

Charity Multi-Asset Fund

30th June 2017

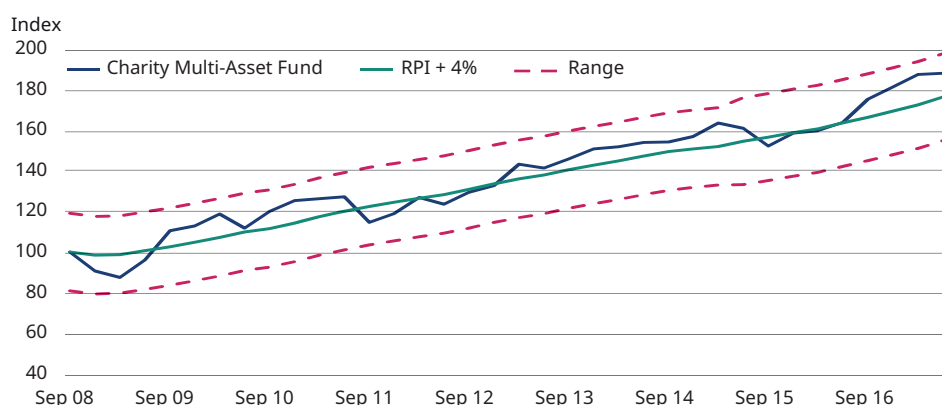
Investment objective

The Charity Multi-Asset Fund aims to at least maintain the real value of capital whilst generating a sustainable and reliable distribution through investment in collective investment schemes as well as directly held transferable securities, derivatives, cash, deposits and money market instruments.

Fund characteristics

The Charity Multi-Asset Fund allows all sizes of charity access to our multi-asset investment expertise. The Fund uses sophisticated analysis aiming to maximise risk adjusted returns and reduce the reliance on equity markets. Over the long term we would expect the Fund to deliver a total return in excess of RPI plus 4%. The Fund is expected to generate equity like returns with reduced volatility and is based on the Cazenove Charities Unconstrained Strategy.

Long term performance



Performance data

	5 years % p.a.	3 years % p.a.	1 Jul 2016 – 30 Jun 2017	1 Jul 2015 – 30 Jun 2016	1 Jul 2014 – 30 Jun 2015	1 Jul 2013 – 30 Jun 2014	1 Jul 2012 – 30 Jun 2013
Charity Multi-Asset Fund	+8.7%	+6.8%	+14.7%	+1.8%	+4.5%	+9.0%	+14.4%
RPI plus 4%	+6.4%	+6.1%	+7.8%	+5.7%	+5.1%	+6.7%	+7.4%

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. Exchange rates may cause the value of overseas investments and the income from them to rise or fall. Investment in emerging markets and alternative asset classes (private equity and hedge funds) involves a high degree of risk of loss as the investments are less liquid and more volatile. Investment in private equity can be highly speculative, whilst hedge funds may be highly leveraged and as a result small changes in the price of contracts may result in unquantifiable losses.

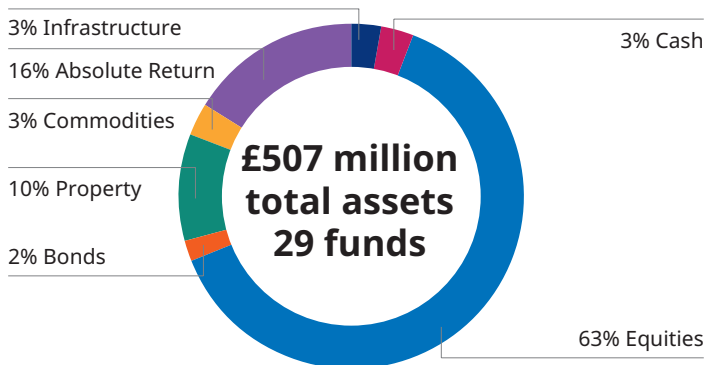


Tom Montagu-Pollock Fund manager
Kate Rogers Fund manager

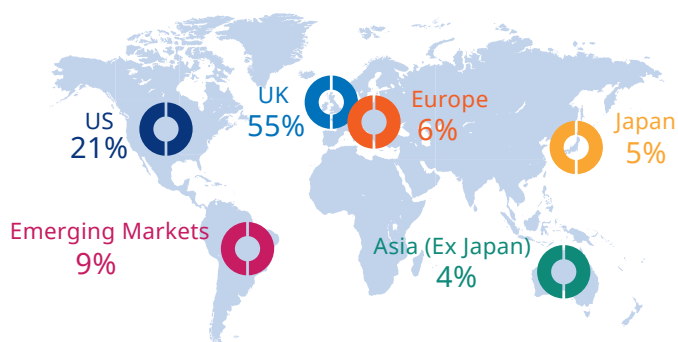
Key information

Fund size	£507.0 million
Units available	Distribution & Accumulation
Valuation and dealing	Daily 4 pm
Minimum investment	£1,000
Target yield	4% (smoothed over the previous 3 years)
Distribution dates	31 st Aug, 30 th Nov, 28 th Feb, 31 st May
Annual management charge	0.65%
Launch date:	29 th June 2007
SEDOL Number:	B1XK8W1 (Distribution Units) B1XK8S7 (Accumulation Units)

Asset mix

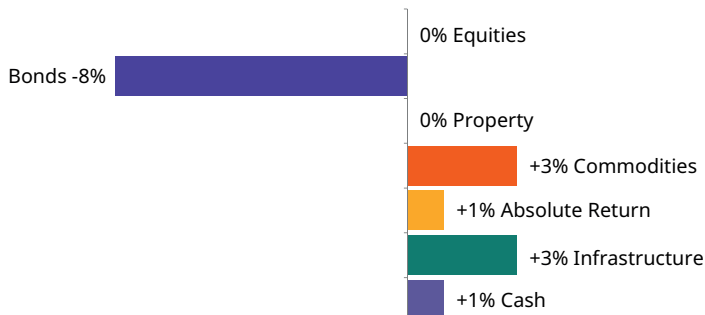


Equity exposure by region



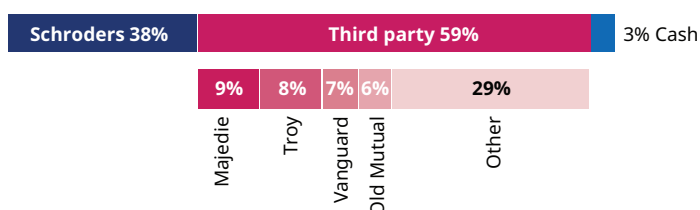
Map for illustrative purposes only.

Active positions



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

Fund providers



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.

Portfolio commentary

Over the last five years the Charity Multi-Asset Fund has benefitted from strong asset returns, generating a total return of 9% per annum, net of fees, as compared to a target return of 6% per annum (inflation plus 4%). The Fund has returned 15% over the last year, well ahead of the target return of 8%. The strong returns of 2016, boosted by a weak sterling post EU referendum, have faded into 2017. Returns are still positive, just more muted. The Fund was flat over the quarter, in line with global equities and ahead of UK government bonds (-1%).

While we expect economic growth to remain supportive, we note the recent weakness in some leading economic indicators which may cause the equity rally to pause for breath. We remain pessimistic on returns for bonds and prefer to diversify into alternative assets such as absolute return and infrastructure. Property offers an attractive income return although capital returns are likely to be underwhelming in the near term. We expect to see a pick up in volatility which should provide opportunities for long term investors.

At the margin, we have been reducing risk in the Fund. Over the quarter we reduced equities through the sale of the Artemis UK Special Situations Fund, decreasing domestic mid-cap exposure. We switched our holding in the Axa US Short Duration High Yield Fund into the Twenty Four Absolute Return Credit Fund. Within alternatives, we reduced Henderson UK Property Fund and added the Charities Property Fund maintaining the overall property weighting at around 10% of the Fund. We have also been increasing exposure to absolute return through the Pyrford Global Total Return Fund from cash.

At the end of June the Fund reached its 10 year anniversary. Originally launched with the support of two charities investing a total of £1 million of assets, now the Fund assets total £507 million on behalf of 310 charities. We are proud to have reached this milestone, backed by strong investment performance and the ongoing support of our clients. Since launch we have generated real returns and captured nearly 90% of the FTSE All-Share total return with two thirds of the volatility since inception.

As ever, thank you for your support.

For further information, please contact
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