

AUDITED FINAL REPORT

31 DECEMBER 2023

Sarasin Charity Authorised Investment Funds

Sarasin Endowments Fund

Sarasin Income and Reserves Fund

Sarasin Climate Active Endowments Fund

Sarasin Growth Fund

For the period 1 January 2023 to 31 December 2023



Sarasin Charity Authorised Investment Funds

Sarasin Charity Authorised Investment Funds ("the Trust") is an authorised unit trust. The Trust is structured as an umbrella authorised unit trust in that different sub-funds may be established from time to time.

The Trust is authorised by the FCA from 7th December 2017 and appears on the financial services register under product reference number (PRN) 791274. The Trust is registered with the Charity Commission as a charity. Its charity registration number is 1176240.

The Trust currently has four sub-funds;

Sarasin Climate Active Endowments Fund was launched on 16th February 2018.

Sarasin Endowments Fund was launched on 23rd February 2018 as a result of receiving the assets of the Alpha Common Investment Fund for Endowments by way of a fund merger.

Sarasin Income & Reserves Fund was launched on 23rd February 2018 as a result of receiving the assets of the Alpha Fund for Income & Reserves by way of a fund merger.

Sarasin Growth Fund was launched on 23rd September 2021.

The sub-funds have an Advisory Committee which is independent from Sarasin Investment Funds Limited ("the Operator") and NatWest Trustee and Depositary Services Limited ("the Trustee"). The Advisory Committee has a consultative role and is tasked with representing the interests of Unitholders.

Advisory Committee of all Sarasin Charity Authorised Investment Sub-Funds (as at 31st December 2023)

Mr. Chris Stevens (Chairman)

Mrs. Katie Blacklock

Mrs. Camilla Ritchie

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Professional Service Providers' Details

Corporate Trustee

NatWest Trustee and Depositary Services Limited
250 Bishopsgate
London EC2M 4AA

(Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority)

The Trustee has a supervisory role regarding certain aspects of administration and management of the sub-funds. These responsibilities include oversight of the Operator and its compliance with the Prospectus, oversight of the Registrar and for the custody and control of the property of the sub-funds which, in this instance, it has delegated to Northern Trust. Full details of the Trustee responsibilities are set out on page 16.

The Report of the Trustee can be found on page 15.

Operator

Sarasin Investment Funds Limited
Juxon House
100 St. Paul's Churchyard
London EC4M 8BU
Tel: 020 7038 7000
Fax: 020 7038 6851

(Authorised and regulated by the Financial
Conduct Authority)

Investment Manager

Sarasin & Partners LLP
Juxon House
100 St. Paul's Churchyard
London EC4M 8BU
Tel: 020 7038 7000
Fax: 020 7038 6851

(Authorised and regulated by the Financial
Conduct Authority)

The Operator is responsible for certain aspects of administration and management of the sub-funds as set out in full on page 14. These responsibilities include the management of the investments of the sub-funds and a duty to carry out regular valuations of the property of the sub-funds. Sarasin Investment Funds Limited, as Operator, has appointed Sarasin & Partners LLP as Investment Manager to the sub-funds. Both entities are members of the Bank J Safra Sarasin Group.

The Directors of the Operator are G.V. Matthews, S.A.M. Jeffries, G. Steinberg (Independent Non-Executive Director and Chairperson), and E. Tracey (Independent Non-Executive Director). The Report of the Operator can be found on page 13.

Independent Auditor

Deloitte LLP
110 Queen Street
Glasgow
G1 3BX

Registrar

Northern Trust Global Services SE UK Branch
50 Bank Street
Canary Wharf
London E14 5NT
Tel: 0333 300 0373
Fax: 020 7982 3924

Prospectus

Full details of the sub-funds are contained in the Prospectus. Copies of the Prospectus are available free of charge from the Operator, and the Trust Deed is available for inspection at the offices of the Operator.

Sarasin Charity Authorised Investment Funds

Market Review 2023

World Economy

Advanced economies fared better than expected in 2023, avoiding widely expected recessions.

Inflation remained a dominant issue throughout 2023. It was welcome news for investors and consumers alike when it finally started to wane. The aftermath of the pandemic and the ongoing war in Ukraine brought the highest inflation rates in decades. Much of the fall in inflation has been thanks to supply chains normalising in the wake of the Covid-19 pandemic, together with some reductions in energy prices. Weaker GDP growth in response to higher interest rates is now also helping to restore inflation to more normal levels.

Global economic growth in 2023 has outperformed expectations and was more uneven than anticipated. The most notable growth has been seen in the US, which avoided a widely predicted recession and beat consensus expectations by a clear margin. Demand in the US has been fuelled by strong household consumption and the US government's ballooning budget deficits, producing an impetus towards growth that even several banking failures failed to dent.

By contrast, growth has been modest in most European economies, including the UK. Tourism destinations such as France and Spain have benefited from increased spending on services and holidays after years of Covid-19 restrictions. High demand for labour-intensive services has created many jobs, even in economies where growth has been weak.

Goods-manufacturing economies, such as China and Germany, have fared worse, with weak demand for goods and high levels of stock creating an unpalatable cocktail for manufacturers. Energy prices remain high, pushing up operating costs for Germany's energy-intensive industries, while China is contending with an oversupply of property, debt problems and tougher trade restrictions.

Having been caught off guard by the strength of inflation in 2022, central banks were forced to rapidly reverse the economic stimulus that they had applied in response to economic shutdowns during the pandemic. This about-face resulted in the most substantial increases in interest rates in over four decades.

Central banks are now playing a waiting game in deciding when and how quickly they can cut interest rates in 2024. As interest rates rose, so too did bond yields (as bond yields rise, bond prices fall) until October when the 10-year US Treasury yield hit 5% for the first time in 16 years. It then reversed to end the year around 3.9%, some 20 basis points higher than where it started the year.

Global Equities

Equity markets surprised most strategists and economists in 2023. Global equities as measured by the MSCI ACWI Index rose by 22.2% in US dollar terms (+15.3% in Sterling terms), led by the US technology market, which jumped by nearly 45% (Nasdaq Composite Index).

US technology outperformed other markets in 2023 thanks to the performance of the 'Magnificent Seven'. These large technology companies (Amazon.com, Alphabet 'A', Apple, Meta Platforms, NVIDIA, Tesla and Microsoft) benefitted from cost cutting and investors' excitement about the disruptive potential market of artificial intelligence (AI). Elsewhere, better-than-expected economic growth supported equity prices in Europe and corporate governance reforms led to a concerted rally in Japan, although both markets lagged the US.

The worst-performing regional equity market in 2023 was China. A brief market rally driven by enthusiasm for the country's post-Covid reopening ran out of steam at the end of January as economic growth disappointed expectations and geopolitical tensions with the US resurfaced. Continued difficulties in the property sector weighed on expectations further in the second half, leading the MSCI China Index to fall by 11.0% over the year (local currency terms).

As noted, technology (+51.0%) was the highest returning sector in 2023, ahead of communication services (+37.7%) and consumer discretionary (+29.1%). However, each of these sectors owed a large proportion of returns to the Magnificent Seven. Of these, NVIDIA generated the highest return (+239%), ahead of Meta Platforms (+194%).

Traditionally defensive sectors were the worst performing in 2023. Healthcare returned 3.6% over the year, although the dispersion of returns between stocks was extremely wide because new weight-loss drugs (GLP-1s) dominated market sentiment. The primary GLP-1 producers, Novo Nordisk and Eli Lilly & Company, led the sector.

By contrast, a number of medical technology companies suffered on expectations that GLP-1s could reduce incidence of obesity-related comorbidities and demand for some medical procedures. The utilities sector also performed poorly, returning only 0.5%, as the rising yields on bonds led to a fall in valuations. Both bonds and utility companies offer stable cash flows over time so tend to compete for investors' capital. Therefore, as bond prices fall (and yields rise) the share prices of utilities companies also tend to underperform.

All sectors are measured using MSCI Indices in US Dollars terms from 31 December 2022 to 31 December 2023 (unless otherwise indicated).

Fixed Income

The BofA Global Fixed Income Markets Index returned 5.5% in 2023 (in local currency terms), rebounding after a dismal showing of -13.3% in 2022. Resilient inflation and better-than-expected economic data resulted in a long year waiting for central banks to complete the cycle of interest rate rises to combat inflation. The long-expected change in policy towards cutting interest rates materialised late in the year.

Bond markets started the year strongly, wrongfooting many investors who had expected that rapid rises in interest rates would be followed by economic recession in 2023. However, the global economy was much more resilient than expected, and the battle against inflation in 2023 took longer than anticipated. This resulted in a situation where the market began to accept that rates would have to be 'higher for longer', which extended the cycle of interest rate rises.

Market Review 2023 (continued)

Fixed Income (continued)

In March we saw a 'mini banking crisis' with the failure of Silicon Valley Bank and knock-on effects for troubled Credit Suisse. Fortunately, regulators and central banks were able to contain the situation.

The banking crisis caused financial bonds to sell off before recovering weeks later. Through the summer months it continued to be a waiting game for fixed income investors as there was much uncertainty as to when central banks would deem inflation to be under control. This meant that corporate credit risk was fairly flat for most of the year, apart from the aforementioned banking crisis. Corporate credit rallied again in October when the US Federal Reserve made its long-anticipated decision to pause interest rate hikes and instead leave them unchanged.

Anticipation of lower interest rates, combined with a modestly resilient economic backdrop, saw corporate bonds rally into the year end. Part of the reason for the strong performance in bond markets in 2023 was the emergence of historically attractive yields in 2023 after a harsh 2022. With investors able to obtain bond yields that were above the central banks' 2.0% target level of inflation, we saw a steady influx of investors looking at the asset class anew after over a decade of suppressed inflation and low interest rates. With bond yields remaining high on a historical basis, and a view that inflation will steadily fall into 2024, the asset class should remain attractive into the new year.

Currencies

Currency markets in 2023 were largely defined by changing interest rate expectations. To that end, Sterling, the Swiss franc and Euro performed well compared with the US dollar as US inflation normalised more quickly than elsewhere. Although this trend was consistent for the first half of the year, there was a significant period of US dollar appreciation between August and September as the Federal Reserve's rhetoric supported high interest rates to tackle inflation. This led market participants to believe interest rates would stay higher for longer. These concerns settled in the final few months of the year as inflation eased and central banks indicated that interest rates might come down in 2024.

The worst-performing major currency of the year, the Yen, continued to depreciate (compared to the US dollar) until October as the Bank of Japan maintained its negative interest rate policy. Market pricing of interest rate cuts in the US, UK and Europe supported a rise in the value of the Yen in the final two months of the year.

Fortunes were mixed in emerging markets, where some currencies benefited from resilient economic growth and higher interest rates. Notable examples were the Brazilian real and Mexican peso. In contrast, others struggled with political uncertainty raising international investors' concerns and outflows of investment leading to currency depreciation, particularly the South African rand and Turkish lira.

Guy Monson
Chief Market Strategist
Sarasin & Partners LLP
24th January 2024

All opinions and estimates contained in this report constitute the Trust's judgement and view as of the date of the report and are subject to change without notice.

The Socially Responsible Investment Policy

The Trust avoids investment in companies which are materially engaged in certain sectors including:

Adult Entertainment
Alcohol
Armaments
Civilian Firearms
Cluster Bombs & Landmines
Gambling
Tobacco

Furthermore, Sarasin Climate Active Endowment Fund will also avoid investment in companies with above a materiality threshold of their turnover generated from the extraction of thermal coal or the production of oil from tar sands.

The Operator does not believe that these restrictions will materially impact on the performance of any sub-fund and expects them to increase their appeal to charities.

The Investment Manager, on behalf of the Trust, will be active in voting on company resolutions and will engage in direct dialogue with companies where appropriate.

Notification of Amendments

Amendments to Sarasin Endowments Fund and Sarasin Climate Active Endowments Fund

Change of asset allocation

We sometimes refer to 'asset allocation', meaning the percentages of each type of asset in the sub-funds' portfolio. We have an active investment style in which we may lean more heavily towards certain asset classes according to our current tactical view of the outlook for investment markets.

The neutral strategic position shows the portfolio's allocation if we had no tactical view about the relative merits of the various asset classes. It is the 'default' around which we take our tactical view.

On 1st June 2023, we made amendments to the neutral strategic position replacing our separate UK and International equity allocations with a fully global equity allocation for both sub-funds. This wider allocation will provide our portfolio management team with greater stock-picking flexibility. This is illustrated in Table 1 on the next page.

Change of investment policy

The investment policies of the sub-funds are the statements that set how we plan to deliver the sub-funds' investment objectives. The investment policies currently state that we will usually aim for the sub-funds' exposure to Sterling currency to be the same as the benchmark (around 60%). This percentage is changing as a result of replacing the allocation to UK equities, which generally result in Sterling exposure, with global equities, which generally result in non-Sterling exposure. From 1st June 2023, we removed the statement that this is around 60% from the prospectus to allow a greater non-Sterling exposure reflecting the new fully global equity allocation.

Change to the sub-fund's blended benchmark

The sub-funds use a blended benchmark against which unitholders can compare performance. The composition of the benchmark reflects the sub-funds' neutral asset allocation and was updated to reflect the change to a fully global equity allocation. This is illustrated in Table 2 on the next page.

Table 1 - Change of asset allocation

Prior to 1 June 2023		From 1 June 2023	
Government Bonds	7.50%	Government Bonds	7.50%
Corporate Bonds	7.50%	Corporate Bonds	7.50%
Cash and Alternatives	10.00%	Cash and Alternatives	10.00%
UK Equities	20.00%		
International Equities	40.00%	Global Equities	60.00%
International Equities (£ hedged)	10.00%	Global Equities (£ hedged)	10.00%
UK Property	5.00%	UK Property	5.00%

Table 2 - Change of comparator benchmark

Prior to 1 June 2023			From 1 June 2023		
Asset Allocation		Comparator Benchmark	Asset Allocation		Comparator Benchmark
Government Bonds	7.50%	ICE BofA UK Gilts All Stocks Index	Government Bonds	7.50%	ICE BofA UK Gilts All Stocks Index
Corporate Bonds	7.50%	ICE BofA Sterling Corporate and Collateralised Index	Corporate Bonds	7.50%	ICE BofA Sterling Corporate and Collateralised Index
Cash and Alternatives	10.00%	Sterling Overnight Interbank Average Rate (SONIA)+2%	Cash & Alternatives	10.00%	Sterling Overnight Interbank Average Rate (SONIA)+2%
UK Equities	20.00%	MSCI UK IMI			
International Equities	40.00%	MSCI All Countries World Index ex UK	Global Equities	60.00%	MSCI All Countries World Index Daily (Net Total Return)
International Equities (£ hedged)	10.00%	MSCI All Countries World Index ex UK (Local Currency) (GBP)	Global Equities (£ hedged)	10.00%	MSCI All Countries World Index (Local Currency) (GBP)
UK Property	5.00%	MSCI All Balanced Property Funds Index (One Quarter Lagged)	UK Property	5.00%	MSCI All Balanced Property Funds Index (One Quarter Lagged)

Amendments to Sarasin Income and Reserves Fund

Change of asset allocation

We sometimes refer to 'asset allocation', meaning the percentages of each type of asset in the sub-fund's portfolio. We have an active investment style in which we may lean more heavily towards certain asset classes according to our current tactical view of the outlook for investment markets.

The neutral strategic position shows the portfolio's allocation if we had no tactical view about the relative merits of the various asset classes. It is the 'default' around which we take our tactical view.

On 1st June 2023, we amended the neutral strategic position replacing our separate UK and International equity allocations with a fully global equity allocation for the sub-fund. This wider allocation will provide our portfolio management team with greater stock-picking flexibility. This is illustrated in Table 3 on the next page.

Change of investment policy

The investment policy of the sub-fund is the statement that sets how we plan to deliver the sub-fund's investment objective. The investment policy currently states that we will usually aim for the sub-fund's exposure to Sterling currency to be the same as the benchmark (around 90%). This percentage is changing as a result of replacing the allocation to UK equities, which generally result in Sterling exposure, with global equities, which generally result in non-Sterling exposure. From 1st June 2023, we are therefore removing the statement that this is around 90% from the prospectus to allow a greater non-Sterling exposure reflecting the new fully global equity allocation.

Change of sub-fund's blended benchmark

The sub-fund uses a blended benchmark against which unitholders can compare performance. The composition of the benchmark reflects the sub-funds' neutral asset allocation and was updated to reflect the change to a fully global equity allocation. Additionally, the benchmarks for the Corporate Bonds and Government Bonds components were changed. The sub-fund's allocation to bonds has an average duration of around three to four years. However, the equivalent average duration for the previous benchmarks was 9 years. The new '1-10 year' benchmarks reduce the average duration to 4.5 years which is better aligned with the sub-fund's approach. This is illustrated in Table 4 on the next page.

There have been no changes to the service providers of the Trust during the year.

Table 3 - Change of asset allocation

Prior to 1 June 2023		From 1 June 2023	
Government Bonds	35.00%	Government Bonds	35.00%
Corporate Bonds	30.00%	Corporate Bonds	30.00%
Alternatives	10.00%	Alternatives	10.00%
Cash	5.00%	Cash	5.00%
UK Equities	10.00%		
International Equities	10.00%	Global Equities	20.00%

Table 4 - Change of benchmark

Prior to 1 June 2023			From 1 June 2023		
Asset Allocation		Comparator Benchmark	Asset Allocation		Comparator Benchmark
Government Bonds	35.00%	ICE BofA UK Gilts Index	Government Bonds	35.00%	ICE BofA 1-10 Year UK Gilt Index
Corporate Bonds	30.00%	ICE BofA Sterling Corporate and Collateralised Index	Corporate Bonds	30.00%	ICE BofA 1-10 Year Sterling Corporate and Collateralised Index
Alternatives	10.00%	Sterling Overnight Interbank Average Rate (SONIA)+2%	Alternatives	10.00%	Sterling Overnight Interbank Average Rate (SONIA)+2%
Cash	5.00%	Sterling Overnight Interbank Average Rate (SONIA)	Cash	5.00%	Sterling Overnight Interbank Average Rate (SONIA)
UK Equities	10.00%	MSCI UK IMI			
International Equities	10.00%	MSCI All Countries World Index ex UK	Global Equities	20.00%	MSCI All Countries World Index Daily (Net Total Return)

Assessment of Value

The latest Assessment of Value report, as at 31st December 2023, was published in April 2024 in line with the FCA's requirements. The Assessment of Value is a comprehensive annual review of each sub-fund, conducted across multiple value assessment criteria, with conclusions published with regards to the value that is considered as being provided to investors. The latest report is available on the Sarasin website at www.sarasinandpartners.com.

AIFMD Disclosure

The provisions of the Alternative Investment Fund Managers Directive ("AIFMD") took effect in full on 22nd July 2014. That legislation requires the Operator, Sarasin Investment Funds Limited (the "AIFM"), to establish and apply remuneration policies and practices that are consistent with, and promote, sound and effective risk management and that neither encourage risk taking which is inconsistent with the risk profiles, prospectuses, trust deeds and deeds of constitution of the Alternative Investment Funds to which it has been appointed (the "Trust") nor impair compliance with the AIFM's duty to act in the best interests of the Trust.

As the nature and range of the AIFM's activities, its internal organisation and operations are, in the Directors' opinion, limited in their nature, scale and complexity, that is, to the business of a management company engaging in collective portfolio management of investments of capital raised from the public, this is reflected in the manner in which the AIFM has addressed certain requirements regarding remuneration imposed upon it by the Regulations.

The board of directors of the AIFM (the "Board") consists of four directors (each a Director). The AIFM has no additional employees.

The AIFM has delegated the performance of the investment of the Trust to Sarasin & Partners LLP (the "Investment Manager").

As noted below, the AIFM relies on the remuneration policies and procedures of each delegate to ensure that their remuneration structures promote a culture of investor protection and mitigate conflicts of interest.

The Regulations provide that the remuneration policies and practices shall apply to those categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that falls within the remuneration bracket of senior management and risk takers whose professional activities have a material impact on the risk profiles of the Trust.

It should be noted that the AIFM has appointed the Board and has no additional employees. The AIFM has also appointed the Investment Manager under an investment management agreement, which sets out the commercial terms under which the Investment Manager is appointed. Given that the AIFM does not directly remunerate any individuals engaged in the performance of the investment management activity, and staff of the Investment Manager are not remunerated solely for their work in relation to services provided to the AIFM, it is not possible to separately identify remuneration related to service provision specific to the AIFM, and any allocation approach is considered, by the Board, not to provide meaningful disclosure.

The Directors are therefore considered to be those that have a material impact on the risk profile of the Trust. Accordingly, the remuneration provisions of the Regulations only affect the AIFM with regard to the Board. Each Director is entitled to be paid a fixed director's fee based on an expected number of meetings and the work required to oversee the operations of the AIFM, which is considered to be consistent with the powers, tasks, expertise and responsibility of the Directors. The fee payable to each Director is reviewed from time to time, based on the evolution of the AIFM's activities and the aggregate fees payable are disclosed in the prospectus of the Trust.

The Directors do not receive performance based variable remuneration, therefore avoiding any potential conflicts of interest. In addition, two of the serving Directors have waived the fees to which they would otherwise be entitled. No amounts were paid directly from the Trust.

The total fixed and variable remuneration of the Directors of the Board considered to comprise the entire staff of the Operator for the financial year ending 31st December 2023, is analysed below:

Fixed Remuneration	£72,500
Variable Remuneration	-
Total	£72,500

Given the internal organisation of the AIFM, and considering its size with the limited nature, scope and complexity of its activities, it is not considered proportionate for the AIFM to set up a remuneration committee. The Board notes that the net assets of the Trust and the legal structure of the AIFM as a management company with a Board of Directors and no other employees are factors supporting the view that a remuneration committee would not be considered appropriate for the AIFM.

The Board receives confirmation from the Investment Manager on an annual basis that there has been no material change to its remuneration policy, or if there has been a material change, receives details of those changes to the Board.

The Remuneration Policies of Sarasin Investment Funds Limited and Sarasin & Partners LLP are available at <http://www.sarasinandpartners.com/important-information>.

Leverage

In accordance with the requirements of AIFMD regulations, the AIFMD must set a maximum level of leverage for the Trust and report to investors the total amount of leverage employed by the Trust. Arrangements must also be in place to ensure compliance with the leverage limits.

The leverage limits and the actual leverage employed at the balance sheet date were:

Leverage Limit	Gross	Commitment
	200%	110%
Actual	Gross	Commitment
Sarasin Endowments Fund	110%	98%
Sarasin Income and Reserves Fund	107%	99%
Sarasin Climate Active Endowments Fund	111%	98%
Sarasin Growth Fund	99%	99%

The calculation of the Gross Leverage figure does not:

- make a distinction between financial derivative instruments that are used for investment or hedging purposes. As a result, strategies that aim to reduce risk will contribute to an increased level of leverage for the Trust.
- allow the netting of derivative positions. As a result, derivative roll-overs and strategies relying on a combination of long and short positions may contribute to a large increase of the level of leverage when they do not increase, or only cause a moderate increase to, the overall Trust risk.
- take into account the derivative underlying assets' volatility or make a distinction between short-dated or long-dated assets. As a result, a Trust that exhibits a high level of leverage is not necessarily riskier than a Trust that exhibits a low level of leverage.

Statement of the Advisory Committee's Responsibilities

The sub-funds of the Trust have an overall Advisory Committee, which is independent from the Operator and Depositary. It has a consultative role and is tasked with representing the interests of Unitholders as set out in Section 6.4 of the Prospectus.

The Advisory Committee meets up to four times per year and will consider, and can make representations to the Operator, in relation to:

- the appointment of the Operator's and Depositary's delegates;
- the investment objective of the sub-funds;
- the investment policy of the sub-funds;
- the income distribution policy of the sub-funds; and
- fees and charges associated with each Class of Units.

The Advisory Committee is pleased to report on the discharge of its responsibilities for the year ending 31st December 2023 as set out above.

We bring a range of investment, charity and fund management experience. In our early meetings, we have reviewed the performance of the sub-funds, the competitive landscape and the initiatives being pioneered by Sarasin. We have challenged the Investment Manager from the perspective of the Trustees of the charities who have invested, or may choose to invest, in the sub-funds.

At each meeting, in addition to reviewing investment performance, we have reviewed compliance and received a report from the Trustee. We also reviewed the costs associated with managing the sub-funds, including the Operator's remuneration and Total Expense Ratio. We take a critical look at the Investment objective to ensure that it remains appropriate to the relevant sub-fund.

The Committee's review of each sub-fund, and our advice, remains positive.

Mr. C. Stephens
Chairman of the Advisory Committee
22nd April 2024

Report of the Operator

Sarasin Investment Funds Limited is the Operator of the Trust and in accordance with the Trust Deed and Prospectus (together the "Trust Documents") is solely responsible for the selection of the investments, subject to the Trust's investment objective, investment policy, and the terms of the Trust Documents.

The Operator has appointed Sarasin & Partners LLP as the Investment Manager to the Trust (the "Investment Manager"). The Investment Manager provides discretionary investment dealing services together with the related research and valuation facilities across a wide range of investments. The Investment Manager has the authority to make decisions on our behalf, subject to the provisions of the Trust Documents, the Prospectus, the Regulations, the investment objective, and the investment policy of the Trust.

The Operator is responsible for the administration and management of the Trust including its investments. The Operator must carry out regular valuations of the Trust's property and ensure that the units are properly priced.

The Board of Directors of Sarasin Investment Funds Limited meets at least four times a year to consider the status of the Trust and the performance of the Investment Manager, including review of the investment guidelines and the risk management and controls in place. In addition, the Operator reviews a quarterly report from the Corporate Trustee and a Compliance Report that details any issues over the year.

Under the Charities Act 2011, the Operator is required to prepare financial statements for each accounting year which comply with The Charities (Accounts and Reports) Regulations 2008 and which give a true and fair view of the financial position of the Trust at the end of the year, the amounts to be distributed, and the movement in net assets for the year.

In the context of the continuing conflict in Ukraine, the Trust's exposure to Russia continues to be negligible. There are no direct holdings of Russian-listed securities and minimal holdings in companies with exposure. Where companies have exposure, we are monitoring them to understand the actions they are taking, and how they have considered the human rights implications of these measures. In our engagement with companies, we are seeking a robust risk management process, adequate disclosure and strong board oversight aiming to minimise not only operational and financial but also humanitarian and reputational risks. We will monitor the situation closely and will continue to take investment decisions to protect our investors' interests.

One investment holding has been subject to fair value accounting at year-end. Home REIT is held by Sarasin Endowments Fund, Sarasin Income and Reserves Fund and Sarasin Climate Active Endowments Fund. The investment is categorised as a Level 3 investment in the Fair Value hierarchy as disclosed in Note 15 Risk Management Policies and Disclosures for each sub-fund.

Having considered relevant factors, the Directors of the Operator are of the opinion that it is appropriate to continue to adopt the going concern basis in the preparation of the Financial Statements. The assets of the Trust consist predominantly of securities that are readily realisable, and accordingly, the Trust has adequate resources to continue in operational existence for the foreseeable future.

G. Steinberg
Director of Sarasin Investment Funds Limited
22nd April 2024

Statement of the Operator's Responsibilities

The Operator, Sarasin Investment Funds Limited, is the authorised fund manager for the purposes of the Regulations and the alternative investment fund manager (or AIFM) for the purposes of the AIFMD Requirements.

The Operator is a private company limited by shares that was incorporated in England and Wales on 10th November 1987.

The Operator is responsible for managing and administering the Trust's affairs in compliance with the Regulations. The Operator has authority to enter into contracts on behalf of the Unitholders for the purposes of, or in connection with, the acquisition, management and/or disposal of property subject to the Trust.

The Operator may delegate investment management, administration and marketing functions in accordance with the Regulations. Notwithstanding such delegation, the Operator remains responsible for any functions so delegated.

It has therefore delegated:

- to the Northern Trust Global Services SE UK Branch, the function of administration, including fund accounting; and
- to the Northern Trust Global Services SE UK Branch, the function of maintenance of the Register of Unitholders.

The Authorised Unit Trust Manager (the "Operator") of the Trust is responsible for preparing the Annual Report and the financial statements in accordance with the Financial Conduct Authority's Collective Investment Scheme's Sourcebook ("COLL") and the Scheme's Trust Deed.

COLL requires the Operator to prepare financial statements for each annual accounting period which:

- are in accordance with United Kingdom Generally Accepted Accounting Practice ("United Kingdom Accounting Standards and applicable law"), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice: "Financial Statements of Authorised Funds" issued by the Investment Management Association ("IMA SORP") in May 2014, as amended in June 2017; and
- give a true and fair view of the financial position of the Trust and each of its sub-funds as at the end of that year and the net revenue and the net capital gains or losses on the property of the Trust and each of its sub-funds for that period.

In preparing the financial statements, the Operator is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the IMA SORP have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in operation.

The Operator is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Trust and enable it to ensure that the financial statements comply with the applicable IMA SORP and United Kingdom Accounting Standards and applicable law. The Operator is also responsible for the system of internal controls, for safeguarding the assets of the Trust and for taking reasonable steps for the prevention and detection of fraud and other irregularities. In accordance with COLL 4.5.8BR, the Annual Report and the Unaudited financial statements were approved by the board of directors of the Operator of the Trust and authorised for issue on 22nd April 2024.

Report of the Trustee to the Unitholders of the Sarasin Charity Authorised Investment Funds (the "Trust") for the Year Ended 31st December 2023

The Trustee must ensure that the Trust is managed in accordance with the Financial Conduct Authority's Collective Investment Fund's Sourcebook, Investment Funds Sourcebook, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Trust Deed and Prospectus (together "the Trust Documents") as detailed below.

The Trustee must in the context of its role act honestly, fairly, professionally, independently, and in the interests of the Trust and its investors.

The Trustee is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Trust in accordance with the Regulations.

The Trustee must ensure that:

- the Trust's cash flows are properly monitored and that cash of the Trust is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units in the Trust is calculated in accordance with the Regulations;
- any consideration relating to transactions in the Trust's assets is remitted to the Trust within the usual time limits;
- the Trust's income is applied in accordance with the Regulations; and
- the instructions of the Alternative Investment Fund Manager (the "AIFM") are carried out (unless they conflict with the Regulations).

The Trustee also has a duty to take reasonable care to ensure that the Trust is managed in accordance with the Regulations and the Trust documents in relation to the investment and borrowing powers applicable to the Trust.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Trustee of the Trust, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Trust, acting through the AIFM;

(i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Trust's units and the application of the Trust's income in accordance with the Regulations and the Trust documents, and

(ii) has observed the investment and borrowing powers and restrictions applicable to the Trust.

NatWest Trustee and Depositary Services Limited
Trustee & Depositary Services
Edinburgh
22nd April 2024

Statement of the Trustee's Responsibilities

The trustee and depositary of the Trust is NatWest Trustee and Depositary Services Limited, a private company limited by units (registered number 11194605) which was incorporated in England and Wales on 8th February 2018.

The registered office and head office of the Depositary is at 250 Bishopsgate, London EC2M 4AA. Its principal business activity is acting as trustee and depositary of collective investment schemes. The ultimate holding company of the Depositary is The Royal Bank of Scotland Group plc, which is a company incorporated in Scotland.

The Depositary is authorised by and regulated by the Financial Conduct Authority.

The Depositary is responsible for the safekeeping of the Scheme Property and has a duty to take reasonable care to ensure that the Trust is managed in accordance with the provisions of the Regulations relating to the pricing of, and dealing in, Units and the allocation and distribution of income of the Trust and that decisions about the investment of the Scheme Property of each Sub-fund do not infringe any of the investment restrictions set out in the COLL Sourcebook.

Independent Auditor's Report to the Unitholders of The Sarasin Charity Authorised Investment Funds

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Sarasin Charity Authorised Investment Fund (the 'Unit Trust'):

- give a true and fair view of the financial position of the Unit Trust and its sub-funds as at 31 December 2023 and of the net revenue and the net capital gains on the property of the Unit Trust and its sub-funds for the year ended 31 December 2023; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Statement of Recommended Practice "Financial Statements of UK Authorised Funds", the rules in the Collective Investment Schemes Sourcebook and Trust Deed.

We have audited the financial statements which comprise for each sub-fund:

- the statement of total return;
- the statement of change in net assets attributable to unitholders;
- the balance sheet;
- the distribution tables; and
- related individual notes.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice: "Financial Statements of UK Authorised Funds" issued by the Investment Association in May 2014 as amended in June 2017, the Collective Investment Schemes Sourcebook and the Trust Deed.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Unit Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Operator's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Unit Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Operator with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Operator is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Trustee and Operator

As explained more fully in the Trustee's responsibilities statement and the Operator's responsibilities statement, the Trustee is responsible for the safeguarding the property of the Unit Trust and the Operator is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Operator determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Operator is responsible for assessing the Unit Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Operator either intends to liquidate the Unit Trust or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Unit Trust's industry and its control environment, and reviewed the Unit Trust's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and those charged with governance about their own identification and assessment of the risks of irregularities, including those that are specific to the Unit Trust's business sector.

We obtained an understanding of the legal and regulatory frameworks that the Unit Trust operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the Collective Investment Schemes Sourcebook and relevant tax legislations; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Unit Trust's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as valuations and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud is manipulation of net asset value through fraudulent manipulation of Investment valuation and Investment existence. In response we have:

- assessed the design and implementation of the controls at administrator relating to the valuation and existence of investments through review of the administrator's service organisation control report;
- agreed 100% of the bid prices of quoted investments on the investment ledger at year end to closing bid prices published by an independent pricing source;
- agreed 100% of the investment units or shares of quoted investments at the year end to confirmations independently received directly from the depositary;

In addition to support our work on this significant risk we have reviewed the completeness and appropriateness of disclosures in relation to fair value measurements and fair value hierarchy, involved our financial instruments specialists to assess the applied valuation methodologies and tested the accuracy of a sample of purchases and sales of investments.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC and the FCA.

Report on other legal and regulatory requirements

Matters on which we are required to report by exception

Under the Charities (Accounts and Reports) Regulations 2008 we are required to report in respect of the following matters if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept the Unit Trust; or
- the Unit Trust's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Opinions on other matters prescribed by the Collective Investment Schemes Sourcebook

In our opinion:

- proper accounting records for the Unit Trust and its sub-funds have been kept and the financial statements are in agreement with those records;
- we have received all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit; and
- the information given in the Operator's report for the year ended 31 December 2023 is consistent with the financial statements.

Use of our report

This report is made solely to the Unit Trust's Unitholders, as a body, in accordance with Paragraph 4.5.12R of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority and Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Unit Trust's Unitholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Unit Trust and the Unit Trust's Unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte LLP

Statutory Auditor
Glasgow, United Kingdom
22nd April 2024

Annual Reports Disclaimer

This document has been issued by Sarasin Investment Funds Limited which is a limited liability company registered in England and Wales with registered number 01290813 and is authorised and regulated by the Financial Conduct Authority with firm reference number 122244.

This document has been prepared for information purposes only and is not a solicitation, or an offer to buy or sell any security. The information on which the material is based has been obtained in good faith, from sources that we believe to be reliable, but we have not independently verified such information and we make no representation or warranty, express or implied, as to its accuracy. All expressions of opinion are subject to change without notice.

This document should not be relied on for accounting, legal or tax advice, or investment recommendations. Reliance should not be placed on the views and information in this material when taking individual investment and/or strategic decisions.

The value of investments and any income derived from them can fall as well as rise and investors may not get back the amount originally invested. If investing in foreign currencies, the return in the investor's reference currency may increase or decrease as a result of currency fluctuations. Past performance is not a reliable indicator of future results and may not be repeated. Forecasts are not a reliable indicator of future performance.

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

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Notes

Notes to the financial statements For the year ended 31st December 2023

1. Accounting Policies

a.) Basis of Accounting

The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) for UK Authorised Funds issued by the Investment Association (IA) in May 2014, as amended in June 2017, the Charities (Accounts and Reports) Regulations 2008, and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

The financial statements have been prepared on a going concern basis, under the historical cost convention as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss.

The Operator is confident that the Trust will continue in operation and be able to meet its liabilities as they fall due for at least the next twelve months from the approval of these financial statements. The Trust has adequate financial resources and its assets consist of securities, which are readily realisable. As such, it is appropriate to continue to adopt the going concern basis in preparing the financial statements of the Trust.

b.) Functional and presentation currency

The functional and presentation currency of each sub-fund is Pounds Sterling.

c.) Recognition, classification and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the sub-funds' balance sheet when the sub-funds become a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially recognised at transaction price (including transaction costs) and subsequently measured at amortised cost, except for the sub-funds' financial instruments classified as financial assets at fair value through profit or loss, which are initially recognised at fair value (excluding transaction costs).

d.) Valuations of financial instruments at fair value

Quoted investments have been valued at bid-market value using prices as at close of business on 29th December 2023, being the last working day of the accounting period, net of any accrued interest which is included in the balance sheet as revenue. Investments in Collective Investment Schemes operated by the Operator are valued at their single price; those managed by other management groups are valued at their contractual bid price.

The valuation of unlisted investments is based on the Operator's assessment of their estimated realisable value. Suspended securities are valued initially at the suspended price but are subject to constant review.

Open forwards currency contracts are valued based on the difference between the contract value and the market value adjusted by the prevailing spot rate and swap curve.

The market value of over the counter (OTC) derivatives is determined based on valuation pricing models which take into account relevant market inputs as well as the time values, liquidity and volatility factors underlying the positions.

e.) Revenue

Dividends on equities and distributions from Collective Investment Schemes are recognised on the day when quoted ex-dividend or ex-distribution, respectively. Interest on bank deposits is accrued on a day to day basis. Interest on debt securities is recognised on an accruals basis, taking into account the effective yield on the investment. The effective yield basis amortises any discount or premium on the purchase of an investment over its remaining life.

f.) Derivative Financial Instruments

For returns on an option, which has the immediate effect of generating a material capital loss, for instance it is written materially "in the money", then all returns including premiums received, would be regarded as capital in nature. However, if there is no immediate capital loss generated or an immaterial capital loss is generated due to market timing, and not as a direct result of attempting to manufacture income at the expense of capital, the premium received is treated as revenue notwithstanding that any future losses may be treated as capital.

g.) Management Fee Rebates

Rebates on the underlying funds' management fees are accounted for on an accruals basis and are subsequently attributed to the Trust's revenue or capital consistent with the fee structure of the underlying fund.

1. Accounting Policies (continued)

h.) Exchange Rates

Where applicable, transactions during the period have been translated into sterling at the rate of exchange ruling at the date of transaction. Revenue received in foreign currency has been translated into sterling at the rates of exchange ruling on the date of receipt by the Trustee. Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at period end.

i.) Scrip Dividends

Ordinary scrip dividends are wholly recognised as revenue and are based on the market value of the units on the date they are quoted ex-dividend. Where an enhancement is offered, the enhancement element is taken to capital.

j.) Special Dividends and Unit Buy-backs

Special dividends and proceeds from unit buy-backs are reviewed on a case by case basis in determining whether the amount is revenue or capital in nature. Where there is evidence to treat all or some of such receipts as revenue, such amounts are recognised as dividend revenue of the Trust. Any tax treatment would follow the accounting treatment of the principal amount.

k.) Distribution

Revenue produced by the Trust's investments accumulates during each accounting period. The Trust may operate a revenue 'Reserve' account, which remains part of the Trust Property, in order to conduct a controlled distribution flow to unitholders, subject to the provisions of the Trust Documents. Distributions to unitholders will be made on a coupon basis, when it will enable a higher distribution to be paid to unitholders than on the effective yield basis, as detailed in Note 1 (e). All distributions unclaimed for a period of six years after having become due for payment shall be forfeited and shall revert to the capital of the Trust.

l.) Investment Gains and Losses

Gains and losses, including exchange differences on the realisation of investments, and increases and decreases in the valuation of investments held at the balance sheet date, including unrealised exchange differences, are treated as capital.

m.) Expenses

All expenses and fees have been apportioned to capital for the Trust. Details of expenses are disclosed in on pages 43, 74, 105, and 133.

The annual management fee is calculated on the total net assets of the Trust: to the extent that any of the net assets are separately managed by subsidiaries of Sarasin Investment Funds Limited, then the periodic charge is rebated to the value of the subsidiaries' periodic charge made to the underlying holding.

n.) Taxation

As the Trust is a Charity Authorised Investment Fund, it is exempt from UK corporation tax. Overseas dividends are disclosed gross of any foreign tax suffered and the tax element is separately disclosed in the taxation note.

o.) Valuation Techniques

Level 1

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. A quoted market price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available, with limited exceptions. If an entity holds a position in a single asset or liability and the asset or liability is traded in an active market, the fair value of the asset or liability is measured within Level 1 as the product of the quoted price for the individual asset or liability and the quantity held by the entity, even if the market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

Level 2

Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include: quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, for example interest rates and yield curves observable at commonly quoted intervals, implied volatilities, credit spreads, inputs that are derived principally from or corroborated by observable market data by correlation or other means ('market-corroborated inputs').

There are corporate bonds which fall in to this category as despite quoted prices being available, trading can be sporadic and there are often significant lengths of time between traded arm's length transactions.

1. Accounting Policies (continued)

o.) Valuation Techniques (continued)

Level 3

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

Where assets are subject to administration or orderly realisation processes, the Operator may adjust the price to reflect what he considers a more realistic value in the circumstances. The rationale and pricing method is agreed with the Trustee and monitored frequently.

The Investment Manager operates the following fair value process. An Investment Risk Committee (IRC) is an independent committee designed to consider issues of investment risk and performance, including oversight of valuation issues, challenges to pricing and oversight of ad hoc valuation groups. The IRC is authorised by an Executive Committee. If a security no longer has a valid external price source, the Operations team will raise an alert to the Risk Office. The Risk Office will assemble an ad hoc valuation group to review the unpriced security. The ad hoc valuation group will include a range of people with relevant experience to determine whether fair value pricing needs to be applied. The IRC will oversee the process.

The ad hoc valuation group will assess information available from internal and external sources in order to arrive at a fair value. In seeking to value such securities, the ad hoc valuation group will gather valuation related information from multiple internal and external sources and may apply judgement in determining the fair value. These sources include historic trading and pricing information (including grey market trades), the views of internal security analysts, company specific news and fundamental data as well as information relating to comparable companies within related industries and sectors.

The ad hoc valuation group has the ability to apply discounts to security valuations. The discount will be determined based on judgement, after considering market liquidity conditions and company specific factors. Fair value is established by using measures such as the price of a recent transaction made by management or a third party which will also factor in a discount where negative news has been observed, or suspended securities where the last traded price is used to calibrate fair value estimation. Generally, unlisted securities are valued at cost if the security was recently purchased, a trade executed by another Sarasin Fund, grey market trades or at a nil value where companies have gone into liquidation, administration or are deemed worthless. The valuation approaches used aim to be consistent with industry standards and best practice principles.

Fair value adjustments may be implemented to protect the interests of the shareholders against market timing practices. Accordingly, if a sub-fund invests in markets that are closed for business at the time the sub-fund is valued, securities included in a particular portfolio may be adjusted to reflect more accurately the fair value of the sub-fund's investments at the point of valuation.

p.) Dilution Levy

In certain circumstances, the Operator may charge a dilution levy, in accordance with the Financial Conduct Authority Regulations, on all subscriptions and redemptions of units, which is paid into the sub-funds and included in the Statement of Change in Net Assets Attributable to Unitholders. The levy is intended to cover certain dealing charges not included in the mid-market value of the sub-fund used in calculating the unit price, which could have a diluting effect on the performance of the sub-fund.

Sarasin Endowments Fund

**Annual Report and Financial Statements for the year from
01.01.2023 to 31.12.2023**

Investment Objective of the Sub-fund as set by the Board

We seek to grow the sub-fund (through increases in investment value and income) by 4.0% per year more than the Consumer Prices Index (CPI) over a rolling 5 year period after deducting fees and costs.

This target is not guaranteed over any period of time and the sub-fund could lose value.

Investment Policy of the Sub-fund

Investments

We invest the sub-fund approximately as follows:

- Shares: 70% in 40 to 70 companies listed on major stock exchanges around the world.

- Bonds: 15%.

Up to 20% of the bonds we invest in can be rated higher risk by external ratings agencies but the majority are rated as 'investment grade'.

- Real estate investments: 5%.

- Cash or Alternatives: 10%.

Exposure to any of the above asset classes may be obtained through investment in funds (including funds managed by Sarasin).

Alternatives include, but are not limited to, infrastructure, commodities and private equity/venture capital which may be accessed through listed investment trusts and open-ended funds or other financial instruments.

We also invest in derivatives and use them to increase performance and generate income. Derivatives are financial contracts whose value is linked to the price of another asset (e.g. indices, rates, share prices, currencies).

Investment Selection

We identify the long-term investment themes that drive growth and lead to disruption in global economies and industries, and will shape the world in which we live and invest. We select companies based on our own analysis of which are most likely to benefit from our themes, and are well placed to grow their revenues and cash flows as a result of them.

The strategic asset mix of the sub-fund (as defined by the blended benchmark) sets out how the portfolio will be allocated in normal market conditions. However, the sub-fund is managed on an active basis and when there is a strong sentiment, positive or negative, on a particular asset class or classes, the Investment Manager will actively deviate away from this asset mix and the securities in the underlying indices to try to meet the investment objective.

Investment Screening

We avoid investment in companies which are materially engaged in certain sectors, including alcohol, tobacco, armaments, gambling and adult entertainment. Further detail on how we do this is available on our website at www.sarasinandpartners.com.

We have an environmental, social and governance strategy. We consider which target investments fulfill an environmentally or socially beneficial role and that employ high standards of governance.

Additional Techniques

In addition to being able to use derivatives for investment purposes, we will use derivatives for effective portfolio management: to adjust how sensitive the sub-fund is to changes in currencies, to act on opportunities or control risk, and to gain cost effective access to investments. We usually aim for the sub-fund's exposure to sterling to be the same as the blended benchmark (around 60%). We use an income reserve to smooth the income we pay over time.

Benchmark Information

The sub-fund's performance can be assessed by reference to:

a. Comparator benchmark reflective of the asset allocation of the sub-fund.

Benchmark	Allocation
ICE BofAML UK Gilts All-Stocks Index	7.50%
ICE BofAML Sterling Corporate & Collateralised Index	7.50%
Sterling Overnight Interbank Average Rate (SONIA)+2%	10.00%
MSCI All Countries World Index (Local Currency) (GBP)	10.00%
MSCI All Countries World Index Daily (Net Total Return)	60.00%
MSCI All Balanced Property Funds Index (One Quarter Lagged)	5.00%

b. The target benchmark of CPI +4% over a rolling 5 year period after deducting fees and costs. CPI is a measure of inflation. If the sub-fund's performance matched CPI over a year, an investment in the sub-fund would provide approximately the same purchasing power as it would have provided a year earlier. The sub-fund will seek to outperform the CPI by 4.0% per year to provide real growth.

Investment Manager's Review

Sub-fund Performance

Cumulative performance		1 yr	3 yrs	5 yrs	Since Inception
		01 Jan 23 - 31 Dec 23	01 Jan 21 - 31 Dec 23	01 Jan 19 - 31 Dec 23	23 Feb 18 - 31 Dec 23
		%	%	%	%
Fund	A Accumulation Units (Net)	8.60	8.10	42.10	201.30
Comparator	Index	11.90	18.40	49.70	251.40

Discrete performance		01 Jan 23 - 31 Dec 23	01 Jan 22 - 31 Dec 22	01 Jan 21 - 31 Dec 21	01 Jan 20 - 31 Dec 20	01 Jan 19 - 31 Dec 19
		%	%	%	%	%
Fund	A Accumulation Units (Net)	8.60	-9.80	10.40	9.60	19.90
Comparator	Index	11.90	6.90	13.70	6.80	18.50

Annualised performance		5 yrs
		01 Jan 19 - 31 Dec 23
		%
Fund	A Accumulation Units (Net)	7.30
Target	CPI + 4%	8.50

Source: Sarasin & Partners LLP and FE Fundinfo.

Performance is provided net of fees. Past performance is not a guide to future returns and may not be repeated. Performance is calculated in GBP on the basis of net asset values (NAV) and dividends reinvested.

Class A Accumulation Units has been used as the representative share class in the table above, which launched on 23rd February 2018. The sub-fund merged with the Sarasin Alpha CIF for Endowments on 23rd February 2018, and Sarasin Alpha CIF for Endowments merged with The Alpha Charity Fund on 3rd August 2005. Any performance figures prior to this date reflect the performance of the previous Funds, the first of which launched 28th September 1993.

The comparator of this sub-fund has changed over time, for a full history please visit: <https://sarasinandpartners.com/wp-content/uploads/2020/05/benchmark-history.pdf>. Please note that the performance target is to be achieved over a specific annualised time period - refer to the investment objective above.

From 1st June 2023, the portfolio started using a different stock market benchmark index with a broader global focus. This enables us to choose from a wider and more diversified range of investments.

Performance figures for other share classes in issue can be obtained by contacting marketing@sarasin.co.uk.

Performance

The sub-fund returned 8.60% (net of charges) for the 12-month period ended 31st December 2023, versus 11.90% for the comparator benchmark.

Review

Stock markets around the world started 2023 well, as economic data proved better than anticipated. This pattern continued as inflation continued to fall in major economies, although the declines were less than hoped and this raised fears of further interest rate rises. Greater stability returned in the closing months, with inflation appearing to be under greater control and central banks leaving interest rates on hold.

Equity markets benefited from strength in the technology sector, with particularly positive performance among companies involved in Artificial Intelligence (AI). Energy shares also recorded solid price rises as concerns grew over geopolitical tensions and the possible impact of this on global supply chains. However, this issue became less of a concern to markets as the year progressed.

Investment Manager's Review (continued)

Review (continued)

Among the factors influencing investor demand and company performance were mixed views on whether an economic recovery was under way in China.

Bonds were weak for much of the year, meaning yields – which are higher when bond prices fall – were driven higher by inflation and interest rate movements.

Gold generally performed well throughout the year, benefiting from its status as a safe haven in times of market turmoil, and in reaction to a weakening of the US Dollar. Slowing economic growth for much of the year held back returns on many commodities, while alternative investments such as infrastructure performed positively in the latter part of 2023 as market expectations for interest rates started to fall.

Positives

Our holdings in gold performed well as a diversifying asset for the sub-fund during the year. Gold has been in demand as central banks increase their gold reserves and investors seek safe havens at a time of rising geopolitical tensions. In the last two months of the year, the price of gold surged as government bonds yields fell.

Our holdings in technology stocks performed well during the year. The position in Broadcom, a chip designer involved in AI functionality, had a positive impact on sub-fund returns. The company's share price responded dramatically to strong interest in AI technology.

The sub-fund's position in US-based National Instruments, an automated test equipment manufacturer, contributed positively to returns as its share price rose following a bid for the company by Emerson Electric.

Microsoft's share price ended the year strongly following good third-quarter results for its Azure and OpenAI products. There were signs of a return to growth in cloud technology which suggests that weakness in IT spending has now bottomed out.

Another positive performance contributor was Alphabet, owner of Google. The share price dipped in February but rallied in March when investors moved capital from financial stocks into major technology companies. The shares then received a significant boost in July, following a strong quarterly earnings report.

Negatives

Our holdings in infrastructure funds performed poorly for most of the year. Their long-term cash flows mean they have similar qualities to long-dated government bonds, so higher bond yields meant lower infrastructure share prices. However, the rally in bonds at the end of the year reversed this and supported a recovery in infrastructure investments.

Asian-based insurer AIA Group's share price fell on disappointing 2022 annual results. Slow progress in China's economic recovery has also affected AIA Group's share price performance, but its underlying business continues to make progress.

US-based International Flavors & Fragrances (IFF) detracted from returns. The company issued a profit warning that resulted in cuts to earnings expectations. Some of IFF's largest customers have been reducing their inventories, causing a fall in demand for IFF's products and falling cash flows.

Our position in Takeda Pharmaceutical Company weighed on the sub-fund's performance. The company cut its profit forecast on the loss of patent protection of key products and a disappointing drug development pipeline compared to expectations.

Transactions

We added to the sub-fund's holding in Equinor, a natural gas and oil company – arguably the only fossil energy company to chart a path to net zero by 2030. Natural gas prices in Europe have suffered short-term weakness following reports of operational difficulties.

We invested in Daikin Industries, the air conditioning and heat pump manufacturer. As climate change continues to lead to more heat variability, households are likely to prioritise heating and cooling solutions in a manner that they haven't in the past.

In the technology sector, we added to our position in Alphabet, which saw some share price weakness linked to the race to produce the best AI product.

Following the adjustment to the benchmark in June, the sub-fund reduced its exposure to UK companies, selling holdings in AstraZeneca and Lloyd's Banking Group, among others.

We sold our position in test equipment maker National Instruments after it was bought by Emerson Electric.

Other exits from the sub-fund included selling our holding in the firewall and digital security company Palo Alto Networks. It has performed well, but we had concerns over the company's ability to increase revenues.

Finally, we disposed of our position in biotechnology company CSL. We felt that issues affecting staffing and blood plasma donations may persist. Furthermore, the company's stock market valuation is fairly high and we have exposure to the healthcare sector elsewhere in the portfolio.

Outlook

We expect inflation in the US and Europe to slow during 2024 and end the year close to central banks' targets of 2.00%. That means central banks can reduce interest rates, which had been their main weapon in the battle to bring down inflation. Lower interest rates should help to boost economic growth.

It is, however, worth noting that stock markets could be subject to a number of political threats in 2024. Conflict is unfortunately on the rise, particularly in Gaza, between Russia and Ukraine, and in Africa. In the US, the build-up and outcome of the presidential election could cause stock market upheavals.

Investment Manager's Review (continued)

Outlook (continued)

Overall, we believe company shares should benefit from the more resilient economic conditions forecast for 2024. Our investment focus continues to be on higher-quality shares that provide a degree of stability to the sub-fund. We also spread risk across the portfolio by investing in companies that we believe have enduring long-term business strategies.

For the year ahead, we are optimistic about the returns available from most assets as financial conditions loosen and economic risks remain contained. That leads us to favour equities and investment-grade corporate bonds, with a preference for good-quality investments that are likely to benefit from lower interest rates.

Melanie Roberts
Partner & Head of Charities
Sarasin & Partners LLP
24th January 2024

All opinions and estimates contained in this Review constitute the Company's judgement and view as of the date of the report and are subject to change without notice.

Sensitivity analysis

The sub-fund invests in equities and bonds. The exposure to equity markets is then reduced through the use of short futures and options. Exposure to foreign currencies is also altered through the use of forwards and occasionally options. The level of equity exposure varies over time depending on how positive the manager is; generally the level has been in the range of 30-70%.

Options are used on individual stocks to implement views on specific stocks. Listed options or futures on bond indices are occasionally used to implement yield curve views.

Sarasin uses FactSet to measure sub-fund risk. The FactSet multi-asset class (MAC) risk framework is a set of tools that investors can utilise to estimate, monitor, and control the exposure of their portfolios to market risk (either on an absolute basis or relative to a benchmark) using a Monte Carlo simulation methodology.

The Value at Risk (VaR) is a statistical technique used to measure and quantify the level of risk within an investment portfolio over a specific timeframe.

The VaR statistic adopted for Sarasin funds is the “99% / 20-day VaR” model. To calculate this figure, FactSet rank the distribution and then calculate the VaR figure based on the 99th percentile. This is intended to show, with a 99% degree of confidence, the maximum amount that might be lost over a 20-day period.

The “99% / 20-day VaR” for Sarasin Endowments Fund, as at 29th December 2023, was 5.67% (31st December 2022: 7.13%). The lowest, highest, and average utilisation in the year was 5.58%, 7.23.%, and 6.26%, respectively (31st December 2022: 6.71%, 15.63%, and 9.02%, respectively).

Top 20 Purchases during the year¹

Alphabet 'A'
Invesco Physical Gold
Amazon.com
Equinor
Apple
Prologis
Storebrand Emerging Market
Home Depot
NVIDIA
Colgate-Palmolive
Palo Alto Networks
Thermo Fisher Scientific
Daikin Industries
Keyence
American Tower
JPMorgan Chase & Company
Meta Platforms 'A'
Reckitt Benckiser Group
Hydro One
CME Group

Top 20 Sales during the year¹

National Instruments
AstraZeneca
Neuberger Berman Uncorrelated Strategies 'I5' GBP Accumulation
Unilever
Broadcom
Bank of Nova Scotia
Palo Alto Networks
Schneider Electric
HSBC Holdings 5.875% Perpetual
International Flavors & Fragrances
CME Group
United Kingdom Gilt 4.25% 07/12/2027
Sarasin UK Thematic Smaller Companies
Microsoft
3i Group 3.75% 05/06/2040
Prudential Funding Asia 6.125% 19/12/2031
Equinor
United Kingdom Gilt 5.00% 07/03/2025
Medical Properties Trust
EssilorLuxottica

¹ Excluding money market funds.

Sub-fund Information for the year ended 31st December 2023

Size (Units)	Unit Type	Mid Price	Yield*
1,695,473,808	A Income Units	118.00 pence	2.87%
64,639,386	A Accumulation Units	338.00 pence	2.81%
Launch Date	23rd February 2018		
Launch Price	Income Units: 101.50 pence Accumulation Units: 242.80 pence		
Management Charges	Annual:	0.75%	
	Initial:	0.00%	
Unit Types	Income & Accumulation Units		
Accounting Period Ends	Interim:	31st March	
	Interim:	30th June	
	Interim:	30th September	
	Final:	31st December	
Initial Minimum Investment:	£1,000		

* The yield shown is the historic yield and is calculated by taking the distribution rate for the last four distributions, multiplied by 100 and divided by the mid price of the units.

The Comparative Tables on pages 32 and 33 give the performance of each active unit class in the sub-fund.

The 'Return after charges' disclosed in the Comparative Tables is calculated as the return after operating charges per unit divided by the opening net asset value per unit. It differs from the sub-fund's performance disclosed in the Investment Manager's Review, which is calculated based on the latest published price.

Portfolio transaction costs are incurred when investments are bought or sold by a fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the sub-fund.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades.

In addition, there are indirect portfolio transaction costs arising from the 'dealing spread' – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by the fund on each transaction, other types of investments (such as bonds, money instruments, derivatives, collective investment schemes) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and money market sentiment.

Sub-fund Information for the year ended 31st December 2023 (continued)
Comparative Tables
A Income Units
Change in Net Asset Value per Unit

	2023 (pence per unit)	2022 (pence per unit)	2021¹ (pence per unit)
Opening net asset value per unit	110.81	126.99	118.31
Return before operating charges*	10.82	(11.76)	13.11
Operating charges (calculated on average price)	(1.07)	(1.13)	(1.14)
Return after operating charges*	9.75	(12.89)	11.97
Distributions on income units	(3.39)	(3.29)	(3.29)
Closing net asset value per unit	117.17	110.81	126.99
* after direct transaction costs of ² :	0.03	0.04	0.02

Performance

Return after charges ³	8.80%	(10.15)%	10.12%
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Other Information

Closing net asset value (£'000)	1,986,594	1,850,762	2,081,917
Closing number of units	1,695,473,808	1,670,231,619	1,639,493,036
Operating charges ⁴	0.94%	0.97%	0.93%
Direct transaction costs	0.02%	0.03%	0.01%

Prices⁵

Highest unit price	118.50	127.70	128.20
Lowest unit price	109.50	105.90	116.00

¹ Values have been restated to include a valuation adjustment on The Charities Property holding as of 31st December 2021.

² Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution levies that relate to direct transaction costs. A negative transaction cost figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

³ The return after charges is calculated as the return after operating charges per unit divided by the opening net asset value per unit.

⁴ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures. Included in the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. For Sarasin Endowments Fund, 0.13% of the Operating Charges was made up of synthetic costs.

⁵ Highest and lowest unit prices are based on published prices.

Sub-fund Information for the year ended 31st December 2023 (continued)
Comparative Tables (continued)
A Accumulation Units
Change in Net Asset Value per Unit

	2023 (pence per unit)	2022 (pence per unit)	2021¹ (pence per unit)
Opening net asset value per unit	309.42	344.48	312.51
Return before operating charges*	30.63	(31.97)	35.01
Operating charges (calculated on average price)	(3.02)	(3.09)	(3.04)
Return after operating charges*	27.61	(35.06)	31.97
Distributions	(9.49)	(8.98)	(8.77)
Retained distributions on accumulation units	(9.49)	8.98	(8.77)
Closing net asset value per unit	337.03	309.42	344.48

* after direct transaction costs of ²:

	0.07	0.11	0.05
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Performance

Return after charges ³	8.92%	(10.18)%	10.23%
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Other Information

Closing net asset value (£'000)	217,855	262,410	292,079
Closing number of units	64,639,386	84,806,369	84,788,394
Operating charges ⁴	0.94%	0.97%	0.93%
Direct transaction costs	0.02%	0.03%	0.01%

Prices⁵

Highest unit price	338.10	346.30	345.50
Lowest unit price	312.30	293.30	306.30

¹ Values have been restated to include a valuation adjustment on The Charities Property holding as of 31st December 2021.

² Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution levies that relate to direct transaction costs. A negative transaction cost figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

³ The return after charges is calculated as the return after operating charges per unit divided by the opening net asset value per unit.

⁴ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures. Included in the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. For Sarasin Endowments Fund, 0.13% of the Operating Charges was made up of synthetic costs.

⁵ Highest and lowest unit prices are based on published prices.

Portfolio Statement as at 31st December 2023

Holding or Nominal Value	Investment	Bid Market Value (£)	% of Net Assets
Sterling Government Bonds 4.62% (31 December 2022 - 4.79%)			
£17,465,000	United Kingdom Gilt 4.25% 07/12/2049	17,755,356	0.81
£12,330,000	United Kingdom Gilt 4.75% 07/12/2030	13,350,554	0.61
£8,915,212	United Kingdom Gilt 4.50% 07/09/2034	9,580,287	0.43
£8,950,000	United Kingdom Gilt 4.50% 07/12/2042	9,436,880	0.43
£9,150,000	United Kingdom Gilt 4.25% 07/12/2046	9,297,315	0.42
£7,350,000	United Kingdom Gilt 4.25% 07/03/2036	7,712,355	0.35
£7,200,000	United Kingdom Gilt 4.25% 07/09/2039	7,422,480	0.34
£7,100,000	United Kingdom Gilt 3.25% 22/01/2044	6,254,390	0.28
£5,890,000	United Kingdom Gilt 4.25% 07/12/2040	6,050,633	0.27
£5,240,500	United Kingdom Gilt 4.00% 22/01/2060	5,185,920	0.24
£5,650,750	United Kingdom Gilt 3.50% 22/07/2068	5,078,476	0.23
£8,300,000	United Kingdom Gilt 1.625% 22/10/2071	4,299,400	0.19
£912,000	United Kingdom Gilt 1.125% 22/10/2073	381,271	0.02
		101,805,317	4.62
Sterling Corporate Bonds 6.28% (31 December 2022 - 4.65%)			
£8,700,000	Lloyds Banking Group 8.50% Perpetual	8,809,197	0.40
£6,560,000	NatWest Group 5.125% Perpetual	5,885,186	0.27
£6,075,000	HSBC Holdings 5.875% Perpetual	5,756,062	0.26
£4,390,000	High Speed Rail Finance 1 4.375% 01/11/2038	4,096,178	0.19
£3,870,000	Barclays 6.369% 31/01/2031	4,012,339	0.18
£3,940,000	Vodafone Group 5.125% 02/12/2052	3,732,000	0.17
£3,740,000	M&G 3.875% 20/07/2049	3,681,394	0.17
£3,700,000	Bazalgette Finance 2.375% 29/11/2027	3,400,256	0.15
£3,600,000	National Grid Electricity Transmission 1.375% 16/09/2026	3,315,564	0.15
£3,700,000	Channel Link Enterprises Finance 3.043% 30/06/2050	3,290,676	0.15
£2,800,000	SSE 8.375% 20/11/2028	3,279,702	0.15
£3,200,000	Unite (USAF) II 3.921% 30/06/2030	3,114,451	0.14
£3,030,000	Severn Trent Utilities Finance 4.625% 30/11/2034	2,958,153	0.13
£3,400,000	Affordable Housing Finance 2.893% 11/08/2045	2,734,178	0.12
£2,200,000	South Eastern Power Networks 6.375% 12/11/2031	2,464,528	0.11
£2,480,000	University of Manchester 4.25% 04/07/2053	2,395,005	0.11
£2,450,000	RAC Bond 4.87% 06/05/2046	2,376,193	0.11
£3,000,000	Scottish Hydro Electric Transmission 2.25% 27/09/2035	2,337,510	0.11
£2,150,000	National Grid Electricity Distribution South West 5.75% 23/03/2040	2,282,793	0.10
£2,400,000	Anglian Water Services Financing 1.625% 10/08/2025	2,270,469	0.10
£2,500,000	Legal & General Group 3.75% 26/11/2049	2,246,845	0.10
£3,500,000	Vodafone Group 3.00% 12/08/2056	2,238,224	0.10
£2,203,346	Woods Transmission 3.446% 24/08/2034	2,074,736	0.09
£3,900,000	University College London 1.625% 04/06/2061	2,044,450	0.09
£1,950,000	NatWest Markets 6.625% 22/06/2026	2,019,143	0.09
£2,000,000	NGG Finance 5.625% 18/06/2073	1,968,584	0.09
£1,950,956	Greater Gabbard 4.137% 29/11/2032	1,891,949	0.09
£2,135,116	TC Dudgeon Ofco 3.158% 12/11/2038	1,887,064	0.09
£1,890,432	Tesco Property Finance 6 5.411% 13/07/2044	1,831,207	0.08
£1,880,000	Virgin Money UK 4.00% 25/09/2026	1,804,424	0.08
£1,715,000	NatWest Markets 6.375% 07/12/2028	1,793,148	0.08
£1,500,000	THFC Funding No 2 6.35% 08/07/2041	1,718,970	0.08
£2,000,000	Aviva 4.00% 03/06/2055	1,642,196	0.07

Portfolio Statement as at 31st December 2023 (Continued)

Holding or Nominal Value	Investment	Bid Market Value (£)	% of Net Assets
Sterling Corporate Bonds (continued)			
£2,000,000	London & Quadrant Housing Trust 2.00% 31/03/2032	1,626,940	0.07
£2,100,000	Northern Powergrid Northeast 3.25% 01/04/2052	1,578,070	0.07
£1,560,000	Motability Operations Group 4.875% 17/01/2043	1,569,828	0.07
£2,000,000	Jigsaw Funding 3.375% 05/05/2052	1,565,120	0.07
£1,847,000	United Utilities Water Finance 0.875% 28/10/2029	1,501,309	0.07
£1,400,000	Severn Trent Utilities Finance 6.25% 07/06/2029	1,498,185	0.07
£1,952,000	DWR Cymru Financing UK 2.375% 31/03/2034	1,460,291	0.07
£1,500,000	Affordable Housing Finance 3.80% 20/05/2042	1,387,338	0.06
£1,424,791	PRS Finance 1.75% 24/11/2026	1,336,232	0.06
£1,330,000	Guinness Partnership 4.00% 24/10/2044	1,158,071	0.05
£1,400,000	Peabody Capital No 2 2.75% 02/03/2034	1,156,360	0.05
£1,178,509	UPP Bond 1 Issuer 4.902% 28/02/2040	1,142,388	0.05
£1,070,000	Arqiva Financing 5.34% 30/06/2030	1,065,827	0.05
£1,000,000	NIE Finance 6.375% 02/06/2026	1,034,626	0.05
£1,000,000	Wales & West Utilities Finance 5.00% 07/03/2028	1,013,700	0.05
£1,262,000	3i Group 3.75% 05/06/2040	1,010,887	0.05
£1,050,000	Retail Charity Bonds 4.50% 20/06/2028	970,011	0.04
£900,000	Legal & General Group 5.50% 27/06/2064	884,563	0.04
£930,000	Places for People Treasury 2.875% 17/08/2026	884,088	0.04
£800,000	London Power Networks 5.875% 15/11/2040	881,165	0.04
£1,040,000	Retail Charity Bonds 3.50% 08/12/2033	850,200	0.04
£875,000	Virgin Money UK 5.125% 11/12/2030	838,583	0.04
£900,000	Rothesay Life 6.875% Perpetual	809,865	0.04
£750,000	Anglian Water Services Financing 6.293% 30/07/2030	809,322	0.04
£1,000,000	Riverside Finance 3.875% 05/12/2044	806,230	0.04
£732,780	Great Rolling Stock 6.875% 27/07/2035	789,160	0.04
£700,000	Scottish Power UK 6.375% 31/05/2041	774,966	0.04
£1,000,000	Notting Hill Genesis 2.00% 03/06/2036	725,244	0.03
£900,000	University of Leeds 3.125% 19/12/2050	701,048	0.03
£830,000	Retail Charity Bonds 5.00% 17/12/2030	690,892	0.03
£660,000	Wellcome Trust Finance 4.625% 25/07/2036	683,417	0.03
£631,000	United Utilities Water 5.625% 20/12/2027	654,114	0.03
£700,000	Retail Charity Bonds 4.25% 30/03/2028	647,514	0.03
£660,000	InterContinental Hotels Group 3.75% 14/08/2025	642,794	0.03
£660,000	Retail Charity Bonds 4.40% 30/04/2027	627,469	0.03
£785,000	Segro 2.875% 11/10/2037	624,116	0.03
£600,000	Anglian Water Services Financing 4.50% 22/02/2026	595,141	0.03
£649,000	Retail Charity Bonds 3.90% 23/11/2029	573,255	0.03
£540,000	Prudential Funding Asia 6.125% 19/12/2031	564,623	0.03
£600,000	Transport for London 3.875% 23/07/2042	523,296	0.02
USD600,000	Barclays Bank 0.063% Perpetual	471,453	0.02
£900,000	Northern Powergrid Northeast 1.875% 16/06/2062	469,120	0.02
£462,000	Arqiva Financing 4.882% 31/12/2032	450,041	0.02
£500,000	Bazalgette Finance 2.75% 10/03/2034	412,050	0.02
£240,000	Network Rail Infrastructure Finance 4.75% 29/11/2035	254,483	0.01
£243,300	Retail Charity Bonds 3.25% 22/07/2031	185,545	0.01
£100,000	Transport for London 4.00% 12/09/2033	94,502	—
		138,346,216	6.28

Portfolio Statement as at 31st December 2023 (Continued)

Holding or Nominal Value	Investment	Bid Market Value (£)	% of Net Assets
Overseas Bonds 2.95% (31 December 2022 - 2.59%)			
£5,000,000	Verizon Communications 3.125% 02/11/2035	4,211,280	0.19
£4,150,000	Verizon Communications 4.75% 17/02/2034	4,115,339	0.19
£3,600,000	Credit Agricole 6.375% 14/06/2031	3,874,932	0.18
£3,500,000	AT&T 4.375% 14/09/2029	3,451,217	0.16
£3,970,000	AT&T 4.25% 01/06/2043	3,422,045	0.15
£3,470,000	CPUK Finance 3.69% 28/02/2047	3,243,638	0.15
£3,000,000	E.ON International Finance 5.875% 30/10/2037	3,203,869	0.14
£3,000,000	Morgan Stanley 5.789% 18/11/2033	3,190,351	0.14
£3,000,000	Cooperative Rabobank 4.625% 23/05/2029	2,906,496	0.13
£2,500,000	Goldman Sachs Group 7.25% 10/04/2028	2,733,945	0.12
£2,373,000	Credit Agricole 7.50% Perpetual	2,352,046	0.11
£2,100,000	Bank of America 7.00% 31/07/2028	2,316,468	0.10
USD3,025,000	Vena Energy Capital 3.133% 26/02/2025	2,299,014	0.10
£2,300,000	Electricite de France 5.50% 17/10/2041	2,254,888	0.10
£2,050,000	Goldman Sachs Group 7.125% 07/08/2025	2,115,715	0.10
£2,000,000	AA Bond Company 6.269% 31/07/2025	1,998,000	0.09
£1,800,000	Electricite de France 6.125% 02/06/2034	1,915,798	0.09
£1,900,000	America Movil 4.375% 07/08/2041	1,764,011	0.08
£1,800,000	Welltower 4.50% 01/12/2034	1,699,748	0.08
USD2,100,000	Indian Railway Finance 3.835% 13/12/2027	1,574,161	0.07
£1,560,000	BNP Paribas 3.375% 23/01/2026	1,512,108	0.07
£1,600,000	Realty Income 1.125% 13/07/2027	1,412,086	0.06
£1,150,000	Electricite de France 6.25% 30/05/2028	1,221,006	0.06
£1,000,000	Bank of Ireland Group 7.594% 06/12/2032	1,041,804	0.05
£940,000	Realty Income 6.00% 05/12/2039	1,010,199	0.05
£960,000	Realty Income 1.875% 14/01/2027	880,404	0.04
£1,000,000	Fidelity National Information Services 2.25% 03/12/2029	876,630	0.04
£800,000	Wells Fargo & Company 4.875% 29/11/2035	752,715	0.03
USD949,000	Greenko Solar Mauritius 5.95% 29/07/2026	718,748	0.03
USD800,000	Argentum Netherlands 5.75% 15/08/2050	618,249	0.03
USD384,300	Greenko Power II 4.30% 13/12/2028	271,388	0.01
£165,000	SNCF Reseau 4.83% 25/03/2060	166,102	0.01
		65,124,400	2.95
UK Equities 6.75% (31 December 2022 - 21.04%)			
1,105,339	RELX	34,364,989	1.56
633,624	Reckitt Benckiser Group	34,342,421	1.56
1,507,217	Compass Group	32,344,877	1.47
7,646,011	DS Smith	23,496,192	1.07
280,937	Rio Tinto	16,412,339	0.74
9,262,297	Life Science REIT	5,835,247	0.26
14,215,889	Home REIT ¹	2,075,520	0.09
		148,871,585	6.75
Global Equities 64.00% (31 December 2022 - 50.04%)			
652,426	Alphabet 'A'	71,496,630	3.24
562,735	Amazon.com	67,070,872	3.04
176,600	Microsoft	52,075,384	2.36
736,558	Colgate-Palmolive	46,055,093	2.09

Portfolio Statement as at 31st December 2023 (Continued)

Holding or Nominal Value	Investment	Bid Market Value (£)	% of Net Assets
Global Equities (continued)			
704,421	Medtronic	45,537,597	2.06
259,128	American Tower	43,916,378	1.99
1,675,198	Equinor	41,684,282	1.89
245,426	CME Group	40,546,882	1.84
463,734	Merck & Company	39,658,202	1.80
170,514	Amgen	38,524,818	1.75
64,531	ASML Holding	38,108,062	1.73
900,378	Cisco Systems	35,681,748	1.62
129,479	Accenture	35,660,553	1.62
427,442	Taiwan Semiconductor Manufacturing ADR	34,854,559	1.58
103,544	Mastercard 'A'	34,643,538	1.57
325,874	Prologis	34,077,705	1.55
123,269	Home Depot	33,505,416	1.52
1,451,400	Takeda Pharmaceutical Company	32,715,214	1.48
4,750,400	AIA Group	32,474,750	1.47
214,742	Apple	32,425,230	1.47
390,075	Storebrand Emerging Market	31,316,672	1.42
98,813	Deere & Company	30,998,041	1.41
429,207	Otis Worldwide	30,136,739	1.37
196,144	Air Liquide	29,927,309	1.36
73,988	NVIDIA	28,739,123	1.30
29,029	Broadcom	25,421,550	1.15
189,320	JPMorgan Chase & Company	25,282,267	1.15
521,042	Siemens Healthineers	23,748,768	1.08
323,012	Walt Disney	22,875,369	1.04
54,845	Thermo Fisher Scientific	22,855,236	1.04
1,330,380	Sonic Healthcare	22,844,160	1.04
81,412	Meta Platforms 'A'	22,604,153	1.02
19,706	Partners Group Holding	22,269,302	1.01
137,371	EssilorLuxottica	21,552,626	0.98
399,137	HDFC Bank ADR	21,008,856	0.95
155,400	Daikin Industries	19,831,253	0.90
828,600	Hydro One	19,525,160	0.89
288,449	SGS	19,485,592	0.88
55,500	Keyence	19,143,221	0.87
118,799	Siemens	17,457,017	0.79
118,218	Tetra Tech	15,480,176	0.70
524,500	Tencent Holdings	15,448,879	0.70
33,346	Eli Lilly & Company	15,255,244	0.69
1,272,260	ING Groep	14,911,724	0.68
105,261	Texas Instruments	14,073,332	0.64
93,128	United Parcel Service	11,486,857	0.52
20,936	Costco Wholesale	10,842,607	0.49
3,530,620	Apax Global Alpha	5,663,115	0.26
		1,410,897,261	64.00
UK Property 3.75% (31 December 2022 - 4.48%)			
40,886,376	Swiss Life Asset Managers UK	30,313,159	1.38
27,505,089	COIF Charities Property	28,272,481	1.28

Portfolio Statement as at 31st December 2023 (Continued)

Holding or Nominal Value	Investment	Bid Market Value (£)	% of Net Assets
UK Property (continued)			
11,381,550	Charities Property	13,306,170	0.60
8,271,804	AEW UK Core Property	10,856,743	0.49
		82,748,553	3.75
Global Property 0.00% (31 December 2022 - 0.86%)			
Alternatives 3.50% (31 December 2022 - 4.26%)			
19,952,811	BioPharma Credit	13,147,442	0.60
8,696,556	International Public Partnerships	11,879,495	0.54
15,226,260	Cordiant Digital Infrastructure	11,541,505	0.52
9,882,882	Octopus Renewables Infrastructure Trust	8,874,828	0.40
9,428,206	Sequoia Economic Infrastructure Income Fund	8,051,688	0.36
6,177,570	Gresham House Energy Storage Fund	6,610,000	0.30
5,601,147	Renewables Infrastructure Group	6,362,903	0.29
1,319,285	3i Infrastructure	4,241,501	0.19
2,779,408	BBGI Global Infrastructure	3,935,642	0.18
6,444,741	US Solar Fund	2,628,856	0.12
		77,273,860	3.50
Global Exchange Traded Funds 3.72% (31 December 2022 - 0.84%)			
453,353	Invesco Physical Gold	70,883,520	3.22
499,481	WisdomTree Carbon	11,118,447	0.50
		82,001,967	3.72
Global Collective Investment Schemes 2.07% (31 December 2022 - 3.45%)			
163,646	Fulcrum Equity Dispersion Class 'I' GBP Acc	20,777,140	0.94
1,560,830	PIMCO TRENDS Managed Futures Strategy Institutional GBP (Hedged) Income	13,579,223	0.62
87,504	Brevan Howard Absolute Return Government Bond Fund 'A' GBP Acc	11,204,932	0.51
		45,561,295	2.07
UK Collective Investment Schemes 0.00% (31 December 2022 - 1.11%)			
Global Options 0.02% (31 December 2022 - 0.00%)			
207	4,450 Put on S&P 500 Index Option 15/03/2024 ²	427,055	0.02
(207)	3,850 Put on S&P 500 Index Option 15/03/2024 ²	(82,813)	—
		344,242	0.02
Forward Currency Contracts 0.03% (31 December 2022 - -0.34%)			
USD (85,000,000)	Sold USD, Bought GBP 67,051,622 for settlement on 21/03/2024 ²	399,507	0.02
USD (235,846,000)	Sold USD, Bought GBP 185,125,355 for settlement on 21/03/2024 ²	188,477	0.01
EUR (12,560,000)	Sold EUR, Bought GBP 10,918,785 for settlement on 21/03/2024 ²	6,286	—

Portfolio Statement as at 31st December 2023 (Continued)

Holding or Nominal Value	Investment	Bid Market Value (£)	% of Net Assets
Forward Currency Contracts (continued)			
EUR (3,565,500)	Sold EUR, Bought GBP 3,079,700 for settlement on 21/03/2024 ²	(18,111)	—
		576,159	0.03
Total Value of Investments 97.69%			
(31 December 2022 - 97.77%)		2,153,550,855	97.69
Net Other Assets		50,898,350	2.31
Net Assets		2,204,449,205	100.00

Securities are admitted to an official stock exchange listing or traded on another regulated market unless otherwise stated.

¹Suspended securities are valued at the Manager's best assessment of their fair and reasonable value.

²Derivative Instruments

Asset Allocation of Portfolio of Investments is as follows:

Bonds	305,275,933	13.85
Collective Investment Schemes	127,563,262	5.79
Derivatives	344,242	0.02
Equities	1,719,791,259	78.00
Forward Currency Contracts	576,159	0.03
Net Other Assets	50,898,350	2.31
	2,204,449,205	100.00

Debt Security Allocation is as follows:

Percentage of Debt Securities investment grade and above	86.51%
Percentage of Debt Securities below investment grade (sub BBB- or unrated)	13.49%
	100.00%

Statement of Total Return
For the year ended 31st December 2023

			01.01.2023 to 31.12.2023		01.01.2022 to 31.12.2022
	Notes	£	£	£	£
Income					
Net capital gains/(losses)	2		132,491,100		(290,799,243)
Revenue	3	74,100,579		65,562,773	
Expenses	4	(17,776,640)		(18,229,992)	
Interest payable and similar charges	6	(97,955)		(121,922)	
Net revenue before taxation		56,225,984		47,210,859	
Taxation	5	(3,969,134)		(3,100,894)	
Net revenue after taxation for the year			52,256,850		44,109,965
Total return before distributions			184,747,950		(246,689,278)
Distributions	6		(65,024,149)		(63,077,764)
Changes in net assets attributable to unitholders from investment activities			119,723,801		(309,767,042)

Statement of Changes in Net Assets Attributable to Unitholders
For the year ended 31st December 2023

			01.01.2023 to 31.12.2023		01.01.2022 to 31.12.2022
		£	£	£	£
Opening net assets attributable to unitholders			2,113,172,264		2,373,995,519
Movement due to sales and repurchases of units:					
Amounts received on issue of units		116,052,256		163,706,082	
Amounts paid on cancellation of units		(151,960,854)		(122,564,000)	
			(35,908,598)		41,142,082
Dilution levy			111,749		—
Changes in net assets attributable to unitholders from investment activities (see above)			119,723,801		(309,767,042)
Retained distribution on accumulation units			7,349,989		7,675,967
Unclaimed distributions			—		125,738
Closing net assets attributable to unitholders			2,204,449,205		2,113,172,264

The notes on pages 42 to 53 form part of these Financial Statements.

Balance Sheet
As at 31st December 2023

	Notes	31.12.2023 £	31.12.2022 £
Assets			
Fixed assets:			
Investments		2,153,651,779	2,073,358,326
Current assets:			
Debtors	8	9,786,364	12,851,279
Cash and bank balances	9	38,181,910	52,766,017
Cash equivalents	9	22,142,991	—
Total assets		2,223,763,044	2,138,975,622
Liabilities			
Investment liabilities		(100,924)	(7,302,191)
Creditors:			
Bank overdrafts	9	(839,112)	(452,574)
Distribution payable on income units		(15,937,454)	(14,029,946)
Other creditors	10	(2,436,349)	(4,018,647)
Total liabilities		(19,313,839)	(25,803,358)
Net assets attributable to unitholders		2,204,449,205	2,113,172,264

The notes on pages 42 to 53 form part of these Financial Statements.

Certification of Accounts by Directors

The Directors are of the opinion that it is appropriate to adopt the going concern basis in the preparation of the Financial Statements as the assets of the sub-fund consist predominantly of securities that are readily realisable and, accordingly, the sub-fund has adequate resources to continue in operational existence for at least the next twelve months from the approval of these Financial Statements.

G. Steinberg
Director
Sarasin Investment Funds Limited
22nd April 2024

S. A. M. Jeffries
Director
Sarasin Investment Funds Limited
22nd April 2024

Notes

Notes to the financial statements For the year ended 31st December 2023

1. Accounting Policies

The accounting policies for this sub-fund match those found on pages 22 to 24.

2. Net Capital Gains/(Losses)

	01.01.2023 to 31.12.2023 £	01.01.2022 to 31.12.2022 £
Net capital gains/(losses) comprise:		
Non-derivative securities realised gains	58,595,840	124,943,821
Non-derivative securities unrealised gains/(losses)	67,023,820	(370,906,845)
Derivative securities realised losses	(4,357,008)	(704,449)
Derivative securities unrealised (losses)/gains	(619,445)	2,025,118
Forward currency contracts realised losses	(827,207)	(33,361,194)
Forward currency contracts unrealised gains/(losses)	7,878,350	(15,710,002)
Currency gains	4,801,986	2,922,278
Transaction charges	(6,584)	(9,868)
Central Securities Depository Regulation (CSDR) penalty reimbursement	1,348	1,898
	132,491,100	(290,799,243)

3. Revenue

	01.01.2023 to 31.12.2023 £	01.01.2022 to 31.12.2022 £
UK dividends	10,988,587	16,978,726
Overseas dividends	33,829,527	28,934,762
Bank Interest	1,357,344	127,226
Interest on debt securities	14,428,927	6,401,395
Unfranked PID ¹ revenue	39,236	765,228
Franked PID ¹ revenue	370,492	124,693
Option premium	3,503,536	5,047,792
Franked CIS ² revenue	759,899	635,448
Unfranked CIS ² revenue	7,553,195	6,355,077
Offshore dividend CIS ² revenue	229,420	192,426
Offshore interest CIS ² revenue	1,040,416	–
	74,100,579	65,562,773

¹Property Income Dividend

²Collective Investment Scheme

4. Expenses

	01.01.2023 to 31.12.2023 £	01.01.2022 to 31.12.2022 £
Payable to the Manager, associates of the Manager, and agents of either of them:		
Management fees	16,334,243	16,754,930
	16,334,243	16,754,930
Payable to the Trustee, associates of the Trustee, and agents of either of them:		
	–	–
Other expenses		
Fixed operating charge ¹	1,442,397	1,475,062
	1,442,397	1,475,062
Total Expenses	17,776,640	18,229,992

¹The Audit fee for 31st December 2023 was £8,600 plus VAT (31st December 2022: £8,220 plus VAT).

5. Taxation

	01.01.2023 to 31.12.2023 £	01.01.2022 to 31.12.2022 £
a) Analysis of tax charge in year:		
Overseas tax	3,969,134	3,080,925
Prior year adjustment ¹	–	19,969
Total tax for the year	3,969,134	3,100,894

¹Prior period adjustment refers to reclaims adjustments.

b) As the Trust is a Charity Authorised Investment Fund, it is exempt from United Kingdom tax on capital gains realised on the disposal of investments held within the sub-fund and any UK corporation tax.

The sub-fund is also excluded from the normal tax rules which apply to revenue allocations to units and payments on redemption of units made to unitholders in an authorised unit trust scheme. For the purposes of the sub-fund, revenue of the sub-fund is not considered to be dividends in the hands of the unitholders and therefore no income tax is payable in respect of the revenue allocated to each unit.

In addition, any gains on the redemption of units in the sub-fund are not to be treated as chargeable gains for Capital Gains Tax purposes and therefore no Capital Gains Tax is payable on redemption of units.

6. Distribution

The distributions take account of revenue received on the creation of units and revenue deducted on the cancellation of units, and comprise:

	01.01.2023 to 31.12.2023 £	01.01.2022 to 31.12.2022 £
First interim	14,625,392	14,789,595
Second interim	16,130,020	16,129,534
Third interim	16,193,949	16,321,866
Final	17,671,664	16,004,238
	64,621,025	63,245,233
Add: Revenue deducted on cancellation of units	1,937,709	1,298,531
Deduct: Revenue received on creation of units	(1,534,585)	(1,466,000)
Net distributions for the year	65,024,149	63,077,764
Interest payable and similar charges	97,955	121,922
	65,122,104	63,199,686

7. Movement between Net Revenue and Distribution

	01.01.2023 to 31.12.2023 £	01.01.2022 to 31.12.2022 £
Net revenue after tax	52,256,850	44,109,965
Add: Undistributed revenue Reserve brought forward	12,342,570	11,812,229
Less: Equalisation uplift on unit Conversion	1,133	1,368
Less: Undistributed revenue Reserve carried forward	(17,711,276)	(12,342,570)
Add: Benefit of coupon basis distribution	358,232	1,266,780
Add: Expenses payable from capital	17,776,640	18,229,992
Net Distribution for the year	65,024,149	63,077,764

8. Debtors

	31.12.2023 £	31.12.2022 £
Amounts receivable for creation of units	206,305	1,000,000
Sales awaiting settlement	275,404	2,704,347
Accrued revenue	8,017,033	7,920,510
Overseas tax recoverable	1,251,643	1,190,443
Property income distribution tax recoverable	35,979	35,979
	9,786,364	12,851,279

9. Cash and Bank Balances

	31.12.2023	31.12.2022
	£	£
Cash and bank balances	38,179,817	46,115,459
Cash held at clearing houses	2,093	6,650,558
Cash equivalents	22,142,991	–
	60,324,901	52,766,017
Bank overdrafts	(839,112)	(452,574)
	59,485,789	52,313,443

10. Other Creditors

	31.12.2023	31.12.2022
	£	£
Amounts payable for cancellation of units	–	2,507,667
Cash due to clearing houses and brokers	920,000	–
Accrued expenses	1,515,144	1,510,980
Currency deals awaiting settlement	1,205	–
	2,436,349	4,018,647

11. Contingent Assets/(Liabilities)

The sub-fund had no contingent assets or liabilities as at 31st December 2023 (31st December 2022: same).

12. Equalisation

Equalisation is not applied to distributions paid by the sub-fund.

13. Units in Issue

The sub-fund currently has two unit classes: A Income Units and A Accumulation Units. The annual management charge on each unit class can be found on page 31. The net asset value of each unit class, the net asset value per unit and the number of units in each class are given in the comparative tables on pages 32 and 33. The distribution per unit class is given in the distribution tables on pages 54 and 55. All classes have the same rights on winding up and have no par value.

	A Income Units	A Accumulation Units
Opening units	1,670,231,619	84,806,369
Units created	68,438,309	12,094,761
Units liquidated	(46,952,992)	(30,916,438)
Units converted	3,756,872	(1,345,306)
Closing units	1,695,473,808	64,639,386

14. Related Parties

Sarasin & Partners LLP and Sarasin Investment Funds Limited, together with NatWest Trustee and Depositary Services Limited as Corporate Trustee, are deemed to be Related Parties, by virtue of their ability to act in respect of the sub-fund's operations.

Sarasin & Partners LLP acts as principal on all transactions of units in the sub-fund. The aggregate monies received through creations and liquidations are disclosed in the statement of changes in net assets attributable to unitholders.

14. Related Parties (continued)

Management fees are paid to Sarasin Investment Funds Limited and are shown in note 4.

Amount due to Related Parties at the year end:

	31.12.2023	31.12.2022
	£	£
Management fees	1,385,259	1,388,480
	1,385,259	1,388,480

At year end, the sub-fund held no units in any other sub-fund or collective investment scheme managed by associated companies of Sarasin Investment Funds Limited.

At 31st December 2022, the sub-fund held units in the following collective investment schemes, managed by associated companies of Sarasin Investment Funds Limited:

		31.12.2022
Sarasin UK Thematic Smaller Companies	Units	23,976,345
	Bid Market Value	23,527,988

No initial charges were applied to the purchase of this collective investment scheme.

At the year end, BNY (OCS) Nominees Limited owned 99.00% of the sub-fund on behalf of multiple beneficiaries (31st December 2022: 98.93%).

15. Risk Management Policies and Disclosures

Financial Instruments

In pursuing its investment objectives as stated on page 26, the sub-fund holds a number of financial instruments. The sub-fund's financial instruments, other than derivatives, comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for creations and payable for redemptions and debtors for accrued revenue.

The main risks arising from the sub-fund's financial instruments and the Operator's policies for managing these risks are summarised below, a sensitivity analysis of the sub-fund is provided on page 30. These policies have been applied throughout the period.

Market Price Risk

Market price risk is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises mainly from uncertainty about future prices of financial instruments the sub-funds hold. It represents the potential loss the sub-fund might suffer through holding market positions in the face of price movements. The sub-fund's investment portfolio is exposed to market price fluctuations which are monitored by the Operator in pursuance of the investment objectives and policy as set out in the Prospectus.

Adherence to investment guidelines and to investment and borrowing powers set out in The Charities (Accounts and Reports) Regulations 2008 mitigates the risk of excessive exposure to any particular type of security or issuer.

Derivative Risk

Derivatives are comprised of forward foreign currency contracts and options contracts. Forward foreign currency contracts are used to manage currency risk arising from the sub-fund's investment activities (and related financing). Open positions at the balance sheet date, which are all covered, are included in the portfolio statement. Gains/(losses) on forward foreign exchange transactions are taken to capital.

15. Risk Management Policies and Disclosures (continued)

The sub-fund is able to use traded options for Efficient Portfolio Management purposes only, thus always hedging up to the amount of stock which is physically owned. The purpose of undertaking these contracts is to protect the Portfolio from a downturn in the market as far as possible.

Alternatives Risk

Some alternative investments may have lower trading volumes than other securities. In some cases this may make such investments harder to sell at the last quoted market price, or at a price considered to be fair. Such conditions could result in unpredictable changes in the value of your holding.

Currency Risk

Currency risk is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in foreign currency exchange rates.

A proportion of the sub-fund's investment portfolios are invested in overseas securities and the balance sheet can be affected by movements in foreign exchange rates. The Operator may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the sterling value of investments that are priced in other currencies. Revenue received in other currencies is converted to sterling on or near the date of receipt.

Currency exposure as at 31st December 2023

	Monetary Exposure £	Non-Monetary Exposure £	Total £	%
Australian dollar	2	22,844,160	22,844,162	1.04
Canadian dollar	124,190	19,525,160	19,649,350	0.89
Danish krone	136,417	-	136,417	0.01
Euro	1,009,374	131,695,194	132,704,568	6.02
Hong Kong dollar	-	47,923,629	47,923,629	2.17
Japanese yen	(34)	71,689,688	71,689,654	3.25
Norwegian krone	-	41,684,282	41,684,282	1.89
Swiss franc	17,990	41,754,894	41,772,884	1.89
US dollar	3,294,604	855,474,911	858,769,515	38.96
	4,582,543	1,232,591,918	1,237,174,461	56.12
Sterling	46,315,807	920,958,937	967,274,744	43.88
	50,898,350	2,153,550,855	2,204,449,205	100.00

Currency exposure as at 31st December 2022

	Monetary Exposure £	Non-Monetary Exposure £	Total £	%
Australian dollar	2	19,315,819	19,315,821	0.91
Canadian dollar	-	30,002,151	30,002,151	1.42
Danish krone	140,017	-	140,017	0.01
Euro	489,600	77,795,113	78,284,713	3.70
Hong Kong dollar	-	64,146,758	64,146,758	3.03
Japanese yen	-	28,254,255	28,254,255	1.34
Norwegian krone	-	16,639,910	16,639,910	0.79
Swiss franc	472,965	23,027,644	23,500,609	1.11
US dollar	373,078	541,385,177	541,758,255	25.64

15. Risk Management Policies and Disclosures (continued)

	Monetary Exposure £	Non-Monetary Exposure £	Total £	%
	1,475,662	800,566,827	802,042,489	37.95
Sterling	45,640,467	1,265,489,308	1,311,129,775	62.05
	47,116,129	2,066,056,135	2,113,172,264	100.00

Credit Risk

Certain transactions in securities that the sub-fund enters into exposes it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the sub-fund has fulfilled its responsibilities. The sub-fund only buys and sells investments through brokers which have been approved by the Operator as an acceptable counterparty. In addition, limits are set to the exposure to any individual broker that may exist at any time and changes in brokers' financial ratings are reviewed. Bonds or other debt securities involve credit risk to the issuer which may be evidenced by the issuer's credit rating. Securities which are subordinated and/or have a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than more highly rated securities.

This risk is managed by appraising the credit profile of financial instruments and issuers in line with the sub-fund's investment objective and policy.

Exposure to counterparties through derivative positions and the collateral held at the balance sheet date can be seen on page 51.

Liquidity Risk

The sub-fund's assets comprise mainly of readily realisable securities. The main liability of the sub-fund is the redemption of any units over and above the cash holdings that investors wish to sell. Assets of the sub-fund may need to be sold if insufficient cash is available to finance such redemptions.

As the sub-fund has significant holdings in readily realisable level 1 and level 2 securities, it is expected that the sub-fund will be able to generate sufficient cash flows to settle these obligations when they arise.

The Operator reserves the right to defer redemptions where there is a net outflow representing 10% of the NAV or more on a single dealing day.

Interest Rate Risk

Interest rate risk is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in interest rates. The sub-fund invests in fixed and floating rate securities. The revenue of the sub-fund may be affected by changes to interest rates relevant to particular securities or as a result of the Operator being unable to secure similar returns on the expiry of contracts or sale of securities. The value of fixed interest securities may be affected by interest rate movements or the expectation of such movements in the future. Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates.

15. Risk Management Policies and Disclosures (continued)

Interest Rate Risk Profile of the sub-fund's Assets and Liabilities:

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
31st December 2023				
Australian dollar	2	—	22,844,160	22,844,162
Canadian dollar	124,190	—	19,525,160	19,649,350
Danish krone	—	—	136,417	136,417
Euro	442,014	—	146,714,878	147,156,892
Hong Kong dollar	—	—	47,923,629	47,923,629
Japanese yen	—	—	71,689,688	71,689,688
Norwegian krone	—	—	41,684,282	41,684,282
Sterling	111,856,385	246,458,904	627,325,336	985,640,625
Swiss franc	—	—	41,772,884	41,772,884
US dollar	1,856,026	4,863,311	1,104,895,077	1,111,614,414
	114,278,617	251,322,215	2,124,511,511	2,490,112,343
	Floating Rate Financial Liabilities £	Fixed Rate Financial Liabilities £	Financial Liabilities not carrying interest £	Total £
31st December 2023				
Euro	(442,013)	—	(14,010,311)	(14,452,324)
Japanese yen	—	—	(34)	(34)
Sterling	—	—	(18,365,881)	(18,365,881)
US dollar	(397,099)	—	(252,447,800)	(252,844,899)
	(893,112)	—	(284,824,026)	(285,663,138)

Interest Rate Risk Profile of the sub-fund's Assets and Liabilities:

	Floating Rate Financial Assets £	Fixed Rate Financial Assets £	Financial Assets not carrying interest £	Total £
31st December 2022				
Australian dollar	2	—	19,315,819	19,315,821
Canadian dollar	—	—	30,002,151	30,002,151
Danish krone	—	—	140,017	140,017
Euro	452,575	—	180,856,401	181,308,976
Hong Kong dollar	—	—	64,146,758	64,146,758
Japanese yen	—	—	28,254,255	28,254,255
Norwegian krone	—	—	16,639,910	16,639,910

15. Risk Management Policies and Disclosures (continued)

	Floating Rate Financial Assets	Fixed Rate Financial Assets	Financial Assets not carrying interest	Total
	£	£	£	£
31st December 2022				
Sterling	68,698,310	221,749,746	1,038,730,312	1,329,178,368
Swiss franc	–	–	23,500,609	23,500,609
US dollar	2,416,696	13,514,818	696,793,977	712,725,491
	71,567,583	235,264,564	2,098,380,209	2,405,212,356
	Floating Rate Financial Liabilities	Fixed Rate Financial Liabilities	Financial Liabilities not carrying interest	Total
	£	£	£	£
31st December 2022				
Euro	(452,574)	–	(102,571,689)	(103,024,263)
Sterling	–	–	(18,048,593)	(18,048,593)
US dollar	–	–	(170,967,236)	(170,967,236)
	(452,574)	–	(291,587,518)	(292,040,092)

Fair Value of Financial Assets and Liabilities

The fair value of a financial instrument is the amount for which it could be exchanged between knowledgeable, willing parties in an arm's length transaction. There is no significant difference between the value of the financial assets and liabilities, as shown in the financial statements, and their fair value.

Valuation technique as at 31st December 2023

	Level 1 £	Level 2 £	Level 3 £	Total £
Financial Assets				
Collective Investment Schemes	82,001,967	56,418,038	–	138,420,005
Debt Securities	101,805,317	203,470,616	–	305,275,933
Equities	1,706,858,996	–	2,075,520	1,708,934,516
Forward Currency Contracts	–	594,270	–	594,270
Options	427,055	–	–	427,055
	1,891,093,335	260,482,924	2,075,520	2,153,651,779
Financial Liabilities				
Forward Currency Contracts	–	(18,111)	–	(18,111)
Options	(82,813)	–	–	(82,813)
	(82,813)	(18,111)	–	(100,924)

15. Risk Management Policies and Disclosures (continued)

Valuation technique as at 31st December 2022

	Level 1	Level 2	Level 3	Total
	£	£	£	£
Financial Assets				
Collective Investment Schemes	17,830,653	253,400,407	–	271,231,060
Debt Securities	108,342,383	145,723,746	–	254,066,129
Equities	1,548,061,137	–	–	1,548,061,137
	1,674,234,173	399,124,153	–	2,073,358,326
Financial Liabilities				
Forward Currency Contracts	–	(7,302,191)	–	(7,302,191)
	–	(7,302,191)	–	(7,302,191)

The valuation technique has been disclosed under Accounting Policies note 1o on page 23 .

Level 1

The unadjusted quoted price in an active market for identical instruments that the entity can access at the measurement date.

Level 2

Valuation techniques using observable inputs other than quoted prices within Level 1 (i.e., developed using market data).

Level 3

Valuation techniques using unobservable inputs (i.e., for which market data is unavailable). Investments classified as using inputs that are not based on observable market data comprise fair value adjusted securities. For information on the basis of fair valuation of investments for these securities and the valuation process undertaken, please refer to note 1o of the Accounting Policies. Level 3 instruments comprise an investment in Home REIT. The Investment Manager's Investment Risk Committee (IRC) believe that there is realisable value attributable to the underlying portfolio of Home REIT and have applied a discount to estimated net asset value in estimating fair value as at 31 December 2023.

Counterparty Risk

During the year, the sub-fund made use of 'Over The Counter' (OTC) Derivative Instruments. These types of transactions introduce counterparty risk, where a counterparty may fail to meet its financial commitments.

In order to reduce this risk, collateral may be held by the sub-fund. The counterparties to these transactions and any collateral held by the sub-fund at the balance sheet date are shown below:

Counterparty Name as at 31st December 2023	Exposure £	Cash Collateral (Pledged)/ Received £
The Bank of New York Mellon	594,270	920,000

15. Risk Management Policies and Disclosures (continued)

Counterparty Name as at 31st December 2022	Exposure £	Cash Collateral (Pledged)/ Received £
The Bank of New York Mellon	–	6,650,000

Positive exposure represents the mark to market value of derivative contracts and the sub-fund's exposure to that counterparty.

16. Portfolio Transaction Costs

	01.01.2023 to 31.12.2023 £	01.01.2022 to 31.12.2022 £
Analysis of total purchase costs:		
Purchases in year before transaction costs		
Bonds	214,848,316	329,606,214
Collective Investment Schemes	94,811,831	111,842,311
Corporate Actions	22,270,498	28,649,653
Derivatives	14,532,352	6,934,950
Equities	834,874,713	698,842,858
Total purchases	1,181,337,710	1,175,875,986
Commissions:		
Equities total value paid	297,193	418,775
Taxes:		
Equities total value paid	7	11
Total purchase costs	297,200	418,786
Gross purchase costs	1,181,634,910	1,176,294,772
Analysis of total sale costs:		
Gross sales in year before transaction costs		
Bonds	157,255,632	241,214,999
Collective Investment Schemes	139,850,799	33,303,815
Corporate Actions	22,299,012	31,505,168
Derivatives	6,600,445	6,810,756
Equities	861,255,173	834,183,337
Total sales	1,187,261,061	1,147,018,075
Commissions:		
Equities total value paid	(306,304)	(331,631)
Taxes:		
Equities total value paid	(22)	(27)
Total sales costs	(306,326)	(331,658)
Total sales net of transaction costs	1,186,954,735	1,146,686,417

16. Portfolio Transaction Costs (continued)

	01.01.2023 to 31.12.2023 %	01.01.2022 to 31.12.2022 %
Analysis of total purchase costs:		
Commissions:		
Equities percentage of average NAV ¹	0.01	0.02
Taxes:		
Equities percentage of average NAV ¹	—	—
Analysis of total sale costs:		
Commissions:		
Equities percentage of average NAV ¹	0.01	0.01
Taxes:		
Equities percentage of average NAV ¹	—	—

The average portfolio dealing spread as at 31st December 2023 was 0.21% (31st December 2022: 0.33%).

¹ Excluding dilution levies.

17. Post Balance Sheet Events

The Operator has applied a 10% threshold to the disclosure of post year end movements in the net asset value per unit of the sub-fund from the year end date to the date of signing. This consideration takes into account routine transactions but also significant market movements. There are no unit classes where the net asset value per unit has moved by greater than 10%, therefore, there are no post balance sheet net asset value movements which require disclosure at the year end.

Distribution Tables

For the year ended 31st December 2023

First Interim distribution in pence per unit

Group 1: Units purchased prior to 1st January 2023

Group 2: Units purchased between 1st January 2023 and 31st March 2023

Unit	Net Revenue 2023 Pence per Unit	Equalisation (note 12) 2023 Pence per Unit	1st Interim Distribution Paid 2023 Pence per Unit	1st Interim Distribution Paid 2022 Pence per Unit
A Income Units				
Group 1	0.7700	—	0.7700	0.7700
Group 2	0.7700	—	0.7700	0.7700
A Accumulation Units				
Group 1	2.1510	—	2.1510	2.0449
Group 2	2.1510	—	2.1510	2.0449

Second Interim distribution in pence per unit

Group 1: Units purchased prior to 1st April 2023

Group 2: Units purchased between 1st April 2023 and 30th June 2023

Unit	Net Revenue 2023 Pence per Unit	Equalisation (note 12) 2023 Pence per Unit	2nd Interim Distribution Paid 2023 Pence per Unit	2nd Interim Distribution Paid 2022 Pence per Unit
A Income Units				
Group 1	0.8400	—	0.8400	0.8400
Group 2	0.8400	—	0.8400	0.8400
A Accumulation Units				
Group 1	2.3160	—	2.3160	2.2931
Group 2	2.3160	—	2.3160	2.2931

Third Interim distribution in pence per unit

Group 1: Units purchased prior to 1st July 2023

Group 2: Units purchased between 1st July 2023 and 30th September 2023

Unit	Net Revenue 2023 Pence per Unit	Equalisation (note 12) 2023 Pence per Unit	3rd Interim Distribution Paid 2023 Pence per Unit	3rd Interim Distribution Paid 2022 Pence per Unit
A Income Units				
Group 1	0.8400	—	0.8400	0.8400
Group 2	0.8400	—	0.8400	0.8400
A Accumulation Units				
Group 1	2.3440	—	2.3440	2.3106
Group 2	2.3440	—	2.3440	2.3106

Final distribution in pence per unit

Group 1: Units purchased prior to 1st October 2023

Group 2: Units purchased between 1st October 2023 and 31st December 2023

Unit	Net Revenue 2023 Pence per Unit	Equalisation (note 12) 2023 Pence per Unit	Final Distribution Paid 2024 Pence per Unit	Final Distribution Paid 2023 Pence per Unit
A Income Units				
Group 1	0.9400	—	0.9400	0.8400
Group 2	0.9400	—	0.9400	0.8400
A Accumulation Units				
Group 1	2.6829	—	2.6829	2.3280
Group 2	2.6829	—	2.6829	2.3280

Sarasin Income and Reserves Fund

**Annual Report and Financial Statements for the year from
01.01.2023 to 31.12.2023**

Investment Objective of the Sub-fund as set by the Board

We seek to grow the sub-fund (through increases in investment value and income) by 1.0% per year more than the Consumer Prices Index (CPI) over a rolling 5-year period after deducting fees and costs.

This target is not guaranteed over any period of time and the sub-fund could lose value.

Investment Policy of the Sub-fund

Investments

We invest the sub-fund approximately as follows:

- Bonds: 65%

Up to 20% of the bonds we invest in can be rated higher risk by external ratings agencies but the majority are rated as 'investment grade'.

- Shares: 20% in 40-100 companies listed on major stock exchanges around the world.

- Cash or Alternatives: 15%

Exposure to any of the above asset classes may be obtained through investment in funds (including funds managed by Sarasin).

Alternatives include, but are not limited to, infrastructure, commodities and private equity/venture capital which may be accessed through listed investment trusts and open-ended funds or other financial instruments.

We also invest in derivatives and use them to increase performance and generate income. Derivatives are financial contracts whose value is linked to the price of another asset (e.g. indices, rates, share prices, currencies).

Investment Selection

We identify the long-term investment themes that drive growth and lead to disruption in global economies and industries, and will shape the world in which we live and invest. We select companies based on our own analysis of which are most likely to benefit from our themes, and are well placed to grow their revenues and cash flows as a result of them.

The strategic asset mix of the sub-fund (as defined by the blended benchmark) sets out how the portfolio will be allocated in normal market conditions. However, the sub-fund is managed on an active basis and, when there is a strong sentiment, positive or negative, on a particular asset class or classes, the Investment Manager will actively deviate away from this asset mix and the securities in the underlying indices to try to meet the investment objective.

Investment Screening

We avoid investment in companies which are materially engaged in certain sectors, including tobacco, alcohol, armaments, gambling and adult entertainment.

We have an environmental, social and governance strategy. We consider which target investments fulfil an environmentally or socially beneficial role and that employ high standards of governance.

Additional Techniques

In addition to being able to use derivatives for investment purposes, we will use derivatives for effective portfolio management: to adjust how sensitive the sub-fund is to changes in currencies, to act on opportunities or control risk, and to gain cost effective access to investments. We usually aim for the sub-fund's exposure to Sterling to be the same as the blended benchmark. We may use an income reserve to smooth the income we pay over time.

Benchmark Information

The sub-fund's performance can be assessed by reference to:

- Comparator benchmark reflective of the asset allocation of the sub-fund.

Benchmark	Allocation
ICE BofA 1-10 Year UK Gilt Index	35.00%
ICE BofA 1-10 Year Sterling Corporate & Collateralised Index	30.00%
Sterling Overnight Interbank Average Rate (SONIA)+2%	10.00%
Sterling Overnight Interbank Average Rate (SONIA)	5.00%
MSCI All Countries World Index Daily (Net Total Return)	20.00%

- The target benchmark of CPI +1% over a rolling 5-year period after deducting fees and costs. CPI is a measure of inflation. If the sub-fund's performance matched CPI over a year, an investment in the sub-fund would provide approximately the same purchasing power as it would have provided a year earlier. The sub-fund will seek to outperform the CPI by 1.0% per year to provide real growth.

Investment Manager's Review

Sub-fund Performance

Cumulative performance		1 yr	3 yrs	5 yrs	Since Inception
		01 Jan 23 - 31 Dec 23	01 Jan 21 - 31 Dec 23	01 Jan 19 - 31 Dec 23	03 Aug 05 - 31 Dec 23
		%	%	%	%
Fund	A Accumulation Units (Net)	5.50	-9.70	6.70	99.70
Comparator	Index	7.10	-7.70	9.30	139.20

Discrete performance		01 Jan 23 - 31 Dec 23	01 Jan 22 - 31 Dec 22	01 Jan 21 - 31 Dec 21	01 Jan 20 - 31 Dec 20	01 Jan 19 - 31 Dec 19
		%	%	%	%	%
Fund	A Accumulation Units (Net)	5.50	-15.50	1.30	8.00	9.50
Comparator	Index	7.10	-14.70	1.00	6.70	10.90

Annualised performance		5 yrs
		01 Jan 19 - 31 Dec 23
		%
Fund	A Accumulation Units (Net)	1.30
Target	CPI + 1%	5.50

Source: Sarasin & Partners LLP and FE Fundinfo.

Performance is provided net of fees. Past performance is not a guide to future returns and may not be repeated. Performance is calculated in GBP on the basis of net asset values (NAV) and dividends reinvested.

Class A Accumulation Units has been used as the representative share class in the table above, which launched on 23rd February 2018. The sub-fund merged with the Sarasin Alpha CIF for Income and Reserves on 23rd February 2018. Any performance figures prior to this date reflect the performance of the previous sub-funds, the first of which launched 3rd August 2005.

The comparator of this sub-fund has changed over time, for a full history please visit <https://sarasinandpartners.com/wp-content/uploads/2020/05/benchmark-history.pdf>. Please note that the performance target is to be achieved over a specific annualised time period - refer to the investment objective above.

From 1st June 2023, the portfolio started using a new stock market benchmark index with a broader global focus. This enables us to choose from a wider and more diversified range of investments. We also changed our fixed income benchmark, so it more closely reflects the maturity periods of bonds we invest in.

Performance figures for other share classes in issue can be obtained by contacting marketing@sarasin.co.uk.

Performance

The sub-fund returned 5.5% (net of charges) for the 12-month period ended 31 December 2023, versus 7.1% for the comparator benchmark.

Review

Stock markets around the world started 2023 well, as economic data proved better than anticipated. This pattern continued as inflation continued to fall in major economies, although the declines were less than hoped and this raised fears of further interest rate rises. Greater stability returned in the closing months, with inflation appearing to be under greater control and central banks leaving interest rates on hold.

Equity markets benefited from strength in the technology sector, with particularly positive performance among companies involved in artificial intelligence (AI). Energy shares fluctuated as concerns grew over geopolitical tensions and the possible impact of this on global supply chains. However, this issue became less of a concern to markets as the year progressed.

Investment Manager's Review (continued)

Review (continued)

Among the factors influencing investor demand and company performance were mixed views on whether an economic recovery was under way in China.

Bonds were weak for much of the year, meaning yields – which are higher when bond prices fall – were driven higher by inflation and interest rate movements.

Gold generally performed well throughout the year, benefiting from its status as a safe haven in times of market turmoil, and in reaction to a weakening of the US Dollar. Slowing economic growth for much of the year held back returns on many commodities, while alternative investments such as infrastructure performed positively in the latter part of 2023 as market expectations for interest rates started to fall.

Positives

Our holdings in gold performed well as a diversifying asset for the sub-fund during the year. Gold has been in demand as central banks increase their gold reserves and investors seek safe havens at a time of rising geopolitical tensions. In the last two months of the year, the price of gold surged as government bond yields fell.

There was a mixed outcome for our investments in bonds (dependent on their maturity dates). However, the asset class contributed positively to sub-fund returns at various times during the year. The sub-fund also benefited from our larger holding in corporate bonds relative to government bonds as corporate bond spreads tightened.

Our holdings in technology stocks performed well during the year. The position in Broadcom, the chip designer involved in AI functionality, had a positive impact on sub-fund returns. The company's share price responded dramatically to strong interest in AI technology.

Microsoft's share price ended the year strongly following good third-quarter results for its Azure and OpenAI products. There were signs of a return to growth in cloud technology which suggests that weakness in IT spending has now bottomed out.

Finally, the sub-fund's position in US-based National Instruments, an automated test equipment manufacturer, contributed positively to returns as its share price rose following a bid for the company by Emerson Electric.

Negatives

Our holdings in infrastructure funds performed poorly for most of the year. Their long-term cash flows mean they have similar qualities to long-dated government bonds, so higher bond yields meant lower infrastructure share prices. However, the rally in bonds at the end of the year reversed this and supported a recovery in infrastructure investments.

While rising yields (and lower prices as a result) on certain bonds held in the sub-fund were a drag on performance as interest rates rose sharply during the year, we believe that high-quality corporate bonds offer a good multiple-year investment opportunity and have been adding to our exposure on an opportunistic basis.

Our holding in property company Home REIT detracted from the sub-fund's performance. Its shares were temporarily suspended in January after it missed a deadline to publish its annual report. Home REIT is currently undergoing a rationalisation programme to stabilise its financial situation. The investment is fair value priced at year-end and is categorised as a level 3 instrument in the fair value hierarchy. We believe that there is realisable value attributable to the underlying portfolio of Home REIT and have applied a discount to estimated net asset value in estimating fair value as at 31st December 2023.

Our holding in Gresham House Energy Storage Fund, which invests in battery energy storage systems in the UK, saw a drop in revenues. The company suffered from a combination of falling demand and price instability.

Asian-based insurer AIA Group's share price fell on disappointing 2022 annual results, although the company saw the reopening of China's economy as a positive for 2023. However, slow progress in China's economic recovery was a drag on AIA Group's performance. Despite the weaker sentiment on China, AIA Group's underlying business continues to make progress.

Transactions

We took new positions in Alphabet 'A' and Apple to take advantage of strength in the technology sector.

We also added to the sub-fund's holding in Equinor, a natural gas and oil company – arguably the only fossil energy company to chart a path to net zero by 2030. Natural gas prices in Europe have suffered from short-term weakness following reports of operational difficulties.

We invested in Daikin Industries, the air conditioning and heat pump manufacturer. As climate change continues to lead to more heat variability, households are likely to prioritise heating and cooling solutions in a manner that they haven't in the past.

Following the adjustment to the benchmark from 1 June, the sub-fund reduced its exposure to UK companies, selling holdings in AstraZeneca and Lloyd's Banking Group, among others.

Other exits from the sub-fund included selling our holding in the firewall and digital security company Palo Alto Networks. It has performed well, but we had concerns over the company's ability to increase revenues.

Finally, we disposed of our position in biotechnology company CSL. We believe that issues affecting staffing and blood plasma donations may persist. Furthermore, the company's stock market valuation is fairly high and we have exposure to the healthcare sector elsewhere in the portfolio.

Investment Manager's Review (continued)

Outlook

We expect inflation in the US and Europe to slow during 2024 and end the year close to central banks' targets of 2%. That means central banks can reduce interest rates, which had been their main weapon in the battle to bring down inflation. Lower interest rates should help to boost economic growth.

It is, however, worth noting that stock markets could be subject to a number of political threats in 2024. Conflict is unfortunately on the rise, particularly in Gaza, between Russia and Ukraine, and in Africa. In the US, the build-up and outcome of the presidential election could cause stock market upheavals.

Overall, we believe company shares should benefit from the more resilient economic conditions forecast for 2024. Our investment focus continues to be on higher-quality shares that provide a degree of stability to the sub-fund. We also spread risk across the portfolio by investing in companies that we believe have enduring long-term business strategies.

For the year ahead, we are optimistic about the returns available from most assets as financial conditions loosen and economic risks remain contained. That leads us to favour equities and investment-grade corporate bonds, with a preference for good-quality investments that are likely to benefit from lower interest rates.

Melanie Roberts
Partner & Head of Charities
Sarasin & Partners LLP
24th January 2024

All opinions and estimates contained in this Review constitute the Company's judgement and view as of the date of the report and are subject to change without notice.

Sensitivity analysis

The sub-fund invests in equities and bonds. The exposure to equity markets is then reduced through the use of short futures and options. Exposure to foreign currencies is also altered through the use of forwards and occasionally options. The level of equity exposure varies over time depending on how positive the manager is; generally the level has been in the range of 10-30%.

Options are used on individual stocks to implement views on specific stocks. Listed options or futures on bond indices are occasionally used to implement yield curve views.

Sarasin uses FactSet to measure Fund risk. The FactSet multi-asset class (MAC) risk framework is a set of tools that investors can utilise to estimate, monitor, and control the exposure of their portfolios to market risk (either on an absolute basis or relative to a benchmark) using a Monte Carlo simulation methodology.

The Value at Risk (VaR) is a statistical technique used to measure and quantify the level of risk within an investment portfolio over a specific timeframe.

The VaR statistic adopted for sub-fund is the "99% / 20-day VaR" model. To calculate this figure, FactSet rank the distribution and then calculate the VaR figure based on the 99th percentile. This is intended to show, with a 99% degree of confidence, the maximum amount that might be lost over a 20-day period.

The "99% / 20-day VaR" for Sarasin Income & Reserves Fund, as at 29th December 2023, was 3.02% (31st December 2022: 4.25%). The lowest, highest, and average utilisation in the period was 2.64%, 6.45%, and 4.03%, respectively (31st December 2022: 3.25%, 8.56%, and 4.76%, respectively).

Top 20 Purchases during the period¹

United Kingdom Gilt 6.00% 07/12/2028
 United Kingdom Gilt 0.125% 30/01/2026
 United Kingdom Gilt 5.00% 07/03/2025
 United Kingdom Gilt 4.75% 07/12/2030
 United Kingdom Gilt 4.50% 07/09/2034
 United Kingdom Gilt 2.75% 07/09/2024
 United Kingdom Gilt 4.25% 07/03/2036
 Invesco Physical Gold
 United Kingdom Gilt 4.25% 07/12/2027
 United Kingdom Gilt 3.50% 22/07/2068
 Credit Agricole 6.375% 14/06/2031
 AA Bond Company 6.269% 31/07/2025
 BNP Paribas 5.75% 13/06/2032
 DWR Cymru Financing UK 6.015% 31/03/2028
 AT&T 7.00% 30/04/2040
 United Kingdom Gilt 1.625% 22/10/2028
 InterContinental Hotels Group 2.125% 24/08/2026
 National Grid Electricity Transmission 1.375% 16/09/2026
 Alphabet 'A'
 Barclays 6.369% 31/01/2031

Top 20 Sales during the period¹

United Kingdom Gilt 2.75% 07/09/2024
 United Kingdom Gilt 5.00% 07/03/2025
 United Kingdom Gilt 4.25% 07/03/2036
 United Kingdom Gilt 4.25% 07/06/2032
 Neuberger Berman Uncorrelated Strategies 'I5' GBP Accumulation
 United Kingdom Gilt 4.75% 07/12/2030
 United Kingdom Gilt 1.625% 22/10/2028
 United Kingdom Gilt 4.50% 07/09/2034
 AstraZeneca
 United Kingdom Gilt 4.25% 07/12/2027
 AT&T 7.00% 30/04/2040
 Segro 2.875% 11/10/2037
 Brevan Howard Absolute Return Government Bond Fund 'A' GBP Acc
 John Deere Bank 5.125% 18/10/2028
 Greenko Wind Projects Mauritius 5.50% 06/04/2025
 Comcast Corporation 5.50% 23/11/2029
 Tesco Property Finance 6 5.411% 13/07/2044
 LCR Finance 4.50% 07/12/2028
 Vodafone Group 5.125% 02/12/2052
 Unilever

¹ Excluding money market funds.

Sub-fund Information for the year ended 31st December 2023

Size (Units)		Unit Type	Mid Price	Yield*
106,166,409		A Income Units	96.00 pence	3.81%
3,857,677		A Accumulation Units	200.00 pence	3.74%
401,973		V Accumulation Units	90.00 pence	3.65%
Launch Date		A Unit Class: 23rd February 2018 V Unit Class: 10th May 2021		
Launch Price		A Income Units: 109.00 pence A Accumulation Units: 186.00 pence V Accumulation Units: 99.37 pence		
Management Charges	Annual:	A Unit Class: 0.75% V Unit Class: 0.40%		
	Initial:	A Unit Class: 0.00% V Unit Class: 0.00%		
Unit Types		Income and Accumulation Units		
Accounting Period Ends	Interim:	31st March		
	Interim:	30th June		
	Interim:	30th September		
	Final:	31st December		
Initial Minimum Investment:	£1,000			

* The yield shown is the historic yield and is calculated by taking the distribution rate for the last four distributions, multiplied by 100 and divided by the mid price of the units.

The Comparative Tables on pages 63 to 65 give the performance of each active unit class in the sub-fund.

The 'Return after charges' disclosed in the Comparative Tables is calculated as the return after operating charges per unit divided by the opening net asset value per unit. It differs from the sub-fund's performance disclosed in the Investment Manager's Review, which is calculated based on the latest published price.

Portfolio transaction costs are incurred when investments are bought or sold by a fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the sub-fund.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades.

In addition, there are indirect portfolio transaction costs arising from the 'dealing spread' – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by the fund on each transaction, other types of investments (such as bonds, money instruments, derivatives, collective investment schemes) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and money market sentiment.

Sub-fund Information for the year ended 31st December 2023 (continued)
Comparative Tables
A Income Units
Change in Net Asset Value per Unit

	2023 (pence per unit)	2022 (pence per unit)	2021 (pence per unit)
Opening net asset value per unit	93.68	114.85	116.68
Return before operating charges*	5.87	(16.75) ¹	2.60
Operating charges (calculated on average price)	(0.84)	(0.96) ¹	(1.04)
Return after operating charges*	5.03	(17.71)	1.56
Distributions on income units	(3.66)	(3.46)	(3.39)
Closing net asset value per unit	95.05	93.68	114.85
* after direct transaction costs of ² :	(0.02)	0.00	(0.07)

Performance

Return after charges ³	5.37%	(15.42)%	1.34%
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Other Information

Closing net asset value (£'000)	100,907	91,109	139,330
Closing number of units	106,166,409	97,255,548	121,311,386
Operating charges ⁴	0.90%	0.94% ¹	0.90%
Direct transaction costs	(0.02)%	0.00%	(0.06)%

Prices⁵

Highest unit price	98.11	114.80	117.80
Lowest unit price	90.16	89.19	113.10

¹ Values have been restated due to fixed operating charges rate adjustment as of 31st December 2022.

² Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution levies that relate to direct transaction costs. A negative transaction cost figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

³ The return after charges is calculated as the return after operating charges per unit divided by the opening net asset value per unit.

⁴ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures. Included in the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. For Sarasin Income and Reserves Fund, 0.09% of the Operating Charges was made up of synthetic costs.

⁵ Highest and lowest unit prices are based on published prices.

Sub-fund Information for the year ended 31st December 2023 (continued)
Comparative Tables (continued)
A Accumulation Units
Change in Net Asset Value per Unit

	2023 (pence per unit)	2022 (pence per unit)	2021 (pence per unit)
Opening net asset value per unit	188.93	223.63	220.56
Return before operating charges*	12.11	(32.81) ¹	5.05
Operating charges (calculated on average price)	(1.72)	(1.89) ¹	(1.98)
Return after operating charges*	10.39	(34.70)	3.07
Distributions	(7.48)	(6.78)	(6.39)
Retained distributions on accumulation units	7.48	6.78	6.39
Closing net asset value per unit	199.32	188.93	223.63
* after direct transaction costs of ² :	(0.04)	0.00	(0.14)
Performance			
Return after charges ³	5.50%	(15.52)%	1.39%
Other Information			
Closing net asset value (£'000)	7,689	10,854	14,367
Closing number of units	3,857,677	5,745,094	6,424,721
Operating charges ⁴	0.90%	0.94% ¹	0.90%
Direct transaction costs	(0.02)%	0.00%	(0.06)%
Prices⁵			
Highest unit price	199.90	223.60	226.90
Lowest unit price	185.60	178.30	213.80

¹ Values have been restated due to fixed operating charges rate adjustment as of 31st December 2022.

² Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution levies that relate to direct transaction costs.

A negative transaction cost figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

³ The return after charges is calculated as the return after operating charges per unit divided by the opening net asset value per unit.

⁴ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures. Included in the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. For Sarasin Income and Reserves Fund, 0.09% of the Operating Charges was made up of synthetic costs.

⁵ Highest and lowest unit prices are based on published prices.

Sub-fund Information for the year ended 31st December 2023 (continued)
Comparative Tables (continued)
V Accumulation Units
Change in Net Asset Value per Unit

	2023 (pence per unit)	2022 (pence per unit)	2021¹ (pence per unit)
Opening net asset value per unit	85.55	101.66	99.37
Return before operating charges*	5.51	(15.57) ²	2.65
Operating charges (calculated on average price)	(0.48)	(0.54) ²	(0.36)
Return after operating charges*	5.03	(16.11)	2.29
Distributions	(3.29)	(3.07)	(2.14)
Retained distributions on accumulation units	3.29	3.07	2.14
Closing net asset value per unit	90.58	85.55	101.66
* after direct transaction costs of ³ :	(0.02)	0.00	(0.07)

Performance

Return after charges ⁴	5.88%	(15.85)%	2.30%
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Other Information

Closing net asset value (£'000)	364	344	409
Closing number of units	401,973	401,973	402,034
Operating charges ⁵	0.55%	0.59% ²	0.55%
Direct transaction costs	(0.02)%	0.00%	(0.06)%

Prices⁶

Highest unit price	90.84	101.70	103.20
Lowest unit price	84.19	80.77	98.37

¹ Unit class became active 10th May 2021. Value shown is the opening net asset value as at this date.

² Values have been restated due to fixed operating charges rate adjustment as of 31st December 2022.

³ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution levies that relate to direct transaction costs. A negative transaction cost figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

⁴ The return after charges is calculated as the return after operating charges per unit divided by the opening net asset value per unit.

⁵ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures. Included in the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. For Sarasin Income and Reserves Fund, 0.09% of the Operating Charges was made up of synthetic costs.

⁶ Highest and lowest unit prices are based on published prices.

Portfolio Statement as at 31st December 2023

Holding or Nominal Value	Investment	Bid Market Value (£)	% of Net Assets
Sterling Government Bonds 30.21% (31 December 2022 - 24.17%)			
£7,195,000	United Kingdom Gilt 4.25% 07/12/2027	7,416,035	6.81
£6,130,000	United Kingdom Gilt 6.00% 07/12/2028	6,858,489	6.30
£6,290,000	United Kingdom Gilt 0.125% 30/01/2026	5,849,071	5.37
£4,095,000	United Kingdom Gilt 4.75% 07/12/2030	4,433,943	4.07
£4,000,000	United Kingdom Gilt 5.00% 07/03/2025	4,034,080	3.70
£2,931,000	United Kingdom Gilt 4.50% 07/09/2034	3,149,653	2.89
£950,000	United Kingdom Gilt 2.75% 07/09/2024	937,588	0.86
£220,000	Network Rail Infrastructure Finance 4.75% 29/11/2035	233,276	0.21
		32,912,135	30.21
Sterling Corporate Bonds 20.40% (31 December 2022 - 21.37%)			
£1,000,000	SSE 3.74% Perpetual	938,900	0.86
£900,000	Severn Trent Utilities Finance 4.625% 30/11/2034	878,659	0.81
£868,039	Tesco Property Finance 3 5.744% 13/04/2040	874,828	0.80
£900,000	National Grid Electricity Transmission 1.375% 16/09/2026	828,891	0.76
£900,000	Bazalgette Finance 2.375% 29/11/2027	827,089	0.76
£750,000	Anglian Water Services Financing 6.293% 30/07/2030	809,322	0.74
£800,000	Lloyds Banking Group 8.50% Perpetual	806,000	0.74
£900,000	Channel Link Enterprises Finance 3.043% 30/06/2050	800,435	0.73
£730,000	HSBC Bank Capital Funding Sterling 5.844% Perpetual	759,200	0.70
£750,000	RAC Bond 4.87% 06/05/2046	727,406	0.67
£680,000	Barclays 6.369% 31/01/2031	705,010	0.65
£650,000	NatWest Markets 6.625% 22/06/2026	673,048	0.62
£712,395	PRS Finance 1.75% 24/11/2026	668,116	0.61
£800,000	Aviva 4.00% 03/06/2055	656,878	0.60
£700,000	InterContinental Hotels Group 2.125% 24/08/2026	651,071	0.60
£659,306	UPP Bond 1 Issuer 4.902% 28/02/2040	639,098	0.59
£700,000	Legal & General Group 3.75% 26/11/2049	629,117	0.58
£760,000	London & Quadrant Housing Trust 2.00% 31/03/2032	618,237	0.57
£600,000	Anglian Water Services Financing 1.625% 10/08/2025	567,617	0.52
£507,625	Greater Gabbard OFTO 4.137% 29/11/2032	492,271	0.45
£500,000	M&G 3.875% 20/07/2049	492,165	0.45
£550,000	RCB Bonds 3.90% 23/11/2029	485,810	0.45
£480,000	Arqiva Financing 5.34% 30/06/2030	478,128	0.44
£500,000	RCB Bonds 4.25% 30/03/2028	462,510	0.42
£500,000	RCB Bonds 4.50% 20/06/2028	461,910	0.42
£509,000	DWR Cymru Financing 2.375% 31/03/2034	380,783	0.35
£352,820	Great Rolling Stock 6.875% 27/07/2035	379,966	0.35
£360,000	Eastern Power Networks 8.50% 31/03/2025	371,623	0.34
£360,000	BNP Paribas 3.375% 23/01/2026	348,948	0.32
£410,000	Peabody Capital No 2 2.75% 02/03/2034	338,648	0.31
£331,000	NGG Finance 5.625% 18/06/2073	325,801	0.30
£300,000	NIE Finance 6.375% 02/06/2026	310,388	0.28
£400,000	Yorkshire Water Finance 1.75% 27/10/2032	300,392	0.28
£313,000	Virgin Money UK 5.125% 11/12/2030	299,973	0.28
£300,000	Unite (USAF) II 3.921% 30/06/2030	291,980	0.27
£350,000	RCB Bonds 3.50% 08/12/2033	286,125	0.26
£310,000	NatWest Group 5.125% Perpetual	278,111	0.25
£290,000	HSBC Holdings 5.875% Perpetual	274,775	0.25

Portfolio Statement as at 31st December 2023 (Continued)

Holding or Nominal Value	Investment	Bid Market Value (£)	% of Net Assets
Sterling Corporate Bonds (continued)			
£270,000	Lloyds Banking Group 'SEC' 8.50% Perpetual	274,107	0.25
£279,000	Places for People Treasury 2.875% 17/08/2026	265,226	0.24
£220,000	InterContinental Hotels Group 3.75% 14/08/2025	214,265	0.20
£210,000	Arqiva Financing 4.882% 31/12/2032	204,564	0.19
£90,000	RCB Bonds 5.00% 17/12/2030	74,916	0.07
£97,300	RCB Bonds 3.25% 22/07/2031	74,203	0.07
£4,928	Tesco Property Finance 6 5.411% 13/07/2044	4,774	—
£0	Woods Transmission 3.446% 24/08/2034	—	—
		22,231,284	20.40
Overseas Bonds 15.15% (31 December 2022 - 11.20%)			
£1,400,000	AA Bond Company 6.269% 31/07/2025	1,398,600	1.28
£1,250,000	DWR Cymru Financing 6.015% 31/03/2028	1,317,151	1.21
£1,100,000	Credit Agricole 6.375% 14/06/2031	1,184,007	1.09
£1,000,000	Goldman Sachs Group 7.25% 10/04/2028	1,093,578	1.00
£1,000,000	Electricite de France 6.125% 02/06/2034	1,064,332	0.98
£1,000,000	Bank Nederlandse Gemeenten 5.20% 07/12/2028	1,054,766	0.97
£1,130,000	Realty Income Corporation 1.125% 13/07/2027	997,286	0.92
£1,050,000	CPUK Finance 3.69% 28/02/2047	981,504	0.90
£910,000	Morgan Stanley 5.789% 18/11/2033	967,740	0.89
£900,000	BNP Paribas 5.75% 13/06/2032	947,763	0.87
£750,000	E.ON International Finance 5.875% 30/10/2037	800,967	0.74
£800,000	AT&T 4.375% 14/09/2029	788,850	0.72
£850,000	Australia & New Zealand Banking Group 1.809% 16/09/2031	762,576	0.70
£630,000	Cooperative Rabobank 4.625% 23/05/2029	610,364	0.56
USD511,000	Greenko Solar Mauritius 5.95% 29/07/2026	387,018	0.36
USD500,000	Demeter Investments 5.75% 15/08/2050	386,406	0.35
USD500,000	Indian Railway Finance 3.835% 13/12/2027	374,800	0.34
£350,000	Goldman Sachs Group 4.25% 29/01/2026	346,495	0.32
£300,000	Bank of Ireland Group 7.594% 06/12/2032	312,541	0.29
USD407,000	Greenko Dutch 3.85% 29/03/2026	296,949	0.27
USD250,000	Barclays Bank 0.063% Perpetual	196,439	0.18
USD191,700	Greenko Power II 4.30% 13/12/2028	135,376	0.12
£101,000	Credit Agricole 7.50% Perpetual	100,108	0.09
		16,505,616	15.15
UK Equities 2.77% (31 December 2022 - 12.46%)			
9,163	Reckitt Benckiser Group	496,635	0.46
15,914	RELX	494,766	0.45
20,035	Compass Group	429,951	0.40
462,848	Octopus Renewables Infrastructure Trust	415,638	0.38
383,942	Gresham House Energy Storage Fund	410,818	0.38
109,676	DS Smith	337,034	0.31
4,085	Rio Tinto	238,646	0.22
697,873	Home REIT ¹	101,889	0.09
142,102	Life Science REIT	89,524	0.08
		3,014,901	2.77

Portfolio Statement as at 31st December 2023 (Continued)

Holding or Nominal Value	Investment	Bid Market Value (£)	% of Net Assets
Global Equities 20.05% (31 December 2022 - 12.58%)			
9,591	Alphabet 'A'	1,051,037	0.96
8,035	Amazon.com	957,670	0.88
2,563	Microsoft	755,771	0.69
30,170	Equinor	750,726	0.69
966,869	Cordiant Digital Infrastructure	732,887	0.67
10,685	Colgate-Palmolive	668,106	0.61
3,828	American Tower	648,760	0.60
3,582	CME Group	591,783	0.54
8,828	Medtronic	570,690	0.52
2,478	Amgen	559,863	0.51
918	ASML Holding	542,115	0.50
1,964	Accenture	540,916	0.50
13,189	Cisco Systems	522,677	0.48
6,403	Taiwan Semiconductor Manufacturing ADR	522,115	0.48
1,819	Home Depot	494,417	0.45
1,467	Mastercard 'A'	490,826	0.45
4,666	Prologis	487,939	0.45
70,800	AIA Group	484,004	0.44
21,300	Takeda Pharmaceutical Company	480,112	0.44
3,177	Apple	479,715	0.44
5,428	Merck & Company	464,199	0.43
1,436	Deere & Company	450,479	0.41
6,339	Otis Worldwide	445,092	0.41
1,076	NVIDIA	417,950	0.38
347,819	Renewables Infrastructure Group	395,122	0.36
2,956	JPMorgan Chase & Company	394,752	0.36
236,915	Apax Global Alpha	380,012	0.35
431	Broadcom	377,439	0.35
1,000	Keyence	344,923	0.32
7,541	Siemens Healthineers	343,714	0.32
805	Thermo Fisher Scientific	335,463	0.31
19,530	Sonic Healthcare	335,353	0.31
1,206	Meta Platforms 'A'	334,847	0.31
292	Partners Group Holding	329,983	0.30
2,060	EssilorLuxottica	323,201	0.30
6,024	HDFC Bank ADR	317,077	0.29
2,052	Siemens	301,533	0.28
2,300	Daikin Industries	293,513	0.27
12,000	Hydro One	282,768	0.26
1,802	Air Liquide	274,946	0.25
81,462	3i Infrastructure	261,900	0.24
3,847	SGS	259,876	0.24
3,662	Walt Disney	259,339	0.24
7,600	Tencent Holdings	223,854	0.21
1,672	Tetra Tech	218,942	0.20
18,581	ING Groep	217,782	0.20
472	Eli Lilly & Company	215,932	0.20
1,484	Texas Instruments	198,410	0.18
133,068	BBGI Global Infrastructure	188,424	0.17

Portfolio Statement as at 31st December 2023 (Continued)

Holding or Nominal Value	Investment	Bid Market Value (£)	% of Net Assets
Global Equities (continued)			
1,399	United Parcel Service	172,559	0.16
293	Costco Wholesale	151,743	0.14
		21,843,256	20.05
Global Property 0.00% (31 December 2022 - 0.17%)			
Alternatives 4.72% (31 December 2022 - 4.82%)			
24,834	Invesco Physical Gold	3,882,894	3.57
441,322	International Public Partnerships	602,846	0.55
587,930	Sequoia Economic Infrastructure Income Fund	502,092	0.46
379,099	US Solar Fund	154,637	0.14
		5,142,469	4.72
Global Exchange Traded Funds 0.63% (31 December 2022 - 0.86%)			
30,896	WisdomTree Carbon	687,745	0.63
Global Collective Investment Schemes 2.63% (31 December 2022 - 3.53%)			
10,298	Fulcrum Equity Dispersion Fund Class 'I' GBP Accumulation	1,307,440	1.20
85,623	PIMCO TRENDS Managed Futures Strategy Institutional GBP (Hedged) Income	744,919	0.69
3,927	Brevan Howard Absolute Return Government Bond Fund 'A' GBP Acc	502,800	0.46
	AMX UCITS CCF Storebrand Emerging Markets ESG Plus 'Non Treaty B' USD		
3,805	Unhedged Distribution	305,463	0.28
		2,860,622	2.63
UK Collective Investment Schemes 0.72% (31 December 2022 - 0.75%)			
1,199,206	BioPharma Credit	790,189	0.72
Global Options 0.00% (31 December 2022 - 0.00%)			
3	4,450 Put on S&P 500 Index Option 15/03/2024 ²	6,189	—
(3)	3,850 Put on S&P 500 Index Option 15/03/2024 ²	(1,200)	—
		4,989	—
Forward Currency Contracts 0.01% (31 December 2022 - -0.14%)			
USD (8,125,426)	Sold USD, Bought GBP 6,377,986 for settlement on 21/03/2024	6,494	0.01
USD (1,250,000)	Sold USD, Bought GBP 986,053 for settlement on 21/03/2024	5,875	—
EUR (250,000)	Sold EUR, Bought GBP 217,333 for settlement on 21/03/2024	125	—
EUR (642,000)	Sold EUR, Bought GBP 554,527 for settlement on 21/03/2024	(3,261)	—
		9,233	0.01
Total Value of Investments 97.29% (31 December 2022 - 91.77%)			
		106,002,439	97.29
	Net Other Assets	2,957,433	2.71
	Net Assets	108,959,872	100.00

Securities are admitted to an official stock exchange listing or traded on another regulated market unless otherwise stated.

¹Suspended securities are valued at the Manager's best assessment of their fair and reasonable value.

²Derivative Instruments

Portfolio Statement as at 31st December 2023 (Continued)

Asset Allocation of Portfolio of Investments is as follows:

Bonds	71,649,035	65.77
Collective Investment Schemes	8,221,450	7.54
Derivatives	4,989	–
Equities	26,117,732	23.97
Forward Currency Contracts	9,233	0.01
Net Other Assets	2,957,433	2.71
	108,959,872	100.00

Debt Security Allocation is as follows:

Percentage of Debt Securities investment grade and above	93.22%
Percentage of Debt Securities below investment grade (sub BBB- or unrated)	6.78%
	100.00%

Statement of Total Return
For the year ended 31st December 2023

			01.01.2023 to 31.12.2023		01.01.2022 to 31.12.2022
	Notes	£	£	£	£
Income					
Net capital gains/(losses)	2		2,897,650		(24,318,530)
Revenue	3	4,014,280		3,393,320	
Expenses	4	(860,525)		(1,014,890)	
Interest payable and similar charges	6	(145)		(5,713)	
Net revenue before taxation		3,153,610		2,372,717	
Taxation	5	(51,878)		(14,082)	
Net revenue after taxation for the year			3,101,732		2,358,635
Total return before distributions			5,999,382		(21,959,895)
Distributions	6		(4,170,705)		(4,152,251)
Changes in net assets attributable to unitholders from investment activities			1,828,677		(26,112,146)

Statement of Changes in Net Assets Attributable to Unitholders
For the year ended 31st December 2023

			01.01.2023 to 31.12.2023		01.01.2022 to 31.12.2022
		£	£	£	£
Opening net assets attributable to unitholders			102,307,064		154,106,406
Movement due to sales and repurchases of units:					
Amounts received on issue of units		26,313,842		5,211,684	
Amounts paid on cancellation of units		(21,918,648)		(31,376,333)	
			4,395,194		(26,164,649)
Dilution levy			32,297		14,490
Changes in net assets attributable to unitholders from investment activities (see above)			1,828,677		(26,112,146)
Retained distribution on accumulation units			396,640		459,890
Unclaimed distributions			—		3,073
Closing net assets attributable to unitholders			108,959,872		102,307,064

The notes on pages 73 to 83 form part of these Financial Statements.

Balance Sheet
As at 31st December 2023

	Notes	31.12.2023 £	31.12.2022 £
Assets			
Fixed assets:			
Investments		106,006,900	93,264,467
Current assets:			
Debtors	8	979,848	778,004
Cash and bank balances	9	2,998,707	9,356,103
Total assets		109,985,455	103,398,574
Liabilities			
Investment liabilities		(4,461)	(148,246)
Creditors:			
Bank overdrafts	9	(14,432)	(15,206)
Distribution payable on income units		(929,912)	(847,290)
Other creditors	10	(76,778)	(80,768)
Total liabilities		(1,025,583)	(1,091,510)
Net assets attributable to unitholders		108,959,872	102,307,064

The notes on pages 73 to 83 form part of these Financial Statements.

Certification of Accounts by Directors

The Directors are of the opinion that it is appropriate to adopt the going concern basis in the preparation of the Financial Statements as the assets of the sub-fund consist predominantly of securities that are readily realisable and, accordingly, the sub-fund has adequate resources to continue in operational existence for at least the next twelve months from the approval of these Financial Statements.

G. Steinberg
Director
Sarasin Investment Funds Limited
22nd April 2024

S. A. M. Jeffries
Director
Sarasin Investment Funds Limited
22nd April 2024

Notes

Notes to the financial statements For the year ended 31st December 2023

1. Accounting Policies

The accounting policies for this sub-fund match those found on pages 22 to 24.

2. Net Capital Losses

	01.01.2023 to 31.12.2023 £	01.01.2022 to 31.12.2022 £
Net capital gains/(losses) comprise:		
Non-derivative securities realised losses	(5,525,057)	(6,024,930)
Non-derivative securities unrealised gains/(losses)	8,132,881	(16,016,491)
Derivative securities realised losses	(67,261)	(29,364)
Derivative securities unrealised (losses)/gains	(8,978)	32,029
Forward currency contracts realised gains/(losses)	69,652	(1,851,383)
Forward currency contracts unrealised gains/(losses)	157,479	(556,590)
Currency gains	138,861	128,290
Transaction charges	(110)	(117)
Central Securities Depository Regulation (CSDR) penalty reimbursement	183	26
	2,897,650	(24,318,530)

3. Revenue

	01.01.2023 to 31.12.2023 £	01.01.2022 to 31.12.2022 £
UK dividends	229,261	523,516
Overseas dividends	573,440	597,787
Bank Interest	102,846	11,413
Interest on debt securities	2,800,976	2,036,438
Unfranked PID ¹ revenue	–	47,580
Franked PID ¹ revenue	7,351	7,504
Option premium	84,361	49,576
Franked CIS ² revenue	27,472	21,039
Unfranked CIS ² revenue	138,821	88,999
Offshore dividend CIS ² revenue	267	9,468
Offshore interest CIS ² revenue	49,485	–
	4,014,280	3,393,320

¹Property Income Dividend

²Collective Investment Scheme

4. Expenses

	01.01.2023 to 31.12.2023 £	01.01.2022 to 31.12.2022 £
Payable to the Manager, associates of the Manager, and agents of either of them:		
Management fees	789,966	932,919
	789,966	932,919
Payable to the Trustee, associates of the Trustee, and agents of either of them:		
	–	–
Other expenses		
Fixed operating charge ¹	70,559	81,971
	70,559	81,971
Total Expenses	860,525	1,014,890

¹The Audit fee for 31st December 2023 was £8,600 plus VAT (31st December 2022: £8,220 plus VAT).

5. Taxation

	01.01.2023 to 31.12.2023 £	01.01.2022 to 31.12.2022 £
a) Analysis of tax charge in year:		
Overseas tax	51,878	14,082
Total tax for the year	51,878	14,082

b) As the Trust is a Charity Authorised Investment Fund, it is exempt from United Kingdom tax on capital gains realised on the disposal of investments held within the sub-fund and any UK corporation tax.

The sub-fund is also excluded from the normal tax rules which apply to revenue allocations to units and payments on redemption of units made to unitholders in an authorised unit trust scheme. For the purposes of the sub-fund, revenue of the sub-fund is not considered to be dividends in the hands of the unitholders and therefore no income tax is payable in respect of the revenue allocated to each unit.

In addition, any gains on the redemption of units in the sub-fund are not to be treated as chargeable gains for Capital Gains Tax purposes and therefore no Capital Gains Tax is payable on redemption of units.

6. Distribution

The distributions take account of revenue received on the creation of units and revenue deducted on the cancellation of units, and comprise:

	01.01.2023 to 31.12.2023 £	01.01.2022 to 31.12.2022 £
First interim	962,816	1,023,321
Second interim	1,087,181	1,174,108
Third interim	1,091,009	932,054
Final	1,003,488	951,907
	4,144,494	4,081,390
Add: Revenue deducted on cancellation of units	110,232	92,920
Deduct: Revenue received on creation of units	(84,021)	(22,059)
Net distributions for the year	4,170,705	4,152,251
Interest payable and similar charges	145	5,713
	4,170,850	4,157,964

7. Movement between Net Revenue and Distribution

	01.01.2023 to 31.12.2023 £	01.01.2022 to 31.12.2022 £
Net revenue after tax	3,101,732	2,358,635
Add: Undistributed revenue Reserve brought forward	87	81
Less: Undistributed revenue Reserve carried forward	(61)	(87)
Add: Benefit of coupon basis distribution	208,422	778,732
Add: Expenses payable from capital	860,525	1,014,890
Net Distribution for the year	4,170,705	4,152,251

8. Debtors

	31.12.2023 £	31.12.2022 £
Sales awaiting settlement	19,760	12,377
Accrued revenue	915,397	729,674
Overseas tax recoverable	42,185	33,447
Property income distribution tax recoverable	2,506	2,506
	979,848	778,004

9. Cash and Bank Balances

	31.12.2023	31.12.2022
	£	£
Cash and bank balances	798,674	9,354,137
Cash held at clearing houses	2,001	1,966
Cash equivalents	2,198,032	–
	2,998,707	9,356,103
Bank overdrafts	(14,432)	(15,206)
	2,984,275	9,340,897

10. Other Creditors

	31.12.2023	31.12.2022
	£	£
Accrued expenses	76,778	80,768
	76,778	80,768

11. Contingent Assets/(Liabilities)

The sub-fund had no contingent assets or liabilities as at 31st December 2023 (31st December 2022: same).

12. Equalisation

Equalisation is not applied to distributions paid by the sub-fund.

13. Units in Issue

The sub-fund currently has three unit classes: A Income Units, A Accumulation Units, and V Accumulation Units. The annual management charge on each unit class can be found on page 62. The net asset value of each unit class, the net asset value per unit and the number of units in each class are given in the comparative tables on pages 63 to 65. The distribution per unit class is given in the distribution tables on pages 84 and 85. All unit classes have the same rights on winding up and have no par value.

	A Income Units	A Accumulation Units	V Accumulation Units
Opening units	97,255,548	5,745,094	401,973
Units created	28,141,531	234,203	–
Units liquidated	(19,296,265)	(2,090,057)	–
Units converted	65,595	(31,563)	–
Closing units	106,166,409	3,857,677	401,973

14. Related Parties

Sarasin & Partners LLP and Sarasin Investment Funds Limited, together with Natwest Trustee and Depositary Services Limited as Corporate Trustee, are deemed to be Related Parties, by virtue of their ability to act in respect of the sub-fund's operations.

Sarasin & Partners LLP acts as principal on all transactions of units in the sub-fund. The aggregate monies received through creations and liquidations are disclosed in the statement of changes in net assets attributable to unitholders.

Management fees are paid to Sarasin Investment Funds Limited and are shown in note 4.

14. Related Parties (continued)

Amounts due to Related Parties at the year end:

	30.06.2023	31.12.2022
	£	£
Management fees	70,451	74,889
	70,451	74,889

At 31st December 2023, Sarasin Income and Reserves Fund held no units in any other sub-fund or collective investment scheme managed by associated companies of Sarasin Investment Funds Limited (31st December 2022: same).

At the year end, BNY (OCS) Nominees Limited owned 84.22% of the sub-fund on behalf of multiple beneficiaries (31st December 2022: 82.64%).

15. Risk Management Policies and Disclosures**Financial Instruments**

In pursuing its investment objectives as stated on page 57, the sub-fund holds a number of financial instruments. The sub-fund's financial instruments, other than derivatives, comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for creations and payable for redemptions and debtors for accrued revenue.

The main risks arising from the sub-fund's financial instruments and the Operator's policies for managing these risks are summarised below, a sensitivity analysis of the sub-fund is provided on page 61. These policies have been applied throughout the year.

Market Price Risk

Market price risk is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises mainly from uncertainty about future prices of financial instruments the sub-funds hold. It represents the potential loss the sub-fund might suffer through holding market positions in the face of price movements. The sub-fund's investment portfolio is exposed to market price fluctuations which are monitored by the Operator in pursuance of the investment objectives and policy as set out in the Prospectus.

Adherence to investment guidelines and to investment and borrowing powers set out in The Charities (Accounts and Reports) Regulations 2008 mitigates the risk of excessive exposure to any particular type of security or issuer.

Derivative Risk

Derivatives are comprised of forward foreign currency contracts and options contracts. Forward foreign currency contracts are used to manage currency risk arising from the sub-fund's investment activities (and related financing). Open positions at the balance sheet date, which are all covered, are included in the portfolio statement. Gains/(losses) on forward foreign exchange transactions are taken to capital. Futures contracts are used to reduce the risks associated with the market risk of the equity portfolio and to align the sub-fund's exposures to market movements with that of the sub-fund's benchmarks.

The sub-fund is able to use traded options for Efficient Portfolio Management purposes only, thus always hedging up to the amount of stock which is physically owned. The purpose of undertaking these contracts is to protect the Portfolio from a downturn in the market as far as possible.

Alternatives Risk

Some alternative investments may have lower trading volumes than other securities. In some cases this may make such investments harder to sell at the last quoted market price, or at a price considered to be fair. Such conditions could result in unpredictable changes in the value of your holding.

Currency Risk

Currency risk is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in foreign currency exchange rates.

A proportion of the sub-fund's investment portfolios are invested in overseas securities and the balance sheet can be affected by movements in foreign exchange rates. The Operator may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the sterling value of investments that are priced in other currencies. Revenue received in other currencies is converted to sterling on or near the date of receipt.

15. Risk Management Policies and Disclosures (continued)

Currency exposure as at 31st December 2023

	Monetary Exposure £	Non-Monetary Exposure £	Total £	%
Australian dollar	–	335,353	335,353	0.31
Canadian dollar	1,799	282,768	284,567	0.26
Danish kroner	3,435	–	3,435	–
Euro	24,650	1,228,294	1,252,944	1.15
Hong Kong dollar	–	707,858	707,858	0.65
Japanese yen	(1)	1,118,547	1,118,546	1.02
Norwegian krone	–	750,726	750,726	0.69
Swiss franc	9,085	589,859	598,944	0.55
US dollar	99,003	13,660,000	13,759,003	12.63
	137,971	18,673,405	18,811,376	17.26
Sterling	2,819,462	87,329,034	90,148,496	82.74
	2,957,433	106,002,439	108,959,872	100.00

Currency exposure as at 31st December 2022

	Monetary Exposure £	Non-Monetary Exposure £	Total £	%
Australian dollar	–	196,517	196,517	0.19
Canadian dollar	–	331,342	331,342	0.32
Danish kroner	3,526	–	3,526	–
Euro	17,056	1,257,946	1,275,002	1.25
Hong Kong dollar	–	599,742	599,742	0.59
Japanese yen	–	264,131	264,131	0.26
Swiss franc	8,758	287,846	296,604	0.29
US dollar	3,974	6,200,038	6,204,012	6.06
	33,314	9,137,562	9,170,876	8.96
Sterling	9,157,529	83,978,659	93,136,188	91.04
	9,190,843	93,116,221	102,307,064	100.00

Credit Risk

Certain transactions in securities that the sub-fund enters into exposes it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the sub-fund has fulfilled its responsibilities. The sub-fund only buys and sells investments through brokers which have been approved by the Operator as an acceptable counterparty. In addition, limits are set to the exposure to any individual broker that may exist at any time and changes in brokers' financial ratings are reviewed. Bonds or other debt securities involve credit risk to the issuer which may be evidenced by the issuer's credit rating. Securities which are subordinated and/or have a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than more highly rated securities.

This risk is managed by appraising the credit profile of financial instruments and issuers in line with the sub-fund's investment objective and policy.

Exposure to counterparties through derivative positions and the collateral held at the balance sheet date can be seen on page 82.

15. Risk Management Policies and Disclosures (continued)

Liquidity Risk

The sub-fund's assets comprise mainly of readily realisable securities. The main liability of the sub-fund is the redemption of any units over and above the cash holdings that investors wish to sell. Assets of the sub-fund may need to be sold if insufficient cash is available to finance such redemptions.

As the sub-fund has significant holdings in readily realisable level 1 and level 2 securities, it is expected that the sub-fund will be able to generate sufficient cash flows to settle these obligations when they arise.

The Operator reserves the right to defer redemptions where there is a net outflow representing 10% of the NAV or more on a single dealing day.

Interest Rate Risk

Interest rate risk is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in interest rates. The sub-fund invests in fixed and floating rate securities. The revenue of the sub-fund may be affected by changes to interest rates relevant to particular securities or as a result of the Operator being unable to secure similar returns on the expiry of contracts or sale of securities. The value of fixed interest securities may be affected by interest rate movements or the expectation of such movements in the future. Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates.

Interest Rate Risk Profile of the sub-fund's Assets and Liabilities:

	Floating Rate Financial Assets	Fixed Rate Financial Assets	Financial Assets not carrying interest	Total
31st December 2023	£	£	£	£
Australian dollar	–	–	335,353	335,353
Canadian dollar	1,799	–	282,768	284,567
Danish kroner	–	–	3,435	3,435
Euro	6,707	–	2,027,940	2,034,647
Hong Kong dollar	–	–	707,858	707,858
Japanese yen	–	–	1,118,547	1,118,547
Norwegian krone	–	–	750,726	750,726
Sterling	13,541,122	59,304,603	18,309,379	91,155,104
Swiss franc	–	–	598,944	598,944
US dollar	599,366	1,194,144	19,326,169	21,119,679
	14,148,994	60,498,747	43,461,119	118,108,860

	Floating Rate Financial Liabilities	Fixed Rate Financial Liabilities	Financial Liabilities not carrying interest	Total
31st December 2023	£	£	£	£
Euro	(6,707)	–	(774,996)	(781,703)
Japanese yen	–	–	(1)	(1)
Sterling	–	–	(1,006,608)	(1,006,608)
US dollar	(7,725)	–	(7,352,951)	(7,360,676)
	(14,432)	–	(9,134,556)	(9,148,988)

15. Risk Management Policies and Disclosures (continued)

Interest Rate Risk Profile of the sub-fund's Assets and Liabilities:

	Floating Rate Financial Assets	Fixed Rate Financial Assets	Financial Assets not carrying interest	Total
	£	£	£	£
31st December 2022				
Australian dollar	–	–	196,517	196,517
Canadian dollar	–	–	331,342	331,342
Danish kroner	–	–	3,526	3,526
Euro	6,867	–	1,889,007	1,895,874
Hong Kong dollar	–	–	599,742	599,742
Japanese yen	–	–	264,131	264,131
Sterling	13,338,747	50,832,923	29,892,576	94,064,246
Swiss franc	–	–	296,604	296,604
US dollar	595,090	2,122,918	8,993,457	11,711,465
	13,940,704	52,955,841	42,466,902	109,363,447
	Floating Rate Financial Liabilities	Fixed Rate Financial Liabilities	Financial Liabilities not carrying interest	Total
	£	£	£	£
31st December 2022				
Euro	(6,849)	–	(614,023)	(620,872)
Sterling	–	–	(928,058)	(928,058)
US dollar	(8,357)	–	(5,499,096)	(5,507,453)
	(15,206)	–	(7,041,177)	(7,056,383)

Fair Value of Financial Assets and Liabilities

The fair value of a financial instrument is the amount for which it could be exchanged between knowledgeable, willing parties in an arm's length transaction. There is no significant difference between the value of the financial assets and liabilities, as shown in the financial statements, and their fair value.

Valuation technique as at 31st December 2023

	Level 1 £	Level 2 £	Level 3 £	Total £
Financial Assets				
Collective Investment Schemes	4,570,638	2,860,622	–	7,431,260
Debt Securities	32,678,859	38,970,177	–	71,649,036
Equities	26,806,032	–	101,889	26,907,921
Forward Currency Contracts	–	12,494	–	12,494
Options	6,189	–	–	6,189
	64,061,718	41,843,293	101,889	106,006,900

15. Risk Management Policies and Disclosures (continued)

Valuation technique as at 31st December 2023

	Level 1	Level 2	Level 3	Total
	£	£	£	£
Financial Liabilities				
Forward Currency Contracts	–	(3,261)	–	(3,261)
Options	(1,200)	–	–	(1,200)
	(1,200)	(3,261)	–	(4,461)

Valuation technique as at 31st December 2022

	Level 1	Level 2	Level 3	Total
	£	£	£	£
Financial Assets				
Collective Investment Schemes	878,620	7,032,461	–	7,911,081
Debt Securities	25,229,330	32,817,575	–	58,046,905
Equities	27,306,481	–	–	27,306,481
	53,414,431	39,850,036	–	93,264,467
Financial Liabilities				
Forward Currency Contracts	–	(148,246)	–	(148,246)
	–	(148,246)	–	(148,246)

The valuation technique has been disclosed under Accounting Policies note 1o on page 23 .

Level 1

The unadjusted quoted price in an active market for identical instruments that the entity can access at the measurement date.

Level 2

Valuation techniques using observable inputs other than quoted prices within Level 1 (i.e., developed using market data).

Level 3

Valuation techniques using unobservable inputs (i.e., for which market data is unavailable). Investments classified as using inputs that are not based on observable market data comprise fair value adjusted securities. For information on the basis of fair valuation of investments for these securities and the valuation process undertaken, please refer to note 1o of the Accounting Policies. Level 3 instruments comprise an investment in Home REIT. The Investment Manager's Investment Risk Committee (IRC) believe that there is realisable value attributable to the underlying portfolio of Home REIT and have applied a discount to estimated net asset value in estimating fair value as at 31 December 2023.

15. Risk Management Policies and Disclosures (continued)

Counterparty Risk

During the year, the sub-fund made use of 'Over The Counter' (OTC) Derivative Instruments. These types of transactions introduce counterparty risk, where a counterparty may fail to meet its financial commitments.

In order to reduce this risk, collateral may be held by the sub-fund. The counterparties to these transactions and any collateral held by the sub-fund as at 31st December 2023 is shown below (31st December 2022: nil):

Counterparty Name as at 31st December 2023	Exposure £	Cash Collateral (Pledged)/ Received £
The Bank of New York Mellon	12,494	—

Positive exposure represents the mark to market value of derivative contracts and the sub-fund's exposure to that counterparty.

16. Portfolio Transaction Costs

	01.01.2023 to 31.12.2023 £	01.01.2022 to 31.12.2022 £
Analysis of total purchase costs:		
Purchases in year before transaction costs		
Bonds	70,975,219	54,672,177
Collective Investment Schemes	4,524,033	3,674,401
Corporate Actions	157,273	1,192,042
Derivatives	253,528	49,576
Equities	18,607,481	7,812,710
Total purchases	94,517,534	67,400,906
Commissions:		
Collective Investment Schemes total value paid	—	—
Equities total value paid	6,752	4,472
Taxes:		
Collective Investment Schemes total value paid	1	—
Equities total value paid	6	2
Total purchase costs	6,759	4,474
Gross purchase costs	94,524,293	67,405,380

16. Portfolio Transaction Costs (continued)

Analysis of total sale costs:

Gross sales in year before transaction costs

Bonds	57,091,426	67,075,754
Collective Investment Schemes	5,195,367	1,737,459
Corporate Actions	149,244	3,482,975
Derivatives	132,794	91,638
Equities	17,557,809	28,155,274
Total sales	80,126,640	100,543,100
Commissions:		
Collective Investment Schemes total value paid	—	—
Equities total value paid	(5,939)	(9,011)
Taxes:		
Collective Investment Schemes total value paid	—	—
Equities total value paid	(12)	(19)
Total sales costs	(5,951)	(9,030)
Total sales net of transaction costs	80,120,689	100,534,070

01.01.2023	01.01.2022
to	to
31.12.2023	31.12.2022
%	%

Analysis of total purchase costs:

Commissions:

Equities percentage of average NAV ¹	0.01	—
---	------	---

Taxes:

Equities percentage of average NAV ¹	—	—
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Analysis of total sale costs:

Commissions:

Equities percentage of average NAV ¹	0.01	0.01
---	------	------

Taxes:

Equities percentage of average NAV ¹	—	—
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The average portfolio dealing spread as at 31st December 2023 was 0.29% (31st December 2022: 0.41%).

¹ Excluding dilution levies.**17. Post Balance Sheet Events**

The Operator has applied a 10% threshold to the disclosure of post year end movements in the net asset value per unit of the sub-fund from the year end date to the date of signing. This consideration takes into account routine transactions but also significant market movements. There are no unit classes where the net asset value per unit has moved by greater than 10%, therefore, there are no post balance sheet net asset value movements which require disclosure at the year end.

Distribution Tables

For the year ended 31st December 2023

First Interim distribution in pence per unit

Group 1: Units purchased prior to 1st January 2023

Group 2: Units purchased between 1st January 2023 and 31st March 2023

Unit	Net Revenue 2023 Pence per Unit	Equalisation (note 12) 2023 Pence per Unit	1st Interim Distribution Paid 2023 Pence per Unit	1st Interim Distribution Paid 2022 Pence per Unit
A Income Units				
Group 1	0.8878	—	0.8878	0.7925
Group 2	0.8878	—	0.8878	0.7925
A Accumulation Units				
Group 1	1.7853	—	1.7853	1.5111
Group 2	1.7853	—	1.7853	1.5111
V Accumulation Units				
Group 1	0.7016	—	0.7016	0.6930
Group 2	0.7016	—	0.7016	0.6930

Second Interim distribution in pence per unit

Group 1: Units purchased prior to 1st April 2023

Group 2: Units purchased between 1st April 2023 and 30th June 2023

Unit	Net Revenue 2023 Pence per Unit	Equalisation (note 12) 2023 Pence per Unit	2nd Interim Distribution Paid 2023 Pence per Unit	2nd Interim Distribution Paid 2022 Pence per Unit
A Income Units				
Group 1	1.0276	—	1.0276	0.9547
Group 2	1.0276	—	1.0276	0.9547
A Accumulation Units				
Group 1	2.0956	—	2.0956	1.8641
Group 2	2.0956	—	2.0956	1.8641
V Accumulation Units				
Group 1	0.9477	—	0.9477	0.8461
Group 2	0.9477	—	0.9477	0.8461

Third Interim distribution in pence per unit

Group 1: Units purchased prior to 1st July 2023

Group 2: Units purchased between 1st July 2023 and 30th September 2023

Unit	Net Revenue 2023 Pence per Unit	Equalisation (note 12) 2023 Pence per Unit	3rd Interim Distribution Paid 2023 Pence per Unit	3rd Interim Distribution Paid 2022 Pence per Unit
A Income Units				
Group 1	0.8650	—	0.8650	0.8367
Group 2	0.8650	—	0.8650	0.8367
A Accumulation Units				
Group 1	1.7815	—	1.7815	1.6421
Group 2	1.7815	—	1.7815	1.6421
V Accumulation Units				
Group 1	0.8083	—	0.8083	0.7440
Group 2	0.8083	—	0.8083	0.7440

Final distribution in pence per unit

Group 1: Units purchased prior to 1st October 2023

Group 2: Units purchased between 1st October 2023 and 31st December 2023

Unit	Net Revenue 2023 Pence per Unit	Equalisation (note 12) 2023 Pence per Unit	Final Distribution Paid 2024 Pence per Unit	Final Distribution Paid 2023 Pence per Unit
A Income Units				
Group 1	0.8759	—	0.8759	0.8712
Group 2	0.8759	—	0.8759	0.8712
A Accumulation Units				
Group 1	1.8209	—	1.8209	1.7659
Group 2	1.8209	—	1.8209	1.7659
V Accumulation Units				
Group 1	0.8288	—	0.8288	0.7871
Group 2	0.8288	—	0.8288	0.7871

Sarasin Climate Active Endowments Fund

**Annual Report and Financial Statements for the year from
01.01.2023 to 31.12.2023**

Investment Objective of the Sub-fund as set by the Board

We seek to grow the sub-fund (through increases in investment value and income) by 4.0% per year more than the Consumer Prices Index (CPI) over a rolling 5-year period after deducting fees and costs.

This target is not guaranteed over any period of time and the sub-fund could lose value.

Investment Policy of the Sub-fund

Investments

We invest the sub-fund approximately as follows:

- Shares: 70% in 40-70 companies listed on major stock exchanges around the world.
- Bonds: 15%

Up to 20% of the bonds we invest in can be rated higher risk by external ratings agencies but the majority are rated as 'investment grade'.

- Real estate investments: 5%
- Cash or Alternatives: 10%

Exposure to any of the above asset classes may be obtained through investment in funds (including funds managed by Sarasin).

Alternatives include, but are not limited to, infrastructure, commodities and private equity/venture capital which may be accessed through listed investment trusts and open-ended funds or other financial instruments.

We also invest in derivatives and use them to increase performance and generate income. Derivatives are financial contracts whose value is linked to the price of another asset (e.g. indices, rates, share prices, currencies).

Investment Selection

We identify the long-term investment themes that drive growth and lead to disruption in global economies and industries, and will shape the world in which we live and invest. We select companies based on our own analysis of which are most likely to benefit from our themes, and are well placed to grow their revenues and cash flows as a result of them.

The strategic asset mix of the sub-fund (as defined by the blended benchmark) sets out how the portfolio will be allocated in normal market conditions. However, the sub-fund is managed on an active basis and when there is a strong sentiment, positive or negative, on a particular asset class or classes, the Investment Manager will actively deviate away from this asset mix and the securities in the underlying indices to try to meet the investment objective. The sub-fund's investments can be from any country/region, sector or industry. Investments are selected to align with the goal of the Paris Climate Change Agreement to keep global temperature increases to well below 2 degrees Celsius above pre-industrial times.

Investment Screening

We avoid investment in companies which are materially engaged in certain sectors, including thermal coal, the extraction of fossil fuel from tar sands, tobacco, alcohol, armaments, gambling and adult entertainment. Further detail on how we do this is available on our website at www.sarasinandpartners.com.

We have an environmental, social & governance strategy. We consider which investments are likely to benefit from the transition to a lower carbon economy and those which may be at risk.

We also look to engage with companies we invest in, particularly those whose activities could significantly impact climate change. We may divest if we believe those companies are not sufficiently addressing the material risks associated with climate change.

Additional Techniques

In addition to being able to use derivatives for investment purposes as described above, we will use derivatives for effective portfolio management: to adjust how sensitive the sub-fund is to changes in currencies, to act on opportunities or control risk, and to gain cost-effective access to investments. We usually aim for the sub-fund's exposure to Sterling to be the same as the blended benchmark. We use an income reserve to smooth the income we pay over time.

Benchmark Information

The sub-fund's performance can be assessed by reference to:

- Comparator benchmark reflective of the asset allocation of the sub-fund.

Benchmark	Allocation
ICE BofA UK Gilts All-Stocks Index	7.50%
ICE BofA Sterling Corporate and Collateralised Index	7.50%
Sterling Overnight Interbank Average Rate (SONIA)+2%	10.00%
MSCI All Countries World Index (Local Currency) (GBP)	10.00%
MSCI All Countries World Index Daily (Net Total Return)	60.00%
MSCI All Balanced Property Funds Index (One Quarter Lagged)	5.00%

- The target benchmark of CPI +4% over a rolling 5-year period after deducting fees and costs. CPI is a measure of inflation. If the sub-fund's performance matched CPI over a year, an investment in the sub-fund would provide approximately the same purchasing power as it would have provided a year earlier. The sub-fund will seek to outperform the CPI by 4.0% per year to provide real growth.

Investment Manager's Review

Sub-fund Performance

Cumulative performance		1 yr	3 yrs	5 yrs	Since Inception
		01 Jan 23 - 31 Dec 23	01 Jan 21 - 31 Dec 23	01 Jan 19 - 31 Dec 23	16 Feb 18 - 31 Dec 23
		%	%	%	%
Fund	A Accumulation Units (Net)	8.00	6.80	42.20	39.80
Comparator	Index	11.90	18.40	49.70	45.80

Discrete performance		01 Jan 23 - 31 Dec 23	01 Jan 22 - 31 Dec 22	01 Jan 21 - 31 Dec 21	01 Jan 20 - 31 Dec 20	01 Jan 19 - 31 Dec 19
		%	%	%	%	%
Fund	A Accumulation Units (Net)	8.00	-10.80	10.80	10.30	20.70
Comparator	Index	11.90	-6.90	13.70	6.80	18.50

Annualised Performance		5 yrs
		01 Jan 19 - 31 Dec 23
		%
Fund	A Accumulation Units (Net)	7.30
Target	CPI+4%	8.50

Source: Sarasin & Partners LLP and FE Fundinfo.

Performance is provided net of fees. Past performance is not a guide to future returns and may not be repeated. Performance is calculated in GBP on the basis of net asset values (NAV) and dividends reinvested.

Class A Accumulation Units has been used as the representative share class in the table above, which launched on 16th February 2018.

The comparator of this sub-fund has changed over time, for a full history please visit: <https://sarasinandpartners.com/wp-content/uploads/2020/05/benchmark-history.pdf>. Please note that the performance target is to be achieved over a specific annualised time period - refer to the investment objective above.

From 1 June 2023, the portfolio started using a different stock market benchmark index (benchmark) with a broader global focus. This enables us to choose from a wider and more diversified range of investments.

Performance figures for other share classes in issue can be obtained by contacting marketing@sarasin.co.uk.

Performance

The sub-fund returned +8.00% (net of charges) for the 12-month period ended 31 December 2023, versus +11.90% for the comparator benchmark.

Review

Stock markets around the world started 2023 well, as economic data proved better than anticipated. This pattern continued as inflation continued to fall in major economies, although the declines were less than hoped and this raised fears of further interest rate rises. Greater stability returned in the closing months, with inflation appearing to be under greater control and central banks leaving interest rates on hold.

Investment Manager's Review (continued)

Review (continued)

Equity markets benefited from strength in the technology sector, with particularly positive performance among companies involved in artificial intelligence (AI). Energy shares fluctuated as concerns grew over geopolitical tensions and the possible impact of this on global supply chains. However, this issue became less of a concern to markets as the year progressed.

Among the factors influencing investor demand and company performance were mixed views on whether an economic recovery was under way in China.

Bonds were weak for much of the year, meaning yields – which are higher when bond prices fall – were driven higher by inflation and interest rate movements.

Gold generally performed well throughout the year, benefiting from its status as a safe haven in times of market turmoil, and in reaction to a weakening of the US dollar. Slowing economic growth for much of the year held back returns on many commodities, while alternative investments such as infrastructure performed positively in the latter part of 2023 as market expectations for interest rates started to fall.

Positives

Our holdings in gold performed well as a diversifying asset for the sub-fund during the year. Gold has been in demand as central banks increase their gold reserves and investors seek safe havens at a time of rising geopolitical tensions. In the last two months of the year, the price of gold surged as government bond yields fell.

Our holdings in technology stocks performed well during the year. The position in Broadcom, a chip designer involved in AI functionality, had a positive impact on sub-fund returns. The company's share price responded dramatically to strong interest in AI technology.

The sub-fund's position in US-based National Instruments, an automated test equipment manufacturer, contributed positively to returns as its share price rose in following a bid for the company by Emerson Electric.

Microsoft's share price ended the year strongly following good third-quarter results for its Azure and OpenAI products. There were signs of a return to growth in cloud technology which suggests that weakness in IT spending has now bottomed out.

Another positive performance contributor was Alphabet 'A', owner of Google. The share price dipped in February but rallied in March when investors moved capital from financial stocks into major technology companies. The shares then received a significant boost in July, following a strong quarterly earnings report.

Our holding in France-based industrial gases and services provider Air Liquide supported returns after reporting strong performance in 2022 despite challenging geopolitical and economic conditions.

Negatives

Our holdings in infrastructure funds performed poorly for most of the year. Their long-term cash flows mean they have similar qualities to long-dated government bonds, so higher bond yields meant lower infrastructure share prices. However, the rally in bonds at the end of the year reversed this and supported a recovery in infrastructure investments.

US-based International Flavors and Fragrances (IFF) detracted from returns. The company issued a profit warning that resulted in cuts to earnings expectations alongside loss of management credibility. Some of IFF's largest customers have been reducing their inventories, causing a fall in demand for IFF's products and falling cashflows.

Asian-based insurer AIA Group's share price fell on disappointing 2022 annual results, although the company saw the reopening of China's economy as a positive for 2023. However, slow progress in China's economic recovery was a drag on AIA Group's performance. Despite weaker sentiment on China, AIA Group's underlying business continues to make progress.

Our holding in renewable energy specialist Orsted detracted from returns. The company released disappointing results that included a reduction in the value of its US-based assets due to interest rate rises and supply chain issues.

Finally, our position in pharmaceutical company Takeda Pharmaceutical Company weighed on the sub-fund's performance. The company cut its profit forecast on the loss of patent protection of key products and a disappointing drug development pipeline compared to expectations.

Transactions

We added to the position in Tetra Tech, a global provider of consulting and engineering services. There is growing interest in heat and water infrastructure, and this is likely to increase the focus on Tetra Tech's competencies.

We invested in Daikin Industries, the air conditioning and heat pump manufacturer. As climate change leads to more heat variability, households are likely to prioritise heating and cooling solutions in a manner that they haven't in the past.

Following the adjustment to the sub-fund's benchmark in June, the sub-fund reduced its exposure to UK companies, selling holdings in AstraZeneca and Lloyds Banking Group, among others.

We sold our position in test equipment maker National Instruments after it was bought by Emerson Electric.

Other exits from the sub-fund included selling our holding in the firewall and digital security company Palo Alto Networks. It has performed well, but we had concerns over the company's ability to increase revenues.

Investment Manager's Review (continued)

Review (continued)

Finally, we disposed of our position in biotechnology company CSL. We felt that issues affecting staffing and blood plasma donations may persist. Furthermore, the company's stock market valuation is fairly high and we have exposure to the healthcare sector elsewhere in the portfolio.

Outlook

We expect inflation in the US and Europe to slow during 2024 and end the year close to central banks' targets of 2%. That means central banks can reduce interest rates, which had been their main weapon in the battle to bring down inflation. Lower interest rates should help to boost economic growth.

It is, however, worth noting that stock markets could be subject to a number of political threats in 2024. Conflict is unfortunately on the rise, particularly in Gaza, between Russia and Ukraine, and in Africa. In the US, the build-up and outcome of the presidential election could cause stock market upheavals.

Overall, we believe company shares should benefit from the more resilient economic conditions forecast for 2024. Our investment focus continues to be on higher-quality shares that provide a degree of stability to the sub-fund. We also spread risk across the portfolio by investing in companies that we believe have enduring long-term business strategies.

For the year ahead, we are optimistic about the returns available from most assets as financial conditions loosen and economic risks remain contained. That leads us to favour equities and investment-grade corporate bonds, with a preference for good-quality investments that are likely to benefit from lower interest rates.

Melanie Roberts
Partner & Head of Charities
Sarasin & Partners LLP
24th January 2024

All opinions and estimates contained in this Review constitute the Company's judgement and view as of the date of the report and are subject to change without notice.

Sensitivity analysis

The sub-fund invests in equities and bonds. The exposure to equity markets is then reduced through the use of short futures and options. Exposure to foreign currencies is also altered through the use of forwards and occasionally options. The level of equity exposure varies over time depending on how positive the manager is; generally, the level has been in the range of 30-70%.

Options are used on individual stocks to implement views on specific stocks. Listed options or futures on bond indices are occasionally used to implement yield curve views.

Sarasin uses FactSet to measure sub-fund risk. The FactSet multi-asset class (MAC) risk framework is a set of tools that investors can utilise to estimate, monitor, and control the exposure of their portfolios to market risk (either on an absolute basis or relative to a benchmark) using a Monte Carlo simulation methodology.

The Value at Risk (VaR) is a statistical technique used to measure and quantify the level of risk within an investment portfolio over a specific timeframe.

The VaR statistic adopted for Sarasin Funds is the "99% / 20-day VaR" model. To calculate this figure, FactSet rank the distribution and then calculate the VaR figure based on the 99th percentile. This is intended to show, with a 99% degree of confidence, the maximum amount that might be lost over a 20-day period.

The "99% / 20-day VaR" for Sarasin Climate Active Endowments Fund, as at 29th December 2023, was 5.89% (31st December 2022: 6.94%). The lowest, highest, and average utilisation in the year was 5.89%, 7.24% and 6.50%, respectively (31st December 2022: 6.94%, 15.77% and 9.14%, respectively).

Top 20 Purchases during the year¹

Alphabet 'A'
Amazon.com
Invesco Physical Gold
Apple
Home Depot
Storebrand Emerging Market
Daikin Industries
NVIDIA
Palo Alto Networks
Thermo Fisher Scientific
Prologis
Keyence
American Tower
Meta Platforms 'A'
United Kingdom Gilt 3.75% 29/01/2038
Hydro One
CME Group
Deere & Company
Orsted
Lynas Rare Earths

Top 20 Sales during the year¹

National Instruments
AstraZeneca
Neuberger Berman Uncorrelated Strategies 'I5' GBP Accumulation
Unilever
Broadcom
Palo Alto Networks
CME Group
Bank of Nova Scotia
International Flavors & Fragrances
Schneider Electric
HSBC
United Kingdom Gilt 4.25% 7/12/2027
United Kingdom Gilt 5% 7/03/2025
Sarasin UK Thematic Smaller Companies
Microsoft
3i
Prudential
Orsted
Brevan Howard Absolute Return Government Bond 'A' GBP Acc
EssilorLuxottica

¹Excluding money market funds.

Sub-fund Information for the year ended 31st December 2023

Size (Units)		Unit Type	Mid Price	Yield*
372,570,492		A Income Units	120.00 pence	2.64%
8,205,135		A Accumulation Units	340.00 pence	2.60%
4,125,903		V Accumulation Units	103.00 pence	2.98%
Launch Date		A Unit Class: 16th February 2018 V Unit Class: 10th May 2021		
Launch Price		A Income Units: 101.70 pence A Accumulation Units: 243.10 pence V Accumulation Units: 98.77 pence		
Management Charges	Annual:	A Unit Class: 0.75% V Unit Class: 0.40%		
	Initial:	A Unit Class: 0.00% V Unit Class: 0.00%		
Unit Types		Income & Accumulation Units		
Accounting Period Ends	Interim:	31st March		
	Interim:	30th June		
	Interim:	30th September		
	Final:	31st December		
Initial Minimum Investment:	£1,000			

* The yield shown is the historic yield and is calculated by taking the distribution rate for the last four distributions, multiplied by 100 and divided by the mid price of the units.

The Comparative Tables on pages 93 to 95 give the performance of each active unit class in the sub-fund.

The 'Return after charges' disclosed in the Comparative Tables is calculated as the return after operating charges per unit divided by the opening net asset value per unit. It differs from the sub-fund's performance disclosed in the Investment Manager's Review, which is calculated based on the latest published price.

Portfolio transaction costs are incurred when investments are bought or sold by a fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the sub-fund.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades.

In addition, there are indirect portfolio transaction costs arising from the 'dealing spread' – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by the fund on each transaction, other types of investments (such as bonds, money instruments, derivatives, collective investment schemes) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and money market sentiment.

Sub-fund Information for the year ended 31st December 2023 (continued)
Comparative Tables
A Income Units
Change in Net Asset Value per Unit

	2023 (pence per unit)	2022 (pence per unit)	2021¹ (pence per unit)
Opening net asset value per unit	112.51	130.12	120.61
Return before operating charges*	10.32	(13.31)	13.83
Operating charges (calculated on average price)	(1.09)	(1.13)	(1.15)
Return after operating charges*	9.23	(14.44)	12.68
Distributions on income units	(3.17)	(3.17)	(3.17)
Closing net asset value per unit	118.57	112.51	130.12
* after direct transaction costs of ² :	0.03	0.04	0.01

Performance

Return after charges ³	8.20%	(11.10)%	10.51%
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Other Information

Closing net asset value (£'000)	441,763	414,551	459,908
Closing number of units	372,570,492	368,455,859	353,461,424
Operating charges ⁴	0.94%	0.95%	0.92%
Direct transaction costs	0.03%	0.03%	0.01%

Prices⁵

Highest unit price	119.80	130.70	131.30
Lowest unit price	110.00	107.59	118.00

¹ Values have been restated to include a valuation adjustment on The Charities Property holding as of 31st December 2021.

² Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution levies that relate to direct transaction costs. A negative transaction cost figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

³ The return after charges is calculated as the return after operating charges per unit divided by the opening net asset value per unit.

⁴ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures. Included in the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. For Sarasin Climate Active Endowment Fund, 0.13% of the Operating Charges was made up of synthetic costs.

⁵ Highest and lowest unit prices are based on published prices.

Sub-fund Information for the year ended 31st December 2023 (continued)
Comparative Tables (continued)
A Accumulation Units
Change in Net Asset Value per Unit

	2023 (pence per unit)	2022 (pence per unit)	2021¹ (pence per unit)
Opening net asset value per unit	312.87	352.05	318.23
Return before operating charges*	29.01	(36.11)	36.88
Operating charges (calculated on average price)	(3.05)	(3.07)	(3.06)
Return after operating charges*	25.96	(39.18)	33.82
Distributions	(8.83)	(8.66)	(8.44)
Retained distributions on accumulation units	8.83	8.66	8.44
Closing net asset value per unit	338.83	312.87	352.05
* after direct transaction costs of ² :	0.09	0.11	0.04
Performance			
Return after charges ³	8.30%	(11.13)%	10.63%
Other Information			
Closing net asset value (£'000)	27,801	51,253	48,218
Closing number of units	8,205,135	16,381,650	13,696,522
Operating charges ⁴	0.94%	0.95%	0.92%
Direct transaction costs	0.03%	0.03%	0.01%
Prices⁵			
Highest unit price	339.90	353.64	353.10
Lowest unit price	312.10	297.07	311.10

¹ Values have been restated to include a valuation adjustment on The Charities Property holding as of 31st December 2021.

² Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution levies that relate to direct transaction costs.

A negative transaction cost figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

³ The return after charges is calculated as the return after operating charges per unit divided by the opening net asset value per unit.

⁴ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures. Included in the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. For Sarasin Climate Active Endowment Fund, 0.13% of the Operating Charges was made up of synthetic costs.

⁵ Highest and lowest unit prices are based on published prices.

Sub-fund Information for the year ended 31st December 2023 (continued)
Comparative Tables (continued)
V Accumulation Units
Change in Net Asset Value per Unit

	2023 (pence per unit)	2022 (pence per unit)	2021^{1,2} (pence per unit)
Opening net asset value per unit	94.06	106.26	98.77
Return before operating charges*	8.75	(11.62)	8.07
Operating charges (calculated on average price)	(0.58)	0.58	(0.58)
Return after operating charges*	8.17	(12.20)	7.49
Distributions	(3.07)	(2.60)	(1.57)
Retained distributions on accumulation units	(3.07)	2.60	1.57
Closing net asset value per unit	102.23	94.06	106.26
* after direct transaction costs of ³ :	0.03	0.03	0.01

Performance

Return after charges ⁴	8.69%	(11.48)%	7.58%
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Other Information

Closing net asset value (£'000)	4,218	3,889	4,401
Closing number of units	4,125,903	4,134,212	4,141,655
Operating charges ⁵	0.59%	0.60%	0.57%
Direct transaction costs	0.03%	0.03%	0.01%

Prices⁶

Highest unit price	102.60	106.74	106.60
Lowest unit price	94.09	89.39	97.31

¹ Values have been restated to include a valuation adjustment on The Charities Property holding as of 31st December 2021.

² Unit class became active 10th May 2021. Value shown is the opening net asset value as at this date.

³ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution levies that relate to direct transaction costs. A negative transaction cost figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

⁴ The return after charges is calculated as the return after operating charges per unit divided by the opening net asset value per unit.

⁵ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures. Included in the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. For Sarasin Climate Active Endowment Fund, 0.13% of the Operating Charges was made up of synthetic costs.

⁶ Highest and lowest unit prices are based on published prices.

Portfolio Statement as at 31st December 2023

Holding or Nominal Value	Investment	Bid Market Value (£)	% of Net Assets
Sterling Government Bonds 4.74% (31 December 2022 - 4.80%)			
£3,751,086	United Kingdom Gilt 4.25% 07/12/2049	3,813,448	0.80
£3,620,000	United Kingdom Gilt 4.25% 07/12/2040	3,718,725	0.78
£3,590,000	United Kingdom Gilt 3.25% 22/01/2044	3,162,431	0.67
£2,495,000	United Kingdom Gilt 4.75% 07/12/2030	2,701,511	0.57
£1,790,000	United Kingdom Gilt 4.25% 07/03/2036	1,878,247	0.40
£1,750,000	United Kingdom Gilt 4.00% 22/01/2060	1,731,774	0.37
£1,530,000	United Kingdom Gilt 4.25% 07/12/2046	1,554,633	0.33
£1,180,000	United Kingdom Gilt 4.25% 07/06/2032	1,249,254	0.26
£1,000,000	United Kingdom Gilt 4.50% 07/09/2034	1,074,600	0.23
£1,390,000	United Kingdom Gilt 2.50% 22/07/2065	971,473	0.21
£655,000	United Kingdom Gilt 3.50% 22/07/2068	588,666	0.12
		22,444,762	4.74
Sterling Corporate Bonds 6.31% (31 December 2022 - 4.19%)			
£1,755,000	Lloyds Banking Group 8.50% Perpetual	1,777,839	0.38
£1,440,000	NatWest Group 5.125% Perpetual	1,291,870	0.27
£1,340,000	HSBC Holdings 5.875% Perpetual	1,269,650	0.27
£860,000	Barclays 6.369% 31/01/2031	891,631	0.19
£800,000	NIE Finance 6.375% 02/06/2026	827,701	0.17
£870,000	Vodafone Group 5.125% 02/12/2052	824,071	0.17
£800,000	University of Manchester 4.25% 04/07/2053	772,582	0.16
£800,000	Bazalgette Finance 2.375% 29/11/2027	735,190	0.15
£650,000	South Eastern Power Networks 6.375% 12/11/2031	728,156	0.15
£780,000	High Speed Rail Finance 1 4.375% 01/11/2038	727,795	0.15
£700,000	Anglian Water Services Financing 1.625% 10/08/2025	662,220	0.14
£730,000	Channel Link Enterprises Finance 3.043% 30/06/2050	649,242	0.14
£700,000	National Grid Electricity Transmission 1.375% 16/09/2026	644,693	0.14
£600,000	DWR Cymru Financing UK 6.015% 31/03/2028	632,232	0.13
£600,000	Anglian Water Services Financing 4.50% 22/02/2026	595,141	0.13
£500,000	SSE 8.375% 20/11/2028	585,661	0.12
£700,000	Peabody Capital No 2 2.75% 02/03/2034	578,180	0.12
£1,000,000	University College London 1.625% 04/06/2061	524,218	0.11
£500,000	HSBC Holdings 6.50% 20/05/2024	501,089	0.11
£600,000	United Utilities Water Finance 0.875% 28/10/2029	487,702	0.10
£500,000	Affordable Housing Finance 3.80% 20/05/2042	462,446	0.10
£522,885	TC Dudgeon Ofto 3.158% 12/11/2038	462,138	0.10
£580,000	Segro 2.875% 11/10/2037	461,130	0.10
£400,000	Scottish Power UK 6.375% 31/05/2041	442,838	0.09
£660,000	Vodafone Group 3.00% 12/08/2056	422,065	0.09
£400,000	Prudential Funding Asia 6.125% 19/12/2031	417,032	0.09
£390,000	NatWest Markets 6.625% 22/06/2026	403,829	0.09
£410,000	M&G 3.875% 20/07/2049	403,575	0.08
£400,000	Motability Operations Group 4.875% 17/01/2043	402,520	0.08
£400,000	Unite (USAF) II 3.921% 30/06/2030	389,306	0.08
£500,000	DWR Cymru Financing UK 2.375% 31/03/2034	374,050	0.08
£500,000	Penarian Housing Finance 3.212% 07/06/2052	372,340	0.08
£500,000	Cardiff University 3.00% 07/12/2055	368,135	0.08
£380,000	Virgin Money UK 4.00% 25/09/2026	364,724	0.08
£420,000	London & Quadrant Housing Trust 2.00% 31/03/2032	341,657	0.07

Portfolio Statement as at 31st December 2023 (Continued)

Holding or Nominal Value	Investment	Bid Market Value (£)	% of Net Assets
Sterling Corporate Bonds (continued)			
£400,000	Aviva 4.00% 03/06/2055	328,439	0.07
£329,653	UPP Bond 1 Issuer 4.902% 28/02/2040	319,550	0.07
£323,328	Greater Gabbard 4.137% 29/11/2032	313,549	0.07
£400,000	Scottish Hydro Electric Transmission 2.25% 27/09/2035	311,668	0.07
£380,000	Riverside Finance 3.875% 05/12/2044	306,367	0.06
£310,000	Severn Trent Utilities Finance 4.625% 30/11/2034	302,649	0.06
£500,000	University of Southampton 2.25% 11/04/2057	300,657	0.06
£300,000	Arqiva Financing 5.34% 30/06/2030	298,830	0.06
£300,000	NGG Finance 5.625% 18/06/2073	295,288	0.06
£271,400	Great Rolling Stock 6.875% 27/07/2035	292,282	0.06
£390,000	Notting Hill Genesis 2.00% 03/06/2036	282,845	0.06
£350,000	Affordable Housing Finance 2.893% 11/08/2045	281,460	0.06
£300,000	Legal & General Group 3.75% 26/11/2049	269,621	0.06
£300,000	Guinness Partnership 4.00% 24/10/2044	261,219	0.05
£275,419	Wods Transmission 3.446% 24/08/2034	259,342	0.05
£297,000	3i Group 3.75% 05/06/2040	237,903	0.05
£200,000	London Power Networks 5.875% 15/11/2040	220,291	0.05
£265,000	Retail Charity Bonds 3.50% 08/12/2033	216,638	0.05
£200,000	Legal & General Group 5.50% 27/06/2064	196,570	0.04
£200,000	Retail Charity Bonds 4.25% 30/03/2028	185,004	0.04
£200,000	Rothesay Life 6.875% Perpetual	179,970	0.04
£180,000	A2D Funding II 4.50% 30/09/2026	176,777	0.04
£200,000	Transport for London 3.875% 23/07/2042	174,432	0.04
£178,099	PRS Finance 1.75% 24/11/2026	167,029	0.04
£150,000	NatWest Markets 6.375% 07/12/2028	156,835	0.03
£160,000	InterContinental Hotels Group 3.75% 14/08/2025	155,829	0.03
£176,000	Retail Charity Bonds 3.90% 23/11/2029	155,459	0.03
£150,000	Wellcome Trust Finance 4.625% 25/07/2036	155,322	0.03
£162,000	Virgin Money UK 5.125% 11/12/2030	155,258	0.03
£152,000	Places for People Treasury 2.875% 17/08/2026	144,496	0.03
£126,000	United Utilities Water 5.625% 20/12/2027	130,615	0.03
USD150,000	Barclays Bank 0.063% Perpetual	117,863	0.02
£100,000	Places for People Homes 5.875% 23/05/2031	104,603	0.02
£100,000	RAC Bond 4.87% 06/05/2046	96,987	0.02
£100,000	Retail Charity Bonds 4.50% 20/06/2028	92,382	0.02
£100,000	Bazalgette Finance 2.75% 10/03/2034	82,410	0.02
£150,000	Northern Powergrid Northeast 1.875% 16/06/2062	78,187	0.02
£100,000	University of Leeds 3.125% 19/12/2050	77,894	0.02
£80,000	Retail Charity Bonds 4.40% 30/04/2027	76,057	0.02
£100,000	Northern Powergrid Northeast 3.25% 01/04/2052	75,146	0.02
£67,000	Retail Charity Bonds 5.00% 17/12/2030	55,771	0.01
£43,800	Retail Charity Bonds 3.25% 22/07/2031	33,403	0.01
		29,917,545	6.31
Overseas Bonds 2.93% (31 December 2022 - 2.65%)			
£1,000,000	Electricite de France 6.125% 02/06/2034	1,064,332	0.23
£800,000	Credit Agricole 6.375% 14/06/2031	861,096	0.18
£710,000	Morgan Stanley 5.789% 18/11/2033	755,050	0.16
£700,000	E.ON International Finance 5.875% 30/10/2037	747,569	0.16

Portfolio Statement as at 31st December 2023 (Continued)

Holding or Nominal Value	Investment	Bid Market Value (£)	% of Net Assets
Overseas Bonds (continued)			
£700,000	Electricite de France 5.50% 17/10/2041	686,270	0.15
£800,000	Verizon Communications 3.125% 02/11/2035	673,805	0.14
£600,000	BNP Paribas 5.75% 13/06/2032	631,842	0.13
£660,000	Fidelity National Information Services 2.25% 03/12/2029	578,576	0.12
£523,000	Credit Agricole 7.50% Perpetual	518,382	0.11
£480,000	John Deere Bank 5.125% 18/10/2028	500,561	0.11
£500,000	AT&T 4.375% 14/09/2029	493,031	0.10
USD640,000	Vena Energy Capital 3.133% 26/02/2025	486,403	0.10
£500,000	European Investment Bank 1.00% 21/09/2026	462,975	0.10
£440,000	Goldman Sachs Group 7.125% 07/08/2025	454,105	0.10
£480,000	AT&T 4.875% 01/06/2044	445,200	0.09
£400,000	Bank of America 7.00% 31/07/2028	441,232	0.09
£400,000	Goldman Sachs Group 7.25% 10/04/2028	437,431	0.09
£420,000	Verizon Communications 4.75% 17/02/2034	416,492	0.09
£350,000	AT&T 7.00% 30/04/2040	407,860	0.09
£410,000	Realty Income 1.875% 14/01/2027	376,006	0.08
£300,000	Bank of Ireland Group 7.594% 06/12/2032	312,541	0.07
USD400,000	Greenko Solar Mauritius 5.55% 29/01/2025	305,805	0.06
USD400,000	Indian Railway Finance 3.835% 13/12/2027	299,840	0.06
£320,000	CPUK Finance 3.69% 28/02/2047	299,125	0.06
£280,000	Cooperative Rabobank 4.625% 23/05/2029	271,273	0.06
£250,000	Wells Fargo & Company 2.50% 02/05/2029	223,801	0.05
£200,000	Welltower 4.50% 01/12/2034	188,861	0.04
USD200,000	Greenko Solar Mauritius 5.95% 29/07/2026	151,475	0.03
£200,000	Comcast 1.875% 20/02/2036	150,548	0.03
USD185,000	Greenko Dutch 3.85% 29/03/2026	134,977	0.03
£100,000	Digital Stout Holding 3.75% 17/10/2030	93,069	0.02
		13,869,533	2.93
UK Equities 5.44% (31 December 2022 - 20.34%)			
342,327	Compass Group	7,346,338	1.55
2,178,647	DS Smith	6,694,982	1.42
204,559	RELX	6,359,739	1.34
70,055	Reckitt Benckiser Group	3,796,981	0.80
1,799,739	Life Science REIT	1,133,836	0.24
2,916,674	Home REIT ¹	425,834	0.09
		25,757,710	5.44
Global Equities 64.69% (31 December 2022 - 48.98%)			
140,375	Alphabet 'A'	15,383,108	3.25
120,144	Amazon.com	14,319,640	3.02
37,329	Microsoft	11,007,486	2.32
151,464	Medtronic	9,791,455	2.07
55,625	American Tower	9,427,189	1.99
29,007	Deere & Company	9,099,614	1.92
38,270	Amgen	8,646,473	1.83
99,961	Merck & Company	8,548,594	1.80
51,671	CME Group	8,536,577	1.80
55,721	Air Liquide	8,501,813	1.79

Portfolio Statement as at 31st December 2023 (Continued)

Holding or Nominal Value	Investment	Bid Market Value (£)	% of Net Assets
Global Equities (continued)			
13,877	ASML Holding	8,194,907	1.73
94,444	Taiwan Semiconductor Manufacturing ADR	7,701,171	1.63
22,960	Mastercard 'A'	7,681,910	1.62
193,148	Cisco Systems	7,654,405	1.62
27,219	Accenture	7,496,541	1.58
319,700	Takeda Pharmaceutical Company	7,206,183	1.52
26,171	Home Depot	7,113,469	1.50
46,180	Apple	6,973,005	1.47
1,006,600	AlA Group	6,881,333	1.45
50,162	Tetra Tech	6,568,514	1.39
79,728	Storebrand Emerging Market	6,400,862	1.35
90,784	Otis Worldwide	6,374,392	1.35
15,659	NVIDIA	6,082,418	1.28
43,600	Daikin Industries	5,563,981	1.17
118,341	Siemens Healthineers	5,393,909	1.14
6,143	Broadcom	5,379,606	1.14
35,537	Siemens	5,222,014	1.10
71,872	Walt Disney	5,089,899	1.07
4,499	Partners Group Holding	5,084,217	1.07
285,755	Sonic Healthcare	4,906,743	1.04
11,715	Thermo Fisher Scientific	4,881,923	1.03
43,691	TE Connectivity	4,817,045	1.02
17,230	Meta Platforms 'A'	4,783,933	1.01
29,171	EssilorLuxottica	4,576,742	0.97
72,630	Colgate-Palmolive	4,541,369	0.96
190,500	Hydro One	4,488,949	0.95
41,145	Prologis	4,302,667	0.91
62,092	SGS	4,194,500	0.89
12,000	Keyence	4,139,075	0.87
25,383	Ecolab	3,949,219	0.83
119,800	Tencent Holdings	3,528,648	0.75
295,951	ING Groep	3,468,740	0.73
883,627	Lynas Rare Earths	3,386,469	0.71
7,086	Eli Lilly & Company	3,241,728	0.68
23,778	Texas Instruments	3,179,104	0.67
107,351	Weyerhaeuser	2,927,984	0.62
21,551	JPMorgan Chase & Company	2,877,975	0.61
4,445	Costco Wholesale	2,302,034	0.49
13,095	Schneider Electric	2,058,833	0.43
284,735	IGO	1,379,287	0.29
769,018	Apax Global Alpha	1,233,505	0.26
		306,491,157	64.69
UK Property 3.68% (31 December 2022 - 4.23%)			
8,487,899	Swiss Life Asset Managers UK	6,292,928	1.33
5,682,758	COIF Charities Property	5,841,306	1.23
2,446,290	Charities Property	2,859,958	0.61
1,850,950	AEW UK Core Property	2,429,372	0.51
		17,423,564	3.68

Portfolio Statement as at 31st December 2023 (Continued)

Holding or Nominal Value	Investment	Bid Market Value (£)	% of Net Assets
Global Property 0.00% (31 December 2022 - 0.81%)			
Alternatives 3.39% (31 December 2022 - 1.79%)			
4,298,701	BioPharma Credit	2,832,530	0.60
2,924,360	Octopus Renewables Infrastructure Trust	2,626,075	0.55
2,167,675	Gresham House Energy Storage Fund	2,319,412	0.49
1,900,954	Renewables Infrastructure Group	2,159,484	0.46
2,864,676	Atrato Onsite Energy	2,056,837	0.43
2,619,127	Cordiant Digital Infrastructure	1,985,298	0.42
1,693,055	Sequoia Economic Infrastructure Income Fund	1,445,869	0.31
1,517,699	US Solar Fund	619,080	0.13
		16,044,585	3.39
Global Exchange Traded Funds 3.90% (31 December 2022 - 1.20%)			
95,302	Invesco Physical Gold	14,900,841	3.15
160,545	WisdomTree Carbon	3,573,732	0.75
		18,474,573	3.90
Global Collective Investment Schemes 2.02% (31 December 2022 - 5.12%)			
33,088	Fulcrum Equity Dispersion Class 'I' GBP Acc	4,201,012	0.89
332,630	PIMCO TRENDS Managed Futures Strategy Institutional GBP (Hedged) Income	2,893,877	0.61
19,284	Brevan Howard Absolute Return Government Bond 'A' GBP Acc	2,469,330	0.52
		9,564,219	2.02
UK Collective Investment Schemes 0.00% (31 December 2022 - 1.80%)			
Global Options 0.01% (31 December 2022 - 0.00%)			
43	4,450 Put on S&P 500 Index Option 15/03/2024 ²	88,712	0.02
(43)	3,850 Put on S&P 500 Index Option 15/03/2024 ²	(17,203)	(0.01)
		71,509	0.01
Forward Currency Contracts 0.01% (31 December 2022 - -0.36%)			
USD (57,890,566)	Sold USD, Bought GBP 45,440,718 for settlement on 21/03/2024	46,263	0.01
USD (9,500,000)	Sold USD, Bought GBP 7,494,005 for settlement on 21/03/2024	44,651	0.01
EUR (3,800,000)	Sold EUR, Bought GBP 3,303,454 for settlement on 21/03/2024	1,902	—
EUR (5,986,997)	Sold EUR, Bought GBP 5,171,269 for settlement on 21/03/2024	(30,411)	(0.01)
		62,405	0.01
Total Value of Investments 97.12%		460,121,562	97.12
(31 December 2022 - 95.55%)			
Net Other Assets		13,660,714	2.88
Net Assets		473,782,276	100.00

Securities are admitted to an official stock exchange listing or traded on another regulated market unless otherwise stated.

¹Suspended securities are valued at the Manager's best assessment of their fair and reasonable value.

²Derivative Instruments

Portfolio Statement as at 31st December 2023 (Continued)

Asset Allocation of Portfolio of Investments is as follows:

Bonds	66,231,840	13.98
Collective Investment Schemes	28,038,792	5.91
Derivatives	71,509	0.02
Equities	365,717,016	77.20
Forward Currency Contracts	62,405	0.01
Net Other Assets	13,660,714	2.88
	473,782,276	100.00

Debt Security Allocation is as follows:

Percentage of Debt Securities investment grade and above	87.77%
Percentage of Debt Securities below investment grade (sub BBB- or unrated)	12.23%
	100.00%

Statement of Total Return
For the year ended 31st December 2023

			01.01.2023 to 31.12.2023		01.01.2022 to 31.12.2022
	Notes	£	£	£	£
Income					
Net capital gains/(losses)	2		26,550,088		(65,420,333)
Revenue	3	14,848,922		13,522,839	
Expenses	4	(3,743,674)		(3,909,195)	
Interest payable and similar charges	6	(4,280)		(30,423)	
Net revenue before taxation		11,100,968		9,583,221	
Taxation	5	(635,303)		(579,430)	
Net revenue after taxation for the year			10,465,665		9,003,791
Total return before distributions			37,015,753		(56,416,542)
Distributions	6		(13,018,650)		(12,709,867)
Changes in net assets attributable to unitholders from investment activities			23,997,103		(69,126,409)

Statement of Changes in Net Assets Attributable to Unitholders
For the year ended 31st December 2023

			01.01.2023 to 31.12.2023		01.01.2022 to 31.12.2022
		£	£	£	£
Opening net assets attributable to unitholders			469,693,773		512,527,004
Movement due to sales and repurchases of units:					
Amounts received on issue of units		26,896,421		71,609,824	
Amounts paid on cancellation of units		(47,937,196)		(46,857,396)	
			(21,040,775)		24,752,428
Changes in net assets attributable to unitholders from investment activities (see above)			23,997,103		(69,126,409)
Retained distribution on accumulation units			1,132,175		1,540,750
Closing net assets attributable to unitholders			473,782,276		469,693,773

The notes on pages 104 to 115 form part of these Financial Statements.

Balance Sheet

As at 31st December 2023

	Notes	31.12.2023 £	31.12.2022 £
Assets			
Fixed assets:			
Investments		460,169,176	450,497,013
Current assets:			
Debtors	8	2,047,483	1,897,718
Cash and bank balances	9	15,563,849	22,379,503
Total assets		477,780,508	474,774,234
Liabilities			
Investment liabilities		(47,614)	(1,684,520)
Creditors:			
Bank overdrafts	9	(218,915)	(46,250)
Distribution payable on income units		(2,980,564)	(2,947,647)
Other creditors	10	(751,139)	(402,044)
Total liabilities		(3,998,232)	(5,080,461)
Net assets attributable to unitholders		473,782,276	469,693,773

The notes on pages 104 to 115 form part of these Financial Statements.

Certification of Accounts by Directors

The Directors are of the opinion that it is appropriate to adopt the going concern basis in the preparation of the Financial Statements as the assets of the sub-fund consist predominantly of securities that are readily realisable and, accordingly, the sub-fund has adequate resources to continue in operational existence for at least the next twelve months from the approval of these Financial Statements.

G. Steinberg
Director
Sarasin Investment Funds Limited
22nd April 2024

S. A. M. Jeffries
Director
Sarasin Investment Funds Limited
22nd April 2024

Notes

Notes to the financial statements For the year ended 31st December 2023

1. Accounting Policies

The accounting policies for this sub-fund match those found on pages 22 to 24.

2. Net Capital Gains/(Losses)

	01.01.2023 to 31.12.2023 £	01.01.2022 to 31.12.2022 £
Net capital gains/(losses) comprise:		
Non-derivative securities realised gains	1,505,385	20,670,710
Non-derivative securities unrealised gains/(losses)	23,034,189	(76,362,138)
Derivative securities realised losses	(968,385)	(5,016)
Derivative securities unrealised (losses)/gains	(128,677)	520,576
Forward currency contracts realised gains/(losses)	392,567	(7,367,052)
Forward currency contracts unrealised gains/(losses)	1,746,925	(3,578,268)
Currency gains	967,819	701,664
Transaction charges	(39)	(818)
Central Securities Depository Regulation (CSDR) penalty reimbursement	304	9
	26,550,088	(65,420,333)

3. Revenue

	01.01.2023 to 31.12.2023 £	01.01.2022 to 31.12.2022 £
UK dividends	2,342,911	3,633,467
Overseas dividends	6,207,456	6,107,822
Bank Interest	220,818	27,651
Interest on debt securities	3,118,658	1,280,541
Unfranked PID ¹ revenue	8,050	159,872
Franked PID ¹ revenue	87,783	26,203
Option premium	747,281	1,087,578
Franked CIS ² revenue	264,984	133,834
Unfranked CIS ² revenue	1,670,558	1,023,871
Offshore dividend CIS ² revenue	51,211	42,000
Offshore interest CIS ² revenue	129,212	—
	14,848,922	13,522,839

¹Property Income Dividend

²Collective Investment Scheme

4. Expenses

	01.01.2023 to 31.12.2023 £	01.01.2022 to 31.12.2022 £
Payable to the Manager, associates of the Manager, and agents of either of them:		
Management fees	3,432,940	3,594,195
	3,432,940	3,594,195
Payable to the Trustee, associates of the Trustee, and agents of either of them:		
	–	–
Other expenses		
Fixed operating charge ¹	310,734	315,000
	310,734	315,000
Total Expenses	3,743,674	3,909,195

¹The Audit fee for 31st December 2023 was £8,600 plus VAT (31st December 2022: £8,220 plus VAT).

5. Taxation

	01.01.2023 to 31.12.2023 £	01.01.2022 to 31.12.2022 £
a) Analysis of tax charge in year:		
Overseas tax	635,303	579,430
Total tax for the year	635,303	579,430

b) As the Trust is a Charity Authorised Investment Fund, it is exempt from United Kingdom tax on capital gains realised on the disposal of investments held within the sub-fund and any UK corporation tax.

The sub-fund is also excluded from the normal tax rules which apply to revenue allocations to units and payments on redemption of units made to unitholders in an authorised unit trust scheme. For the purposes of the sub-fund, revenue of the sub-fund is not considered to be dividends in the hands of the unitholders and therefore no income tax is payable in respect of the revenue allocated to each unit.

In addition, any gains on the redemption of units in the sub-fund are not to be treated as chargeable gains for Capital Gains Tax purposes and therefore no Capital Gains Tax is payable on redemption of units.

6. Distribution

The distributions take account of revenue received on the creation of units and revenue deducted on the cancellation of units, and comprise:

	01.01.2023 to 31.12.2023 £	01.01.2022 to 31.12.2022 £
First interim	3,219,796	3,093,698
Second interim	3,209,606	3,242,243
Third interim	3,215,579	3,173,064
Final	3,195,144	3,336,845
	12,840,125	12,845,850
Add: Revenue deducted on cancellation of units	416,181	247,716
Deduct: Revenue received on creation of units	(237,656)	(383,699)
Net distributions for the year	13,018,650	12,709,867
Interest payable and similar charges	(4,280)	30,423
	13,014,370	12,740,290

7. Movement between Net Revenue and Distribution

	01.01.2023 to 31.12.2023 £	01.01.2022 to 31.12.2022 £
Net revenue after tax	10,465,665	9,003,791
Add: Undistributed revenue Reserve brought forward	1,133,901	643,681
Add/(Less): Equalisation uplift on unit Conversion	2,640	(1,809)
Less: Undistributed revenue Reserve carried forward	(2,399,422)	(1,133,897)
Add: Benefit of coupon basis distribution	72,192	288,907
Add: Expenses payable from capital	3,743,674	3,909,194
Net Distribution for the year	13,018,650	12,709,867

8. Debtors

	31.12.2023 £	31.12.2022 £
Amounts receivable for creation of units	5,792	—
Sales awaiting settlement	35,801	31,497
Accrued revenue	1,777,118	1,742,385
Overseas tax recoverable	221,300	116,364
Property income distribution tax recoverable	7,471	7,471
Fee rebate receivable	1	1
	2,047,483	1,897,718

9. Cash and Bank Balances

	31.12.2023	31.12.2022
	£	£
Cash and bank balances	8,470,661	20,847,503
Cash held at clearing houses	2,019	1,532,000
Cash Equivalents	7,091,169	–
	15,563,849	22,379,503
Bank overdrafts	(218,915)	(46,250)
	15,344,934	22,333,253

10. Other Creditors

	31.12.2023	31.12.2022
	£	£
Amounts payable for cancellation of units	8,525	–
Purchases awaiting settlement	417,032	–
Accrued expenses	325,582	402,044
	751,139	402,044

11. Contingent Assets/(Liabilities)

The sub-fund had no contingent assets or liabilities as at 31st December 2023 (31 December 2022: same).

12. Equalisation

Equalisation is not applied to distributions paid by the sub-fund.

13. Units in Issue

The sub-fund currently has three unit classes: A Income Units, A Accumulation Units and V Accumulation Units. The annual management charge on each unit class can be found on page 92. The net asset value of each unit class, the net asset value per unit and the number of units in each class are given in the comparative tables on pages 93 to 95. The distribution per unit class is given in the distribution tables on pages 116 and 117. All unit classes have the same rights on winding up and have no par value.

	A Income Units	A Accumulation Units	V Income Units
Opening units	368,455,859	16,381,650	4,134,212
Units created	22,763,567	247,403	–
Units liquidated	(27,313,724)	(5,308,252)	(8,309)
Units converted	8,664,790	(3,115,666)	–
Closing units	372,570,492	8,205,135	4,125,903

14. Related Parties

Sarasin & Partners LLP and Sarasin Investment Funds Limited, together with NatWest Trustee and Depositary Services Limited as Corporate Trustee, are deemed to be Related Parties, by virtue of their ability to act in respect of the sub-fund's operations.

Sarasin & Partners LLP acts as principal on all transactions of units in the sub-fund. The aggregate monies received through creations and liquidations are disclosed in the statement of changes in net assets attributable to unitholders.

Management fees are paid to Sarasin Investment Funds Limited and are shown in note 4.

14. Related Parties (continued)

Amount due to Related Parties at the year end:

	31.12.2023	31.12.2022
	£	£
Management fees	296,209	374,936
	296,209	374,936

At 31st December 2023, the sub-fund held no units in any other sub-fund or collective investment scheme managed by associated companies of Sarasin Investment Funds Limited.

At 31st December 2022, the sub-fund held units in the following collective investment schemes, managed by associated companies of Sarasin Investment Funds Limited:

		31.12.2022
Sarasin UK Thematic Smaller Companies	Units	5,211,567
	Bid Market Value	5,114,111

No initial charges were applied to the purchase of this collective investment scheme.

At the year end, BNY (OCS) Nominees Limited owned 93.56% of the sub-fund on behalf of multiple beneficiaries (31st December 2022: 97.76%).

15. Risk Management Policies and Disclosures**Financial Instruments**

In pursuing its investment objectives as stated on page 87, the sub-fund holds a number of financial instruments. The sub-fund's financial instruments, other than derivatives, comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for creations and payable for redemptions and debtors for accrued revenue.

The main risks arising from the sub-fund's financial instruments and the Operator's policies for managing these risks are summarised below, a sensitivity analysis of the sub-fund is provided on page 91. These policies have been applied throughout the year.

Market Price Risk

Market price risk is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises mainly from uncertainty about future prices of financial instruments the sub-funds hold. It represents the potential loss the sub-fund might suffer through holding market positions in the face of price movements. The sub-fund's investment portfolio is exposed to market price fluctuations which are monitored by the Operator in pursuance of the investment objectives and policy as set out in the Prospectus.

Adherence to investment guidelines and to investment and borrowing powers set out in The Charities (Accounts and Reports) Regulations 2008 mitigates the risk of excessive exposure to any particular type of security or issuer.

Derivative Risk

Derivatives are comprised of forward foreign currency contracts and options contracts. Forward foreign currency contracts are used to manage currency risk arising from the sub-fund's investment activities (and related financing). Open positions at the balance sheet date, which are all covered, are included in the portfolio statement. Gains/(losses) on forward foreign exchange transactions are taken to capital.

The sub-fund is able to use traded options for Efficient Portfolio Management purposes only, thus always hedging up to the amount of stock which is physically owned. The purpose of undertaking these contracts is to protect the Portfolio from a downturn in the market as far as possible.

15. Risk Management Policies and Disclosures (continued)

Alternatives Risk

Some alternative investments may have lower trading volumes than other securities. In some cases this may make such investments harder to sell at the last quoted market price, or at a price considered to be fair. Such conditions could result in unpredictable changes in the value of your holding.

Currency Risk

Currency risk is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in foreign currency exchange rates.

A proportion of the sub-fund's investment portfolios are invested in overseas securities and the balance sheet can be affected by movements in foreign exchange rates. The Operator may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the sterling value of investments that are priced in other currencies. Revenue received in other currencies is converted to sterling on or near the date of receipt.

Currency exposure as at 31st December 2023

	Monetary Exposure £	Non-Monetary Exposure £	Total £	%
Australian dollar	–	9,672,499	9,672,499	2.04
Canadian dollar	28,552	4,488,949	4,517,501	0.95
Danish krone	43,460	–	43,460	0.00
Euro	167,831	28,913,726	29,081,557	6.14
Hong Kong dollar	–	10,409,980	10,409,980	2.20
Japanese yen	(7)	16,909,239	16,909,232	3.57
Swiss franc	–	9,278,718	9,278,718	1.96
US dollar	711,615	184,157,823	184,869,438	39.02
	951,451	263,830,934	264,782,385	55.89
Sterling	12,709,263	196,290,628	208,999,891	44.11
	13,660,714	460,121,562	473,782,276	100.00

Currency exposure as at 31st December 2022

	Monetary Exposure £	Non-Monetary Exposure £	Total £	%
Australian dollar	–	3,933,819	3,933,819	0.84
Canadian dollar	–	6,187,663	6,187,663	1.32
Danish krone	28,922	2,335,726	2,364,648	0.50
Euro	50,774	14,622,711	14,673,485	3.12
Hong Kong dollar	–	13,965,838	13,965,838	2.97
Japanese yen	–	6,049,119	6,049,119	1.29
Swiss franc	26,601	4,750,418	4,777,019	1.02
US dollar	684,675	123,760,366	124,445,041	26.49
	790,972	175,605,660	176,396,632	37.56
Sterling	20,090,308	273,206,833	293,297,141	62.44
	20,881,280	448,812,493	469,693,773	100.00

15. Risk Management Policies and Disclosures (continued)

Credit Risk

Certain transactions in securities that the sub-fund enters into exposes it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the sub-fund has fulfilled its responsibilities. The sub-fund only buys and sells investments through brokers which have been approved by the Operator as an acceptable counterparty. In addition, limits are set to the exposure to any individual broker that may exist at any time and changes in brokers' financial ratings are reviewed. Bonds or other debt securities involve credit risk to the issuer which may be evidenced by the issuer's credit rating. Securities which are subordinated and/or have a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than more highly rated securities.

This risk is managed by appraising the credit profile of financial instruments and issuers in line with the sub-fund's investment objective and policy.

Exposure to counterparties through derivative positions and the collateral held at the balance sheet date can be seen on page 113.

Liquidity Risk

The sub-fund's assets comprise mainly of readily realisable securities. The main liability of the sub-fund is the redemption of any units over and above the cash holdings that investors wish to sell. Assets of the sub-fund may need to be sold if insufficient cash is available to finance such redemptions.

As the sub-fund has significant holdings in readily realisable level 1 and level 2 securities, it is expected that the sub-fund will be able to generate sufficient cash flows to settle these obligations when they arise.

The Operator reserves the right to defer redemptions where there is a net outflow representing 10% of the NAV or more on a single dealing day.

Interest Rate Risk

Interest rate risk is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in interest rates. The sub-fund invests in fixed and floating rate securities. The revenue of the sub-fund may be affected by changes to interest rates relevant to particular securities or as a result of the Operator being unable to secure similar returns on the expiry of contracts or sale of securities. The value of fixed interest securities may be affected by interest rate movements or the expectation of such movements in the future. Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates.

Interest Rate Risk Profile of the sub-fund's Assets and Liabilities:

	Floating Rate Financial Assets	Fixed Rate Financial Assets	Financial Assets not carrying interest	Total
31st December 2023	£	£	£	£
Australian dollar	–	–	9,672,499	9,672,499
Canadian dollar	28,552	–	4,488,949	4,517,501
Danish kroner	–	–	43,460	43,460
Euro	45,173	–	37,584,789	37,629,962
Hong Kong dollar	–	–	10,409,980	10,409,980
Japanese yen	–	–	16,909,239	16,909,239
Sterling	26,190,302	53,797,701	132,740,884	212,728,887
Swiss franc	–	–	9,278,718	9,278,718
US dollar	355,462	1,378,500	236,172,930	237,906,892
	26,619,489	55,176,201	457,301,448	539,097,138

15. Risk Management Policies and Disclosures (continued)

	Floating Rate Financial Liabilities	Fixed Rate Financial Liabilities	Financial Liabilities not carrying interest	Total
	£	£	£	£
31st December 2023				
Euro	(45,173)	—	(8,503,232)	(8,548,405)
Japanese yen	—	—	(7)	(7)
Sterling	—	—	(3,728,996)	(3,728,996)
US dollar	(173,742)	—	(52,863,712)	(53,037,454)
	(218,915)	—	(65,095,947)	(65,314,862)

Interest Rate Risk Profile of the sub-fund's Assets and Liabilities:

	Floating Rate Financial Assets	Fixed Rate Financial Assets	Financial Assets not carrying interest	Total
	£	£	£	£
31st December 2022				
Australian dollar	—	3,933,819	—	3,933,819
Canadian dollar	—	—	6,187,663	6,187,663
Danish krone	—	—	2,364,648	2,364,648
Euro	46,252	—	39,170,337	39,216,589
Hong Kong dollar	—	—	13,965,838	13,965,838
Japanese yen	—	—	6,049,119	6,049,119
Sterling	85,941,690	48,515,761	162,189,381	296,646,832
Swiss franc	22	—	4,776,997	4,777,019
US dollar	441,178	1,676,660	160,613,891	162,731,729
	86,429,142	54,126,240	395,317,874	535,873,256

	Floating Rate Financial Liabilities	Fixed Rate Financial Liabilities	Financial Liabilities not carrying interest	Total
	£	£	£	£
31st December 2022				
Euro	(24,543,104)	—	—	(24,543,104)
Sterling	—	—	(3,349,691)	(3,349,691)
US dollar	(38,286,688)	—	—	(38,286,688)
	(62,829,792)	—	(3,349,691)	(66,179,483)

15. Risk Management Policies and Disclosures (continued)

Fair Value of Financial Assets and Liabilities

The fair value of a financial instrument is the amount for which it could be exchanged between knowledgeable, willing parties in an arm's length transaction. There is no significant difference between the value of the financial assets and liabilities, as shown in the financial statements, and their fair value.

Valuation technique as at 31st December 2023

	Level 1 £	Level 2 £	Level 3 £	Total £
Financial Assets				
Collective Investment Schemes	18,474,573	26,987,783	–	45,462,356
Debt Securities	22,444,762	43,787,078	–	66,231,840
Equities	342,970,139	4,897,479	425,834	348,293,452
Forward Currency Contracts	–	92,816	–	92,816
Options	88,712	–	–	88,712
	383,978,186	75,765,156	425,834	460,169,176
Financial Liabilities				
Forward Currency Contracts	–	(30,411)	–	(30,411)
Options	(17,203)	–	–	(17,203)
	(17,203)	(30,411)	–	(47,614)

Valuation technique as at 31st December 2022

	Level 1 £	Level 2 £	Level 3 £	Total £
Financial Assets				
Collective Investment Schemes	5,618,948	54,318,736	–	59,937,684
Debt Securities	24,132,395	30,585,276	–	54,717,671
Equities	332,524,544	3,317,114	–	335,841,658
	362,275,887	88,221,126	–	450,497,013
Financial Liabilities				
Forward Currency Contracts	–	(1,684,520)	–	(1,684,520)
	–	(1,684,520)	–	(1,684,520)

The valuation technique has been disclosed under Accounting Policies note 1o on page 23.

Level 1

The unadjusted quoted price in an active market for identical instruments that the entity can access at the measurement date.

Level 2

Valuation techniques using observable Inputs other than quoted prices within Level 1 (i.e., developed using market data).

Level 3

Valuation techniques using unobservable Inputs (i.e., for which market data is unavailable). Investments classified as using inputs that are not based on observable market data comprise fair value adjusted securities. For information on the basis of fair valuation of investments for these securities and the valuation process undertaken, please refer to note 1o of the Accounting Policies. Level 3 instruments comprise an investment in Home REIT. The Investment Manager's Investment Risk Committee (IRC) believe that there is realisable value attributable to the underlying portfolio of Home REIT and have applied a discount to estimated net asset value in estimating fair value as at 31 December 2023.

15. Risk Management Policies and Disclosures (continued)**Counterparty Risk**

During the year, the sub-fund made use of 'Over The Counter' (OTC) Derivative Instruments. These types of transactions introduce counterparty risk, where a counterparty may fail to meet its financial commitments.

In order to reduce this risk, collateral may be held by the sub-fund. The counterparties to these transactions and any collateral held by the sub-fund at the balance sheet date are shown below:

Counterparty Name as at 31st December 2023	Exposure £	Cash Collateral (Pledged)/
		Received £
The Bank of New York Mellon	92,816	—
Counterparty Name as at 31st December 2022	Exposure £	Cash Collateral (Pledged)/
		Received £
The Bank of New York Mellon	—	1,530,000

Positive exposure represents the mark to market value of derivative contracts and the sub-fund's exposure to that counterparty.

16. Portfolio Transaction Costs

	01.01.2023 to 31.12.2023 £	01.01.2022 to 31.12.2022 £
Analysis of total purchase costs:		
Purchases in year before transaction costs		
Bonds	47,230,485	67,742,810
Collective Investment Schemes	15,652,004	28,163,611
Corporate Actions	4,956,901	7,036,336
Derivatives	3,180,276	1,558,974
Equities	171,752,210	168,188,231
Total purchases	242,771,876	272,689,962
Commissions:		
Equities total value paid	63,910	88,127
Taxes:		
Equities total value paid	7	11
Total purchase costs	63,917	88,138
Gross purchase costs	242,835,793	272,778,100
Analysis of total sale costs:		
Gross sales in year before transaction costs		
Bonds	35,399,378	45,066,242
Collective Investment Schemes	23,148,274	7,926,647
Corporate Actions	4,956,688	6,520,412
Derivatives	1,431,391	1,456,481
Equities	182,327,954	197,603,274
Total sales	247,263,685	258,573,056
Commissions:		
Equities total value paid	(62,086)	(76,115)
Taxes:		
Equities total value paid	(16)	(21)
Total sales costs	(62,102)	(76,136)
Total sales net of transaction costs	247,201,583	258,496,920

16. Portfolio Transaction Costs (continued)

	01.01.2023 to 31.12.2023 %	01.01.2022 to 31.12.2022 %
Analysis of total purchase costs:		
Commissions:		
Equities percentage of average NAV ¹	0.01	0.02
Taxes:		
Equities percentage of average NAV ¹	—	—
Analysis of total sale costs:		
Commissions:		
Equities percentage of average NAV ¹	0.01	0.02
Taxes:		
Equities percentage of average NAV ¹	—	—

The average portfolio dealing spread as at 31st December 2023 was 0.23% (31st December 2022: 0.26%).

¹Excluding dilution levies.

17. Post Balance Sheet Events

The Operator has applied a 10% threshold to the disclosure of post year end movements in the net asset value per unit of the sub-fund from the year end date to the date of signing. This consideration takes into account routine transactions but also significant market movements. There are no unit classes where the net asset value per unit has moved by greater than 10%, therefore, there are no post balance sheet net asset value movements which require disclosure at the year end.

Distribution Tables

For the year ended 31st December 2023

First Interim distribution in pence per unit

Group 1: Units purchased prior to 1st January 2023

Group 2: Units purchased between 1st January 2023 and 31st March 2023

Unit	Net Revenue 2023 Pence per Unit	Equalisation (note 12) 2023 Pence per Unit	1st Interim Distribution Paid 2023 Pence per Unit	1st Interim Distribution Paid 2022 Pence per Unit
A Income Units				
Group 1	0.7700	—	0.7700	0.7700
Group 2	0.7700	—	0.7700	0.7700
A Accumulation Units				
Group 1	2.1420	—	2.1420	2.0834
Group 2	2.1420	—	2.1420	2.0834
V Accumulation Units				
Group 1	0.6410	—	0.6410	0.6283
Group 2	0.6410	—	0.6410	0.6283

Second Interim distribution in pence per unit

Group 1: Units purchased prior to 1st April 2023

Group 2: Units purchased between 1st April 2023 and 30th June 2023

Unit	Net Revenue 2023 Pence per Unit	Equalisation (note 12) 2023 Pence per Unit	2nd Interim Distribution Paid 2023 Pence per Unit	2nd Interim Distribution Paid 2022 Pence per Unit
A Income Units				
Group 1	0.8000	—	0.8000	0.8000
Group 2	0.8000	—	0.8000	0.8000
A Accumulation Units				
Group 1	2.1900	—	2.1900	2.1780
Group 2	2.1900	—	2.1900	2.1780
V Accumulation Units				
Group 1	0.9430	—	0.9430	0.6561
Group 2	0.9430	—	0.9430	0.6561

Third Interim distribution in pence per unit

Group 1: Units purchased prior to 1st July 2023

Group 2: Units purchased between 1st July 2023 and 30th September 2023

Unit	Net Revenue 2023 Pence per Unit	Equalisation (note 12) 2023 Pence per Unit	3rd Interim Distribution Paid 2023 Pence per Unit	3rd Interim Distribution Paid 2022 Pence per Unit
A Income Units				
Group 1	0.8000	—	0.8000	0.8000
Group 2	0.8000	—	0.8000	0.8000
A Accumulation Units				
Group 1	2.2260	—	2.2260	2.1935
Group 2	2.2260	—	2.2260	2.1935
V Accumulation Units				
Group 1	0.7990	—	0.7990	0.6564
Group 2	0.7990	—	0.7990	0.6564

Final distribution in pence per unit

Group 1: Units purchased prior to 1st October 2023

Group 2: Units purchased between 1st October 2023 and 31st December 2023

Unit	Net Revenue 2023 Pence per Unit	Equalisation (note 12) 2023 Pence per Unit	Final Distribution Paid 2024 Pence per Unit	Final Distribution Paid 2023 Pence per Unit
A Income Units				
Group 1	0.8000	—	0.8000	0.8000
Group 2	0.8000	—	0.8000	0.8000
A Accumulation Units				
Group 1	2.2710	—	2.2710	2.2090
Group 2	2.2710	—	2.2710	2.2090
V Accumulation Units				
Group 1	0.6845	—	0.6845	0.6610
Group 2	0.6845	—	0.6845	0.6610

Sarasin Growth Fund

**Annual Report and Financial Statements for the year from
01.01.2023 to 31.12.2023**

Investment Objective of the Sub-fund as set by the Board

We seek to grow the sub-fund (through increases in investment value and, to a lesser extent, income) by 4.5% per year more than the Consumer Prices Index (CPI) over a rolling 7-year period after deducting fees and costs.

This target is not guaranteed over any period of time and the sub-fund could lose value.

Investment Policy of the Sub-fund

Investments

We invest the sub-fund approximately as follows:

- Shares: 80% direct investments in 40 to 70 companies listed on major stock exchanges around the world.
- Alternatives: 20% in wide range of alternate assets.

We will also have the ability to invest in the following:

- Government and corporate bonds: up to 10%.
- Property: up to 10% (through REITS and/or other charity property funds only).
- Cash: up to 10%.

Unless stated otherwise, exposure to any of the above asset classes may be obtained indirectly through investment in funds (including funds managed by Sarasin).

Alternatives include, but are not limited to, infrastructure, commodities and private equity/venture capital which may be accessed through listed investment trusts and open-ended funds or other financial instruments.

We may also use derivatives for investment purposes, to increase performance, for example by protecting the sub-fund against falls in the value of shares, and to generate income, and for efficient portfolio management (as described below under Additional Techniques). Derivatives are financial contracts whose value is linked to the price of another asset (e.g. indices, rates, share prices, currencies).

Investment Selection

The Investment Manager will typically allocate 80% to shares and 20% to alternatives in normal market conditions. However, the sub-fund is managed on an active basis and when there is a strong sentiment, positive or negative, on a particular asset class or classes, the Investment Manager will actively deviate away from this asset mix to try to meet the investment objective so that, in unfavourable market conditions, the sub-fund may invest less in shares and adjust its allocation to other asset classes accordingly.

Investment Screening

We avoid investment in companies which are materially engaged in certain sectors, including tobacco, alcohol, armaments, gambling and adult entertainment. Further detail on how we do this is available on our website at www.sarasinandpartners.com.

We have an environmental, social and governance strategy. We consider which target investments fulfil an environmentally or socially beneficial role and that employ high standards of governance. However, this strategy may not always apply where exposure is obtained indirectly through investment in funds.

Additional Techniques

In addition to being able to use derivatives for investment purposes as described above, we will use derivatives for effective portfolio management: to adjust how sensitive the sub-fund is to changes in currencies, to act on opportunities or control risk, and to gain cost-effective access to investments.

Benchmark Information

The sub-fund's performance can be assessed by reference to:

a. Comparator benchmark reflective of the typical asset allocation of the sub-fund

Benchmark	Allocation
MSCI All Countries World Index	80.00%
SONIA +2%	20.00%

b. The target benchmark of CPI + 4.5% over a rolling 7-year period after deducting fees and costs. CPI is a measure of inflation. If the sub-fund's performance matched CPI over a year, an investment in the sub-fund would provide approximately the same purchasing power as it would have provided a year earlier. The sub-fund will seek an annualised outperformance of the CPI by 4.5% per year over a rolling 7-year period to provide real growth.

Investment Manager's Review

Sub-fund Performance

Cumulative performance		1 yr	3 yrs	5 yrs	Since Inception
		01 Jan 23 - 31 Dec 23	01 Jan 21 - 31 Dec 23	01 Jan 19 - 31 Dec 23	23 Sep 21 - 31 Dec 23
		%	%	%	%
Fund	A Accumulation Units (Net)	5.2	-	-	-1.0
Comparator	Index	13.7	-	-	11.7

Discrete performance		01 Jan 23 - 31 Dec 23	01 Jan 22 - 31 Dec 22	01 Jan 21 - 31 Dec 21	01 Jan 20 - 31 Dec 20	01 Jan 19 - 31 Dec 19
		%	%	%	%	%
Fund	A Accumulation Units (Net)	5.2	-8.8	-	-	-
Comparator	Index	13.7	-5.7	-	-	-

Source: Sarasin & Partners LLP and FE Fundinfo.

Performance is provided net of fees. Past performance is not a guide to future returns and may not be repeated. Performance is calculated in GBP on the basis of net asset values (NAV) and dividends reinvested.

Class A Accumulation Units has been used as the representative share class in the table above, which launched on 23rd September 2021.

The comparator of this sub-fund has changed over time, for a full history please visit: <https://sarasinandpartners.com/wp-content/uploads/2020/05/benchmark-history.pdf>. Please note that the performance target is to be achieved over a specific annualised time period- refer to the investment objective on the previous page.

Performance figures for other share classes in issue can be obtained by contacting marketing@sarasin.co.uk.

Performance

The sub-fund returned +5.2% (net of charges) for the 12-month period ended 31st December 2023, versus +13.7% for the comparator benchmark.

Review

Stock markets around the world started 2023 well, as economic data proved better than anticipated. This pattern continued as inflation continued to fall in major economies, although the declines were less than hoped and this raised fears of further interest rate rises. Greater stability returned in the closing months, with inflation appearing to be under greater control and central banks leaving interest rates on hold.

Equity markets benefited from strength in the technology sector, with particularly positive performance among companies involved in artificial intelligence (AI). Energy shares fluctuated as concerns grew over geopolitical tensions and the possible impact of this on global supply chains. However, this issue became less of a concern to markets as the period progressed.

Among the factors influencing investor demand and company performance were mixed views on whether an economic recovery was under way in China. Although the year started with optimism about the country's economy, a lack of domestic demand and issues with its property sector hampered recovery, despite the government policies designed to stimulate the economy.

Bonds were weak for much of the period, meaning yields – which are higher when bond prices fall – were driven higher by inflation and interest rate movements.

Gold generally performed well throughout the year, benefiting from its status as a safe haven in times of market turmoil, and in reaction to a weakening of the US Dollar. Slowing economic growth for much of the period held back returns on many commodities, while alternative investments such as infrastructure performed positively in the latter part of 2023 as market expectations for interest rates started to fall.

Investment Manager's Review (continued)

Positives

Our holdings in gold performed well as a diversifying asset for the fund during the year. Gold has been in demand as central banks increase their gold reserves and investors seek safe havens at a time of rising geopolitical tensions. In the last two months of the year, the price of gold surged as government bond yields fell.

The communications services sector was the best-performing sector for the strategy over the year, with Meta Platforms 'A' (formerly Facebook) the largest relative contributor to performance during 2023. Having no exposure to the utilities sector helped performance, as did our underweight position compared with the benchmark to the energy sector.

In the technology sector, firewall and digital security company Palo Alto Networks benefited from the AI trend. Semiconductor equipment maker, ASML Holding also made gains as it benefited from strong sector performance. ServiceNow, a US software company that focuses on digital workflow technology, delivered positive returns.

Online retailer Amazon.com was another positive contributor, as investments made in its retail business have started to improve efficiency and boost profitability.

In the financial sector, LSEG was a strong performer, as was rating agency Moody's. In addition, the Chicago Mercantile Exchange (CME) delivered strong results. In particular, CME continues to benefit from a partnership with Google and should also benefit as rising volatility in investment markets increases demand for its derivative products.

Negatives

Our holdings in infrastructure funds performed poorly for most of the year. Their long-term cash flows mean they have similar qualities to long-dated government bonds, so higher bond yields meant lower infrastructure share prices. However, the rally in bonds at the end of the year reversed this and supported a recovery in infrastructure investments.

Regarding our stock holdings, in the financial sector turmoil in the banking sector had a negative impact on the sub-fund's performance, particularly the collapse of Silicon Valley Bank. Prudential also detracted from the sub-fund's return after reporting a fall in revenues.

Our holdings in the materials sector also detracted from performance, particularly International Flavors and Fragrances (IFF) and DSM-Firmenich. Both companies experienced falls in demand for their products as a result of customers reduced their inventories.

Transportation signalling equipment manufacturer Alstom detracted from the sub-fund's performance. It suffered delays on a significant contract in the UK, which delayed cash flows and pressured the company's balance sheet.

Gene sequencing specialist Illumina struggled, reporting weak sales, and the company faces issues from short-term weakness in the healthcare sector as well as indicating tougher macro headwinds to contend with in 2024. We exited the position.

Cosmetics company Shiseido suffered after reporting weak earnings. The company has experienced low demand in China and weak travel retail sales, but offers good longer-term potential.

Transactions

We added a holding in Tetra Tech, a global provider of consulting and engineering services. Rising investment in water infrastructure should support its long-term revenue growth.

We purchased technology company NVIDIA following a decline in its share price that provided a buying opportunity in a strong year for the company. The semiconductor industry is experiencing buoyant demand that cannot currently be met due to supply challenges.

We purchased pharmaceutical company Eli Lilly & Company, a market leader in GLP-1 drugs. We believe that investors have underestimated the opportunity provided by weight-loss drugs to curb diseases such as diabetes.

Another new holding is Australia-based Lynas Rare Earths, a company that specialises in rare earth metals. It has a unique position as the only rare earth separation facility operator outside China.

We also invested in Ecolab, a specialist in water treatment. Ecolab has a defensive business and scope to improve its margins.

We sold our holding in First Republic Bank to reduce risk to the sub-fund following the collapse of Silicon Valley Bank.

We sold Palo Alto Networks after a period of strong performance (see Positives). We believe there are better investment opportunities elsewhere.

We exited our holding in IFF. The business faces a tough trading environment following its large merger.

Finally, we sold Alstom due to its aforementioned financial difficulties (see Negatives).

Outlook

We expect inflation in the US and Europe to slow during 2024 and end the year close to central banks' targets of 2%. That means central banks can reduce interest rates, which had been their main weapon in the battle to bring down inflation. Lower interest rates should help to boost economic growth.

It is, however, worth noting that stock markets could be subject to a number of political threats in 2024. Conflict is unfortunately on the rise, particularly in Gaza, between Russia and Ukraine, and in Africa. In the US, the build-up and outcome of the presidential election could cause stock market upheavals.

Investment Manager's Review (continued)

Overall, we believe company shares should benefit from the more resilient economic conditions forecast for 2024. Our investment focus continues to be on higher-quality shares that provide a degree of stability to the sub-fund. We also spread risk across the portfolio by investing in companies that we believe have enduring long-term business strategies.

Looking ahead, we are optimistic about the returns available from most assets as financial conditions loosen and economic risks remain contained. That leads us to favour equities and investment-grade corporate bonds, with a preference for good-quality investments that are likely to benefit from lower interest rates.

Melanie Roberts
Partner & Head of Charities
Sarasin & Partners LLP
24th January 2024

All opinions and estimates contained in this Review constitute the Company's judgement and view as of the date of the report and are subject to change without notice.

Sensitivity analysis

The sub-fund invests in equities and alternatives. The level of equity exposure varies over time depending on how positive the manager is; generally the level is expected to be in the range of 70-90%. The alternatives allocation is expected to be between 10-30%.

Sarasin uses FactSet to measure Fund risk. The FactSet multi-asset class (MAC) risk framework is a set of tools that investors can utilise to estimate, monitor, and control the exposure of their portfolios to market risk (either on an absolute basis or relative to a benchmark) using a Monte Carlo simulation methodology.

The Value at Risk (VaR) is a statistical technique used to measure and quantify the level of risk within an investment portfolio over a specific timeframe.

The VaR statistic adopted for Sarasin funds is the "99% / 20-day VaR" model. To calculate this figure FactSet rank the distribution and then calculate the VaR figure based on the 99th percentile. This is intended to show, with a 99% degree of confidence, the maximum amount that might be lost over a 20-day period.

The "99% / 20-day Relative VaR" for Sarasin Growth Fund, as at 29th December 2023, was 115.7% (31st December 2022: 125%). The lowest, highest, and average utilisation in the period was 103.2%, 121.5%, and 112.7%, respectively (31st December 2022: 99.01%, 127.79%, and 112.94%, respectively).

Top 20 Purchases during the year¹

Invesco Physical Gold
Alphabet 'A'
Ecolab
Unilever
Taiwan Semiconductor Manufacturing ADR
Amazon.com
Dassault Systemes
Tetra Tech
JPMorgan Chase
Equinor
NVIDIA
CME Group
Sarasin Responsible Corporate Bond Class Z Inc
TE Connectivity
Lynas Rare Earths
Apple
Siemens Healthineers
IGO
Eli Lilly & Company
Medtronic

Top 20 Sales during the year¹

Palo Alto Networks
Equinix
Alphabet 'A'
Neuberger Berman Uncorrelated Strategies 'I5' GBP Accumulation
Invesco Physical Gold
Splunk
Unilever
International Flavors and Fragrances
Meta Platforms 'A'
Taiwan Semiconductor Manufacturing ADR
Alphabet 'A'
PayPal
JPMorgan Chase
EssilorLuxottica
Brevan Howard Absolute Return Government Bond Fund 'A' GBP Acc
Sarasin Responsible Corporate Bond Class Z Inc
Alstom
Smith & Nephew
Air Liquide
First Republic Bank

¹ Excluding money market funds.

Sub-fund Information for the year ended 31st December 2023

Size (Units)	Unit Type	Mid Price	Yield*
189,624,339	A Income Units	96.00 pence	1.94%
2,035,131	A Accumulation Units	99.00 pence	1.93%
Launch Date	A Unit Class: 23rd September 2021		
Launch Price	A Income Units: 100.00 pence A Accumulation Units: 100.00 pence		
Management Charges	Annual: Initial:	A Unit Class: 0.75% A Unit Class: 0.00%	
Unit Types	Income and Accumulation Units		
Accounting Period Ends	Interim: Interim: Interim: Final:	31st March 30th June 30th September 31st December	
Initial Minimum Investment:	£1,000		

* The yield shown is the historic yield and is calculated by taking the distribution rate for the last four distribution, multiplied by 100 and divided by the mid price of the units.

The Comparative Tables on pages 125 and 126 give the performance of each active unit class in the sub-fund.

The 'Return after charges' disclosed in the Comparative Table is calculated as the return after operating charges per unit divided by the opening net asset value per unit. It differs from the sub-fund's performance disclosed in the Investment Manager's Review, which is calculated based on the latest published price.

Portfolio transaction costs are incurred when investments are bought or sold by a fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the sub-funds.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades.

In addition, there are indirect portfolio transaction costs arising from the 'dealing spread' – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by the fund on each transaction, other types of investments (such as bonds, money instruments, derivatives, collective investment schemes) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and money market sentiment.

Sub-fund Information for the year ended 31st December 2023 (continued)
Comparative Tables
A Income Units
Change in Net Asset Value per Unit

	2023 (pence per unit)	2022 (pence per unit)	2021¹ (pence per unit)
Opening net asset value per unit	92.07	102.39	100.00
Return before operating charges*	5.67	(7.91)	3.59
Operating charges (calculated on average price)	(0.89)	(0.94)	(0.93)
Return after operating charges*	4.78	(8.85)	2.66
Distributions on income units	(1.87)	(1.47)	(0.27)
Closing net asset value per unit	94.98	92.07	102.39
* after direct transaction costs of: ²	0.03	(0.04)	–

Performance

Return after charges ³	5.19%	(8.64)%	2.66%
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Other Information

Closing net asset value (£'000)	180,098	170,041	69,508
Closing number of units	189,624,339	184,681,858	67,885,823
Operating charges ⁴	0.95%	0.99%	0.92%
Direct transaction costs	0.03%	(0.04)%	0.00%

Prices⁵

Highest unit price	99.75	103.14	104.23
Lowest unit price	89.04	88.47	97.51

¹ Unit class launched on 23rd September 2021. The opening net asset value per unit is the launch price.

² Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution levies that relate to direct transaction costs. A negative transaction cost figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

³ The return after charges is calculated as the return after operating charges per unit divided by the opening net asset value per unit.

⁴ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures. Included in the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. For Sarasin Growth Fund, 0.14% of the Operating Charges was made up of synthetic costs.

⁵ Highest and lowest unit prices are based on published prices.

Sub-fund Information for the year ended 31st December 2023 (continued)
Comparative Tables (continued)
A Accumulation Units
Change in Net Asset Value per Unit

	2023 (pence per unit)	2022 (pence per unit)	2021¹ (pence per unit)
Opening net asset value per unit	93.79	102.67	100.00
Return before operating charges*	5.81	(7.93)	3.61
Operating charges	(0.91)	(0.95)	(0.94)
Return after operating charges*	4.90	(8.88)	2.67
Distributions	(1.91)	(1.48)	(0.27)
Retained distributions on accumulation units	1.91	1.48	0.27
Closing net asset value per unit	98.69	93.79	102.67

* after direct transaction costs of:² **0.03** (0.04) –

Performance

Return after charges³ **5.22%** (8.65)% 2.67%

Other Information

Closing net asset value (£'000)	2,008	3,351	1,950
Closing number of units	2,035,131	3,572,503	1,899,431
Operating charges ⁴	0.95%	0.99%	0.92%
Direct transaction costs	0.03%	(0.04)%	0.00%

Prices⁵

Highest unit price	101.61	103.43	104.24
Lowest unit price	92.04	89.71	97.51

¹ Unit class launched on 23rd September 2021. The opening net asset value per unit is the launch price.

² Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution levies that relate to direct transaction costs. A negative transaction cost figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

³ The return after charges is calculated as the return after operating charges per unit divided by the opening net asset value per unit.

⁴ Operating charges, otherwise known as the OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a sub-fund and is calculated based on the last year's figures. Included in the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion. For Sarasin Growth Fund, 0.14% of the Operating Charges was made up of synthetic costs.

⁵ Highest and lowest unit prices are based on published prices.

Portfolio Statement as at 31st December 2023

Holding or Nominal Value	Investment	Bid Market Value (£)	% of Net Assets
Sterling Corporate Bonds 1.89% (31 December 2022 - 0.00%)			
£1,100,000	NatWest Group 5.125% Perpetual	986,845	0.54
£960,000	Lloyds Banking Group 8.50% Perpetual	974,602	0.54
£1,000,000	HSBC Holdings 5.875% Perpetual	947,500	0.52
£575,000	Nationwide Building Society 5.75% Perpetual	529,000	0.29
		3,437,947	1.89
Overseas Bonds 0.22% (31 December 2022 - 0.00%)			
£399,000	Credit Agricole 7.50% Perpetual	395,477	0.22
UK Equities 8.70% (31 December 2022 - 11.50%)			
53,759	London Stock Exchange Group	4,985,610	2.74
57,944	Reckitt Benckiser Group	3,140,565	1.72
330,719	Prudential	2,933,478	1.61
713,169	DS Smith	2,191,568	1.20
144,050	Smith & Nephew	1,551,418	0.85
245,328	HgCapital Trust	1,050,004	0.58
		15,852,643	8.70
Global Equities 75.18% (31 December 2022 - 66.69%)			
69,795	Amazon.com	8,318,678	4.57
60,991	Alphabet 'A'	6,683,748	3.67
21,557	Microsoft	6,356,676	3.49
32,647	CME Group	5,393,618	2.96
32,443	Ecolab	5,047,650	2.77
56,133	Taiwan Semiconductor Manufacturing ADR	4,577,208	2.51
7,348	ASML Holding	4,339,279	2.38
174,364	Equinor	4,338,734	2.38
12,369	Moody's	3,789,389	2.08
13,448	Meta Platforms 'A'	3,733,856	2.05
15,971	Amgen	3,608,383	1.98
51,782	Medtronic	3,347,470	1.84
28,245	Middleby	3,260,981	1.79
476,200	AlA Group	3,255,405	1.79
6,161	Costco Wholesale	3,190,738	1.75
9,515	Mastercard 'A'	3,183,509	1.75
39,271	DSM-Firmenich	3,130,026	1.72
7,277	Thermo Fisher Scientific	3,032,502	1.67
41,867	Walt Disney	2,964,977	1.63
5,262	ServiceNow	2,918,453	1.60
74,523	Dassault Systemes	2,855,562	1.57
18,594	Air Liquide	2,837,040	1.56
1,052,400	Samsonite International	2,722,360	1.50
50,631	HDFC Bank ADR	2,664,998	1.46
20,279	Tetra Tech	2,655,454	1.46
48,864	Service Corporation International	2,622,971	1.44
114,131	Aramark	2,513,962	1.38
17,084	Siemens	2,510,422	1.38
82,600	Tencent Holdings	2,432,941	1.34
34,452	Otis Worldwide	2,419,045	1.33

Portfolio Statement as at 31st December 2023 (Continued)

Holding or Nominal Value	Investment	Bid Market Value (£)	% of Net Assets
Global Equities (continued)			
5,913	NVIDIA	2,296,784	1.26
14,037	EssilorLuxottica	2,202,315	1.21
6,866	Deere & Company	2,153,892	1.18
34,212	Colgate-Palmolive	2,139,189	1.18
23,315	Merck & Company	1,993,882	1.10
15,400	Daikin Industries	1,965,259	1.08
17,075	TE Connectivity	1,882,563	1.03
472,267	Lynas Rare Earths	1,809,946	0.99
11,382	Apple	1,718,639	0.94
36,265	Siemens Healthineers	1,652,936	0.91
61,700	Shiseido	1,457,348	0.80
8,418	American Tower	1,426,662	0.78
2,955	Eli Lilly & Company	1,351,864	0.74
251,632	Oakley Capital Investments	1,240,546	0.68
188,732	IGO	914,238	0.50
		136,912,098	75.18
Global Property 0.00% (31 December 2022 - 1.84%)			
Alternatives 6.78% (31 December 2022 - 5.98%)			
1,747,197	International Public Partnerships	2,386,671	1.31
1,936,628	Renewables Infrastructure Group	2,200,009	1.21
534,499	3i Infrastructure	1,718,414	0.94
2,579,461	BioPharma Credit	1,699,676	0.93
1,465,813	Octopus Renewables Infrastructure Trust	1,316,300	0.72
1,621,465	Cordiant Digital Infrastructure	1,229,071	0.68
886,582	Gresham House Energy Storage Fund	948,643	0.52
485,565	BBGI Global Infrastructure	687,560	0.38
385,651	US Solar Fund	157,310	0.09
		12,343,654	6.78
Global Exchange Traded Funds 4.77% (31 December 2022 - 1.14%)			
47,051	Invesco Physical Gold	7,356,608	4.04
59,642	WisdomTree Carbon	1,327,631	0.73
		8,684,239	4.77
Global Collective Investment Schemes 1.78% (31 December 2022 - 8.68%)			
10,672	Fulcrum Equity Dispersion Fund Class 'I' GBP Accumulation	1,354,936	0.74
7,620	Brevan Howard Absolute Return Government Bond Fund 'A' GBP Acc	975,743	0.54

Portfolio Statement as at 31st December 2023 (Continued)

Holding or Nominal Value	Investment	Bid Market Value (£)	% of Net Assets
Global Collective Investment Schemes (continued)			
104,372	PIMCO TRENDS Managed Futures Strategy Fund Institutional GBP (Hedged) Income	908,032 3,238,711	0.50 1.78
UK Collective Investment Schemes 0.00% (31 December 2022 – 2.45%)			
Total Value of Investments 99.32%			
(31 December 2022 – 98.28%)		180,864,769	99.32
Net Other Assets		1,241,190	0.68
Net Assets		182,105,959	100.00

Securities are admitted to an official stock exchange listing or traded on another regulated market unless otherwise stated.

Asset Allocation of Portfolio of Investments is as follows:

Bonds	3,833,424	2.11
Collective Investment Schemes	11,922,950	6.55
Equities	165,108,395	90.66
Net Other Assets	1,241,190	0.68
	182,105,959	100.00

Debt Security Allocation is as follows:

Percentage of Debt Securities investment grade and above	35.03%
Percentage of Debt Securities below investment grade (sub BBB- or unrated)	64.97%
	100.00%

Statement of Total Return
For the year ended 31st December 2023

			01.01.2023 to 31.12.2023		01.01.2022 to 31.12.2022
	Notes	£	£	£	£
Income					
Net capital gains/(losses)	2		6,858,327		(12,114,464)
Revenue	3	3,856,210		2,237,188	
Expenses	4	(1,475,381)		(1,043,763)	
Interest payable and similar charges	6	(22)		(7,696)	
Net revenue before taxation		2,380,807		1,185,729	
Taxation	5	(256,774)		(156,721)	
Net revenue after taxation for the year			2,124,033		1,029,008
Total return before distributions			8,982,360		(11,085,456)
Distributions	6		(3,595,701)		(2,072,701)
Changes in net assets attributable to unitholders from investment activities			5,386,659		(13,158,157)

Statement of Changes in Net Assets Attributable to Unitholders
For the year ended 31st December 2023

			01.01.2023 to 31.12.2023		01.01.2022 to 31.12.2022
		£	£	£	£
Opening net assets attributable to unitholders			173,392,009		71,457,733
Movement due to sales and repurchases of units:					
Amounts received on issue of units		9,466,119		115,819,922	
Amounts paid on cancellation of units		(6,200,469)		(901,880)	
			3,265,650		114,918,042
Dilution levy			—		129,056
Changes in net assets attributable to unitholders from investment activities (see above)			5,386,659		(13,158,157)
Retained distribution on accumulation units			61,641		45,335
Closing net assets attributable to unitholders			182,105,959		173,392,009

The notes on pages 132 to 141 form part of these Financial Statements.

Balance Sheet
As at 31st December 2023

	Notes	31.12.2023 £	31.12.2022 £
Assets			
Fixed assets:			
Investments		180,864,769	170,402,114
Current assets:			
Debtors	8	520,590	303,523
Cash and bank balances	9	1,802,399	3,603,903
Total assets		183,187,758	174,309,540
Liabilities			
Creditors:			
Distribution payable on income units		(939,778)	(779,357)
Other creditors	10	(142,021)	(138,174)
Total liabilities		(1,081,799)	(917,531)
Net assets attributable to unitholders		182,105,959	173,392,009

The notes on pages 132 to 141 form part of these Financial Statements.

Certification of Accounts by Directors

The Directors are of the opinion that it is appropriate to adopt the going concern basis in the preparation of the Financial Statements as the assets of the sub-fund consist predominantly of securities that are readily realisable and, accordingly, the sub-fund has adequate resources to continue in operational existence for at least the next twelve months from the approval of these Financial Statements.

G. Steinberg
Director
Sarasin Investment Funds Limited
22nd April 2024

S. A. M. Jeffries
Director
Sarasin Investment Funds Limited
22nd April 2024

Notes

Notes to the financial statements For the year ended 31st December 2023

1. Accounting Policies

The accounting policies for this sub-fund match those found on pages 22 to 24.

2. Net Capital Gains/(Losses)

	01.01.2023 to 31.12.2023 £	01.01.2022 to 31.12.2022 £
Net capital gains/(losses) comprise:		
Non-derivative securities realised losses	(10,345,797)	(318,219)
Non-derivative securities unrealised gains/(losses)	17,293,944	(11,741,593)
Derivative securities realised losses	(63,276)	–
Forward currency contracts realised gains	919	72,649
Currency losses	(26,718)	(125,887)
Transaction charges	(878)	(1,573)
Central Securities Depository Regulation (CSDR) penalty reimbursement	133	159
	6,858,327	(12,114,464)

3. Revenue

	01.01.2023 to 31.12.2023 £	01.01.2022 to 31.12.2022 £
UK dividends	603,670	491,315
Overseas dividends	2,394,344	1,559,502
Bank Interest	104,657	9,365
Interest on debt securities	176,825	–
Franked CIS ¹ revenue	93,341	–
Unfranked CIS ¹ revenue	385,591	161,158
Offshore dividend CIS ¹ revenue	21,692	15,848
Offshore interest CIS ¹ revenue	76,090	–
	3,856,210	2,237,188

¹Collective Investment Scheme

4. Expenses

	01.01.2023 to 31.12.2023 £	01.01.2022 to 31.12.2022 £
Payable to the Manager, associates of the Manager, and agents of either of them:		
Management fees	1,355,759	959,218
	1,355,759	959,218
Payable to the Trustee, associates of the Trustee, and agents of either of them:		
Other expenses		
Fixed operating charge ¹	119,622	84,545
	119,622	84,545
Total Expenses	1,475,381	1,043,763

¹The Audit fee for 31st December 2023 was £8,600 plus VAT (31st December 2022: £8,220 plus VAT).

5. Taxation

	01.01.2023 to 31.12.2023 £	01.01.2022 to 31.12.2022 £
a) Analysis of tax charge in year:		
Overseas tax	256,774	156,721
Total tax for the year	256,774	156,721

b) As the Trust is a Charity Authorised Investment Fund, it is exempt from United Kingdom tax on capital gains realised on the disposal of investments held within the sub-fund and any UK corporation tax.

The sub-fund is also excluded from the normal tax rules which apply to revenue allocations to units and payments on redemption of units made to unitholders in an authorised unit trust scheme. For the purposes of the sub-fund, revenue of the sub-fund is not considered to be dividends in the hands of the unitholders and therefore no income tax is payable in respect of the revenue allocated to each unit.

In addition, any gains on the redemption of units in the sub-fund are not to be treated as chargeable gains for Capital Gains Tax purposes and therefore no Capital Gains Tax is payable on redemption of units.

6. Distribution

The distributions take account of revenue received on the creation of units and revenue deducted on the cancellation of units, and comprise:

	01.01.2023 to 31.12.2023 £	01.01.2022 to 31.12.2022 £
First interim	735,109	223,204
Second interim	956,216	592,444
Third interim	956,843	574,965
Final	950,196	794,644
	3,598,364	2,185,257
Add: Revenue deducted on cancellation of units	15,804	571
Deduct: Revenue received on creation of units	(18,467)	(113,127)
Net distributions for the year	3,595,701	2,072,701
Interest payable and similar charges	22	7,696
	3,595,723	2,080,397

7. Movement between Net Revenue and Distribution

	01.01.2023 to 31.12.2023 £	01.01.2022 to 31.12.2022 £
Net revenue after tax	2,124,033	1,029,008
Add: Undistributed revenue Reserve brought forward	118	48
Less: Undistributed revenue Reserve carried forward	(160)	(118)
Add: Benefit of coupon basis distribution	(3,671)	–
Add: Expenses payable from capital	1,475,381	1,043,763
Net Distribution for the year	3,595,701	2,072,701

8. Debtors

	31.12.2023 £	31.12.2022 £
Sales awaiting settlement	25,631	–
Accrued revenue	474,046	291,806
Overseas tax recoverable	20,913	11,717
	520,590	303,523

9. Cash and Bank Balances

	31.12.2023 £	31.12.2022 £
Cash and bank balances	1,799,521	3,603,903
Cash held at clearing houses	2,878	–
	1,802,399	3,603,903

10. Other Creditors

	31.12.2023	31.12.2022
	£	£
Accrued expenses	142,021	138,174
	142,021	138,174

11. Contingent Assets/(Liabilities)

The sub-fund had no contingent asset or liability as at 31st December 2023 (31st December 2022: same).

12. Equalisation

Equalisation is not applied to distributions paid by the sub-fund.

13. Units in Issue

The sub-fund currently has two unit classes: A Income Units and A Accumulation Units. The annual management charge on each unit class can be found on page 124. The net asset value of each unit class, the net asset value per unit and the number of units in each class are given in the comparative tables on pages 125 and 126. The distribution per unit class is given in the distribution tables on pages 142 and 143. All classes have the same rights on winding up and have no par value.

	'A' Income Units	'A' Accumulation Units
Opening units	184,681,858	3,572,503
Units created	9,854,404	164,679
Units liquidated	(4,911,923)	(1,702,051)
Units converted	—	—
Closing units	189,624,339	2,035,131

14. Related Parties

Sarasin & Partners LLP and Sarasin Investment Funds Limited, together with Natwest Trustee and Depositary Services Limited as Corporate Trustee, are deemed to be Related Parties, by virtue of their ability to act in respect of the sub-fund's operations.

Sarasin & Partners LLP acts as principal on all transactions of units in the sub-fund. The aggregate monies received through creations and liquidations are disclosed in the statement of changes in net assets attributable to unitholders.

Management fees are paid to Sarasin Investment Funds Limited and are shown in note 4.

Amounts due to Related Parties at the year end:

	31.12.2023	31.12.2022
	£	£
Management fees	116,025	112,468
	116,025	112,468

At 31st December 2023, Sarasin Growth Fund held no units in any other sub-fund or collective investment scheme managed by associated companies of Sarasin Investment Funds Limited (31st December 2022: same).

14. Related Parties (continued)

At the year end, BNY (OCS) Nominees Limited owned 99.97% of the sub-fund on behalf of multiple beneficiaries (31st December 2022: 99.99%).

15. Risk Management Policies and Disclosures

Financial Instruments

In pursuing its investment objectives as stated on page 119, the sub-fund holds a number of financial instruments. The sub-fund's financial instruments, other than derivatives, comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for creations and payable for redemptions and debtors for accrued revenue.

The main risks arising from the sub-fund's financial instruments and the Operator's policies for managing these risks are summarised below, a sensitivity analysis of the sub-fund is provided on page 123. These policies have been applied throughout the year.

Market Price Risk

Market price risk is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises mainly from uncertainty about future prices of financial instruments the sub-funds hold. It represents the potential loss the sub-fund might suffer through holding market positions in the face of price movements. The sub-fund's investment portfolio is exposed to market price fluctuations which are monitored by the Operator in pursuance of the investment objectives and policy as set out in the Prospectus.

Adherence to investment guidelines and to investment and borrowing powers set out in The Charities (Accounts and Reports) Regulations 2008 mitigates the risk of excessive exposure to any particular type of security or issuer.

Derivative Risk

Derivatives are comprised of forward foreign currency contracts and options contracts. Forward foreign currency contracts are used to manage currency risk arising from the sub-fund's investment activities (and related financing). Open positions at the balance sheet date, which are all covered, are included in the portfolio statement. Gains/(losses) on forward foreign exchange transactions are taken to capital. Futures contracts are used to reduce the risks associated with the market risk of the equity portfolio and to align the sub-fund's exposures to market movements with that of the sub-fund's benchmarks.

The sub-fund is able to use traded options for Efficient Portfolio Management purposes only, thus always hedging up to the amount of stock which is physically owned. The purpose of undertaking these contracts is to protect the Portfolio from a downturn in the market as far as possible.

Alternatives Risk

Some alternative investments may have lower trading volumes than other securities. In some cases this may make such investments harder to sell at the last quoted market price, or at a price considered to be fair. Such conditions could result in unpredictable changes in the value of your holding.

Currency Risk

Currency risk is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in foreign currency exchange rates.

A proportion of the sub-fund's investment portfolios are invested in overseas securities and the balance sheet can be affected by movements in foreign exchange rates. The Operator may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the sterling value of investments that are priced in other currencies. Revenue received in other currencies is converted to sterling on or near the date of receipt.

15. Risk Management Policies and Disclosures (continued)

Currency exposure as at 31st December 2023:

	Monetary Exposure £	Non-Monetary Exposure £	Total £	%
Australian dollar	–	2,724,184	2,724,184	1.50
Euro	20,916	19,527,581	19,548,497	10.73
Hong Kong dollar	–	8,410,706	8,410,706	4.62
Japanese yen	9,269	3,422,607	3,431,876	1.88
Norwegian krone	–	4,338,734	4,338,734	2.38
US dollar	358,664	106,461,335	106,819,999	58.66
	388,849	144,885,147	145,273,996	79.77
Sterling	852,341	35,979,622	36,831,963	20.23
	1,241,190	180,864,769	182,105,959	100.00

Currency exposure as at 31st December 2022:

	Monetary Exposure £	Non-Monetary Exposure £	Total £	%
Euro	11,717	17,120,186	17,131,903	9.88
Hong Kong dollar	–	8,513,764	8,513,764	4.91
Japanese yen	–	5,228,815	5,228,815	3.02
Norwegian krone	–	2,915,664	2,915,664	1.68
US dollar	11,706	89,256,272	89,267,978	51.48
	23,423	123,034,701	123,058,124	70.97
Sterling	2,966,472	47,367,413	50,333,885	29.03
	2,989,895	170,402,114	173,392,009	100.00

Credit Risk

Certain transactions in securities that the sub-fund enters into exposes it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the sub-fund has fulfilled its responsibilities. The sub-fund only buys and sells investments through brokers which have been approved by the Operator as an acceptable counterparty. In addition, limits are set to the exposure to any individual broker that may exist at any time and changes in brokers' financial ratings are reviewed.

This risk is managed by appraising the credit profile of financial instruments and issuers in line with the sub-fund's investment objective and policy.

As at balance sheet date, the sub-fund is not exposed to any counterparty risk.

Liquidity Risk

The sub-fund's assets comprise mainly of readily realisable securities. The main liability of the sub-fund is the redemption of any units over and above the cash holdings that investors wish to sell. Assets of the sub-fund may need to be sold if insufficient cash is available to finance such redemptions.

As at the sub-fund has significant holdings in readily realisable level 1 and level 2 securities, it is expected that the sub-fund will be able to generate sufficient cash flows to settle these obligations when they arise.

The Operator reserves the right to defer redemptions where there is a net outflow representing 10% of the NAV or more on a single dealing day.

15. Risk Management Policies and Disclosures (continued)

Interest Rate Risk

Interest rate risk is the risk that the value of the sub-fund's investment holdings will fluctuate as a result of changes in interest rates. The sub-fund may invest in fixed and floating rate securities. The revenue of the sub-fund may be affected by changes to interest rates relevant to particular securities or as a result of the Operator being unable to secure similar returns on the expiry of contracts or sale of securities. The value of fixed interest securities may be affected by interest rate movements or the expectation of such movements in the future. Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates.

Interest Rate Risk Profile of the sub-fund's Assets and Liabilities:

	Floating Rate Financial Assets	Fixed Rate Financial Assets	Financial Assets not carrying interest	Total
	£	£	£	£
31st December 2023				
Australian dollar	–	–	2,724,184	2,724,184
Euro	–	–	19,548,497	19,548,497
Hong Kong dollar	–	–	8,410,706	8,410,706
Japanese yen	–	–	3,431,876	3,431,876
Norwegian krone	–	–	4,338,734	4,338,734
Sterling	5,621,715	–	32,292,047	37,913,762
US dollar	14,108	–	106,805,891	106,819,999
	5,635,823	–	177,551,935	183,187,758

	Floating Rate Financial Liabilities	Fixed Rate Financial Liabilities	Financial Liabilities not carrying interest	Total
	£	£	£	£
31st December 2023				
Sterling	–	–	(1,081,799)	(1,081,799)
	–	–	(1,081,799)	(1,081,799)

Interest Rate Risk Profile of the sub-fund's Assets and Liabilities:

	Floating Rate Financial Assets	Fixed Rate Financial Assets	Financial Assets not carrying interest	Total
	£	£	£	£
31st December 2022				
Euro	–	–	17,131,903	17,131,903
Hong Kong dollar	–	–	8,513,764	8,513,764
Japanese yen	–	–	5,228,815	5,228,815
Norwegian krone	–	–	2,915,664	2,915,664
Sterling	3,592,197	–	47,659,219	51,251,416
US dollar	11,706	–	89,256,272	89,267,978
	3,603,903	–	170,705,637	174,309,540

15. Risk Management Policies and Disclosures (continued)

	Floating Rate Financial Liabilities	Fixed Rate Financial Liabilities	Financial Liabilities not carrying interest	Total
31st December 2022	£	£	£	£
Sterling	–	–	(917,531)	(917,531)
	–	–	(917,531)	(917,531)

Fair Value of Financial Assets and Liabilities

The fair value of a financial instrument is the amount for which it could be exchanged between knowledgeable, willing parties in an arm's length transaction. There is no significant difference between the value of the financial assets and liabilities, as shown in the financial statements, and their fair value.

Valuation technique as at 31st December 2023

	Level 1 £	Level 2 £	Level 3 £	Total £
Financial Assets				
Collective Investment Schemes	8,684,239	3,238,711	–	11,922,950
Debt Securities	–	3,833,424	–	3,833,424
Equities	165,108,395	–	–	165,108,395
	173,792,634	7,072,135	–	180,864,769

Valuation technique as at 31st December 2022

	Level 1 £	Level 2 £	Level 3 £	Total £
Financial Assets				
Collective Investment Schemes	5,541,903	9,727,771	–	15,269,674
Equities	155,132,440	–	–	155,132,440
	160,674,343	9,727,771	–	170,402,114

The valuation technique has been disclosed under Accounting Policies note 1o on page 23.

Level 1

The unadjusted quoted price in an active market for identical instruments that the entity can access at the measurement date.

Level 2

Valuation techniques using observable inputs other than quoted prices within Level 1 (i.e., developed using market data).

Level 3

Valuation techniques using unobservable inputs (i.e., for which market data is unavailable).

Counterparty Risk

During the year, the sub-fund made use of 'Over The Counter' (OTC) Derivative Instruments. These types of transactions introduce counterparty risk, where a counterparty may fail to meet its financial commitments.

In order to reduce this risk, collateral may be held by the sub-fund. As at the balance sheet date, the sub-fund is not exposed to any counterparty risk (31st December 2022: same).

16. Portfolio Transaction Costs

	01.01.2023 to 31.12.2023 £	01.01.2022 to 31.12.2022 £
Analysis of total purchase costs:		
Purchases in year before transaction costs		
Bonds	3,633,171	—
Collective Investment Schemes	4,543,771	8,235,180
Corporate Actions	4,645,266	371,441
Derivatives	215,372	—
Equities	73,434,748	146,109,386
Total purchases	86,472,328	155,184,595
Commissions:		
Equities total value paid	36,487	64,325
Taxes:		
Equities total value paid	1	17
Total purchase costs	36,488	64,342
Gross purchase costs	86,508,816	155,248,937
Analysis of total sale costs:		
Gross sales in year before transaction costs		
Collective Investment Schemes	10,680,288	—
Corporate Actions	4,634,515	371,441
Derivatives	76,072	—
Equities	67,425,239	41,704,966
Total sales	82,816,114	42,076,407
Commissions:		
Equities total value paid	(24,282)	(15,570)
Taxes:		
Equities total value paid	(2)	(4)
Total sales costs	(24,284)	(15,574)
Total sales net of transaction costs	82,791,830	42,060,833

16. Portfolio Transaction Costs (continued)

	01.01.2023 to 31.12.2023 %	01.01.2022 to 31.12.2022 %
Analysis of total purchase costs:		
Commissions:		
Equities percentage of average NAV ¹	0.02	0.05
Taxes:		
Equities percentage of average NAV ¹	—	—
Analysis of total sale costs:		
Commissions:		
Equities percentage of average NAV ¹	0.01	0.01
Taxes:		
Equities percentage of average NAV ¹	—	—

The average portfolio dealing spread as at 31st December 2023 was 0.14% (31st December 2022: 0.16%).

¹Excluding dilution levies.

17. Post Balance Sheet Events

The Operator has applied a 10% threshold to the disclosure of post year end movements in the net asset value per unit of the sub-fund from the year end date to the date of signing. This consideration takes into account routine transactions but also significant market movements. There are no unit classes where the net asset value per unit has moved by greater than 10%, therefore, there are no post balance sheet net asset value movements which require disclosure at the year end.

Distribution Tables

For the year ended 31st December 2023

First Interim distribution in pence per unit

Group 1: Units purchased prior to 1st January 2023

Group 2: Units purchased between 1st January 2023 and 31st March 2023

Unit	Net Revenue 2023 Pence per Unit	Equalisation (note 12) 2023 Pence per Unit	1st Interim Distribution Paid 2023 Pence per Unit	1st Interim Distribution Paid 2022 Pence per Unit
A Income Units				
Group 1	0.3835	—	0.3835	0.3006
Group 2	0.3835	—	0.3835	0.3006
A Accumulation Units				
Group 1	0.3907	—	0.3907	0.3013
Group 2	0.3907	—	0.3907	0.3013

Second Interim distribution in pence per unit

Group 1: Units purchased prior to 1st April 2023

Group 2: Units purchased between 1st April 2023 and 30th June 2023

Unit	Net Revenue 2023 Pence per Unit	Equalisation (note 12) 2023 Pence per Unit	2nd Interim Distribution Paid 2023 Pence per Unit	2nd Interim Distribution Paid 2022 Pence per Unit
A Income Units				
Group 1	0.4935	—	0.4935	0.4095
Group 2	0.4935	—	0.4935	0.4095
A Accumulation Units				
Group 1	0.5048	—	0.5048	0.4120
Group 2	0.5048	—	0.5048	0.4120

Third Interim distribution in pence per unit

Group 1: Units purchased prior to 1st July 2023

Group 2: Units purchased between 1st July 2023 and 30th September 2023

Unit	Net Revenue 2023 Pence per Unit	Equalisation (note 12) 2023 Pence per Unit	3rd Interim Distribution Paid 2023 Pence per Unit	3rd Interim Distribution Paid 2022 Pence per Unit
A Income Units				
Group 1	0.4936	—	0.4936	0.3770
Group 2	0.4936	—	0.4936	0.3770
A Accumulation Units				
Group 1	0.5074	—	0.5074	0.3404
Group 2	0.5074	—	0.5074	0.3404

Final distribution in pence per unit

Group 1: Units purchased prior to 1st October 2023

Group 2: Units purchased between 1st October 2023 and 31st December 2023

Unit	Net Revenue 2023 Pence per Unit	Equalisation (note 12) 2023 Pence per Unit	Final Distribution Paid 2024 Pence per Unit	Final Distribution Paid 2023 Pence per Unit
A Income Units				
Group 1	0.4956	—	0.4956	0.4220
Group 2	0.4956	—	0.4956	0.4220
A Accumulation Units				
Group 1	0.5119	—	0.5119	0.4279
Group 2	0.5119	—	0.5119	0.4279



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