SARASIN

Sarasin Fund of Funds OEIC
Short Report

30 June 2013

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

for the period 31 December 2012 to 30 June 2013

Contents

Management contact details

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

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

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

Depositary
National Westminster Bank plc
Trustee & Depositary Services
International Banking
1st Floor, Younger Building
3 Redhughs Avenue
Edinburgh EH12 9RH
(Authorised and regulated by the
Financial Conduct Authority)

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

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

Other Information

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

Market review for 2013

Guy Monson
Chief Investment Officer, Managing Partner

The World Economy
2013 began as 2012 ended: with politics. In the US, the toxic fiscal cliff battle was partially but not conclusively resolved, with significant challenges on the spending side still to be faced later in the year. Despite murmurs of dissent in the Federal Reserve, Chairman Ben Bernanke reiterated his commitment to quantitative easing, and stressed the possible risks of sequestration, which kicked in in March.

In the UK Moody's credit rating agency downgraded government debt from Aaa to Aa1 (though the move was widely anticipated and the market impact relatively limited). Chancellor George Osborne's balancing act of a Budget, released against a backdrop of further downward revisions to growth, tightrope walked between new austerity measures and pro-business, job-friendly and growth-oriented decisions.

European banks greeted 2013 by repaying €140bn in Long-Term Refinancing Operations, implying a reduction in ECB balance sheet and further boosting the euro. But politics were prevalent here too, as Italians sent a protest vote against austerity by returning a split parliament in the general election. More turbulently, in March, Cyprus held centre stage as its financial markets went into free fall, as a result of last year's Greek default and an overinflated banking system. Cypriot and EU leaders scrambled ineptly for a bailout solution, and although small depositors were eventually excluded from losses and the debt seniority structure respected, this handling did not inspire confidence in euro zone leadership.

Meanwhile in Japan, the yen fell as 2013 began, as the new government took rhetorical aim at its overly strong currency. This was compounded by the nomination of Haruhiko Kuroda – a known proponent of ultra-loose monetary policy – as the next central bank governor.

With weaker growth together with higher inflation in a number of emerging economies, and a European recession likely to match last year's, macroeconomic momentum slowed markedly as we entered the second quarter in April. However, there were some bright spots: US consumption and domestic demand were robust, deposits appeared to be returning to Greek banks (and remained stable in most of the periphery despite the Cypriot bailout), a triple dip UK recession was avoided, and Germany appeared as Europe's strong man. But, economic conditions globally do not warrant a slowdown in central banking activity; indeed, the Bank of Japan pledged to double its balance sheet over the next two years.

However, the main news as the Spring progressed came from the US, where Fed Chairman Bernanke stated that provided the US economy continued to improve in line with the Fed's slightly optimistic forecasts, he expected this $85bn to be tapered down to zero by the middle of 2014 (having been reduced by around $10bn roughly every 6 weeks). While more clarity was welcome, it was unfortunate that the Bank of China chose to tighten bank liquidity at just the same moment.

As the first half drew to a close, business confidence in the euro area, including the periphery, continued to improve – albeit consumer confidence and unemployment rate failed to stop deteriorating. The UK economic recovery appears to remain on track, as business, consumer confidence and housing market data all showed a notable rebound.

Bonds
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 Bank of England 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. His subsequent press conference in June contained exactly the sort of detailed communication we have come to expect – it was well flagged and it should not have surprised financial markets. However, 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.

Following this dramatic shake out, fixed income markets are left with some valuation distortions and, therefore, interesting opportunities. We believe that the yield adjustment necessary for the US has been made. In the UK and Europe, we would expect some price recovery. However, the importance of the US in setting the global interest rate environment should not be underestimated, and so the challenge for European policy makers will be to compensate for US-led moves. Mark Carney certainly arrives at the Bank of England at an interesting time.

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 Bank of England governor. Amongst the major currencies, the yen had the most notable move: given new Prime Minister Abe's agenda and the Bank of Japan'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 US Federal Reserve hinting at a withdrawal of their 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 up 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.

Looking ahead, 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 Bank of England 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

Quantitative easing, currency intervention, and the promise of 'lower rates for longer' were all designed to stimulate growth but in doing so lifted the price of risk assets and hence equities. The S&P 500, FTSE 100, Swiss Market Index and Japan's Topix all rallied strongly in the first quarter. However, the rest of Asia and the larger emerging markets, where central banks were not so aggressive, saw negative returns. In other words, share prices struggled more wherever the central bank liquidity trap was not open at full flow.

As the year progressed, the impact of Bernanke's QE tapering speech was generally worse for non-US than US markets, and highlighted the risks of a slowdown in China, budget strains in Europe and renewed monetary 'activism' from Japan's Shinzo Abe. As we write, Mark Carney assumes governorship of the Bank of England (BoE), and UK economic data over the past months has been broadly consistent with a nascent recovery, though headwinds to growth remain substantial. While the chances of further QE from the BoE have lessened, Carney is already stepping up forward guidance, implying further pound weakness over the summer.

Downward earnings revisions have persisted in recent months, and we will be watching revenue growth as determinedly as profitability across our thematic holdings, while also assessing the impact of a lower yen and a slightly steeper yield curve for global financials.

Against this backdrop, we believe that still compelling valuations against bonds and cash, robust cash-flow and low historic funding costs will continue to support equities. We also see a buying opportunity for higher-yielding stocks (after recent under-performance in the face of rising bond yields), while still patiently waiting for the opportunity to increase our emerging world thematic stocks as these markets correct.

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

Notification of amendments to Sarasin Fund of Funds OEIC

Modification of the Company

The Company was established on 7 June 2012 with Class A, Class I and Class X shares available. On 17 December 2012 Class F and Class P shares were made available.

Notes to all Shareholders

We are bound by US regulation to communicate a change to the Commodity Pool Operator Exemption.

Sarasin & Partners LLP (Investment Manager) is the investment manager for Sarasin Investment Funds Limited. As part of recent regulatory changes by the U.S. Commodity Futures Trading Commission (CFTC), the Investment Manager had until 31 December 2012 either to come into compliance with an exemption provided by CFTC Rule 4.13(a)(3) or register with the CFTC as a commodity pool operator (CPO). The CFTC considers an investment fund such as the Fund to be a “commodity pool” since it has the right to invest in certain derivative instruments, such as futures, options on futures and swaps.

The Investment Manager has filed for the exemption from registration under CFTC Rule 4.13(a)(3) (referred to as the “de minimis” exemption).

The “De Minimis” Exemption

To comply with “de minimis” exemption found in CFTC Rule 4.13(a)(3), the Fund has to meet one or the other of the following tests with respect to its commodity interest positions, whether entered into for bona fide hedging purposes or otherwise:

(a) the aggregate initial margin, premiums, and required minimum security deposit for retail foreign exchange transactions required to establish such positions, determined at the time the most recent position was established, will not exceed five percent of the liquidation value of the pool’s portfolio, after taking into account unrealized profits and unrealized losses on any such positions it has entered into; or

(b) the aggregate net notional value of such positions, determined at the time the most recent position was established, does not exceed 100 percent of the liquidation value of the pool’s portfolio, after taking into account unrealized profits and unrealized losses on any such positions it has entered into.

The Fund currently meets one or both of these tests.

While relying upon this exemption, the Investment Manager is not required to deliver a CFTC disclosure document to prospective shareholders in the Fund, nor is it required to provide shareholders with a certified annual report that satisfies the requirements of CFTC rules applicable to CPOs acting in a registered capacity.

Sarasin Investment Funds Limited also qualifies for such exemption based on the following criteria: (i) the interests in the Fund are exempt from registration under the U.S. Securities Act of 1933, as amended (the “Securities Act”), and are offered and sold without marketing to the public in the United States; (ii) the Fund meets the trading limitations of either CFTC Rule 4.13(a)(3)(ii)(A) or (B); (iii) the CPO reasonably believes, at the time the investor makes his investment in the Fund (or at the time the CPO began to rely on Rule 4.13(a)(3)), that each investor in the Fund is;

(a) an “accredited investor,” as defined in Rule 501(a) of Regulation D under the Securities Act,

(b) a trust that is not an accredited investor but that was formed by an accredited investor for the benefit of a family member,

(c) a “knowledgeable employee,” as defined in Rule 3c-5 under the U.S. Investment Company Act of 1940, as amended, or

(d) a “qualified eligible person,” as defined in CFTC Rule 4.7(a)(2)(viii)(A); and (iv) shares in the Fund are not marketed as or in a vehicle for trading in the commodity futures or commodity options markets.

Introduction of Key Investor Information Documents (KIIDs)

Whereas previously, investors would have had access to a Simplified Prospectus before investing in the funds, a key requirement of new European regulation is for Fund Managers to introduce KIIDs. These documents will provide concise and consistent information in plain language to enable investors to compare different funds and to make an informed decision prior to investing. Fund Managers must therefore ensure that investors confirm that they have read the relevant fund’s KIID before investing.

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

Why Sarasin Fund of Funds ?

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

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

Risk Profile

Sarasin Global Equity Fund of Funds is a global equity fund which invests in other equity Funds. It is therefore primarily exposed to equity market and exchange rate fluctuations. There is little exposure to interest rate and credit or cash flow risk, and no borrowings or unlisted securities.

Fund Facts

Launch Date:	07.06.12
Legal Status:	OEIC sub-fund
Domicile:	UK
Accounts Dates:	31st December (final)
	30th June (interim)

Sarasin Global Equity Fund of Funds™

Fund Manager's Review

The first quarter of 2013 began and ended with politics, though there were positives in between. In the US, despite tax increases and an only partially resolved fiscal cliff, consumer spending was strong, as were labour and housing markets. UK government debt was downgraded, although the move was widely anticipated and 10 year gilt yields actually fell marginally over the quarter. 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.

Within our funds, those focused on the US contributed well, with both Threadneedle American Extended Alpha & GAM North American Growth up over 17%. Across the globe, Japan continued to rally and having increased our exposure last quarter, the country was a major contributor with Invesco Japanese Equity and Polar Capital Japan both returning more than 22%. Gold underperformed over the quarter, and gold miners followed, meaning this position was a detractor. Elsewhere we benefited from exposure to smaller companies across the globe, with the Baring Europe Select fund outperforming its benchmark. Over the quarter we started a new position in the Transparent Value US Small Cap fund, which operates a unique approach, aiming to determine firms' top line performance required to support their current share price. This was funded by a sale of the iShares Russell 2000 tracker. We also initiated a position in Throgmorton Trust, a UK small cap focused investment trust, trading on an attractive 16% discount.

The second quarter was dominated by diverging monetary policy. The US Federal Reserve announced that the size of its quantitative easing programme would likely be reduced later this year, seemingly giving the market some cause for concern. However, the conditionality of the statement was missed, and was in line with the Fed's policy of forward guidance. The statement laid out the Fed's working assumptions: if unemployment could stay low and if growth remained on its current trajectory, quantitative easing could be gently reduced; if growth worsened, QE would remain.

While the reaction from equity markets was surprising in the context of more broad bullish sentiment, the real lessons came from the response of the bond markets. It seems that this initial sign that the process of QE is nearer to its end than its beginning has signalled that perhaps, in the US at least, the chance of interest rates rising is starting to appear again on the horizon, even if not necessarily any time soon. It is possible, in light of this, that for the foreseeable future we have passed the lowest point of government bond yields, signalling a much better potential environment for equities.

The Bank of China chose to tighten bank liquidity and emerging market equities continued to fair poorly against this backdrop. Elsewhere, in April the Bank of Japan pledged to double its balance sheet over the next two years, while in May the European Central Bank cut its interest rate to 0.5%.

Meanwhile, US data have been mixed – still pointing to decent economic growth – while UK and (to a lesser extent) European economic figures have shown some visible signs of improvement. Given the framework set out by the Fed, the unemployment and growth figures will be key to how risk assets perform going forward.

In the light of positive developments, particularly in the domestic US, the main trade over the course of the quarter was to tilt the US equity portion of the portfolio. This left the fund slightly more in favour of cyclical shares related to the recovery in the housing market and the wider economy. Exposure to Japanese funds proved something of a setback, but we retained holdings and conviction through the volatile period.

Looking back over the first year, the fund launched in fortuitous times, into the cloud of the Greek elections that came and went without event. Following this, Mario Draghi made his 'whatever it takes' speech, and equity markets have rallied since then. We are glad to say that the fund has kept pace with these positive markets, and we believe conditions remain positive for equities. We look forward to the remainder of 2013.

Performance (% change to 30.06.13)

	Global Equity Fund of Funds A shares Acc	Global Equity Fund of Funds I shares Acc	Global Equity Fund of Funds P shares Acc	Global Equity Fund of Funds X shares Acc	Benchmark[1]
Since launch on 07.06.12 to 30.06.13	+21.5	+22.4	-	+22.0	+23.9
Since launch on 17.12.12 to 30.06.13	-	-	+13.0	-	+12.0
31.12.12 to 30.06.13	+11.3	+11.6	+11.5	+11.5	+11.6
31.12.11 to 31.12.12	-	-	-	-	-
31.12.10 to 31.12.11	-	-	-	-	-
31.12.09 to 31.12.10	-	-	-	-	-

Source: Sarasin. All data as at 30.06.13. Please remember that you should not base decisions on past performance and that the prices may fluctuate and you may not get back your original investment. The fund's Synthetic Risk and Return Indicator is 6 (1 low to 7 high) and further details of the risks can be found in the Prospectus and KIID available from www.sarasin.co.uk. Overseas shares and bonds may be affected by currency exchange rates.. Sarasin Global Equity Fund of Funds™ is a trademark of Sarasin & Partners LLP.

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

Investment Objective & Policy

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

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

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

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

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

Synthetic Total Expense Ratio (%)

	as at 30.06.13 for last 12 months	
	Acc	Inc
Share Class A	2.80	2.80
Share Class I	2.05	2.05
Share Class P	2.05	2.05
Share Class X	2.30	2.30

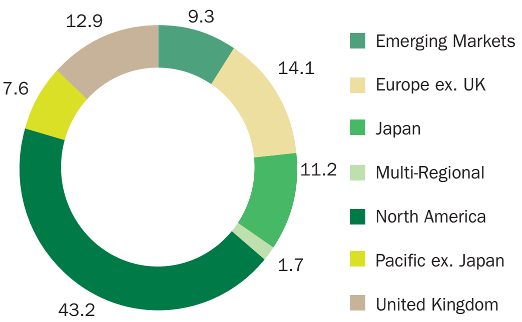
The TER is the ratio of the Fund's total discloseable costs (excluding overdraft interest) to the average net assets of the Fund. The Synthetic TER reflects the additional costs borne by the Fund in respect of Holdings in other Collective Investment Schemes.

Fund Managers

Sam Jeffries
Fund Manager

Oliver Tucker
Deputy Fund Manager

Geographic Equity Allocation (% as at 30.06.13)



Net Income Distribution/Accumulation

[1] to 30.06.13	Pence per Share		Per £1,000 invested at 07.06.12 (£)	
2013[1]	Inc	Acc	Inc	Acc
Share Class A	-	-	-	-
Share Class I	0.1443	0.1443	14.43	14.43
Share Class P	0.0030	0.0030	0.30	0.30
Share Class X	-	-	-	-
2012				
Share Class A	-	-	-	-
Share Class I	-	-	-	-
Share Class P	-	-	-	-
Share Class X	-	-	-	-

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

Top 10 Equity Holdings (as at 30.06.13)

GAM North America Growth	10.2
Threadneedle American Extended Alpha	9.6
All Bern-Sel US equity	9.5
iShares MSCI Europe ex UK	8.0
Schroder Asian Alpha	7.6
Baring Europe Select	6.0
Invesco Japanese Equity Core	5.9
Transparent Value US Small Cap Fund	5.3
Polar Capital Japan	5.1
Ardevora UK Equity	4.9

Share Prices and Fund Size

	Share Price Range				Fund Size						
	Highest for the year (pence)		Lowest for the year (pence)			Net Asset Value (£)		Net Asset Value Pence per Share[2]		Number of Shares in Issue	
2013*	Inc	Acc	Inc	Acc	30.06.13	Inc	Acc	Inc	Acc	Inc	Acc
Share Class A	130.70	131.10	108.90	109.10		1,210	72,577	120.99	121.37	1,000	59,797
Share Class I	132.00	132.00	109.60	109.50		2,238,574	1,404,502	122.22	122.35	1,831,606	1,147,960
Share Class P	132.00	132.00	109.60	109.60		1,223	1,223	122.29	122.29	1,000	1,000
Share Class X	131.50	131.50	109.30	109.30		21,407,222	4,819,203	121.85	121.85	17,569,171	3,954,965
2012					31.12.12						
Share Class A	109.00	109.10	99.13	99.13		1,089	11,882	108.92	109.07	1,000	10,894
Share Class I	109.60	109.60	99.18	99.18		1,229,253	590,945	109.57	109.53	1,121,853	539,536
Share Class P	109.70	109.70	108.30	108.20		1,096	1,096	109.63	109.63	1,000	1,000
Share Class X	109.40	109.40	99.16	99.17		15,042,569	2,800,791	109.30	109.29	13,763,254	2,562,641

*to 30.06.13
[2]Note: These notional prices are calculated by dividing the Net Asset Value by the number of base shares.
A, I & X shares per £1,000 invested at share class launch 07.06.12
P shares per £1,000 invested at share class launch 17.12.12

Why Sarasin Fund of Funds?

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

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

Risk Profile

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

Fund Facts

Launch Date:	07.06.12
Legal Status:	OEIC sub-fund
Domicile:	UK
Accounts Dates:	31st December (final)
	30th June (interim)

Sarasin Global Diversified Fund of Funds™

Fund Manager's Review

The first quarter of 2013 began and ended with politics, though there were positives in between. In the US, despite tax increases and an only partially resolved fiscal cliff, consumer spending was strong, as were labour and housing markets. UK government debt was downgraded, although the move was widely anticipated and 10 year gilt yields actually fell marginally over the quarter. 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.

Over the quarter we made a number of changes to the portfolio. We initiated a position in the recently launched 24 Income fund which invests in a diversified portfolio of UK and European asset backed securities and will have a 5% yield. We also introduced the Airlie Select US High Yield fund which aims to add value by investing in smaller issues of around $300-500m which larger institutions cannot access. To fund this we sold the Nomura US High Yield Bond fund which we continue to like but which has done very well since purchase, up 17%. Finally, in line with our Equity Fund of Funds, we also bought the Transparent Value US Small Cap fund funded from our Russell 2000 tracker.

Within our funds, the event-driven hedge fund Third Point Offshore continued to perform well, with the trust positioned for a risk-on environment, but with a net of only around 60%, performance of +25% over the quarter was impressive. In the bond area of the portfolio, the inflation-linked government bonds continued their rally, far outperforming conventionals. Credit remained largely unchanged, with a small rally towards the end of the quarter, but our funds both outperformed their respective benchmarks. The recently added Invesco Global Financial Capital fund also proved its worth, doing well in the more muted credit environment.

The second quarter was dominated by diverging monetary policy. The US Federal Reserve announced that the size of its quantitative easing programme would likely be reduced later this year, seemingly giving the market some cause for concern. However, the conditionality of the statement was missed, and was in line with the Fed's policy of forward guidance. The statement laid out the Fed's working assumptions: if unemployment could stay low, and if growth remained on its current trajectory, quantitative easing could be gently reduced; if growth worsened, QE would remain.

While the reaction from equity markets was surprising in the context of more broad bullish sentiment, the real lessons came from the response of the bond markets. It seems that this initial sign that the process of QE is nearer to its end than its beginning has signalled that perhaps, in the US at least, the chance of interest rates rising is starting to appear again on the horizon, even if not necessarily any time soon. It is possible, in light of this, that for the foreseeable future we may have already passed the lowest point of government bond yields.

The Bank of China chose to tighten bank liquidity and emerging market equities continued to fair poorly against this backdrop. Elsewhere, in April the Bank of Japan pledged to double its balance sheet over the next two years, while in May the European Central Bank cut its interest rate to 0.5%.

Meanwhile, US data have been mixed – still pointing to decent economic growth – while UK and (to a lesser extent) European economic figures have shown some visible signs of improvement. Given the framework set out by the Fed, the unemployment and growth figures will be key to how risk assets perform.

Within the Global Diversified Fund of Funds this quarter, over 40% of the equities remained invested in the resilient US equity markets, and the fund remained modestly underweight emerging market equities. The portfolio experienced some underperformance in the overweight positions held in Japanese equities. In fixed interest, moves continued to be made to reduce government bond and duration risk, as we added again to floating rate investments through HarbourVest Senior Loans Fund.

Looking back on the first year of the fund, it seems that we launched at a fortuitous time, starting life in the middle of the concern around the Greek elections in 2012 and Mario Draghi's 'whatever it takes' speech. Since then, investors have made good returns in equities, corporate bonds and alternatives, while government bonds have disappointed. We believe that the environment continues to favour equities.

Performance (% change to 30.06.13)

	Global Diversified Fund of Funds A shares Acc	Global Diversified Fund of Funds I shares Acc	Global Diversified Fund of Funds P shares Acc	Global Diversified Fund of Funds X shares Acc	Benchmark[1]
Since launch on 07.06.12 to 30.06.13	+13.3	+14.3	-	+13.9	+11.8
Since launch on 17.12.12 to 30.06.13	-	-	+7.9	-	+5.1
31.12.12 to 30.06.13	+6.4	+6.7	+6.7	+6.7	+4.6
31.12.11 to 31.12.12	-	-	-	-	-
31.12.10 to 31.12.11	-	-	-	-	-
31.12.09 to 31.12.10	-	-	-	-	-

Source: Sarasin. All data as at 30.06.13. Please remember that you should not base decisions on past performance and that the prices may fluctuate and you may not get back your original investment. The fund's Synthetic Risk and Return Indicator is 4 (1 low to 7 high) and further details of the risks can be found in the Prospectus and KIID available from www.sarasin.co.uk. Overseas shares and bonds may be affected by currency exchange rates.. Sarasin Global Diversified Fund of Funds™ is a trademark of Sarasin & Partners LLP.

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

Investment Objective & Policy

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

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

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

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

Synthetic Total Expense Ratio (%)

	as at 30.06.13 for last 12 months	
	Acc	Inc
Share Class A	2.53	2.53
Share Class I	1.78	1.78
Share Class P	1.78	1.78
Share Class X	2.03	2.03

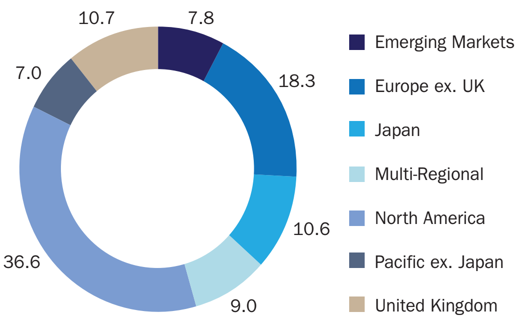
The TER is the ratio of the Fund's total discloseable costs (excluding overdraft interest) to the average net assets of the Fund. The Synthetic TER reflects the additional costs borne by the Fund in respect of Holdings in other Collective Investment Schemes.

Fund Managers

Sam Jeffries
Fund Manager

Oliver Tucker
Deputy Fund Manager

Geographic Equity Allocation (% as at 30.06.13)



Net Income Distribution/Accumulation

[1] to 30.06.13	Pence per Share		Per £1,000 invested at 07.06.12 (£)	
2013[1]	**Inc**	**Acc**	**Inc**	**Acc**
Share Class A	0.6670	0.6755	66.70	67.55
Share Class I	0.7401	0.7446	74.01	74.46
Share Class P	0.7800	0.7810	78.00	78.10
Share Class X	0.7094	0.7161	70.94	71.61
2012				
Share Class A	0.3580	0.3580	35.80	35.80
Share Class I	0.4517	0.4517	45.17	45.17
Share Class P	0.0550	0.0550	5.82	5.82
Share Class X	0.4253	0.4253	42.53	42.53

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

Top 10 Equity Holdings (as at 30.06.13)

GAM North America	6.3
Threadneedle Am Ex Alpha	6.3
All Bern-Sel US Eqty	4.7
Schroder Asian Alp Pl-Z Inc	4.6
Ishares MSCI Europe Ex.UK	4.4
Ardevora UK Equity Fund-C	3.8
Invesco Japanese Eq Core-C GBP H	3.7
Transparent Value US Small Cap Fund	3.5
Polar Capital-Jpn-Class I GBP Hedged	3.2
Baring Europe Select Inc-Inst	3.1

Share Prices and Fund Size

	Share Price Range				Fund Size						
	Highest for the year (pence)		Lowest for the year (pence)			Net Asset Value (£)		Net Asset Value Pence per Share[2]		Number of Shares in Issue	
2013*	**Inc**	**Acc**	**Inc**	**Acc**	**30.06.13**	**Inc**	**Acc**	**Inc**	**Acc**	**Inc**	**Acc**
Share Class A	120.10	120.70	105.90	106.30		1,118	30,090	111.85	113.12	1,000	26,600
Share Class I	131.20	121.70	106.40	106.80		2,055,468	196,577	112.89	114.12	1,820,825	172,250
Share Class P	121.60	121.60	106.80	106.80		1,132	1,141	113.22	114.05	1,000	1,000
Share Class X	121.70	121.20	106.20	106.60		9,559,821	5,567,963	112.46	113.63	8,500,376	4,900,033
2012					**31.12.12**						
Share Class A	106.50	106.50	99.39	99.39		1,061	4,771	106.06	106.49	1,000	4,480
Share Class I	107.10	107.10	99.40	99.41		1,241,719	36,124	106.61	107.03	1,164,779	33,750
Share Class P	107.10	107.10	106.00	105.90		1,070	1,071	107.02	107.07	1,000	1,000
Share Class X	106.80	106.80	99.40	99.40		6,184,813	3,178,398	106.35	106.78	5,815,464	2,976,580

*to 30.06.13
[2]Note: These notional prices are calculated by dividing the Net Asset Value by the number of base shares.
A, I & X shares per £1,000 invested at share class launch 07.06.12
P shares per £1,000 invested at share class launch 17.12.12

Sarasin Investment Funds news

Sarasin EquiSar Global Thematic Fund awarded Morningstar 5-year positive rating

Sarasin & Partners is delighted to announce that the Sarasin EquiSar Global Thematic Fund has been recognised by Morningstar with a Positive Morningstar OBSR Analyst Rating for a period of five consecutive years as at 30th June 2013.

Launched on 1st July 1994 and managed by Harry Talbot Rice the Sarasin EquiSar Fund seeks to achieve long-term capital growth through an internationally diversified portfolio of equities.

PAM Awards 2013 results

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

The PAM awards are widely recognised throughout the industry as the benchmark for achievement in Private Wealth Management in the UK. Jamie Black, Partner and Head of Private Clients in London commented:

"The category of 'Investment Product or Service Innovation' covers an essential feature of our work on behalf of clients. We always strive to improve our investment offering to reflect market opportunities as they develop, and winning this award is further tribute to the terrific efforts of everyone across the company at Sarasin & Partners."

In total we have won 22 Awards and have received recognition in every year since the inception of these awards in 2000.

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

Sarasin & Partners appoints new Senior Associate Partner

Sarasin & Partners announce that John Soler has joined their Private Client team from Merrill Lynch Portfolio Managers as a Senior Associate Partner. John spent 15 years at Merrill Lynch (formerly Mercury Asset Management) where he looked after a broad range of UK and international clients, a focus he will maintain at Sarasin & Partners, in large part through the SEC registered subsidiary, Sarasin Asset Management.

Jamie Black, Head of Private Clients at Sarasin & Partners and a director of Sarasin Asset Management, commented:

"John brings great skill and experience to our team both as a fund manager and as a director of client relationships. The length of service at his previous firm demonstrates real dedication to his clients, which fits perfectly with our culture at Sarasin & Partners. John's arrival coincides with strong performance from our core thematic investment engine and a noticeable pick up in client activity. We are absolutely delighted he has decided to continue his career with our team."

Sarasin & Partners appoints new Head of Marketing

Sarah McCarthy has been appointed as Head of Marketing. Prior to her role as executive director at Goldman Sachs, Ms McCarthy was a senior marketing manager at Fidelity Worldwide Investment and previously held managerial positions at Skandia Investment Group and AXA Investment Managers.

Guy Monson, managing partner of Sarasin & Partners, said:

"As part of our controlled and continuing expansion, we recognise the vital role that good communication with those who need our services plays. It is key to our looking after both existing and new clients and in keeping them informed of our methodologies, investment processes and broader capabilities.

Sarah McCarthy, with her invaluable experience within the investment industry, will bring fresh impetus and strengthened coordination to the messages we are taking to the varied audiences in our markets in the UK and overseas."

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

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

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