SARASIN

Sarasin Funds ICVC
Short Report

31 December 2011

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 2011 to 31 December 2011

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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
The Broadstone
South Gyle Crescent
Edinburgh, EH12 9UZ
Authorised and regulated by the
Financial Services Authority

Auditor
Ernst & Young LLP
Ten George Street
Edinburgh EH2 2DZ

Registrars / Administrators
Northern Trust Global Services Ltd.
PO Box 55736
50 Bank Street
Canary Wharf
London E14 1BT
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 2011

Guy Monson
Chief Investment Officer, Managing Partner

The World Economy

2011 is likely to go down in history as the year that everything happened.

Inflationary fears took centre stage as the year began, with food prices outpacing their 2008 highs and oil prices tipping the $100/barrel mark. As the first quarter continued, though, three major events shook the world: firstly, a devastating earthquake in Japan, and its subsequent nuclear crisis; secondly, the evident beginning of the 'Arab Spring' in the Middle East; and thirdly, not only did the EU deal on a Greek bailout package fail to calm market fears, but the Portuguese government fell, prompting all out fear over the European sovereign crisis. Throughout the spring, most economic data points were weaker than expected, in part due to supply chain disruptions resulting from the Japanese earthquake, but probably also owing to the ongoing Chinese slowdown. Market focus gradually moved back towards the outlook for monetary and fiscal policy: the US debt ceiling was reached on 16th May, tensions escalated between ECB officials and EU leaders about a possible Greek debt restructuring, and Spanish and Italian ruling parties suffered massive losses at regional elections.

The summer months were then characterised by global market mayhem, as escalating US political tensions saw a lack of agreement on the debt ceiling and threats of debt downgrades from rating agencies, while in Europe a series of bailouts – direct and indirect – attempted to calm the chaos. China witnessed further rate hikes, while Japan and Switzerland enacted currency interventions, and it became clear that global growth was slowing.

The European soap opera held the market's attention throughout autumn, and after much stalling and fanfare, a broad framework devised by euro zone leaders – including a debt haircut of 50% for private investors, recapitalisation of banks, and a three-year €489 billion ECB bank liquidity programme – had a more positive market impact than many predicted. There were new leaders for the ECB, Italy, Greece and Spain, and an alarming rise in most euro zone government bond yields. Elsewhere in Europe, the Bank of England introduced a new, four-month £75 billion cycle of quantitative easing. In the emerging markets there was a general loosening of monetary policy, while the US witnessed the rebirth of Operation Twist (last seen in 1961) with a $400 billion plan to buy bonds, and started to see more reasonable macroeconomic activity and data, regarding housing in particular.

As the year draws to a close a divergent world appears to be emerging, with signs of improvement in the US, Europe in recession, and the emerging world facing a softer landing than some had feared.

2012 will of course hold extreme austerity across Europe, and problems are also arising in emerging economies, with Chinese inflation back to 2008 levels, and the Indian economy slowing fast. However, there is some optimism to be found on the horizon. The EU (minus the UK) is showing some unity at last, and the ESM (a new primary bailout mechanism with €500 billion firepower) is set to be available by July 2012. The US is witnessing signs of decent components for recovery, particularly in auto, housing and manufacturing. Demand is resilient, consumers are spending, and initial jobless claims are at their lowest since May 2008, signalling employment growth. GDP expectations for 2012 are also improving slightly, pointing to a brighter new year.

Global Bond Outlook

Despite losing their AAA rating and political wrangling, the US saw their long-term bond yield drop by almost 250 basis points in 2011. A sharp decline especially occurred during the summer, on the back of fears of a double-dip recession and further monetary policy action by the Fed (operation twist). The same trend was seen in the UK and Germany – with 10-year bond yields reaching or close to historical lows.

The most significant moves took place in the intra-European bond markets, as the debt crisis intensified further. Default fears drove Greek 10-year bond yields from around 12% at the end of 2010 to as high as 39% mid-December. Bond yields in Portugal, Italy and Spain to a lesser extent also ended 2011 much higher (respectively up by 660bp, 220bp and 10bp). Only Ireland managed to see a reduction in its borrowing costs. While France's 10-year bond yield remained broadly unchanged, the spread to German's bond yield almost topped 200 basis points, a level unseen since the early 1990's.

While deflationary forces and central bank actions may continue to put downward pressures on bond yields, a normalisation is most likely, especially if risk aversion recedes. Tensions in the intra-euro bond spreads are unlikely to ease significantly though, as the recession triggered by austerity measures and banks de-leveraging weigh on public balance, especially in the periphery. Conversely, German bond yields will benefit from political uncertainty and potential ratings downgrades in the rest of Europe.

Currencies

Currency markets were very volatile in 2011. The US dollar started to depreciate against most currencies, mainly as a result of interest rate differentials and as the Federal Reserve implemented its QE2 programme. However, during the summer, a reversal of fortunes occurred: given the intensification of the European crisis, the greenback regained its safe-haven status. This trend was then

reinforced by better economic news out of the US in the autumn and signs of a soft-landing in the developing countries. Overall, after having weakened by almost 10% against the euro, the US dollar ended the year 3.5% stronger versus the euro. Similarly, the US dollar returned to its late-2010 levels against sterling and emerging market currencies, having lost respectively around 5% and 4% by mid-year. Finally, despite a devastating earthquake, coordinated and unilateral FX intervention, the Japanese yen appreciated by almost 6% the US dollar.

The US dollar uptrend is likely to carry on over the next few months, as the US economic backdrop appears to be on a better footing than its counterparts. Moreover, emerging market currencies will continue to suffer from a declining interest rate environment and the euro from the recession and political indecision. Though volatile, sterling is likely to remain range-bound, as the positive of the UK's AAA status together with an already undervalued level should offset the drag from a new recession and an even looser monetary policy.

Global Equity Outlook

Despite the Arab Spring, higher oil prices and the Japanese earthquake, global equity markets remained well-oriented during the first half of 2011 – albeit very volatile. During the summer, however, political friction both in the US and in Europe, together with recession fears and European banks woes, triggered a massive sell-off. Equity markets then experienced a bumpy ride, in line with political development, but managed to recover part of their losses. The US stock market was the best performer amongst the major ones, including those in emerging markets, followed by the UK market.

2012 will also be a heavily political year, adding uncertainty and hence volatility. Against this backdrop, income driven, cash-flow rich companies and on those benefiting from structural changes holdings are likely to continue to perform better.

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

Notification of amendments to Sarasin Funds ICVC

Modifications to the Company
The Sarasin GlobalSar IIID Fund changed its name to Sarasin GlobalSar – Cautious from 1 January 2011. The Sarasin EquiSar – Socially Responsible and Sarasin EquiSar – Socially Responsible (Sterling Hedged) Funds were launched on 1 June 2011. The International Equity Income Fund launched a USD Share Class on 2 June 2011.

Modification to Share Class Charges
The AMC for the X Share Class of the Sarasin GlobalSar IIID Fund (known as the Sarasin GlobalSar – Cautious from 1 January 2011) was decreased from 1.35% to 1.20% from 1 January 2011. The AMC for the A Share Class of the Sarasin EquiSar – UK Thematic Opportunities Fund was decreased from 1.50% to 1.35% from 1 May 2011.

Modification to Performance Related Fee
The performance fee calculation of the Sarasin GlobalSar IIID Fund (known as the Sarasin GlobalSar – Cautious from 1 January 2011) was revised to include a High Water Mark from 1 January 2011. From the 1 January 2011 the way in which the performance fee is calculated in respect of the Fund was amended, however the level at which the performance fee is charged and the applicable benchmark against which the performance of the Fund is measured did not change. The High Water Mark will be the highest share price at which a performance fee has been crystallised from its implementation to the Fund on 1 January 2011. The revised performance fee model works by taking account of the size of the relevant Fund by adding a fee each day (when a performance fee is earned by the Fund), that is equal to the outperformance on the day and the Fund size on that day. A performance fee is not charged when absolute performance is negative and/or if the Fund under performs the High Water Mark. The performance fee is decreased on underperforming days by taking out the proportion of outperformance lost from the total size of the performance fee – this does not take into account the Fund size, but ensures that the ACD will only receive a fee when the Fund has outperformed the hurdle and the High Water Mark.

Modification to Dilution Levy Policy (Clause 13 in the Prospectus)
What is the ACD’s current policy to mitigate the effects of dilution?
With effect from the Effective Date, 1 June 2011, the ACD has changed its policy in relation to dilution and as such makes a dilution adjustment - an adjustment of the Share price.

Instead of making a separate charge when Shares are bought or sold in the Fund, the ACD is permitted to move ("swing") the price at which Shares are bought or sold on any given day. If a dilution adjustment is applied, this means that the costs of dilution are therefore included in the (adjusted) share price and is not disclosed separately.

If applied, the dilution adjustment for the Funds will be calculated according to the costs (or estimated costs) of dealing in the underlying assets of the Funds. Such costs, include any dealing spreads, commission and transfer taxes. The need to apply the dilution adjustment will depend on the volume of sales (shares issued) or redemptions (shares cancelled), and the amount of the adjustment is reflected in the price of the relevant Fund in respect of which it has been applied.

By applying a dilution adjustment, the ACD has the flexibility to move the price of Shares in response to particular market circumstances. The ACD's policy is that it may make a dilution adjustment:

(a) if daily net sales or redemptions are over 3.0% of a Fund’s Net Asset Value; or
(b) where a Fund is in continual decline (i.e. is suffering a net outflow of investments); or
(c) in any other case where the ACD believes that it is in the interest of Shareholders to impose a dilution adjustment.

Regardless of whether the price is adjusted up or down, all investors (on any particular dealing day) will buy or sell their Shares at the same price. For example, if the price for a Fund is 100 and the Fund's swing factor is 0.25%, then:

- if the Fund experiences net inflows in excess of the above threshold, the price is swung up to 100.25;
- if the Fund experiences net outflows in excess of the above threshold, the price is swung down to 99.75;
- if the Fund flows do not exceed the above threshold, or there is no trading, the price will remain at 100.

The ACD believes that its dilution adjustment policy ensures effective and consistent mitigation of dilution for the protection of Shareholders, and has an appropriate balance between discretion and the use of thresholds.

Note to all Shareholders
Anti Money Laundering (AML)/Know Your Client (KYC) documentation
During 2010, investors were requested to provide Anti Money Laundering (AML)/Know Your Client (KYC) documentation in order to comply with regulatory requirements. The documentation required includes either an original or a certified true copy of photo identification and residential identification.

Please be advised that from the effective date, 1 September 2011, in cases where the required AML/KYC documentation remains outstanding, redemption payments will be delayed and any income distributions will be used to purchase additional shares rather than being paid. Such shares purchased will be subject to market movements. Once AML requirements are satisfied, redemption and income distribution payments will be made on the relevant payment date. Investors would need to contact us to redeem shares purchased as a result of such income reinvestment, if required, which would be valued at the current market prices. The value of the investment may change due to market conditions and expenses charged to the Fund(s).

Change of Mailing Address
From the 3 October 2011 all written communication relating to your investment, should be directed to the Registrars / Administrators new postal address below:
Northern Trust Global Services Ltd
P.O. Box 3733
Wootton Bassett
Swindon SN4 4BG
Please be advised that all other contact details remain the same.

Novation of Trustee and Depositary
As part of an internal re-structuring in 2011 the Royal Bank of Scotland Group plc transferred its Trustee and Depositary Services business from the Royal Bank of Scotland plc to National Westminster Bank plc by novation and consequently National Westminster Bank was appointed as trustee/depositary of the Scheme on 30 September 2011.

As trustee/depositary, National Westminster Bank plc will have the same duties and responsibilities as the Royal Bank of Scotland plc and the change of trustee will have no impact on the way the Scheme is operated.

Investment Themes

Corporate Restructuring
Rationale: Underperforming company with a new credible plan to improve shareholder returns unappreciated by the market.
Characteristics: Management change, profitability, balance sheet or working capital improvements, shareholder pressure.

Intellectual Property and Excellence
Rationale: Value creation through investment in R & D to produce high value-added products. Patent protection.
Characteristics: High profitability and returns, consolidated industry, limited capacity, strong competitive position.

Pricing Power
Rationale: Value creation through ability to raise prices and effective control of input costs. Corporate, cyclical or secular.
Characteristics: High profitability and returns, consolidated industry, limited capacity, strong competitive position.

The Security of Supply
Rationale: Emerging market growth is stretching demand for strategic assets, making security of supply of critical interest.
Characteristics: Companies operating in these areas should own the strategic asset, control access to the strategic asset or aid the process of exploiting the asset.

The Strong Get Stronger
Rationale: The environment of credit rationing will reward companies with superior control over their business ecosystem, and able to self-fund.
Characteristics: A sector gorilla with net cash, some fat to shed, minimal or well funded legacy commitments and not threatened by the regulator.

Sarasin EquiSar Global Thematic Fund™

Why EquiSar?

EquiSar is our family of innovative thematic global equity funds, with assets of over £2.1 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.

Fund Facts

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

Total Expense Ratio (%)

	as at 31.12.11 for last 12 months	
	Acc	Inc
Share Class A	1.72	1.72
Share Class B	1.07	1.07
Share Class C	0.22	n/a
Share Class X	1.57	1.57

Fund Manager's Review

We have had a particularly difficult year, with the fund underperforming by some 7% net of fees. Markets have been driven predominantly by European fears, and concerns about the depth and trajectory of the China slowdown. The underlying trend was a slow loss of confidence, rotation into defensive stocks and geographically into North America. Emerging markets have suffered, despite seemingly resilient growth characteristics. This has been the mainstay of many companies' growth expectations, and the deceleration has been met with broad multiple compression.

We entered the year with reasonable, albeit a somewhat consensus view that economic growth in the US economy would be sustained, and indeed would be strong enough to carry global GDP with it. We had expressed this by overweighting our Pricing Power theme (which tends to be somewhat cyclical) and underweighting Strong get Stronger (which tends to perform better in more difficult market environments). Sectorally, we were exposed to industrials, but not so much to the basic materials and energy production areas of the market where we had begun to be concerned about the effects of unwinding the bubble in the Chinese property sector. The supply shock driven energy price rise emerging from the Arab Spring and Japanese tsunami led us to underperform the market in the early stages of the year.

Our top down view about the sustainability of the recovery changed in May, and we took action to alter the character of the portfolio. We placed greater emphasis on trends which are more resilient in an uncertain environment, replacing, for example, positions like Alcatel Lucent, Fiat Industrial, Schroders and Peabody Coal with positions in Heinz, WalMart, Time Warner and PNC Financial Services. Although we underperformed the initial stages of the aggressive sell off which began in August, we made ground back as the sell off continued, and the portfolio stabilised over Q3, before, disappointingly, giving back over 2% of relative in the final month of the year.

The world remains a difficult place, with three the major areas of concern: European debt (and the possibility of both a German and French downgrade in the near term); the still questionable sustainability of the US economic recovery; and the extent of the Chinese slowdown. There are in fact limits to what the market will tolerate in deficit spending, and if the history tells us anything it is that one cannot solve a debt crisis by lending more money to the insolvent. The equities of high quality global companies with long-term thematic drivers remain a compelling investment, given their ability to grow their cash flow in real terms and provide attractive total returns (with yields equivalent to many bonds), their diversity of currency exposure, liquidity and – in many cases – financial independence from the banking system. As we focus on themes and more reliable trends across the global markets, we find many opportunities for well managed companies to prosper.

We do believe the portfolio has the right balance of stocks with strong or improving fundamentals, the value of which will be realised in due course. Our stock selection remains concentrated around those trends we consider to be robust in difficult economic circumstances, such as ageing, dietary change, emerging market consumption growth, data obesity and input optimisation.

Performance (% change to 31.12.11)

	EquiSar GTF A shares Acc	EquiSar GTF B shares Acc	EquiSar GTF C shares Acc	EquiSar GTF X shares Acc	Benchmark[1]
Since launch on 01.07.94 to 31.12.11	+188.5	-	-	-	+162.3
Since launch on 29.11.99 to 31.12.11	-	+21.7	-	-	+13.7
Since launch on 24.04.03 to 31.12.11	-	-	+131.1	-	+78.8
Since launch on 19.01.10 to 31.12.11	-	-	-	+2.5	+8.0
31.12.10 to 31.12.11	-11.8	-11.2	-10.4	-11.6	-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
31.12.05 to 31.12.06	+10.7	+11.6	+12.3	-	+5.3

Source: Sarasin, UK Sterling for a lump sum investment using NAV prices, income net of UK basic rate tax. Please note that the prices of shares and the income from them can fall as well as rise and you may not get back the amount originally invested. This can be as a result of market movements and also of variations in the exchange rates between currencies. Past performance is not a guide to future returns and may not be a repeated. Sarasin EquiSar - Global Thematic Fund™ is a trademark of Sarasin & Partners LLP.

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

Investment Objective & Policy

The objective of the Fund is to seek capital growth through investment in a broad portfolio of international stocks (and on occasion in convertible or straight bonds).

The ACD identifies core themes that it considers offer attractive long-term investment opportunities to shareholders. The fund then invests in companies that fit these themes. The current five themes are: Corporate Restructuring, Pricing Power, Intellectual Property & Excellence, Strong get Stronger and Security of Supply.

[1]

[1.] Source: OBSR & Citywire, as at December 2011

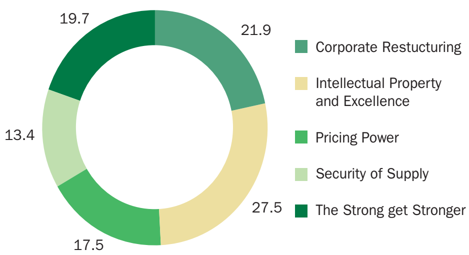
Harry Talbot Rice
Fund Manager

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.

Thematic Equity Allocation (% as at 31.12.11)



Top 10 Equity Holdings
(as a % of portfolio as at 31.12.11)

Home Depot	3.5
Occidental Petroleum	2.6
Wal-Mart Stores	2.6
Fresenius Medical Care	2.5
Novozymes	2.3
Verizon Communications	2.3
Unicharm	2.3
Pearson	2.2
Pfizer	2.2
Procter & Gamble	2.1

Net Income Distribution/Accumulation

[1] to 28.02.12	Pence per Share		Per £1,000 invested at 02.01.2007 (£)	
2012[1]	**Inc**	**Acc**	**Inc**	**Acc**
Share Class A	-	-	-	-
Share Class B	1.2900	1.5212	2.61	2.73
Share Class C	-	4.5168	-	7.89
Share Class X	-	-	-	-
2011				
Share Class A	0.1620	0.2679	0.32	0.51
Share Class B	2.6843	3.1014	5.43	5.57
Share Class C	-	9.4033	-	16.42
Share Class X	0.7631	0.7930	7.63	7.93
2010				
Share Class A	1.1389	0.7232	2.25	1.38
Share Class B	3.0078	3.7513	6.08	6.73
Share Class C	-	9.0014	-	15.72
Share Class X	1.5581	1.6447	15.58	16.45
2009				
Share Class A	4.3901	4.5228	8.68	8.60
Share Class B	7.0934	8.3299	14.34	14.95
Share Class C	-	12.7279	-	22.22
2008				
Share Class A	1.8678	1.9312	3.69	3.67
Share Class B	4.5904	5.1722	9.28	9.28
Share Class C	-	9.8564	-	17.21
2007				
Share Class A	1.3901	1.4183	2.75	2.70
Share Class B	7.5873	4.7396	15.34	8.51

X shares per £1,000 invested at share class launch 19.01.10

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	
2011	Inc	Acc	Inc	Acc	**31.12.11**	Inc	Acc	Inc	Acc	Inc	Acc
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 B	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 C	-	770.70	-	609.90		-	13,323,787	-	681.21	-	1,955,912
Share Class X[3]	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 B	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 C	-	765.60	-	607.00		-	19,494,728	-	761.87	-	2,558,786
Share Class X[3]	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 B	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 C	-	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 B	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 C	-	698.80	-	459.40		-	13,926,817	-	555.04	-	2,509,160
2007					**31.12.07**						
Share Class A	584.6	609.0	495.4	514.8		39,665,910	35,156,526	579.01	602.96	6,850,681	5,830,657
Share Class B	573.6	650.2	485.0	546.2		48,063,467	10,150,470	566.93	647.25	8,477,820	1,568,251
Share Class C	-	673.3	-	562.0		-	16,023,438	-	666.65	-	2,403,585

[2]Note: These notional prices are calculated by dividing the Net Asset Value by the number of base shares.
[3]from Share Class launch on 19.01.10

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 £2.1 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.

Fund Facts

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

Total Expense Ratio (%)

	as at 31.12.11 for last 12 months Acc	Inc
Share Class A	1.73	1.73
Share Class B	1.08	1.08
Share Class X	1.73	1.73

Fund Manager's Review

We have had a particularly difficult year, with the fund underperforming by some 7% net of fees. Markets have been driven predominantly by European fears, and concerns about the depth and trajectory of the China slowdown. The underlying trend was a slow loss of confidence, rotation into defensive stocks and geographically into North America. Emerging markets have suffered, despite seemingly resilient growth characteristics. This has been the mainstay of many companies' growth expectations, and the deceleration has been met with broad multiple compression.

We entered the year with reasonable, albeit a somewhat consensus view that economic growth in the US economy would be sustained, and indeed would be strong enough to carry global GDP with it. We had expressed this by overweighting our Pricing Power theme (which tends to be somewhat cyclical) and underweighting Strong get Stronger (which tends to perform better in more difficult market environments). Sectorally, we were exposed to industrials, but not so much to the basic materials and energy production areas of the market where we had begun to be concerned about the effects of unwinding the bubble in the Chinese property sector. The supply shock driven energy price rise emerging from the Arab Spring and Japanese tsunami led us to underperform the market in the early stages of the year.

Our top down view about the sustainability of the recovery changed in May, and we took action to alter the character of the portfolio. We placed greater emphasis on trends which are more resilient in an uncertain environment, replacing, for example, positions like Alcatel Lucent, Fiat Industrial, Schroders and Peabody Coal with positions in Heinz, WalMart, Time Warner and PNC Financial Services. Although we underperformed the initial stages of the aggressive sell off which began in August, we made ground back as the sell off continued, and the portfolio stabilised over Q3, before, disappointingly, giving back over 2% of relative in the final month of the year.

The world remains a difficult place, with three the major areas of concern: European debt (and the possibility of both a German and French downgrade in the near term); the still questionable sustainability of the US economic recovery; and the extent of the Chinese slowdown. There are in fact limits to what the market will tolerate in deficit spending, and if the history tells us anything it is that one cannot solve a debt crisis by lending more money to the insolvent. The equities of high quality global companies with long-term thematic drivers remain a compelling investment, given their ability to grow their cash flow in real terms and provide attractive total returns (with yields equivalent to many bonds), their diversity of currency exposure, liquidity and – in many cases – financial independence from the banking system. As we focus on themes and more reliable trends across the global markets, we find many opportunities for well managed companies to prosper.

We do believe the portfolio has the right balance of stocks with strong or improving fundamentals, the value of which will be realised in due course. Our stock selection remains concentrated around those trends we consider to be robust in difficult economic circumstances, such as ageing, dietary change, emerging market consumption growth, data obesity and input optimisation.

Performance (% change to 31.12.11)

	EquiSar GTF (Stg Hedged) A shares Acc[1]	EquiSar GTF (Stg Hedged) B shares Acc	EquiSar GTF (Stg Hedged) X shares Acc	Benchmark[2]
Since launch on 12.05.09 to 30.06.11	-	+20.2	+18.3	+26.3
Since launch on 28.09.09 to 30.06.11	+6.3	-	-	+8.4
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, UK Sterling for a lump sum investment using NAV prices, income net of UK basic rate tax. Please note that the prices of shares and the income from them can fall as well as rise and you may not get back the amount originally invested. This can be as a result of market movements and also of variations in the exchange rates between currencies. Past performance is not a guide to future returns and may not be repeated. 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)

Investment Objective & Policy

The fund aims to seek long-term capital appreciation in sterling terms through investment in a broad portfolio of international stocks (and on occasion in convertible or straight bonds). It seeks to benefit from movements in the sterling currency through the employment of currency hedging strategies. The base currency of the fund is pounds sterling.

In recognition of the limitations of geographically determined asset allocations in today's global economy, the fund's assets are allocated by global themes which track long term worldwide growth trends that are largely independent of any one region or market. The fund then invests in companies that fit these themes. The current five themes are: Corporate Restructuring, Pricing Power, Intellectual Property & Excellence, Strong get Stronger and Security of Supply.

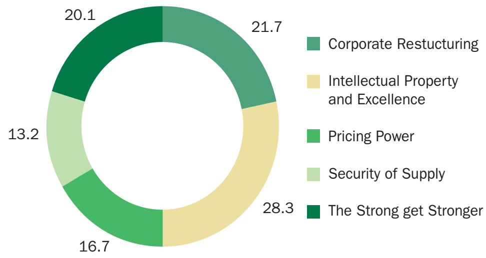
Harry Talbot Rice
Fund Manager

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.

Thematic Equity Allocation (% as at 31.12.11)



Top 10 Equity Holdings
(as a % of portfolio as at 31.12.11)

Home Depot	3.7
Occidental Petroleum	3.0
Wal-Mart Stores	2.8
Pearson	2.7
Unicharm	2.6
Verizon Communications	2.5
Fresenius Medical Care	2.5
Pfizer	2.5
Procter & Gamble	2.5
Novozymes 'B'	2.4

Net Income Distribution/Accumulation

[1] to 28.02.12	Pence per Share		Per £1,000 invested at 12.05.09 (£)	
2012[1]	Inc	Acc	Inc	Acc
Share Class A	0.9226	0.9470	8.27	8.49
Share Class B	0.9281	0.9590	9.28	9.59
Share Class X	0.9148	0.9457	9.15	9.46
2011				
Share Class A	1.9240	1.9777	17.25	17.74
Share Class B	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 B	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 B	-	-	-	-
Share Class X	-	-	-	-

A shares per £1,000 invested at share class launch 28.09.09
X shares per £1,000 invested at share class launch 12.05.09

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	
2011	Inc	Acc	Inc	Acc	31.12.11	Inc	Acc	Inc	Acc	Inc	Acc
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 B	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	135.50	109.50	110.30		44,858	414,580	132.69	134.89	33,806	307,345
Share Class B	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[2]	-	119.60	-	109.40		-	70,635	-	118.80	-	59,457
Share Class B[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[3]	119.30	119.40	95.02	95.08		19,362,559	5,886,813	117.58	118.59	16,468,054	4,964,076

[1]Note: These notional prices are calculated by dividing the Net Asset Value by the number of base shares.
[2]From share class launch 28.09.09 to 31.12.09
[3]From share class launch 12.05.09 to 31.12.09

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.

Fund Manager's Review

We have had a particularly difficult year, with the fund down around 8% over the year. Markets have been driven predominantly by European fears, and concerns about the depth and trajectory of the China slowdown. The underlying trend was a slow loss of confidence, rotation into defensive stocks and geographically into North America. Emerging markets have suffered, despite seemingly resilient growth characteristics. This has been the mainstay of many companies' growth expectations, and the deceleration has been met with broad multiple compression.

We entered the year with reasonable, albeit a somewhat consensus view that economic growth in the US economy would be sustained, and indeed would be strong enough to carry global GDP with it. We had expressed this by overweighting our Pricing Power theme (which tends to be somewhat cyclical) and underweighting Strong get Stronger (which tends to perform better in more difficult market environments). Sectorally, we were exposed to industrials, but not so much to the basic materials and energy production areas of the market where we had begun to be concerned about the effects of unwinding the bubble in the Chinese property sector. The supply shock driven energy price rise emerging from the Arab Spring and Japanese tsunami led us to underperform the market in the early stages of the year.

Our top down view about the sustainability of the recovery changed in May, and we took action to alter the character of the portfolio. We placed greater emphasis on trends which are more resilient in an uncertain environment, replacing, for example, positions like Alcatel Lucent, Fiat Industrial and Peabody Coal with positions in Heinz, WalMart and Time Warner. Although we underperformed the initial stages of the aggressive sell off which began in August, we made ground back as the sell off continued, and the portfolio stabilised. During this period, the net equity exposure was managed down to extremely low levels, with global equity markets falling circa 17% and the fund down circa 6%. With all the macro uncertainty, we were perhaps a little late to raise the equity exposure significantly and benefit from the resulting 'risk on' rally.

The world remains a difficult place, with three the major areas of concern: European debt (and the possibility of both a German and French downgrade in the near term); the still questionable sustainability of the US economic recovery; and the extent of the Chinese slowdown. There are in fact limits to what the market will tolerate in deficit spending, and if the history tells us anything it is that one cannot solve a debt crisis by lending more money to the insolvent. The equities of high quality global companies with long-term thematic drivers remain a compelling investment, given their ability to grow their cash flow in real terms and provide attractive total returns (with yields equivalent to many bonds), their diversity of currency exposure, liquidity and – in many cases – financial independence from the banking system. As we focus on themes and more reliable trends across the global markets, we find many opportunities for well managed companies to prosper.

We do believe the portfolio has the right balance of stocks with strong or improving fundamentals, the value of which will be realised in due course. Our stock selection remains concentrated around those trends we consider to be robust in difficult economic circumstances, such as ageing, dietary change, emerging market consumption growth, data obesity and input optimisation.

Fund Facts

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

Total Expense Ratio (%)*

	as at 31.12.11 for last 12 months Acc	Inc
Share Class A	1.75 (1.75)	1.75 (1.75)
Share Class B	1.10 (1.10)	1.10 (1.10)
Share Class X	1.45 (1.45)	1.45 (1.45)

*Figures in brackets represent the total TER inclusive of performance fees

Performance (% change to 31.12.11)

	EquiSar IIID A shares Acc	EquiSar IIID B shares Acc	EquiSar IIID X shares Acc	Benchmark[1]
Since launch on 08.05.06 to 31.12.11	+13.6	+16.7	-	+48.6
Since launch on 12.05.08 to 31.12.11	-	-	-9.4	+26.3
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, UK Sterling for a lump sum investment using NAV prices, income net of UK basic rate tax. Please note that the prices of shares and the income from them can fall as well as rise and you may not get back the amount originally invested. This can be as a result of market movements and also of variations in the exchange rates between currencies. Past performance is not a guide to future returns and may not be repeated. Sarasin EquiSar IIID Fund™ is a trademark of Sarasin & Partners LLP.

[1]Benchmark: RPI +3.5%

Investment Objective & Policy

The fund seeks to achieve a real return to shareholders over the long term. It is intended that the fund will invest either directly or indirectly in a broad portfolio of global securities that satisfy one or more investment themes that the ACD expects to be key drivers of corporate profitability and investment performance.

In order to achieve the investment objective and policy, it is intended that the fund will invest in a broad, diversified and global portfolio of investments which may consist of any class of asset available for UCITS schemes under the rules in COLL including, transferable securities, units in collective investment schemes, money market instruments, warrants, government and public securities, deposits and derivatives and forward transactions. Cash and near cash may also be held by the fund.

The ACD intends to take full advantage of the ability to invest in derivatives in order to achieve the objective of the fund. In particular, it is expected that the fund will combine core conventional long-only holdings with synthetic equity swaps, contracts for differences (CFDs) for long and short equity positions, stock indices or stock index options, equity derivatives and equity derivatives baskets.

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 31.12.11)

%	Long	Short	Gross	Net
Corporate Rest.	19.6	0.0	19.6	19.6
IP&E	31.2	0.6	31.8	30.6
Pricing Power	15.3	1.2	16.4	14.1
Security of Supply	13.4	0.0	13.4	13.4
Strategic Holdings	0.0	27.5	27.5	-27.5
Strong get Stronger	17.4	0.0	17.4	17.4
TOTALS	**96.9**	**29.3**	**126.2**	**67.6**

Top 10 Equity Holdings
(as a % of portfolio as at 31.12.11)

Home Depot	3.9
Wal-Mart Stores	3.7
Unicharm	3.1
Novozymes	3.0
Barrick Gold	3.0
Fresenius Medical Care	2.9
Occidental Petroleum	2.8
Procter & Gamble	2.6
CSL	2.5
Pearson	2.5

Net Income Distribution/Accumulation

[1] to 28.02.12	Pence per Share		Per £1,000 invested at 02.01.07 (£)	
2012[1]	Inc	Acc	Inc	Acc
Share Class A	0.1352	0.1362	1.28	1.29
Share Class B	0.2810	0.3059	2.66	2.89
Share Class X	0.1374	0.1867	1.37	1.87
2011				
Share Class A	0.3078	0.3234	2.92	3.06
Share Class B	0.4638	0.4808	4.39	4.54
Share Class X	0.3442	0.3558	3.44	3.56
2010				
Share Class A	0.3824	0.3327	3.63	3.15
Share Class B	0.5016	0.5456	4.75	5.15
Share Class X	0.3534	0.3726	4.75	5.15
2009				
Share Class A	1.9826	2.5820	18.81	24.43
Share Class B	1.9206	2.0966	18.19	19.78
Share Class X	1.6774	1.6866	16.77	16.87
2008				
Share Class A	1.4789	0.9534	14.03	9.02
Share Class B	1.1256	0.9761	10.66	9.21
Share Class X	0.3454	0.3451	3.45	3.45
2007				
Share Class A	-	-	-	-
Share Class B	0.0493	-	0.47	-

X shares per £1,000 invested at share class launch 12.05.08

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	
2011	Inc	Acc	Inc	Acc	**31.12.11**	Inc	Acc	Inc	Acc	Inc	Acc
Share Class A	120.40	124.90	108.30	112.60		428,291	13,199,140	109.21	113.74	392,180	11,604,280
Share Class B	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 X	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 A	120.10	124.60	104.60	108.20		322,031	13,784,490	119.81	124.31	268,794	11,088,398
Share Class B	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 X	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 A	109.50	113.30	91.23	93.93		927,092	11,276,922	108.41	112.15	855,186	10,055,614
Share Class B	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 X	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 A	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 B	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 X[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 A	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 B	122.30	124.10	105.10	105.70		19,745,762	27,987,857	122.07	123.91	16,176,067	22,586,778

[2]Note: These notional prices are calculated by dividing the Net Asset Value by the number of base shares.
[3]from share class launch 12.05.08 to 31.12.08
[4]from share class launch 08.05.06 to 31.12.06

Sarasin EquiSar - UK Thematic Fund™

Why EquiSar - UK Thematic Fund?

EquiSar is our family of innovative thematic global equity funds, with assets of over £2.1 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.

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

Total Expense Ratio (%)

	as at 31.12.11 for last 12 months Acc	Inc
Share Class A	1.72	1.72
Share Class B	1.07	1.07
Share Class C	0.22	0.22
Share Class X	1.57	1.57

Fund Manager's Review

2011 was annus horibilus for active fund managers. The year, which started promisingly enough, steadily degraded into one dogged by uncertainty, fear and paralysis. The Arab spring was followed by the Japanese tsunami in March, and finally fears of a Greek default culminated in the future of the eurozone hanging in the balance. Suddenly everyone was an expert on issues as diverse as earthquakes, nuclear power, the politics of the Middle East, and – most damagingly – banks and their role in society. This has been a devastating cocktail for financial markets which hate uncertainty.

Where change has occurred and been met with firm resolve, such as in Ireland, there has been a significant easing of perceived risk. This has been abundantly clear in bond markets: Irish 2-year bond yields peaked at 21.6% in July on extreme fears of a sovereign default and euro expulsion. They are now down to a more reasonable 5.9%, but this is still more expensive than the cost of debt for some of the world's largest companies, who are enjoying record low yields as investors place more trust in the corporation's ability to pay a coupon and repay the debt than in the some governments' ability to maintain fiscal discipline and honour debt obligations.

This superior access to capital markets, record levels of profitability and exceptionally strong balance sheets should have all been reason for companies to invest in future growth. At a time when the government and the consumer are struggling to lower their debt burdens, only the corporate sector has the capacity to expand business and invest in critical infrastructure, thereby helping with job creation. However, the impact of adverse macro events across the world has caused company managements to adopt a wait and see attitude. And, if everyone decides to exercise caution, clearly this will have a negative impact on economic growth and – ultimately – corporate earnings.

Although much of what we have discussed here did not directly impact the UK, living as we do in a globally interconnected world, our economy and our companies are also impacted. The spate of earnings disappointments may well prove to be a storm in this global tea-cup, or it might prove to be a more permanent retrenchment brought on by weaker demand and the adverse impact of other externalities. What the world needs badly is a return of confidence, which will happen once the 'tail' risks (such as a sovereign default by a European country) have been identified and dealt with. We have reason to be optimistic. Spain, Italy and Greece all have new governments which have arrived with mandates to introduce fiscal reform. The European banks are being capitalised, and the European Central Bank is stepping in to provide much needed liquidity in an otherwise frozen money market. Political will combined with public support and the absence of further external shocks can reverse the current vicious spiral into one borne out of greater confidence in the future. But, first, all we need is for markets to believe that things are not going to get any worse. That should itself be sufficient to ensure more 'normal' market conditions favouring active managers like us.

Outlook

Being a thematic investor has always meant looking beyond the immediate horizon at big picture trends which can be expected to remain intact despite short-term uncertainties. 2011 has been a year in which macro events and politics became deeply intertwined, resulting in growing uncertainty and limited visibility. Even companies not directly impacted by the many events around the world have had to indulge in 'scenario' planning and 'plan B's' for a number of so-called unthinkable events which might impact their business. The resulting caution, both in tone and in business activity has proved to be damagingly circular, both in terms of new investments and in terms of markets. The disparity of valuations is breathtaking – even within the same sector, the most loved stocks are trading at unprecedented premia to those deeply out of favour. For us wounded thematic investors, this provides some outstanding investment opportunities, if we are willing to look beyond the immediate challenges facing the world. For this reason, despite much soul-searching, we firmly believe that our portfolio has the right balance of stocks with strong or improving fundamentals, but are at valuations that are ripe for mean reversion to levels anywhere between 30-50% higher than where we are today. Barring 2012 being a repeat of 2011 (continued paralysis and further de-rating of the unloved names of 2011) our view is that our portfolio is well positioned for a rebound into more normal markets.

Performance (% change to 31.12.11)

	EquiSar - UK Thematic A shares Acc	EquiSar - UK Thematic B shares Acc	EquiSar - UK Thematic C shares Acc	EquiSar - UK Thematic X shares Acc	Benchmark[2]
Since launch on 28.01.10 to 31.12.11	+8.5	+9.7	+11.5	+8.4	+16.5
31.12.10 to 31.12.11	-9.2	-8.7	-7.9	-9.3	-3.9
31.12.09 to 31.12.10	-	-	-	-	-

Source: Sarasin, UK Sterling for a lump sum investment using NAV prices, income net of UK basic rate tax. Please note that the prices of shares and the income from them can fall as well as rise and you may not get back the amount originally invested. This can be as a result of market movements and also of variations in the exchange rates between currencies. Past performance is not a guide to future returns and may not be repeated. Sarasin EquiSar - UK Thematic Fund™ is a trademark of Sarasin & Partners LLP.

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

Investment Objective & Policy

The fund seeks to achieve a total return to shareholders over the long-term through investment predominantly in a portfolio of UK transferable securities that are expected to be key drivers of corporate profitability, investment performance and yield.

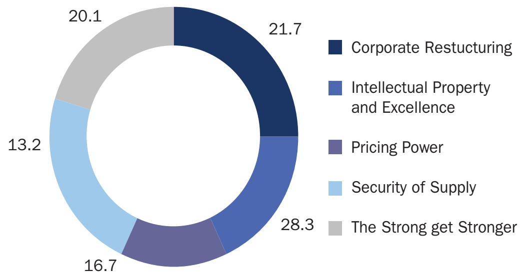
The fund aims to generate an annualised total return that is 1% in excess of the FTSE All Share (5% capped) benchmark on a rolling three year basis. The fund applies Sarasin's thematic investment process to our universe of UK equitieis as a means of generating long-term outperformance. The current five themes are: Corporate Restructuring, Pricing Power, Intellectual Property & Excellence, Strong get Stronger and Security of Supply.

Rohini Rathour
Fund Manager

Rohini is Manager of the EquiSar - UK Thematic funds.

Jennifer Ramsey
Deputy Fund Manager

Thematic Equity Allocation (% as at 31.12.11)



Top 10 Equity Holdings
(as a % of portfolio as at 31.12.11)

BP	6.1
BG	5.3
BHP Billiton	4.2
Xstrata	3.8
Royal Dutch Shell 'B'	3.5
GlaxoSmithKline	3.5
Petrofac	3.4
AstraZeneca	3.3
BT	3.2
Vodafone	3.1

Net Income Distribution/Accumulation

[1] to 28.02.12	Pence per Share		Per £1,000 invested at 28.01.10 (£)	
2012[1]	Inc	Acc	Inc	Acc
Share Class A	0.5616	0.5900	5.62	5.90
Share Class B	0.6333	0.6674	6.33	6.67
Share Class C	0.6984	0.7520	6.98	7.52
Share Class X	0.5786	0.6055	5.79	6.06
2011				
Share Class A	3.2357	3.3347	32.36	33.35
Share Class B	3.5491	3.6608	35.49	36.61
Share Class C	3.9613	4.1730	39.61	41.73
Share Class X	3.2448	3.3298	5.79	6.06
2010				
Share Class A	1.9074	1.7198	19.07	17.20
Share Class B	2.0742	2.0904	20.74	20.90
Share Class C	2.3185	2.1120	23.19	21.12
Share Class X	1.9168	1.0864	19.17	10.86

per £1,000 invested at Share Class Launch 28.01.10.

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	
2011	Inc	Acc	Inc	Acc	31.12.11	Inc	Acc	Inc	Acc	Inc	Acc
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 B	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 C	122.60	126.50	95.46	101.30		559,686	1,109	103.92	110.97	538,576	1,000
Share Class X	121.60	124.20	94.22	98.69		677,896	400,335	102.35	107.81	662,344	371,333
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 B	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 C	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

[2]Note: These notional prices are calculated by dividing the Net Asset Value by the number of base shares from launch on 28.01.010.

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 £2.1 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.

Fund Facts

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

Total Expense Ratio (%)*

	as at 31.12.11 for last 12 months Acc	Inc
Share Class A	1.75 (1.77)	1.75 (2.02)
Share Class B	1.10 (1.10)	1.10 (1.11)
Share Class X	1.60 (1.61)	1.60 (1.61)

Figures in brackets represent the total TER inclusive of performance fees

Fund Manager's Review

2011 was annus horibilus for active fund managers. The year, which started promisingly enough, steadily degraded into one dogged by uncertainty, fear and paralysis. The Arab spring was followed by the Japanese tsunami in March, and finally fears of a Greek default culminated in the future of the eurozone hanging in the balance. Suddenly everyone was an expert on issues as diverse as earthquakes, nuclear power, the politics of the Middle East, and – most damagingly – banks and their role in society. This has been a devastating cocktail for financial markets which hate uncertainty.

Where change has occurred and been met with firm resolve, such as in Ireland, there has been a significant easing of perceived risk. This has been abundantly clear in bond markets: Irish 2-year bond yields peaked at 21.6% in July on extreme fears of a sovereign default and euro expulsion. They are now down to a more reasonable 5.9%, but this is still more expensive than the cost of debt for some of the world's largest companies, who are enjoying record low yields as investors place more trust in the corporation's ability to pay a coupon and repay the debt than in the some governments' ability to maintain fiscal discipline and honour debt obligations.

This superior access to capital markets, record levels of profitability and exceptionally strong balance sheets should have all been reason for companies to invest in future growth. At a time when the government and the consumer are struggling to lower their debt burdens, only the corporate sector has the capacity to expand business and invest in critical infrastructure, thereby helping with job creation. However, the impact of adverse macro events across the world has caused company managements to adopt a wait and see attitude. And, if everyone decides to exercise caution, clearly this will have a negative impact on economic growth and – ultimately – corporate earnings.

Although much of what we have discussed here did not directly impact the UK, living as we do in a globally interconnected world, our economy and our companies are also impacted. The spate of earnings disappointments may well prove to be a storm in this global tea-cup, or it might prove to be a more permanent retrenchment brought on by weaker demand and the adverse impact of other externalities. What the world needs badly is a return of confidence, which will happen once the 'tail' risks (such as a sovereign default by a European country) have been identified and dealt with. We have reason to be optimistic. Spain, Italy and Greece all have new governments which have arrived with mandates to introduce fiscal reform. The European banks are being capitalised, and the European Central Bank is stepping in to provide much needed liquidity in an otherwise frozen money market. Political will combined with public support and the absence of further external shocks can reverse the current vicious spiral into one borne out of greater confidence in the future. But, first, all we need is for markets to believe that things are not going to get any worse. That should itself be sufficient to ensure more 'normal' market conditions favouring active managers like us.

Outlook

Being a thematic investor has always meant looking beyond the immediate horizon at big picture trends which can be expected to remain intact despite short-term uncertainties. 2011 has been a year in which macro events and politics became deeply intertwined, resulting in growing uncertainty and limited visibility. Even companies not directly impacted by the many events around the world have had to indulge in 'scenario' planning and 'plan B's' for a number of so-called unthinkable events which might impact their business. The resulting caution, both in tone and in business activity has proved to be damagingly circular, both in terms of new investments and in terms of markets. The disparity of valuations is breathtaking – even within the same sector, the most loved stocks are trading at unprecedented premia to those deeply out of favour. For us wounded thematic investors, this provides some outstanding investment opportunities, if we are willing to look beyond the immediate challenges facing the world. For this reason, despite much soul-searching, we firmly believe that our portfolio has the right balance of stocks with strong or improving fundamentals, but are at valuations that are ripe for mean reversion to levels anywhere between 30-50% higher than where we are today. Barring 2012 being a repeat of 2011 (continued paralysis and further de-rating of the unloved names of 2011) our view is that our portfolio is well positioned for a rebound into more normal markets.

Performance (% change to 31.12.11)

	EquiSar - UK Thematic Opportunities A shares Acc	EquiSar - UK Thematic Opportunities B shares Acc	EquiSar - UK Thematic Opportunities X shares Acc	Benchmark[1]
Since launch on 28.01.10 to 31.12.11	+4.1	+5.3	+4.0	+15.5
31.12.10 to 31.12.11	-15.3	-14.9	-15.3	-3.5
1.12.09 to 31.12.10	-	-		-

Source: Sarasin, UK Sterling for a lump sum investment using NAV prices, income net of UK basic rate tax. Please note that the prices of shares and the income from them can fall as well as rise and you may not get back the amount originally invested. This can be as a result of market movements and also of variations in the exchange rates between currencies. Past performance is not a guide to future returns and may not be repeated. Sarasin EquiSar - UK Thematic Opportunities Fund™ is a trademark of Sarasin & Partners LLP.

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

Investment Objective & Policy

The fund seeks to achieve a total return to shareholders over the medium term and is expected to invest significantly either directly or indirectly in a diversified portfolio of UK transferable securities.

The fund aims to generate an annualised total return that is 3% in excess of the FTSE All Share benchmark.

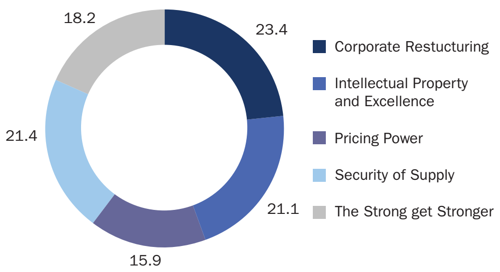
The fund applies Sarasin's thematic investment process to our universe of UK equitieis as a means of generating long-term outperformance. The current five themes are: Corporate Restructuring, Pricing Power, Intellectual Property & Excellence, Strong get Stronger and Security of Supply.

Rohini Rathour
Fund Manager

Rohini is Manager of the EquiSar - UK Thematic funds.

Jennifer Ramsey
Deputy Fund Manager

Thematic Equity Allocation (% as at 31.12.11)



Top 10 Equity Holdings
(as a % of portfolio as at 31.12.11)

BP	6.9
AstraZeneca	4.8
Pearson	4.6
BG	3.5
BTG	3.5
Lloyds Banking	3.4
Virgin Media	3.3
SABMiller	3.1
Barclays	3.0
Marks & Spencers	2.9

Net Income Distribution/Accumulation

[1] to 28.02.12	Pence per Share		Per £1,000 invested at 28.01.10 (£)	
2012[1]	Inc	Acc	Inc	Acc
Share Class A	0.8869	0.9418	8.87	9.42
Share Class B	1.1854	1.2314	11.85	12.31
Share Class X	0.8873	0.9008	8.87	9.01
2011				
Share Class A	1.3579	1.5470	13.58	15.47
Share Class B	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 B	0.5096	0.4805	5.10	4.81
Share Class X	0.3114	0.3208	3.11	3.21

per £1,000 invested at Share Class Launch 28.01.10.

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	
2011	Inc	Acc	Inc	Acc	31.12.11	Inc	Acc	Inc	Acc	Inc	Acc
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 B	127.20	127.80	95.44	97.49		7,390,948	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 B	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

[2]Note: These notional prices are calculated by dividing the Net Asset Value by the number of base shares from launch on 28.01.010.

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.

Fund Facts

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

Total Expense Ratio (%)*

	as at 31.12.11 for last 12 months*	
	Acc	Inc
Share Class A	1.74	1.74
Share Class B	1.03	1.03
Share Class X	1.59	1.59

*As the Fund was launched on 01.06.11 the TER is an annualised figure based on expenses since launch.

Fund Manager's Review

The Fund launched on the 1st June 2011. Relative performance was slightly behind the benchmark for the second half of 2011. Markets have been driven predominantly by European fears, and concerns about the depth and trajectory of the China slowdown. The underlying trend was a slow loss of confidence, rotation into defensive stocks and geographically into North America. Emerging markets have suffered, despite seemingly resilient growth characteristics. This has been the mainstay of many companies' growth expectations, and the deceleration has been met with broad multiple compression.

We entered the year with reasonable, albeit a somewhat consensus view that economic growth in the US economy would be sustained, and indeed would be strong enough to carry global GDP with it. The Fund was launched into an environment of political and sovereign uncertainty. Q3 saw the largest 600 European companies down -17%. Volatile bank equity movements were of note. Q4, continued with a flurry of political noise, with bailouts, referendums and EU Summits making headlines. Equities marched higher in December on low volume after the initial confusion of the EU Summit. The Fund is positioned relatively defensively, with a bias to equities with growth surety which we believe deserve a premium and should outperform in this growth starved world.

Outlook

The world remains a difficult place, with three the major areas of concern: European debt (and the possibility of both a German and French downgrade in the near term); the still questionable sustainability of the US economic recovery; and the extent of the Chinese slowdown. There are in fact limits to what the market will tolerate in deficit spending, and if the history tells us anything it is that one cannot solve a debt crisis by lending more money to the insolvent. The equities of high quality global companies with long-term thematic drivers remain a compelling investment, given their ability to grow their cash flow in real terms and provide attractive total returns (with yields equivalent to many bonds), their diversity of currency exposure, liquidity and – in many cases – financial independence from the banking system. As we focus on themes and more reliable trends across the global markets, we find many opportunities for well managed companies to prosper.

We do believe the portfolio has the right balance of stocks with strong or improving fundamentals, the value of which will be realised in due course in a socially responsible way. Our stock selection remains concentrated around those trends we consider to be robust in difficult economic circumstances, such as ageing, dietary change, emerging market consumption growth, data obesity and input optimisation.

Performance (% change to 31.12.11)

	EquiSar - Socially Responsible A shares Acc	EquiSar - Socially Responsible B shares Acc	EquiSar - Socially Responsible X shares Acc	Benchmark[1]
Since launch on 01.06.11 to 31.12.11	-9.1	-8.8	-9.1	-5.5
31.12.10 to 31.12.11	-	-	-	-
31.12.09 to 31.12.10	-	-		-

Source: Sarasin, UK Sterling for a lump sum investment using NAV prices, income net of UK basic rate tax. Please note that the prices of shares and the income from them can fall as well as rise and you may not get back the amount originally invested. This can be as a result of market movements and also of variations in the exchange rates between currencies. Past performance is not a guide to future returns and may not be repeated. Sarasin EquiSar - Socially Responsible™ is a trademark of Sarasin & Partners LLP.

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

Investment Objective & Policy

The Fund aims to achieve a balance of capital growth and income over the long term through investment in an internationally diversified equity-based portfolio which reflects a set of ethical (socially responsible) criteria.

The Fund will seek to avoid investing in companies which are materially involved in the production and distribution of ethically unacceptable products, including but not limited to alcohol, gambling, tobacco, pornography and armaments; companies which are materially involved in ethically unacceptable practices which may include, but is not limited to, considerations such as corruption, environmental degradation, poor labour practices and breaches of human rights; and companies which persistently, knowingly and materially breach international legal standards.

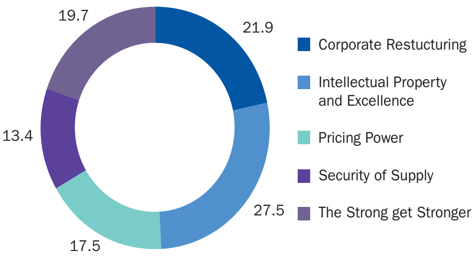
Harry Talbot Rice
Fund Manager

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 31.12.11)



Net Income Distribution/Accumulation

to 28.02.12[1]	Pence per Share		Per £1,000 invested at 01.06.11 (£)	
2012[1]	Inc	Acc	Inc	Acc
Share Class A	0.8390	0.8306	8.39	8.31
Share Class B	0.8344	0.8322	8.34	8.32
Share Class X	0.8316	0.8306	8.32	8.31
2011				
Share Class A	-	-	-	-
Share Class B	-	-	-	-
Share Class X	-	-	-	-

Top 10 Equity Holdings
(as a % of portfolio as at 31.12.11)

Home Depot	3.1
Fresenius Medical Care	2.8
Occidental Petroleum	2.8
Pearson	2.5
Verizon Communications	2.5
Unicharm	2.4
Coca-Cola	2.3
Novozymes	2.3
Automatic Data Processing	2.2
Oracle	2.2

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	
2011	Inc	Acc	Inc	Acc	31.12.11	Inc	Acc	Inc	Acc	Inc	Acc
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 B	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

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

Sarasin EquiSar - Socially Responsible (Sterling Hedged)™

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.

Fund Facts

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

Total Expense Ratio (%)*

	as at 31.12.11 for last 12 months*	
	Acc	Inc
Share Class A	1.73	1.73
Share Class B	1.02	1.02
Share Class X	1.58	1.58

*As the Fund was launched on 01.06.11 the TER is an annualised figure based on expenses since launch.

Fund Manager's Review

The Fund launched on the 1st June 2011. Relative performance was slightly behind the benchmark for the second half of 2011. Markets have been driven predominantly by European fears, and concerns about the depth and trajectory of the China slowdown. The underlying trend was a slow loss of confidence, rotation into defensive stocks and geographically into North America. Emerging markets have suffered, despite seemingly resilient growth characteristics. This has been the mainstay of many companies' growth expectations, and the deceleration has been met with broad multiple compression.

We entered the year with reasonable, albeit a somewhat consensus view that economic growth in the US economy would be sustained, and indeed would be strong enough to carry global GDP with it. The Fund was launched into an environment of political and sovereign uncertainty. Q3 saw the largest 600 European companies down -17%. Volatile bank equity movements were of note. Q4, continued with a flurry of political noise, with bailouts, referendums and EU Summits making headlines. Equities marched higher in December on low volume after the initial confusion of the EU Summit. The Fund is positioned relatively defensively, with a bias to equities with growth surety which we believe deserve a premium and should outperform in this growth starved world.

Outlook

The world remains a difficult place, with three the major areas of concern: European debt (and the possibility of both a German and French downgrade in the near term); the still questionable sustainability of the US economic recovery; and the extent of the Chinese slowdown. There are in fact limits to what the market will tolerate in deficit spending, and if the history tells us anything it is that one cannot solve a debt crisis by lending more money to the insolvent. The equities of high quality global companies with long-term thematic drivers remain a compelling investment, given their ability to grow their cash flow in real terms and provide attractive total returns (with yields equivalent to many bonds), their diversity of currency exposure, liquidity and – in many cases – financial independence from the banking system. As we focus on themes and more reliable trends across the global markets, we find many opportunities for well managed companies to prosper.

We do believe the portfolio has the right balance of stocks with strong or improving fundamentals, the value of which will be realised in due course in a socially responsible way. Our stock selection remains concentrated around those trends we consider to be robust in difficult economic circumstances, such as ageing, dietary change, emerging market consumption growth, data obesity and input optimisation.

Performance (% change to 31.12.11)

	EquiSar - Socially Responsible (Sterling Hedged) A shares Acc	EquiSar - Socially Responsible (Sterling Hedged) B shares Acc	EquiSar - Socially Responsible (Sterling Hedged) X shares Acc	Benchmark[1]
Since launch on 01.06.11 to 31.12.11	-12.3	-12.0	-12.2	-8.3
31.12.10 to 31.12.11	-	-	-	-
31.12.09 to 31.12.10	-	-	-	-

Source: Sarasin, UK Sterling for a lump sum investment using NAV prices, income net of UK basic rate tax. Please note that the prices of shares and the income from them can fall as well as rise and you may not get back the amount originally invested. This can be as a result of market movements and also of variations in the exchange rates between currencies. Past performance is not a guide to future returns and may not be repeated. Sarasin EquiSar - Socially Responsible (Sterling Hedged)™ is a trademark of Sarasin & Partners LLP.

[1]Benchmark: MSCI World (Local Currencies)

Investment Objective & Policy

The Fund aims to achieve a balance of capital growth in sterling terms and income over the long term through investment in an internationally diversified equity-based portfolio which reflects a set of ethical (socially responsible) criteria.

The Fund will seek to avoid investing in companies which are materially involved in the production and distribution of ethically unacceptable products, including but not limited to alcohol, gambling, tobacco, pornography and armaments; companies which arematerially involved in ethically unacceptable practices which may include, but is not limited to, considerations such as corruption, environmental degradation, poor labour practices and breaches of human rights; and companies which persistently, knowingly and materially breach international legal standards.

Any foreign currency exposure will be hedged back into sterling.

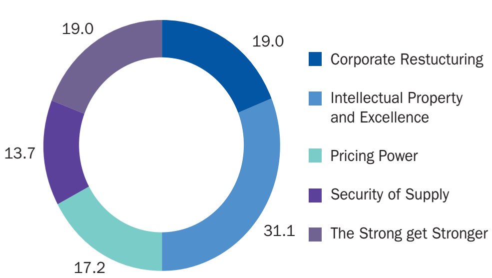
Harry Talbot Rice
Fund Manager

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 31.12.11)



Net Income Distribution/Accumulation

[1]to 28.02.12	Pence per Share		Per £1,000 invested at 01.06.11 (£)	
2012[1]	Inc	Acc	Inc	Acc
Share Class A	0.8137	0.8082	8.14	8.08
Share Class B	0.8126	0.8104	8.13	8.10
Share Class X	0.8109	0.8088	8.11	8.09
2011				
Share Class A	-	-	-	-
Share Class B	-	-	-	-
Share Class X	-	-	-	-

Top 10 Equity Holdings
(as a % of portfolio as at 31.12.11)

Home Depot	3.3
Occidental Petroleum	2.6
Fresenius Medical	2.4
Verizon Communications	2.4
Pearson	2.3
Novozymes	2.3
Coca-Cola	2.2
Unicharm	2.1
Procter & Gamble	2.1
HJ Heinz	2.0

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	
2011	Inc	Acc	Inc	Acc	31.12.11	Inc	Acc	Inc	Acc	Inc	Acc
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

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

Sarasin International Equity Income Fund™

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, investors in our International Equity Income Fund enjoy a projected dividend yield of 4.9%, compared to the current yield of 3.7% on UK equities, allowing income-seeking investors to diversify globally.

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.

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

Total Expense Ratio

	as at 31.12.11 for last 12 months Acc	Inc
Share Class A	1.74	1.74
Share Class B	1.09	1.09
Share Class X*	1.59	1.59
Share Class USD**	1.74	1.74

*X Share launched on 19.01.10
**USD Share launched on 02.06.11

Fund Manager's Review

2011 was characterised by a creeping realisation that the benign recovery from the low point of 2008 might not be sustained. The underlying trend was a slow loss of confidence, particularly in the prospects for growth in emerging markets, which had been the mainstay of future global economic growth expectations. But in August came the sudden realisation that the euro zone had fallen into an inescapable trap, leading to a waterfall sell-off.

We took action to change the emphasis of thematic global equity portfolios during the summer before the sharp sell-off, placing greater focus on those trends which are more resilient in an uncertain environment. This meant that the implications of austerity ('getting more from less') and those driven by demographics ('the consequences of ageing') were given greater priority. Demographic trends offer some distinction from the macroeconomic environment and therefore relative resilience in investment returns. Ageing populations give us investments in eye-care (Novartis), healthcare (Pfizer) and cosmetics. The burgeoning emerging market middle class provides many opportunities in new brands, dietary change and even obesity. New cities require energy and transport. Austerity and a new frugality are encouraging a trend of 'trading down': this translates into opportunities in on-line shopping, discount retailers, value restaurant chains, consumer staples and home-based entertainment. 'Getting more from less' is particularly relevant. Examples of this are Fanuc, the Japanese robotics manufacturer, and Pearson, who are delivering exceptional growth in online education services. Businesses are seeking to maximise production efficiency through robotics and managing their flows of data to extract more value and provide an information edge. The inexorable spread of electronic devices provides some resilient growth – consider the cloud, pocket entertainment, RFID chips, 3d TV and the other drivers of 'data obesity'. As IBM advertises in every magazine, the proliferation of data that is enabling the 'smart planet' needs to be managed by intelligent programmes. We see it flowing through the fibre optic cables and satellite channels (Kabel Deutschland, Verizon, SES).

We reduced exposure to stocks in which we felt that there may be a lot of hope resting on sales to emerging markets, including Holcim and Schneider. We started positions in Wal-Mart (a Corporate Restructuring story in which we had been building conviction for some time), Exxon Mobil (a supremely high quality company with classical Strong get Stronger characteristics), and added to Verizon Communications (which sits in our Intellectual Property & Excellence theme, for its best-in-class fibre and 4G networks, and is a beneficiary of our 'data obesity' opportunity set).

These purchases have tended to perform well, especially the larger US stocks benefitting from the quest for sanctuary in Q3 and Q4. But, despite these timely moves, it has been very difficult to achieve outperformance in markets so driven by fear. Companies issuing even slightly disappointing news have been punished severely, and a broad brush has been applied to reflect wider concerns, euro-related or otherwise. For instance, Swiss Re (Pricing Power) underperformed in Q3 due to its status as a European financial, while in Q4 it recovered as it became clear that capacity in the reinsurance market had indeed been reduced and pricing was hardening (with five of the fifteen worst catastrophes in history having been sustained in the last 18 months).

Equity markets rallied over the fourth quarter, albeit with severe volatility. But the primary market driver in the second half of the year was the quest for sanctuary from the euro zone and from emerging markets, leaving the US a relative safe haven and the S&P 500 ended the year little changed.

Performance (% change to 31.12.11)

	International Equity Income A shares Acc	International Equity Income B shares Acc	International Equity Income X shares Acc	Benchmark[1]
Since launch on 16.05.06 to 31.12.11	+23.2	+27.8	-	+19.4
Since launch on 18.01.10 to 31.12.11	-	-	+6.3	+8.7
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, UK Sterling for a lump sum investment using NAV prices, income net of UK basic rate tax. Please note that the prices of shares and the income from them can fall as well as rise and you may not get back the amount originally invested. This can be as a result of market movements and also of variations in the exchange rates between currencies. Past performance is not a guide to future returns and may not be repeated. Sarasin International Equity income Fund™ is a trademark of Sarasin & Partners LLP.

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

Investment Objective & Policy

Sarasin International Equity Income Fund seeks to achieve a consistently attractive level of income and in addition seeks long-term capital appreciation. It is intended that the fund will invest in a portfolio of international securities that satisfy one or more investment themes that are expected to be key drivers of corporate profitability, investment performance and yield.

In order to achieve the investment objective and policy, it is intended that the fund will invest in a portfolio of investments which may consist of any class of asset available for UCITS schemes under the rules in COLL including, transferable securities, units in collective investment schemes, money market instruments, warrants, government and public securities, deposits and derivatives and forward transactions. Cash and near cash may also be held by the fund.

It is intended that derivatives will be used and held by the fund for hedging purposes, to reduce volatility, to protect investor's capital and to achieve the investment objectives of the fund. The ACD does not anticipate that such use of derivatives will have any significant effect on the risk profile of the fund. Further details on the use of derivates and/or forwards transactions in the context of this fund are available from the ACD on request.

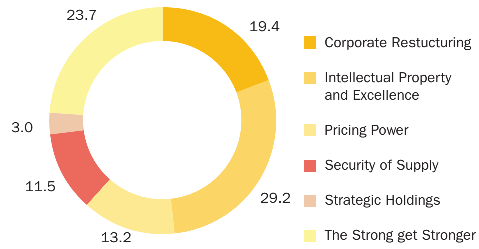
Mark Whitehead
Fund Manager

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

Guy Monson
Managing Partner & Fund Manager

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

Thematic Equity Allocation (% as at 31.12.11)



Top 10 Equity Holdings

(as a % of portfolio as at 31.12.11)

Verizon Communications	2.9
Exxon Mobil	2.8
Home Depot	2.7
Automatic Data Processing	2.6
Pfizer	2.6
Altria	2.5
Intel	2.5
Royal Dutch Shell 'A'	2.5
Wal-Mart Stores	2.5
Novartis	2.4

Net Income Distribution/Accumulation

[1] to 28.02.12	Pence per Share		Per £1,000 invested at 02.01.07 (£)	
2012[1]	Inc	Acc	Inc	Acc
Share Class A	1.8658	2.3271	17.42	21.41
Share Class B	1.9426	2.4308	18.07	22.16
Share Class X	1.8736	2.3360	19.09	20.45
	Cents per share		Per $1,000 invested at 02.06.11 ($)	
Share Class USD[2]	1.2367	1.1473	12.37	11.47
2011				
Share Class A	4.5246	5.5234	42.25	50.81
Share Class B	4.5403	5.5808	42.24	50.87
Share Class X	4.4859	5.4250	45.70	47.50
	Cents per share		Per $1,000 invested at 02.06.11 ($)	
Share Class USD[2]	0.6874	0.6909	6.44	6.46
2010				
Share Class A	4.8594	5.6488	45.37	51.97
Share Class B	4.9678	5.8437	46.21	53.27
Share Class X	3.5370	4.1538	36.04	36.37
2009				
Share Class A	4.8170	5.4122	44.98	49.79
Share Class B	4.8199	5.4475	44.84	49.66
2008				
Share Class A	3.7107	3.9506	34.65	36.34
Share Class B	3.8907	4.1790	36.19	38.09
2007				
Share Class A	4.0588	4.2112	37.90	38.74
Share Class B	4.1498	5.2035	38.60	47.43

X shares per £1,000 invested at share class launch 19.01.10
[2] from share class launch on 02.06.11 to 31.12.11

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	
2011	Inc	Acc	Inc	Acc	31.12.11	Inc	Acc	Inc	Acc	Inc	Acc
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 B	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[3]	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 USD[4]	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 B	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[3]	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 B	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 B	112.80	119.50	78.91	86.41		35,197,263	2,714,650	91.83	102.01	38,328,986	2,661,275
2007					31.12.07						
Share Class A	117.90	120.60	103.70	107.40		19,018,042	2,730,655	110.95	116.99	17,141,364	2,334,169
Share Class B	118.60	122.10	104.50	108.40		30,597,624	382,055	112.06	118.95	27,305,215	321,192

[2]Note: These notional prices are calculated by dividing the Net Asset Value by the number of base shares.
[3] from share class launch on 19.01.10
[4]from share class launch 02.06.11

Sarasin Global Equity Income Fund (Sterling Hedged)™

Fund Manager's Review

2011 was characterised by a creeping realisation that the benign recovery from the low point of 2008 might not be sustained. The underlying trend was a slow loss of confidence, particularly in the prospects for growth in emerging markets, which had been the mainstay of future global economic growth expectations. But in August came the sudden realisation that the euro zone had fallen into an inescapable trap, leading to a waterfall sell-off.

We took action to change the emphasis of thematic global equity portfolios during the summer before the sharp sell-off, placing greater focus on those trends which are more resilient in an uncertain environment. This meant that the implications of austerity ('getting more from less') and those driven by demographics ('the consequences of ageing') were given greater priority. Demographic trends offer some distinction from the macroeconomic environment and therefore relative resilience in investment returns. Ageing populations give us investments in eye-care (Novartis), healthcare (Pfizer) and cosmetics. The burgeoning emerging market middle class provides many opportunities in new brands, dietary change and even obesity. New cities require energy and transport. Austerity and a new frugality are encouraging a trend of 'trading down': this translates into opportunities in on-line shopping, discount retailers, value restaurant chains, consumer staples and home-based entertainment. 'Getting more from less' is particularly relevant. Examples of this are Fanuc, the Japanese robotics manufacturer, and Pearson, who are delivering exceptional growth in online education services. Businesses are seeking to maximise production efficiency through robotics and managing their flows of data to extract more value and provide an information edge. The inexorable spread of electronic devices provides some resilient growth – consider the cloud, pocket entertainment, RFID chips, 3d TV and the other drivers of 'data obesity'. As IBM advertises in every magazine, the proliferation of data that is enabling the 'smart planet' needs to be managed by intelligent programmes. We see it flowing through the fibre optic cables and satellite channels (Kabel Deutschland, Verizon, SES).

We reduced exposure to stocks in which we felt that there may be a lot of hope resting on sales to emerging markets, including Holcim and Schneider. We started positions in Wal-Mart (a Corporate Restructuring story in which we had been building conviction for some time), Exxon Mobil (a supremely high quality company with classical Strong get Stronger characteristics), and added to Verizon Communications (which sits in our Intellectual Property & Excellence theme, for its best-in-class fibre and 4G networks, and is a beneficiary of our 'data obesity' opportunity set).

These purchases have tended to perform well, especially the larger US stocks benefitting from the quest for sanctuary in Q3 and Q4. But, despite these timely moves, it has been very difficult to achieve outperformance in markets so driven by fear. Companies issuing even slightly disappointing news have been punished severely, and a broad brush has been applied to reflect wider concerns, euro-related or otherwise. For instance, Swiss Re (Pricing Power) underperformed in Q3 due to its status as a European financial, while in Q4 it recovered as it became clear that capacity in the reinsurance market had indeed been reduced and pricing was hardening (with five of the fifteen worst catastrophes in history having been sustained in the last 18 months).

Equity markets rallied over the fourth quarter, albeit with severe volatility. But the primary market driver in the second half of the year was the quest for sanctuary from the euro zone and from emerging markets, leaving the US a relative safe haven and the S&P 500 ended the year little changed.

Performance (% change to 31.12.11)

	Global Equity Income (Stg Hedged) A shares Acc[1]	Global Equity Income (Stg Hedged) B shares Acc	Global Equity Income (Stg Hedged) X shares Acc	Benchmark[2]
Since launch on 12.05.09 to 31.12.11	-	+26.5	+24.5	+26.3
Since launch on 28.09.09 to 31.12.11	+8.4	-	-	+8.4
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	-	-	-	-
31.12.06 to 31.12.07	-	-	-	-

Source: Sarasin, UK Sterling for a lump sum investment using NAV prices, income net of UK basic rate tax. Please note that the prices of shares and the income from them can fall as well as rise and you may not get back the amount originally invested. This can be as a result of market movements and also of variations in the exchange rates between currencies. Past performance is not a guide to future returns and may not be repeated. 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)

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.

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

Total Expense Ratio

	as at 31.12.11 for last 12 months	
	Acc	Inc
Share Class A	1.75	1.75
Share Class B	1.10	1.10
Share Class X	1.60	1.60

Investment Objective & Policy

The fund seeks to achieve a consistently attractive level of income and in addition seeks long-term capital appreciation in sterling terms. It is intended that the fund will invest in a portfolio of international securities that satisfy one or more investment themes that are expected to be key drivers of corporate profitability, investment performance and yield. The fund seeks to benefit from movements in the sterling currency through the employment of currency hedging strategies. The base currency of the funds is pounds sterling.

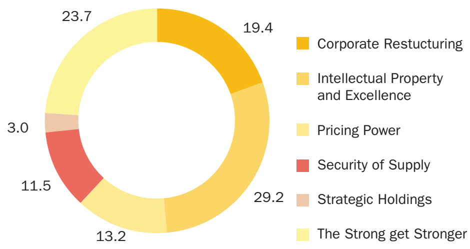
Mark Whitehead
Fund Manager

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

Guy Monson
Managing Partner & Fund Manager

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

Thematic Equity Allocation (% as at 31.12.11)



Top 10 Holdings
(as a % of portfolio as at 31.12.11)

Verizon Communications	2.9
Exxon Mobil	2.9
Home Depot	2.7
Pfizer	2.7
Altria	2.6
Automatic Data Processing	2.6
Intel	2.5
Wal-Mart Stores	2.5
Novartis	2.4
Royal Dutch Shell 'A'	2.4

Net Income Distribution/Accumulation

[1] to 28.02.12	Pence per Share		Per £1,000 invested at 12.05.09 (£)	
2012[1]	Inc	Acc	Inc	Acc
Share Class A	2.1927	2.3803	19.74	21.42
Share Class B	2.2388	2.4848	22.39	24.85
Share Class X	2.2004	2.4361	22.00	24.36
2011				
Share Class A	5.3640	5.7039	48.28	51.34
Share Class B	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 B	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 B	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

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	
2011	Inc	Acc	Inc	Acc	31.12.11	Inc	Acc	Inc	Acc	Inc	Acc
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 B	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 B	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[3]	119.40	119.40	109.80	109.80		533,207	102,319	117.42	118.82	454,108	86,114
Share Class B[4]	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[4]	119.30	121.70	96.19	96.21		15,536,098	879,483	117.31	121.11	13,243,988	726,203

[2] Note: These notional prices are calculated by dividing the Net Asset Value by the number of base shares.
[3] from share class launch 28.09.09 to 31.12.09
[4] from share class launch 12.05.09 to 31.12.09

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.

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.

Total Expense Ratio*

	as at 31.12.11 for last 12 months Acc	Inc
Share Class A	2.00	2.00
Share Class B	1.10 (1.10)	1.10 (1.10)
Share Class C	1.75 (1.75)	1.75 (1.75)
Share Class X	1.45 (1.45)	1.45 (1.45)

*Figures in brackets represent the total TER inclusive of performance fees

Fund Manager's Review

At the start of 2011 we held underweight bond allocations in favour of equities; oriented towards real assets given the environment of increasing inflationary pressure. We sold a significant proportion of our nominal government bonds, reinvesting some of the proceeds into index-linked positions. We sold our position in Sun Hung Kai (Hong Kong property) as we had serious concerns about property in and around China, as well as Nestle and McDonalds on fears about increasing input costs and slowing emerging market growth, rotating into Zurich Financial and Virgin Media. Our asset allocation added value over January, but we suffered poor relative performance in our equity book. Equity markets moved ahead in February (albeit with increasing levels of volatility) with companies proving in the earnings season that the corporate sector remained in rude health. Within equities, we took profits in Centrica and halved our position in Itau Unibanco, the Brazilian bank. As March began, we reduced our equity exposure in the face of waning market sentiment and global events. We sold Delta and FedEx (which we felt were negatively exposed to the rising oil price). As such, we were relatively defensively positioned when the Japanese tragedy struck, and were able to protect value as the markets fell some 6-8% in response. We introduced MTN – a telecommunication company operating predominately in Africa and the Middle East – to our portfolio.

As we entered the third quarter of 2011, political uncertainty drove the majority of risk assets lower. We increased our fixed interest weighting, adding to UK government bonds and selecting credit positions to provide some protection. We sold MGM following a very strong run, as well as top slicing long-term favourite EADS, as it looked vulnerable to profit-taking. At the very end of July (and after a strong run up in price) we sold the residual gold position which had been in the portfolio since the credit crisis of 2008. Following downward revisions to US GDP figures in August, we redoubled our efforts to trim our more economically sensitive stocks. After a mid-month bounce of 7%, we reduced our equity weighting further, and added some portfolio insurance to protect from further falls. We kept the proceeds largely in cash, but did increase our bond weighting, buying both government bonds and highly rated corporate bonds. After another fall in markets we also purchased a position in a convertible bond fund where we believed valuations looked compelling. Throughout September, we made a number of changes within the portfolio, all slightly defensive in nature as growth and earnings expectations were marked down more aggressively. We increased the duration of our fixed income component, as shorter-dated yields appeared very low and we felt the demand from pension funds for the long end dampens the risk of rising yields there. Equity markets looked to be range trading; we tried to lessen some risk at the top of this range, mainly by replacing bank equity exposure with lower risk bank bonds and selling short-term call options as markets hit areas of technical resistance

After quite a tumultuous second half to 2011, December proved relatively calm, with most equity markets realising their lowest volatility since July. US stocks led the way in returns and, while Oracle unfortunately disappointed on earnings, more defensive stocks like Altria, ADP and Home Depot performed strongly. Despite the apparent signs of some risk appetite returning, there was no corresponding fall in safe haven sovereign bond markets, with the government debt of the UK, Germany and the US all rallying into the year end to post some of their best annual returns since the 1990s. Corporate bonds also did well, with some of our senior bank paper in particular staging a recovery. Into the rally we began to reduce our financial underweight, buying positions in UBS and PNC Financial.

Outlook

We remain confident in our underweight to government bonds, with short and medium-term yields now too close to zero to maintain last year's momentum. While 2011 served to remind investors that capitalism requires confidence in order to work, there are signs that the measures recently taken by the ECB have restored some faith in the global financial system and increased the chances of recovery. However, as expectations increase, so does the risk of disappointment, and we feel a premium is still to be recognised for thematic companies which can combine superior earnings visibility with the support of conservative valuations.

Performance (% change to 31.12.11)

	GlobalSar - Cautious (GBP) A shares Acc	GlobalSar - Cautious (GBP) B shares Acc	GlobalSar - Cautious (GBP) C shares Acc	GlobalSar - Cautious (GBP) X shares Acc	Benchmark[1]
Since re-launch on 02.05.06 to 31.12.11	+8.5	+13.2	+8.9	-	+47.9
Since launch on 12.05.08 to 31.12.11	-	-	-	-6.0	+24.1
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

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[1]Benchmark: RPI +3.0%

Investment Objective & Policy

The fund seeks to provide a real return to shareholders over the medium term. It is intended that the fund will invest in a broad, diversified and global portfolio of investments. The fund will also seek to avoid market set backs by using a variety of protective measures.

In order to achieve the investment objective and policy, the fund may invest in any class of asset available for UCITS schemes under the rules in COLL including, transferable securities, units in collective investment schemes, money market instruments, warrants, government and public securities, deposits and derivatives and forward transactions. Cash and near cash may also be held by the fund.

It is intended that derivatives will be used and held by the fund principally as part of its capital protection measures but also in pursuit of the fund's objectives. Therefore, the ACD does not anticipate that such use of derivatives will have any significant adverse effect on the risk profile of the fund. Further details on the use of derivatives and/or forward transactions in the context of this fund are available from the ACD on request.

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

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. The retail share class of Sarasin GlobalSar - Cautious (GBP) is C shares.

C shares per £1,000 invested at share class launch 02.05.06
X shares per £1,000 invested at share class launch 15.07.08

Asset Exposure (as at 31.12.11)

%	Long	Short	Gross	Net
Fixed Interest	40.0	0.0	40.0	40.0
Equities	44.3	3.7	48.0	40.6
Property	2.6	0.0	2.6	2.6
Alternative Assets	10.4	0.0	10.4	10.4
Liquid Assets	0.0	0.0	0.0	6.4
TOTALS	**97.3**	**3.7**	**101**	**100**

Top 10 Equity Holdings
(as a % of portfolio as at 31.12.11)

JGF-Global Convertible	2.1
Brevan Howard	1.5
Luxor Gold Bullion	1.4
NB Distressed Debt	1.3
Home Depot	1.1
BlueCrest Blue	1.1
Altria	1.1
Procter & Gamble	1.0
US Financials Dividend Growth Basket	1.0
Coca-Cola	1.0

Net Income Distribution/Accumulation

[1] to 28.02.12	Pence per Share		Per £1,000 invested at 02.01.07 (£)	
2012[1]	Inc	Acc	Inc	Acc
Share Class A	9.7893	15.1653	11.89	12.94
Share Class B	11.7698	18.0172	13.49	14.77
Share Class C	1.2173	1.3477	12.06	13.07
Share Class X	1.2766	1.4165	12.77	14.17
2011				
Share Class A	15.9786	24.5444	19.41	20.94
Share Class B	18.5946	28.0102	21.31	22.96
Share Class C	2.0063	2.1767	19.88	21.11
Share Class X	2.0380	2.2264	20.38	22.26
2010				
Share Class A	12.5996	19.0523	16.04	17.43
Share Class B	12.7567	18.9628	15.43	16.89
Share Class C	1.4197	1.4999	14.20	15.00
Share Class X	1.4281	1.5224	14.28	15.22
2009				
Share Class A	18.5343	27.3812	23.60	25.05
Share Class B	20.6943	29.4919	25.03	26.26
Share Class C	2.2064	2.2861	22.06	22.86
Share Class X	2.1509	2.2685	21.51	22.69
2008				
Share Class A	17.6899	26.8285	22.53	24.55
Share Class B	21.9547	32.2146	26.55	28.69
Share Class C	2.1463	2.1436	21.46	21.44
2007				
Share Class A	15.5211	20.0207	19.76	18.32
Share Class B	18.0199	31.4305	21.79	27.99
Share Class C	1.8983	1.6518	18.81	16.02

X shares per £1,000 invested at share class launch 15.07.08

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	
2011	Inc	Acc	Inc	Acc	31.12.11	Inc	Acc	Inc	Acc	Inc	Acc
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 B	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 C	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 X	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 B	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 C	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 X	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 B	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 C	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 X	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 B	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 C	115.40	118.50	83.78	87.68		6,208,214	10,151,157	90.64	96.13	6,849,666	10,559,663
Sh. Class X[3]	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

[2]Note: These notional prices are calculated by dividing the Net Asset Value by the number of base shares.
[3]from share class launch 15.07.08 to 31.12.08

Sarasin Sterling Bond Fund™

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.

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

Total Expense Ratio (%)*

	as at 31.12.11 for last 12 months Acc	Inc
Share Class A	1.46	1.46
Share Class B	0.71 (0.71)	0.71 (0.71)

*Figures in brackets represent the total TER inclusive of performance fees

Fund Manager's Review

We started the year hedged against a rise in yields, but as Spring approached it became less and less likely that this would happen. We closed the hedge and lengthened the duration of the portfolio, although remaining a little shy of matching the benchmark. We also became concerned that a global slowdown would impact emerging markets where we had modest currency exposures. These we started to close down which proved prescient as in the 3rd quarter several of these currencies weakened significantly. Proceeds, which were coming out of AAA-rated supranationals, were re-invested in high quality UK issues, but the overall credit rating of the fund has moved down one notch to AA- as the rating agencies re-appraised many sovereign-related and banking issuers. Aware that corporate bonds with an affiliation to France, Italy or Spain risked being tainted by the sovereign debt rating downgrades, despite themselves having a well diversified international income base, we reduced our exposure here too, although not entirely as we believe the fundamental story is still good.

Investment Outlook

Gilt yields start 2012 at an exceptionally low level (just under 2% at the 10-year point) having been assisted by safe haven buying as well as the Bank of England's second quantitative easing programme.

The euro zone situation remains the focus of investors' attention and is only partially resolved by the provision of unlimited credit to banks. The sovereign debt/GDP numbers need to show signs of improvement before the markets can start to believe that there is light at the end of the tunnel. We expect the euro zone to continue to muddle through without a blockbuster solution; rather an aggregation of supportive measures which the market will eventually realise should be sufficient. However the probability of a euro break-up although low would be high impact.

We should be prepared for the safe haven aspect of gilts to become even more acute, i.e. for yields to fall further before the situation gets better. Recession in the UK and on the continent should keep yields subdued. At the same time, the scope for better-than-expected outcomes should not be ignored, and it is for this reason that we have our positioning in credit to take advantage of an improvement in the corporate environment. We think opportunities are more likely in the Americas than in Europe.

A critical element of investing successfully in 2011 was to remain flexible, and given the high degree of current uncertainty, this characteristic is likely to be required throughout 2012. It is easy to become transfixed by the known risks when often it is unexpected events that dominate financial markets.

Whatever the daily diet of politics or financial events, we remain acutely aware that investors in fixed income use the bond market as a stable source of income, often as a counter-balance to risk-taking elsewhere. We strive, therefore, to achieve a consistently above-average yield and aim to achieve that with a steady capital performance.

Performance (% change to 31.12.11)

	Sterling Bond Fund A shares Acc*	Sterling Bond Fund B shares Acc	Benchmark[1]
Since launch on 01.07.09 to 31.12.11*	+22.1	-	+26.0
Since launch on 04.05.06 to 31.12.11	-	+31.6	+49.8
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, UK Sterling for a lump sum investment using NAV prices, income net of UK basic rate tax. Please note that the prices of shares and the income from them can fall as well as rise and you may not get back the amount originally invested. This can be as a result of market movements and also of variations in the exchange rates between currencies. Past performance is not a guide to future returns and may not be repeated. *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

Investment Objective & Policy

Sarasin Sterling Bond Fund seeks to achieve an income at a premium to the FTSE Gilts All Stocks Index and to achieve a total return higher than that index over the medium term. The fund is expected to invest predominantly either directly or indirectly in fixed income assets with the majority invested either directly or indirectly in sterling denominated government, corporate, asset-backed, index-linked, convertible and structured bonds.

In order to achieve the investment objective and policy, it is intended that the Fund will invest in a portfolio of investments which may consist of any class of asset available for UCITS schemes under the rules in COLL including, transferable securities, units in collective investment schemes, money market instruments, warrants, government and public securities, deposits and derivatives and forward transactions. Cash and near cash may also be held by the fund.

It is intended that derivatives will be used and held by the fund for hedging purposes, to reduce volatility, to protect investor's capital or otherwise to achieve the investment objectives of the fund. The ACD does not anticipate that such use of derivatives will have any significant effect on the risk profile of the fund. Further details on the use of derivates and/or forwards transactions in the context of this fund are available from the ACD on request.

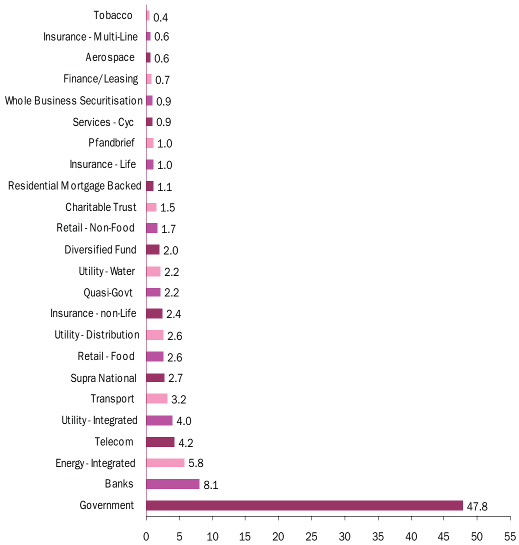
John Godley
Fund Manager

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

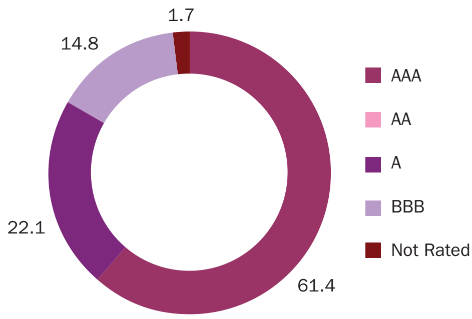
Martin Price
Fund Manager

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 31.12.11)



Bond Rating (% as at 31.12.11)



Top 10 Government Bond Holdings
(as a % of portfolio as at 31.12.11)

Treasury 4.25% 07/12/27	6.9
Treasury 8.00% 07/06/21	6.9
Treasury 4.75% 07/09/15	5.3
Treasury 3.75% 07/09/19	5.3
Treasury 4.50% 07/03/19	4.0
Treasury 4.00% 07/03/22	2.7
Treasury 4.25% 07/12/49	2.7
EIB 8.75% 25/08/17	2.6
Treasury 4.75% 07/12/30	2.6
Investec EM LC Debt	2.0

Net Income Distribution/Accumulation

[1]to 28.02.12	Pence per Share		Per £1,000 invested at 02.01.07 (£)	
2012[1]	Inc	Acc	Inc	Acc
Share Class A	0.9925	1.2319	10.55	12.62
Share Class B	1.0416	1.2882	10.46	12.59
2011				
Share Class A	3.7711	4.4499	40.10	45.58
Share Class B	3.9373	4.8437	39.52	47.35
2010				
Share Class A	3.5542	1.7208	37.79	17.63
Share Class B	3.8890	4.5269	38.89	45.27
2009				
Share Class B	3.8228	4.3032	38.23	43.03
2008				
Share Class B	3.8510	4.0076	38.51	40.08
2007				
Share Class B	4.2872	4.3975	42.87	43.98

A shares per £1,000 invested at share class launch 01.07.09.
B class shares changed their name from A class on 01.07.09

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	
2011	Inc	Acc	Inc	Acc	31.12.11	Inc	Acc	Inc	Acc	Inc	Acc
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 B	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 B	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[3]	98.89	-	93.24	-		241,211	-	95.90	-	251,516	-
Share Class B	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 B	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 B	101.20	104.70	93.99	97.24		124,922,103	1,180,487	97.65	104.56	127,923,968	1,129,013

[2]Note: These notional prices are calculated by dividing the Net Asset Value by the number of base shares.
[3]From share class launch 01.07.09 to 31.12.09
New A share class launched on 01.07.09. B class shares changed their name from A class shares on 01.07.09

Sarasin AgriSar Fund™

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.

Fund Facts

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

Total Expense Ratio*

	as at 31.12.11 for last 12 months	
	Acc	Inc
Share Class A	1.75 (1.71)	1.75 (1.71)
Share Class B	1.10 (1.06)	1.10 (1.06)
Share Class X	1.60 (1.56)	1.60 (1.56)

*Figures in brackets represent the total TER inclusive of performance fees

Fund Manager's Review

Over the last year, the food and agri theme saw strong endorsement by the excellent operating results from many of the companies within the portfolio. However, the underperformance of emerging markets, in which AgriSar is overweight relative to the MSCI World Index, and the outperformance of large US stocks where the fund is underweight, led to a weak return for the year.

2011 saw a steady erosion of risk appetite and waning interest in equities, commodities and many themes, including agriculture. For AgriSar, our broad strategic call to tilt towards defensive consumer names with strong pricing power over commodity-price-exposed production stocks was broadly correct, and the underlying operating performance from investee companies was generally very supportive. However, stock market effects were a hindrance to performance when compared with the MSCI World Index, which fell 5% while AgriSar was down 16%. It is important however, to recognise that much of the underperformance was generated in two single week periods in January and February and weak finishes in June, September and Q4.

In the first two months of 2011 we saw the beginning of a renewed 'risk-off' mood in markets over increased inflation fears, particularly in emerging markets, and concerns over slowing global GDP growth. Linked to this was the development of political unrest in North Africa and the Middle East, and as a result we saw a broad based weakening of emerging market stocks – the MSCI Emerging Markets index underperformed the MSCI World index by nearly 10% in the first two months of 2011. Within AgriSar, we hold a significantly higher exposure to emerging markets than the MSCI World index, and during the first two months of the year the fund under performed this index by 5%.

In June, the USDA quarterly report confirmed North American grain plantings and inventories of corn would be significantly better than expected, sending wheat down 25% and corn down 15% for the month. While this eased pressure on livestock producers, the share prices of US agricultural stocks were depressed, leading to a 2% underperformance for AgriSar over the month. A similar grain sell-off affected the fund's performance in September.

The third quarter began relatively well for AgriSar: global economic woes pulled markets lower, but companies right across the food and agriculture spectrum reported healthy numbers and positive outlooks. Despite the falls in crop prices in June, farm cash receipts and income remained high and the demographic trends of population growth and diet change continued largely unaffected by macro volatility.

However, despite this robust operating environment, Q4 saw increased risk aversion, causing an investor shift away from emerging market and European stocks and towards large-cap US equities, an investment class in which crucially AgriSar has limited exposure. Despite a 5.4% rally over the quarter, AgriSar underperformed its benchmark by 2.5%.

Outlook

We start 2012 with a still uncertain background and risk-aversion at extreme levels. World GDP growth will be slower than most had hoped, and European growth will be negative.

While ongoing concerns over sovereign credit quality and low growth may mean that 'sanctuary-seeking' behaviour persists for a period, at some point the attractions of global equities with longer-term growth attributes will re-emerge, and we are already seeing a better performance from some of our emerging market stocks. As investors refocus from consideration of the 'return of their money' to the 'return on their money', we believe that companies offering reliable growth, such as those exposed to the demand for food and agricultural products, should begin to be re-rated.

Performance (% change to 31.12.11)

	AgriSar Fund A shares Acc	AgriSar Fund B shares Acc	AgriSar Fund X shares Acc	Benchmark[1]
Since launch on 31.03.08 to 31.12.11	+1.6	+3.4	+0.4	+14.4
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, UK Sterling for a lump sum investment using NAV prices, income net of UK basic rate tax. Please note that the prices of shares and the income from them can fall as well as rise and you may not get back the amount originally invested. This can be as a result of market movements and also of variations in the exchange rates between currencies. Past performance is not a guide to future returns and may not be repeated. Sarasin AgriSar Fund™ is a trademark of Sarasin & Partners LLP.

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

Investment Objective & Policy

The fund seeks to achieve capital appreciation.

In order to achieve its investment objective, the fund invests in a global and diversified portfolio of investments which provide exposure to the agricultural sector. The fund is permitted to invest in a broad range of investments permitted for UCITS Schemes under COLL including transferable securities, units in collective investment schemes, exchange traded funds ("ETFs"), exchange traded commodities ("ETCs"), money market instruments, warrants, government and public securities, deposits and derivative and forward transactions. Cash and near cash may also be held by the fund.

The ACD may take advantage of the ability to invest directly in derivatives in order to achieve the objective of the fund. In particular, it is expected that the fund may combine core conventional long-only holdings with synthetic equity swaps, contracts for differences (CFDs) for long and short equity positions, stock indices or stock index options, equity derivatives and equity derivatives baskets.

The fund's investment powers in relation to derivatives and warrants means that for regulatory purposes it will be regarded as a high volatility fund. However, the Investment Adviser's use of derivative techniques and investment in warrants will have the overall intention of reducing the volatility of returns, reflecting the investment policy for the Company generally. Further details on the role of derivatives in the context of this fund are available from the ACD on request.

obsr RATED A [1] citywire SELECTION

[1] Source: OBSR & Citywire, as at August 2011

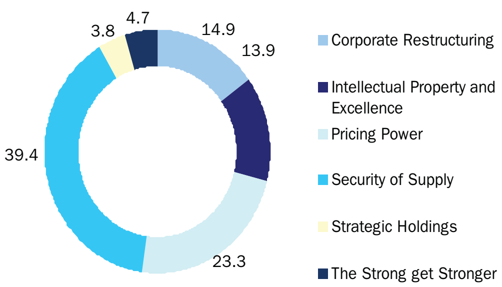
Henry Boucher
Fund Manager

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.

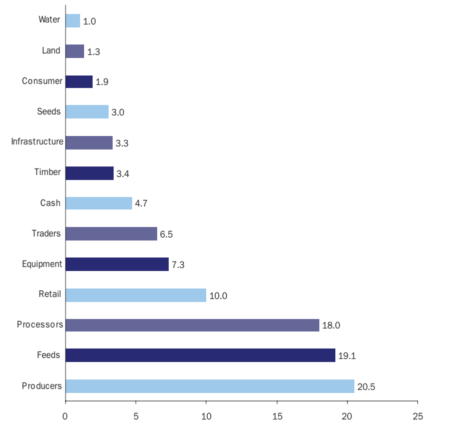
Mark Whitehead
Fund Manager

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

Thematic Equity Allocation (% as at 31.12.11)



Agricultural Spectrum Allocation (% as at 31.12.11)



Top 10 Equity Holdings

(as a % of portfolio as at 31.12.11)

Charoen Pokphand Food	4.0
Dairy Farm International	3.8
Barry Callebaut	3.3
Unilever	3.2
Agrium	2.9
Potash (CAD)	2.9
Uralkali	2.7
Genus	2.6
Nestle	2.6
Syngenta	2.6

Net Income Distribution/Accumulation

[1]to 28.02.12	Pence per Share		Per £1,000 invested at 31.03.08 (£)	
2012-[1]	Inc	Acc	Inc	Acc
Share Class A	0.3867	0.3889	3.87	3.89
Share Class B	0.5258	0.5337	5.26	5.34
Share Class X	0.4134	0.4138	4.13	4.14
2011				
Share Class A	0.8983	0.9001	8.98	9.00
Share Class B	1.1389	1.0541	11.39	10.54
Share Class X	0.9186	0.9110	9.19	9.11
2010				
Share Class A	0.3984	0.4648	3.98	4.65
Share Class B	0.7785	0.7376	7.79	7.38
Share Class X	0.5695	0.2916	5.70	2.92
2009				
Share Class A	0.3915	0.3924	3.92	3.92
Share Class B	0.6435	0.6443	6.44	6.44
Share Class X	0.4384	0.4583	4.38	4.58
2008				
Share Class A	-	-	-	-
Share Class B	-	-	-	-
Share Class X	-	-	-	-

X shares per £1,000 invested at share class launch 04.04.08

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	
2011	Inc	Acc	Inc	Acc	31.12.11	Inc	Acc	Inc	Acc	Inc	Acc
Share Class A	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 B	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 X	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 A	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 B	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 X	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 A	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 B	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 X	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

[2]Note: These notional prices are calculated by dividing the Net Asset Value by the number of base shares.
[3]from share class launch 31.03.08 to 31.12.08
[4]from share class launch 04.04.08 to 31.12.08

Sarasin Investment Funds News

Safra Group to acquire majority interest in Bank Sarasin
Safra Group and Rabobank have entered into a share purchase agreement under which Safra will acquire a majority shareholding in Bank Sarasin & Co. Ltd (46.07% equity interest and 68.63% voting rights). Bank Sarasin's Board of Directors and Executive Committee welcomed Safra's acquisition of the majority shareholding. As of June 2011, Safra Group had aggregate stockholder equity of approximately USD 12.2 billion and total assets under management of USD 109 billion.

Sarasin Funds in the Financial Times
In a drive to reduce the costs charged to our funds we made the decision to remove our fund prices from the Financial Times. The industry continues to move to online publication of fund pricing information and as such you are able to download daily prices and performance from our website at www.sarasin.co.uk. Our fund prices are also available on various public websites such as Trustnet, Bloomberg, Morningstar and we also hope to retain them on the FT website.

Launch of the Sarasin EquiSar - Socially Responsible Funds
On 1st June 2011 we launched our EquiSar - Socially Responsible Funds which aim to achieve a balance of capital growth and invome 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.

Harry Talbot Rice - Financial Express 'Alpha Manager' of 2012
As Fund Manager of the EquiSar range of funds, Harry Talbot Rice has been announced as one of the Financial Express 'Alpha Managers' of 2012, ranking him in the top decile of all UK UT and OEIC fund managers.
The rating is based on 3 main components:

- Risk adjusted alpha (with track record length bias since 1st Jan 2000)
- Consistent outperformance of a benchmark overall
- Out/underperformance consistency in up and down markets



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

Marketing Enquiries:
Tel: +44 (0)20 7038 7005
Fax: +44 (0)20 7038 6851
mail: marketing@sarasin.co.uk

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