Cazenove Capital

Charity Equity Income Fund

31 March 2025

Marketing material for eligibile charities only.

Investment objective and policy

The SUTL Cazenove Charity Equity Income Fund aims to provide a portfolio yield in excess of the FTSE All-Share Index, through investing predominately in UK equities. The income provision will be the primary objective. The Fund's secondary target is to provide capital growth in order that its total return exceeds that of the FTSE All-Share Index over rolling five-year periods.

Subject to cash being reasonably held for redemptions and expenses, it is the intention of the Fund to remain fully invested except where market conditions necessitate the use of a defensive investment strategy which involves the holding of cash or near cash.

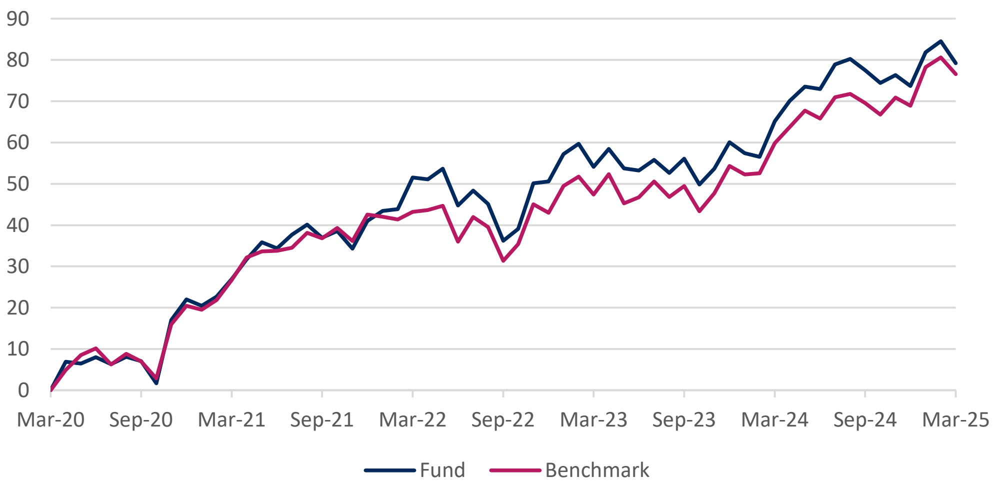
*On 8 June 2018 the fund converted to a Charity Authorised Investment Fund (CAIF) structure, the performance shown below has been obtained predominantly under the old Common Investment Fund (CIF) structure. The objective and strategy remain the same. However, the revised Ongoing Charges (OCF) no longer include VAT.

Performance analysis

Performance (%)	1 month	3 months	6 months	YTD	1 year	3 years	5 years	10 years
Fund	**-2.9**	**3.2**	**1.0**	**3.2**	**8.5**	**18.3**	**79.2**	**65.0**
Benchmark	-2.3	4.5	4.1	4.5	10.5	23.3	76.5	81.7

Discrete yearly performance (%)	Mar 2024 - Mar 2025	Mar 2023 - Mar 2024	Mar 2022 - Mar 2023	Mar 2021 - Mar 2022	Mar 2020 - Mar 2021
Fund	**8.5**	**7.2**	**1.7**	**19.4**	**26.9**
Benchmark	10.5	8.4	2.9	13.0	26.7

Performance over 5 years (%)



The return received may rise or fall as a result of currency fluctuations.

Past performance is not a reliable indicator of future results, prices of shares and the income from them may fall as well as rise and investors may not get back the amount originally invested. There is no guarantee that the objective will be met.

Some performance differences between the Fund and the benchmark may arise because the Fund performance is calculated at a different valuation point from the benchmark.

Source: Schroders, mid price with net income reinvested, net of the ongoing charges and portfolio costs and, where applicable, performance fees.

Sue Noffke
Fund Manager

Matt Bennison
Fund Manager

Technical information

Strategy launch date*	02 December 2002
Total fund size (£)	26.2 million
Total number of holdings	42
Unit price end of month (£)	97.12 GBX
Benchmark	FTSE All-Share Total Return
Fund manager	Sue Noffke Matt Bennison
Ex Distribution Dates	31 Mar, 30 Jun, 30 Sep, 31 Dec
Payment dates	28 Feb, 31 May, 31 Aug, 30 Nov
Latest payment	0.61p
Distribution yield	4.0%
Ethical restriction	No tobacco manufacturers

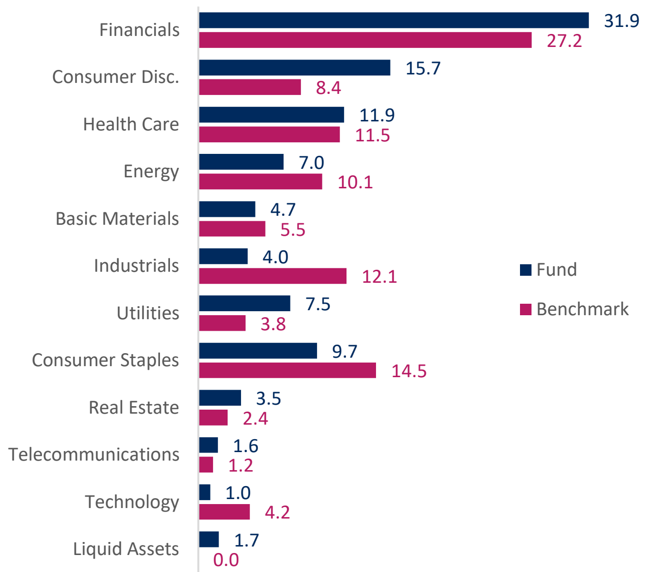
Purchase information

SEDOL	Acc: BF784F4 Inc: BF784G5
Bloomberg	Acc: SUTCEIA LN Inc: SUTCEAI LN
ISIN	Acc: GB00BF784F45 Inc: GB00BF784G51
Fund base currency	GBP
Dealing frequency	Daily (12:00 GMT)
Ongoing charges (OCF)	0.52%
Minimum investment amount	£10,000

Holdings analysis

Top 10 Holdings	Sector	% NAV
Shell Plc	Energy	7.0
ASTRAZENECA PLC	Health Care	6.9
HSBC Holdings PLC	Financials	6.4
National Grid PLC	Utilities	4.8
3i Group PLC	Financials	4.1
Unilever PLC	Consumer Staples	4.1
Standard Chartered PLC	Financials	3.7
RELX PLC	Consumer Disc.	3.0
Prudential PLC	Financials	2.9
Legal & General Group PLC	Financials	2.7
Total		**45.7**

Asset allocation (%)



Liquid Assets contain cash, deposits and money market instruments with maturities of up to 397 days, which are respectively not part of the core investment objective and policy. The commitment linked to the equity index futures contracts, if present, is deducted from cash. Source: Schroders

Risk considerations

The following risks may affect fund performance. Currency risk: The fund can be exposed to different currencies. Changes in foreign exchange rates could create losses. Derivatives risk: A derivative may not perform as expected, and may create losses greater than the cost of the derivative. Equity risk: Equity prices fluctuate daily, based on many factors including general, economic, industry or company news. Liquidity risk: In difficult market conditions, the fund may not be able to sell a security for full value or at all. This could affect performance and could cause the fund to defer or suspend redemptions of its shares. Operational risk: Failures at service providers could lead to disruptions of fund operations or losses.

Performance and portfolio activity

Performance was positive but behind the index during the quarter. Macroeconomic and geopolitical events dominated as traditional western political alliances were strained and European defence budgets looked set to increase while global markets were anxious about the tariffs Trump would deliver.

Against this backdrop, the aerospace and defence sector performed very strongly. We initiated a small position in **BAE Systems** during the quarter whilst our other holding in the sector defence services business **QinetiQ** had a profit disappointment. We will engage with management on this miss. Small and mid-sized companies' performance was markedly behind that of larger UK-listed companies amid ongoing worries around the domestic economic outlook. We are overweight this area of the market because we have found many mispriced opportunities here. Amongst consumer-facing businesses, luxury goods group **Burberry** and **Whitbread** owner of budget hotels business Premier Inn also struggled.

On the positive side, banks performed well during the quarter with our holding in **Standard Chartered** the largest contributor. Within healthcare **Convatec Group** continued to deliver on its business strategy. Real estate investment trust **Assura** which specialises in healthcare was positive as it attracted acquisition interest from both a private equity and corporate buyer. This is an example of ongoing merger and acquisition activity we see in the market as potential buyers recognise the valuation opportunities in the UK market.

In terms of income, we observe that a capital allocation shift by companies away from dividends towards a combination of ordinary dividends and share buybacks continues. This may prove to be more supportive of future relative capital returns for UK equities than for future dividend growth. However, the UK market continues to offer the highest yield of major international markets and all things being equal, share buy backs enhance a company's future earnings and dividends per share as profits and income are spread over a reduced number of shares. We continue to see opportunities to purchase companies that we believe are mispriced that can combine into a portfolio with a robust outlook for income generation.

For further information please contact
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