SARASIN

Sarasin Funds ICVC Short Report

31 December 2012

Sarasin EquiSar Global Thematic Fund
Sarasin EquiSar Global Thematic Fund (Sterling Hedged)
Sarasin EquiSar IIID Fund
Sarasin EquiSar - UK Thematic
Sarasin EquiSar - UK Thematic Opportunities
Sarasin EquiSar - Socially Responsible
Sarasin EquiSar - Socially Responsible (Sterling Hedged)
Sarasin International Equity Income Fund
Sarasin Global Equity Income Fund (Sterling Hedged)
Sarasin GlobalSar - Cautious Fund
Sarasin Sterling Bond Fund
Sarasin AgriSar Fund

for the year 1 January 2012 to 31 December 2012

Contents

Management contact details

The Company
Sarasin Funds ICVC
Juxon House, 100 St Paul's Churchyard
London EC4M 8BU
Tel: 020 7038 7000
Fax: 020 7038 6851

Authorised Corporate Director (ACD)
Sarasin Investment Funds Ltd.
Juxon House, 100 St Paul's Churchyard
London EC4M 8BU
Tel: 020 7038 7000
Fax: 020 7038 6851
Authorised and regulated by the
Financial Services Authority

Directors of the Authorised Corporate Director
N. Ossenbrink (Chairman)
G.V. Matthews
H-P. Grossman
S. M. Rivett-Carnac

Investment Manager
Sarasin & Partners LLP
Juxon House, 100 St Paul's Churchyard
London EC4M 8BU
Tel: 020 7038 7000
Fax: 020 7038 6851
Authorised and regulated by the
Financial Services Authority
www.sarasin.co.uk

Depositary
National Westminster Bank PLC
Trustee & Depositary Services
Younger Building
1st Floor
3 Redheughs Avenue
Edinburgh, EH12 9RH
Authorised and regulated by the
Financial Services Authority

Auditor
Ernst & Young LLP
1 More London Place
London SE1 2AF

Registrars / Administrators
Northern Trust Global Services Ltd.
PO Box 3733
Royal Wootton Bassett
Swindon SN4 4BG
Tel: 0870 870 8430
Fax: 020 7982 3924

Other Information
The information in this report is designed to enable shareholders to make an informed judgment on the activities of the Funds during the year it covers and the result on those activities at the end of the period. The full Report and Accounts are available free of charge at www.sarasin.co.uk or on request from the ACD. For more information about the activities and performance of the Funds during the period and previous periods please contact the ACD at the address as noted above.

Market review for 2012

Guy Monson
Chief Investment Officer, Managing Partner

The World Economy
Without question, the world economy in 2012 belonged to the central bankers.

The year began amid ongoing Long-Term Refinancing Operations by the European Central Bank (ECB), and Europe's monetary policy continued to hold centre stage for the first few months of the year. Credit rating agencies downgraded nine euro zone countries as well as the European Financial Stability Facility (the EU's bailout fund) following the apparent failure of the region's political leaders to deal with the sovereign debt crisis. Meanwhile, Greece – which received more bailout funds – faced political turmoil, culminating in an inconclusive general election in May and fears that it might become the first country to exit the single currency region. Though some stability was regained in a more conclusive election rerun, other domestic elections across the euro zone were riddled with protest votes, and amid a panic of rising government bond yields there were fears of Greek 'contagion' to other embattled nations like Spain, Portugal and Italy. This led to a spate of bailouts and shoring up of banks, as well as ECB President Mario Draghi's now famous 'whatever it takes' speech, assuring virtually unlimited ECB firepower to troubled economies in the region.

Across the English Channel the atmosphere was less hysterical, though (on the back of a still weak economy) policy activity from the Bank of England (BoE) included a £100bn round of quantitative easing (QE) and the announcement of a 'funding for lending' scheme intended to encourage banks to make more loans. A successful Olympic Summer appeared to boost the domestic economy, though the one-off nature of the event could make its apparently positive effects something of an economic red herring. In November came the surprise announcement that BoE Governor Mervyn King would be succeeded in 2013 by Canada's rock star central banker, Mark Carney. A dark horse candidate for the UK role, Carney's appointment has been welcomed by politicians in governing and opposition parties alike; praised for pragmatism, plain speaking, and creativity, he is considered open to more unconventional forms of monetary policy and could bring a culture of openness and engagement to his governor's seat.

Meanwhile in the US, Bernanke held to his own pragmatic stance as the US Federal Reserve committed to low rates for much longer very early in the year, and in June extended its bond buying and selling programme 'Operation Twist'. The real show-stealer, though, came in the Autumn, when Bernanke announced a revamp to the scheme, including what has been (perhaps incorrectly) dubbed 'QE infinity' in the form of mortgage-backed security and government bond purchases until further notice. The main trigger for a still ultra-loose monetary policy has been a weak – and at times worryingly weak – economy, particularly as the outcome of the US elections was seen as too close to call, bringing with it large uncertainties regarding the result of the fiscal cliff negotiations. In the event, the US elections brought about a status quo (a divided Congress and a Democrat President), which left negotiation problems in place and uncertainties unresolved until the 11th hour, when an agreement was found on 1st January.

The Bank of Japan (BoJ) also engaged in monetary intervention with further QE, the primary trigger for which appeared to come from overseas: deceleration across the world and slowing growth domestically had become compounded by the yen's tendency to be used as a 'safe haven' currency. However, against the theoretically unlimited (in time and value) balance sheet expansion of both the Fed and the ECB, this one-off, fixed amount bond purchase announcement from the BoJ was simply too meagre a tool. The state of the Japanese economy was in no small part responsible for an eventual political standoff, as a lack of incoming government financing created fears of a Japanese fiscal crisis. Combined with Japan's aging demographic profile, lack of a domestic demand buffer, and struggling manufacturing sector, optimism was not forthcoming. A new government, elected in December and led by veteran politician Prime Minister Shinzo Abe, has boosted expectations of a more radical and coordinated policy mix to improve the domestic economy and export outlook.

The central banks of developing economies also rose to domestic challenges, as signs of slowing in China, India, Brazil and South Korea led to rate cuts across the emerging world. China in particular has felt the eyes of global markets upon it. At the beginning of 2012, when Premier Wen Jiabao announced a growth target of 7.5% this was the first time the official target had been set below 8%. And indeed, growth for the third quarter was announced at 7.4%, largely held down by a slowing of exports and investment. The pronouncement of an incoming Chinese Politburo Standing Committee (ruling group) with a more conservative than expected line-up also disappointed those hoping for economic reform. However, though the Chinese slowdown has been more protracted than many expected, consensus appears to point towards a continually reduced risk of hard landing, and it seems that China may indeed be stabilising at lower levels of growth.

For the year to come, the growth outlook is little changed from 2012: Europe in recession, the US growing at around 2%, and a not-too-hot not-to-cold economic background in the developing economies. Still, one major difference lies in the significant decline in downside risks, being US and euro-related. However, fiscal policy – which this year took a backseat to monetary policy by the central banks – is expected to step into the spotlight for 2013, and inflation may also slowly but surely rise throughout both developed and developing economies.

Bonds

In 2012, at times it seemed that European bond yields too were driven almost entirely by central bank policy decisions. Indeed, the ECB's threatened action if yields rose too high offered a confidence boost for euro zone government bonds, and proved a key catalyst for a tightening of spreads in the major Spanish and Italian utility spreads as well as the principal banks. In July, for example, Spanish 10-year yields reached 7.6%, but then ended the year at 5.3% on the back of the ECB's Outright Monetary Transactions intervention plan. Similarly, Italian government bonds were pulled along in the wake of Spanish developments, while German and UK government bonds were seen as safe havens by investors, and so benefitted whenever investor fears were heightened. As a result, US, UK and German bond yields reached new lows between May and July, only to then gradually increase, though all remaining below 2%. They were only slightly down for the year (by about 12 basis point in the US and 15 in the UK) and more significantly in Germany (50bp).

Looking at the corporate market, treasurers globally have generally taken advantage of low prevailing yields to conduct heavy issuance programmes, but these have been readily absorbed by an income-hungry market. As the year drew to a close, credit spreads in all the major currencies continued to tighten in the more benign economic environment. Against this backdrop, UK corporate bonds had a total return tally of +15.7% for 2012. Emerging market debt, meanwhile, also benefited from the hunt-for-yield; it saw huge inflows (especially during the second half of the year) and ended 2012 as the year's best-performing asset class.

2013 is expected to remain in favour of corporate bonds, though to a lesser extent. We remain concerned that government bonds are overvalued in the US, UK and Germany. Given lower tail risks, rising risk appetite and potentially higher inflation expectations, upside risks to bond yields appear high, though current central bank policies continue to be supportive.

Currencies

2012 was another anti-beauty parade year for currencies, as the ever present central banks pushed their currencies around with intervention and policy in an attempt to remain competitive amid a notable absence of developed world growth.

The euro had a tumultuous 2012. The single currency showed strength early in the year due to a boost from the ECB's Long-Term Refinancing Options and the receding euro break-up fears, but fell in early summer due to renewed concerns over the stability of the region in general, and over Greece and the potential contagion nations (Portugal, Spain, Italy) in particular. Following Draghi's 'whatever it takes speech' it went on to regain much of its lost ground, ending the year above where it began in trade-weighted terms, and slightly up against the US dollar. As long as the tail-risks remain contained, the euro may continue to appreciate, especially as the ECB monetary policy is looking less expansionist than the US, UK or Japanese ones.

The yen, and to a lesser extent the US dollar, showed weakness early in the year as risk aversion pervaded a market reacting to the worsening situation in Europe, but then reversed most of their losses. As the Federal Reserve Board launched QE3 and with the fiscal cliff concerns, the US dollar depreciated again from the summer onwards. In Japan the entry of a new and presumed proactive government has pushed the yen into a weakness much needed by its exporters. It is expected that a more coordinated effort from the government and the Bank of Japan will see a sustained devaluation of the yen into 2013.

Sterling also made gains against the euro as the sovereign debt crisis erupted, and ended 2012 higher than it began in trade weighted terms. However, we expect a weaker sterling in 2013, as part of an attempt to regain competitiveness versus the US dollar and the euro in a low growth environment.

Global equity outlook

If there is evidence that longer-term inflationary pressures are to start rising, central bankers may be reluctant to contain them. Investors should therefore bias their portfolios toward real assets, look for secure and growing income yields and accept somewhat higher investment risk if that means greater protection from longer-term inflationary losses. We are focused on global equities with strong dividend growth prospects, global listed real estate, and selected infrastructure projects linked to 'inflation plus' returns.

Companies brave enough to 'borrow to invest' and arbitrage the difference between interest rates and economic growth will be disproportionate winners. Strong thematic growth trends that can support ambitious top-line growth coupled with 50 year lows in funding costs is a surprisingly powerful combination for bottom line profits, despite the austerity agenda. We will start to favour strong companies that are prepared to deploy a somewhat more leveraged balance sheet to commit to credible long-term investment programmes, while utilising today's 'once in a generation' lows in funding costs.

Guy Monson
Chief Investment Officer & Managing Partner
Sarasin & Partners LLP

Notification of amendments to Sarasin Funds ICVC

Modifications to the Company

On 8 October 2012 a series of share classes were renamed;

Class A shares of Sarasin EquiSar IIID and Sarasin AgriSar were renamed Class AP shares.

Class B shares of Sarasin EquiSar Global Thematic Fund, Sarasin International Equity Income, Sarasin EquiSar Global Thematic Fund (Sterling Hedged), Sarasin Global Equity Income Fund, Sarasin EquiSar – UK Thematic Fund, Sarasin EquiSar – Socially Responsible and Sarasin EquiSar – Socially Responsible (Sterling Hedged) were renamed Class I shares.

Class B shares of Sarasin GlobalSar – Cautious, Sarasin EquiSar IIID and Sarasin AgriSar were renamed Class IP shares.

Class B EUR shares of Sarasin International Equity Income were renamed Class I EUR shares.

Class C shares of Sarasin EquiSar Global Thematic Fund and Sarasin EquiSar – UK Thematic were renamed Class Z shares.

Class C shares of Sarasin GlobalSar – Cautious were renamed Class AP shares.

Class D shares of Sarasin AgriSar were renamed Class A shares.

Class X shares of Sarasin GlobalSar – Cautious, Sarasin EquiSar IIID and Sarasin AgriSar were renamed Class XP shares.

Class Y shares of Sarasin AgriSar were renamed Class X shares.

On 15 October 2012 a series of share classes were made available;

Class F and Class P shares were made available on all Funds. Class FP and Class PP shares were made available on Sarasin GlobalSar – Cautious, Sarasin EquiSar IIID and Sarasin AgriSar.

Class A shares were made available on Sarasin EquiSar IIID. Class I shares were made available on Sarasin GlobalSar – Cautious, Sarasin EquiSar IIID and Sarasin AgriSar.

Class X shares were made available on Sarasin GlobalSar – Cautious and Sarasin EquiSar IIID.

Class A EUR, Class F EUR, Class I EUR, Class F USD and Class I USD were made available on Sarasin International Equity Income.

On 17 October 2012 the Performance Related Fee that had previously been applied to Sarasin Sterling Bond and Sarasin EquiSar – UK Thematic Opportunities, were removed. On the same date the Annual Management Charge of the Class A shares of Sarasin EquiSar – UK Thematic Opportunities was increased from 1.35% to 1.50%.

Notes to all Shareholders

We are bound by US regulation to communicate a change to the Commodity Pool Operator Exemption. Sarasin & Partners LLP (Investment Manager) is the investment manager for Sarasin Investment Funds Limited. As part of recent regulatory changes by the U.S. Commodity Futures Trading Commission (CFTC), the Investment Manager had until 31 December 2012 either to come into compliance with an exemption provided by CFTC Rule 4.13(a)(3) or register with the CFTC as a commodity pool operator (CPO). The CFTC considers an investment fund such as the Fund to be a "commodity pool" since it has the right to invest in certain derivative instruments, such as futures, options on futures and swaps. The Investment Manager has filed for the exemption from registration under CFTC Rule 4.13(a)(3) (referred to as the "de minimis" exemption). The "De Minimis" Exemption To comply with "de minimis" exemption found in CFTC Rule 4.13(a)(3), the Company has to meet one or the other of the following tests with respect to its commodity interest positions, whether entered into for bona fide hedging purposes or otherwise: (a) the aggregate initial margin, premiums, and required minimum security deposit for retail foreign exchange transactions required to establish such positions, determined at the time the most recent position was established, will not exceed five percent of the liquidation value of the pool's portfolio, after taking into account unrealized profits and unrealized losses on any such positions it has entered into; or (b) the aggregate net notional value of such positions, determined at the time the most recent position was established, does not exceed 100 percent of the liquidation value of the pool's portfolio, after taking into account unrealized profits and unrealized losses on any such positions it has entered into. The Company currently meets one or both of these tests. While relying upon this exemption, the Investment Manager is not required to deliver a CFTC disclosure document to prospective shareholders in the Company, nor is it required to provide shareholders with a certified annual report that satisfies the requirements of CFTC rules applicable to CPOs acting in a registered capacity.

Sarasin Investment Funds Limited also qualifies for such exemption based on the following criteria: (i) the interests in the Fund are exempt from registration under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and are offered and sold without marketing to the public in the United States; (ii) the Fund meets the trading limitations of either CFTC Rule 4.13(a)(3)(ii)(A) or (B); (iii) the CPO reasonably believes, at the time the investor makes his investment in the Fund (or at the time the CPO began to rely on Rule 4.13(a)(3)), that each investor in the Fund is; (a) an "accredited investor," as defined in Rule 501(a) of Regulation D under the Securities Act, (b) a trust that is not an accredited investor but that was formed by an accredited investor for the benefit of a family member, (c) a "knowledgeable employee," as defined in Rule 3c- 5 under the U.S. Investment Company Act of 1940, as amended, or (d) a "qualified eligible person," as defined in CFTC Rule 4.7(a)(2)(viii)(A); and (iv) shares in the Fund are not marketed as or in a vehicle for trading in the commodity futures or commodity options markets. Introduction of Key Investor Information Documents (KIIDs) Whereas previously, investors would have had access to a Simplified Prospectus before investing in the funds, a key requirement of new European regulation is for Fund Managers to introduce KIIDs. These documents will provide concise and consistent information in plain language to enable investors to compare different funds and to make an informed decision prior to investing. Fund Managers must therefore ensure that investors confirm that they have read the relevant fund's KIID before investing.

KIIDs for Sarasin funds were introduced on 29 June 2012 and are available to download at www.sarasin.co.uk or upon request from the Sarasin Fund Operations Team by calling +44 (0)20 7038 7002 or e-mailing fundoperations@sarasin.co.uk.

Why EquiSar?

EquiSar is our family of innovative thematic global equity funds, with assets of over £1.9 billion. Whereas most investors approach international investment on a country or regional basis, EquiSar places the emphasis instead on investing in companies that are expected to be the main beneficiaries from Sarasin's identification of global trends which drive corporate profits growth and share prices, wherever these companies happen to be headquartered.

Available in sterling, dollar and euro versions, EquiSar is for the committed equity investor who looks past national boundaries and through the short-term noise in stock markets, to the substantial long-term capital gains to be had from a diversified portfolio of well-chosen, successful companies.

Risk Profile

Sarasin EquiSar Global Thematic Fund is a global equity fund which invests in large cap securities. It is therefore primarily exposed to equity market and exchange rate fluctuations. There is little exposure to interest rate and credit or cash flow risk, and no borrowings or unlisted securities so there is minimal exposure to liquidity risk.

Risk and Reward Profile

Lower risk
Typically lower rewards

Higher risk
Typically higher rewards

1	2	3	4	5	6	7

This risk and reward profile is based on historical data which may not be a reliable indication of the Fund's risk and reward category in the future.
The Fund's category is based on the rate at which the value of the Fund has performed in the past, and is not guaranteed to remain the same in the future.
The Fund is in category six because it invests in company shares which generally provide higher rewards and higher risks than other investments such as bonds, cash or commercial property.
A Fund in the lowest category is not a risk free investment.

Fund Facts

Launch Date:	01.07.94
Legal Status:	OEIC sub-fund
Domicile:	UK
Accounts Dates:	31st December (final)
	30th June

Sarasin EquiSar Global Thematic Fund™

Fund Manager's Review

Equity markets have had a surprisingly buoyant year, although it has not been an easy ride. Market gains early in the year were generally driven by high quality and large-cap companies. The period started well in absolute terms, as markets became optimistic about a recovery boosted by Europe's Long Term Refinancing Operations (LTRO). Risk assets rallied hard, with particular strength in the financials, cyclicals and other economically sensitive areas. We maintained a more conservative position throughout this period and indeed the year, and we underperformed this particular rally.

By mid-February, though, attention had begun to focus again on Europe and particularly Spain's problems. At this point, we started to claw back some of the relative losses from earlier in the year. The markets focus on quality and growth lasted through early summer, until these somewhat illiquid markets began to rally strongly off their lows. More recently this has given way to a noticeable rotation, seasonal or otherwise, out of quality and growth into risk and value. The rally has been spurred by policy action in North America, Asia and in Europe where, despite ongoing unrest, Draghi's mid-year pledge to do "whatever it takes" to save the euro catalysed strong relative outperformance of Europe over North America. The underlying earnings environment had continued to deteriorate steadily and only very recently began to show signs of stability. Some macroeconomic indicators have also began to show signs of stability, particularly in China and Europe whilst the US housing market seems to be rebounding from a low base. Despite this better macroeconomic backdrop, the ongoing political drama over the US fiscal cliff created an environment of excessive uncertainty and cast a pall over investor confidence and a hesitant economic recovery. Of particular note more recently has been Japan's uniquely poor condition, which opens the door for the possibility of large scale money printing.

On the whole our more risk embracing and cyclical themes, Pricing Power and Corporate Restructuring, have performed best, whilst the more risk adverse propositions such as Strong get Stronger and Intellectual Property & Excellence have disappointed. Our Pricing Power theme contributed the three best performing stocks in the portfolio: US private prisons operator Corrections Corp, which has maintained growth despite difficulties in Federal and State finances, Australian blood plasma specialist CSL, and Mitsubishi Estate. Corporate Restructuring's best performers were all linked to the recovery in the US housing market, namely forest products company Weyerhauser, Citigroup, and home improvements retailer Home Depot. Corporate Restructuring also had the two worst performing companies in the portfolio, deep value propositions Dell and Alcatel Lucent. Both of these have now begun to turn around. Strong get Stronger was consistently our worst performing theme in the portfolio. Stocks that have performed poorly in this theme have shared the common thread of strong capital positions but lack of management focus on capital discipline. Barrick Gold, Japanese ecommerce operator Rakuten and Occidental Petroleum have all made acquisitions considered ill-judged by the market. Earnings accretion in itself is simply not enough when interest rates are this low. Gains seen in Intellectual Property & Excellence over recent years have begun to moderate as the market rallied in the second half of 2012. These growth stocks are considered too high quality to outperform during recent market conditions.

Performance (% change to 31.12.12)

	EquiSar GTF A shares Acc	EquiSar GTF F shares Acc	EquiSar GTF I shares Acc	EquiSar GTF P shares Acc	EquiSar GTF X shares Acc	EquiSar GTF Z shares Acc	Benchmark[1]
Since launch on 01.07.94 to 31.12.12	+214.9	-	-	-	-	-	+190.5
Since launch on 29.11.99 to 31.12.12	-	-	+33.7	-	-	-	+25.9
Since launch on 24.04.03 to 31.12.12	-	-	-	-	-	+156.0	+98.0
Since launch on 19.01.10 to 31.12.12	-	-	-	-	+12.1	-	+19.6
Since launch on 16.10.12 to 31.12.12	-	+1.5	-	+1.7	-	-	+1.1
31.12.11 to 31.12.12	+9.1	-	+9.9	-	+9.3	+10.8	+4.9
31.12.10 to 31.12.11	-11.8	-	-11.2	-	-11.6	-10.4	-4.8
31.12.09 to 31.12.10	+17.0	-	+17.7	-	-	+18.7	+15.3
31.12.08 to 31.12.09	+10.8	-	+11.5	-	-	+12.5	+15.7
31.12.07 to 31.12.08	-16.2	-	-15.6	-	-	-15.1	-17.9
31.12.06 to 31.12.07	+14.8	-	+15.6	-	-	+16.5	+7.3

Source: Sarasin. All data as at 31.12.12. Please remember that you should not base decisions on past performance and that the prices may fluctuate and you may not get back your original investment. The fund's Synthetic Risk and Return Indicator is 6 (1 low to 7 high) and further details of the risks can be found in the Prospectus and KIID available from www.sarasin.co.uk. Overseas shares and bonds may be affected by currency exchange rates.. Sarasin EquiSar - Global Thematic Fund™ is a trademark of Sarasin & Partners LLP.

[1]Benchmark: MSCI World Equity Index (Net USD)

PLEASE SEE THE NOTIFICATIONS OF AMENDMENTS ON PAGE 5 FOR DETAILS ON THE SHARE CLASS NAME CHANGES

Investment Objective & Policy

The Fund's objective is capital appreciation.

The Fund invests mainly in company shares from around the world. The Investment Adviser mainly chooses shares which fit into global growth themes. These track long term investment trends and are not confined to any particular region, market or industry sector.

The Fund will mainly hold the shares of large or mediumsized companies but from time to time may invest in smaller companies.

The Investment Adviser is free to choose how the Fund is invested and will not track an index

Ongoing charges (%)

	as at 31.12.12 for last 12 months Acc	Inc
Share Class A	1.72	1.72
Share Class F	1.22	n/a
Share Class I	1.07	1.07
Share Class P	0.97	0.97
Share Class X	1.57	1.57
Share Class Z	0.22	n/a

The ongoing charges figure is the ratio of the Fund's total discloseable costs (excluding overdraft interest) to the average net assets of the Fund.

Fund Managers

Harry Talbot Rice
Fund Manager

Harry was appointed Manager to the EquiSar family of funds in January 2002.

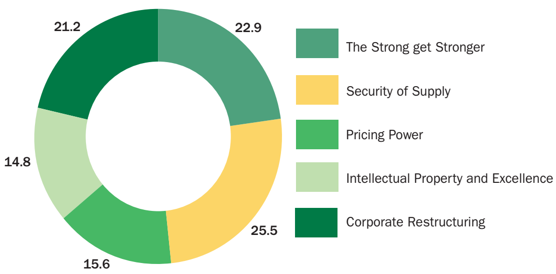
Guy Monson
Managing Partner & Fund Manager

Guy is the Managing Partner of Sarasin & Partners and has pioneered Thematic Investment at Sarasin & Partners since 1996.

Bronze [1]

[1] Source: OBSR as at December 2012

Thematic Equity Allocation (% as at 31.12.12)



Top 10 Equity Holdings
(as a % of portfolio as at 31.12.12)

Hartford Financial SVCS	2.7
Time Warner	2.6
Swiss RE	2.6
Pfizer Inc	2.5
PNC Financial Services Group	2.4
Home Depot Inc	2.4
Verizon Communications Inc	2.3
Microsoft Corp	2.2
SES	2.2
Weyerhaeuser Co	2.2

A shares per £1,000 invested at share class launch 1.07.94
I shares per £1,000 invested at share class launch 29.11.99
F & P shares per £1,000 invested at share class launch 15.10.12
X shares per £1,000 invested at share class launch 19.01.10
Z shares per £1,000 invested at share class launch 24.04.03

Net Income Distribution/Accumulation

[1] to 28.02.13	Pence per Share		Per £1,000 invested at 02.01.2008 (£)	
2013[1]	Inc	Acc	Inc	Acc
Share Class A	-	0.0176	-	0.03
Share Class I	1.9111	2.2746	3.35	3.51
Share Class F	n/a	0.0107	n/a	0.11
Share Class P	0.6823	0.8058	6.82	8.06
Share Class X	0.4344	0.4694	4.34	4.69
Share Class Z	n/a	5.5557	n/a	8.28
2012				
Share Class A	2.3566	2.5728	4.04	4.24
Share Class I	5.5501	6.5235	9.73	10.07
Share Class X	2.8880	3.0526	28.88	30.53
Share Class Z	-	6.9673	-	10.38
2011				
Share Class A	0.1620	0.2679	0.28	0.44
Share Class I	2.6843	3.1014	4.70	4.79
Share Class X	0.7631	0.7930	7.63	7.93
Share Class Z	-	9.4033	-	14.01
2010				
Share Class A	1.1389	0.7232	1.95	1.19
Share Class I	3.0078	3.7513	5.27	5.79
Share Class X	1.5581	1.6447	15.58	16.45
Share Class Z	-	9.0014	-	13.41
2009				
Share Class A	4.3901	4.5228	7.54	7.45
Share Class I	7.0934	8.3299	12.43	12.85
Share Class Z	-	12.7279	-	18.97
2008				
Share Class A	1.8678	1.9312	3.21	3.18
Share Class I	4.5904	5.1722	8.04	7.98
Share Class Z	-	9.8564	-	14.69

Share Prices and Fund Size

	Share Price Range				Fund Size						
	Highest for the year (pence)		Lowest for the year (pence)			Net Asset Value (£)		Net Asset Value Pence per Share[2]		Number of Shares in Issue	
2012	Inc	Acc	Inc	Acc	**31.12.12**	Inc	Acc	Inc	Acc	Inc	Acc
Share Class A	599.10	636.50	542.50	574.00		8,516,598	30,822,805	596.47	630.57	1,435,062	4,888,077
Share Class I	592.50	702.20	536.20	630.60		158,567,762	107,313,374	585.02	695.62	27,104,486	15,427,000
Share Class F	-	631.10	-	631.10		-	4,706	-	630.66	-	746
Share Class P	600.00	637.50	570.70	606.40		1,009	1,073	593.72	631.61	170	170
Share Class Z	-	757.20	-	676.60		-	8,803,434	-	750.23	-	1,173,434
Share Class X	600.40	639.40	543.60	576.00		6,428,361	6,170,013	594.32	633.37	1,081,641	974,156
2011					**31.12.11**						
Share Class A	630.10	666.30	494.70	523.30		25,523,089	35,274,057	549.44	581.25	4,645,315	6,068,637
Share Class I	621.10	726.10	487.70	572.10		188,952,359	98,347,999	541.61	637.02	34,887,075	15,438,778
Share Class Z	-	770.70	-	609.90		-	13,323,787	-	681.21	-	1,955,912
Share Class X	630.60	667.40	495.10	524.50		8,750,226	7,932,280	550.21	582.95	1,590,357	1,360,709
2010					**31.12.10**						
Share Class A	627.00	663.30	505.10	532.90		54,465,362	47,537,619	624.10	660.00	8,726,999	7,202,683
Share Class I	618.30	722.10	496.30	576.80		261,823,584	95,427,630	614.69	718.57	42,594,128	13,280,185
Share Class Z	-	765.60	-	607.00		-	19,494,728	-	761.87	-	2,558,786
Share Class X	627.60	664.20	505.20	533.00		10,215,485	9,177,953	624.53	660.91	1,635,701	1,388,688
2009					**31.12.09**						
Share Class A	542.10	572.00	382.10	401.00		48,590,102	42,388,231	532.86	562.26	9,118,670	7,538,905
Share Class I	532.80	618.80	374.70	431.60		119,767,459	17,849,701	523.27	608.30	22,888,447	2,934,352
Share Class Z	-	650.50	-	450.50		-	16,583,251	-	639.45	-	2,593,371
2008					**31.12.08**						
Share Class A	603.20	628.30	393.10	410.90		35,466,255	29,936,634	472.02	495.45	7,513,679	6,042,350
Share Class I	592.60	672.90	385.80	441.20		72,114,088	11,021,467	462.33	532.53	15,598,061	2,069,629
Share Class Z	-	698.80	-	459.40		-	13,926,817	-	555.04	-	2,509,160

to 31.12.12
[2]Note: These notional prices are calculated by dividing the Net Asset Value by the number of base shares.
A shares per £1,000 invested at share class launch 1.07.94
I shares per £1,000 invested at share class launch 29.11.99

F & P shares per £1,000 invested at share class launch 15.10.12
X shares per £1,000 invested at share class launch 19.01.10
Z shares per £1,000 invested at share class launch 24.04.03

Sarasin EquiSar
Global Thematic Fund (Sterling Hedged)™

Why EquiSar Sterling Hedged?

EquiSar is our family of innovative thematic global equity funds, with assets of over £1.9 billion. Whereas most investors approach international investment on a country or regional basis, EquiSar places the emphasis instead on investing in companies that are expected to be the main beneficiaries from Sarasin's identification of global trends which drive corporate profits growth and share prices, wherever these companies happen to be headquartered.

Available in sterling, dollar and euro versions, EquiSar is for the committed equity investor who looks past national boundaries and through the short-term noise in stock markets, to the substantial long-term capital gains to be had from a diversified portfolio of well-chosen, successful companies.

Risk Profile

Sarasin EquiSar Global Thematic Fund (Sterling Hedged) is a global equity fund which invests in large cap securities. It is therefore primarily exposed to equity market and exchange rate fluctuations. There is little exposure to interest rate and credit or cash flow risk, and no borrowings or unlisted securities so there is minimal exposure to liquidity risk. The fund is largely hedged back to base (GBP), so fluctuations in major exchange rates will materially affect the value of the fund versus an unhedged equity benchmark.

Risk and Reward Profile

Lower risk Typically lower rewards ← → Higher risk Typically higher rewards

1	2	3	4	5	6	7

This risk and reward profile is based on historical data which may not be a reliable indication of the Fund's risk and reward category in the future.
The Fund's category is based on the rate at which the value of the Fund has performed in the past, and is not guaranteed to remain the same in the future.
The Fund is in category six because it invests in company shares which generally provide higher rewards and higher risks than other investments such as bonds, cash or commercial property.
A Fund in the lowest category is not a risk free investment.

Fund Facts

Launch Date:	12.05.09
Legal Status:	OEIC sub-fund
Domicile:	UK
Accounts Dates:	31st December (final) 30th June

Fund Manager's Review

Equity markets have had a surprisingly buoyant year, although it has not been an easy ride. Market gains early in the year were generally driven by high quality and large-cap companies. The period started well in absolute terms, as markets became optimistic about a recovery boosted by Europe's Long Term Refinancing Operations (LTRO). Risk assets rallied hard, with particular strength in the financials, cyclicals and other economically sensitive areas. We maintained a more conservative position throughout this period and indeed the year, and we underperformed this particular rally.

By mid-February, though, attention had begun to focus again on Europe and particularly Spain's problems. At this point, we started to claw back some of the relative losses from earlier in the year. The markets focus on quality and growth lasted through early summer, until these somewhat illiquid markets began to rally strongly off their lows. More recently this has given way to a noticeable rotation, seasonal or otherwise, out of quality and growth into risk and value. The rally has been spurred by policy action in North America, Asia and in Europe where, despite ongoing unrest, Draghi's mid-year pledge to do "whatever it takes" to save the euro catalysed strong relative outperformance of Europe over North America. The underlying earnings environment had continued to deteriorate steadily and only very recently began to show signs of stability. Some macroeconomic indicators have also began to show signs of stability, particularly in China and Europe whilst the US housing market seems to be rebounding from a low base. Despite this better macroeconomic backdrop, the ongoing political drama over the US fiscal cliff created an environment of excessive uncertainty and cast a pall over investor confidence and a hesitant economic recovery. Of particular note more recently has been Japan's uniquely poor condition, which opens the door for the possibility of large scale money printing.

On the whole our more risk embracing and cyclical themes, Pricing Power and Corporate Restructuring, have performed best, whilst the more risk adverse propositions such as Strong get Stronger and Intellectual Property & Excellence have disappointed. Our Pricing Power theme contributed the three best performing stocks in the portfolio: US private prisons operator Corrections Corp, which has maintained growth despite difficulties in Federal and State finances, Australian blood plasma specialist CSL, and Mitsubishi Estate. Corporate Restructuring's best performers were all linked to the recovery in the US housing market, namely forest products company Weyerhauser, Citigroup, and home improvements retailer Home Depot. Corporate Restructuring also had the two worst performing companies in the portfolio, deep value propositions Dell and Alcatel Lucent. Both of these have now begun to turn around. Strong get Stronger was consistently our worst performing theme in the portfolio. Stocks that have performed poorly in this theme have shared the common thread of strong capital positions but lack of management focus on capital discipline. Barrick Gold, Japanese ecommerce operator Rakuten and Occidental Petroleum have all made acquisitions considered ill-judged by the market. Earnings accretion in itself is simply not enough when interest rates are this low. Gains seen in Intellectual Property & Excellence over recent years have begun to moderate as the market rallied in the second half of 2012. These growth stocks are considered too high quality to outperform during recent market conditions.

Despite having been underweight energy (the worst performing sector in the market this year) our stock picking has left a lot to be desired. Occidental Petroleum, Saipem and BG group were amongst the poorest stocks in the portfolio. Financials have generally worked well for us and have contributed positively to the portfolio, with UBS, Citigroup and Hartford Financial amongst the best performers. We have been most overweight the consumer sectors, indeed these companies have been by far the biggest contributors to the portfolio over the last few years, though this trend has started to moderate more recently.

Performance (% change to 31.12.12)

	EquiSar GTF (Stg Hedged) A shares Acc[1]	EquiSar GTF (Stg Hedged) I shares Acc	EquiSar GTF (Stg Hedged) P shares Acc	EquiSar GTF (Stg Hedged) X shares Acc	Benchmark[2]
Since launch on 12.05.09 to 31.12.12	-	+37.7	-	+34.8	+46.2
Since launch on 28.09.09 to 31.12.12	+21.0	-	-	-	+25.4
Since launch on 16.10.12 to 31.12.12	-	-	+3.1	-	+2.7
31.12.11 to 31.12.12	+13.8	+14.6	-	+14.0	+15.7
31.12.10 to 31.12.11	-12.2	-11.6	-	-12.2	-5.5
31.12.09 to 31.12.10	+21.6	+22.4	-	+21.6	+15.3
31.12.08 to 31.12.09	-	-	-	-	-
31.12.07 to 31.12.08	-	-	-	-	-
31.12.06 to 31.12.07	-	-	-	-	-

Source: Sarasin. All data as at 31.12.12. Please remember that you should not base decisions on past performance and that the prices may fluctuate and you may not get back your original investment. The fund's Synthetic Risk and Return Indicator is 6 (1 low to 7 high) and further details of the risks can be found in the Prospectus and Simplified Prospectus available from www.sarasin.co.uk. Overseas shares and bonds may be affected by currency exchange rates. Sarasin EquiSar - Global Thematic Fund (Sterling Hedged)™ is a trademark of Sarasin & Partners LLP.

[1] A Shares launched on 28.09.09. X class shares changed their name from A class shares on 28.09.09
[2] Benchmark: MSCI World (local currency)

PLEASE SEE THE NOTIFICATIONS OF AMENDMENTS ON PAGE 5 FOR DETAILS ON THE SHARE CLASS NAME CHANGES

Investment Objective & Policy

The Fund's objective is capital appreciation in sterling terms.

The Fund invests mainly in company shares from around the world. The Investment Adviser mainly chooses shares which fit into global growth themes. These track long term investment trends and are not confined to any particular region, market or industry sector. The Fund will mainly hold the shares of large or medium sized companies but from time to time may invest in smaller companies.

Where an investment is not priced in sterling, the Fund will typically take measures to protect it from currency movements against sterling.

The Investment Adviser is free to choose how the Fund is invested and will not track an index.

Ongoing charges (%)

	as at 31.12.12 for last 12 months Acc	Inc
Share Class A	1.73	1.73
Share Class I	1.08	1.08
Share Class P	0.98	0.98
Share Class X	1.58	1.58

The ongoing charges figure is the ratio of the Fund's total discloseable costs (excluding overdraft interest) to the average net assets of the Fund.

Fund Managers

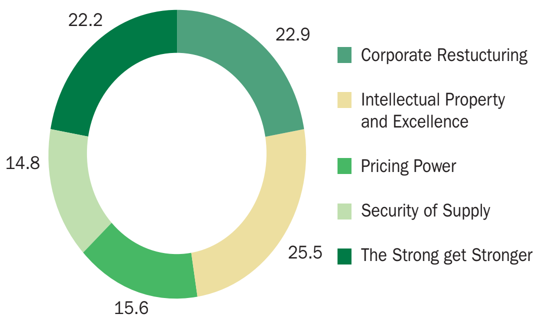
Harry Talbot Rice
Fund Manager

Harry was appointed Manager to the EquiSar family of funds in January 2002.

Mark Whitehead
Fund Manager

Mark has 12 years investment management experience, specialising in the management of global thematic funds.

Thematic Equity Allocation (% as at 31.12.12)



Top 10 Equity Holdings (as a % of portfolio as at 31.12.12)

Time Warner Inc	2.7
Hartford Financial SVCS	2.5
Swiss RE	2.5
Pnc Financial Services Group	2.3
Pfizer Inc	2.3
Occidental Petroleum Corp	2.3
SES	2.3
Microsoft Corp	2.2
Home Depot Inc	2.2
Verizon Communications Inc	2.2

Net Income Distribution/Accumulation

[1] to 28.02.13	Pence per Share		Per £1,000 invested at 12.05.09 (£)	
2013[1]	Inc	Acc	Inc	Acc
Share Class A	1.0387	1.091	9.31	9.79
Share Class I	1.0519	1.1111	10.52	11.11
Share Class P	1.0400	1.0890	10.40	10.89
Share Class X	1.0269	1.089	10.27	10.89
2012				
Share Class A	2.4892	2.5745	22.32	23.10
Share Class I	2.5088	2.6051	25.09	26.05
Share Class P	-	-	-	-
Share Class X	2.4669	2.5600	24.67	25.60
2011				
Share Class A	1.9240	1.9777	17.25	17.74
Share Class I	1.9476	2.0157	19.48	20.16
Share Class X	1.9180	1.9860	19.18	19.86
2010				
Share Class A	1.1510	1.3978	10.32	12.54
Share Class I	2.1168	2.1283	21.17	21.28
Share Class X	2.1199	2.1301	21.20	21.30
2009				
Share Class A	-	-	-	-
Share Class I	-	-	-	-
Share Class X	-	-	-	-

A shares per £1,000 invested at share class launch 28.09.09
I & X shares per £1,000 invested at share class launch 12.05.09
P shares per £1,000 invested at share class launch 16.10.12

Share Prices and Fund Size

	Share Price Range				Fund Size						
	Highest for the year (pence)		Lowest for the year (pence)			Net Asset Value (£)		Net Asset Value Pence per Share[1]		Number of Shares in Issue	
2012	Inc	Acc	Inc	Acc	31.12.12	Inc	Acc	Inc	Acc	Inc	Acc
Share Class A	129.40	141.00	115.00	119.00		69,310	686,285	126.71	133.90	54,701	512.521
Share Class I	131.20	138.50	116.00	120.80		61,626,196	14,101,183	128.43	136.70	47,983,234	10,315,568
Share Class P	129.60	135.90	121.20	126.90		1,269	1,341	126.93	134.12	1,000	1,000
Share Class X	128.30	135.50	114.00	118.80		15,202,538	6,091,219	125.61	133.78	12,102,646	4,553,037
2011					31.12.11						
Share Class A	138.40	140.70	105.70	108.50		53,373	563,892	114.56	118.52	46,590	475,766
Share Class I	138.60	142.00	106.30	109.90		53,431,154	12,500,880	115.38	120.23	46,309,701	10,397,497
Share Class X	137.00	140.50	104.60	108.02		19,035,475	10,429,587	113.44	118.30	16,780,850	8,816,457
2010					31.12.10						
Share Class A	134.00	135.70	109.50	110.30		44,858	414,580	132.69	134.89	33,806	307,345
Share Class I	134.10	136.60	109.30	110.50		85,119,350	17,985,822	132.79	136.02	64,102,669	13,222,442
Share Class X	132.70	135.30	108.50	110.10		27,917,618	13,194,606	131.35	134.68	21,253,740	9,797,208
2009					31.12.09						
Share Class A	-	119.60	-	109.40		-	70,635	-	118.80	-	59,457
Share Class I[3]	119.80	119.80	95.13	95.12		42,238,847	16,458,301	118.08	119.03	35,771,812	13,826,485
Share Class X	119.30	119.40	95.02	95.08		19,362,559	5,886,813	117.58	118.59	16,468,054	4,964,076

to 31.12.12
[1]Note: These notional prices are calculated by dividing the Net Asset Value by the number of base shares.
A shares share class launch 28.09.09
I & X shares share class launch 12.05.09
P shares share class launch 16.10.12

Sarasin EquiSar IIID Fund™

Why EquiSar IIID Fund?

Utilising the UCITS III regulatory investment powers, our EquiSar IIID Fund combines the attractive characteristics of traditional investment management with some of the lower risk hedging elements of hedge fund management. The result is cost-effective "all-weather" fund management with the advantages of transparency, liquidity, income and tax efficiency, delivered in a UK-regulated structure.

Risk Profile

The EquiSar IIID Fund is primarily exposed to global share price movements and exchange rate fluctuations. Certain derivative techniques establish "long" and "short" positions in individual stocks and indices which can lead to movements in the fund's value which might not correspond with the general direction of the global stock market.

Risk and Reward Profile

Lower risk Typically lower rewards						Higher risk Typically higher rewards
1	2	3	4	5	6	7

This risk and reward profile is based on historical data which may not be a reliable indication of the Fund's risk and reward category in the future.
The Fund's category is based on the rate at which the value of the Fund has performed in the past, and is not guaranteed to remain the same in the future.
The fund is in category 5 because of its diversity of investment in company shares and its low use of derivatives, this ranking is typically higher than a fund which invests in cash deposits , as company share price movements tend to be more volatile.
A Fund in the lowest category is not a risk free investment.

Fund Facts

Launch Date:	08.05.06
Legal Status:	OEIC sub-fund
Domicile:	UK
Accounts Dates:	31st December (final)
	30th June

Fund Manager's Review

Equity markets have had a surprisingly buoyant year, although it has not been an easy ride. Market gains early in the year were generally driven by high quality and large-cap companies. The period started well in absolute terms, as markets became optimistic about a recovery boosted by Europe's Long Term Refinancing Operations (LTRO). Risk assets rallied hard, with particular strength in the financials, cyclicals and other economically sensitive areas. We took advantage having a circa 70% net equity exposure over the first quarter.

By mid-February, though, attention had begun to focus again on Europe and particularly Spain's problems. At this point, we started to claw back some of the relative losses from earlier in the year. The markets focus on quality and growth lasted through early summer, until these somewhat illiquid markets began to rally strongly off their lows. More recently this has given way to a noticeable rotation, seasonal or otherwise, out of quality and growth into risk and value. The rally has been spurred by policy action in North America, Asia and in Europe where, despite ongoing unrest, Draghi's mid-year pledge to do "whatever it takes" to save the euro catalysed strong relative outperformance of Europe over North America. The underlying earnings environment had continued to deteriorate steadily and only very recently began to show signs of stability. Some macroeconomic indicators have also began to show signs of stability, particularly in China and Europe whilst the US housing market seems to be rebounding from a low base. Despite this better macroeconomic backdrop, the ongoing political drama over the US fiscal cliff created an environment of excessive uncertainty and cast a pall over investor confidence and a hesitant economic recovery. Of particular note more recently has been Japan's uniquely poor condition, which opens the door for the possibility of large scale money printing. We reduced equity exposure to around 40% over the second quarter which locked in some of the earlier gains.

On the whole our more risk embracing and cyclical themes, Pricing Power and Corporate Restructuring, have performed best, whilst the more risk adverse propositions such as Strong get Stronger and Intellectual Property & Excellence have disappointed. Our Pricing Power theme contributed the three best performing stocks in the portfolio: US private prisons operator Corrections Corp, which has maintained growth despite difficulties in Federal and State finances and Australian blood plasma specialist CSL. Corporate Restructuring's best performers were all linked to the recovery in the US housing market, namely forest products company Weyerhauser, Citigroup, and home improvements retailer Home Depot. Corporate Restructuring also had the two worst performing companies in the portfolio, deep value propositions Dell and Alcatel Lucent. Both of these have now begun to turn around. Strong get Stronger was consistently our worst performing theme in the portfolio. Stocks that have performed poorly in this theme have shared the common thread of strong capital positions but lack of management focus on capital discipline. Barrick Gold, Japanese ecommerce operator Rakuten and Occidental Petroleum have all made acquisitions considered ill-judged by the market. Earnings accretion in itself is simply not enough when interest rates are this low. Gains seen in Intellectual Property & Excellence over recent years have begun to moderate as the market rallied in the second half of 2012. These growth stocks are considered too high quality to outperform during recent market conditions.

Despite having been underweight energy (the worst performing sector in the market this year) our stock picking has left a lot to be desired. Occidental Petroleum, Saipem and BG group were amongst the poorest stocks in the portfolio. Financials have generally worked well for us and have contributed positively to the portfolio, with UBS, Citigroup and Hartford Financial amongst the best performers. We have been most overweight the consumer sectors, indeed these companies have been by far the biggest contributors to the portfolio over the last few years, though this trend has started to moderate more recently.

Performance (% change to 31.12.12)

	EquiSar IIID AP shares Acc	EquiSar IIID IP shares Acc	EquiSar IIID P shares Acc	EquiSar IIID PP shares Acc	EquiSar IIID XP shares Acc	Benchmark[1]
Since launch on 08.05.06 to 31.12.12	+19.9	+24.0	-	-	-	+38.5
Since launch on 12.05.08 to 31.12.12	-	-	-	-	-3.9	+11.6
Since launch on 16.10.12 to 31.12.12	-	-	-0.3	-0.2	-	+2.3
31.12.11 to 31.12.12	+5.6	+6.3	-	-	+6.0	+11.5
31.12.10 to 31.12.11	-8.5	-8.0	-	-	-8.5	+8.8
31.12.09 to 31.12.10	+10.7	+11.1	-	-	+10.9	+8.4
31.12.08 to 31.12.09	+5.9	+6.3	-	-	+5.9	+3.8
31.12.07 to 31.12.08	-13.7	-13.5	-	-	-	+7.0
31.12.06 to 31.12.07	+16.3	+17.2	-	-	-	+7.9

Source: Sarasin. All data as at 31.12.12. Please remember that you should not base decisions on past performance and that the prices may fluctuate and you may not get back your original investment. The fund's Synthetic Risk and Return Indicator is 5 (1 low to 7 high) and further details of the risks can be found in the Prospectus and KIID available from www.sarasin.co.uk. Overseas shares and bonds may be affected by currency exchange rates. Sarasin EquiSar IIID Fund™ is a trademark of Sarasin & Partners LLP.

[1]Benchmark: RPI +3.5%

PLEASE SEE THE NOTIFICATIONS OF AMENDMENTS ON PAGE 5 FOR DETAILS ON THE SHARE CLASS NAME CHANGES

Investment Objective & Policy

The Fund's objective is to achieve a real return to shareholdersover the long term.

The Fund invests mainly in company shares from around theworld. The Investment Adviser mainly chooses shares which fit into global growth themes. These track long term investment trends and are not confined to any particular region, market or industry sector. The Fund will mainly hold the shares of large or medium sized companies but from time to time may invest in smaller companies.

The extent to which the Fund is impacted by movements in the prices of these shares is managed by the Investment Adviser who may limit the proportion of the Fund's assets that are exposed to such movements in order to achieve the objective of the Fund.

The Fund may invest in derivatives for investment purposes (financial instruments whose value is linked to the expected future price movements of an underlying asset).

The Investment Adviser is free to choose how the Fund is invested and will not track an index.

Ongoing Charges (%)

	as at 31.12.12 for last 12 months	
	Acc	Inc
Share Class AP	1.74	1.74
Share Class IP	1.09	1.09
Share Class P	1.24	1.24
Share Class PP	1.24	1.24
Share Class XP	1.44	1.44

The ongoing charges figure is the ratio of the Fund's total discloseable costs (excluding overdraft interest) to the average net assets of the Fund.

Fund Managers

Harry Talbot Rice
Fund Manager

Harry was appointed Manager to the EquiSar family of funds in January 2002.

Simon Rivett-Carnac
Partner & Fund Director

Simon is the Fund Director of the EquiSar IIID Fund.

Thematic Equity Exposure (as at 31.12.12)

%	Long	Short	Gross	Net
Corporate Rest[2]	20.4	0	20.4	20.4
IP&E[3]	21.4	0	21.4	21.4
Pricing Power	13.4	0	13.4	13.4
Security of Supply	18.7	1.1	19.7	17.6
Strategic Holdings	0	30.8	30.8	-30.8
Strong get Stronger	18.4	0	18.4	18.4
Totals	**92.3**	**31.9**	**124.1**	**60.4**

[2] Corporate Restructuring
[3] Intellectual Property & Excellence

Top 10 Equity Holdings
(as a % of portfolio as at 31.12.12)

Time Warner Inc	3.3
Swiss RE	3.1
Hartford Financial Services	3.1
PNC Financial Services Group	2.9
SES	2.9
Home Depot Inc	2.8
Microsoft Corp	2.8
Jardine Matheson Hldgs Ltd	2.8
Coca-Cola Co	2.7
Pearson Plc	2.6

Net Income Distribution/Accumulation

[1] to 28.02.13	Pence per Share		Per £1,000 invested at 02.01.08 (£)	
2013[1]	Inc	Acc	Inc	Acc
Share Class AP	1.2959	1.4189	10.50	11.51
Share Class IP	1.5680	1.6510	12.77	13.24
Share Class P	1.2770	1.3890	12.77	13.89
Share Class PP	1.3000	1.4140	13.00	14.14
Share Class XP	1.4611	1.5163	14.61	15.16
2012				
Share Class AP	0.8216	0.8369	6.66	6.79
Share Class IP	1.1271	1.0094	9.18	8.09
Share Class P	-	-	-	-
Share Class PP	-	-	-	-
Share Class XP	0.8654	0.9868	8.65	9.87
2011				
Share Class AP	0.3078	0.3234	2.49	2.62
Share Class IP	0.4638	0.4808	3.78	3.86
Share Class XP	0.3442	0.3558	3.44	3.56
2010				
Share Class AP	0.3824	0.3327	3.10	2.70
Share Class IP	0.5016	0.5456	4.08	4.38
Share Class XP	0.3534	0.3726	3.53	3.73
2009				
Share Class AP	1.9826	2.5820	16.07	20.94
Share Class IP	1.9206	2.0966	15.64	16.81
Share Class XP	1.6774	1.6866	16.77	16.87
2008				
Share Class AP	1.4789	0.9534	11.98	7.73
Share Class IP	1.1256	0.9761	9.17	7.83
Share Class XP	0.3454	0.3451	3.45	3.45

AP & IP shares per £1,000 invested at share class launch 02.01.08
XP shares per £1,000 invested at share class launch 02.01.07
P & PP shares per £1,000 invested at share class launch 16.10.12

Share Prices and Fund Size

	Share Price Range				Fund Size						
	Highest for the year (pence)		Lowest for the year (pence)		Net Asset Value (£)			Net Asset Value Pence per Share[2]		Number of Shares in Issue	
2012	Inc	Acc	Inc	Acc	31.12.12	Inc	Acc	Inc	Acc	Inc	Acc
Share Class AP	115.70	120.20	108.60	113.00		2,218,728	13,677,619	112.89	119.76	1,965,376	11,421,177
Share Class IP	117.70	124.30	110.30	116.20		35,050,874	7,589,183	115.17	123.88	30,433,899	6,126,168
Share Class P	114.50	120.20	111.00	116.50		1,129	1,198	112.89	119.76	1,000	1,000
Share Class PP	114.60	120.20	111.00	116.50		1,129	1,198	112.94	119.84	1,000	1,000
Share Class XP	117.10	120.60	109.90	113.00		3,694,094	4,770,763	114.49	120.21	3,226,515	3,968,808
2011					31.12.11						
Share Class AP	120.40	124.90	108.30	112.60		428,291	13,199,140	109.21	113.74	392,180	11,604,280
Share Class IP	121.80	127.60	110.00	115.70		36,059,968	21,220,836	110.89	116.89	32,519,801	18,154,839
Share Class XP	121.70	124.70	109.50	112.60		6,276,000	5,825,889	110.45	113.73	5,682,033	5,122,370
2010					31.12.10						
Share Class AP	120.10	124.60	104.60	108.20		322,031	13,784,490	119.81	124.31	268,794	11,088,398
Share Class IP	121.50	127.20	105.40	109.90		60,403,328	35,306,288	121.22	126.94	49,830,259	27,813,886
Share Class XP	121.30	124.40	105.60	107.80		14,022,964	10,478,462	121.08	124.10	11,581,957	8,443,713
2009					31.12.09						
Share Class AP	109.50	113.30	91.23	93.93		927,092	11,276,922	108.41	112.15	855,186	10,055,614
Share Class IP	110.30	115.20	91.67	94.96		78,639,890	30,263,668	109.17	114.04	72,037,577	26,536,923
Share Class XP	110.60	112.90	92.03	93.29		15,873,161	15,964,629	109.41	111.72	14,507,549	14,290,350
2008					31.12.08						
Share Class AP	126.30	126.70	92.69	91.94		1,417,165	11,136,187	101.89	104.84	1,390,900	10,622,378
Share Class IP	126.50	128.30	90.89	93.02		50,744,473	39,744,499	102.27	105.90	49,616,894	37,528,914
Share Class XP[3]	126.40	126.60	91.19	91.58		30,565,198	23,905,999	102.76	104.14	29,743,938	22,955,450
2007					31.12.07						
Share Class AP	122.90	122.80	105.20	105.40		6,489,634	22,318,075	122.64	122.59	5,291,460	18,205,581
Share Class IP	122.30	124.10	105.10	105.70		19,745,762	27,987,857	122.07	123.91	16,176,067	22,586,778

to 31.12.12
[2]Note: These notional prices are calculated by dividing the Net Asset Value by the number of base shares
AP & IP shares per £1,000 invested at share class launch 02.01.08
XP shares per £1,000 invested at share class launch 02.01.08
P & PP shares per £1,000 invested at share class launch 16.10.12

Why EquiSar - UK Thematic Fund?

EquiSar is our family of innovative thematic global equity funds, with assets of over £1.9 billion. Whereas most investors approach international investment on a country or regional basis, EquiSar places the emphasis instead on investing in companies that are expected to be the main beneficiaries from Sarasin's identification of global trends which drive corporate profits growth and share prices, wherever these companies happen to be headquartered.

In 2010 we launched the the EquiSar - UK Thematic funds which aim to outperform a unique benchmark whilst applying our proven global thematic process to UK equities.

Risk Profile

Sarasin EquiSar – UK Thematic is an equity fund. It is therefore primarily exposed to equity market fluctuations. There is little exposure to interest rate and credit or cash flow risk, and no borrowings or unlisted securities so there is minimal exposure to liquidity risk.

Risk and Reward Profile

Lower risk, Typically lower rewards — Higher risk, Typically higher rewards

1	2	3	4	5	6	7

This risk and reward profile is based on historical data which may not be a reliable indication of the Fund's risk and reward category in the future.
The Fund's category is based on the rate at which the value of the Fund has performed in the past, and is not guaranteed to remain the same in the future.
The Fund is in category six because it invests in company shares which generally provide higher rewards and higher risks than other investments such as bonds, cash or commercial property.
A Fund in the lowest category is not a risk free investment.

Fund Facts

Launch Date:	28.01.10
Legal Status:	OEIC sub-fund
Domicile:	UK
Accounts Dates:	31st December (final), 31st March, 30th June, 30th September

Sarasin EquiSar - UK Thematic Fund™

Fund Manager's Review

One of my favourite investment quotes comes from the late Sir John Templeton. "Bull markets and born on pessimism, grown on scepticism, mature on optimism and die in euphoria". To me, this sums up one of the simplest yet most powerful guides to market timing. Against a backdrop of widespread scepticism, equities ran a strong race in 2012, especially when compared to other asset classes.

The fund delivered a credible return over the year, with the outperformance of three out of our five themes driving fund outperformance. Our Strong get Stronger theme contributed most, and was driven by exposure to financials including Barclays, and UK consumer facing plays including Dixons, Sports Direct and Whitbread that have been benefiting from the demise of their weaker competitors. The theme has successfully led us into investing in those retailers that are evolving and modernising their business models, making them fit for purpose in an age when online is displacing hardline retail. Barclays had its own 'Importance of Being Earnest' moment, when in close succession the company lost both its CEO and Chairman, although in defence of Barclays they had become hostages to a media and political furore on the back of the LIBOR settlement. But with new blood came new hope and this, together with an improvement in earnings estimates from the lows in March, helped to drive the shares higher. The Pricing Power theme performed well, as shares in Billiton joined those of Virgin Media and Prudential, the latter two continuing their strong performance from the first half. The entire mining sector had a very poor first three quarters, as economic slowdown and fears of a reduction in Chinese demand for basic resources weighed on commodity prices. We saw a number of these concerns allayed during the fourth quarter, and a strong rally in the price of iron ore meant earnings momentum is likely to turn positive, supporting further share price performance. The Corporate Restructuring theme had a good year, driven by shares in Lloyds, which rose strongly, helped by continued easing of funding costs, improving sentiment towards the euro zone, and clear progress in the disposal of none core assets. Additionally, shares in F&C Asset Management enjoyed a re-rating as management outlined the second part of their strategic review, including initiatives to grow assets in the retail side of the business, and outlined a greater scope for cost reduction. The Intellectual Property and Excellence theme underperformed the rising market, as the gains we booked on the bid for Misys by private equity was offset by weakness in ICAP. The theme was, however, hurt by weakness in ICAP. In the medium to long term, ICAP is a beneficiary of increased regulation and a demand for increased transparency, which naturally favours greater use of electronic platforms and post-trade compliance. Both are areas in which ICAP is world leader. However, trading volumes have been low this year, which has meant continued earnings downgrades for this highly operationally leveraged company. Finally, the biggest disappointment this year was the performance of our Security of Supply theme, which was hit in quick succession by profit warnings from BG Group, Pennon and Aggreko. We believe none of these warnings are indications that the long-term investment case is 'broken', but can understand investors' short-term disappointment. In our experience of following similar companies, with proven business models and powerful long-term growth drivers, such short-term set-backs provide some of the best buying opportunities.

After a year of negative earnings growth in the broader UK market led by the miners, we expect 2013 to be the year of earnings upgrades. We expect business fundamentals to overtake politics as a driver of equity valuations. Easing of political uncertainty and a more investment friendly climate are the two key requirements to encourage businesses to deploy their strong balance sheets. Record bond issuance from investment grade corporates could be a sign of a pick up in business activity, which should ultimately good for economic growth and equity markets.

Performance (% change to 31.12.12)

	EquiSar - UK Thematic A shares Acc	EquiSar - UK Thematic I shares Acc	EquiSar - UK Thematic F shares Acc	EquiSar - UK Thematic P shares Acc	EquiSar - UK Thematic X shares Acc	EquiSar - UK Thematic Z shares Acc	Benchmark[2]
Since launch on 28.01.10 to 31.12.12	+22.9	+25.1	-	-	+22.9	+28.4	+31.8
Since launch on 16.10.12 to 31.12.12	-	-	+1.4	+2.0	-	-	+1.5
31.12.11 to 31.12.12	+13.3	+14.0	-	-	+13.4	+15.2	+13.1
31.12.10 to 31.12.11	-9.2	-8.7	-	-	-9.3	-7.9	-3.9
31.12.09 to 31.12.10	-	-	-	-	-	-	-

Source: Sarasin. All data as at 31.12.12. Please remember that you should not base decisions on past performance and that the prices may fluctuate and you may not get back your original investment. The fund's Synthetic Risk and Return Indicator is 6 (1 low to 7 high) and further details of the risks can be found in the Prospectus and KIID available from www.sarasin.co.uk. Overseas shares and bonds may be affected by currency exchange rates. Sarasin EquiSar - UK Thematic Fund™ is a trademark of Sarasin & Partners LLP.

[2]Benchmark: FTSE All Share (5% capped)

PLEASE SEE THE NOTIFICATIONS OF AMENDMENTS ON PAGE 5 FOR DETAILS ON THE SHARE CLASS NAME CHANGES

Investment Objective & Policy

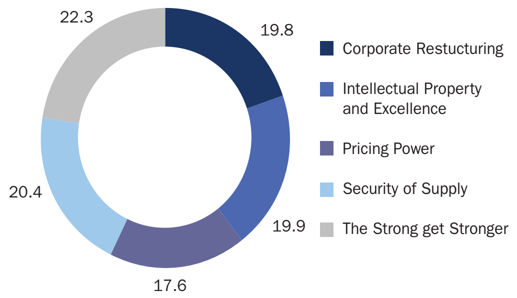
The Fund's objective is to achieve a total return to shareholders over the long term.

The Fund invests mainly in UK listed company shares. The Investment Adviser mainly chooses shares which fit into core themes. These track long term investment trends and are not confined to any particular region, market or industry sector.

The Fund will mainly hold the shares of large or medium sized companies but from time to time may invest in smaller companies.

The Investment Adviser is free to choose how the Fund is invested and will not track an index.

Thematic Equity Allocation (% as at 31.12.12)



Top 10 Equity Holdings

(as a % of portfolio as at 31.12.12)

BP Plc	5.7
BHP Billiton Plc	5.0
Astrazeneca Plc	4.2
Barclays Plc	3.9
BG Group Plc	3.6
UBS AG Perless 27/05/2011 (UK consumer basket)	3.5
Petrofac Ltd	3.2
Lloyds Banking Group Plc	3.1
Vodafone Group Plc	3.0
Xstrata Plc	3.0

[1] to 28.02.13	Pence per Share		Per £1,000 invested at 28.01.10 (£)	
2013[1]	Inc	Acc	Inc	Acc
Share Class A	0.4048	0.4556	4.05	4.56
Share Class I	0.4993	0.5432	4.99	5.43
Share Class F	-	0.0139	-	0.14
Share Class P	0.5060	0.5400	5.06	5.40
Share Class X	0.4387	0.4731	4.39	4.73
Share Class Z	0.5968	0.6730	5.97	6.73
2012				
Share Class A	3.3215	3.5361	33.22	35.36
Share Class I	3.6401	3.8798	36.40	38.80
Share Class F	-	-	-	-
Share Class P	-	-	-	-
Share Class X	3.3980	3.5937	33.98	35.94
Share Class Z	3.9961	4.3510	39.96	43.51
2011				
Share Class A	3.2357	3.3347	32.36	33.35
Share Class I	3.5491	3.6608	35.49	36.61
Share Class X	3.2448	3.3298	32.45	33.30
Share Class Z	3.9613	4.1730	39.61	41.73
2010				
Share Class A	1.9074	1.7198	19.07	17.20
Share Class I	2.0742	2.0904	20.74	20.90
Share Class X	1.9168	1.0864	19.17	10.86
Share Class Z	2.3185	2.1120	23.19	21.12

A, I & X shares per £1,000 invested at Share Class Launch 28.01.10
P shares per £1,000 invested at Share Class Launch 16.10.12

Ongoing Charges (%)

	as at 31.12.12 for last 12 months	
	Acc	Inc
Share Class A	1.71	1.71
Share Class I	1.06	1.06
Share Class F	1.21	N/A
Share Class P	0.96	0.96
Share Class X	1.56	1.56
Share Class Z	0.21	0.21

The ongoing charges figure is the ratio of the Fund's total discloseable costs (excluding overdraft interest) to the average net assets of the Fund.

Share Prices and Fund Size

	Share Price Range				Fund Size						
	Highest for the year (pence)		Lowest for the year (pence)			Net Asset Value (£)		Net Asset Value Pence per Share[2]		Number of Shares in Issue	
2012	Inc	Acc	Inc	Acc	31.12.12	Inc	Acc	Inc	Acc	Inc	Acc
Share Class A	114.50	124.60	100.30	106.60		23,260	54,756	112.63	122.94	20,651	44,540
Share Class I	116.40	126.80	101.30	108.10		19,833,820	17,858,761	114.37	125.13	17,341,228	14,271,809
Share Class F	-	123.00	-	123.00		-	4,726	-	122.38	-	3,862
Share Class P	115.00	124.80	109.00	118.20		1,132	1,232	113.17	123.21	1,000	1,000
Share Class X	115.30	124.60	100.50	106.50		986,208	167,177	113.36	122.95	869,970	135,972
Share Class Z	118.10	130.10	102.50	110.30		624,914	1,285	116.03	128.46	538,576	1,000
2011					31.12.11						
Share Class A	121.40	124.30	94.08	98.81		211,799	47,314	102.16	107.90	207,311	43,850
Share Class I	122.00	125.20	94.72	99.77		14,466,528	17,113,904	102.96	109.12	14,051,149	15,683,886
Share Class X	121.60	124.20	94.22	98.69		677,896	400,335	102.35	107.81	662,344	371,333
Share Class Z	122.60	126.50	95.46	101.30		559,686	1,109	103.92	110.97	538,576	1,000
2010					31.12.10						
Share Class A	118.60	120.90	94.27	95.37		189,225	16,640	117.27	119.86	161,354	13,883
Share Class I	119.10	121.60	94.43	95.53		13,341,571	20,345,372	117.74	120.50	11,331,046	16,884,232
Share Class Z	119.63	122.42	94.59	95.94		652,712	1,214	118.22	121.40	552,130	1,000
Share Class X	118.69	120.77	94.33	95.38		388,213	389,535	117.45	119.77	330,538	325,231

to 31.12.12
[2]Note: These notional prices are calculated by dividing the Net Asset Value by the number of base shares
A, I & X shares per £1,000 invested at Share Class Launch 28.01.10
P shares per £1,000 invested at Share Class Launch 16.10.12

Fund Managers

Rohini Rathour
Fund Manager

Rohini is Manager of the EquiSar - UK Thematic funds.

Jennifer Ramsey
Deputy Fund Manager

Sarasin EquiSar - UK Thematic Opportunities Fund™

Why EquiSar - UK Thematic Opportunities Fund?

EquiSar is our family of innovative thematic global equity funds, with assets of over £1.9 billion. Whereas most investors approach international investment on a country or regional basis, EquiSar places the emphasis instead on investing in companies that are expected to be the main beneficiaries from Sarasin's identification of global trends which drive corporate profits growth and share prices, wherever these companies happen to be headquartered.

In 2010 we launched the the EquiSar - UK Thematic funds which aim to outperform a unique benchmark whilst applying our proven global thematic process to UK equities.

Risk Profile

Sarasin EquiSar – UK Thematic Opportunities is an equity fund. It is therefore primarily exposed to equity market fluctuations. There is little exposure to interest rate and credit or cash flow risk, and no borrowings or unlisted securities so there is minimal exposure to liquidity risk.

Risk and Reward Profile

Lower risk
Typically lower rewards

Higher risk
Typically higher rewards

1	2	3	4	5	6	7

This risk and reward profile is based on historical data which may not be a reliable indication of the Fund's risk and reward category in the future.
The Fund's category is based on the rate at which the value of the Fund has performed in the past, and is not guaranteed to remain the same in the future.
The Fund is in category six because it invests in company shares which generally provide higher rewards and higher risks than other investments such as bonds, cash or commercial property.
A Fund in the lowest category is not a risk free investment.

Fund Facts

Launch Date:	28.01.10
Legal Status:	OEIC sub-fund
Domicile:	UK
Accounts Dates:	31st December (final)
	30th June

Fund Manager's Review

In the first half of the year the market climbed the proverbial wall of worry, slipping and sliding back down a number of times along the way. Politics and economic news continue to dominate sentiment which at its worst is pessimistic, and at its best is tinged with scepticism. Optimism remains in short supply. But, in amongst the uncertainty, companies with good business models, capable management teams and access to financing are doing rather well. In fact, a number of them are benefiting from their ability to borrow at historically low rates of interest at a time when their competitors are being shut out of the credit market. Companies are also using the economic weakness as an opportunity to address their own cost bases to become more focused as well as productive. More importantly, the doom and gloom in the media is not deterring innovation and consumers' propensity to pay up for it. These are all at the heart of corporate profitability and free cash flow generation, and form the bedrock of our thematic approach. On balance, the reasons for owning equities on a fundamental level has never been stronger. Of course there have been high profile casualties and, as is the case in any economic downturn, there is a clear divide between the winners and losers. In share price terms, there was more than 200% difference between the best performing stock relative to the worst performer – neither of which was in our portfolio! In the coming months, we believe UK equities will be driven by earnings – how they perform relative to the market's expectations – and also mergers and acquisitions. Stock price reaction to earnings can be extreme (both up and down), especially at a time when trading volumes are at historic lows. A weak sterling is only one of the reasons why foreign buyers from regions of stronger currencies like North America and Japan might be interested in UK listed companies.

The fund performed well over the first half driven by a strong rebound in the first quarter and four out of our five themes outperformed the benchmark. The best performing theme was Corporate Restructuring, helped by the bid for Psion whose management have worked hard not only to restructure the cost base but also revitalise the product portfolio and quality of service. Intellectual Property & Excellence also did well, helped by our holding in Misys and some excellent performance from our long held positions in BTG and Monitise. Pricing Power was driven by Admiral, the motor insurance company, which recovered nicely from the irrational de-rating it suffered in late 2011. The Strong get Stronger theme was helped by robust performances from a number of our consumer facing names that include Whitbread and Pearson. Last but not least, Security of Supply, the most macro-driven of all our themes, was a detractor from performance at a time when the market is very concerned about the impact of a Chinese slowdown on demand for commodities such as crude oil, iron ore and copper. At the same time, shale gas has been the game changer for US energy security, with the potential to make it self-sufficient by 2020. This is great news for the US economy, which is enjoying the unexpected stimulus cheaper gas prices is providing. This raises some longer-term questions about the longer-term impact of using coal relative to gas in the US, but also the potential price impact US gas supplies might have on global gas prices (which are currently priced at a significant premium). Many of our resource-related names, which dominate this theme, were hurt by the uncertainty created by the aforementioned factors.

Other drivers that influenced performance included our low exposure to areas such as tobacco and beverages, and other safe haven areas that continued to do well. New additions to the portfolio have been across all five themes and from different opportunity sets. Pleasingly, most of these have already made a positive contribution. These have replaced stocks that had either become too expensive or/and are facing greater headwinds in terms of earnings. The earnings season has only just begun and it is too early to predict what the outcome will be. Sell side analysts may have their red inks at the ready to put through downgrades, but if the market has already done the job by de-rating the stock by that amount and more, then we may even get a positive reaction despite negative news. Hence our view that it is far better to be invested in a company that is being priced for disaster than one that is extrapolating good earnings performance into perpetuity. When the market is this dislocated, it all boils down to investor psychology and expectations. The disparity of valuations between equities and bonds is now at a multi-year extreme. Politics remain an unquantifiable source of risk, requiring a higher return by way of compensation. However, when the market prices in negative real earnings growth from European equities for the next 20 years, it is a time to be a little brave. We believe remaining disciplined and alert to new ideas is what thematic investment is about.

Performance (% change to 31.12.12)

	EquiSar - UK Thematic Opportunities A shares Acc	EquiSar - UK Thematic Opportunities I shares Acc	EquiSar - UK Thematic Opportunities P shares Acc	EquiSar - UK Thematic Opportunities X shares Acc	Benchmark[1]
Since launch on 28.01.10 to 31.12.12	+26.6	+28.6	-	+26.6	+29.7
Since launch on 16.10.12 to 31.12.12	-	-	+4.9	-	+1.5
31.12.11 to 31.12.12	+21.6	+22.1	-	+21.7	+12.3
31.12.10 to 31.12.11	-15.3	-14.9	-	-15.3	-3.5
1.12.09 to 31.12.10	-	-	-	-	-

Source: Sarasin. All data as at 31.12.12. Please remember that you should not base decisions on past performance and that the prices may fluctuate and you may not get back your original investment. The fund's Synthetic Risk and Return Indicator is 6 (1 low to 7 high) and further details of the risks can be found in the Prospectus and KIID available from www.sarasin.co.uk. Overseas shares and bonds may be affected by currency exchange rates. Sarasin EquiSar - UK Thematic Opportunities Fund™ is a trademark of Sarasin & Partners LLP.

[1]Benchmark: FTSE All Share (Total Return)

PLEASE SEE THE NOTIFICATIONS OF AMENDMENTS ON PAGE 5 FOR DETAILS ON THE SHARE CLASS NAME CHANGES

Investment Objective & Policy

The Fund's objective is to achieve a total return to shareholders over the medium term.

The Fund invests mainly in UK listed company shares. The Investment Adviser mainly chooses shares which fit into core themes. These track long term investment trends and are not confined to any particular region, market or industry sector.

The Fund will mainly hold the shares of large or medium sizedcompanies but from time to time may invest in smallercompanies.

The Fund may invest in derivatives for investment purposes (financial instruments whose value is linked to the expected future price movements of an underlying asset).

The Investment Adviser is free to choose how the Fund is invested and will not track an index.

Ongoing Charges (%)

	as at 31.12.12 for last 12 months	
	Acc	Inc
Share Class A	1.73	1.73
Share Class I	1.08	1.08
Share Class P	0.98	0.98
Share Class X	1.58	1.58

The ongoing charges figure is the ratio of the Fund's total discloseable costs (excluding overdraft interest) to the average net assets of the Fund.

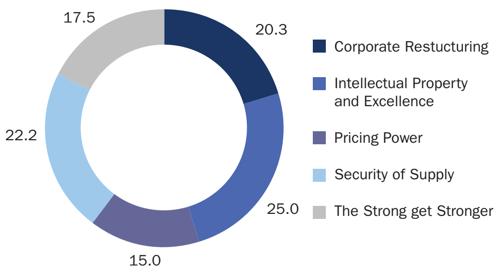
Fund Managers

Rohini Rathour
Fund Manager

Rohini is Manager of the EquiSar - UK Thematic funds.

Jennifer Ramsey
Deputy Fund Manager

Thematic Equity Allocation (% as at 31.12.12)



Top 10 Equity Holdings
(as a % of portfolio as at 31.12.12)

BP Plc	6.2
Lloyds Banking Group Plc	6.0
Barclays Plc	4.6
Monitise Plc	4.0
BTG Plc	3.7
Astrazeneca Plc	3.5
Lonmin Plc	3.3
UBS AG Perless 27/05/2011 (UK consumer basket)	3.2
BG Group Plc	3.1
Virgin Media Inc	3.1

Net Income Distribution/Accumulation

[1] to 28.02.13	Pence per Share		Per £1,000 invested at 28.01.10 (£)	
2013[1]	Inc	Acc	Inc	Acc
Share Class A	-	-	-	-
Share Class I	-	0.0218	-	0.218
Share Class P	0.2670	0.2800	2.67	2.80
Share Class X	-	-	-	-
2012				
Share Class A	1.2066	1.2677	12.07	12.68
Share Class I	1.6637	1.2314	16.64	12.31
Share Class P	-	-	-	-
Share Class X	0.9822	1.2114	9.82	12.11
2011				
Share Class A	1.3579	1.5470	13.58	15.47
Share Class I	2.0041	2.0299	20.04	20.30
Share Class X	1.6977	1.7059	16.98	17.06
2010				
Share Class A	0.2827	0.2735	2.83	2.74
Share Class I	0.5096	0.4805	5.10	4.81
Share Class X	0.3114	0.3208	3.11	3.21

A, I & X shares per £1,000 invested at Share Class Launch 28.01.10
P shares per £1,000 invested at Share Class Launch 16.10.12

Share Prices and Fund Size

	Share Price Range				Fund Size						
	Highest for the year (pence)		Lowest for the year (pence)			Net Asset Value (£)		Net Asset Value Pence per Share[2]		Number of Shares in Issue	
2012	Inc	Acc	Inc	Acc	**31.12.12**	Inc	Acc	Inc	Acc	Inc	Acc
Share Class A	125.00	127.80	101.80	103.80		77,630	2,171,641	123.40	126.17	62,906	1,721,234
Share Class I	125.00	129.80	101.60	104.90		11,045,243	662,539	123.45	128.16	8,947,348	516,957
Share Class P	125.30	128.10	116.60	119.20		1,235	1,265	123.49	126.50	1,000	1,000
Share Class X	124.80	127.70	101.40	103.70		9,461,362	707,045	123.22	126.11	7,678,627	560,659
2011					**31.12.11**						
Share Class A	127.00	126.90	95.40	96.53		63,222	1,868,705	101.50	103.61	62,286	1,803,633
Share Class I	127.20	127.80	95.44	97.49		7,280,948	1,328,982	101.37	104.74	7,182,266	1,268,795
Share Class X	127.00	126.90	95.11	96.43		12,890,033	965,449	101.19	103.50	12,738,839	932,825
2010					**31.12.10**						
Share Class A	124.10	124.00	95.20	95.23		83,589	183,639	123.42	123.11	67,730	149,170
Share Class I	124.20	124.80	95.24	95.24		5,553,781	880,082	123.16	123.77	4,509,306	711,079
Share Class X	124.00	123.90	95.22	95.28		22,466,708	978,731	123.01	122.93	18,264,465	796,141

to 31.12.12
[2]Note: These notional prices are calculated by dividing the Net Asset Value by the number of base shares
A, I & X shares per £1,000 invested at Share Class Launch 28.01.10
P shares per £1,000 invested at Share Class Launch 16.10.12

Sarasin EquiSar - Socially Responsible™

Why EquiSar - Socially Responsible?

On 1st June 2011 we launched our EquiSar – Socially Responsible funds which aim to achieve a balance of capital growth and income over the long-term through investment in an internationally diversified equity portfolio that reflects environmental, social and governance considerations.

The core philosophy of this strategy is that a performance-seeking global equity fund can be managed to responsible principles without compromising performance.

Risk Profile

Sarasin EquiSar - Socially Responsible is a global equity fund which invests in large cap securities. It is therefore primarily exposed to equity market and exchange rate fluctuations. There is little exposure to interest rate and credit or cash flow risk, and no borrowings or unlisted securities so there is minimal exposure to liquidity risk.

Risk and Reward Profile

Lower risk
Typically lower rewards

Higher risk
Typically higher rewards

1	2	3	4	5	6	7

This risk and reward profile is based on historical data which may not be a reliable indication of the Fund's risk and reward category in the future.
The Fund's category is based on the rate at which the value of the Fund has performed in the past, and is not guaranteed to remain the same in the future.
The Fund is in category six because it invests in company shares which generally provide higher rewards and higher risks than other investments such as bonds, cash or commercial property.
A Fund in the lowest category is not a risk free investment.

Fund Facts

Launch Date:	01.06.11
Legal Status:	OEIC sub-fund
Domicile:	UK
Accounts Dates:	31st December (final)
	30th June

Fund Manager's Review

Equity markets have had a surprisingly buoyant year, although it has not been an easy ride. Market gains early in the year were generally driven by high quality and large-cap companies. The period started well in absolute terms, as markets became optimistic about a recovery boosted by Europe's Long Term Refinancing Operations (LTRO). Risk assets rallied hard, with particular strength in the financials, cyclicals and other economically sensitive areas. We maintained a more conservative position throughout this period and indeed the year, and we underperformed this particular rally.

By mid-February, though, attention had begun to focus again on Europe and particularly Spain's problems. At this point, we started to claw back some of the relative losses from earlier in the year. The markets focus on quality and growth lasted through early summer, until these somewhat illiquid markets began to rally strongly off their lows. More recently this has given way to a noticeable rotation, seasonal or otherwise, out of quality and growth into risk and value. The rally has been spurred by policy action in North America, Asia and in Europe where, despite ongoing unrest, Draghi's mid-year pledge to do "whatever it takes" to save the euro catalysed strong relative outperformance of Europe over North America. The underlying earnings environment had continued to deteriorate steadily and only very recently began to show signs of stability. Some macroeconomic indicators have also began to show signs of stability, particularly in China and Europe whilst the US housing market seems to be rebounding from a low base. Despite this better macroeconomic backdrop, the ongoing political drama over the US fiscal cliff created an environment of excessive uncertainty and cast a pall over investor confidence and a hesitant economic recovery. Of particular note more recently has been Japan's uniquely poor condition, which opens the door for the possibility of large scale money printing.

On the whole our more risk embracing and cyclical themes, Pricing Power and Corporate Restructuring, have performed best, whilst the more risk adverse propositions such as Strong get Stronger and Intellectual Property & Excellence have disappointed. Our Pricing Power theme had strong contributors from the Australian blood plasma specialist CSL, Swiss RE, which continues to return significant capital to shareholders, and Mitsubishi Estate. Corporate Restructuring's best performers were all linked to the recovery in the US housing market, namely forest products company Weyerhauser, Citigroup, and home improvements retailer Home Depot. Corporate Restructuring also had the two worst performing companies in the portfolio, deep value propositions Dell and Alcatel Lucent. Both of these have now begun to turn around. Strong get Stronger was consistently our worst performing theme in the portfolio. Stocks that have performed poorly in this theme have shared the common thread of strong capital positions but lack of management focus on capital discipline. Japanese ecommerce operator Rakuten and Occidental Petroleum have made acquisitions considered ill-judged by the market. Earnings accretion in itself is simply not enough when interest rates are this low. Gains seen in Intellectual Property & Excellence over recent years have begun to moderate as the market rallied in the second half of 2012. These growth stocks are considered too high quality to outperform during recent market conditions.

Despite having been underweight energy (the worst performing sector in the market this year) our stock picking has left a lot to be desired. Occidental Petroleum, Saipem and BG group were amongst the poorest stocks in the portfolio. Financials have generally worked well for us and have contributed positively to the portfolio, with UBS, Citigroup and Hartford Financial amongst the best performers. We have been most overweight the consumer sectors, indeed these companies have been by far the biggest contributors to the portfolio over the last few years, though this trend has started to moderate more recently.

Performance (% change to 31.12.12)

	EquiSar - Socially Responsible A shares Acc	EquiSar - Socially Responsible F shares Acc	EquiSar - Socially Responsible I shares Acc	EquiSar - Socially Responsible P shares Acc	EquiSar - Socially Responsible X shares Acc	Benchmark[1]
Since launch on 01.06.11 to 31.12.12	-0.8	-	+0.3	-	-0.6	+4.6
Since launch on 16.10.12 to 31.12.12	-	+0.2	-	+1.2	-	+0.1
31.12.11 to 31.12.12	+9.1	-	+9.9	-	+9.3	+10.7
31.12.10 to 31.12.11	-	-	-	-	-	-
31.12.09 to 31.12.10	-	-	-	-	-	-

Source: Sarasin. All data as at 31.12.12. Please remember that you should not base decisions on past performance and that the prices may fluctuate and you may not get back your original investment. The fund's Synthetic Risk and Return Indicator is 6 (1 low to 7 high) and further details of the risks can be found in the Prospectus and KIID available from www.sarasin.co.uk. Overseas shares and bonds may be affected by currency exchange rates.Sarasin EquiSar - Socially Responsible™ is a trademark of Sarasin & Partners LLP.

[1]Benchmark: MSCI World (Net Total Return)

PLEASE SEE THE NOTIFICATIONS OF AMENDMENTS ON PAGE 5 FOR DETAILS ON THE SHARE CLASS NAME CHANGES

Investment Objective & Policy

The Fund's objective is a balance of capital appreciation and income over the long term.

The Fund invests mainly in company shares from around the world. The Fund will not invest in ethically unacceptable products such as alcohol, gambling, tobacco, pornography or armaments. It will also avoid companies involved in corruption, environment degradation and poor labour practices or companies that breach human rights or international legal standards.

The Investment Adviser mainly chooses shares which fit into global growth themes. These track long term investment trends and are not confined to any particular region, market or industry sector.

The Fund will mainly hold the shares of large or mediumsized companies but from time to time may invest in smaller companies.

The Investment Adviser is free to choose how the Fund is invested and will not track an index.

Ongoing Charges (%)

	as at 31.12.12 for last 12 months* Acc	Inc
Share Class A	1.75	1.75
Share Class F	1.25	-
Share Class I	1.04	1.04
Share Class P	1.00	1.00
Share Class X	1.60	1.60

The ongoing charges figure is the ratio of the Fund's total discloseable costs (excluding overdraft interest) to the average net assets of the Fund.

Fund Managers

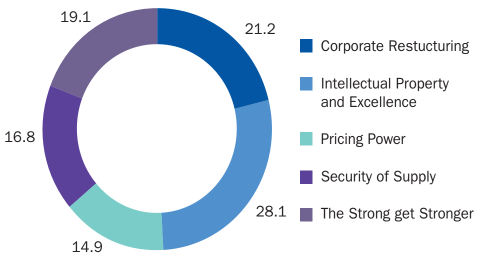
Harry Talbot Rice
Fund Manager

Harry was appointed Manager to the EquiSar family of funds in January 2002.

Mark Whitehead
Fund Manager

Mark has 12 years investment management experience, specialising in the management of global thematic funds.

Thematic Equity Allocation (% as at 31.12.12)



Top 10 Equity Holdings (as a % of portfolio as at 31.12.12)

Time Warner Inc	2.8
Swiss RE	2.7
Hartford Financial	2.6
Google Inc	2.6
Pfizer Inc	2.5
Verizon Communications Inc	2.4
Microsoft Corp	2.3
Weyerhaeuser Co	2.3
Home Depot Inc	2.3
PNC Financial Services Group	2.2

Net Income Distribution/Accumulation

[1]to 28.02.13	Pence per Share		Per £1,000 invested at 01.06.11 (£)	
2013[1]	**Inc**	**Acc**	**Inc**	**Acc**
Share Class A	0.9719	0.9926	9.72	9.93
Share Class F	-	0.0031	-	0.03
Share Class I	0.9763	0.9980	9.76	9.98
Share Class P	0.9720	0.9910	9.72	9.91
Share Class X	0.9697	0.9930	9.70	9.93
2012				
Share Class A	2.056	2.0578	20.56	20.58
Share Class F	-	-	-	-
Share Class I	2.0579	2.0642	20.58	20.64
Share Class P	-	-	-	-
Share Class X	2.0492	2.0581	20.49	20.58
2011				
Share Class A	-	-	-	-
Share Class I	-	-	-	-
Share Class X	-	-	-	-

A, I & X shares per £1,000 invested at Share Class Launch 01.06.11
F & P shares per £1,000 invested at Share Class Launch 16.10.12

Share Prices and Fund Size

	Share Price Range				Fund Size						
	Highest for the year (pence)		Lowest for the year (pence)			Net Asset Value (£)		Net Asset Value Pence per Share[1]		Number of Shares in Issue	
2012	Inc	Acc	Inc	Acc	**31.12.12**	Inc	Acc	Inc	Acc	Inc	Acc
Share Class A	97.97	100.20	89.55	90.35		59,916	203,746	95.91	99.05	62,469	205,695
Share Class F	97.97	100.20	93.27	99.34		-	4,706	-	98.18	-	4,793
Share Class I	99.06	101.30	90.19	90.97		48,219,168	5,007	97.01	100.15	49,705,565	5,000
Share Class P	98.08	100.30	93.32	95.40		960	992	96.04	99.18	1,000	1,000
Share Class X	98.21	100.40	89.70	90.48		822,844	126,721	96.15	99.27	855,760	127,650
2011					**31.12.11**						
Share Class A	102.50	102.50	81.64	81.64		12,708	29,346	90.40	91.22	14,057	32,171
Share Class I	102.70	102.60	81.80	81.76		47,012,979	4,580	90.81	91.60	51,772,533	5,000
Share Class X	102.60	102.60	81.67	81.67		466,114	4,565	90.51	91.30	515,000	5,000

to 31.12.12
[1]Note: These notional prices are calculated by dividing the Net Asset Value by the number of base shares
A, I & X shares per £1,000 invested at Share Class Launch 01.06.11
F & P shares per £1,000 invested at Share Class Launch 16.10.12

Why EquiSar - Socially Responsible (Sterling Hedged)?

On 1st June 2011 we launched our EquiSar – Socially Responsible funds which aim to achieve a balance of capital growth and income over the long-term through investment in an internationally diversified equity portfolio that reflects environmental, social and governance considerations.

The core philosophy of this strategy is that a performance-seeking global equity fund can be managed to responsible principles without compromising performance.

We realise that the majority of our clients manage sterling liabilities and therefore the EquiSar – Socially Responsible (Sterling Hedged) fund will invest in the same equities as the EquiSar – Socially Responsible fund but will be hedged to sterling to as great a degree as is practical.

Risk Profile

Sarasin EquiSar - Socially Responsible (Sterling Hedged) is a global equity fund which invests in large cap securities. It is therefore primarily exposed to equity market and exchange rate fluctuations. There is little exposure to interest rate and credit or cash flow risk, and no borrowings or unlisted securities so there is minimal exposure to liquidity risk. The fund is largely hedged back to base (GBP), so fluctuations in major exchange rates will materially affect the value of the fund versus an unhedged equity benchmark.

Risk and Reward Profile

Lower risk — Typically lower rewards | Higher risk — Typically higher rewards

1	2	3	4	5	6	7

This risk and reward profile is based on historical data which may not be a reliable indication of the Fund's risk and reward category in the future.
The Fund's category is based on the rate at which the value of the Fund has performed in the past, and is not guaranteed to remain the same in the future.
The Fund is in category six because it invests in company shares which generally provide higher rewards and higher risks than other investments such as bonds, cash or commercial property.
A Fund in the lowest category is not a risk free investment.

Fund Facts

Launch Date:	01.06.11
Legal Status:	OEIC sub-fund
Domicile:	UK
Accounts Dates:	31st December (final)
	30th June

Sarasin EquiSar - Socially Responsible (Sterling Hedged)™

Fund Manager's Review

Equity markets have had a surprisingly buoyant year, although it has not been an easy ride. Market gains early in the year were generally driven by high quality and large-cap companies. The period started well in absolute terms, as markets became optimistic about a recovery boosted by Europe's Long Term Refinancing Operations (LTRO). Risk assets rallied hard, with particular strength in the financials, cyclicals and other economically sensitive areas. We maintained a more conservative position throughout this period and indeed the year, and we underperformed this particular rally.

By mid-February, though, attention had begun to focus again on Europe and particularly Spain's problems. At this point, we started to claw back some of the relative losses from earlier in the year. The markets focus on quality and growth lasted through early summer, until these somewhat illiquid markets began to rally strongly off their lows. More recently this has given way to a noticeable rotation, seasonal or otherwise, out of quality and growth into risk and value. The rally has been spurred by policy action in North America, Asia and in Europe where, despite ongoing unrest, Draghi's mid-year pledge to do "whatever it takes" to save the euro catalysed strong relative outperformance of Europe over North America. The underlying earnings environment had continued to deteriorate steadily and only very recently began to show signs of stability. Some macroeconomic indicators have also began to show signs of stability, particularly in China and Europe whilst the US housing market seems to be rebounding from a low base. Despite this better macroeconomic backdrop, the ongoing political drama over the US fiscal cliff created an environment of excessive uncertainty and cast a pall over investor confidence and a hesitant economic recovery. Of particular note more recently has been Japan's uniquely poor condition, which opens the door for the possibility of large scale money printing.

On the whole our more risk embracing and cyclical themes, Pricing Power and Corporate Restructuring, have performed best, whilst the more risk adverse propositions such as Strong get Stronger and Intellectual Property & Excellence have disappointed. Our Pricing Power theme had strong contributors from the Australian blood plasma specialist CSL, Swiss RE, which continues to return significant capital to shareholders, and Mitsubishi Estate. Corporate Restructuring's best performers were all linked to the recovery in the US housing market, namely forest products company Weyerhauser, Citigroup, and home improvements retailer Home Depot. Corporate Restructuring also had the two worst performing companies in the portfolio, deep value propositions Dell and Alcatel Lucent. Both of these have now begun to turn around. Strong get Stronger was consistently our worst performing theme in the portfolio. Stocks that have performed poorly in this theme have shared the common thread of strong capital positions but lack of management focus on capital discipline. Japanese ecommerce operator Rakuten and Occidental Petroleum have made acquisitions considered ill-judged by the market. Earnings accretion in itself is simply not enough when interest rates are this low. Gains seen in Intellectual Property & Excellence over recent years have begun to moderate as the market rallied in the second half of 2012. These growth stocks are considered too high quality to outperform during recent market conditions.

Despite having been underweight energy (the worst performing sector in the market this year) our stock picking has left a lot to be desired. Occidental Petroleum, Saipem and BG group were amongst the poorest stocks in the portfolio. Financials have generally worked well for us and have contributed positively to the portfolio, with UBS, Citigroup and Hartford Financial amongst the best performers. We have been most overweight the consumer sectors, indeed these companies have been by far the biggest contributors to the portfolio over the last few years, though this trend has started to moderate more recently. concepts of productivity and demographic change.

Performance (% change to 31.12.12)

	EquiSar - Socially Responsible (Sterling Hedged) A shares Acc	EquiSar - Socially Responsible (Sterling Hedged) I shares Acc	EquiSar - Socially Responsible (Sterling Hedged) P shares Acc	EquiSar - Socially Responsible (Sterling Hedged) X shares Acc	Benchmark[1]
Since launch on 01.06.11 to 31.12.12	+0.3	+1.4	-	+0.5	+6.1
Since launch on 16.10.12 to 31.12.12	-	-	+2.8	-	+1.5
31.12.11 to 31.12.12	+14.4	+15.2	-	+14.5	+15.7
31.12.10 to 31.12.11	-	-		-	-
31.12.09 to 31.12.10	-	-		-	-

Source: Sarasin. All data as at 31.12.12. Please remember that you should not base decisions on past performance and that the prices may fluctuate and you may not get back your original investment. The fund's Synthetic Risk and Return Indicator is 6 (1 low to 7 high) and further details of the risks can be found in the Prospectus and KIID available from www.sarasin.co.uk. Overseas shares and bonds may be affected by currency exchange rates. Sarasin EquiSar - Socially Responsible (Sterling Hedged)™ is a trademark of Sarasin & Partners LLP.

[1]Benchmark: MSCI World (Local Currencies)

PLEASE SEE THE NOTIFICATIONS OF AMENDMENTS ON PAGE 5 FOR DETAILS ON THE SHARE CLASS NAME CHANGES

Investment Objective & Policy

The Fund's objective is capital appreciation in sterling terms.

The Fund invests mainly in company shares from around the world. The Investment Adviser mainly chooses shares which fit into global growth themes. These track long term investment trends and are not confined to any particular region, market or industry sector.

The Fund will mainly hold the shares of large or medium sized companies but from time to time may invest in smaller companies.

Where an investment is not priced in sterling, the Fund will typically take measures to protect it from currency movements against sterling.

The Investment Adviser is free to choose how the Fund is invested and will not track an index.

Ongoing Charges (%)

	as at 31.12.12 for last 12 months*	
	Acc	Inc
Share Class A	1.73	1.73
Share Class I	1.02	1.02
Share Class P	0.98	0.98
Share Class X	1.58	1.58

The ongoing charges figure is the ratio of the Fund's total discloseable costs (excluding overdraft interest) to the average net assets of the Fund.

Fund Managers

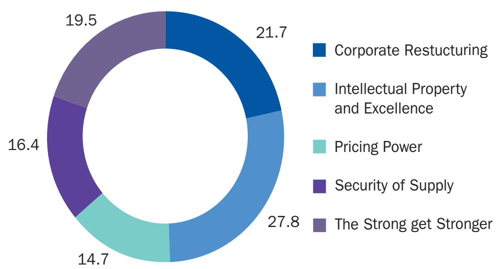
Harry Talbot Rice
Fund Manager

Harry was appointed Manager to the EquiSar family of funds in January 2002.

Mark Whitehead
Fund Manager

Mark has 12 years investment management experience, specialising in the management of global thematic funds.

Thematic Equity Allocation (% as at 31.12.12)



Top 10 Equity Holdings

(as a % of portfolio as at 31.12.12)

Time Warner Inc	2.9
Swiss RE	2.8
Hartford Financial	2.7
Pfizer Inc	2.6
Google Inc	2.6
Verizon Communications Inc	2.4
Weyerhaeuser Co	2.4
Microsoft Corp	2.4
PNC Financial Services Group	2.3
Home Depot Inc	2.3

Net Income Distribution/Accumulation

[1]to 28.02.13	Pence per Share		Per £1,000 invested at 01.06.11 (£)	
2013[1]	Inc	Acc	Inc	Acc
Share Class A	0.9701	0.9907	9.70	9.91
Share Class I	0.9788	1.0000	9.79	10.00
Share Class P	0.9710	0.9930	9.71	9.93
Share Class X	0.9751	0.9848	9.75	9.85
2012				
Share Class A	1.997	1.9984	19.97	19.98
Share Class I	2.0018	2.0068	20.02	20.07
Share Class P	-	-	-	-
Share Class X	1.9736	1.9973	19.74	19.97
2011				
Share Class A	-	-	-	-
Share Class I	-	-	-	-
Share Class X	-	-	-	-

A, I & X shares per £1,000 invested at Share Class Launch 01.06.11
P shares per £1,000 invested at Share Class Launch 16.10.12

Share Prices and Fund Size

	Share Price Range				Fund Size						
	Highest for the year (pence)		Lowest for the year (pence)			Net Asset Value (£)		Net Asset Value Pence per Share[1]		Number of Shares in Issue	
2012	Inc	Acc	Inc	Acc	31.12.12	Inc	Acc	Inc	Acc	Inc	Acc
Share Class A	98.93	101.20	87.22	88.00		45,358	15,436	96.51	99.64	47,000	15,491
Share Class I	100.10	102.30	87.75	88.48		78,653,440	5,038	97.61	100.77	80,577,087	5,000
Share Class P	99.04	101.30	92.36	94.42		966	998	96.64	99.79	1,000	1,000
Share Class X	99.16	101.40	87.33	88.10		2,351,644	51,086	96.73	99.87	2,431,094	51,150
2011					31.12.11						
Share Class A	100.40	100.40	80.27	80.25		25,216	4,387	86.95	87.74	29,000	5,000
Share Class B	100.50	100.40	80.48	80.45		69,426,923	4,405	87.33	88.10	79,502,413	5,000
Share Class X	100.40	100.40	80.29	80.29		461,160	4,391	87.01	87.82	530,000	5,000

to 31.12.12
[1]Note: These notional prices are calculated by dividing the Net Asset Value by the number of base shares
A, I & X shares per £1,000 invested at Share Class Launch 01.06.11
P shares per £1,000 invested at Share Class Launch 16.10.12

Sarasin International Equity Income Fund™

Fund Manager's Review

The hallmark of global growth will be the continued fiscal consolidation across the Western World. The IMF estimates that, globally, fiscal tightening will be 1% of GDP for advanced economies in 2013, up from 0.75% last year, so the pain gets worse before it gets better. Mrs Merkel summarised her austerity platform in a recent interview with the Financial Times: "If Europe today accounts for just over 7% of the world's population, produces around 25% of global GDP and has to finance 50% of global social spending, then it's obvious that it will have to work very hard to maintain its prosperity and way of life… All of us have to stop spending more than we earn every year."

The euro area will be in recession for at least the first half of the year. However, in the short-term at least, the situation is not deteriorating, thanks in part to the decline in 'tail risks' (as lower bond yields reduce the need for further austerity). The European PMI indices of business activity and future outlook have stabilised, albeit at very low levels. But we fear that 2013 will not be completely free of euro zone related dramas as euro zone politicians continue to attempt to steer between the Scylla and Charybdis of fiscal union and euro breakup.

With the US government borrowing roughly 40 cents of every dollar that it spends, it is no small wonder that the fiscal agenda continues to drive politics and markets. While the US economy is recovering, the pace of growth is so far insufficient to create jobs at a rate much more than 160,000 a month – the same rate as in 2011 and 2012. With unemployment remaining at 7.8%, the Federal Reserve has moved to link its stimulus to an explicit unemployment target of 6.5%. Part of the jobs problem is the way in which technology is improving productivity as computers and machines replace workers. This is another reason to expect interest rates to remain lower for longer and for the Fed to risk inflation in pursuit of a challenging unemployment goal.

Investors may have become too pessimistic about China and the general trends of convergence in living standards across the emerging world. Monetary stimulus together with moderate fiscal stimulus has managed to stabilise growth, admittedly at a slower pace but incomes are still rising strongly. Spending patterns change dramatically as income levels rise from below $1,000 p.a. to between $3000-$5000 p.a. China, India, Indonesia, Philippines, Egypt, Columbia, Peru and Russia are all expected to go through this threshold in the next 30 years, with consequences for dietary change, discretionary, housing and health spending.

Energy prices remain a wildcard for the global economy. A fall in the oil price would provide a strong stimulus but the highly unstable situations in Egypt, Pakistan and Sudan have been largely out of the headlines as the US manages an accelerated military and financial withdrawal from the Middle East. All three are closely linked to the Syria / Iran conflagration, which is out of control and poses a threat to the petro-states of Kuwait, Qatar, and Saudi Arabia. Deterioration in the region is a key risk to global growth - populations are too large and young and the job opportunities too few for there to be a guaranteed return to stability.

Conclusion

It seems clear that we will not see a return to the pre-crisis patterns of GDP growth, with activity and job creation bolstered by a credit boom and ever-rising government spending. Instead, we can expect a large part of future improvements in living standards and corporate profitability to be shaped by productivity gains and different demographic trends – as we see it through our thematic lens, a Smarter World and an Ageing World.

Performance (% change to 31.12.12)

	IEI A shares Acc	IEI F shares Acc	IEI I shares Acc	IEI P shares Acc	IEI X shares Acc	Benchmark[1] GBP	IEI A USD shares Acc	Benchmark[1] USD	IEI A EUR shares Acc	IEI I EUR shares Acc	Benchmark[1] EUR
Since launch on 16.05.06 to 31.12.12	+36.5	-	+42.7	-	-	+32.2	-	-	-	-	-
Since launch on 18.01.10 to 31.12.12	-	-	-	-	+18.0	+20.3	-	-	-	-	-
Since launch on 02.06.12 to 31.12.12 in USD	-	-	-	-	-	-	+15.2	+17.4	-	-	-
Since launch on 16.10.12 to 31.12.12	-	+0.2	-	+0.8	-	+0.1	-	-	-	-	-
Since launch on 06.07.12 to 31.12.12	-	-	-	-	-	-	-	-	+1.9	+2.1	+2.6
31.12.11 to 31.12.12	+10.8	-	+11.7	-	+11.0	+10.7	-	-	-	-	-
31.12.11 to 30.06.12 in USD	-		-	-	-	+5.9	+7.2	-	-	-	-
31.12.10 to 31.12.11	-6.6		-6.1	-	-6.4	-4.8	-	-	-	-	-
31.12.09 to 31.12.10	+14.4		+15.1	-	-	+15.8	-	-	-	-	-
31.12.08 to 31.12.09	+15.1		+15.8	-	-	+14.5	-	-	-	-	-
31.12.07 to 31.12.08	-14.3		-14.1	-	-	-16.7	-	-	-	-	-

Source: Sarasin. All data as at 31.12.12. Please remember that you should not base decisions on past performance and that the prices may fluctuate and you may not get back your original investment. The fund's Synthetic Risk and Return Indicator is 6 (1 low to 7 high) and further details of the risks can be found in the Prospectus and KIID available from www.sarasin.co.uk. Overseas shares and bonds may be affected by currency exchange rates.Sarasin International Equity income Fund™ is a trademark of Sarasin & Partners LLP. [1]Benchmark: MSCI World Equity Index (Net USD)

PLEASE SEE THE NOTIFICATIONS OF AMENDMENTS ON PAGE 5 FOR DETAILS ON THE SHARE CLASS NAME CHANGES

Why International Equity Income?

In the past, income-seeking investors have often had to give international investment a miss. Not any more. Companies all around the world are now responding to shareholder pressure to adopt progressive dividend policies. What is more, they are often increasing their dividends from a comparatively low base with quite a lot further to go. Therefore, not only are their immediate dividend yields attractive, over a 1% premium to UK equities, but there is good future dividend growth in the pipeline too.

The Fund Manager employs the same thematic investment approach as the main EquiSar family of funds. In addition, our strategy is to focus on companies that will be able to grow their dividend payout over time, and to ensure that investors in the fund enjoy a significant premium to the payout available on the UK equity market.

Risk Profile

The International Equity Income Fund is primarily exposed to global share price movements and exchange rate fluctuations. Additionally the fund may take exposure to other corporate paper such as convertible bonds, preference share and bonds. The yield on the shares in the fund will vary due to changes in the share prices of investments within the fund, currency movements and changes in dividend policies pursued by the companies held.

Risk and Reward Profile

Lower risk — Typically lower rewards | Higher risk — Typically higher rewards

1	2	3	4	5	**6**	7

This risk and reward profile is based on historical data which may not be a reliable indication of the Fund's risk and reward category in the future.
The Fund's category is based on the rate at which the value of the Fund has performed in the past, and is not guaranteed to remain the same in the future.
The Fund is in category six because it invests in company shares which generally provide higher rewards and higher risks than other investments such as bonds, cash or commercial property.
A Fund in the lowest category is not a risk free investment.

Fund Facts

Launch Date:	16.05.06
Legal Status:	OEIC sub-fund
Domicile:	UK
Accounts Dates:	31st December (final), 31st March, 30th June, 30th September

Investment Objective & Policy

The Fund's objective is a consistently attractive level of income and long term capital appreciation.

The Fund invests mainly in company shares from around the world. The Investment Adviser mainly chooses shares which fit into global growth themes. These track long term investment trends and are not confined to any particular region, market or industry sector.

The Investment Adviser will pay particular attention to company profitability, good performance and attractive income levels.

The Fund may invest in derivatives for investment purposes (financial instruments whose value is linked to the expected future price movements of an underlying asset).

The Investment Adviser is free to choose how the Fund is invested and will not track an index.

Ongoing Charges (%)

	as at 31.12.12 for last 12 months	
	Acc	Inc
Share Class A	1.74	1.74
Share Class F	1.24	-
Share Class I	1.09	1.09
Share Class P	0.99	0.99
Share Class X	1.59	1.59
Share Class A USD	1.74	1.74
Share Class A EUR	1.74	1.74
Share Class I EUR	1.09	1.09

The ongoing charges figure is the ratio of the Fund's total discloseable costs (excluding overdraft interest) to the average net assets of the Fund.

Fund Managers

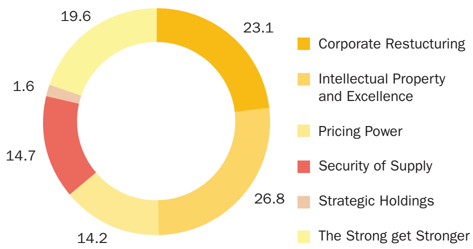
Mark Whitehead
Fund Manager

Mark has 12 years investment management experience, specialising in the management of global thematic funds.

Darryl Lucas
Co-Fund Manager

Darryl joined Sarasin in 2008. His duties include fund management and bottom-up cash flow modelling and analysis.

Thematic Equity Allocation (% as at 31.12.12)



Top 10 Equity Holdings

(as a % of portfolio as at 31.12.12)

Total SA	2.5
Altria Group Inc	2.4
Eurocommercial Properties	2.4
Admiral Group Plc	2.3
CFS Retail Property Trust	2.2
Leggett & Platt Inc	2.2
Jardine Matheson Hldgs Ltd	2.2
General Electric Co	2.2
Nissan Motor Co Ltd	2.2
Bank Of Nova Scotia	2.1

Net Income Distribution/Accumulation

[1] to 28.02.13	Pence per Share		Per £1,000 invested at 02.01.08 (£)	
2013[1]	Inc	Acc	Inc	Acc
Share Class A	1.8948	2.5105	16.96	21.37
Share Class F	-	0.0248	-	0.248
Share Class I	1.9833	2.6415	17.58	22.10
Share Class P	-	0.0248	-	0.25
Share Class X	1.9021	2.5126	19.38	22.00
	Cents per share		Per $1,000 invested at 02.06.11 ($)	
Share Class A USD	1.2690	1.947	12.69	19.47
	Cents per share		Per €1,000 invested at 11.07.12 (€)	
Share Class A EUR	1.6786	1.6717	16.79	16.72
Share Class I EUR	1.6799	1.6712	16.80	16.71
2012				
Share Class A	5.1771	6.6107	46.35	56.26
Share Class F	-	-	-	-
Share Class I	5.3663	6.4326	47.57	53.83
Share Class P	-	-	-	-
Share Class X	5.1952	6.6428	52.94	58.16
	Cents per share		Per $1,000 invested at 02.06.11 ($)	
Share Class A USD	4.2456	4.2723	42.46	42.72
	Cents per share		Per €1,000 invested at 11.07.12 (€)	
Share Class A EUR	0.8739	0.8259	8.739	8.26
Share Class I EUR	0.8214	0.8214	8.214	8.21
2011				
Share Class A	4.5246	5.5234	40.51	47.01
Share Class I	4.5403	5.5808	40.25	46.70
Share Class X	4.4859	5.4250	45.70	47.50
	Cents per share		Per $1,000 invested at 02.06.11 ($)	
Share Class A USD	0.6874	0.6909	6.44	6.46
2010				
Share Class A	4.8594	5.6488	43.50	48.07
Share Class I	4.9678	5.8437	44.04	48.90
Share Class X	3.5370	4.1538	36.04	36.37
2009				
Share Class A	4.8170	5.4122	43.12	46.06
Share Class I	4.8199	5.4475	42.73	45.59
2008				
Share Class A	3.7107	3.9506	33.22	33.62
Share Class I	3.8907	4.1790	34.49	34.97

A & I per £1,000 invested at Share Class Launch 02.01.08
X shares per £1,000 invested at Share Class Launch 19.01.10
F & P shares per £1,000 invested at Share Class Launch 16.10.12
A USD per $1,000 invested at Share Class Launch 02.06.11
A EUR & I EUR per €1,000 invested at Share Class Launch 06.07.12

Share Prices and Fund Size

	Share Price Range				Fund Size						
	Highest for the year (pence)		Lowest for the year (pence)		Net Asset Value (£)			Net Asset Value Pence per Share[2]		Number of Shares in Issue	
2012	Inc	Acc	Inc	Acc	31.12.12	Inc	Acc	Inc	Acc	Inc	Acc
Share Class A	104.10	138.00	95.61	123.40		26,684,838	17,309,206	100.77	136.31	26,481,285	12,698,821
Share Class F	104.00	138.00	99.36	132.00		-	9,415	-	135.82	-	6,932
Share Class I	108.10	144.00	99.13	128.00		215,916,228	16,804,777	104.87	142.42	205,885,431	11,799,827
Share Class P	104.00	138.00	99.48	132.10		311,797	25,307	101.01	136.54	308,684	18,534
Share Class X	104.50	138.50	95.92	123.70		65,148,558	15,278,071	101.25	136.86	64,345,957	11,162,893
	Highest for the year (cents)		Lowest for the year (cents)		Net Asset Value ($)			Net Asset Value cents per Share[2]		Number of Shares in Issue	
Share Class A USD	95.13c	103.60c	87.71c	88.14c		743	186,274	74.27c	122.51c	1,000	152,053
	Highest for the year (cents)		Lowest for the year (cents)		Net Asset Value (€)			Net Asset Value cents per Share[2]		Number of Shares in Issue	
Share Class A EUR	105.00c	105.00c	99.00c	99.00c		2,733,907	3,899,821	135.25c	137.94	2,021,334	2,827,161
Share Class I EUR	105.00c	105.00c	99.00c	99.00c		107,717	1,382	135.71c	138.20c	79,371	1,000
2011					31.12.11						
Share Class A	110.10	135.60	88.91	110.40		24,965,018	16,679,704	96.33	123.76	25,917,376	13,477,084
Share Class I	113.30	140.40	91.71	114.40		187,838,130	5,712,839	99.60	128.41	188,588,165	4,448,764
Share Class X	110.30	135.90	89.15	110.70		62,285,796	15,066,381	96.64	124.09	64,450,114	12,141,326
	Highest for the year (cents)		Lowest for the year (cents)		Net Asset Value ($)			Net Asset Value cents per Share[2]		Number of Shares in Issue	
Share Class A USD	100.00c	100.10c	79.34c	80.11c		863	445,218	86.29c	88.30c	1,000	504,189
2010					31.12.10						
Share Class A	110.70	133.50	91.78	109.30		22,102,491	14,207,304	108.59	132.54	20,354,022	10,719,404
Share Class I	113.60	137.70	93.96	112.40		143,249,423	8,413,877	111.55	136.72	128,418,229	6,153,979
Share Class X	110.80	133.70	91.82	109.30		55,739,659	9,624,457	108.78	132.68	51,238,947	7,254,027
2009					31.12.09						
Share Class A	102.10	117.30	73.61	81.43		50,695,103	12,550,744	99.20	115.43	51,102,105	10,873,097
Share Class I	104.30	120.40	74.84	83.13		71,492,565	3,273,022	101.30	118.43	70,576,356	2,763,711
2008					31.12.08						
Share Class A	111.70	117.60	77.82	84.79		22,648,905	8,850,965	90.40	100.01	25,052,906	8,850,012
Share Class I	112.80	119.50	78.91	86.41		35,197,263	2,714,650	91.83	102.01	38,328,986	2,661,275

to 31.12.12

[2]Note: These notional prices are calculated by dividing the Net Asset Value by the number of base shares.

A & I shares Share Class Launch 02.01.08
X shares Share Class Launch 19.01.10
F & P shares Share Class Launch 16.10.12
A USD Share Class Launch 02.06.11
A EUR & I EUR at Share Class Launch 06.07.12

Why Global Equity Income Fund (Sterling Hedged)?

In the past, income-seeking investors have often had to give international investment a miss. Not any more. Companies all around the world are now responding to shareholder pressure to adopt progressive dividend policies. What is more, they are often increasing their dividends from a comparatively low base with quite a lot further to go. Therefore, not only are the immediate dividend yields attractive, over a 1% premium to UK equities, but there is good future dividend growth in the pipeline too.

The fund manager employs the same thematic investment approach as the main EquiSar family of funds and, as with that family, we offer a sterling-hedged version where the vast majority of the international equity exposure is hedged back to sterling.

Risk Profile

The Global Equity Income Fund (Sterling Hedged) is primarily exposed to global share price movements and exchange rate fluctuations. Additionally the fund may take exposure to other corporate paper such as convertible bonds, preference share and bonds. The yield on the shares in the fund will vary due to changes in the share prices of investments within the fund, currency movements and changes in dividend policies pursued by the companies held. The fund is largely hedged back to base (GBP), so fluctuations in major exchange rates will materially affect the value of the fund versus an unhedged equity benchmark.

Risk and Reward Profile

Lower risk Typically lower rewards — Higher risk Typically higher rewards

1	2	3	4	5	6	7

This risk and reward profile is based on historical data which may not be a reliable indication of the Fund's risk and reward category in the future.
The Fund's category is based on the rate at which the value of the Fund has performed in the past, and is not guaranteed to remain the same in the future.
The Fund is in category six because it invests in company shares which generally provide higher rewards and higher risks than other investments such as bonds, cash or commercial property.
A Fund in the lowest category is not a risk free investment.

Fund Facts

Launch Date:	12.05.09
Legal Status:	OEIC sub-fund
Domicile:	UK
Accounts Dates:	31st December (final), 31st March 30th June 30th September

Sarasin Global Equity Income Fund (Sterling Hedged)™

Fund Manager's Review

Over the year, the best performing region in the index was Pacific ex Japan, and being overweight the region benefited performance. Additionally, stock selection within the region was strong. United Overseas Bank, Jardine Matheson, and Singapore Airport Terminal Services all contributed to performance. Although these stocks sit within cyclical industries, we believe that they are amongst the best in class in their respective businesses and offer the best risk-adjusted exposure to improving business conditions.

Europe ex. UK was the second best performing region in the benchmark, and an overweight here (in addition to strong stock selection) was beneficial for total return. As risk-facing assets fared better, we saw some good performance from the more cyclically exposed portion of our European holdings, although some more defensive holdings such as Novartis, Royal Dutch Shell and France Telecom struggled.

Although the UK portion of the benchmark performed broadly in line with the whole benchmark, our stock selection greatly benefited performance. F&C Asset Management (a restructuring story), Prudential (pricing power), HSBC (high quality strong get stronger thesis) and Admiral (pricing power) all performed strongly.

In the US, it was the more economically sensitive assets which aided performance: Weyerhaeuser (a forestry REIT which is enjoying an improved US housing market), Home Depot (also gaining from the improved US economic backdrop) and Hartford Financial generated above market returns over the year. However, we did see some US stocks perform poorly. Annaly Capital came under some pressure with reinvestment yields on US mortgage securities lower than where they were a few years ago. This will reduce returns going forward, although the stock is supported by valuation, trading on a 10% discount to book value.

We continue to have a zero exposure to utilities – we remain of the view that these companies carry too much financial leverage and do not offer the growth profiles required to pay down this debt. The utility sector was the worst performing sector within the benchmark over 2012. We remain overweight financials, with the majority of this exposure focused on insurance and real estate stocks. The banks which we do currently own are characterised by their strong capitalisation, diversification and prospects of increasing dividend payments over the coming years. Information technology was a poor sector for the fund over 2012: in particular, Canon, Intel and Microsoft were weak. Intel is struggling to create processors to be used within lower power (but increasingly important) devices such as tablets and mobile phones, and Microsoft saw a lacklustre uptake of its new operating system. Canon is facing competition from smartphone cameras, whilst also seeing fewer signs the office replacement cycle for printers is set to pick up.

Over the year we started a position in TDC, the Danish telecom operator. What is unusual about this company is that it supplies both cable and copper networks into their customers' homes. This duplication, we believe, will enable the company to reduce capital expenditures on one of the networks, and therefore improve cash flows available to equity investors. We exited our position in France Telecom – the company is facing several headwinds (weakening macro, more competition, inflexible labour costs), which have more than offset a cheap valuation, high dividend and the prospect of future growth due to increasing mobile data volumes/prices. We bought shares in Costco Wholesale, a low cost wholesale retailer which operates 608 'membership clubs' across the world. The company's business model is best in class, with the lowest cost structure, a proven international track record and a virtually undisruptable business model due to its robust market position and buying power. Additionally, management are aligned to shareholders' best interests, as demonstrated by their special dividend in Q4 2012. Other trades of note: we also sold Intel and Canon (as discussed above), and took profits on Air Liquide (still a great company, but with an uncompelling valuation) and IBM (whose cash return story is well understood by the market).

It seems clear that we will not see a return to the pre-crisis patterns of GDP growth, with activity and job creation bolstered by a credit boom and ever-rising government spending. Instead, we can expect a large part of future improvements in living standards and corporate profitability to be shaped by productivity gains and different demographic trends – as we see it through our thematic lens, a Smarter World and an Ageing World.

Performance (% change to 31.12.12)

	Global Equity Income (Stg Hedged) A shares Acc[1]	Global Equity Income (Stg Hedged) I shares Acc	Global Equity Income (Stg Hedged) P shares Acc	Global Equity Income (Stg Hedged) X shares Acc	Benchmark[2]
Since launch on 12.05.09 to 31.12.12	-	+45.7	-	+42.8	+46.2
Since launch on 28.09.09 to 31.12.12	+24.1	-		-	+25.4
Since launch on 16.10.12 to 31.12.12	-	-	+1.4	-	+1.5
31.12.11 to 31.12.12	+14.5	+15.2	-	+14.7	+15.7
31.12.10 to 31.12.11	-7.2	-6.6	-	-7.2	-5.5
31.12.09 to 31.12.10	+11.1	+11.6	-	+11.1	+10.0
31.12.08 to 31.12.09	-	-	-	-	-
31.12.07 to 31.12.08	-	-	-	-	-

Source: Sarasin. All data as at 31.12.12. Please remember that you should not base decisions on past performance and that the prices may fluctuate and you may not get back your original investment. The fund's Synthetic Risk and Return Indicator is 6 (1 low to 7 high) and further details of the risks can be found in the Prospectus and KIID available from www.sarasin.co.uk. Overseas shares and bonds may be affected by currency exchange rates. Sarasin Global Equity Income (Sterling Hedged)™ is a trademark of Sarasin & Partners LLP.

[1] A Shares launched on 28.09.09. X class shares changed their name from A class shares on 28.09.09

[2] Benchmark: MSCI World (local currency)

PLEASE SEE THE NOTIFICATIONS OF AMENDMENTS ON PAGE 5 FOR DETAILS ON THE SHARE CLASS NAME CHANGES

Investment Objective & Policy

The Fund's objective is a consistently attractive level of income and long term capital appreciation in sterling terms.

The Fund invests mainly in company shares from around the world. The Investment Adviser mainly chooses shares which fit into global growth themes. These track long term investment trends and are not confined to any particular region, market or industry sector. The Investment Adviser will pay particular attention to company profitability, good performance and attractive income levels.

Where an investment is not priced in sterling, the Fund will typically take measures to protect it from currency movements against sterling.

The Fund may invest in derivatives for investment purposes (financial instruments whose value is linked to the expected future price movements of an underlying asset). The Investment Adviser is free to choose how the Fund is invested and will not track an index.

Ongoing Charges (%)

	as at 31.12.12 for last 12 months	
	Acc	Inc
Share Class A	1.76	1.76
Share Class I	1.11	1.11
Share Class P	1.01	1.01
Share Class X	1.61	1.61

The ongoing charges figure is the ratio of the Fund's total discloseable costs (excluding overdraft interest) to the average net assets of the Fund.

Fund Managers

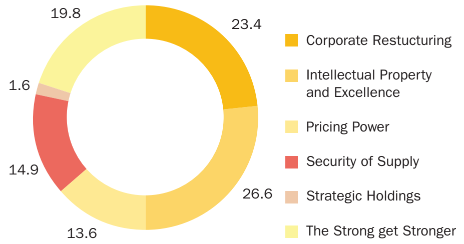
Mark Whitehead
Fund Manager

Mark has 12 years investment management experience, specialising in the management of global thematic funds.

Darryl Lucas
Co-Fund Manager

Darryl joined Sarasin in 2008. His duties include fund management and bottom-up cash flow modelling and analysis.

Thematic Equity Allocation (% as at 31.12.12)



Top 10 Holdings
(as a % of portfolio as at 31.12.12)

Total SA	2.4
Altria Group Inc	2.3
Admiral Group Plc	2.3
Eurocommercial Propertie-Cv	2.3
SES	2.2
Leggett & Platt Inc	2.2
Jardine Matheson Hldgs Ltd	2.2
Pfizer Inc	2.2
Nissan Motor Co Ltd	2.2
Novartis	2.2

Net Income Distribution/Accumulation

¹ to 28.02.13	Pence per Share		Per £1,000 invested at 12.05.09 (£)	
2013¹	Inc	Acc	Inc	Acc
Share Class A	2.2344	2.5815	20.11	23.24
Share Class I	2.2542	2.6458	22.54	26.46
Share Class P	2.2060	2.5400	22.06	25.40
Share Class X	2.2344	2.6169	22.34	26.17
2012				
Share Class A	4.9441	5.5032	44.51	49.53
Share Class I	5.0636	5.7510	50.64	57.51
Share Class P	-	-	-	-
Share Class X	4.9663	5.6321	49.66	56.32
2011				
Share Class A	5.3640	5.7039	48.28	51.34
Share Class I	5.3402	5.7724	53.40	57.72
Share Class X	5.3636	5.8009	53.64	58.01
2010				
Share Class A	5.3560	5.4131	48.21	48.72
Share Class I	5.4002	5.5887	54.00	55.89
Share Class X	5.3696	5.5518	53.70	55.52
2009				
Share Class A	-	-	-	-
Share Class I	2.1900	0.8750	21.90	8.75
Share Class X	2.2223	1.4258	22.22	14.26

A shares per £1,000 invested at share class launch 28.09.09
I & X shares per £1,000 invested at share class launch 12.05.09
P shares per £1,000 invested at share class launch 16.10.12

Share Prices and Fund Size

	Share Price Range				Fund Size						
	Highest for the year (pence)		Lowest for the year (pence)			Net Asset Value (£)		Net Asset Value Pence per Share²		Number of Shares in Issue	
2012	Inc	Acc	Inc	Acc	**31.12.12**	Inc	Acc	Inc	Acc	Inc	Acc
Share Class A	122.00	141.00	115.80	133.90		4,785,581	1,329,063	118.12	139.14	4,051,297	955,190
Share Class I	124.60	146.80	118.20	139.30		102,523,595	9,274,293	120.69	144.89	84,948,079	6,400,816
Share Class P	122.20	141.20	115.90	133.90		1,184	1,393	118.39	139.31	1,000	1,000
Share Class X	122.00	143.90	115.80	136.60		37,076,442	3,857,201	118.18	142.01	31,373,853	2,716,182
2011					**31.12.11**						
Share Class A	127.40	136.40	100.90	110.04		3,347,214	1,177,226	109.34	122.33	3,061,308	962,334
Share Class I	128.80	140.50	102.30	113.90		77,164,224	3,415,361	110.99	126.59	69,522,175	2,697,945
Share Class X	127.30	139.00	100.80	112.50		33,043,290	2,304,338	109.23	124.66	30,250,491	1,848,458
2010					**31.12.10**						
Share Class A	126.50	132.60	106.40	110.10		1,671,724	844,059	124.07	131.70	1,347,403	640,910
Share Class I	127.60	136.30	107.00	112.90		88,841,216	2,335,883	125.18	135.40	70,970,896	1,725,175
Share Class X	126.40	135.10	106.20	112.10		26,303,248	3,047,517	123.94	134.20	21,223,383	2,270,887
2009					**31.12.09**						
Share Class A	119.40	119.40	109.80	109.80		533,207	102,319	117.42	118.82	454,108	86,114
Share Class I	119.80	122.20	96.26	96.26		43,840,978	704,124	117.79	121.56	37,220,524	579,237
Share Class X	119.30	121.70	96.19	96.21		15,536,098	879,483	117.31	121.11	13,243,988	726,203

to 31.12.12
²Note: These notional prices are calculated by dividing the Net Asset Value by the number of base shares.
A shares at share class launch 28.09.09
I & X shares share class launch 12.05.09
P shares share class launch 16.10.12

Sarasin GlobalSar - Cautious Fund™

Why GlobalSar - Cautious (GBP)?

The GlobalSar - Cautious (GBP) Fund seeks to provide a real return over the medium term by investing in a broad, diversified and global portfolio of investments. The Fund will also see to avoid market set backs by using a variety of protective measures.

Risk Profile

The GlobalSar - Cautious (GBP) Fund is primarily exposed to global share, bond, property, and commodity price movements and exchange rate fluctuations. Certain derivative techniques establish "long" and "short" positions which can lead to movements in the fund's value which might not correspond with the general direction of the global markets.

Risk and Reward Profile

Lower risk Typically lower rewards						Higher risk Typically higher rewards
1	2	3	**4**	5	6	7

This risk and reward profile is based on historical data which may not be a reliable indication of the Fund's risk and reward category in the future.
The Fund's category is based on the rate at which the value of the Fund has performed in the past, and is not guaranteed to remain the same in the future.
The fund is in category 4 because of the diversity of its investments in corporate and government bonds and company shares. this ranking is typically higher than a fund which invests in cash deposits, but lower than a fund which invests solely in company shares. A Fund in the lowest category is not a risk free investment.

Fund Facts

Launch Date:	02.05.06*
Legal Status:	OEIC sub-fund
Domicile:	UK
Accounts Dates:	31st December (final)
	30th June

*Sarasin **GlobalSar -Cautious (GBP)** was renamed on 01.01.11. Prior to that date the Fund name was Sarasin GlobalSar IIID Fund. The retail share class of Sarasin GlobalSar - Cautious (GBP) Fund is C shares.

Fund Manager's Review

World equity markets began 2012 by posting gains of 3-4%, with emerging and European markets making the most headway, and 2011's most beaten up stocks topping the performers list. Banks in particular made good gains. Cognisant of our underweight here, we added to UOB and Barclays as well as some financial credit. We also began a position in Weyerhaeuser, a stock which will benefit from the recovery we see in the US housing market. Our core stock portfolio of defensive companies underperformed marginally during this early rotation, but as expected our overweight to corporate credit added significant value. At the end of the first quarter, defensives began to outperform again as the market began to turn lower and initial exuberance ebbed. On a regional basis, the US remained strongest, with the S&P 500 making fresh post-Lehman highs due to supportive domestic data; Pfizer, Coca-Cola and Home Depot were among our best performers. Security of Supply was our weakest theme over the early months due to lower oil prices, and exposure to the Elgin gas leak through Total. We sold Proctor & Gamble, reinvesting the proceeds into SES, Novozymes and Danone, taking advantage of risk aversion within the euro zone. Into considerable strength we also reduced some of our bank debt positions, which had rallied in excess of 20% in some instances since purchase in late 2011. As a tactical move we added to government bonds in view of the renewed escalation of the European crisis.

In the second quarter as the earnings season got underway, our thematic companies generally produced solid updates. Technology companies were of particular note: Microsoft, a new addition to the portfolio, beat profit expectations and Samsung also reported well as it was announced that it has overtaken Apple as the number one smart phone manufacturer. We also sold our holding in Central Japan Railway as we believed that a number of expensive high-speed government projects overseas (in which CJR is involved) may be reviewed. We refrained from reducing the more economically sensitive names which sold off more aggressively. We also maintained our European corporate bonds in national champions which we viewed as trading at distressed levels with the move lower. This proved to be the right decision, as Draghi delivered on his promise to do "whatever it takes", and risk assets (particularly those in Europe) moved higher as his proposal garnered broad support.

Going into the 2nd half of the year we still carried a large corporate bond overweight and a significant underweight to government bonds, which increased further as we added to index-linked bonds at the expense of nominal bonds. Within the Strong get Stronger theme, we introduced two companies; Ebay, with its strong competitive position and online payment system PayPal (which we believe will be hard to disrupt), and Associated British Foods, with its strong balance sheet and the potential for Primark's European expansion. Elsewhere in the portfolio, we started a position in Sun Hung Kai the Hong Kong Property Trust. It had been hit hard by a scandal involving the controlling company, and fell to a large and attractive discount. REITS, where we have had a large active position, performed well for us over 2012, comfortably outperforming equities, though we had to wait until the fourth quarter for Mitsubishi Estate to contribute (when it was up 41%).

We made relatively few changes to our bond portfolio in the final quarter of 2012, and maintained an overall credit rating of AA-. Meanwhile, we started a number of new investments within equities, including Costco, the wholesale membership warehouse operator. We believe its strategy of offering excellent service and exceptional bargains on relatively sophisticated products to members can be maintained, and this encourages loyalty, for which we believe it is worth paying a premium. We finished the year having increased our equity weight further, but still with room to increase our risk budget in 2013 if warranted.

Performance (% change to 31.12.12)

	GlobalSar - Cautious (GBP) A shares Acc	GlobalSar - Cautious (GBP) IP shares Acc	GlobalSar - Cautious (GBP) AP shares Acc	GlobalSar - Cautious (GBP) P shares Acc	GlobalSar - Cautious (GBP) PP shares Acc	GlobalSar - Cautious (GBP) XP shares Acc	Benchmark[1]
Since re-launch on 02.05.06 to 31.12.12	+18.3	+24.5	+19.0	-	-	-	+56.9
Since launch on 12.05.08 to 31.12.12	-	-	-	-	-	+3.0	+33.3
Since launch on 16.10.12 to 31.12.12	-	-	-	+2.0	+2.1	-	+1.2
31.12.11 to 31.12.12	+9.0	+10.0	+9.3	-	-	+9.6	+6.1
31.12.10 to 31.12.11	-3.8	-2.9	-3.5	-	-	-3.3	+8.3
31.12.09 to 31.12.10	+8.0	+8.6	+8.1	-	-	+8.3	+8.4
31.12.08 to 31.12.09	+9.1	+8.8	+8.3	-	-	-	+3.8
31.12.07 to 31.12.08	-18.7	-18.1	-18.0	-	-	-	+7.0
31.12.06 to 31.12.07	+15.3	+16.4	+14.2	-	-	-	+7.9

Source: Sarasin. All data as at 31.12.12. Please remember that you should not base decisions on past performance and that the prices may fluctuate and you may not get back your original investment. The fund's Synthetic Risk and Return Indicator is 4 (1 low to 7 high) and further details of the risks can be found in the Prospectus and KIID available from www.sarasin.co.uk. Overseas shares and bonds may be affected by currency exchange rates.Sarasin GlobalSar - Cautious (GBP) Fund™ is a trademark of Sarasin & Partners LLP.

[1]Benchmark: RPI +3.0%

PLEASE SEE THE NOTIFICATIONS OF AMENDMENTS ON PAGE 5 FOR DETAILS ON THE SHARE CLASS NAME CHANGES

Investment Objective & Policy

The Fund's objective is to achieve a real return to shareholders over the medium term.

The Fund invests globally in a combination of assets. These include company shares and bonds (which are loans that pay a fixed or variable rate of interest) issued by companies and governments. The bonds will mainly be priced in British pounds.

The Investment Adviser mainly chooses shares which fit into global growth themes. These track long term investment trends and are not confined to any particular region, market or industry sector.

The Fund will mainly hold the shares of large or mediumsized companies but from time to time may invest in smaller companies.The Fund may invest in derivatives for investment purposes (financial instruments whose value is linked to the expected future price movements of an underlying asset).

The Investment Adviser is free to choose how the Fund is invested and will not track an index.

Ongoing Charges (%)

	as at 31.12.12 for last 12 months	
	Acc	Inc
Share Class A	1.99	1.99
Share Class IP	1.09	1.09
Share Class AP	1.74	1.74
Share Class P	1.24	1.24
Share Class PP	0.99	0.99
Share Class XP	1.44	1.44

The ongoing charges figure is the ratio of the Fund's total discloseable costs (excluding overdraft interest) to the average net assets of the Fund.

Fund Managers

Mark Whitehead
Fund Manager

Mark has 12 years investment management experience and is responsible for managing Sarasin & Partner's multi-asset funds.

Aram Compton
Deputy Fund Manager

Aram works alongside Mark Whitehead on the GlobalSar Cautious funds and other segregated multi-asset portfolios.

Sarasin GlobalSar-Cautious Fund was renamed on 1st January 2011, prior to this date the fund name was Sarasin GlobalSar IIID which was relaunched on 02.05.06.

Asset Exposure (as at 31.12.12)

%	Long	Short	Gross	Net
Fixed Interest	42.4	0.0	42.4	42.4
Equities	46.3	0.0	46.3	46.3
Property	3.0	0.0	3.0	3.0
Alternative Assets	7.7	0.0	7.7	7.7
Liquid Assets	0.0	0.0	0.0	0.6
TOTALS	**99.4**	**0.0**	**99.4**	**100**

Top 10 Equity Holdings

(as a % of portfolio as at 31.12.12)

JGF-Global Convertible I GBP	2.3
Bluecrest Allblue Fund Ltd	1.6
Brev How 2 Mac Fx-Ed GBP Hed	1.6
SES	1.1
International Public Partnership Ltd	1.1
Samsung Electric	1.1
Em Basic Consumer Goods Basket 12 Feb 2014 (Db)	1.1
Pfizer Inc	1.1
Home Depot Inc	1.1
NB Distressed Debt Fund Ltd	1.1

Net Income Distribution/Accumulation

[1] to 28.02.13	Pence per Share		Per £1,000 invested at 02.01.08 (£)	
2013[1]	Inc	Acc	Inc	Acc
Share Class A	9.7129	14.8975	10.37	10.99
Share Class IP	11.6091	18.3231	11.64	12.89
Share Class AP	1.1980	1.3624	10.43	11.55
Share Class P	1.1710	1.3610	11.71	13.61
Share Class PP	1.200	1.3900	12.00	13.90
Share Class XP	1.2616	1.4534	12.62	14.53
2012				
Share Class A	20.4393	31.9359	21.83	23.55
Share Class IP	24.6408	38.1128	24.71	26.82
Share Class AP	2.5835	2.8037	22.48	23.76
Share Class P	-	-	-	-
Share Class PP	-	-	-	-
Share Class XP	2.6692	3.0177	26.69	30.18
2011				
Share Class A	15.9786	24.5444	17.07	18.10
Share Class IP	18.5946	28.0102	18.64	19.71
Share Class AP	2.0063	2.1767	17.46	18.45
Share Class XP	2.0380	2.2264	20.38	22.26
2010				
Share Class A	12.5996	19.0523	13.46	14.05
Share Class IP	12.7567	18.9628	12.79	13.34
Share Class AP	1.4197	1.4999	12.36	12.71
Share Class XP	1.4281	1.5224	14.28	15.22
2009				
Share Class A	18.5343	27.3812	19.80	20.19
Share Class IP	20.6943	29.4919	20.75	20.75
Share Class AP	2.2064	2.2861	19.20	19.37
Share Class XP	2.1509	2.2685	21.51	22.69
2008				
Share Class A	17.6899	26.8285	18.89	19.78
Share Class IP	21.9547	32.2146	22.01	22.67
Share Class AP	2.1463	2.1436	18.68	18.17

A, AP & IP shares per £1,000 invested at share class launch 02.01.08
XP shares per £1,000 invested at share class launch 15.07.08
P & PP shares per £1,000 invested at share class launch 16.10.12

Share Prices and Fund Size

	Share Price Range				Fund Size						
	Highest for the year (pence)		Lowest for the year (pence)			Net Asset Value (£)		Net Asset Value Pence per Share[2]		Number of Shares in Issue	
2012	Inc	Acc	Inc	Acc	**31.12.12**	Inc	Acc	Inc	Acc	Inc	Acc
Share Class A	850.80	1,360.00	791.70	1,245.00		4,837,896	32,932,686	837.03	1,352.96	577,982	2,434,115
Share Class IP	926.10	1,466.00	855.20	1,330.00		49,255,140	16,147,398	910.09	1,458.26	5,412,128	1,107,308
Share Class AP	104.70	119.20	97.27	108.90		1,393,997	8,331,051	102.99	118.60	1,353,574	7,024,324
Share Class P	104.90	119.40	101.50	115.50		1,031	1,188	103.15	118.82	1,000	1,000
Share Class PP	104.90	119.40	101.50	115.50		1,032	1,189	103.19	118.90	1,000	1,000
Share Class XP	105.70	120.50	97.84	109.70		22,243,508	15,724,116	103.89	119.84	21,411,353	13,120,520
2011					**31.12.11**						
Share Class A	854.50	1,315.00	775.30	1,208.00		16,585,530	35,554,427	789.52	1,244.76	2,100,704	2,856,321
Share Class IP	919.90	1,397.00	835.70	1,286.00		46,503,866	12,604,218	852.80	1,329.63	5,453,068	947,950
Share Class AP	104.90	114.90	95.17	105.50		2,720,654	10,760,766	96.99	108.86	2,804,950	9,885,342
Share Class XP	105.40	115.50	95.67	106.20		22,864,822	21,334,712	97.57	109.68	23,434,808	19,451,081
2010					**31.12.10**						
Share Class A	846.70	1,294.00	764.80	1,157.00		28,750,980	43,590,788	838.58	1,290.52	3,428,515	3,377,767
Share Class IP	909.50	1,371.00	816.70	1,218.00		70,338,092	16,431,297	900.03	1,366.49	7,815,051	1,202,444
Share Class AP	103.90	112.90	93.65	100.80		5,783,212	11,748,403	102.85	112.59	5,622,747	10,434,980
Share Class XP	104.30	113.50	93.91	101.10		24,966,482	22,118,451	103.20	113.11	24,193,224	19,554,588
2009					**31.12.09**						
Share Class A	800.20	1,204.00	659.60	981.20		33,656,658	47,175,733	790.60	1,194.67	4,257,105	3,948,835
Share Class IP	852.00	1,266.00	707.80	1,038.00		73,632,459	11,913,341	843.38	1,257.28	8,730,672	947,550
Share Class AP	97.76	104.80	81.32	86.24		6,368,184	12,437,015	96.78	104.08	6,580,270	11,949,913
Share Class XP	98.02	105.20	81.52	86.47		29,604,905	21,198,714	97.03	104.40	30,511,827	20,304,767
2008					**31.12.08**						
Share Class A	940.80	1,362.60	680.90	998.30		33,510,445	45,007,382	735.35	1,094.13	4,557,066	4,113,531
Share Class IP	1,002.20	1,428.20	729.10	1,053.30		34,335,741	4,203,403	788.14	1,155.15	4,359,089	363,885
Share Class AP	115.40	118.50	83.78	87.68		6,208,214	10,151,157	90.64	96.13	6,849,666	10,559,663
Share Class XP	107.70	112.80	83.91	87.89		29,488,171	18,061,806	90.85	96.37	32,458,409	18,741,769
2007					**31.12.07**						
Share Class A	939.40	1,351.00	819.20	1,166.00		29,880,116	15,576,210	929.49	1,347.11	3,214,668	1,156,265
Share Class B	1,002.00	1,415.00	868.10	1,214.00		9,851,393	605,014	989.79	1.412.69	995,302	42,827
Share Class C	114.50	117.60	100.40	102.60		21,391,245	14,026,472	114.18	117.21	18,734,528	11,966,506

to 31.12.12
[2]Note: These notional prices are calculated by dividing the Net Asset Value by the number of base shares.
A, AP & IP shares share class launch 02.01.08
XP shares share class launch 15.07.08
P & PP shares share class launch 16.10.12

Why Sterling Bond Fund?

Achieving a reasonable income whilst maintaining low volatility in capital values is challenging in today's low yield environment but this is just what our Sterling Bond Fund aims to do.

Designed for income-seeking investors and built around a core of conventional British Government Securities, the fund also invests in a broad range of investment grade corporate bonds and other credit instruments. By managing credit risk, maturity profile and yield spreads, an active management philosophy can generate worthwhile additional investment return at all points in the interest rate cycle and bring to life what is often an under-managed, lock-away part of investors' portfolios.

With a 4.3% yield from an investment grade portfolio, our actively-managed Sterling Bond Fund is a wake up call for sleepy bond money.

Risk Profile

The Sterling Bond Fund is primarily exposed to interest rate risk: when market interest rates rise, the price of fixed income securities will fall. Investments in corporate bonds expose the Fund to credit risk, while occasional purchases of foreign currency denominated debt will lead to exchange rate fluctuations. The yield on shares in the fund will vary due to changes in the general level of interest rates available in the government and corporate bond markets.

Risk and Reward Profile

Lower risk
Typically lower rewards

Higher risk
Typically higher rewards

1	2	3	4	5	6	7

This risk and reward profile is based on historical data which may not be a reliable indication of the Fund's risk and reward category in the future.
The Fund's category is based on the rate at which the value of the Fund has performed in the past, and is not guaranteed to remain the same in the future.
The fund is in category 4 because it invests in solely corporate and government bonds, this ranking is typically higher than a fund which invests in cash deposits , but lower than a fund which invests solely in company shares.
A Fund in the lowest category is not a risk free investment.

Fund Facts

Launch Date:	04.05.06
Legal Status:	OEIC sub-fund
Domicile:	UK
Accounts Dates:	31st December (final)
	31st March
	30th June
	30th September

Sarasin Sterling Bond Fund™

Fund Manager's Review

2012 was characterised by markets see-sawing between 'risk-on' and 'risk-off' modes, and we sought to create a balance between assets that would perform well in the one circumstance with those that would perform in the opposite condition. We also wanted most of the portfolio to remain relatively steady, and for this reason we have held utility and infrastructure issuers, where revenues are resilient and spread volatility is low. Northumbrian Water and Danish Oil & Natural Gas were early bond purchases.

The euro zone market was volatile in the first part of the year and we remained largely on the sidelines in this region. Following the ECB's announcement of potential Outright Monetary Transactions, Spanish and Italian yields fell significantly, and we participated in the rally buying Intesa San Paolo, Telecom Italia, Telefonica and Credit Agricole, all of which performed well. These more volatile names were counterbalanced by other purchases of Pfizer, Siemens and GlaxoSmithKline which are all solid, quality credits. At the same time, profits were taken elsewhere so that the overall allocation to credit was in fact reduced quarter-by-quarter, ending the year on 43.6%. This is still a credit-facing portfolio but one that is being managed to maintain a balance of risk whilst seeking to achieve a premium income.

We have had relatively little exposure to the high yield market (1.2% at year-end) but have been looking at funds/investment trusts, many of which are looking to fill the lending gap left by the withdrawal of banks from various sectors. In 2012, we returned to the secured loans market through two high income investment trusts (Alcentra and Harbourvest) which specialise in this remarkably solid market sector. We believe that a steady, if undramatic, recovery over the medium term presents a favourable environment for this asset class.

The euro zone situation is calm for now – the question of a bailout for Spain remains distant on the horizon. The US faces further political wrangling over spending cuts, but the compromise on taxes is moderately encouraging and we expect a deal to be done. Data from Asia is generally positive although there remains some uncertainty over the new regimes in China and Japan. Both these countries have ambitions to restore growth but credibility will only come with successful implementation of policies. Interest rates will not change for the foreseeable future and there is a limit to how far central banks would want longer maturity bond yields to rise. It is too early to call an end to the credit crisis. For this reason we believe it is prudent to retain a moderate government safe-haven exposure as it is unlikely that we have seen the last of the 'risk-on'/'risk-off' market seesaw.

The prospects for 2013 remain favourably tilted towards corporate bonds. The search for yield pushes investors to take credit risk but that risk, underpinned by central bank support, is moderate and fairly priced. New issuance from corporations has been plentiful but has been met with very strong demand. We anticipate that this excess-demand-over-supply dynamic will continue for some time yet.

That said, we are conscious that as the global economy slowly recovers, markets may anticipate a rise in yields (rightly or wrongly) and trigger a sell-off in bonds. For this reason we have purchased an option that will provide some protection against a spike in yields. That eventuality is not our central case but we believe some insurance is worthwhile.

The total returns to the fund over the last two years have been boosted by large falls in yields - in gilts in 2011, in credit spreads in 2012. The scale of these yield moves cannot now be repeated in a downwards direction, although we do not believe they will be repeated in an upwards direction either. Accordingly, we anticipate a more normal year in which fixed income delivers the running yield and capital values are less of a contributor to performance. We expect bonds to return to a more traditional role: providing a stable source of income and counterbalancing risk taken elsewhere in balanced portfolios.

Performance (% change to 31.12.12)

	Sterling Bond Fund A shares Acc	Sterling Bond Fund I shares Acc	Sterling Bond Fund P shares Acc	Benchmark[1]
Since launch on 01.07.09 to 31.12.12	+31.8	-	-	+29.4
Since launch on 04.05.06 to 31.12.12	-	+42.2		+53.8
Since launch on 16.10.12 to 31.12.12	-	-	+0.9	+0.5
31.12.11 to 31.12.12	+7.9	+8.1	-	+2.7
31.12.10 to 31.12.11	+9.9	+10.5	-	+15.6
31.12.09 to 31.12.10	+6.4	+6.9	-	+7.2
31.12.08 to 31.12.09	-	+1.4	-	-1.2
31.12.07 to 31.12.08	-	+5.0	-	+12.8
31.12.06 to 31.12.07	-	+2.5	-	+5.3

Source: Sarasin. All data as at 31.12.12. Please remember that you should not base decisions on past performance and that the prices may fluctuate and you may not get back your original investment. The fund's Synthetic Risk and Return Indicator is 4 (1 low to 7 high) and further details of the risks can be found in the Prospectus and KIID available from www.sarasin.co.uk. Overseas shares and bonds may be affected by currency exchange rates. *New A share class launched on 01.07.09. B class shares changed their name from A class shares on 01.07.09. Sarasin Sterling Bond Fund™ is a trademark of Sarasin & Partners LLP.
[1]Benchmark: FTSE Gilts All Stocks

PLEASE SEE THE NOTIFICATIONS OF AMENDMENTS ON PAGE 5 FOR DETAILS ON THE SHARE CLASS NAME CHANGES

Investment Objective & Policy

The Fund's objective is an income greater than that produced bythe FTSE Gilts All Stocks Index and capital appreciation greater than that index over the medium term.

The Fund invests mainly in bonds (which are loans that pay a fixed or variable rate of interest) issued by the UK government and by companies. The bonds will mainly be priced in British pounds.

The Fund may invest in derivatives for investment purposes (financial instruments whose value is linked to the expected future price movements of an underlying asset).

The Investment Adviser is free to choose how the Fund is invested and will not track an index.

Ongoing Charges (%)

	as at 31.12.12 for last 12 months	
	Acc	Inc
Share Class A	1.46	1.46
Share Class I	0.71	0.71
Share Class P	0.71	0.71

The ongoing charges figure is the ratio of the Fund's total discloseable costs (excluding overdraft interest) to the average net assets of the Fund.

Fund Managers

John Godley
Fund Manager

John is manager of Sarasin's income funds and the fixed interest asset class within the flagship GlobalSar and absolute return balanced funds.

Martin Price
Fund Manager

Martin advises on fixed interest assets in balanced portfolios and also on money market investments, foreign exchange trades and derivatives strategies.

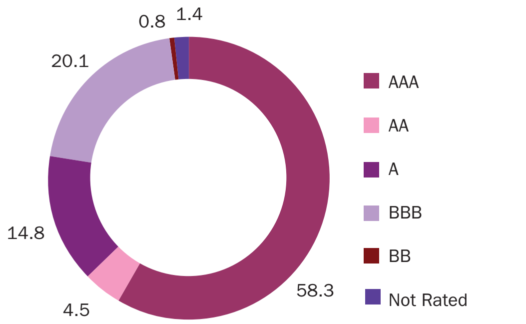
Bond Sectors (% as at 31.12.12)

Banks	8.8	Quasi-Govt	3.2
Capital Goods - Diversified	0.6	Real Estate	0.7
Charitable Trust	1.5	Retail - Food	2.5
Comm Mortgage Backed	1.4	Retail - Non-Food	0.8
Consumer - Non-Cyc	0.7	Supra National	2.2
Energy - Integrated	3.4	Telecom	4
Finance/Leasing	1.5	Transport	3.2
Government	50.8	Utility - Distribution	2.5
Insurance - Life	2	Utility - Integrated	1.3
Insurance - Multi-Line	2.5	Utility - Water	1.9
Insurance - non-Life	1.5	Whole Bus. Securitisation	1.6
Pharma	1.2		

Top 10 Government Bond Holdings
(as a % of portfolio as at 31.12.12)

Treasury 4.2500% 07/12/27 GBP	6.6
Treasury 4.2500% 07/03/36 GBP	5.9
Treasury 8.0000% 07/06/21 GBP	5.8
Treasury 4.0000% 07/03/22 GBP	4.4
Treasury 3.7500% 07/09/21 GBP	3.8
Treasury 3.7500% 07/09/19 GBP	3.7
Treasury 4.7500% 07/09/15 GBP	3.6
Treasury 4.5000% 07/09/34 GBP	3.4
Treasury 4.2500% 07/12/40 GBP	2.2
European Invt Bk 8.7500% 25/08/17 GBP	2.2

Bond Rating (% as at 31.12.12)



Net Income Distribution/Accumulation

[1]to 28.02.13	Pence per Share		Per £1,000 invested at 02.01.07 (£)	
2013[1]	Inc	Acc	Inc	Acc
Share Class A	0.9556	1.3712	10.16	14.05
Share Class I	0.9638	1.2292	9.85	11.74
Share Class P	0.9660	1.2240	9.66	12.24
2012				
Share Class A	3.7578	4.7415	39.96	48.58
Share Class I	3.8140	4.7638	38.97	45.50
Share Class P	-	-	-	-
2011				
Share Class A	3.7711	4.4499	40.10	45.58
Share Class I	3.9373	4.8437	40.23	46.26
2010				
Share Class A	3.5542	1.7208	37.79	17.63
Share Class I	3.8890	4.5269	39.74	43.24
2009				
Share Class I	3.8228	4.3032	39.06	41.10
2008				
Share Class I	3.8510	4.0076	39.35	38.28

A shares per £1,000 invested at share class launch 01.07.09
I shares per £1,000 invested at share class launch 02.01.07
P shares per £1,000 invested at share class launch 16.10.12

Share Prices and Fund Size

	Share Price Range				Fund Size						
	Highest for the year (pence)		Lowest for the year (pence)			Net Asset Value (£)		Net Asset Value Pence per Share[2]		Number of Shares in Issue	
2012	Inc	Acc	Inc	Acc	31.12.12	Inc	Acc	Inc	Acc	Inc	Acc
Share Class A	109.90	141.20	103.30	129.80		1,361,645	724,418	108.20	140.14	1,258,505	516,926
Share Class I	111.00	142.60	104.30	104.80		149,887,099	2,679,626	109.33	141.77	137,091,686	1,890,160
Share Class P	110.00	141.40	107.80	138.50		1,084	1,406	108.43	140.59	1,000	1,000
2011					31.12.11						
Share Class A	105.10	130.40	96.08	115.90		739,864	1,776,865	103.53	129.70	714,622	1,369,980
Share Class I	106.20	131.80	96.57	116.50		146,917,461	1,615,969	104.58	131.06	140,480,871	1,233,020
2010					31.12.10						
Share Class A	103.10	122.30	96.31	111.50		493,516	155,550	97.98	118.14	503.682	131,670
Share Class I	103.40	122.70	96.19	111.50		166,442,405	2,661,940	98.40	118.66	169,145,676	2,243,332
2009					31.12.09						
Share Class A	98.89	-	93.24	-		241,211	-	95.90	-	251,516	-
Share Class I	99.20	113.80	92.16	103.20		150,571,666	2,104,693	95.78	110.98	157,201,560	1,896,457
2008					31.12.08						
Share Class I	100.10	109.90	91.14	100.10		130,680,526	1,304,271	98.13	109.23	133,164,527	1,194,021
2007					31.12.07						
Share Class I	101.20	104.70	93.99	97.24		124,922,103	1,180,487	97.65	104.56	127,923,968	1,129,013

to 31.12.12
[2]Note: These notional prices are calculated by dividing the Net Asset Value by the number of base shares.
A shares per £1,000 invested at share class launch 01.07.09
I shares per £1,000 invested at share class launch 02.01.07
P shares per £1,000 invested at share class launch 16.10.12

Sarasin AgriSar Fund™

Fund Manager's Review

AgriSar gained 12.4% over 2012, outperforming the MSCI World Index by 1.7% as investor confidence returned to equity markets. The growth trends in the food chain are irrepressible, with incomes continuing to rise at double-digit rates for billions of people across the emerging world. This translates into big increases in the value of the food chain as diets change.

In January and February, the huge injection of liquidity into European banks by the ECB led to improving investor risk appetite, optimism on global growth prospects and strong returns from emerging market and Pacific ex.Japan holdings, particularly from the producers and processors sectors. In a game of 'what goes down must bounce up', we saw a recovery in some of the over-sold names in Europe and emerging markets. North American companies at the production end of the food and agricultural spectrum also performed well – strong farmer cash-flow and positive signals from the second-hand equipment market led to good performances from US farm machinery names, while expectations of a recovery in NPK demand, alongside robust price discipline in the potash market, supported fertilizer producers.

However, towards the end of March there were signs that equity market confidence was beginning to fade as the underlying solvency issues in the euro zone re-emerged and economic growth forecasts were questioned. This mood persisted for much of Q2, causing the oil price to fall 20% in May and June and the MSCI World Index to lose over 3% over the quarter. Within AgriSar, the emerging market holdings began to weigh on performance, although robust returns from European and North American holdings (particularly in the feeds and processors investments) lifted the fund to outperform for the period.

Towards the middle of the year, the negative investment sentiment began to turn and equity markets rallied. This increased affinity for risk, combined with the impacts of the worst US drought for 50 years, caused the corn price to rise over 45% and wheat by 38% in June and July. The share prices of fertiliser and farm equipment companies followed grain prices up, but without the exuberance seen with past shortages. The soft commodity rally faded in the final quarter of the year, as reports indicated that crop demand had been lower than expected and inventories were slightly higher. Chicago corn, wheat and soybeans were down 8%, 14% and 11% respectively in Q4, and uncertainty over fertilizer demand and pricing in 2013 also weighed on farm input stocks.

Some of the large developed market consumer staples names paused for breath in the second half of the year, while there were strong recoveries in holdings of some smaller companies. Emerging market processors and retailers continued to produce strong returns driven by rising consumer incomes, despite some slowing in global economic growth.

Several names reacted positively to corporate actions; Petra Foods gained 41% in Q4 after announcing that Barry Callebaut was acquiring its cocoa ingredients division for US$950m, leaving Petra as a pure play South East Asia branded confectionary business. Shares in Viterra, the Canadian grain handler rose 50% on acquisition by Glencore, and Boskalis, the Dutch dredging firm, took advantage of weakness in the share price of Dockwise to increase its stake to 65% and force a takeover.

On the negative side, short selling research firm Muddy Waters issued a report on Olam International in November, accusing the company of booking profits prematurely, heavy indebtedness, and aggressive accounting of biological asset gains. Olam shares dropped 20% in the two weeks following the allegations but strong management rebuttals and support for the company from creditors and major stake-holders had somewhat bolstered investor confidence in the company by the end of the year.

Performance (% change to 31.12.12)

	AgriSar Fund AP shares Acc	AgriSar Fund IP shares Acc	AgriSar Fund XP shares Acc	AgriSar Fund A shares Acc	AgriSar Fund X shares Acc	AgriSar Fund FP shares Acc	AgriSar Fund I shares Acc	AgriSar Fund P shares Acc	AgriSar Fund PP shares Acc	Benchmark[1]
Since launch on 31.03.08 to 31.12.12	+14.2	+16.9	+12.9	-	-	-	-	-	-	+26.7
Since launch on 09.03.12 to 31.12.12	-	-	-	+3.3	+3.4	-	-	-	-	+2.0
Since launch on 16.10.12 to 31.12.12	-	-	-	-	-	+0.4	+0.5	+0.5	+0.6	+0.1
31.12.11 to 31.12.12	+12.4	+13.1	+12.5	-	-	-	-	-	-	+10.7
31.12.10 to 31.12.11	-15.7	-15.2	-15.6	-	-	-	-	-	-	-4.8
31.12.09 to 31.12.10	+21.6	+22.4	+21.6	-	-	-	-	-	-	+15.3
31.12.08 to 30.12.09	+22.0	+22.9	+20.1	-	-	-	-	-	-	+15.7
31.12.07 to 31.12.08	-	-	-	-	-	-	-	-	-	-
31.12.06 to 31.12.07	-	-	-	-	-	-	-	-	-	-

Source: Sarasin. All data as at 31.12.12. Please remember that you should not base decisions on past performance and that the prices may fluctuate and you may not get back your original investment. The fund's Synthetic Risk and Return Indicator is 6 (1 low to 7 high) and further details of the risks can be found in the Prospectus and KIID available from www.sarasin.co.uk. Overseas shares and bonds may be affected by currency exchange rates. Sarasin AgriSar Fund™ is a trademark of Sarasin & Partners LLP.

[1] Benchmark: MSCI World Equity Index (Net USD)

PLEASE SEE THE NOTIFICATIONS OF AMENDMENTS ON PAGE 5 FOR DETAILS ON THE SHARE CLASS NAME CHANGES

Why the AgriSar Fund?

The Sarasin AgriSar Fund targets capital appreciation from a diversified portfolio of investments in agriculture and its associated sectors. The inexorable growth in world population is driving demand for food, as is diet change, including the increasing consumption of meat and dairy products in developing countries. Climate policies and high energy prices have also led to a marked increase in the use of food inputs in biofuel production.

With constrained supply and growing demand, it is inevitable that both volumes and agricultural productivity will have to rise. AgriSar aims to capture the most attractive opportunities from this powerful theme on a global basis, opening up a new diversified asset class for investors.

Risk Profile

The Sarasin AgriSar Fund is designed to take advantage of the full range of investment opportunities across the food and agriculture spectrum. This means that the fund is predominantly invested in Global Equities although it may also invest directly or indirectly in commodities and land or agricultural property. The primary exposure is to fluctuations in equity markets, exchange rates and commodity prices. There is very limited exposure to interest rate or credit risk and the fund has no borrowings. Some holdings may be mid or smaller companies and may carry liquidity risks. The fund may hold cash balances if the fund manager is concerned that investment markets may decline. It may also use derivatives for efficient portfolio management and yield enhancement.

Risk and Reward Profile

Lower risk
Typically lower rewards

Higher risk
Typically higher rewards

1	2	3	4	5	6	7

This risk and reward profile is based on historical data which may not be a reliable indication of the Fund's risk and reward category in the future.
The Fund's category is based on the rate at which the value of the Fund has performed in the past, and is not guaranteed to remain the same in the future.
The Fund is in category six because it invests in company shares which generally provide higher rewards and higher risks than other investments such as bonds, cash or commercial property.
A Fund in the lowest category is not a risk free investment.

Fund Facts

Launch Date:	31.03.08
Legal Status:	OEIC sub-fund
Domicile:	UK
Accounts Dates:	31st December (final)
	30th June

Investment Objective & Policy

The fund seeks to achieve capital appreciation.

The Fund will invest in a broad range of investments from aroundthe world which are linked to food and agriculture. The Fund invests mainly in company shares, other funds,exchange traded funds (funds which can be traded on major stockexchanges similarly to a company share) and exchange tradedcommodities (which track the performance of a commodity index).

The Fund may invest in derivatives for investment purposes(financial instruments whose value is linked to the expectedfuture price movements of an underlying asset).

The Investment Adviser is free to choose how the Fund is investedand will not track an index.

Ongoing Charges (%)

	as at 30.06.12 for last 12 months	
	Acc	Inc
Share Class AP	1.74	1.74
Share Class IP	1.09	1.09
Share Class XP	1.59	1.59
Share Class A	1.99	1.99
Share Class X	1.84	1.84
Share Class FP	1.24	-
Share Class I	-	1.34
Share Class P	1.24	1.24
Share Class PP	0.99	0.99

The ongoing charges figure is the ratio of the Fund's total discloseable costs (excluding overdraft interest) to the average net assets of the Fund.

Bronze[1] citywire SELECTION

[1] Source: OBSR & Citywire, as at Jan 2013

Fund Managers

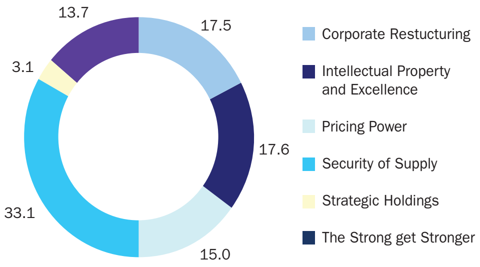
Henry Boucher
Fund Manager

Henry has over 25 years of investment management experience. He has long experience of managing equity funds and is the co-author of the Sarasin & Partners Compendium of Investment.

Mark Whitehead
Fund Manager

Mark has 12 years investment management experience, specialising in the management of global thematic funds.

Thematic Equity Allocation (% as at 31.12.12)



Agricultural Spectrum Allocation (% as at 31.12.12)

Land	1.4	Traders	6.6
Water	0.8	Infrastructure	3.0
Timber	4.6	Processors	22.0
Seeds	2.3	Retail	8.2
Feeds	21.4	Consumer	1.8
Equipment	6.9	Cash	2.7
Producers	18.3		

Top 10 Equity Holdings (as a % of portfolio as at 31.12.12)

Syngenta AG	3.5
Uralkali-Spon	3.3
Dairy Farm Intl	3.2
Yum Brands Inc	3.1
Weyerhaeuser Co	3.0
Cosan SA Industria Comercio	3.0
Charoen Pokphand Food-Forgn	2.9
Potash Corp Of Saskatchewan	2.9
Yara International	2.9
Bunge Ltd	2.9

Net Income Distribution/Accumulation

[1]to 28.02.13	Pence per Share		Per £1,000 invested at 31.03.08 (£)	
2013[1]	Inc	Acc	Inc	Acc
Share Class AP	0.6107	0.6126	6.11	6.13
Share Class IP	0.7508	0.7526	7.51	7.53
Share Class XP	0.6377	0.6394	6.38	6.39
Share Class A	0.5061	0.5079	5.06	5.08
Share Class X	0.5420	0.5450	5.42	5.45
Share Class FP	-	-	-	-
Share Class I	0.2173	-	2.17	-
Share Class P	0.5813	0.5900	5.81	5.90
Share Class PP	0.6460	0.6520	6.46	6.52
2012				
Share Class AP	0.9930	0.9972	9.93	9.97
Share Class IP	1.2652	1.2762	12.65	12.76
Share Class XP	1.0463	1.0566	10.46	10.57
Share Class A	0.7129	0.7292	7.13	7.29
Share Class X	0.7570	0.7570	7.57	7.57
2011				
Share Class AP	0.8983	0.9001	8.98	9.00
Share Class IP	1.1389	1.0541	11.39	10.54
Share Class XP	0.9186	0.9110	9.19	9.11
2010				
Share Class AP	0.3984	0.4648	3.98	4.65
Share Class IP	0.7785	0.7376	7.79	7.38
Share Class XP	0.5695	0.2916	5.70	2.92
2009				
Share Class AP	0.3915	0.3924	3.92	3.92
Share Class IP	0.6435	0.6443	6.44	6.44
Share Class XP	0.4384	0.4583	4.38	4.58

AP, IP & XP shares per £1,000 invested at share class launch 31.03.08
A & X shares per £1,000 invested at share class launch 09.03.12
FP, I, P & PP shares per £1,000 invested at share class launch 16.10.12

Share Prices and Fund Size

	Share Price Range				Fund Size						
	Highest for the year (pence)		Lowest for the year (pence)			Net Asset Value (£)		Net Asset Value Pence per Share[2]		Number of Shares in Issue	
2012	Inc	Acc	Inc	Acc	**31.12.12**	Inc	Acc	Inc	Acc	Inc	Acc
Share Class AP	112.90	115.10	100.70	102.20		11,197,695	65,790,848	111.18	113.99	10,071,949	57,715,279
Share Class IP	115.00	117.80	102.50	104.20		41,793,355	28,916,387	113.19	116,65	36,922,317	24,789,255
Share Class XP	112.50	113.80	100.40	101.00		8,850,342	1,859,377	110.83	112.73	7,985,853	1,649,431
Share Class A	103.20	104.00	92.12	92.12		626,367	6,761,706	101.78	103.07	615,408	6,560,435
Share Class I	101.73	101.73	92.06	92.06		9,689	-	113.88	-	8,508	-
Share Class X	103.20	104.00	92.07	92.07		1,018	1,031	101.78	103.14	1,000	1,000
Share Class FP						-	4,712	-	113.38	-	4,156
Share Class P	103.50	104.30	98.92	99.70		14,934	56,533	101.99	103.40	14,642	54,672
Share Class PP	112.90	115.10	108.00	110.10		1,113	1,141	111.34	114.11	1,000	1,000
2011					**31.12.11**						
Share Class AP	121.50	121.80	92.23	93.19		10,942,311	67,709,306	100.25	101.67	10,915,160	66.596,156
Share Class IP	122.70	123.20	93.54	94.70		36,504,124	37,176,618	101.70	103.48	35,894,739	35,926,007
Share Class XP	120.90	120.20	91.87	91.99		8,305,343	2,888,863	99.85	100.40	8,317,479	2,877,230
2010					**31.12.10**						
Share Class AP	120.80	121.10	95.44	95.58		6,204,359	51,833,626	120.46	120.77	5,150,694	42,919,112
Share Class IP	122.00	122.50	95.93	96.32		32,822,901	45,601,416	121.63	122.15	26,986,415	37,330,927
Share Class XP	120.20	119.50	94.68	94.31		9,858,847	5,426,236	119.89	119.13	8,223,488	4,554,768
2009					**31.12.09**						
Share Class AP	101.00	100.70	70.58	70.20		2,827,851	28,232,822	98.88	98.72	2,859,828	28,598,871
Share Class IP	101.60	101.20	70.38	70.12		22,821,395	35,555,565	99.18	99.15	23,010,734	35,859,628
Share Class XP	100.20	99.33	69.72	70.41		7,338,836	1,972,990	97.99	97.40	7,489,385	2,025,668
2008					**31.12.08**						
Share Class A[3]	110.70	109.60	66.14	65.57		1,247,868	14,953,331	81.32	80.86	1,534,577	18,492,509
Share Class B[3]	109.90	109.20	65.98	65.52		17,108,859	27,411,797	80.98	80.66	21,127,645	33,986,301
Share Class X[4]	109.10	109.50	65.31	65.56		5,273,363	343,870	80.25	81.06	6,571,560	424,238

to 31.12.12
[2]Note: These notional prices are calculated by dividing the Net Asset Value by the number of base shares.

AP, IP & XP shares per £1,000 invested at share class launch 31.03.08
A & X shares per £1,000 invested at share class launch 09.03.12
FP, I, P & PP shares per £1,000 invested at share class launch 16.10.12

Sarasin Investment Funds news

PAM Awards 2012 results

Sarasin & Partners has again achieved success at the Private Asset Management awards held on 7th March at The Dorchester Hotel, winning the award for Investment Product or Service Innovation. In addition, we were shortlisted in two other categories: Client Service Quality for High-Net-Worth clients and Quality & Clarity of Reporting.

The PAM awards are widely recognised throughout the industry as the benchmark for achievement in Private Wealth Management in the UK. Jamie Black, Partner and Head of Private Clients in London commented: "The category of 'Investment Product or Service Innovation' covers an essential feature of our work on behalf of clients. We always strive to improve our investment offering to reflect market opportunities as they develop, and winning this award is further tribute to the terrific efforts of everyone across the company at Sarasin & Partners."

In total we have won 22 Awards and have an unbroken record since the inception of these awards in 2000.

- Overall Service Quality
- Client Service Quality
- Investment Performance*
- Quality and Clarity of Reporting
- Product Innovation

Changes to the Analyst team

During the last quarter of 2012 we hired two new analysts as part of our plan to increase the seniority of our research team. With combined market experience of more than 30 years, together with an imminent new analyst our three new hires will cement the role of the research team as our engine of performance. Through the changes, we have also increased the overlap between our equity and fixed income research teams, which we believe provides us with superior market insight.

Disclaimer

This document has been issued by Sarasin Investment Funds Limited is a limited liability company registered in England & Wales with registration number 01290813 and is Authorised and regulated by the Financial Services Authority.

The investments of the fund are subject to normal market fluctuations. The value of the investments of the fund 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. The fund will invest in other collective investment schemes, including both regulated and unregulated collective investment schemes. Investment in unregulated collective investment schemes carries additional risks as such schemes may not be under the regulation of a competent regulatory authority, may use leverage and may carry increased liquidity risks. For efficient portfolio management the fund may also 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.

All details in this document are provided for marketing and information purposes only and should not be misinterpreted as investment advice or taxation advice. This document is not an offer or recommendation to buy or sell shares in the fund. You should not act or rely on this document but should seek independent advice and verification in relation to its contents. Sarasin Investment Funds Limited and/or any other member of the Bank Sarasin group accepts no liability or responsibility whatsoever for any consequential loss of any kind arising out of the use of this document or any part of its contents. The views expressed in this document are those of Sarasin Investment Funds Limited and these are subject to change without notice.

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 simplified prospectus which contain further information including the applicable risk warnings. The prospectus, the KIIDs as well as the annual and semi-annual reports are available free of charge from www.sarasin.co.uk or from Sarasin & Partners LLP, Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU, Telephone +44 (0)20 7038 7000, Telefax +44 (0)20 7038 6850. For your protection, telephone calls may be recorded.

The data in this document comes partially from third party sources and as a result the accuracy, completeness or correctness of the information contained in this publication is not guaranteed, and third party data is provided without any warranties of any kind. Sarasin Investment Funds Limited shall have no liability in connection with third party data.
Persons domiciled in the USA or 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 USA or to US nationals. This publication is intended for investors in the United Kingdom and Republic of Ireland.

Figures included in this document relate to the past. Past performance is not a reliable indicator of future results. When calculating performance, all the costs charged to the fund were included to give the net performance. Performance was calculated on the basis of net asset values (NAV) and net dividends reinvested. Additional commissions, costs and taxes charged at the investor level will have a negative impact on performance. Source for performance figures: Sarasin & Partners LLP and Lipper.

Juxon House
100 St. Paul's Churchyard
London EC4M 8BU
Tel: +44 (0)20 7038 7000
Fax: +44 (0)20 7038 6850
www.sarasin.co.uk

Fund Enquiries:
Tel: +44 (0)20 7038 7002
Fax: +44 (0)20 7038 6851
mail: fundoperations@sarasin.co.uk

SARASIN

SA-1209-313-B-UKI-NA