Cazenove Capital

Part of the Schroders Group

Charity Multi-Asset Fund

31 December 2019

Marketing material for eligible charities only.

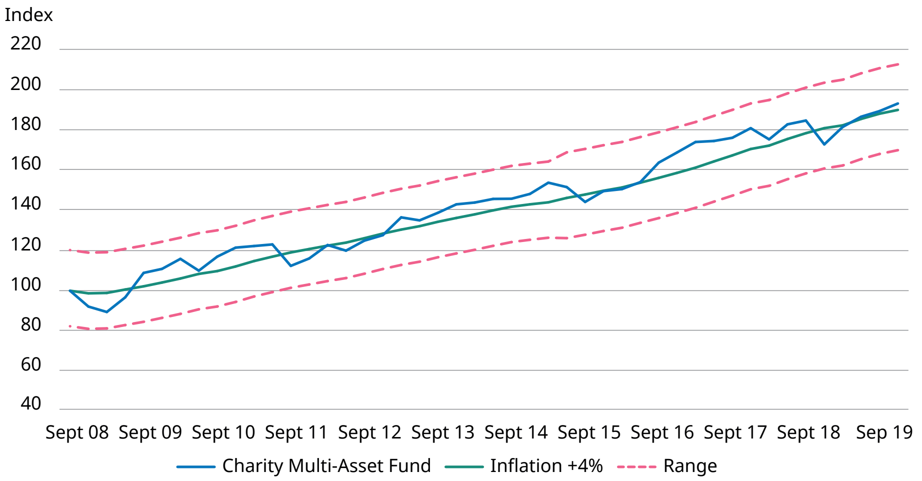
Investment objective

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%).

Fund team

Kate Rogers | **Tom Montagu-Pollock** | **Nathalie Krekis**

Key information

Fund size	£606 million
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	0.96%
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.

Performance data

Total returns	10 Years to 31 December 2019 (p.a.)	7 Years to 31 December 2019 (p.a.)	5 Years to 31 December 2019 (p.a.)	3 Years to 31 December 2019 (p.a.)	1 Jan 2019 to 31 December 2019	1 Jan 2018 to 31 December 2018	1 Jan 2017 to 31 December 2017	1 Jan 2016 to 31 December 2016	1 Jan 2015 to 31 December 2015
Charity Multi-Asset Fund	+6.4%	+6.8%	+6.0%	+5.0%	+12.9%	-4.9%	+7.9%	+14.2%	+1.0%
Inflation +4%	+7.0%	+6.4%	+6.4%	+6.9%	+5.5%	+6.6%	+8.3%	+6.6%	+5.2%

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.

Risk considerations

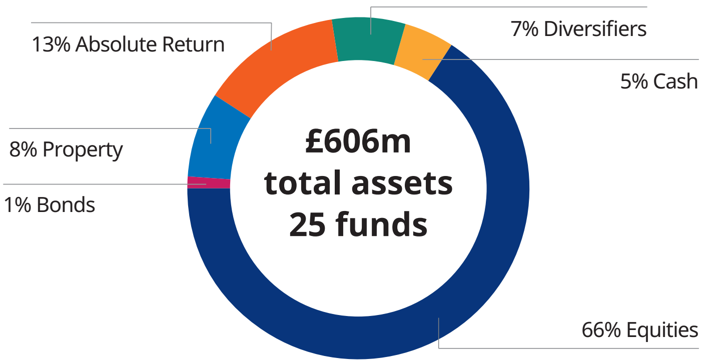
A rise in interest rates generally causes bond prices to fall, while a decline in the financial health of an issuer could cause the value of its bonds to fall or become worthless. A failure of a deposit institution or an issuer of a money market instrument could create losses. Equity prices fluctuate based on many factors including general, economic, industry or company news. The fund can be exposed to different currencies – foreign exchange rates could create losses. Underlying funds may uses derivatives for leverage, which makes it more sensitive to certain market interest rate movements and may cause above-average volatility and risk of loss. 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

Source: Datastream/Lipper, in GBP, net income reinvested. 30th September 2008 to 31st December 2019. Net of fees, A Share Class, 0.65% p.a. until the 15th June 2018, 0.50% p.a. thereafter. Inflation data to 30th November 2019. RPI to 30th June 2018, CPI thereafter.

Risk considerations continued

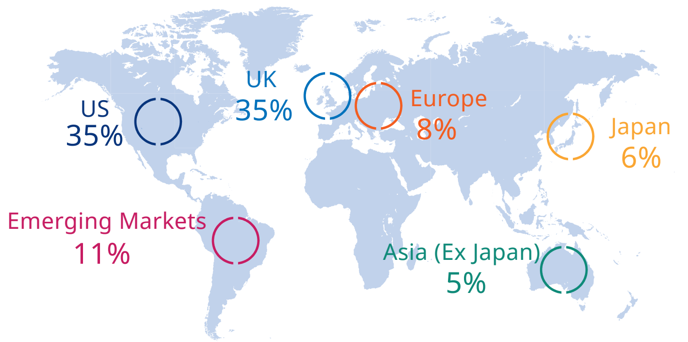
synthetic product could become unable to honour its commitments to the fund, potentially creating a partial or total loss for the fund. In difficult market conditions, an underlying fund may not be able to sell a security for full value or at all and could cause the fund to defer or suspend redemptions of its shares. Emerging markets, generally carry greater political, legal, counterparty and operational risk. Failures at service providers could lead to disruptions of fund operations or losses.

Asset mix



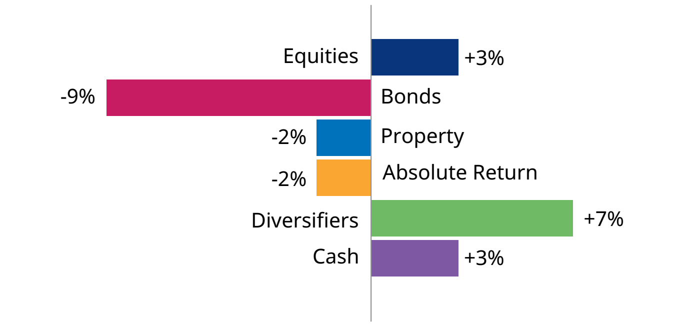
The above asset allocation is based on holdings as at 31 December 2019.

Equity exposure by region



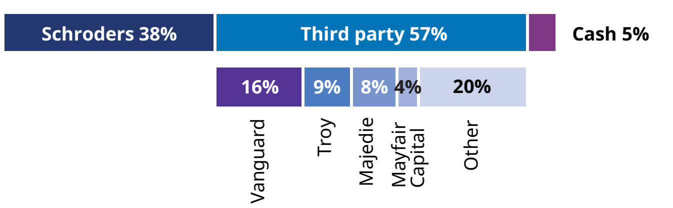
Percentages shown by listing. Map for illustrative purposes only.

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.

Fund providers



Portfolio commentary

Over the last ten years the fund has generated +6.4% p.a. for investors. The final quarter of 2019 was in stark contrast to the same period in 2018 as global equities ended 2019 at all-time highs. Against this backdrop, the Fund returned +2.2% over the quarter and +13% for the year as a whole, outperforming the Inflation +4% target.

Events of 3 January in the Middle East, where Iranian General Soleimani was killed by a US drone strike, caused a spike in the oil price and rattled equity markets. Defensive assets such as government bonds and gold rallied. The Iranians have threatened retaliation and markets remain concerned. We are watching closely to see if this is a passing squall – similar to last year's missile strike on the Saudi oil facilities – or something more serious. In the wider picture, investors have been encouraged by the prospect of a trade deal between the US and China, with a 'phase one' deal now agreed. This is good news for global economic activity and we recently upgraded our growth forecast for 2020 to 2.6%. Despite the more optimistic economic backdrop, global government bonds have also remained in demand, with yields still at very low levels.

Stock and bond markets continue to benefit from accommodative monetary policy. In the US, the Fed has indicated that it expects to leave interest rates unchanged in 2020, following three rate cuts in 2019. We expect to see the benefit of last year's monetary policy easing have more visible impact on US growth in 2020. In Europe, the new president of the ECB, Christine Lagarde, used her first press conference to reaffirm the bank's commitment to keep interest rates at very low levels and maintain the pace of quantitative easing until inflation rises.

The UK election resulted in a clear victory for the Conservative party which provided markets with clarity about the near-term path of Brexit: the UK will be leaving the EU at the end of January. On the morning of the result we added a tactical position in the low cost Vanguard FTSE 250 ETF to neutralise some of our underweight position to the UK market and gain access to some of the more domestically focused companies. However, there remains significant uncertainty about the UK's future trading relationship with the EU and the rest of the world and as such has not warranted us adding more aggressively to this position. The government has said it plans to legally prevent the extension of a trade transition period beyond 2020, raising the risk of disruption later in the year.

We enter the new year with a roughly neutral allocation to equities. Easing global trade tensions provide a tailwind for global growth in 2020. However, stock markets may already be 'pricing in' the improved outlook. Over the course of 2019, share prices rose sharply but earnings expectations drifted lower. As a result, shares have become more expensive, leading us to become more cautious. We remain underweight bonds, though some areas of the market – such as emerging markets – look more appealing. We continue to favour alternatives assets, including gold, which offer attractive diversification benefits.

For further information, please contact:

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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.

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