

Asset classes and techniques to complement equities

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Assets people own

Core



LISTED

- Bonds
- Equities
- Cash

Alternatives



UNLISTED

- Unlisted Bonds
- Private Equity
- Physical Property

UNCONVENTIONAL

- Hedge Funds
- Commodities
- Infrastructure

Other

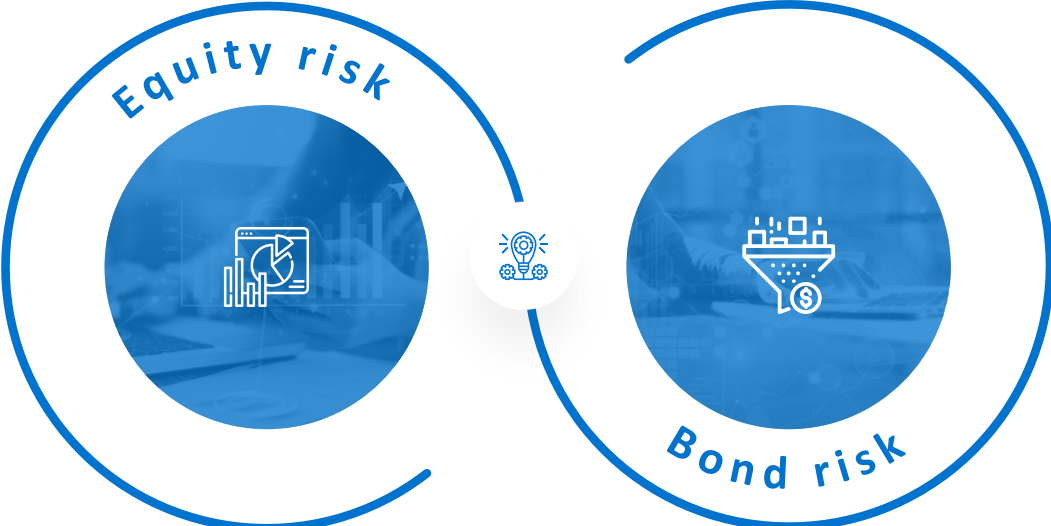


HELD PRIVATELY?

- Collectibles
- Residential Property
- *Digital Assets?*

How we think about alternative investments

Correlated



Private equity

Infrastructure, Renewables, Convertibles

Alternative Income

Uncorrelated



Commodities, absolute return, specialist investments

Another useful diversifier in a multi-asset portfolio



Why?

In order to provide some protection if equity markets were to fall in the future



How?

Typically bought through index options



When?

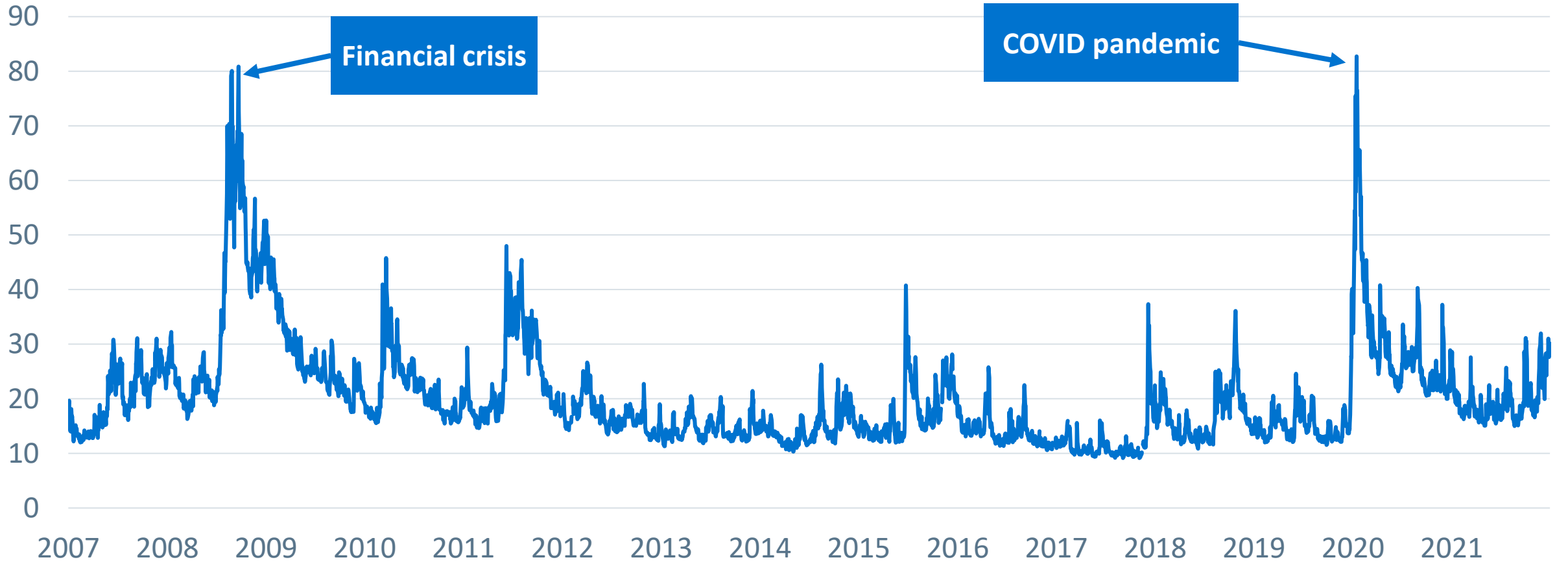
When volatility is low and markets are sanguine

The VIX Index

How market volatility defines our use of options



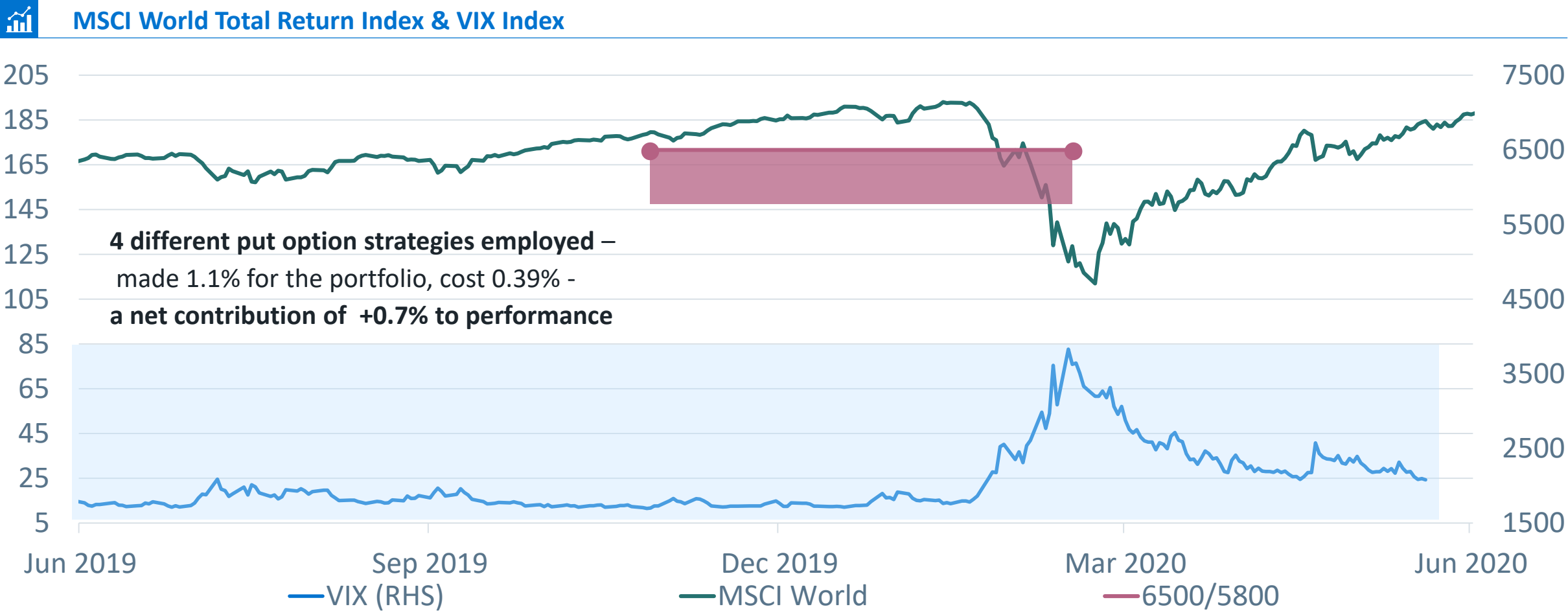
VIX Index



Source: Sarasin & Partners, Bloomberg as at 28.02.2022

Example 1: Portfolio insurance – managing downside risk (completed)

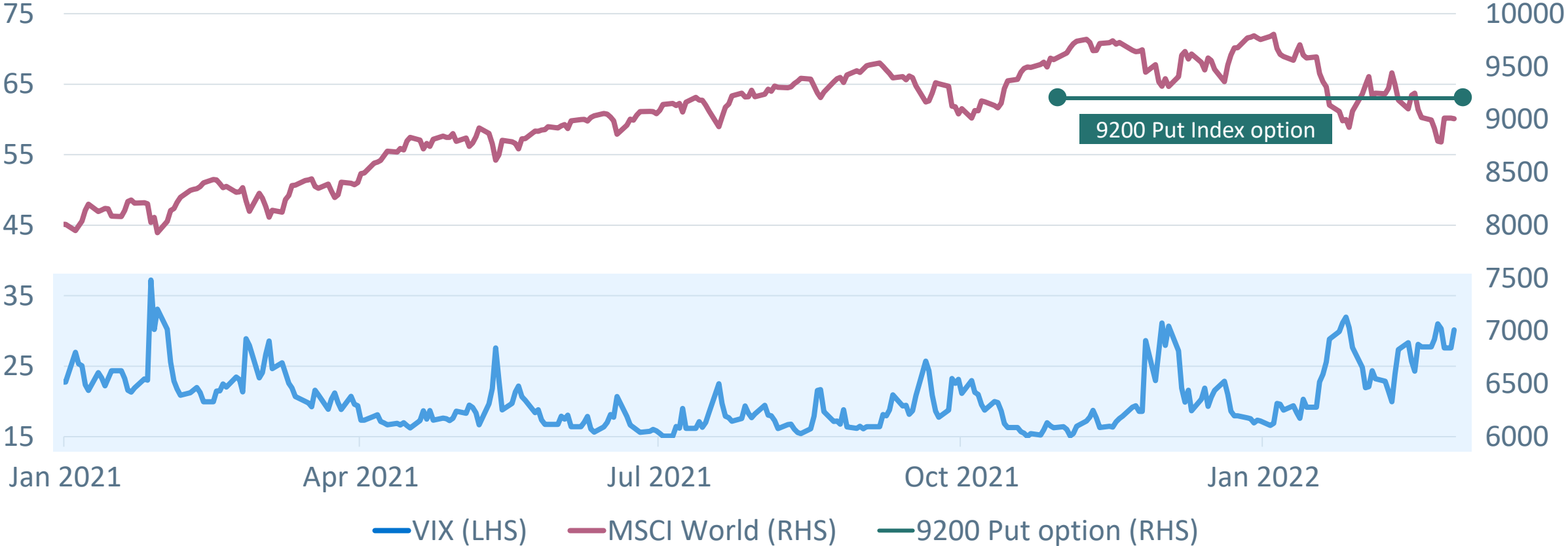
MSCI World Index Put Option strategy during late 2019/early 2020



Source: Sarasin & Partners and Bloomberg as at 30.06.20

Example 2: Portfolio insurance - managing downside risk (in progress)

MSCI World Index Put Option – expiry 21 March 2022



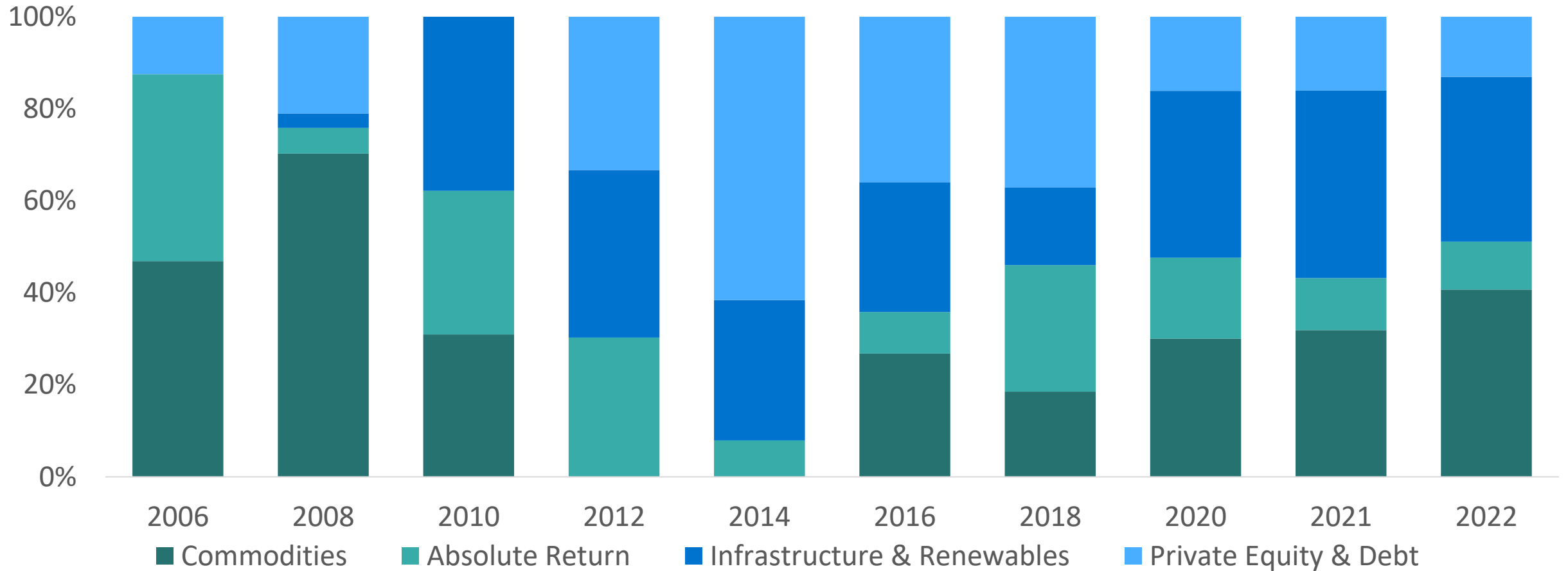
Source: Sarasin & Partners and Bloomberg as at 28.02.2021

Active management of alternatives

Managing risk throughout the market cycle



Alternative asset classes as a proportion of the overall Sarasin & Partners alternatives allocation



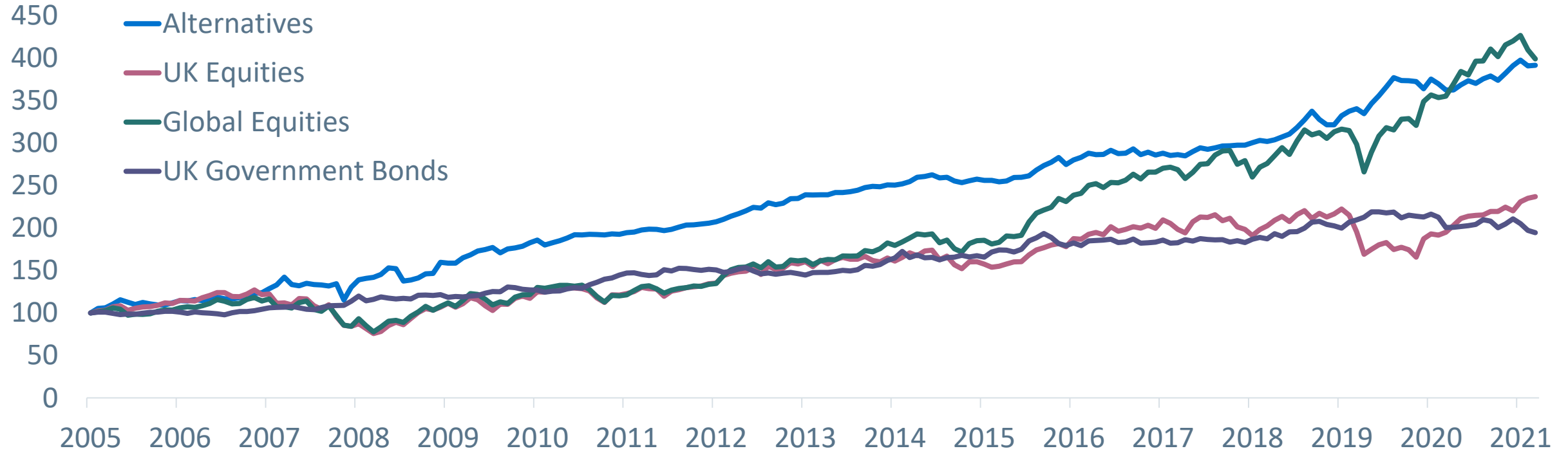
Source: Sarasin & Partners, 28.02.22

Alternatives performance

Sarasin Endowments Fund



Performance of alternative investment allocation of the Sarasin Endowments Strategy



Past performance does not guarantee future returns. The value of investments and the income from them can go down as well as up and an investor may not get back the amount originally invested. This can be as a result of market movements and also of variations in the exchange rates between currencies. Please note that the above figures do not represent the fund's published performance figures: they show performance prior to the deduction of management fees and all other charges. Management fees will have a negative impact on investment returns.

Source: Sarasin & Partners LLP as at 28.02.22. Data collected from the Sarasin Endowments Fund, a multi asset class Charity Authorised Investment Fund, regulated by the FCA and the Charity Commission and audited by Deloitte.

Reasons for investing in alternatives

Helping to enhance and protect long-term returns

Diversification



Uncorrelated returns



New opportunities



Important information

If you are a private investor, you should not act or rely on this document but should contact your professional advisor.

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