Charity Multi-Asset Fund

31 March 2025

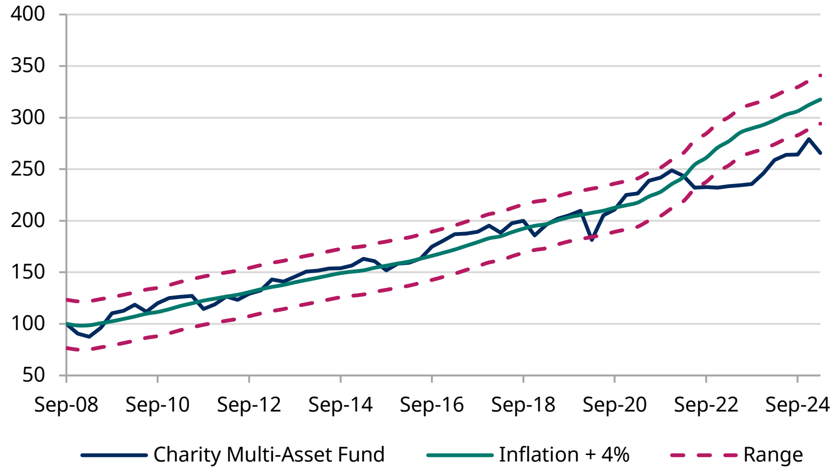
Investment objective

The SUTL Cazenove Charity Multi-Asset Fund aims to provide income and capital growth in excess of the Consumer Price Index + 4% per annum (net of fees) over rolling ten-year periods by investing in equity and equity related securities, fixed and floating rate securities and alternative assets worldwide. This cannot be guaranteed and your capital is at risk.

Fund characteristics

The SUTL Cazenove Charity Multi-Asset Fund allows all sizes of charity access to our multi-asset approach. The Fund seeks to generate sustainable returns over the long-term by blending a diversified range of assets, managers and strategies. Over the long-term the Fund aims to deliver a total return of CPI +4%. The distribution share class has a total return target distribution of 4% per annum, paid quarterly. The Fund is also forecast to demonstrate reduced volatility compared with equity markets and is based on the Cazenove Charities Unconstrained Strategy.

Long term performance



Range: Upper and lower boundaries represent two standard deviations of the strategy from the central return expectation (Inflation +4%).

Source: Datastream/Lipper, in GBP, net income reinvested, 30 September 2008 to 31 March 2025. Net of fees. Z Share Class, 0.65% p.a. until the 15th June 2018, 0.5% p.a. thereafter. Inflation data to 31 March 2025. RPI to 30 June 2018, CPI thereafter.

Fund team

Tom Montagu-Pollock

Adam Spring

Key information

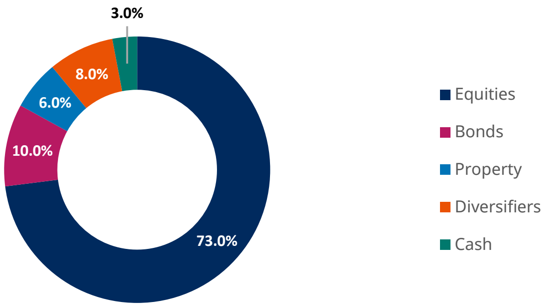
Fund size	£644.3m
Fund manager	Tom Montagu-Pollock
Units available	Distribution & Accumulation
Valuation and dealing	Daily 12:00
Minimum investment	£10,000
Target distribution	4% (smoothed over the previous 3 years)
Distribution dates	31st Aug, 30th Nov, 28th Feb, 31st May
Ongoing charges figure	0.70%
SEDOL number	BF783Y6 BF783Z7

On 15 June 2018 the fund converted to a Charity Authorised Investment Fund (CAIF) structure, the performance shown has been obtained predominantly under the old Common Investment Fund (CIF) structure. The objective and strategy remain the same. Please see the revised Ongoing Charges Figure (OCF) fee excluding VAT.

Total returns	10 years (p.a.)	5 years (p.a.)	3 years (p.a.)	3 months	Mar 2024 - Mar 2025	Mar 2023 - Mar 2024	Mar 2022 - Mar 2023	Mar 2021 - Mar 2022	Mar 2020 - Mar 2021
Charity Multi-Asset Fund	**5.0%**	**7.9%**	**2.9%**	**-4.8%**	**2.7%**	**10.8%**	**-4.1%**	**7.6%**	**24.9%**
Inflation + 4%	7.7%	8.9%	9.4%	1.7%	6.7%	7.4%	14.5%	11.3%	4.7%

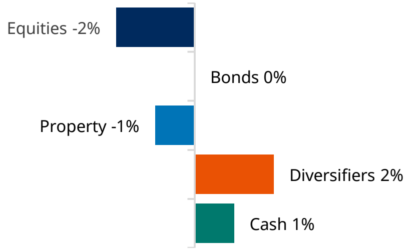
Past performance is not a guide to future performance. The value of an investment and the income from it may go down as well as up and investors may not get back the amount originally invested. There is no guarantee that the objective will be met.

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.

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 -4.8%. 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), having previously outperformed in Q4. Returns remain ahead of this benchmark over a 12-month period

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 growth stocks, including some in the technology sector, while resulting in a reduced allocation to lower growth stocks, such as energy, materials, and utilities, which have been more favoured this quarter.

Arista Networks, a key player in cloud networking, and Broadcom, a major semiconductor company, were the primary relative detractors, driven by concerns regarding future returns on investment from ongoing AI spending.

The Chinese electric vehicle manufacturer BYD was the largest stock contributor. BYD surpassed Tesla in annual revenue and established itself as the world's largest electric vehicle manufacturer. During the quarter, the company announced that its latest batteries can add 400 km of range in

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.

AI-exposed stocks and high-momentum stocks were trimmed over the quarter. We do, however, retain a significant positive view on certain key investments such as Alphabet (Google), Meta, Netflix, and Broadcom, while also maintaining an optimistic outlook on the AI investment theme in the longer term.

In aggregate, the proceeds have been reallocated into areas of defensive growth, including consumer healthcare company Haleon and Heineken, as well as pharmaceutical stocks like AstraZeneca and Roche. Additionally, we increased our investments in sectors less affected by trade disputes, such as banks (HSBC and BBVA).

Among the new additions to our portfolio are Airbus and Sika. Airbus' backlog represents over a decade's worth of deliveries, and the company derives significant revenue from defence, which we believe is undervalued by the market.

Sika, a Swiss specialty chemicals company, primarily focuses on concrete admixtures, sealants, adhesives, and waterproofing systems. Government increases in infrastructure spending would place Sika in a strong position to benefit.

These adjustments have naturally led to a reduction in US exposure. Consequently, there is an increased weighting in Europe, where a more constructive outlook is supported by a shift towards pro-growth policy and fiscal measures, as well as greater recovery potential from an economy more sensitive to falling interest rates.

Overall, we believe the portfolio 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.

We also remain conscious that the uncertainty and increased volatility may create shorter-term dislocations and we remain prepared to act opportunistically and add to good long-term growth businesses that may become oversold in the current environment.

Risk considerations

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. **Operational risk:** Failures at service providers could lead to disruptions of fund operations or losses.

For further information, please contact:
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