

**SHINING A LIGHT ON THE.....
Sarasin Responsible Global Equity Fund**

AT A GLANCE

Investment Objective
We seek to grow the Fund (through increases in investment value and income) over a rolling 5 year period after deducting fees and costs. We invest at least 80% of the Fund in the shares of large and medium sized companies from around the world. We may also invest in cash or bonds or units in funds (including funds managed by Sarasin).

Inception Date	1 st June 2011
Fund Factsheet Link	https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F00000OUYD

Management	
Manager Name	Start Date
Giles Money	1 st March 2020
Jeremy Thomas	6 th December 2016
Alex Bibani	1 st August 2017

FUND PERFORMANCE

Performance from 1st January 2016 to 28th February 2021:

	2016	2017	2018	2019	2020	2021
Sarasin Responsible Global Equity Fund	18.05%	15.77%	-3.17%	27.66%	18.97%	-1.27%
FTSE World ex UK	30.42%	13.45%	-2.68%	23.10%	14.15%	-0.69%

Performance over 12 months, 3 years, 5 years and since launch:

	1 year	3 years	5 years	Since launch
Sarasin Responsible Global Equity Fund	21.66%	44.36%	108.98%	181.99%
FTSE World ex UK	20.01%	36.31%	102.99%	200.20%

You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation, but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.

Tracking Error	Active Share	Upside Capture Ratio	Downside Capture Ratio	Batting Average	Beta	Alpha	Equity Style
4.60	-	85.56	94.77	47.22	0.95	-2.66	Growth/Large

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Volatility Measurements	
3-Yr Std Dev (volatility)	14.38%
3-Yr Mean Return (average)	13.02%

Investment Style Details	
Giant	39.96%
Large	34.33%
Medium	23.39%
Small	1.89%
Micro	0.00%

Top 5 Holdings – 45 Equity Holdings		
Aramark	Consumer Cyclical	2.96%
Deere & Co	Industrials	2.78%
Essilorluxottica	Healthcare	2.77%
Mastercard Inc A	Financial Services	2.75%
ASML Holding NV	Technology	2.65%

Top 5 Sectors	
Financial Services	23.73%
Consumer Cyclical	18.27%
Technology	14.69%
Industrials	14.45%
Healthcare	10.53%

Top 5 Regions	
United States	61.48%
France	11.65%
United Kingdom	9.35%
Netherlands	4.23%
Japan	3.80%

UPDATE....

Sarasin as a house is one of the pioneers of global thematic investment. They look to invest responsibly and press for change. They state the fund has 92% active management against the MSCI All Countries Index. The fund has ethical restrictions i.e. excludes tobacco, alcohol, gambling, armaments, adult entertainment, thermal coal and tar sands.

The strategy uses the Sarasin multi-thematic framework which looks to industries which are growing revenues faster than nominal GDP in the future. This leads to businesses, for example, within healthcare services, electric vehicles, batteries, digital media, software etc.

On the flipside those that not only fail ethical restrictions but also have headwinds are not included in the fund this might include for example plastic wrapped consumer products, oil, building materials etc.

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We discussed the use of gas and they explained that this can be repurposed to deliver green hydrogen and will be used in heavy industry areas. On the other side, with oil mega companies, any change to renewables will take many years and will not carry the same profit margins as before and therefore this is not an area they would look to.

The overarching themes they look to exploit are digitalisation (26.3%), automation (15.7%), ageing (16.6%), evolving consumption (22.6%) and climate change (18.7%). Under each of these are evolving sub themes.

Taking automation as one overarching theme, an example of the sub themes under this include factory, robotics and AI, supply chain, food chain technology, test and verify, and nascent adopters.

The research analysis starts with the mega themes and then down to the sub themes to identify around 600 stocks. They then go through a process that leads to pre-mortem analysis, which considers why the investment go wrong, and then it eventually gets to a vote where by a majority stocks are added to the global buy list.

The three criteria for companies are growth (long term revenue growth, free cash flow etc), quality (sustainable competitive advantage, ESG factors etc) and valuation. They have a rating system between 1 and 4 with 1 being a strong buy and 4 a reduce. Other factors in construction include upside / downside skew, ESG score, ESG traffic lights, corporate characteristics and bull base, bear base case scenarios.

They are active stewards of capital to build good relationships with companies to push through change. They will also publish action that they have taken and how they have voted. Compared to other companies they are seen as one of the most active providers.

In summary, for investors looking to invest positively this is certainly a strategy to consider. Sarasin are well recognised as a leader in this field, not only in terms of the strategies they run but also the active engagement. The challenge for them is the new strategies which are coming on board. We would certainly include this within our watch list because of the leadership and engagement.

The source of information in this note has been provided by Sarasin and is correct as at March 2021. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.