SARASIN

Sarasin Fund of Funds OEIC
Short Report

31 December 2013

Sarasin Global Equity Fund of Funds
Sarasin Global Diversified Fund of Funds

for the year 1 January 2013 to 31 December 2013

Contents

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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.

Guy Monson
Chief Investment Officer, Managing Partner

The World Economy

2013 began with new appointments and politics. In the UK, Mark Carney arrived as the much hyped replacement for Mervyn King as Bank of England (BoE) governor, while Japan's new government took aim at the strong yen and nominated known ultra-loose monetary policy proponent Haruhiko Kuroda as central bank governor. However, Europe fared less well, and the quarter closed with Cyprus centre stage, its financial markets in free fall as Cypriot and EU leaders scrambled ineptly to a bailout solution.

The second quarter was dominated by divergent monetary policy. The Bank of Japan (BoJ) in April pledged to double its balance sheet over the next two years while the European Central Bank (ECB) cut its interest rate to 0.5%. Meanwhile, the US Federal Reserve (Fed) announced that the size of its quantitative easing (QE) programme would likely be reduced later this year and the Bank of China chose to tighten bank liquidity. Meanwhile, UK and to a lesser extent European economic figures showed some visible signs of improvement.

The second half of the year opened with a wave of forward guidance, as Bank of England (BoE) governor Mark Carney and ECB President Mario Draghi announced that monetary policy would remain accommodative for an extended period. As the third quarter ended, though, news flow was largely dominated by the US. Firstly, the Fed shocked markets by delaying the widely anticipated tapering of its generous liquidity programme, and secondly, markets were held in suspense as politicians wrangled (once again) over the nation's budget.

October began with continued US political impasse and a government shutdown, but we ended the year with a new budget deal and the Fed's decision to begin 'tapering' its quantitative easing programme. In the UK, there were downward revisions to unemployment and upward revisions to growth, whilst across the Channel the ECB cut rates to further new lows. Japan passed a new supplementary budget deal ahead of April's VAT hike, while Chinese authorities focused on rebalancing the economy in the face of slower growth and structural reform. Elections are ahead in 2014 for a number of key emerging economies (Brazil, Turkey, India and South Africa), many of whom are already labouring under political tension or trade imbalances and volatile currencies.

We expect US economic momentum to remain above-trend in 2014, i.e. close to 3%. Indeed, the household debt to income ratio is back to its 2003 level, net wealth is rising and both employment and wage growth are picking up. There will be even less austerity next year than previously thought and public spending is now likely to positively contribute to growth. And with low interest rates for longer and ageing capital stock, the belated business investment recovery may well emerge – albeit at a still moderate pace.

Europe, by contrast, will continue to experience a sluggish sub-par recovery. While Mario Draghi's 'whatever it takes' stance has restored market confidence, and helped end six quarters of negative growth, the forces of deleveraging are still strong. Despite some signs of improvements recently, large public and private sector debt, austerity programmes and tight credit conditions will continue to weigh on the periphery's growth prospects. Conversely, Germany is expected to significantly outperform the rest of the euro area thanks to a strong labour market, very loose credit conditions and a slightly expansionary fiscal policy.

Meanwhile, after several aborted recoveries in the UK, low interest rates, better global growth and an easing of fiscal austerity have finally jumpstarted growth. We expect the economy's momentum to be sustained this year as the coalition government's unashamedly pro-growth measures (such as Help-to-Buy and Funding-for-Lending) drive residential property and business investment higher.

Global Bond Outlook

UK gilts traded off throughout early 2013, as investors embraced equities and other risk assets in a new round of optimism. The mood benefitted corporate bonds too, where inflows remained positive. Up until mid-February, gilt prices fell as yields rose around 35 basis points, while sterling corporate prices remained firm. The rest of the first quarter saw gilts recover sharply. The first impetus was the annual Budget, which granted greater flexibility to the BoE on its mandate; this was taken well by the market. The second driver was the brewing Cypriot crisis, which resurrected a 'risk-off' move. As Easter approached, the gilt yield curve returned to where it started the year, ending the first quarter virtually unchanged.

The market tone changed dramatically after Ben Bernanke aired the possibility of reducing the pace of quantitative easing. The reaction in bonds (and indeed equities) was adverse. US 10-year Treasury yields jumped by close to 100bp over one month and, remarkably, UK yields rose around the same amount, despite the lack of any real prospect of UK policy tightening in the foreseeable future. The start of tapering was ultimately delayed, causing bond yields to subside once again. While this was positive for sentiment and for returns in October, investors gradually came around to thinking about the next opportunity for the Fed to scale back its bond buying.

November saw a number of stronger economic data releases and the market faced up to the inevitability of tapering, with yields duly expected data, and with a Fed meeting mid-December the chances of an early move increased. With that, yields rose again (though 2-year yields were significantly below their September levels). In thin markets over the holiday period, both UK and US 10-year yields nudged above 3.0%.

Corporations continued to raise new money at lower yields while they could. The flood of new issuance took the aggregate numbers to record levels, most of which was readily absorbed, although in the last few weeks of 2013 some issues remained around the issue price.

Now that the tapering programme has begun, the market is contemplating the pace of ‘normalisation’ of bond yields. We believe that central banks are in no hurry to look at raising official rates. Inflation is subdued – indeed below target in most developed markets – and the policy emphasis has shifted to employment. Although growth has picked up, there is a desire to allow a time for catch-up on lost output over the financial crisis. To achieve this, rates are likely to remain unchanged for longer than money markets currently discount.

Against this backdrop, we anticipate that government bond yields will rise further, but will remain significantly below long-term fair value (around 4.5-5%) and could prove volatile.

Currencies

During the first half of 2013, sterling weakened moderately against the US dollar and the euro (by around 5% against both currencies), mostly on the back of the appointment of Mark Carney as BoE governor. Amongst the major currencies, the yen had the most notable move: given new Prime Minister Abe’s agenda and the BoJ’s decision in April to double its balance sheet over the next two years, the yen continued to weaken markedly against all currencies.

With the Fed hinting at a withdrawal of monetary stimulus in May, the US dollar started to strengthen against most currencies. In particular, higher bond yields triggered a large sell-off in emerging market currencies, with the South African rand losing around 20% of its value, the Brazilian real and the Turkish lira losing up to 10%. The Australian dollar weakened by almost 15% as the increasing evidence of a slowdown in China (and its consequences for the commodity-heavy Australian exports) intensified downward pressure on the currency. However, some of these currencies regained part of their losses when the Fed delayed the beginning of its liquidity reduction plan.

However, the eventual announcement of QE tapering, shortly before Christmas, mildly surprised investors (with consensus by then expecting an announcement in early 2014). This time around there was reasonably little backlash. Some emerging market currencies (such as the Brazilian real and Turkish lira) appeared to react negatively, but domestic political issues here also underwrote the depreciation.

QE tapering in the US and signs of a more sustainable economic environment should continue to support the US dollar. Downward pressures on sterling are likely to continue as the trade deficit remains large and the BoE keeps policy loose. Finally, while many emerging market currencies (Brazilian real, Turkish lira and India rupee) will continue to suffer from deteriorating fundamentals, others (e.g. Mexican peso) should benefit from either the US growth or favourable domestic demand momentum.

Global Equity Outlook

We believe that global equities, as represented by the the MSCI All Countries World Index (ACWI), are currently priced to deliver a nominal USD return of ~6.5% annualised over the next few years. This return is broken down roughly into 2.5% inflation, 1.5% real dividend growth, and a 2.5% dividend yield today. We do not expect any significant change in multiple given global equities are at their long-term average cyclically-adjusted PE ratio.

While 6% is below the 50-year average annualised global equity return of 9.3%, it represents 3% more than the return on the 10-year US Treasury, which currently yields 3%. This equity risk premium has averaged 2.6% over the same period, so compared with bonds (and also cash returns) equity valuations look supported. With rates expected to stay low over the coming years, we believe a significant de-rating of equity markets remains unlikely.

We believe that equities do not represent bad value when compared to cash rates, government bonds and credit. We do not rule out the possibility of valuation multiples expanding a little further in the short term, despite natural scepticism that they can expand in the face of US QE tapering. Earnings yields have come down (to 5.3% on MSCI World, a trailing PE of 19x) but the gap over bond yields remains at over 2%. On top of this, central banks will continue to implement their repression strategies. We suspect that the key catalyst to reverse the earnings yield trend will be inflation, and if this remains benign, that the repression strategies will change only very gradually. As such, we expect the flow of funds to continue to favour equities at the expense of cash and bonds.

Whilst earnings per share of the MSCI ACWI index effectively plateaued from 2010, it can be argued that prices have caught up with earnings and are not out of kilter with sales per share trends. Consensus estimates are for a 10-12% rise in earnings in 2014. These sell-side forecasts are normally over-optimistic, and have been particularly so over the last three years, but if this year earnings growth comes through, even in the high-single digits, this would no doubt be taken positively by the market. We also believe that when valuations are close to ‘fair value’ momentum can be an important factor. As such, the positive flows into equities seen in 2013 may support continued flows this year, increasing the chances of a higher return.

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

Notification of amendments to Sarasin Fund of Funds OEIC

Modification of the Company

There have been no modifications made to the company.

Notification of Amendments

The regulator was changed from the FSA to the FCA.

The Auditor was changed from Ernst & Young LLP to Deloitte LLP.

Why Sarasin Fund of Funds ?

Thousands of funds are available to UK investors in multiple asset classes, regions and sectors. Selecting the right one, let alone at the right time, is a great challenge.

Fund of funds offer investors a carefully selected blend of underlying funds which can be positioned to exploit investment trends or sudden shifts in sentiment. As an investor in Fund of Funds, you will use a simple investment structure to gain exposure to a whole range of asset classes, some of which may not be readily accessible, or may be too expensive to deploy, in an individual portfolio.

Risk Profile

Sarasin Global Equity Fund of Funds is a global equity fund which invests in other equity Funds. 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.

Fund Facts

Launch Date:	07.06.12
Legal Status:	FCA Authorised UK NURS (OEIC)
Domicile:	UK
Accounts Dates:	31st December (final) 30th June (interim)

Sarasin Global Equity Fund of Funds™

Fund Manager's Review

2013 was the first full calendar year of the Sarasin Global Equity Fund of Funds, and with markets up strongly this is a prescient reminder of the difficulty of timing markets precisely and the need to take a long-term approach. This was a good start, but we do well to remember that investment is something more akin to a marathon than a sprint.

Echoes of Mario Draghi's 'whatever it takes' speech still rang in investors ears as 2013 began, and the aggressive money printing of the new Abenomics era in Japan was just beginning to be discounted and more widely understood by the market. However, Europe fared less well, and the quarter closed with Cyprus centre stage, its financial markets in free fall as Cypriot and EU leaders scrambled ineptly to a bailout solution.

The second quarter was dominated by divergent monetary policy. The Bank of Japan (BoJ) in April pledged to double its balance sheet over the next two years while the European Central Bank (ECB) cut its interest rate to 0.5%. Meanwhile, the US Federal Reserve (Fed) announced that the size of its quantitative easing (QE) programme would likely be reduced later this year and the Bank of China chose to tighten bank liquidity. Meanwhile, UK and to a lesser extent European economic figures showed some visible signs of improvement.

The Fed's announcement of potential QE tapering took the market by surprise, and many understood it to mean a sharp end to QE, with interest raises to follow. The consensus bought into panic that the global economy could not handle this and the markets took a setback.

October began with continued US political impasse and a government shutdown, but we ended the year with a new budget deal and the Fed's decision to begin tapering after all. In the UK, there were downward revisions to unemployment and upward revisions to growth, whilst across the Channel the ECB cut rates to further new lows. Japan passed a new supplementary budget deal ahead of April's VAT hike, while Chinese authorities focused on rebalancing the economy in the face of slower growth and structural reform.

We believe that global equities, as represented by the MSCI All Countries World Index, are currently priced to deliver a nominal USD return of ~6.5% annualised over the next few years. This return is broken down roughly into 2.5% inflation, 1.5% real dividend growth, and a 2.5% dividend yield today. We do not expect any significant change in multiple given global equities are at their long-term average cyclically-adjusted price-to-earnings ratio.

While 6% is below the 50-year average annualised global equity return of 9.3%, it represents 3% more than the return on the 10-year US Treasury, which currently yields 3%. This equity risk premium has averaged 2.6% over the same period, so compared with bonds (and also cash returns) equity valuations look supported. With rates expected to stay low over the coming years, we believe a significant de-rating of equity markets remains unlikely.

Whilst earnings per share of the MSCI ACWI index effectively plateaued from 2010, it can be argued that prices have caught up with earnings and are not out of kilter with sales per share trends. Consensus estimates are for a 10-12% rise in earnings in 2014. These sell-side forecasts are normally over-optimistic, and have been particularly so over the last three years, but if this year earnings growth comes through, even in the high single digits, this would no doubt be taken positively by the market. We also believe that when valuations are close to 'fair value' momentum can be an important factor. As such, the positive flows into equities seen in 2013 may support continued flows this year, increasing the chances of a higher return.

Our best performing investments were in Japanese equities where the yen risk had been hedged back into the fund's base currency of sterling. This was an investment built up in December 2012, but one which continued to be highly profitable over the course of the year. The fund's position in Invesco Japanese was up +58% and Polar Capital Japan came in slightly behind up +54%. We continue to believe there is value in the Japanese stock markets and that there is more to be gained as policy shifts create new opportunities for corporate earnings.

Performance (% change to 31.12.13)

	Global Equity Fund of Funds A shares Acc	Global Equity Fund of Funds I shares Acc	Global Equity Fund of Funds P shares Acc	Global Equity Fund of Funds X shares Acc	Benchmark[1]
Since launch on 07.06.12 to 30.06.13	+35.3	+36.9	-	+36.1	+36.6
Since launch on 17.12.12 to 30.06.13	-	-	+26.2	-	+23.5
31.12.12 to 31.12.13	+23.9	+24.8	+24.5	+24.4	+23.0
31.12.11 to 31.12.12	-	-	-	-	-
31.12.10 to 31.12.11	-	-	-	-	-
31.12.09 to 31.12.10	-	-	-	-	-

Source: Sarasin. All data as at 31.12.13. Please remember that you should not base decisions on past performance and that the prices may fluctuate and you may not get back your original investment. The fund's Synthetic Risk and Return Indicator is 6 (1 low to 7 high) and further details of the risks can be found in the Prospectus and KIID available from www.sarasin.co.uk. Overseas shares and bonds may be affected by currency exchange rates.. Sarasin Global Equity Fund of Funds™ is a trademark of Sarasin & Partners LLP.

[1]Benchmark: MSCI All Countries World 50%, MSCI All Countries (GBP Hedged) 50%

Investment Objective & Policy

The investment objective of the Fund is to seek to achieve long term capital growth.

The Fund aims to achieve its objective by investing in shares and units of other collective investment schemes (including but not limited to exchange traded funds), which invest primarily in international transferable securities.

The Fund may also invest directly in other collective investment schemes, transferable securities, money market instruments, cash and near cash and deposits.

The Fund may invest in both regulated and unregulated collective investment schemes.

The Fund may borrow and enter into stock lending and underwriting arrangements, and may employ derivatives for efficient portfolio management purposes including hedging.

Synthetic Total Expense Ratio (%)

	as at 31.12.13 for last 12 months	
	Acc	Inc
Share Class A	2.62	2.62
Share Class I	1.79	1.79
Share Class P	1.87	1.87
Share Class X	2.12	2.12

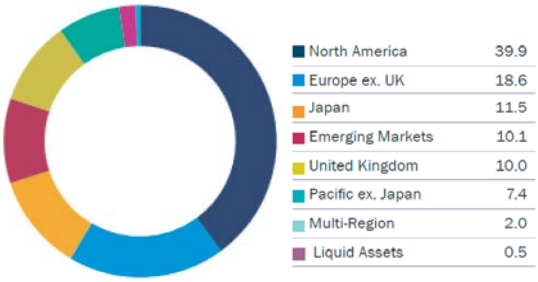
The TER is the ratio of the Fund's total discloseable costs (excluding overdraft interest) to the average net assets of the Fund. The Synthetic TER reflects the additional costs borne by the Fund in respect of holdings in other Collective Investment Schemes.

Fund Managers

Sam Jeffries
Fund Manager

Oliver Tucker
Deputy Fund Manager

Geographic Equity Allocation (% as at 31.12.13)



Net Income Distribution/Accumulation

[1] to 31.12.13	Pence per Share		Per £1,000 invested at 07.06.12 (£)	
2013[1]	Inc	Acc	Inc	Acc
Share Class A	-	-	-	-
Share Class I	0.1443	0.1443	14.43	14.43
Share Class P	0.0030	0.0030	0.30	0.30
Share Class X	-	-	-	-
2012				
Share Class A	-	-	-	-
Share Class I	-	-	-	-
Share Class P	-	-	-	-
Share Class X	-	-	-	-

A, I & X shares per £1,000 invested at share class launch 07.06.12
P shares per £1,000 invested at share class launch 17.12.12

Top 10 Holdings
(as at 31.12.13)

GAM North America Growth	9.8
Threadneedle AM Ex Alpha	9.7
Schroders Asian Alpha	7.4
Alliance Bernstein Select US Equity	6.7
Memnon European Fund	6.6
Ardevora UK Equity Fund	6.5
Verrazzano European Advantage (Sterling Hedged)	6.5
Invesco Japanese Equity Core	6.2
Legg Mason Opportunity Fund	6.1
Baring Europe Select Income	5.5

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	
2013*	Inc	Acc	Inc	Acc	31.12.13	Inc	Acc	Inc	Acc	Inc	Acc
Share Class A	134.90	135.30	108.90	109.10		1,856	289,726	134.82	135.27	1,377	214,183
Share Class I	136.80	136.90	109.50	109.50		4,505,896	3,524,709	136.73	136.85	3,295,427	2,575,594
Share Class P	136.20	136.20	109.60	109.60		21,757	1,366	136.70	136.63	15,916	1,000
Share Class X	136.80	136.80	109.30	109.30		31,343,149	9,156,790	136.06	136.08	23,036,798	6,728,854
2012					31.12.12						
Share Class A	109.00	109.10	99.13	99.13		1,089	11,882	108.92	109.07	1,000	10,894
Share Class I	109.60	109.60	99.18	99.18		1,229,253	590,945	109.57	109.53	1,121,853	539,536
Share Class P	109.70	109.70	108.30	108.20		1,096	1,096	109.63	109.63	1,000	1,000
Share Class X	109.40	109.40	99.16	99.17		15,042,569	2,800,791	109.30	109.29	13,763,254	2,562,641

*to 31.12.13
[2]Note: These notional prices are calculated by dividing the Net Asset Value by the number of base shares.
A, I & X shares per £1,000 invested at share class launch 07.06.12
P shares per £1,000 invested at share class launch 17.12.12

Why Sarasin Fund of Funds?

Thousands of funds are available to UK investors in multiple asset classes, regions and sectors. Selecting the right one, let alone at the right time, is a great challenge.

Fund of funds offer investors a carefully selected blend of underlying funds which can be positioned to exploit investment trends or sudden shifts in sentiment. As an investor in Fund of Funds, you will use a simple investment structure to gain exposure to a whole range of asset classes, some of which may not be readily accessible, or may be too expensive to deploy, in an individual portfolio.

Risk Profile

Sarasin Global Diversified Fund of Funds is a multi-asset fund which invests in other Funds. It is primarily exposed to global share, bond, property and commodity price movements and exchange rate fluctuations.

Fund Facts

Launch Date:	07.06.12
Legal Status:	FCA Authorised UK NURS (OEIC)
Domicile:	UK
Accounts Dates:	31st December (final) 30th June (interim)

Sarasin Global Diversified Fund of Funds™

Fund Manager's Review

2013 was the first full calendar year of the Sarasin Global Diversified Fund of Fund. The year got off to a good start with the echo of Mario Draghi's 'whatever it takes' speech still ringing in investors ears, and the aggressive money printing of the new Abenomics era in Japan just beginning to be discounted and more widely understood by the market. However, Europe fared less well, and the quarter closed with Cyprus centre stage, its financial markets in free fall as Cypriot and EU leaders scrambled ineptly to a bailout solution.

The second quarter was dominated by divergent monetary policy. The Bank of Japan (BoJ) in April pledged to double its balance sheet over the next two years while the European Central Bank (ECB) cut its interest rate to 0.5%. Meanwhile, the US Federal Reserve (Fed) announced that the size of its quantitative easing (QE) programme would likely be reduced later this year and the Bank of China chose to tighten bank liquidity. Meanwhile, UK and to a lesser extent European economic figures showed some visible signs of improvement.

The Fed's announcement of potential QE tapering took the market by surprise, and many understood it to mean a sharp end to QE, with interest raises to follow. The consensus bought into panic that the global economy could not handle this, and the markets took a setback.

October began with continued US political impasse and a government shutdown, but we ended the year with a new budget deal and the Fed's decision to finally begin tapering after all. In the UK, there were downward revisions to unemployment and upward revisions to growth, whilst across the Channel the ECB cut rates to further new lows. Japan passed a new supplementary budget deal ahead of April's VAT hike, while Chinese authorities focused on rebalancing the economy in the face of slower growth and structural reform.

We expect US economic momentum to remain above-trend in 2014, i.e. close to 3%. Indeed, the household debt to income ratio is back to its 2003 level, net wealth is rising and both employment and wage growth are picking up. Europe, by contrast, will continue to experience a sluggish sub-par recovery. While Mario Draghi's 'whatever it takes' stance has restored market confidence, and helped end six quarters of negative growth, the forces of deleveraging are still strong. Despite some signs of improvements recently, large public and private sector debt, austerity programmes and tight credit conditions will continue to weigh on the periphery's growth prospects. Conversely, Germany is expected to significantly outperform the rest of the euro area thanks to a strong labour market, very loose credit conditions and a slightly expansionary fiscal policy.

While developed stock markets boomed in 2013, the underlying performance of companies has not kept up with the 20%+ rise in the broad global equity indices. On average, sales rose by just 2% and profits were broadly flat for companies in the MSCI All Countries World Index. Valuations are therefore higher and forward momentum in equities may now be less exuberant as earnings 'catch up'.

Having said that, we think it is still appropriate to take a positive view on equities as an asset class while central banks continue to implement their repression strategies. We suspect that inflation will remain benign and that interest rate rises will be slow to materialise, but some tolerance of short-term volatility may be needed. The diminishing influence of QE on bond and share prices should allow more fundamental influences to lead equity prices as we look into 2014.

The market is now contemplating the pace of 'normalisation' of bond yields. We believe that central banks are in no hurry to look at raising official rates. Inflation is subdued – indeed below target in most developed markets – and the policy emphasis has shifted to employment. Although growth has picked up, there is a desire to allow a time for catch-up on lost output over the financial crisis. To achieve this, rates are likely to remain unchanged for longer than money markets currently discount. Against this backdrop, we anticipate that government bond yields will rise further, but will remain significantly below long-term fair value (around 4.5-5%) and could prove volatile.

Our best performing investments were in Japanese equities where the yen risk had been hedged back into the fund's base currency of Sterling. This was an investment built up in December 2012, but one which continued to be highly profitable over the course of the year. The fund's position in Invesco Japanese was up +58% and Polar Capital Japan came in slightly behind up +54%. We continue to believe there is value in the Japanese stock markets and that there is more to be gained as policy shifts create new opportunities for corporate earnings.

Performance (% change to 31.12.13)

	Global Diversified Fund of Funds A shares Acc	Global Diversified Fund of Funds I shares Acc	Global Diversified Fund of Funds P shares Acc	Global Diversified Fund of Funds X shares Acc	Benchmark[1]
Since launch on 07.06.12 to 31.12.13	+21.8	+23.4	-	+22.6	+17.6
Since launch on 17.12.12 to 31.12.13	-	-	+16.3	-	+10.5
31.12.12 to 31.12.13	+14.4	+15.2	+15.0	+14.8	+10.0
31.12.11 to 31.12.12	-	-	-	-	-
31.12.10 to 31.12.11	-	-	-	-	-
31.12.09 to 31.12.10	-	-	-	-	-

Source: Sarasin. All data as at 31.12.13. Please remember that you should not base decisions on past performance and that the prices may fluctuate and you may not get back your original investment. The fund's Synthetic Risk and Return Indicator is 4 (1 low to 7 high) and further details of the risks can be found in the Prospectus and KIID available from www.sarasin.co.uk. Overseas shares and bonds may be affected by currency exchange rates.. Sarasin Global Diversified Fund of Funds™ is a trademark of Sarasin & Partners LLP.

[1]Benchmark: ML Sterling Broad Market Index 40%,MSCI All Countries World LC GBP 25%,MSCI All Countries World Daily (NTR) 25%, UK cash LIBOR 3 months TR 10%.

Investment Objective & Policy

The Fund's investment objective is to seek to achieve long term capital growth. The Fund aims to achieve its objective by investing in shares and units of other collective investment schemes (including but not limited to exchange traded funds).

The underlying funds may invest in transferable securities, fixed interest securities, money market instruments, immovable property, derivatives and cash and near cash.

The Fund may also invest directly in transferable securities, money market instruments, cash and near cash and deposits. The Fund may invest in both regulated and unregulated collective investment schemes.

The Fund may borrow and enter into stock lending and underwriting arrangements, and may employ derivatives for efficient portfolio management purposes including hedging.

Synthetic Total Expense Ratio (%)

	as at 31.12.13 for last 12 months Acc	Inc
Share Class A	2.45	2.45
Share Class I	1.62	1.62
Share Class P	1.70	1.70
Share Class X	1.95	1.95

The TER is the ratio of the Fund's total discloseable costs (excluding overdraft interest) to the average net assets of the Fund. The Synthetic TER reflects the additional costs borne by the Fund in respect of holdings in other Collective Investment Schemes.

Fund Managers

Sam Jeffries
Fund Manager

Oliver Tucker
Deputy Fund Manager

Geographic Equity Allocation (% as at 31.12.13)

Net Income Distribution/Accumulation

[1] to 31.12.13	Pence per Share		Per £1,000 invested at 07.06.12 (£)	
2013[1]	Inc	Acc	Inc	Acc
Share Class A	1.3020	1.3151	130.20	131.51
Share Class I	1.4768	1.4815	147.68	148.15
Share Class P	1.5390	1.5430	153.90	154.30
Share Class X	1.4110	1.4217	141.10	142.17
2012				
Share Class A	0.3580	0.3580	35.80	35.80
Share Class I	0.4517	0.4517	45.17	45.17
Share Class P	0.0550	0.0550	5.82	5.82
Share Class X	0.4253	0.4253	42.53	42.53

A, I & X shares per £1,000 invested at share class launch 07.06.12
P shares per £1,000 invested at share class launch 17.12.12

Top 10 Holdings
(as at 31.12.13)

iShares UK Gilts ETF	6.5
Ardevora UK Equity Fund	6.4
Threadneedle Ex Alpha Fund	6.4
GAM North America Growth Fund	6.4
Legal & General All Stocks Fund	5.8
Verrazzano European Advantage Sterling Hedged Fund	5.4
Insight UK Corp Long Fund	4.9
Schroder Asian Alpha Plus	4.5
Invesco Perpetual Global Financial Capital	4.5
Ennismore European Smaller Companies	4.3

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	
2013*	Inc	Acc	Inc	Acc	31.12.13	Inc	Acc	Inc	Acc	Inc	Acc
Share Class A	120.30	121.80	105.90	106.30		1,196	46,690	119.58	121.67	1,000	38,375
Share Class I	122.00	123.40	106.40	106.80		2,284,097	676,595	121.18	123.30	1,884,901	548,759
Share Class P	122.30	123.20	106.80	106.90		1,214	1,231	121.44	123.10	1,000	1,000
Share Class X	121.40	122.70	106.20	106.60		16,400,987	6,290,239	120.57	122.53	13,602,351	5,133,647
2012					31.12.12						
Share Class A	106.50	106.50	99.39	99.39		1,061	4,771	106.06	106.49	1,000	4,480
Share Class I	107.10	107.10	99.40	99.41		1,241,719	36,124	106.61	107.03	1,164,779	33,750
Share Class P	107.10	107.10	106.00	105.90		1,070	1,071	107.02	107.07	1,000	1,000
Share Class X	106.80	106.80	99.40	99.40		6,184,813	3,178,398	106.35	106.78	5,815,464	2,976,580

*to 31.12.13
[2]Note: These notional prices are calculated by dividing the Net Asset Value by the number of base shares.
A, I & X shares per £1,000 invested at share class launch 07.06.12
P shares per £1,000 invested at share class launch 17.12.12

Sarasin Investment Funds news


Two new Equity Income Funds

Recognising the increasing demand for global equity income investments, Sarasin Investment Funds Limited has launched two new global equity income funds. The new vehicles are aimed at providing a total return approach to global dividend investing. They complement the existing (but renamed) Global Higher Dividend funds, which are focused on the delivery of consistently higher levels of dividend income, over the longer term.

Sarasin Investment Funds Limited launched its first international equity income fund in 2006, in response to the demand from UK investors for more diversified global income streams.

Mark Whitehead, the existing manager for the Global Higher Dividend funds, will also be lead manager for the two new funds, along with current deputy manager Darryl Lucas.

The two new funds

Sarasin Global Dividend Fund aims to achieve long-term capital growth, whilst also generating a premium income of at least 15% to the benchmark (MSCI All Countries World Index).

Sarasin Global Dividend Fund (Sterling Hedged) will be a mirror of the above, with the currency risk for Sterling investors being hedged.

Sarasin AgriSar Fund makes Investors Chronicle's Top 100 Funds list

Sarasin AgriSar Fund was featured in the independent guide to Britain's best funds. Moira O'Neill at Investors Chronicle, picked her top 100 funds for 2013, based on factors such as performance, fees and consistency of returns.

AgriSar aims to capture the most attractive opportunities on a global basis and can invest across the full spectrum of food and agricultural equities, land and commodities.

Sarasin & Partners awarded CPD accreditation for Foundation Investment Training – Understanding Your Investment Responsibilities Courses

We are delighted that The CPD Standards Office has officially confirmed Sarasin & Partners as a training provider and has received formal CPD Accreditation for the Foundation Investment Training course.

Delegates attending the Foundation Investment Training course will be provided with a CPD Certificate of Attendance for 2.5 hours and can record their attendance towards their annual CPD requirements for their professional body, institute, organisation or employer.

For more information about our training courses, please contact us on 020 7038 7042 or events@sarasin.co.uk

Sarasin & Partners LLP appoint Phil Collins as Fund Manager

Sarasin & Partners has appointed a new fund manager, Phil Collins, who joins the team responsible for managing multi-asset portfolios.

Phil Collins has over 25 years of investment industry experience as a fund manager and analyst. His experience spans the management of both regulated funds and segregated institutional, charity and private client portfolios.

Phil joins a team responsible for £5.2bn of multi-asset class portfolios.

Guy Monson, Managing Partner & CIO at Sarasin & Partners, said:

"We have known Phil Collins for a number of years and are delighted to be bringing him on board at this time. Phil has enormous experience in managing multi-asset class and balanced portfolios and he will complement our highly collegiate and long-established investment team."

Disclaimer

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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.

Copies of the Prospectus, the Key Investor Information Documents as well as the annual and semi-annual reports are available free of charge from www.sarasin.co.uk or from Sarasin & Partners LLP, Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU, Telephone +44 (0)20 7038 7000, Telefax +44 (0)20 7038 6850. For your protection, telephone calls may be recorded.

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