Cazenove Capital

Charity Sustainable Multi-Asset Fund

31 March 2025

Investment objective

The SUTL Cazenove Charity Sustainable Multi-Asset Fund aims to provide income and capital growth in line with the Consumer Price Index + 4% per annum (net of fees) over rolling ten-year periods by investing in equities, bonds and alternative assets worldwide. The distribution share class has a total return target distribution of 4% per annum, paid quarterly. The objective and distribution target cannot be guaranteed and your capital is at risk.

Fund characteristics

The SUTL Cazenove Charity Sustainable Multi-Asset Fund benefits from Schroders global expertise and is designed for charities of all sizes who want to align their investments with their charitable mission and invest for a better future. Our intention is for the Fund to achieve the financial objectives while creating overall positive outcomes for people and the planet. We will aim to achieve this by Avoiding harm through ESG integration and exclusions, Benefiting society through responsible business activities and Contributing to solutions in areas of environmental and social need.

Performance data

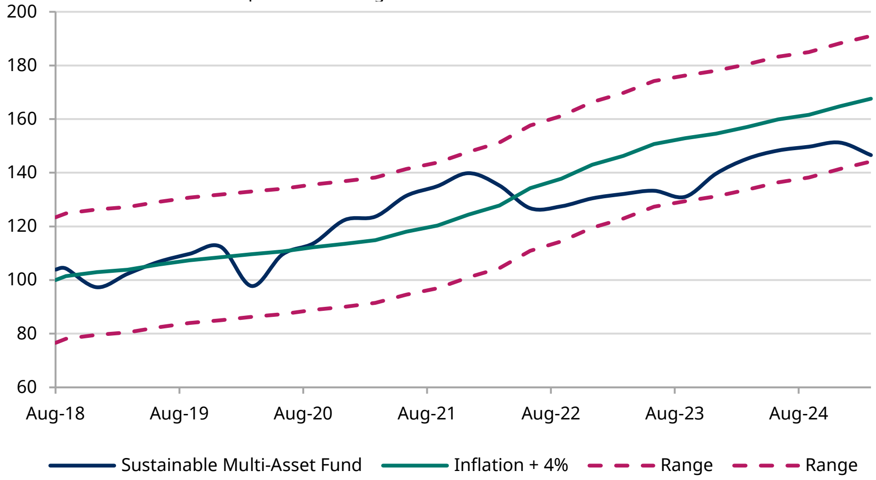
Total returns	3 months	1 year	3 years (p.a.)	5 years (p.a.)	Inception (p.a.)
Sustainable Multi-Asset Fund	**-3.1%**	**0.9%**	**2.7%**	**8.4%**	**5.3%**
Inflation + 4%	1.7%	6.7%	9.4%	8.9%	8.0%

Total returns	Mar 2024 - Mar 2025	Mar 2023 - Mar 2024	Mar 2022 - Mar 2023	Mar 2021 - Mar 2022	Mar 2020 - Mar 2021
Sustainable Multi-Asset Fund	**0.9%**	**9.9%**	**-2.4%**	**9.4%**	**26.5%**
Inflation + 4%	6.7%	7.4%	14.5%	11.3%	4.7%

Past performance is not a guide to future performance.

Source: Datastream/Lipper, bid to bid, in GBP, net income reinvested at 31 March 2025. Z Share Class, 0.60% p.a.

Inflation to 31 March 2025. Inception date 1 August 2018.



Range: Upper and lower boundaries represent two standard deviations of the strategy from the central return expectation (Inflation +4%). Inception base date 1st August 2018 when Global Equities were historically 4% above average valuation.

Fund team


Kate Rogers


Tom Montagu-Pollock


Emilie Shaw


Matt Best

Key information

Fund size	£2,279m
Fund manager	Tom Montagu-Pollock
Units available	Distribution & Accumulation
Valuation and dealing	Daily 12:00
Minimum investment	£10,000
Target distribution	4%
Distribution dates	31st Aug, 30th Nov, 28th Feb, 31st May
Ongoing charges figure	0.76%
SEDOL number	BF78432 BF78421

Sustainable investment policy

Avoid harm by excluding[1] harmful sectors and screening companies environmental, social and governance practises

Benefit society by allocating a significant portion to companies that create overall positive outcomes for their stakeholders, such as employees, communities and the environment

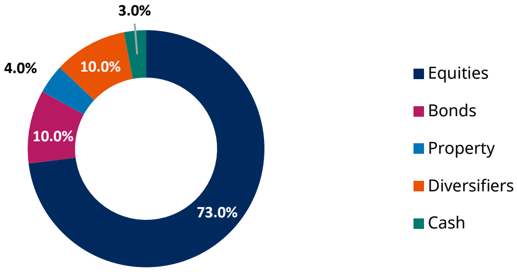
Contribute to solutions by including an allocation to areas of environmental and social needs

Influence companies and managers through engagement and voting, to encourage responsible business practises

Collaborate with other charity investors to identify areas of mutual concern

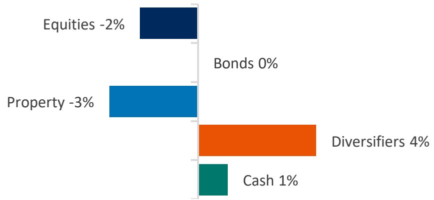
[1]Full policy available on request. Screens are applied with a threshold tolerance of maximum 10% of revenue derived from Fossil Fuels, Alcohol, Pornography, Armaments, Tobacco, Gambling & High interest rate lending.

Asset mix



The above asset allocation is based on holdings as at 31 March 2025.

Active positions



Shows asset allocation against the fund's long term strategy, with positive active positions reflecting a favourable view on the asset class and vice versa.

Active Ownership

135 Engagements with 118 companies over Q1

938 Company meetings voted, approximately 99% of all resolutions voted

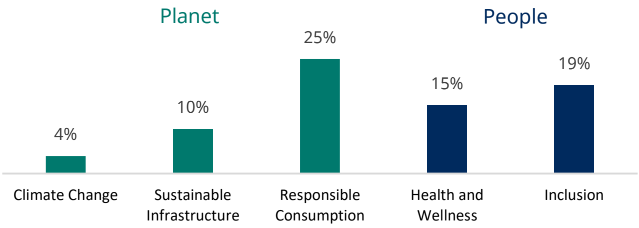
7,927 We voted on 7,927 shareholder resolutions, of which we voted with management on 7,098

Source: Schroders. Represents Schroder group voting and engagement activity and includes holdings not owned within this strategy

Sustainability Insights

Sustainable Development Goals (SDG)

Equities Alignment



Source: MSCI SDG alignment based on companies with any revenue from products and services that support the goals within the equity portfolio, grouped under our 5 key

SustainEx ™

Portfolio equities *vs Global Equities*

Planet

Environmental Dividend

-0.5%

vs -2.0%

People

Social Dividend

4.2%

-0.4%

Social and environmental dividend is measured using SustainEx which calculates the contribution of the companies expressed as a percentage of sales. For example, a score of +2% means that the portfolio adds $2 of benefits for society for every $100 of sales.[1]

Climate Dashboard

Portfolio equities *vs Global Equities*

Carbon footprint

86%

lower

Implied Temperature Rise

2.1

vs 2.6°C

Carbon footprint based on the average Scope 1 and 2 carbon emissions (tonnes CO2e) of portfolio companies and are allocated on an EVIC basis (enterprise value including cash). Implied temperature rise based on projected emissions, i.e. targets and historical efforts across scopes 1, 2 & 3 over one time horizon. Benchmark is MSCI All Countries World Index

Portfolio commentary

After two years of positive returns for investors driven by a notably strong US equity performance, the first quarter of 2025 saw heightened volatility and negative returns from this important market as the continued viability of US economic "exceptionalism" was called into question.

The reversal of fortune experienced by US equities saw the S&P 500 and Nasdaq 100 declining by 4.6% and 8.3% respectively. This marked their worst quarters since 2022 and reflected rising fears over trade policy impacts, weakened consumer confidence readings, and concerns over what returns would be made from fast growing AI capex spend.

Following president Trump's inauguration in January, he has signed well over 100 executive orders, ranging from withdrawing from both the Paris Climate Agreement to establishing the Department of Government Efficiency. Initial Tariff announcements, combined with the promise of more to come, created significant uncertainty for both businesses and consumers

The prospect of rising global tariffs has been the hardest for equity investors to digest. US stock markets felt the most pain, notably in the smaller more domestic areas as well as technology. Other regions were surprisingly resilient against the political backdrop. European stocks were nearly 15% ahead of US stocks since December, benefitting from a reallocation of capital and significant fiscal shifts particularly in Germany after its election in February. Overall, Global equities fell -4.3% for the quarter in sterling terms.

While equity markets were battling daily to price in Trump 2.0, bond markets have recently adjusted to reflect a lower-growth scenario in the US, indicated by a downward trend in treasury yields. This trend has been less pronounced in the UK Gilt market where inflation expectations remain elevated. Gold prices registered their largest quarterly gain since 1986, up 19%, as the commodity benefited from economic uncertainty and demand from central banks and retail investors.

Against this backdrop, the Fund returned -3.1%. Despite an initial boost in the first half of the quarter driven by positive corporate earnings, the core equities finished the quarter modestly behind their global equity benchmark (MSCI AC World).

Our investment philosophy focuses on identifying high-quality companies whose future growth potential is underestimated by the market. This naturally skews the portfolio towards higher quality stocks while resulting in a reduced allocation to lower growth stocks, such as materials and utilities, which have been more favoured this quarter.

After a strong fourth quarter, Lululemon (-26.0%) has since struggled, facing sector-wide headwinds from sluggish first-quarter consumer spending and tariff concerns related to production in Vietnam and Cambodia. The technology exposure was also negative for overall performance. Alphabet (-18.2%) fell after its commitment to investing $75 billion in artificial intelligence for 20255, as concerns about profitability and increased competition in cloud computing and online advertising grew. TSMC (-16.1%) experienced declines and heightened scrutiny due to U.S.-China tech tensions, tariffs, and competition from Chinese rivals affecting revenue forecasts.

On the positive side, the financials and healthcare names helped dampen the underperformance. The strongest performer was BBVA (+38.5%), which posted record net profits in Q4 and for the full year. Elevance Health (+18.3%) rebounded after earnings surpassed analyst expectations and boosted its quarterly dividend, driven by growth in its pharmacy division. Pharmaceutical giant Roche (+15.8%) also benefited from investors seeking refuge in typically defensive stocks, whilst also being buoyed by news that the firm acquired rights to an obesity therapy, potentially increasing its presence in a booming market.

Within our thematic and tactical equities, the holdings in value, emerging markets and healthcare funds helped to protect the equity allocation from the worst of the market falls. Our bonds and alternatives helped to support returns, with each of the alternative holdings delivering positive absolute returns, led by gold which rallied sharply.

Transactions

In January we took profits on inflation-linked bonds with proceeds recycled into nominal bonds. In the wake of the Trump election inflation expectations looked more fairly priced into markets with less opportunity for upside capture from index-linked gilts. The overall duration profile of our fixed income did not increase, as we continue to believe that investors are not being sufficiently compensated for assuming longer duration risk.

Within our core equities, we added a position to Trane Technologies. Trane has been held in the strategy before, and are a Heating, Ventilation and Air Conditioning (HVAC) company listed in the US with excellent efficiency of products, strong long-term returns underpinned by their product quality and a leading organisational culture. With the shares having fallen from their highs, the view is that Trane are well-positioned to pass on cost-inflation and better placed to mitigate potential tariff impacts than peers.

We also reviewed our thematic equity exposure, switching the Schroder Global Energy Transition fund into the Robeco Circular Economy fund, which so far has held up better in the current market conditions.

Overall, we believe the fund is positioned in quality businesses that should be well-placed to navigate the new trade frameworks. The quality bias will be crucial in a period of uncertainty and change. Companies that prioritise long-term planning, supply chain resilience, diversification, and robust customer relationships will be better equipped to navigate 'Trump Tariffs' and the consequential changes in the competitive landscape. These 'good' companies may experience initial selling pressure during times of heightened uncertainty and market risk but can offer greater risk-adjusted returns as markets normalise.

Taking action to support the United Nations Sustainable Development Goals

Engagement Themes

Using our influence to create change

Investment Themes

Allocating capital to solutions

Climate Change

Biodiversity and Natural Resource Constraints

Human Capital Management

Human Rights

Inclusion and Diversity

Governance and Oversight

Engagement: Inclusion and Diversity

We engaged with Japanese medical equipment manufacturers, Terumo and Fujifilm, on their board composition. For context, Japanese companies on average see 20.5% representation of women on their boards – a proportion which lags other developed countries (Japan has announced a push for 30% female board members by 2030). Fujifilm currently has 27% female representation on the board, and Terumo only has 9% female representation.

Our conversations with the companies centred on improving this, as well as improving international diversity. Both companies have acknowledged the ask, and we are delighted that Terumo has committed to improving its gender and international diversity in response.

Investment: Health and Wellbeing

Natera is a leader in genetic testing, using advanced DNA analysis and AI to support early disease detection. Its flagship test, Signatera, identifies minimal residual disease (MRD) and cancer recurrence up to 16.5 months earlier than standard scans for colorectal cancer and up to two years for breast cancer. This enables more informed treatment decisions, potentially reducing costs and side effects while improving survival. Backed by 100+ studies and used by over 200,000 patients, Signatera is covered by most insurers and supported by over 35% of U.S. oncologists.

Source: Natera.com / HSBC Sustainable Healthcare Fund

Climate Change

Health and Wellbeing

Sustainable Infrastructure

Responsible Consumption

Inclusion

Sustainability Focus Label

We are delighted to announce our intention to adopt the Financial Conduct Authority's (FCA) Sustainability Disclosure Requirements (SDR) 'Sustainability Focus' label for the SUTL Cazenove Charity Sustainable Multi-Asset Fund.

We believe we are leading the way, as one of the first wealth managers to announce plans to adopt an SDR label, helping to differentiate our sustainable multi-manager, multi-asset approach. The label is intended to give our clients confidence in the integrity and robustness of our sustainable investment approach, and commitment to managing investments in line with their charitable values.

Investment funds may adopt one of four labels under SDR, which aims to improve the trust and transparency of sustainable investment and minimise the risk of greenwashing.

A labelled fund must have a sustainability objective that is clear, specific and measurable using key performance indicators. The 'Sustainability Focus' label requires a minimum of 70% of the assets within the fund to contribute to a sustainability objective, and no assets can be held that conflict with the sustainability objective. We believe these stringent requirements represent best practice for sustainable investing.

All data has been sourced from Schroders, DataStream and Lipper, bid to bid, net income reinvested as of 31st December 2024.

* SustainEx™ disclaimer

¹SustainEx™ provides an estimate of the potential "impact" that an issuer may create in terms of social and environmental "costs" or "benefits" of that issuer. It does this by using certain metrics with respect to that issuer and quantifying them positively (for example by paying 'fair wages') and negatively (for example the carbon an issuer emits) to produce an aggregate notional measure of the relevant underlying issuer's social and environmental "costs", "externalities" or "impacts". SustainEx™ utilises and is reliant on third party data (including third party estimates) as well as Schroders' own modelling assumptions, and the outcome may differ from other sustainability tools and measures. Where SustainEx™ relies on data and estimates produced by third parties, Schroders seeks to ensure that such data and estimates are accurate, but Schroders cannot and does not warrant the accuracy, completeness and adequacy of such third-party data and estimates. Like any model, SustainEx™ will evolve and develop over time as Schroders continues to assess, refine and add to the metrics and their relative contributions. Generating SustainEx™ scores involves an element of judgment and subjectivity across the different metrics chosen by Schroders, and accordingly Schroders does not accept any liability arising from any inaccuracy or omission in, or the use of or reliance on, SustainEx™ scores. As the model evolves, changes made to how metrics are applied may result in changes to the SustainEx™ score of any issuer and ultimately the overall fund/portfolio score. At the same time, of course, the issuer's SustainEx™ performance might improve or deteriorate.

Schroders' proprietary sustainability tools including SustainEx™ may not cover all of a fund/portfolio's holdings from time to time, in which case Schroders may use a range of alternative methods to assess the relevant holding. In addition, certain types of assets (such as cash and certain equivalent securities) are treated as neutral and are therefore not considered by our proprietary tools. Other types of assets such as equity indices and index derivatives may not be considered by our proprietary tools and in such case would be excluded from a product's sustainability score.

Risk considerations

Sustainable investing risk: The fund has environmental and/or social characteristics. This means it may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the investment manager. The fund may invest in companies that do not reflect the beliefs and values of any particular investor**. Interest rate risk**: A rise in interest rates generally causes bond prices to fall, while a decline in the financial health of an issuer could cause the value of its bonds to fall or become worthless. A failure of a deposit institution or an issuer of a money market instrument could create losses. Equity prices fluctuate based on many factors including general, economic, industry or company news. **Currency risk:** The fund can be exposed to different currencies – foreign exchange rates could create losses. Underlying funds may use derivatives for leverage, which makes it more sensitive to certain market interest rate movements and may cause above-average volatility and risk of loss. **Derivative risk:** A derivative may not perform as expected, and may create losses greater than the cost of the derivative. The counterparty to a derivative or other contractual agreement or synthetic product could become unable to honour its commitments to the fund, potentially creating a partial or total loss for the fund. **Liquidity risk:** In difficult market conditions, an underlying fund may not be able to sell a security for full value or at all and could cause the fund to defer or suspend redemptions of its shares. **Emerging markets and frontiers risk:** Emerging markets, generally carry greater political, legal, counterparty and operational risk. O**perational risk:** Failures at service providers could lead to disruptions of fund operations or losses.

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The Fund deducts costs and expenses incurred by the Board, Trustee and Manager in carrying out their duties to the property of the Fund in addition to the Trustee and Manager annual fees and as a result the growth in the capital sum will be constrained.