WS Verbatim Portfolio 5 Income Fund

verbatim Asset Management

Fund Update

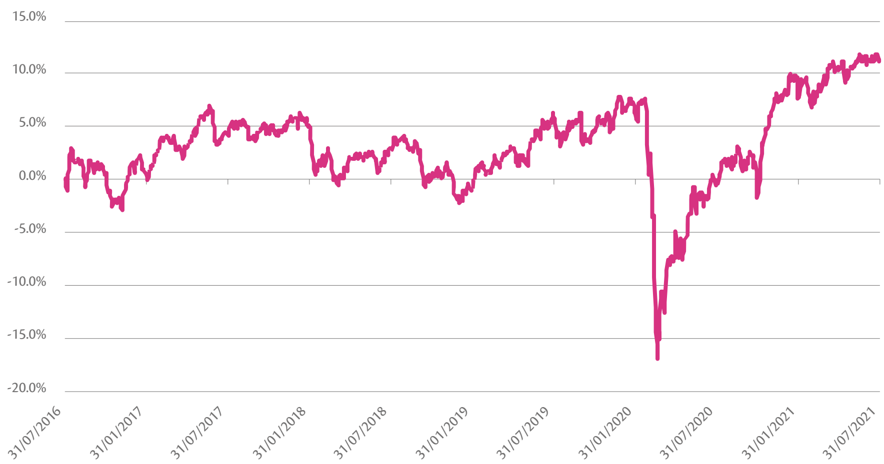
All fund data as at 31st Jul 2021 unless otherwise stated.

Fund Aim

The Fund will use a broadly cautious balanced investment strategy with the aim of achieving income with some potential for capital growth over the medium to longer term.

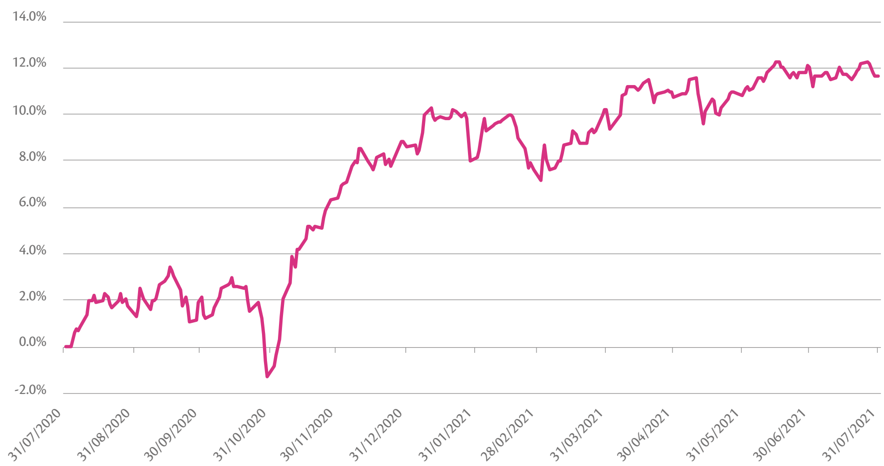
5YR CUMULATIVE PERFORMANCE

Performance from 31st Jul 2016 – 31st Jul 2021



1YR CUMULATIVE PERFORMANCE

Performance from 31st Jul 2020 – 31st Jul 2021



CUMULATIVE PERFORMANCE

Since trading (01/03/10)	44.5%
5 Year to 31/07/2021	11.2%
1 Year to 31/07/2021	11.6%

Cumulative performance data is net of income distributions.

DISCRETE ANNUAL PERFORMANCE

WS Verbatim Portfolio 5 Income B Inc	Total returns for the periods shown (Sterling)
01/08/2016 - 31/07/2017	7.9%
01/08/2017 - 31/07/2018	2.3%
01/08/2018 - 31/07/2019	6.7%
01/08/2019 - 31/07/2020	-2.8%
01/08/2020 - 31/07/2021	14.7%

Discrete performance data is gross of income distributions.

CHARGES

Share Class B (£) (Institutional) Annual charge	0.65%
OCF (Institutional)	1.23%
OCF Date	31/12/20

Source for performance graphs and data is the Authorised Corporate Director. Fund data based on B Income shares, percentage growth total return mid to mid in UK Sterling, after all income has been distributed. Past performance is no guarantee of future performance.

WS Verbatim **Portfolio 5 Income Fund**

STRATEGIC ASSET ALLOCATION

The Strategic Asset Allocation shown is valid as at 31/07/2021

Global Equity	60%
UK Corporate Bonds	40%

KEY INFORMATION

Fund Managers	Mark Van Moorsel & Henning Meyer *Sarasin & Partners LLP*
First dealing date	1 March 2010
Fund size (millions)	£20.45m
Comparative sector	IA Unclassified
Number of holdings	85
Target Yield	3.75%
Ex-dividend date (first business day of the month)	Jan/Apr/July/Oct
Payment date (last calendar day of the month)	Feb/May/Aug/Nov
Product availability	ISA & OEIC sub-funds
Share type	Income
ISIN number	Institutional GB00B3P1DM13 Retail GB00B3MLWT47
Citicode	Institutional IBF3 Retail IBF2
SEDOL codes	Institutional B3P1DM1 Retail B3MLWT4

WS VERBATIM 5 INCOME YIELD

1YR	3YR	5YR
3.24%	3.44%	3.50%

The yield calculation assumes an investor has held shares for the full period of calculation and receives the full distribution.

TOP 10 FUND HOLDINGS

SAR GL HI STERL --- SHS -I- HEDGED GBP	14.75%
Sarasin Global Higher Dividend Fund (Class I Inc)	6.67%
BROADCOM - REGISTERED SHS	2.47%
ENEL SPA	2.30%
LEGAL GENERAL GROUP PLC	2.16%
VODAFONE GROUP	2.02%
UNILEVER PLC	1.97%
DS SMITH HOLDING	1.94%
ADMIRAL GROUP PLC	1.86%
CME GROUP -A-	1.85%

5 LIPPER CONSISTENT RETURN

5 YEAR PERIOD AS AT 31ST JUL 2021

The Lipper rating for Consistent Return identifies a fund that has provided relatively superior consistency and risk-adjusted returns when compared to a group of similar funds.

Source: www.lipperleaders.com

LIPPER

5 defaqto RISK RATING LOW TO MEDIUM RISK

defaqto EXPERT RATED Risk Targeted Fund Family 2021

Market Commentary

ECONOMIC AND FUND REVIEW

Many parts of the world continued to see high infection rates as a result of the more transmissible Delta variant, leaving global equities roughly at the same levels where they started the month. Elsewhere, developed market government bond yields fell, despite higher-than-expected inflation in the US and UK.

Investors became less worried about a spike in inflation, leading the major central banks to raise interest rates sooner than expected. While US Federal Reserve chair Powell commented that the US economy was making progress towards conditions that warrant higher short-term interest rates, risks to the economic outlook remain. These comments clearly had a positive impact on bond markets.

Overall, the second quarter reporting season has, to date, given us confidence that the vast majority of the portfolio's holdings are performing well operationally, and that the recovery from the pandemic continues.

The most significant individual contributor to performance was the US biotech and pharmaceutical firm Pfizer. Having posted strong Q2 results the share price rose 9% over the month of July.

Cisco Systems was another name that performed well throughout the month. They are an American hardware and software multinational who are benefitting from the back to work trend and companies re-commencing spending within their offices.

It was a poor month for Reckitt Benckiser Group. Despite having performed particularly well since February, it experienced its largest one day sell-off since 2003. This came from missing sales growth estimates and the cautioning of investors over tightening margins.

Takeda Pharmaceutical Co. Ltd. was added to the fund in July. They are one of the largest pharmaceuticals companies in Asia and provides investors with a very attractive dividend yield of roughly 5%.

In terms of sales, the decision was taken to exit Bridgestone Corp at the start of the month. After a very strong performance throughout 2021 it seemed a good opportunity to take some profits and use the capital in some of our higher conviction names.

Individual stock selection based on the above information is not recommended for private investors as it offers no downside protection when and if markets fall. This is a strategy best used by professional investors who fully appreciate the benefits and pitfalls of stock selection within a specific portfolio and in line with the mandate description and in sympathy with the prevailing economic and market driving forces.

OUTLOOK

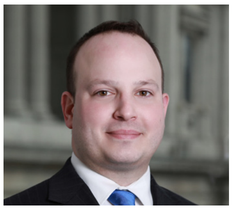
Although infection rates are rising in some parts of the world, mass vaccination rollouts mean that hopes of returning to normal are slowly being realised. And while this is undeniably positive news, the challenge of deploying the vaccine globally and for economies and societies to reopen fully, remains significant. In terms of infection rates, the impact of the new, potentially more transmissible, Delta variant – especially in those countries with low rates of vaccination – is being closely watched. And there are signs that this new variant is already moderating many analysts' growth expectations.

To revive economies, policy makers have drawn on their playbook from the 2008 Financial Crisis. The next steps from here are tightening policy. Central banks have shifted towards a more dovish monetary policy globally, at least in rhetoric, potentially seeing lower rates for longer and a willingness to sustain higher inflation. Trillions in fiscal stimulus have also been pledged, targeting societal inequality with 'levelling up' policies, and industry stimulus such as US President Joe Biden's proposed infrastructure package and the UK's 'Green Budget'. Crucially, governments' mentality towards debt has shifted, meaning we're unlikely to see a return to the austerity that followed the 2008 crisis.

We expect trends that have accelerated due to the pandemic – such as e-commerce and working from home – are here to stay. Opportunities will be driven by the shift to a more digital world, automation, climate change mitigation and adaptation. There are also long-term demographic trends and shifts in consumption patterns, in the emerging and the developed markets.

Beyond the pandemic, there are other challenges we monitor. Rising inequality is our greatest worry and the consequences of the virus disproportionately affecting lower skilled, lower income populations. Global supply chains are being tested: already fragile and now facing pressure from accelerating global demand, reshoring production and strategic supply nationalism.

Despite the challenges, we remain positive on the prospects for a recovery in 2021 supported by international vaccination efforts. Ultimately, the reaction function of central banks to inflation and economic data are likely to be the defining factor for asset markets over the next 12 months.



Mark Van Moorsel
Sarasin & Partners LLP

Henning Meyer
Sarasin & Partners LLP

FUND MANAGERS

Mark Van Moorsel and Henning Meyer are the Co-Fund Managers of the WS Verbatim Portfolio 5 Income Fund. Mark is the Co-Fund Manager of the Sarasin Sterling Bond Fund and Sarasin Responsible Corporate Bond Fund. Henning is also the fund manager on Sarasin's GlobalSar range of Multi-Asset funds as well as a number of segregated balanced portfolios.

Sarasin & Partners LLP are a London based asset management group and are a market leader in thematic investment strategies and for long-term income and dividend management across multi-asset and equity mandates.