

SARASIN
& PARTNERS

The Charity Funds Annual Review

November 2023

This document is intended for retail investors. You should not act or rely on this document but should contact your professional adviser.



Agenda

11.00am	Welcome: team and fund update, headline performance	Melanie Roberts , Head of Charities
11.15am	Performance analysis, fund positioning and income outlook	Philip Collins , CIO, Multi-Asset Tom Kynge , Analyst/Deputy Fund Manager
11.30am	Navigating higher yields	Thomas Lindsey , Senior Associate Partner
11.45am	Global Outlook	Subitha Subramaniam , Partner, Chief Economist and Head of Asset Management
12.00pm	Q&A Panel Discussion	All speakers
12.30pm	Buffet lunch	

Charities team 2023



Melanie Roberts
(28/12)
Partner
Head of Charities



Richard Maitland
(31/30)
Senior Partner



Oliver Bates
(34/14)
Partner



Ruadhri Duncan
(28/11)
Partner



James Hutton
(20/11)
Partner



Alexander True
(18/9)
Partner



Tania McLuckie
(16/9)
Partner



John Handford
(12/12)
Head of Charities
Marketing



Thomas Lindsey
(11/7)
Senior Associate
Partner



New joiner



Katherine Hussein
(9/2)
Senior
Investment
Manager



Kamran Miah
(7/4)
Senior
Investment
Manager



Isabel Brookes
(7/<1)
Senior
Investment
Manager



Helena Wakefield
(5/3)
Investment
Manager



Mashrufa Miah
(6/2)
Investment
Manager



Bede Gallagher
(3/2)
Assistant
Investment
Manager



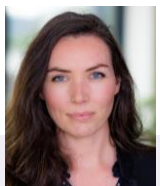
Octavia Thomson
(2/2)
Assistant
Investment
Manager



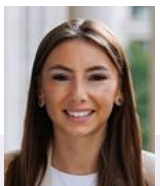
Ian Craik
(36/1)
Senior VP
Canada



Sophie Burgoine
Personal
Assistant



Sarah Chasseaud
Personal
Assistant



Millie Carter
PA &
Marketing
Assistant



New joiner

(x/y) denotes years' of experience/years' at Sarasin & Partners as at 30.09.23

Charity specialists

Growing assets under management

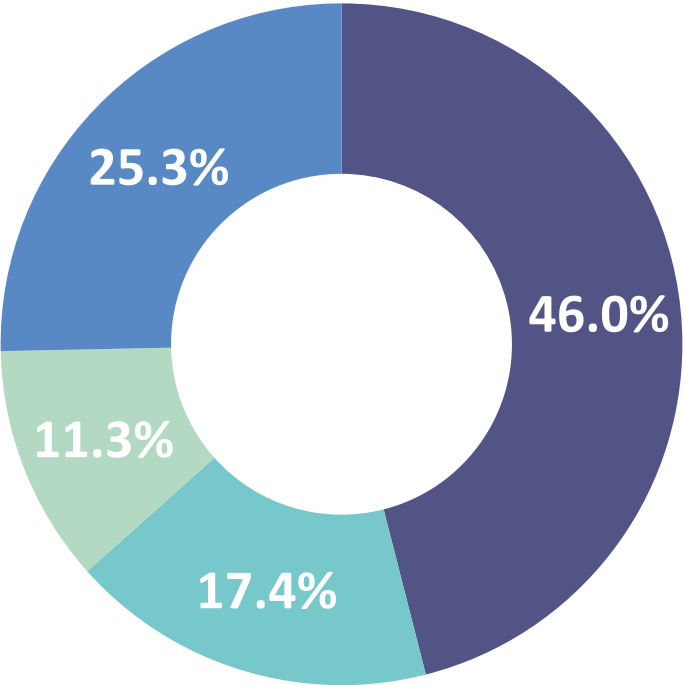
£8.4bn

Charity team assets under management

514

charity clients

Average size £16 million



- Charities
- Institutional Clients
- Investment Funds
- Private Clients

Source: Sarasin & Partners, 30.09.23

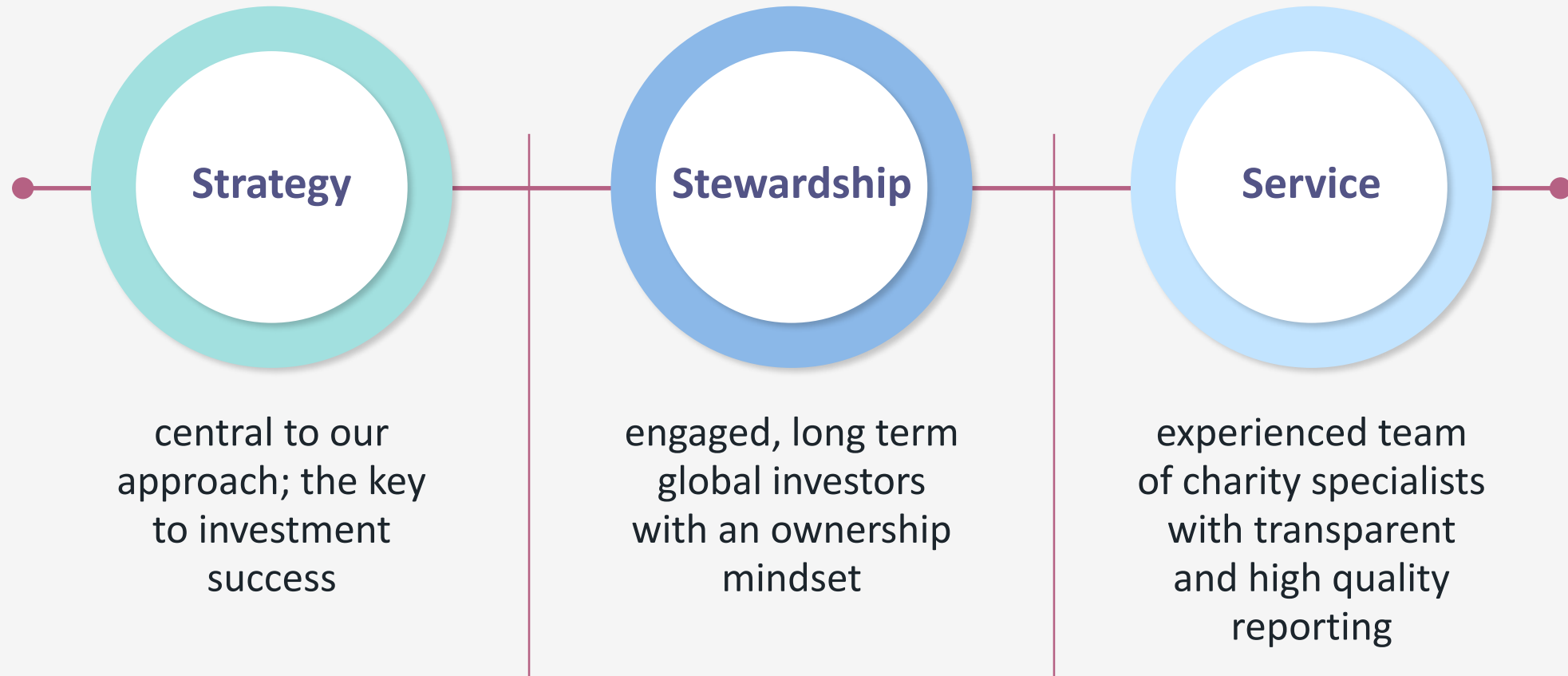
Compendium of Investment

To be published in March 2024



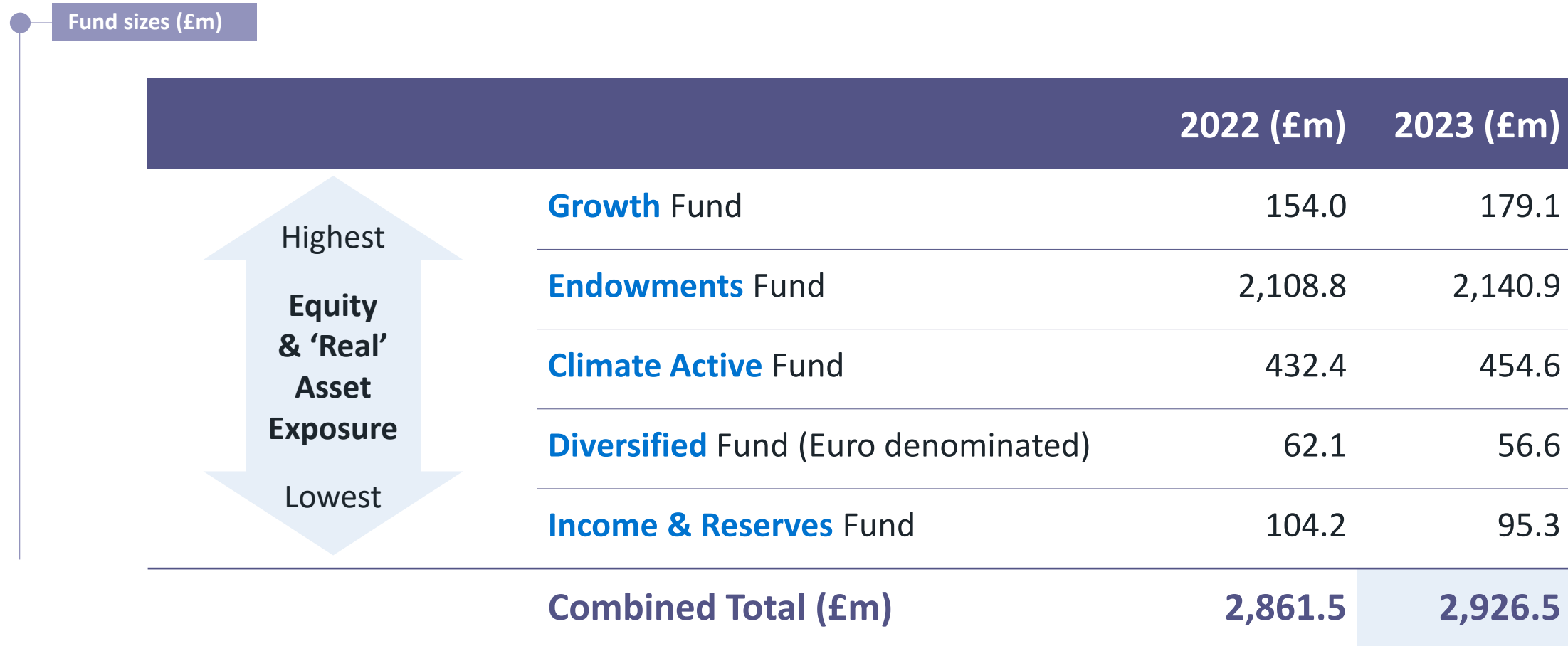
- Trustee investment training in conjunction with **Charity Finance Group**
- Foundation and Advanced level
- London, regional and virtual

What are we best known for?



The Sarasin charity funds today

35% of our total charity assets



Performance is provided net of fees. Past performance is not a reliable indicator of future results and may not be repeated.

The past performance was calculated in Pounds Sterling on a net asset value basis with distributable income reinvested.

Source: Sarasin & Partners, 30.09.22

Unitholder profile

Largest Charity **£93.3^m**

Charities over **£20m** **29**

Charities between **£10m** and **£20m** **53**

Charities between **£5m** and **£10m** **60**

Charities between **£1m** and **£5m** **170**

Charities with less than **£1m** **117**

£6.5^m

**Average
portfolio**

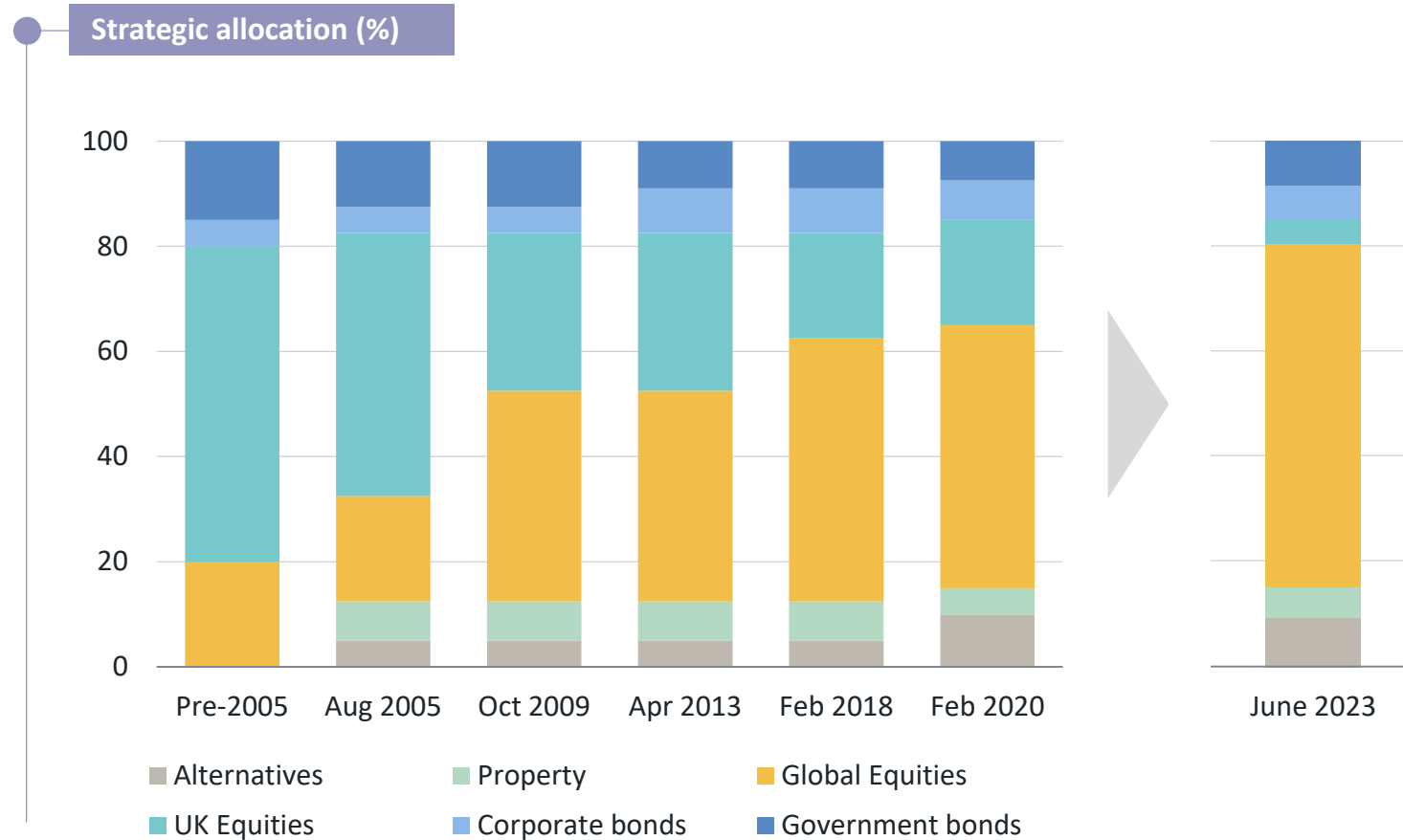


**429 unit
holders**

Source: Sarasin & Partners, 30.09.23

Strategic evolution...

Sarasin Endowments, Climate Active Endowments and Income & Reserves CAIFs now fully global equity allocation



Took effect from
1 June 2023.

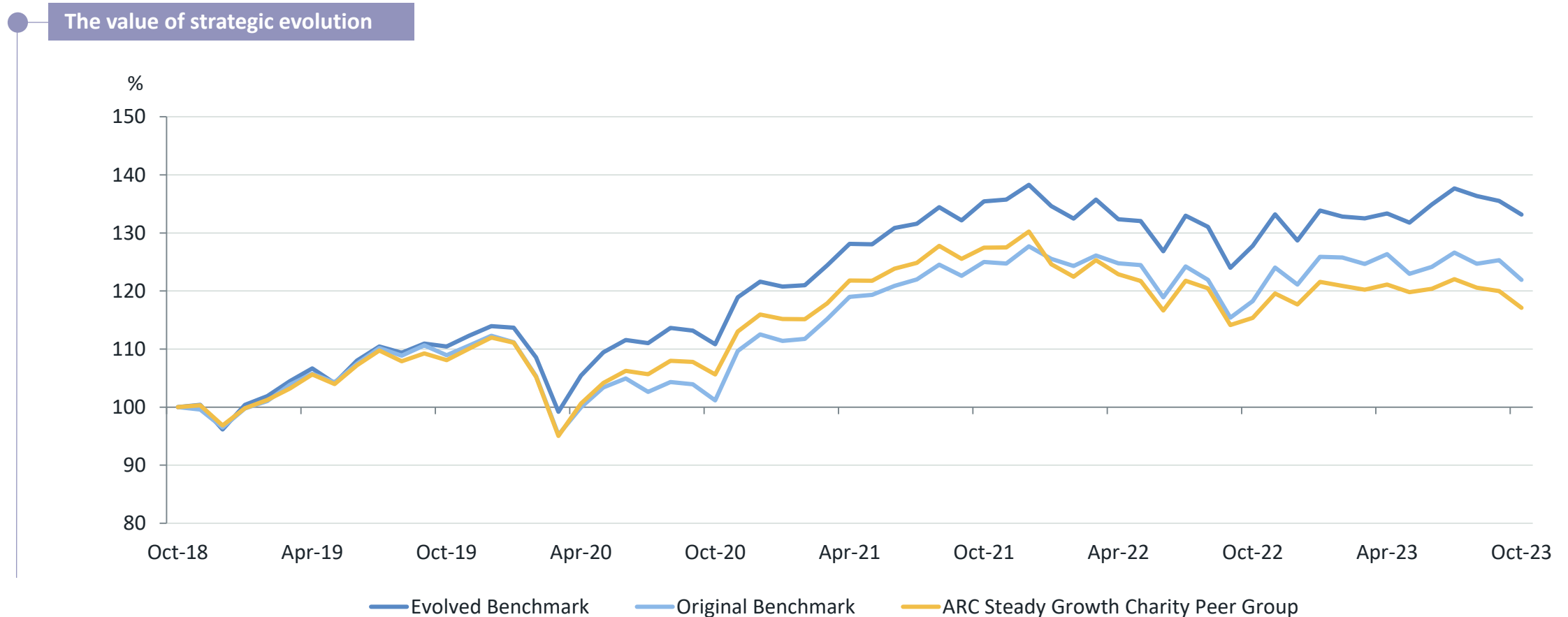
Implications:

- Income likely to fall – **slight increase**
- £ exposure under review – **10% hedging maintained**
- UK equity weight lower – **but still at 10% of equities**

Source: Sarasin & Partners LLP, 30.09.2023

...has added value

+0.6% per annum since 31 December 2005



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

Source: Sarasin & Partners, ARC (ARC (Asset Risk Consultants) at 31.10.2023

Original Benchmark: 12.5% FTSE Gilts All Stocks, 5% JP Morgan World Bonds Ex-UK, 50% FTSE All-Share 5% capped, 20% FTSE World Ex-UK, 4% MSCI Property Monthly, 3.5% EPRA/NAREIT, UK cash LIBOR 1 Month

Current Benchmark: 7.5%, ICE BofAML Sterling Corporate, 7.5%, ICE BofAML UK Gilts All Stocks, 60% MSCI AC World ex UK (Local Currency), 10% MSCI AC World ex UK, 5% MSCI All Balanced Property Funds – One Quarter Lagged, 10% SONIA +2%

CC14 revised in August 2023

The screenshot shows the GOV.UK website page for 'Investing charity money: a guide for trustees'. The page features a dark blue header with the GOV.UK logo and a navigation menu. Below the header, there is a breadcrumb trail: Home > Business and industry > Charities and social enterprises > Investing charity money: guidance for trustees (CC14). The main content area has a blue background with the title 'Investing charity money: a guide for trustees' and the subtitle 'Updated 1 August 2023'. To the left of the main content is a table of contents with links to various sections. The main content area is divided into two columns. The left column is titled 'Your trustee duties' and contains three paragraphs of text. The right column is titled 'Which changes should we focus on?' and contains three sections of text, each with a small icon. At the bottom right of the page, there is a small text: '04 2023 Sarasin House Report'.

GOV.UK Menu

Home > Business and industry > Charities and social enterprises > Investing charity money: guidance for trustees (CC14)

CHARITY COMMISSION FOR ENGLAND AND WALES

Guidance
Investing charity money: a guide for trustees
Updated 1 August 2023

Your trustee duties

- Your trustee duties
- Financial investment
- Social investment
- Setting your charity's investment policy
- Investment types
- Taking advice and delegating
- Reviewing and reporting on your investments
- Investing your charity's permanent endowment
- Tax on investments
- Advice for charities that mainly invest cash
- Legal note

Your trustee duties

As trustees, your principal duty is to further your charity's purposes. This means that you must make your investment decisions to further those purposes.

It is up to you to decide how to invest to support delivery of your charity's purposes over time.

Depending on your charity's circumstances, you have a wide range of options, but you must:

- comply with the legal duties and requirements set out in this guidance
- make decisions in the best interests of your charity

Keep your investment approach under regular review.

Which changes should we focus on?

Every charity's situation is unique

Helen Stephenson, CEO of the Charity Commission commented: "We are clear that each charity's situation is unique, and there is no 'one-size fits all' approach to charity investments. We are also clear that trustees have discretion to choose what is best in their circumstances and a range of investment options open to them."

Investment policy

Your charity's investment policy should not be prepared by your investment manager, but they can certainly help. There is clear direction that the Commission expects all charities that invest to have a written policy, reinforcing a message we have consistently seen trustees embrace over the years.

Clear choice of type of investment

"Mixed motive" and "programme related" are out, and "financial investment" and "social investment" are in. Where the former seek financial returns and can consider non-financial factors such as sustainability, the latter relate specifically to achieving the charity's purpose directly through the investment (while also making a financial return). If your charity is making a social investment, the specific trustee duties that apply are different from those that apply to financial investment. It is worth reading the detail of what constitutes a social investment and trustees' duties in this respect.

Charity Focus
WHAT CC14 MEANS FOR TRUSTEES

Reviewing the key changes for charity trustees in light of the revised CC14 guidance

RUADHRI DUNCAN
PARTNER, CHARITIES

Trustees have discretion to choose what is best in their circumstances.

04 2023 Sarasin House Report

Source: GOV.UK, Aug 2023: <https://www.gov.uk/government/publications/charities-and-investment-matters-a-guide-for-trustees-cc14>

Sustainability Disclosure Requirements (SDR)

Expected in
Q4 2023

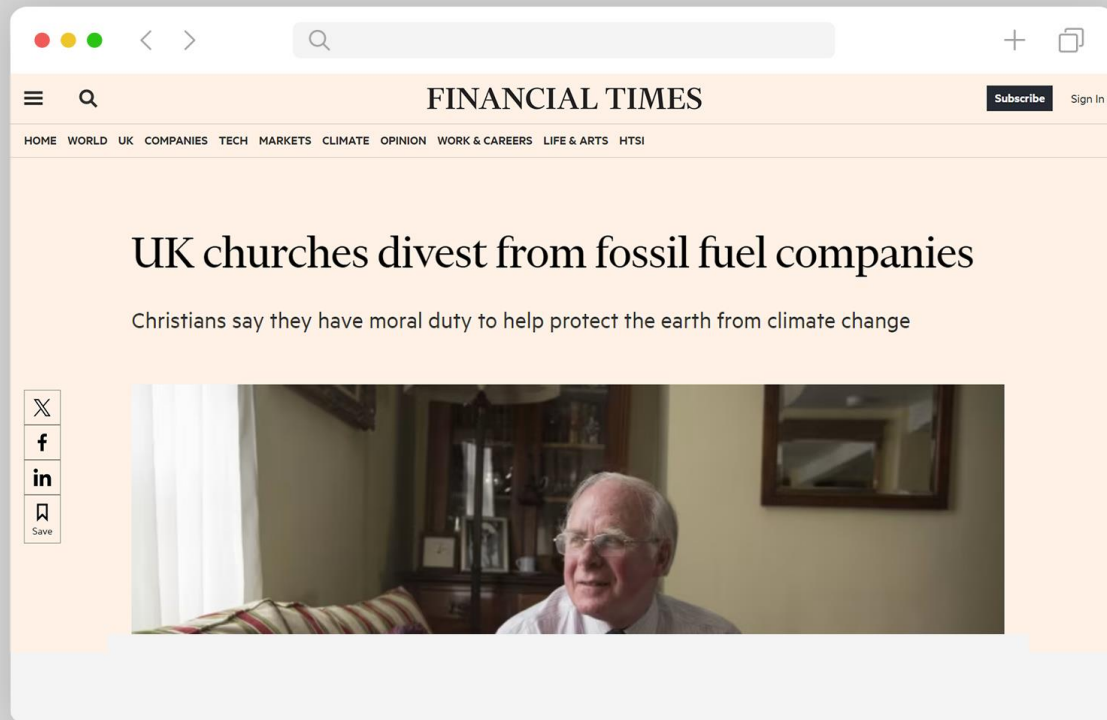


Sustainable improvers

Sustainable focus

Sustainable impact

Future Climate Active Endowments CAIF excluding the energy sector



Source: Financial Times, Aug 2018 <https://www.ft.com/content/56291334-8e98-11e8-b639-7680cedcc421>



Source: Financial Times, June 2023 <https://www.ft.com/content/9af6184a-ed15-4ef4-9c26-d0a9c5c39c1f>

New Climate Active Endowments ex Energy CAIF

Objective,
risk profile
and timeframe

same as

**Climate Active
Endowments
strategy**

Date

aim to launch

**January
2024**

Initial size

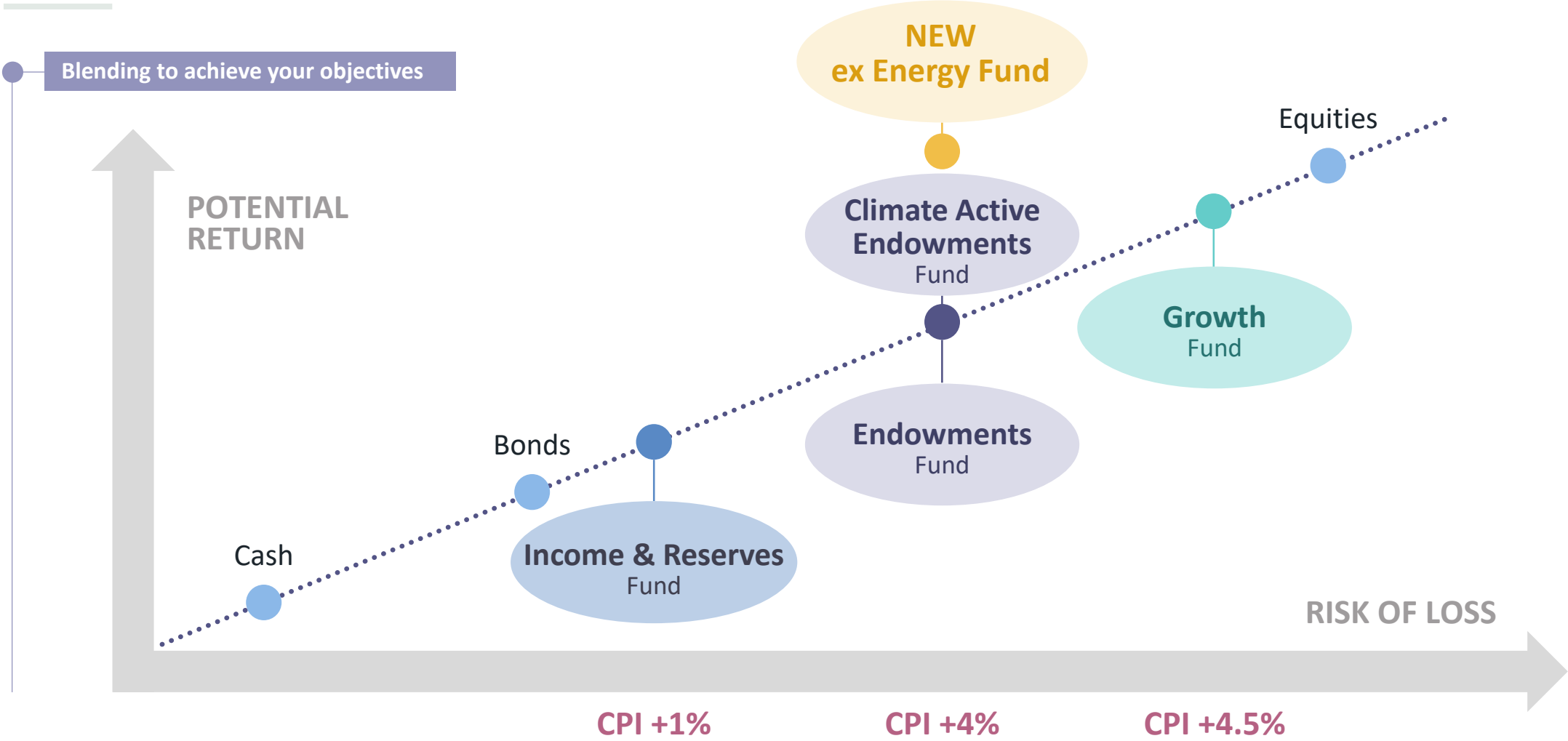
circa

£100m

No
of clients

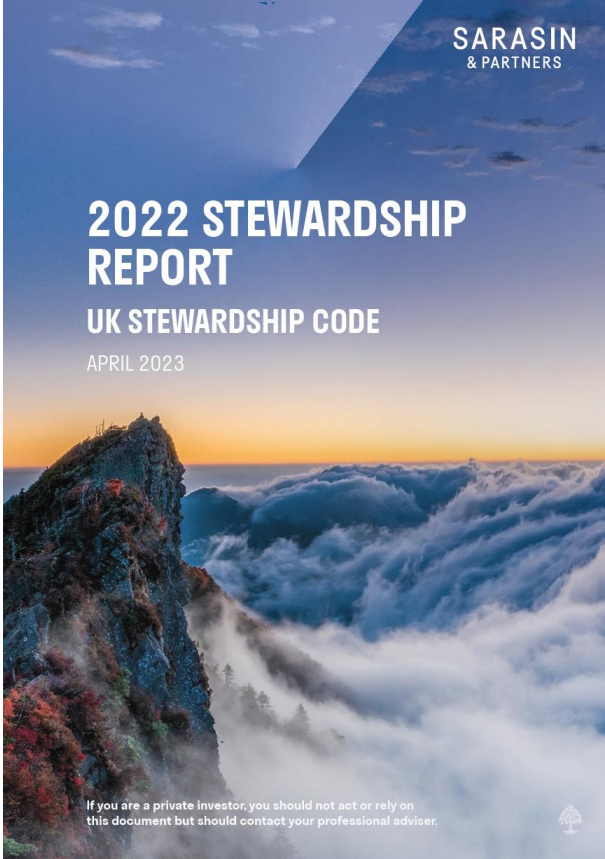
**5-10
initially**

The Sarasin Charity Authorised Investment Funds



Source: Sarasin & Partners LLP, 30.09.2023

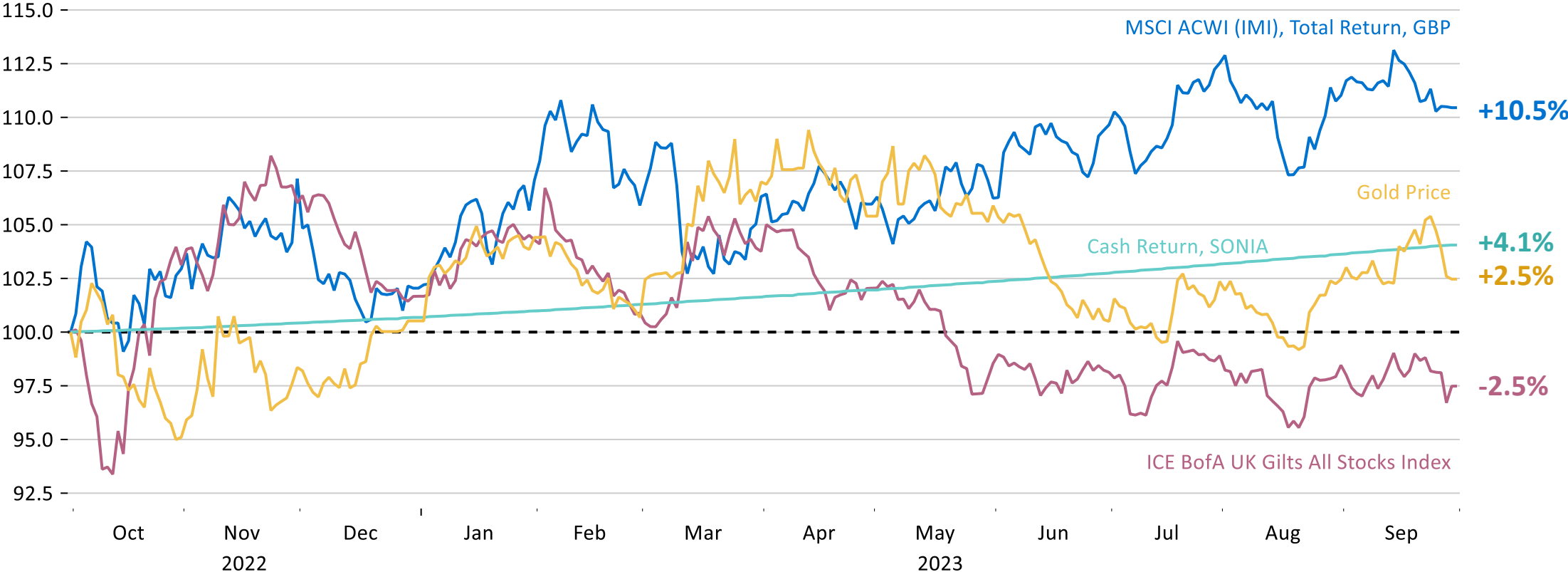
A+ Climate Engagement; Stewardship Code Signatories; A+ UN PRI



Sources: Sarasin & Partners LLP, UN PRI 2023

Global asset class performance

1 year to 30 September 2023 (Sterling returns)



Past performance is not a reliable indicator of future results and may not be repeated.
Source: Macrobond, 20.11.23

1 year performance of the CAIFs

To 30 September 2023

Total return net of fees

CPI Target %		Sarasin Fund %	Benchmark %	ARC Peer Group %
+1.0	Income & Reserves Fund	+3.7	+6.0	+3.0
+4.0	Endowments Fund	+6.5	+9.2	+5.1
	Climate Active Endowments Fund	+5.2		
+4.5	Growth Fund	+3.2	+9.8	+6.0

Performance is provided net of fees. Past performance is not a reliable indicator of future results and may not be repeated.

The past performance was calculated in Pound Sterling on a net asset value basis with distributable income reinvested.

Source: Sarasin & Partners, 30.09.23

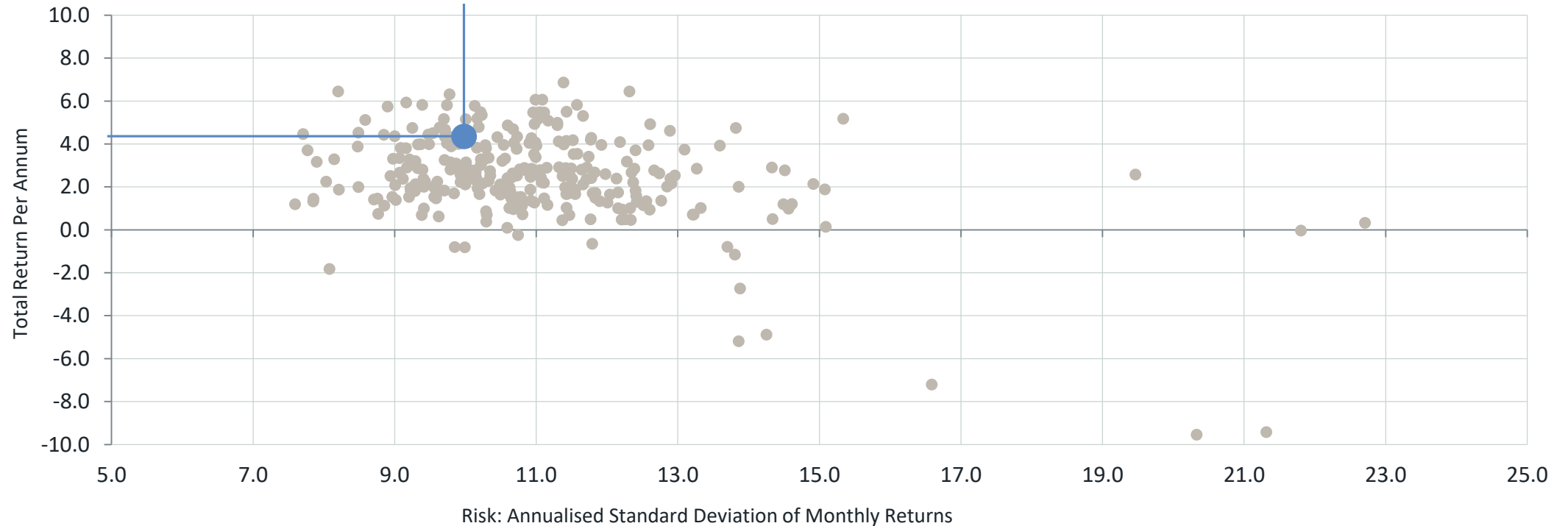
Benchmark information: Sarasin Endowments Fund: 7.5% ICE BoAML UK Gilts All Stocks, 7.5% ICE BoAML Sterling Corporate, 20.0% MSCI UK IMI, 10.0% MSCI All World ex UK (Local Ccy), 40.0% MSCI All World ex UK, 5.0% MSCI All Balanced Property Funds Index (One Quarter Lagged), 10.0% BoE SONIA +2%. Sarasin Income & Reserves Fund: 35.0% ICE BoAML UK Gilts All Stocks, 30.0% ICE BoAML Sterling Corporate, 10.0% MSCI UK IMI, 10.0% MSCI All World ex UK, 10.0% BoE SONIA +2%, 5.0% BoE SONIA. Sarasin Climate Active Endowments Fund: 7.5% ICE BoAML UK Gilts All Stocks, 7.5% ICE BoAML Sterling Corporate, 20.0% MSCI UK IMI, 10.0% MSCI All World ex UK (Local Ccy), 40.0% MSCI All World ex UK, 5.0% MSCI All Balanced Property Funds Index (One Quarter Lagged), 10.0% BoE SONIA +2%. Sarasin Growth Fund: 80% MSCI All Countries World Index, 20% SONIA +2%

Sarasin Endowments CAIF 5 year performance versus peers

Morningstar Universe: 296 multi asset funds in the EAA Fund GBP Allocation 60-80% Equity

Sarasin Endowments Fund (in blue) Mean Risk Vs Annualised Return (60 Months)

Sarasin Endowments CAIF achieved 1.7x the return of the median fund for 94% of the volatility
A return is within the **top 15%** of all funds, for average volatility.



Performance is provided net of fees. Past performance is not a reliable indicator of future results and may not be repeated.
The past performance was calculated in Pound Sterling on a net asset value basis with distributable income reinvested.
Source: Morningstar, 30 September 2023. For more information about ARC, please see 'Important Information' at the back of this document.

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The value of investments and any income derived from them can fall as well as rise and investors may not get back the amount originally invested. If investing in foreign currencies, the return in the investor's reference currency may increase or decrease as a result of currency fluctuations. Past performance is not a reliable indicator of future results and may not be repeated. Forecasts are not a reliable indicator of future performance.

These Funds are designed for charities within the meaning of Section 1 of the Charities Act 2011 or as defined in paragraph 1(1) of Schedule 6 of the Finance Act 2010 which are organised, incorporated or resident in the United Kingdom.

There is no minimum investment period, though we would recommend that you view your investment as a medium to long term one (i.e. 5 to 10 years).

Risks associated with investing in Real Estate Investment Trusts (REITs) include, but are not limited to, the following: declines in the value of real estate, risks related to general and local economic conditions, overbidding and increased competition, increases in property taxes and operating expenses, changes in zoning laws, casualty or condemnation losses, variations in rental income, changes in neighbourhood values, the appeal of properties to tenants, and increases in interest rates. In addition, REITs may be affected by changes in the value of the underlying property owned by the trusts or may be affected by the quality of credit extended. REITs are dependent upon management skills, may not be diversified and are subject to the risks of financing projects. The ability to trade REITs in the secondary market can be more limited than other stocks.

Frequent political and social unrest in Emerging Markets and the high inflation and interest rates this tends to encourage, may lead to sharp swings in foreign currency markets and stock markets. There is also an inherent risk in the smaller size of many Emerging Markets, especially since this means restricted liquidity. Further risks to consider are restrictions on foreigners making currency transactions or investments.

The Fund may invest in derivatives for efficient portfolio management purposes. This means Derivatives can only be used to manage the Fund more efficiently in an attempt to reduce the overall risk of its investments, reduce the costs of investing or generate additional capital or income, although this may not be achieved and may create losses greater than the cost of the derivative.

Important Information

This document does not explain all the risks involved in investing in the Fund and therefore you should ensure that you read the Prospectus and the Key Investor Information Document, which contain further information including the applicable risk warnings. The Prospectus, the Key Investor Information document as well as the annual and semi-annual reports of the Fund are available free of charge from www.sarasinandpartners.com or from Sarasin & Partners LLP, Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU, Telephone +44 (0)20 7038 7000 (telephone calls may be recorded).

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The Fund may invest in other collective investment schemes, including regulated and unregulated collective investment schemes. Investment in unregulated collective investment schemes carries additional risks as such schemes may, among other things, not be under the regulation of a competent regulatory authority, may use leverage and may carry increased liquidity risks.

The Fund may invest more than 35% in government or public securities issued by any single issuer listed in the Prospectus. Such exposure will be in line with the investment policy of the Fund and in pursuit of the Fund's objective. It is currently envisaged that the Fund's exposure to such securities may be to those issued by the UK government, although this may vary and include securities issued by other governments and public issuers listed in the Prospectus.

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