

SARASIN
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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.



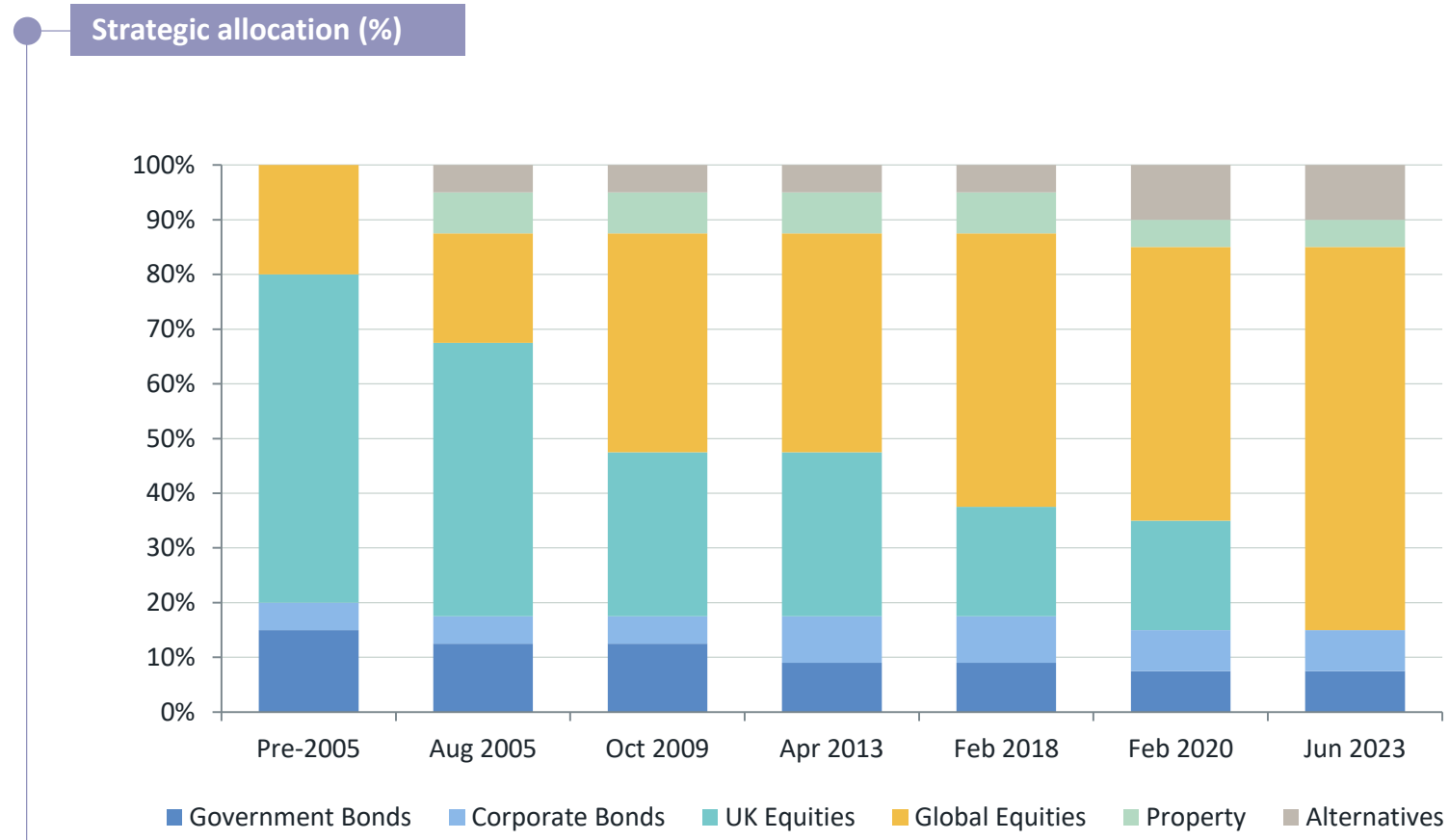
Income review 2023

Tom Kynge, Analyst/Deputy Fund Manager



Sarasin Endowments Fund

How the strategic allocation has evolved



- Remove UK equity allocation
- Go fully global

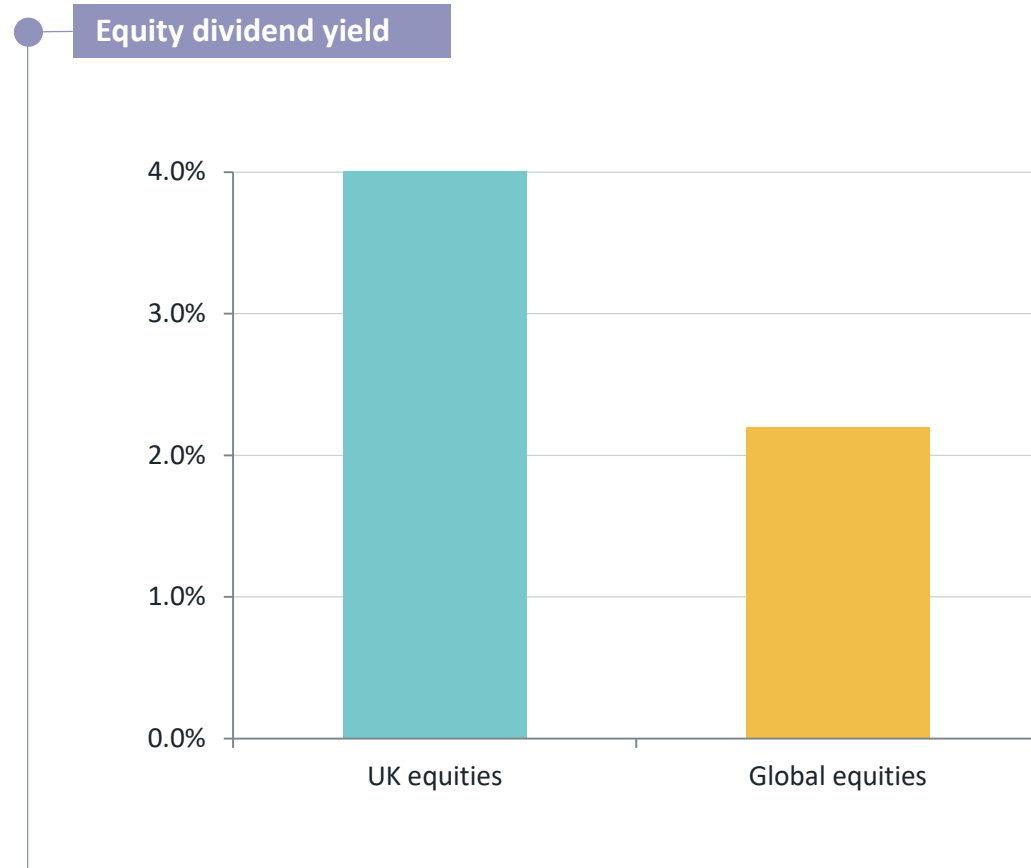
Implications:

- Better total return outlook
- Income likely to fall

Source: Sarasin & Partners LLP, 30.09.2023.
Latest benchmark changes

Sarasin Endowments Fund

How asset yields have recovered in the last two years



Benchmark yield on assets

	2021	2023	Change
Global Equities	2.0	2.2	+0.2
UK Equities	3.9	4.2	+0.3
Government Bonds	1.0	4.6	+3.7
Corporate bonds	1.9	6.1	+4.2
Property	4.2	5.2	+1.0
Alternatives	1.8	3.6	+1.8
Cash	0.0	4.1	+4.1

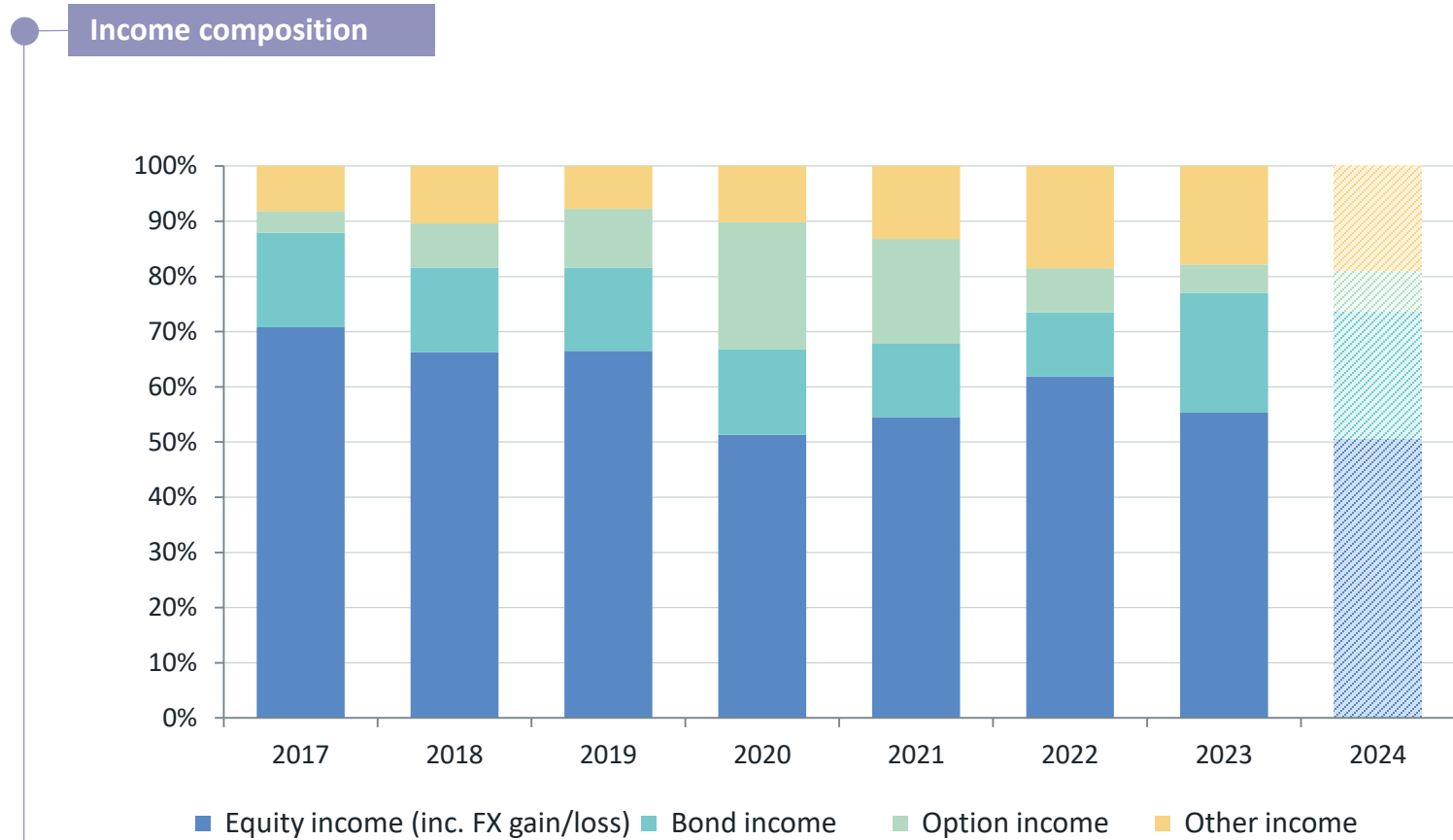
Past performance does not guarantee future returns and may not be repeated.

The value of investments and income from them can go down as well as up and investors may not get back the amount originally invested.

Source: Sarasin & Partners, MSCI, Bank of America Merrill Lynch. 30.09.23. Data on Property, Alternatives and Cash represents a portfolio yield rather than a benchmark yield given the lack of appropriate data from benchmark providers. As at 30.09.21 & 30.09.23

Diversification of income

How the outlook for income has changed



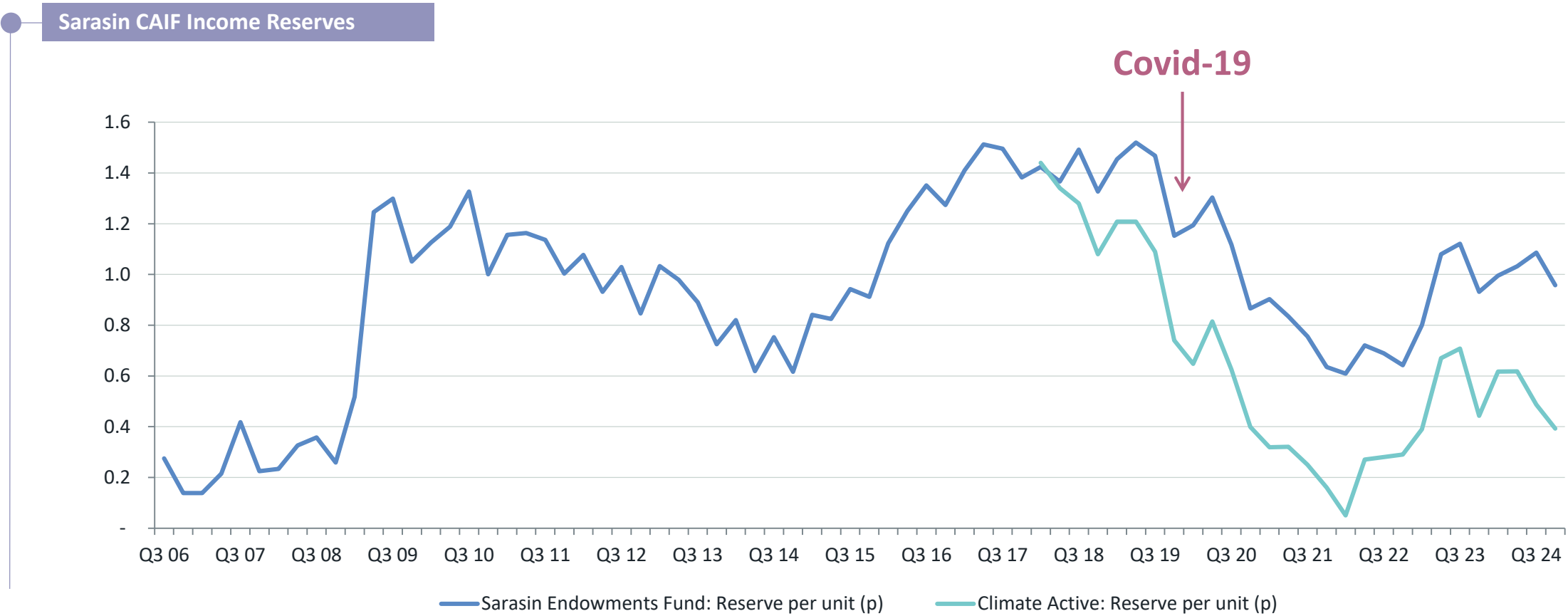
- Equity income falls to 50% in 2024
- Replaced by bond income

Implications:

- More diversified income stream
- Increased stability

Source: Sarasin & Partners LLP, 30.09.2023

Where does that leave us?

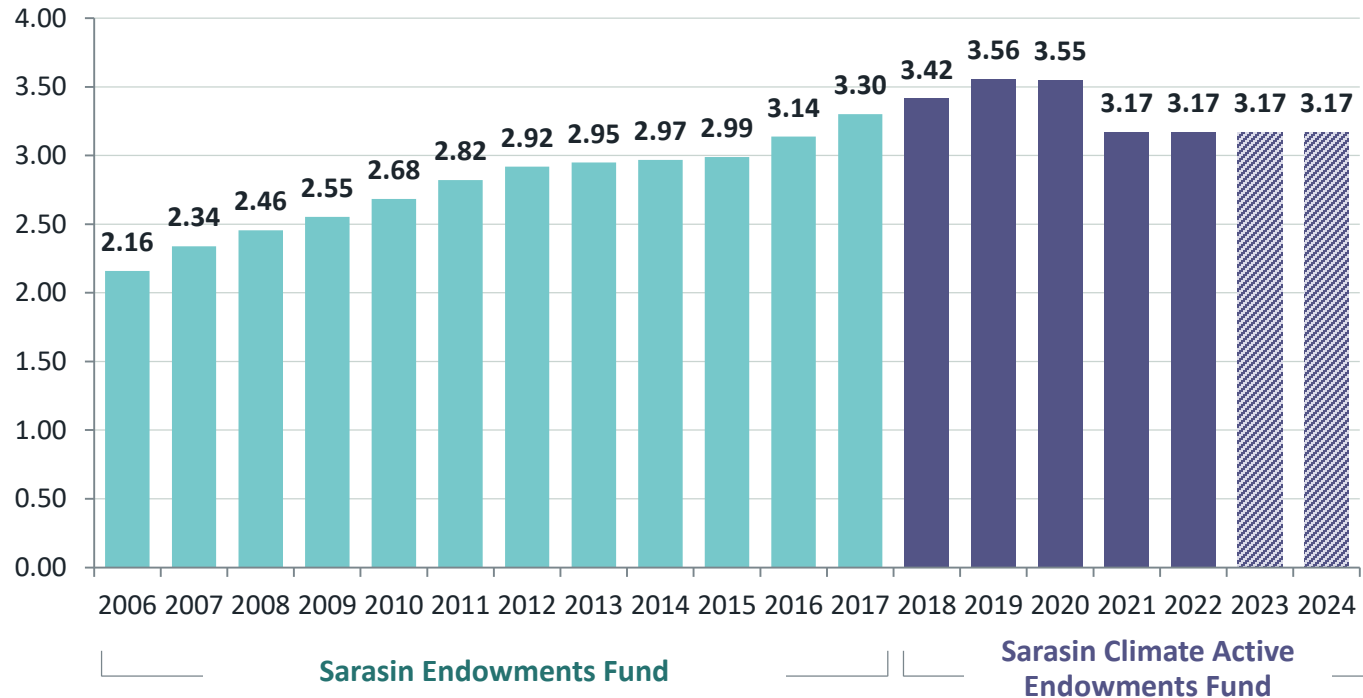


Past performance is not a guide to future performance and may not be repeated.
 Source: Sarasin & Partners, 30.09.23

A sustainable income stream

Sarasin Climate Active Endowments Fund

Distribution per unit (pence)



- Diversified income stream provides greater stability and predictability
- Looking ahead, income distributed to **be flat** in 2023 and 2024

The yields quoted have been calculated using price information as at the date of publication and are not guaranteed.

Past performance is not a guide to future returns and may not be repeated.

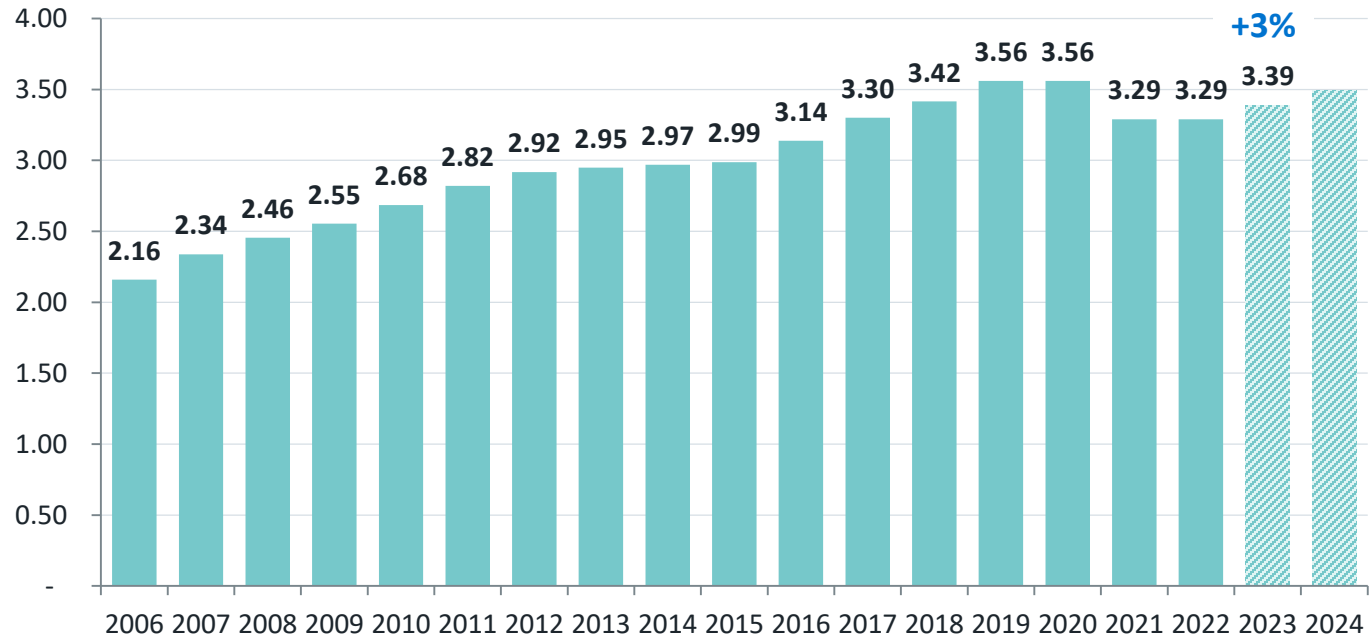
Source: Sarasin & Partners LLP Data: 30.09.2023

*The Sarasin Climate Active Endowments Fund was launched in February 2018 in response to client requests, this was funded by clients transferring assets from its sister fund the Sarasin Endowments Fund. The funds have the same investment objective and benchmark but the Climate Active Fund has an enhanced investment approach to drive alignment with the goal of the Paris Climate Accord. Therefore, for the longer term income stream we have shown the income stream of the Sarasin Endowments Fund from February 2018 onwards.

A sustainable income stream

Sarasin Endowments Fund

Distribution per unit (pence)



- Slightly higher equity yield than the Sarasin Climate Active Endowments Fund
- Looking ahead, income distributed to **increase by 2023** and 2024

The yields quoted have been calculated using price information as at the date of publication and are not guaranteed.

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Source: Sarasin & Partners LLP. Data: *Sarasin Endowments Fund (formerly Alpha CIF for Endowments), 31.09.23.

*The Sarasin Climate Active Endowments Fund was launched in February 2018 in response to client requests, this was funded by clients transferring assets from its sister fund the Sarasin Endowments Fund. The funds have the same investment objective and benchmark but the Climate Active Fund has an enhanced investment approach to drive alignment with the goal of the Paris Climate Accord. Therefore, for the longer term income stream we have shown the income stream of the Sarasin Endowments Fund from February 2018 onwards.

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Important Information

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This document should not be relied on for accounting, legal or tax advice, or investment recommendations. Reliance should not be placed on the views and information in this material when taking individual investment and/or strategic decisions.

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).

Persons domiciled in the US and/or are US nationals are not permitted to hold shares in the Fund and shares may not be publicly sold, offered or issued to anyone residing in the US or to US nationals. This publication is intended for retail investors in UK only.

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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