

Sarasin IE Diversified Endowments Fund (the Trust)

Supplement to the Prospectus dated 5 January 2022

This Supplement contains specific information in relation to **Sarasin IE Diversified Endowments Fund (the Trust)** an open-ended investment unit trust governed by the laws of Ireland and authorised by the Central Bank of Ireland (the **Central Bank**).

This Supplement forms part of and should be read in conjunction with the Prospectus dated 5 January 2022.

The Directors of the Manager, whose names appear under the section entitled “**Directors of the Manager**” in the Prospectus, accept responsibility for the information contained in the Prospectus and this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

This Supplement sets out the specific terms and conditions applicable to the Trust as well as risk factors and other information specific to the Trust which complements, supplements and modifies the information contained in the Prospectus. Prospective investors must also refer to the Prospectus which is separate to this document and describes and provides general information in relation to the Trust.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

Dated: 5 January 2022

A&L Goodbody LLP

DIRECTORY

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1. INVESTMENT OBJECTIVE, POLICIES AND STRATEGIES

Investment Objective

The investment objective of the Trust is to seek to achieve long term capital growth and income growth.

Investment Policy

The Trust will seek to achieve its investment objective through investment in a broadly diversified global portfolio of securities, primarily including equities and debt securities traded on the main global Regulated Markets. The Trust will employ a diversified strategic allocation approach, investing in debt securities to seek to produce a reasonable level of current income as well as investing in equities to seek to achieve long term capital growth and income growth for investors' future requirements. The diversified strategic allocation approach is neutral in respect of asset classes and will allocate to bonds, equities, property related assets (as described below), alternative assets (as described below) and cash. The Investment Manager will determine asset allocation operating ranges for each asset class in its discretion and in pursuit of the Trust's investment objective. The extent to which the Investment Manager will allocate to each asset class, within the asset allocation operating ranges, will vary according to the estimated relative values of the relevant asset class over the short to mid-term compared to the other asset classes. The Investment Manager may from time to time reassess the asset allocation operating ranges according to how particular asset classes perform over the medium to long term.

The Trust's equity investments will be diversified both by geography and by major investment themes and corporate characteristics. Such investment themes may include (but shall not be limited to) digitalisation, automation, ageing, emerging consumers and climate change. Corporate characteristics describe the life-cycle stage of a company based on its return on invested capital which typically varies through time as a company develops. Examples of corporate characteristics may include (but shall not be limited to) disruptive growth, defensive franchise, cyclical franchise, cash harvest, and special situations. A more detailed account of those employed from time to time will be given in the annual audited accounts of the Trust.

The Trust may also invest in fixed and floating rate, government and public debt securities such as bonds. The bonds in which the Trust will invest will normally have a minimum credit rating of A- as rated by Standard & Poor's, Moody's or an equivalent credit rating agency and in any event no more than 10% of the Trust's Net Asset Value will be invested in debt securities with a rating of BBB or below and in most circumstances, the proportion will be significantly less. The Trust may also, to a limited extent, and in line with its investment objective, to adhere capital and income growth, invest in property related listed closed-ended collective investment schemes (which are transferable securities) as well as real estate investment trusts ("**REITs**") and collective investment schemes which may be either UCITS or AIF collective investment schemes as described below). The Trust will invest no more than 10% of the Trust's Net Asset Value in REITs.

The Trust may also invest no more than 10% of its Net Asset Value in alternative assets such as structured products or debentures such as equity linked notes. Such structured products will provide exposure to equity indices as well as equity related exposures and may embed a derivative, such as an option or a swap as further described below but any such embedded derivative will not generate additional leverage to the Trust. Structured products are expected to be used primarily to gain economic exposure to the underlying equities or bonds' markets or securities, described above where direct local investments carry significant administrative burdens. In the case of structured products, the Trust will not receive any legal or beneficial interest in the underlying security.

The Trust may also employ futures, forwards and options for investment and for efficient portfolio management purposes. The Trust may also invest in warrants or convertible bonds which may embed a derivative element. The use of such instruments is more particularly described in the section entitled "**Financial Derivative Instruments for Investment and Efficient Portfolio Management**" below and in the Prospectus and will at all times be in accordance with the conditions and limits prescribed by the Central Bank. For example, the Investment Manager may buy and sell future contracts and forwards in order to maintain a fully invested position while at the same time accommodating liquidity requirements.

The use of financial derivative instruments ("**FDI**") will result in the creation of leverage. The level of leverage (calculated as the sum of all the gross notionals of all FDIs) is not expected to be in excess of 200% of the Net Asset Value of the Trust under normal circumstances, but investors should note the

possibility of higher leverage levels in certain circumstances such as periods of significant market dislocation.

The Trust may also invest less than 10% of Net Asset Value in both UCITS and AIF collective investment schemes in accordance with its investment objective. The Trust may invest in UCITS collective investment schemes in order to maintain a fully invested position while at the same time accommodating liquidity requirements. The Trust may also invest in AIF collective investment schemes (which are UCITS equivalent and in accordance with Central Bank guidance) domiciled primarily within the EU, to gain exposure to property related investments.

The Trust may also hold and invest in money market instruments such as bank deposits, fixed or floating rate instruments including but not limited to commercial paper, floating rate notes, certificates of deposit, freely transferable promissory notes and short-term government or corporate bonds in the interests of efficient management of the Trust's assets either for ancillary liquidity or defensive purposes.

The transferable securities referred to above in which the Trust may invest will be principally quoted, or dealt in, on a Regulated Market, as set out in Schedule 1 of the Prospectus.

As part of the Trust's investment strategy, the Investment Manager will assess securities for environmental, social and governance issues and consider Sustainability Risks to inform the security selection in the Trust. Decisions to purchase or sell investments will be influenced by consideration of Sustainability Risks. Please see further detail in the appendix hereto.

2. FINANCIAL DERIVATIVE INSTRUMENTS FOR INVESTMENT AND EFFICIENT PORTFOLIO MANAGEMENT

The Manager currently employs a risk management process relating to the use of FDIs on behalf of the Trust which details how it accurately measures, monitors and manages the various risks associated with FDIs. The Manager will on request provide supplementary information to Unitholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments in respect of the Trust.

The following is a description of the types of FDIs which may be used for investment and efficient portfolio management purposes by the Trust:

Futures: Futures contracts are standardised, exchange-traded contracts between two parties to buy or sell a specified asset at an agreed upon price at a specified future date. The underlying reference asset can be a single asset, basket or index and contracts are marked-to-market daily, reducing counterparty risk.

The Trust may use futures contracts to hedge against market or price risk or allow it to gain exposure to the underlying market. Long futures exposures may be used to equitise cash balances, both pending investment of a cash flow or with respect to fixed cash targets. Short futures positions can be used to reduce financial exposures in an effort to reduce either absolute or relative position exposure. Frequently, using futures to achieve a particular strategy instead of using the underlying or related security as described in the Investment Policy above in lower transaction costs being incurred and less disruption to the underlying assets of a portfolio.

Forwards: A forward contract is a non-standardised, negotiated, over-the-counter contract between two parties to buy or sell an asset at a specified future time at a price agreed upon today. Most typically, the underlying assets are currencies, although forwards can be structured on other assets, baskets, indexes or reference securities. Forward contracts may be cash or physically settled between the parties and these contracts cannot be transferred.

The Trust's use of forward foreign exchange contracts may include altering the currency exposure of securities held, hedging against exchange risks, increasing exposure to a currency, shifting exposure to currency fluctuations from one currency to another and hedging classes denominated in a currency (other than the Base Currency) to the Base Currency. Other forward contracts, including equity, basket and index, could potentially be used to alter the currency, hedging against financial risks, or increase exposure to an asset.

Options: Option contracts give their holders the right, but not the obligation, to engage in a transaction on an asset (such as an equity or a bond), most typically to buy or sell a specific amount of a reference asset at or before a predetermined date at a pre-specified price. There are two basic forms of options: put options and call options. Put options are contracts that gives the buyer the right, but not the obligation, to sell to the seller of the contract, a specific quantity of a particular product or financial instrument at a specified price. Call options are contracts sold for a premium that gives the buyer the right, but not the obligation, to buy from the seller of the option. In return for granting the option the seller of the option collects a payment, or premium, from the buyer. Options may be cash or physically settled.

The Trust may use options in isolation, or in combination with underlying assets, to more efficiently express a view in a given position, to generate income, or to protect financial risk of underlying assets. If a price target is known, for example, and optionality is deemed expensive, a call option might be sold against that asset. If a security is deemed advantageous to a portfolio but considerable downside risk is seen by the portfolio manager, a long put position can be used against the long position to protect against short-term price risk. The Trust may be a seller or buyer of put and call options.

Calculation of Global Exposure: The Investment Manager uses a risk management technique known as value-at-risk (**VaR**) to measure the Trust's global exposure and to seek to ensure that the use of FDIs by the Trust is within regulatory limits. The Investment Manager will use the absolute VaR measure. The absolute VaR on the Trust's portfolio is calculated to ensure that it never exceeds 20% of the Net Asset Value of the Trust. VaR calculations will be carried out daily using a one tailed 99% confidence level for a holding period of 20 business days and a historical observation period of 250 business days.

3. PROFILE OF A TYPICAL INVESTOR

Investment in the Trust is suitable for investors seeking income and long-term capital growth and who are prepared to accept the risks associated with investment in a broadly diversified global portfolio of equities and debt securities. In particular the Trust will seek to produce a reasonable level of current income as well as seeking to achieve long term capital growth for investors' future requirements which may be suitable for charities. Investors should be aware that as the Net Asset Value per Unit will fluctuate and may fall in value, it is important to understand that the Trust should be viewed as a medium-to-long term investment and may therefore not be suitable for investors who plan to redeem their Units within 5 years. Investors should obtain advice in relation to the tax related aspects of the investing in the Trust and as to its suitability for such investors. It is anticipated that Unitholders will be registered charities and the Manager reserves the right to reject applications from prospective Unitholders which are not registered charities.

4. INVESTMENT RESTRICTIONS

The general investment restrictions are set out in the section entitled "**Investment Restrictions**" in the Prospectus.

5. BORROWING

In accordance with the general provisions set out in the Prospectus under the section entitled "**Borrowing and Lending Powers**", the Manager may borrow up to 10% of the Trust's total Net Asset Value at any time provided such borrowing is on a temporary basis and not for speculative purposes.

6. RISK FACTORS

The general risk factors set out under the heading "**Risk Factors**" in the Prospectus apply to the Trust. In addition, the following risk factors apply to it, but these may not be a complete list of all risks associated with an investment in the Trust.

The Trust may invest in property related closed-ended funds and other property related securities, including REITs and hedge funds. Risks associated with investing in the property related securities include declines in the value of real estate, risks related to general and local economic conditions, overbidding and increased competition, increases in property taxes and operating expenses, changes in zoning laws, casualty or condemnation losses, variations in rental income, changes in neighbourhood values, the appeal of properties to tenants and increases in interest rates. In addition, REITs may be affected by changes in the value of the underlying property owned by the trusts or may be affected by

the quality of credit extended. REITs are dependent upon management skills, may not be diversified and are subject to the risks of financing projects. The ability to trade REITs in the secondary markets can be more limited than other stocks.

7. DIVIDEND POLICY

The Trust may issue Income and Accumulating Units. Where any Income Units are issued, the Directors may declare dividends quarterly on or about 31 March, 30 June, 30 September and 31 December in each year to the Unitholders of such Units out of the profits of the Trust attributable to the Income Units, in accordance with the terms of the Prospectus.

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

8. KEY INFORMATION FOR SUBSCRIBING AND REDEEMING

Unit Classes

Class I Income Units
Class J Income Units
Class X Income Units
Class V Income Units
Class Z Income Units
(Income Units)

Class I Accumulating Units
Class J Accumulating Units
Class X Accumulating Units
(Accumulating Units)

Base Currency

Euro

Initial Issue Price

The Initial Issue Price in respect of Class X Income Units and Class X Accumulating Units will be €1.

Initial Offer Period

The Initial Offer Period in respect of the Class X Income Unit and the Class X Accumulating Unit will be from 9.00 a.m. (Dublin Time) on 6 January 2022 to 5.00 p.m. (Dublin Time) 5 July 2022. After the Initial Offer Period, the Trust will be continuously open for subscriptions at each Dealing Day.

Business Day

Any day other than a Saturday or Sunday on which commercial banks are open for business in Dublin.

Dealing Day

The Dealing Days for the Trust will be each Business Day and such other Business Days(s) as the Manager, in its absolute discretion may determine and notify in advance to Unitholders.

Dealing Deadline

In relation to applications for subscription or redemption of Units, the Dealing Deadline shall be 12 noon (Dublin time) on the relevant Dealing Day.

Valuation Point

The point in time by reference to which the Net Asset Value of the Trust is calculated which, unless otherwise specified by the Directors of the Manager in consultation with the Investment Manager (and

notified in advance to Unitholders) with the approval of the Trustee, shall be 12 noon (Dublin time) on each Dealing Day. For Regulated Markets where the primary exchanges are open on the relevant Dealing Day, the price at 12 noon (Dublin time) will be used and for Regulated Markets where the primary exchanges are closed, the latest mid price will be used.

Minimum Initial Investment Amount

€1,000 or its equivalent in the relevant currency or such lesser amounts as the Manager may, in consultation with the Investment Manager, in their absolute discretion decide.

Class Z Units may only be held by investors who have a discretionary investment management arrangement with the Investment Manager or who are otherwise clients of the Investment Manager. Investment in Class Z by other investors may be accepted by the Manager at its discretion.

Class V Units may only be held by investors who have a discretionary investment management arrangement with specific providers of independent advisory services or discretionary investment management services who have entered into an agreement with the Investment Manager. Investment in Class V Units by other investors may be accepted by the Manager at its discretion.

Preliminary Charge

No preliminary charge will be levied by the Manager in respect of any Class of Units of the Trust.

Issue Price

Following the close of the Initial Offer Period the Issue Price is the Net Asset Value per Unit.

To preserve the value of the underlying assets, the Manager may make a dilution adjustment to the Net Asset Value per Unit when there are significant net subscriptions which the Manager considers represents an appropriate figure to cover dealing costs and to preserve the value of the underlying assets of the Trust as set out in the section entitled “**Dilution Adjustment**” within the Prospectus. Any such charge will be retained for the benefit of the Trust and the Manager reserves the right to waive the application of a dilution adjustment at any time. The dilution adjustment may be waived where subscription/redemptions are settled in specie or where the Trust has sufficient cash to pay redemption proceeds from cash (rather than selling assets to raise the cash). Therefore the Trust would not incur costs and could waive the adjustment in specific instances.

Redemption Price

The redemption price is the Net Asset Value per Unit.

To preserve the value of the underlying assets, the Manager may make a dilution adjustment to the Net Asset Value per Unit when there are significant net redemptions which the Manager considers represents an appropriate figure to cover dealing costs and to preserve the value of the underlying assets of the Trust as set out in the section entitled “**Dilution Adjustment**” within the Prospectus. Any such charge shall be retained for the benefit of the Trust and the Manager reserves the right to waive the application of a dilution adjustment at any time. The dilution adjustment may be waived where subscription/redemptions are settled in specie or where the Trust has sufficient cash to pay redemption proceeds from cash (rather than selling assets to raise the cash). Therefore the Trust would not incur costs and could waive the adjustment in specific instances.

Settlement Date

In respect of receipt of monies for subscription for Units, must be received within 3 Business Days following the relevant Dealing Day and in respect of dispatch of monies for the redemption of Units, the Settlement Date shall normally be 3 Business Days following the relevant Dealing Day and in any event will not exceed 10 Business Days following the relevant Dealing Deadline.

Minimum Net Asset Value

€5,000,000 subject to the discretion of the Manager. When the size of the Trust is below such amount the Manager, return any subscriptions to the Unitholders or compulsorily redeem all of the Units of the Trust in accordance with the **Mandatory Redemptions** section of the Prospectus.

9. NET ASSET VALUE

The Administrator determines the Net Asset Value per Unit as at the Valuation Point of each Dealing Day in accordance with the procedure provided for in the section entitled “**Calculation of Net Asset Value/Valuation of Assets**” in the Prospectus.

10. CHARGES AND EXPENSES

Fees of the Investment Manager

The Investment Manager will be entitled to receive an annual fee, payable by the Manager, out of the assets of the Trust, of 0.75% of the Net Asset Value of Class I and Class J Units (plus VAT if any) and of 1.35% of the Net Asset Value of Class X Units (plus VAT if any) and 0.40% of the Net Asset Value of Class V Units (plus VAT if any). Such fees shall be calculated and accrued at each Valuation Point and shall be payable monthly in arrears and in any event by the ninetieth day after receipt of a correct invoice. The Investment Manager shall also be entitled to be reimbursed out of the assets of the Trust for all reasonable out-of-pocket expenses.

Fixed Rate Operating Charge

The Manager will be entitled to receive out of the assets of the Trust an annual fee (the “**Fixed Rate Operating Charge**”) from which it will discharge certain fees and expenses, as disclosed in the Prospectus. The Fixed Rate Operating Charge will be levied on a tiered basis, with the applicable rates being dependent on the level of the Trust's Net Asset Value. The thresholds applicable to the Fixed Rate Operating Charge in respect of the Trust are as follows:

Class	% of Net Asset Value on the Trust's Net Assets between £0 - £300,000,000 (Tier 1)	% of Net Asset Value on the Trust's Net Assets between £300,000,000 - £600,000,000 (Tier 2)	% of Net Asset Value on the Trust's Net Assets over £600,000,000 (Tier 3)
Class I Income Units	0.15%	0.10%	0.05%
Class I Accumulating Units	0.15%	0.10%	0.05%
Class J Income Units	0.15%	0.10%	0.05%
Class J Accumulating Units	0.15%	0.10%	0.05%
Class V Income Units	0.15%	0.15%	0.15%
Class X Income Units	0.25%	0.25%	0.25%
Class X Accumulating Units	0.25%	0.25%	0.25%
Class Z Income Units	0.18%	0.18%	0.18%

The tiered rates will be applied to each unit class according to the proportions to which they relate to the Trust's Net Asset Value.

For example, where the Trust has a Net Asset Value of £1,000,000,000, 30% of each unit class Net Asset Value would be subject to the Tier 1 Fixed Rate Operating Charge, 30% would be subject to the Tier 2 Fixed Rate Operating Charge and 40% would be subject to the Tier 3 Fixed Rate Operating Charge. By way of example, the Class I Income Unit class would therefore attract an overall Fixed Rate Operating Charge of 0.095%.

However, where the Trust has a Net Asset Value of £100,000,000, then 100% of each unit class Net Asset Value would be subject to the Tier 1 Fixed Rate Operating Charge. By way of example, the Class I Income Unit class would therefore attract an overall Fixed Rate Operating Charge of 0.15%.

The Manager shall also be entitled to be reimbursed out of the assets of the Trust for all reasonable out-of-pocket expenses.

Establishment Costs

The initial expenses, including the fees and expenses in relation to the authorisation of the Trust by the Central Bank and the preparation and registration of all documents relating to the Trust and will be

borne by the Manager.

Other Fees and Expenses

Any other fees and expenses payable out of the assets of the Trust are set out in the Prospectus in section entitled "**Fees and Expenses**".

11. MISCELLANEOUS

As at the date of this Supplement:

- (a) the Trust does not have any outstanding mortgages, charges or other borrowings, including bank overdrafts and liabilities made under acceptance credits, obligations made under finance leases, hire purchase commitments, guarantees or other contingent liabilities.

APPENDIX – SFDR

In accordance with Article 8 of SFDR, this Trust promotes environmental or social characteristics, but does not have sustainable investment as its objective.

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

Environmental or social characteristics are promoted in two ways: first, the Investment Manager has developed and operates detailed methodologies to assess, measure and monitor the environmental and social factors for investments within each asset class. For each asset class there is a common set of considerations.

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

For each investment, social assessments may include: supply chain including working conditions, forced labour and discrimination; employee contracts and treatment; customer harms (including, for example, harms such as cancer from tobacco smoking or addiction to gambling); bribery and corruption; unfair social contribution and broader societal impacts such as tax behaviour.

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

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

The Trust promotes environmental characteristics within the meaning of Article 8 of the SFDR, including climate change mitigation. In due course, the Trust intends to specify the proportion of its investments that are in environmentally sustainable activities under the EU Taxonomy Regulation. The regulatory technical standards underpinning the environmental disclosures required by the EU Taxonomy Regulation define economic activities and assets aligned with climate change mitigation and adaptation, and subsequently other environmentally-aligned activities will be defined. However, as at the date of this Addendum, the data required to accurately measure taxonomy alignment is not available for many of the Trust's investments and the Manager therefore considers that the Trust is not yet in a position to establish accurately the proportion of assets meeting the taxonomy criteria or to set a specific minimum target.

The "do no significant harm" principle applies only to those investments underlying the Trust that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of the Trust do not take into account the EU criteria for environmentally sustainable activities.

More product-specific information about the Trust can be found on the website at www.sarasinandpartners.com