SARASIN

Sarasin Funds ICVC Short Report

30 June 2011

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

for the period 1 January 2011 to 30 June 2011

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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 period it covers and the result on those activities at the end of the period. The full Report and Accounts are available free of charge at www.sarasin.co.uk or on request from the ACD. For more information about the activities and performance of the Funds during the period and previous periods please contact the ACD at the address as noted above.

Market Review for 2011

Guy Monson
Chief Investment Officer, Managing Partner

The World Economy

2011 is proving to be a rather eventful year. Politics, natural disasters and fiscal crises have stolen the show on the global stage, with the West divided over monetary policy and bailout packages, and developing nations suffering the blows of hysterically inflated commodity prices in an already overheating backdrop, sparking high wage growth, supply-side bottleneck issues and further interest rate hikes.

The sovereign debt crisis which so characterised the end of 2010 continued into 2011, despite some slight easing early in the year. Politics became an economic game changer, and vice versa. After the demise of its government in March, Portugal officially asked for financial assistance in April. Meanwhile, Spanish and Italian ruling parties suffered heavy losses at the hands of regional voters in May, and continued talk of a Greek restructuring provoked economic and political turmoil, though the strain of the latter was partially abated by some short-term resolution in June. Amid this tumult, the ECB became the first of the G4 central banks to hike interest rates (in April) and signalled its intention to do so again in July.

The US, on the other hand, maintained its ultra loose monetary policy, though the QE programme officially ended in June, without any mention yet of any potential tightening. Despite a pick-up in business confidence in the early months of 2011, the recovery stalled (in part due to high oil prices and the Japanese supply chain disruption) and the labour and housing markets remain weak. Fiscal debate began to rage over potential government shutdown and the country's debt ceiling (reached on 16th May).

2011 thus far has proved challenging for the UK too, with a very modest GDP growth and still high inflation figures. While investment and exports managed to recover from their recession-lows, consumption both public and private has been depressed by the austerity measures. Despite high inflation and rising inflation expectations, the Bank of England maintained both its interest rate and the size of its balance sheet unchanged.

The emerging economies saw further monetary policy tightening to limit inflationary pressures coming from high commodity prices and wage growth. Revolution was the political calling card in the Middle East and North Africa, as food prices topped the highs of 2008 and oil reached $100/barrel in January, while popular uprisings and demonstrations swept the streets of the region, taking a battering ram to the current ruling elite. NATO entered Libya, and fears of a new oil shock swept the global economy, only calmed by the IEA's June decision to release some of its oil reserves.

Meanwhile in Asia, the Year of the Rabbit began with quite a kick. Continuing worries over the effects of a Chinese slowdown preoccupied the global economy, while March's appalling human tragedy of the Japanese earthquake and its nuclear consequences fed into markets as supply chain disruptions and general concern over Japanese investments, despite the Bank of Japan's timely response

(QE, liquidity for the banks, and the first G7 FX intervention since 2000).

Looking ahead, global GDP growth will continue to be supported by a global environment of negative real interest rates and cash-rich companies. However, growth numbers are likely to be softer and more volatile than pre-crisis in the developed economies, as the deleveraging and persistent policy uncertainty are jeopardizing the recovery. Meanwhile, in the emerging market, tighter monetary conditions will continue to slow down growth away from overheating territory towards a more sustainable path. Against this backdrop, inflation will gradually recede, notably in the developing economies.

Global Bond Outlook

Long-term bond yield followed a similar pattern in the US, UK and Germany, with rising bond yield in the first part of the quarter –due to better growth expectations in the US and Germany and interest rate hike expectations in the UK – followed by a reversal of fortune from April onwards. Finally in late June, as Greek parliamentary voting intentions over further austerity became clear, there was a rush to buy risk assets once more, and bonds sold off and bond yields came back to their late-2010 levels. However, lower rated sovereign bonds – particularly those of Portugal and Greece – have been under continued pressure.

Yield curves (the spread between 10-year bond yield and 2-year bond yield) remained broadly unchanged in the US and the UK, at very steep levels while, as a result of the ECB's early interest rate move, the German one flattened by around 50 basis points in the first half of 2011.

With political and economic uncertainties still strong, the major central banks are expected to remain on hold, to continue to provide ample liquidity to banking sector and potentially to resume extraordinary measures (US, UK notably). Such an environment should continue to be supportive to the main government bond markets. However, tensions in the euro area periphery sovereign markets are unlikely to ease in the second half of the year.

Currencies

With the second round of quantitative easing and talks of currency war, the US dollar weakened against most currencies during the first half of 2011, notably against the Swiss franc (risk aversion trades), the euro and the Brazilian real (interest rate differential).

Even with a more flexible currency regime, the Chinese yuan has only moderately appreciated against the dollar while commodity currency, such as the Australian dollar or the Russian rouble, continued to increase. Thanks to the first G7 intervention since 2000, the yen appreciation that followed the earthquake was not only halted but also reverted. However, as a result of a better than expected post-earthquake recovery and of higher risk aversion, the yen moved back by the end of June to its late-2010 levels.

Finally, despite the Portuguese and Greek sovereign crises, the euro appreciated against major currencies during the first half of 2011, including the US dollar and Sterling, mainly as a result of the interest rate differential.

Looking ahead, we continue to believe that the major currencies are likely to move sideways, in line with political uncertainties and interest rate expectations. Longer term, Sterling which looks overly undervalued against the euro will resume an appreciation trend. Finally, monetary policy tightening in the developing economies will continue to support the local currencies, especially those still either undervalued or close to fair value.

Global Equity Outlook

From a geopolitical perspective, just about everything that might have gone wrong in the first half of 2011 probably has, yet the relative disinterest of equity markets has confounded strategists and frustrated the efforts of active global managers.

During the second half of the year, a more difficult macro-economic environment compounded with political wrangling will surely take its toll on earnings. Against this backdrop, equity markets are likely to prove volatile and less positively oriented. Companies benefiting from structural trends, such as demographic and consumption changes, and large global 'blue-chips' companies which offer high dividend yields are likely to become the new darlings of the markets.

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

Notification of amendments to Sarasin Funds ICVC

Modifications to the Company
The Sarasin GlobalSar IIID Fund changed its name to Sarasin GlobalSar – Cautious from 1st January 2011.

The Sarasin EquiSar – Socially Responsible and Sarasin EquiSar – Socially Responsible (Sterling Hedged) Funds were launched on 1st June 2011.

The International Equity Income Fund launched a USD Share Class on 2nd June 2011.

Modifications to Share Class Charges
The AMC for the X Share Class of the Sarasin GlobalSar IIID Fund (known as the Sarasin GlobalSar – Cautious from 1st January 2011) was decreased from 1.35% to 1.20% from 1st January 2011.

The AMC for the A Share Class of the Sarasin EquiSar – UK Thematic Opportunities Fund was decreased from 1.50% to 1.35% from 1st May 2011.

Modifications to Performance Related Fee
The performance fee calculation of the Sarasin GlobalSar IIID Fund (known as the Sarasin GlobalSar – Cautious from 1st January 2011) was revised to include a High Water Mark from 1st January 2011.

From the 1st January 2011 the way in which the performance fee is calculated in respect of the Fund was amended, however the level at which the performance fee is charged and the applicable benchmark against which the performance of the Fund is measured did not change.

The High Water Mark will be the highest share price at which a performance fee has been crystallised from its implementation to the Fund on 1st January 2011.

The revised performance fee model works by taking account of the size of the relevant Fund by adding a fee each day (when a performance fee is earned by the Fund), that is equal to the outperformance on the day and the Fund size on that day. A performance fee is not charged when absolute performance is negative and/or if the Fund underperforms the High Water Mark. The performance fee is decreased on underperforming days by taking out the proportion of outperformance lost from the total size of the performance fee – this does not take into account the Fund size, but ensures that the ACD will only receive a fee when the Fund has outperformed the hurdle and the High Water Mark.

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

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

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

By applying a dilution adjustment, the ACD has the flexibility to move the price of Shares in response to particular market circumstances. The ACD's policy is that it may make a dilution adjustment:
(a) if daily net sales or redemptions are over 3.0% of a Fund's Net Asset Value; or
(b) where a Fund is in continual decline (i.e. is suffering a net outflow of investments); or
(c) in any other case where the ACD believes that it is in the interest of Shareholders to impose a dilution adjustment.

Regardless of whether the price is adjusted up or down, all investors (on any particular dealing day) will buy or sell their Shares at the same price. For example, if the price for a Fund is 100 and the Fund's swing factor is 0.25%, then:
- if the Fund experiences net inflows in excess of the above threshold, the price is swung up to 100.25;
- if the Fund experiences net outflows in excess of the above threshold, the price is swung down to 99.75;
- if the Fund flows do not exceed the above threshold, or there is no trading, the price will remain at 100.

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

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

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

The value of the investment may change due to market conditions and expenses charged to the Fund(s).

Change of Mailing Address
From the 3rd October 2011 all written communication relating to your investment, should be directed to the Registrars / Administrators new postal address below:

Northern Trust Global Services Ltd
PO Box 3733
Wootton Bassett
Swindon
SN4 4BG

Please be advised that all other contact details remain the same.

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

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

Sarasin EquiSar Global Thematic Fund™

Why EquiSar?

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

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

Risk Profile

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

Fund Facts

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

Total Expense Ratio (%)

	as at 30.06.11 for last 6 months Acc	Inc
Share Class A	1.71	1.71
Share Class B	1.06	1.06
Share Class C	0.21	0.21
Share Class X	1.56	1.56

Fund Manager's Review

An eventful first half to 2011 was filled with civil wars effecting oil prices, earthquakes in Japan causing supply chain disruptions, extreme weather conditions leading to food inflation, risks to Sovereign defaults and ongoing geopolitical uncertainty. Despite this, equity markets have been remarkably resilient. Volatility measured by the VIX index has remained relatively low, with markets trading in a range. However, during the period, there was noticeable style and sector rotations, and a continuation of the 'risk on- risk off' trade, all of which contributed to the weak relative numbers for the first half of 2011. Strong performance from the megacap names in the benchmark (where we have been increasing exposure to quality blue chip companies) was strong, on a relative performance basis. This proved key; i.e. it was not what we owned more of rather than what we did not own.

The Fund had a strong Q4 in 2010 during which the fund added significant alpha. January however, was a particularly tough month with a shift from growth to value, from emerging to developed world exposure and up the market capitalisation bias. A considerable amount of relative underperformance can be attributed in this period, with exogenous factors (as above) limiting the relative gains we would have expected in a normalized market environment. Pricing Power and Security of Supply themes were weakest in this early period, with fears in part exasperated by interest rate concerns in the Emerging World. Value characteristics of Corporate Restructuring were supportive with Fiat (sold), Alcatel (sold) and Weyerhauser (reduced) strong performers.

With all the global uncertainty we de-risked the portfolio somewhat further in June. Our concerns were largely macroeconomic: Europe's well published problems are ongoing, China fixed asset investment plans are conflicted by their bank's ability to finance and the US is at the limits of what monetary policy can achieve. There is a possibility that the strong relative returns we have seen from hard asset related sectors of the equity market over many years, may moderate for a bit. Thematically we have increased the weight in Corporate Restructuring and Intellectual Property & Excellence, and reduced that of Strong get Stronger and Pricing Power, the latter with its cyclical characteristics underperforming in a slower growth environment. Three of our themes are particularly well suited to identifying winners in this more moderate environment. Corporate Restructuring with the ability to protect margins, but now with an emphasis on balance sheet quality, should do well. Secondly, serial innovators identified in our Intellectual Property & Excellence theme should provide sustainable growth, albeit at a valuation premium. Thirdly, companies with autonomous financing ability, in our Strong get Stronger theme, should finally be able to out perform credit constrained peers. Indeed all these thematic trends were increasingly evident over the year excepting some underperformance from the more cyclical elements in Strong get Stronger.

Despite the economic backdrop, earnings expectations have held up well. Through our distinctive process we find a plethora of highly thematic opportunities that can thrive in a slower growth environment. In many cases equities are likely to have lower risk, a higher quality of earnings streams and show value after sustained periods of de-rating. In many cases they have suffered from sustained input cost increases that may be alleviated by lower oil prices.

Performance (% change to 30.06.11)

	EquiSar GTF A shares Acc	EquiSar GTF B shares Acc	EquiSar GTF C shares Acc	EquiSar GTF X shares Acc	Benchmark[1]
Since launch on 01.07.94 to 30.06.11	+223.1	-	-	-	+183.2
Since launch on 29.11.99 to 30.06.11	-	+35.8	-	-	+22.8
Since launch on 24.04.03 to 30.06.11	-	-	+156.8	-	+93.1
Since launch on 19.01.10 to 30.06.11	-	-	-	+14.7	+16.5
31.12.10 to 30.06.11	-1.2	-0.9	-0.5	-1.1	+2.7
31.12.09 to 31.12.10	+17.0	+17.7	+18.7	-	+15.3
31.12.08 to 31.12.09	+10.8	+11.5	+12.5	-	+15.7
31.12.07 to 31.12.08	-16.2	-15.6	-15.1	-	-17.9
31.12.06 to 31.12.07	+14.8	+15.6	+16.5	-	+7.3
31.12.05 to 31.12.06	+10.7	+11.6	+12.3	-	+5.3

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

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

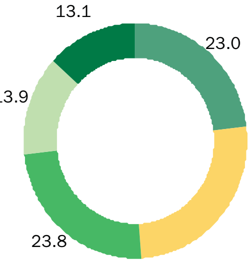
Investment Objective & Policy

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

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

1. Source: OBSR & Citywire, as at August 2011

Thematic Equity Allocation (% as at 30.06.11)



Top 10 Equity Holdings
(as a % of portfolio as at 30.06.11)

Home Depot Inc	2.8
Fresenius Medical Care	2.6
Virgin Media Inc	2.4
Borgwarner Inc	2.3
Oracle Corp	2.2
Verizon Communications Inc	2.1
Novozymes	2.0
Hartford Financial Services Group	2.0
Nissan Motor Co Ltd	1.9
Wal-Mart Stores Inc	1.9

Net Income Distribution/Accumulation

[1] to 31.08.11	Pence per Share		Per £1,000 invested at 03.01.2006 (£)	
2011[1]	Inc	Acc	Inc	Acc
Share Class A	0.1620	0.2679	0.35	0.60
Share Class B	2.6843	3.1014	5.93	6.16
Share Class C	-	9.4033	-	18.30
Share Class X	0.7631	0.7930	7.63	7.93
2010				
Share Class A	1.1389	0.7232	2.47	1.51
Share Class B	3.0078	3.7513	6.64	7.45
Share Class C	-	9.0014	-	17.52
Share Class X	1.5581	1.6447	15.58	16.45
2009				
Share Class A	4.3901	4.5228	9.52	9.45
Share Class B	7.0934	8.3299	15.66	16.55
Share Class C	-	12.7279	-	24.78
2008				
Share Class A	1.8678	1.9312	4.05	4.04
Share Class B	4.5904	5.1722	10.13	10.28
Share Class C	-	9.8564	-	19.19
2007				
Share Class A	1.3901	1.4183	3.01	2.96
Share Class B	7.5873	4.7396	16.75	9.42
Share Class C	-	8.6933	-	16.92
2006				
Share Class A	0.8514	-	1.85	-
Share Class B	-	4.3490	-	8.64
Share Class C	-	8.3541	-	16.26

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

Harry Talbot Rice
Fund Manager

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

Guy Monson
Managing Partner & Fund Manager

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

Share Prices and Fund Size

	Share Price Range				Fund Size						
	Highest for the year (pence)		Lowest for the year (pence)			Net Asset Value (£)		Net Asset Value Pence per Share[2]		Number of Shares in Issue	
2011*	Inc	Acc	Inc	Acc	**30.06.11**	Inc	Acc	Inc	Acc	Inc	Acc
Share Class A	630.10	666.30	581.20	614.60		44,761,721	46,115,594	610.32	645.62	7,334,086	7,142,818
Share Class B	621.10	726.10	573.50	670.40		223,745,116	95,868,992	601.11	705.21	37,221,987	13,594,453
Share Class C	-	770.70	-	712.00		-	14,565,462	-	750.88	-	1,939,794
Share Class X[3]	630.60	667.40	582.00	615.90		11,932,414	9,759,525	610.64	647.01	1,954,079	1,508,410
2010					**31.12.10**						
Share Class A	627.00	663.30	505.10	532.90		54,465,362	47,537,619	624.10	660.00	8,726,999	7,202,683
Share Class B	618.30	722.10	496.30	576.80		261,823,584	95,427,630	614.69	718.57	42,594,128	13,280,185
Share Class C	-	765.60	-	607.00		-	19,494,728	-	761.87	-	2,558,786
Share Class X[3]	627.60	664.20	505.20	533.00		10,215,485	9,177,953	624.53	660.91	1,635,701	1,388,688
2009					**31.12.09**						
Share Class A	542.10	572.00	382.10	401.00		48,590,102	42,388,231	532.86	562.26	9,118,670	7,538,905
Share Class B	532.80	618.80	374.70	431.60		119,767,459	17,849,701	523.27	608.30	22,888,447	2,934,352
Share Class C	-	650.50	-	450.50		-	16,583,251	-	639.45	-	2,593,371
2008					**31.12.08**						
Share Class A	603.20	628.30	393.10	410.90		35,466,255	29,936,634	472.02	495.45	7,513,679	6,042,350
Share Class B	592.60	672.90	385.80	441.20		72,114,088	11,021,467	462.33	532.53	15,598,061	2,069,629
Share Class C	-	698.80	-	459.40		-	13,926,817	-	555.04	-	2,509,160
2007					**31.12.07**						
Share Class A	584.6	609.0	495.4	514.8		39,665,910	35,156,526	579.01	602.96	6,850,681	5,830,657
Share Class B	573.6	650.2	485.0	546.2		48,063,467	10,150,470	566.93	647.25	8,477,820	1,568,251
Share Class C	-	673.3	-	562.0		-	16,023,438	-	666.65	-	2,403,585
2006	Inc	Acc	Inc	Acc	**31.12.06**						
Share Class A	506.6	526.4	440.4	456.6		34,313,621	31,593,356	505.35	525.09	6,790,005	6,016,775
Share Class B	499.3	557.9	429.1	482.1		462,714	9,018,776	493.95	556.49	93,677	1,620,658
Share Class C	-	573.3	-	493.8		-	13,532,991	-	571.95	-	2,366,111

*to 30.06.11
[2]Note: These notional prices are calculated by dividing the Net Asset Value by the number of base shares.
[3]from Share Class launch on 19.01.10

Sarasin EquiSar
Global Thematic Fund (Sterling Hedged)™

Why EquiSar Sterling Hedged?

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

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

Risk Profile

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

Fund Facts

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

Total Expense Ratio (%)

	as at 30.06.11 for last 6 months Acc	Inc
Share Class A	1.73	1.73
Share Class B	1.08	1.08
Share Class X	1.73	1.73

Fund Manager's Review

An eventful first half to 2011 was filled with civil wars effecting oil prices, earthquakes in Japan causing supply chain disruptions, extreme weather conditions leading to food inflation, risks to Sovereign defaults and ongoing geopolitical uncertainty. Despite this, equity markets have been remarkably resilient. Volatility measured by the VIX index has remained relatively low, with markets trading in a range. However, during the period, there was noticeable style and sector rotations, and a continuation of the 'risk on- risk off' trade, all of which contributed to the weak relative numbers for the first half of 2011. Strong performance from the megacap names in the benchmark (where we have been increasing exposure to quality blue chip companies) was strong, on a relative performance basis. This proved key; i.e. it was not what we owned more of rather than what we did not own.

The Fund had a strong Q4 in 2010 during which the fund added significant alpha. January however, was a particularly tough month with a shift from growth to value, from emerging to developed world exposure and up the market capitalisation bias. A considerable amount of relative underperformance can be attributed in this period, with exogenous factors (as above) limiting the relative gains we would have expected in a normalized market environment. Pricing Power and Security of Supply themes were weakest in this early period, with fears in part exasperated by interest rate concerns in the Emerging World. Value characteristics of Corporate Restructuring were supportive with Fiat (sold), Alcatel (sold) and Weyerhauser (reduced) strong performers.

With all the global uncertainty we de-risked the portfolio somewhat further in June. Our concerns were largely macroeconomic: Europe's well published problems are ongoing, China fixed asset investment plans are conflicted by their bank's ability to finance and the US is at the limits of what monetary policy can achieve. There is a possibility that the strong relative returns we have seen from hard asset related sectors of the equity market over many years, may moderate for a bit. Thematically we have increased the weight in Corporate Restructuring and Intellectual Property & Excellence, and reduced that of Strong get Stronger and Pricing Power, the latter with its cyclical characteristics underperforming in a slower growth environment. Three of our themes are particularly well suited to identifying winners in this more moderate environment. Corporate Restructuring with the ability to protect margins, but now with an emphasis on balance sheet quality, should do well. Secondly, serial innovators identified in our Intellectual Property & Excellence theme should provide sustainable growth, albeit at a valuation premium. Thirdly, companies with autonomous financing ability, in our Strong get Stronger theme, should finally be able to out perform credit constrained peers. Indeed all these thematic trends were increasingly evident over the year excepting some underperformance from the more cyclical elements in Strong get Stronger.

Despite the economic backdrop, earnings expectations have held up well. Through our distinctive process we find a plethora of highly thematic opportunities that can thrive in a slower growth environment. In many cases equities are likely to have lower risk, a higher quality of earnings streams and show value after sustained periods of de-rating. In many cases they have suffered from sustained input cost increases that may be alleviated by lower oil prices.

Performance (% change to 30.06.11)

	EquiSar GTF (Stg Hedged) A shares Acc[1]	EquiSar GTF (Stg Hedged) B shares Acc	EquiSar GTF (Stg Hedged) X shares Acc	Benchmark[2]
Since launch on 12.05.09 to 30.06.11	-	+35.4	+33.7	+33.6
Since launch on 28.09.09 to 30.06.11	+20.2	-	-	+18.1
31.12.10 to 30.06.11	-0.7	-0.4	-0.7	+2.9
31.12.09 to 31.12.10	+21.6	+22.4	+21.6	+15.3
31.12.08 to 31.12.09	-	-		-
31.12.07 to 31.12.08	-	-		-
31.12.06 to 31.12.07	-	-		-

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

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

Investment Objective & Policy

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

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

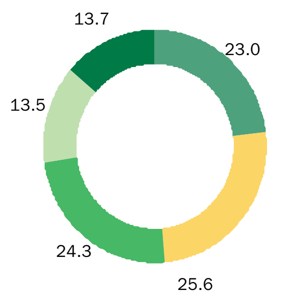
Harry Talbot Rice
Fund Manager

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

Guy Monson
Managing Partner & Fund Manager

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

Thematic Equity Allocation (% as at 30.06.11)



Top 10 Equity Holdings
(as a % of portfolio as at 30.06.11)

Home Depot Inc	2.8
Oracle Corp	2.1
Pearson Plc	2.1
Virgin Media Inc	2.1
Nissan Motor Co Ltd	2.0
Fresenius Medical Care	2.0
HSBC Holdings Plc	2.0
Verizon Communications Inc	2.0
Wal-Mart Stores Inc	1.9
Unicharm Corp	1.9

Net Income Distribution/Accumulation

[1] to 31.08.11	Pence per Share		Per £1,000 invested at 12.05.09 (£)	
2011[1]	Inc	Acc	Inc	Acc
Share Class A	1.9240	1.9777	17.25	17.74
Share Class B	1.9476	2.0157	19.48	20.16
Share Class X	1.9180	1.9860	19.18	19.86
2010				
Share Class A	1.1510	1.3978	10.32	12.54
Share Class B	2.1168	2.1283	21.17	21.28
Share Class X	2.1199	2.1301	21.20	21.30
2009				
Share Class A	-	-	-	-
Share Class B	-	-	-	-
Share Class X	-	-	-	-

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

Share Prices and Fund Size

	Share Price Range				Fund Size						
	Highest for the year (pence)		Lowest for the year (pence)			Net Asset Value (£)		Net Asset Value Pence per Share[1]		Number of Shares in Issue	
2011*	Inc	Acc	Inc	Acc	30.06.11	Inc	Acc	Inc	Acc	Inc	Acc
Share Class A	138.40	140.70	126.10	128.20		53,411	518,873	129.50	132.91	41,245	390,384
Share Class B	138.60	142.00	126.50	129.60		71,557,993	13,195,627	130.02	134.39	55,038,177	9,818,901
Share Class X	137.00	140.50	124.80	128.00		28,356,606	13,911,150	128.21	132.64	22,117,846	10,487,906
2010					31.12.10						
Share Class A	134.00	135.50	109.50	110.30		44,858	414,580	132.69	134.89	33,806	307,345
Share Class B	134.10	136.60	109.30	110.50		85,119,350	17,985,822	132.79	136.02	64,102,669	13,222,442
Share Class X	132.70	135.30	108.50	110.10		27,917,618	13,194,606	131.35	134.68	21,253,740	9,797,208
2009					31.12.09						
Share Class A[2]	-	119.60	-	109.40		-	70,635	-	118.80	-	59,457
Share Class B[3]	119.80	119.80	95.13	95.12		42,238,847	16,458,301	118.08	119.03	35,771,812	13,826,485
Share Class X[3]	119.30	119.40	95.02	95.08		19,362,559	5,886,813	117.58	118.59	16,468,054	4,964,076

* to 30.06.011
[1]Note: These notional prices are calculated by dividing the Net Asset Value by the number of base shares.
[2]From share class launch 28.09.09 to 31.12.09
[3]From share class launch 12.05.09 to 31.12.09

Sarasin EquiSar IIID™

Why EquiSar IIID?

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

Risk Profile

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

Fund Facts

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

Total Expense Ratio (%)*

	as at 30.06.11 for last 6 months Acc	Inc
Share Class A	1.75 (1.75)	1.75 (1.75)
Share Class B	1.10 (1.10)	1.10 (1.10)
Share Class X	1.60 (1.60)	1.60 (1.60)

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

Fund Manager's Review

An eventful first half to 2011 was filled with civil wars effecting oil prices, earthquakes in Japan causing supply chain disruptions, extreme weather conditions leading to food inflation, risks to Sovereign defaults and ongoing geopolitical uncertainty. Despite this, equity markets have been remarkably resilient. Volatility measured by the VIX index has remained relatively low, with markets trading in a range. However, during the period, there was noticeable style and sector rotations, a continuation of the 'risk on- risk off' trade and UK inflation (RPI) at 5% contributed to the weak relative numbers for the first half of 2011.

The Fund had a strong Q4 in 2010 during which the fund added significant alpha. January however, was a particularly tough month with a shift from growth to value, from emerging to developed world exposure and up the market capitalisation bias. A considerable amount of relative underperformance can be attributed in this period, with exogenous factors (as above) limiting the relative gains we would have expected in a normalized market environment. Pricing Power and Security of Supply themes were weakest in this early period, with fears in part exasperated by interest rate concerns in the Emerging World. Value characteristics of Corporate Restructuring were supportive with Fiat (sold), Alcatel (sold) and Weyerhauser (reduced) strong performers.

With all the global uncertainty we de-risked the portfolio somewhat further in June. Our concerns were largely macroeconomic: Europe's well published problems are ongoing, China fixed asset investment plans are conflicted by their bank's ability to finance and the US is at the limits of what monetary policy can achieve. There is a possibility that the strong relative returns we have seen from hard asset related sectors of the equity market over many years, may moderate for a bit. Thematically we have increased the weight in Corporate Restructuring and Intellectual Property & Excellence, and reduced that of Strong get Stronger and Pricing Power, the latter with its cyclical characteristics underperforming in a slower growth environment. Three of our themes are particularly well suited to identifying winners in this more moderate environment. Corporate Restructuring with the ability to protect margins, but now with an emphasis on balance sheet quality, should do well. Secondly, serial innovators identified in our Intellectual Property & Excellence theme should provide sustainable growth, albeit at a valuation premium. Thirdly, companies with autonomous financing ability, in our Strong get Stronger theme, should finally be able to out perform credit constrained peers. Indeed all these thematic trends were increasingly evident over the year excepting some underperformance from the more cyclical elements in Strong get Stronger.

Premium spent on option protection detracted from absolute contribution, as markets traded in a range bound market:- that said, these strategies are currently are all in-the-money and have reduced the net equity exposure considerably. Sterling was moderately strong over the period against the USD and JPY, however weaker against the EURO. The currency hedging strategy over the period was tilted to stronger Sterling with net exposure to GBP averaging around 60% net. We reduced sterling in the short term.

Despite the economic backdrop, earnings expectations have held up well. Through our distinctive process we find a plethora of highly thematic opportunities that can thrive in a slower growth environment. In many cases equities are likely to have lower risk, a higher quality of earnings streams and show value after sustained periods of de-rating. In many cases they have suffered from sustained input cost increases that may be alleviated by lower oil prices.

Performance (% change to 30.06.11)

	EquiSar IIID A shares Acc	EquiSar IIID B shares Acc	EquiSar IIID X shares Acc	Benchmark[1]
Since launch on 08.05.06 to 30.06.11	+20.2	+23.1	-	+44.0
Since launch on 12.05.08 to 30.06.11	-	-	-4.2	+22.4
31.12.10 to 30.06.11	-3.2	-2.9	-3.2	+5.5
31.12.09 to 31.12.10	+10.7	+11.1	+10.9	+8.4
31.12.08 to 31.12.09	+5.9	+6.3	+5.9	+3.8
31.12.07 to 31.12.08	-13.7	-13.5	-	+7.0
31.12.06 to 31.12.07	+16.3	+17.2	-	+7.9

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

[1]Benchmark: RPI +3.5%

Investment Objective & Policy

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

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

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

Harry Talbot Rice
Fund Manager

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

Guy Monson
Managing Partner & Fund Manager

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

Thematic Equity Exposure (as at 30.06.11)

%	Long	Short	Gross	Net
Corporate Rest.	25.0	0.0	25.0	25.0
IP&E	36.9	0.0	36.9	36.9
Pricing Power	21.5	0.0	21.5	21.5
Security of Supply	14.8	0.0	14.8	14.8
Strategic Holdings	4.6	56.9	61.6	-52.3
SgS	9.0	0.0	9.0	9.0
TOTALS	**111.8**	**56.9**	**168.8**	**54.9**

Top 10 Equity Holdings (as a % of portfolio as at 30.06.11)

Fresenius Medical Care	3.1
Novozymes	2.8
Home Depot Inc	2.6
Essilor International	2.5
Nissan Motor Co Ltd	2.5
EADS	2.5
Hartford Financial Services Group	2.4
Citigroup Inc	2.4
CSL Ltd	2.4
Oracle Corp	2.2

Net Income Distribution/Accumulation

[1] to 31.08.11	Pence per Share		Per £1,000 invested at 08.05.06 (£)	
2011[1]	Inc	Acc	Inc	Acc
Share Class A	0.3078	0.3234	3.08	3.23
Share Class B	0.4638	0.4808	4.64	4.81
Share Class X	0.3442	0.3558	3.44	3.56
2010				
Share Class A	0.3824	0.3327	3.82	3.33
Share Class B	0.5016	0.5456	5.02	5.46
Share Class X	0.3534	0.3726	3.53	3.73
2009				
Share Class A	1.9826	2.5820	19.83	25.82
Share Class B	1.9206	2.0966	19.21	20.97
Share Class X	1.6774	1.6866	16.77	16.87
2008				
Share Class A	1.4789	0.9534	14.79	9.53
Share Class B	1.1256	0.9761	11.26	9.76
Share Class X	0.3454	0.3451	3.45	3.45
2007				
Share Class A	-	-	-	-
Share Class B	0.0493	-	0.49	-
2006				
Share Class A	0.3034	0.3052	3.03	3.05
Share Class B	0.3298	0.3302	3.30	3.30

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

Share Prices and Fund Size

	Share Price Range				Fund Size						
	Highest for the year (pence)		Lowest for the year (pence)		Net Asset Value (£)			Net Asset Value Pence per Share[2]		Number of Shares in Issue	
2011*	Inc	Acc	Inc	Acc	**30.06.11**	Inc	Acc	Inc	Acc	Inc	Acc
Share Class A	120.40	124.90	112.30	116.50		332,962	13,818,033	115.32	119.98	288,741	11,517,254
Share Class B	121.80	127.60	114.00	119.30		47,801,519	20,445,468	116.88	122.88	40,896,909	16,638,834
Share Class X	121.70	124.70	113.60	116.40		11,767,461	7,827,648	116.58	119.84	10,093,677	6,531,850
2010					**31.12.10**						
Share Class A	120.10	124.60	104.60	108.20		322,031	13,784,490	119.81	124.31	268,794	11,088,398
Share Class B	121.50	127.20	105.40	109.90		60,403,328	35,306,288	121.22	126.94	49,830,259	27,813,886
Share Class X	121.30	124.40	105.60	107.80		14,022,964	10,478,462	121.08	124.10	11,581,957	8,443,713
2009					**31.12.09**						
Share Class A	109.50	113.30	91.23	93.93		927,092	11,276,922	108.41	112.15	855,186	10,055,614
Share Class B	110.30	115.20	91.67	94.96		78,639,890	30,263,668	109.17	114.04	72,037,577	26,536,923
Share Class X	110.60	112.90	92.03	93.29		15,873,161	15,964,629	109.41	111.72	14,507,549	14,290,350
2008					**31.12.08**						
Share Class A	126.30	126.70	92.69	91.94		1,417,165	11,136,187	101.89	104.84	1,390,900	10,622,378
Share Class B	126.50	128.30	90.89	93.02		50,744,473	39,744,499	102.27	105.90	49,616,894	37,528,914
Share Class X[3]	126.40	126.60	91.19	91.58		30,565,198	23,905,999	102.76	104.14	29,743,938	22,955,450
2007					**31.12.07**						
Share Class A	122.90	122.80	105.20	105.40		6,489,634	22,318,075	122.64	122.59	5,291,460	18,205,581
Share Class B	122.30	124.10	105.10	105.70		19,745,762	27,987,857	122.07	123.91	16,176,067	22,586,778
2006					**31.12.06**						
Share Class A[4]	105.30	105.60	96.92	96.92		3,423,739	6,422,749	105.22	105.51	3,253,820	6,087,511
Share Class B[4]	105.60	105.90	96.95	96.95		526,540	14,756,361	105.43	105.78	499,400	13,950,500

*to 30.06.11
[2]Note: These notional prices are calculated by dividing the Net Asset Value by the number of base shares.
[3]from share class launch 12.05.08 to 31.12.08
[4]from share class launch 08.05.06 to 31.12.06

Sarasin EquiSar - UK Thematic™

Why EquiSar - UK Thematic?

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

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

Risk Profile

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

Fund Facts

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

Total Expense Ratio (%)

	as at 30.06.11 for last 6 months Acc	Inc
Share Class A	1.72	1.72
Share Class B	1.07	1.07
Share Class C	0.22	0.22
Share Class X	1.57	1.57

Fund Manager's Review

The market displayed remarkable resilience in a time of significant macro volatility and political noise. As inflation pressures remained persistent, the market focus gradually moved back towards the outlook for monetary and fiscal policy. The ECB was the first of the main central banks to hike interest rates (by 25bp in April and again in July) compounding the misery in the euro zone periphery nations already facing rising financing costs. The Fed and BoE continued with their loose monetary policy in the hope that inflation might prove transitory. The PIGS had the dubious honour of having an "I" added to the acronym, as Italy became the latest nation to be dragged into the debate on the region's ability to service its debt. The European Stability Fund is not large enough to include Italy, should it need funding. Finally, the US debate on fiscal consolidation heated up, with the averted government shutdown, the upcoming debt ceiling and the decision by the rating agency Standard & Poors to put the AAA-rating of the US debt on negative watch. Against this shambolic backdrop of political brinksmanship and financial profligacy, the global economy continued to slow and cracks in corporate confidence started to show. Lest we should forget, the impact of the violent skirmishes in the Middle East and North African region and the devastating earthquake and tsunami in Japan is only now becoming clearer. What started as a trickle of profit warnings in the previous quarter turned into a veritable slew, as large multinationals like Philips, Akzo Nobel and Nokia all joined in. Here in the UK, Premier Farnell and Thomas Cook Group were amongst those warning on profits, proving that the pain was not limited by geography or sector.

In terms of performance, the market's c.3% increase over the period masked a deep divergence between the best and worst performing sectors within the benchmark. Owning one or two stocks which performed poorly was sometimes enough to wipe out the positive contribution from the vast majority of the other holdings. Looking at the performance of the fund by themes, Intellectual Property & Excellence was the best performer, outperforming the market by nearly 6%, made possible thanks to strong performance from Arm Holdings and our Pharmaceutical names including BTG. Security of Supply also delivered 4.5% outperformance as Drax and Aggreko continued to power ahead. The Strong get Stronger theme was hurt by its high exposure to financials which remained out of favour despite our view that they are fundamentally getting stronger. Both Pricing Power and Corporate Restructuring also underperformed as economically sensitive names such as Lloyds Banking Group, Xstrata and Lonmin performed poorly. Thomas Cook Group in our Pricing Power theme was a continuing disappointment and was sold during the period, thankfully well before its last and most devastating profit warning which wiped over 40% of the company's market value.

The performance of the fund over the first six months of the year has been disappointing and has forced us to revisit our conviction on all names in the portfolio. Where we have felt that the thematic drivers are sufficient enough to offset factors outside of management control (such as at Thomas Cook Group) we have exited our position entirely. Elsewhere, we have proactively taken profits in areas where we have enjoyed a re-rating beyond anything we might have hoped, whilst adding to stocks where our conviction has remained stronger than ever, despite the market currently taking a different view. There are also some new additions to the portfolio where we see opportunity for earnings growth and a re-rating despite a slowing global economy. As ever, it is our endeavour to identify pockets of superior growth, no matter what the state of the economy.

Outlook

There are clearly significant challenges ahead. Rising cost inflation, weaker demand and supply chain disruptions all adversely impact margins. Weak labour markets in the developed world are putting pressure on discretionary spending. In addition, the upcoming refinancing wall (where a record number of companies are approaching deadlines when their existing debt will need to be repaid or rolled over) means that cost of capital is likely to rise from historically low absolute levels. This will be a challenge for companies with poor or no credit ratings to raise debt in capital markets, whilst banks remain unwilling to lend to anyone but the least risky customers. Political risk remains high and unquantifiable across many parts of the world – especially at a time when we are seeing an unprecedented level of change at the top. But lest we should get too gloomy, it is worth reminding ourselves that much of this bad news is in the price. The UK market is trading on an expected price-to-earnings multiple for 2012 of under 10x and an expected dividend yield of 3.7%. This aggregate number hides extraordinary divergence; 28 FTSE 100 companies which make up more than half of the FTSE 100 are trading on less than 10x, with the cheapest stock on just over 4x. In amongst these are, we believe, some highly thematic investment opportunities going for a song, and we intend to make the most of these within our fund.

Performance (% change to 30.06.11)

	EquiSar - UK Thematic A shares Acc	EquiSar - UK Thematic B shares Acc	EquiSar - UK Thematic C shares Acc	EquiSar - UK Thematic X shares Acc	Benchmark[2]
Since launch on 28.01.10 to 30.06.11	+21.0	+21.9	+23.4	+20.8	+24.8
31.12.10 to 30.06.11	+1.3	+1.4	+1.9	+1.1	+3.0
31.12.09 to 31.12.10	-	-	-	-	-

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

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

Investment Objective & Policy

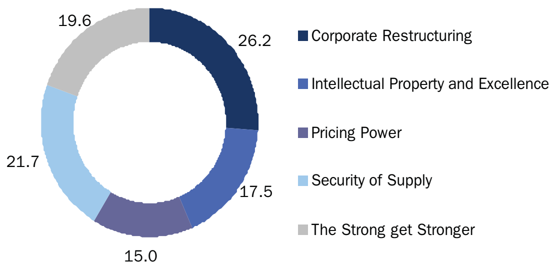
The fund seeks to achieve a total return to shareholders over the long-term through investment predominantly in a portfolio of UK transferable securities that are expected to be key drivers of corporate profitability, investment performance and yield.

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

Rohini Rathour
Fund Manager

Rohini is Manager of the EquiSar - UK Thematic funds.

Thematic Equity Allocation (% as at 30.06.11)



Net Income Distribution/Accumulation

[1] to 31.08.11	Pence per Share		Per £1,000 invested at 28.01.10 (£)	
2011[1]	Inc	Acc	Inc	Acc
Share Class A	2.3826	2.4464	23.83	24.46
Share Class B	2.6207	2.6918	26.21	26.92
Share Class C	2.9116	3.0610	29.12	30.61
Share Class X	2.3876	2.4426	23.88	24.43
2010				
Share Class A	1.9074	1.7198	19.07	17.20
Share Class B	2.0742	2.0904	20.74	20.90
Share Class C	2.3185	2.1120	23.19	21.12
Share Class X	1.9168	1.0864	19.17	10.86

Top 10 Equity Holdings
(as a % of portfolio as at 30.06.11)

BP Plc	5.3
Vodafone Group Plc	5.0
BG Group Plc	4.9
Xstrata Plc	4.4
BT Group Plc	4.2
Glaxosmithkline Plc	3.9
Barclays Plc	3.4
Astrazeneca Plc	3.3
BHP Billiton Plc	3.2
Petrofac Ltd	2.9

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	
2011*	Inc	Acc	Inc	Acc	**30.06.11**	Inc	Acc	Inc	Acc	Inc	Acc
Share Class A	121.40	124.30	112.40	115.40		244,913	45,956	115.22	119.97	212,558	38,307
Share Class B	122.00	125.20	113.10	116.20		15,928,643	17,263,570	115.89	120.93	13,744,663	14,276,062
Share Class C	122.60	126.50	114.00	117.30		628,371	1,224	116.67	122.40	538,576	1,000
Share Class X	121.60	124.20	112.60	115.30		579,535	444,973	115.38	119.83	502,294	371,333
2010					**31.12.10**						
Share Class A	118.60	120.90	94.27	95.37		189,225	16,640	117.27	119.86	161,354	13,883
Share Class B	119.10	121.60	94.43	95.53		13,341,571	20,345,372	117.74	120.50	11,331,046	16,884,232
Share Class C	119.63	122.42	94.59	95.94		652,712	1,214	118.22	121.40	552,130	1,000
Share Class X	118.69	120.77	94.33	95.38		388,213	389,535	117.45	119.77	330,538	325,231

*to 30.06.11
[2]Note: These notional prices are calculated by dividing the Net Asset Value by the number of base shares.

Sarasin EquiSar - UK Thematic Opportunities™

Why EquiSar - UK Thematic Opportunities?

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

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

Risk Profile

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

Fund Facts

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

Total Expense Ratio (%)*

	as at 30.06.11 for last 6 months Acc	Inc
Share Class A	1.76 (1.76)	1.76 (1.76)
Share Class B	1.11 (1.11)	1.11 (1.11)
Share Class X	1.61 (1.61)	1.61 (1.61)

Figures in brackets represent the total TER inclusive of performance fees

Fund Manager's Review

The market displayed remarkable resilience in a time of significant macro volatility and political noise. As inflation pressures remained persistent, the market focus gradually moved back towards the outlook for monetary and fiscal policy. The ECB was the first of the main central banks to hike interest rates (by 25bp in April and again in July) compounding the misery in the euro zone periphery nations already facing rising financing costs. The Fed and BoE continued with their loose monetary policy in the hope that inflation might prove transitory. The PIGS had the dubious honour of having an "I" added to the acronym, as Italy became the latest nation to be dragged into the debate on the region's ability to service its debt. The European Stability Fund is not large enough to include Italy, should it need funding. Finally, the US debate on fiscal consolidation heated up, with the averted government shutdown, the upcoming debt ceiling and the decision by the rating agency Standard & Poors to put the AAA-rating of the US debt on negative watch. Against this shambolic backdrop of political brinksmanship and financial profligacy, the global economy continued to slow and cracks in corporate confidence started to show. Lest we should forget, the impact of the violent skirmishes in the Middle East and North African region and the devastating earthquake and tsunami in Japan is only now becoming clearer. Global supply chains have been dislocated with a knock on effect on input costs as well as end demand. What started as a trickle of profit warnings in the previous quarter turned into a veritable slew, as large multinationals like Philips, Akzo Nobel and Nokia all joined in. Here in the UK, Premier Farnell and Thomas Cook Group were amongst those warning on profits, proving that the pain was not limited by geography or sector.

The performance of the fund over the first six months of the year has been disappointing and has forced us to revisit our conviction on all names in the portfolio. Where we have felt that the thematic drivers are sufficient enough to offset factors outside of management control (such as at Thomas Cook Group) we have exited our position entirely. Elsewhere, we have proactively taken profits in areas where we have enjoyed a re-rating beyond anything we might have hoped, whilst adding to stocks where our conviction has remained stronger than ever, despite the market currently taking a different view. There are also some new additions to the fund where we see opportunity for earnings growth and a re-rating despite a slowing global economy. As ever, it is our endeavour to identify pockets of superior growth, no matter what the state of the economy.

Outlook

There are clearly significant challenges ahead. Rising cost inflation, weaker demand and supply chain disruptions all adversely impact margins. Weak labour markets in the developed world are putting pressure on discretionary spending. In addition, the upcoming refinancing wall (where a record number of companies are approaching deadlines when their existing debt will need to be repaid or rolled over) means that cost of capital is likely to rise from historically low absolute levels. This will be a challenge for companies with poor or no credit ratings to raise debt in capital markets, whilst banks remain unwilling to lend to anyone but the least risky customers. Political risk remains high and unquantifiable across many parts of the world – especially at a time when we are seeing an unprecedented level of change at the top. But lest we should get too gloomy, it is worth reminding ourselves that much of this bad news is in the price. The UK market is trading on an expected price-to-earnings multiple for 2012 of under 10x and an expected dividend yield of 3.7%. This aggregate number hides extraordinary divergence; 28 FTSE 100 companies which make up more than half of the FTSE 100 are trading on less than 10x, with the cheapest stock on just over 4x. In amongst these are, we believe, some highly thematic investment opportunities going for a song, and we intend to make the most of these within our fund.

Performance (% change to 30.06.11)

	EquiSar - UK Thematic Opportunities A shares Acc	EquiSar - UK Thematic Opportunities B shares Acc	EquiSar - UK Thematic Opportunities X shares Acc	Benchmark[1]
Since launch on 28.01.10 to 30.06.11	+22.4	+23.4	+22.3	+23.2
31.12.10 to 30.06.11	-0.4	-0.2	-0.4	+3.0
1.12.09 to 31.12.10	-	-		-

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

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

Investment Objective & Policy

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

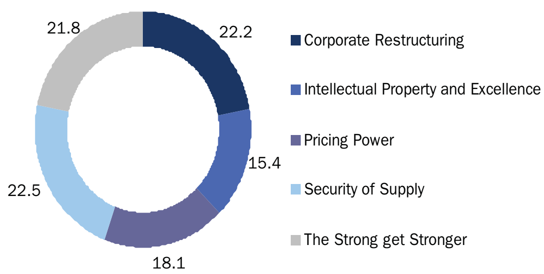
The fund aims to generate an annualised total return that is 3% in excess of the FTSE All Share benchmark.

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

Rohini Rathour
Fund Manager

Rohini is Manager of the EquiSar - UK Thematic funds.

Thematic Equity Allocation (% as at 30.06.11)



Net Income Distribution/Accumulation

[1] to 31.08.11	Pence per Share		Per £1,000 invested at 28.01.10 (£)	
2011[1]	**Inc**	**Acc**	**Inc**	**Acc**
Share Class A	1.3579	1.5470	13.58	15.47
Share Class B	2.0041	2.0299	20.04	20.30
Share Class X	1.6977	1.7059	16.98	17.06
2010				
Share Class A	0.2827	0.2735	2.83	2.74
Share Class B	0.5096	0.4805	5.10	4.81
Share Class X	0.3114	0.3208	3.11	3.21

Top 10 Equity Holdings
(as a % of portfolio as at 30.06.11)

BP Plc	5.5
Astrazeneca Plc	3.9
Virgin Media Inc	3.7
Pearson Plc	3.5
Barclays Plc	3.5
Lloyds Banking Group Plc	3.1
BG Group Plc	2.9
3i Group Plc	2.8
Marks & Spencer Group Plc	2.7
Premier Oil Plc	2.5

Share Prices and Fund Size

	Share Price Range				Fund Size						
	Highest for the year (pence)		Lowest for the year (pence)			Net Asset Value (£)		Net Asset Value Pence per Share[2]		Number of Shares in Issue	
2011*	Inc	Acc	Inc	Acc	**30.06.11**	Inc	Acc	Inc	Acc	Inc	Acc
Share Class A	127.00	126.90	117.20	117.10		89,781	1,134,889	120.11	121.45	74,749	934,457
Share Class B	127.20	127.80	117.60	118.10		5,183,552	1,001,160	119.89	122.50	4,323,567	817,292
Share Class X	127.00	126.90	117.10	117.10		21,692,017	1,344,194	119.73	121.36	18,117,622	1,107,587
2010					**31.12.10**						
Share Class A	124.10	124.00	95.20	95.23		83,589	183,639	123.42	123.11	67,730	149,170
Share Class B	124.20	124.80	95.24	95.24		5,553,781	880,082	123.16	123.77	4,509,306	711,079
Share Class X	124.00	123.90	95.22	95.28		22,466,708	978,731	123.01	122.93	18,264,465	796,141

*to 30.06.11
[2]Note: These notional prices are calculated by dividing the Net Asset Value by the number of base shares.

Sarasin EquiSar - Socially Responsible™

Why EquiSar - Socially Responsible?

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

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

Risk Profile

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

Fund Facts

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

Total Expense Ratio (%)*

	as at 30.06.11 for last 6 months*	
	Acc	Inc
Share Class A	1.65	1.65
Share Class B	1.00	1.00
Share Class X	1.50	1.50

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

Fund Manager's Review

The Sarasin EquiSar – Socially Responsible funds were launched on 1st June 2011.

Escalating Greek tensions and increasing fears of a global slowdown hit the markets during the first half of June. However, signs of smoother Japanese supply chains, a further drop in oil prices after the IEA decided to release some oil reserves, more positive US manufacturing data and a short-term resolution of the Greek debt crisis provided some relief. Meanwhile, the US Federal Reserve ended its QE programme, while the ECB signalled its intention to hike rates for a second time this year in July. Conversely, the Bank of England moved away from an interest rate hike. With a high level of macro uncertainty, performance was slightly behind the benchmark. Despite the economic backdrop, earnings expectations have held up well. Given divergence between earnings expectations and forward indicators such as the ISM, we have shifted the fund towards stocks with a higher degree of sustainability in their margins.

The current environment does not favour our Pricing Power theme and we further reduced exposure to this cyclical characteristic over the month. Three of our themes are particularly well suited to this more moderate environment. Corporate Restructuring, Intellectual Property & Excellence and Strong get Stronger. An ongoing priority for our engagement activity is disclosure. We encourage companies to disclose information in areas of potential significant social and environmental risks, as well as material financial risks. We are in close discussions with a leading retailer in the portfolio to encourage participation in the Forest Footprint Disclosure Project. We are undertaking a series of investigations into environmental, social and governance issues to inform our due diligence of potential investment opportunities. We recently completed the investigation into corruption – particularly relevant following the UK Bribery Act's introduction at the start of July.

Performance (% change to 30.06.11)

	EquiSar - Socially Responsible A shares Acc	EquiSar - Socially Responsible B shares Acc	EquiSar - Socially Responsible X shares Acc	Benchmark[1]
Since launch on 01.06.11 to 30.06.11	+0.6	+0.6	+0.6	+1.9
31.12.10 to 30.06.11	-	-	-	-
31.12.09 to 30.06.10	-	-		-

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

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

Investment Objective & Policy

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

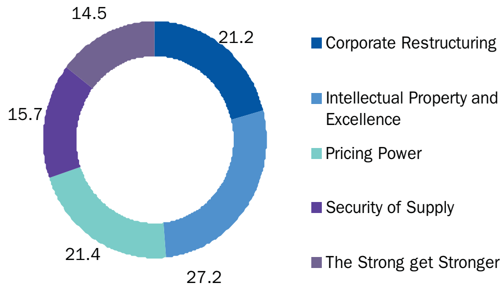
The Fund will seek to avoid investing in companies which are materially involved in the production and distribution of ethically unacceptable products, including but not limited to alcohol, gambling, tobacco, pornography and armaments; companies which are materially involved in ethically unacceptable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

Harry Talbot Rice
Fund Manager

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

Adam Frost
Head of Governance and Environmental and Social Research

Thematic Equity Allocation (% as at 30.06.11)



Net Income Distribution/Accumulation

[1]to 31.08.11	Pence per Share		Per £1,000 invested at 01.06.11 (£)	
2011[1]	Inc	Acc	Inc	Acc
Share Class A	-	-	-	-
Share Class B	-	-	-	-
Share Class X	-	-	-	-

Top 10 Equity Holdings
(as a % of portfolio as at 30.06.11)

Fresenius Medical Care	2.8
Home Depot Inc	2.4
Borgwarner Inc	2.2
Oracle Corp	2.2
Nissan Motor Co Ltd	2.1
Novozymes	2.1
Occidental Petroleum Corp	2.1
Verizon Communications Inc	2.0
Fanuc Corp	2.0
Coca-Cola Co	2.0

Share Prices and Fund Size

	Share Price Range				Fund Size						
	Highest for the year (pence)		Lowest for the year (pence)			Net Asset Value (£)		Net Asset Value Pence per Share[1]		Number of Shares in Issue	
2011*	Inc	Acc	Inc	Acc	30.06.11	Inc	Acc	Inc	Acc	Inc	Acc
Share Class A	100.20	100.20	95.29	95.29		4,999	5,004	99.98	100.08	5,000	5,000
Share Class B	100.30	100.20	95.34	95.33		50,465,606	5,007	100.07	100.14	50,429,856	5,000
Share Class X	100.20	100.20	95.30	95.30		4,999	5,005	99.99	100.09	5,000	5,000

*to 30.06.11
[1]Note: These notional prices are calculated by dividing the Net Asset Value by the number of base shares.

Sarasin EquiSar - Socially Responsible (Sterling Hedged)™

Why EquiSar - Socially Responsible (Sterling Hedged)?

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

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

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

Risk Profile

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

Fund Facts

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

Total Expense Ratio (%)*

	as at 30.06.10 for last 6 months*	
	Acc	Inc
Share Class A	1.65	1.65
Share Class B	1.00	1.00
Share Class X	1.50	1.50

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

Fund Manager's Review

The Sarasin EquiSar – Socially Responsible funds were launched on 1st June 2011.

Escalating Greek tensions and increasing fears of a global slowdown hit the markets during the first half of June. However, signs of smoother Japanese supply chains, a further drop in oil prices after the IEA decided to release some oil reserves, more positive US manufacturing data and a short-term resolution of the Greek debt crisis provided some relief. Meanwhile, the US Federal Reserve ended its QE programme, while the ECB signalled its intention to hike rates for a second time this year in July. Conversely, the Bank of England moved away from an interest rate hike. With a high level of macro uncertainty, performance was slightly behind the benchmark. Despite the economic backdrop, earnings expectations have held up well. Given divergence between earnings expectations and forward indicators such as the ISM, we have shifted the fund towards stocks with a higher degree of sustainability in their margins.

The current environment does not favour our Pricing Power theme and we further reduced exposure to this cyclical characteristic over the month. Three of our themes are particularly well suited to this more moderate environment. Corporate Restructuring, Intellectual Property & Excellence and Strong get Stronger. An ongoing priority for our engagement activity is disclosure. We encourage companies to disclose information in areas of potential significant social and environmental risks, as well as material financial risks. We are in close discussions with a leading retailer in the portfolio to encourage participation in the Forest Footprint Disclosure Project. We are undertaking a series of investigations into environmental, social and governance issues to inform our due diligence of potential investment opportunities. We recently completed the investigation into corruption – particularly relevant following the UK Bribery Act's introduction at the start of July.

Performance (% change to 30.06.11)

	EquiSar - Socially Responsible (Sterling Hedged) A shares Acc	EquiSar - Socially Responsible (Sterling Hedged) B shares Acc	EquiSar - Socially Responsible (Sterling Hedged) X shares Acc	Benchmark[1]
Since launch on 01.06.11 to 30.06.11	-1.6	-1.5	-1.6	-0.1
31.12.10 to 30.06.11	-	-	-	-
31.12.09 to 30.06.10	-	-		-

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

[1]Benchmark: MSCI World (Local Currencies)

Investment Objective & Policy

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

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

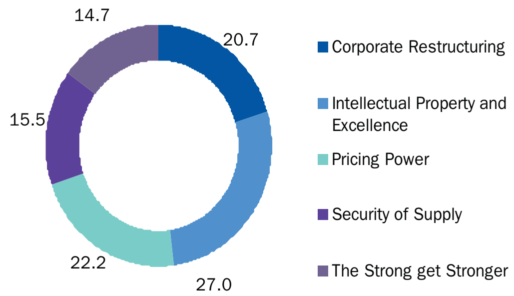
Any foreign currency exposure will be hedged back into sterling.

Harry Talbot Rice
Fund Manager

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

Adam Frost
Head of Governance and Environmental and Social Research

Thematic Equity Allocation (% as at 30.06.11)



Net Income Distribution/Accumulation

to 31.08.11[1]	Pence per Share		Per £1,000 invested at 01.06.11 (£)	
2011[1]	Inc	Acc	Inc	Acc
Share Class A	-	-	-	-
Share Class B	-	-	-	-
Share Class X	-	-	-	-

Top 10 Equity Holdings
(as a % of portfolio as at 30.06.11)

Fresenius Medical Care	2.8
Home Depot Inc	2.6
Nissan Motor Co Ltd	2.3
Oracle Corp	2.2
Novozymes	2.2
Borgwarner Inc	2.1
Verizon Communications Inc	2.0
Occidental Petroleum Corp	1.9
Sk Telecom Co Ltd-Adr	1.9
Coca-Cola Co	1.9

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[1]		Number of Shares in Issue	
2011*	Inc	Acc	Inc	Acc	30.06.11	Inc	Acc	Inc	Acc	Inc	Acc
Share Class A	100.00	100.00	94.10	94.10		4,875	4,880	97.50	97.60	5,000	5,000
Share Class B	100.00	100.00	94.17	94.14		73,134,816	4,883	97.59	97.66	74,941,865	5,000
Share Class X	98.14	98.13	94.11	94.11		390,042	4,881	97.51	97.61	400,000	5,000

*to 30.06.11
[1]Note: These notional prices are calculated by dividing the Net Asset Value by the number of base shares.

Sarasin International Equity Income Fund™

Why International Equity Income?

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

The Fund Manager employs the same thematic investment approach as the main EquiSar family of funds. In addition, investors in our International Equity Income Fund enjoy a projected dividend yield of 4.9%, compared to the current yield of 3.7% on UK equities, allowing income-seeking investors to diversify globally.

Risk Profile

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

Fund Facts

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

Total Expense Ratio

	as at 30.06.11 for last 6 months Acc	Inc
Share Class A	1.74	1.74
Share Class B	1.09	1.09
Share Class X*	1.59	1.59
Share Class USD**	1.74	1.74

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

Fund Manager's Review

Despite all the negative news flow, equities had remained remarkably resilient throughout the first half of 2011. However, July proved to be more problematic for investors as concerns and discussions around a second Greek bailout combined with a lack of progress on a long-term US deficit reduction plan drove equity indices lower. Contagion reached Italy and Spain, with government debt yields surging. In response, EU leaders passed a multi-faceted bailout toward the end of the month that included a more flexible EFSF (secondary purchases and bank recapitalisations) and easier loan terms for programme countries (Ireland, Portugal and Greece). This had the effect of a short-lived rally in risk assets on relief that policy makers had managed to cobble something together to try to avert a systemic financial crisis. However, the efficacy of this package has since been questioned and as a result of the turmoil in Europe bourses suffered heavy losses, driven first and foremost by banks.

Adding to the political turmoil, macro data has begun to roll over, most recently with a much weaker than expected US ISM print at the end of the month, which followed downward GDP revisions. With growth expectations waning, interest rate hike expectations have been pushed out to as far as 2013 meaning policy makers will continue to manufacture a negative real interest rate environment which should support risk assets going forward. Against this backdrop we believe our thematic equity selection process should provide interesting opportunities, where strong inexorable trends remain relatively insulated to broader political brinkmanship and macro economic slowdown.

Over the period, industrials, materials and consumer discretionary stocks underperformed. We chose to take some late cycle exposure to industrials through companies such as Akzo Nobel, whose results were adversely impacted by rising input cost inflation, and Holcim, the highest quality global cement producer (the cement sector has been aggressively de-rated as macro economic indicators have rolled over, with little differentiation between the companies in the sector – Holcim, Lafarge and Heidelberg Cement are all down around 25% over the review period). We added to cyclicals as we believed that the weak data being reported would prove to be only a soft-patch in the midst of a broadening global economic recovery. Unfortunately, weak economic data has persisted and this has led to our industrials and materials detracting from performance. Additionally, the strength of the Swiss franc, which appreciated 12% over the period, has been a headwind for Swiss stocks: the Swiss Stock Index was down 12% over the review period. Our Swiss-based stocks also suffered against this backdrop, though largely as a result of translation effects rather than transaction effects

On a more optimistic note, IBM, Novartis, Pfizer, and Coca-Cola have performed well, and are good case studies of the type of stocks in which we like to invest: they are able to raise dividends though the economic cycle as a result of their superior financial autonomy, whilst generating enough cash from ongoing businesses to reinvest in their company for future earnings growth (and, as a result, long term dividend growth). Additionally, the conglomerate discount in Jardine Matheson continues to narrow (most of its assets are listed equities) and underlying operational performance shows continued strength. And companies with resilient, predictable and visible earnings streams and cash flows (such as National Grid, SES, Sanofi Aventis, and Royal Dutch Shell) have outperformed over the period.

As a whole, the corporates owned in the portfolio continues to show great financial strength. Dividend coverage (by free cash flow, after capex) is currently at over 2x, and is set to increase over the coming years (despite rising dividends). Additionally, our companies continue to delever, despite rising dividends and significant reinvestment (capex) for future growth.

Dividend growth from our selected stocks has continued to remain robust. We have seen several companies raise their dividends, and forecast this year's payout on the fund to grow 5-8% over last year's payout. We have a good track record of increasing our payout: in 2009 the payout from the benchmark fell over 19%, whilst we were able to grow our dividend 4.2%. (Interestingly, in 2009 the income from the Dow Jones Global Titans equity index fell over 18%, suggesting that a strategy of owning large-cap, diversified, multinational companies is not a sufficient strategy if an investor is seeking year-on-year income growth.)

It's fascinating to see that stocks which are significantly more profitable, more cash generative, have a more favourable debt paydown profile and dividend coverage metrics, are currently priced at a discount to the broader market.

Performance (% change to 30.06.11)

	International Equity Income A shares Acc	International Equity Income B shares Acc	International Equity Income X shares Acc	Benchmark[1]
Since launch on 16.05.06 to 30.06.11	+33.6	+38.3	-	+28.8
Since launch on 18.01.10 to 30.06.11	-	-	+15.2	+17.2
31.12.10 to 30.06.11	+1.3	+1.6	+1.4	+2.7
31.12.09 to 31.12.10	+14.4	+15.1	-	+15.8
31.12.08 to 31.12.09	+15.1	+15.8	-	+14.5
31.12.07 to 31.12.08	-14.3	-14.1	-	-16.7

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

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

Investment Objective & Policy

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

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

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

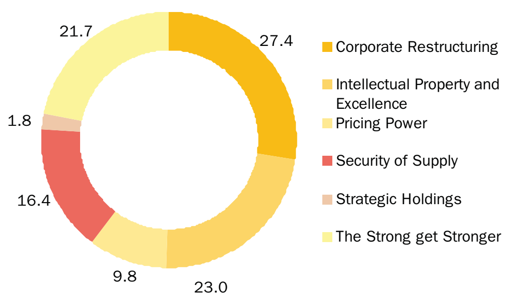
Mark Whitehead
Fund Manager

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

Guy Monson
Managing Partner & Fund Manager

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

Thematic Equity Allocation (% as at 30.06.11)



Top 10 Equity Holdings
(as a % of portfolio as at 30.06.11)

Verizon Communications Inc	2.5
Exxon Mobil Corp	2.4
Altria Group Inc	2.3
France Telecom Sa	2.3
Royal Dutch Shell Plc	2.3
Novartis AG	2.3
Coca-Cola Co	2.3
Pfizer Inc	2.2
SK Telecom Co Ltd ADR	2.2
Swiss Re Ltd	2.1

Net Income Distribution/Accumulation

[1] to 31.08.11	Pence per Share		Per £1,000 invested at 16.05.06 (£)	
2011[1]	Inc	Acc	Inc	Acc
Share Class A	3.1298	3.8020	31.30	38.02
Share Class B	3.0971	3.7891	30.97	37.89
Share Class X	3.0850	3.6965	31.43	32.37
	Cents per share		Per $1,000 invested at 02.06.11 ($)	
Share Class USD[2]	0.2030	0.2030	2.03	2.03
2010				
Share Class A	4.8594	5.6488	48.59	56.49
Share Class B	4.9678	5.8437	49.68	58.44
Share Class X	3.5370	4.1538	36.04	36.37
2009				
Share Class A	4.8170	5.4122	48.17	54.12
Share Class B	4.8199	5.4475	48.20	54.48
2008				
Share Class A	3.7107	3.9506	37.11	39.51
Share Class B	3.8907	4.1790	38.91	41.79
2007				
Share Class A	4.0588	4.2112	40.59	42.11
Share Class B	4.1498	5.2035	41.50	52.04
2006				
Share Class A	1.4596	1.4364	14.60	14.36
Share Class B	1.4498	0.5139	14.50	5.14

X shares per £1,000 invested at share class launch 19.01.10
[2] from share class launch on 02.06.11 to 30.06.11

Share Prices and Fund Size

	Share Price Range				Fund Size						
	Highest for the year (pence)		Lowest for the year (pence)			Net Asset Value (£)		Net Asset Value Pence per Share[2]		Number of Shares in Issue	
2011*	Inc	Acc	Inc	Acc	30.06.11	Inc	Acc	Inc	Acc	Inc	Acc
Share Class A	110.10	135.30	102.60	125.20		29,842,610	17,403,856	106.92	132.76	27,909,901	13,109,120
Share Class B	113.30	139.90	105.60	129.40		163,008,591	8,543,239	110.21	137.39	147,906,737	6,218,257
Share Class X[3]	110.30	135.50	102.80	125.40		59,653,780	16,505,380	107.19	133.02	55,650,435	12,408,379
	Highest for the year (cents)		Lowest for the year (cents)								
Share Class USD[5]	98.07c	98.09c	95.47c	95.48c		611	308,977	61.15	61.28	1,000	504,189
2010					31.12.10						
Share Class A	110.70	133.50	91.78	109.30		22,102,491	14,207,304	108.59	132.54	20,354,022	10,719,404
Share Class B	113.60	137.70	93.96	112.40		143,249,423	8,413,877	111.55	136.72	128,418,229	6,153,979
Share Class X[3]	110.80	133.70	91.82	109.30		55,739,659	9,624,457	108.78	132.68	51,238,947	7,254,027
2009					31.12.09						
Share Class A	102.10	117.30	73.61	81.43		50,695,103	12,550,744	99.20	115.43	51,102,105	10,873,097
Share Class B	104.30	120.40	74.84	83.13		71,492,565	3,273,022	101.30	118.43	70,576,356	2,763,711
2008					31.12.08						
Share Class A	111.70	117.60	77.82	84.79		22,648,905	8,850,965	90.40	100.01	25,052,906	8,850,012
Share Class B	112.80	119.50	78.91	86.41		35,197,263	2,714,650	91.83	102.01	38,328,986	2,661,275
2007					31.12.07						
Share Class A	117.90	120.60	103.70	107.40		19,018,042	2,730,655	110.95	116.99	17,141,364	2,334,169
Share Class B	118.60	122.10	104.50	108.40		30,597,624	382,055	112.06	118.95	27,305,215	321,192
2006					30.12.06						
Share Class A[4]	107.90	109.00	94.65	94.65		7,182,881	330,819	106.68	108.29	6,733,076	305,484
Share Class B[4]	108.30	109.80	94.70	94.69		15,966,893	546	107.12	109.20	14,905,706	500

*to 30.06.11
[2]Note: These notional prices are calculated by dividing the Net Asset Value by the number of base shares.
[3] from share class launch on 19.01.10
[4]from share class launch 16.05.06 to 31.12.06
[5]from share class launch 02.06.11

Sarasin Global Equity Income Fund (Sterling Hedged)™

Why Global Equity Income (Sterling Hedged)?

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

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

Risk Profile

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

Fund Facts

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

Total Expense Ratio

	as at 30.06.11 for last 6 months Acc	Inc
Share Class A	1.75	1.75
Share Class B	1.10	1.10
Share Class X	1.75	1.75

Fund Manager's Review

Despite all the negative news flow, equities had remained remarkably resilient throughout the first half of 2011. However, July proved to be more problematic for investors as concerns and discussions around a second Greek bailout combined with a lack of progress on a long-term US deficit reduction plan drove equity indices lower. Contagion reached Italy and Spain, with government debt yields surging. In response, EU leaders passed a multi-faceted bailout toward the end of the month that included a more flexible EFSF (secondary purchases and bank recapitalisations) and easier loan terms for programme countries (Ireland, Portugal and Greece). This had the effect of a short-lived rally in risk assets on relief that policy makers had managed to cobble something together to try to avert a systemic financial crisis. However, the efficacy of this package has since been questioned and as a result of the turmoil in Europe bourses suffered heavy losses, driven first and foremost by banks.

Adding to the political turmoil, macro data has begun to roll over, most recently with a much weaker than expected US ISM print at the end of the month, which followed downward GDP revisions. With growth expectations waning, interest rate hike expectations have been pushed out to as far as 2013 meaning policy makers will continue to manufacture a negative real interest rate environment which should support risk assets going forward. Against this backdrop we believe our thematic equity selection process should provide interesting opportunities, where strong inexorable trends remain relatively insulated to broader political brinkmanship and macro economic slowdown.

Over the period, industrials, materials and consumer discretionary stocks underperformed. We chose to take some late cycle exposure to industrials through companies such as Akzo Nobel, whose results were adversely impacted by rising input cost inflation, and Holcim, the highest quality global cement producer (the cement sector has been aggressively de-rated as macro economic indicators have rolled over, with little differentiation between the companies in the sector – Holcim, Lafarge and Heidelberg Cement are all down around 25% over the review period). We added to cyclicals as we believed that the weak data being reported would prove to be only a soft-patch in the midst of a broadening global economic recovery. Unfortunately, weak economic data has persisted and this has led to our industrials and materials detracting from performance. Additionally, the strength of the Swiss franc, which appreciated 12% over the period, has been a headwind for Swiss stocks: the Swiss Stock Index was down 12% over the review period. Our Swiss-based stocks also suffered against this backdrop, though largely as a result of translation effects rather than transaction effects

On a more optimistic note, IBM, Novartis, Pfizer, and Coca-Cola have performed well, and are good case studies of the type of stocks in which we like to invest: they are able to raise dividends though the economic cycle as a result of their superior financial autonomy, whilst generating enough cash from ongoing businesses to reinvest in their company for future earnings growth (and, as a result, long term dividend growth). Additionally, the conglomerate discount in Jardine Matheson continues to narrow (most of its assets are listed equities) and underlying operational performance shows continued strength. And companies with resilient, predictable and visible earnings streams and cash flows (such as National Grid, SES, Sanofi Aventis, and Royal Dutch Shell) have outperformed over the period.

Dividend growth from our selected stocks has continued to remain robust. We have seen several companies raise their dividends, and forecast this year's payout on the fund to grow 5-8% over last year's payout. We have a good track record of increasing our payout: in 2009 the payout from the benchmark fell over 19%, whilst we were able to grow our dividend 4.2%. (Interestingly, in 2009 the income from the Dow Jones Global Titans equity index fell over 18%, suggesting that a strategy of owning large-cap, diversified, multinational companies is not a sufficient strategy if an investor is seeking year-on-year income growth.)

It's fascinating to see that stocks which are significantly more profitable, more cash generative, have a more favourable debt paydown profile and dividend coverage metrics, are currently priced at a discount to the broader market.

Performance (% change to 30.06.11)

	Global Equity Income (Stg Hedged) A shares Acc[1]	Global Equity Income (Stg Hedged) B shares Acc	Global Equity Income (Stg Hedged) X shares Acc	Benchmark[2]
Since launch on 12.05.09 to 30.06.11	-	+36.3	+34.7	+37.6
Since launch on 28.09.09 to 30.06.11	+17.2	-	-	+18.1
31.12.10 to 30.06.11	+0.3	+0.7	+0.4	+2.9
31.12.09 to 31.12.10	+11.1	+11.6	+11.1	+10.0
31.12.08 to 31.12.09	-	-	-	-
31.12.07 to 31.12.08	-	-	-	-
31.12.06 to 31.12.07	-	-	-	-

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

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

Investment Objective & Policy

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

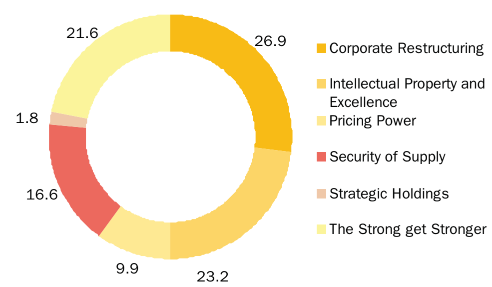
Mark Whitehead
Fund Manager

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

Guy Monson
Managing Partner & Fund Manager

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

Thematic Equity Allocation (% as at 30.06.11)



Top 10 Holdings
(as a % of portfolio as at 30.06.11)

Verizon Communications Inc	2.4
Novartis AG	2.4
Exxon Mobil Corp	2.3
Altria Group Inc	2.3
France Telecom Sa	2.3
Coca-Cola Co	2.2
Royal Dutch Shell Plc	2.2
Pfizer Inc	2.2
Swiss Re Ltd	2.1
Seadrill Ltd	2.1

Net Income Distribution/Accumulation

[1] to 31.08.11	Pence per Share		Per £1,000 invested at 12.05.09 (£)	
2011[1]	Inc	Acc	Inc	Acc
Share Class A	3.7338	3.9528	33.61	35.58
Share Class B	3.6812	3.9752	36.81	39.75
Share Class X	3.7252	4.0061	37.25	40.06
2010				
Share Class A	5.3560	5.4131	48.21	48.72
Share Class B	5.4002	5.5887	54.00	55.89
Share Class X	5.3696	5.5518	53.70	55.52
2009				
Share Class A	-	-	-	-
Share Class B	2.1900	0.8750	21.90	8.75
Share Class X	2.2223	1.4258	22.22	14.26

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

Share Prices and Fund Size

	Share Price Range				Fund Size						
	Highest for the year (pence)		Lowest for the year (pence)		Net Asset Value (£)			Net Asset Value Pence per Share[2]		Number of Shares in Issue	
2011*	Inc	Acc	Inc	Acc	**30.06.11**	Inc	Acc	Inc	Acc	Inc	Acc
Share Class A	127.30	139.00	118.80	128.60		3,670,454	1,108,843	121.20	130.88	3,028,535	847,216
Share Class B	128.80	140.50	120.10	130.00		69,690,025	3,386,374	122.64	135.01	56,824,965	2,508,318
Share Class X	127.40	136.40	119.00	126.20		33,424,169	3,922,655	121.06	133.37	27,609,681	2,941,091
2010					**31.12.10**						
Share Class A	126.50	132.60	106.40	110.10		1,671,724	844,059	124.07	131.70	1,347,403	640,910
Share Class B	127.60	136.30	107.00	112.90		88,841,216	2,335,883	125.18	135.40	70,970,896	1,725,175
Share Class X	126.40	135.10	106.20	112.10		26,303,248	3,047,517	123.94	134.20	21,223,383	2,270,887
2009					**31.12.09**						
Share Class A[3]	119.40	119.40	109.80	109.80		533,207	102,319	117.42	118.82	454,108	86,114
Share Class B[4]	119.80	122.20	96.26	96.26		43,840,978	704,124	117.79	121.56	37,220,524	579,237
Share Class X[4]	119.30	121.70	96.19	96.21		15,536,098	879,483	117.31	121.11	13,243,988	726,203

*to 30.06.11
[2]Note: These notional prices are calculated by dividing the Net Asset Value by the number of base shares.
[3] from share class launch 28.09.09 to 31.12.09
[4]from share class launch 12.05.09 to 31.12.09

Sarasin GlobalSar - Cautious Fund™

Why GlobalSar - Cautious (GBP)?

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

Risk Profile

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

Fund Facts

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

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

Total Expense Ratio*

	as at 30.06.11 for last 6 months	
	Acc	Inc
Share Class A	2.00	2.00
Share Class B	1.10 (1.10)	1.10 (1.10)
Share Class C	1.75 (1.75)	1.75 (1.75)
Share Class X	1.45 (1.45)	1.45 (1.45)

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

Fund Manager's Review

From a geopolitical perspective, the first half of 2011 has been extremely volatile, and we have witnessed historic events on all fronts. Despite wars, earthquakes, sovereign default and numerous other crises, equity markets around the world have remained stubbornly resilient throughout. While the bad news of course resulted in negative market performance in the immediate aftermath of each news item, markets have rallied strongly on even the slightest glimmer of good news.

At the beginning of the year, problems first arose in the form of the Arab spring; the uprising pushed oil prices higher and brought concerns over the impact such an increase would have on global growth. Fears soon abated once it became clear sufficient excess oil remained to meet any loss of production from troubled states such as Libya. Soon after this came the terrible earthquake in Japan, and the ensuing nuclear crisis. This caused a rapid sell off in markets, with Japan obviously the worst hit. However, it became apparent relatively quickly that the supply chain shock many had feared would constrain production lines around the world had not had the expected impact, and markets began to recover once again. Indeed, Nissan announced that they were able to return to full production within just six weeks of the earthquake.

At the beginning of the year we decreased our equity positions and increased G7 government and supranational bonds, as the benchmark changes at the end of last year came into force at the beginning of January. We sold some of the cyclical equities that had performed particularly well throughout last year, re-investing a significant proportion into index-linked government bonds. We sold our position in Sun Hung Kai (a Hong Kong property company) due to serious concerns about property in and around China. We also sold Nestle, HJ Heinz and McDonalds, fearful of increasing input costs and slowing emerging market growth impacting margins. We rotated into Zurich Financial (a company which we believe benefits from higher bond yields) and EADS (the aerospace and defence equipment manufacturer) which is experiencing a strong and increasing order book, which should drive impressive earnings growth over the next two years. Moving into spring, we maintained the overall asset allocation. We added to a number of existing positions to maintain our equity weighting, such as Oracle and Automatic Data Processing. Throughout May we marginally reduced our equity exposure by taking profits in some cyclical mining and industrial positions, which produced strong returns over the last eighteen months. More recently, as concern mounted about the possibility of a disorderly Greek default, we sold out of two structured products that were set to expire in July; we felt it was safer to forego the limited remaining upside and remove the downside risks should the situation deteriorate. We also decided to narrow our underweight position in European banks through a Eurostoxx call option.

Throughout the first half of this year we have continued with an active bond strategy, particularly favouring bank and insurance paper, where very attractive yields can be achieved. We have continued to remain underweight government bonds in comparison to the benchmark, though unfortunately this strategy has not aided performance so far this year, as government bonds have performed well despite various sovereign concerns in the euro periphery.

Despite these headwinds, asset valuations remain supportive on a number of metrics. Corporate earnings continue to be strong, and the huge amount of cash on corporate balance sheets provides good support and a positive outlook for dividend growth. As a result, we still see opportunity in selective areas in both equity and bond markets. We continue to keep our equity allocation lower than might otherwise be the case, and are layering in call options to ensure we retain upside exposure. This strategy seems (to us) an eminently sensible way of positioning the portfolio during the current period of turbulence.

Performance (% change to 30.06.11)

	GlobalSar - Cautious (GBP) A shares Acc	GlobalSar - Cautious (GBP) B shares Acc	GlobalSar - Cautious (GBP) C shares Acc	GlobalSar - Cautious (GBP) X shares Acc	Benchmark[1]
Since re-launch on 02.05.06 to 30.06.11	+11.8	+16.1	+12.0	-	+43.7
Since launch on 12.05.08 to 30.06.11	-	-	-	-3.4	+22.1
31.12.10 to 30.06.11	-0.9	-0.4	-0.8	-0.6	+5.2
31.12.09 to 31.12.10	+8.0	+8.6	+8.1	+8.3	+8.4
31.12.08 to 31.12.09	+9.1	+8.8	+8.3		+3.8
31.12.07 to 31.12.08	-18.7	-18.1	-18.0	-	+7.0
31.12.06 to 31.12.07	+15.3	+16.4	+14.2	-	+7.9

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

[1]Benchmark: RPI +3.0%

Investment Objective & Policy

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

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

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

Guy Monson
Managing Partner &
Fund Manager

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

Mark Whitehead
Fund Manager

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

Sarasin GlobalSar-Cautious Fund was renamed on 1st January 2011, prior to this date the fund name was Sarasin GlobalSar IIID which was relaunched on 02.05.06. The retail share class of Sarasin GlobalSar - Cautious (GBP) is C shares.

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

Asset Exposure (as at 30.06.11)

%	Long	Short	Gross	Net
Fixed Interest	34.5	0.0	34.5	34.5
Equities	51.5	3.9	55.4	47.7
Property	3.5	0.0	3.5	3.5
Alternative Assets	11.2	0.0	11.2	11.2
Liquid Assets	0.0	0.0	0.0	3.1
TOTALS	**100.8**	**3.9**	**104.6**	**100**

Top 10 Equity Holdings
(as a % of portfolio as at 30.06.11)

RWC Global Convertibles 'B'	2.4
Lyxor Gold Bullion	1.6
Societe Generale S&P500 I-L Structured Note 28/04/2014	1.5
Brevan Howard	1.3
NB Distressed Debt	1.3
Altria	1.2
Tokio Marine	1.1
Bluecrest AllBlue	1.0
JO Hambro Emerging Markets	1.0
US Financials Dividend Growth Basket	1.0

Net Income Distribution/Accumulation

[1] to 31.08.11	Pence per Share		Per £1,000 invested at 03.01.06 (£)	
2011[1]	**Inc**	**Acc**	**Inc**	**Acc**
Share Class A	15.9786	24.5444	20.34	22.45
Share Class B	18.5946	28.0102	22.49	24.95
Share Class C	2.0063	2.1767	20.06	21.77
Share Class X	2.0380	2.2264	20.38	22.26
2010				
Share Class A	12.5996	19.0523	16.04	17.43
Share Class B	12.7567	18.9628	15.43	16.89
Share Class C	1.4197	1.4999	14.20	15.00
Share Class X	1.4281	1.5224	14.28	15.22
2009				
Share Class A	18.5343	27.3812	23.60	25.05
Share Class B	20.6943	29.4919	25.03	26.26
Share Class C	2.2064	2.2861	22.06	22.86
Share Class X	2.1509	2.2685	21.51	22.69
2008				
Share Class A	17.6899	26.8285	22.53	24.55
Share Class B	21.9547	32.2146	26.55	28.69
Share Class C	2.1463	2.1436	21.46	21.44
2007				
Share Class A	15.5211	20.0207	19.76	18.32
Share Class B	18.0199	31.4305	21.79	27.99
Share Class C	1.8983	1.6518	18.98	16.52
2006				
Share Class A	18.0707	24.0540	23.01	22.01
Share Class B	15.2427	8.8574	18.43	7.89
Share Class C	0.6577	0.6591	6.58	6.59

Share Prices and Fund Size

	Share Price Range				Fund Size						
	Highest for the year (pence)		Lowest for the year (pence)			Net Asset Value (£)		Net Asset Value Pence per Share[2]		Number of Shares in Issue	
2011*	**Inc**	**Acc**	**Inc**	**Acc**	**30.06.11**	**Inc**	**Acc**	**Inc**	**Acc**	**Inc**	**Acc**
Share Class A	854.50	1,315.0	820.00	1,262.0		22,669,348	34,420,786	822.82	1,281.32	2,755,086	2,686,354
Share Class B	919.90	1,397.0	881.70	1,339.0		55,276,767	12,374,141	886.12	1,362.76	6,238,050	908,019
Share Class C	104.90	114.90	100.60	110.20		3,219,288	11,589,842	100.98	111.93	3,187,895	10,354,322
Share Class X	105.40	115.50	101.10	110.80		21,857,219	20,953,736	101.48	112.62	21,537,533	18,606,360
2010					**31.12.10**						
Share Class A	846.70	1,294.0	764.80	1,157.0		28,750,980	43,590,788	838.58	1,290.52	3,428,515	3,377,767
Share Class B	909.50	1,371.0	816.70	1,218.0		70,338,092	16,431,297	900.03	1,366.49	7,815,051	1,202,444
Share Class C	103.90	112.90	93.65	100.80		5,783,212	11,748,403	102.85	112.59	5,622,747	10,434,980
Share Class X	104.30	113.50	93.91	101.10		24,966,482	22,118,451	103.20	113.11	24,193,224	19,554,588
2009					**31.12.09**						
Share Class A	800.20	1,204.0	659.60	981.20		33,656,658	47,175,733	790.60	1,194.67	4,257,105	3,948,835
Share Class B	852.00	1,266.0	707.80	1,038.0		73,632,459	11,913,341	843.38	1,257.28	8,730,672	947,550
Share Class C	97.76	104.80	81.32	86.24		6,368,184	12,437,015	96.78	104.08	6,580,270	11,949,913
Share Class X	98.02	105.20	81.52	86.47		29,604,905	21,198,714	97.03	104.40	30,511,827	20,304,767
2008					**31.12.08**						
Share Class A	940.8	1,362.6	680.9	998.3		33,510,445	45,007,382	735.35	1,094.13	4,557,066	4,113,531
Share Class B	1,002.2	1,428.2	729.1	1,053.3		34,335,741	4,203,403	788.14	1,155.15	4,359,089	363,885
Share Class C	115.40	118.50	83.78	87.68		6,208,214	10,151,157	90.64	96.13	6,849,666	10,559,663
Sh. Class X[3]	107.70	112.80	83.91	87.89		29,488,171	18,061,806	90.85	96.37	32,458,409	18,741,769
2007					**31.12.07**						
Share Class A	939.4	1,351.0	819.2	1,166.0		29,880,116	15,576,210	929.49	1,347.11	3,214,668	1,156,265
Share Class B	1,002.0	1,415.0	868.1	1,214.0		9,851,393	605,014	989.79	1.412.69	995,302	42,827
Share Class C	114.5	117.6	100.4	102.6		21,391,245	14,026,472	114.18	117.21	18,734,528	11,966,506
2006					**31.12.06**						
Share Class A	829.3	1,171.0	768.9	1,080.0		20,466,295	9,288,443	820.79	1,168.08	2,493,497	795,189
Share Class B	879.9	1,216.0	812.2	1,106.0		7,505,910	234,691	869.70	1,216.33	863,049	19,295
Sh. Class C[4]	101.7	103.0	94.10	94.90		3,575,325	1,370,775	100.57	102.75	3,555,158	1,334,120

*to 30.06.11
[2]Note: These notional prices are calculated by dividing the Net Asset Value by the number of base shares.
[3]from share class launch 15.07.08 to 31.12.08
[4]from share class launch 02.05.06 to 31.12.06

Sarasin Sterling Bond Fund™

Why Sterling Bond Fund?

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

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

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

Risk Profile

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

Fund Facts

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

Total Expense Ratio (%)*

	as at 30.06.10 for last 6 months Acc	Inc
Share Class A	1.46	1.46
Share Class B	0.64 (0.64)	0.64 (0.64)

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

Fund Manager's Review

The key issue of the strength and durability of the global economy continues to dominate financial markets. The pivotal banking sector has more to do to re-build and reinforce its reserves. A European banking stress test showed that several major banks, not just those in peripheral countries, are still thinly capitalised. Improvements are slow-moving, as better earnings are eroded by further provisions for non-performing loans. The market, however, is not inclined to allow the luxury of time.

In the second half of 2010, Ben Bernanke was warning of a weak US economy and preparing the market for a second round of Quantitative Easing. In the event, over eight months to June 2011, the Fed bought $600bn of US Treasuries and this appears to have been a major driver of the rally in risk assets. The S&P500 index rose 28% between September and February while the FTSE100 rose 23% over the same period. Higher inflation elevated expectations for interest rate rises and bond yields rose. Ten-year gilt yields accelerated towards 3.9% as confidence in the recovery grew.

The rose-tinted spectacles came off in the early part of this year as the "Arab Spring" uprisings together with Western military intervention in Libya forced a reconsideration. It was becoming apparent that underlying demand in Western economies remained weak. UK Q4.10 GDP growth turned out to have been negative. The authorities in booming Emerging Market economies were applying the brakes as inflation was leading to social unrest. With a slower global economy, central bankers in the UK and the US, wary of causing a double-dip recession, talked down interest rate expectations. Not so the euro zone's ECB which surprised the market by an early (but largely politically driven) rate rise. The sovereign debt problems in Greece, Ireland and Portugal placed investors in a semi-permanent crisis environment. But more austerity on the Continent is unhelpful for UK exports.

The overall shape of the portfolio has been maintained virtually unchanged with 60% invested in AAA-rated assets. At the other end of the investment scale BBB bonds have increased from 19% to 21% over the last six months. The focus of market activity is the lower grade area and, in our view, this is where the value lies. The duration of the portfolio gilts has been lengthened in recent weeks as the concerns over European sovereign debt and the US debt ceiling intensified. Both these worries place UK gilts in a comparatively favourable light and we expect them to perform in the short term at least. Exposure to currencies other than sterling has reduced slightly from 8.8% to 8.4%. Within this, emerging market currency exposures have increased from 1.7% to 3.5%.

The emerging market exposures top contributions to performance. More recently the middle of the gilt curve has produced excellent returns and our 2019 / 2020 / 2021 gilts have been strong. Also worthy of note, as has been the case for some time, utility bonds have consistently added value. Naturally not everything has been perfect but out of our half dozen least helpful holdings five have been banks. We knew these would be volatile and the Euro-sovereign debt problem is exacerbating the situation. For much the same reason, Spanish and Italian corporates are being tainted simply because the sovereign rating has been falling. We are confident that the issuers that we hold are fundamentally sound with business exposures diversified among many economies and not just the territory of the head office.

Outlook

Despite the difficulties the global economy has endured it is still growing at around 4% per annum. It may be a subdued recovery in developed markets but a recovery nonetheless. Bonds should continue to benefit while the various crises play out but the yield risk on government bonds is skewed to the upside on a longer term perspective as monetary policy gradually returns to a more normal stance. That said, some of this is already anticipated in the market, meaning longer-dated bond yields have already discounted a move. Accordingly the adjustment still to be made could be quite modest. Corporate bonds should fare better than their government benchmarks but good performance here is probably going to depend on the market recognising stocks for their own value rather than country rating worries. We know that it takes a long time for financial recessions to repair. It is likely that investors will continue to endure episodes of dark fears as well as moments of optimism. Bonds remain the anchor of any balanced investment approach, providing a refuge in times of uncertainty and we see the demand from pension funds and insurance companies underpinning bond markets now and in the future.

Performance (% change to 30.06.11)

	Sterling Bond Fund A shares Acc*	Sterling Bond Fund B shares Acc	Benchmark[1]
Since launch on 01.07.09 to 30.06.11*	+13.3	-	+10.8
Since launch on 04.05.06 to 30.06.11	-	+21.7	+31.8
31.12.10 to 30.06.11	+1.9	+2.2	+1.7
31.12.09 to 31.12.10	+6.4	+6.9	+7.2
31.12.08 to 31.12.09	-	+1.4	-1.2
31.12.07 to 31.12.08	-	+5.0	+12.8
31.12.06 to 31.12.07	-	+2.5	+5.3

Source: Sarasin, UK Sterling for a lump sum investment using NAV prices, income net of UK basic rate tax. Please note that the prices of shares and the income from them can fall as well as rise and you may not get back the amount originally invested. This can be as a result of market movements and also of variations in the exchange rates between currencies. Past performance is not a guide to future returns and may not be repeated. *New A share class launched on 01.07.09. B class shares changed their name from A class shares on 01.07.09. Sarasin Sterling Bond Fund™ is a trademark of Sarasin & Partners LLP.

[1]Benchmark: FTSE Gilts All Stocks

Investment Objective & Policy

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

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

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

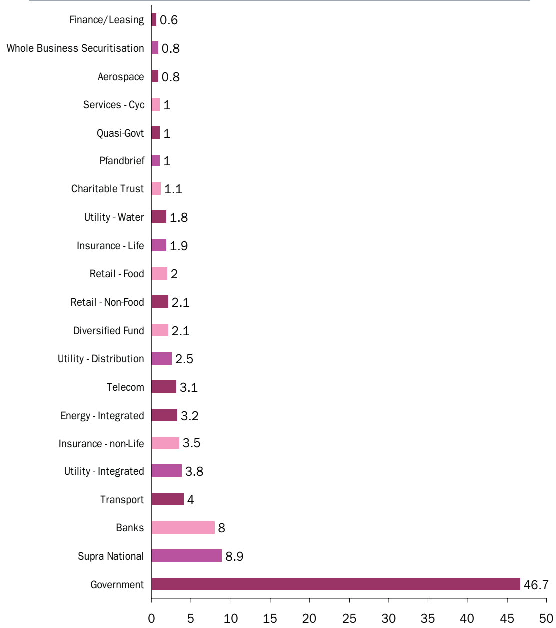
John Godley
Fund Manager

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

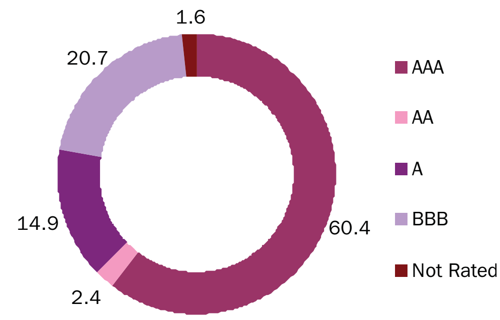
Martin Price
Fund Manager

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

Bond Sectors (% as at 30.06.11)



Bond Rating (% as at 30.06.11)



Top 10 Government Bond Holdings
(as a % of portfolio as at 30.06.11)

Treasury 4.7500% 07/09/15 GBP	5.4
Treasury 8.0000% 07/06/21 GBP	5.2
Treasury 3.7500% 07/09/19 GBP	5.0
Treasury 4.0000% 07/03/22 GBP	5.0
Treasury 4.2500% 07/12/27 GBP	4.5
Treasury 5.0000% 07/03/25 GBP	3.5
Treasury 4.2500% 07/03/36 GBP	3.2
Treasury 4.7500% 07/03/20 GBP	3.1
European Invt Bk 8.7500% 25/08/17 GBP	2.8
Treasury 4.7500% 07/12/30 GBP	2.2

Net Income Distribution/Accumulation

[1]to 31.08.11	Pence per Share		Per £1,000 invested at 04.05.06 (£)	
2011[1]	Inc	Acc	Inc	Acc
Share Class A	2.8452	3.3924	30.25	34.76
Share Class B	2.9755	3.6608	29.76	36.61
2010				
Share Class A	3.5542	1.7208	37.79	17.63
Share Class B	3.8890	4.5269	38.89	45.27
2009				
Share Class B	3.8228	4.3032	38.23	43.03
2008				
Share Class B	3.8510	4.0076	38.51	40.08
2007				
Share Class B	4.2872	4.3975	42.87	43.98
2006				
Share Class B	1.5510	1.6764	15.51	16.76

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

Share Prices and Fund Size

	Share Price Range				Fund Size						
	Highest for the year (pence)		Lowest for the year (pence)		Net Asset Value (£)			Net Asset Value Pence per Share[2]		Number of Shares in Issue	
2011*	Inc	Acc	Inc	Acc	30.06.11	Inc	Acc	Inc	Acc	Inc	Acc
Share Class A	100.70	122.50	96.08	115.90		531,644	266,563	98.33	120.85	540,688	220,572
Share Class B	101.40	123.40	96.57	116.50		142,964,859	1,433,479	99.03	121.74	144,366,740	1,177,475
2010					31.12.10						
Share Class A	103.10	122.30	96.31	111.50		493,516	155,550	97.98	118.14	503.682	131,670
Share Class B	103.40	122.70	96.19	111.50		166,442,405	2,661,940	98.40	118.66	169,145,676	2,243,332
2009					31.12.09						
Share Class A[3]	98.89	-	93.24	-		241,211	-	95.90	-	251,516	-
Share Class B	99.20	113.80	92.16	103.20		150,571,666	2,104,693	95.78	110.98	157,201,560	1,896,457
2008					31.12.08						
Share Class B	100.10	109.90	91.14	100.10		130,680,526	1,304,271	98.13	109.23	133,164,527	1,194,021
2007					31.12.07						
Share Class B	101.20	104.70	93.99	97.24		124,922,103	1,180,487	97.65	104.56	127,923,968	1,129,013
2006					31.12.06						
Share Class B[4]	102.50	103.60	99.47	99.89		130,044,156	1,070,356	99.50	102.11	130,692,392	1,048,256

*to 30.06.11
[2]Note: These notional prices are calculated by dividing the Net Asset Value by the number of base shares.
[3]From share class launch 01.07.09 to 31.12.09
[4]From share class launch 04.05.06 to 31.12.06
New A share class launched on 01.07.09. B class shares changed their name from A class shares on 01.07.09

Sarasin AgriSar Fund™

Why the AgriSar Fund?

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

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

Risk Profile

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

Fund Facts

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

Total Expense Ratio*

	as at 30.06.11 for last 6 months Acc	Inc
Share Class A	1.76 (1.76)	1.76 (1.76)
Share Class B	1.11 (1.11)	1.11 (1.11)
Share Class X	1.61 (1.61)	1.61 (1.61)

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

Fund Manager's Review

Competing trends have been driving the performance of AgriSar in 2011: strategic calls have been broadly correct and the underlying operating performance from investee companies has been generally very good. However, stock market effects have been a hindrance to short term performance when compared with a benchmark. The fund price has fallen more than the MSCI World Index but it is important to recognise that much of the underperformance was generated in 2 single week periods in January and February and a weak finish in June. In those first two months we saw the beginning of a renewed 'risk-off' mood in markets over increased inflation fears, particularly in emerging markets, and concerns over slowing global GDP growth. Linked to this was the development of political unrest in North Africa and the Middle East and as a result we saw a broad based weakening of emerging market stocks – the MSCI Emerging Markets index underperformed the MSCI World index by nearly 10% in the first two months of 2011. Within AgriSar we hold a significantly higher exposure to emerging markets than the MSCI World index and during the first two months of the year the fund under performed the MSCI World index by 5%.

Our major strategic call this year has been to be more cautious about some food production stocks, despite high commodity prices. We felt that current low levels of US corn reserves are somewhat artificial, driven in particular by biofuel demand, and that the supply response to last year's weak grain harvest would be strong. As a result, some farm input related companies might be at risk of a temporary setback. As well as reducing exposure to these stocks, we bought put options to provide downside protection to some US fertiliser and equipment holdings. However, we continued to feel very positive about the consumer end of our 'field-to-fork' spectrum and we took advantage of weakness to add to some of the more oversold emerging market consumer stocks. We have particularly favoured names with strong pricing power and defensive qualities in developed markets and growth orientated consumer companies in the emerging world.

In Q1 we began to significantly increase our exposure to North American stocks at the production end of the spectrum largely through purchases of CNH Global and Potash Corp. This increased weighting came mostly at the expense of our exposure to Pacific ex.Japan due to a blend of weak performance and minor sales. In Q2 our geographic distribution remained stable.

Broadly we have increased our exposure to the consumer end of the agricultural spectrum relative to the farm end through sales in the producers sector and purchases of processors and retailers. Our weighting to feeds has remained consistent over the half year although we have moved some of this exposure to names outside North America. The areas we have been adding to include ingredients manufacturers, African food retailers and restaurants.

Outlook

More Eurofudge, the end of QE2, the drama over the US debt ceiling, faltering growth data, sky high oil prices, persistently high unemployment... such a long list of critical issues for the global economy means that investment markets seem likely to remain nervous until growth in the developed economies is more settled. A retreat by speculators from the commodity markets and a reasonable harvest may take the pressure off grain prices but recent weather has left this season's crop vulnerable and may yet cause more food price volatility. However, despite the great challenges of today, the underlying trend of rising global food consumption and greater added value across the food chain seems set to continue and provides the underpinning for the long-term performance of the AgriSar portfolio.

Performance (% change to 30.06.11)

	AgriSar Fund A shares Acc	AgriSar Fund B shares Acc	AgriSar Fund X shares Acc	Benchmark[1]
Since launch on 31.03.08 to 30.06.11	+15.6	+17.3	+14.1	+23.5
31.12.10 to 30.06.11	-4.1	-3.8	-4.0	+2.7
31.12.09 to 31.12.10	+21.6	+22.4	+21.6	+15.3
31.12.08 to 30.12.09	+22.0	+22.9	+20.1	+15.7
31.12.07 to 31.12.08	-	-	-	-
31.12.06 to 31.12.07	-	-	-	-

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

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

Investment Objective & Policy

The fund seeks to achieve capital appreciation.

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

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

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

1

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

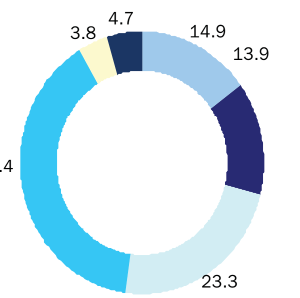
Henry Boucher
Fund Manager

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

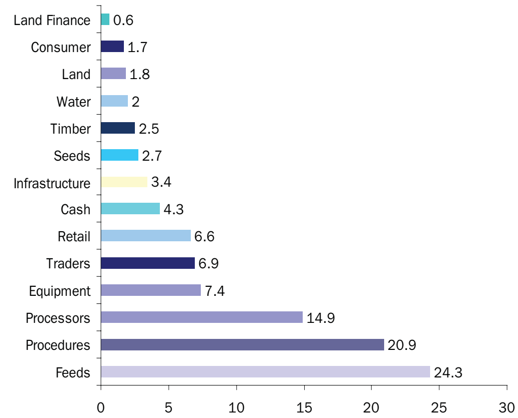
Mark Whitehead
Fund Manager

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

Thematic Equity Allocation (% as at 30.06.11)



Agricultural Spectrum Allocation (% as at 30.06.11)



Top 10 Equity Holdings
(as a % of portfolio as at 30.06.11)

Charoen Pokphand Food	3.1
Agrium Inc (Cad)	2.9
Uralkali-Spon Gdr	2.9
Potash Corp Of Saskatchewan (Cad)	2.8
Barry Callebaut Ag	2.8
Dairy Farm Intl Hldgs Ltd	2.7
Yara International Asa	2.6
Mosaic Co	2.6
Unilever Nv	2.5
Syngenta Ag	2.5

Net Income Distribution/Accumulation

[1]to 31.08.11	Pence per Share		Per £1,000 invested at 31.03.08 (£)	
2011[1]	Inc	Acc	Inc	Acc
Share Class A	0.8983	0.9001	8.98	9.00
Share Class B	1.1389	1.0541	11.39	10.54
Share Class X	0.9186	0.9110	9.19	9.11
2010				
Share Class A	0.3984	0.4648	3.98	4.65
Share Class B	0.7785	0.7376	7.79	7.38
Share Class X	0.5695	0.2916	5.70	2.92
2009				
Share Class A	0.3915	0.3924	3.92	3.92
Share Class B	0.6435	0.6443	6.44	6.44
Share Class X	0.4384	0.4583	4.38	4.58
2008				
Share Class A	-	-	-	-
Share Class B	-	-	-	-
Share Class X	-	-	-	-

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

Share Prices and Fund Size

	Share Price Range				Fund Size						
	Highest for the year (pence)		Lowest for the year (pence)		Net Asset Value (£)			Net Asset Value Pence per Share[2]		Number of Shares in Issue	
2011*	Inc	Acc	Inc	Acc	30.06.11	Inc	Acc	Inc	Acc	Inc	Acc
Share Class A	121.50	121.80	110.40	110.70		11,269,141	78,483,358	114.45	115.64	9,846,317	67,870,963
Share Class B	122.70	123.20	112.00	112.30		45,029,830	38,833,027	115.89	117.31	38,856,069	33,104,012
Share Class X	120.90	120.20	109.90	109.20		9,977,962	4,695,218	113.96	114.12	8,755,976	4,114,325
2010					31.12.10						
Share Class A	120.80	121.10	95.44	95.58		6,204,359	51,833,626	120.46	120.77	5,150,694	42,919,112
Share Class B	122.00	122.50	95.93	96.32		32,822,901	45,601,416	121.63	122.15	26,986,415	37,330,927
Share Class X	120.20	119.50	94.68	94.31		9,858,847	5,426,236	119.89	119.13	8,223,488	4,554,768
2009					31.12.09						
Share Class A	101.00	100.70	70.58	70.20		2,827,851	28,232,822	98.88	98.72	2,859,828	28,598,871
Share Class B	101.60	101.20	70.38	70.12		22,821,395	35,555,565	99.18	99.15	23,010,734	35,859,628
Share Class X	100.20	99.33	69.72	70.41		7,338,836	1,972,990	97.99	97.40	7,489,385	2,025,668
2008					31.12.08						
Share Class A[3]	110.70	109.60	66.14	65.57		1,247,868	14,953,331	81.32	80.86	1,534,577	18,492,509
Share Class B[3]	109.90	109.20	65.98	65.52		17,108,859	27,411,797	80.98	80.66	21,127,645	33,986,301
Share Class X[4]	109.10	109.50	65.31	65.56		5,273,363	343,870	80.25	81.06	6,571,560	424,238

*to 30.06.11
[2]Note: These notional prices are calculated by dividing the Net Asset Value by the number of base shares.
[3]from share class launch 31.03.08 to 31.12.08
[4]from share class launch 04.04.08 to 31.12.08

Sarasin Investment Funds News


Launch of the Sarasin EquiSar - Socially Responsible Funds
On 1st June 2011 we launched our EquiSar - Socially Responsible Funds which aim to achieve a balance of capital growth and invome over the long term through investment in an internationally diversified equity portfolio that reflects environmental, social and governance considerations. The core philosophy of this strategy is that a performance seeking global equity fund can be managed to responsible principles without compromising performance.

Sarasin & Partners Responsible Investment Conference - Thursday 6th October 2011
This annual conference will consider the benefits of responsible investment and how it can be implemented effectively.

If you would like to attend any of our events, please email events@sarasin.co.uk

Website News
We will shortly be launching an Investment Funds section on our website at www.sarasin.co.uk. This area will provide you with information about the range of Sarasin funds available to you as well as prices, factsheets, brochures and performance updates.

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