



SARASIN

Sarasin Funds ICVC Short Report

31 December 2013

Sarasin EquiSar Global Thematic Fund
Sarasin EquiSar Global Thematic Fund (Sterling Hedged)
Sarasin EquiSar IIID Fund
Sarasin EquiSar - UK Thematic Fund
Sarasin EquiSar - UK Thematic Opportunities Fund
Sarasin EquiSar - Socially Responsible Fund
Sarasin EquiSar - Socially Responsible Fund (Sterling Hedged)
Sarasin Global Higher Dividend Fund
Sarasin Global Higher Dividend Fund (Sterling Hedged)
Sarasin GlobalSar - Strategic Fund
Sarasin Sterling Bond Fund
Sarasin AgriSar Fund
Sarasin Global Dividend Fund
Sarasin Global Dividend Fund (Sterling Hedged)

for the year 1 January 2013 to 31 December 2013

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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.

Market review for 2013



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

rising back to the same levels they had been at the end of September. In the run up to Christmas we had further stronger-than-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, 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 Funds ICVC

Modification of the Company

With effect from 1 January 2013 the Performance Related Fee applied to the Sarasin EquiSar IIID Fund was modified to include a redefinition of the High Water Mark ("HWM"), which represents a value per share which the Fund must exceed before a Performance Related Fee may become payable. Whereas previously the HWM remained unchanged at the end of a Performance Period when a Performance Related Fee was not paid, under the modified model the HWM will be increased in line with the increase in UK inflation (UK Retail Price Index) during the period. The HWM will not decrease in the event that there is a decrease in the rate of inflation.

There has also been a clarificatory redefinition of the HWM used in the Performance Related Fee applied to Sarasin GlobalSar - Strategic to ensure the method for calculating the fee is clear. This is purely a clarificatory change which is not expected to lead to increased charges to investors, and it has not been necessary to amend the performance fee calculations in the prospectus as a result.

Notes to all Shareholders

Following guidance from the European Securities and Markets Authority ("ESMA"), the way in which the Funds may use financial derivative instruments for Efficient Portfolio Management ("EPM"), and the associated risks of doing so, has been clarified. It is not intended that using derivatives for efficient portfolio management will increase the volatility of the Funds. In adverse situations, however, a Fund's use of derivatives may become ineffective in hedging or EPM and a Fund may suffer significant loss as a result. A Fund's ability to use EPM strategies may be limited by market conditions, regulatory limits and tax considerations.

Use of one or more separate counterparties will be made to undertake derivative transactions on behalf of these Funds and the Funds may be required to pledge or transfer collateral paid from within the assets of the relevant Fund to secure such contracts. There may be a risk that a counter party will wholly or partially fail to honour their contractual arrangements under the arrangement with regards to the return of collateral and any other payments due to the relevant Fund. The Investment Manager measures the creditworthiness of counterparties as part of the risk management process.

Sarasin Funds ICVC has become a "Protected Cell Company" meaning the Funds are segregated portfolios of assets, and, accordingly, the assets of a Fund belong exclusively to that Fund, and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the ICVC or any other Fund, and shall not be available for any such purpose.

Notification of Amendments

1. EquiSar IIID Fund

Performance fee model amendment with the introduction of an inflation-linked high water mark.

As explained in the Company's Prospectus, the following performance fee is currently levied in respect of Class AP, Class FP, Class IP, Class PP and Class XP Shares issued by the Fund:

Share Class	Performance Fee %	Hurdle (index plus specified rate)
All Stated		UK Retail Price Index
Share Classes	20%	(RPI) plus 3.5%

How does the performance fee work?

The performance fee is essentially calculated as a percentage of the outperformance of the Fund compared with the Index. The current model also assesses whether performance is positive compared with a specified rate, intended to reflect the interest a Shareholder might have earned if they had placed their money in a bank deposit (the "Hurdle").

The performance fee is calculated in relation to the performance of the relevant Share Class against the Hurdle over a 12 month period, known as the "Performance Period".

The performance fee is currently payable when:

- the NAV per Share of the Fund is greater than the Hurdle; and
- the NAV (including any performance fee accrual and after adjusting for distributions) per Share of the relevant Share Class is at least equal to the High Water Mark, where the High Water Mark is defined as the the NAV per Share at the end of the previous Performance Period if a performance fee was payable

However if the application of a performance fee would cause the Net Asset Value to drop below the High Water Mark, only the proportion of the performance fee that allows the Net Asset Value per Share to be equivalent in value to the High Water Mark would be deducted from the available performance fee accrual.

Changes to the Calculation of the Performance Fee

From January 2013 the way in which the High Water Mark is defined changed such that the High Water Mark is the NAV per Share, at the end of the previous Performance Period if a performance fee was not payable, plus RPI.

2. Sarasin GlobalSar - Cautious

- i. The Fund name was changed from Sarasin GlobalSar – Cautious to Sarasin GlobalSar – Strategic from 31.12.13

Notification of Amendments (continued)

- ii. The objective was clarified to ‘...provide a real return to shareholders over the long-term through a combination of income and capital growth. It is intended that the Fund will invest in a broad, diversified and global portfolio of investments ‘from 02/01/14
- iii. The Performance Fee was removed at 11.59 on 31/12/13 and the performance fee and non-performance fee share classes consolidated and existing AMC rates amended as follows on 02/01/14:

Old Structure		New Structure	
Share Class	Periodic Charge	Share Class	Periodic Charge
A	1.75%	A	1.50%
AP	1.50%		
F	1.25%	F	1.00%
FP	1.00%		
I	1.10%	I	0.85%
IP	0.85%		
P	1.00%	P	0.75%
PP	0.75%		
X	1.45%	X	1.35%
XP	1.20%		

3. Sarasin EquiSar - Global Thematic Fund & Sarasin EquiSar - Global Thematic Fund (Sterling Hedged)

- i. The objective was clarified to “...objective of the Sarasin EquiSar Global Thematic Fund is “to seek capital growth through investment in a broad portfolio of international stocks (and on occasion in convertible or straight bonds)” from 02/01/14
- ii. The policy was updated to include the following paragraphs:

The Fund may also invest in a portfolio of investments which may include transferable securities, units in collective investment schemes, money market instruments, warrants, government and public securities and deposits. Cash and near cash may also be held by the Fund. The Fund may invest in derivatives for efficient portfolio management purposes (including hedging). The Fund may also borrow and employ stocklending techniques in accordance with the rules in COLL;

To the extent that it is available, income may be distributed to holders of income Shares in the Fund in accordance with the Fund’s distribution policy.

- iii. The allocation of expenses was amended. Previously none of the charges, costs and expenses attributable to this Fund could be charged to its capital account. The

Prospectus was amended so that from 02/01/14, 100% of such charges, costs and expenses may be charged to the Fund’s capital account.

4. Sarasin AgriSar

At present the performance fee benchmark is the MSCI World Equity Index. We receive a performance fee of 15% when the Fund outperforms this benchmark over a 12 month period. From 3 February 2014 the benchmark will be changing to MSCI ACWI Index (the All Country World Index).

5. All sub funds within the ICVC

- i. The regulator was changed from the FSA to the FCA
- ii. The Fund was updated to reflect the new provisions about segregated liability of the Funds. The assets of the fund belong exclusively to the Fund and shall not be used to discharge directly or indirectly the liabilities of any other person or body including the Company or any other Fund and shall not be available for any such purpose.
- iii. The Auditor was changed from Ernst & Young LLP to Deloitte

Why EquiSar?

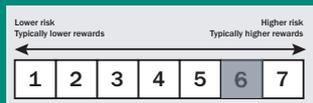
EquiSar is our family of innovative thematic global equity funds, with assets of over £2.1 billion. Whereas most investors approach international investment on a country or regional basis, EquiSar places the emphasis instead on investing in companies that are expected to be the main beneficiaries from 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.

Risk and Reward Profile



This risk and reward profile is based on historical data which may not be a reliable indication of the Fund's risk and reward category in the future.

The Fund's category is based on the rate at which the value of the Fund has performed in the past, and is not guaranteed to remain the same in the future.

The Fund is in category six because it invests in company shares which generally provide higher rewards and higher risks than other investments such as bonds, cash or commercial property.

A Fund in the lowest category is not a risk free investment.

Fund Facts

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

Sarasin EquiSar Global Thematic Fund™

Fund Manager's Review

It has been a truly vintage year for equity markets, and perhaps only somewhat less so for EquiSar, which lagged its benchmark little. Economic stimulus in all major regions of the world has propelled markets higher, though the emerging world – facing inflation and falling currencies – has had a more difficult time since the spectre of tapering appeared in Q2.

At this point the market rally remains pre-emptive. Most gains have been through multiple expansion rather than a substantial earnings recovery. Top line growth remains limited, and many of the recent years contributors to currently high margins, such as lower borrowing costs and weaker labour markets, cannot be repeated.

Over the year we have evolved a couple of our themes, and changed the benchmark from MSCI to MSCI ACWI. When reviewing the data, then, it is worth considering the time frame under which the theme has been managed, and the timing of the benchmark change.

For instance, we are particularly pleased with the performance of our Disruption & Innovation theme which we introduced for inclusion in Q2. Since its introduction, Disruption & Innovation has been our strongest performer, and two holdings bought under its evolved definition have been its strongest performers: Tesla, the manufacturer of high performance electric vehicles, and internet subscription TV provider Netflix. Neither of these companies would have made it to the portfolio under the previous (Intellectual Property & Excellence) definition of the theme.

We also introduced Franchise Power, which was evolved from our long-standing Pricing Power theme. Though we are

currently less exposed here as we see better opportunities away from these reliable growth companies for now, this theme too has performed well.

However, over the course of the entire year, Corporate Restructuring has been the best contributor to our portfolio. These self-help propositions are particularly relevant during times of less exciting top line growth. Hartford Financial was by some margin the highest contributing stock in the portfolio over the year, and the company typifies the theme.

Strong get Stronger and Security of Supply have been our two more disappointing themes. The latter was exposed to more challenged parts of the field, such as materials and emerging markets, although much of this was exposure to Mexico (Cemex, Televisa, Kansas City Southern) which was weak, but at the better end of the emerging markets spectrum. We retain high conviction here: Mexico is benefiting from its own structural reform programmes and with the benefit of US near-shoring it continues to show strength in industrial production and retail sales, with stable inflation. Meanwhile, we have cut our exposure to Strong get Stronger down to very low levels. With interest rates falling and credit made broadly available, it has been, quite simply, the wrong time to own the companies with the strongest balance sheets.

Activity levels within the portfolio have been somewhat higher than average. Having refreshed the thematic process during the year with the introduction of our two evolved themes, we generated a decent number of strong investment ideas which necessitated this turnover. We will likely see activity fall and stabilise from the average level in 2013 during the course of the coming year.

Performance (% change to 31.12.13)

	EquiSar GTF A shares Acc	EquiSar GTF F shares Acc	EquiSar GTF I shares Acc	EquiSar GTF P shares Acc	EquiSar GTF X shares Acc	EquiSar GTF Z shares Acc	Benchmark ¹
Since launch on 01.07.94 to 31.12.13	+280.5	-	-	-	-	-	+258.8
Since launch on 29.11.99 to 31.12.13	-	-	+62.6	-	-	-	+55.6
Since launch on 24.04.03 to 31.12.13	-	-	-	-	-	+213.9	+144.6
Since launch on 19.01.10 to 31.12.13	-	-	-	-	+35.6	-	+47.7
Since launch on 16.10.12 to 31.12.13	-	+23.3	-	+23.9	-	-	+24.8
31.12.12 to 31.12.13	+20.8	+21.5	+21.6	+21.8	+21.0	+22.6	+23.5
31.12.11 to 31.12.12	+9.1	-	+9.9	-	+9.3	+10.8	+10.7
31.12.10 to 31.12.11	-11.8	-	-11.2	-	-11.6	-10.4	-4.8
31.12.09 to 31.12.10	+17.0	-	+17.7	-	-	+18.7	+15.3
31.12.08 to 31.12.09	+10.8	-	+11.5	-	-	+12.5	+15.7
31.12.07 to 31.12.08	-16.2	-	-15.6	-	-	-15.1	-17.9
31.12.06 to 31.12.07	+14.8	-	+15.6	-	-	+16.5	+7.3

Source: Sarasin. All data as at 31.12.13. 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 5 (1 low to 7 high) and further details of the risks can be found in the Prospectus and KIID available from www.sarasin.co.uk. Overseas shares and bonds may be affected by currency exchange rates. Sarasin EquiSar - Global Thematic Fund™ is a trademark of Sarasin & Partners LLP.

¹Benchmark: MSCI All Countries World Index (Net Total Return). On 1st October 2013 the benchmark of this fund was changed from MSCI World to MSCI All Countries World Index.

Investment Objective & Policy

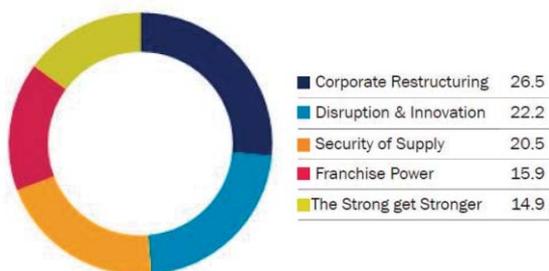
The Fund's objective is capital appreciation.

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

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

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

Thematic Equity Allocation (% as at 31.12.13)



Top 10 Equity Holdings

(as a % of portfolio as at 31.12.13)

Google Inc	3.1
Vodafone Group	2.9
Novozymes	2.7
Hartford Financial Services	2.6
Citigroup Inc	2.5
JPMorgan Chase & Co	2.5
Borgwarner Inc	2.4
Pfizer Inc	2.3
BNP Paribas	2.2
Amgen Inc	2.2

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

Net Income Distribution/Accumulation

	Pence per Share		Per £1,000 invested at 02.01.2008 (£)	
	Inc	Acc	Inc	Acc
2014¹				
Share Class A	0.0000	0.0000	0.00	0.00
Share Class I	1.3270	1.5380	2.82	2.84
Share Class F	-	0.8458	-	1.36
Share Class P	1.1704	1.8298	1.88	2.93
Share Class X	0.0000	0.0000	0.00	0.00
Share Class Z	-	5.4600	-	9.66
2013				
Share Class A	1.9840	2.1714	4.13	4.30
Share Class I	6.0944	7.2435	12.94	13.35
Share Class F	-	4.3251	-	6.95
Share Class P	5.5340	5.9640	8.88	9.54
Share Class X	3.0625	3.0833	30.63	30.83
Share Class Z	-	13.8757	-	24.54
2012				
Share Class A	2.3566	2.5728	4.90	5.10
Share Class I	5.5501	6.5235	11.78	12.02
Share Class X	2.8880	3.0526	28.88	30.53
Share Class Z	-	12.8746	-	12.32
2011				
Share Class A	0.1620	0.2679	0.34	0.53
Share Class I	2.6843	3.1014	5.70	5.72
Share Class X	0.7631	0.7930	7.63	7.93
Share Class Z	-	9.4033	-	16.63
2010				
Share Class A	1.1389	0.7232	2.37	1.43
Share Class I	3.0078	3.7513	6.39	6.91
Share Class X	1.5581	1.6447	15.58	16.45
Share Class Z	-	9.0014	-	15.92
2009				
Share Class A	4.3901	4.5228	9.13	8.96
Share Class I	7.0934	8.3299	15.06	15.35
Share Class Z	-	12.7279	-	22.51

Ongoing charges (%)

	as at 31.12.13 for last 12 months	
	Inc	Acc
Share Class A	1.71	1.71
Share Class F	n/a	1.21
Share Class I	1.06	1.06
Share Class P	0.96	0.96
Share Class X	1.56	1.56
Share Class Z	n/a	0.21

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

Share Prices and Fund Size

	Share Price Range				Fund Size						
	Highest for the year (pence)		Lowest for the year (pence)		Net Asset Value (£)		Net Asset Value Pence per Share ²		Number of Shares in Issue		
	Inc	Acc	Inc	Acc	Inc	Acc	Inc	Acc	Inc	Acc	
2013*					31.12.13						
Share Class A	741.60	787.90	597.30	634.60		6,772,224	30,549,014	715.08	761.98	947,056	4,009,147
Share Class I	732.90	871.40	588.80	700.10		223,406,239	128,339,733	705.94	846.09	31,646,622	15,168,600
Share Class F	-	789.60	-	634.70		-	21,263	-	765.95	-	2,776
Share Class P	744.20	791.90	597.60	635.70		222,866	2,453,876	716.30	769.33	31,114	318,963
Share Class Z	-	942.89	-	755.10		-	1,380	-	919.95	-	150
Share Class X	743.10	791.90	598.20	637.50		10,584,776	7,833,957	716.59	766.54	1,447,110	1,021,983
2012					31.12.12						
Share Class A	599.10	636.50	542.50	574.00		8,516,598	30,822,805	593.47	630.57	1,435,062	4,888,077
Share Class I	592.50	702.20	536.20	630.60		158,567,762	107,313,374	585.02	695.62	27,104,486	15,427,000
Share Class F	-	631.10	-	631.10		-	4,706	-	630.66	-	746
Share Class P	600.00	637.50	570.70	606.40		1,009	1,073	593.72	631.61	170	170
Share Class Z	-	757.20	-	676.60		-	8,803,434	-	750.23	-	1,173,434
Share Class X	600.40	639.40	543.60	576.00		6,428,361	6,170,013	594.32	633.37	1,081,641	974,156
2011					31.12.11						
Share Class A	630.10	666.30	494.70	523.30		25,523,089	35,274,057	549.44	581.25	4,645,315	6,068,637
Share Class I	621.10	726.10	487.70	572.10		188,952,359	98,347,999	541.61	637.02	34,887,075	15,438,778
Share Class Z	-	770.70	-	609.90		-	13,323,787	-	681.21	-	1,955,912
Share Class X	630.60	667.40	495.10	524.50		8,750,226	7,932,280	550.21	582.95	1,590,357	1,360,709
2010					31.12.10						
Share Class A	627.00	663.30	505.10	532.90		54,465,362	47,537,619	624.10	660.00	8,726,999	7,202,683
Share Class I	618.30	722.10	496.30	576.80		261,823,584	95,427,630	614.69	718.57	42,594,128	13,280,185
Share Class Z	-	765.60	-	607.00		-	19,494,728	-	761.87	-	2,558,786
Share Class X	627.60	664.20	505.20	533.00		10,215,485	9,177,953	624.53	660.91	1,635,701	1,388,688
2009					31.12.09						
Share Class A	542.10	572.00	382.10	401.00		48,590,102	42,388,231	532.86	562.26	9,118,670	7,538,905
Share Class I	532.80	618.80	374.70	431.60		119,767,459	17,849,701	523.27	608.30	22,888,447	2,934,352
Share Class Z	-	650.50	-	450.50		-	16,583,251	-	639.45	-	2,593,371

Fund Managers

Harry Talbot Rice
Fund Manager

Mark Whitehead
Deputy Fund Manager



¹ Source: Morningstar OBSR as at December 2013

*to 31.12.13

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

A shares per £1,000 invested at share class launch 1.07.94
 I shares per £1,000 invested at share class launch 29.11.99

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

Why EquiSar Sterling Hedged?

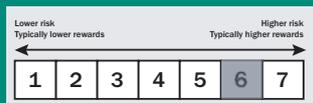
EquiSar is our family of innovative thematic global equity funds, with assets of over £2.1 billion. Whereas most investors approach international investment on a country or regional basis, EquiSar places the emphasis instead on investing in companies that are expected to be the main beneficiaries from 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.

Risk and Reward Profile



This risk and reward profile is based on historical data which may not be a reliable indication of the Fund's risk and reward category in the future.

The Fund's category is based on the rate at which the value of the Fund has performed in the past, and is not guaranteed to remain the same in the future.

The Fund is in category six because it invests in company shares which generally provide higher rewards and higher risks than other investments such as bonds, cash or commercial property.

A Fund in the lowest category is not a risk free investment.

Fund Facts

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

Sarasin EquiSar Global Thematic Fund (Sterling Hedged)TM

Fund Manager's Review

It has been a truly vintage year for equity markets, and perhaps only somewhat less so for EquiSar, which lagged its benchmark little. Economic stimulus in all major regions of the world has propelled markets higher, though the emerging world – facing inflation and falling currencies – has had a more difficult time since the spectre of tapering appeared in Q2.

At this point the market rally remains pre-emptive. Most gains have been through multiple expansion rather than a substantial earnings recovery. Top line growth remains limited, and many of the recent years contributors to currently high margins, such as lower borrowing costs and weaker labour markets, cannot be repeated.

Over the year we have evolved a couple of our themes, and changed the benchmark from MSCI to MSCI ACWI. When reviewing the data, then, it is worth considering the time frame under which the theme has been managed, and the timing of the benchmark change.

For instance, we are particularly pleased with the performance of our Disruption & Innovation theme which we introduced for inclusion in Q2. Since its introduction, Disruption & Innovation has been our strongest performer, and two holdings bought under its evolved definition have been its strongest performers: Tesla, the manufacturer of high performance electric vehicles, and internet subscription TV provider Netflix. Neither of these companies would have made it to the portfolio under the previous (Intellectual Property & Excellence) definition of the theme.

We also introduced Franchise Power, which was evolved from our long-standing Pricing Power theme. Though we are currently less exposed here as we see better opportunities away from these reliable growth companies for now, this theme too has performed well.

However, over the course of the entire year, Corporate Restructuring has been the best contributor to our portfolio. These self-help propositions are particularly relevant during times of less exciting top line growth. Hartford Financial was by some margin the highest contributing stock in the portfolio over the year, and the company typifies the theme.

Strong get Stronger and Security of Supply have been our two more disappointing themes. The latter was exposed to more challenged parts of the field, such as materials and emerging markets, although much of this was exposure to Mexico (Cemex, Televisa, Kansas City Southern) which was weak, but at the better end of the emerging markets spectrum. We retain high conviction here: Mexico is benefiting from its own structural reform programmes and with the benefit of US near-shoring it continues to show strength in industrial production and retail sales, with stable inflation. Meanwhile, we have cut our exposure to Strong get Stronger down to very low levels. With interest rates falling and credit made broadly available, it has been, quite simply, the wrong time to own the companies with the strongest balance sheets.

Activity levels within the portfolio have been somewhat higher than average. Having refreshed the thematic process during the year with the introduction of our two evolved themes, we generated a decent number of strong investment ideas which necessitated this turnover. We will likely see activity fall and stabilise from the average level in 2013 during the course of the coming year.

Performance (% change to 31.12.13)

	EquiSar GTF (Stg Hedged) A shares Acc ¹	EquiSar GTF (Stg Hedged) I shares Acc	EquiSar GTF (Stg Hedged) P shares Acc	EquiSar GTF (Stg Hedged) X shares Acc	Benchmark ²
Since launch on 12.05.09 to 31.12.13	-	+70.4	-	+65.9	+87.3
Since launch on 28.09.09 to 31.12.13	+48.7	-	-	-	+60.8
Since launch on 16.10.12 to 31.12.13	-	-	+27.2	-	+30.1
31.12.12 to 31.12.13	+22.9	+23.8	+24.1	+23.1	+28.2
31.12.11 to 31.12.12	+13.8	+14.6	-	+14.0	+15.7
31.12.10 to 31.12.11	-12.2	-11.6	-	-12.2	-5.5
31.12.09 to 31.12.10	+21.6	+22.4	-	+21.6	+15.3
31.12.08 to 31.12.09	-	-	-	-	-
31.12.07 to 31.12.08	-	-	-	-	-
31.12.06 to 31.12.07	-	-	-	-	-

Source: Sarasin. All data as at 31.12.13. 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 Simplified Prospectus available from www.sarasin.co.uk. Overseas shares and bonds may be affected by currency exchange rates. Sarasin EquiSar - Global Thematic Fund (Sterling Hedged)TM is a trademark of Sarasin & Partners LLP.

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

²Benchmark: MSCI All Countries World Index Local Currency (Net Total Return). On 1st October 2013 the benchmark of this fund was changed from MSCI World (Local Currency) to MSCI All Countries World Index Local Currency.

Investment Objective & Policy

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

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

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

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

Ongoing charges (%)

	as at 31.12.13 for last 12 months	
	Inc	Acc
Share Class A	1.73	1.73
Share Class F	1.23	n/a
Share Class I	1.08	1.08
Share Class P	0.98	0.98
Share Class X	1.58	1.58

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

Fund Managers

Harry Talbot Rice
Fund Manager

Mark Whitehead
Deputy Fund Manager

Thematic Equity Allocation (% as at 31.12.13)



■ Corporate Restructuring	26.8
■ Disruption & Innovation	21.6
■ Security of Supply	21.1
■ Franchise Power	15.7
■ The Strong get Stronger	14.8

Top 10 Equity Holdings

(as a % of portfolio as at 31.12.13)

Vodafone Group	2.9
Citigroup Inc	2.6
Hartford Financial Services	2.6
JPMorgan Chase & Co	2.5
Google Inc	2.4
Borgwarner Inc	2.4
Pfizer Inc	2.3
Novozymes	2.3
Amgen Inc	2.3
BNP Paribas	2.2

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

Net Income Distribution/Accumulation

	Pence per Share		Per £1,000 invested at 12.05.09 (£)	
	Inc	Acc	Inc	Acc
*to 28.02.14				
2014¹				
Share Class A	1.0184	1.0886	9.13	9.77
Share Class I	1.0372	1.1165	10.37	11.17
Share Class F	1.0203	-	10.20	-
Share Class P	1.0244	1.0948	10.24	10.95
Share Class X	1.0106	1.0887	10.11	10.89
2013				
Share Class A	2.6729	2.8238	23.97	25.33
Share Class I	2.7085	2.8739	27.09	28.74
Share Class F	1.6343	-	16.34	-
Share Class P	1.6358	1.7432	16.36	17.43
Share Class X	2.6450	2.8122	26.45	28.12
2012				
Share Class A	2.4892	2.5745	22.32	23.10
Share Class I	2.5088	2.6051	25.09	26.05
Share Class P	-	-	-	-
Share Class X	2.4669	2.5600	24.67	25.60
2011				
Share Class A	1.9240	1.9777	17.25	17.74
Share Class I	1.9476	2.0157	19.48	20.16
Share Class X	1.9180	1.9860	19.18	19.86
2010				
Share Class A	1.1510	1.3978	10.32	12.54
Share Class I	2.1168	2.1283	21.17	21.28
Share Class X	2.1199	2.1301	21.20	21.30
2009				
Share Class A	-	-	-	-
Share Class I	-	-	-	-
Share Class X	-	-	-	-

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		
	Inc	Acc	Inc	Acc	Inc	Acc	Inc	Acc	Inc	Acc	
2013*					31.12.13						
Share Class A	155.20	165.80	128.40	135.70		663,563	945,468	153.82	165.49	431,385	571,318
Share Class I	158.30	170.40	130.10	138.50		69,004,801	11,908,183	156.91	170.00	43,977,857	7,004,968
Share Class F	155.80	165.80	128.40	135.70		12,059	-	154.40	-	7,810	-
Share Class P	156.70	167.60	128.60	135.90		29,032	357,096	155.30	167.21	18,694	213,563
Share Class X	153.80	165.70	127.30	135.60		18,844,033	8,762,234	152.70	165.59	12,340,549	5,291,635
2012					31.12.12						
Share Class A	129.40	141.00	115.00	119.00		69,310	686,285	126.71	133.90	54,701	512,521
Share Class I	131.20	138.50	116.00	120.80		61,626,196	14,101,183	128.43	136.70	47,983,234	10,315,568
Share Class P	129.60	135.90	121.20	126.90		1,269	1,341	126.93	134.12	1,000	1,000
Share Class X	128.30	135.50	114.00	118.80		15,202,538	6,091,219	125.61	133.78	12,102,646	4,553,037
2011					31.12.11						
Share Class A	138.40	140.70	105.70	108.50		53,373	563,892	114.56	118.52	46,590	475,766
Share Class I	138.60	142.00	106.30	109.90		53,431,154	12,500,880	115.38	120.23	46,309,701	10,397,497
Share Class X	137.00	140.50	104.60	108.02		19,035,475	10,429,587	113.44	118.30	16,780,850	8,816,457
2010					31.12.10						
Share Class A	134.00	135.70	109.50	110.30		44,858	414,580	132.69	134.89	33,806	307,345
Share Class I	134.10	136.60	109.30	110.50		85,119,350	17,985,822	132.79	136.02	64,102,669	13,222,442
Share Class X	132.70	135.30	108.50	110.10		27,917,618	13,194,606	131.35	134.68	21,253,740	9,797,208
2009					31.12.09						
Share Class A	-	119.60	-	109.40		-	70,635	-	118.80	-	59,457
Share Class I ²	119.80	119.80	95.13	95.12		42,238,847	16,458,301	118.08	119.03	35,771,812	13,826,485
Share Class X	119.30	119.40	95.02	95.08		19,362,559	5,886,813	117.58	118.59	16,468,054	4,964,076

*to 31.12.13

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

A shares share class launch 28.09.09

I & X shares share class launch 12.05.09

F & P shares share class launch 16.10.12

Why EquiSar IIID Fund?

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

Risk Profile

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

Risk and Reward Profile



This risk and reward profile is based on historical data which may not be a reliable indication of the Fund's risk and reward category in the future.

The Fund's category is based on the rate at which the value of the Fund has performed in the past, and is not guaranteed to remain the same in the future.

The fund is in category 5 because of its diversity of investment in company shares and its low use of derivatives, this ranking is typically higher than a fund which invests in cash deposits, as company share price movements tend to be more volatile. A Fund in the lowest category is not a risk free investment.

Fund Facts

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

Sarasin EquiSar IIID Fund™

Fund Manager's Review

It has been a truly vintage year for equity markets, and perhaps only somewhat less so for EquiSar, which lagged its benchmark little. Economic stimulus in all major regions of the world has propelled markets higher, though the emerging world – facing inflation and falling currencies – has had a more difficult time since the spectre of tapering appeared in Q2.

At this point the market rally remains pre-emptive. Most gains have been through multiple expansion rather than a substantial earnings recovery. Top line growth remains limited, and many of the recent years contributors to currently high margins, such as lower borrowing costs and weaker labour markets, cannot be repeated.

Over the year we have evolved a couple of our themes, and changed the benchmark from MSCI to MSCI ACWI. When reviewing the data, then, it is worth considering the time frame under which the theme has been managed, and the timing of the benchmark change.

For instance, we are particularly pleased with the performance of our Disruption & Innovation theme which we introduced for inclusion in Q2. Since its introduction, Disruption & Innovation has been our strongest performer, and two holdings bought under its evolved definition have been its strongest performers: Tesla, the manufacturer of high performance electric vehicles, and internet subscription TV provider Netflix. Neither of these companies would have made it to the portfolio under the previous (Intellectual Property & Excellence) definition of the theme.

We also introduced Franchise Power, which was evolved from our long-standing Pricing Power theme. Though we are currently less exposed here as we see better opportunities away from these reliable growth companies for now, this theme too has performed well.

However, over the course of the entire year, Corporate Restructuring has been the best contributor to our portfolio.

These self-help propositions are particularly relevant during times of less exciting top line growth. Hartford Financial was by some margin the highest contributing stock in the portfolio over the year, and the company typifies the theme.

Strong get Stronger and Security of Supply have been our two more disappointing themes. The latter was exposed to more challenged parts of the field, such as materials and emerging markets, although much of this was exposure to Mexico (Cemex, Televisa, Kansas City Southern) which was weak, but at the better end of the emerging markets spectrum. We retain high conviction here: Mexico is benefiting from its own structural reform programmes and with the benefit of US near-shoring it continues to show strength in industrial production and retail sales, with stable inflation. Meanwhile, we have cut our exposure to Strong get Stronger down to very low levels. With interest rates falling and credit made broadly available, it has been, quite simply, the wrong time to own the companies with the strongest balance sheets.

Activity levels within the portfolio have been somewhat higher than average. Having refreshed the thematic process during the year with the introduction of our two evolved themes, we generated a decent number of strong investment ideas which necessitated this turnover. We will likely see activity fall and stabilise from the average level in 2013 during the course of the coming year.

Performance (% change to 31.12.13)

	EquiSar IIID AP shares Acc	EquiSar IIID I shares Acc	EquiSar IIID IP shares Acc	EquiSar IIID P shares Acc	EquiSar IIID PP shares Acc	EquiSar IIID XP shares Acc	Benchmark ¹
Since launch on 08.05.06 to 31.12.13	+31.4	-	-	-	-	-	+68.2
Since launch on 12.05.08 to 31.12.13	-	-	-	-	-	+5.7	+43.0
Since launch on 16.10.12 to 31.12.13	-	+9.6	+36.4	+36.0	+31.5	-	+7.6
31.12.12 to 31.12.13	+9.6	+9.6	+10.0	+11.4	+9.6	+10.0	+6.2
31.12.11 to 31.12.12	+5.6	+6.3	-	-	-	+6.0	+6.6
31.12.10 to 31.12.11	-8.5	-8.0	-	-	-	-8.5	+8.8
31.12.09 to 31.12.10	+10.7	+11.1	-	-	-	+10.9	+8.4
31.12.08 to 31.12.09	+5.9	+6.3	-	-	-	+5.9	+3.8
31.12.07 to 31.12.08	-13.7	-13.5	-	-	-	-	+7.0
31.12.06 to 31.12.07	+16.3	+17.2	-	-	-	-	+7.9

Source: Sarasin. All data as at 31.12.13. 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 5 (1 low to 7 high) and further details of the risks can be found in the Prospectus and KIID available from www.sarasin.co.uk. Overseas shares and bonds may be affected by currency exchange rates. Sarasin EquiSar IIID Fund™ is a trademark of Sarasin & Partners LLP.

¹Benchmark: RPI +3.5%

Investment Objective & Policy

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

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

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

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

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

Thematic Equity Exposure (as at 31.12.13)				
%	Long	Short	Gross	Net
Corporate Rest ²	30.9	0.0	30.9	30.9
Disruption and In ³	17.7	0.0	17.7	17.7
Franchise Power	19.8	0.0	19.8	19.8
Security of Supply	17.2	0.0	17.2	17.2
Strategic Holdings	0.0	25.4	25.4	-25.4
Strong get Stronger	11.8	0.0	11.8	11.8
Totals	97.3	25.4	122.7	72.0

² Corporate Restructuring
³ Disruption and Innovation

Top 10 Equity Holdings (as a % of portfolio as at 31.12.13)	
PNC Financial Services Group	3.4
Citigroup Inc	3.4
Google Inc	3.4
Halliburton Co	3.4
Borgwarner Inc	3.2
BNP Paribas	3.1
Costco Wholesale Corp	2.9
Jardine Matheson Holdings	2.8
Vodafone Group	2.8
Makita Corp	2.8

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

Net Income Distribution/Accumulation				
1 to 28.02.14	Pence per Share		Per £1,000 invested at 02.01.08 (£)	
	Inc	Acc	Inc	Acc
2014¹				
Share Class AP	0.4468	0.4586	4.35	4.33
Share Class IP	0.5795	0.5669	5.62	5.30
Share Class I	0.5602	0.5157	4.89	4.29
Share Class P	0.4937	0.5637	4.31	4.69
Share Class PP	0.3493	0.3833	3.05	3.19
Share Class XP	0.5349	0.5508	5.16	5.24
2013				
Share Class AP	2.0143	2.1746	19.59	20.55
Share Class IP	2.4706	2.5391	23.94	20.34
Share Class I	-	0.0023	-	0.02
Share Class P	2.6973	2.9790	23.56	24.80
Share Class PP	2.6973	2.4047	23.56	20.02
Share Class XP	2.2814	2.3343	22.02	22.21
2012				
Share Class AP	0.8216	0.8369	7.99	7.91
Share Class IP	1.1271	1.0094	10.92	9.44
Share Class P	-	-	-	-
Share Class PP	-	-	-	-
Share Class XP	0.8654	0.9868	8.35	9.39
2011				
Share Class AP	0.3078	0.3234	2.99	3.06
Share Class IP	0.4638	0.4808	4.49	4.50
Share Class XP	0.3442	0.3558	3.32	3.39
2010				
Share Class AP	0.3824	0.3327	3.72	3.14
Share Class IP	0.5016	0.5456	4.86	5.10
Share Class XP	0.3534	0.3726	3.41	3.55
2009				
Share Class AP	1.9826	2.5820	19.29	24.40
Share Class IP	1.9206	2.0966	18.61	19.61
Share Class XP	1.6774	1.6866	16.18	16.05

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			
	Inc	Acc	Inc	Acc	31.12.13	Inc	Acc	Inc	Acc	Inc	Acc	
2013*												
Share Class AP	127.00	134.80	113.20	120.10	573,735	4,334,805	122.45	131.10	468,546	3,306,555		
Share Class IP	129.90	139.70	115.50	124.20	34,862,240	8,867,088	125.42	136.17	27,795,876	6,511,919		
Share Class I	129.90	139.70	115.50	124.20	788,575	7,771	125.47	135.58	628,490	5,732		
Share Class P	130.40	138.40	113.20	120.10	6,386	11,874	123.56	133.32	5,168	8,906		
Share Class PP	127.50	135.30	113.30	120.20	6,073	6,520	122.64	131.21	4,952	4,969		
Share Class XP	129.00	135.40	114.80	120.50	2,255,179	3,602,328	124.46	132.07	1,812,033	2,727,682		
2012					31.12.12							
Share Class AP	115.70	120.20	108.60	113.00	2,218,728	13,677,619	112.89	119.76	1,965,376	11,421,177		
Share Class IP	117.70	124.30	110.30	116.20	35,050,874	7,589,183	115.17	123.88	30,433,899	6,126,168		
Share Class P	114.50	120.20	111.00	116.50	1,129	1,198	112.89	119.76	1,000	1,000		
Share Class PP	114.60	120.20	111.00	116.50	1,129	1,198	112.94	119.84	1,000	1,000		
Share Class XP	117.10	120.60	109.90	113.00	3,694,094	4,770,763	114.49	120.21	3,226,515	3,968,808		
2011					31.12.11							
Share Class AP	120.40	124.90	108.30	112.60	428,291	13,199,140	109.21	113.74	392,180	11,604,280		
Share Class IP	121.80	127.60	110.00	115.70	36,059,968	21,220,836	110.89	116.89	32,519,801	18,154,839		
Share Class XP	121.70	124.70	109.50	112.60	6,276,000	5,825,889	110.45	113.73	5,682,033	5,122,370		
2010					31.12.10							
Share Class AP	120.10	124.60	104.60	108.20	322,031	13,784,490	119.81	124.31	268,794	11,088,398		
Share Class IP	121.50	127.20	105.40	109.90	60,403,328	35,306,288	121.22	126.94	49,830,259	27,813,886		
Share Class XP	121.30	124.40	105.60	107.80	14,022,964	10,478,462	121.08	124.10	11,581,957	8,443,713		
2009					31.12.09							
Share Class AP	109.50	113.30	91.23	93.93	927,092	11,276,922	108.41	112.15	855,186	10,055,614		
Share Class IP	110.30	115.20	91.67	94.96	78,639,890	30,263,668	109.17	114.04	72,037,577	26,536,923		
Share Class XP	110.60	112.90	92.03	93.29	15,873,161	15,964,629	109.41	111.72	14,507,549	14,290,350		

*to 31.12.13

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

AP & IP shares per £1,000 invested at share class launch 02.01.08

XP shares per £1,000 invested at share class launch 02.01.08

I, P & PP shares per £1,000 invested at share class launch 16.10.12

Ongoing Charges (%)

	as at 31.12.13 for last 12 months	
	Inc	Acc
Share Class AP	1.74	1.74
Share Class IP	1.09	1.09
Share Class I	1.34	1.34
Share Class P	1.24	1.24
Share Class PP	0.99	0.99
Share Class XP	1.44	1.44

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

Fund Managers

Mark Whitehead
Fund Manager

Sam Jeffries
Deputy Fund Manager

Why EquiSar - UK Thematic Fund?

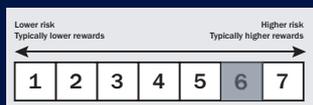
EquiSar is our family of innovative thematic global equity funds, with assets of over £2.1 billion. Whereas most investors approach international investment on a country or regional basis, EquiSar places the emphasis instead on investing in companies that are expected to be the main beneficiaries from Sarasin's identification of global trends which drive corporate profits growth and share prices.

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

Risk Profile

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

Risk and Reward Profile



This risk and reward profile is based on historical data which may not be a reliable indication of the Fund's risk and reward category in the future.

The Fund's category is based on the rate at which the value of the Fund has performed in the past, and is not guaranteed to remain the same in the future.

The Fund is in category six because it invests in company shares which generally provide higher rewards and higher risks than other investments such as bonds, cash or commercial property. A Fund in the lowest category is not a risk free investment.

Fund Facts

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

Sarasin EquiSar - UK Thematic Fund™

Fund Manager's Review

As in life, so in markets, the key to a good relationship is effective communication. A wave of clear forward guidance from the Bank of England and the European Central Bank that monetary policy would remain accommodative for an extended period saw markets blossom in 2013. Indeed, our only hiccups came as the US Federal Reserve gave out conflicting signals as to when 'tapering' of its quantitative easing programme might begin, causing markets to lose ground. Once its policy had been clearly articulated in the autumn, market tensions eased and we had a squeeze into year end. For the year, the FTSE All Share 5% capped index recorded a strong +21.4% total return.

As we wrote in our Interim Review, 2013 saw changes to our themes. In April we evolved our thematic process, replacing two of our themes to better reflect the strategies we see as relevant to today's world and provide a more focused route to a re-rating of shares. Pricing Power has been replaced by Franchise Power. The new theme aims to identify companies with trusted brands and franchises known for the quality and reliability of their product or service. Customers are willing to pay a premium for this and may also not be particularly price sensitive. Intellectual Property & Excellence has been replaced by Disruption & Innovation. This has enabled us to more directly target companies that have built their business model around being the disruptor. The theme now also enables us to attribute value to 'optionality', especially if it has the potential to be transformative, in terms of both how the business is perceived and share price performance. The remaining themes have also been tightened regarding our interpretation of how these will lead to outperformance. Strong get Stronger is about companies whose success is derived from the strength of their balance sheet, a leaner cost base and economies of scale – all ingredients conferring sustainable competitive advantage. The theme works particularly well within industries with a relatively undifferentiated product or service with limited pricing power (other than that conferred upon them in an up-cycle). Security of Supply continues to focus on companies that operate in critical parts of any supply chain and may benefit from being national champions or strategic assets with limited competition. Corporate Restructuring continues to identify special situations and turnaround candidates with potential for significant re-rating in the shares.

Reassuringly, our two new themes contributed strongly to the fund's outperformance of the benchmark during the year. A combination of strong performances from Blinkx, ICAP and BTG drove the Disruption & Innovation theme forward. The Strong get Stronger theme continued to contribute to outperformance throughout the year. A noteworthy performer was the UK Consumer Note which is invested in retailers that have adapted their businesses to win share in a world where the consumer is a multi-channel shopper. Companies like Dixons and Sports Direct have proactively managed their cost base, extracted better terms on their property portfolios, right sized their logistics, and put in place the right incentive schemes for employees, creating a win-win for the business and its customers. Companies with exposure to the UK consumer have benefited from the tailwind of improving consumer confidence as perceptions of disposable income, job security and house prices have all improved over the summer. The Corporate Restructuring theme continued to benefit from Lloyds as it continued its operational turnaround and got rewarded for it. With a 26% share of the UK retail mortgage market, Lloyds benefited from an improving economy, rising house prices and increased demand for mortgages, partly due to the Help to Buy scheme. The Franchise Power theme made a good start to its life with new holding Daily Mail General Trust performing strongly. Despite strong performances from Drax, BG Group and Inmarsat, the Security of Supply theme detracted overall. Companies in this theme find that their market value can oscillate on expectations of global infrastructure spend, weighted heavily towards the emerging markets and basic resources. Both areas remained out of favour during 2013 thereby hurting the theme's performance.

We have seen a return to more 'normal' economic conditions in the UK over 2013, and equity markets are beginning to discount this. And we suspect markets will be anything but dull as a return to normality will bring with it fears on how the world can exit its monetary experiment (i.e. QE) in an orderly way. Such conditions suit our thematic investment process – enabling us to have conviction that the holdings in our portfolio continue to offer a good balance between revenue growth potential and re-rating opportunities.

Performance (% change to 31.12.13)

	EquiSar - UK Thematic A shares Acc	EquiSar - UK Thematic I shares Acc	EquiSar - UK Thematic F shares Acc	EquiSar - UK Thematic P shares Acc	EquiSar - UK Thematic X shares Acc	EquiSar - UK Thematic Z shares Acc	Benchmark ²
Since launch on 28.01.10 to 31.12.13	+51.2	+54.9	-	-	+51.5	+60.5	+60.0
Since launch on 16.10.12 to 31.12.13	-	-	+25.5	26.6	-	-	+23.3
31.12.12 to 31.12.13	+16.0	+23.8	+23.7	+24.1	+23.3	+25.0	+21.4
31.12.11 to 31.12.12	+13.3	+14.0	-	-	+13.4	+15.2	+13.1
31.12.10 to 31.12.11	-9.2	-8.7	-	-	-9.3	-7.9	-3.9
31.12.09 to 31.12.10	-	-	-	-	-	-	-

Source: Sarasin. All data as at 31.12.13. 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 EquiSar - UK Thematic Fund™ is a trademark of Sarasin & Partners LLP.

²Benchmark: FTSE All Share (5% capped)

Investment Objective & Policy

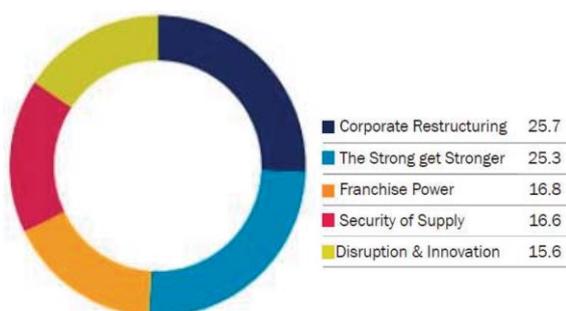
The Fund's objective is to achieve a total return to shareholders over the long term.

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

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

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

Thematic Equity Allocation (% as at 31.12.13)



Top 10 Equity Holdings

(as a % of portfolio as at 31.12.13)

BP Plc	5.3
Vodafone Group Plc	4.4
Lloyds Banking Group Plc	4.2
UBS AG Pereles	4.2
Astrazeneca Plc	3.9
Barclays Plc	3.8
BG Group Plc	3.6
Drax Group Plc	3.3
Carnival Plc	2.6
Glencore Xstrata Plc	2.6

Net Income Distribution/Accumulation

1 to 28.02.14	Pence per Share		Per £1,000 invested at	
	Inc	Acc	Inc	Acc
2014¹				
Share Class A	0.7603	0.8482	7.60	8.48
Share Class I	0.8625	0.9673	8.63	9.67
Share Class F	-	0.9254	-	9.25
Share Class P	0.8778	0.9910	8.78	9.91
Share Class X	0.7861	0.8733	7.86	8.73
Share Class Z	0.9609	1.1090	9.61	11.09
2013				
Share Class A	3.2132	3.5423	32.13	35.42
Share Class I	3.5968	3.9812	35.97	39.81
Share Class F	n/a	2.1533	n/a	21.53
Share Class P	2.0760	2.3030	20.76	23.03
Share Class X	3.3173	3.6221	33.17	36.22
Share Class Z	4.0687	4.6000	40.69	46.00
2012				
Share Class A	3.3215	3.5361	33.22	35.36
Share Class I	3.6401	3.8798	36.40	38.80
Share Class F	-	-	-	-
Share Class P	-	-	-	-
Share Class X	3.3980	3.5937	33.98	35.94
Share Class Z	3.9961	4.3510	39.96	43.51
2011				
Share Class A	3.2357	3.3347	32.36	33.35
Share Class I	3.5491	3.6608	35.49	36.61
Share Class X	3.2448	3.3298	32.45	33.30
Share Class Z	3.9613	4.1730	39.61	41.73
2010				
Share Class A	1.9074	1.7198	19.07	17.20
Share Class I	2.0742	2.0904	20.74	20.90
Share Class X	1.9168	1.0864	19.17	10.86
Share Class Z	2.3185	2.1120	23.19	21.12

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

Ongoing Charges (%)

	as at 31.12.13 for last 12 months	
	Inc	Acc
Share Class A	1.71	1.71
Share Class I	1.06	1.06
Share Class F	N/A	1.21
Share Class P	0.96	0.96
Share Class X	1.56	1.56
Share Class Z	0.21	0.21

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

Fund Managers

Rohini Rathour
Fund Manager

Jennifer Ramsey
Deputy Fund Manager

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		
	Inc	Acc	Inc	Acc	31.12.13	Inc	Acc	Inc	Acc	Inc	Acc
2013*											
Share Class A	135.40	151.20	115.50	126.10	85,516	37,513	134.59	151.07	63,539	24,831	
Share Class I	138.20	154.90	117.30	128.40	35,491,792	19,625,547	137.19	154.83	25,871,160	12,675,247	
Share Class F	135.40	151.30	115.50	125.50	-	5,838	-	151.17	-	3,862	
Share Class P	136.90	152.80	116.10	126.40	24,660	1,527	135.93	152.70	18,142	1,000	
Share Class X	136.40	151.50	116.30	126.10	871,242	171,849	135.53	151.38	642,817	113,525	
Share Class Z	140.90	160.50	119.00	131.80	753,354	1,604	139.88	160.38	538,576	1,000	
2012					31.12.12						
Share Class A	114.50	124.60	100.30	106.60	23,260	54,756	112.63	122.94	20,651	44,540	
Share Class I	116.40	126.80	101.30	108.10	19,833,820	17,858,761	114.37	125.13	17,341,228	14,271,809	
Share Class F	-	123.00	-	123.00	-	4,726	-	122.38	-	3,862	
Share Class P	115.00	124.80	109.00	118.20	1,132	1,232	113.17	123.21	1,000	1,000	
Share Class X	115.30	124.60	100.50	106.50	986,208	167,177	113.36	122.95	869,970	135,972	
Share Class Z	118.10	130.10	102.50	110.30	624,914	1,285	116.03	128.46	538,576	1,000	
2011					31.12.11						
Share Class A	121.40	124.30	94.08	98.81	211,799	47,314	102.16	107.90	207,311	43,850	
Share Class I	122.00	125.20	94.72	99.77	14,466,528	17,113,904	102.96	109.12	14,051,149	15,683,886	
Share Class X	121.60	124.20	94.22	98.69	677,896	400,335	102.35	107.81	662,344	371,333	
Share Class Z	122.60	126.50	95.46	101.30	559,686	1,109	103.92	110.97	538,576	1,000	
2010					31.12.10						
Share Class A	118.60	120.90	94.27	95.37	189,225	16,640	117.27	119.86	161,354	13,883	
Share Class I	119.10	121.60	94.43	95.53	13,341,571	20,345,372	117.74	120.50	11,331,046	16,884,232	
Share Class X	118.69	120.77	94.33	95.38	388,213	389,535	117.45	119.77	330,538	325,231	
Share Class Z	119.63	122.42	94.59	95.94	652,712	1,214	118.22	121.40	552,130	1,000	

¹to 31.12.13

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

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

Why EquiSar - UK Thematic Opportunities Fund?

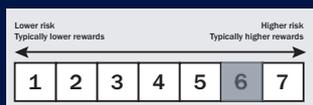
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Risk Profile

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Risk and Reward Profile



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Fund Facts

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

Sarasin EquiSar - UK Thematic Opportunities Fund™

Fund Manager's Review

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As we wrote in our Interim Review, 2013 saw changes to our themes. If you recall, in April we evolved our thematic process, replacing two of our themes to better reflect the strategies we see as relevant to today's world and provide a more focused route to a re-rating of shares. Pricing Power has been replaced by Franchise Power. The new theme aims to identify companies with trusted brands and franchises known for the quality and reliability of their product or service. Customers are willing to pay a premium for this and may also not be particularly price sensitive. Intellectual Property & Excellence has been replaced by Disruption & Innovation. This has enabled us to more directly target companies that have built their business model around being the disruptor. They will typically be exploiting a market opportunity not served particularly well by incumbents, or may target an existing market with a much lower price point owing to their own cost base being much lower than that of legacy competitors. The theme now also enables us to attribute value to 'optionality', especially if it has the potential to be transformative, in terms of both how the business is perceived and share price performance. The remaining themes have also been tightened regarding our interpretation of how these will lead to outperformance. Strong get Stronger is about companies whose success is derived from the strength of their balance sheet, a leaner cost base and economies of scale – all ingredients conferring sustainable competitive advantage. The theme works particularly well within industries with a relatively undifferentiated product or service with limited pricing power (other than that conferred upon them in an up-cycle). Security of Supply continues to focus on companies that play into critical parts of any supply chain and may benefit from being national champions or strategic assets with limited competition. Corporate Restructuring continues to identify special situations

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Performance (% change to 31.12.13)

	EquiSar - UK Thematic Opportunities A shares Acc	EquiSar - UK Thematic Opportunities I shares Acc	EquiSar - UK Thematic Opportunities P shares Acc	EquiSar - UK Thematic Opportunities X shares Acc	Benchmark ¹
Since launch on 28.01.10 to 31.12.13	+66.5	+70.3	-	+66.7	+56.7
Since launch on 16.10.12 to 31.12.13	-	-	+68.3	-	+22.6
31.12.12 to 31.12.13	+31.5	+32.4	+32.5	+31.7	+20.8
31.12.11 to 31.12.12	+21.6	+22.1	-	+21.7	+12.3
31.12.10 to 31.12.11	-15.3	-14.9	-	-15.3	-3.5
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 EquiSar - UK Thematic Opportunities Fund™ is a trademark of Sarasin & Partners LLP.

¹Benchmark: FTSE All Share (Total Return)

Investment Objective & Policy

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

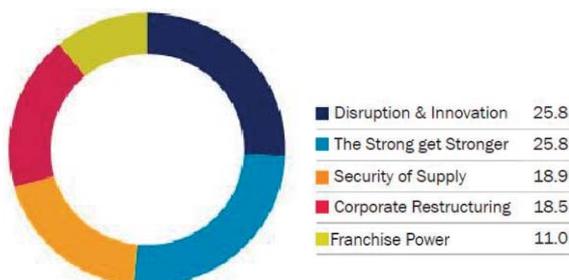
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The Fund will mainly hold the shares of large or medium sized companies but from time to time may invest in smaller companies.

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

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

Thematic Equity Allocation (% as at 31.12.13)



Top 10 Equity Holdings

(as a % of portfolio as at 31.12.13)

BP Plc	4.8
Lloyds Banking Group Plc	4.7
BTG Plc	4.4
Monitise Plc	4.4
Barclays Plc	4.1
Blinkx Plc	3.7
UBS AG Pereles	3.4
Drax Group Plc	3.1
Rio Tinto Plc	3.1
Firstgroup Plc	3.0

Net Income Distribution/Accumulation

	Pence per Share		Per £1,000 invested at 28.01.10 (£)	
	Inc	Acc	Inc	Acc
¹ to 28.02.14				
2014¹				
Share Class A	0.6446	0.6577	6.45	6.58
Share Class I	1.1354	1.2009	11.35	12.00
Share Class P	1.2204	1.2563	10.40	10.47
Share Class X	0.7513	0.7862	7.51	7.86
2013				
Share Class A	0.9926	1.0144	9.93	10.14
Share Class I	1.4337	1.5100	14.34	15.10
Share Class P	1.7335	1.7863	14.77	14.89
Share Class X	1.0928	1.1227	10.93	11.23
2012				
Share Class A	1.2066	1.2677	12.07	12.68
Share Class I	1.6637	1.2314	16.64	12.31
Share Class P	-	-	-	-
Share Class X	0.9822	1.2114	9.82	12.11
2011				
Share Class A	1.3579	1.5470	13.58	15.47
Share Class I	2.0041	2.0299	20.04	20.30
Share Class X	1.6977	1.7059	16.98	17.06
2010				
Share Class A	0.2827	0.2735	2.83	2.74
Share Class I	0.5096	0.4805	5.10	4.81
Share Class X	0.3114	0.3208	3.11	3.21

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

Ongoing Charges (%)

	as at 31.12.13 for last 12 months	
	Inc	Acc
Share Class A	1.73	1.73
Share Class I	1.08	1.08
Share Class P	0.98	0.98
Share Class X	1.58	1.58

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

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		
	Inc	Acc	Inc	Acc	Inc	Acc	Inc	Acc	Inc	Acc	
2013*					31.12.13						
Share Class A	161.60	166.50	127.10	129.90	77,672	2,225,330	160.60	166.10	48,363	1,339,721	
Share Class I	162.20	170.30	127.20	132.00	17,770,706	1,925,739	160.73	169.92	11,056,093	1,133,344	
Share Class P	162.40	168.30	127.20	130.30	1,667	40,833	160.91	167.92	1,036	24,317	
Share Class X	161.30	166.50	126.90	129.90	11,570,90	1,407,802	160.39	166.32	7,213,668	846,428	
2012					31.12.12						
Share Class A	125.00	127.80	101.80	103.80	77,630	2,171,641	123.40	126.17	62,906	1,721,234	
Share Class I	125.00	129.80	101.60	104.90	11,045,243	662,539	123.45	128.16	8,947,348	516,957	
Share Class P	125.30	128.10	116.60	119.20	1,235	1,265	123.49	126.50	1,000	1,000	
Share Class X	124.80	127.70	101.40	103.70	9,461,362	707,045	123.22	126.11	7,678,627	560,659	
2011					31.12.11						
Share Class A	127.00	126.90	95.40	96.53	63,222	1,868,705	101.50	103.61	62,286	1,803,633	
Share Class I	127.20	127.80	95.44	97.49	7,280,948	1,328,982	101.37	104.74	7,182,266	1,268,795	
Share Class X	127.00	126.90	95.11	96.43	12,890,033	965,449	101.19	103.50	12,738,839	932,825	
2010					31.12.10						
Share Class A	124.10	124.00	95.20	95.23	83,589	183,639	123.42	123.11	67,730	149,170	
Share Class I	124.20	124.80	95.24	95.24	5,553,781	880,082	123.16	123.77	4,509,306	711,079	
Share Class X	124.00	123.90	95.22	95.28	22,466,708	978,731	123.01	122.93	18,264,465	796,141	

*to 31.12.13

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

Fund Managers

Rohini Rathour
Fund Manager

Jennifer Ramsey
Deputy Fund Manager

Why EquiSar - Socially Responsible Fund?

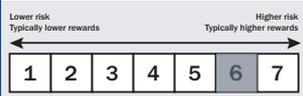
On 1st June 2011 we launched our EquiSar – Socially Responsible funds which aim to achieve a balance of capital growth and income over the long-term through investment in an internationally diversified equity portfolio that reflects environmental, social and governance considerations.

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

Risk and Reward Profile



This risk and reward profile is based on historical data which may not be a reliable indication of the Fund's risk and reward category in the future.

The Fund's category is based on the rate at which the value of the Fund has performed in the past, and is not guaranteed to remain the same in the future.

The Fund is in category six because it invests in company shares which generally provide higher rewards and higher risks than other investments such as bonds, cash or commercial property.

A Fund in the lowest category is not a risk free investment.

Fund Facts

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

Sarasin EquiSar - Socially Responsible Fund™

Fund Manager's Review

It has been a truly vintage year for equity markets, and perhaps only somewhat less so for EquiSar Socially Responsible, which lagged its benchmark little. Economic stimulus in all major regions of the world has propelled markets higher, though the emerging world – facing inflation and falling currencies – has had a more difficult time since the spectre of tapering appeared in Q2.

At this point the market rally remains pre-emptive. Most gains have been through multiple expansion rather than a substantial earnings recovery. Top line growth remains limited, and many of the recent years contributors to currently high margins, such as lower borrowing costs and weaker labour markets, cannot be repeated.

Much work has been done over the year to evolve the ESG process where we continue ensure that ESG insights add value to our investment process across the firm. We focus on the broader 'stewardship' of assets through responsible ownership and policy outreach.

Over the year we have evolved a couple of our themes, and changed the benchmark from MSCI to MSCI ACWI. When reviewing the data, then, it is worth considering the time frame under which the theme has been managed, and the timing of the benchmark change.

For instance, we are particularly pleased with the performance of our Disruption & Innovation theme which we introduced for inclusion in Q2. Since its introduction, Disruption & Innovation has been our strongest performer, and two holdings bought under its evolved definition have been its strongest performers: Tesla, the manufacturer of high performance electric vehicles, and internet subscription TV provider Netflix. Neither of these companies would have made it to the portfolio under the previous (Intellectual Property & Excellence) definition of the theme.

We also introduced Franchise Power, which was evolved from our long-standing Pricing Power theme. Though we are currently less exposed here as we see better opportunities away from these reliable growth companies for now, this theme too has performed well. Franchise Power companies tend to be strong incumbents within a market, and typically do not suffer from the ebb and flow

of demand which puts more marginal competitors at risk (think Coca-Cola).

However, over the course of the entire year, Corporate Restructuring has been the best contributor to our portfolio. These self-help propositions are particularly relevant during times of less exciting top line growth. Hartford Financial was by some margin the highest contributing stock in the portfolio over the year, and the company typifies the theme. The company has committed to selling off non-core parts of its business and to focus on its core, profitable property and casualty insurance business. Despite strong share price appreciation, it still stands at a significant discount to book value.

Strong get Stronger and Security of Supply have been our two more disappointing themes. The latter was exposed to more challenged parts of the field, such as materials and emerging markets, although much of this was exposure to Mexico which was weak, but at the better end of the emerging markets spectrum. We retain high conviction here: Mexico is benefiting from its own structural reform programmes and with the benefit of US near-shoring it continues to show strength in industrial production and retail sales, with stable inflation. Meanwhile, we have cut our exposure to Strong get Stronger down to very low levels. With interest rates falling and credit made broadly available, it has been, quite simply, the wrong time to own the companies with the strongest balance sheets. But now is also the wrong time to cut the theme entirely, as was borne out in the second half of the year, when its relative performance started to improve with rising interest rates.

Activity levels within the portfolio have been somewhat higher than average. Having refreshed the thematic process during the year with the introduction of our two evolved themes, we generated a decent number of strong investment ideas which necessitated this turnover. We will likely see activity fall and stabilise from the average level in 2013 during the course of the coming year.

Performance (% change to 31.12.13)

	EquiSar - Socially Responsible A shares Acc	EquiSar - Socially Responsible F shares Acc	EquiSar - Socially Responsible I shares Acc	EquiSar - Socially Responsible P shares Acc	EquiSar - Socially Responsible X shares Acc	Benchmark ¹
Since launch on 01.06.11 to 31.12.13	+21.4	-	+23.7	-	+21.9	+29.3
Since launch on 16.10.12 to 31.12.13	-	+23.0	-	+22.6	-	+23.7
31.12.12 to 31.12.13	+22.4	+23.0	+23.0	+23.5	+22.7	+23.5
31.12.11 to 31.12.12	+9.1	-	+9.9	-	+9.3	+10.7
31.12.10 to 31.12.11	-	-	-	-	-	-
31.12.09 to 31.12.10	-	-	-	-	-	-

Source: Sarasin. All data as at 31.12.13. 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 EquiSar - Socially Responsible™ is a trademark of Sarasin & Partners LLP.

¹Benchmark: MSCI World All Countries (Net Total Return). On 1st October 2013, the benchmark of this fund was changed from the MSCI World to the MSCI World All Countries Index.

Investment Objective & Policy

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

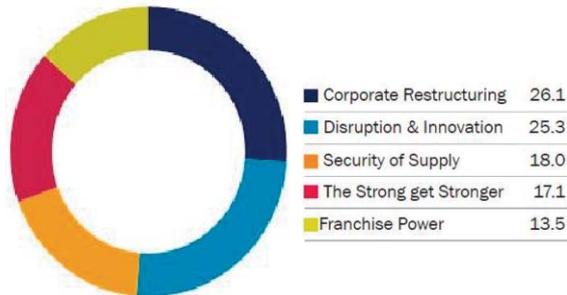
The Fund invests mainly in company shares from around the world. The Fund will not invest in ethically unacceptable products such as alcohol, gambling, tobacco, pornography or armaments. It will also avoid companies involved in corruption, environment degradation and poor labour practices or companies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

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

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

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

Thematic Equity Allocation (% as at 31.12.13)



Top 10 Equity Holdings

(as a % of portfolio as at 31.12.13)

Google Inc	3.2
Vodafone Group Plc	3.0
Hartford Financial Services	2.6
Citigroup Inc	2.6
JPMorgan Chase & Co	2.5
Borgwarner Inc	2.5
Pfizer Inc	2.4
Amgen Inc	2.4
Novozymes	2.3
Associated British Foods Plc	2.2

Net Income Distribution/Accumulation

to 28.0214	Pence per Share		Per £1,000 invested at 01.06.11 (£)	
	Inc	Acc	Inc	Acc
2014¹				
Share Class A	0.7790	0.8140	7.79	8.14
Share Class F	-	0.8076	-	8.26
Share Class I	0.7922	0.8280	7.92	8.28
Share Class P	0.7850	0.8203	8.21	8.39
Share Class X	0.7821	0.8168	7.82	8.17
2013				
Share Class A	2.2645	2.3273	22.65	23.28
Share Class F	-	1.3256	-	13.26
Share Class I	2.2859	2.3482	22.86	23.48
Share Class P	2.2645	2.3308	23.69	23.85
Share Class X	2.2658	2.3312	22.65	23.31
2012				
Share Class A	2.0560	2.0578	20.56	20.58
Share Class F	-	-	-	-
Share Class I	2.0579	2.0642	20.58	20.64
Share Class P	-	-	-	-
Share Class X	2.0492	2.0581	20.49	20.58
2011				
Share Class A	-	-	-	-
Share Class I	-	-	-	-
Share Class X	-	-	-	-

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

Ongoing Charges (%)

	as at 31.12.13 for last 12 months*	
	Inc	Acc
Share Class A	1.73	1.73
Share Class F	-	1.23
Share Class I	1.02	1.02
Share Class P	0.98	0.98
Share Class X	1.58	1.58

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

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		
	Inc	Acc	Inc	Acc	31.12.13	Inc	Acc	Inc	Acc	Inc	Acc
2013*											
Share Class A	121.00	125.00	96.42	99.58	91,638	440,408	115.36	121.35	79,434	362,917	
Share Class F	121.00	124.10	96.42	98.70	-	5,792	-	120.84	-	4,793	
Share Class I	122.80	126.70	97.53	100.70	50,917,329	1,236	117.50	123.60	43,334,710	1,000	
Share Class P	121.60	125.60	96.56	99.71	944,313	122,163	116.44	122.52	810,971	99,706	
Share Class X	121.40	125.40	96.66	99.79	1,625,296	336,101	115.86	121.81	1,402,852	275,915	
2012					31.12.12						
Share Class A	97.97	100.20	89.55	90.35	59,916	203,746	95.91	99.05	62,469	205,695	
Share Class F	97.97	100.20	93.27	99.34	-	4,706	-	98.18	-	4,793	
Share Class I	99.06	101.30	90.19	90.97	48,219,168	5,007	97.01	100.14	49,705,565	5,000	
Share Class P	98.08	100.30	93.32	95.40	960	992	96.04	99.18	1,000	1,000	
Share Class X	98.21	100.40	89.70	90.48	822,844	126,721	96.15	99.27	855,760	127,650	
2011					31.12.11						
Share Class A	102.50	102.50	81.64	81.64	12,708	29,346	90.40	91.22	14,057	32,171	
Share Class I	102.70	102.60	81.80	81.76	47,012,979	4,580	90.81	91.60	51,772,533	5,000	
Share Class X	102.60	102.60	81.67	81.67	466,114	4,565	90.51	91.30	515,000	5,000	

* to 31.12.13

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

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

F & P shares per £1,000 invested at Share Class Launch 16.10.12

Fund Managers

Harry Talbot Rice
Fund Manager

Mark Whitehead
Deputy Fund Manager

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

Risk and Reward Profile



This risk and reward profile is based on historical data which may not be a reliable indication of the Fund's risk and reward category in the future.

The Fund's category is based on the rate at which the value of the Fund has performed in the past, and is not guaranteed to remain the same in the future.

The Fund is in category six because it invests in company shares which generally provide higher rewards and higher risks than other investments such as bonds, cash or commercial property.

A Fund in the lowest category is not a risk free investment.

Fund Facts

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

Sarasin EquiSar - Socially Responsible Fund (Sterling Hedged)TM

Fund Manager's Review

It has been a truly vintage year for equity markets, and perhaps only somewhat less so for EquiSar Socially Responsible (SH), which lagged its benchmark. Economic stimulus in all major regions of the world has propelled markets higher, though the emerging world – facing inflation and falling currencies – has had a more difficult time since the spectre of tapering appeared in Q2.

At this point the market rally remains pre-emptive. Most gains have been through multiple expansion rather than a substantial earnings recovery. Top line growth remains limited, and many of the recent years contributors to currently high margins, such as lower borrowing costs and weaker labour markets, cannot be repeated.

Much work has been done over the year to evolve the ESG process where we continue ensure that ESG insights add value to our investment process across the firm. We focus on the broader 'stewardship' of assets through responsible ownership and policy outreach.

Over the year we have evolved a couple of our themes, and changed the benchmark from MSCI to MSCI ACWI. When reviewing the data, then, it is worth considering the time frame under which the theme has been managed, and the timing of the benchmark change.

For instance, we are particularly pleased with the performance of our Disruption & Innovation theme which we introduced for inclusion in Q2. Since its introduction, Disruption & Innovation has been our strongest performer, and two holdings bought under its evolved definition have been its strongest performers: Tesla, the manufacturer of high performance electric vehicles, and internet subscription TV provider Netflix. Neither of these companies would have made it to the portfolio under the previous (Intellectual Property & Excellence) definition of the theme.

We also introduced Franchise Power, which was evolved from our long-standing Pricing Power theme. Though we are currently less exposed here as we see better opportunities away from these

reliable growth companies for now, this theme too has performed well. Franchise Power companies tend to be strong incumbents within a market, and typically do not suffer from the ebb and flow of demand which puts more marginal competitors at risk (think Coca-Cola).

However, over the course of the entire year, Corporate Restructuring has been the best contributor to our portfolio. These self-help propositions are particularly relevant during times of less exciting top line growth. Hartford Financial was by some margin the highest contributing stock in the portfolio over the year, and the company typifies the theme. The company has committed to selling off non-core parts of its business and to focus on its core, profitable property and casualty insurance business. Despite strong share price appreciation, it still stands at a significant discount to book value.

Strong get Stronger and Security of Supply have been our two more disappointing themes. The latter was exposed to more challenged parts of the field, such as materials and emerging markets, although much of this was exposure to Mexico which was weak, but at the better end of the emerging markets spectrum. We retain high conviction here: Mexico is benefiting from its own structural reform programmes and with the benefit of US near-shoring it continues to show strength in industrial production and retail sales, with stable inflation. Meanwhile, we have cut our exposure to Strong get Stronger down to very low levels. With interest rates falling and credit made broadly available, it has been, quite simply, the wrong time to own the companies with the strongest balance sheets. But now is also the wrong time to cut the theme entirely, as was borne out in the second half of the year, when its relative performance started to improve with rising interest rates.

Activity levels within the portfolio have been somewhat higher than average. Having refreshed the thematic process during the year with the introduction of our two evolved themes, we generated a decent number of strong investment ideas which necessitated this turnover. We will likely see activity fall and stabilise from the average level in 2013 during the course of the coming year.

Performance (% change to 31.12.13)

	EquiSar - Socially Responsible (Sterling Hedged) A shares Acc	EquiSar - Socially Responsible (Sterling Hedged) F shares Acc	EquiSar - Socially Responsible (Sterling Hedged) I shares Acc	EquiSar - Socially Responsible (Sterling Hedged) P shares Acc	EquiSar - Socially Responsible (Sterling Hedged) X shares Acc	Benchmark ¹
Since launch on 01.06.11 to 31.12.13	+26.0	-	+28.3	-	+15.1	+36.0
Since launch on 16.10.12 to 31.12.13	-	+29.1	-	+18.0	-	30.1
31.12.12 to 31.12.13	+25.6	+25.6	+26.5	+14.7	+14.5	+28.2
31.12.11 to 31.12.12	+14.4	-	+15.2	-	+14.5	+15.7
31.12.10 to 31.12.11	-	-	-	-	-	-
31.12.09 to 31.12.10	-	-	-	-	-	-

Source: Sarasin. All data as at 31.12.13. 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 EquiSar - Socially Responsible Fund (Sterling Hedged)TM is a trademark of Sarasin & Partners LLP.

¹Benchmark: MSCI All Countries World Index (Local Currency). On 1st October 2013, the benchmark of this fund was changed from the MSCI World (Local Currency) to MSCI All Countries World Index (Local Currency).

Investment Objective & Policy

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

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

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

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

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

Ongoing Charges (%)

	as at 31.12.13 for last 12 months*	
	Inc	Acc
Share Class A	1.73	1.73
Share Class I	1.02	1.02
Share Class F	1.23	n/a
Share Class P	0.98	0.98
Share Class X	1.58	1.58

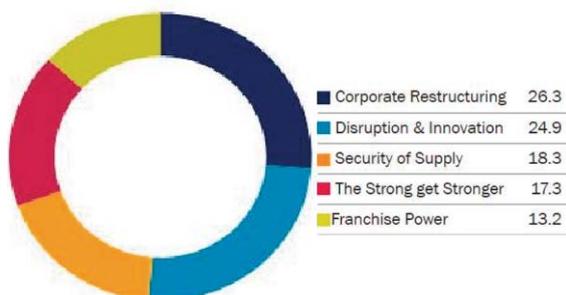
The ongoing charges figure is the ratio of the Fund's total discloseable costs (excluding overdraft interest) to the average net assets of the Fund.

Fund Managers

Harry Talbot Rice
Fund Manager

Mark Whitehead
Deputy Fund Manager

Thematic Equity Allocation (% as at 31.12.13)



Top 10 Equity Holdings

(as a % of portfolio as at 31.12.13)

Google Inc	3.2
Vodafone Group Plc	3.0
Hartford Financial Services	2.6
Citigroup Inc	2.6
Borgwarner Inc	2.5
JPMorgan Chase & Co	2.5
Pfizer Inc	2.4
Amgen Inc	2.4
BNP Paribas	2.3
Associated British Foods Plc	2.2

Net Income Distribution/Accumulation

to 28.02.14	Pence per Share		Per £1,000 invested at 01.06.11 (£)	
	Inc	Acc	Inc	Acc
2014¹				
Share Class A	0.7881	0.8218	7.88	8.22
Share Class F	0.6070	n/a	6.39	n/a
Share Class I	0.8101	0.8333	8.01	8.33
Share Class P	0.8000	0.8354	8.31	8.49
Share Class X	0.8006	0.8363	7.90	8.25
2013				
Share Class A	2.2140	2.2740	22.14	22.74
Share Class I	2.2389	2.3084	22.39	23.08
Share Class P	2.2230	2.2780	23.40	23.46
Share Class X	2.2226	2.6650	22.23	22.67
2012				
Share Class A	1.997	1.9984	19.97	19.98
Share Class I	2.0018	2.0068	20.02	20.07
Share Class P	-	-	-	-
Share Class X	1.9736	1.9973	19.74	19.97
2011				
Share Class A	-	-	-	-
Share Class I	-	-	-	-
Share Class X	-	-	-	-

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

Share Prices and Fund Size

	Share Price Range				Fund Size						
	Highest for the year (pence)		Lowest for the year (pence)		Net Asset Value (£)		Net Asset Value Pence per Share ¹		Number of Shares in Issue		
	Inc	Acc	Inc	Acc	31.12.13	Inc	Acc	Inc	Acc	Inc	Acc
2013*											
Share Class A	120.60	126.00	97.62	100.80		84,422	603,466	119.57	125.76	70,605	479,849
Share Class F	120.90	126.00	97.62	100.80		7,802	n/a	120.03	n/a	6,500	n/a
Share Class I	122.80	128.30	98.74	102.00		85,383,651	9,509	121.78	127.98	70,115,776	7,430
Share Class P	121.60	127.20	97.75	101.00		1,205	62,212	120.52	126.94	1,000	49,010
Share Class X	120.90	126.30	97.84	100.99		3,894,463	564,630	120.02	126.22	3,244,792	447,323
2012					31.12.12						
Share Class A	98.93	101.20	87.22	88.00		45,358	15,436	96.51	99.64	47,000	15,491
Share Class I	100.10	102.30	87.75	88.48		78,653,440	5,038	97.61	100.77	80,577,087	5,000
Share Class P	99.04	101.30	92.36	94.42		966	998	96.64	99.79	1,000	1,000
Share Class X	99.16	101.40	87.33	88.10		2,351,644	51,086	96.73	99.87	2,431,094	51,150
2011					31.12.11						
Share Class A	100.40	100.40	80.27	80.25		25,216	4,387	86.95	87.74	29,000	5,000
Share Class I	100.50	100.40	80.48	80.45		69,426,923	4,405	87.33	88.10	79,502,413	5,000
Share Class X	100.40	100.40	80.29	80.29		461,160	4,391	87.01	87.82	530,000	5,000

*to 31.12.13

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

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

F & P shares per £1,000 invested at Share Class Launch 16.10.12

Why Global Higher Dividend?

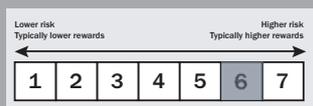
In the past, income-seeking investors have often had to give international investment a miss. Not any more. Companies all around the world are now responding to shareholder pressure to adopt progressive dividend policies. What is more, they are often increasing their dividends from a comparatively low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

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

Risk Profile

The Global Higher Dividend 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 value of the shares in the fund will vary due to changes in the share prices of investments within the fund, currency movements and changes in dividend policies pursued by the companies held.

Risk and Reward Profile



This risk and reward profile is based on historical data which may not be a reliable indication of the Fund's risk and reward category in the future.

The Fund's category is based on the rate at which the value of the Fund has performed in the past, and is not guaranteed to remain the same in the future.

The Fund is in category six because it invests in company shares which generally provide higher rewards and higher risks than other investments such as bonds, cash or commercial property.

A Fund in the lowest category is not a risk free investment.

Fund Facts

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

Sarasin Global Higher Dividend Fund™

On 31st December 2013, the name of this fund was changed from Sarasin International Equity Income Fund to Sarasin Global Higher Dividend Fund.

Fund Manager's Review

At the end of the first quarter we evolved two of our core investment themes. First, Intellectual Property & Excellence was replaced by Disruption & Innovation. This new theme focuses on companies able to use new products and services to disrupt existing markets and take market share, or to create markets that did not previously exist.

Second, we introduced Franchise Power, which was evolved from the long-standing Pricing Power theme. Franchise Power companies tend to be strong incumbents within a market, and typically do not suffer from the ebb and flow of demand which puts more marginal competitors at risk.

We have seen some signs over the period that companies are becoming more inclined to pay out dividends and to increase payout ratios. In the US, for example, 84% of the S&P 500 paid dividends at the end of Q3, the highest level in 20 years. S&P 500 dividends are forecast to increase by 8.7% over the next 12 months. In Europe, dividends are expected to increase 8.2% next year. European companies also appear to be more inclined to pay out dividends, and the payout ratio in Q3 of 52.9% was 860bp above the ten-year median for the index.

Although performance was below that of the benchmark, the underlying companies within the portfolio were operationally very strong in 2013. Companies held within the portfolio at year end generated average year-on-year sales growth of over 3% versus 0% from companies within the MSCI World in 2013. Similarly, net income growth was ahead of the market, with the average stock within the fund generating over 7% earnings growth versus 2.1% from companies within the benchmark. What's more, operating margins of companies within the portfolio expanded by more than 2.0 percentage points, versus just 38bps from companies within the benchmark. This

translated into strong returns on invested capital, with average ROIC/WACC of companies held within the fund at year end standing at a very healthy 1.3x. Finally, strong cash generation allowed our companies on average to increase their latest dividend by over 13%, versus dividend growth of just 9% from companies within the MSCI World.

In the US we saw a very strong dividend increase from Amgen: the quarterly dividend was raised 29.8% from 47c to 61c in Q4. The implied \$2.44 annual pay-out equates to a 30% pay-out ratio. Amgen's more mature peers pay out around 50% of earnings, and we therefore believe that there is potential for the dividend to be increased further.

Outlook

After an impressive 2013 performance, we believe equity markets will continue to benefit from ample central banks liquidity and increasing signs of economic recovery, in particular in the US and UK. In spite of the Fed's recent announcement of the beginning of QE tapering, market were encouraged by the central bank's comments indicating that interest rates should remain low for some time yet.

With highly accommodative monetary policy across the globe and an ongoing corporate focus on shareholder return, high-yielding equities remain attractive, especially with bond yields remaining low (almost nil in real terms). The portfolio reflects our view that high quality, high yield equities should outperform over the long term, as growing dividends are a powerful driver of total shareholder returns. We retain our bias towards companies with a great degree of financial autonomy, and are characterised by robust business models facilitating a high return on invested capital.

Performance (% change to 31.12.13) GBP Share class

	GHD A shares Acc	GHD F shares Acc	GHD I shares Acc	GHD P shares Acc	GHD X shares Acc	B'mark ¹ GBP
Since launch on 16.05.06 to 31.12.13	+59.4	-	+67.5	-	-	+64.4
Since launch on 18.01.10 to 31.12.13	-	-	-	-	+37.9	+49.6
Since launch on 16.10.12 to 31.12.13	-	+17.1	-	+18.6	-	+24.5
31.12.12 to 31.12.13	+16.8	+17.4	+17.4	+17.7	+16.8	+24.3
31.12.11 to 31.12.12	+10.8	-	+11.7	-	+11.0	+10.7
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

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 Higher Dividend Fund™ is a trademark of Sarasin & Partners LLP. ¹Benchmark: MSCI World Equity Index (Net USD)

Investment Objective & Policy

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

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

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

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

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

Ongoing Charges (%)

	as at 31.12.13 for last 12 months	
	Inc	Acc
Share Class A	1.73	1.73
Share Class F	-	1.23
Share Class I	1.08	1.08
Share Class P	0.98	0.98
Share Class X	1.58	1.58
Share Class A USD	1.73	1.73
Share Class I USD	-	1.08
Share Class A EUR	1.73	1.73
Share Class F EUR	-	1.23
Share Class I EUR	1.08	1.08
Share Class X EUR	1.58	1.58

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

Fund Managers

Mark Whitehead
Fund Manager

Darryl Lucas
Deputy Fund Manager

Performance (% change to 31.12.13) USD & EUR Share classes

	GHD A USD shares Acc	GHD I USD shares Acc	B'mark ⁴ USD	GHD A EUR shares Acc	GHD F EUR shares Acc	GHD I EUR shares Acc	GHD X EUR shares Acc	B'mark ⁴ EUR
Since launch on 02.06.12 to 31.12.13	+21.9	-	+32.4	-	-	-	-	-
Since launch on 16.10.12 to 31.12.13	-	-	-	-	-	-	-	-
Since launch on 06.07.12 to 31.12.13	-	-	-	+16.2	-	+17.0	-	+24.3
Since launch on 22.03.13 to 31.12.13	-	-	-	-	+6.7	-	-	+11.2
Since launch on 15.05.13 to 31.12.13	-	+8.0	+11.1	-	-	-	-	-
Since launch on 23.08.13 to 31.12.13	-	-	-	-	-	-	+6.1	+7.7
31.12.12 to 31.12.13 in USD	+18.9	-	+26.7	-	-	-	-	-
31.12.12 to 31.12.13 in EUR	-	-	-	+13.8	-	+14.6	-	+21.2
31.12.11 to 31.12.12	-	-	-	-	-	-	-	-
31.12.10 to 31.12.11	-	-	-	-	-	-	-	-
31.12.09 to 31.12.10	-	-	-	-	-	-	-	-
31.12.08 to 31.12.09	-	-	-	-	-	-	-	-

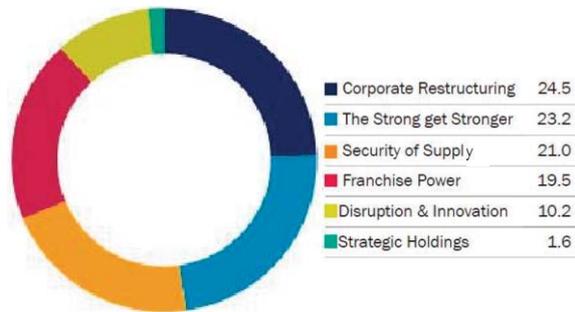
Source: Sarasin. All data as at 31.12.13. Please remember that you should not base decisions on past performance and that the prices may fluctuate and you may not get back your original investment. The fund's Synthetic Risk and Return Indicator is 6 (1 low to 7 high) and further details of the risks 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 Higher Dividend Fund™ is a trademark of Sarasin & Partners LLP. ⁴Benchmark: MSCI World Equity Index (Net USD)

Information for the Global Higher Dividend Fund is continued overleaf.

Sarasin Global Higher Dividend Fund™

Continued

Thematic Equity Allocation (% as at 31.12.13)



Top 10 Equity Holdings

(as a % of portfolio as at 31.12.13)

Vodafone Group Plc	3.2
Total SA	2.9
Mattel Inc	2.7
General Electric Co	2.6
Novartis	2.6
TDC	2.5
Emerson Electric Co	2.4
Automatic Data Processing	2.3
SES	2.3
Altria Group Inc	2.3

Net Income Distribution/Accumulation

to 28.02.14	Pence per Share		Per £1,000 invested at 02.01.09 (£)	
	Inc	Acc	Inc	Acc
2014¹				
Share Class A	1.8943	2.8583	20.60	28.08
Share Class F	1.5978	2.8901	15.98	21.26
Share Class I	2.0483	3.0835	21.93	29.71
Share Class P	2.1331	2.9479	20.86	21.72
Share Class X	1.9103	2.8679	19.47	25.11
	Cents per share		Per \$1,000 invested at 02.06.11 (\$)	
Share Class A USD	1.7925	2.0870	16.79	19.55
Share Class I USD	-	2.6992	-	3.38
	Cents per share		Per €1,000 invested at 11.07.12 (€)	
Share Class A EUR	2.3702	2.5507	13.70	25.51
Share Class F EUR	-	2.1828	-	4.03
Share Class I EUR	2.4490	2.5889	24.50	25.90
Share Class X EUR	1.9989	2.0247	18.17	18.41
2013				
	Pence per Share		Per £1,000 invested at 02.01.09 (£)	
Share Class A	5.3172	6.9376	57.83	68.15
Share Class F	0.5300	4.4144	5.30	32.45
Share Class I	5.5214	7.2396	59.12	69.75
Share Class P	5.2110	7.0249	50.96	51.76
Share Class X	5.3371	6.9663	54.38	61.00
	Cents per share		Per \$1,000 invested at 02.06.11 (\$)	
Share Class A USD	4.3924	5.1972	43.92	51.97
Share Class I USD	-	1.3509	-	6.74
	Cents per share		Per €1,000 invested at 11.07.12 (€)	
Share Class A EUR	4.3998	4.3905	44.00	43.91
Share Class F EUR	-	2.2284	-	3.95
Share Class I EUR	4.3474	4.3943	43.47	43.94
Share Class X EUR	1.1300	1.1600	10.27	10.55
2012				
	Pence per Share		Per £1,000 invested at 02.01.09 (£)	
Share Class A	5.1771	6.6107	56.30	64.94
Share Class F	-	-	-	-
Share Class I	5.3663	6.4326	57.46	61.97
Share Class P	-	-	-	-
Share Class X	5.1952	6.6428	52.94	58.16
	Cents per share		Per \$1,000 invested at 02.06.11 (\$)	
Share Class A USD	4.2456	4.2723	42.46	42.72
	Cents per share		Per €1,000 invested at 11.07.12 (€)	
Share Class A EUR	0.8739	0.8259	8.74	8.26
Share Class I EUR	0.8214	0.8214	8.21	8.21
2011				
	Pence per Share		Per £1,000 invested at 02.01.09 (£)	
Share Class A	4.5246	5.5234	49.21	54.26
Share Class I	4.5403	5.5808	48.61	53.76
Share Class X	4.4859	5.4250	45.70	47.50
	Cents per share		Per \$1,000 invested at 02.06.11 (\$)	
Share Class A USD	0.6874	0.6909	6.44	6.46
2010				
	Pence per Share		Per £1,000 invested at 02.01.09 (£)	
Share Class A	4.8594	5.6488	52.85	55.49
Share Class I	4.9678	5.8437	53.19	56.30
Share Class X	3.5370	4.1538	36.04	36.37
2009				
	Pence per Share		Per £1,000 invested at 02.01.09 (£)	
Share Class A	4.8170	5.4122	52.39	53.17
Share Class I	4.8199	5.4475	51.60	52.48

X shares per £1,000 invested at Share Class Launch 19.01.10

F & P shares per £1,000 invested at Share Class Launch 16.10.12

A USD per \$1,000 invested at Share Class Launch 02.06.11

I USD per \$1,000 invested at Share Class Launch 15.05.13

A EUR & I EUR per €1,000 invested at Share Class Launch 06.07.12

F per €1,000 invested at Share Class Launch 22.03.13

X EUR €1,000 invested at Share Class Launch 23.08.13

Share Prices and Fund Size											
	Share Price Range				31.12.13	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	Inc	Acc	Inc	Acc	Inc	Acc	
Share Class A	120.40	164.00	101.60	137.40	23,996,173	11,681,964	112.50	159.53	21,302,664	7,322,653	
Share Class F	120.40	163.70	101.60	136.90	11,392	11,075	114.11	159.76	9,983	6,932	
Share Class I	125.60	171.80	105.70	143.60	225,532,790	9,194,999	117.84	167.72	191,390,675	5,482,256	
Share Class P	121.10	165.00	101.90	137.70	38,402,017	6,294,358	113.70	161.22	33,775,669	3,904,094	
Share Class X	121.00	164.80	102.10	138.00	62,722,384	7,017,206	113.22	160.36	55,398,095	4,375,772	
	Highest for the year (cents)		Lowest for the year (cents)		Net Asset Value (\$)		Net Asset Value cents per Share ²		Number of Shares in Issue		
Share Class A USD	110.20c	121.90c	96.62c	103.40c	213,853	357,987	108.27c	121.73c	197,522	294,074	
Share Class I USD	110.00c	122.00c	97.00c	103.00c	-	2,382,930	-	122.29	-	1,948,641	
	Highest for the year (cents)		Lowest for the year (cents)		Net Asset Value (€)		Net Asset Value cents per Share ²		Number of Shares in Issue		
Share Class A EUR	113.00c	117.00c	100.00c	102.00c	2,141,205	5,536,637	108.15c	115.94c	1,979,760	4,775,412	
Share Class F EUR	113.00c	117.00c	100.00c	102.00c	-	166,866	-	116.52c	-	143,212	
Share Class I EUR	113.00c	118.00c	97.00c	102.00c	1,089	9,307,097	108.94c	116.98c	1,000	7,956,105	
Share Class X EUR	116.00c	117.00c	108.00c	108.00c	621,222	6,859,682	112.95c	116.14c	550,000	5,906,623	
2012					31.12.12						
Share Class A	104.10	138.00	95.61	123.40	26,684,838	17,309,206	100.77	136.31	26,481,285	12,698,821	
Share Class F	104.00	138.00	99.36	132.00	-	9,415	-	135.82	-	6,932	
Share Class I	108.10	144.00	99.13	128.00	215,916,228	16,804,777	104.87	142.42	205,885,431	11,799,827	
Share Class P	104.00	138.00	99.48	132.10	311,797	25,307	101.01	136.54	308,684	18,534	
Share Class X	104.50	138.50	95.92	123.70	65,148,558	15,278,071	101.25	136.86	64,345,957	11,162,893	
	Highest for the year (cents)		Lowest for the year (cents)		Net Asset Value (\$)		Net Asset Value cents per Share ²		Number of Shares in Issue		
Share Class A USD	95.13c	103.60c	87.71c	88.14c	743	186,274	94.62c	101.72c	1,000	152,053	
	Highest for the year (cents)		Lowest for the year (cents)		Net Asset Value (€)		Net Asset Value cents per Share ²		Number of Shares in Issue		
Share Class A EUR	105.00c	105.00c	99.00c	99.00c	2,733,907	3,899,821	135.25c	137.94	2,021,334	2,827,161	
Share Class I EUR	105.00c	105.00c	99.00c	99.00c	107,717	1,382	135.71c	138.20c	79,371	1,000	
2011					31.12.11						
Share Class A	110.10	135.60	88.91	110.40	24,965,018	16,679,704	96.33	123.76	25,917,376	13,477,084	
Share Class I	113.30	140.40	91.71	114.40	187,838,130	5,712,839	99.60	128.41	188,588,165	4,448,764	
Share Class X	110.30	135.90	89.15	110.70	62,285,796	15,066,381	96.64	124.09	64,450,114	12,141,326	
	Highest for the year (cents)		Lowest for the year (cents)		Net Asset Value (\$)		Net Asset Value cents per Share ²		Number of Shares in Issue		
Share Class A USD	100.00c	100.10c	79.34c	80.11c	863	445,218	86.29c	88.30c	1,000	504,189	
2010					31.12.10						
Share Class A	110.70	133.50	91.78	109.30	22,102,491	14,207,304	108.59	132.54	20,354,022	10,719,404	
Share Class I	113.60	137.70	93.96	112.40	143,249,423	8,413,877	111.55	136.72	128,418,229	6,153,979	
Share Class X	110.80	133.70	91.82	109.30	55,739,659	9,624,457	108.78	132.68	51,238,947	7,254,027	
2009					31.12.09						
Share Class A	102.10	117.30	73.61	81.43	50,695,103	12,550,744	99.20	115.43	51,102,105	10,873,097	
Share Class I	104.30	120.40	74.84	83.13	71,492,565	3,273,022	101.30	118.43	70,576,356	2,763,711	
2008					31.12.08						
Share Class A	111.70	117.60	77.82	84.79	22,648,905	8,850,965	90.40	100.01	25,052,906	8,850,012	
Share Class I	112.80	119.50	78.91	86.41	35,197,263	2,714,650	91.83	102.01	38,328,986	2,661,275	

*to 31.12.13

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

A & I shares Share Class Launch 02.01.08

X shares Share Class Launch 19.01.10

F & P shares Share Class Launch 16.10.12

A USD Share Class Launch 02.06.11

I USD at Share Class Launch 15.05.13

A EUR & I EUR at Share Class Launch 06.07.12

F EUR at Share Class Launch 22.03.13

X EUR at Share Class Launch 23.08.13

Why Global Higher Dividend 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 Higher Dividend 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 value of the shares in the fund will vary due to changes in the share prices of investments within the fund, currency movements and changes in dividend policies pursued by the companies held. The fund is largely hedged back to base (GBP), so fluctuations in major exchange rates will materially affect the value of the fund versus an unhedged equity benchmark.

Risk and Reward Profile



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

Fund Facts

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

Sarasin Global Higher Dividend Fund (Sterling Hedged)TM

On 31st December 2013, the name of this fund was changed from Sarasin Global Equity Income Fund (Sterling Hedged) to Sarasin Global Higher Dividend Fund (Sterling Hedged).

Fund Manager's Review

At the end of the first quarter we evolved two of our core investment themes. First, Intellectual Property & Excellence was replaced by Disruption & Innovation. This new theme focuses on companies able to use new products and services to disrupt existing markets and take market share, or to create markets that did not previously exist.

Second, we introduced Franchise Power, which was evolved from the long-standing Pricing Power theme. Franchise Power companies tend to be strong incumbents within a market, and typically do not suffer from the ebb and flow of demand which puts more marginal competitors at risk.

We have seen some signs over the period that companies are becoming more inclined to pay out dividends and to increase payout ratios. In the US, for example, 84% of the S&P 500 paid dividends at the end of Q3, the highest level in 20 years. S&P 500 dividends are forecast to increase by 8.7% over the next 12 months. In Europe, dividends are expected to increase 8.2% next year. European companies also appear to be more inclined to pay out dividends, and the payout ratio in Q3 of 52.9% was 860bp above the ten-year median for the index.

Although performance was below that of the benchmark, the underlying companies within the portfolio were operationally very strong in 2013. Companies held within the portfolio at year end generated average year-on-year sales growth of over 3% versus 0% from companies within the MSCI World in 2013. Similarly, net income growth was ahead of the market, with the average stock within the fund generating over 7% earnings growth versus 2.1% from companies within the benchmark. What's more, operating margins of companies within the portfolio expanded by more than 2.0 percentage points, versus just 38bps from companies within the benchmark. This translated into strong returns on invested capital, with average ROIC/WACC of companies held within the fund at year end standing at a very healthy 1.3x. Finally, strong cash generation allowed our companies on average to increase their latest dividend by over 13%, versus dividend growth of just 9% from companies within the MSCI World.

In the US we saw a very strong dividend increase from Amgen: the quarterly dividend was raised 29.8% from 47c to 61c in Q4. The implied \$2.44 annual pay-out equates to a 30% pay-out ratio. Amgen's more mature peers pay out around 50% of earnings, and we therefore believe that there is potential for the dividend to be increased further.

Outlook

After an impressive 2013 performance, we believe equity markets will continue to benefit from ample central banks liquidity and increasing signs of economic recovery, in particular in the US and UK. In spite of the Fed's recent announcement of the beginning of QE tapering, market were encouraged by the central bank's comments indicating that interest rates should remain low for some time yet.

With highly accommodative monetary policy across the globe and an ongoing corporate focus on shareholder return, high-yielding equities remain attractive, especially with bond yields remaining low (almost nil in real terms). The portfolio reflects our view that high quality, high yield equities should outperform over the long term, as growing dividends are a powerful driver of total shareholder returns. We retain our bias towards companies with a great degree of financial autonomy, and are characterised by robust business models facilitating a high return on invested capital.

Performance (% change to 31.12.13)

	Global Higher Dividend (Stg Hedged) A shares Acc ¹	Global Higher Dividend (Stg Hedged) I shares Acc	Global Higher Dividend (Stg Hedged) P shares Acc	Global Higher Dividend (Stg Hedged) X shares Acc	Benchmark ²
Since launch on 12.05.09 to 31.12.13	-	+73.3	-	+69.3	+88.4
Since launch on 28.09.09 to 31.12.13	+65.6	-	-	-	+61.7
Since launch on 16.10.12 to 31.12.13	-	-	+21.1	-	+30.8
31.12.12 to 31.12.13	+18.4	+18.9	+19.4	+18.6	+28.9
31.12.11 to 31.12.12	+14.5	+15.2	-	+14.7	+15.7
31.12.10 to 31.12.11	-7.2	-6.6	-	-7.2	-5.5
31.12.09 to 31.12.10	+11.1	+11.6	-	+11.1	+10.0
31.12.08 to 31.12.09	-	-	-	-	-
31.12.07 to 31.12.08	-	-	-	-	-

Source: Sarasin. All data as at 31.12.13. 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 Higher Dividend (Sterling Hedged)TM is a trademark of Sarasin & Partners LLP.

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

²Benchmark: MSCI World (local currency)

Investment Objective & Policy

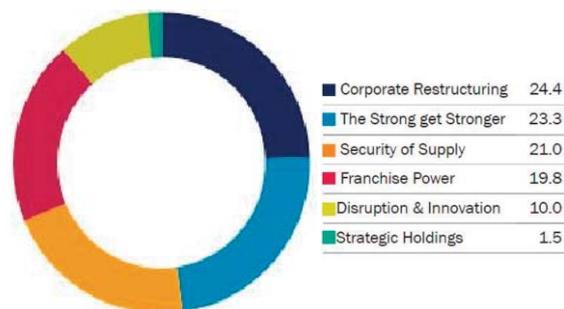
The Fund's objective is a consistently attractive level of income and long term capital appreciation in sterling terms.

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

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

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

Thematic Equity Allocation (% as at 31.12.13)



Top 10 Holdings

(as a % of portfolio as at 31.12.13)

Vodafone Group Plc	3.2
Mattel Inc	2.9
Total SA	2.8
General Electric Co	2.6
TDC	2.5
Novartis	2.5
Pfizer Inc	2.4
Automatic Data Processing	2.4
Emerson Electric Co	2.3
SES	2.2

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

Net Income Distribution/Accumulation

1 to 28.02.14	Pence per Share		Per £1,000 invested at 12.05.09 (£)	
	Inc	Acc	Inc	Acc
2014¹				
Share Class A	2.0844	2.7367	18.76	24.63
Share Class I	2.2046	2.9482	22.05	29.48
Share Class P	2.4211	2.9034	20.36	21.13
Share Class X	2.0928	2.8169	20.93	28.17
2013				
Share Class A	6.2017	7.0717	55.83	63.65
Share Class I	6.2946	7.2959	62.95	72.96
Share Class P	5.9631	6.9958	50.15	50.92
Share Class X	7.2007	7.1823	72.01	71.82
2012				
Share Class A	4.9441	5.5032	44.51	49.53
Share Class I	5.0636	5.7510	50.64	57.51
Share Class P	-	-	-	-
Share Class X	4.9663	5.6321	49.66	56.32
2011				
Share Class A	5.3640	5.7039	48.28	51.34
Share Class I	5.3402	5.7724	53.40	57.72
Share Class X	5.3636	5.8009	53.64	58.01
2010				
Share Class A	5.3560	5.4131	48.21	48.72
Share Class I	5.4002	5.5887	54.00	55.89
Share Class X	5.3696	5.5518	53.70	55.52
2009				
Share Class A	-	-	-	-
Share Class I	2.1900	0.8750	21.90	8.75
Share Class X	2.2223	1.4258	22.22	14.26

Ongoing Charges (%)

	as at 31.12.13 for last 12 months	
	Inc	Acc
Share Class A	1.74	1.74
Share Class I	1.09	1.09
Share Class P	0.99	0.99
Share Class X	1.59	1.59

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

Fund Managers

Mark Whitehead
Fund Manager

Darryl Lucas
Deputy Fund Manager

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		
	Inc	Acc	Inc	Acc	31.12.13	Inc	Acc	Inc	Acc	Inc	Acc
2013*											
Share Class A	136.30	165.60	119.70	140.90	5,811,025	1,225,309	134.23	165.58	4,329,079	740,012	
Share Class I	140.20	173.30	122.30	146.80	125,627,344	3,167,515	138.01	173.25	91,028,829	1,828,279	
Share Class P	138.10	167.30	119.90	141.10	369,763	48,521	135.67	167.25	272,554	29,012	
Share Class X	136.70	169.40	119.70	143.80	38,317,055	4,456,588	134.49	169.25	28,491,350	2,633,194	
2012											
Share Class A	122.00	141.00	115.80	133.90	4,785,581	1,329,063	118.12	139.14	4,051,297	955,190	
Share Class I	124.60	146.80	118.20	139.30	102,523,595	9,274,293	120.69	144.89	84,948,079	6,400,816	
Share Class P	122.20	141.20	115.90	133.90	1,184	1,393	118.39	139.31	1,000	1,000	
Share Class X	122.00	143.90	115.80	136.60	37,076,442	3,857,201	118.18	142.01	31,373,853	2,716,182	
2011											
Share Class A	127.40	136.40	100.90	110.04	3,347,214	1,177,226	109.34	122.33	3,061,308	962,334	
Share Class I	128.80	140.50	102.30	113.90	77,164,224	3,415,361	110.99	126.59	69,522,175	2,697,945	
Share Class X	127.30	139.00	100.80	112.50	33,043,290	2,304,338	109.23	124.66	30,250,491	1,848,458	
2010											
Share Class A	126.50	132.60	106.40	110.10	1,671,724	844,059	124.07	131.70	1,347,403	640,910	
Share Class I	127.60	136.30	107.00	112.90	88,841,216	2,335,883	125.18	135.40	70,970,896	1,725,175	
Share Class X	126.40	135.10	106.20	112.10	26,303,248	3,047,517	123.94	134.20	21,223,383	2,270,887	
2009											
Share Class A	119.40	119.40	109.80	109.80	533,207	102,319	117.42	118.82	454,108	86,114	
Share Class I	119.80	122.20	96.26	96.26	43,840,978	704,124	117.79	121.56	37,220,524	579,237	
Share Class X	119.30	121.70	96.19	96.21	15,536,098	879,483	117.31	121.11	13,243,988	726,203	

*to 31.12.13

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

A shares at share class launch 28.09.09

I & X shares share class launch 12.05.09

P shares share class launch 16.10.12

Sarasin GlobalSar - Strategic Fund™

On 31st December 2013, the name of this fund was changed from Sarasin GlobalSar - CautiousFund to Sarasin GlobalSar - Strategic Fund.

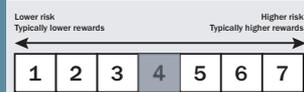
Why GlobaSar - Strategic (GBP)?

The GlobaSar - Strategic Fund seeks to provide a real return over the long term by investing 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.

Risk Profile

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

Risk and Reward Profile



This risk and reward profile is based on historical data which may not be a reliable indication of the Fund's risk and reward category in the future.

The Fund's category is based on the rate at which the value of the Fund has performed in the past, and is not guaranteed to remain the same in the future.

The fund is in category 4 because of the diversity of its investments in corporate and government bonds and company shares. This ranking is typically higher than a fund which invests in cash deposits, but lower than a fund which invests solely in company shares.

A Fund in the lowest category is not a risk free investment.

Fund Facts

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

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

Fund Manager's Review

2013 saw equities outperform government bonds by the greatest margin since the late 1990s. With the exception of emerging markets, most major equity markets were up 20% or more, with a strong start and finish to the year but a weak June, July and August. This summer weakness was triggered by the US Federal Reserve (Fed) announcing in May its intention to start 'tapering' its monthly asset purchases, and its subsequent effort to hone this message, stressing that any action was data dependent, and that tapering did not equate to tightening.

Global equities began the year cheap enough to rally despite the tapering fears, and this normalisation meant the majority of the gains for the year were due to rerating, not earnings growth. Most bond markets, however, had their worst annual performance since 1994, and 2013 saw the real yield expected from index-linked bonds rise back to positive territory after finishing 2012 still in negative territory. Gold and gold-miners suffered particularly badly in the rising rate environment, with the amount of gold held in ETFs falling 33% over the year, while yield sensitive equities like REITs and dividend stocks also underperformed.

Over the year, despite sharp changes in market interest rate expectations, we actually held our top level asset allocation relatively stable. A positive risk stance benefited the funds greatly at the start of the year, and while it resulted in some mid-year volatility (exacerbated by positive correlation between our equities and our bonds), we held our equity overweight through to the end of the year, resulting in a positive asset allocation effect. Within bonds, we modestly reduced our exposure to both credit and government issues, and increased our exposure to loan funds and other third party funds capitalising on opportunities where banks are encouraged by regulation to withdraw from certain businesses. Towards the latter half of the year we also reduced our duration, and while we expect the rise in bond yields to be well shepherded by central banks, there will undoubtedly be periods of volatility.

We used derivative protection to a limited extent through most of the year, and though this has been a slight drag on performance, it provided us protection against such events as a spike in bond yields, US default, or major economic or political

crisis. While we sold our gold positions last year, we only sold our last gold miner in March this year, before the majority of the fall in the gold price. On currencies, we profited from consistently hedging our yen position, and at the start of the year we also took an underweight stance versus sterling. Both currencies were hedged against the US dollar, but we ended the year with no significant currency positions.

Top contributors to performance for the year included Google, AB Foods, Prudential, Citigroup and Halliburton. Google continues to grow at an impressive rate, and the results for the year gave reassurance that as tablets and phones replace computers for browsing the internet, Google faces more opportunities than threats. AB Foods also did well, with continuing success as it rolls out the Primark format across Europe. Financials globally did well too, despite regulatory headwinds, with US names Citigroup and JP Morgan both benefitting from an improving US economy. Finally, while our exposure to oil & gas majors is relatively low, we benefited from the explosion in domestic US shale oil production through our investments in Halliburton and Valero. Halliburton benefits from increasing well complexity through providing oil field services, while Valero benefits from the ability to refine cheap domestic US oil and sell products at international prices. Detractors to fund performance were some of our longer duration government bonds, and also names exposed to emerging market growth. This included names like Glencore Xstrata and BHP Billiton, as well as Nissan and Jardine Matheson.

Outlook

Equity markets ended 2013 strongly, with the S&P 500 posting its best return in over 15 years. While we think valuations are unchallenging, and earnings recovery should be a little stronger this year, there are still reasons to be cautious. Bonds are unlikely to benefit from the gradual yield compression that provided such a tailwind even a year ago, and for equities the easy gains are likely behind us as valuations are in line with historic levels. However, in these conditions, we are confident that our robust stock picking process can continue to uncover the most compelling investment opportunities.

Performance (% change to 31.12.13)

	GlobalSar - Strategic (GBP) A shares Acc	GlobalSar - Strategic (GBP) AP shares Acc	GlobalSar - Strategic (GBP) I shares Acc	GlobalSar - Strategic (GBP) IP shares Acc	GlobalSar - Strategic (GBP) P shares Acc	GlobalSar - Strategic (GBP) PP shares Acc	GlobalSar - Strategic (GBP) XP shares Acc	Benchmark ¹
Since re-launch on 02.05.06 to 31.12.13	+28.7	+28.8	-	+35.3	-	-	-	+65.9
Since launch on 12.05.08 to 31.12.13	-	-	-	-	-	-	+11.8	+50.0
Since launch on 16.10.12 to 31.12.13	-	-	+11.1	-	+11.2	+10.8	-	+7.0
31.12.12 to 31.12.13	+8.8	+8.2	+8.9	+8.7	+9.1	+8.6	+8.6	+5.7
31.12.11 to 31.12.12	+9.0	+9.3	-	+10.0	-	-	+9.6	+6.1
31.12.10 to 31.12.11	-3.8	-3.5	-	-2.9	-	-	-3.3	+8.3
31.12.09 to 31.12.10	+8.0	+8.1	-	+8.6	-	-	+8.3	+8.4
31.12.08 to 31.12.09	+9.1	+8.3	-	+8.8	-	-	-	+3.8
31.12.07 to 31.12.08	-18.7	-18.0	-	-18.1	-	-	-	+7.0
31.12.06 to 31.12.07	+15.3	+14.2	-	+16.4	-	-	-	+7.9

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 GlobalSar - Strategic (GBP) Fund™ is a trademark of Sarasin & Partners LLP.

¹Benchmark: RPI +3.0%

Investment Objective & Policy

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

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

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

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

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

Asset Exposure (as at 31.12.13)				
%	Long	Short	Gross	Net
Fixed Interest	33.5	0.0	33.5	33.5
Equities	52.4	0.0	52.4	52.4
Property	1.0	0.0	1.0	1.0
Alternative Assets	9.0	0.0	9.0	9.0
Liquid Assets	0.0	0.0	0.0	4.0
TOTALS	96.0	0.0	96.0	100.0

Top 10 Holdings (as a % of portfolio as at 31.12.13)	
JGF-Global Convertible	2.1
Bluecrest Allblue Fund Ltd	1.9
Google Inc	1.8
NB Distressed Debt	1.5
EI Sturza-Nippon Growth-D	1.4
Associated British Foods Plc	1.3
International Public Partnership Ltd	1.3
Citigroup Inc	1.3
Halliburton Co	1.2
JPMorgan Chase & Co	1.2

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

Net Income Distribution/Accumulation				
to 28.02.14	Pence per Share		Per £1,000 invested at 02.01.08 (£)	
	Inc	Acc	Inc	Acc
2014¹				
Share Class A	8.4139	13.6961	11.32	12.38
Share Class AP	1.0153	1.1608	11.08	11.95
Share Class I	8.4421	15.7231	9.33	10.98
Share Class IP	9.1203	15.3580	11.45	13.15
Share Class P	1.0378	1.2458	10.12	10.68
Share Class PP	0.8222	0.8187	8.02	7.02
Share Class X	1.0639	1.2187	102.82	10.35
Share Class XP	1.0141	1.1890	10.14	11.89
2013				
Share Class A	20.2092	31.5645	27.18	28.54
Share Class AP	2.4841	2.7562	27.11	28.36
Share Class I	-	16.9995	-	11.87
Share Class IP	22.9910	47.7736	28.85	40.90
Share Class P	2.5420	2.9720	24.80	25.47
Share Class PP	2.5300	2.8750	24.68	24.64
Share Class X	0.7005	0.9588	67.70	8.14
Share Class XP	2.5079	2.8942	25.08	28.94
2012				
Share Class A	20.4393	31.9359	27.49	28.88
Share Class AP	2.5835	2.8037	28.19	28.85
Share Class IP	24.6408	38.1128	30.92	32.63
Share Class P	-	-	-	-
Share Class PP	-	-	-	-
Share Class XP	2.6692	3.0177	26.69	30.18
2011				
Share Class A	15.9786	24.5444	21.49	22.19
Share Class AP	2.0063	2.1767	21.90	22.40
Share Class IP	18.5946	28.0102	23.34	23.98
Share Class XP	2.0380	2.2264	20.38	22.26
2010				
Share Class A	12.5996	19.0523	16.95	17.23
Share Class AP	1.4197	1.4999	15.49	15.44
Share Class IP	12.7567	18.9628	16.01	16.24
Share Class XP	1.4281	1.5224	14.28	15.22
2009				
Share Class A	18.5343	27.3812	24.93	24.76
Share Class AP	2.2064	2.2861	24.08	23.53
Share Class IP	20.6943	29.4919	25.97	25.25
Share Class XP	2.1509	2.2685	21.51	22.69

Ongoing Charges (%)

	as at 31.12.13 for last 12 months	
	Inc	Acc
Share Class A	1.74	1.74
Share Class AP	-	-
Share Class I	-	1.09
Share Class IP	-	-
Share Class P	0.99	0.99
Share Class PP	-	-
Share Class X	1.59	1.59
Share Class XP	-	-

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

Fund Managers

Mark Whitehead
Fund Manager

Aram Compton
Deputy Fund Manager

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		
	Inc	Acc	Inc	Acc	31.12.13	Inc	Acc	Inc	Acc	Inc	Acc
2013*											
Share Class A	938.80	1,518.00	840.10	1,358.00	2,930,922	32,791,467	891.98	1,472.99	328,588	2,226,185	
Share Class AP	113.60	130.80	103.40	119.10	605,290	6,168,410	109.46	128.65	552,954	4,794,660	
Share Class I	1,006.00	1,632.00	913.50	1,464.00	-	1,191,238	-	970.04	-	122,803	
Share Class IP	1,006.00	1,612.00	903.50	1,464.00	51,017,227	1,903,111	972.85	1,588.01	5,244,115	119,843	
Share Class P	116.00	133.70	103.60	119.30	5,407	5,426	110.51	129.73	4,893	4,183	
Share Class PP	114.10	131.40	103.60	119.40	6,048	89,035	110.28	129.12	5,484	68,953	
Share Class X	115.60	133.20	104.30	120.30	1,172,973	916,314	110.49	129.43	1,061,573	707,950	
Share Class XP	114.70	132.30	104.30	120.30	21,067,547	13,518,933	110.73	130.38	19,026,650	10,369,163	
2012											
Share Class A	850.80	1,360.00	791.70	1,245.00	4,837,896	32,932,686	837.03	1,352.96	577,982	2,434,115	
Share Class AP	104.70	119.20	97.27	108.90	1,393,997	8,331,051	102.99	118.60	1,353,574	7,024,324	
Share Class IP	926.10	1,466.00	855.20	1,330.00	49,255,140	16,147,398	910.09	1,458.26	5,412,128	1,107,308	
Share Class P	104.90	119.40	101.50	115.50	1,031	1,188	103.15	118.82	1,000	1,000	
Share Class PP	104.90	119.40	101.50	115.50	1,032	1,189	103.19	118.90	1,000	1,000	
Share Class XP	105.70	120.50	97.84	109.70	22,243,508	15,724,116	103.89	119.84	21,411,353	13,120,520	
2011											
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 AP	104.90	114.90	95.17	105.50	2,720,654	10,760,766	96.99	108.86	2,804,950	9,885,342	
Share Class IP	919.90	1,397.00	835.70	1,286.00	46,503,866	12,604,218	852.80	1,329.63	5,453,068	947,950	
Share Class XP	105.40	115.50	95.67	106.20	22,864,822	21,334,712	97.57	109.68	23,434,808	19,451,081	
2010											
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 AP	103.90	112.90	93.65	100.80	5,783,212	11,748,403	102.85	112.59	5,622,747	10,434,980	
Share Class IP	909.50	1,371.00	816.70	1,218.00	70,338,092	16,431,297	900.03	1,366.49	7,815,051	1,202,444	
Share Class XP	104.30	113.50	93.91	101.10	24,966,482	22,118,451	103.20	113.11	24,193,224	19,554,588	
2009											
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 AP	97.76	104.80	81.32	86.24	6,368,184	12,437,015	96.78	104.08	6,580,270	11,949,913	
Share Class IP	852.00	1,266.00	707.80	1,038.00	73,632,459	11,913,341	843.38	1,257.28	8,730,672	947,550	
Share Class XP	98.02	105.20	81.52	86.47	29,604,905	21,198,714	97.03	104.40	30,511,827	20,304,767	

*to 31.12.13

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

A, AP & IP shares share class launch 02.01.08
 XP shares share class launch 15.07.08
 I, P, PP & X shares share class launch 16.10.12

Why Sterling Bond Fund?

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

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

With a 3.9% yield from an investment grade portfolio, our actively-managed Sterling Bond Fund is a wake up call for sleepy bond money.

Risk Profile

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

Risk and Reward Profile



This risk and reward profile is based on historical data which may not be a reliable indication of the Fund's risk and reward category in the future.

The Fund's category is based on the rate at which the value of the Fund has performed in the past, and is not guaranteed to remain the same in the future.

The fund is in category 4 because it invests in solely corporate and government bonds, this ranking is typically higher than a fund which invests in cash deposits, but lower than a fund which invests solely in company shares.

A Fund in the lowest category is not a risk free investment.

Fund Facts

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

Sarasin Sterling Bond Fund™

Fund Manager's Review

Over the course of 2013 we have steadily reduced the government bond exposure from 52% to 45%, using the proceeds to move into higher yielding corporate names such as High Speed Rail 1 (the Kent Channel tunnel link), Arqiva (the TV communications infrastructure company), UPP and Unite (university accommodation providers) and electricity transmission companies such as EDF, Western Power and Greater Gabbard (this latter from an offshore wind farm). We believe these companies and others of a similar nature in the portfolio will benefit from the recovering UK economy, generating increasing revenues to further secure their balance sheets and service their debt.

Another noteworthy shift over the last twelve months has been to add almost 4% to higher yielding third party funds covering asset-backed securities, US and euro high yield, and bank loans. The knowledge of the specialist managers in these areas is a critical factor. The strategic aim is to increase the fund's exposure to parts of the market that are closely linked to short-term interest rates, thus benefiting should rates rise.

Investment Outlook

We expect the demand for corporate bonds to remain strong. Indeed various estimates indicate a shortfall of issuance over anticipated demand in 2014. That said, credit spreads have already tightened significantly and value is now somewhat limited. Nonetheless there are sufficient opportunities to add value, mainly at the lower end of the investment grade spectrum. Subordinated bank debt will be an interesting area as Europe proceeds through its key bank Asset Quality Review and the stress tests later this year.

Now that the US tapering programme has begun, the market is contemplating the pace of 'normalisation' of government 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 Great Financial Crisis. To achieve this, rates are likely to remain unchanged for longer than money markets currently discount. Nonetheless, markets will tend to second-guess future rates action and will be prone to rising yields. Consequently, bond capital values will remain under pressure with the positive contribution coming essentially from income flow. In such circumstances a gradual yield adjustment would be preferable but, like last year, we shall look at hedging against a more aggressive move and staying over-weight higher yielding corporate bonds. Overall, we are looking for a modest performance anchored by solid credits.

Finally, as a reminder, from 1st July the benchmark moved to a 50:50 split between UK gilts and GBP non-gilts, which more closely represents the investment policy in practice. We have always aimed to enhance the return by the use of corporate bonds. The benchmark adjustment has already reduced the variability of relative performance without altering our investment philosophy.

Performance (% change to 31.12.13)

	Sterling Bond Fund A shares Acc	Sterling Bond Fund I shares Acc	Sterling Bond Fund P shares Acc	Benchmark ¹
Since launch on 01.07.09 to 31.12.13	+26.2	-	-	+28.4
Since launch on 04.05.06 to 31.12.13	-	+36.3	-	+52.7
Since launch on 16.10.12 to 31.12.13	-	-	-1.2	-2.0
31.12.12 to 31.12.13	+3.3	+3.6	+3.3	+2.0
31.12.11 to 31.12.12	+7.9	+8.1	-	+2.7
31.12.10 to 31.12.11	+9.9	+10.5	-	+15.6
31.12.09 to 31.12.10	+6.4	+6.9	-	+7.2
31.12.08 to 31.12.09	-	+1.4	-	-1.2
31.12.07 to 31.12.08	-	+5.0	-	+12.8
31.12.06 to 31.12.07	-	+2.5	-	+5.3

Source: Sarasin. All data as at 31.12.13. 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. *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.

¹Benchmark: FTSE Gilts All Stocks

Investment Objective & Policy

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

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

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

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

Ongoing Charges (%)

	as at 31.12.13 for last 12 months	
	Inc	Acc
Share Class A	1.46	1.46
Share Class I	0.71	0.71
Share Class P	0.71	0.71

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

Fund Managers

John Godley
Fund Manager

Martin Price
Fund Manager

Bond Sectors (% as at 31.12.13)			
Banks	10.3	Quasi-Govt	0.5
Capital Goods - Diversified	0.7	Real Estate	2.5
Charitable Trust	1.1	Retail - Food	1.7
Consumer - Cyc	0.4	Retail - Non-Food	0.9
Consumer - Non-Cyc	0.8	Supra National	3.6
Energy - Integrated	2.7	Telecom	2.7
Finance/Leasing	1.6	Transport	7.3
Government	45.3	Utility - Distribution	3.4
Insurance - Life	2.7	Utility - Integrated	3.1
Insurance - Multi-Line	2.1	Utility - Water	2.3
Pharma	1.3	Whole Bus. Securitisation	3.0

Top 10 Government Bond Holdings (as a % of portfolio as at 31.12.13)	
Treasury 3.7500% 07/09/19 GBP	6.7
Treasury 8.0000% 07/06/21 GBP	5.5
Treasury 4.0000% 07/03/22 GBP	4.8
Treasury 3.7500% 07/09/21 GBP	4.7
Treasury 4.2500% 07/12/27 GBP	4.4
Treasury 4.2500% 07/03/36 GBP	4.0
Treasury 1.2500% 22/07/18 GBP	3.4
Treasury 4.5000% 07/12/42 GBP	2.5
Treasury 4.5000% 07/09/34 GBP	2.5
US Treasury N/B 1.3750% 31/01/20 USD	2.4

Bond Rating (% as at 31.12.13)			
AAA	7.2	BB	2.1
AA	48.5	B	0.8
A	13.3	Not Rated	2.7
BBB	25.4		

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		
	Inc	Acc	Inc	Acc	31.12.13	Inc	Acc	Inc	Acc	Inc	Acc
2013*											
Share Class A	111.60	145.60	102.40	134.70		1,783,092	103,604	101.50	135.67	1,756,664	76,365
Share Class I	113.00	147.70	103.90	137.10		132,218,256	3,219,158	103.15	138.50	128,179,501	2,324,369
Share Class P	112.10	146.50	103.30	135.90		11,384	97,930	102.52	137.48	11,105	71,234
2012					31.12.12						
Share Class A	109.90	141.20	103.30	129.80		1,361,645	724,418	108.20	140.14	1,258,505	516,926
Share Class I	111.00	142.60	104.30	104.80		149,887,099	2,679,626	109.33	141.77	137,091,686	1,890,160
Share Class P	110.00	141.40	107.80	138.50		1,084	1,406	108.43	140.59	1,000	1,000
2011					31.12.11						
Share Class A	105.10	130.40	96.08	115.90		739,864	1,776,865	103.53	129.70	714,622	1,369,980
Share Class I	106.20	131.80	96.57	116.50		146,917,461	1,615,969	104.58	131.06	140,480,871	1,233,020
2010					31.12.10						
Share Class A	103.10	122.30	96.31	111.50		493,516	155,550	97.98	118.14	503,682	131,670
Share Class I	103.40	122.70	96.19	111.50		166,442,405	2,661,940	98.40	118.66	169,145,676	2,243,332
2009					31.12.09						
Share Class A	98.89	-	93.24	-		241,211	-	95.90	-	251,516	-
Share Class I	99.20	113.80	92.16	103.20		150,571,666	2,104,693	95.78	110.98	157,201,560	1,896,457
2008					31.12.08						
Share Class I	100.10	109.90	91.14	100.10		130,680,526	1,304,271	98.13	109.23	133,164,527	1,194,021
2007					31.12.07						
Share Class I	101.20	104.70	93.99	97.24		124,922,103	1,180,487	97.65	104.56	127,923,968	1,129,013

*to 31.12.13

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

A shares per £1,000 invested at share class launch 01.07.09

I shares per £1,000 invested at share class launch 02.01.07

P shares per £1,000 invested at share class launch 16.10.12

Net Income Distribution/Accumulation				
to 28.02.14	Pence per Share		Per £1,000 invested at 02.01.09 (£)	
	Inc	Acc	Inc	Acc
2014²				
Share Class A	0.8644	1.1755	9.19	12.04
Share Class I	0.9047	1.2140	9.16	11.05
Share Class P	0.9052	1.1166	8.31	7.98
2013				
Share Class A	2.6438	3.5700	28.11	36.58
Share Class I	2.7964	3.6209	28.32	32.95
Share Class P	2.7142	3.7360	24.92	26.69
2012				
Share Class A	3.7578	4.7415	39.96	48.58
Share Class I	3.8140	4.7638	38.63	43.35
Share Class P	-	-	-	-
2011				
Share Class A	3.7711	4.4499	40.10	45.58
Share Class I	3.9373	4.8437	39.88	44.07
2010				
Share Class A	3.5542	1.7208	37.79	17.63
Share Class I	3.8890	4.5269	39.39	41.19
2009				
Share Class I	3.8228	4.3032	38.72	39.16

A shares per £1,000 invested at share class launch 01.07.09

I shares per £1,000 invested at share class launch 02.01.07

P shares per £1,000 invested at share class launch 16.10.12

† Source: OBSR & Citywire, as at Jan 2013

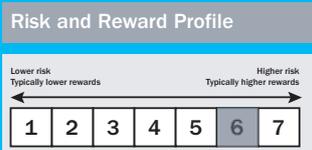
Why the AgriSar Fund?

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.



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

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

Sarasin AgriSar Fund™

Fund Manager's Review

The fund generated a return of 3.2% last year, in company with other food and agri funds and indices but significantly behind the broad global equity market measured by the MSCI World Index (MSCI), which saw a return of 24%. This large difference can be accounted for by positive factors driving the MSCI and issues that subdued stocks related to food and diet change.

AgriSar rose 15% in the first ten weeks of the year, broadly keeping track with the MSCI, but fell back 10% in June after the first announcement of the proposed tapering of US Quantitative Easing (QE). Thereafter the unit price moved sideways but, after a dip, the MSCI continued to rise.

The MSCI was driven by a rerating in economically sensitive stocks in developed markets as investors anticipated a recovery in US growth and amelioration of recessionary conditions in Europe and Japan. Cyclical sectors such as Autos were particularly strong (+31%) but staples (non-cyclical sectors such as food) responded much less. The MSCI does not include Emerging Market stocks which were very weak (broad EM indices were down 5% over the year).

A key component of the food theme is diet change in EM and, mindful of some of the macro effects that have affected EM recently, AgriSar has been holding much less in EM listed names than it might, holding only about a third in EM and Pacific Basin-listed stocks and reducing exposure since 2011. Nonetheless, it could not escape such a significant downdraft in EM markets and currencies. Equally, the US and Japan were very strong regions and the fund has much less there than the MSCI – this is not where we see much scope for farm productivity improvement and we see limited growth prospects in the medium term. The corn price is a major driver of US farm incomes and it fell 40% during the year.

In H1 we sold out of Kubota, the only Japanese holding while the purchase of China Mengniu Dairy increased our Pacific ex. Japan exposure. Relative weakness in EM stocks reduced their allocation. In the second half of the year, sales of Deere, Yum! and the weakness in fertiliser names reduced the North

American exposure while a new position in Ocado and increased holdings in Marine Harvest, Yara and Kerry Group boosted the European allocation.

As mentioned above, the themes driving the AgriSar investment philosophy are strongly driven by emerging markets but, mindful of macro pressures affecting many markets, we have held our EM exposure relatively low.

Throughout the year we reduced exposure to the production end of the food and agricultural spectrum through sales of fertiliser and equipment names as we expected these to be impacted by falling grain prices. We also sold out of our position in Jain Irrigation bringing our allocation to water to zero. At the consumption end of the food and agricultural value chain we have significantly increased the weight of processors in the portfolio. While performance in many of these names has been muted this year, we see consistent and robust above market earnings growth rates from this segment of the value chain and expect this to be reflected in share prices in 2014.

Outlook

While economic growth prospects in the US and UK are getting better, there are still reasons for investors to be wary and to diversify their portfolios. AgriSar's performance is driven less by the mature markets of the developed world and more by the expanding global 'middle class' which is set to expand from 1.8 billion people in 2009, to 3.2 billion in 2020 and to 4.9 billion by 2030. Spending patterns change dramatically as income levels rise from below \$1,000 p.a. to between \$3,000 - \$5,000 p.a. A key change is typically diet, and consumers begin to eat more meat, fish, dairy, fruit, wines, confectionary, ready meals, fizzy drinks and enjoy more restaurant meals... Our thematic approach is about identifying long-term change and seeking out businesses that are likely beneficiaries of it. The performance of the fund will differ from the wider market in the short term, sometimes markedly, but over time we have confidence in the positive change in the dynamics of the food economy which are captured in the Sarasin AgriSar portfolio.

Performance (% change to 31.12.13)

	AgriSar Fund A shares Acc	AgriSar Fund AP shares Acc	AgriSar Fund F shares Acc	AgriSar Fund FP shares Acc	AgriSar Fund I shares Acc	AgriSar Fund IP shares Acc	AgriSar Fund P shares Acc	AgriSar Fund PP shares Acc	AgriSar Fund X shares Acc	AgriSar Fund XP shares Acc	Benchmark [†]
Since launch on 31.03.08 to 31.12.13	-	+17.9	-	-	-	+21.4	-	-	-	+16.8	+57.5
Since launch on 09.03.12 to 31.12.13	+6.4	-	-	-	-	-	-	-	+6.7	-	+26.8
Since launch on 16.10.12 to 31.12.13	-	-	+3.9	+3.7	+3.5	-	+4.4	+4.7	-	-	+24.5
31.12.12 to 31.12.13	+3.0	+3.2	+3.6	+3.2	+3.0	+3.9	+3.9	+4.0	+3.2	+3.5	+34.3
31.12.11 to 31.12.12	-	+12.4	-	-	-	+13.1	-	-	-	+12.5	+10.7
31.12.10 to 31.12.11	-	-15.7	-	-	-	-15.2	-	-	-	-15.6	-4.8
31.12.09 to 31.12.10	-	+21.6	-	-	-	+22.4	-	-	-	+21.6	+15.3
31.12.08 to 30.12.09	-	+22.0	-	-	-	+22.9	-	-	-	+20.1	+15.7
31.12.07 to 31.12.08	-	-	-	-	-	-	-	-	-	-	-
31.12.06 to 31.12.07	-	-	-	-	-	-	-	-	-	-	-

Source: Sarasin. All data as at 31.12.13. 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 AgriSar Fund™ is a trademark of Sarasin & Partners LLP

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

Investment Objective & Policy

The fund seeks to achieve capital appreciation.

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

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

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

Ongoing Charges (%)

	as at 31.12.13 for last 12 months	
	Inc	Acc
Share Class A	1.99	1.99
Share Class AP	1.74	1.74
Share Class F	-	1.49
Share Class FP	-	1.24
Share Class I	1.34	1.34
Share Class IP	1.09	1.09
Share Class P	1.24	1.24
Share Class PP	0.99	0.99
Share Class X	1.84	1.84
Share Class XP	1.59	1.59

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

Fund Managers

Henry Boucifer
Fund Manager

Ed Bailey
Deputy Fund Manager

*to 31.12.13

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

AP, IP & XP shares per £1,000 invested at share class launch 31.03.08

A & X shares per £1,000 invested at share class launch 09.03.12

F, FP, I, P, PP & X shares per £1,000 invested at share class launch 16.10.12

Geographic Allocation (% as at 31.12.13)



Europe ex. UK	34.7
North America	24.7
Emerging Markets	20.2
Pacific ex. Japan	10.6
United Kingdom	9.3
Liquid Assets	0.5

Top 10 Equity Holdings

(as a % of portfolio as at 31.12.13)

Barry Callebaut	4.1
Syngenta	3.9
Marine Harvest	3.8
Charoen Pokphand Food	3.8
Bunge Ltd	3.5
Intl Flavors and Fragrances	3.5
Dairy Farm Intl Holdings	3.5
Costco Wholesale Corp	3.4
Kerry Group Plc	3.2
China Mengniu Dairy Co	3.2

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

Net Income Distribution/Accumulation

to 28.02.14	Pence per Share		Per £1,000 invested at 31.03.09 (£)	
	Inc	Acc	Inc	Acc
2014¹				
Share Class A	0.3183	0.3244	3.18	3.24
Share Class AP	0.4049	0.4196	4.05	4.20
Share Class F	-	0.4366	-	4.26
Share Class FP	-	0.5406	-	4.78
Share Class I	0.5082	0.5174	4.50	4.47
Share Class IP	0.5699	0.5927	5.70	5.93
Share Class P	0.4818	0.4937	4.73	4.81
Share Class PP	0.5841	0.6066	5.26	5.36
Share Class X	0.3573	0.3587	3.57	3.59
Share Class XP	0.4383	0.4502	4.38	4.50
2013				
Share Class A	1.2963	1.3159	12.96	13.16
Share Class AP	1.5383	1.5649	15.38	15.65
Share Class F	-	0.9376	-	9.14
Share Class FP	-	1.0744	-	9.49
Share Class I	1.2685	1.0882	11.23	9.41
Share Class IP	1.8582	1.9095	18.58	19.09
Share Class P	1.5565	1.5677	15.29	15.28
Share Class PP	1.7084	1.7464	15.38	15.43
Share Class X	1.4160	1.4023	14.16	14.02
Share Class XP	1.5970	1.6203	15.97	16.20
2012				
Share Class A	0.7129	0.7292	7.13	7.29
Share Class AP	0.9930	0.9972	9.93	9.97
Share Class IP	1.2652	1.2762	12.65	12.76
Share Class X	0.7570	0.7570	7.57	7.57
Share Class XP	1.0463	1.0566	10.46	10.57
2011				
Share Class AP	0.8983	0.9001	8.98	9.00
Share Class IP	1.1389	1.0541	11.39	10.54
Share Class XP	0.9186	0.9110	9.19	9.11
2010				
Share Class AP	0.3984	0.4648	3.98	4.65
Share Class IP	0.7785	0.7376	7.79	7.38
Share Class XP	0.5695	0.2916	5.70	2.92
2009				
Share Class AP	0.3915	0.3924	3.92	3.92
Share Class IP	0.6435	0.6443	6.44	6.44
Share Class XP	0.4384	0.4583	4.38	4.58

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		
	Inc	Acc	Inc	Acc	31.12.13	Inc	Acc	Inc	Acc	Inc	Acc
2013*											
Share Class A	118.00	119.50	102.40	104.20	1,039,428	10,543,648	103.62	106.01	1,003,136	9,945,446	
Share Class AP	129.00	132.30	111.90	115.10	4,937,297	62,298,983	113.25	117.51	4,359,661	53,013,705	
Share Class F	118.00	119.80	102.40	104.20	-	17,172	-	106.61	-	16,107	
Share Class FP	129.00	131.90	111.90	114.50	-	116,477	-	117.51	-	99,123	
Share Class I	132.40	135.50	114.90	117.80	11,317	105,134	116.32	119.97	9,729	87,633	
Share Class IP	131.70	135.70	114.30	117.80	24,805,976	16,048,514	115.78	121.02	21,424,646	13,261,461	
Share Class P	118.80	120.40	103.10	104.50	6,641,535	1,925,278	104.41	107.29	6,360,941	1,794,398	
Share Class PP	129.40	132.90	112.40	115.20	2,117,166	10,566,407	113.86	118.64	1,859,504	8,906,061	
Share Class X	118.20	119.80	102.60	104.20	14,024	290,605	103.88	106.31	13,500	273,345	
Share Class XP	128.70	130.90	111.70	113.80	4,599,020	1,330,488	113.04	116.38	4,068,381	1,143,215	
2012											
Share Class A	103.20	104.00	92.12	92.12	626,367	6,761,706	101.78	103.07	615,408	6,560,435	
Share Class AP	112.90	115.10	100.70	102.20	11,197,695	65,790,848	111.18	113.99	10,071,949	57,715,279	
Share Class FP	-	114.30	-	114.30	-	4,712	-	113.38	-	4,156	
Share Class I	115.10	-	111.20	-	9,689	-	113.88	-	8,508	-	
Share Class IP	115.00	117.80	102.50	104.20	41,793,355	28,916,387	113.19	116.65	36,922,317	24,789,255	
Share Class P	103.50	104.30	98.92	99.70	14,934	56,533	101.99	103.40	14,642	54,672	
Share Class PP	112.90	115.10	108.00	110.10	1,113	1,141	111.34	114.11	1,000	1,000	
Share Class X	103.20	104.00	92.07	92.07	1,018	1,031	101.78	103.14	1,000	1,000	
Share Class XP	112.50	113.80	100.40	101.00	8,850,342	1,859,377	110.83	112.73	7,985,853	1,649,431	
2011											
Share Class AP	121.50	121.80	92.23	93.19	10,942,311	67,709,306	100.25	101.67	10,915,160	66,596,156	
Share Class IP	122.70	123.20	93.54	94.70	36,504,124	37,176,618	101.70	103.48	35,894,739	35,926,007	
Share Class XP	120.90	120.20	91.87	91.99	8,305,343	2,888,863	99.85	100.40	8,317,479	2,877,230	
2010											
Share Class AP	120.80	121.10	95.44	95.58	6,204,359	51,833,626	120.46	120.77	5,150,694	42,919,112	
Share Class IP	122.00	122.50	95.93	96.32	32,822,901	45,601,416	121.63	122.15	26,986,415	37,330,927	
Share Class XP	120.20	119.50	94.68	94.31	9,858,847	5,426,236	119.89	119.13	8,223,488	4,554,768	
2009											
Share Class AP	101.00	100.70	70.58	70.20	2,827,851	28,232,822	98.88	98.72	2,859,828	28,598,871	
Share Class IP	101.60	101.20	70.38	70.12	22,821,395	35,555,565	99.18	99.15	23,010,734	35,859,628	
Share Class XP	100.20	99.33	69.72	70.41	7,338,836	1,972,990	97.99	97.40	7,489,385	2,025,668	
2008											
Share Class A	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	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	109.10	109.50	65.31	65.56	5,273,363	343,870	80.25	81.06	6,571,560	424,238	

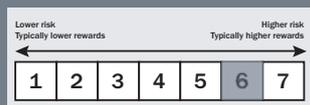
Why Global Dividend Fund?

The Sarasin Global Dividend Fund seeks to achieve long-term growth whilst also generating a premium income to the benchmark.

Risk Profile

The Global Dividend 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 value of the shares in the fund will vary due to changes in the share prices of investments within the fund, currency movements and changes in dividend policies pursued by the companies held.

Risk and Reward Profile



This risk and reward profile is based on historical data which may not be a reliable indication of the Fund's risk and reward category in the future.

The Fund's category is based on the rate at which the value of the Fund has performed in the past, and is not guaranteed to remain the same in the future.

The fund is in category 4 because it invests in solely corporate and government bonds, this ranking is typically higher than a fund which invests in cash deposits, but lower than a fund which invests solely in company shares.

A Fund in the lowest category is not a risk free investment.

Fund Facts

Launch Date:	04.12.13
Legal Status:	OEIC sub-fund
Domicile:	UK
Accounts Dates:	31st December (final), 31 March (Interim) 30th June (interim) 30 September (Interim)

Sarasin Global Dividend Fund™

Fund Manager's Review

The last quarter of 2013 was framed by US events. October began with political impasse and a government shutdown, while December closed with a new budget deal and the US Federal Reserve's decision to begin 'tapering' its quantitative easing (QE) programme. In the UK, downward revisions to unemployment and upward revisions to growth contributed to an upbeat Autumn Statement, while across the Channel, the European Central Bank cut rates to new lows and further small steps were taken towards a banking union.

The Global Dividend and Global Dividend Sterling Hedged funds were launched on December 5th 2013 so there is little of importance to disclose for the purposes of an annual review. However, we are excited to be able to offer investors the ability to access high quality global equity yield stocks with a yield premium of 15% to the MSCI All Countries World Index, drawing on our differentiated process for which we have become well known in the market place.

During December we initiated a position in Cintas Corp within our Strong get Stronger theme. Cintas dominates the highly fragmented US uniform rental and ancillary products market, operating within an industry in which scale is of critical importance. The company has a broad product offering (the vast majority of which generate attractive returns), frequent customer contact, and (cross-) sells its products and services into a diverse range of industries. Revenues are visible and resilient, contract length is long, and the company enjoys a best-in-class customer retention rate. Cintas' products are higher quality, prices are consistently at a premium to peers, and the company has a track record of raising prices and recovering input cost inflation. We believe there is significant industry growth due to increased outsourcing of uniform rental, in addition to market share growth as Cintas leverages its product range. After we had bought shares, the company reported a strong set of quarterly results, with EPS of 70c vs consensus estimates of 68c.

Associated British Foods, owner of discount clothing chain Primark, increased its semi-annual dividend by 13.3% year-on-year in December. Another new holding in the discount retail space is South African company Mr Price, which also raised its semi-annual dividend in December (a year-on-year increase of 26.3%). The company will benefit from increasing demand from an emerging African middle class, operating leverage and supply chain improvements, and a healthy return of cash flow to shareholders over the coming years.

A number of our financials holdings performed strongly in December in part driven by their ability to put through strong dividend increases. In Europe this included the bank BNP Paribas and we expect UBS to follow, as the benefits of their recapitalisation come through. Nordea Bank should also follow as it too has been able to re-capitalise at a rapid rate due to impressive management in our view. In the US, we saw a very strong dividend increase from the Healthcare co. Amgen, which raised its quarterly dividend by 29.8%. We believe there is potential for the dividend to be increased further.

Technology stocks fared less well in December, and holdings such as Samsung and Garmin have performed poorly since we initiated the funds (Samsung primarily as a result of a weaker guidance over the Christmas period), albeit over a very short timeframe.

With highly accommodative monetary policy across the globe and an ongoing corporate focus on shareholder return, high-yielding equities remain attractive, especially with bond yields still so low. The portfolio reflects our view that high quality, high yield equities should outperform over the long-term, as growing dividends are a powerful driver of total shareholder returns. We retain our bias towards companies with significant financial autonomy, characterised by robust business models facilitating a high return on invested capital.

Performance (% change to 31.12.13)

	Global Dividend Fund I shares Acc	Global Dividend Fund P shares Acc	Global Dividend Fund X shares Acc	Benchmark ¹
Since launch on 04.12.13 to 31.12.13	+1.8	+1.8	+1.8	+2.1
31.12.12 to 31.12.13	-	-	-	-
31.12.11 to 31.12.12	-	-	-	-

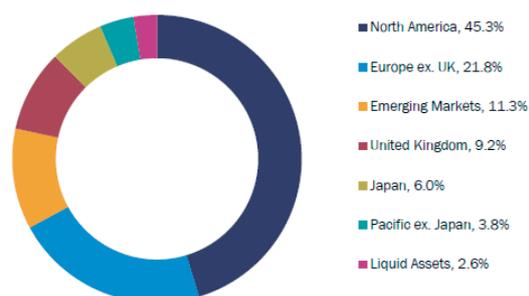
Source: Sarasin. All data as at 31.12.13. Please remember that you should not base decisions on past performance and that the prices may fluctuate and you may not get back your original investment. The fund's Synthetic Risk and Return Indicator is 6 (1 low to 7 high) and further details of the risks 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 Dividend Fund™ is a trademark of Sarasin & Partners LLP.

¹Benchmark: MSCI All Countries World Index

Investment Objective & Policy

In order to achieve the investment objective, it is intended that the Fund will invest in a portfolio of global securities which satisfy one or more investment themes which are expected to be key drivers of corporate profitability, investment performance and yield.

Thematic Equity Allocation (% as at 31.12.13)



Net Income Distribution/Accumulation

1 to 28.02.14	Pence per Share		Per £1,000 invested at 04.12.13 (£)	
	Inc	Acc	Inc	Acc
2014¹				
Share Class I	0.1411	0.1411	1.41	1.41
Share Class P	0.1410	0.1410	1.41	1.41
Share Class X	0.1412	0.1412	1.41	1.41
2013				
Share Class I	-	-	-	-
Share Class P	-	-	-	-
Share Class X	-	-	-	-

Per £1,000 invested at share class launch 04.12.13

Top 10 Holdings

(as a % of portfolio as at 31.12.13)

Vodafone Group	3.1
Emerson Electric	3.1
Mattel	3.0
TDC	3.0
Roche Holding	3.0
Automatic Data Processing	2.9
JPMorgan Chase & Co	2.9
Ecolab	2.9
SSE	2.5
Total	2.5

Ongoing Charges (%)

	as at 31.12.13 for last 12 months	
	Inc	Acc
Share Class I	1.00	1.00
Share Class P	0.98	0.98
Share Class X	1.58	1.58

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

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		
	Inc	Acc	Inc	Acc	31.12.13	Inc	Acc	Inc	Acc	Inc	Acc
2013*											
Share Class I	102.00	102.00	99.32	99.32	11,696,242	13,636,204	101.77	101.77	11,493,225	13,399,347	
Share Class P	102.00	102.00	99.32	99.32	1,018	1,018	101.76	101.76	1,000	1,000	
Share Class X	101.90	101.90	99.31	99.31	3,624,929	1,914,229	101.70	101.70	3,564,286	1,882,277	

Fund Managers

Mark Whitehead
Fund Manager

Darryl Lucas
Fund Manager

*to 30.06.13

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

A shares at share class launch 28.09.09

I & X shares share class launch 12.05.09

P shares share class launch 16.10.12

Why Global Dividend Fund?

The Sarasin Global Dividend Fund (Sterling Hedged) seeks to achieve long-term growth in Sterling terms whilst also generating a premium income to the benchmark.

Risk Profile

The Global Dividend 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 value of the shares in the fund will vary due to changes in the share prices of investments within the fund, currency movements and changes in dividend policies pursued by the companies held. The fund is largely hedged back to base (GBP), so fluctuations in major exchange rates will materially affect the value of the fund versus an unhedged equity benchmark.

Risk and Reward Profile



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Sarasin Global Dividend Fund (Sterling Hedged)TM

Fund Manager's Review

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Performance (% change to 31.12.13)

	Global Dividend Fund (Sterling Hedged) I shares Acc	Global Dividend Fund (Sterling Hedged) P shares Acc	Global Dividend Fund (Sterling Hedged) X shares Acc	Benchmark ¹
Since launch on 04.12.13 to 31.12.13	+2.7	+2.7	+2.6	+3.6
31.12.12 to 31.12.13	-	-	-	-
31.12.11 to 31.12.12	-	-	-	-

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 Dividend Fund (Sterling Hedged)TM is a trademark of Sarasin & Partners LLP.

¹Benchmark: MSCI All Countries World Index

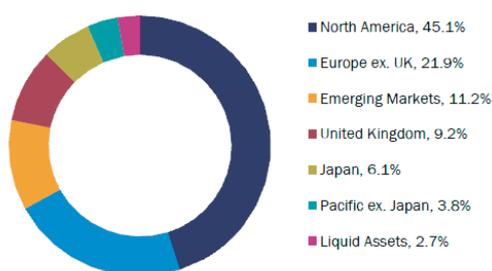
Fund Facts

Launch Date:	04.12.13
Legal Status:	OEIC sub-fund
Domicile:	UK
Accounts Dates:	31st December (final), 31 March (Interim) 30th June (interim) 30 September (Interim)

Investment Objective & Policy

In order to achieve the investment objective, it is intended that the Fund will invest in a portfolio of global securities which satisfy one or more investment themes which are expected to be key drivers of corporate profitability, investment performance and yield.

Thematic Equity Allocation (% as at 31.12.13)



Net Income Distribution/Accumulation

to 28.02.14	Pence per Share		Per £1,000 invested at 04.12.13 (£)	
	Inc	Acc	Inc	Acc
2014¹				
Share Class I	0.1401	0.1401	1.40	1.40
Share Class P	0.1410	0.1410	1.41	1.41
Share Class X	0.1401	0.1401	1.40	1.40
2013				
Share Class I	-	-	-	-
Share Class P	-	-	-	-
Share Class X	-	-	-	-

Per £1,000 invested at share class launch 04.12.13

Top 10 Holdings

(as a % of portfolio as at 31.12.13)

Vodafone Group	3.1
Emerson Electric	3.1
TDC	3.1
Mattel	3.1
Roche Holding	3.0
Automatic Data Processing	3.0
JPMorgan Chase & Co	3.0
Ecolab	2.9
SSE	2.5
Total	2.5

Ongoing Charges (%)

	as at 31.12.13 for last 12 months	
	Inc	Acc
Share Class I	1.00	1.00
Share Class P	0.98	0.98
Share Class X	1.58	1.58

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

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		
	Inc	Acc	Inc	Acc	31.12.13	Inc	Acc	Inc	Acc	Inc	Acc
2013*											
Share Class I	102.70	102.70	99.16	99.16	8,497,863	19,775,347	102.51	102.51	8,290,072	19,291,925	
Share Class P	102.70	102.70	99.16	99.16	1,025	1,025	102.47	102.47	1,000	1,000	
Share Class X	102.70	102.60	99.15	99.15	6,480,932	2,376,199	102.43	102.43	6,326,895	2,319,729	

*to 31.12.13

²Note: These notional prices are calculated by dividing the Net Asset Value by the number of base shares. At share classes launch 04.12.13

Fund Managers

Mark Whitehead
Fund Manager

Darryl Lucas
Fund Manager

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

This document has been issued by Sarasin Investment Funds Limited which is a limited liability company registered in England and Wales with registered number 01290813 and is authorised and regulated by the UK Financial Conduct Authority. It has been prepared solely for information purposes and is not a solicitation, or an offer to buy or sell any security. The information on which the document is based has been obtained from sources that we believe to be reliable, and in good faith, but we have not independently verified such information and no representation or warranty, express or implied, is made as to their accuracy. All expressions of opinion are subject to change without notice.

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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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