

SARASIN
& PARTNERS

THE SARASIN CHARITY AUTHORISED INVESTMENT FUNDS

Q1 2021



SUMMARY

- Over the past 20 years, we have become [one of the leading charity investment managers in the UK](#) as measured by assets under management, managing portfolios for a wide range of educational, medical, religious and grant-making charities worth £7.6bn (as at 31.12.20)
- We are recognised as having particularly strong strategic investment skills. We are probably best known for the Sarasin & Partners [Compendium of Investment](#), which we have published for over 20 years. Helping trustees to design and refresh appropriate investment strategies is central to our approach
- At the heart of every successful fund management firm is a robust investment process. Our Global Thematic Equity selection process has provided the platform for a strong performance record for our clients.
- Investing in a responsible manner with high standards of [stewardship](#) is a hallmark of our approach. For over 25 years, we have aligned our clients' specific ethical investment policies with our own environmental, social and governance research and activities.
- We aim to provide high levels of personal service to all our clients, irrespective of size. Our client reporting is renowned for being innovative, transparent and concise and our ['look-through' technology remains unique](#)
- Our partnership structure allows us to incentivise, attract and retain staff, enabling long term and stable relationships with our clients. It also aligns our interests with our clients - if our clients' portfolios do well, then the partnership will continue to prosper

The views expressed are those of the manager and are subject to change with no guarantee that forecasts will be achieved. Please note that some of the information is based on long term historical returns and income streams and should therefore be cross referenced to the Sarasin & Partners Compendium of Investments

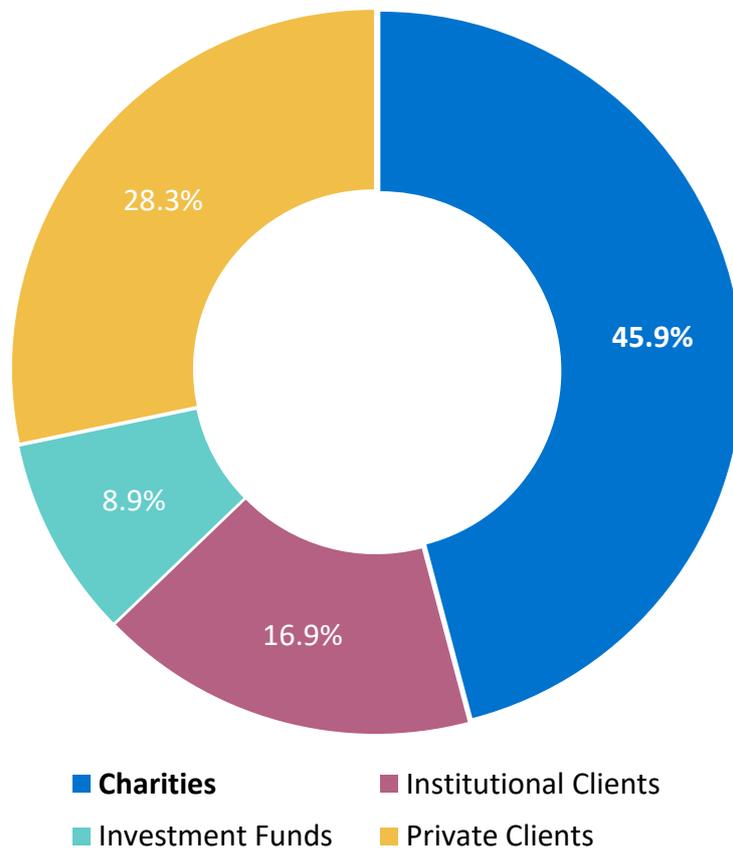
WHO IS SARASIN & PARTNERS?

Sarasin & Partners LLP is a London-based asset manager that manages £17.0 billion (as at 31.12.20) on behalf of charities, institutions, intermediaries, pension funds and private clients, from the UK and around the world.

We specialise in global thematic investment and long-term income and dividend management across multi-asset and equity mandates. Consistent with a longer-term approach is a commitment to 'stewardship' principles, embedding environmental, social and governance considerations into our investment process.

We are a Partnership with local management owning 40% of the economic interest of the Partnership with the remainder owned by Bank J. Safra Sarasin. The Bank J. Safra Sarasin Group has AuM of £144.8bn and a Core Equity Tier 1 ratio of 31.3%.*

SARASIN & PARTNERS BUSINESS AREAS**



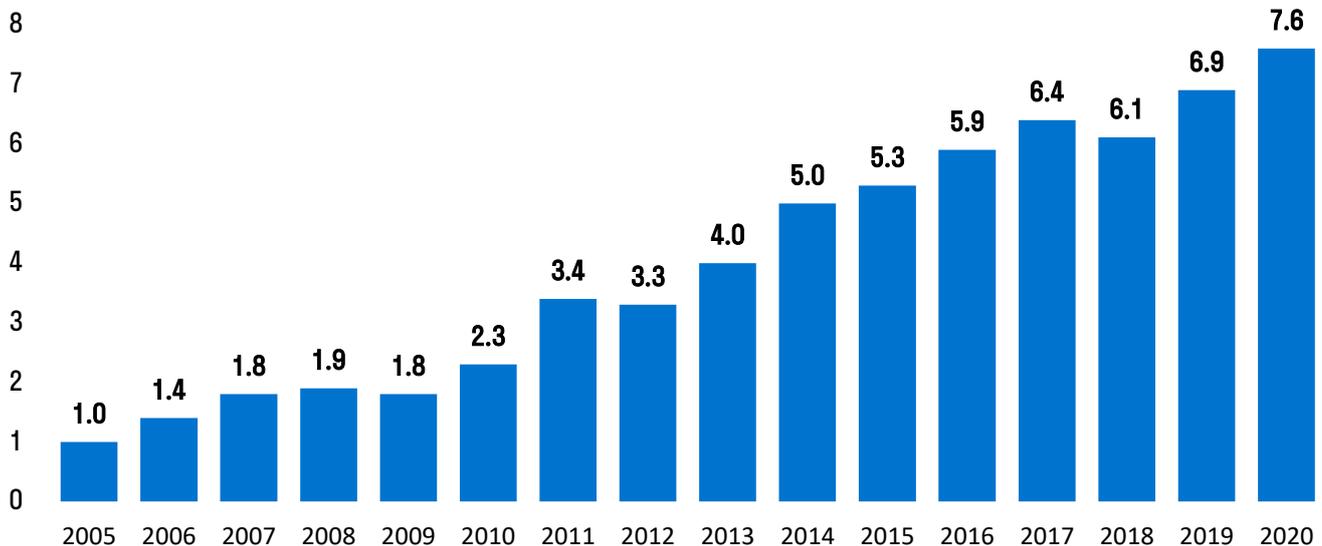
*Source: Bank J. Safra Sarasin published AUM of CHF185.8bn as at 31.12.2019, updated annually. Exchange rate used as 31.12.19 of CHF:GBP = 0.7794

**Source: Sarasin & Partners LLP as at 31.12.20 (Updated quarterly)

OUR CHARITY EXPERTISE

The table below shows a breakdown of the growth of our charity division's assets under management over the past 14 years.

TOTAL CHARITY AUM (£BN)



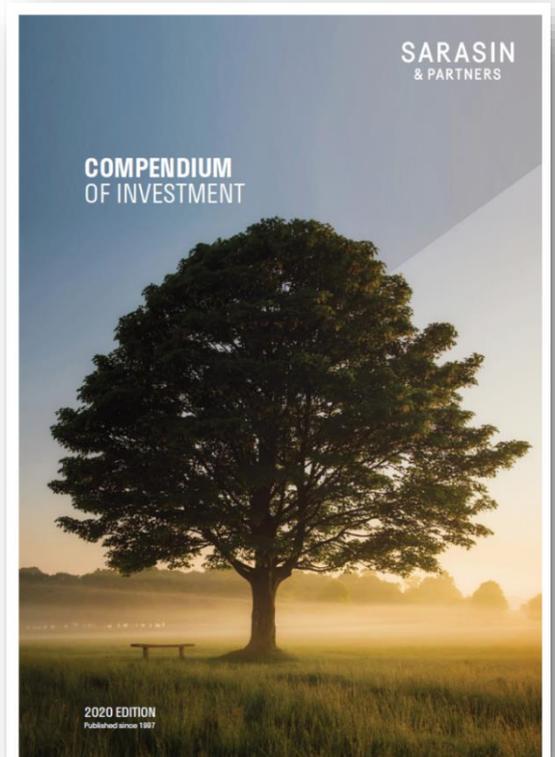
Source: Sarasin & Partners LLP as at 31.12.20 (updated annually)

Over the past 20 years we have built a reputation for consistent performance and unusually detailed and informative reporting packages designed specifically for charity trustees. Mandates range from extreme conservatism to pure equity portfolios with a broad mix of multi asset class portfolios in between.

We are known for our strategic thinking and the time we spend with trustees ensuring that their portfolio genuinely matches their specific requirements. This is exemplified by the [Compendium of Investment](#), which has been published for over 20 years. This book is the basis for our successful trustee training programme; we have trained over 5,000 trustees in recent years.

We have worked closely with the Charity Commission (most recently on the launch of new CAIF structures) and we are active members and supporters of CFG, CIG, CLA, NCVO, SCVO and ACEVO. We are regular participants in charity sector working parties.

A selection of recent articles we have written can be found at www.sarasinandpartners.com



OUR CLIENTS

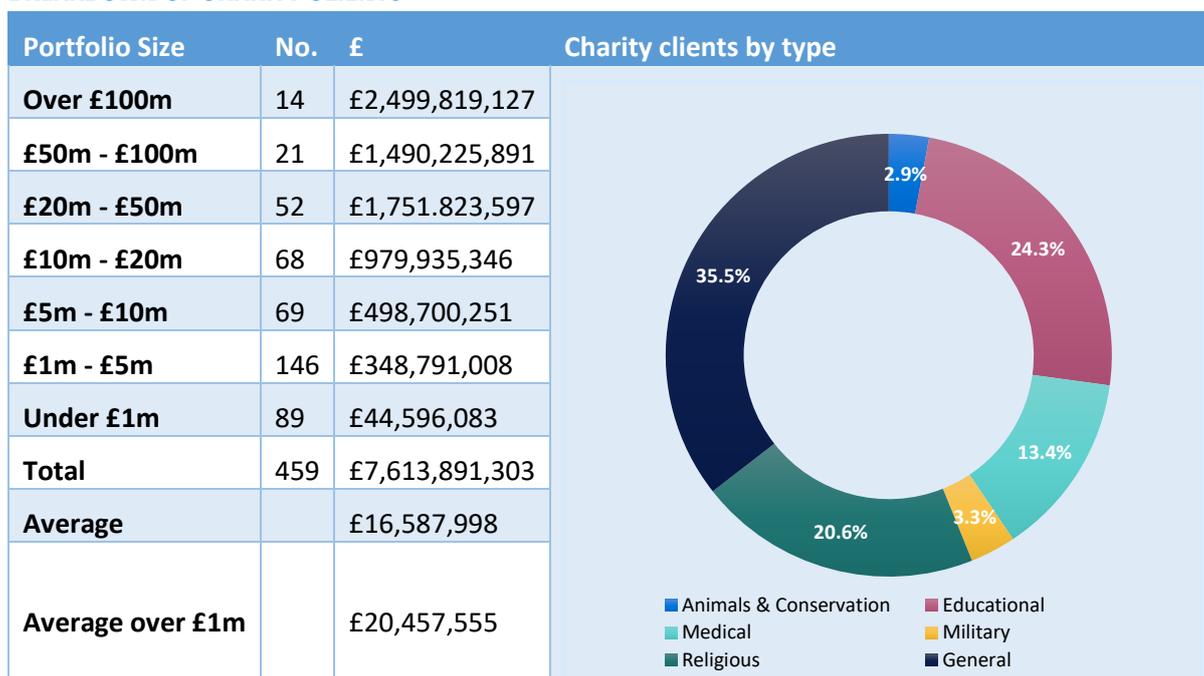
We manage portfolios for a broad range of clients across the Charity sector, whose needs vary widely.

Some seek long-term investment strategies and can withstand significant volatility in the search for attractive returns, while in other instances we manage short to medium-term reserves and the assets of charities in full 'spend-down' mode.

OUR CLIENTS INCLUDE

| | |
|--|-------------------------------------|
| Archbishops' Council | Barrow Cadbury |
| Brentwood Diocesan Trust | Dean & Chapter of Canterbury |
| Diocese of Westminster | Dog's Trust |
| Durham University | FIA Foundation |
| Kings School, Canterbury | Royal Regiment of Fusiliers |
| Royal Society of Wildlife Trust | St Columba's Hospice, Edinburgh |
| St Hilda's College, Oxford | Sir John Cass's Foundation |
| Sisters of Charity of St Jeanne Antide | University College London Hospitals |

BREAKDOWN OF CHARITY CLIENTS



Source: Sarasin & Partners LLP as at 31.12.20

STRATEGIC ASSET ALLOCATION CONSIDERATIONS

From the outset, we seek to obtain as much information about our prospective clients as possible in order to ensure that the strategic advice we provide is based on their individual circumstances. This information is reviewed regularly and the resulting portfolio's asset allocation is amended as the charity's objectives or investment markets evolve.

One golden rule of investment is to avoid having to be a forced seller of investments at fire-sale prices. One way to avoid this is to organize your affairs into three distinct pots:

Short-term reserves and monies, which have been earmarked for spending should be held in cash or cash equivalent assets. While they might not produce significant returns, they are liquid and do not show capital volatility.

One can consider taking a little more risk with **medium term reserves**, where assets are set aside to meet known liabilities over the next 2-5 years or to act as a buffer for the long-term investments should unplanned events occur that need rapid funding.

Lastly, many charities will have **longer-term reserves** and endowments. This 'pot' should be able to withstand significant capital volatility on the basis that the charity has set aside sufficient funds that can be called upon to meet any short to medium term liabilities. There should be no need to hastily crystallise losses and these portfolios can therefore be invested in riskier assets to generate attractive returns from which a sustainable withdrawal can be taken.

| | Short-term reserves | Medium-term reserves | Long-term reserves |
|-----------------------------|--|---|--|
| Time frame | 0 – 18m | 18m – 5yrs | 5yrs + |
| Investment objective | To improve on the returns from cash | A return that at least matches inflation | To maintain the real value whilst providing sufficient income |
| Greatest risk | The impact of any volatility | The impact of some volatility | The impact of inflation |
| Implementation | Cash, certificates of deposit and short dated government bonds | Reserves Strategy Predominantly bonds with some risk assets | Endowments Strategy Predominantly real assets with some defensive assets |

THE SARASIN ENDOWMENTS STRATEGY

The challenge for trustees and investment managers is to construct portfolios that achieve attractive absolute returns with rather less volatility than has been the case in recent years. Historically, there have been relatively long periods of poor capital performance from equities and other real assets. A review of the long-term returns since 1900 in the [Sarasin & Partners' Compendium of Investment](#) confirms that there have been many individual years and bear markets when investors' nerves have been tested to the limit.

However, while capital returns have been, and will continue to be, extraordinarily volatile, income returns have been much more consistent. This leads us to believe that, even with a total return approach, the majority of trustees' spending should be covered by the natural income flows produced by their portfolio: the search for income streams that can grow sustainably in 'real' terms is fundamental to portfolio construction and lies at the heart of our offering. [Our approach is often referred to as an 'absolute income' strategy.](#)

For long-term investors with a 5-7 year or longer time horizon, an asset allocation based on the [Sarasin Endowments Strategy](#) may be an appropriate starting point. The strategy is designed to target a longer-term total return of CPI +4% whilst offering an attractive income yield (3.0% as at 31.12.20) and daily liquidity. The following table sets out its current neutral asset allocation, together with the expected total returns we are seeking to achieve:

| Asset Class | Neutral Allocation % | Current Position % | 5 – 7 year projected total return % |
|---------------------------------------|----------------------|--------------------|-------------------------------------|
| Bonds | 15.0 | 13.5 | 0.9 |
| Equities | 70.0 | 71.0 | 6.3 |
| Property | 5.0 | 2.5 | 5.0 |
| Alternatives | 10.0 | 8.1 | 4.5 |
| Cash | 0.0 | 4.8 | 1.0 |
| Total | 100.0 | 100.0 | 5.2 |
| Inflation | | | -2.0 |
| Target 'real' long-term return | | | 3.2 |

- 20% UK
- 10% Global £ Hedged
- 40% Global

Rather than have a significant bias to UK-listed equities, as has historically been the case for UK charities, we prefer a more international approach.

Source: Sarasin & Partners LLP as at 31.12.20.

Please note that there are no guarantees that the projected returns will be achieved. Return assumptions are presented gross of fees and before any impact of active management.

We appreciate that a subtly different approach may be required to take account of other assets your Charity might hold. It is also worth re-iterating that this is just our suggestion for long-term assets: we would expect to discuss what proportion it is suitable to invest in this fashion.

In summary, our Endowments Strategy aims to produce a reasonable level of income that can be spent on today's beneficiaries, while ensuring that the 'real' value of the capital is maintained such that subsequent trustees will be able to spend similar sums in the future.

THE SARASIN INCOME & RESERVES STRATEGY

Many charities are in the fortunate position of holding sufficient cash deposits that are readily available to meet their immediate working capital needs, together with a longer-term investment portfolio from which they enjoy the income but have no intention of drawing down the capital.

However, there is often the requirement for an additional 'Medium Term Reserves' portfolio which sits somewhere in between these two time horizons. These monies are often set aside to meet known liabilities over the next 2-5 years (perhaps funding a building project) or to act as a buffer for the long term investments should unplanned events occur that need rapid funding.

With the ultra-low yields available on cash deposits and the knowledge that the long term investment portfolio can suffer significant short term setbacks, an 'income & reserves' type portfolio can solve a number of problems. How best to invest such a fund in today's climate of negative real interest rates and record low bond yields is a challenge facing many charity trustees. [A reserves portfolio must be sufficiently flexible to allow for short term withdrawals without the risk of being a 'forced' seller at an inopportune moment after a market setback.](#)

The table below shows the neutral asset allocation of the [Sarasin Income & Reserves Strategy](#), which is designed to target a longer-term total return of CPI +1% whilst offering an attractive income yield (3.0% as at 31.12.20) and daily liquidity:

| Asset class | Neutral allocation % | Current position % | 5 – 7 year projected total return % |
|---------------------------------------|----------------------|--------------------|-------------------------------------|
| Bonds | 65.0 | 66.6 | 0.8 |
| Equities | 20.0 | 23.4 | 6.3 |
| Alternatives | 10.0 | 7.7 | 4.5 |
| Cash | 5.0 | 2.3 | 1.0 |
| Total | 100.0 | 100.0 | 2.3 |
| Inflation | | | -2.0 |
| Target 'real' long-term return | | | 0.3 |

- 10% UK
- 10% Global

Source: Sarasin & Partners LLP as at 31.12.20.

Please note that there are no guarantees that the projected returns will be achieved. Return assumptions are presented gross of fees and before any impact of active management.

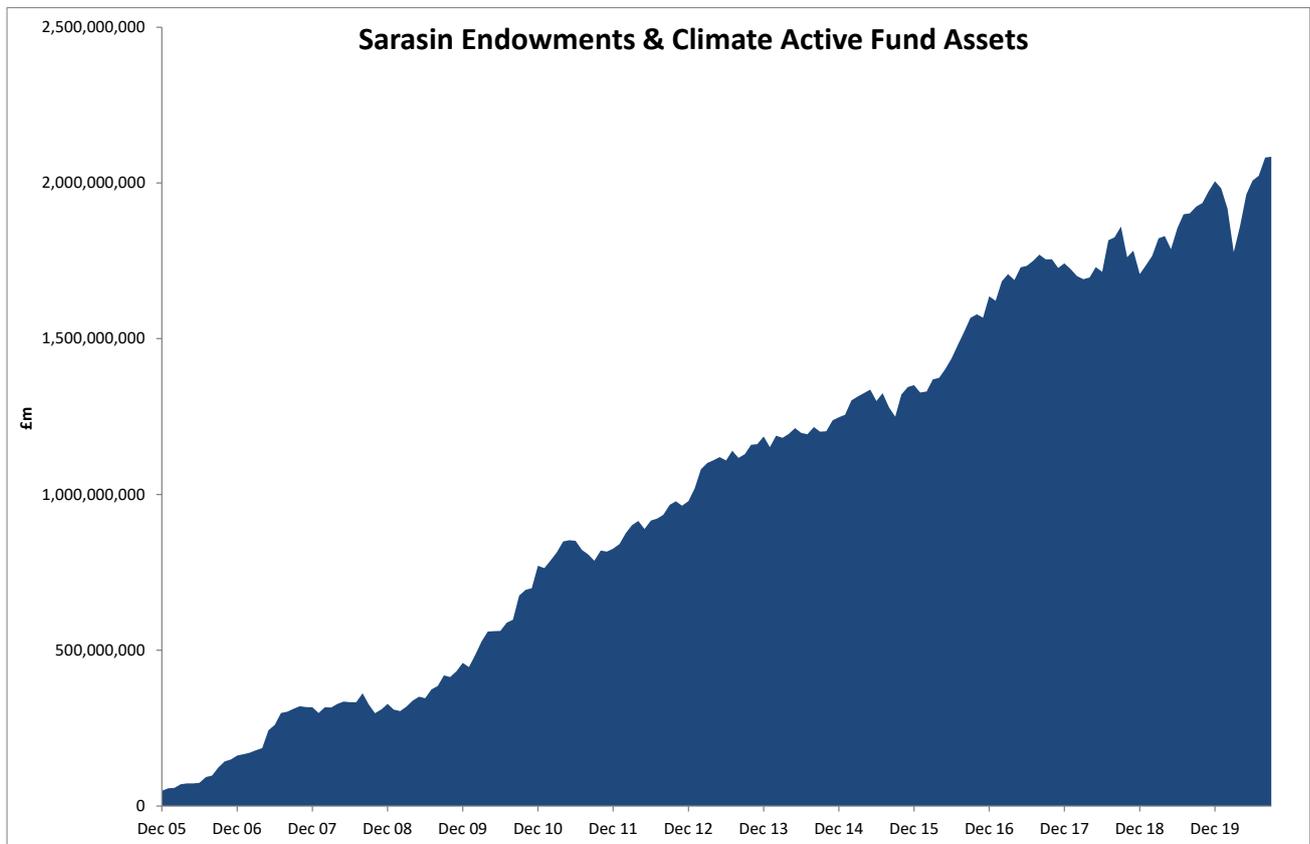
Despite the low yields available from UK government bonds, a high proportion (some 65%) of the investments are likely to be invested in fixed interest. UK government bonds provide liquidity and a reliable, albeit, paltry income stream. Investment grade, sterling-denominated corporate bonds, while not as liquid, can be used effectively to boost the income yield, whilst helping to maintain a reasonably low overall risk profile. Other bonds might include a smaller proportion in non-investment grade or international fixed interest but these would be used sparingly given the additional risk of default and foreign currency exposure.

To meet the desire for longer-term capital appreciation and 'real' growth, some 20% of the fund is invested in more volatile assets such as global equities.

WHY INVEST IN A SARASIN CAIF?

There are significant challenges to running multi-asset portfolios in a truly efficient and joined up fashion. A portfolio allocated along the lines suggested on the previous pages would need significant scale to invest on a segregated basis in a cost-effective and efficient manner. Most charities do not have large enough investment portfolios to follow this approach.

As a result, many trustees invest in a “semi-segregated” fashion, allocating across a mixture of direct holdings (gilts and UK equities) and a selection of pooled funds (corporate bonds, international equities and alternatives). However, making significant use of specialist funds can result in very high costs, particularly if an investment manager is charging their own fee over the entire portfolio. Many of these costs are hidden from view. In late 2005, we re-launched our multi-asset class Endowments Fund programme to counter these problems.



Source: Sarasin & Partners LLP, 31.12.20

As at 31 December 2020, the three Sarasin CAIFs (to include the Sarasin Endowments Fund, the Sarasin Income & Reserves Fund and the Climate Active Endowment Fund) had assets under management of over £2.4bn. The largest investor has £82.5m invested and the smallest investors less than £100,000.

The following breakdown gives a little more flavour to the underlying clients:

- 26 charities over £20m
- 53 charities between £10m and £20m
- 54 charities between £5m and £10m
- 156 charities between £1m and £5m
- 98 charities with less than £1m

The average unit holder has invested £6.1m and the median investment is £2.4m.

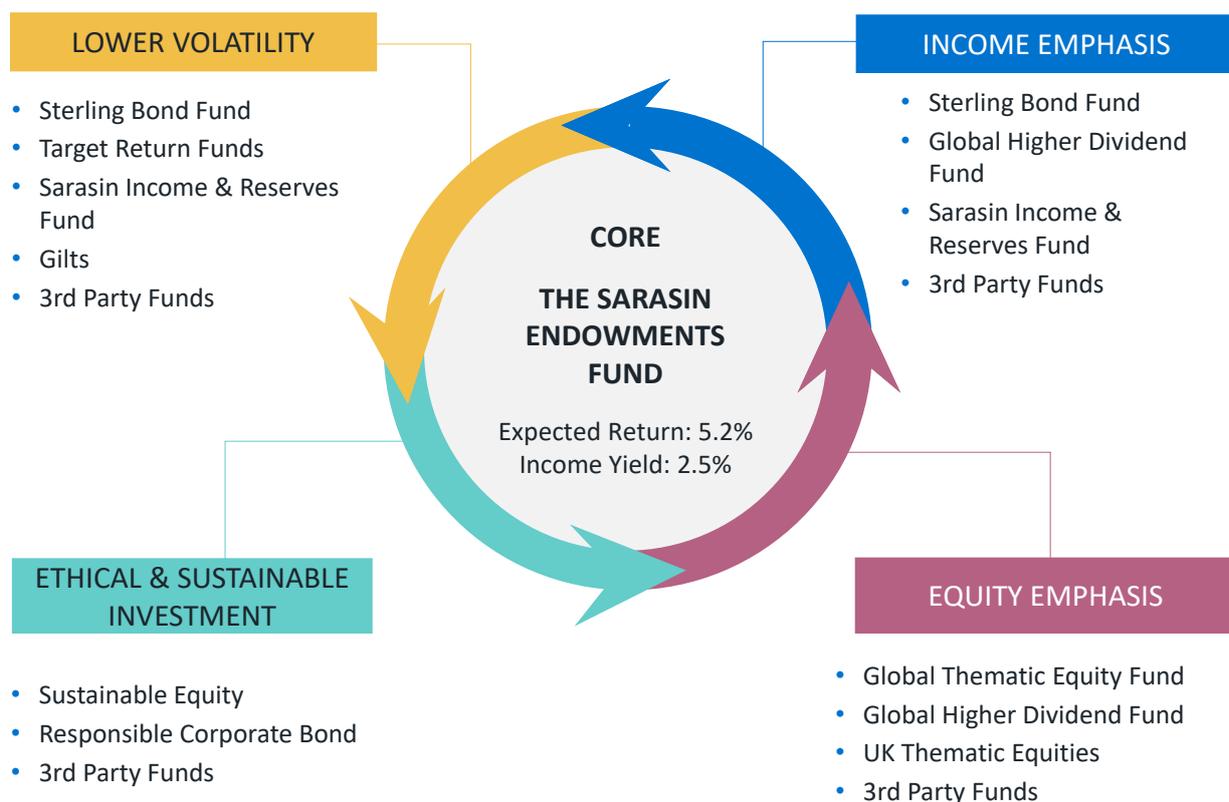
Sarasin & Partners consider ‘pooled’ funds, like the Sarasin CAIFs, as flagship products.

We view them as a modern, efficient and cost-effective way of “wrapping” a charity’s investments in a way that allows for:

- a bespoke mix of assets
- wide diversification across asset classes
- wide diversification within asset classes
- use of the latest investment techniques
- simple use of Options to enhance income
- simple use of Futures to allow swift asset allocation changes
- currency hedging
- very simple administration and year end reporting
- transparent charges
- attractive overall costs
- regulation and oversight by both the Charity Commission and FCA

While many of these clients are just using one or a combination of the Sarasin CAIFs, some are using them in conjunction with other single asset class funds managed by Sarasin & Partners.

The strategic flexibility of our “wrapped” approach, with the Sarasin Endowments Fund as the “hub”, is set out in the schematic below:



Source: Sarasin & Partners LLP 31.12.20.

CORPORATE GOVERNANCE

While viewed by some as simple unit trusts, the three Sarasin CAIFs are each charities in their own right. At the time of writing, they are regulated and overseen by both the FCA and the Charity Commission.

The regulatory structure and key roles are as follows:

- Corporate Trustee: NatWest
- Advisory Committee: see below
- Secretary to the Committee: Peter Browell
- Investment Manager: Sarasin & Partners LLP
- Custodian: Northern Trust
- Nominee: Bank of New York
- Auditor: Deloitte

At present, the Committee is composed as follows:

- Chairman: Mr. J. Harbord-Hamond
- Deputy Chairman: Mr. J. Lake
- Mr. J. Foster
- Mr. A. Gordon
- Mr C. Menzies

The role of the Committee is to act as the charity trustees for the purposes of charity law. The committee has a range of specific duties and powers relating to structural issues affecting the Funds. These are:

- Making and revising the written statement of the investment objectives
- Determining the criteria and methods of evaluating the performance of the Fund
- Giving prior written approval to the Manager to exercise the powers of borrowing
- Appointment of the auditor and settling their terms of engagement
- Determining the rate of remuneration of the Trustee and the Manager in accordance with the Scheme and Scheme Particulars

In addition to meeting the underlying unit holders on a regular basis (up to 4 times a year for some of the larger clients) and holding an open Annual Review Meeting in October, Sarasin & Partners report to the Committee on a quarterly basis

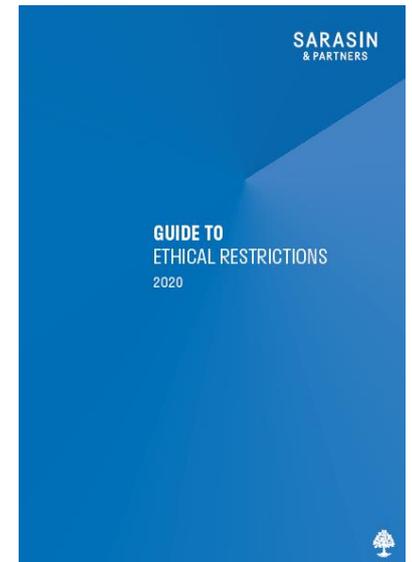
ETHICAL EXCLUSIONS

Over 70% of our charity portfolios have some form of ethical restriction and we often work with trustees to formulate an appropriate ethical exclusionary policy. This has led us to write the Sarasin & Partners 'Guide to Ethical Exclusions'.

The document provides direction for trustees looking to understand more about the implications of excluding certain areas of the global investment universe on ethical grounds.

Our approach is both quantitative and qualitative, and considers the materiality of each exclusion based on the percentage of revenues derived from ethically sensitive products and services.

The Sarasin Charity Authorised Investment Funds operate a bespoke ethical policy, developed over many years of consultation and experience in the charity sector.



GAMBLING



PORNOGRAPHY



ALCOHOL



ARMAMENTS



TOBACCO



THERMAL COAL

There will be no holdings in companies with exposure to the production of tobacco or tobacco-related manufacturing

The Sarasin CAIFs will also avoid investment in companies that generate significant revenues from:

- Alcohol
- Armaments
- Gambling
- Adult entertainment

We are sensitive to the issue of 'direct' and 'indirect' exposure. All externally managed funds are screened on initial purchase and reviewed regularly to ensure they adhere to these rules. We advise clients to implement their ethical investment policies on as transparent a basis as possible, avoiding funds that might breach key objectives.

An ethical exclusionary policy is only the first step in a fully integrated and sustainable ethical policy, determined by the specific objectives of our clients. At Sarasin & Partners, we believe that adopting and embedding the principles of stewardship will play a crucial role in the preservation of capital.

VOTING RECORD

We vote on all resolutions put to shareholders in both the UK and overseas. During 2019, we [voted on over 11,700 resolutions](#) across our client portfolios. We provide regular reports on how we are voting and look to engage with our clients where we feel matters might be contentious. The capital we manage belongs to our clients; we aim to ensure it is managed in keeping with their views and objectives.

INTEGRATED STEWARDSHIP

Sarasin & Partners is well known for an active and responsible approach to investment and the principles of stewardship are embedded at the heart of our investment process. We consider ourselves stewards of our clients' assets, a mind-set that is guided by a commitment to think like owners of the companies in which we invest, rather than simply holders of the shares.

We have enhanced the [UN's Sustainable Development Goals](#) and developed our own stewardship principles, which apply to all strategies that we manage. Our approach has three core pillars:



The analysis of environmental, social and governance (ESG) factors form an integral part of the consideration for every investment decision. We strongly believe that this analysis must be conducted by our equity and fixed income teams as any material risks and opportunities from ESG issues will influence the valuation of each company. We also have specialist stewardship analysts within the team, who advise on company engagements and lead our policy outreach work.

We score each potential investment separately on the environmental, social and governance factors and then build an overall ESG score with a range from A to E (where A is exemplary and E is un-investable), which then feeds into the valuation methodology of each company.

Our stewardship philosophy has helped us to avoid many of the worst excesses of financial markets and reputational risks, as well as protect our clients' assets, by guiding us to invest only in companies that we believe will create enduring value on a sustainable basis. Companies that have material failings or particularly adverse issues will either be excluded from our 'buy list' of thematic investments, or we may engage to seek change. Recent examples of companies excluded on material ESG concerns include Ryanair, LafargeHolcim, Amcor, Vivendi, Devon Energy and Whirlpool.



CLIENT SERVICE & REPORTING

The Charities offering at Sarasin & Partners is designed to encompass all that a charity's trustees and executives require from their investment manager.

CLIENT MEETINGS

Your team would typically expect to meet the Board of Trustees formally twice a year, where they would present their latest investment report, together with the outlook for the period ahead. They would also seek one other opportunity to discuss strategy (as opposed to tactics) for the overall portfolio.

CLIENT REPORTING

A key element of our service is the provision of highly detailed investment reports. Consolidated valuations are provided quarterly at the end of March, June, September and December. Clients who own Sarasin & Partners' pooled funds benefit from unique 'look-through' technology, where valuations set out the amount you have invested in each underlying security as if you owned a segregated portfolio. We are therefore able to provide trustees with market-leading levels of transparency and analysis.

Highly detailed reports are available in hard copy, or online at our secure online reporting facility: www.sarasinreports.co.uk where additional accounting material is also available.



Clients of Sarasin & Partners also benefit from the following:

- **Trustee training** – these sessions are held throughout the year, both at our office in London and regionally and are designed to help further trustees' and executives' knowledge of the investment universe
- **Seminars** – every year we hold our spring seminars over three days in March. We also run a seminar in October for unit holders of the Sarasin CAIFs. Our investment thinking, together with stewardship issues and our economic outlook, are all covered in the programmes
- **Charity Forum lunches** – we host lunches once a month to which prospective and current clients are invited to discuss topical issues facing the charity sector and establish how best to improve our investment offering
- **The House Report** – a quarterly publication, gathering a series of articles from internal and external contributors covering topical matters that are of interest to a wide range of investors. We also publish an annual Stewardship Report that explores a range of ESG issues

OUR CHARITY PERFORMANCE RECORD

The tables below show 10-year performance, after fees, of the Sarasin Endowments CAIF (formerly the Alpha Endowments CIF) relative to a wide universe of charity investment portfolios, as measured by ARC (Asset Risk Consultants) and versus its own benchmark:

SARASIN ENDOWMENTS FUND

TEN YEAR PERFORMANCE RECORD, NET OF FEES, % GROWTH

| Annualised returns to 31 Dec 2020 | 3 years | | 5 years | | 10 years | | Since Inception [^] | | |
|--------------------------------------|---------|--|---------|--|----------|--|------------------------------|--|--|
| Total portfolio return | 7.9 | | 9.0 | | 7.6 | | 7.1 | | |
| Benchmark ¹ | 6.3 | | 9.3 | | 8.3 | | 7.5 | | |
| UK CPI + 4% | 5.4 | | 5.8 | | 6.0 | | 6.3 | | |

| 12 months to 31 Dec 2020 | 31.12.19 to 31.12.20 | 31.12.18 to 31.12.19 | 31.12.17 to 31.12.18 | 31.12.16 to 31.12.17 | 31.12.15 to 31.12.16 | 31.12.14 to 31.12.15 | 31.12.13 to 31.12.14 | 31.12.12 to 31.12.13 | 31.12.11 to 31.12.12 | 31.12.10 to 31.12.11 |
|-----------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Total portfolio return | 9.6 | 19.6 | -4.2 | 10.7 | 10.7 | 3.3 | 6.3 | 17.4 | 11.8 | -6.2 |
| Benchmark ¹ | 6.8 | 18.5 | -4.9 | 11.3 | 16.6 | 2.8 | 8.6 | 15.8 | 10.6 | -0.5 |
| UK CPI +4% | 4.4 | 5.5 | 6.4 | 7.3 | 5.3 | 4.1 | 5.0 | 6.2 | 6.8 | 9.0 |

Past performance is not a guide to future returns and may not be repeated. The value of investments and the income from them can go down as well as up and an investor may not get back the amount originally invested.

ARC Charity Indices are based on historical information and past performance is not indicative of future performance. Asset Risk Consultants Limited (ARC) is an independent investment consultancy specialising in the analysis of private client and charity investment portfolio performance. Circa 30 investment houses supply ARC with performance data across their entire charity base. Portfolios falling into the Steady Growth risk category will have exhibited a historical variability of returns in the region of between 60 - 80% of UK equity markets. Portfolios in this category usually have a significant allocation to equities (in excess of 50%) but also have material exposure to a range of other asset classes. For more information about ARC, please see 'Important Information' at the back of this document. [^]Fund Inception: 31.12.05. Source: Sarasin & Partners LLP 31.12.20.

| Annualised returns to 31 Dec 2020 | 3 years | | 5 years | | 10 years | | Since Inception [^] | | |
|--------------------------------------|---------|--|---------|--|----------|--|------------------------------|--|--|
| Total portfolio return | 7.9 | | 9.0 | | 7.6 | | 7.1 | | |
| Benchmark ¹ | 6.3 | | 9.3 | | 8.3 | | 7.5 | | |
| UK CPI + 4% | 5.4 | | 5.8 | | 6.0 | | 6.3 | | |

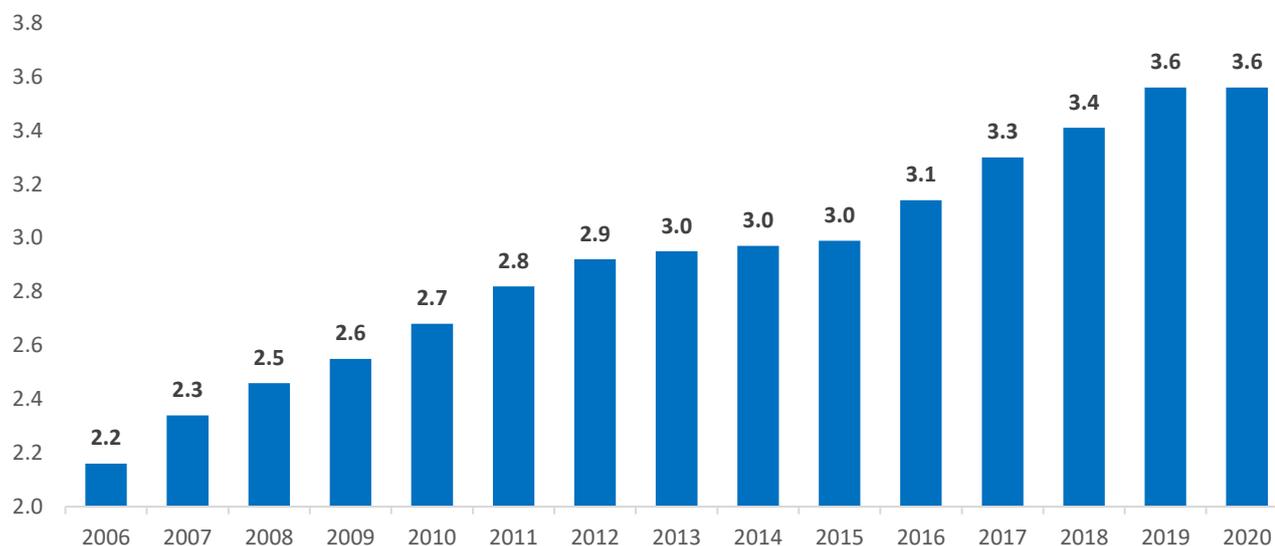
| 12 months to 31 Dec 2020 | 31.12.19 to 31.12.20 | 31.12.18 to 31.12.19 | 31.12.17 to 31.12.18 | 31.12.16 to 31.12.17 | 31.12.15 to 31.12.16 | 31.12.14 to 31.12.15 | 31.12.13 to 31.12.14 | 31.12.12 to 31.12.13 | 31.12.11 to 31.12.12 | 31.12.10 to 31.12.11 |
|-----------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Total portfolio return | 9.6 | 19.6 | -4.2 | 10.7 | 10.7 | 3.3 | 6.3 | 17.4 | 11.8 | -6.2 |
| Benchmark ¹ | 6.8 | 18.5 | -4.9 | 11.3 | 16.6 | 2.8 | 8.6 | 15.8 | 10.6 | -0.5 |
| UK CPI +4% | 4.4 | 5.5 | 6.4 | 7.3 | 5.3 | 4.1 | 5.0 | 6.2 | 6.8 | 9.0 |

Performance is provided net of fees. Past performance is not a reliable guide to future performance.

Performance is calculated in STG on the basis of net asset values (NAV) and gross dividends reinvested. Source: Sarasin & Partners LLP. All data as at 31.12.20. ¹Benchmark: BofAML Gilts All Stocks Index 7.5%, BofA Merrill Lynch Sterling Corporate 7.5%, MSCI UK IMI 20%, MSCI AC World ex UK (Net Total Return) 40%, MSCI AC World ex UK (Local Currency) (GBP) 10%, MSCI All Balanced Property Funds – One Quarter Lagged 5%, UK cash LIBOR 1 month (Total Return) 10%. [^]Fund Inception: 31.12.2005.

INCOME RECORD

Given that sustainable income is an important part of our offering, we show below the distribution record of the Sarasin Endowments Fund in pence per unit.



Source: Sarasin & Partners LLP, 31.12.20.

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

- A consistent yield, currently 3.0% (as at 31.12.20)
- Income has grown each calendar year since inception
- Income distributions have grown by 3.6% p.a. since inception
- Over the same period inflation, as measured by CPI, has increased by 2.1% p.a.
- This equates to 'real' income growth of 1.5% per annum

Rather than distributing 100% of the income earned every year, a proportion is often held back and allocated to an 'income reserve', which we use to smooth out annual income flows and bolster dividend distributions when required. This allows us to manage the portfolio on a total return basis, picking stocks on merit, rather than maintaining a constant bias to higher yielding securities.

This reserve currently amounts to circa 25% of a full year's distribution and gives us confidence that income will continue to increase over the period ahead.

If the income reserve had been fully distributed each year, annualised income growth since launch would have amounted to 5.3% p.a.

SARASIN INCOME & RESERVES FUND

The table below shows the long term performance of the Sarasin Income & Reserves Fund (formerly the Alpha Common Investment Fund for Income & Reserves), after fees, relative to a wide universe of charity investment portfolios:

TEN YEAR PERFORMANCE RECORD, NET OF FEES, % GROWTH

| Annualised returns to 31 Dec 2020 | 3 years | | | 5 years | | | 10 years | | | Since Inception [^] |
|--------------------------------------|---------|--|--|---------|--|--|----------|--|--|------------------------------|
| Total portfolio return | 5.0 | | | 5.8 | | | 5.6 | | | 5.1 |
| ARC Cautious | 3.1 | | | 3.5 | | | 3.8 | | | 4.0 |
| Relative | 1.9 | | | 2.3 | | | 1.9 | | | 1.2 |

| 12 months to 31 Dec 2020 | 31.12.19 to 31.12.20 | 31.12.18 to 31.12.19 | 31.12.17 to 31.12.18 | 31.12.16 to 31.12.17 | 31.12.15 to 31.12.16 | 31.12.14 to 31.12.15 | 31.12.13 to 31.12.14 | 31.12.12 to 31.12.13 | 31.12.11 to 31.12.12 | 31.12.10 to 31.12.11 |
|-----------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Total portfolio return | 8.1 | 9.4 | -2.1 | 4.1 | 9.8 | 1.0 | 8.5 | 4.8 | 10.1 | 3.2 |
| ARC Cautious | 5.0 | 6.9 | -2.5 | 3.5 | 4.8 | 1.1 | 4.9 | 5.7 | 6.9 | 1.9 |
| Relative | 3.1 | 2.5 | 0.3 | 0.7 | 5.0 | -0.1 | 3.6 | -0.8 | 3.3 | 1.3 |

Past performance is not a guide to future returns and may not be repeated. The value of investments and the income from them can go down as well as up and an investor may not get back the amount originally invested.

Asset Risk Consultants Limited (ARC) is an independent investment consultancy specialising in the analysis of private client and charity investment portfolio performance. Circa 30 investment houses supply ARC with performance data across their entire charity base. Portfolios falling into the Cautious risk category will have exhibited a historical variability of returns in the region of between 0-40% of UK equity markets. Portfolios in this category usually have an allocation to equities but also have material exposure to a range of other asset classes. For more information about ARC, please see 'Important Information' at the back of this document. Portfolios falling into the Balanced risk category will have exhibited a historical variability of returns in the region of between 40-60% of UK equity markets. Portfolios in this category usually have an allocation to equities but also have material exposure to a range of other asset classes. For more information about ARC, please see 'Important Information' at the back of this document. Source: Sarasin & Partners LLP and ARC (supplied quarterly by Asset Risk Consultants) as at 31.12.20. Data collected from The Sarasin Endowments Fund (formerly Alpha CIF for Endowments), a multi asset class Charity Authorised Investment Fund, regulated by the FCA and the Charity Commission and audited by Deloitte. [^]Fund Inception: 30.12.2005.

| Annualised returns to 31 Dec 2020 | 3 years | | | 5 years | | | 10 years | | | Since Inception [^] |
|--------------------------------------|---------|--|--|---------|--|--|----------|--|--|------------------------------|
| Total portfolio return | 5.0 | | | 5.8 | | | 5.6 | | | 5.1 |
| Benchmark ¹ | 5.2 | | | 6.7 | | | 6.2 | | | 6.2 |
| UK CPI + 2% | 3.4 | | | 3.7 | | | 3.9 | | | 4.3 |

| 12 months to 31 Dec 2020 | 31.12.19 to 31.12.20 | 31.12.18 to 31.12.19 | 31.12.17 to 31.12.18 | 31.12.16 to 31.12.17 | 31.12.15 to 31.12.16 | 31.12.14 to 31.12.15 | 31.12.13 to 31.12.14 | 31.12.12 to 31.12.13 | 31.12.11 to 31.12.12 | 31.12.10 to 31.12.11 |
|-----------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Total portfolio return | 8.1 | 9.4 | -2.1 | 4.1 | 9.8 | 1.0 | 8.5 | 4.8 | 10.1 | 3.2 |
| Benchmark ¹ | 6.8 | 10.9 | -1.7 | 5.2 | 12.9 | 1.3 | 11.3 | 3.2 | 3.7 | 9.7 |
| UK CPI + 2% | 2.4 | 3.4 | 4.3 | 5.2 | 3.3 | 2.1 | 3.0 | 4.1 | 4.7 | 6.9 |

Performance is provided net of fees. Past performance is not a reliable guide to future performance.

Performance is calculated in STG on the basis of net asset values (NAV) and gross dividends reinvested. Source: Sarasin & Partners LLP. All data as at 31.12.20. Benchmark¹: BofAML Gilts All Stocks Index 35.0%, BofA Merrill Lynch Sterling Corporate 30.0%, MSCI UK IMI 10%, MSCI AC World ex UK (Net Total Return) 10%, UK cash LIBOR 1 month (Total Return) 15%. [^]Fund Inception: 30.12.2005

FEES & CHARGES

Depending on the method of implementation adopted, we offer the following tiered fee scales:

Charity Authorised Investment Fund (CAIF):

- 0.75% on the first £3m
- 0.60% on the next £2m
- 0.40% on the next £15m
- 0.35% on the next £15m
- 0.275% above £35m

The Ongoing Charges Figure (OCF) for the Sarasin Endowments Fund CAIF is estimated to be 0.83%, while the total cost of investment is expected to be 0.92%.

Other (Segregated/Pooled using Sarasin in-house funds):

- 0.75% on the first £5m
- 0.50% on the next £10m
- 0.35% thereafter

Sarasin & Partners LLP does not charge commissions and this fee includes custody and administration. Where Sarasin funds are used, all fees earned within the Sarasin fund are offset against the headline fee scale. Any investment in a third party unitised fund will be subject to its own internal fee. Sarasin seeks to invest in the cheapest share class and does not seek any fee retrocessions.

CUSTODY AND NOMINEE ISSUES?

Our clients typically appoint us as their custodian, a role we then delegate to BNY Mellon or Northern Trust. The costs are included in the fee levels quoted above.

Where clients wish to work with their own choice of custodian, we are happy to operate on this basis but for a small additional charge.

IMPORTANT INFORMATION

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

This document has been approved by Sarasin & Partners LLP of Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU, a limited liability partnership registered in England & Wales with registered number OC329859 which is authorised and regulated by the Financial Conduct Authority with firm reference number 475111. The investments of the funds are subject to normal market fluctuations. **The value of the investments of the funds and the income 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 guide to future returns and may not be repeated.**

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). 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 bear in mind are restrictions on foreigners making currency transactions or investments. For efficient portfolio management the Funds may invest in derivatives. The value of these investments may fluctuate significantly, but the overall intention of the use of derivative techniques is to reduce volatility of returns. The Funds may also invest in derivatives for investment purposes.

ARC Charity Indices performance is calculated on the basis of net asset values. ARC Charity Indices are computed using a complex calculation and the results are provided for information purposes only and are not necessarily an indicator of suitability for your specific investment or other requirements. ARC does not guarantee the performance of any investment or portfolio or the return of an investor's capital or any specific rate of return. ARC accepts no liability for any investment decision made on the basis of the information contained in this report. You should always complete your own analysis and/or seek appropriate professional advice before entering into an agreement with any ARC Contributor. The content is the property of ARC or its licensors and is protected by copyright and other intellectual property laws. Use of the information herein is governed by strict Conditions of Use as detailed on www.suggestus.com

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