

Charity Equity Value Fund

31 March 2025

Marketing material for eligible charities only.

Investment objective and policy

The SUTL Charity Equity Value Fund aims to provide participating charities with a total return (income and capital growth) in excess of the FTSE All-Share Index over five year rolling periods. In order to achieve this objective, the Fund may invest in securities anywhere in the world, although investment will be predominantly in good quality UK equities.

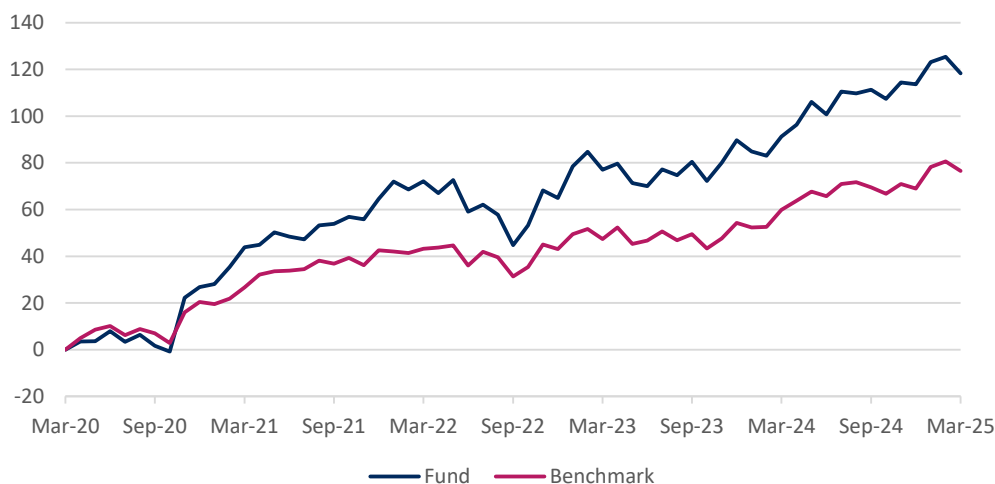
*On 8 June 2018 the fund converted to a Charity Authorised Investment Fund (CAIF) structure, the performance shown below has been obtained predominantly under the old Common Investment Fund (CIF) structure. The objective and strategy remain the same. However, the revised Ongoing Charges (OCF) no longer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

Performance analysis

Performance (%)	1 month	3 months	6 months	YTD	1 year	3 years	5 years	10 years
Fund	-3.2	2.2	3.3	2.2	14.2	26.8	118.3	105.8
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	14.2	8.0	2.9	19.6	43.9
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.

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Managed by the Value team

Technical information

Strategy launch date*	03 March 1992
Total fund size (£)	78 million
Total number of holdings	46
Unit price end of month (£)	506.60 GBX
Benchmark	FTSE All-Share Total Return
Fund team	The Value team
Ex Distribution Dates	31 Mar, 30 Jun, 30 Sep, 31 Dec
Payment dates	28 Feb, 31 May, 31 Aug, 30 Nov
Latest payment	5.35p
Distribution yield	4.2%
Ethical restriction	No tobacco manufacturers

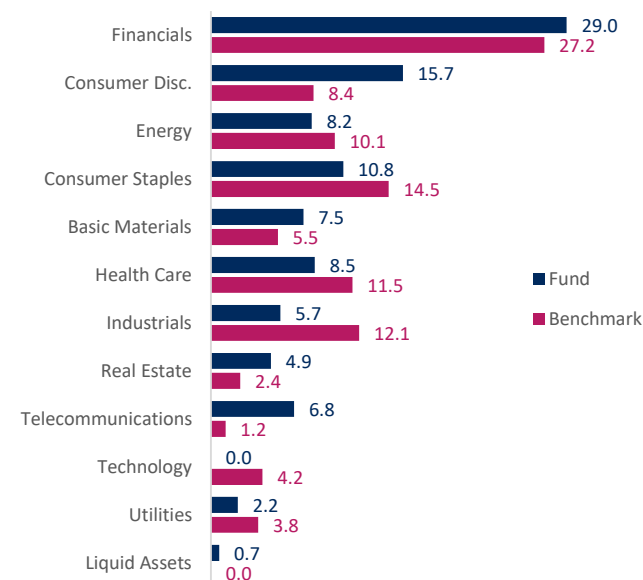
Purchase information

SEDOL	Acc: BF78465 Inc: BF78476
Bloomberg	Acc: SUCCEVA LN Inc: SUCCEAI LN
ISIN	Acc: GB00BF784651 Inc: GB00BF784768
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
Direct Line Insurance Group PLC	Financials	3.7
Aviva PLC	Financials	3.7
GSK Plc	Health Care	3.5
St. James's Place PLC	Financials	3.3
BT Group PLC	Telecommunications	3.2
Shell Plc	Energy	3.0
Tesco PLC	Consumer Staples	3.0
ITV PLC	Consumer Disc.	2.9
Eni SpA	Energy	2.8
NatWest Group PLC	Financials	2.8
Total		31.9

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

The FTSE All-Share Index delivered a total return of 4.5%. The portfolio delivered an absolute return of 2.2%.

Our holding in **WPP** was the largest detractor, as they stated that revenues and profit margins are likely to be flat in 2025. While the market reacted badly, the results in themselves weren't a disaster. It is likely that the market is becoming wary of the management's optimistic medium-term targets. There is plenty of negativity around the business, but it is not clear to us that there is a structural reason WPP can't make better returns. WPP is significantly undervalued and the dividend is well-covered.

Burberry shares traded lower having performed very well in the latter half of 2024. Burberry changed its CEO and cancelled its dividend to initiate a turnaround strategy. The luxury sector as a whole has been impacted by concerns about economic revival, import duties, and currency movements, and Burberry's performance has reflected these broader challenges.

Building materials supplier **Travis Perkins** faced a setback as its CEO, Pete Redfern, stepped down due to ill health. The companies full-year results showed materially improved cost discipline, but lower trading volumes caused operating profit to decline year on year. The UK Toolstation business was a bright spot, with adjusted operating profit up by 48%, due to strong sales growth, improved gross margins, and supply chain and overhead efficiencies. With the underperforming Toolstation France now closed (the cash drag is gone) and Toolstation Benelux turning the corner.

Low-cost airline **easyJet** was a detractor from returns. It's Q1 trading update showed revenues and profits were marginally behind consensus estimates. However, passenger growth was in the high single-digits year-on-year, while easyJet holidays delivered £43m profit (+£12m year-on-year). The share price has come down to the extent that we are rewarded with significant upside to fair value.

On the positive side, UK insurers **Aviva** and **Prudential** were among the largest contributors to positive returns. Aviva exceeded profit expectations in 2024. We established the position in Prudential at the end of 2024. In share price terms, it has been a profitable investment already. Based on the company's own double-digit growth targets, it is extremely cheap. We are more conservative, assuming only limited growth in our fair value estimate.

French telecommunications operator **Orange** share price increased by 25%. Its latest results showed profit margins are looking healthier again after weakness post covid. The valuation remains undemanding and the shares yield c.7%.

Within financials, several of our chosen banks performed well as shareholder returns remain attractive and interest rates have come down only slowly amid still sticky inflation. UK-listed **Standard Chartered** reported an 18% increase in annual profit for 2024, driven by growth in its wealth business and strong performance in its markets division. It announced a new \$1.5 billion share buyback programme. **NatWest** reported strong annual profits and seen significant growth in its domestic business and mortgage lending. The bank's shares have risen by 91% in the last year, and its CEO, Paul Thwaite, has expressed optimism about loan growth and government initiatives to promote the financial services sector in the UK. **Lloyds Banking Group** also performed well.

Wealth manager **St James's Place** reported better-than-expected managed funds for 2024, with high client engagement and annual net inflows of £4.3 billion. Despite challenges in the UK money management sector, St James's Place was able to attract customers back with strong performance and client support, highlighting its ability to adapt to changing market conditions and provide value through effective financial planning and investment management strategies.

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