finance 2.375% 29/11/2027	2,628,666	0.12
£3,000,000	America Movil 4.375% 07/08/2041	2,528,046	0.12
£2,200,000	South Eastern Power Networks PLC 6.375% 12/11/2031	2,355,536	0.11
£2,480,000	University of Manchester 4.25% 04/07/2053	2,262,678	0.11
£2,300,000	Electricite de France 5.50% 17/10/2041	2,138,876	0.10
£3,500,000	Vodafone Group 3.00% 12/08/2056	2,125,438	0.10
£3,900,000	University College London 1.625% 04/06/2061	1,987,081	0.09
£2,210,194	TC Dudgeon OFTO 3.158% 12/11/2038	1,863,185	0.09
£2,000,000	Places for People Treasury 2.875% 17/08/2026	1,829,352	0.09
£2,000,000	National Grid Electricity Transmission 1.375% 16/09/2026	1,747,638	0.08
£1,880,000	CYBG 4.00% 25/09/2026	1,743,908	0.08
£1,715,000	Royal Bank of Scotland 6.375% 07/12/2028	1,741,660	0.08
£1,700,000	HSBC 6.50% 20/05/2024 6.50% 20/05/2024	1,724,075	0.08
£1,827,072	Greater Gabbard Ofto 4.137% 29/11/2032	1,716,985	0.08
£1,600,000	Pension Insurance Corp PLC 8.00% 23/11/2026	1,648,000	0.08
£1,500,000	THFC (Funding No 2) 6.35% 08/07/2041	1,627,592	0.08
£2,000,000	London & Quadrant Housing Trust 2.00% 31/03/2032	1,507,888	0.07
£1,847,000	United Utilities Water Finance 0.875% 28/10/2029	1,409,793	0.07

Portfolio Statement as at 31st December 2022 (Continued)

Holding or Nominal Value	Investment	Bid Market Value (£)	% of Net Assets
	Sterling Corporate Bonds (continued)		
£1,513,630	PRS Finance 1.75% 24/11/2026	1,370,371	0.07
£1,450,000	RAC Bond 4.87% 06/05/2046	1,312,758	0.06
£1,600,000	Jigsaw Funding PLC 3.375% 05/05/2052	1,186,909	0.06
£1,150,000	Electricite de France 6.25% 30/05/2028 6.25% 30/05/2028	1,174,102	0.06
£1,284,495	WoDS Transmission 3.446% 24/08/2034	1,166,295	0.06
£1,638,000	Comcast 1.875% 20/02/2036 1.875% 20/02/2036	1,154,590	0.05
£1,216,585	UPP Bond Issuer 4.902% 28/02/2040	1,146,722	0.05
£1,400,000	Peabody Capital No 2 PLC 2.75% 02/03/2034	1,090,258	0.05
£1,330,000	Guinness Partnership 4.00% 24/10/2044	1,086,001	0.05
£1,133,377	WoDS Transmission 3.446% 24/08/2034	1,029,083	0.05
£1,070,000	Arqiva Financing 5.34% 30/06/2030	1,010,971	0.05
£1,000,000	Wales & West Utilities Finance 5.00% 07/03/2028	980,018	0.05
£1,040,000	Segro 5.125% 06/12/2041	973,881	0.05
£1,000,000	NGG Finance 5.625% 18/06/2073	943,700	0.04
£1,000,000	BNP Paribas 3.375% 23/01/2026	938,750	0.04
£1,262,000	3i Group 3.75% 05/06/2040	919,465	0.04
£950,000	Retail Charity Bonds 4.50% 20/06/2026	860,548	0.04
£875,000	Virgin Money UK 5.125% 11/12/2030	809,427	0.04
£900,000	Rothesay Life 6.875% Perpetual	803,250	0.04
£1,102,000	Dwr Cymru 2.375% 31/03/2034	794,209	0.04
£700,000	Scottish Power UK PLC 6.375% 31/05/2041	760,921	0.04
£1,072,000	Dignity Finance 4.696% 31/12/2049	718,388	0.03
£800,000	PHOENIX GRP. HLDGS F2V 31/12/2049 5.75% Perpetual	666,978	0.03
£1,000,000	Notting Hill Genesis 2.00% 03/06/2036	663,866	0.03
£660,000	Wellcome Trust Finance 4.625% 25/07/2036	661,960	0.03
£660,000	Western Power Distribution East Midlands PLC 5.25% 17/01/2023	660,110	0.03
£650,000	Western Power Distribution South West 5.75% 23/03/2040	648,029	0.03
£631,000	United Utilities Water 5.625% 20/12/2027	646,973	0.03
£700,000	Retail Charity Bonds 4.25% 30/03/2028	629,146	0.03
£660,000	InterContinental Hotels 3.75% 14/08/2025	627,403	0.03
£660,000	Retail Charity Bonds 4.40% 30/04/2025	618,347	0.03
£850,000	DWR Cymru Financing 2.375% 31/03/2034	612,593	0.03
£591,600	Great Rolling 6.875% 27/07/2035	611,626	0.03
£600,000	Anglian Water Services Financing 4.50% 22/02/2026	590,800	0.03
£650,000	RCB Bonds PLC 3.50% 08/12/2033	536,575	0.03
£635,000	Retail Charity Bonds 5.00% 17/12/2030	510,546	0.02
£530,000	Severn Trent Utilities Finance 4.625% 30/11/2034	496,422	0.02
£513,334	Arqiva Financing 4.882% 31/12/2032	486,045	0.02
£800,000	Northern Powergrid Northeast 1.875% 16/06/2062	402,693	0.02
£500,000	Bazalgette Finance PLC 2.75% 10/03/2034	389,075	0.02
£500,000	University of Leeds 3.125% 19/12/2050	368,496	0.02
£480,000	Northern Powergrid Northeast PLC 3.25% 01/04/2052	344,650	0.02
£300,000	RAC Bond 4.565% 06/05/2023	297,337	0.01
£273,000	Retail Charity Bonds 3.90% 23/11/2029	235,705	0.01
£243,300	RCB Bonds PLC 3.25% 22/07/2031	213,739	0.01
£100,000	Investec Bank 4.25% 24/07/2028	98,720	0.01
£100,000	Transport for London 4.00% 12/09/2033	88,677	–
		98,284,190	**4.65**

Portfolio Statement as at 31st December 2022 (Continued)

Holding or Nominal Value	Investment	Bid Market Value (£)	% of Net Assets
	Overseas Bonds 2.59% (31 December 2021 - 1.65%)		
USD7,800,000	United States Treasury Bonds 1.25% 31/07/2023	6,356,669	0.30
£5,000,000	Verizon Communications 3.125% 02/11/2035	3,976,300	0.19
£3,500,000	Orsted 5.375% 13/09/2042	3,496,955	0.17
£3,970,000	AT&T 4.25% 01/06/2043	3,220,281	0.15
£3,100,000	Comcast 5.50% 23/11/2029	3,202,622	0.15
£3,100,000	Yorkshire Water Services Bradford Finance F2F 3.75% 22/03/2046	3,082,687	0.15
£3,470,000	CPUK Finance Ltd 3.69% 28/02/2047	2,988,882	0.14
£3,000,000	AT&T 4.375% 14/09/2029	2,821,626	0.13
£2,500,000	Goldman Sachs 7.25% 10/04/2028	2,683,080	0.13
USD3,025,000	Vena Energy Capital 3.133% 26/02/2025	2,310,200	0.11
£2,050,000	Goldman Sachs Group 7.125% 07/08/2025	2,131,487	0.10
£1,900,000	Bank of America 7.00% 31/07/2028	2,037,324	0.10
£1,800,000	Electricite de France 6.125% 02/06/2034	1,804,788	0.09
£1,800,000	Welltower 4.50% 01/12/2034	1,472,972	0.07
£1,450,000	Morgan Stanley 5.789% 18/11/2033	1,451,670	0.07
USD1,760,000	Greenko Wind Projects Mauritius 5.50% 06/04/2025	1,366,421	0.07
£1,600,000	Realty Income Corp 1.125% 13/07/2027	1,310,227	0.06
£1,250,000	Wells Fargo 2.50% 02/05/2029	1,037,445	0.05
USD1,300,000	Indian Railway Finance 3.835% 13/12/2027	1,001,375	0.05
£1,000,000	Credit Suisse Group AG 7.00% 30/09/2027	939,574	0.04
USD1,129,000	Electricite de France SA 5.625% Perpetual	887,194	0.04
USD1,050,000	United States Treasury Bonds 1.75% 15/05/2023	863,752	0.04
£960,000	Realty Income 1.875% 14/01/2027	831,168	0.04
USD949,000	Greenko Solar Mauritius 5.95% 29/07/2026	716,740	0.03
USD1,000,000	Lancashire Holdings Limited 5.625% 18/09/2041	649,597	0.03
USD800,000	Indian Railway Finance 3.835% 13/12/2027	616,231	0.03
USD600,000	Barclays Bank 0.063% Perpetual	463,202	0.02
£347,000	Heathrow Funding 2.75% 13/10/2031	286,202	0.01
USD407,785	Greenko Power II Ltd 4.30% 13/12/2028	283,432	0.01
£240,000	Thames Water Utilities Cayman Finance 4.375% 03/07/2034	210,537	0.01
£165,000	SNCF Reseau 4.83% 25/03/2060	159,337	0.01
		54,659,977	**2.59**
	UK Equities 21.04% (31 December 2021 - 19.24%)		
440,616	AstraZeneca	49,428,303	2.34
602,299	Rio Tinto	34,921,296	1.65
796,431	Unilever	33,306,744	1.58
4,611,288	HSBC	23,775,801	1.13
1,807,314	Prudential	20,377,465	0.96
350,199	Reckitt Benckiser	20,150,450	0.95
868,889	RELX	19,880,180	0.94
994,834	Compass	19,075,942	0.90
1,143,072	GSK	16,432,803	0.78
20,160,116	BioPharma Credit Fund	15,921,613	0.75
4,660,157	Haleon	15,252,694	0.72
316,569	InterContinental Hotels	15,018,033	0.71
5,981,055	Legal & General	14,922,732	0.71
1,111,256	3i	14,896,387	0.70
1,265,276	Smith & Nephew	14,012,932	0.66

Portfolio Statement as at 31st December 2022 (Continued)

Holding or Nominal Value	Investment	Bid Market Value (£)	% of Net Assets
	UK Equities (continued)		
15,598,922	Vodafone	13,140,532	0.62
11,848,889	Octopus Renewables Infrastructure Trust	11,848,889	0.56
3,466,163	DS Smith	11,109,052	0.53
6,410,154	Gresham House Energy Storage	10,352,399	0.49
22,304,778	Lloyds Banking	10,128,600	0.48
243,693	Intertek Group	9,828,139	0.47
133,800	London Stock Exchange	9,547,968	0.45
2,083,948	Barratt Developments	8,269,106	0.39
11,052,775	Life Science Reit	7,957,998	0.38
7,259,050	VH Global Sustainable Energy Opportunities	7,331,640	0.35
349,971	Halma	6,908,428	0.33
14,215,889	Home Reit	5,409,146	0.26
976,154	Draper Esprit	3,457,537	0.16
168,633	Softcat	1,996,615	0.09
		444,659,424	**21.04**
	Global Equities 50.04% (31 December 2021 - 53.17%)		
254,694	Microsoft	50,777,877	2.40
751,587	Medtronic	48,560,424	2.30
5,028,600	AIA	46,490,810	2.20
481,948	Merck	44,448,670	2.10
1,309,793	National Instruments	40,157,253	1.90
263,556	EssilorLuxottica	39,506,425	1.87
275,524	CME	38,510,138	1.82
426,796	International Flavors and Fragrances	37,197,845	1.76
124,487	Mastercard	35,987,284	1.70
73,093	Broadcom	33,974,356	1.61
255,779	Air Liquide	30,046,196	1.42
737,328	Bank of Nova Scotia	30,002,151	1.42
725,024	Cisco Systems	28,714,057	1.36
1,091,100	Takeda Pharmaceutical	28,254,255	1.34
123,741	Amgen	27,007,198	1.28
75,660	Deere & Co	26,978,205	1.28
335,700	Walt Disney	24,243,292	1.15
208,072	Schneider Electric	24,131,944	1.14
132,217	American Tower	23,285,533	1.10
11,920	SGS	23,027,644	1.09
190,993	Siemens	21,920,683	1.04
330,379	Otis Worldwide	21,510,749	1.02
2,064,811	ING Groep	20,862,406	0.99
302,064	Colgate-Palmolive	19,785,202	0.94
1,143,221	Sonic Healthcare	19,315,819	0.91
496,300	Tencent	17,655,948	0.83
39,232	ASML	17,536,190	0.83
1,820,420	Medical Properties Trust	16,843,688	0.80
560,566	Equinor	16,639,910	0.79
267,029	Taiwan Semiconductor Manufacturing ADR	16,535,862	0.78
27,891	BlackRock	16,425,522	0.78
790,551	Alstom	15,998,962	0.76

Portfolio Statement as at 31st December 2022 (Continued)

Holding or Nominal Value	Investment	Bid Market Value (£)	% of Net Assets
	Global Equities (continued)		
208,917	Alphabet	15,410,428	0.73
109,396	Texas Instruments	15,024,783	0.71
66,356	Accenture	14,717,030	0.70
15,799,528	Cordiant Digital Infrastructure	13,334,802	0.63
81,598	United Parcel Service	11,788,261	0.56
204,850	HDFC Bank ADR	11,650,001	0.55
249,974	Siemens Healthineers	10,363,996	0.49
2,760,926	3I Infrastructure	9,166,274	0.43
335,838	Weyerhaeuser	8,654,898	0.41
113,703	Amazon.com	7,938,130	0.37
5,812,029	Renewables Infrastructure Group	7,555,638	0.36
3,663,546	Apax Global Alpha	6,858,158	0.32
1,609,050	Oakley Capital Investments	6,725,829	0.32
4,142,911	BBGI Global Infrastructure S.A.	6,487,799	0.31
195,375	CRH	6,428,814	0.30
1,687,495	Syncona	3,037,491	0.14
		1,057,474,830	**50.04**
	UK Property 4.48% (31 December 2021 - 4.03%)		
40,886,376	Mayfair Property Income Trust for Charities	32,377,921	1.53
27,505,089	COIF Charities Property	30,151,079	1.43
13,477,206	Charities Property	16,762,949	0.79
12,808,170	AEW UK Core Property	15,318,571	0.73
		94,610,520	**4.48**
	Global Property 0.86% (31 December 2021 - 2.02%)		
161,282	Crown Castle International	**18,191,653**	**0.86**
	Alternatives 4.26% (31 December 2021 - 5.66%)		
3,426,766	Neuberger Berman Uncorrelated Strategies 'I5' GBP Accumulation	40,230,229	1.90
151,492	Invesco Physical Gold	22,140,070	1.05
9,023,980	International Public Partnerships	13,662,306	0.65
10,963,903	Sequoia Economic Infrastructure Income	9,615,343	0.45
6,444,741	US Solar	4,457,581	0.21
		90,105,529	**4.26**
	Global Exchange Traded Funds 0.84% (31 December 2021 - 0.00%)		
728,674	WisdomTree Commodity Securities	**17,830,653**	**0.84**
	Global Collective Investment Schemes 3.45% (31 December 2021 - 0.51%)		
233,904	Brevan Howard Absolute Return Government Bond Fund 'A' GBP Acc	29,838,552	1.41
2,424,876	PIMCO GIS TRENDS Managed Futures Strategy	22,648,342	1.07
169,807	Fulcrum Equity Dispersion Class 'I' GBP Acc	20,404,706	0.97
		72,891,600	**3.45**
	UK Collective Investment Schemes 1.11% (31 December 2021 - 2.75%)		
23,976,345	Sarasin UK Thematic Smaller Companies[1]	**23,527,988**	**1.11**
	UK Options 0.00% (31 December 2021 - 0.00%)		

Portfolio Statement as at 31st December 2022 (Continued)

Holding or Nominal Value	Investment	Bid Market Value (£)	% of Net Assets
	Global Options 0.00% (31 December 2021 - -0.06%)		
	Forward Currency Contracts -0.34% (31 December 2021 - 0.35%)		
EUR (115,263,500)	Sold EUR, Bought GBP 99,262,621 for settlement on 16/03/2023	(3,309,068)	(0.15)
USD (206,016,000)	Sold USD, Bought GBP 166,974,113 for settlement on 16/03/2023	(3,993,123)	(0.19)
		(7,302,191)	**(0.34)**
	Total Value of Investments 97.77%		
	(31 December 2021 - 96.85%)	**2,066,056,135**	**97.77**
	Net Other Assets	47,116,129	2.23
	Net Assets	**2,113,172,264**	**100.00**

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

[1]Related Party Investments

Asset Allocation of Portfolio of Investments is as follows:

Bonds	254,066,129	12.02
Collective Investment Schemes	271,231,060	12.83
Equities	1,548,061,137	73.27
Forward Currency Contracts	(7,302,191)	(0.35)
Net Other Assets	47,116,129	2.23
	2,113,172,264	**100.00**

Debt Security Allocation is as follows:

Percentage of Debt Securities investment grade and above	95.36%
Percentage of Debt Securities below investment grade (sub BBB- or unrated)	4.64%
	100.00%

Statement of Total Return
For the year ended 31st December 2022

	Notes	£	01.01.2022 to 31.12.2022 £	£	01.01.2021 to 31.12.2021 £
Income					
Net capital (losses)/gains	2		(290,799,243)		181,140,386
Revenue	3	65,562,773		56,249,373	
Expenses	4	(18,229,992)		(17,924,477)	
Interest payable and similar charges	6	(121,922)		(1,633)	
Net revenue before taxation		**47,210,859**		**38,323,263**	
Taxation	5	(3,100,894)		(3,367,352)	
Net revenue after taxation for the year			**44,109,965**		**34,955,911**
Total return before distributions			**(246,689,278)**		**216,096,297**
Distributions	6		(63,077,764)		(57,174,112)
Changes in net assets attributable to unitholders from investment activities			**(309,767,042)**		**158,922,185**

Statement of Changes in Net Assets Attributable to Unitholders
For the year ended 31st December 2022

	£	01.01.2022 to 31.12.2022 £	£	01.01.2021 to 31.12.2021 £
Opening net assets attributable to unitholders		**2,373,995,519**		**1,940,061,961**
Movement due to sales and repurchases of units:				
Amounts received on issue of units	163,706,082		341,549,718	
Amounts paid on cancellation of units	(122,564,000)		(73,862,345)	
		41,142,082		**267,687,373**
Changes in net assets attributable to unitholders from investment activities (see above)		(309,767,042)		158,922,185
Retained distribution on accumulation units		7,675,967		7,324,000
Unclaimed distributions		125,738		–
Closing net assets attributable to unitholders		**2,113,172,264**		**2,373,995,519**

The notes on pages 37 to 48 form part of these Financial Statements.

Balance Sheet
As at 31st December 2022

	Notes	31.12.2022 £	31.12.2021 £
Assets			
Fixed assets:			
Investments		2,073,358,326	2,301,897,977
Current assets:			
Debtors	8	12,851,279	7,412,241
Cash and bank balances	9	52,766,017	89,902,923
Total assets		2,138,975,622	2,399,213,141
Investment liabilities		(7,302,191)	(2,570,488)
Creditors:			
Bank overdrafts	9	(452,574)	(428,315)
Distribution payable on income units		(14,029,946)	(13,771,742)
Other creditors	10	(4,018,647)	(8,447,077)
Total liabilities		(25,803,358)	(25,217,622)
Net assets attributable to unitholders		**2,113,172,264**	**2,373,995,519**

The notes on pages 37 to 48 form part of these Financial Statements.

Certification of Accounts by Directors
The Directors are of the opinion that it is appropriate to adopt the going concern basis in the preparation of the Financial Statements as the assets of the sub-fund consist predominantly of securities that are readily realisable and, accordingly, the sub-fund has adequate resources to continue in operational existence for at least the next twelve months from the approval of these Financial Statements.

G. Steinberg
Director
Sarasin Investment Funds Limited
26th April 2023

S. A. M. Jeffries
Director
Sarasin Investment Funds Limited
26th April 2023

Notes

Notes to the financial statements
For the year ended 31st December 2022

1. Accounting Policies

The accounting policies for this sub-fund match those found on pages 17 to 19.

2. Net Capital (Losses)/Gains

	01.01.2022 to 31.12.2022 £	01.01.2021 to 31.12.2021 £
Net capital (losses)/gains comprise:		
Non-derivative securities realised gains	124,943,821	94,632,972
Non-derivative securities unrealised (losses)/gains	(370,906,845)	99,559,234
Derivative securities realised losses	(704,449)	(11,305,450)
Derivative securities unrealised gains/(losses)	2,025,118	(2,025,118)
Forward currency contracts realised losses	(33,361,194)	(50,011)
Forward currency contracts unrealised (losses)/gains	(15,710,002)	2,756,728
Currency losses	2,922,278	(2,417,506)
Transaction charges	(9,868)	(10,463)
Central Securities Depositary Regulation (CSDR) penalty reimbursement	1,898	–
	(290,799,243)	**181,140,386**

3. Revenue

	01.01.2022 to 31.12.2022 £	01.01.2021 to 31.12.2021 £
UK dividends	16,978,726	14,207,140
Overseas dividends	28,934,762	21,694,788
Bank Interest	127,226	26
Interest on debt securities	6,401,395	5,836,746
Unfranked PID[1] revenue	765,228	118,278
Franked PID[1] revenue	124,693	58,785
Option premium	5,047,792	10,335,365
Franked CIS[2] revenue	635,448	529,504
Unfranked CIS[2] revenue	6,355,077	3,007,494
Offshore dividend CIS[2] revenue	192,426	–
Offshore interest CIS[2] revenue	–	461,247
	65,562,773	**56,249,373**

[1]Property Income Dividend
[2]Collective Investment Scheme

4. Expenses

	01.01.2022 to 31.12.2022 £	01.01.2021 to 31.12.2021 £
Payable to the Manager, associates of the Manager, and agents of either of them:		
Management fees	16,754,930	16,457,855
	16,754,930	**16,457,855**
Payable to the Trustee, associates of the Trustee, and agents of either of them:		
	–	**–**
Other Expenses		
Fixed operating charge[1]	1,475,062	1,466,622
	1,475,062	**1,466,622**
Total Expenses	**18,229,992**	**17,924,477**

[1]The Audit fee for 31st December 2022 was £8,220 plus VAT (31st December 2021: £7,830 plus VAT).

5. Taxation

	01.01.2022 to 31.12.2022 £	01.01.2021 to 31.12.2021 £
a) Analysis of tax charge in year		
Overseas tax	3,080,925	3,347,383
Prior period adjustment[1]	19,969	19,969
Total tax for the year	**3,100,894**	**3,367,352**

[1]Prior period adjustment refers to reclaims adjustments.

b) As the Trust is a Charity Authorised Investment Fund, it is exempt from United Kingdom tax on capital gains realised on the disposal of investments held within the sub-fund and any UK corporation tax.

The sub-fund is also excluded from the normal tax rules which apply to revenue allocations to units and payments on redemption of units made to unitholders in an authorised unit trust scheme. For the purposes of the sub-fund, revenue of the sub-fund is not considered to be dividends in the hands of the unitholders and therefore no income tax is payable in respect of the revenue allocated to each unit.

In addition, any gains on the redemption of units in the sub-fund are not to be treated as chargeable gains for Capital Gains Tax purposes and therefore no Capital Gains Tax is payable on redemption of units.

6. Distribution

The distributions take account of revenue received on the creation of units and revenue deducted on the cancellation of units, and comprise:

	01.01.2022 to 31.12.2022 £	01.01.2021 to 31.12.2021 £
First interim	14,789,595	13,303,252
Second interim	16,129,534	15,413,718
Third interim	16,321,866	15,519,052
Final	16,004,238	15,691,012
	63,245,233	**59,927,034**
Add: Revenue deducted on cancellation of units	1,298,531	647,492
Deduct: Revenue received on creation of units	(1,466,000)	(3,400,414)
Net distributions for the year	**63,077,764**	**57,174,112**
Interest payable and similar charges	121,922	1,633
	63,199,686	**57,175,745**

7. Movement between Net Revenue and Distribution

	01.01.2022 to 31.12.2022 £	01.01.2021 to 31.12.2021 £
Net revenue after tax	44,109,965	34,955,911
Add: Undistributed revenue Reserve brought forward	11,812,229	14,362,630
Less: Equalisation uplift on unit Conversion	1,368	(634)
Less: Undistributed revenue Reserve carried forward	(12,342,570)	(11,812,229)
Add: Benefit of coupon basis distribution	1,266,780	1,743,957
Add: Expenses payable from capital	18,229,992	17,924,477
Net Distribution for the year	**63,077,764**	**57,174,112**

8. Debtors

	31.12.2022 £	31.12.2021 £
Amounts receivable for creation of units	1,000,000	1,125,000
Sales awaiting settlement	2,704,347	–
Accrued revenue	7,920,510	5,124,197
Overseas tax recoverable	1,190,443	1,139,388
Property income distribution tax recoverable	35,979	23,656
	12,851,279	**7,412,241**

9. Cash and Bank Balances

	31.12.2022	31.12.2021
	£	£
Cash and bank balances	46,115,459	77,733,152
Cash held at clearing houses	6,650,558	12,169,771
	52,766,017	**89,902,923**
Bank overdrafts	(452,574)	(428,280)
Cash due to clearing houses	–	(35)
	52,313,443	**89,474,608**

10. Other Creditors

	31.12.2022	31.12.2021
	£	£
Amounts payable for cancellation of units	2,507,667	9,500
Accrued expenses	1,510,980	1,647,577
Currency deals awaiting settlement	–	6,790,000
	4,018,647	**8,447,077**

11. Contingent Assets/(Liabilities)

The sub-fund had no contingent asset or liability as at 31st December 2022 (31st December 2021: same).

12. Equalisation

Equalisation is not applied to distributions paid by the sub-fund.

13. Units in Issue

The sub-fund currently has two unit classes: A Income Units and A Accumulation Units. The annual management charge on each unit class can be found on page 26. The net asset value of each unit class, the net asset value per unit and the number of units in each class are given in the comparative tables on pages 27 and 28. The distribution per unit class is given in the distribution tables on pages 49 and 50. All classes have the same rights on winding up and have no par value.

	A Income Units	**A Accumulation Units**
Opening units	1,639,493,036	84,788,394
Units created	128,370,149	4,284,992
Units liquidated	(102,435,812)	(2,504,884)
Units converted	4,804,246	(1,762,133)
Closing units	1,670,231,619	84,806,369

14. Related Parties

Sarasin & Partners LLP and Sarasin Investment Funds Limited, together with NatWest Trustee and Depositary Services Limited as Corporate Trustee, are deemed to be Related Parties, by virtue of their ability to act in respect of the sub-fund's operations.

Sarasin & Partners LLP acts as principal on all transactions of units in the sub-fund. The aggregate monies received through creations and liquidations are disclosed in the statement of change in net assets attributable to unitholders.

14. Related Parties (continued)

Management fees are paid to Sarasin Investment Funds Limited and are shown in note 4.

Amount due to Related Parties at the year end:

	31.12.2022	31.12.2021
	£	£
Management fees	1,388,480	1,515,679
	1,388,480	**1,515,679**

At year end, the sub-fund held units in the following Collective Investment Schemes, managed by associated companies of Sarasin Investment Funds Limited:

		31.12.2022
Sarasin UK Thematic Smaller Companies		
	Units	23,976,345
	Bid Market Value	23,527,988

At 31st December 2021, the sub-fund held units in the following Collective Investment Schemes, managed by associated companies of Sarasin Investment Funds Limited:

		31.12.2021
Sarasin Digital Opportunities		
	Units	6,660,371
	Bid Market Value	6,286,058
Sarasin UK Thematic Smaller Companies		
	Units	37,049,827
	Bid Market Value	54,315,046

No initial charges were applied to the purchases of these Collective Investment Schemes.

At the year end, BNY (OCS) Nominees Limited owned 98.93% of the sub-fund on behalf of multiple beneficiaries (31st December 2021: 16.09%).

15. Risk Management Policies and Disclosures

Financial Instruments
In pursuing its investment objectives as stated on page 21, the sub-fund holds a number of financial instruments. The sub-fund's financial instruments, other than derivatives, comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for creations and payable for redemptions and debtors for accrued revenue.

The main risks arising from the sub-fund's financial instruments and the Operator's policies for managing these risks are summarised below, a sensitivity analysis of the sub-fund is provided on page 25. These policies have been applied throughout the period.

Market Price Risk
Market price risk is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises mainly from uncertainty about future prices of financial instruments the sub-funds hold. It represents the potential loss the sub-fund might suffer through holding market positions in the face of price movements. The sub-fund's investment portfolio is exposed to market price fluctuations which are monitored by the Operator in pursuance of the investment objectives and policy as set out in the Prospectus.

Adherence to investment guidelines and to investment and borrowing powers set out in The Charities (Accounts and Reports) Regulations 2008 mitigates the risk of excessive exposure to any particular type of security or issuer.

15. Risk Management Policies and Disclosures (continued)

Derivative Risk
Derivatives are comprised of forward foreign currency contracts and options contracts. Forward foreign currency contracts are used to manage currency risk arising from the sub-fund's investment activities (and related financing). Open positions at the balance sheet date, which are all covered, are included in the portfolio statement. Gains/(losses) on forward foreign exchange transactions are taken to capital.

The sub-fund is able to use traded options for Efficient Portfolio Management purposes only, thus always hedging up to the amount of stock which is physically owned. The purpose of undertaking these contracts is to protect the Portfolio from a downturn in the market as far as possible.

Alternatives Risk
Some alternative investments may have lower trading volumes than other securities. In some cases this may make such investments harder to sell at the last quoted market price, or at a price considered to be fair. Such conditions could result in unpredictable changes in the value of your holding.

Currency Risk
Currency risk is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in foreign currency exchange rates.

A proportion of the sub-fund's investment portfolios are invested in overseas securities and the balance sheet can be affected by movements in foreign exchange rates. The Operator may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the sterling value of investments that are priced in other currencies. Revenue received in other currencies is converted to sterling on or near the date of receipt.

Currency exposure as at 31st December 2022

	Monetary Exposure £	Non-Monetary Exposure £	Total £	%
Australian dollar	2	19,315,819	19,315,821	0.91
Canadian dollar	-	30,002,151	30,002,151	1.42
Danish krone	140,017	-	140,017	0.01
Euro	489,600	77,795,113	78,284,713	3.70
Hong Kong dollar	-	64,146,758	64,146,758	3.03
Japanese yen	-	28,254,255	28,254,255	1.34
Norwegian krone	-	16,639,910	16,639,910	0.79
Swiss franc	472,965	23,027,644	23,500,609	1.11
US dollar	373,078	541,385,177	541,758,255	25.64
	1,475,662	**800,566,827**	**802,042,489**	**37.95**
Sterling	45,640,467	1,265,489,308	1,311,129,775	62.05
	47,116,129	**2,066,056,135**	**2,113,172,264**	**100.00**

15. Risk Management Policies and Disclosures (continued)

Currency exposure as at 31st December 2021

	Monetary Exposure £	Non-Monetary Exposure £	Total £	%
Australian dollar	–	42,182,079	42,182,079	1.78
Brazilian real	–	2,505,147	2,505,147	0.10
Canadian dollar	–	38,562,818	38,562,818	1.63
Danish krone	132,480	2,446,757	2,579,237	0.10
Euro	401,112	121,273,001	121,674,113	5.13
Hong Kong dollar	–	27,524,818	27,524,818	1.16
Indian rupee	–	2,955,091	2,955,091	0.12
Japanese yen	–	39,434,636	39,434,636	1.66
South African rand	–	2,729,206	2,729,206	0.12
Swiss franc	506,352	–	506,352	0.02
US dollar	319,801	667,112,209	667,432,010	28.13
	1,359,745	**946,725,762**	**948,085,507**	**39.95**
Sterling	73,308,285	1,352,601,727	1,425,910,012	60.05
	74,668,030	**2,299,327,489**	**2,373,995,519**	**100.00**

Credit Risk
Certain transactions in securities that the sub-fund enters into exposes it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the sub-fund has fulfilled its responsibilities. The sub-fund only buys and sells investments through brokers which have been approved by the Operator as an acceptable counterparty. In addition, limits are set to the exposure to any individual broker that may exist at any time and changes in brokers' financial ratings are reviewed. Bonds or other debt securities involve credit risk to the issuer which may be evidenced by the issuer's credit rating. Securities which are subordinated and/or have a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than more highly rated securities.

This risk is managed by appraising the credit profile of financial instruments and issuers in line with the sub-fund's investment objective and policy.

Exposure to counterparties through derivative positions and the collateral held at the balance sheet date can be seen on page 46.

Liquidity Risk
The sub-fund's assets comprise mainly of readily realisable securities. The main liability of the sub-fund is the redemption of any units over and above the cash holdings that investors wish to sell. Assets of the sub-fund may need to be sold if insufficient cash is available to finance such redemptions.

As the sub-fund has significant holdings in readily realisable level 1 and level 2 securities, it is expected that the sub-fund will be able to generate sufficient cash flows to settle these obligations when they arise.

The Operator reserves the right to defer redemptions where there is a net outflow representing 10% of the NAV or more on a single dealing day.

Interest Rate Risk
Interest rate risk is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in interest rates. The sub-fund invests in fixed and floating rate securities. The revenue of the sub-fund may be affected by changes to interest rates relevant to particular securities or as a result of the Operator being unable to secure similar returns on the expiry of contracts or sale of securities. The value of fixed interest securities may be affected by interest rate movements or the expectation of such movements in the future. Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates.

15. Risk Management Policies and Disclosures (continued)

Interest Rate Risk Profile of the sub-fund's Assets and Liabilities:

31st December 2022	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Australian dollar	2	–	19,315,819	19,315,821
Canadian dollar	–	–	30,002,151	30,002,151
Danish krone	–	–	140,017	140,017
Euro	452,575	–	180,856,401	181,308,976
Hong Kong dollar	–	–	64,146,758	64,146,758
Japanese yen	–	–	28,254,255	28,254,255
Norwegian krone	–	–	16,639,910	16,639,910
Sterling	68,698,310	221,749,746	1,038,730,312	1,329,178,368
Swiss franc	–	–	23,500,609	23,500,609
US dollar	2,416,696	13,514,818	696,793,977	712,725,491
	71,567,583	**235,264,564**	**2,098,380,209**	**2,405,212,356**

31st December 2022	Floating Rate Financial Liabilities £	Fixed Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Euro	452,574	–	102,571,689	103,024,263
Sterling	–	–	18,048,593	18,048,593
US dollar	–	–	170,967,236	170,967,236
	452,574	**–**	**291,587,518**	**292,040,092**

Interest Rate Risk Profile of the sub-fund's Assets and Liabilities:

31st December 2021	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Australian dollar	–	–	42,182,079	42,182,079
Brazilian real	–	2,505,147	–	2,505,147
Canadian dollar	–	–	38,562,818	38,562,818
Danish krone	–	–	2,579,237	2,579,237
Euro	1,110,382	–	196,979,248	198,089,630
Hong Kong dollar	–	–	27,524,818	27,524,818
Indian rupee	–	2,955,091	–	2,955,091
Japanese yen	–	–	39,434,636	39,434,636
South African rand	–	2,729,206	–	2,729,206
Sterling	115,142,560	163,840,613	1,169,174,690	1,448,157,863
Swiss franc	–	–	506,352	506,352
US dollar	13,553,113	6,122,527	988,001,319	1,007,676,959

15. Risk Management Policies and Disclosures (continued)

31st December 2021	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
	129,806,055	**178,152,584**	**2,504,945,197**	**2,812,903,836**

31st December 2021	Floating Rate Financial Liabilities £	Fixed Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Euro	428,280	–	(75,987,237)	(76,415,517)
Sterling	–	–	(22,247,851)	(22,247,851)
US dollar	35	–	(340,244,914)	(340,244,949)
	428,315	**–**	**(438,480,002)**	**(438,908,317)**

Fair Value of Financial Assets and Liabilities
The fair value of a financial instrument is the amount for which it could be exchanged between knowledgeable, willing parties in an arm's length transaction. There is no significant difference between the value of the financial assets and liabilities, as shown in the financial statements, and their fair value.

Valuation technique as at 31st December 2022

	Level 1	Level 2	Level 3	Total
Financial Assets	**£**	**£**	**£**	**£**
Collective Investment Schemes	17,830,653	253,400,407	–	271,231,060
Debt Securities	108,342,383	145,723,746	–	254,066,129
Equities	1,548,061,137	–	–	1,548,061,137
	1,674,234,173	**399,124,153**	**–**	**2,073,358,326**
Financial Liabilities				
Forward Currency Contracts	–	(7,302,191)	–	(7,302,191)
	–	**(7,302,191)**	**–**	**(7,302,191)**

Valuation technique as at 31st December 2021

	Level 1	Level 2	Level 3	Total
Financial Assets	**£**	**£**	**£**	**£**
Collective Investment Schemes	16,810,131	261,094,743	–	277,904,874
Debt Securities	97,355,709	120,700,008	–	218,055,717
Equities	1,796,488,601	–	–	1,796,488,601
Forward Currency Contracts	–	8,407,812	–	8,407,812
Options	1,040,973	–	–	1,040,973
	1,911,695,414	**390,202,563**	**–**	**2,301,897,977**
Financial Liabilities				
Options	(2,570,488)	–	–	(2,570,488)
	(2,570,488)	**–**	**–**	**(2,570,488)**

15. Risk Management Policies and Disclosures (continued)

The valuation technique has been disclosed under Accounting Policies note 1n on page 18.

Level 1
The unadjusted quoted price in an active market for identical instruments that the entity can access at the measurement date.

Level 2
Valuation techniques using observable inputs other than quoted prices within Level 1 (i.e., developed using market data).

Level 3
Valuation techniques using unobservable inputs (i.e., for which market data is unavailable).

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

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

Counterparty Name as at 31st December 2022	Exposure £	Cash Collateral (Pledged)/ Received £
The Bank of New York Mellon	–	6,650,000

Counterparty Name as at 31st December 2021	Exposure £	Cash Collateral (Pledged)/ Received £
Eurex	1,040,973	–
The Bank of New York Mellon	8,407,811	6,790,000

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

16. Portfolio Transaction Costs

	01.01.2022 to 31.12.2022 £	01.01.2021 to 31.12.2021 £
Analysis of total purchase costs:		
Purchases in year before transaction costs		
Bonds	329,606,214	142,495,635
Collective Investment Schemes	111,842,311	66,378,408
Corporate Actions	28,649,653	931,638
Derivatives	6,934,950	22,784,754
Equities	698,842,858	528,900,630
Total purchases	**1,175,875,986**	**761,491,065**
Commissions:		
Equities total value paid	418,775	226,972
Taxes:		
Equities total value paid	11	14
Total purchase costs	**418,786**	**226,986**
Gross purchase costs	**1,176,294,772**	**761,718,051**
Analysis of total sale costs:		
Gross sales in year before transaction costs		
Bonds	241,214,999	169,013,546
Collective Investment Schemes	33,303,815	2,558,345
Corporate Actions	31,505,168	931,638
Derivatives	6,810,756	15,450,492
Equities	834,183,337	317,196,383
Total sales	**1,147,018,075**	**505,150,404**
Commissions:		
Derivatives Transactions total value paid	–	(809)
Equities total value paid	(331,631)	(86,046)
Taxes:		
Equities total value paid	(27)	(7)
Total sales costs	**(331,658)**	**(86,862)**
Total sales net of transaction costs	**1,146,686,417**	**505,063,542**

16. Portfolio Transaction Costs (continued)

	01.01.2022 to 31.12.2022 %	01.01.2021 to 31.12.2021 %
Analysis of total purchase costs:		
Commissions:		
Equities percentage of average NAV	0.02	0.01
Taxes:		
Equities percentage of average NAV	–	–
Analysis of total sale costs:		
Commissions:		
Equities percentage of average NAV	0.01	–
Taxes:		
Equities percentage of average NAV	–	–

The average portfolio dealing spread as at 31st December 2022 was 0.33% (31st December 2021: 0.10%).

[1] Excluding dilution levies.

17. Post Balance Sheet Events

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

The sub-fund has a nominal holding of 14,215,889 shares in Home REIT PLC at a year-end price of £0.3805. Subsequent to the year-end, following a temporary suspension of listing from the Official List, fair value pricing has been applied. At the reporting date the holding is priced at £0.095, representing a -£4.06 million unrealised diminution in value from year-end valuation. The Investment Manager's Review does not incorporate the post year-end update.

Distribution Tables

For the year ended 31st December 2022

First Interim distribution in pence per unit
Group 1: Units purchased prior to 1st January 2022
Group 2: Units purchased between 1st January 2022 and 31st March 2022

Unit	Net Revenue 2022 Pence per Unit	Equalisation (note 12) 2022 Pence per Unit	1st Interim Distribution Paid 2022 Pence per Unit	1st Interim Distribution Paid 2021 Pence per Unit
A Income Units				
Group 1	0.7700	–	0.7700	0.7700
Group 2	0.7700	–	0.7700	0.7700
A Accumulation Units				
Group 1	2.0449	–	2.0449	2.0285
Group 2	2.0449	–	2.0449	2.0285

Second Interim distribution in pence per unit
Group 1: Units purchased prior to 1st April 2022
Group 2: Units purchased between 1st April 2022 and 30th June 2022

Unit	Net Revenue 2022 Pence per Unit	Equalisation (note 12) 2022 Pence per Unit	2nd Interim Distribution Paid 2022 Pence per Unit	2nd Interim Distribution Paid 2021 Pence per Unit
A Income Units				
Group 1	0.8400	–	0.8400	0.8400
Group 2	0.8400	–	0.8400	0.8400
A Accumulation Units				
Group 1	2.2931	–	2.2931	2.2328
Group 2	2.2931	–	2.2931	2.2328

Third Interim distribution in pence per unit
Group 1: Units purchased prior to 1st July 2022
Group 2: Units purchased between 1st July 2022 and 30th September 2022

Unit	Net Revenue 2022 Pence per Unit	Equalisation (note 12) 2022 Pence per Unit	3rd Interim Distribution Paid 2022 Pence per Unit	3rd Interim Distribution Paid 2021 Pence per Unit
A Income Units				
Group 1	0.8400	–	0.8400	0.8400
Group 2	0.8400	–	0.8400	0.8400
A Accumulation Units				
Group 1	2.3106	–	2.3106	2.2481
Group 2	2.3106	–	2.3106	2.2481

Final distribution in pence per unit
Group 1: Units purchased prior to 1st October 2022
Group 2: Units purchased between 1st October 2022 and 31st December 2022

Unit	Net Revenue 2022 Pence per Unit	Equalisation (note 12) 2022 Pence per Unit	Final Distribution Paid 2023 Pence per Unit	Final Distribution Paid 2022 Pence per Unit
A Income Units				
Group 1	0.8400	–	0.8400	0.8400
Group 2	0.8400	–	0.8400	0.8400
A Accumulation Units				
Group 1	2.3280	–	2.3280	2.2636
Group 2	2.3280	–	2.3280	2.2636

Sarasin Income and Reserves Fund

Annual Report and Financial Statements for the year from 01.01.2022 to 31.12.2022

Investment Objective of the Sub-fund as set by the Board
We seek to grow the sub-fund (through increases in investment value and income) by 1.0% per year more than the Consumer Prices Index (CPI) over a rolling 5-year period after deducting fees and costs.

This target is not guaranteed over any period of time and the sub-fund could lose value.

Investment Policy of the Sub-fund
Investments

We invest the sub-fund approximately as follows:

• Bonds: 65%

Up to 20% of the bonds we invest in can be rated higher risk by external ratings agencies but the majority are rated as 'investment grade'.

• Shares: 20% in 40-100 companies listed on major stock exchanges around the world.

• Cash or Alternatives: 15%

Exposure to any of the above asset classes may be obtained through investment in funds (including funds managed by Sarasin).

We also invest in derivatives and use them to increase performance and generate income. Derivatives are financial contracts whose value is linked to the price of another asset (e.g. indices, rates, share prices, currencies).

Investment Selection

The strategic asset mix of the sub-fund (as defined by the blended benchmark) sets out how the portfolio will be allocated in normal market conditions. However, the sub-fund is managed on an active basis and, when there is a strong sentiment, positive or negative, on a particular asset class or classes, the Investment Manager will actively deviate away from this asset mix and the securities in the underlying indices to try to meet the investment objective.

Investment Screening

We avoid investment in companies which are materially engaged in certain sectors, including tobacco, alcohol, armaments, gambling and adult entertainment.

We have an environmental, social and governance strategy. We consider which target investments fulfil an environmentally or socially beneficial role and that employ high standards of governance.

Additional Techniques

In addition to being able to use derivatives for investment purposes, we will use derivatives for effective portfolio management: to adjust how sensitive the sub-fund is to changes in currencies, to act on opportunities or control risk, and to gain cost effective access to investments. We usually aim for the sub-fund's exposure to Sterling to be the same as the blended benchmark (around 90%). We use an income reserve to smooth the income we pay over time.

Benchmark Information
The sub-fund's performance can be assessed by reference to:

a. Comparator benchmark reflective of the asset allocation of the sub-fund.

Benchmark	Allocation
ICE BoAML UK Gilts All-Stocks Index	35.00%
ICE BofAML Sterling Corporate Bond Index	30.00%
Sterling Overnight Interbank Average Rate (SONIA)+2%	10.00%
Sterling Overnight Interbank Average Rate (SONIA)	5.00%
MSCI UK IMI	10.00%
MSCI All Countries World Index ex UK	10.00%

b. The target benchmark of CPI +1% over a rolling 5-year period after deducting fees and costs. CPI is a measure of inflation. If the sub-fund's performance matched CPI over a year, an investment in the sub-fund would provide approximately the same purchasing power as it would have provided a year earlier. The sub-fund will seek to outperform the CPI by 1.0% per year to provide real growth.

Investment Manager's Review

Sub-fund Performance

Cumulative performance		1 yr	3 yrs	5 yrs	Since Inception
		01 Jan 22 - 31 Dec 22	01 Jan 20 - 31 Dec 22	01 Jan 18 - 31 Dec 22	03 Aug 05 - 31 Dec 22
		%	%	%	%
Fund	A Acc (Net)	-15.5	-7.6	-0.9	89.3
Comparator		-14.7	-8.1	-0.2	123.4

Discrete performance		01 Jan 22 - 31 Dec 22	01 Jan 21 - 31 Dec 21	01 Jan 20 - 31 Dec 20	01 Jan 19 - 31 Dec 19	01 Jan 18 - 31 Dec 18
		%	%	%	%	%
Fund	A Acc (Net)	-15.5	1.3	8.0	9.5	-2.0
Comparator		-14.7	1.0	6.7	10.9	-1.7

Annualised performance		5 yrs 01 Jan 18 - 31 Dec 22
		%
Fund	A Acc (Net)	-0.2
Target	CPI + 1%	4.9

Source: Sarasin & Partners LLP and FE Fundinfo.

Performance is provided net of fees. Past performance is not a guide to future returns and may not be repeated. Performance is calculated in GBP on the basis of net asset values (NAV) and dividends reinvested.

Class A (Acc) has been used as the representative share class in the table above, which launched on 23rd February 2018. The fund merged with the Sarasin Alpha CIF for Income and Reserves on 23rd February 2018. Any performance figures prior to this date reflect the performance of the previous Funds, the first of which launched 3rd August 2005.

The comparator of this fund has changed over time, please visit https://sarasinandpartners.com/wp-content/uploads/2020/05/benchmark-history.pdf for a full history. Please note that the performance target is to be achieved over a specific annualised time period - refer to the investment objective above.

Performance figures for other share classes in issue can be obtained by contacting marketing@sarasin.co.uk.

Performance

The sub-fund returned -15.5% (net of charges) for the 12-month period ended 31 December 2022, versus -14.7% for the comparator benchmark.

Review

Global financial markets were weak in 2022, driven by higher than expected inflation and central bank measures that were implemented in an attempt to counter it.

Concerns over inflationary pressures in the US, UK and Europe were already growing in the early part of the year due to elevated spending on goods and services as the world reopened following the pandemic. The situation was exacerbated by high commodity prices, especially oil, natural gas and food that spiked following Russia's invasion of Ukraine.

Central banks had delayed reacting to the situation in 2021, citing the perceived temporary nature of high inflation, but responded emphatically in 2022 by raising interest rates as part of a pivot from quantitative easing to quantitative tightening. The upward trajectory of rates was fuelled by stronger than expected economic news and tight labour markets that meant demand was less affected by higher borrowing costs.

Investment Manager's Review (continued)
During the year, fixed income and equity markets experienced sharp declines. Alternatives, meanwhile, delivered a mixed performance, while the gold price recovered in the latter part of the year after experiencing a marked fall in response to rising interest rates.

Positives
Insurance provider AIA performed well and contributed to the sub-fund's return. It was buoyed by the re-opening of the Chinese economy in the final quarter of the year. Having suffered from a lack of cross-border travel between Hong Kong and China during the pandemic, the insurance company's share price recovered rapidly in November and December to finish the year in positive territory.

Defensive sectors such as healthcare outperformed more highly valued sectors that were negatively affected by monetary policy tightening. Pharmaceutical company Merck, for example, contributed positively to the sub-fund's performance. It reported robust earnings due in part to the performance of its primary cancer medication, Keytruda, and COVID-19 drug, Molnupiravir.

Agricultural equipment company Deere & Co was another positive contributor to the sub-fund's performance. It benefited from high demand and strong pricing power that allowed management to offset supply chain issues and high inflation during the year. The company's strong sales, high margins, and rising new order volumes supported its share price.

Elsewhere, Invesco Physical Gold holding contributed positively to the sub-fund's return. The gold price surged in the latter part of the year in response to less hawkish commentary from the US Federal Reserve and a slower pace of interest rate rises in the US.

Negatives
The sub-fund's holding in the Sarasin UK Thematic Smaller Companies fund detracted from performance. The domestic focus of small-caps meant that they faced serious headwinds throughout 2022, including soaring energy, freight and raw material costs as well as rising taxes that increased the cost of doing business in the UK.

Venture Capital investment company, Molten Ventures, detracted from the sub-fund's performance as liquidity conditions turned negative. Surging interest rates and higher costs of credit raised the costs for early stage companies that are seeking to access funding.

The sub-fund's holding in Walt Disney also detracted as high inflation prompted lower than expected income at the firm's theme parks business. This led to deteriorating investor sentiment during the year when combined with mixed results in the company's direct-to-consumer business. Bob Iger's return as CEO has the potential to stabilise the firm and calm investor uncertainty.

In fixed income, several holdings in UK government bonds detracted from the sub-fund's performance. They experienced a challenging year, with rising interest rates in response to extreme inflation prompting higher yields. Gilts experienced a particularly challenging third quarter following the release of the mini-budget, with 10-year yields rising to in excess of 4%. Yields subsequently moderated following an Autumn Statement that promised tax rises and spending cuts.

Transactions
Adding to the sub-fund's food industry exposure, we bought International Flavors and Fragrances. We believe the business is an innovative partner of choice for companies operating in the nutrition and health food and beverage market.

The sub-fund started a position in the Brevan Howard Absolute Return Fund. It has a strong track record of performance and aims to generate an uncorrelated absolute return through the use of derivatives products primarily in the government bond market.

The sub-fund also made several sales during the year. Among them was renewable energy utility NextEra, which was sold due to concerns that its industry-leading returns on capital may not be sustainable in the long term and that its valuation does not fully reflect this risk.

We also sold the holding in Italian utility company Enel. Although it has grown significantly in recent years, its size and future prospects make it more difficult to sustain growth.

Venture Capital investment company, Molten Ventures, was sold after its aforementioned disappointing performance. In addition, we exited international hotel group Marriott International. Having seen a significant rebound in 2022, the stock appeared to be relatively overvalued.

Outlook
The outlook for inflation and interest rates remain among the key concerns for investors, although there is now some hope that interest rates may not need to rise as much as previously feared. Meanwhile, events in Ukraine are changing with remarkable speed, and we continue to monitor risks to the outlook. The relaxation of China's Zero COVID-19 Policy should support global growth but may also support global inflation if it leads to a resurgence in oil and commodity prices.

Other challenges also require close monitoring. The significant and rapid tightening of financial conditions over the past year may have unintended consequences for business activity and market functionality. Generally, company earnings will be put under pressure in the coming year as global growth slows and liquidity has become more difficult to access.

Investment Manager's Review (continued)

While the outlook for assets remains challenging, there are reasons to be optimistic that economic weakness should be relatively contained. The inflation that has driven central banks to tighten monetary policy is heavily influenced by the effect of high energy prices. If energy prices continue to normalise, inflation should come down over the course of the next year, allowing central banks more flexibility in their policy-setting. Households and banks are also better capitalised than in previous years. This means they have more ability to withstand higher prices and disruption before altering their spending or lending actions.

Considering how the sub-fund is positioned for the year ahead, the sub-fund is well placed to deal with the challenges noted above. Once the US Federal Reserve's interest rate rises and other measures designed to reduce liquidity have taken effect, valuation support will hopefully result in a rebound for stocks and support fixed income returns. Recessions tend to lead to pressure on earnings across the board on equities, however, we remain confident that our bias for thematic companies with long term structural earnings drivers should lead the portfolio of stocks to outperform the broader market.

Finally, the price action that took place in 2022 was meaningful. By the end of the year, valuations appeared more reasonable than they had been, affording a more diverse opportunity set for investors seeking to make returns across a selection of assets. In such times, patience and diligence can lead to superior investment returns. At present, this has led to a preference for high-quality, defensive assets that are well-positioned to withstand the implications of the current market outlook.

Melanie Roberts
Partner & Head of Charities
Sarasin & Partners LLP
27th January 2023

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

Sensitivity analysis
The sub-fund invests in equities and bonds. The exposure to equity markets is then reduced 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 10-30%.

Options are used on individual stocks to implement views on specific stocks. Listed options or futures on bond indices are occasionally used to implement yield curve views.

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

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

The "99% / 20-day VaR" for Sarasin Income & Reserves Fund, as at 31st December 2022, was 4.25% (31st December 2021: 5.18%). The lowest, highest, and average utilisation in the year was 3.25%, 8.56%, and 4.76%, respectively (31st December 2021: 4.49%, 5.32%, and 4.97%, respectively).

Top 20 Purchases during the period[1]
UK Treasury 5.00% 07/03/2025
UK Treasury 4.25% 07/12/2027
UK Treasury 2.75% 07/09/2024
UK Treasury 4.75% 07/12/2030
UK Treasury 4.25% 07/06/2032
HSBC 5.75% 20/12/2027
Brevan Howard Absolute Return Government Bond Fund 'A' GBP Acc
UK Treasury 4.25% 07/12/2049
Electricite de France 6.125% 02/06/2034
UK Treasury 1.625% 22/10/2028
PIMCO GIS TRENDS Managed Futures Strategy Fund
UK Treasury 0.625% 22/03/2040
WisdomTree Commodity Securities
UK Treasury 5.00% 07/03/2025
UK Treasury 0.75% 22/11/2047
Electricite de France 6.125% 02/06/2034
Fulcrum Equity Dispersion Fund
Deutsche Bank 1.875% 22/12/2028
Vodafone Group 5.125% 02/12/2052
Morgan Stanley 5.789% 18/11/2033
Greenko Wind Projects Mauritius 5.50% 06/04/2025

Top 20 Sales during the period[1]
UK Treasury 0.875% 31/07/2033
Invesco Physical Gold
UK Treasury 5.00% 07/03/2025
UK Treasury 0.75% 22/11/2047
UK Treasury 4.50% 07/12/2042
UK Treasury 4.25% 07/12/2040
HSBC 5.75% 20/12/2027
UK Treasury 4.25% 07/12/2027
Sarasin UK Thematic Smaller Companies
UK Treasury 4.00% 22/01/2060
UK Treasury 4.25% 07/12/2046
Scottish & Southern Energy 3.74% Perpetual
UK Treasury 0.625% 22/03/2040
Vodafone Group 4.875% 03/10/2078
CNP Assurances 4.875% Perpetual
Zurich Finance 3.00% 19/04/2051
Legal & General 5.625% Perpetual
Nationwide Building Society 5.75% Perpetual
Lloyds Banking Group 2.707% 03/12/2035
Deutsche Bank 1.875% 22/12/2028

[1] Excluding money market funds.

Sub-fund Information for the year ended 31st December 2022

Size (Units)	Unit Type	Mid Price	Yield*
97,255,548	A Income Units	94.73 pence	3.65%
5,745,094	A Accumulation Units	189.30 pence	3.58%
401,973	V Accumulation Units	85.71 pence	3.58%

Launch Date		A Unit Class: 23rd February 2018 V Unit Class: 10th May 2021
Launch Price		A Income Units: 109.00 pence A Accumulation Units: 186.00 pence V Accumulation Units: 99.37 pence
Management Charges	Annual:	A Unit Class: 0.75% V Unit Class: 0.40%
	Initial:	A Unit Class: 0.00% V Unit Class: 0.00%
Unit Types	Income and Accumulation Units	
Accounting Period Ends	Interim:	31st March
	Interim:	30th June
	Interim:	30th September
	Final:	31st December
Initial Minimum Investment:	£1,000	

* The yield shown is the historic yield and is calculated by taking the distribution rate for the last four distributions, multiplied by 100 and divided by the mid price of the units.

The Comparative Tables on pages 58 to 60 give the performance of each active unit class in the sub-fund.

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

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

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

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

Sub-fund Information for the year ended 31st December 2022 (continued)
Comparative Tables

A Income Units

Change in Net Asset Value per Unit

	2022 (pence per unit)	2021 (pence per unit)	2020 (pence per unit)
Opening net asset value per unit	**114.85**	116.68	111.47
Return before operating charges*	**(16.31)**	2.60	9.51
Operating charges (calculated on average price)	**(1.40)**	(1.04)	(0.94)
Return after operating charges*	**(17.71)**	1.56	8.57
Distributions on income units	**(3.46)**	(3.39)	(3.36)
Closing net asset value per unit	**93.68**	114.85	116.68
* after direct transaction costs of [1]	**0.00**	(0.07)	(0.02)
Performance			
Return after charges[2]	**(15.42)%**	1.34%	7.69%
Other Information			
Closing net asset value (£'000)	**91,109**	139,330	153,788
Closing number of units	**97,255,548**	121,311,386	131,807,749
Operating charges[3]	**1.37%**	0.90%	0.83%
Direct transaction costs	**0.00%**	(0.06)%	(0.02)%
Prices			
Highest unit price	**114.80**	117.80	118.00
Lowest unit price	**89.19**	113.10	102.30

[1] Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution levies that relate to direct transaction costs. A negative transaction cost figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.
[2] The return after charges is calculated as the return after operating charges per unit divided by the opening net asset value per unit.
[3] Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included in the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. For Sarasin Income & Reserves Fund, 0.13% of the Operating Charges was made up of synthetic costs.

Sub-fund Information for the year ended 31st December 2022 (continued)
Comparative Tables (continued)

A Accumulation Units

Change in Net Asset Value per Unit

	2022 (pence per unit)	2021 (pence per unit)	2020 (pence per unit)
Opening net asset value per unit	**223.63**	220.56	204.53
Return before operating charges*	**(31.95)**	5.05	17.79
Operating charges (calculated on average price)	**(2.75)**	(1.98)	(1.76)
Return after operating charges*	**(34.70)**	3.07	16.03
Distributions	**(6.78)**	(6.39)	(6.27)
Retained distributions on accumulation units	**6.78**	6.39	6.27
Closing net asset value per unit	**188.93**	223.63	220.56
* after direct transaction costs of [1]	**0.00**	(0.14)	(0.04)
Performance			
Return after charges[2]	**(15.52)%**	1.39%	7.84%
Other Information			
Closing net asset value (£'000)	**10,854**	14,367	20,143
Closing number of units	**5,745,094**	6,424,721	9,132,716
Operating charges[3]	**1.37%**	0.90%	0.83%
Direct transaction costs	**0.00%**	(0.06)%	(0.02)%
Prices			
Highest unit price	**223.60**	226.90	221.50
Lowest unit price	**178.30**	213.80	187.60

[1] Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution levies that relate to direct transaction costs. A negative transaction cost figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.
[2] The return after charges is calculated as the return after operating charges per unit divided by the opening net asset value per unit.
[3] Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. For Sarasin Income and Reserves Fund, 0.13% of the operating charges was made up of synthetic costs.

Sub-fund Information for the year ended 31st December 2022 (continued)
Comparative Tables (continued)

V Accumulation Units

Change in Net Asset Value per Unit

	2022 (pence per unit)	**2021[1] (pence per unit)**
Opening net asset value per unit	**101.66**	99.37
Return before operating charges*	**(15.18)**	2.65
Operating charges (calculated on average price)	**(0.93)**	(0.36)
Return after operating charges*	**(16.11)**	2.29
Distributions	**(3.07)**	(2.14)
Retained distributions on accumulation units	**3.07**	2.14
Closing net asset value per unit	**85.55**	101.66
* after direct transaction costs of [2]	**0.00**	(0.07)
Performance		
Return after charges[3]	**(15.85)%**	2.30%
Other Information		
Closing net asset value (£'000)	**344**	409
Closing number of units	**401,973**	402,034
Operating charges[4]	**1.02%**	0.55%
Direct transaction costs	**0.00%**	(0.06)%
Prices		
Highest unit price	**101.70**	103.20
Lowest unit price	**80.77**	98.37

[1] Unit class became active 10th May 2021.
[2] Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution levies that relate to direct transaction costs. A negative transaction cost figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.
[3] The return after charges is calculated as the return after operating charges per unit divided by the opening net asset value per unit.
[4] Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. For Sarasin Income and Reserves Fund, 0.13% of the operating charges was made up of synthetic costs.

Portfolio Statement as at 31st December 2022

Holding or Nominal Value	Investment	Bid Market Value (£)	% of Net Assets
	Sterling Government Bonds 24.17% (31 December 2021 - 22.50%)		
£6,485,000	UK Treasury 4.25% 07/12/2027	6,655,223	6.50
£4,705,000	UK Treasury 5.00% 07/03/2025	4,835,661	4.73
£4,690,000	UK Treasury 2.75% 07/09/2024	4,618,017	4.51
£1,770,000	UK Treasury 4.75% 07/12/2030	1,908,197	1.87
£1,778,473	UK Treasury 4.25% 07/06/2032	1,860,681	1.82
£1,000,000	UK Treasury 4.50% 07/12/2042	1,061,400	1.04
£1,000,000	United Kingdom Gilt 4.25% 07/12/2040	1,022,510	1.00
£880,000	UK Treasury 4.50% 07/09/2034	932,664	0.91
£785,000	High Speed Rail Finance 4.375% 01/11/2038	703,407	0.69
£540,000	UK Treasury 1.625% 22/10/2028	484,952	0.47
£400,000	UK Treasury 4.25% 07/12/2049	415,400	0.41
£220,000	Network Rail Infrastructure Finance 4.75% 29/11/2035	224,757	0.22
		24,722,869	**24.17**
	Sterling Corporate Bonds 21.37% (31 December 2021 - 26.16%)		
£930,000	Vodafone Group 5.125% 02/12/2052	841,278	0.82
£800,000	LCR Finance 4.50% 07/12/2028	810,498	0.79
£900,000	Channel Housing Link Enterprises Finance 3.043% 30/06/2050	748,588	0.73
£730,000	HSBC Bank Capital Funding Sterling 5.844% Perpetual	743,432	0.73
£812,254	WoDS Transmission 3.446% 24/08/2034	737,510	0.72
£720,000	NatWest Markets 6.375% 08/11/2027	736,452	0.72
£1,000,000	Segro 2.875% 11/10/2037	728,662	0.71
£750,000	Places for People Treasury 2.875% 17/08/2026	686,007	0.67
£756,815	PRS Finance 1.75% 24/11/2026	685,185	0.67
£750,000	RAC Bond 4.87% 06/05/2046	679,013	0.66
£698,155	Greater Gabbard Ofto 4.137% 29/11/2032	656,090	0.64
£680,607	UPP Bond Issuer 4.902% 28/02/2040	641,523	0.63
£760,000	London & Quadrant Housing Trust 2.00% 31/03/2032	572,997	0.56
£480,000	THFC (Funding No 2) 6.35% 08/07/2041	520,829	0.51
£700,000	University of Leeds 3.125% 19/12/2050	515,894	0.50
£500,000	Scottish Widows 5.50% 16/06/2023	500,798	0.49
£500,000	M&G 3.875% 20/07/2049	481,285	0.47
£550,000	Retail Charity Bonds 3.90% 23/11/2029	474,865	0.46
£480,000	Arqiva Financing 5.34% 30/06/2030	453,520	0.44
£500,000	Retail Charity Bonds 4.50% 20/06/2026	452,920	0.44
£500,000	Retail Charity Bonds 4.25% 30/03/2028	449,390	0.44
£500,000	Land Securities Capital Markets 2.399% 08/02/2031	431,510	0.42
£500,000	Phoenix Group Holdings 5.75% Perpetual	416,861	0.41
£620,000	Notting Hill Genesis 2.00% 03/06/2036	411,597	0.40
£554,000	3i Group 3.75% 05/06/2040	403,632	0.40
£384,540	Great Rolling 6.875% 27/07/2035	397,557	0.39
£410,000	Segro 5.125% 06/12/2041	383,934	0.38
£509,000	DWR Cymru Financing 2.375% 31/03/2034	366,835	0.36
£340,000	Western Power Distribution East Midlands PLC 5.25% 17/01/2023	340,056	0.33
£500,000	Catalyst Housing 3.125% 31/10/2047	335,674	0.33
£410,000	Peabody Capital No 2 PLC 2.75% 02/03/2034	319,290	0.31
£331,000	NGG Finance 5.625% 18/06/2073	312,365	0.31
£300,000	NIE Finance PLC 6.375% 02/06/2026	310,446	0.30
£380,000	Bazalgette Finance PLC 2.75% 10/03/2034	295,697	0.29

Portfolio Statement as at 31st December 2022 (Continued)

Holding or Nominal Value	Investment	Bid Market Value (£)	% of Net Assets
	Sterling Corporate Bonds (continued)		
£310,000	Severn Trent Utilities Finance 4.625% 30/11/2034	290,360	0.28
£313,000	Virgin Money UK 5.125% 11/12/2030	289,543	0.28
£400,000	Yorkshire Water Finance 1.75% 27/10/2032	289,371	0.28
£350,000	RCB Bonds PLC 3.50% 08/12/2033	288,925	0.28
£300,000	Unite (USAF) 3.921% 30/06/2025	285,703	0.28
£300,000	University of Manchester 4.25% 04/07/2053	273,711	0.27
£300,000	Transport for London 3.625% 15/05/2045	229,045	0.22
£233,333	Arqiva Financing 4.882% 31/12/2032	220,930	0.22
£200,000	Eastern Power Networks 8.50% 31/03/2025	211,607	0.21
£220,000	InterContinental Hotels 3.75% 14/08/2025	209,134	0.21
£300,000	Dignity Finance 4.696% 31/12/2049	201,042	0.20
£270,000	Notting Hill Housing Trust 3.25% 12/10/2048	183,275	0.18
£200,000	Bazalgette Finance 2.375% 29/11/2027	175,244	0.17
£200,000	National Grid Electricity Transmission 1.375% 16/09/2026	174,764	0.17
£240,000	Northern Powergrid Northeast PLC 3.25% 01/04/2052	172,325	0.17
£230,000	Jigsaw Funding PLC 3.375% 05/05/2052	170,618	0.17
£200,000	Guinness Partnership 2.00% 22/04/2055	101,226	0.10
£100,000	Investec Bank 4.25% 24/07/2028	98,720	0.10
£97,300	RCB Bonds PLC 3.25% 22/07/2031	85,478	0.08
£90,000	Retail Charity Bonds 5.00% 17/12/2030	72,361	0.07
		21,865,572	**21.37**
	Overseas Bonds 11.20% (31 December 2021 - 11.00%)		
£1,000,000	Bank Nederlandse Gemeenten 5.20% 07/12/2028	1,038,174	1.01
£1,000,000	Electricite de France 6.125% 02/06/2034	1,002,660	0.98
£910,000	Morgan Stanley 5.789% 18/11/2033	911,048	0.89
USD1,170,000	Greenko Wind Projects Mauritius 5.50% 06/04/2025	908,360	0.89
£800,000	Comcast 5.50% 23/11/2029	826,483	0.81
£785,000	Wells Fargo 2.00% 28/07/2025	723,995	0.71
£720,000	CPUK Finance Ltd 3.69% 28/02/2047	620,171	0.61
£500,000	Goldman Sachs 7.25% 10/04/2028	536,616	0.52
USD530,000	United States Treasury Bonds 0.50% 15/04/2024	506,461	0.49
£600,000	Realty Income Corp 1.125% 13/07/2027	491,335	0.48
£550,000	AT&T 4.25% 01/06/2043	446,135	0.44
£510,000	Realty Income 1.875% 14/01/2027	441,558	0.43
USD600,000	Lancashire Holdings Limited 5.625% 18/09/2041	389,758	0.38
USD511,000	Greenko Solar Mauritius 5.95% 29/07/2026	385,937	0.38
£300,000	Thames Water Utilities Cayman Finance 7.738% 09/04/2058	377,561	0.37
£400,000	AT&T 4.875% 01/06/2044	353,244	0.34
£400,000	Welltower 4.50% 01/12/2034	327,327	0.32
USD420,200	Greenko Dutch 3.85% 29/03/2026	302,094	0.29
USD250,000	Barclays Bank 0.063% Perpetual	193,001	0.19
USD250,000	Indian Railway Finance 3.835% 13/12/2027	192,572	0.19
USD250,000	Indian Railway Finance 3.835% 13/12/2027	192,572	0.19
£140,000	Goldman Sachs 6.875% 18/01/2038	150,018	0.15
USD203,415	Greenko Power II Ltd 4.30% 13/12/2028	141,384	0.14
		11,458,464	**11.20**

Portfolio Statement as at 31st December 2022 (Continued)

Holding or Nominal Value	Investment	Bid Market Value (£)	% of Net Assets
	UK Equities 12.46% (31 December 2021 - 12.33%)		
11,464	AstraZeneca	1,286,032	1.26
15,017	Rio Tinto	870,686	0.85
19,296	Unilever	806,959	0.79
976,288	BioPharma Credit Fund	771,031	0.75
602,309	Octopus Renewables Infrastructure Trust	602,309	0.59
111,254	HSBC	573,626	0.56
45,782	Prudential	516,192	0.51
26,325	Compass	504,782	0.49
498,261	VH Global Sustainable Energy Opportunities	503,244	0.49
311,412	Gresham House Energy Storage	502,930	0.49
20,805	RELX	476,018	0.47
8,270	Reckitt Benckiser	475,856	0.47
651,710	Life Science Reit	469,231	0.46
31,518	GlaxoSmithKline	453,103	0.44
9,210	InterContinental Hotels	436,922	0.43
122,961	Haleon	402,451	0.39
28,082	3i	376,439	0.37
416,951	Vodafone	351,240	0.34
28,657	Smith & Nephew	317,376	0.31
118,619	Legal & General	295,954	0.29
4,077	London Stock Exchange	290,935	0.28
88,933	DS Smith	285,030	0.28
592,705	Lloyds Banking	269,147	0.26
697,873	Home Reit	265,541	0.26
61,832	Barratt Developments	245,349	0.24
5,558	Intertek Group	224,154	0.22
8,986	Halma	177,384	0.17
		12,749,921	**12.46**
	Global Equities 12.58% (31 December 2021 - 14.81%)		
1,159,267	Cordiant Digital Infrastructure	978,421	0.96
520,312	Apax Global Alpha	974,024	0.95
2,494	Microsoft	497,224	0.49
7,268	Medtronic	469,589	0.46
4,899	Merck	451,821	0.44
133,251	3I Infrastructure	442,393	0.43
46,400	AIA	428,981	0.42
2,503	EssilorLuxottica	375,194	0.37
282,113	Renewables Infrastructure Group	366,747	0.36
2,575	CME	359,909	0.35
4,127	International Flavors and Fragrances	359,693	0.35
1,222	Mastercard	353,261	0.34
10,986	National Instruments	336,822	0.33
8,143	Bank of Nova Scotia	331,342	0.32
2,784	Air Liquide	327,035	0.32
687	Broadcom	319,324	0.31
201,094	BBGI Global Infrastructure S.A.	314,913	0.31
7,540	Cisco Systems	298,616	0.29
149	SGS	287,846	0.28

Portfolio Statement as at 31st December 2022 (Continued)

Holding or Nominal Value	Investment	Bid Market Value (£)	% of Net Assets
	Global Equities (continued)		
1,261	Amgen	275,221	0.27
747	Deere & Co	266,359	0.26
10,200	Takeda Pharmaceutical	264,131	0.26
2,058	Schneider Electric	238,684	0.23
3,305	Walt Disney	238,678	0.23
1,289	American Tower	227,014	0.22
11,056	Alstom	223,748	0.22
3,356	Otis Worldwide	218,507	0.21
1,851	Siemens	212,443	0.21
20,391	ING Groep	206,026	0.20
11,631	Sonic Healthcare	196,517	0.19
2,889	Colgate-Palmolive	189,230	0.18
422	ASML	188,628	0.18
2,844	Taiwan Semiconductor Manufacturing ADR	176,116	0.17
4,800	Tencent	170,761	0.17
17,756	Medical Properties Trust	164,290	0.16
270	BlackRock	159,008	0.16
83,378	Syncona	150,080	0.15
1,091	Texas Instruments	149,841	0.15
5,385	Weyerhaeuser	138,777	0.14
1,819	Alphabet	134,176	0.13
827	United Parcel Service	119,475	0.12
453	Accenture	100,470	0.10
2,417	Siemens Healthineers	100,210	0.10
1,278	Amazon.com	89,223	0.09
9	HDFC Bank ADR	512	–
		12,871,280	**12.58**
	Global Property 0.17% (31 December 2021 - 0.44%)		
1,573	Crown Castle International	**177,425**	**0.17**
	Alternatives 4.82% (31 December 2021 - 7.22%)		
199,624	Neuberger Berman Uncorrelated Strategies 'I5' GBP Accumulation	2,343,586	2.29
7,355	Invesco Physical Gold	1,074,910	1.05
441,322	International Public Partnerships	668,161	0.66
535,029	Sequoia Economic Infrastructure Income	469,220	0.46
535,629	US Solar	370,474	0.36
		4,926,351	**4.82**
	Global Exchange Traded Funds 0.86% (31 December 2021 - 0.00%)		
35,906	WisdomTree Commodity Securities	**878,620**	**0.86**
	Global Collective Investment Schemes 3.53% (31 December 2021 - 0.58%)		
11,725	Brevan Howard Absolute Return Government Bond Fund 'A' GBP Acc	1,495,694	1.46
119,307	PIMCO GIS TRENDS Managed Futures Strategy	1,114,330	1.09
8,355	Fulcrum Equity Dispersion Fund	1,003,941	0.98
		3,613,965	**3.53**
	UK Collective Investment Schemes 0.75% (31 December 2021 - 1.84%)		

Portfolio Statement as at 31st December 2022 (Continued)

Holding or Nominal Value	Investment	Bid Market Value (£)	% of Net Assets
	UK Collective Investment Schemes (continued)		
976,288	BioPharma Credit Fund	771,031	0.75)
	Global Options 0.00% (31 December 2021 - 0.02%)		
	Forward Currency Contracts -0.14% (31 December 2021 - 0.27%)		
EUR (690,000)	Sold EUR, Bought GBP 594,214 for settlement on 16/03/2023	(19,809)	(0.02)
USD (6,626,426)	Sold USD, Bought GBP 5,370,659 for settlement on 16/03/2023	(128,437)	(0.12)
		(148,246)	**(0.14)**
	Total Value of Investments 91.02%		
	(31 December 2021 - 97.17%)	**93,116,221**	**91.02**
	Net Other Assets	9,190,843	8.98
	Net Assets	**102,307,064**	**100.00**

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

Asset Allocation of Portfolio of Investments is as follows:

Bonds	58,046,904	56.74
Collective Investment Schemes	7,911,080	7.73
Equities	27,306,483	26.69
Forward Currency Contracts	(148,246)	(0.14)
Net Other Assets	9,190,843	8.98
	102,307,064	**100.00**

Debt Security Allocation is as follows:

Percentage of Debt Securities investment grade and above	92.51%
Percentage of Debt Securities below investment grade (sub BBB- or unrated)	7.49%
	100.00%

Statement of Total Return
For the year ended 31st December 2022

	Notes	£	01.01.2022 to 31.12.2022 £	£	01.01.2021 to 31.12.2021 £
Income					
Net capital losses	2		(24,318,530)		(691,506)
Revenue	3	3,393,320		4,017,912	
Expenses	4	(1,014,890)		(1,413,266)	
Interest payable and similar charges	6	(5,713)		(119)	
Net revenue before taxation		**2,372,717**		**2,604,527**	
Taxation	5	(14,082)		(72,932)	
Net revenue after taxation for the year			**2,358,635**		**2,531,595**
Total return before distributions			**(21,959,895)**		**1,840,089**
Distributions	6		(4,152,251)		(5,049,847)
Changes in net assets attributable to unitholders from investment activities			**(26,112,146)**		**(3,209,758)**

Statement of Changes in Net Assets Attributable to Unitholders
For the year ended 31st December 2022

	£	01.01.2022 to 31.12.2022 £	£	01.01.2021 to 31.12.2021 £
Opening net assets attributable to unitholders		**154,106,406**		**173,930,857**
Movement due to sales and repurchases of units:				
Amounts received on issue of units	5,211,684		40,552,320	
Amounts paid on cancellation of units	(31,376,333)		(57,764,975)	
		(26,164,649)		**(17,212,655)**
Dilution levy		14,490		122,235
Changes in net assets attributable to unitholders from investment activities (see above)		(26,112,146)		(3,209,758)
Retained distribution on accumulation units		459,890		475,727
Unclaimed distributions		3,073		–
Closing net assets attributable to unitholders		**102,307,064**		**154,106,406**

The notes on pages 68 to 78 form part of these Financial Statements.

Balance Sheet
As at 31st December 2022

	Notes	31.12.2022 £	31.12.2021 £
Assets			
Fixed assets:			
Investments		93,264,467	149,748,911
Current assets:			
Debtors	8	778,004	935,941
Cash and bank balances	9	9,356,103	4,866,796
Total assets		103,398,574	155,551,648
Investment liabilities		(148,246)	–
Creditors:			
Bank overdrafts	9	(15,206)	(11,469)
Distribution payable on income units		(847,290)	(990,507)
Other creditors	10	(80,768)	(443,266)
Total liabilities		(1,091,510)	(1,445,242)
Net assets attributable to unitholders		**102,307,064**	**154,106,406**

The notes on pages 68 to 78 form part of these Financial Statements.

Certification of Accounts by Directors
The Directors are of the opinion that it is appropriate to adopt the going concern basis in the preparation of the Financial Statements as the assets of the sub-fund consist predominantly of securities that are readily realisable and, accordingly, the sub-fund has adequate resources to continue in operational existence for at least the next twelve months from the approval of these Financial Statements.

G. Steinberg
Director
Sarasin Investment Funds Limited
26th April 2023

S. A. M. Jeffries
Director
Sarasin Investment Funds Limited
26th April 2023

Notes

Notes to the financial statements
For the year ended 31st December 2022

1. Accounting Policies

The accounting policies for this sub-fund match those found on pages 17 to 19.

2. Net Capital Losses

	01.01.2022 to 31.12.2022 £	01.01.2021 to 31.12.2021 £
Net capital losses comprise:		
Non-derivative securities realised (losses)/gains	(6,024,930)	5,936,104
Non-derivative securities unrealised losses	(16,016,491)	(6,252,257)
Derivative securities realised losses	(29,364)	(190,772)
Derivative securities unrealised gains/(losses)	32,029	(32,029)
Forward currency contracts realised losses	(1,851,383)	(204,638)
Forward currency contracts unrealised (losses)/gains	(556,590)	96,709
Currency gains/(losses)	128,290	(44,482)
Transaction charges	(117)	(141)
Central Securities Depositary Regulation (CSDR) penalty reimbursement	26	–
	(24,318,530)	**(691,506)**

3. Revenue

	01.01.2022 to 31.12.2022 £	01.01.2021 to 31.12.2021 £
UK dividends	523,516	660,062
Overseas dividends	597,787	678,417
Bank Interest	11,413	1
Interest on debt securities	2,036,438	2,521,509
Unfranked PID[1] revenue	47,580	–
Franked PID[1] revenue	7,504	–
Option premium	49,576	98,965
Franked CIS[2] revenue	21,039	22,904
Unfranked CIS[2] revenue	88,999	–
Offshore dividend CIS[2] revenue	9,468	–
Offshore interest CIS[2] revenue	–	36,054
	3,393,320	**4,017,912**

[1]Property Income Dividend
[2]Collective Investment Scheme

4. Expenses

	01.01.2022 to 31.12.2022 £	01.01.2021 to 31.12.2021 £
Payable to the Manager, associates of the Manager, and agents of either of them:		
Management fees	932,919	1,297,518
	932,919	**1,297,518**
Payable to the Trustee, associates of the Trustee, and agents of either of them:		
	–	**–**
Other Expenses		
Fixed operating charge	81,971	115,748
	81,971	**115,748**
Total Expenses	**1,014,890**	**1,413,266**

5. Taxation

	01.01.2022 to 31.12.2022 £	01.01.2021 to 31.12.2021 £
a) Analysis of tax charge in year		
Overseas tax	14,082	70,268
Prior year adjustment	–	1,192
Tax on Bonds	–	1,472
Total tax for the year	**14,082**	**72,932**

b) As the Trust is a Charity Authorised Investment Fund, it is exempt from United Kingdom tax on capital gains realised on the disposal of investments held within the sub-fund and any UK corporation tax.

The sub-fund is also excluded from the normal tax rules which apply to revenue allocations to units and payments on redemption of units made to unitholders in an authorised unit trust scheme. For the purposes of the sub-fund, revenue of the sub-fund is not considered to be dividends in the hands of the unitholders and therefore no income tax is payable in respect of the revenue allocated to each unit.

In addition, any gains on the redemption of units in the sub-fund are not to be treated as chargeable gains for Capital Gains Tax purposes and therefore no Capital Gains Tax is payable on redemption of units.

6. Distribution

The distributions take account of revenue received on the creation of units and revenue deducted on the cancellation of units, and comprise:

	01.01.2022 to 31.12.2022 £	01.01.2021 to 31.12.2021 £
First interim	1,023,321	1,402,112
Second interim	1,174,108	1,283,281
Third interim	932,054	1,203,603
Final	951,907	1,089,989
	4,081,390	**4,978,985**
Add: Revenue deducted on cancellation of units	92,920	151,927
Add: Revenue deducted on in specie transactions	–	1,290
Deduct: Revenue received on creation of units	(22,059)	(82,355)
Net distributions for the year	**4,152,251**	**5,049,847**
Interest payable and similar charges	5,713	119
	4,157,964	**5,049,966**

7. Movement between Net Revenue and Distribution

	01.01.2022 to 31.12.2022 £	01.01.2021 to 31.12.2021 £
Net revenue after tax	2,358,635	2,531,595
Add: Undistributed revenue Reserve brought forward	81	70
Less: Equalisation uplift on unit Conversion	–	150
Less: Undistributed revenue Reserve carried forward	(87)	(80)
Add: Benefit of coupon basis distribution	778,732	1,104,846
Add: Expenses payable from capital	1,014,890	1,413,266
Net Distribution for the year	**4,152,251**	**5,049,847**

8. Debtors

	31.12.2022 £	31.12.2021 £
Sales awaiting settlement	12,377	43,343
Accrued revenue	729,674	850,181
Overseas tax recoverable	33,447	33,400
Property income distribution tax recoverable	2,506	–
Currency deals awaiting settlement	–	9,017
	778,004	**935,941**

9. Cash and Bank Balances

	31.12.2022	31.12.2021
	£	£
Cash and bank balances	9,354,137	4,864,796
Cash held at clearing houses	1,966	2,000
	9,356,103	**4,866,796**
Bank overdrafts	(15,206)	(11,469)
Cash due to clearing houses	–	–
	9,340,897	**4,855,327**

10. Other Creditors

	31.12.2022	31.12.2021
	£	£
Accrued expenses	80,768	113,266
Cash due to clearing houses[1]	–	330,000
	80,768	**443,266**

[1] £Nil (31st December 2021: £330,000) relates to held collateral.

11. Contingent Assets/(Liabilities)

The sub-fund had no contingent asset or liability as at 31st December 2022 (31st December 2021: same).

12. Equalisation

Equalisation is not applied to distributions paid by the sub-fund.

13. Units in Issue

The sub-fund currently has three unit classes: A Income Units, A Accumulation Units, and V Accumulation Units. The annual management charge on each unit class can be found on page 57. The net asset value of each unit class, the net asset value per unit and the number of units in each class are given in the comparative tables on pages 58 to 60. The distribution per unit class is given in the distribution tables on pages 79 and 80. All unit classes have the same rights on winding up and have no par value.

	A Income Units	A Accumulation Units	V Accumulation Units
Opening units	121,311,386	6,424,721	402,034
Units created	3,638,273	739,763	–
Units liquidated	(27,694,106)	(1,419,390)	(61)
Units converted	(5)	–	–
Closing units	97,255,548	5,745,094	401,973

14. Related Parties

Sarasin & Partners LLP and Sarasin Investment Funds Limited, together with Natwest Trustee and Depositary Services Limited as Corporate Trustee, are deemed to be Related Parties, by virtue of their ability to act in respect of the sub-fund's operations.

Sarasin & Partners LLP acts as principal on all transactions of units in the sub-fund. The aggregate monies received through creations and liquidations are disclosed in the statement of change in net assets attributable to unitholders.

14. Related Parties (continued)

Management fees are paid to Sarasin Investment Funds Limited and are shown in note 4.

Amounts due to Related Parties at the year end:

	31.12.2022	31.12.2021
	£	£
Management fees	74,889	104,632
	74,889	**104,632**

At 31st December 2022, Sarasin Income and Reserves Fund held no units in any other sub-fund or collective investment scheme managed by associated companies of Sarasin Investment Funds Limited.

At 31st December 2021, the sub-fund held units in the following Collective Investment Schemes, managed by associated companies of Sarasin Investment Funds Limited:

		31.12.2021
Sarasin UK Thematic Smaller Companies		
	Units	1,511,489
	Bid Market Value (£)	2,215,844

No initial charges were applied to the purchases of these Collective Investment Schemes.

At the year end, BNY (OCS) Nominees Limited owned 82.64% of the sub-fund on behalf of multiple beneficiaries (31st December 2021: 25.63%).

15. Risk Management Policies and Disclosures

Financial Instruments
In pursuing its investment objectives as stated on page 52, the sub-fund holds a number of financial instruments. The sub-fund's financial instruments, other than derivatives, comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for creations and payable for redemptions and debtors for accrued revenue.

The main risks arising from the sub-fund's financial instruments and the Operator's policies for managing these risks are summarised below, a sensitivity analysis of the sub-fund is provided on page 56. These policies have been applied throughout the year.

Market Price Risk
Market price risk is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises mainly from uncertainty about future prices of financial instruments the sub-funds hold. It represents the potential loss the sub-fund might suffer through holding market positions in the face of price movements. The sub-fund's investment portfolio is exposed to market price fluctuations which are monitored by the Operator in pursuance of the investment objectives and policy as set out in the Prospectus.

Adherence to investment guidelines and to investment and borrowing powers set out in The Charities (Accounts and Reports) Regulations 2008 mitigates the risk of excessive exposure to any particular type of security or issuer.

Derivative Risk
Derivatives are comprised of forward foreign currency contracts and options contracts. Forward foreign currency contracts are used to manage currency risk arising from the sub-fund's investment activities (and related financing). Open positions at the balance sheet date, which are all covered, are included in the portfolio statement. Gains/(losses) on forward foreign exchange transactions are taken to capital. Futures contracts are used to reduce the risks associated with the market risk of the equity portfolio and to align the sub-fund's exposures to market movements with that of the sub-fund's benchmarks.

15. Risk Management Policies and Disclosures (continued)

The sub-fund is able to use traded options for Efficient Portfolio Management purposes only, thus always hedging up to the amount of stock which is physically owned. The purpose of undertaking these contracts is to protect the Portfolio from a downturn in the market as far as possible.

Alternatives Risk
Some alternative investments may have lower trading volumes than other securities. In some cases this may make such investments harder to sell at the last quoted market price, or at a price considered to be fair. Such conditions could result in unpredictable changes in the value of your holding.

Currency Risk
Currency risk is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in foreign currency exchange rates.

A proportion of the sub-fund's investment portfolios are invested in overseas securities and the balance sheet can be affected by movements in foreign exchange rates. The Operator may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the sterling value of investments that are priced in other currencies. Revenue received in other currencies is converted to sterling on or near the date of receipt.

Currency exposure as at 31st December 2022

	Monetary Exposure £	Non-Monetary Exposure £	Total £	%
Australian dollar	-	196,517	196,517	0.19
Canadian dollar	-	331,342	331,342	0.32
Danish krone	3,526	-	3,526	–
Euro	17,056	1,257,946	1,275,002	1.25
Hong Kong dollar	-	599,742	599,742	0.59
Japanese yen	-	264,131	264,131	0.26
Swiss franc	8,758	287,846	296,604	0.29
US dollar	3,974	6,200,038	6,204,012	6.06
	33,314	**9,137,562**	**9,170,876**	**8.96**
Sterling	9,157,529	83,978,659	93,136,188	91.04
	9,190,843	**93,116,221**	**102,307,064**	**100.00**

Currency exposure as at 31st December 2021

	Monetary Exposure £	Non-Monetary Exposure £	Total £	%
Australian dollar	–	657,896	657,896	0.43
Canadian dollar	–	641,992	641,992	0.42
Danish krone	3,336	35,553	38,889	0.03
Euro	16,060	1,157,324	1,173,384	0.76
Hong Kong dollar	–	384,920	384,920	0.25
Japanese yen	–	566,709	566,709	0.37
Swiss franc	8,990	–	8,990	0.01
US dollar	4,798	11,453,011	11,457,809	7.43
	33,184	**14,897,405**	**14,930,589**	**9.70**

15. Risk Management Policies and Disclosures (continued)

	Monetary Exposure £	Non-Monetary Exposure £	Total £	%
Sterling	4,324,311	134,851,506	139,175,817	90.31
	4,357,495	**149,748,911**	**154,106,406**	**100.00**

Credit Risk
Certain transactions in securities that the sub-fund enters into exposes it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the sub-fund has fulfilled its responsibilities. The sub-fund only buys and sells investments through brokers which have been approved by the Operator as an acceptable counterparty. In addition, limits are set to the exposure to any individual broker that may exist at any time and changes in brokers' financial ratings are reviewed. Bonds or other debt securities involve credit risk to the issuer which may be evidenced by the issuer's credit rating. Securities which are subordinated and/or have a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than more highly rated securities.

This risk is managed by appraising the credit profile of financial instruments and issuers in line with the sub-fund's investment objective and policy.

Exposure to counterparties through derivative positions and the collateral held at the balance sheet date can be seen on page 77.

Liquidity Risk
The sub-fund's assets comprise mainly of readily realisable securities. The main liability of the sub-fund is the redemption of any units over and above the cash holdings that investors wish to sell. Assets of the sub-fund may need to be sold if insufficient cash is available to finance such redemptions.

As the sub-fund has significant holdings in readily realisable level 1 and level 2 securities, it is expected that the sub-fund will be able to generate sufficient cash flows to settle these obligations when they arise.

The Operator reserves the right to defer redemptions where there is a net outflow representing 10% of the NAV or more on a single dealing day.

Interest Rate Risk
Interest rate risk is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in interest rates. The sub-fund invests in fixed and floating rate securities. The revenue of the sub-fund may be affected by changes to interest rates relevant to particular securities or as a result of the Operator being unable to secure similar returns on the expiry of contracts or sale of securities. The value of fixed interest securities may be affected by interest rate movements or the expectation of such movements in the future. Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates.

15. Risk Management Policies and Disclosures (continued)

Interest Rate Risk Profile of the sub-fund's Assets and Liabilities:

31st December 2022	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Australian dollar	–	–	196,517	196,517
Canadian dollar	–	–	331,342	331,342
Danish krone	–	–	3,526	3,526
Euro	6,867	–	1,889,007	1,895,874
Hong Kong dollar	–	–	599,742	599,742
Japanese yen	–	–	264,131	264,131
Sterling	13,338,747	50,832,923	29,892,576	94,064,246
Swiss franc	–	–	296,604	296,604
US dollar	595,090	2,122,918	8,993,457	11,711,465
	13,940,704	**52,955,841**	**42,466,902**	**109,363,447**

31st December 2022	Floating Rate Financial Liabilities £	Fixed Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Euro	(6,849)	–	(614,023)	(620,872)
Sterling	–	–	(928,058)	(928,058)
US dollar	(8,357)	–	(5,499,096)	(5,507,453)
	(15,206)	**–**	**(7,041,177)**	**(7,056,383)**

Interest Rate Risk Profile of the sub-fund's Assets and Liabilities:

31st December 2021	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Australian dollar	–	–	657,896	657,896
Canadian dollar	–	–	641,992	641,992
Danish krone	–	–	38,889	38,889
Euro	521,133	–	2,942,223	3,463,356
Hong Kong dollar	–	–	384,920	384,920
Japanese yen	–	–	566,709	566,709
Sterling	20,214,928	68,665,375	51,729,287	140,609,590
Swiss franc	–	–	8,990	8,990
US dollar	6,137,431	1,275,643	21,561,243	28,974,317
	26,873,492	**69,941,018**	**78,532,149**	**175,346,659**

15. Risk Management Policies and Disclosures (continued)

31st December 2021	Floating Rate Financial Liabilities £	Fixed Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Euro	(6,499)	–	(2,283,473)	(2,289,972)
Sterling	–	–	(1,433,773)	(1,433,773)
US dollar	(4,971)	–	(17,511,537)	(17,516,508)
	(11,470)	**–**	**(21,228,783)**	**(21,240,253)**

Fair Value of Financial Assets and Liabilities
The fair value of a financial instrument is the amount for which it could be exchanged between knowledgeable, willing parties in an arm's length transaction. There is no significant difference between the value of the financial assets and liabilities, as shown in the financial statements, and their fair value.

Valuation technique as at 31st December 2022

	Level 1 £	Level 2 £	Level 3 £	Total £
Financial Assets				
Collective Investment Schemes	878,620	7,032,461	–	7,911,081
Debt Securities	25,229,330	32,817,575	–	58,046,905
Equities	27,306,481	–	–	27,306,481
	53,414,431	**39,850,036**	**–**	**93,264,467**
Financial Liabilities				
Forward Currency Contracts	–	(148,246)	–	(148,246)
	–	**(148,246)**	**–**	**(148,246)**

Valuation technique as at 31st December 2021

	Level 1 £	Level 2 £	Level 3 £	Total £
Financial Assets				
Collective Investment Schemes	1,518,597	11,153,478	–	12,672,075
Debt Securities	33,045,688	58,902,024	–	91,947,712
Equities	44,695,931	–	–	44,695,931
Forward Currency Contracts	–	408,344	–	408,344
Options	24,849	–	–	24,849
	79,285,065	**70,463,846**	**–**	**149,748,911**

The valuation technique has been disclosed under Accounting Policies note 1n on page 18.

Level 1
The unadjusted quoted price in an active market for identical instruments that the entity can access at the measurement date.

Level 2
Valuation techniques using observable inputs other than quoted prices within Level 1 (i.e., developed using market data).

Level 3
Valuation techniques using unobservable inputs (i.e., for which market data is unavailable).

15. Risk Management Policies and Disclosures (continued)

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

In order to reduce this risk, collateral may be held by the sub-fund. As at the balance sheet date, the sub-fund is not exposed to any counterparty risk.

Counterparty Name as at 31st December 2021	Exposure £	Cash Collateral (Pledged)/ Received £
EUREX	24,848	–
The Bank of New York Mellon	408,344	330,000

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

16. Portfolio Transaction Costs

	01.01.2022 to 31.12.2022 £	01.01.2021 to 31.12.2021 £
Analysis of total purchase costs:		
Purchases in year before transaction costs		
Bonds	54,672,177	67,134,478
Collective Investment Schemes	3,674,401	1,167,871
Corporate Actions	1,192,042	43,832
Derivatives	49,576	459,857
Equities	7,812,710	15,390,724
Total purchases	**67,400,906**	**84,196,762**
Commissions:		
Collective Investment Schemes total value paid	–	–
Equities total value paid	4,472	5,468
Taxes:		
Collective Investment Schemes total value paid	–	–
Equities total value paid	2	7
Total purchase costs	**4,474**	**5,475**
Gross purchase costs	**67,405,380**	**84,202,237**
Analysis of total sale costs:		
Gross sales in year before transaction costs		
Bonds	67,075,754	83,550,593
Collective Investment Schemes	1,737,459	590,953
Corporate Actions	3,482,975	43,832
Derivatives	91,638	229,998
Equities	28,155,274	18,305,170

16. Portfolio Transaction Costs (continued)

	01.01.2022 to 31.12.2022 £	01.01.2021 to 31.12.2021 £
Total sales	**100,543,100**	**102,720,546**
Commissions:		
Collective Investment Schemes total value paid	–	–
Equities total value paid	(9,011)	(5,169)
Taxes:		
Collective Investment Schemes total value paid	–	–
Equities total value paid	(19)	(6)
Total sales costs	**(9,030)**	**(5,175)**
Total sales net of transaction costs	**100,534,070**	**102,715,371**

	01.01.2022 to 31.12.2022 %	01.01.2021 to 31.12.2021 %
Analysis of total purchase costs:		
Commissions:		
Equities percentage of average NAV[1]	–	–
Taxes:		
Equities percentage of average NAV[1]	–	–
Analysis of total sale costs:		
Commissions:		
Equities percentage of average NAV[1]	0.01	–
Taxes:		
Equities percentage of average NAV[1]	–	–

The average portfolio dealing spread as at 31st December 2022 was 0.41% (31st December 2021: 0.38%).

[1] Excluding dilution levies.

17. Post Balance Sheet Events

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

The sub-fund has a nominal holding of 697,873 shares in Home REIT PLC at a year-end price of £0.3805. Subsequent to the year-end, following a temporary suspension of listing from the Official List, fair value pricing has been applied. At the reporting date the holding is priced at £0.095, representing a -£0.20 million unrealised diminution in value from year-end valuation. The Investment Manager's Review does not incorporate the post year-end update.

Distribution Tables

For the year ended 31st December 2022

First Interim distribution in pence per unit
Group 1: Units purchased prior to 1st January 2022
Group 2: Units purchased between 1st January 2022 and 31st March 2022

Unit	Net Revenue 2022 Pence per Unit	Equalisation (note 12) 2022 Pence per Unit	1st Interim Distribution Paid 2022 Pence per Unit	1st Interim Distribution Paid 2021 Pence per Unit
A Income Units				
Group 1	0.7925	–	0.7925	0.8782
Group 2	0.7925	–	0.7925	0.8782
A Accumulation Units				
Group 1	1.5111	–	1.5111	1.6342
Group 2	1.5111	–	1.5111	1.6342
V Accumulation Units[1]				
Group 1	0.6930	–	0.6930	Nil
Group 2	0.6930	–	0.6930	Nil

Second Interim distribution in pence per unit
Group 1: Units purchased prior to 1st April 2022
Group 2: Units purchased between 1st April 2022 and 30th June 2022

Unit	Net Revenue 2022 Pence per Unit	Equalisation (note 12) 2022 Pence per Unit	2nd Interim Distribution Paid 2022 Pence per Unit	2nd Interim Distribution Paid 2021 Pence per Unit
A Income Units				
Group 1	0.9547	–	0.9547	0.8579
Group 2	0.9547	–	0.9547	0.8579
A Accumulation Units				
Group 1	1.8641	–	1.8641	1.6621
Group 2	1.8641	–	1.8641	1.6621
V Accumulation Units[1]				
Group 1	0.8461	–	0.8461	0.4078
Group 2	0.8461	–	0.8461	0.4078

Third Interim distribution in pence per unit
Group 1: Units purchased prior to 1st July 2022
Group 2: Units purchased between 1st July 2022 and 30th September 2022

Unit	Net Revenue 2022 Pence per Unit	Equalisation (note 12) 2022 Pence per Unit	3rd Interim Distribution Paid 2022 Pence per Unit	3rd Interim Distribution Paid 2021 Pence per Unit
A Income Units				
Group 1	0.8367	–	0.8367	0.8333
Group 2	0.8367	–	0.8367	0.8333
A Accumulation Units				
Group 1	1.6421	–	1.6421	1.6094
Group 2	1.6421	–	1.6421	1.6094
V Accumulation Units[1]				
Group 1	0.7440	–	0.7440	0.7261
Group 2	0.7440	–	0.7440	0.7261

Final distribution in pence per unit
Group 1: Units purchased prior to 1st October 2022
Group 2: Units purchased between 1st October 2022 and 31st December 2022

Unit	Net Revenue 2022 Pence per Unit	Equalisation (note 12) 2022 Pence per Unit	Final Distribution Payable 2023 Pence per Unit	Final Distribution Paid 2022 Pence per Unit
A Income Units				
Group 1	0.8712	–	0.8712	0.8165
Group 2	0.8712	–	0.8712	0.8165
A Accumulation Units				
Group 1	1.7659	–	1.7659	1.4852
Group 2	1.7659	–	1.7659	1.4852
V Accumulation Units[1]				
Group 1	0.7871	–	0.7871	1.0103
Group 2	0.7871	–	0.7871	1.0103

[1]Unit class launched on 10th May 2021.

Sarasin Climate Active Endowments Fund

Annual Report and Financial Statements for the year from 01.01.2022 to 31.12.2022

Investment Objective of the Sub-fund as set by the Board
We seek to grow the sub-fund (through increases in investment value and income) by 4.0% per year more than the Consumer Prices Index (CPI) over a rolling 5-year period after deducting fees and costs.

This target is not guaranteed over any period of time and the sub-fund could lose value.

Investment Policy of the Sub-fund
Investments

We invest the sub-fund approximately as follows:

• Shares: 70% in 60-100 companies listed on major stock exchanges around the world.

• Bonds: 15%

Up to 20% of the bonds we invest in can be rated higher risk by external ratings agencies but the majority are rated as 'investment grade'.

• Real estate investments: 5%

• Cash or Alternatives: 10%

Exposure to any of the above asset classes may be obtained through investment in funds (including funds managed by Sarasin).

We also invest in derivatives and use them to increase performance and generate income. Derivatives are financial contracts whose value is linked to the price of another asset (e.g. indices, rates, share prices, currencies).

Investment Selection

The strategic asset mix of the sub-fund (as defined by the blended benchmark) sets out how the portfolio will be allocated in normal market conditions. However, the sub-fund is managed on an active basis and when there is a strong sentiment, positive or negative, on a particular asset class or classes, the Investment Manager will actively deviate away from this asset mix and the securities in the underlying indices to try to meet the investment objective. The sub-fund's investments can be from any country/region, sector or industry. Investments are selected to align with the goal of the Paris Climate Change Agreement to keep global temperature increases to well below 2 degrees Celsius above pre-industrial times.

Investment Screening

We avoid investment in companies which are materially engaged in certain sectors, including thermal coal, the extraction of fossil fuel from tar sands, tobacco, alcohol, armaments, gambling and adult entertainment.

We have an environmental, social and governance strategy. We consider which target investments are likely to benefit from a move towards a lower carbon economy and which may be harmed.

We also look to engage with companies we invest in, particularly those whose activities could significantly impact climate change. We may disinvest if we believe those companies are not sufficiently addressing the material risks of such a move.

Additional Techniques

In addition to being able to use derivatives for investment purposes, we will use derivatives for effective portfolio management: to adjust how sensitive the sub-fund is to changes in currencies, to act on opportunities or control risk, and to gain cost effective access to investments. We usually aim for the sub-fund's exposure to Sterling to be the same as the blended benchmark (around 60%). We use an income reserve to smooth the income we pay over time.

Benchmark Information
The sub-fund's performance can be assessed by reference to:

a. Comparator benchmark reflective of the asset allocation of the sub-fund.

Benchmark	Allocation
ICE BoAML UK Gilts All-Stocks Index	7.50%
ICE BoAML Sterling Corporate Bond Index	7.50%
Sterling Overnight Interbank Average Rate (SONIA)+2%	10.00%
MSCI UK IMI	20.00%
MSCI All Countries World Index ex UK (Local Currency)	10.00%
MSCI All Countries World Index ex UK	40.00%
MSCI All Balanced Property Funds Index (One Quarter Lagged)	5.00%

b. The target benchmark of CPI +4% over a rolling 5-year period after deducting fees and costs. CPI is a measure of inflation. If the sub-fund's performance matched CPI over a year, an investment in the sub-fund would provide approximately the same purchasing power as it would have provided a year earlier. The sub-fund will seek to outperform the CPI by 4.0% per year to provide real growth.

Investment Manager's Review

Sub-fund Performance

Cumulative performance		1 yr	3 yrs	5 yrs	Since Inception
		01 Jan 22 - 31 Dec 22	01 Jan 20 - 31 Dec 22	01 Jan 18 - 31 Dec 22	16 Feb 18 - 31 Dec 22
		%	%	%	%
Fund	A Acc (Net)	-10.7	9.0	-	29.5
Comparator		-6.9	13.0	-	30.4

Discrete performance		01 Jan 22 - 31 Dec 22	01 Jan 21 - 31 Dec 21	01 Jan 20 - 31 Dec 20	01 Jan 19 - 31 Dec 19	01 Jan 18 - 31 Dec 18
		%	%	%	%	%
Fund	A Acc (Net)	-10.7	10.8	10.3	20.7	-
Comparator		-6.9	13.7	6.8	18.5	-

Source: Sarasin & Partners LLP and FE Fundinfo.

Performance is provided net of fees. Past performance is not a guide to future returns and may not be repeated. Performance is calculated in GBP on the basis of net asset values (NAV) and dividends reinvested.

Class A (Acc) has been used as the representative share class in the table above, which launched on 16th February 2018.

The comparator of this sub-fund has changed over time, please visit https://sarasinandpartners.com/wp-content/uploads/2020/05/benchmark-history.pdf for a full history. Please note that the performance target is to be achieved over a specific annualised time period - refer to the investment objective above.

Performance figures for other share classes in issue can be obtained by contacting marketing@sarasin.co.uk.

Performance
The sub-fund returned -10.7% (net of charges) for the 12-month period ended 31 December 2022, versus -6.9% for the comparator benchmark.

Review
Global financial markets were weak in 2022, driven by higher than expected inflation and central bank measures that were implemented in an attempt to counter it.

Concerns over inflationary pressures in the US, UK and Europe were already growing in the early part of the year due to elevated spending on goods and services as the world reopened following the pandemic. The situation was exacerbated by high commodity prices, especially oil, natural gas and food, that spiked following Russia's invasion of Ukraine. Central banks had delayed reacting to the situation in 2021, citing the perceived temporary nature of high inflation, but responded emphatically in 2022 by raising interest rates as part of a pivot from quantitative easing to quantitative tightening. The upward trajectory of rates was fuelled by stronger than expected economic news and tight labour markets that meant demand was less affected by higher borrowing costs.

During the year, fixed income and equity markets experienced sharp declines. Alternatives, meanwhile, delivered a mixed performance, while the gold price recovered in the latter part of the year after experiencing a marked fall in response to rising interest rates.

Positives
Defensive sectors such as healthcare outperformed more highly valued sectors that were negatively affected by monetary policy tightening. Pharmaceutical company Merck, for example, contributed positively to the sub-fund's performance. It reported robust earnings due in part to the performance of its primary cancer medication, Keytruda, and COVID-19 drug, Molnupiravir.

Insurance provider AIA also performed well and contributed to the sub-fund's return. It was buoyed by the re-opening of the Chinese economy in the final quarter of the year. Having suffered from a lack of cross-border travel between Hong Kong and China during the pandemic, the insurance company's share price recovered rapidly in November and December to finish the year in positive territory.

Investment Manager's Review (continued)
Agricultural equipment company Deere & Co was another positive contributor to the sub-fund's performance. It benefited from high demand and strong pricing power that allowed management to offset supply chain issues and high inflation during the year. The company's strong sales, high margins, and rising new order volumes supported its share price.

Elsewhere, Invesco Physical Gold contributed positively to the sub-fund's return. The gold price gained in the latter part of the year in response to less hawkish commentary from the US Federal Reserve and a slower pace of interest rate rises in the US.

Negatives
The technology sector detracted from the sub-fund's return as weaker consumer demand amid extreme inflation and rising interest rates weighed on the share prices of several holdings.

For example, e-commerce firm Amazon declined on worries of a potential pullback in consumer spending resulting from a global recession. Google owner Alphabet detracted from returns due to fears that a global economic downturn would weigh on digital advertising spend. Around 80% of its revenue is derived from advertising on services such as Google, YouTube, and Android.

There was weakness in ASML, a leading supplier to the semiconductor industry. The company suffered from falling demand for microchips and uncertainty caused by the US government's restrictions on semiconductor sales to China.

The sub-fund's holding in Walt Disney also detracted as high inflation prompted lower than expected income at the firm's theme parks business. This led to deteriorating investor sentiment during the year when combined with mixed results in the company's direct-to-consumer business. Bob Iger's return as CEO has the potential to stabilise the firm and calm investor uncertainty.

The sub-fund's holding in the Sarasin UK Thematic Smaller Companies fund detracted from performance. The domestic focus of small-caps meant that they faced serious headwinds throughout 2022, including soaring energy, freight and raw material costs as well as rising taxes that increased the cost of doing business in the UK.

Transactions
Adding to the sub-fund's food industry exposure, we bought International Flavors and Fragrances. We believe the business is an innovative partner of choice for companies operating in the nutrition and health food and beverage market.

The sub-fund started a position in the Brevan Howard Absolute Return Fund. It has a strong track record of performance and aims to generate an uncorrelated absolute return through the use of derivatives products primarily in the government bond market.

We also made several sales during the year. Among them was renewable energy utility NextEra, which was sold due to concerns that its industry-leading returns on capital may not be sustainable in the long term and that its valuation does not fully reflect this risk.

We exited international hotel group Marriott International. Having seen a significant rebound in 2022, the stock appeared to be relatively overvalued.

Additionally, we sold the holding in Italian utility company Enel. Although it has grown significantly in recent years, its size and future prospects make it more difficult to sustain growth.

Outlook
The outlook for inflation and interest rates remain among the key concerns for investors, although there is now some hope that interest rates may not need to rise as much as previously feared. Meanwhile, events in Ukraine are changing with remarkable speed, and we continue to monitor risks to the outlook. The relaxation of China's Zero COVID Policy should support global growth but may also support global inflation if it leads to a resurgence in oil and commodity prices.

Other challenges also require close monitoring. The significant and rapid tightening of financial conditions over the past year may have unintended consequences for business activity and market functionality. Generally, company earnings will be put under pressure in the coming year as global growth slows and liquidity has become more difficult to access.

While the outlook for assets remains challenging, there are reasons to be optimistic that economic weakness should be relatively contained. The inflation that has driven central banks to tighten monetary policy is heavily influenced by the effect of high energy prices. If energy prices continue to normalise, inflation should come down over the course of the next year, allowing central banks more flexibility in their policy-setting. Households and banks are also better capitalised than in previous years. This means they have more ability to withstand higher prices and disruption before altering their spending or lending actions.

Considering how the sub-fund is positioned for the year ahead, the sub-fund is well placed to deal with the challenges noted above. Once the US Federal Reserve's interest rate rises and other measures designed to reduce liquidity have taken effect, valuation support will hopefully result in a rebound for stocks and support fixed income returns. Recessions tend to lead to pressure on earnings across the board on equities, however, we remain confident that our bias for thematic companies with long term structural earnings drivers should lead the portfolio of stocks to outperform the broader market.

Investment Manager's Review (continued)
Finally, the price action that took place in 2022 was meaningful. By the end of the year, valuations appeared more reasonable than they had been, affording a more diverse opportunity set for investors seeking to make returns across a selection of assets. In such times, patience and diligence can lead to superior investment returns. At present, this has led to a preference for high-quality, defensive assets that are well-positioned to withstand the implications of the current market outlook.

Melanie Roberts
Partner & Head of Charities
Sarasin & Partners LLP
27th January 2023

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

Sensitivity analysis
The sub-fund invests in equities and bonds. The exposure to equity markets is then reduced 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 30-70%.

Options are used on individual stocks to implement views on specific stocks. Listed options or futures on bond indices are occasionally used to implement yield curve views.

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

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

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

The "99% / 20-day VaR" for Sarasin Climate Active Endowments Fund, as at 31st December 2022, was 6.94% (31st December 2021: 15.50%). The lowest, highest, and average utilisation in the year was 6.94%, 15.77% and 9.14%, respectively (31st December 2021: 12.42%, 15.58% and 13.99%, respectively).

Top 20 Purchases during the year[1]
International Flavors and Fragrances
Medical Properties Trust
Invesco Physical Gold
Medtronic
Brevan Howard Absolute Return Government Bond Fund 'A' GBP Acc
Siemens
Cisco Systems
AIA
COIF Charities Property
Schneider Electric
WisdomTree Commodity Securities
PIMCO GIS TRENDS Managed Futures Strategy
SGS
Fulcrum Equity Dispersion Fund
UK Treasury 4.25% 07/12/2027
AstraZeneca
Microsoft
UK Treasury 2.75% 07/09/2024
Rio Tinto
UK Treasury 1% 22/04/2024

Top 20 Sales during the year[1]
Invesco Physical Gold
NextEra Energy
Schneider Electric
Costco Wholesale
Siemens
Middleby
Home Depot
Equinix
UK Treasury 0.875% 31/07/2033
Moody's
Colgate-Palmolive
Amgen
UK Treasury 1% 22/04/2024
Marriott International 'A'
Ecolab
Bridgestone
Aramark
Accenture
Service Corp International
UK Treasury Inflation Linked 0.75% 22/11/2047

[1]Excluding money market funds.

Sub-fund Information for the year ended 31st December 2022

Size (Units)	Unit Type	Mid Price	Yield*
368,455,859	A Income Units	114.00 pence	2.78%
16,381,650	A Accumulation Units	314.80 pence	2.75%
4,134,212	V Accumulation Units	94.62 pence	2.75%

Launch Date		A Unit Class: 16th February 2018 V Unit Class: 10th May 2021
Launch Price		A Income Units: 101.70 pence A Accumulation Units: 243.10 pence V Accumulation Units: 98.77 pence
Management Charges	Annual:	A Unit Class: 0.75% V Unit Class: 0.40%
	Initial:	A Unit Class: 0.00% V Unit Class: 0.00%
Unit Types	Income & Accumulation Units	
Accounting Period Ends	Interim:	31st March
	Interim:	30th June
	Interim:	30th September
	Final:	31st December
Initial Minimum Investment:	£1,000	

* The yield shown is the historic yield and is calculated by taking the distribution rate for the last four distributions, multiplied by 100 and divided by the mid price of the units.

The Comparative Tables on pages 88 to 90 give the performance of each active unit class in the sub-fund.

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

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

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

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

Sub-fund Information for the year ended 31st December 2022 (continued)
Comparative Tables

A Income Units

Change in Net Asset Value per Unit

	2022 (pence per unit)	2021 (pence per unit)	2020 (pence per unit)
Opening net asset value per unit	**130.12**	120.61	112.91
Return before operating charges*	**(13.31)**	13.77	12.21
Operating charges (calculated on average price)	**(1.13)**	(1.15)	(0.96)
Return after operating charges*	**(14.44)**	12.62	11.25
Distributions on income units	**(3.17)**	(3.17)	(3.55)
Closing net asset value per unit	**112.51**	130.06	120.61
* after direct transaction costs of[1]:	**0.04**	0.01	0.03
Performance			
Return after charges[2]	**(11.10)%**	10.46%	9.96%
Other Information			
Closing net asset value (£'000)	**414,551**	459,726	307,948
Closing number of units	**368,455,859**	353,461,424	255,315,993
Operating charges[3]	**0.95%**	0.92%	0.85%
Direct transaction costs	**0.03%**	0.01%	0.03%
Prices			
Highest unit price	**130.70**	131.30	122.40
Lowest unit price	**107.59**	118.00	94.55

[1] Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution levies that relate to direct transaction costs. A negative transaction cost figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.
[2] The return after charges is calculated as the return after operating charges per unit divided by the opening net asset value per unit.
[3] Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included in the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. For Sarasin Climate Active Endowments Fund, 0.18% of the Operating Charges was made up of synthetic costs.

Sub-fund Information for the year ended 31st December 2022 (continued)
Comparative Tables (continued)

A Accumulation Units

Change in Net Asset Value per Unit

	2022 (pence per unit)	2021 (pence per unit)	2020 (pence per unit)
Opening net asset value per unit	**352.05**	318.23	288.62
Return before operating charges*	**(36.11)**	36.74	32.03
Operating charges (calculated on average price)	**(3.07)**	(3.06)	(2.42)
Return after operating charges*	**(39.18)**	33.68	29.61
Distributions	**(8.66)**	(8.44)	(9.18)
Retained distributions on accumulation units	**(8.66)**	(8.44)	9.18
Closing net asset value per unit	**312.87**	351.91	318.23
* after direct transaction costs of[1]:	**0.11**	0.04	0.08
Performance			
Return after charges[2]	**(11.13)%**	10.58%	10.26%
Other Information			
Closing net asset value (£'000)	**51,253**	48,199	40,954
Closing number of units	**16,381,650**	13,696,522	12,869,223
Operating charges[3]	**0.95%**	0.92%	0.85%
Direct transaction costs	**0.03%**	0.01%	0.03%
Prices			
Highest unit price	**353.64**	353.10	320.40
Lowest unit price	**297.07**	311.10	241.70

[1] Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution levies that relate to direct transaction costs. A negative transaction cost figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.
[2] The return after charges is calculated as the return after operating charges per unit divided by the opening net asset value per unit.
[3] Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included in the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. For Sarasin Climate Active Endowments Fund, 0.18% of the Operating Charges was made up of synthetic costs.

Sub-fund Information for the year ended 31st December 2022 (continued)
Comparative Tables (continued)

V Accumulation Units

Change in Net Asset Value per Unit

	2022 (pence per unit)	**2021[1] (pence per unit)**
Opening net asset value per unit	**106.26**	98.77
Return before operating charges*	**(11.62)**	8.03
Operating charges (calculated on average price)	**(0.58)**	(0.58)
Return after operating charges*	**(12.20)**	7.45
Distributions	**(2.60)**	(1.57)
Retained distributions on accumulation units	**2.60**	1.57
Closing net asset value per unit	**94.06**	106.22
* after direct transaction costs of[2]:	**0.03**	0.01
Performance		
Return after charges[3]	**(11.48)%**	7.54%
Other Information		
Closing net asset value (£'000)	**3,889**	4,399
Closing number of units	**4,134,212**	4,141,655
Operating charges[4]	**0.60%**	0.57%
Direct transaction costs	**0.03%**	0.01%
Prices		
Highest unit price	**106.74**	106.60
Lowest unit price	**89.39**	97.31

[1] Unit class became active 10th May 2021.
[2] Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution levies that relate to direct transaction costs. A negative transaction cost figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.
[3] The return after charges is calculated as the return after operating charges per unit divided by the opening net asset value per unit.
[4] Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included in the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. For Sarasin Climate Active Endowments Fund, 0.18% of the Operating Charges was made up of synthetic costs.

Portfolio Statement as at 31st December 2022

Holding or Nominal Value	Investment	Bid Market Value (£)	% of Net Assets
	Sterling Government Bonds 4.80% (31 December 2021 - 3.97%)		
£5,090,000	UK Treasury 4.25% 07/12/2027	5,223,606	1.11
£2,740,000	UK Treasury 5.00% 07/03/2025	2,816,092	0.60
£1,960,000	UK Treasury 4.75% 07/12/2030	2,113,032	0.45
£1,900,000	United Kingdom Gilt 4.25% 07/12/2040	1,942,769	0.41
£1,790,000	UK Treasury 4.25% 07/03/2036	1,850,502	0.39
£1,630,000	UK Treasury 4.50% 07/09/2034	1,727,547	0.37
£1,939,092	UK Treasury 0.875% 31/07/2033	1,447,358	0.31
£1,330,000	UK Treasury 3.25% 22/01/2044	1,178,160	0.25
£1,000,000	UK Treasury 4.00% 22/01/2060	1,046,500	0.22
£900,000	UK Treasury 4.25% 07/12/2049	934,650	0.20
£700,000	UK Treasury 2.75% 07/09/2024	689,256	0.15
£500,000	UK Treasury 4.50% 07/12/2042	530,700	0.11
£500,000	High Speed Rail Finance 4.375% 01/11/2038	448,030	0.10
£350,000	Affordable Housing Finance 2.893% 11/08/2043	269,900	0.06
£170,000	UK Treasury 4.25% 07/06/2032	177,858	0.04
£200,000	Transport for London 3.875% 23/07/2042	161,804	0.03
		22,557,764	**4.80**
	Sterling Corporate Bonds 4.19% (31 December 2021 - 2.75%)		
£870,000	Vodafone Group 5.125% 02/12/2052	787,002	0.17
£800,000	University of Manchester 4.25% 04/07/2053	729,896	0.16
£650,000	South Eastern Power Networks PLC 6.375% 12/11/2031	695,954	0.15
£650,000	Pension Insurance Corp PLC 8.00% 23/11/2026	669,500	0.14
£800,000	Channel Housing Link Enterprises Finance 3.043% 30/06/2050	665,411	0.14
£700,000	Electricite de France 5.50% 17/10/2041	650,962	0.14
£600,000	NIE Finance PLC 6.375% 02/06/2026	620,892	0.13
£600,000	Anglian Water Services Financing 4.50% 22/02/2026	590,800	0.13
£500,000	SSE 8.375% 20/11/2028	569,516	0.12
£570,000	Places for People Treasury 2.875% 17/08/2026	521,365	0.11
£1,000,000	University College London 1.625% 04/06/2061	509,508	0.11
£500,000	HSBC HLDGS. 6.50% 20/05/2024 6.50% 20/05/2024	507,081	0.11
£600,000	America Movil 4.375% 07/08/2041	505,609	0.11
£600,000	United Utilities Water Finance 0.875% 28/10/2029 0.875% 28/10/2029	457,973	0.10
£541,272	TC Dudgeon OFTO 3.158% 12/11/2038	456,290	0.10
£500,000	Bazalgette Finance 2.375% 29/11/2027	438,111	0.09
£500,000	National Grid Electricity Transmission 1.375% 16/09/2026	436,909	0.09
£400,000	Scottish Power UK PLC 6.375% 31/05/2041	434,812	0.09
£400,000	Vodafone Group PLC 5.90% 26/11/2032	421,046	0.09
£660,000	Vodafone Group 3.00% 12/08/2056	400,797	0.08
£400,000	Scottish Widows 5.50% 16/06/2023	400,638	0.08
£410,000	M&G 3.875% 20/07/2049	394,654	0.08
£400,000	Unite (USAF) 3.921% 30/06/2025	380,938	0.08
£500,000	Dwr Cymru 2.375% 31/03/2034 2.375% 31/03/2034	360,349	0.08
£500,000	Cardiff University 3.00% 07/12/2055	354,040	0.08
£380,000	CYBG 4.00% 25/09/2026	352,492	0.07
£349,078	Greater Gabbard Ofto 4.137% 29/11/2032	328,045	0.07
£340,304	UPP Bond Issuer 4.902% 28/02/2040	320,762	0.07
£420,000	London & Quadrant Housing Trust 2.00% 31/03/2032	316,656	0.07
£400,000	Peabody Capital No 2 PLC 2.75% 02/03/2034	311,502	0.07

Portfolio Statement as at 31st December 2022 (Continued)

Holding or Nominal Value	Investment	Bid Market Value (£)	% of Net Assets
	Sterling Corporate Bonds (continued)		
£400,000	Jigsaw Funding PLC 3.375% 05/05/2052	296,727	0.06
£300,000	Arqiva Financing 5.34% 30/06/2030	283,450	0.06
£390,000	Notting Hill Genesis 2.00% 03/06/2036	258,908	0.05
£300,000	Guinness Partnership 4.00% 24/10/2044	244,963	0.05
£300,000	Segro 2.875% 11/10/2037	218,599	0.05
£297,000	3i Group 3.75% 05/06/2040	216,388	0.05
£207,060	Great Rolling 6.875% 27/07/2035	214,069	0.05
£226,676	WoDS Transmission 3.446% 24/08/2034	205,817	0.04
£200,000	BNP Paribas 3.375% 23/01/2026	187,750	0.04
£200,000	Retail Charity Bonds 4.25% 30/03/2028	179,756	0.04
£200,000	Rothesay Life 6.875% Perpetual	178,500	0.04
£180,000	A2D Funding II 4.50% 30/09/2026	174,146	0.04
£189,204	PRS Finance 1.75% 24/11/2026	171,296	0.04
£200,000	PHOENIX GRP. HLDGS F2V 31/12/2049 5.75% Perpetual	166,744	0.04
£150,000	Royal Bank of Scotland 6.375% 07/12/2028	152,332	0.03
£160,000	InterContinental Hotels 3.75% 14/08/2025	152,098	0.03
£176,000	Retail Charity Bonds 3.90% 23/11/2029	151,957	0.03
£150,000	Wellcome Trust Finance 4.625% 25/07/2036	150,445	0.03
£162,000	Virgin Money UK 5.125% 11/12/2030	149,860	0.03
£126,000	United Utilities Water 5.625% 20/12/2027	129,190	0.03
£200,000	Motability Operations 1.50% 20/01/2041	118,865	0.02
£110,000	Severn Trent Utilities Finance 4.625% 30/11/2034	103,031	0.02
£100,000	NGG Finance 5.625% 18/06/2073	94,370	0.02
£100,000	Retail Charity Bonds 4.50% 20/06/2026	90,584	0.02
£100,000	RAC Bond 4.87% 06/05/2046	90,535	0.02
£100,000	Bazalgette Finance PLC 2.75% 10/03/2034	77,815	0.02
£150,000	Northern Powergrid Northeast 1.875% 16/06/2062	75,505	0.02
£80,000	Retail Charity Bonds 4.40% 30/04/2025	74,951	0.02
£100,000	University of Leeds 3.125% 19/12/2050	73,699	0.02
£100,000	Northern Powergrid Northeast PLC 3.25% 01/04/2052	71,802	0.01
£73,333	Arqiva Financing 4.882% 31/12/2032	69,435	0.01
£75,559	WoDS Transmission 3.446% 24/08/2034	68,606	0.01
£75,000	RCB Bonds PLC 3.50% 08/12/2033	61,913	0.01
£100,000	University of Southampton 2.25% 11/04/2057	58,152	0.01
£67,000	Retail Charity Bonds 5.00% 17/12/2030	53,869	0.01
£43,800	RCB Bonds PLC 3.25% 22/07/2031	38,478	0.01
		19,694,115	**4.19**
	Overseas Bonds 2.65% (31 December 2021 - 1.53%)		
USD1,700,000	United States Treasury Bonds 1.25% 31/07/2023	1,385,428	0.29
£700,000	Orsted 5.375% 13/09/2042	699,391	0.15
£750,000	Wells Fargo 2.00% 28/07/2025	691,714	0.15
£800,000	Verizon Communications 3.125% 02/11/2035	636,208	0.14
£600,000	Dwr Cymru Financing 6.015% 31/03/2028	624,687	0.13
USD640,000	Vena Energy Capital 3.133% 26/02/2025	488,769	0.10
£500,000	AT&T 4.375% 14/09/2029	470,271	0.10
£440,000	Goldman Sachs Group 7.125% 07/08/2025	457,490	0.10
£400,000	Goldman Sachs 7.25% 10/04/2028	429,293	0.09
£400,000	Bank of America 7.00% 31/07/2028	428,910	0.09

Portfolio Statement as at 31st December 2022 (Continued)

Holding or Nominal Value	Investment	Bid Market Value (£)	% of Net Assets
	Overseas Bonds (continued)		
£600,000	Comcast 1.875% 20/02/2036	422,927	0.09
£400,000	Comcast 5.50% 23/11/2029	413,242	0.09
£522,000	Orsted 2.50% 16/05/2033	411,429	0.09
£400,000	Electricite de France 6.25% 30/05/2028 6.25% 30/05/2028	408,383	0.09
£500,000	AT&T 4.25% 01/06/2043	405,577	0.09
£410,000	Realty Income 1.875% 14/01/2027	354,978	0.08
USD400,000	Greenko Solar Mauritius 5.55% 29/01/2025	311,913	0.07
USD400,000	Indian Railway Finance 3.835% 13/12/2027	308,115	0.07
£300,000	Electricite de France 6.125% 02/06/2034	300,798	0.06
£360,000	Fidelity National Information Services Inc 2.25% 03/12/2029	292,569	0.06
USD360,000	Greenko Wind Projects Mauritius 5.50% 06/04/2025	279,495	0.06
£320,000	CPUK Finance Ltd 3.69% 28/02/2047	275,632	0.06
USD300,000	Electricite de France SA 5.625% Perpetual	235,747	0.05
£210,000	Morgan Stanley 5.789% 18/11/2033	210,242	0.04
£250,000	Wells Fargo 2.50% 02/05/2029	207,489	0.04
£200,000	Yorkshire Water Services Bradford Finance F2F 3.75% 22/03/2046	198,883	0.04
USD230,000	United States Treasury Bonds 1.75% 15/05/2023	189,203	0.04
£200,000	Credit Suisse Group AG 7.00% 30/09/2027	187,915	0.04
£200,000	Welltower 4.50% 01/12/2034	163,664	0.03
USD200,000	Greenko Solar Mauritius 5.95% 29/07/2026	151,052	0.03
USD191,000	Greenko Dutch 3.85% 29/03/2026	137,315	0.03
USD150,000	Barclays Bank 0.063% Perpetual	115,801	0.02
£100,000	Thames Water Utilities Cayman Finance 4.375% 03/07/2034	87,724	0.02
£100,000	Digital Stout Holding 3.75% 17/10/2030	83,538	0.02
		12,465,792	**2.65**
	UK Equities 20.34% (31 December 2021 - 19.31%)		
103,035	AstraZeneca	11,558,466	2.46
173,633	Unilever	7,261,332	1.55
935,733	HSBC	4,824,639	1.03
392,843	Prudential	4,429,305	0.94
188,864	RELX	4,321,208	0.92
73,993	Reckitt Benckiser	4,257,557	0.91
216,089	Compass	4,143,507	0.88
69,360	Rio Tinto	4,021,493	0.86
1,208,325	DS Smith	3,872,682	0.82
243,788	GSK	3,504,696	0.75
2,167,675	Gresham House Energy Storage	3,500,795	0.74
1,017,474	Haleon	3,330,192	0.71
3,246,749	VH Global Sustainable Energy Opportunities	3,279,217	0.70
241,545	3i	3,237,911	0.69
2,980,913	Octopus Renewables Infrastructure Trust	2,980,913	0.63
267,338	Smith & Nephew	2,960,768	0.63
1,184,928	Legal & General	2,956,395	0.63
2,864,676	Atrato Onsite Energy	2,707,119	0.58
3,069,045	Vodafone	2,585,364	0.55
119,850	Halma	2,365,839	0.50
49,534	InterContinental Hotels	2,349,893	0.50
51,489	Intertek Group	2,076,551	0.44

Portfolio Statement as at 31st December 2022 (Continued)

Holding or Nominal Value	Investment	Bid Market Value (£)	% of Net Assets
	UK Equities (continued)		
28,478	London Stock Exchange	2,032,190	0.43
4,428,413	Lloyds Banking	2,010,942	0.43
2,326,190	Life Science Reit	1,674,857	0.36
2,916,674	Home Reit	1,109,795	0.24
251,693	Barratt Developments	998,718	0.21
211,725	Draper Esprit	749,930	0.16
36,654	Softcat	433,983	0.09
		95,536,257	**20.34**
	Global Equities 48.98% (31 December 2021 - 54.30%)		
55,361	Microsoft	11,037,221	2.35
163,528	Medtronic	10,565,629	2.25
1,095,400	AIA	10,127,279	2.16
104,991	Merck	9,683,016	2.06
61,581	CME	8,607,209	1.83
55,686	EssilorLuxottica	8,347,200	1.78
270,551	National Instruments	8,294,887	1.77
92,861	International Flavors and Fragrances	8,093,396	1.72
27,119	Mastercard	7,839,687	1.67
16,095	Broadcom	7,481,117	1.59
55,721	Air Liquide	6,545,510	1.39
152,067	Bank of Nova Scotia	6,187,663	1.32
155,224	Cisco Systems	6,147,535	1.31
233,600	Takeda Pharmaceutical	6,049,119	1.29
16,881	Deere & Co	6,019,285	1.28
25,529	Amgen	5,571,854	1.19
46,266	Schneider Electric	5,365,876	1.14
71,872	Walt Disney	5,190,390	1.10
27,542	American Tower	4,850,588	1.03
41,607	Siemens	4,775,326	1.02
2,459	SGS	4,750,418	1.01
71,972	Otis Worldwide	4,686,047	1.00
38,544	Tetra Tech	4,648,735	0.99
65,776	Colgate-Palmolive	4,308,330	0.92
424,196	ING Groep	4,285,985	0.91
43,691	TE Connectivity	4,169,695	0.89
9,076	ASML	4,056,853	0.86
232,826	Sonic Healthcare	3,933,819	0.84
107,900	Tencent	3,838,559	0.82
58,331	Taiwan Semiconductor Manufacturing ADR	3,612,167	0.77
6,076	BlackRock	3,578,268	0.76
379,217	Medical Properties Trust	3,508,758	0.75
172,220	Alstom	3,485,343	0.74
2,532,777	Renewables Infrastructure Group	3,292,610	0.70
23,778	Texas Instruments	3,265,744	0.70
124,133	Weyerhaeuser	3,199,038	0.68
14,423	Accenture	3,198,862	0.68
42,498	Alphabet	3,134,797	0.67
25,383	Ecolab	3,071,535	0.65

Portfolio Statement as at 31st December 2022 (Continued)

Holding or Nominal Value	Investment	Bid Market Value (£)	% of Net Assets
	Global Equities (continued)		
3,367,956	Cordiant Digital Infrastructure	2,842,555	0.60
31,006	Orsted	2,335,726	0.50
54,449	Siemens Healthineers	2,257,472	0.48
24,518	Amazon.com	1,711,714	0.36
769,018	Apax Global Alpha	1,439,602	0.31
364,971	Syncona	656,948	0.14
		230,049,367	**48.98**
	UK Property 4.23% (31 December 2021 - 3.57%)		
8,487,899	Mayfair Property Income Trust for Charities	6,721,567	1.43
5,682,758	COIF Charities Property	6,229,439	1.33
3,217,470	Charities Property	4,001,889	0.85
2,455,739	AEW UK Core Property	2,937,064	0.62
		19,889,959	**4.23**
	Global Property 0.81% (31 December 2021 - 2.19%)		
33,597	Crown Castle International	**3,789,542**	**0.81**
	Alternatives 1.79% (31 December 2021 - 2.15%)		
716,955	Neuberger Berman Uncorrelated Strategies 'I5' GBP Accumulation	**8,417,054**	**1.79**
	Global Exchange Traded Funds 1.20% (31 December 2021 - 0.00%)		
229,626	WisdomTree Commodity Securities	**5,618,948**	**1.20**
	Global Collective Investment Schemes 5.12% (31 December 2021 - 3.64%)		
52,430	Brevan Howard Absolute Return Government Bond Fund 'A' GBP Acc	6,688,372	1.42
529,262	PIMCO GIS TRENDS Managed Futures Strategy	4,943,311	1.05
32,928	Invesco Physical Gold	4,812,322	1.03
37,063	Fulcrum Equity Dispersion Fund	4,453,607	0.95
2,394,121	Sequoia Economic Infrastructure Income	2,099,644	0.45
1,517,699	US Solar	1,049,734	0.22
		24,046,990	**5.12**
	UK Collective Investment Schemes 1.80% (31 December 2021 - 2.68%)		
5,211,567	Sarasin UK Thematic Smaller Companies[1]	5,114,111	1.09
4,200,165	BioPharma Credit Fund	3,317,114	0.71
		8,431,225	**1.80**
	Global Options 0.00% (31 December 2021 - -0.10%)		
	Forward Currency Contracts -0.36% (31 December 2021 - 0.37%)		
EUR (27,527,997)	Sold EUR, Bought GBP 23,706,560 for settlement on 16/03/2023	(790,293)	(0.17)

Portfolio Statement as at 31st December 2022 (Continued)

Holding or Nominal Value	Investment	Bid Market Value (£)	% of Net Assets
	Forward Currency Contracts (continued)		
USD (46,135,566)	Sold USD, Bought GBP 37,392,461 for settlement on 16/03/2023	(894,227)	(0.19)
		(1,684,520)	**(0.36)**
	Total Value of Investments 95.55%		
	(31 December 2021 - 96.36%)	**448,812,493**	**95.55**
	Net Other Assets	20,881,280	4.45
	Net Assets	**469,693,773**	**100.00**

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

[1]Related Party Investments

Asset Allocation of Portfolio of Investments is as follows:

Bonds	54,717,671	11.65
Collective Investment Schemes	59,937,684	12.76
Equities	335,841,658	71.50
Forward Currency Contracts	(1,684,520)	(0.36)
Net Other Assets	20,881,280	4.45
	469,693,773	**100.00**

Debt Security Allocation is as follows:

Percentage of Debt Securities investment grade and above	93.91%
Percentage of Debt Securities below investment grade (sub BBB- or unrated)	6.09%
	100.00%

Statement of Total Return
For the year ended 31st December 2022

	Notes	£	01.01.2022 to 31.12.2022 £	£	01.01.2021 to 31.12.2021 £
Income					
Net capital (losses)/gains	2		(65,420,333)		39,077,608
Revenue	3	13,522,839		10,339,429	
Expenses	4	(3,909,195)		(3,610,317)	
Interest payable and similar charges	6	(30,423)		(160)	
Net revenue before taxation		**9,583,221**		**6,728,952**	
Taxation	5	(579,430)		(523,129)	
Net revenue after taxation for the year			**9,003,791**		**6,205,823**
Total return before distributions			**(56,416,542)**		**45,283,431**
Distributions	6		(12,709,867)		(10,860,626)
Changes in net assets attributable to unitholders from investment activities			**(69,126,409)**		**34,422,805**

Statement of Changes in Net Assets Attributable to Unitholders
For the year ended 31st December 2022

	£	01.01.2022 to 31.12.2022 £	£	01.01.2021 to 31.12.2021 £
Opening net assets attributable to unitholders		**512,527,004**		**348,901,531**
Movement due to sales and repurchases of units:				
Amounts received on issue of units	71,609,824		133,353,212	
Amounts paid on cancellation of units	(46,857,396)		(5,407,230)	
		24,752,428		**127,945,982**
Dilution levy		–		31,283
Changes in net assets attributable to unitholders from investment activities (see above)		(69,126,409)		34,422,805
Retained distribution on accumulation units		1,540,750		1,225,403
Closing net assets attributable to unitholders		**469,693,773**		**512,527,004**

The notes on pages 99 to 111 form part of these Financial Statements.

Balance Sheet
As at 31st December 2022

	Notes	31.12.2022 £	31.12.2021 £
Assets			
Fixed assets:			
Investments		450,497,013	494,607,964
Current assets:			
Debtors	8	1,897,718	1,146,867
Cash and bank balances	9	22,379,503	22,292,138
Total assets		474,774,234	518,046,969
Investment liabilities		(1,684,520)	(711,717)
Creditors:			
Bank overdrafts	9	(46,250)	(43,776)
Distribution payable on income units		(2,947,647)	(2,827,691)
Other creditors	10	(402,044)	(1,936,781)
Total liabilities		(5,080,461)	(5,519,965)
Net assets attributable to unitholders		**469,693,773**	**512,527,004**

The notes on pages 99 to 111 form part of these Financial Statements.

Certification of Accounts by Directors
The Directors are of the opinion that it is appropriate to adopt the going concern basis in the preparation of the Financial Statements as the assets of the sub-fund consist predominantly of securities that are readily realisable and, accordingly, the sub-fund has adequate resources to continue in operational existence for at least the next twelve months from the approval of these Financial Statements.

G. Steinberg
Director
Sarasin Investment Funds Limited
26th April 2023

S. A. M. Jeffries
Director
Sarasin Investment Funds Limited
26th April 2023

Notes

Notes to the financial statements
For the year ended 31st December 2022

1. Accounting Policies

The accounting policies for this sub-fund match those found on pages 17 to 19.

2. Net Capital (Losses)/Gains

	01.01.2022 to 31.12.2022 £	01.01.2021 to 31.12.2021 £
Net capital (losses)/gains comprise:		
Non-derivative securities realised gains	20,670,710	13,231,852
Non-derivative securities unrealised (losses)/gains	(76,362,138)	27,749,568
Derivative securities realised losses	(5,016)	(2,137,946)
Derivative securities unrealised gains/(losses)	520,576	(520,576)
Forward currency contracts realised (losses)/gains	(7,367,052)	468,290
Forward currency contracts unrealised (losses)/gains	(3,578,268)	718,239
Currency losses	701,664	(430,493)
Transaction charges	(818)	(1,327)
Central Securities Depositary Regulation (CSDR) penalty reimbursement	9	–
	(65,420,333)	**39,077,608**

3. Revenue

	01.01.2022 to 31.12.2022 £	01.01.2021 to 31.12.2021 £
UK dividends	3,633,467	2,515,286
Overseas dividends	6,107,822	4,263,328
Bank Interest	27,651	4
Interest on debt securities	1,280,541	1,015,891
Unfranked PID[1] revenue	159,872	21,188
Franked PID[1] revenue	26,203	10,530
Option premium	1,087,578	1,799,698
Franked CIS[2] revenue	133,834	102,194
Unfranked CIS[2] revenue	1,023,871	526,000
Offshore dividend CIS[2] revenue	42,000	–
Offshore interest CIS[2] revenue	–	85,310
	13,522,839	**10,339,429**

[1]Property Income Dividend
[2]Collective Investment Scheme

4. Expenses

	01.01.2022 to 31.12.2022 £	01.01.2021 to 31.12.2021 £
Payable to the Manager, associates of the Manager, and agents of either of them:		
Management fees	3,594,195	3,315,979
	3,594,195	**3,315,979**
Payable to the Trustee, associates of the Trustee, and agents of either of them:		
	–	**–**
Other Expenses		
Fixed operating charge	315,000	294,338
	315,000	**294,338**
Total Expenses	**3,909,195**	**3,610,317**

5. Taxation

	01.01.2022 to 31.12.2022 £	01.01.2021 to 31.12.2021 £
a) Analysis of tax charge in year		
Overseas tax	579,430	520,486
Prior year adjustment	–	2,643
Total tax for the year	**579,430**	**523,129**

b) As the Trust is a Charity Authorised Investment Fund, it is exempt from United Kingdom tax on capital gains realised on the disposal of investments held within the sub-fund and any UK corporation tax.

The sub-fund is also excluded from the normal tax rules which apply to revenue allocations to units and payments on redemption of units made to unitholders in an authorised unit trust scheme. For the purposes of the sub-fund, revenue of the sub-fund is not considered to be dividends in the hands of the unitholders and therefore no income tax is payable in respect of the revenue allocated to each unit.

In addition, any gains on the redemption of units in the sub-fund are not to be treated as chargeable gains for Capital Gains Tax purposes and therefore no Capital Gains Tax is payable on redemption of units.

6. Distribution

The distributions take account of revenue received on the creation of units and revenue deducted on the cancellation of units, and comprise:

	01.01.2022 to 31.12.2022 £	01.01.2021 to 31.12.2021 £
First interim	3,093,698	2,588,019
Second interim	3,242,243	2,748,873
Third interim	3,173,064	3,026,460
Final	3,336,845	3,149,144
	12,845,850	**11,512,496**
Add: Revenue deducted on cancellation of units	247,716	28,118
Deduct: Revenue received on creation of units	(383,699)	(679,988)
Net distributions for the year	**12,709,867**	**10,860,626**
Interest payable and similar charges	30,423	160
	12,740,290	**10,860,786**

7. Movement between Net Revenue and Distribution

	01.01.2022 to 31.12.2022 £	01.01.2021 to 31.12.2021 £
Net revenue after tax	9,003,791	6,205,823
Add: Undistributed revenue Reserve brought forward	643,681	1,260,591
Less: Equalisation uplift on unit Conversion	(1,809)	6,387
Less: Undistributed revenue Reserve carried forward	(1,133,897)	(643,682)
Add: Benefit of coupon basis distribution	288,907	421,190
Add: Expenses payable from capital	3,909,194	3,610,317
Net Distribution for the year	**12,709,867**	**10,860,626**

8. Debtors

	31.12.2022 £	31.12.2021 £
Sales awaiting settlement	31,497	–
Accrued revenue	1,742,385	1,030,599
Overseas tax recoverable	116,364	110,973
Property income distribution tax recoverable	7,471	5,294
Fee rebate receivable	1	1
	1,897,718	**1,146,867**

9. Cash and Bank Balances

	31.12.2022	31.12.2021
	£	£
Cash and bank balances	20,847,503	18,842,757
Cash held at clearing houses	1,532,000	3,449,381
	22,379,503	**22,292,138**
Bank overdrafts	(46,250)	(43,769)
Cash due to clearing houses	–	(7)
	(46,250)	**(43,776)**
	22,333,253	**22,248,362**

10. Other Creditors

	31.12.2022	31.12.2021
	£	£
Accrued expenses	402,044	396,781
Currency deals awaiting settlement[1]	–	1,540,000
	402,044	**1,936,781**

[1] (31st December 2021: £1,540,000) related to held collateral

11. Contingent Assets/(Liabilities)

The sub-fund had no contingent asset or liability as at 31st December 2022 (31 December 2021: same).

12. Equalisation

Equalisation is not applied to distributions paid by the sub-fund.

13. Units in Issue

The sub-fund currently has three unit classes: A Income Units, A Accumulation Units and V Accumulation Units. The annual management charge on each unit class can be found on page 87. The net asset value of each unit class, the net asset value per unit and the number of units in each class are given in the comparative tables on pages 88 to 90. The distribution per unit class is given in the distribution tables on pages 112 and 113. All unit classes have the same rights on winding up and have no par value.

	A Income Units	A Accumulation Units	V Accumulation Units
Opening units	353,461,424	13,696,522	4,141,655
Units created	61,142,059	307,301	–
Units liquidated	(37,709,163)	(743,354)	(7,443)
Units converted	(8,438,461)	3,121,181	–
Closing units	368,455,859	16,381,650	4,134,212

14. Related Parties

Sarasin & Partners LLP and Sarasin Investment Funds Limited, together with NatWest Trustee and Depositary Services Limited as Corporate Trustee, are deemed to be Related Parties, by virtue of their ability to act in respect of the sub-fund's operations.

Sarasin & Partners LLP acts as principal on all transactions of units in the sub-fund. The aggregate monies received through creations and liquidations are disclosed in the statement of change in net assets attributable to unitholders.

Management fees are paid to Sarasin Investment Funds Limited and are shown in note 4.

14. Related Parties (continued)

Amount due to Related Parties at the year end:

	31.12.2022	31.12.2021
	£	£
Management fees	374,936	367,996
	374,936	**367,996**

At 31st December 2022, the sub-fund held units in the following Collective Investment Schemes, managed by associated companies of Sarasin Investment Funds Limited:

		31.12.2022
Sarasin UK Thematic Smaller Companies		
	Units	5,211,567
	Bid Market Value	5,114,111

At 31st December 2021, the sub-fund held units in the following Collective Investment Schemes, managed by associated companies of Sarasin Investment Funds Limited:

		31.12.2021
Sarasin Digital Opportunities		
	Units	1,631,431
	Bid Market Value	1,539,745
Sarasin UK Thematic Smaller Companies		
	Units	7,659,649
	Bid Market Value	11,229,046

No initial charges were applied to the purchases of these Collective Investment Schemes.

At the year end, BNY (OCS) Nominees Limited owned 97.76% of the sub-fund on behalf of multiple beneficiaries (31st December 2021: 20.75%).

15. Risk Management Policies and Disclosures

Financial Instruments
In pursuing its investment objectives as stated on page 82, the sub-fund holds a number of financial instruments. The sub-fund's financial instruments, other than derivatives, comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for creations and payable for redemptions and debtors for accrued revenue.

The main risks arising from the sub-fund's financial instruments and the Operator's policies for managing these risks are summarised below, a sensitivity analysis of the sub-fund is provided on page 86. These policies have been applied throughout the year.

Market Price Risk
Market price risk is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises mainly from uncertainty about future prices of financial instruments the sub-funds hold. It represents the potential loss the sub-fund might suffer through holding market positions in the face of price movements. The sub-fund's investment portfolio is exposed to market price fluctuations which are monitored by the Operator in pursuance of the investment objectives and policy as set out in the Prospectus.

Adherence to investment guidelines and to investment and borrowing powers set out in The Charities (Accounts and Reports) Regulations 2008 mitigates the risk of excessive exposure to any particular type of security or issuer.

15. Risk Management Policies and Disclosures (continued)

Derivative Risk
Derivatives are comprised of forward foreign currency contracts and options contracts. Forward foreign currency contracts are used to manage currency risk arising from the sub-fund's investment activities (and related financing). Open positions at the balance sheet date, which are all covered, are included in the portfolio statement. Gains/(losses) on forward foreign exchange transactions are taken to capital.

The sub-fund is able to use traded options for Efficient Portfolio Management purposes only, thus always hedging up to the amount of stock which is physically owned. The purpose of undertaking these contracts is to protect the Portfolio from a downturn in the market as far as possible.

Alternatives Risk
Some alternative investments may have lower trading volumes than other securities. In some cases this may make such investments harder to sell at the last quoted market price, or at a price considered to be fair. Such conditions could result in unpredictable changes in the value of your holding.

Currency Risk
Currency risk is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in foreign currency exchange rates.

A proportion of the sub-fund's investment portfolios are invested in overseas securities and the balance sheet can be affected by movements in foreign exchange rates. The Operator may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the sterling value of investments that are priced in other currencies. Revenue received in other currencies is converted to sterling on or near the date of receipt.

Currency exposure as at 31st December 2022

	Monetary Exposure £	Non-Monetary Exposure £	Total £	%
Australian dollar	–	3,933,819	3,933,819	0.84
Canadian dollar	–	6,187,663	6,187,663	1.32
Danish krone	28,922	2,335,726	2,364,648	0.50
Euro	50,774	14,622,711	14,673,485	3.12
Hong Kong dollar	–	13,965,838	13,965,838	2.97
Japanese yen	–	6,049,119	6,049,119	1.29
Swiss franc	26,601	4,750,418	4,777,019	1.02
US dollar	684,675	123,760,366	124,445,041	26.49
	790,972	**175,605,660**	**176,396,632**	**37.56**
Sterling	20,090,308	273,206,833	293,297,141	62.44
	20,881,280	**448,812,493**	**469,693,773**	**100.00**

15. Risk Management Policies and Disclosures (continued)

Currency exposure as at 31st December 2021

	Monetary Exposure £	Non-Monetary Exposure £	Total £	%
Australian dollar	–	9,054,257	9,054,257	1.77
Brazilian real	–	444,506	444,506	0.09
Canadian dollar	–	8,432,923	8,432,923	1.65
Danish krone	22,115	2,924,037	2,946,152	0.57
Euro	54,188	26,892,808	26,946,996	5.26
Hong Kong dollar	–	5,950,806	5,950,806	1.16
Indian rupee	–	529,878	529,878	0.10
Japanese yen	–	9,135,951	9,135,951	1.78
South African rand	–	545,841	545,841	0.11
Swiss franc	23,969	–	23,969	–
US dollar	63,248	142,738,917	142,802,165	27.86
	163,520	**206,649,924**	**206,813,444**	**40.35**
Sterling	18,467,237	287,246,323	305,713,560	59.65
	18,630,757	**493,896,247**	**512,527,004**	**100.00**

Credit Risk
Certain transactions in securities that the sub-fund enters into exposes it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the sub-fund has fulfilled its responsibilities. The sub-fund only buys and sells investments through brokers which have been approved by the Operator as an acceptable counterparty. In addition, limits are set to the exposure to any individual broker that may exist at any time and changes in brokers' financial ratings are reviewed. Bonds or other debt securities involve credit risk to the issuer which may be evidenced by the issuer's credit rating. Securities which are subordinated and/or have a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than more highly rated securities.

This risk is managed by appraising the credit profile of financial instruments and issuers in line with the sub-fund's investment objective and policy.

Exposure to counterparties through derivative positions and the collateral held at the balance sheet date can be seen on 106.

Liquidity Risk
The sub-fund's assets comprise mainly of readily realisable securities. The main liability of the sub-fund is the redemption of any units over and above the cash holdings that investors wish to sell. Assets of the sub-fund may need to be sold if insufficient cash is available to finance such redemptions.

As the sub-fund has significant holdings in readily realisable level 1 and level 2 securities, it is expected that the sub-fund will be able to generate sufficient cash flows to settle these obligations when they arise.

The Operator reserves the right to defer redemptions where there is a net outflow representing 10% of the NAV or more on a single dealing day.

Interest Rate Risk
Interest rate risk is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in interest rates. The sub-fund invests in fixed and floating rate securities. The revenue of the sub-fund may be affected by changes to interest rates relevant to particular securities or as a result of the Operator being unable to secure similar returns on the expiry of contracts or sale of securities. The value of fixed interest securities may be affected by interest rate movements or the expectation of such movements in the future. Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates.

15. Risk Management Policies and Disclosures (continued)

Interest Rate Risk Profile of the sub-fund's Assets and Liabilities:

31st December 2022	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Australian dollar	–	3,933,819	–	3,933,819
Canadian dollar	–	–	6,187,663	6,187,663
Danish krone	–	–	2,364,648	2,364,648
Euro	46,252	–	39,170,337	39,216,589
Hong Kong dollar	–	–	13,965,838	13,965,838
Japanese yen	–	–	6,049,119	6,049,119
Sterling	85,941,690	48,515,761	162,189,381	296,646,832
Swiss Franc	22	–	4,776,997	4,777,019
US Dollar	441,178	1,676,660	160,613,891	162,731,729
	86,429,142	**54,126,240**	**395,317,874**	**535,873,256**

31st December 2022	Floating Rate Financial Liabilities £	Fixed Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Euro	(24,543,104)	–	**–**	(24,543,104)
Sterling	–	–	(3,349,691)	(3,349,691)
US dollar	(38,286,688)	–	**–**	(38,286,688)
	(62,829,792)	**–**	**(3,349,691)**	**(66,179,483)**

15. Risk Management Policies and Disclosures (continued)

Interest Rate Risk Profile of the sub-fund's Assets and Liabilities:

31st December 2021	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Australian dollar	–	–	9,054,257	9,054,257
Brazilian real	–	444,506	–	444,506
Canadian dollar	–	–	8,432,923	8,432,923
Danish krone	–	–	2,946,152	2,946,152
Euro	43,769	–	49,198,155	49,241,924
Hong Kong dollar	–	–	5,950,806	5,950,806
Indian rupee	–	529,878	–	529,878
Japanese yen	–	–	9,135,951	9,135,951
South African rand	–	545,841	–	545,841
Sterling	27,249,773	31,610,139	251,618,120	310,478,032
Swiss franc	–	–	23,969	23,969
US dollar	2,572,027	1,578,017	211,156,951	215,306,995
	29,865,569	**34,708,381**	**547,517,284**	**612,091,234**

31st December 2021	Floating Rate Financial Liabilities £	Fixed Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Euro	(43,769)	**–**	(22,251,159)	(22,294,928)
Sterling	–	**–**	(4,764,472)	(4,764,472)
US dollar	(7)	**–**	(72,504,823)	(72,504,830)
	(43,776)	**–**	**99,520,454**	**(99,564,230)**

15. Risk Management Policies and Disclosures (continued)

Fair Value of Financial Assets and Liabilities
The fair value of a financial instrument is the amount for which it could be exchanged between knowledgeable, willing parties in an arm's length transaction. There is no significant difference between the value of the financial assets and liabilities, as shown in the financial statements, and their fair value.

Valuation technique as at 31st December 2022

	Level 1	Level 2	Level 3	Total
Financial Assets	**£**	**£**	**£**	**£**
Collective Investment Schemes	5,618,948	54,318,736	–	59,937,684
Debt Securities	24,132,395	30,585,276	–	54,717,671
Equities	332,524,544	3,317,114	–	335,841,658
	362,275,887	**88,221,126**	**–**	**450,497,013**
Financial Liabilities				
Forward Currency Contracts	–	(1,684,520)	–	(1,684,520)
	–	**(1,684,520)**	**–**	**(1,684,520)**

Valuation technique as at 31st December 2021

	Level 1	Level 2	Level 3	Total
Financial Assets	**£**	**£**	**£**	**£**
Collective Investment Schemes	4,341,476	51,490,048	–	55,831,524
Debt Securities	19,863,874	22,417,939	–	42,281,813
Equities	394,383,455	–	–	394,383,455
Forward Currency Contracts	–	1,893,748	–	1,893,748
Options	217,424	–	–	217,424
	418,806,229	**75,801,735**	**–**	**494,607,964**
Financial Liabilities				
Options	(711,717)	–	–	(711,717)
	(711,717)	**–**	**–**	**(711,717)**

The valuation technique has been disclosed under Accounting Policies note 1n on page 18 .

Level 1
The unadjusted quoted price in an active market for identical instruments that the entity can access at the measurement date.

Level 2
Valuation techniques using observable Inputs other than quoted prices within Level 1 (i.e., developed using market data).

Level 3
Valuation techniques using unobservable Inputs (i.e., for which market data is unavailable).

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

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

Counterparty Risk (continued)

Counterparty Name as at 31st December 2022	Exposure £	Cash Collateral (Pledged)/ Received £
The Bank of New York Mellon	–	1,530,000

Counterparty Name as at 31st December 2021	Exposure £	Cash Collateral (Pledged)/ Received £
MSCI World Net	217,424	–
The Bank of New York Mellon	1,893,748	1,540,000

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

16. Portfolio Transaction Costs

	01.01.2022 to 31.12.2022 £	01.01.2021 to 31.12.2021 £
Analysis of total purchase costs:		
Purchases in year before transaction costs		
Bonds	67,742,810	28,599,941
Collective Investment Schemes	28,163,611	17,903,650
Corporate Actions	7,036,336	155,513
Derivatives	1,558,974	4,158,405
Equities	168,188,231	150,224,974
Total purchases	**272,689,962**	**201,042,483**
Commissions:		
Collective Investment Schemes total value paid	–	–
Equities total value paid	88,127	66,980
Taxes:		
Collective Investment Schemes total value paid	–	–
Equities total value paid	11	11
Total purchase costs	**88,138**	**66,991**
Gross purchase costs	**272,778,100**	**201,109,473**
Analysis of total sale costs:		
Gross sales in year before transaction costs		
Bonds	45,066,242	34,080,568
Collective Investment Schemes	7,926,647	–
Corporate Actions	6,520,412	155,513
Derivatives	1,456,481	2,817,803
Equities	197,603,274	51,215,339
Total sales	**258,573,056**	**88,269,223**
Commissions:		
Collective Investment Schemes total value paid	–	–
Derivatives Transactions total value paid	–	(514)
Equities total value paid	(76,115)	(14,050)
Taxes:		
Collective Investment Schemes total value paid	–	–
Equities total value paid	(21)	(3)
Total sales costs	**(76,136)**	**(14,567)**
Total sales net of transaction costs	**258,496,920**	**88,254,656**

16. Portfolio Transaction Costs (continued)

	01.01.2022 to 31.12.2022 %	01.01.2021 to 31.12.2021 %
Analysis of total purchase costs:		
Commissions:		
Equities percentage of average NAV	0.02	0.02
Taxes:		
Equities percentage of average NAV[1]	–	–
Analysis of total sale costs:		
Commissions:		
Equities percentage of average NAV	0.02	–
Taxes:		
Equities percentage of average NAV	–	–

The average portfolio dealing spread as at 31st December 2022 was 0.26% (31st December 2021: 0.10%).

[1]Excluding single swing price adjustment.

17. Post Balance Sheet Events

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

The sub-fund has a nominal holding of 2,916,674 shares in Home REIT PLC at a year-end price of £0.3805. Subsequent to the year-end, following a temporary suspension of listing from the Official List, fair value pricing has been applied. At the reporting date the holding is priced at £0.095, representing a -£0.83 million unrealised diminution in value from year-end valuation. The Investment Manager's Review does not incorporate the post year-end update.

Distribution Tables

For the year ended 31st December 2022

First Interim distribution in pence per unit
Group 1: Units purchased prior to 1st January 2022
Group 2: Units purchased between 1st January 2022 and 31st March 2022

Unit	Net Revenue 2022 Pence per Unit	Equalisation (note 12) 2022 Pence per Unit	1st Interim Distribution Paid 2022 Pence per Unit	1st Interim Distribution Paid 2021 Pence per Unit
V Accumulation Units				
Group 1	0.6283	–	0.6283	Nil
Group 2	0.6283	–	0.6283	Nil
A Accumulation Units				
Group 1	2.0834	–	2.0834	2.0310
Group 2	2.0834	–	2.0834	2.0310
A Income Units				
Group 1	0.7700	–	0.7700	0.7700
Group 2	0.7700	–	0.7700	0.7700

Second Interim distribution in pence per unit
Group 1: Units purchased prior to 1st April 2022
Group 2: Units purchased between 1st April 2022 and 30th June 2022

Unit	Net Revenue 2022 Pence per Unit	Equalisation (note 12) 2022 Pence per Unit	2nd Interim Distribution Paid 2022 Pence per Unit	2nd Interim Distribution Paid 2021 Pence per Unit
V Accumulation Units				
Group 1	0.6561	–	0.6561	0.4608
Group 2	0.6561	–	0.6561	0.4608
A Accumulation Units				
Group 1	2.1780	–	2.1780	2.1240
Group 2	2.1780	–	2.1780	2.1240
A Income Units				
Group 1	0.8000	–	0.8000	0.8000
Group 2	0.8000	–	0.8000	0.8000

Third Interim distribution in pence per unit
Group 1: Units purchased prior to 1st July 2022
Group 2: Units purchased between 1st July 2022 and 30th September 2022

Unit	Net Revenue 2022 Pence per Unit	Equalisation (note 12) 2022 Pence per Unit	3rd Interim Distribution Paid 2022 Pence per Unit	3rd Interim Distribution Paid 2021 Pence per Unit
V Accumulation Units				
Group 1	0.6564	–	0.6564	0.4601
Group 2	0.6564	–	0.6564	0.4601
A Accumulation Units				
Group 1	2.1935	–	2.1935	2.1377
Group 2	2.1935	–	2.1935	2.1377
A Income Units				
Group 1	0.8000	–	0.8000	0.8000
Group 2	0.8000	–	0.8000	0.8000

Final distribution in pence per unit
Group 1: Units purchased prior to 1st October 2022
Group 2: Units purchased between 1st October 2022 and 31st December 2022

Unit	Net Revenue 2022 Pence per Unit	Equalisation (note 12) 2022 Pence per Unit	Final Distribution Paid 2023 Pence per Unit	Final Distribution Paid 2022 Pence per Unit
V Accumulation Units				
Group 1	0.6610	–	0.6610	0.6494
Group 2	0.6610	–	0.6610	0.6494
A Accumulation Units				
Group 1	2.2090	–	2.2090	2.1506
Group 2	2.2090	–	2.2090	2.1506
A Income Units				
Group 1	0.8000	–	0.8000	0.8000
Group 2	0.8000	–	0.8000	0.8000

Sarasin Growth Fund

Annual Report and Financial Statements for the year from 01.01.2022 to 31.12.2022

Investment Objective of the Sub-fund as set by the Board
We seek to grow the sub-fund (through increases in investment value and, to a lesser extent, income) by 4.5% per year more than the Consumer Prices Index (CPI) over a rolling 7-year period after deducting fees and costs.

This target is not guaranteed over any period of time and the sub-fund could lose value.

Investment Policy of the Sub-fund
Investments

We invest the sub-fund approximately as follows:

• Shares: 80% direct investments in 40 to 70 companies listed on major stock exchanges around the world.

• Alternatives: 20% in wide range of alternate assets (through listed investment trusts and open-ended funds) including, but not limited to, infrastructure, commodities and private equity/venture capital.

We will also have the ability to invest in the following:

• Government and corporate bonds: up to 10%.

• Property: up to 10% (through REITS and/or other charity property funds only).

• Cash: up to 10%.

Unless stated otherwise, exposure to any of the above asset classes may be obtained indirectly through investment in funds (including funds managed by Sarasin).

We may also use derivatives for investment purposes, to increase performance, for example by protecting the sub-fund against falls in the value of shares, and to generate income, and for efficient portfolio management (as described below under Additional Techniques). Derivatives are financial contracts whose value is linked to the price of another asset (e.g. indices, rates, share prices, currencies).

Investment Selection

The Investment Manager will typically allocate 80% to shares and 20% to alternatives in normal market conditions. However, the sub-fund is managed on an active basis and when there is a strong sentiment, positive or negative, on a particular asset class or classes, the Investment Manager will actively deviate away from this asset mix to try to meet the investment objective so that, in unfavourable market conditions, the sub-fund may invest less in shares and adjust its allocation to other asset classes accordingly.

Investment Screening

We avoid investment in companies which are materially engaged in certain sectors, including tobacco, alcohol, armaments, gambling and adult entertainment. Further detail on how we do this is available on our website at www.sarasinandpartners.com.

We have an environmental, social and governance strategy. We consider which target investments fulfil an environmentally or socially beneficial role and that employ high standards of governance. However, this strategy may not always apply where exposure is obtained indirectly through investment in funds.

Additional Techniques

In addition to being able to use derivatives for investment purposes as described above, we will use derivatives for effective portfolio management: to adjust how sensitive the sub-fund is to changes in currencies, to act on opportunities or control risk, and to gain cost-effective access to investments.

Benchmark Information
The sub-fund's performance can be assessed by reference to:

a. Comparator benchmark reflective of the typical asset allocation of the sub-fund

Benchmark	Allocation
MSCI All Countries World Index	80.00%
SONIA +2%	20.00%

b. The target benchmark of CPI + 4.5% over a rolling 7-year period after deducting fees and costs. CPI is a measure of inflation. If the sub-fund's performance matched CPI over a year, an investment in the sub-fund would provide approximately the same purchasing power as it would have provided a year earlier. The sub-fund will seek an annualised outperformance of the CPI by 4.5% per year over a rolling 7-year period to provide real growth.

Investment Manager's Review

Sub-fund Performance

Cumulative performance		1 yr	3 yrs	5 yrs	Since Inception
		01 Jan 22 - 31 Dec 22	01 Jan 20 - 31 Dec 22	01 Jan 18 - 31 Dec 22	23 Sep 21 - 31 Dec 22
		%	%	%	%
Fund	A Acc (Net)	-10.0	-	-	-7.1
Comparator		-5.6	-	-	-1.7

Discrete performance		01 Jan 22 - 31 Dec 22	01 Jan 21 - 31 Dec 21	01 Jan 20 - 31 Dec 20	01 Jan 19 - 31 Dec 19	01 Jan 18 - 31 Dec 18
		%	%	%	%	%
Fund	A Acc (Net)	-10.0	-	-	-	-
Comparator		-5.6	-	-	-	-

Source: Sarasin & Partners LLP and FE Fundinfo.

Performance is provided net of fees. Past performance is not a guide to future returns and may not be repeated. Performance is calculated in GBP on the basis of net asset values (NAV) and dividends reinvested.

Class A (Acc) has been used as the representative share class in the table above, which launched on 23rd September 2021.

The comparator of this sub-fund has changed over time, please visit https://sarasinandpartners.com/wp-content/uploads/2020/05/benchmark-history.pdf for a full history. Please note that the performance target is to be achieved over a specific annualised time period - refer to the investment objective above.

Performance figures for other share classes in issue can be obtained by contacting marketing@sarasin.co.uk.

Performance
The sub-fund returned -10.00% (net of charges) for the 12-month period ended 31st December 2022, versus -5.60% for the comparator benchmark.

Review
Global financial markets were weak in 2022, driven by higher than expected inflation and central bank measures that were implemented in an attempt to counter it.

Concerns over inflationary pressures in the US, UK and Europe were already growing in the early part of the year due to elevated spending on goods and services as the world reopened following the pandemic. The situation was exacerbated by high commodity prices, especially oil, natural gas and food that spiked following Russia's invasion of Ukraine. Central banks had delayed reacting to the situation in 2021, citing the perceived temporary nature of high inflation, but responded emphatically in 2022 by raising interest rates as part of a pivot from quantitative easing to quantitative tightening. The upward trajectory of rates was fuelled by stronger than expected economic news and tight labour markets that meant demand was less affected by higher borrowing costs.

During the year, fixed income and equity markets experienced sharp declines. Alternatives, meanwhile, delivered a mixed performance, while the gold price recovered in the latter part of the year after experiencing a marked fall in response to rising interest rates.

Positives
During the year, defensive sectors such as healthcare outperformed more highly valued sectors that were negatively affected by monetary policy tightening. Pharmaceutical company Merck, for example, contributed positively to the sub-fund's performance. It reported robust earnings due in part to the performance of its primary cancer medication, Keytruda, and COVID-19 drug, Molnupiravir.

Another positive contributor to sub-fund performance was EssilorLuxottica, a Paris-based company which specialises in lenses and glasses. Its share price was strong after it announced better than expected sales in eyewear solutions.

Investment Manager's Review (continued)
With the global travel sector recovering as pandemic-related restrictions eased, luggage firm Samsonite recorded higher sales. When combined with impressive cost control reforms implemented over recent years, the company saw a healthy recovery in its profits and share price. The prospect of Chinese tourists returning to international travel as the country eased its Zero COVID-19 policy also supported the firm's share price.

Agricultural equipment company Deere & Co, was another positive contributor to the sub-fund's performance. It benefited from high demand and strong pricing power that allowed management to offset supply chain issues and high inflation during the year. The company's strong sales, high margins, and rising new order volumes supported its share price.

Invesco Physical Gold contributed positively to the sub-fund's return. The gold price gained in the latter part of the year in response to less hawkish commentary from the US Federal Reserve and a slower pace of interest rate rises in the US.

Negatives
The technology sector detracted from the sub-fund's return as weaker consumer demand amid extreme inflation and rising interest rates weighed on the share prices of several holdings.

For example, e-commerce firm Amazon.com declined on worries of a potential pullback in consumer spending resulting from a global recession. Google owner Alphabet detracted from returns due to fears that a global economic downturn would weigh on digital advertising spend. Around 80% of its revenue is derived from advertising on services such as Google, YouTube, and Android.

The sub-fund's holding in Walt Disney also detracted as high inflation prompted lower than expected income at the firm's theme parks business. This led to deteriorating investor sentiment during the year when combined with mixed results in the company's direct-to-consumer business. Bob Iger's return as CEO has the potential to stabilise the firm and calm investor uncertainty.

SVB Financial, the holding company of Silicon Valley Bank, acted as a drag on the sub-fund's return. Slowing venture capital and IPO activity, alongside rising fees on deposits, led to a significant downgrade to the firm's earnings estimates.

Finally, Netherlands-based health and nutrition specialist Koninklijke DSM struggled as inflation and energy costs in Europe impacted its profit margins. This prompted weaker investor sentiment and a lower share price.

Transactions
PayPal was among the new equity holdings added to the sub-fund during the year. It is a technology platform for digital payments that is related to the long-term growth of ecommerce. The company has a significant opportunity to deliver long-term growth through partnerships and adjacent businesses, as well as scope for financial upside resulting from its high operating leverage.

We added Smith & Nephew, which specialises in surgical medical devices and wound care products, and Thermo Fisher Scientific, which is the world's largest life sciences tools company. Both firms are poised to benefit from long-term growth in the healthcare technology and medical devices segment.

The sub-fund started a position in the Brevan Howard Absolute Return Fund. It has a strong track record of performance and aims to generate uncorrelated absolute return through the use of derivatives products primarily in the government bond market.

The sub-fund also made several sales during the year. Among them was renewable energy utility NextEra Energy, which was sold due to concerns that its industry-leading returns on capital may not be sustainable in the long term and that its valuation does not fully reflect this risk.

We also sold the holding in Italian utility company Enel. Although it has grown significantly in recent years, its size and future prospects make it more difficult to sustain growth.

In order to reduce cyclicality within the sub-fund, we sold global provider of energy and digital solutions for efficiency and sustainability, Schneider Electric.

Outlook
The outlook for inflation and interest rates remain among the key concerns for investors, although there is now some hope that interest rates may not need to rise as much as previously feared. Meanwhile, events in Ukraine are changing with remarkable speed, and we continue to monitor risks to the outlook. The relaxation of China's Zero COVID-19 Policy should support global growth but may also support global inflation if it leads to a resurgence in oil and commodity prices.

Other challenges also require close monitoring. The significant and rapid tightening of financial conditions over the past year may have unintended consequences for business activity and market functionality. Generally, company earnings will be put under pressure in the coming year as global growth slows and liquidity has become more difficult to access.

Investment Manager's Review (continued)

While the outlook for assets remains challenging, there are reasons to be optimistic that economic weakness should be relatively contained. The inflation that has driven central banks to tighten monetary policy is heavily influenced by the effect of high energy prices. If energy prices continue to normalise, inflation should come down over the course of the next year, allowing central banks more flexibility in their policy-setting. Households and banks are also better capitalised than in previous years. This means they have more ability to withstand higher prices and disruption before altering their spending or lending actions.

Considering how the sub-fund is positioned for the year ahead, the sub-fund is well placed to deal with the challenges noted above. Once the US Federal Reserve's interest rate rises and other measures designed to reduce liquidity have taken effect, valuation support will hopefully result in a rebound for stocks and support fixed income returns. Recessions tend to lead to pressure on earnings across the board on equities, however, we remain confident that our bias for thematic companies with long term structural earnings drivers should lead the portfolio of stocks to outperform the broader market.

Finally, the price action that took place in 2022 was meaningful. By the end of the year, valuations appeared more reasonable than they had been, affording a more diverse opportunity set for investors seeking to make returns across a selection of assets. In such times, patience and diligence can lead to superior investment returns. At present, this has led to a preference for high-quality, defensive assets that are well-positioned to withstand the implications of the current market outlook.

Melanie Roberts
Partner & Head of Charities
Sarasin & Partners LLP
27th January 2023

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

Sensitivity analysis
The sub-fund invests in equities and alternatives. The level of equity exposure varies over time depending on how positive the manager is; generally the level is expected to be in the range of 70-90%. The alternatives allocation is expected to be between 10-30%.

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

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

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

The "99% / 20-day VaR" for Sarasin Growth Fund, as at 31st December 2022, was 125% (31st December 2021: 114.83%). The lowest, highest, and average utilisation in the year was 99.01%, 127.79%, and 112.94%, respectively (31st December 2021: 109.17%, 115.70%, and 112.57%, respectively).

Top 20 Purchases during the year[1]
Invesco Physical Gold
Smith & Nephew
Thermo Fisher Scientific
Amazon.com
Reckitt Benckiser
International Flavors and Fragrances
ServiceNow
Samsonite International
Walt Disney
Equinor
Brevan Howard Absolute Return Government Bond Fund 'A' GBP Acc
Service Corp International
Mastercard 'A'
Microsoft
Paypal
CME
EssilorLuxottica
London Stock Exchange
Medtronic
AIA

Top 20 Sales during the year[1]
Invesco Physical Gold
NextEra Energy
Jack Henry & Associates
Marriott International 'A'
Merck
Enel
Charter Communications
Dassault Systemes
EssilorLuxottica
Samsonite International
Schneider Electric
Home Depot
Aramark
Colgate-Palmolive
Siemens
Deere & Co
Mastercard 'A'
Legal & General
Sonic Healthcare
Syncona

[1] Excluding money market funds.

Sub-fund Information for the year ended 31st December 2022

Size (Units)	Unit Type	Mid Price	Yield*
184,681,858	A Income Units	92.07 pence	1.60%
3,572,503	A Accumulation Units	93.79 pence	1.58%

Launch Date		A Unit Class: 23rd September 2021
Launch Price		A Income Units: 100.00 pence A Accumulation Units: 100.00 pence
Management Charges	Annual: Initial:	A Unit Class: 0.75% A Unit Class: 0.00%
Unit Types	Income and Accumulation Units	
Accounting Period Ends	Interim: Interim: Interim: Final:	31st March 30th June 30th September 31st December
Initial Minimum Investment:	£1,000	

* The yield shown is the historic yield and is calculated by taking the distribution rate for the last four distribution, multiplied by 100 and divided by the mid price of the units.

The Comparative Tables on pages 121 and 122 give the performance of each active unit class in the sub-fund.

The ‘Return after charges’ disclosed in the Comparative Table is calculated as the return after operating charges per unit divided by the opening net asset value per unit. It differs from the sub-fund’s performance disclosed in the Investment Manager's Review, which is calculated based on the latest published price.

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

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

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

Sub-fund Information for the year ended 31st December 2022 (continued)
Comparative Tables

A Income Units

Change in Net Asset Value per Unit

	2022 (pence per unit)	2021[1] (pence per unit)
Opening net asset value per unit	**102.39**	100.00
Return before operating charges*	**(7.91)**	3.59
Operating charges (calculated on average price)	**(0.94)**	(0.93)
Return after operating charges*	**(8.85)**	2.66
Distributions on income units	**(1.47)**	(0.27)
Closing net asset value per unit	**92.07**	102.39
* after direct transaction costs of[2]:	**(0.04)**	–
Performance		
Return after charges[3]	**(8.64)%**	2.66%
Other Information		
Closing net asset value (£'000)	**170,041**	69,508
Closing number of units	**184,681,858**	67,885,823
Operating charges[4]	**0.99%**	0.92%
Direct transaction costs	**(0.04)%**	0.00%
Prices		
Highest unit price	**103.14**	104.23
Lowest unit price	**88.47**	97.51

[1] Unit class launched on 23rd September 2021. The opening net asset value per unit is the launch price.
[2] Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution levies that relate to direct transaction costs. A negative transaction cost figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.
[3] The return after charges is calculated as the return after operating charges per unit divided by the opening net asset value per unit.
[4] Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included in the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. For Sarasin Growth Fund, 0.18% of the Operating Charges was made up of synthetic costs.

Sub-fund Information for the year ended 31st December 2022 (continued)
Comparative Tables (continued)

A Accumulation Units

Change in Net Asset Value per Unit

	2022 (pence per unit)	2021[1] (pence per unit)
Opening net asset value per unit	**102.67**	100.00
Return before operating charges*	**(7.93)**	3. 61
Operating charges	**(0.95)**	(0.94)
Return after operating charges*	**(8.88)**	2.67
Distributions	**(1.48)**	(0.27)
Retained distributions on accumulation units	**1.48**	0.27
Closing net asset value per unit	**93.79**	102.67
* after direct transaction costs of[2]:	**(0.04)**	–
Performance		
Return after charges[3]	**(8.65)%**	2.67%
Other Information		
Closing net asset value (£'000)	**3,351**	1,950
Closing number of units	**3,572,503**	1,899,431
Operating charges[4]	**0.99%**	0.92%
Direct transaction costs	**(0.04)%**	0.00%
Prices		
Highest unit price	**103.43**	104.24
Lowest unit price	**89.71**	97.51

[1] Unit class launched on 23rd September 2021. The opening net asset value per unit is the launch price.
[2] Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution levies that relate to direct transaction costs. A negative transaction cost figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.
[3] The return after charges is calculated as the return after operating charges per unit divided by the opening net asset value per unit.
[4] Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last period's figures. Included in the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. For Sarasin Growth Fund, 0.18% of the Operating Charges was made up of synthetic costs.

Portfolio Statement as at 31st December 2022

Holding or Nominal Value	Investment	Bid Market Value (£)	% of Net Assets
	UK Equities 11.50% (31 December 2021 - 12.07%)		
69,415	Reckitt Benckiser	3,994,139	2.31
55,058	London Stock Exchange	3,928,939	2.27
296,356	Smith & Nephew	3,282,143	1.89
275,544	Prudential	3,106,759	1.79
762,718	DS Smith	2,444,511	1.41
2,593,109	BioPharma Credit Fund	2,047,928	1.18
1,116,882	VH Global Sustainable Energy Opportunities	1,128,051	0.65
		19,932,470	**11.50**
	Global Equities 66.69% (31 December 2021 - 75.00%)		
19,627	Microsoft	3,912,999	2.26
406,400	AIA	3,757,281	2.17
106,934	Aramark	3,674,106	2.12
7,878	Thermo Fisher Scientific	3,606,563	2.08
61,355	Service Corp International	3,522,977	2.03
12,141	Mastercard	3,509,777	2.02
60,639	HDFC Bank ADR	3,448,594	1.99
22,957	EssilorLuxottica	3,441,200	1.99
29,294	Air Liquide	3,441,147	1.98
23,997	CME	3,354,074	1.93
81,000	Shiseido	3,294,777	1.90
26,745	Siemens	3,069,582	1.77
47,037	Medtronic	3,039,085	1.75
8,319	Deere & Co	2,966,319	1.71
33,842	International Flavors and Fragrances	2,949,534	1.70
40,551	Walt Disney	2,928,477	1.69
98,223	Equinor	2,915,663	1.68
39,395	Alphabet	2,905,909	1.68
1,311,600	Samsonite International	2,863,885	1.65
46,131	Taiwan Semiconductor Manufacturing ADR	2,856,678	1.65
30,158	Merck	2,781,385	1.60
39,332	Amazon.com	2,745,948	1.58
11,799	Moody's	2,731,847	1.58
37,303	Splunk	2,668,177	1.54
5,847	ASML	2,613,532	1.51
11,794	Amgen	2,574,110	1.48
7,694	ServiceNow	2,485,247	1.43
37,406	Otis Worldwide	2,435,479	1.41
21,587	Middleby	2,402,763	1.39
118,568	Alstom	2,399,548	1.38
23,829	Meta Platforms 'A'	2,383,890	1.38
39,484	PayPal	2,338,054	1.35
22,975	First Republic Bank	2,328,059	1.34
5,718	Costco Wholesale	2,169,978	1.25
21,252	Koninklijke	2,155,176	1.24
32,153	Colgate-Palmolive	2,106,023	1.21
15,200	Daikin Industries	1,934,038	1.12
53,200	Tencent	1,892,598	1.09
15,075	Palo Alto Networks	1,748,244	1.01

Portfolio Statement as at 31st December 2022 (Continued)

Holding or Nominal Value	Investment	Bid Market Value (£)	% of Net Assets
	Global Equities (continued)		
10,222	Illumina	1,717,235	0.99
6,606	SVB Financial	1,263,097	0.73
566,996	Syncona	1,020,593	0.59
347,490	Apax Global Alpha	650,501	0.38
8,553	Alphabet	627,272	0.36
		115,631,421	**66.69**
	Global Property 1.84% (31 December 2021 - 1.77%)		
5,863	Equinix	**3,192,261**	**1.84**
	Alternatives 5.98% (31 December 2021 - 7.12%)		
24,410	Invesco Physical Gold	3,567,443	2.06
267,161	Neuberger Berman Uncorrelated Strategies 'I5' GBP Accumulation	3,136,468	1.81
1,747,197	International Public Partnerships	2,645,256	1.53
856,810	Sequoia Economic Infrastructure Income	751,423	0.43
385,651	US Solar	266,740	0.15
		10,367,330	**5.98**
	Global Exchange Traded Funds 1.14% (31 December 2021 - 0.00%)		
80,689	WisdomTree Commodity Securities	**1,974,460**	**1.14**
	Global Collective Investment Schemes 8.68% (31 December 2021 - 0.98%)		
23,874	Brevan Howard Absolute Return Government Bond Fund 'A' GBP Acc	3,045,556	1.76
1,936,628	Renewables Infrastructure Group	2,517,616	1.45
199,707	PIMCO TRENDS Managed Futures Strategy Fund	1,865,263	1.08
534,499	3I Infrastructure	1,774,537	1.02
1,113,258	BBGI Global Infrastructure S.A.	1,743,362	1.00
13,985	Fulcrum Equity Dispersion Fund Class 'I' GBP Accumulation	1,680,483	0.97
1,621,465	Cordiant Digital Infrastructure	1,368,516	0.79
251,632	Oakley Capital Investments	1,051,822	0.61
		15,047,155	**8.68**
	UK Collective Investment Schemes 2.45% (31 December 2021 - 0.00%)		
1,521,168	Octopus Renewables Infrastructure Trust	1,521,168	0.88
886,582	Gresham House Energy Storage	1,431,830	0.82
374,718	HgCapital Trust	1,304,019	0.75
		4,257,017	**2.45**
	Total Value of Investments 98.28%		
	(31 December 2021 - 96.94%)	**170,402,114**	**98.28**
	Net Other Assets	2,989,895	1.72
	Net Assets	**173,392,009**	**100.00**

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

Portfolio Statement as at 31st December 2022 (Continued)

Asset Allocation of Portfolio of Investments is as follows:

Collective Investment Schemes	15,269,674	8.81
Equities	155,132,440	89.47
Net Other Assets	2,989,895	1.72
	173,392,009	**100.00**

Statement of Total Return
For the year ended 31st December 2022

	Notes	£	01.01.2022 to 31.12.2022 £	£	23.09.2021 to 31.12.2021[1] £
Income					
Net capital (losses)/gains	2		(12,114,464)		1,556,996
Revenue	3	2,237,188		180,106	
Expenses	4	(1,043,763)		(149,226)	
Interest payable and similar charges	6	(7,696)		(75)	
Net revenue before taxation		**1,185,729**		**30,805**	
Taxation	5	(156,721)		(16,868)	
Net revenue after taxation for the year			**1,029,008**		**13,937**
Total return before distributions			**(11,085,456)**		**1,570,933**
Distributions	6		(2,072,701)		(163,115)
Changes in net assets attributable to unitholders from investment activities			**(13,158,157)**		**1,407,818**

Statement of Changes in Net Assets Attributable to Unitholders
For the year ended 31st December 2022

	£	01.01.2022 to 31.12.2022 £	£	23.09.2021 to 31.12.2021[1] £
Opening net assets attributable to unitholders		**71,457,733**		**–**
Movement due to sales and repurchases of units:				
Amounts received on issue of units	115,819,922		70,032,632	
Amounts paid on cancellation of units	(901,880)		(2)	
		114,918,042		**70,032,630**
Dilution levy		129,056		12,172
Changes in net assets attributable to unitholders from investment activities (see above)		(13,158,157)		1,407,818
Retained distribution on accumulation units		45,335		5,113
Closing net assets attributable to unitholders		**173,392,009**		**71,457,733**

The notes on pages 128 to 137 form part of these Financial Statements.

[1] The sub-fund launched on 23rd September 2021.

Balance Sheet
As at 31st December 2022

	Notes	31.12.2022 £	31.12.2021 £
Assets			
Fixed assets:			
Investments		170,402,114	69,272,923
Current assets:			
Debtors	8	303,523	49,819
Cash and bank balances	9	3,603,903	2,631,270
Total assets		174,309,540	71,954,012
Creditors:			
Distribution payable on income units		(779,357)	(182,817)
Other creditors	10	(138,174)	(313,462)
Total liabilities		(917,531)	(496,279)
Net assets attributable to unitholders		**173,392,009**	**71,457,733**

The notes on pages 128 to 137 form part of these Financial Statements.

Certification of Accounts by Directors
The Directors are of the opinion that it is appropriate to adopt the going concern basis in the preparation of the Financial Statements as the assets of the sub-fund consist predominantly of securities that are readily realisable and, accordingly, the sub-fund has adequate resources to continue in operational existence for at least the next twelve months from the approval of these Financial Statements.

G. Steinberg
Director
Sarasin Investment Funds Limited
26th April 2023

S. A. M. Jeffries
Director
Sarasin Investment Funds Limited
26th April 2023

Notes

Notes to the financial statements
For the year ended 31st December 2022

1. Accounting Policies

The accounting policies for this sub-fund match those found on pages 17 to 19.

2. Net Capital (Losses)/Gains

	01.01.2022 to 31.12.2022 £	23.09.2021 to 31.12.2021 £
Net capital (losses)/gains comprise:		
Non-derivative securities realised (losses)/gains	(318,219)	209,766
Non-derivative securities unrealised (losses)/gains	(11,741,593)	1,363,504
Forward currency contracts realised gains/(losses)	72,649	(55,465)
Currency (losses)/gains	(125,887)	39,318
Transaction charges	(1,573)	(127)
Central Securities Depositary Regulation (CSDR) penalty reimbursement	159	–
	(12,114,464)	**1,556,996**

3. Revenue

	01.01.2022 to 31.12.2022 £	23.09.2021 to 31.12.2021 £
UK dividends	491,315	37,835
Overseas dividends	1,559,502	142,271
Bank Interest	9,365	–
Unfranked CIS[1] revenue	161,158	–
Offshore dividend CIS[1] revenue	15,848	–
	2,237,188	**180,106**

[1]Collective Investment Scheme.

4. Expenses

	01.01.2022 to 31.12.2022 £	23.09.2021 to 31.12.2021 £
Payable to the Manager, associates of the Manager, and agents of either of them:		
Management fees	959,218	121,899
	959,218	**121,899**
Payable to the Trustee, associates of the Trustee, and agents of either of them:		
Other Expenses		
Fixed operating charges[1]	84,545	11,488
Set-up costs	–	15,839
	84,545	**27,327**
Total Expenses	**1,043,763**	**149,226**

[1]The Audit fee for 31st December 2022 was £8,220 plus VAT (31st December 2021: £7,830 plus VAT).

5. Taxation

	01.01.2022 to 31.12.2022 £	23.09.2021 to 31.12.2021 £
a) Analysis of tax charge in year		
Overseas tax	156,721	16,868
Total tax for the year	**156,721**	**16,868**

b) As the Trust is a Charity Authorised Investment Fund, it is exempt from United Kingdom tax on capital gains realised on the disposal of investments held within the sub-fund and any UK corporation tax.

The sub-fund is also excluded from the normal tax rules which apply to revenue allocations to units and payments on redemption of units made to unitholders in an authorised unit trust scheme. For the purposes of the sub-fund, revenue of the sub-fund is not considered to be dividends in the hands of the unitholders and therefore no income tax is payable in respect of the revenue allocated to each unit.

In addition, any gains on the redemption of units in the sub-fund are not to be treated as chargeable gains for Capital Gains Tax purposes and therefore no Capital Gains Tax is payable on redemption of units.

6. Distribution

The distributions take account of revenue received on the creation of units and revenue deducted on the cancellation of units, and comprise:

	01.01.2022 to 31.12.2022 £	23.09.2021 to 31.12.2021 £
First interim	223,204	–
Second interim	592,444	–
Third interim	574,965	–
Final	794,644	187,930
	2,185,257	**187,930**
Add: Revenue deducted on cancellation of units	571	–
Deduct: Revenue received on creation of units	(113,127)	(24,815)
Net distributions for the year	**2,072,701**	**163,115**
Interest payable and similar charges	7,696	75
	2,080,397	**163,190**

7. Movement between Net Revenue and Distribution

	01.01.2022 to 31.12.2022 £	23.09.2021 to 31.12.2021 £
Net revenue after tax	1,029,008	13,937
Add: Undistributed revenue Reserve brought forward	48	–
Less: Undistributed revenue Reserve carried forward	(118)	(48)
Add: Expenses payable from capital	1,043,763	149,226
Net Distribution for the year	**2,072,701**	**163,115**

8. Debtors

	31.12.2022 £	31.12.2021 £
Accrued revenue	291,806	49,667
Overseas tax recoverable	11,717	152
	303,523	**49,819**

9. Cash and Bank Balances

	31.12.2022 £	31.12.2021 £
Cash and bank balances	3,603,903	2,631,270
	3,603,903	**2,631,270**

10. Other Creditors

	31.12.2022	31.12.2021
	£	£
Purchases awaiting settlement	–	251,985
Accrued expenses	138,174	61,477
	138,174	**313,462**

11. Contingent Assets/(Liabilities)

The sub-fund had no contingent asset or liability as at 31st December 2022 (31st December 2021: same)

12. Equalisation

Equalisation is not applied to distributions paid by the sub-fund.

13. Units in Issue

The sub-fund currently has two unit classes: A Income Units and A Accumulation Units. The annual management charge on each unit class can be found on page 120. The net asset value of each unit class, the net asset value per unit and the number of units in each class are given in the comparative tables on pages 121 and 122. The distribution per unit class is given in the distribution tables on pages 138 and 139. All classes have the same rights on winding up and have no par value.

	'A' Income Units	**'A' Accumulation Units**
Opening units	67,885,823	1,899,431
Units created	117,688,250	1,726,755
Units liquidated	(892,215)	(53,683)
Units converted	–	–
Closing units	184,681,858	3,572,503

14. Related Parties

Sarasin & Partners LLP and Sarasin Investment Funds Limited, together with Natwest Trustee and Depositary Services Limited as Corporate Trustee, are deemed to be Related Parties, by virtue of their ability to act in respect of the sub-fund's operations.

Sarasin & Partners LLP acts as principal on all transactions of units in the sub-fund. The aggregate monies received through creations and liquidations are disclosed in the statement of change in net assets attributable to unitholders.

Management fees are paid to Sarasin Investment Funds Limited and are shown in note 4.

Amounts due to Related Parties at the year end:

	31.12.2022	31.12.2021
	£	£
Management fees	112,468	42,047
	112,468	**42,047**

14. Related Parties (continued)

At 31st December 2022, Sarasin Growth Fund held no units in any other sub-fund or collective investment scheme managed by associated companies of Sarasin Investment Funds Limited.

At the year end, BNY (OCS) Nominees Limited owned 99.99% of the sub-fund on behalf of multiple beneficiaries (31st December 2021: 94.83%).

15. Risk Management Policies and Disclosures

Financial Instruments
In pursuing its investment objectives as stated on page 115, the sub-fund holds a number of financial instruments. The sub-fund's financial instruments, other than derivatives, comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for creations and payable for redemptions and debtors for accrued revenue.

The main risks arising from the sub-fund's financial instruments and the Operator's policies for managing these risks are summarised below, a sensitivity analysis of the sub-fund is provided on page 119. These policies have been applied throughout the year.

Market Price Risk
Market price risk is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises mainly from uncertainty about future prices of financial instruments the sub-funds hold. It represents the potential loss the sub-fund might suffer through holding market positions in the face of price movements. The sub-fund's investment portfolio is exposed to market price fluctuations which are monitored by the Operator in pursuance of the investment objectives and policy as set out in the Prospectus.

Adherence to investment guidelines and to investment and borrowing powers set out in The Charities (Accounts and Reports) Regulations 2008 mitigates the risk of excessive exposure to any particular type of security or issuer.

Alternatives Risk
Some alternative investments may have lower trading volumes than other securities. In some cases this may make such investments harder to sell at the last quoted market price, or at a price considered to be fair. Such conditions could result in unpredictable changes in the value of your holding.

Currency Risk
Currency risk is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in foreign currency exchange rates.

A proportion of the sub-fund's investment portfolios are invested in overseas securities and the balance sheet can be affected by movements in foreign exchange rates. The Operator may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the sterling value of investments that are priced in other currencies. Revenue received in other currencies is converted to sterling on or near the date of receipt.

Currency exposure as at 31st December 2022:

	Monetary Exposure £	Non-Monetary Exposure £	Total £	%
Euro	11,717	17,120,186	17,131,903	9.88
Hong Kong dollar	–	8,513,764	8,513,764	4.91
Japanese yen	–	5,228,815	5,228,815	3.02
Norwegian krone	–	2,915,664	2,915,664	1.68
US dollar	11,706	89,256,272	89,267,978	51.48
	23,423	**123,034,701**	**123,058,124**	**70.97**
Sterling	2,966,472	47,367,413	50,333,885	29.03
	2,989,895	**170,402,114**	**173,392,009**	**100.00**

15. Risk Management Policies and Disclosures (continued)

Currency exposure as at 31st December 2021:

	Monetary Exposure £	Non-Monetary Exposure £	Total £	%
Australian dollar	–	881,004	881,004	1.23
Danish krone	–	59,035	59,035	0.08
Euro	152	10,672,881	10,673,033	14.94
Hong Kong dollar	–	1,144,209	1,144,209	1.60
Japanese yen	–	2,097,201	2,097,201	2.93
US dollar	2,164	39,832,616	39,834,780	55.75
	2,316	**54,686,946**	**54,689,262**	**76.53**
Sterling	2,182,494	14,585,977	16,768,471	23.47
	2,184,810	**69,272,923**	**71,457,733**	**100.00**

Credit Risk
Certain transactions in securities that the sub-fund enters into exposes it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the sub-fund has fulfilled its responsibilities. The sub-fund only buys and sells investments through brokers which have been approved by the Operator as an acceptable counterparty. In addition, limits are set to the exposure to any individual broker that may exist at any time and changes in brokers' financial ratings are reviewed.

This risk is managed by appraising the credit profile of financial instruments and issuers in line with the sub-fund's investment objective and policy.

As at balance sheet date, the sub-fund is not exposed to any counterparty risk.

Liquidity Risk
The sub-fund's assets comprise mainly of readily realisable securities. The main liability of the sub-fund is the redemption of any units over and above the cash holdings that investors wish to sell. Assets of the sub-fund may need to be sold if insufficient cash is available to finance such redemptions.

As at the sub-fund has significant holdings in readily realisable level 1 and level 2 securities, it is expected that the sub-fund will be able to generate sufficient cash flows to settle these obligations when they arise.

The Operator reserves the right to defer redemptions where there is a net outflow representing 10% of the NAV or more on a single dealing day.

Interest Rate Risk
Interest rate risk is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in interest rates. The sub-fund may invest in fixed and floating rate securities. The revenue of the sub-fund may be affected by changes to interest rates relevant to particular securities or as a result of the Operator being unable to secure similar returns on the expiry of contracts or sale of securities. The value of fixed interest securities may be affected by interest rate movements or the expectation of such movements in the future. Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates.

15. Risk Management Policies and Disclosures (continued)

Interest Rate Risk Profile of the sub-fund's Assets and Liabilities:

31st December 2022	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Euro	–	–	17,131,903	17,131,903
Hong Kong dollar	–	–	8,513,764	8,513,764
Japanese yen	–	–	5,228,815	5,228,815
Norwegian krone	–	–	2,915,664	2,915,664
Sterling	3,592,197	–	47,659,219	51,251,416
US dollar	11,706	–	89,256,272	89,267,978
	3,603,903	**–**	**170,705,637**	**174,309,540**

31st December 2022	Floating Rate Financial Liabilities £	Fixed Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Sterling	–	–	(917,531)	(917,531)
	–	**–**	**(917,531)**	**(917,531)**

Interest Rate Risk Profile of the sub-fund's Assets and Liabilities:

31st December 2021	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
Australian dollar	–	–	881,004	881,004
Danish krone	–	–	59,035	59,035
Euro	–	–	10,673,033	10,673,033
Hong Kong dollar	–	–	1,144,209	1,144,209
Japanese yen	–	–	2,097,201	2,097,201
Sterling	2,629,106	–	14,635,644	17,264,750
US dollar	2,164	–	39,832,616	39,834,780
	2,631,270	**–**	**69,322,742**	**71,954,012**

31st December 2021	Floating Rate Financial Liabilities £	Fixed Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
Sterling	–	–	(496,279)	(496,279)
	–	**–**	**(496,279)**	**(496,279)**

15. Risk Management Policies and Disclosures (continued)

Fair Value of Financial Assets and Liabilities
The fair value of a financial instrument is the amount for which it could be exchanged between knowledgeable, willing parties in an arm's length transaction. There is no significant difference between the value of the financial assets and liabilities, as shown in the financial statements, and their fair value.

Valuation technique as at 31st December 2022

	Level 1	Level 2	Level 3	Total
Financial Assets	**£**	**£**	**£**	**£**
Collective Investment Schemes	5,541,903	9,727,771	–	15,269,674
Equities	155,132,440	–	–	155,132,440
	160,674,343	**9,727,771**	**–**	**170,402,114**

Valuation technique as at 31st December 2021

	Level 1	Level 2	Level 3	Total
Financial Assets	**£**	**£**	**£**	**£**
Collective Investment Schemes	701,501	3,719,943	–	4,421,444
Equities	64,851,479	–	–	64,851,479
	65,552,980	**3,719,943**	**–**	**69,272,923**

The valuation technique has been disclosed under Accounting Policies note 1m on page 18 .

Level 1
The unadjusted quoted price in an active market for identical instruments that the entity can access at the measurement date.

Level 2
Valuation techniques using observable inputs other than quoted prices within Level 1 (i.e., developed using market data).

Level 3
Valuation techniques using unobservable inputs (i.e., for which market data is unavailable).

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

In order to reduce this risk, collateral may be held by the sub-fund. As at the balance sheet date, the sub-fund is not exposed to any counterparty risk.

16. Portfolio Transaction Costs

	01.01.2022 to 31.12.2022 £	23.09.2021 to 31.12.2021 £
Analysis of total purchase costs:		
Purchases in year before transaction costs		
Collective Investment Schemes	8,235,180	1,279,633
Corporate Actions	840,029	–
Equities	146,109,386	70,540,640
Total purchases	**155,184,595**	**71,820,273**
Commissions:		
Equities total value paid	64,325	11,698
Taxes:		
Equities total value paid	17	7
Total purchase costs	**64,342**	**11,705**
Gross purchase costs	**155,248,937**	**71,831,978**
Analysis of total sale costs:		
Gross sales in year before transaction costs		
Corporate Actions	371,441	–
Equities	41,704,966	4,138,304
Total sales	**42,076,407**	**4,138,304**
Commissions:		
Equities total value paid	(15,570)	(1,703)
Taxes:		
Equities total value paid	(4)	–
Total sales costs	**(15,574)**	**(1,703)**
Total sales net of transaction costs	**42,060,833**	**4,136,601**

16. Portfolio Transaction Costs (continued)

	01.01.2022 to 31.12.2022 %	23.09.2021 to 31.12.2021 %
Analysis of total purchase costs:		
Commissions:		
Equities percentage of average NAV[1]	0.05	0.02
Taxes:		
Equities percentage of average NAV[1]	–	–
Analysis of total sale costs:		
Commissions:		
Equities percentage of average NAV[1]	0.01	–
Taxes:		
Equities percentage of average NAV[1]	–	–

The average portfolio dealing spread as at 31st December 2022 was 0.16% (31st December 2021: 0.10%).

[1]Excluding dilution levies.

17. Post Balance Sheet Events

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

The sub-fund has a nominal holding of 6,606 shares in SVB Financial at a year-end price of $230.14. Subsequent to the year-end, following the group's declaration of bankruptcy, the sub-fund sold the position for $0.396406, representing a -$1.51 million realised diminution from year-end valuation. The Investment Review does not incorporate the post year-end update.

Distribution Tables

For the year ended 31st December 2022

First Interim distribution in pence per unit
Group 1: Units purchased prior to 1st January 2022
Group 2: Units purchased between 1st January 2022 and 31st March 2022

Unit	Net Revenue 2022 Pence per Unit	Equalisation (note 12) 2022 Pence per Unit	1st Interim Distribution Paid 2022 Pence per Unit	1st Interim Distribution Paid 2021 Pence per Unit[1]
A Income Units				
Group 1	0.3006	–	0.3006	–
Group 2	0.3006	–	0.3006	–
A Accumulation Units				
Group 1	0.3013	–	0.3013	–
Group 2	0.3013	–	0.3013	–

Second Interim distribution in pence per unit
Group 1: Units purchased prior to 1st April 2022
Group 2: Units purchased between 1st April 2022 and 30th June 2022

Unit	Net Revenue 2022 Pence per Unit	Equalisation (note 12) 2022 Pence per Unit	2nd Interim Distribution Paid 2022 Pence per Unit	2nd Interim Distribution Paid 2021 Pence per Unit[1]
A Income Units				
Group 1	0.4095	–	0.4095	–
Group 2	0.4095	–	0.4095	–
A Accumulation Units				
Group 1	0.4120	–	0.4120	–
Group 2	0.4120	–	0.4120	–

Third Interim distribution in pence per unit
Group 1: Units purchased prior to 1st July 2022
Group 2: Units purchased between 1st July 2022 and 30th September 2022

Unit	Net Revenue 2022 Pence per Unit	Equalisation (note 12) 2022 Pence per Unit	3rd Interim Distribution Paid 2022 Pence per Unit	3rd Interim Distribution Paid 2021 Pence per Unit[1]
A Income Units				
Group 1	0.3370	–	0.3370	–
Group 2	0.3370	–	0.3370	–
A Accumulation Units				
Group 1	0.3404	–	0.3404	–
Group 2	0.3404	–	0.3404	–

Final distribution in pence per unit
Group 1: Units purchased prior to 1st October 2022
Group 2: Units purchased between 1st October 2022 and 31st December 2022

Unit	Net Revenue 2022 Pence per Unit	Equalisation (note 12) 2022 Pence per Unit	Final Distribution Paid 2023 Pence per Unit	Final Distribution Paid 2022 Pence per Unit[1]
A Income Units				
Group 1	0.4220	–	0.4220	0.2693
Group 2	0.4220	–	0.4220	0.2693
A Accumulation Units				
Group 1	0.4279	–	0.4279	0.2692
Group 2	0.4279	–	0.4279	0.2692

[1] Unit class launched on 23rd September 2021.

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