# Charity Multi-Asset Fund

**30 June 2025**

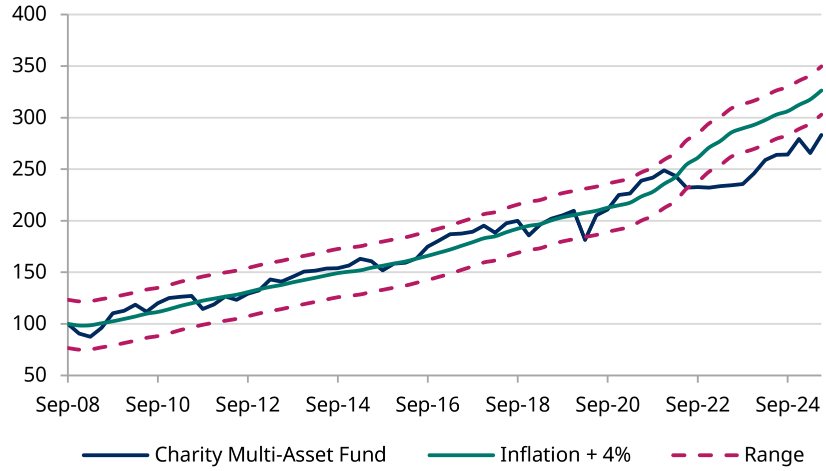
## Investment objective

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 30 June 2025. Net of fees. Z Share Class, 0.65% p.a. until the 15th June 2018, 0.5% p.a. thereafter. Inflation data to 30 June 2025. RPI to 30 June 2018, CPI thereafter.

## Fund team

**Tom Montagu-Pollock**

**Adam Spring**

## Key information

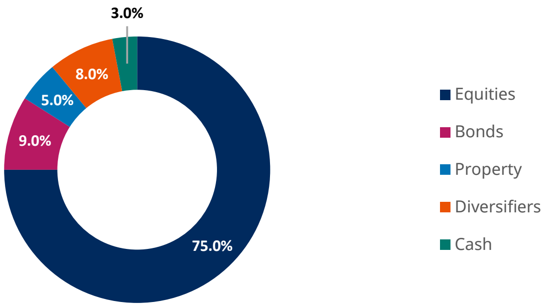
| | |
|---|---|
| Fund size | £706.7m |
| Fund manager | Tom Montagu-Pollock |
| Units available | Distribution & Accumulation |
| Valuation and dealing | Daily 12:00 |
| Minimum investment | £10,000 |
| Target distribution | 4% (smoothed over the previous 3 years) |
| Distribution dates | 31st Aug, 30th Nov, 28th Feb, 31st May |
| Ongoing charges figure | 0.70% |
| SEDOL number | BF783Y6<br>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 | Jun 2024 - Jun 2025 | Jun 2023 - Jun 2024 | Jun 2022 - Jun 2023 | Jun 2021 - Jun 2022 | Jun 2020 - Jun 2021 |
|---|---|---|---|---|---|---|---|---|---|
| **Charity Multi-Asset Fund** | **5.8%** | **6.6%** | **6.9%** | **6.6%** | **7.3%** | **12.6%** | **1.0%** | **-2.9%** | **16.4%** |
| Inflation + 4% | 7.8% | 9.2% | 8.6% | 2.7% | 7.7% | 6.1% | 12.3% | 13.8% | 6.6% |

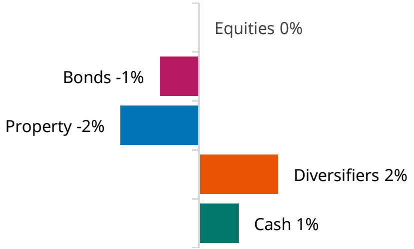
**Past performance is not a guide to future performance. The value of an investment and the income from it may go down as well as up and investors may not get back the amount originally invested. There is no guarantee that the objective will be met.**

## Asset mix




The above asset allocation is based on holdings as at 30 June 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

During the second quarter of 2025 markets faced significant volatility driven by US tariff announcements and rising geopolitical tensions. The quarter started with a sharp global equity sell-off after the US imposed wide-ranging tariffs on the 2nd April, but markets recovered strongly following a 90-day tariff delay a week later. From that point, and despite ongoing conflicts in the Middle East and Ukraine as well as concerns over rising global debt levels, a combination of resilient economic data and commitments for further expansive fiscal policy in the US, Europe and China ultimately supported most major asset classes.

Global equity markets ended the period up 9%, having been down -10% at the height of tariff concerns. The S&P 500 was up 11%, led by the "Magnificent Seven" 1 which returned 21%2 as a group having had a more challenging previous quarter, whilst most other major regional equity markets also performed well in their respective local currencies. Government bonds posted positive returns as US Treasuries, UK Gilts and Euro sovereigns all advanced, although the longer dated yields remained anchored higher due to sovereign sustainability issues. In commodities, oil was highly volatile as prices spiked on Middle East conflict fears but ended the quarter down nearly 10% after a rapid de-escalation. Meanwhile gold continued its positive momentum up 6%3 for the three months.

Finally, the period also saw further significant moves in the US dollar which saw its worst H1 performance since 1973, falling a further -7% on a trade-weighted basis over the quarter to -11% in total for 2025 so far. Sterling specifically appreciated 6% for the quarter and 9% year to date against the greenback.

The SSSF WM Global Equity Fund produced a positive absolute return over the quarter (+8.9%) and the month of June (+3.8%) and outperformed its benchmark, the MSCI ACWI GBP, by +385bps and +97bps respectively. Stock selection was particularly strong over the quarter, adding +235bps of outperformance over the benchmark, and +277bps in the US.

Performance this quarter was driven by strong gains in US technology and AI-related companies. TSMC (+29%), Microsoft (+25%), ARM (+43%), and Broadcom (+55%) all benefitted from continued demand for AI chips and cloud infrastructure. Netflix (+35%) also performed well, supported by subscriber growth and new content releases. GE Vernova (+63%) was another standout, with the stock rising on the back of solid demand for energy transition and grid solutions.

On the downside, energy and healthcare stocks were notable detractors. Coterra Energy (-17%) lagged as oil and gas prices softened. Health care stocks, including AstraZeneca (-10%) and Roche (-7%), were pressured by concerns over drug pricing and regulatory uncertainty, which intensified following recent policy proposals from the Trump administration aimed at reducing healthcare costs and increasing competition.

Outside of equities the models' fixed income holdings all provided a marginal positive contribution to performance, with the passive credit positions in global investment grade and high yield producing slightly higher returns. Within alternatives Schroders Diversified Alternative Assets (+8.9%) continued its recent recovery as it saw a number of its underlying holdings bid for over the period, whilst the position in gold (+5.1%) also performed strongly.

**Transactions**

The Global Equity team added new additions including BAE Systems, capitalising on robust global defence spending amid persistent geopolitical tensions, and Carrier Global, which stands to benefit from the rising demand for energy-efficient HVAC (air conditioning) systems driven by infrastructure upgrades and climate pressures. Exposure to India's fast-growing economy is captured through HDFC Bank, a high-quality private lender with strong credit growth and digital penetration. Intuit adds recurring revenue from financial software tailored to small businesses and individuals, while Liberty Media's Formula One franchise offers differentiated exposure to the global expansion and monetisation of sports IP.

Inditex (Zara) is a tactical addition amid a recovery in global retail, particularly in Europe. The company's flexible supply chain, global footprint, and pricing discipline position it well to outperform as consumers gradually resume discretionary spending. Meanwhile, Tesco provides stable and defensive exposure to the UK grocery sector. Tesco's additional revenue streams - including online grocery delivery, clothing and household goods, insurance, and banking services - operate at high margins, which strengthens the company's outlook.

Exits from UnitedHealth reflect a deterioration of our original thesis and ongoing sector risks for US healthcare under the current administration. We also exited our position in ThermoFisher over the period, as the recovery continues to disappoint in both pace and scale, leading to ongoing negative earnings revisions. Moreover, new uncertainties regarding federal funding and tariffs leave the company more exposed than peers.

## 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:**
**Jeremy Barker, Portfolio Director,**
**020 7658 1107 or jeremy.barker@cazenovecapital.com**