

Prospectus

Sarasin Charity Authorised Investment Funds

Warning: If you are in any doubt about the contents of this Prospectus you should consult a professional adviser.

Valid from: 1 June 2023

This document is issued by Sarasin Investment Funds Limited.
Sarasin Investment Funds Limited is authorised and regulated by the Financial Conduct Authority.

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Glossary

"Administrator"	Northern Trust Global Services SE, UK Branch or such other entity as is appointed to act as administrator, fund accountant and transfer agent to the Trust from time to time
"Advisory Committee"	the advisory committee to each Sub-fund as described at paragraph 6.4
"AIFMD Requirements"	the collection of laws and rules commonly referred to as 'AIFMD', or any part of that regime, as implemented in the United Kingdom or as brought into UK law by Brexit Legislation. For the avoidance of doubt, this will include the FUND Sourcebook
"Auditor"	Deloitte LLP, or such other entity as is appointed to act as auditor to the Trust from time to time
"Base Currency"	the currency in which the accounts of the Trust are to be prepared as stated in paragraph 11.1. Where the context requires, references to "base currency" are to the reference currency used for a particular Sub-fund or Class or payments in relation to either of them
"Brexit Legislation"	the European Union (Withdrawal Act) 2018 as amended;
"Business Day"	Monday to Friday, excluding UK public and bank holidays, on which UK clearing banks are open for business in London
"Certificate of Eligibility"	a certificate in such form as the Operator shall from time to time require, confirming that a prospective investor is either an Eligible Investor or a Nominee
"Charity Commission"	the Charity Commission for England and Wales
"Class"	in relation to Units and according to the context a particular Class of Unit related to a single Sub-fund or all of the Units related to a single Sub-fund, where there is only one Class in that Sub-fund
"COLL Sourcebook"	the Collective Investment Schemes sourcebook published by the FCA and forming part of the FCA Handbook
"COLL"	refers to the appropriate chapter or rule in the COLL Sourcebook
"Conversion"	the conversion of Units in one Class in a Sub-fund to Units of another Class in the same Sub-fund and "Convert" is construed accordingly
"Custodian"	The Northern Trust Company, or such other entity as is appointed to act as the custodian of the Scheme Property from time to time
"Dealing Day"	In respect of each Sub-fund and Unit Class, the days specified in Appendix 1
"Depository"	NatWest Trustee and Depository Services Limited, or such other person as is appointed to act as trustee and depository of the Trust from time to time
"EEA State"	a member state of the European Union and any other state which is within the European Economic Area

"Efficient Portfolio Management" or "EPM"	the investment techniques and instruments constituting efficient portfolio management as described in section 13 of Appendix 3
"Eligible Investor"	investors permitted to subscribe for Units as described in paragraph 2.4
"FCA Handbook"	the handbook of rules and guidance published by the FCA any other rules made under section 247 of FSMA (excluding any guidance or evidential requirements)
"FCA"	the Financial Conduct Authority, or any replacement of successor regulatory body
"FSMA"	the Financial Services and Markets Act 2000, as amended or replaced from time to time
"FUND Sourcebook"	the Investment Funds sourcebook published by the FCA and forming part of the FCA Handbook
"FUND"	refers to the appropriate chapter or rule in the FUND Sourcebook
"Investment Manager"	Sarasin & Partners LLP and its successors as investment manager
"Net Asset Value"	the value of the Scheme Property of a Sub-fund (or, as the context requires, of all existing Sub-funds of the Trust) less all the liabilities of that Sub-fund (or of all existing Sub-funds of the Trust) determined in accordance with the Trust Deed
"Nominee"	a person who holds units for an Eligible Investor
"Operator"	Sarasin Investment Funds Limited and its successors as operator
"Prospectus"	this document (or any future revised version of it)
"Register"	the register of Unitholders
"Registrar"	Northern Trust Global Services SE, UK Branch, or such other entity as is appointed to act as registrar to the Trust from time to time
"Regulations"	the rules in FSMA, the AIFMD Requirements, the Charities Act 2011 the COLL Sourcebook and the FUND Sourcebook together with any other relevant rules in the FCA Handbook that concern the establishment or operation of unit trusts
"Sarasin's Group"	the group of companies consisting of the ultimate holding company of the Operator and each of the subsidiaries of that holding company
"Scheme Property"	the scheme property of a Sub-fund or of all existing Sub-funds (as appropriate)
"Sub-fund"	a sub-fund of the Trust (being Scheme Property which is pooled separately) to which specific assets and liabilities of the Trust may be allocated and which is invested in accordance with the investment objective applicable to such Sub-fund
"Switch"	the switch, where permissible, of Units of one Sub-fund for Units of another Sub-fund
"Trust"	Sarasin Charity Authorised Investment Funds

"Trust Deed"	the deed constituting the Trust and the Sub-funds
"Unit"	a unit representing the rights and interests of the Unitholders in a Class or Sub-fund
"Unitholder(s)"	in relation to a Class or Sub-fund, a holder of units, or a beneficial interest in units, of the Trust
"Valuation Point"	<p>the point on a Dealing Day at which the Operator values the Scheme Property to determine the price at which Units are issued, cancelled or redeemed.</p> <p>For details of the Valuation Point of a Sub-fund please see Part A of Appendix 1</p>

Directory

Operator <i>(authorised fund manager for the purposes of the Regulations and "Alternative Investment Fund Manager" or "AIFM" for the purposes of the AIFMD requirements)</i>	Sarasin Investment Funds Limited Juxon House 100 St. Paul's Churchyard London EC4M 8BU
Depository	NatWest Trustee and Depository Services Limited 250 Bishopsgate London EC2M 4AA
Administrator, Registrar, Fund accountant and transfer agent	Northern Trust Global Services SE, UK Branch 50 Bank Street Canary Wharf London E14 5NT
Investment Manager	Sarasin & Partners LLP Juxon House 100 St. Paul's Churchyard London EC4M 8BU
Legal advisers	Eversheds Sutherland (International) LLP One Wood Street London EC2V 7WS
Auditors	Deloitte LLP 1 New Street Square London EC4A 3HQ

1. About this document

Responsibility for this document and updates to it

The Operator, Sarasin Investment Funds Limited, is the person responsible for the information contained in this Prospectus. The Operator is not authorised to give investment advice and persons requiring such advice should consult a professional adviser.

The Operator has taken all reasonable care to ensure that the information contained in this Prospectus is not untrue or misleading at the date of its publication and that it covers all matters required by the Regulations.

Changes to the Trust may occur after the publication of the Prospectus and a new Prospectus may be published at any time. Investors should check with the Operator that this is the most recently published Prospectus as the Operator cannot be bound by an out-of-date prospectus when a new version has been issued.

A copy of this Prospectus and each revision of it has been sent to the FCA, the Charity Commission and the Depositary.

All information concerning the Trust and about investing in Units is available from the Operator at Juxon House, 100 St. Paul's Churchyard, London EC4M 8BU.

The documents making up the legal contract

This Prospectus is the main offering document for the Sub-funds of the Trust. It is supplemented by key investor information (in a document labelled "**Non-UCITS Retail Scheme Key Investor Information**" or "**KII**") for each Unit Class available for subscription. These documents, together with the application form and Certificate of Eligibility, form the contract between each Unitholder and the Operator.

Potential investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any other matters and are recommended to consult their own professional advisers concerning the acquisition, holding or disposal of Units and the tax treatment of their investment in the Trust.

Statements by third parties

Only documents issued by the Operator can be relied upon as being made by the Operator. These include the documents marking the legal contract (described above) and factsheets, account statements, descriptions on the Operator's website and the report and accounts of the Trust.

The Operator is not responsible for any other statements made by third parties about the Trusts.

Distribution of this Prospectus overseas

The Trust is offered only to Eligible Investors in the United Kingdom.

This Prospectus is not an offer or solicitation of investment in any territory other than the United Kingdom and distribution of this Prospectus may be prohibited by law in other territories. Anyone seeking to distribute this Prospectus in other territories should inform themselves of local law requirements and comply with them.

2. About the Trust and its structure

2.1 Overview

Legal structure and regulatory status

The Trust, Sarasin Charity Authorised Investment Funds, is an authorised unit trust. The Trust is authorised by the FCA and is registered with the Charity Commission.

For more information see 2.2 below.

Sub-funds of the Trust:

The Trust is structured as an umbrella authorised unit trust in that different Sub-funds may be established from time to time.

For more information see 2.3 below.

Eligible Investors:

Only certain Eligible Investors are permitted to make an investment.

For more information see 2.4 below.

The nature of Units and Classes of Unit:

Eligible Investors can subscribe for Units in the Sub-funds which represent their share in the property of that Sub-fund. Units are provided in different Classes.

For more information see 2.5 and 2.6 below.

2.2 Legal structure and regulatory status of the Trust and its Sub-funds

- 2.2.1 The Trust, Sarasin Charity Authorised Investment Funds, is an authorised unit trust.
- 2.2.2 The Trust is authorised by the FCA from 7 December 2017 and appears on the financial services register under product reference number (PRN) 791274. The Sub-funds also each have an FCA product reference number which is set out in Part A (Sub-fund details) of Appendix 1.
- 2.2.3 The Trust is registered with the Charity Commission as a charity. Its charity registration number is 1176240.
- 2.2.4 For the purposes of the Regulations, the Trust is:
 - 2.2.4.1 Charity Authorised Investment Fund ('**CAIF**')
 - 2.2.4.2 an Alternative Investment Fund ('**AIF**'); and
 - 2.2.4.3 a Non-UCITS Retail Scheme ('**NURS**').
- 2.2.5 This means that the Operator and Depositary must adhere to certain operational and investment requirements prescribed by the FCA and the Sub-funds have a special tax status.
- 2.2.6 The Trust has an unlimited duration but the Trust may be wound up, or its Sub-funds terminated, as described in paragraph 10.2.

2.3 The Sub-funds of the Trust

- 2.3.1 The Trust is structured as an umbrella authorised unit trust in that different Sub-funds may be established from time to time by the Operator with the approval of the FCA and registration with the Charity Commission.
- 2.3.2 On the introduction of any new Sub-fund, a revised Prospectus will be prepared setting out the relevant details of each Sub-fund.
- 2.3.3 Each Sub-fund has its own portfolio of assets, its own investment objective and policy and other specific attributes. For detailed information about each Sub-fund, see Part A (Sub-fund Details) of **Appendix 1**.
- 2.3.4 The eligible securities markets and eligible derivatives markets in which a Sub-fund may invest are set out in Appendix 2 (Eligible Securities Markets and Eligible Derivative Markets). A statement of the general investment and borrowing restrictions in respect of each Sub-fund is set out in Appendix 3 (Investment Powers and Restrictions).

2.3.5 Segregation of assets and liabilities

- 2.3.5.1 The Trust will maintain for each current Sub-fund a separate pool of assets, each invested for the exclusive benefit of the Unitholders in the relevant Sub-fund.
- 2.3.5.2 The assets of each Sub-fund will be treated as separate from those of every other Sub-fund and will be invested in accordance with the investment objective and investment policy applicable to that Sub-fund. Investment of the assets of each of the Sub-funds must comply with the COLL Sourcebook and the investment objective and policy of the relevant Sub-fund.
- 2.3.5.3 Each Sub-fund will be charged with the liabilities, expenses, costs and charges of the Trust attributable to that Sub-fund, and within each Sub-fund charges will be allocated between Classes in accordance with the terms of issue of Units of those Classes. The assets of each Sub-fund must not be used to discharge any liabilities of, or meet any claims against, any person other than the Unitholders in that Sub-fund.
- 2.3.5.4 Any assets, liabilities, expenses, costs or charges not attributable to a particular Sub-fund may be allocated by the Operator to the Sub-funds in a manner which it believes is fair to the Unitholders generally. This will normally be pro rata to the Net Asset Value of the relevant Sub-funds.
- 2.3.5.5 Please also see paragraph 5.19 below "Liabilities of the Trust and the Sub-funds".

2.4 Eligible Investors

- 2.4.1 The only investors permitted to subscribe for Units are those described below or Nominees acting on their behalf.

Only investors who can meet the following criteria for the entire period of their investment are eligible:

- a 'charity' within the meaning of Section 1 of the Charities Act 2011 or as defined in paragraph 1(1) Schedule 6, Finance Act 2010; and

- organised, incorporated or resident in the United Kingdom.

2.4.2 Anyone wishing to subscribe for Units whether on their own behalf or as a Nominee must complete the Certificate of Eligibility.

2.4.3 The Operator will monitor the charitable status of Unitholders (or beneficial owners in the case of Nominee Unitholders). Investors ceasing to be Eligible Investors must inform the Operator immediately.

2.4.4 The Operator has the power to compulsorily redeem the Units of Unitholders that cannot demonstrate that they are eligible or cease to be Eligible Investors or cease to be a Nominee for an Eligible Investor in respect of any Units held. For more information, see paragraph 3.9 (Restrictions and compulsory transfer and redemption).

2.5 **Units**

2.5.1 Each unit represents a share in the property of a Sub-fund.

2.5.2 Units have no par value. Units of a particular Class (as explained below) in a particular Sub-fund are entitled to participate equally in the profits arising in respect of Sub-fund and in the proceeds of that Sub-fund's termination.

2.5.3 Units do not carry preferential or pre-emptive rights to acquire further Units.

2.5.4 Unitholders are not liable for the debts of the Sub-fund or Sub-funds in which they are invested.

2.5.5 Except as expressly otherwise provided in the Trust Deed, Unitholders are not liable to make any further payment to a Sub-fund after they have paid the purchase price of their Units.

2.6 **Classes of Units**

2.6.1 Units are provided in different Classes, which have different attributes. The details of the Classes of Units presently available for each Sub-fund, including details of their criteria for eligibility, subscription and fee structure, are set out in Part B (Unit class details) of Appendix 1.

2.6.2 Classes of Unit may be established from time to time by the Operator with the agreement of the Depositary and in accordance with the Trust Deed and the Regulations. On the introduction of any new Class, a revised prospectus will be prepared setting out the details of each Class.

2.6.3 The currency in which each Class is denominated is set out in the Prospectus.

2.6.4 Certain Unit Classes may benefit from currency hedging transactions that aim to reduce the impact of changes between the Class' currency and another reference currency (such as a Sub-fund's Base Currency or the currency of the Sub-fund's investments).

2.6.5 Holders of income Units are entitled to be paid the distributable income attributed to such Units on any relevant interim and annual allocation dates.

2.6.6 Holders of accumulation Units are not entitled to be paid the income attributed to such Units, but that income is automatically transferred to (and retained as part of) the capital assets of the relevant Sub-fund on the relevant interim and/or annual accounting dates. This is reflected in the price of an accumulation Unit.

- 2.6.7 Class V Units whether hedged or unhedged 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 these Classes by other investors may be accepted by the Operator at its discretion.
- 2.6.8 Unitholders are entitled (subject to certain restrictions, in particular as regards meeting the eligibility criteria) to Convert all or part of their Units in a Class in a Sub-fund for Units of another Class within the same Sub-fund, where available, or to Switch them for Units of any Class within a different Sub-fund of the Trust. Details of these Conversion and Switching facilities and the restrictions are set out in paragraph 3.4 (Switching) and paragraph 3.5 (Conversions).

3. Buying, redeeming and switching Units

3.1 The dealing office

- 3.1.1 The dealing office of the Administrator is normally open from 9 a.m. to 5.30 p.m. (UK time) to receive requests for the purchase, sale, Conversion and Switching of Units. Requests will only be carried out on a relevant Dealing Day for the Sub-fund in question.
- 3.1.2 The Operator may vary the dealing office opening times at its discretion. Requests to deal in Units may also be made by telephone on each Business Day between 9.00am to 5.30pm (UK time) directly to the dealing office of the Administrator (telephone: 0333 300 0373 or such other number as published from time to time). On the last Business Day before Christmas Day and New Year's Day requests to deal must be made before 12 noon (UK time). Please note that telephone calls may be recorded by the Operator, its delegates, their duly appointed agents and any of their respective related, associated or affiliated companies for record keeping, security and/or training purposes. Please see clause 12.12 below for further information.
- 3.1.3 The Operator may accept instructions transmitted through TeX via Calastone with prior agreement. Transfers of title to Units may not otherwise be carried out on the authority of an electronic communication though the Operator may, at its discretion, introduce further methods of dealing in Units in the future.

3.2 Buying Units

3.2.1 Procedure

- 3.2.1.1 Units may only be issued by the Operator to an Eligible Investor or its Nominee.
- 3.2.1.2 Each initial request to purchase Units in a Sub-fund must be accompanied by each of the following documents:
 - (a) an application form;
 - (b) a Certificate of Eligibility; and
 - (c) any further documents the Operator requires for operational purposes such as to comply with its Anti Money Laundering policy in 12.2 (Anti-Money Laundering Policy).
- 3.2.1.3 The Operator will also require an application form on all subsequent requests for purchases of Units and may, at its discretion, also require investors to provide the documents listed at (b) and (c) above on subsequent purchases of Units.
- 3.2.1.4 Valid applications to subscribe for Units received by the appropriate cut-off point for dealing requests, will be processed at the Unit price calculated, based on the Net Asset Value per Unit, at the next Valuation Point following receipt of the application, except in the case where dealing in a Sub-fund has been suspended as set out in paragraph 3.12 (Suspension of dealing in Sub-funds).
- 3.2.1.5 The Operator, at its discretion, has the right to request, and be in receipt of, cleared funds before processing an application or other instruction to purchase Units.

- 3.2.1.6 Settlement is due within three Business Days of the Valuation Point for applications to purchase Units. An application to purchase Units will only be deemed to have been accepted by the Operator once it is in receipt of a valid application form, Certificate of Eligibility, and such other documents as the Operator may require regarding the investor and in particular its tax status and to enable appropriate tax treaty benefits to be available and, if required by the Operator, cleared funds for the application.
- 3.2.1.7 Settlement must be made by electronic bank transfer to the bank account detailed on the application form.
- 3.2.1.8 The Operator, at its discretion, has the right to cancel a purchase deal if settlement is overdue (being more than five Business Days from receipt of an application form or other instruction) and any loss arising on such cancellation will be the liability of the applicant. The Operator is not obliged to issue Units unless it has received cleared funds from an investor.
- 3.2.1.9 The Operator reserves the right to charge interest at 2% above the prevailing Bank of England base rate, on the value of any settlement received later than the third Business Day following the Valuation Point. No interest will be paid on funds held prior to investment.
- 3.2.1.10 A purchase of Units in writing or by telephone or any other communication media made available is a legally binding contract. Applications to purchase, once made are, except in the case where cancellation rights are applied, irrevocable. Subject to its obligations under the Regulations, the Operator has the right to reject, on reasonable grounds relating to the circumstances of the applicant, any application for Units in whole or part, and in this event the Operator will return any money sent, or the balance of such monies, at the risk of the applicant.
- 3.2.1.11 Any subscription monies remaining after a whole number of Units has been issued will not be returned to the applicant. Instead, fractions of Units will be issued. Units are recorded on the Register to three decimal places.
- 3.2.1.12 Class V Units in any currency whether hedged or unhedged 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 these Classes by other investors may be accepted by the Operator at its discretion.
- 3.2.1.13 Class Z Units in any currency whether hedged or unhedged may only be held by investors who have a discretionary investment management arrangement with the Investment Manager or any of its affiliates. Investment in these Classes by other investors may be accepted by the Operator at its discretion.

3.2.2 **Documents the buyer will receive**

- 3.2.2.1 A contract note giving details of the number and price of Units bought will be issued no later than the end of the Business Day following the Valuation Point by reference to which the price is determined.

3.2.2.2 Registration of Units can only be completed by the Administrator on receipt of any required registration details. These details may be supplied in writing to the Administrator or by returning to the Administrator the properly completed registration form and copy of the confirmation.

3.2.2.3 Ownership of Units will be evidenced by an entry on the Register. It is not possible to issue bearer units in an authorised unit trust. Income information provided in respect of periodic distributions on Units will show the number of Units held by the recipient at the end of the period.

3.2.3 **Minimum subscriptions and holdings**

3.2.3.1 The minimum initial subscriptions, subsequent subscriptions and holdings levels for each Class of Unit in a Sub-fund are set out in Part B (Unit class details) of Appendix 1.

3.2.3.2 The Operator may at its sole discretion accept subscriptions and/or holdings lower than the minimum amount(s).

3.2.3.3 If following a redemption, Conversion, Switch or transfer, a holding in any Class of Unit should fall below the minimum holding for that Class, the Operator has the discretion to effect a redemption of that Unitholder's entire holding in that Class of Unit. The Operator may use this discretion at any time. Failure not to do so immediately after such redemption, Conversion, Switch or transfer does not remove this right.

3.2.3.4 Please also see paragraph 2.5 (Units).

3.3 **Selling Units**

3.3.1 **Procedure**

3.3.1.1 Every Unitholder is entitled on any Dealing Day to redeem its Units.

3.3.1.2 Valid instructions to the Operator to redeem Units received by the appropriate cut-off point for dealing requests will be processed at the Unit price calculated, based on the Net Asset Value per Unit, at the next Valuation Point following receipt of the instruction, except in the case where dealing in a Sub-fund has been suspended as set out in paragraph 3.12 (Suspension of dealing in Sub-funds)..

3.3.1.3 A redemption instruction in respect of Units in writing or by telephone or any other communication media made available is a legally binding contract. However, an instruction to the Operator to redeem Units, although irrevocable, may not be settled by the Operator if the redemption represents Units where the money due on the earlier issue of those Units has not yet been received or if insufficient documentation or anti-money laundering information has been received by the Operator.

3.3.1.4 For details of dealing charges see paragraph 3.6 (Dealing charges) below.

3.3.2 **Documents a redeeming Unitholder will receive**

3.3.2.1 A contract note giving details of the number and price of Units redeemed will be sent to the redeeming Unitholder (or the first

named Unitholder, in the case of joint Unitholders) together with (if sufficient written instructions have not already been given) a form of renunciation for completion and execution by the Unitholder (or, in the case of a joint holding, by all the joint Unitholders) no later than the end of the Business Day following the later of the request to redeem Units or the Valuation Point by reference to which the price is determined.

3.3.2.2 Payment of redemption proceeds will normally be made via electronic transfer in accordance with any instruction received (the Operator may recover any bank charge levied on such transfers). Instructions to make payments to third parties (other than intermediaries associated with the redemption) will not normally be accepted.

3.3.2.3 Such payment will be made within three Business Days of the later of (a) receipt by the Operator of the form of renunciation (or other sufficient written instructions) duly signed and completed by all the relevant Unitholders together with any other documentation and appropriate evidence of title, any required anti-money laundering related documentation, and (b) the Valuation Point following receipt by the Operator of the request to redeem.

3.3.2.4 No interest will be paid on funds held whilst the Operator awaits receipt of all relevant documentation necessary to complete a redemption. Units that have not been paid for cannot be redeemed.

3.3.3 **Minimum redemption**

Part of a Unitholder's holding may be redeemed but the Operator reserves the right to refuse a redemption request if the value of the Units of any Sub-fund to be redeemed is less than the minimum stated in respect of the appropriate Class in the Sub-fund in question (see Part B (Unit class details) of Appendix 1).

3.3.4 **Late trading**

3.3.4.1 The Operator does not permit late trading.

3.3.4.2 'Late trading' is defined as the acceptance of a subscription, redemption, Conversion or Switch order received after a Sub-fund's applicable cut-off point for dealing requests for that Dealing Day (as specified in Part A of Appendix 1).

3.3.4.3 A request for dealing in Units must be received by the cut-off point for dealing requests in order to be processed on the relevant Dealing Day.

3.3.4.4 A dealing request received after this time will be held over and processed on the next Dealing Day, using the Net Asset Value per Unit calculated as at the Valuation Point on that next Dealing Day.

3.3.4.5 Late trading will not include a situation in which the Operator is satisfied that orders which are received after the Valuation Point have been made by investors before then (e.g. where the transmission of an order has been delayed for technical reasons).

3.4 **Switching**

3.4.1 Subject to any restrictions on the eligibility of investors for a particular Class, and any operational limitations, a Unitholder in a Sub-fund may Switch all or some of its Units of one Sub-fund ("**Original Units**") for Units of another Sub-fund ("**New Units**") in the Trust, subject to the transferor Sub-fund having an appropriate

Class for the transferring Unitholder. The number of New Units issued will be determined by reference to the respective prices of New Units and Original Units at the Valuation Point applicable at the time the Original Units are redeemed and the New Units are issued.

- 3.4.2 Although Switches to other UK authorised funds operated by the Operator are permitted, Unitholders should note that the Trust is the only Charity Authorised Investment Fund in the Operator's range.
- 3.4.3 For proposed switches involving Sarasin Growth Fund: as this fund deals less frequently than others, please contact the ACD for more information.
- 3.4.4 For proposed switches in relation to the other Sub-funds: valid applications to Switch Units received before the Valuation Point on a Dealing Day will be executed at the Unit price, based on the Net Asset Value per Unit, at the Valuation Point on the same Dealing Day except where dealing in the relevant Sub-fund has been suspended as set out on paragraph 3.12 (Suspension of dealing in Sub-funds). Switching requests received after a Valuation Point will be held over until the next Dealing Day in each of the relevant Sub-funds or at such other valuation point as the Operator at the request of the Unitholder giving the relevant instruction may agree.
- 3.4.5 Telephone Switching instructions may be given but Unitholders are required to provide written instructions to the Operator (which, in the case of joint Unitholders, must be signed by all the joint Unitholders) before Switching is effected.
- 3.4.6 The Operator may at its discretion make a charge on the Switching of Units between Sub-funds. Any such charge on Switching does not constitute a separate charge payable by a Unitholder, but is rather the application of any exit charge on the Original Units and any entry charge on the New Units, subject to certain waivers. For details of the charges on Switching currently payable, please see paragraph 3.6.3 (Charges on Switching or Conversions). The Operator may adjust the number of New Units to be issued to reflect the application of any charge on Switching together with any other charges or levies in respect of the application for the New Units or redemption of the Original Units as may be permitted under the COLL Sourcebook.
- 3.4.7 If a partial Switch would result in the Unitholder holding a number of Original Units or New Units of a value which is less than the minimum holding in the Class concerned, the Operator may, if it thinks fit, Switch the whole of the applicant's holding of Original Units to New Units (and make a charge on such Switching) or refuse to effect any Switch of the Original Units. Save as otherwise specifically set out, the general provisions on procedures relating to redemption will apply equally to a Switch.
- 3.4.8 There is no right by law to withdraw or cancel a Switch transaction.

3.5 **Conversions**

- 3.5.1 Subject to any eligibility criteria in relation to a Unit Class, Unitholders are permitted to Convert their Units in one Class in a Sub-fund for Units of another Class (if any) in the same Sub-fund.
- 3.5.2 Conversions will be effected by the Operator recording a change of Class on the Register.
- 3.5.3 Where a Unitholder is eligible to Convert their Units, the Operator will carry out instructions to Convert Units as soon as possible but this may not be at the next Valuation Point and instructions may be held over and processed with Conversion instructions given by other Unitholders and in some cases may not be effected

until the end of the relevant accounting period. Unitholders should contact the Operator for further information on when a Conversion may be effected.

- 3.5.4 The number of Units to be issued in the new Class will be calculated relative to the last known price of the Units being Converted and the Units being issued.
- 3.5.5 Where a conversion of Units would, if effected in accordance with the terms of any conversion notice, result in a Unitholder holding less than the permitted minimum holding (by number or value) of Units in either Class as set out in the Prospectus from time to time, then the Operator may (at their discretion) decide either to:
 - 3.5.5.1 treat the Unitholder in question as having served a Conversion notice in respect of their entire holding of Units; or
 - 3.5.5.2 refuse to give effect to the Conversion notice in question.
- 3.5.6 For the avoidance of doubt, each conversion notice relates only to the Conversion of Units of a single Class.
- 3.5.7 The Operator may make, at its discretion, a charge on the Conversion of Units between Classes in a Sub-fund. For details of the charges on Conversion currently payable, please see paragraph 3.6.3 (Charges on Switching or Conversions).

3.6 Dealing Charges

The price per Unit at which Units are bought, redeemed or switched is the Net Asset Value per Unit. Any entry charge or exit charge is payable in addition to the price or deducted from the proceeds and is taken from the gross subscription or redemption monies.

3.6.1 Entry fee

The Operator may impose a charge on the purchase of Units in each Class. The current entry charge, which is calculated as a percentage of the amount invested in respect of each Sub-fund and Class, is set out in Part B (Unit class details) of Appendix 1. The Operator may waive or discount the entry charge at its discretion.

The entry charge (which is deducted from subscription monies) is payable by the Unitholder to the Operator.

The current entry charge of a Class may only be increased in accordance with the Regulations.

3.6.2 Redemption charge

The Operator may make a charge on the redemption of Units in each Class. At present, no exit charge is levied.

The Operator may only introduce an exit charge in accordance with the Regulations. Also, if such a charge was introduced, it would not apply to Units issued before the date of the introduction (i.e. those not previously subject to an exit charge).

3.6.3 Charges on Conversions or Switches

On the Conversion or Switch of Units, the Trust Deed authorises the Operator to impose a charge. The charge on a Conversion or Switch is payable by the Unitholder to the Operator.

There are currently no charges on the Conversion or Switch of Units as set out in section 7.3.1 (Switching fee).

3.6.4 Dilution Levy

The price of Units is based on valuations of the assets in the Sub-fund.

However, an asset's valuation may differ from the actual cost to the fund of buying more of that asset (for subscriptions) or the actual proceeds the fund receives from selling that asset (for redemptions). This is due to negative effects of dealing charges, taxes and market spread known as 'dilution'.

In order to reduce the effect of dilution, and preserve the Sub-funds' prospects for future growth, the Regulations allow the Operator to charge a 'dilution levy' which investors may pay on the purchase, redemption or Switch of Units.

The Operator decides whether to charge a dilution levy at any time and how much or at what rate the levy should be set (depending on the costs of dealing in the Sub-funds' underlying assets).

The need to charge a dilution levy will depend on the volume of purchases and redemptions. It is not possible to predict accurately whether dilution would occur at any point in time.

The Operator's policy is that it may require a dilution levy on the purchase, redemption or Switch of Units if, in its opinion, the existing Unitholders (for purchases) or remaining Unitholders (for redemptions) might otherwise be adversely affected.

For example, the dilution levy may be charged in the following circumstances:

- where the Scheme Property of a Sub-fund is in continual decline;
- on a Sub-fund experiencing large levels of net purchases relative to its size; on 'large deals' (typically being a purchase or redemption of Units to a size equal to or exceeding 3% of the Net Asset Value of the relevant Sub-fund); or
- in any case where the Operator is of the opinion that the interests of existing or remaining Unitholders require the imposition of a dilution levy.

As at the date of this Prospectus, no historic dilution information can be provided. Estimates of the dilution levy calculated on securities held in each Sub-fund, dealing expenses incurred and market conditions at the time of this Prospectus are:

	On redemption (%)	On Subscription (%)
Sarasin Climate Active Endowments Fund	0.154	0.164
Sarasin Endowments Fund	0.140	0.153
Sarasin Income and Reserves Fund	0.195	0.196
Sarasin Growth Fund	0.110	0.118

These rates are indicative and are only intended to provide a guide to Unitholders and potential Unitholders on the possible rate at which the dilution levy may be charged.

3.7 Transfers

- 3.7.1 Unitholders are entitled to transfer their Units to another person or body but only if that other person or body is an Eligible Investor and is eligible to invest in the same Class as the transferring Unitholder.
- 3.7.2 All transfers must be in writing in the form of an instrument of transfer approved by the Operator for this purpose. Completed instruments of transfer must be returned to the Operator in order for the transfer to be registered by the Operator. The instrument of transfer requires the transferee to provide a Certificate of Eligibility to the effect that the transferee is an Eligible Investor and such other documents and information as the Operator may require to ensure that the proposed Unitholder is eligible to invest in the same Class as the transferring Unitholder and to enable the correct tax treatment to be obtained. The Operator therefore needs to be informed as soon as practicable about any potential transfer, at which time it will let both the transferee and transferor Unitholder know what is required. The Operator will refuse to register a transfer unless this certificate and such other information as it requires is provided to it.
- 3.7.3 Class V Units may only be transferred to Eligible 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 these Classes by other investors may be accepted by the Operator at its discretion.
- 3.7.4 Class Z Units in any currency whether hedged or unhedged may only be transferred to investors who have a discretionary investment management arrangement with the Investment Manager or any of its affiliates. Investment in these Classes by other investors may be accepted by the Operator at its discretion.

3.8 Operator book of Units

Subject to any requirements of the Charity Commission, the Operator may buy, hold and sell Units for the administration of the Trust. The Operator is not permitted to profit from these transactions and will account to the Trust for any increase in the value of the Units it holds or distributions it receives from those Units.

3.9 Restrictions and compulsory transfer and redemption

- 3.9.1 The Operator may compulsorily Convert, Switch, redeem or cancel Units where to do so is considered by the Operator to be in the best interests of Unitholders. The Operator will give affected Unitholders reasonable written notice before using this power unless the following paragraphs apply
- 3.9.2 In addition to the Eligible Investor requirements, the Operator may from time to time impose such restrictions as it may think necessary for the purpose of ensuring that no Units are acquired or held by any person in breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory or which would result in any of the Sub-funds incurring any liability to taxation which it is not able to recoup itself or suffering any other adverse consequence.
- 3.9.3 In relation to this, the Operator has discretion to reject any application for the purchase, redemption, transfer, Conversion or Switch of Units.

- 3.9.4 If it comes to the notice of the Operator that any Units ("**affected Units**"):
- 3.9.4.1 are owned directly or beneficially in breach of any law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory;
 - 3.9.4.2 would result in the Trust incurring any liability to taxation which the Trust would not be able to recoup itself or suffering any other adverse consequence (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory); or
 - 3.9.4.3 are held in a way which causes the Operator to reasonably believe the Unitholder is not qualified to hold those units (this being in addition to the Eligible Investor criteria referred to in paragraph 3.1 and any other Class specific criteria),

the Operator may give notice to the Unitholder(s) of the affected Units requiring the transfer of such Units to a person who is qualified or entitled to own them, subject to the Operator receiving all relevant information and documents to ensure this is the case or to Convert their holding to another Class if one is available for which the Unitholder meets the tax status and other requirements or that a request in writing be given for the redemption of such Units in accordance with the COLL Sourcebook.

If any Unitholder on whom such a notice is served does not within 30 days after the date of such notice transfer his affected Units to a person qualified to own them or submit a written request for their redemption to the Operator or establish to the satisfaction of the Operator (whose judgement is final and binding) that he or the beneficial owner is qualified and entitled to own the affected Units, he will be deemed on the expiry of that 30 day period to have given a request in writing for the redemption or cancellation (at the discretion of the Operator) of all the affected Units.

- 3.9.5 A Unitholder who becomes aware that it is holding or owns affected Units must immediately, unless he has already received a notice as set out above, either transfer all his affected Units to a person qualified to own them or submit a request in writing to the Operator for the redemption of all his affected Units.
- 3.9.6 Where a request in writing is given or deemed to be given for the redemption of affected Units, such redemption will (if effected) be effected in the same manner as provided for in the COLL Sourcebook.

3.10 **Issue of Units in exchange for in specie assets**

- 3.10.1 If an investor wishes to subscribe for Units in specie, please contact the Operator as set out in paragraph 3.1 (the Dealing office).
- 3.10.2 The Operator will not issue Units in any Sub-fund in exchange for assets the holding of which would be inconsistent with the investment objective or policy of that Sub-fund or where it or the Depositary determines that the Sub-fund's acquisition of those assets in exchange for the Units concerned would or would be likely to result in any material prejudice to the interests of Unitholders.

3.11 **In specie redemptions**

- 3.11.1 If a Unitholder wishes to redeem Units in specie, please contact the Operator as set out in paragraph 3.1 (the Dealing office).
- 3.11.2 In the event of an in specie redemption, the Operator and Depositary must ensure that the selection of assets is made with a view to achieving no more advantage

or disadvantage to the Unitholder requesting the redemption than to the continuing Unitholders.

3.12 Suspension of dealings in the Sub-funds

- 3.12.1 The Operator may, with the prior agreement of the Depositary, and must without delay if the Depositary so requires, temporarily suspend the issue, cancellation, sale and redemption of Units in any or all of the Sub-funds where due to exceptional circumstances it is in the interests of all the Unitholders in the relevant Sub-fund or Sub-funds.
- 3.12.2 The Operator and the Depositary must ensure that the suspension is only allowed to continue for as long as is justified having regard to the interests of Unitholders.
- 3.12.3 The Operator or the Depositary (as appropriate) will immediately inform the FCA of the suspension and the reasons for it and will follow this up as soon as practicable with written confirmation of the suspension and the reasons for it to the FCA.
- 3.12.4 The Operator will notify Unitholders as soon as is practicable after the commencement of the suspension, including details of the exceptional circumstances which have led to the suspension, in a clear, fair and not misleading way and giving Unitholders details of how to find further information about the suspension.
- 3.12.5 Where such suspension takes place, the Operator will publish on its website or through other general means, sufficient details to keep Unitholders appropriately informed about the suspension, including, if known, its possible duration.
- 3.12.6 During the suspension none of the obligations in COLL 6.2 (Dealing) will apply but the Operator will comply with as much of COLL 6.3 (Valuation and Pricing) during the period of suspension as is practicable in light of the suspension.
- 3.12.7 Suspension will cease as soon as practicable after the exceptional circumstances leading to the suspension have ceased but the Operator and the Depositary will formally review the suspension at least every 28 days and will inform the FCA of the review and any change to the information given to Unitholders.
- 3.12.8 The Operator may agree during the suspension to deal in Units in which case all deals accepted during and outstanding prior to the suspension will be undertaken at a price calculated at the first Valuation Point after the restart of dealings in Units.

3.13 Deferred redemptions policy

- 3.13.1 The Operator may defer redemptions at a Valuation Point to the next Valuation Point where the requested redemptions exceed 10% of the Sub-fund's value.
- 3.13.2 Where the deferred redemptions policy is in effect, the Operator will defer all Unitholder redemption requests for a particular Valuation Point to the next Valuation Point. Redemptions can continue to be deferred in this way over multiple Valuation Points. The Operator will ensure that all redemptions relating to an earlier Valuation Point are completed before those relating to a later Valuation Point are considered.

3.14 Market timing

- 3.14.1 Market timing activities are disruptive to fund management, may lead to additional dealing charges which cause losses or dilution to a Sub-fund and may be detrimental to performance and to the interests of the long-term Unitholders. Accordingly, the Operator may in its absolute discretion reject any application for

subscription, redemption or Switching of Units from applicants that it considers to be associated with market timing activities.

- 3.14.2 In general terms, market timing activities are strategies which may include frequent purchases and sales of Units with a view to profiting from anticipated changes in market prices between Valuation Points or arbitraging on the basis of market price changes subsequent to those used in the valuation of a Sub-fund.

3.15 **Governing law**

- 3.15.1 All deals in Units are governed by the laws of England and Wales.
- 3.15.2 The legal agreement governing this investment (and your deals in units) is made up of the application form and the prospectus. These documents are governed by English law and the courts of England and Wales have exclusive jurisdiction to settle disputes relating to them.
- 3.15.3 Judgements of the courts of England and Wales may be recognised in Denmark, EU member states, Mexico, Montenegro and Singapore (under the Hague Convention) though this may depend when the agreement was entered into. The UK has applied to join the Lugano Convention which would additionally allow judgements to be recognised by the EU (on behalf of the EU member states), Iceland, Norway and Switzerland. The UK recognises the judgements of certain other territories and jurisdictions but, as the UK courts have exclusive jurisdiction, this is not expected to be relevant.

4. Valuation of the Trust

4.1 General

- 4.1.1 There is only a single price for Units. The price of a Unit is calculated by reference to the Net Asset Value of the Sub-fund to which it relates.
- 4.1.2 The Net Asset Value per Unit of a Sub-fund is currently calculated on each Dealing Day at the Valuation Point of the Sub-fund. For details of the Valuation Point of a Sub-fund please see Part A (Sub-fund details) of Appendix 1.
- 4.1.3 The Operator may at any time during a business day carry out an additional valuation if it considers it desirable to do so and may use the price obtained at such additional valuation point as the price for the day or may carry out an additional valuation on a day that is not a Dealing Day. The Operator will inform the Depositary of any decision to carry out any additional valuation that is necessary. Valuations may be carried out for effecting a scheme of amalgamation or reconstruction, which do not create a Valuation Point for the purposes of dealing. Where permitted and subject to the Regulations, the Operator may, in certain circumstances (for example where a significant event has occurred since the closure of a market) substitute a price with a more appropriate price which in its opinion reflects a fair and reasonable price for that investment.
- 4.1.4 On completion of each valuation the Operator will notify the Depositary of the price of Units of each Class of each Sub-fund and the amount of any dilution adjustment made in respect of any purchase or redemption of Units.

4.2 Valuing property and calculation of Net Asset Value

The value of the Scheme Property of the Trust or of a Sub-Fund (as the case may be) will be determined in accordance with Appendix 6 (Determination of Net Asset Value).

4.3 Price per Unit in each Sub-fund and each Class

- 4.3.1 The price per Unit at which Units are issued or are redeemed is the Net Asset Value per Unit. There will be a single price per Unit. Any entry charge or exit charge is payable in addition to the price or deducted from the proceeds and is taken from the gross subscription or redemption monies.
- 4.3.2 Each allocation of income made in respect of any Sub-fund at a time when more than one Class is in issue in respect of that Sub-fund will be done by reference to the relevant Unitholder's proportionate interest in the income property of the Sub-fund in question calculated in accordance with the Trust Deed.

4.4 Fair Value Pricing

- 4.4.1 Where the Operator has reasonable grounds to believe that:
 - 4.4.1.1 no reliable price for the immovable property in question exists at a valuation;
 - 4.4.1.2 no reliable price exists for a security (including a unit/share in a collective investment scheme) at a Valuation Point; or
 - 4.4.1.3 the most recent price available does not reflect the Operator's best estimate of the value of the security (including a unit/share in a collective investment scheme) at the Valuation Point,
 - 4.4.1.4 it can value an investment at a price which, in its opinion, reflects a fair and reasonable price for that investment (the fair value price).

- 4.4.2 The circumstances which may give rise to a fair value price being used include:
- 4.4.2.1 no recent trade in the security concerned; or
 - 4.4.2.2 suspension of dealings in the security concerned; or
 - 4.4.2.3 the occurrence of a significant event since the most recent closure of the market where the price of the security is taken.
- 4.4.3 In determining whether to use such a fair value price, the Operator will include in its consideration but need not be limited to:
- 4.4.3.1 the type of authorised fund concerned;
 - 4.4.3.2 the securities involved;
 - 4.4.3.3 whether the underlying collective investment schemes may already have applied fair value pricing;
 - 4.4.3.4 the basis and reliability of the alternative price used; and
 - 4.4.3.5 the Operator's policy on the valuation of Scheme Property as disclosed in this Prospectus.

4.5 **Pricing basis**

The Operator deals on a forward pricing basis. A forward price is the price calculated at the next Valuation Point after the purchase or redemption is deemed to be accepted by the Operator. Units in the Trust are single priced

4.6 **Publication of prices**

The prices of all Units are available at www.sarasinandpartners.com. The prices of Units may also be obtained by calling 0333 300 0373 during the Operator's normal business hours. As the Operator deals on a forward pricing basis, the price that appears in these sources will not necessarily be the same as the one at which investors can currently deal.

Please note that telephone calls may be recorded by the Operator, its delegates, their duly appointed agents and any of their respective related, associated or affiliated companies for record keeping, security and/or training purposes. Please see clause 12.12 below for further information.

5. Risk factors

5.1 General Risks

Unitholders should bear in mind that all investment carries risk and in particular should be aware of the following general risks associated with investment in the Sub-funds:

- 5.1.1 Past performance is not a guide to future performance. The value of units and the income derived from them can go down as well as up and as a result the 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. The Operator's entry charge is deducted from an investment at the outset such that an equivalent rise in the value of the units is required before the original investment can be recovered.
- 5.1.2 The levels of relief from taxation will depend upon individual circumstances. Please note current tax levels and reliefs may change and their value will depend on an investor's individual circumstances.
- 5.1.3 Unitholders are reminded that in certain exceptional circumstances their right to redeem units may be suspended, where it is in the interests of Unitholders.
- 5.1.4 Investment in a Sub-fund should be regarded as a medium to long term investment and investors should not invest money that they may require in the short term.
- 5.1.5 There is no guarantee that the objectives of a Sub-fund will be achieved.
- 5.1.6 All of the fees and expenses incurred in respect of the Sub-funds may be charged to the capital of the Sub-funds which may restrict capital growth and result in capital erosion.

5.2 The use of derivative transactions

The Sub-funds may use derivatives and forward transactions for the purposes of investment in the pursuit of a Fund's objectives. The Sub-funds may also enter into certain derivatives transactions for the purposes of hedging, including, without limitation, forward transactions, futures and options.

By holding derivatives and forward transactions there is a risk of capital depreciation and the value of these investments may fluctuate significantly and may cause the price of Units to fluctuate (in the absence of compensating investment techniques). It is the Operator's intention that the relevant Sub-fund will not have volatility over and above the general market volatility of the markets of that Sub-fund's underlying investments owing to the use of the derivatives and/or forward transactions in the pursuit of its objectives.

The Operator does not anticipate that the use of derivatives will have any significant effect on the risk profile of a Sub-fund.

5.3 Liquidity risk

The Operator has a liquidity management policy to monitor the liquidity risk of each Sub-fund and to ensure that the Operator can carry out investment requests. The liquidity risk management policies and procedures include the management, implementation and maintaining of appropriate liquidity limits for the Sub-funds and periodic stress testing of the liquidity risk of the Sub-funds under both normal and exceptional liquidity conditions to ensure that anticipated redemption requests can be met. In normal circumstances, dealing requests will be processed as set out in section 3 of this Prospectus. In exceptional circumstances, other procedures, such as suspending dealings in a Sub-fund, may be used. If the Operator's policy for managing liquidity should change, this will be set out in the annual report.

5.4 **Leverage risk**

The Sub-funds may use leverage as part of their investment strategy. Leverage may magnify gains and losses. Losses could be significant and the value of units could fall as a result.

5.5 **Overseas investments**

When investing in overseas markets or holding currencies other than pounds sterling, currency exchange rate movements may cause the value of investments to fall as well as rise.

5.6 **Derivatives**

Derivatives may be used to increase performance as well offset risk. Although using derivatives to increase performance may lead to a greater swing in the net asset value of a Sub-fund, appropriate risk monitoring will ensure that there is no significant increase in the Sub-funds' risk profile.

5.7 **OTC derivatives**

Over-the-counter derivatives ("**OTC derivatives**") are contracts that are traded (and privately negotiated) directly between two parties, without going through an organised derivatives exchange or intermediary. Where a Sub-fund holds an OTC derivative, there is increased risk compared to a derivative transaction traded on organised exchanges.

If the counterparty is unable to meet its obligations under the OTC derivative, then the relevant Sub-fund would likely suffer a loss which may have an impact on the value of that Sub-fund. Whilst it is not possible to eliminate these risks, OTC derivative transactions will only be conducted with counterparties that meet our specific credit worthiness criteria. In addition, there are specific FCA rules on OTC derivative transactions which may reduce the risk and size of any potential loss to a Sub-fund.

5.8 **Shorting**

The Sub-funds may invest in derivatives providing both long (bought) and synthetic short (sold) positions principally through the use of contracts for difference. As a result, as well as holding assets that may rise or fall with market values, they may also hold positions that will rise as the market value falls and fall as the market value rises.

The Investment Manager may use one or more separate counterparties to undertake derivative transactions on behalf of a Sub-fund and may be required to pledge collateral paid from within the assets of a Sub-fund to secure such contracts. There may be a risk that a counterparty will wholly or partially fail to honour their contractual arrangements with regards to the return of collateral and any other payments due to a Sub-fund. The Investment Manager measures the credit worthiness of counterparties as part of its risk management process.

5.9 **Fees taken from capital**

All or part of the management charge may be made to the capital of a Sub-fund, which may restrict capital growth and result in capital erosion.

5.10 **Credit and fixed interest securities**

Credit and fixed interest securities are the debts of governments or companies, generally in the form of bonds. These securities are particularly affected by trends in interest rates and inflation. If interest rates go up, the value of the security may fall, and vice versa. Inflation will reduce the real value of the security. However, any changes in value are generally likely to be less than those of investments in shares.

The value of these securities will fall if the issuer is unable to repay its debt or has had its credit rating reduced. Generally, the higher the rate of interest, the higher the perceived credit risk of the issuer.

5.11 **Concentrated asset or industry**

Predominantly investing in one particular type of asset or industry, such as property or the agricultural sector. This focus may result in higher risk when comparing to a fund that has spread or diversified its investments more broadly.

5.12 **Warrants**

A warrant is an investment instrument that allows a Sub-fund the right to apply for an underlying investment at a fixed price over a given period. The price of the warrant is directly linked to the price of the underlying security, and as such a small movement in the price of the underlying security can result in a larger movement, favourable or unfavourable, in the price of the warrant. Therefore, the larger a Sub-fund's holding in warrants, the higher the risk of share price movements.

5.13 **Liquidity risk**

A Sub-fund will be exposed to liquidity risk if it is unable to sell certain assets quickly (in particular, investments in small and mid-caps), or if third parties (in particular, counterparties in OTC transactions) are unable to fulfil their obligations on time.

5.14 **Settlement risk**

A Sub-fund may undertake business with third parties that are exposed to settlement risk. There is a risk that a third party may be unable to fulfil its obligations in full and on time.

5.15 **Currency hedging risk**

A Sub-fund may invest in assets which are valued in foreign currencies. A Sub-fund may seek to reduce exposure to exchange rate risk by entering into hedged transactions with the intention of covering the exchange fluctuation risks. Unitholders should note that the currency risk cannot be entirely eliminated, and there may also be additional transactional costs incurred as a result of employing hedging transactions.

5.16 **Efficient Portfolio Management**

The Sub-funds may make use of efficient portfolio management techniques to reduce risk and/or costs in the particular Sub-fund. Techniques used by the Sub-funds may include using derivatives for hedging, borrowing, holding cash and stock lending. Further details on all of these techniques can be found in Appendix 3 (Investment Powers and Restrictions).

It is not intended that using derivatives for efficient portfolio management ("**EPM**") will increase the volatility of the Sub-funds. In adverse situations, however, a Sub-fund's use of derivatives may become ineffective in hedging or EPM and a Sub-fund may suffer significant loss as a result. A Sub-fund's ability to use EPM strategies may be limited by market conditions, regulatory limits and tax considerations.

Use of one or more separate counterparties may be made to undertake derivative transactions on behalf of the Sub-funds and the Sub-funds may be required to pledge or transfer collateral paid from within the assets of the relevant Sub-fund to secure such contracts. There may be a risk that a counterparty will wholly or partially fail to honour their contractual arrangements under the arrangement with regards to the return of collateral and any other payments due to the relevant Sub-fund. The Investment Manager measures the creditworthiness of counterparties as part of the risk management process

A counterparty may be an associate of the Investment Manager which may give rise to a conflict of interest. For further details on the Investment Manager's conflicts of interest policy please see "Conflicts of Interest".

5.17 Investing in collective investment schemes

Each Sub-fund may invest in regulated collective investment schemes, (including funds managed by Sarasin). As an investor in a collective investment scheme, a Sub-fund will bear, along with the other investors, its portion of the expenses of the other collective investment scheme, including management, performance and/or other fees. These fees may be in addition to the management fees and other expenses which a Sub-fund bears directly with its own operations.

5.18 Exchange Traded Sub-funds ("ETFs")

A Sub-fund may invest in Exchange traded funds. Exchange traded funds represent a basket of securities that are traded on an exchange and may not necessarily trade at the net asset value of their underlying holdings. As a result, they may trade at a price that is above or below the value of the underlying portfolio.

5.19 Liabilities of the Trust and the Sub-funds

Each of the Sub-funds is a segregated portfolio of assets and the assets of a Sub-fund belong exclusively to that Sub-fund. However, there is a risk that the concept of segregated liability may not be recognised by foreign courts.

5.20 Indemnity

Investors should be aware that the Certificate of Eligibility needs to be provided on a purchase or transfer of Units.

This Certificate of Eligibility contains an indemnity for any tax being due as a result of the investor holding units in a Sub-Fund. This could be due to a relevant change in the tax status of the investor or a relevant change in the tax status of the Sub-Fund, or in the country of residence or domicile of the Unitholder or of any of the underlying investments.

The indemnity is given to the Operator in its own right and on behalf of the relevant Sub-Fund, the Unitholders and former Unitholders, and any of other person affected.

The indemnity is not limited to the value of the Unitholder's holding and could equal or exceed the value of the Unitholder's holding.

5.21 Tax status of the Sub-funds

Each Sub-fund is a sub-fund of the Trust, which is a registered charity. If the Trust should lose its charitable status, e.g. due to a change in tax or charity law or a change in the status of a Unitholder, tax may become due in respect of each Sub-fund on an ongoing or retrospective basis and this will affect investor returns.

6. Management, administration and oversight

6.1 Operator

6.1.1 General

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 10 November 1987.

The Operator is authorised and regulated by the Financial Conduct Authority of 12 Endeavour Square, London, E20 1JN.

The directors of the Operator are:

- Mr Gary Steinberg (Independent Non-Executive Director & Chairperson)
- Mrs Elizabeth Tracey (Independent Non-Executive Director)
- Mr Guy V. Matthews; and
- Mr Simon Jeffries;

Mr Matthews and Mr Jeffries are also partners of the Investment Manager.

Registered Office:	Juxon House 100 St. Paul's Churchyard London EC4M 8BU
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Share Capital:	The amount of the Operator's issued share capital is £250,000 represented by 250,000 ordinary shares of £1 each, fully paid.
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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 Administrator, the function of administration, including fund accounting (as further explained in paragraph 6.7); and
- to the Registrar, the function of maintenance of the Register of Unitholders (as further explained in paragraph 6.7, the Administrator).

The Operator has opted to maintain an appropriate level of "additional own funds" calculated in accordance with AIFM Requirements (or such lower amount as may

be authorised by the FCA from time to time in accordance with the AIFM Requirements) to cover professional liability risks.

The Operator is also the authorised fund manager or alternative investment fund manager of certain other regulated collective investment schemes details of which are set out in Appendix 4 (Other authorised collective investment schemes operated by the Operator).

6.2 The Investment Manager

6.2.1 General

Sarasin & Partners LLP is the Investment Manager. It has discretion to manage the Scheme Property of the Sub-funds. The Investment Manager is a limited liability partnership, registered in England and Wales and is authorised and regulated by the Financial Conduct Authority. Its principal activity is the provision of investment management services to group companies and third parties.

The Investment Manager is in the same group of companies as the Operator and its registered office is also Juxon House, 100 St. Paul's Churchyard, London EC4M 8BU.

6.2.2 Terms of Appointment

Under an agreement between the Investment Manager and the Operator dated 7th December 2017, as may be amended from time to time (the "**Investment Management Agreement**"), the Investment Manager provides general discretionary investment management services in respect of each of the Sub-funds and dealing services together with related research and valuation facilities in relation to a wide range of investments. The Investment Manager has the authority to make decisions on behalf of the Operator in relation to a Fund's investments subject always to the provisions of the Trust Deed, this Prospectus, the Regulations and the investment objectives and policies of the Funds. The Investment Management Agreement may be terminated with immediate effect in the interests of the Shareholders in accordance with COLL. The Investment Manager will receive a fee paid by the Operator out of its remuneration received each month from the Funds as explained in paragraph 7.1.4.2 below. Any third-party research received in connection with investment management services that the Investment Manager provides to the Funds will be paid for by the Investment Manager.

6.3 The Depositary

6.3.1 General

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

The registered 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 NatWest Group plc, which is incorporated in Scotland.

The Depositary is authorised 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.

6.3.2 **Terms of Appointment**

The Depositary provides its services under the terms of an agreement between the Operator and the Depositary (the "**Depositary Agreement**") which may be terminated on six months' notice by either the Operator or the Depositary. The Depositary may not retire voluntarily except on the appointment of a new Depositary. Subject to COLL, the Depositary has full power under the Depositary Agreement to delegate (and authorise its delegates to sub-delegate) all or any part of its duties as Depositary. The Depositary is entitled to the fees, summarised in paragraph 7.2.2.1 below.

The Depositary Agreement contains indemnities by the Operator on behalf of the Trust in favour of the Depositary against (other than in certain circumstances) any liability incurred by the Depositary as a consequence of its safe keeping of any of the Scheme Property or incurred by it as a consequence of the safe keeping of any of the deposited property by anyone retained by it to assist it to perform its function of the safekeeping of the Scheme Property and will also (in certain circumstances) exempt the Depositary from liability. The Depositary has confirmed that it is not its intention to seek to discharge any of its liability for the improper performance of any of its duties as such.

The Depositary has delegated:

- 6.3.2.1 its income distribution functions the Administrator; and
- 6.3.2.2 custody services to the Custodian. The relevant arrangements prohibit the Custodian from releasing the Scheme Property into the possession of a third party without the consent of the Depositary.

The Depositary has confirmed that it is not aware of any conflict of interest arising from its delegation of custody of Fund assets. Should any such conflict arise, the Depositary is to notify the Operator and take necessary steps to address the conflict.

6.4 **The Advisory Committee**

6.4.1 **Role and responsibilities**

Each Sub-fund will have an independent Advisory Committee which is independent from the Operator and Depositary. It has a consultative role and is tasked with representing the interests of Unitholders.

Each Advisory Committee will meet at least twice 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-fund;
- the investment policy of the Sub-fund;
- the income distribution policy of the Sub-fund; and
- fees and charges associated with each Class of Units.

An Advisory Committee is also able to prepare an annual statement regarding the discharge of its responsibilities.

6.4.2 **Membership**

As described at 6.4.3, the membership of each Advisory Committee may change from time to time.

The present members of the Advisory Committees of the Sub-funds are set out below:

All Sub-funds

Mr. Chris Stevens

Mrs. Katie Blacklock

Mrs. Camilla Ritchie

The Advisory Committees and their members are not FCA approved persons nor are they charity trustees.

6.4.3 Nomination and termination of an Advisory Committee

Advisory Committee members will be nominated by the Investment Manager and appointed by the Operator. Members may retire on providing three months' written notice to the Investment Manager and Operator, and the Investment Manager may terminate any member's membership on three months' written notice.

6.4.4 Meetings of Advisory Committees

Meetings of an Advisory Committee will be called by the Investment Manager at least twice per year. The Advisory Committee may also request in writing that the Investment Manager call a meeting of the Advisory Committee.

The quorum for any meeting of the advisory committee is two. Members of the advisory committee may attend committee meetings in person or remotely through live communications such as telephone or video conference. If any meeting of the Advisory Committee is not quorate, the meeting will be deferred.

6.5 The Registrar

6.5.1 General

The Registrar acts as the registrar of the Trust.

6.5.2 Register of Unitholders

The Register is maintained by the Registrar at its office at 50 Bank Street, Canary Wharf, London E14 5NT and may be inspected at that address during normal business hours by any Unitholder or any Unitholder's duly authorised agent.

The Registrar receives for acting as registrar as set out in paragraph 7.2.2 below.

6.6 The Auditors

The Auditors of the Trust are Deloitte LLP of 2 New Street Square, London EC4A 3BZ.

6.7 The Administrator

The Operator has appointed the Administrator, Northern Trust Global Services SE, UK Branch, to provide certain administration services. The Administrator's establishment office is Northern Trust Global Services SE, UK Branch, 50 Bank Street, Canary Wharf, London E14 5NT.

7. Fees and expenses

All the below fees, duties and charges (other than those borne by the Operator) will be charged to the Sub-fund in respect of which they were incurred.

Where an expense is not considered attributable to any one Sub-fund, the expense will normally be allocated to all Sub-funds pro rata to the Net Asset Value of the Sub-funds, although the Operator has discretion to allocate these fees and expenses in a manner which it considers fair to Unitholders generally.

Charges will be allocated to income or capital in accordance as set out in Part A (Sub-fund details) of Appendix 1.

7.1 Charges payable to the Operator

7.1.1 Entry fee (also known as initial charge or preliminary charge)

- 7.1.1.1 The Operator may impose a charge payable by a Unitholder on the sale of Units. This charge is calculated by reference to the issue price of the Units purchased and is paid by the Trust to the Operator.
- 7.1.1.2 The current entry fee applicable to Units are set out in Part B (Unit class details) of Appendix 1.
- 7.1.1.3 The Operator may waive all or part of the entry charge at any time, at its discretion.
- 7.1.1.4 If at any time the current entry charge applicable to Units of a Sub-fund is increased, the Operator is required to give not less than 60 days' prior notice in writing to all Unitholders before such increase may take effect. The Operator is also required to revise the Prospectus to reflect the new current rate and the date of its commencement.

7.1.2 Exit fee

The Operator does not charge an exit fee.

7.1.3 Switching fee

- 7.1.3.1 The Operator does not currently make any charge on either a Conversion of Units or on a Switch of Units between different Sub-funds.

7.1.4 Annual Management Charge

- 7.1.4.1 An Annual Management Charge is payable to the Operator. This Annual Management Charge accrues daily and is payable monthly on or as soon as practicable after the last day of the calendar month in which it accrues. The Operator may waive all or part of its Annual Management Charge at any time, at its discretion. The charge will be calculated separately in respect of each Class linked to a Sub-fund, as a percentage rate per annum of the total value of the units of entitlement in the property of the Sub-fund represented by the Class on each day. All non-business accruals are calculated by reference to the Business Day immediately preceding the relevant non-Business Day in question.

- 7.1.4.2 The Operator discharges (or will discharge) at its own expense out of its Annual Management Charge the fees of the Investment Manager for its services provided in relation to the Sub-funds.
- 7.1.4.3 The current Annual Management Charges are set out in Part B (Unit class details) of Appendix 1 for each Unit Class.
- 7.1.4.4 Any increase in these rates requires not less than 60 days' prior notice in writing to the Unitholders before such increase may take effect. Also, the Operator is required to revise the Prospectus to reflect the new current rate and the date of its commencement.
- 7.1.4.5 The first accrual will be in respect of the period from the day on which the first valuation of a Sub-fund is made to the month end and is based upon the first valuation point. The Annual Management Charge will cease to be payable (in relation to a Sub-fund) on the date of commencement of its termination, and (in relation to the Trust as a whole) on the date of the commencement of its winding up or, if earlier, the date of the termination of the Operator's appointment as such. The amount(s) accruing due on the last relevant valuation date before the event concerned will be adjusted accordingly.
- 7.1.4.6 The Annual Management Charge payable in respect of the Sub-funds listed in this section may be treated as a capital charge and, accordingly, the imposition of such charge may constrain capital growth.

7.2 Ongoing operational and administrative charges and expenses of the Sub-funds

7.2.1 The Operating Expense

- 7.2.1.1 The Manager will also be entitled to receive out of the assets of the Trust an annual fee the **(Operating Expense)** from which it will discharge certain fees and expenses.
- 7.2.1.2 The Operating Expense for Classes A and V of each Sub-fund will be levied on a tiered basis, with the applicable rates being dependent on the level of the Trust's Net Asset Value from time to time. The thresholds applicable to the Operating Expense in respect of the Trust are as follows:

Unit Class	Net Asset Value of Trust	% of Net Asset Value (plus VAT if any)
Classes A and V	£0 - £250m (the first £250m)	0.15% per annum
	£250m - £500m (the next £250m)	0.12% per annum
	£500m - £1bn (the next £500m)	0.06% per annum
	£1bn - £5bn (the next £4bn)	0.05% per annum
	£5bn +	0.04% per annum

For example, if the Trust's Net Asset Value is £2bn, then the Operating Expense will be levied to each Sub-fund at 0.07% (being the weighted average, rounded to the nearest basis point, of 0.15% of £250m, 0.12% of £250m and 0.06% of £500m, and 0.05% for the final £1bn).

- 7.2.1.3 The Operating Expense for Class Z of each Sub-fund will be a fixed charge. The applicable Operating Expense in respect of Class Z are as follows.

Unit Class	Fixed Operating Charge (plus VAT if any)
Class Z	0.07% per annum

- 7.2.1.4 The Operating Expense will be calculated and accrued daily and deducted monthly in arrears from the relevant Class. In the event the actual costs incurred by a Sub-fund exceed the level of the Operating Expense payable by that Sub-fund, the Operator shall bear any such excess. In the event that the actual operating costs incurred by a Sub-fund fall below the Operating Expense, the Operator shall be entitled to retain any amount by which the Operating Expense exceeds those actual costs.

7.2.2 What is included in the Operating Expense?

The following costs and expenses (plus VAT where applicable) will be met out of the Operating Expense:

- 7.2.2.1 the fees of the Depositary,
- Although it is anticipated that all fees of the Depositary will be included in the Operating Expense, the Depositary retains the right to deduct any amounts owing to it from the Scheme Property;
- 7.2.2.2 the fees of the Advisory Committees;
- 7.2.2.3 Safe-keeping fees;
- 7.2.2.4 the fees and expenses incurred in respect of: the preparation of financial statements; calculation of the prices of Units; preparation of tax returns; and any expenses incurred by the Sub-funds in connection with the maintenance of its accounts and other books and records;
- 7.2.2.5 any costs incurred in amending the Trust Deed or this Prospectus, including costs incurred in respect of meetings of Unitholders convened for the purpose of approving such modifications;
- 7.2.2.6 any costs incurred in respect of any other meeting of Unitholders including meetings convened on a requisition by Unitholders not including the Operator or an associate of the Operator;
- 7.2.2.7 any fees in relation to a unitisation, amalgamation or reconstruction where the property of a body corporate (such as an investment company) or of another collective investment scheme is transferred to the Sub-funds in consideration of the issue of Units to shareholders in that body corporate or to participants in that other scheme, and any liability arising after the transfer which, had it

arisen before the transfer, could properly have been paid out of that other property provided that the Operator is of the opinion that proper provision was made for meeting such liabilities as were known or could reasonably have been anticipated at the time of the transfer;

- 7.2.2.8 any audit fee and any proper expenses of the Auditor and of tax, legal and other professional advisers for the Sub-funds;
- 7.2.2.9 payments or costs in relation to the preparation of Non-UCITS Retail Scheme Key Investor Information ("**KIIs**") (either in respect of the Sub-funds or a Sub-fund) or any successor or equivalent document;
- 7.2.2.10 any costs of printing and distributing the Trust Deed, Prospectus, annual, half yearly and any other reports and accounts or information provided for Unitholders;
- 7.2.2.11 any costs of listing the prices of the Sub-funds in publication and information services selected by the Operator including the Financial Times;
- 7.2.2.12 insurance which the Sub-funds may purchase and/or maintain for the benefit of and against any liability incurred by the Operator in the performance of its duties.
- 7.2.2.13 the fees in connection with listing the Units on any stock exchange;
- 7.2.2.14 electronic dealing administration costs; and
- 7.2.2.15 registration fees.

The Registrar will impose a levy in respect of its services in establishing and maintaining the Register and any plan registers (as defined in the FCA Rules).

The Registrar's fees are payable monthly in arrears and are subject to annual review subject to the agreement of the Operator. Any VAT on fees payable to the Registrar will be added to such fees.

The levels of the Operating Expense will be reviewed by the Operator in exceptional circumstances and on an annual basis in any event to ensure that they remain fair to Unitholders. Any increase in the Operating Expenses will require prior notice to be given to Unitholders at least 60 days before any such increase may take effect. The Prospectus will also be revised to reflect the new rate(s).

7.3 **Other payments out of the Sub-funds**

The fees and charges set out in this section shall be payable out of the Scheme Property and do not fall within the Operating Expense. Expenses not directly attributable to a particular Sub-fund will be allocated proportionately between all Sub-funds as described above.

7.3.1 **Establishment and authorisation of the Sub-funds**

Any costs, including for the avoidance of doubt those of the Administrator, incurred in establishing and authorising new Sub-funds after the initial establishment of the Sub-funds shall be met out of the Scheme Property of the relevant Sub-fund(s).

7.3.2 **Currency hedging transactions**

Each Sub-fund will bear the costs of any currency hedging transactions it uses to meet its objectives.

7.3.3 **The Custodian's transaction charges**

Whilst the Depositary's periodic fee, the charges and expenses arising from the services it provides and the custody charges which are incurred in respect of the safekeeping of the Scheme Property are included in the Operating Expense as set out in paragraph 7.2.1 above, the Custodian's transaction charges will not be included in the Operating Expense and will instead be deducted from the Scheme Property.

These transaction charges are incurred in respect of transaction handling, including fees incurred as a result of trading derivatives on a platform, and the costs vary between £10 and £550 per transaction depending on the country, the market and the type of transaction involved.

Transaction charges accrue at the time transactions are effected and are payable as soon as is reasonably practicable, and in any event no later than the last Business Day of the month when such charges arose, or as otherwise agreed between the Depositary and the Operator.

Any VAT on the charges payable to the Depositary shall be added to such charges and expenses.

7.3.4 **Other ongoing operational costs**

The following are additional operational costs which may be deducted from the Scheme Property:

- 7.3.4.1 taxes, rates, charges, duties, levies, assessments, impositions or other outgoings whatsoever whether of a capital or revenue nature including stamp taxes and any other transfer or transaction tax, withholding tax, transfer pricing and irrecoverable VAT in respect of the Scheme Property or the issue of Units in the Sub-funds;
- 7.3.4.2 broker's commissions, fiscal charges and other disbursements which are necessarily incurred in effecting transactions for the Sub-funds, including expenses incurred in acquiring or disposing of investments including legal fees and expenses, whether or not the acquisition or disposal is carried out;
- 7.3.4.3 interest on and other charges relating to permitted borrowings including costs incurred in effecting, terminating, negotiating or varying the terms of such borrowings; and
- 7.3.4.4 the annual operating costs for electronic dealing administration.

8. Unitholder meetings and voting rights

8.1 Class, Trust and Sub-fund meetings

The provisions below, unless the context otherwise requires, apply to Class meetings and meetings of Sub-funds as they apply to general meetings of the Trust. References to Units are to the units of the Class or Sub-fund concerned and the Unitholders and value and prices of such Units.

8.2 Requisitions of meetings

8.2.1 Requisition by the Operator

The Operator may requisition a general meeting at any time.

8.2.2 Requisition by the Unitholders

Unitholders may requisition a general meeting of the Trust. A requisition by Unitholders must state the objects of the meeting, be dated, be signed by Unitholders who, at the date of the requisition, are registered as holding not less than one tenth in value of all Units then in issue and the requisition must be deposited with the Depositary.

The Operator must convene a general meeting no later than eight weeks after receipt of a requisition notice.

8.2.3 Requisition by the Advisory Committee

The Advisory Committee of a Sub-fund may requisition a general meeting of the Unitholders in that Sub-fund. A requisition by the Advisory Committee must state the objects of the meeting, be dated and be signed by or on behalf of the Advisory Committee.

The Operator or Depositary must convene a general meeting no later than eight weeks after receipt of a requisition notice.

8.3 Notice and quorum

Unitholders will receive at least 14 days' notice of a general meeting and are entitled to be counted in the quorum and vote at such meeting either in person or by proxy. The quorum for a meeting is two Unitholders, present in person or by proxy. The quorum for an adjourned meeting is one person entitled to be counted in a quorum. Notices of meetings and adjourned meetings will be sent to Unitholders at their registered addresses.

8.4 Voting rights

At a general meeting, on a show of hands every Unitholder who (being an individual) is present in person or (being a corporation) is present by its representative properly authorised in that regard, has one vote.

On a poll vote, a Unitholder may vote either in person or by proxy. The voting rights attaching to each Unit is that proportion of the voting rights attached to all the Units in issue (in the Trust or the Sub-fund or the Class as the case may be) as the price of the Units bears to the aggregate price(s) of all the Units in issue (of the Trust or the Sub-fund or the Class as appropriate), at a reasonable date before the notice of meeting is sent out (such date to be decided by the Operator).

A Unitholder entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

In the case of joint Unitholders, the vote of the most senior Unitholder who votes, whether in person or by proxy, must be accepted to the exclusion of the votes of the other joint Unitholders. For this purpose, seniority must be determined by the order in which the names stand in the Register.

Except where the COLL Sourcebook or the Trust Deed require an extraordinary resolution (which needs at least 75% of the votes cast at the meeting to be in favour if the resolution is to be passed) any resolution required by the COLL Sourcebook will be passed by a simple majority of the votes validly cast for and against the resolution.

The Operator may not be counted in the quorum for a meeting and neither the Operator nor any 'associate' (as defined in Glossary to the FCA Handbook) of the Operator is entitled to vote at any meeting of the Trust except in respect of Units which the Operator or associate holds on behalf of or jointly with a person who, if the registered Unitholder, would be entitled to vote and from whom the Operator or associate has received voting instructions.

Where all the Units in a Sub-fund are registered to, or held by, the Operator or its associates and they are therefore prohibited from voting and a resolution (including an extraordinary resolution) is required to conduct business at a meeting, it will not be necessary to convene a meeting and a resolution may, with the prior written agreement of the Depositary, instead be passed with the written consent of Unitholders representing 50% or more, or for an extraordinary resolution 75% or more, of the Units in issue.

"Unitholders" in this context means Unitholders entered on the register at a time to be determined by the Operator and stated in the notice of the meeting which must not be more than 48 hours before the time fixed for the meeting.

8.5 Variation of Class or Sub-fund rights

The rights attached to a Class or Sub-fund may only be varied in accordance with the rules in COLL.

9. Taxation

9.1 General

The information below is a general guide based on current UK law and Her Majesty's Revenue & Customs ("HMRC") practice, both of which are subject to change. It summarises the tax position of the Sub-funds and of investors who are UK-resident (except where indicated) and hold Units as investments. The Operator recommends that prospective investors take professional advice before investing if they are in any doubt about their tax position or if they may be subject to tax in a jurisdiction other than the UK.

9.2 The Sub-funds

Each Sub-fund is treated, for tax purposes, as a separate investment fund.

The Sub-funds are exempt from UK tax on capital gains realised on the disposal of investments.

The Sub-funds are exempt from UK tax on their income, including UK and overseas dividends received. Overseas income may, however, be received net of foreign withholding tax, although this may be reduced by an applicable double tax agreement.

The Sub-funds pay dividend distributions, which will be retained in the case of accumulation units.

9.3 Position of Unitholders

9.3.1 Dividend distributions

Dividend distributions, whether accumulated or paid to Unitholders by the Sub-funds, will be treated as if they were dividends paid to their Unitholders. No tax will be deducted from them and they will not have tax credits attached to them. Since all Unitholders will be Charities, they will be exempt from tax on the income, provided their charitable exemption applies.

9.3.2 Capital gains

Unitholders will not be liable to capital gains tax when they realise a gain from the redemption, sale or other disposal of Units, provided their charitable exemption applies to it.

9.4 Unitholders who are not tax-resident in the UK

No UK taxes are deducted from dividend allocations and there is no associated tax credit. Non-tax resident Unitholders will not be liable to UK tax on capital gains. Unitholders may be liable to tax on them in their country of tax residence depending on their local tax regime.

9.5 Automatic exchange of information for international tax compliance

The Operator (or its agent) will collect and report information about Unitholders and their investments, including information to verify their identity and tax residence.

When requested to do so by the Operator or its agent, Unitholders must provide information to be passed on to HMRC, and, by them, to any relevant overseas tax authorities. If a Unitholder does not provide the necessary information, the Operator will be required to report it to HMRC who will in turn report it to the United States' and certain other tax authorities.

This is required by UK legislation implementing its obligations under various intergovernmental agreements relating to the automatic exchange of information to improve international tax compliance (including the international common reporting standard, the

United States provisions commonly known as FATCA, and other intergovernmental agreements for the automatic exchange of information).

10. Changes to and Closure of the Trust or termination of the Sub-funds

10.1 Changes to the Trust or its Sub-funds

The Operator is required to seek Unitholder approval to, or notify Unitholders of, various types of changes to a Sub-fund. The form of notification, and whether Unitholder approval is required, depends on the nature of the proposed change.

A fundamental change is a change or event which changes the purpose or nature of a Sub-fund, which may materially prejudice a Unitholder; or alter the risk profile of the Sub-fund; or which introduces any new type of payment out of the Scheme Property of the Sub-fund. For fundamental changes, the Operator must obtain Unitholder approval, normally by way of a resolution (which needs 75% of the votes cast at the meeting to be in favour if the resolution is to be passed).

A significant change is a change or event which is not fundamental but which affects a Unitholder's ability to exercise his rights in relation to his investment; which would reasonably be expected to cause the Unitholder to reconsider his participation in a Sub-fund; or which results in any increased payments out of the Sub-fund to the Operator or its associates; or which materially increases payments of any other type out of a Sub-fund. The Operator must give reasonable prior notice (not less than sixty days) in respect of any such proposed significant change.

A notifiable change is a change or event of which a Unitholder must be made aware but, although not considered by the Operator to be insignificant, it is not a fundamental change or a significant change. The Operator must inform Unitholders in an appropriate manner and timescale of any such notifiable changes.

10.2 Winding-up of the Trust and termination of Sub-funds

10.2.1 The Trust must be wound up or a Sub-fund must be terminated under the COLL Sourcebook:

- 10.2.1.1 if the authorisation order of the Trust is revoked; or
- 10.2.1.2 if an extraordinary resolution to that effect is passed by Unitholders providing that the FCA have consented to the resolution; or
- 10.2.1.3 when the period (if any) fixed for the duration of the Trust or a particular Sub-fund by the Trust Deed expires, or any event arises on the occurrence of which the Trust Deed provides that the Trust or a particular Sub-fund is to be wound up (for example, if the Net Asset Value of the Trust or (in relation to any Sub-fund) the Net Asset Value of the Sub-fund is below £10,000,000, or if a change in the laws or regulations of any country means that, in the Operator's opinion, it is desirable to terminate the Sub-fund); or
- 10.2.1.4 on the effective date of a duly approved scheme of arrangement which is to result in the Trust or the relevant Sub-fund being left with no property; or
- 10.2.1.5 on the date on which all or the last of the Sub-funds fall within paragraph 10.2.1.4 above or that otherwise ceases to hold Scheme Property, notwithstanding that the Trust may have assets and liabilities which are not attributable exclusively to any Sub-fund; or
- 10.2.1.6 on the date stated in any agreement by the FCA to a request by the Operator for the revocation of the authorisation order in respect of the Trust or for the termination of the relevant Sub-fund.

- 10.2.2 On the occurrence of any of the above:
- 10.2.2.1 COLL 6.2 (Dealing), COLL 6.3 (Valuation and Pricing) and COLL 5 (Investment and borrowing powers) will cease to apply to the Trust or the relevant Sub-fund; and
 - 10.2.2.2 the Depositary will cease to issue and cancel Units in the Trust or the relevant Sub-fund and the Operator will cease to issue or redeem Units for the Trust or the relevant Sub-fund.
- 10.2.3 The Depositary will, as soon as practicable after the Trust or the Sub-fund falls to be wound up:
- 10.2.3.1 transfer any balance in the income reserve account to the income account;
 - 10.2.3.2 realise the assets and meet the liabilities of the Trust or the Sub-fund;
 - 10.2.3.3 pay out or retain adequate provision for all liabilities properly payable;
 - 10.2.3.4 retaining provision for the costs of the winding up or the termination; and
 - 10.2.3.5 distribute the proceeds to Unitholders proportionately to their respective interests in the Scheme Property.
- 10.2.4 Any unclaimed net proceeds or other cash (including unclaimed distribution payments) held by the Depositary after one year from the date the proceeds became payable, will be paid by the Depositary into Court, although the Depositary will have the right to retain the amount of any expenses incurred in making that payment. On completion of the winding up, the Depositary will notify the FCA in writing of the fact and the Depositary and Operator will request the FCA to revoke the order of authorisation.
- 10.2.5 Except to the extent that the Operator can show it complied with the duty to ascertain liabilities under the COLL Sourcebook, the Operator is personally liable to meet any liabilities of the Trust or Sub-fund wound up or terminated that was not discharged before the completion of the winding up or termination.
- 10.2.6 If the proceeds of the realisation of the assets attributable or allocated to a particular Sub-fund are not sufficient to meet the liabilities attributable or allocated to that Sub-fund, the Operator must pay the amount of such deficit unless it can show that such deficit did not arise as a result of any failure by it to comply with the COLL Sourcebook. Such liability of the Operator will be an accruing debt due from it on the completion of the winding up or termination and is payable on demand.
- 10.2.7 The obligations of the Operator in this regard do not affect any other obligation of the Operator under the COLL Sourcebook or the law.
- 10.2.8 Following the completion of a winding up of either the Trust or a Sub-fund, the Operator must prepare a final account showing how the winding up took place and how the Scheme Property was distributed. The auditors of the Trust will make a report in respect of the final account stating their opinion as to whether the final account has been properly prepared. This final account and the auditors' report must be sent to the FCA and to each Unitholder (or the first named of joint Unitholders) on it within four months of the completion of the winding up or termination.

11. Accounting and reporting

11.1 Base currency

The base currency of the Trust and the reference currency of each Sub-fund is pounds sterling.

11.2 Accounting periods

The annual accounting period of the Trust ends each year on 31 December (the accounting reference date) with the interim accounting period ending on 30 June (the first annual accounting period of the Trust will end on 31 December 2018).

The recurring accounting periods for each Sub-fund are set out in Part A (Sub-fund details) of Appendix 1.

11.3 Income

11.3.1 General treatment of income

- 11.3.1.1 Each Sub-fund accrues income from its Scheme Property on every Business Day as well as at the end of the each interim or annual accounting period.
- 11.3.1.2 Sub-funds may have interim and final income allocations and in some cases also quarterly income allocations or only have final income allocation dates.
- 11.3.1.3 In relation to income Units, where available, distributions of income for each Sub-fund in which income Units are issued will be paid by electronic transfer directly into a Unitholder's bank account on or before the relevant income allocation date in each year as set out in Part A (Sub-fund details) of Appendix 1.
- 11.3.1.4 If a distribution made in relation to any income Units remains unclaimed for a period of six years after it has become due, it will be forfeited and will revert to the relevant Sub-fund (or, if that no longer exists, to the Trust).
- 11.3.1.5 For Sub-funds in which accumulation Units are issued, income will become part of the capital property of the Sub-fund and will be reflected in the price of each such accumulation Unit as at the end of the relevant accounting period.
- 11.3.1.6 The amount available for distribution in any accounting period is calculated by taking the aggregate of the income received or receivable for the account of the relevant Sub-fund in respect of that period, and deducting the charges and expenses of the relevant Sub-fund paid or payable out of income in respect of that accounting period.
- 11.3.1.7 The Operator then makes any adjustments it considers appropriate (and after consulting the Trust's auditors as appropriate) in relation to:
 - (a) taxation;
 - (b) income unlikely to be received within 12 months following the relevant income allocation date;
 - (c) income which should not be accounted for on an accrual basis because of lack of information as to how it accrues;

- (d) transfers between the income and capital account; and
- (e) other matters.

11.3.2 **Intra-year income smoothing via the income reserve account**

- 11.3.2.1 The Operator may instruct the Depositary to transfer up to 15% of the income available for allocation or distribution on an annual income allocation date to the income reserve account to avoid fluctuations in the income available for allocation and distribution for the annual accounting period.
- 11.3.2.2 The Operator may at any time instruct the Depositary to transfer any income from the income reserve account to the income account.
- 11.3.2.3 Any income transferred from the income reserve account to the income account must be available for allocation in the next annual accounting period.
- 11.3.2.4 The income reserve account must be operated in accordance with the Regulations.

11.4 **Annual reports**

The annual long reports of the Trust will be published within four months from the end of each annual accounting period and the half yearly long reports will be published and sent to Unitholders within two months of each interim accounting period.

A long report containing the full accounts is available to any Unitholder free of charge on request from the Operator.

12. Policies

12.1 Complaints

Complaints concerning the operation or marketing of the Trust or any Sub-fund should first of all be referred to:

Sarasin Investment Funds Limited
Compliance Officer
Juxon House
100 St. Paul's Churchyard
London
EC4M 8BU

Further details relating to the Operator's complaint management procedure are available by contacting the Operator.

All complaints will be investigated and, unless the complaint is resolved to the satisfaction of the complainant within 8 weeks after its receipt by the Operator, the complainant in most cases will have a right to refer the complaint to the Financial Ombudsman Service.

The Financial Ombudsman Service will normally only consider a complaint after having given the Operator the opportunity to resolve the complaint to the satisfaction of the customer.

The address for the Financial Ombudsman is:

The Financial Ombudsman Service
Exchange Tower
London E14 9SR

12.2 Anti-Money laundering policy

As a result of legislation in force in the UK to prevent money laundering, the Operator is responsible for compliance with anti-money laundering regulations. In order to implement these regulations, in certain circumstances investors may be asked to provide proof of identity when subscribing for, or redeeming, Units.

As appropriate the Operator may write to request verification documents from applicants, Unitholders and / or other associated parties. In some cases, verification documentation may be required in relation to officers performing duties on behalf of bodies corporate. The Operator may seek to verify the identity of individuals electronically through the use of credit reference agencies which may keep a record of this information, but this is purely to verify the identity of the individual and will not adversely affect any credit record. If an applicant fills in the Application Form, such applicant is giving the Operator permission to ask for this information in line with the UK version of the General Data Protection Regulation (Regulation (EU) 2016/679 of the European Parliament and the Council of 27 April 2016) to the extent brought into, and remaining part of, UK law by virtue of the Brexit Legislation. If the Operator is unable to verify the applicant's identity electronically, it will ask the applicant to provide documentary evidence. If an applicant invests through a financial adviser an identity verification certificate must be completed on the applicant's behalf and sent to the Operator with the relevant application.

Until satisfactory proof of identity is provided, the Operator reserves the right to refuse to issue Units, pay the proceeds of a redemption of Units, or pay income on Units, to the investor.

In the case of a subscription for Units where the applicant is not willing or is unable to provide the information requested within a reasonable period, the Operator also reserves the right to redeem the Units purchased and return the proceeds to the account from which the subscription was made. These proceeds may be less than the original investment.

12.3 **Your Personal Information**

The Operator's privacy notice details the collection, use and sharing of Unitholders' personal information in connection with their investment in the Sub-funds. The privacy notice can be found on the Operator's website at www.sarasinandpartners.com

This notice may be updated from time to time and Unitholders should confirm that they hold the latest version. Unitholders who access the Sub-funds through an intermediary, should also contact that organisation for information about its treatment of their personal information.

Any Unitholders who provides the Operator and its agents with personal information about another individual (such as a joint investor) must also show the privacy notice to those individuals.

12.4 **Liquidity management policy**

The Operator has a Liquidity Management Policy designed to monitor the liquidity risk of each Sub-fund and ensure that its investment strategy and liquidity profile allows the Sub-fund to meet its daily redemption obligations.

The long report and published in accordance with paragraph 11 of this Prospectus will (as applicable) include details of any Scheme Property that is subject to any special arrangements arising from its illiquid nature, along with information regarding any new arrangements for managing the liquidity of the Sub-funds.

12.5 **Risk management policy**

The Operator has a Risk Management Policy designed to ensure that the material risks associated with each investment position of each Sub-fund can be properly identified, measured, managed and monitored on an ongoing basis, including through the use of appropriate stress testing procedures.

Material changes in respect of the current risk profile of the Sub-funds and the Risk Management Policy employed by the Operator will be disclosed in the annual long report published in accordance with paragraph 11.4 of this Prospectus.

12.6 **Collateral management policy**

The Operator is required to have a collateral management policy and to keep that policy under regular review. The policy defines "eligible" types of collateral which a Sub-fund may receive to mitigate counterparty exposure (including any applicable haircuts). A haircut is a reduction to the market value of the collateral in order to allow for a cushion in case the market value of that collateral falls. Collateral will generally be of high quality and liquid e.g. cash and government securities. The policy will also include any additional restrictions deemed appropriate by the Operator. The Operator will accept the following permitted types of collateral: cash, government securities, certificates of deposit; bonds or commercial paper issued by "relevant institutions".

Collateral will be subject to a haircut depending on the class of assets received. The haircut policy depends on the quality of assets received, their price volatility, together with the outcome of any stress tests performed under normal and exceptional liquidity conditions.

Where cash collateral, is received, if it is reinvested, it will be diversified in accordance with the requirements of ESMA's Guidelines on ETFs and other UCITS issues (ESMA/2012/832EN). Where a Sub-fund re-invests cash collateral in one or more permitted types of investment, there is a risk that the investment will earn less than the interest that is due to the counterparty in respect of that cash and that it will return less than the amount of cash that was invested.

12.7 Fair treatment of investors

The Operator has procedures in place to ensure fair treatment of Unitholders in accordance with the Regulations. These procedures deal with matters such as the manner in which dealing may be suspended or deferred (see paragraphs 3.12, Suspension of Dealings in the Sub-funds, and 3.13, Deferred redemptions policy); valuations (see section 4, Valuation of the Trust); and the allocation of assets, liabilities, expenses, costs and charges between the Funds (see Part A (Details of the Sub-funds) of Appendix 1).

12.8 Strategy for the exercise of voting rights

The Operator has a strategy for determining when and how voting rights attached to ownership of the Scheme Property are to be exercised for the benefit of each Sub-fund. A summary of this strategy is available from the Operator on request. Voting records and further details of the actions taken on the basis of this strategy in relation to each Sub-fund are available free of charge from the Operator on request.

12.9 Conflicts of interest

The Operator and other companies within the Sarasin's Group may, from time to time, act as investment managers or advisers to other collective investment schemes (or sub-funds), which follow similar investment objectives, policies or strategies to those of the Trust or its Sub-funds. It is therefore possible that the Operator may in the course of its business have potential conflicts of duty or interest with the Trust or a particular Sub-fund. The Operator and other companies within the Sarasin's Group maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps to prevent conflicts of interest as detailed in the FCA Handbook from constituting or giving rise to a material risk of damage to the interests of its clients.

Each of the Operator will have regard in such event to its obligations under the Regulations, to its obligation to act in the best interests of the Trust so far as practicable, having regard to its obligations to other clients when undertaking any investment where potential conflicts of interest may arise.

Further details relating to the Operator's conflicts of interest policy are available by contacting the Operator.

The Depositary may act as the depositary and/or custodian of other collective investment schemes.

12.10 Manager's Policy on benefits from third parties

When executing orders, or placing orders with other entities for execution, that relate to financial instruments for, or on behalf of, the Sub-funds, the Investment Manager will not accept and retain any fees, commissions or monetary benefits; or accept any non-monetary benefits, where these are paid or provided by any third party or a person acting on behalf of a third party. The Investment Manager will return to each relevant Sub-funds as soon as reasonably possible after receipt any fees, commissions or any monetary benefits paid or provided by any third party or a person acting on behalf of a third party in relation to the services provided to that sub-fund, and disclose in the annual report the fees, commissions or any monetary benefits transferred to them.

The Investment Manager may, however, accept without disclosure minor non-monetary benefits that are capable of enhancing the quality of service provided to the relevant Sub-funds; and of a scale and nature such that they could not be judged to impair their compliance with its duty to act honestly, fairly and professionally in the best interests of each Sub-fund.

12.11 Best execution and client order handling

The Operator is required to ensure Unitholders' best interests are served when it executes decisions to deal in the context of portfolio management or places orders to deal with securities dealings firms. The Operator's Best and Timely Execution Policy sets out (i) the

systems and controls that have been put in place and (ii) the basis upon which the Operator will effect transactions and place orders in relation to the Company whilst complying with its obligations under the handbook of rules issued by the FCA to obtain the best possible outcome for each transaction undertaken on behalf of the Trust. The Operator monitors the quality of the execution and client order handling arrangements they maintain with the brokers they use and promptly make any changes where they identify a need to do so. Further details relating to the Operator's policy are available by contacting the Operator.

12.12 **Recording of telephone conversations/electronic communications**

Please note that the Operator may record telephone calls for training and monitoring purposes and to confirm investors' instructions. Recordings will be provided on request for a period of at least five years from the date of such recording, or, where requested by a competent regulatory authority, for a period of seven years, where we can identify the call coming from you. If you ask us to send you a recording of a particular call, we may ask for further information to help us identify the exact call to which your request relates

12.13 **Benchmark Regulation**

The ACD maintains a written plan setting out the actions that will be taken in the event of benchmarks materially changing or ceasing to be provided.

The following indices or benchmarks, which are referred to in this Prospectus, are used by the AFM for the purposes of Regulation (EU) 2016/1011 as brought into UK law by the Brexit Legislation (the "**Benchmark Regulation**"). The administrators of those benchmarks are authorised under Art 34 of the Benchmark Regulation.

Benchmark	Benchmark Administrator
ICE BofA Sterling Corporate & Collateralised Index	ICE Data Indices LLC
ICE BofA 1-10 Year Sterling Corporate & Collateralised Index	ICE Data Indices LLC
ICE BofA UK Gilts All-Stocks Index	ICE Data Indices LLC
ICE BofA 1-10 Year UK Gilt Index	ICE Data Indices LLC
MSCI All Balanced Property Funds Index (One Quarter Lagged)	MSCI Limited
MSCI All Countries World Index Daily (NTR)	MSCI Limited
MSCI All Countries World Index (Local Currency - GBP)	MSCI Limited

Where other indices or benchmarks are referred to in this Prospectus and not listed above, either the use of these benchmarks, or the benchmarks themselves, are out of scope of the Benchmark Regulation.

13. General information

13.1 Notice to Unitholders

All notices or other documents sent by the Operator to a Unitholder will be sent by normal post to the last address notified in writing to the Trust by the Unitholder.

13.2 Documents of the Trust

The following documents may be inspected free of charge during normal business hours on any Dealing Day at the offices of the Operator at Juxon House, 100 St. Paul's Churchyard, London EC4M 8BU:

13.2.1 the Prospectus;

13.2.2 the most recent annual and half yearly reports of the Trust;

13.2.3 the Trust Deed (and any amending documents).

Unitholders may obtain copies of the above documents from the Operator. The Operator may make a charge at its discretion for copies of documents (apart from the most recent versions of the Prospectus and annual and half yearly long reports of the Trust which are available free of charge to anyone who requests).

13.3 Telephone recordings

Please note that the Operator may record telephone calls for training and monitoring purposes and to confirm investors' instructions.

13.4 Unitholders' rights

No Unitholder will have any direct contractual claim against any service provider.

This is without prejudice to any right a Unitholder may have to bring a claim against an FCA authorised service provider or the Operator under Section 138D of FSMA (which provides that breach of an FCA rule by such service provider or the Operator is actionable by a private person who suffers loss as a result), or any tortious or contractual cause of action. Unitholders who believe they may have a claim under Section 138D of the FSMA, or in tort or contract, against any service provider or the Operator in connection with their investment in a Sub-fund, should consult their legal adviser.

Appendix 1

Part A: Sub-fund details

Sarasin Climate Active Endowments Fund

Investment objective	<p>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.</p> <p>This target is not guaranteed over any period of time and the Sub-fund could lose value.</p>
Investment policy	<p>Investments</p> <p>We invest the Sub-fund approximately as follows:</p> <ul style="list-style-type: none">• Shares: 70% in 40-70 companies listed on major stock exchanges around the world.• Bonds: 15% <p><i>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'.</i></p> <ul style="list-style-type: none">• Real estate investments: 5%• Cash or Alternatives: 10% <p>Exposure to any of the above asset classes may be obtained through investment in funds (including funds managed by Sarasin).</p> <p>Alternatives include, but are not limited to, infrastructure, commodities and private equity/venture capital which may be accessed through listed investment trusts and open-ended funds or other financial instruments.</p> <p>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).</p> <p>Investment Selection</p> <p>We identify the long-term investment themes that drive growth and lead to disruption in global economies and industries, and will shape the world in which we live and invest. We select companies based on our own analysis of which are most likely to benefit from our themes, and are well placed to grow their revenues and cash flows as a result of them.</p> <p>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.</p>

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. Further detail on how we do this is available on our website at www.sarasinandpartners.com.

We have an environmental, social & governance strategy. We consider which investments are likely to benefit from the transition to a lower carbon economy and those which may be at risk.

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

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. We usually aim for the Sub-fund's exposure to Sterling to be the same as the blended benchmark. 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 reflecting the asset allocation of the Sub-fund

Asset Class	Allocation	Benchmark
Government bonds	7.5%	ICE BofA UK Gilts All-Stocks Index
Corporate bonds	7.5%	ICE BofA Sterling Corporate & Collateralised Index
Cash and Alternatives	10.0%	Sterling Overnight Interbank Average Rate (SONIA)+2%
Global Equities (£ hedged)	10.0%	MSCI All Countries World Index (Local Currency) (GBP)
Global Equities	60.0%	MSCI All Countries World Index Daily (Net Total Return)
UK Property	5.0%	MSCI All Balanced Property Funds Index (One Quarter Lagged)

- 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

Typical investor profile

The Sub-fund is suitable for investors seeking a combined income and capital return over the long term.

Launch date:	16 February 2018		
FCA Product Reference Number (PRN)	796022.		
Valuation point:	12:00 noon or such other time as the Operator may notify to the Unitholders on reasonable notice.		
Cut-off point for dealing requests:	11:59.		
Dealing frequency and Dealing Days:	"Dealing Days" for this Sub-fund are every Business Day.		
Accounting dates	Annual: 31 December in each year. Interim: 31 March, 30 June and 30 September in each year.		
Income allocation dates	Annual: Last day of February in each year. Interim: Last day of May, August and November in each year.		
Treatment of income	This Sub-fund operates an income reserve account (see 11.3.2).		
Maximum expected level of leverage in accordance with the gross method:	200%.		
Maximum expected level of leverage in accordance with the commitment method:	110%.		
Allocation of charges:		Income	Capital
	Annual Management Charge (see 7.1.4):	No	100%
	Operating Expense (see 7.2.1):	No	100%
	Other payments (see 7.3):	No	100%

Sarasin Endowments Fund

Investment objective

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

Investments

We invest the Sub-fund approximately as follows:

- **Shares:** 70% in 40-70 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).

Alternatives include, but are not limited to, infrastructure, commodities and private equity/venture capital which may be accessed through listed investment trusts and open-ended funds or other financial instruments.

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

We identify the long-term investment themes that drive growth and lead to disruption in global economies and industries, and will shape the world in which we live and invest. We select companies based on our own analysis of which are most likely to benefit from our themes, and are well placed to grow their revenues and cash flows as a result of them.

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 alcohol, tobacco, 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 & 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 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. We usually aim for the Sub-fund's exposure to Sterling to be the same as the blended benchmark. 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 reflecting the asset allocation of the Sub-fund

Asset Class	Allocation	Benchmark
Government bonds	7.5%	ICE BofA UK Gilts All-Stocks Index
Corporate bonds	7.5%	ICE BofA Sterling Corporate & Collateralised Index
Cash and Alternatives	10.0%	Sterling Overnight Interbank Average Rate (SONIA)+2%
Global Equities (£ hedged)	10.0%	MSCI All Countries World Index (Local Currency) (GBP)
Global Equities	60.0%	MSCI All Countries World Index Daily (Net Total Return)
UK Property	5.0%	MSCI All Balanced Property Funds Index (One Quarter Lagged)

- 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

Typical investor profile

This Sub-fund is suitable for charity investors seeking an income and capital return over the long term.

Launch date:

23 February 2018

FCA Product Reference Number (PRN)

796020

Valuation point:

12:00 noon or such other time as the Operator may notify to the Unitholders on reasonable notice.

Cut-off point for dealing requests:

11:59.

Dealing frequency and Dealing Days:

"Dealing Days" for this Sub-fund are every Business Day.

Accounting dates	Annual: 31 December in each year. Interim: 31 March, 30 June and 30 September in each year.		
Income allocation dates	Annual: Last day of February in each year. Interim: Last day of May, August and November in each year.		
Treatment of income	This Sub-fund operates an income reserve account (see 11.3.2).		
Maximum expected level of leverage in accordance with the gross method:	200%.		
Maximum expected level of leverage in accordance with the commitment method:	110%.		
Allocation of charges:		Income	Capital
	Annual Management Charge (see 7.1.4):	No	100%
	Operating Expense (see 7.2.1):	No	100%
	Other payments (see 7.3):	No	100%

Sarasin Income and Reserves Fund

Investment objective

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

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).

Alternatives include, but are not limited to, infrastructure, commodities and private equity/venture capital which may be accessed through listed investment trusts and open-ended funds or other financial instruments.

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

We identify the long-term investment themes that drive growth and lead to disruption in global economies and industries, and will shape the world in which we live and invest. We select companies based on our own analysis of which are most likely to benefit from our themes, and are well placed to grow their revenues and cash flows as a result of them.

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 & 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 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. We usually aim for the Sub-fund's exposure to Sterling to be the same as the blended benchmark. We may 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 reflecting the asset allocation of the Sub-fund

Asset Class	Allocation	Benchmark
Government bonds	35%	ICE BofA 1-10 Year UK Gilt Index
Corporate bonds	30%	ICE BofA 1-10 Year Sterling Corporate & Collateralised Index
Alternatives	10.0%	Sterling Overnight Interbank Average Rate (SONIA)+2%
Cash	5.0%	Sterling Overnight Interbank Average Rate (SONIA)
Global Equities	20.0%	MSCI All Countries World Index Daily (Net Total Return)

- 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.

Typical investor profile

This Sub-fund is suitable for charity investors seeking an income and capital return over a 3-5 year investment horizon.

Launch date:

23 February 2018

FCA Product Reference Number (PRN)

796021.

Valuation point:

12:00 or such other time as the Operator may notify to the Unitholders on reasonable notice.

Cut-off point for dealing requests:

11:59.

Dealing frequency and Dealing Days:

"Dealing Days" for this Sub-fund are every Business Day.

Accounting dates

Annual: 31 December in each year.
Interim: 31 March, 30 June and 30 September in each year.

Income allocation dates

Annual: Last day of February in each year.
Interim: Last day of May, August and November in each year.

Treatment of income	This Sub-fund operates an income reserve account (see 11.3.2).													
Maximum expected level of leverage in accordance with the gross method:	200%.													
Maximum expected level of leverage in accordance with the commitment method:	110%.													
Allocation of charges:	<table border="1"> <thead> <tr> <th></th><th>Income</th><th>Capital</th></tr> </thead> <tbody> <tr> <td>Annual Management Charge (see 7.1.4):</td><td>No</td><td>100%</td></tr> <tr> <td>Operating Expense (see 7.2.1):</td><td>No</td><td>100%</td></tr> <tr> <td>Other payments (see 7.3):</td><td>No</td><td>100%</td></tr> </tbody> </table>			Income	Capital	Annual Management Charge (see 7.1.4):	No	100%	Operating Expense (see 7.2.1):	No	100%	Other payments (see 7.3):	No	100%
	Income	Capital												
Annual Management Charge (see 7.1.4):	No	100%												
Operating Expense (see 7.2.1):	No	100%												
Other payments (see 7.3):	No	100%												

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ICE DATA, its affiliates and their respective third party suppliers do not sponsor, endorse, or recommend any member of the Sarasin group, or any of its products or services

Sarasin Growth Fund

Investment objective

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

Investments

We invest the Sub-fund approximately as follows:

- **Shares:** 80% direct investment in 40-70 companies listed on major stock exchanges around the world.
- **Alternatives:** 20% in a wide range of alternative assets

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).

Alternatives include, but are not limited to, infrastructure, commodities and private equity/venture capital which may be accessed through listed investment trusts and open-ended funds or other financial instruments.

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 & 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 reflecting the typical asset allocation of the Sub-fund

Asset Class	Allocation	Benchmark
Global Equities	80%	MSCI All Countries World Index Daily (Net Total Return)
Alternative Assets	20%	SONIA+2%

- 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.

Typical investor profile

This Sub-fund is suitable for charity investors seeking a capital return over the long term.

Launch date:

23 September 2021

FCA Product Reference Number (PRN)

959149

Valuation point:

12:00 or such other time as the Operator may notify to the Unitholders on reasonable notice.

Valuation Points will take place on each Dealing Day (see below). The Sub-fund will also be valued, and Unit prices published, on the last Business Day of each calendar month.

Cut-off point for dealing requests:

11:59 on each Dealing day or such other time as the Operator may notify to the Unitholders on reasonable notice.

Dealing frequency and Dealing Days:

"Dealing Days" for this Sub-fund are every Thursday that is a Business Day and any other Business Day that the Operator may designate as a Dealing Day in its discretion. In the event that a Thursday (or such other designated Dealing Day) is not a Business Day, the next available Business Day will be a Dealing Day.

Accounting dates

Annual: 31 December in each year.

Interim: 31 March, 30 June and 30 September in each year.

Income allocation dates

Annual: Last day of February in each year.

Interim: Last day of May, August and November in each year.

Treatment of income

This Sub-fund operates an income reserve account (see 11.3.2).

Maximum expected level of leverage in accordance with the gross method:

200%.

Maximum expected level of leverage in accordance with the commitment method:

110%.

Allocation of charges:

	Income	Capital
Annual Management Charge (see 7.1.4):	No	100%
Operating Expense (see 7.2.1):	No	100%
Other payments (see 7.3):	No	100%

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Part B: Unit class details

The table below shows rates of initial fees and the Operator's Annual Management Charge. See Section 7 for details of other charges and expenses that are allocated to all Classes pro rata to their value.

Sub-fund	Unit classes		Investment minima			Charges		
	Class	Currency	Minimum initial investment	Minimum subsequent investment	Minimum holding investment	Entry fee	Operator's Annual Management Charge	Operating Expense
Sarasin Climate Active Endowments Fund	A Accumulation	GBP	£1,000	£1,000	£1,000	0%	0.75%	See 7.2.1
	A Income	GBP	£1,000	£1,000	£1,000	0%	0.75%	See 7.2.1
	V Accumulation	GBP	£1,000	£1,000	£1,000	0%	0.40%	See 7.2.1
	Z Accumulation	GBP	£1,000	£1,000	£1,000	0%	0%	See 7.2.1
	Z Income	GBP	£1,000	£1,000	£1,000	0%	0%	See 7.2.1
Sarasin Endowments Fund	A Accumulation	GBP	£1,000	£1,000	£1,000	0%	0.75%	See 7.2.1
	A Income	GBP	£1,000	£1,000	£1,000	0%	0.75%	See 7.2.1
	Z Income	GBP	£1,000	£1,000	£1,000	0%	0%	See 7.2.1
	Z Accumulation	GBP	£1,000	£1,000	£1,000	0%	0%	See 7.2.1
Sarasin Income and Reserves Fund	A Accumulation	GBP	£1,000	£1,000	£1,000	0%	0.75%	See 7.2.1
	A Income	GBP	£1,000	£1,000	£1,000	0%	0.75%	See 7.2.1
	V Accumulation	GBP	£1,000	£1,000	£1,000	0%	0.40%	See 7.2.1
	Z Income	GBP	£1,000	£1,000	£1,000	0%	0%	See 7.2.1
	Z Accumulation	GBP	£1,000	£1,000	£1,000	0%	0%	See 7.2.1

Sarasin Growth Fund	A Accumulation	GBP	£1,000	£1,000	£1,000	0%	0.75%	See 7.2.1
	A Income	GBP	£1,000	£1,000	£1,000	0%	0.75%	See 7.2.1
	Z Income	GBP	£1,000	£1,000	£1,000	0%	0%	See 7.2.1
	Z Accumulation	GBP	£1,000	£1,000	£1,000	0%	0%	See 7.2.1

Appendix 2

Eligible securities markets and eligible derivatives markets

The Sub-funds may deal through securities and derivatives markets which are regulated markets (as defined in the glossary to the FCA Handbook) or markets established in the UK or an EEA State which are regulated, operate regularly and are open to the public (excluding Cyprus).

The Sub-fund may also deal through the securities markets and derivatives markets indicated below:

Eligible Securities Markets:

Countries	Eligible securities markets
Australia	The Australian Securities Exchange Limited
Brazil	BM&F BOVESPA SA.
Canada	Toronto Stock Exchange Group
Colombia	Bolsa de Valores de Colombia
Hong Kong	Hong Kong Exchange
Indonesia	The Indonesian Stock Exchange
Japan	Japan Exchange Group The Nagoya Stock Exchange
Republic of Korea	The Korea Exchange
Malaysia	Bursa Malaysia
Mexico	The Mexican Stock Exchange
New Zealand	The New Zealand Stock Exchange (NZX)
Philippines	The Philippine Stock Exchange
Qatar	Qatar Stock Exchange
Russia	Moscow Exchange
Singapore	Singapore Exchange
South Africa	JSE Securities Exchange
Switzerland	SIX Swiss Exchange AG SWX Europe
Taiwan	The Taiwan Stock Exchange Taipei Exchange

Thailand	Stock Exchange of Thailand
Turkey	Borsa Istanbul
United Arab Emirates	Dubai Financial Market (DFM), NDL (Nasdaq Dubai Limited) formerly known as DIFX (Dubai International Financial Exchange)
United States	<p>NYSE MKT</p> <p>The New York Stock Exchange</p> <p>The NYSE Arca Exchange</p> <p>NASDAQ OMX PHLX</p> <p>The NASDAQ</p> <p>Nasdaq BX</p> <p>The National Stock Exchange</p> <p>The Chicago Stock Exchange</p> <p>the market in transferable securities issued by or on behalf of the Government of the United States of America conducted through those persons for the time being recognised and supervised by the Federal Reserve Bank of New York and known as primary dealers</p>
Others	<p>The International Securities Market Association</p> <p>Alternative Investment Market (AIM) of the International Stock Exchange of the United Kingdom and the Republic of Ireland</p>

Eligible Derivatives Markets:

Countries	Eligible derivatives markets
Austria	Vienna Stock Exchange
Australia	The Australian Securities Exchange Limited
Belgium	Euronext Brussels
Canada	The Montreal Exchange
Denmark	NASDAQ OMX Copenhagen AS
Europe	EUREX
Finland	NASDAQ OMX Helsinki
France	Euronext Paris
Hong Kong	Hong Kong Exchange
Ireland	Irish Stock Exchange
Italy	Futures Market for Government Securities (MIF)
Japan	<p>Tokyo Stock Exchange</p> <p>Tokyo Financial Exchange</p>

	Osaka Securities Exchange
Netherlands	Euronext Amsterdam
New Zealand	New Zealand Futures and Options Exchange
Singapore	Singapore Exchange
South Africa	JSE Securities Exchange The South African Futures Exchange (SAFEX)
Spain	BME, Spanish Exchanges
Sweden	NASDAQ OMX Stockholm AB
United Kingdom	Euronext, LIFFE OMLX
United States	Chicago Board of Options Exchange (CBOE) CME Group Inc New York Futures Exchange New York Mercantile Exchange (NYMEX) Kansas City Board of Trade NYSE Arca NASDAQ OMX PHLX NASDAQ OMX Futures Exchange
Others	The International Securities Exchange (ISE)

Appendix 3

Investment powers and restrictions

Subject to the following paragraph, the Operator and Investment Manager can exercise any investment power or borrowing power provided for in Chapter 5 of the COLL Sourcebook applicable to a non-UCITS retail scheme.

However, a Sub-fund must always be operated in line with any applicable investment restrictions and limits in its investment policy, the powers and restrictions in this Appendix 3, the Trust Deed and the rules in Chapter 5 of the COLL Sourcebook.

The Operator must ensure that, taking into account the investment objective and policy of the relevant Sub-fund, the Scheme Property of the Sub-fund aims to provide a prudent spread of risk.

In accordance with the COLL Sourcebook, the rules in this Appendix 3 relating to the spread of investments do not apply until 12 months after the date on which the initial offer period commenced, or the date of the authorisation of the Trust.

1. Transferable Securities and money market instruments

1.1 Up to 100% of the Scheme Property attributable to each Sub-fund may consist of transferable securities and money market instruments which are:

- 1.1.1 admitted to or dealt in on an eligible market (as set out in COLL 5.2.10R and Appendix 2, Eligible Securities Markets and Eligible Derivatives Markets); or
- 1.1.2 recently issued transferable securities, provided the terms of issue include an undertaking that an application will be made to be admitted to an eligible market, and such admission is secured within a year of issue; or
- 1.1.3 money market instruments not admitted to or dealt in on an eligible market, which comply with the requirements in COLL 5.2.10AR to COLL 5.2.10CR (as explained below under paragraph 4 of this Appendix 3, "Approved money market instruments").

1.2 Not more than 20% in value of the property of any Sub-fund may consist of transferable securities which do not fall within the above criteria or money market instruments which are liquid and have a value which can be accurately determined at any time.

1.3 Transferable securities held by each Sub-fund must also fulfil the following criteria:

- 1.3.1 the potential loss which the Sub-fund may incur with respect to holding the transferable security is limited to the amount paid for it;
- 1.3.2 its liquidity does not compromise the ability of the Operator to comply with its obligation to redeem Units at the request of any qualifying Unitholder;
- 1.3.3 reliable valuation is available for the transferable securities as follows:
 - 1.3.3.1 in the case of a transferable security admitted to or dealt in on an eligible market, where there are accurate, reliable and regular prices which are either market prices or prices made available by valuation systems independent from issuers;
 - 1.3.3.2 in the case of a transferable security not admitted to or dealt in on an eligible market, where there is a valuation on a periodic basis which is derived from information from the issuer of the transferable security or from competent investment research;

- 1.3.4 appropriate information is available for the transferable security as follows:
 - 1.3.4.1 in the case of a transferable security admitted to or dealt in on an eligible market, where there is regular, accurate and comprehensive information available to the market on the transferable security or, where relevant, on the portfolio of the transferable security;
 - 1.3.4.2 in the case of a transferable security not admitted to or dealt in on an eligible market, where there is regular and accurate information available to the Operator on the transferable security or, where relevant, on the portfolio of the transferable security;
 - 1.3.5 it is negotiable; and
 - 1.3.6 its risks are adequately captured by the risk management process of the Operator.
- 1.4 Unless there is information available to the Operator that would lead to a different determination, a transferable security which is admitted to or dealt in on an eligible market shall be presumed not to compromise the ability of the Operator to comply with its obligation to redeem Units at the request of any qualifying Unitholder, and to be negotiable.
2. **Transferable securities linked to other assets**
- 2.1 Each Sub-fund may invest in any other investment which shall be taken to be a transferable security provided the investment fulfils the criteria for transferable securities set out in paragraphs 1.3.1 to 1.3.6 of this Appendix 3, above, and is back by or linked to the performance of other assets, which may differ from those in which the Sub-fund can invest.
- 2.2 However, this is subject to each Sub-fund's investment objective and policy and where such investments contain an embedded derivative component, the requirements of COLL with respect of derivatives and forwards will apply to that component.
3. **Closed end funds constituting transferable securities**
- 3.1 A unit in a closed end fund shall be taken to be a transferable security for the purposes of investment by a Sub-fund, provided it fulfils the criteria for transferable securities set out in paragraphs 1.3.1 to 1.3.6 above, and either:
- 3.1.1 where the closed end fund is constituted as an investment company or unit trust:
 - 3.1.1.1 it is subject to corporate governance mechanisms applied to companies; and
 - 3.1.1.2 where another person carries out asset management activity on its behalf, that person is subject to national regulation for the purpose of investor protection; or
 - 3.1.2 where the closed end fund is constituted under the law of contract:
 - 3.1.2.1 it is subject to corporate governance mechanisms equivalent to those applied to companies; and
 - 3.1.2.2 it is managed by a person who is subject to national regulation for the purpose of investor protection.
4. **Approved money market instruments**
- 4.1 Each Sub-fund may invest in an approved money market instrument if it is:

- 4.1.1 issued or guaranteed by a central, regional or local authority or central bank of the UK or an EEA state or if the EEA State is a federal state, one of the members making up the federation, the Bank of England, the European Central Bank, the European Union or the European Investment Bank, a non-EEA state or, in the case of a federal state, by one of the members making up the federation, or by a public international body to which the UK or one or more EEA states belongs; or
- 4.1.2 an establishment subject to prudential supervision in accordance with criteria defined by UK or EU Law or an establishment which is subject to and complies with prudential rules governed by the FCA to be at least as stringent as those laid down by UK or EU Law; or
- 4.1.3 issued by a body, any securities of which are dealt in on an eligible market,
- 4.2 and in respect of which appropriate information is available in accordance with COLL 5.2.10CR.
- 4.3 In addition to instruments admitted to or dealt in on an eligible market, each Sub-fund may invest in an approved money-market instrument provided it fulfils the requirements in COLL governing the regulated issuers of money-market instruments such that the issue or the issuer is regulated for the purpose of protecting investors and savings and the instrument is issued or guaranteed, in accordance with paragraphs 4.1.1 to 4.2 above.
- 4.4 A money market instrument which is normally dealt in on the money market and is admitted to or dealt in on an eligible market shall be presumed to be liquid and have a value which is accurately determined at any time unless there is information available to the Operator that would lead to a different determination.

5. **Warrants**

The Scheme Property attributable to each Sub-fund may consist of warrants although it is not anticipated that investment in warrants by the Sub-funds will affect the level of volatility of any Sub-fund. Warrants may only be held if it is reasonably foreseeable that the exercise of the rights conferred by the warrants will not contravene the COLL Sourcebook.

6. **Cash and Near Cash**

- 6.1 The property of each Sub-fund may consist of cash or near cash to enable:
 - 6.1.1 the pursuit of the Sub-fund's investment objective;
 - 6.1.2 the redemption of Units; or
 - 6.1.3 the efficient management of the Sub-fund in accordance with its objectives or any other purposes which may reasonably be regarded as ancillary to the objectives of the Sub-fund.
- 6.2 Liquidity may be at the upper end of, or even exceed the limits set out in Operator's policy for managing liquidity (referred to in paragraph 5.3 of this Appendix 3) under certain circumstances such as where there are large market movements and/or an exceptional number of redemptions are anticipated or a Sub-fund is in receipt of large cash sums upon the creation of units or realisation of investments.
- 6.3 Cash which forms part of the property of a Sub-fund may be placed in any current or deposit account with the Depository, the Operator or any investment adviser or any associate of any of them provided it is an eligible institution or approved bank and the arrangements are at least as favourable to the Sub-fund as would be the case for any comparable arrangement affected on normal commercial terms negotiated at arm's length between two independent parties.

7. Government and Public Securities

The property of each Sub-fund may consist of government and public securities provided no more than 35% in value of the Scheme Property attributable to that Sub-fund is invested in such securities issued by any one body. There is no limit on the amount which may be invested in such securities or in any one issue.

Notwithstanding the above, up to 100% of the Scheme Property attributable to the Sarasin Income and Reserves Fund may be invested in government and public securities issued by or on behalf of or guaranteed by the Government of the United Kingdom of Great Britain and Northern Ireland.

8. Collective Investment Schemes

- 8.1 Each Sub-fund may invest up to 15% of the Scheme Property in units in collective investment schemes.
- 8.2 Not more than 15% in value of the property of any Sub-fund may consist of units or shares in any one collective investment scheme.
- 8.3 No Sub-fund may invest in units or shares of a collective investment scheme (the "Second Scheme") unless the Second Scheme falls within one of the following categories:
 - 8.3.1 a scheme which satisfies the conditions necessary for it to enjoy the rights conferred by the UCITS directive as implemented in the EEA; or
 - 8.3.2 a scheme that is authorised by the supervisory authorities of Guernsey, Jersey or the Isle of Man (provided the requirements of COLL 5.2.13AR are met)
 - 8.3.3 a scheme which is recognised under the provisions of section 272 of the Act (schemes authorised in designated countries or territories); or
 - 8.3.4 a scheme which is authorised as a Non-UCITS Retail Scheme; or
 - 8.3.5 a scheme which is constituted outside the United Kingdom and the investment and borrowing powers of which are the same or more restrictive than those of a Non-UCITS Retail Scheme; or
 - 8.3.6 any other scheme which does not fall within any of the above categories and in respect of which no more than 20% in value of the property of the scheme (including any transferable securities which are not approved securities) is invested.
- 8.4 The Second Scheme must also operate on the principle of a prudent spread of risk, it should be prohibited from having more than 15% in value of the property of that scheme consisting of units in collective investment schemes.
- 8.5 Additionally, the participants in the Second Scheme must be entitled to have their units redeemed in accordance with the scheme at a price which relates to the net value of the property to which the units relate and which are determined in accordance with the scheme.
- 8.6 Each Sub-fund may invest in shares or units of collective investment schemes which are managed or operated by (or, in the case of companies incorporated under the OEIC Regulations, have as their authorised corporate director) the Operator or an associate of the Operator. However, if a Sub-fund invests in units in another collective investment scheme managed or operated by the Operator or by an associate of the Operator, the Operator must pay into the property of that Sub-fund before the close of the business on the third business day after the agreement to invest or dispose of units:
 - 8.6.1 on investment – if the Operator pays more for the units issued to it than the then prevailing price, the full amount of the difference or, if this is not known,

the maximum permitted amount of any charge which may be made by the issuer on the issue of the units; and

8.6.2 on a disposal – any amount charged by the issuer on the redemption of such units.

8.7 Each Sub-fund may invest in or dispose of shares of other Sub-funds (as may be launched from time to time) (a "Second Sub-fund") only if the following conditions are satisfied:

8.7.1 the Second Sub-fund does not hold shares in any other Sub-funds;

8.7.2 the conditions in COLL 5.2.16R (Investment in other group schemes) and COLL 5.6.11R (Investment in associated collective investment schemes) are complied with (as modified by COLL 5.6.11R(2)); and

8.7.3 not more than 35% in value of the Sub-fund is to consist of shares of the Second Sub-fund.

9. **Schemes replicating an Index**

9.1 Each Sub-fund may invest up to 20% in shares and debentures which are issued by the same body where the aim of the investment policy of that fund as stated in its most recently published prospectus is to replicate the performance or composition of an index which complies with the following:

9.1.1 it has a sufficiently diversified composition;

9.1.2 it must be a representative benchmark for the market to which it refers; and

9.1.3 it must be published in an appropriate manner.

9.2 The limit may be raised to 35% for a particular scheme, but only in respect of one body and where justified by exceptional market conditions.

10. **Gold**

Whilst the Sub-funds are permitted to invest in gold in accordance with the Trust Deed it is currently not intended that any Sub-fund will invest directly in gold.

11. **Deposits**

11.1 The property of each Sub-fund may consist of deposits (as defined in COLL) but only if it:

11.1.1 is with an approved bank;

11.1.2 is repayable on demand or has the right to be withdrawn; and

11.1.3 matures in no more than 12 months.

12. **Derivatives**

Each Sub-fund may use derivatives for efficient portfolio management purposes (including hedging) as well as to further the investment objective of that Sub-fund.

13. **Efficient portfolio management**

13.1 Efficient portfolio management enables each Sub-fund to invest in derivatives and forward transactions (including futures and options) in accordance with the COLL Sourcebook using techniques which relate to transferable securities and approved money market instruments which fulfil the following criteria:

- 13.1.1 they are economically appropriate in that they are realised in a cost-effective way;
- 13.1.2 they are entered into for one or more of the following specific aims:
 - 13.1.2.1 reduction of risk;
 - 13.1.2.2 reduction of cost;
- 13.1.3 generation of additional capital or income for the scheme with a risk level which is consistent with the risk profile of the scheme and the risk diversification rules laid down in COLL.

14. **Use of derivatives**

- 14.1 Derivatives transactions must either be in an approved derivative (being a derivative which is dealt in on an eligible derivatives market as set out in Appendix 2, Eligible Securities Markets and Eligible Derivatives Markets) or an OTC derivative with an approved counterparty in accordance with the COLL Sourcebook.
- 14.2 A transaction in a derivative must not cause any Sub-fund to diverge from its investment objectives as stated in the Trust Deed and the most recently published version of this Prospectus.
- 14.3 The underlying assets of a transaction in a derivative may only consist of any one or more of the following (subject to the applicable spread limits):
 - transferable security;
 - money market instruments;
 - deposits;
 - derivatives and forwards;
 - units in collective investment schemes;
 - immovable property;
 - gold;
 - financial indices;
 - interest rates;
 - foreign exchange rates; and
 - currencies.
- 14.4 A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more of transferable securities, money market instruments, units in collective investment schemes or derivatives provided that a sale is not to be considered as uncovered if the conditions in COLL 5.2.22(3)R (Requirement to cover sales) are satisfied.
- 14.5 Any forward transaction must be made with an eligible institution or an approved bank in accordance with the COLL Sourcebook.

15. **Risk Management**

- 15.1 The Operator uses a risk management process, as reviewed by the Depositary, enabling it to monitor and measure as frequently as appropriate the risk of the Sub-funds' positions and their contribution to the overall risk profile of the Sub-funds.

16. **Spread - General**

- 16.1 In applying any of the restrictions referred to above:
- 16.1.1 not more than 20% in value of any Sub-fund's property may consist of deposits with any single body;
 - 16.1.2 not more than 10% in value of any Sub-fund's property is to consist of transferable securities or money market instruments issued by any single body (subject to COLL 5.6.23R), however the limit of 10% is raised to 25% in respect of covered bonds;
 - 16.1.3 the exposure to any one counterparty in an OTC derivative transaction must not exceed 10% in value of any Sub-fund's property subject to COLL 5.6.7R (7).
- 16.2 No Sub-fund may invest in warrants or nil and partly paid securities unless the investment complies with the conditions in COLL 5.2.17R.

17. **Borrowing**

- 17.1 Each Sub-fund may temporarily borrow money for the use of that Sub-fund on terms that such borrowings are to be repaid out of the Scheme Property of that Sub-fund. The Operator does not anticipate significant use of this borrowing power. Such borrowing may only be made from an eligible institution or approved bank (as defined in COLL). The borrowing of each Sub-fund must not, on any day, exceed 10% of the value of the property of that Sub-fund.
- 17.2 The above provisions on borrowing do not apply to "back to back" borrowing for hedging purposes, being an arrangement under which an amount of currency is borrowed from an eligible institution and an amount in another currency at least equal to the amount of currency borrowed is kept on deposit with the lender (or his agent or nominee).
- 17.3 Borrowings may be made from the Depositary, the Operator or the Investment Adviser or any associate of any of them provided that such lender is an eligible institution or approved bank and the arrangements are at least as favourable to the Operator as would be those of any comparable arrangements effected on normal commercial terms negotiated at arm's length between two independent parties.

18. **Leverage**

- 18.1 This section explains in what circumstances and how the Operator may use leverage in respect of a Sub-fund where the investment policy of that Sub-fund permits its use of leverage, the different leverage calculation methods and maximum level of leverage permitted.
- 18.2 'Leverage' when used in this prospectus means the following sources of leverage which can be used when managing a Sub-fund:
- 18.2.1 cash borrowing, subject to the restrictions set out above in the 'Borrowing' paragraph; and
 - 18.2.2 financial derivative instruments and reinvestment of cash collateral in the context of securities lending, subject in each case to the paragraphs in this Appendix 3 and the relevant provisions of the FCA Rules dealing with derivatives, permitted transactions and transactions for the purchase of property, Borrowing powers of this Appendix 3.

- 18.3 The Operator is required to calculate and monitor the level of leverage of a Sub-fund, expressed as a ratio between the exposure of the Sub-fund and its net asset value (Exposure/net asset value), under both the gross method and the commitment method.
- 18.4 Under the gross method, the exposure of a Sub-fund is calculated as follows:
- 18.4.1 include the sum of all assets purchased, plus the absolute value of all liabilities;
 - 18.4.2 exclude cash and cash equivalents which are highly liquid investments held in the base currency of the Sub-fund, that are readily convertible to a known amount of cash, are subject to an insignificant risk of change in value and provide a return no greater than the rate of a three month high quality bond;
 - 18.4.3 derivative instruments are converted into the equivalent position in their underlying assets;
 - 18.4.4 exclude cash borrowings that remain in cash or cash equivalents and where the amounts payable are known;
 - 18.4.5 include exposures resulting from the reinvestment of cash borrowings, expressed as the higher of the market value of the investment realised or the total amount of cash borrowed; and
 - 18.4.6 include positions within repurchase or reverse repurchase agreements and securities lending or borrowing or other similar arrangements.
- 18.5 Under the commitment method, the exposure of a Sub-fund is calculated broadly in the same way as under the gross method. However, under the commitment method, netting and hedging arrangements (including derivative instruments used for currency hedging purposes) are taken into account to reduce the leverage calculation, and differences may arise in the treatment of borrowing of cash and cash equivalents.
- 18.6 The maximum level of leverage which each Sub-fund may employ, calculated in accordance with the gross approach is 200% of the net asset value of the Sub-fund and in accordance with the commitment approach is 110% of the net asset value of the Sub-fund.
- 18.7 In addition, the total amount of leverage employed by each Sub-fund will be disclosed in the annual report.
19. **Stock lending**
- 19.1 The Depositary on behalf of the Sub-funds may enter into a repo contract, or stock lending arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992 but only if:
- 19.1.1 all the terms of the agreement under which securities are to be reacquired by the Depositary for the account of the Sub-funds are in a form which is acceptable to the Depositary and are in accordance with good market practice;
 - 19.1.2 the counterparty is an authorised person, or a person authorised by a home state regulator or otherwise permitted under COLL; and
 - 19.1.3 collateral is obtained to secure the obligation of the counterparty under the terms referred to in (a) above, and is acceptable to the Depositary and must be adequate and sufficiently immediate as set out in COLL. These requirements do not apply to stock lending transactions made through Euroclear Bank SA/NV's Securities Lending and borrowing Programme.

20. **Restrictions on lending of money**

- 20.1 None of the money in the Scheme Property of the Sub-funds may be lent and, for the purposes of this prohibition, money is lent by the Sub-funds if it is paid to a person ("the payee") on the basis that it should be repaid, whether or not by the payee.
- 20.2 Acquiring a debenture is not lending for these purposes, nor is the placing of money on deposit or in a current account.
- 20.3 This rule does not prevent the Sub-funds from providing an officer of the Sub-funds with funds to meet expenditure to be incurred by him for the purposes of the Sub-funds (or for the purposes of enabling him properly to perform his duties as an officer of the Sub-funds) or from doing anything to enable an officer to avoid incurring such expenditure.

21. **Restrictions on lending of property other than money**

- 21.1 The Scheme Property of the Sub-funds other than money must not be lent by way of deposit or otherwise. Transactions permitted by COLL 5.4 (Stock lending) are not to be regarded as lending for these purposes.
- 21.2 Where transactions in derivatives or forward transactions are used for the account of the Sub-funds in accordance with the COLL Sourcebook, nothing in this rule prevents the Sub-funds or the Depositary at the request of the Sub-funds, from lending, depositing, pledging or charging Scheme Property for margin requirements, or transferring Scheme Property under the terms of an agreement in relation to margin requirements, provided that the Operator reasonably considers that both the agreement and the margin arrangements made under it (including in relation to the level of margin) provide appropriate protection to shareholders.
- 21.3 An agreement providing appropriate protection to shareholders for these purposes includes one made in accordance with the 1995 International Swaps and Derivatives Association Credit Support Annex (English Law) to the International Swaps and Derivatives Association Master Agreement.

22. **General power to accept or underwrite placings**

- 22.1 Any power in the COLL Sourcebook to invest in transferable securities may be used for the purpose of entering into transactions to which this rule applies, subject to compliance with any restriction in the Trust Deed.
- 22.2 This rule applies to any agreement or understanding which:
- 22.2.1 is an underwriting or sub-underwriting agreement; or
 - 22.2.2 contemplates that securities will or may be issued or subscribed for or acquired for the account of the Sub-funds.
- 22.3 The above paragraph does not apply to an option or a purchase of a transferable security which confers a right to (i) subscribe for or acquire a transferable security; or (ii) convert one transferable security into another.
- 22.4 The exposure of the Sub-funds to agreements and understandings (a) and (b) above must, on any day, be:
- 22.4.1 covered in accordance with the COLL 5.3.3R (Cover for transactions in derivatives and forward transactions); and
 - 22.4.2 such that, if all possible obligations arising under them had immediately to be met in full, there would be no breach of any applicable limit in COLL.

23. **Guarantees and indemnities**

- 23.1 The Depositary for the account of the Sub-funds must not provide any guarantee or indemnity in respect of the obligation of any person.
- 23.2 None of the Scheme Property of the Sub-funds may be used to discharge any obligation arising under a guarantee or indemnity with respect to the obligation of any person.
- 23.3 The above paragraphs do not apply to any indemnity or guarantee given for margin requirements where the derivatives or forward transactions are being used in accordance with the COLL Sourcebook.

24. **Ethical Investment Sector Restrictions**

- 24.1 The Investment Manager screens investments using the following criteria:

Sector	Extent to which a single investment may have exposure to the sector in question
All funds	
Adult Entertainment	<p>The Sub-funds use a wide definition to exclude producer, distributor, retailer and ownership categories of adult entertainment who derive revenue above a materiality threshold from such activities. We make an exception for internet carriers and mobile operators, which remain eligible investments.</p> <p>For companies that are not producers or distributors but who have related revenue streams, we apply a materiality threshold.</p>
Alcohol	The Sub-funds exclude both alcohol producers and companies related to the alcohol industry above materiality thresholds.
Armaments (other than those which are nuclear, chemical or biological in nature, for which see below)	<p>The Sub-funds exclude the manufacture of weapons of warfare including projectile-firing weapons, missiles, ammunition, attack aircraft, warships, armoured land vehicles, unmanned vehicles and other robotics used by the military for striking at enemy targets.</p> <p>Companies with revenues related to weapons systems, components and support systems and services designed specifically for conventional weapons above a materiality threshold will also be excluded.</p>
Civilian Firearms	The Sub-funds exclude producers of automatic and semi-automatic firearms and any company that derives revenues from the production or retail of civilian firearms above a material threshold.
Biological and Nuclear Weapons, Cluster Bombs & Landmines	The Sub-funds will exclude companies that manufacture whole weapons systems delivery platforms or components designed specifically for indiscriminate weaponry relating to biological & chemical weapons, nuclear weapons, cluster munitions & landmines.
Gambling	The Sub-funds exclude gambling operations and gambling-related activities above a materiality threshold.

Tobacco	The Sub-funds exclude all tobacco producers and exclude any distributors, retailers and suppliers whose revenue from tobacco exceeds a materiality threshold.
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**Sarasin Climate
Active Endowments
Fund only**

Tar Sands Oil	Some oil companies have expanded the scope of their operations to search for oil from less conventional sources with higher pollution, such as oil from tar sands. Only oil companies whose revenue from the extraction of tar sands oil is below a materiality threshold are eligible for investment.
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Thermal Coal	<p>The Sub-funds exclude companies whose revenues from the extraction of thermal coal, and its sale to external parties, exceed a materiality threshold.</p> <p>Thermal coal is mainly used in power generation. It is burned for steam to run turbines to generate electricity.</p>
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Details of the prevailing materiality thresholds are available from the Operator on request.

Appendix 4

Other authorised collective investment schemes operated by the Operator

The Operator acts as authorised corporate director to the following regulated collective investment schemes:

Name of scheme	Legal structure
Sarasin Funds ICVC	an open-ended investment company

Appendix 5

Past performance

Past performance is not a guide to future performance.

Please see Part A (Sub-fund details) of Appendix 1 for the Sub-funds' investment objectives and policies and below for details of past performance.

Sarasin Climate Active Endowments Fund

The Sarasin Climate Active Endowments Fund launched on 16 February 2018.

2022	2021	2020	2019
-10.8%	10.8%	10.3%	20.7%

Sarasin Endowments Fund

This Sub-fund launched on 23 February 2018 and was preceded by a common investment fund with a similar investment objective and policy. The performance data prior to 2018 shown below is based on the preceding common investment fund and is therefore simulated past performance.

2022	2021	2020	2019	2018	2017
-9.82%	10.4%	9.6%	19.9%	-4.4%	10.6%

Sarasin Income and Reserves Fund

This Sub-fund launched on 23 February 2018 and was preceded by a common investment fund with a similar investment objective and policy.. The performance data prior to 2018 shown below is based on the preceding common investment fund and is therefore simulated past performance.

2022	2021	2020	2019	2018	2017
-15.53%	1.31%	8.0%	9.5%	-2.0%	4.2%

Sarasin Growth Fund

The Sarasin Growth Fund launched on 23 September 2021.

2022
-10.0%

Appendix 6

Determination of Net Asset Value

The value of the property of the Trust and of each Sub-fund (as the case may be) will be the value of its assets less the value of its liabilities determined in accordance with the following provisions.

1. Subject to 2, all the Scheme Property of each Sub-fund (including receivables) is to be included, subject to the following provisions.
 - 1.1 Property which is not cash (or other assets dealt with in paragraph 1.2 below) or a contingent liability transaction will be valued as follows and the prices used will (subject as follows) be the most recent prices which it is practicable to obtain:
 - 1.1.1 In the case of units or shares in a collective investment scheme:
 - 1.1.1.1 if a single price for buying and selling units or shares is quoted, at that price; or
 - 1.1.1.2 if separate buying and selling prices are quoted, at the average of the two prices provided the buying price has been reduced by any entry charge included in this Prospectus and the selling price has been increased by any exit or exit charge attributable thereto; or
 - 1.1.1.3 if, in the opinion of the Operator, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a value which, in the opinion of the Operator, is fair and reasonable;
 - 1.1.2 In the case of exchange-traded derivative contracts:
 - 1.1.2.1 if a single price for buying and selling the exchange-traded derivative contract is quoted, at that price; or
 - 1.1.2.2 if separate buying and selling prices are quoted, at the average of the two prices;
 - 1.1.3 In the case of OTC derivative contracts will be valued in accordance with the method of valuation as will have been agreed between the Operator and the Trustee;
 - 1.1.4 In the case of any other investment:
 - 1.1.4.1 if a single price for buying and selling the security is quoted, at that price; or
 - 1.1.4.2 if separate buying and selling prices are quoted, at the average of the two prices; or
 - 1.1.4.3 if, in the opinion of the Operator, the price obtained is unreliable or no recent traded price is available or if no price exists, at a value which, in the opinion of the Operator, is fair and reasonable;
 - 1.1.5 In the case of Scheme Property not described in 1.1.1 to 1.1.4: at a value which, in the opinion of the Operator, represents a fair and reasonable mid-market price.
 - 1.2 Cash and amounts held in current and deposit accounts and in other time-related deposits will be valued at their nominal values.

- 1.3 Property which is a contingent liability transaction will be treated as follows:
- 1.3.1 if a written option or an off-exchange derivative the method of valuation will be agreed between the Operator and the Depositary;
 - 1.3.2 if an off-exchange future, it will be valued at the net value of closing out in accordance with a valuation method agreed between the Operator and the Depositary
 - 1.3.3 if any other form of contingent liability transaction or if the Scheme Property is an off exchange derivative, the method of valuation will be agreed between the Operator and the Depositary.
- 1.4 In determining the value of the property of each Sub-fund, all instructions given to issue or cancel Units will be assumed to have been carried out (and any cash paid or received) whether or not this is the case.
- 1.5 Subject to paragraphs 1.6 and 1.7 below, agreements for the unconditional sale or purchase of Scheme Property which are in existence but uncompleted will be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the Operator, their omission will not materially affect the final net asset amount.
- 1.6 Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options will not be included under paragraph 1.5.
- 1.7 All agreements are to be included under paragraph 1.5 which are, or ought reasonably to have been, known to the person valuing the property.
- 1.8 There will be deducted an estimated amount for anticipated tax liabilities (whether of the United Kingdom or elsewhere) at that time including (as applicable) capital gains tax, income tax, corporation tax, value added tax, stamp and other transaction or transfer taxes or duties.
- 1.9 There will be deducted an estimated amount for any liabilities payable out of the Scheme Property of the relevant Sub-fund and any tax arising treating periodic items as accruing from day to day.
- 1.10 There will be deducted the principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings.
- 1.11 There will be added an estimated amount for accrued claims for tax of whatever nature which may be recoverable.
- 1.12 There will be added any other credits or amounts due to be paid into the property of the relevant Sub-fund.
- 1.13 There will be added a sum representing any interest or any income accrued due or deemed to have accrued but not received.
- 1.14 Currencies or values in currencies other than the Base Currency will be translated at the relevant valuation point at a rate of exchange determined by the Operator that is not likely to result in any material prejudice to the interests of Unitholders or potential Unitholders.
2. If it is impractical or obviously incorrect to carry out a valuation of any property or investment in accordance with the rules above, the Operator may choose to use other generally recognised valuation principles in order to reach a proper valuation of the Net Asset Value if it considers that valuation in accordance with those principles better reflects the value of a security, interest or position.