Agenda

01  Our understanding of your needs

02  Summary of investments

03  Performance analysis and review

04  Outlook and positioning

Team

**Tom Montagu-Pollock**
Co-Head of Charities, Fund Manager
Tel: 020 7658 3726
Email: tom.montagu-pollock@cazenovecapital.com

**Emily Petersen**
Portfolio Director, Sustainability Lead
Tel: 020 7658 1138
Email: emily.petersen@cazenovecapital.com

**Amelia Thornton**
Portfolio Manager
Tel: 020 7658 1236
Email: amelia.thornton@cazenovecapital.com

**Rebecca Pink**
Client Service Executive
Tel: 020 7658 6414
Email: rebecca.pink@cazenovecapital.com
Your investment mandate

University of Nottingham

1. Investment objective

- The investment objective of both portfolios is to maintain the real capital value ahead of inflation, over the long term. The Trustees can tolerate variation in the capital value of the portfolio in the short-term and are prepared to adopt a total return (income and capital growth) approach to meet their expenditure requirements. The portfolio will be invested in the Responsible Multi-Asset Fund which has a target of inflation (CPI) plus 4% per annum, net of fees, over rolling ten-year periods. The Fund targets a stable and sustainable total return distribution of 4% per annum.

2. Risk

- Capital volatility – able to tolerate oscillations in value – medium to high
- Inflation – protection of the real portfolio value over the long term is important

3. Time horizon

- Long term (in excess of 10 years)

4. Responsible investment

- The Fund incorporates a responsible investment policy, with screening aligned with common concerns. The intention is for the Fund to have a positive impact on people and the planet. The managers will invest to avoid harm through ESG integration and exclusions, benefit society through responsible business activities and contribute to solutions through influence and investing for impact.

5. Liquidity requirements

- Annual withdrawal of £1 million from the UoN - Permanent Endowment Fund
- Monthly standing order of £83,333.33
- Medium Term Fund withdrawals are TBC

6. Fees

- 0.55% (0.05% management fee, 0.32% RMAF fee, 0.17% third party manager fees)

7. Reporting and monitoring:

- Quarterly Valuations: Sally Blackamore, Hannah McMaster, Cara Higginbottom, Wendy Queen
- Authorised signatories: Sally Blackamore, Margaret Monckton, Helen Lawrenson, Carrie Richardson, Kerry Williamson White
- eServices access: Sally Blackamore, Hannah McMaster, Cara Higginbottom
- Investment and market updates by email: Sally Blackamore, Hannah McMaster, Cara Higginbottom

Please do inform us if there are any adjustments to be made.
2022 was a challenging year for both equities and bonds

No place to hide in traditional asset classes

Bank of America US Treasury index annual total return (USD)

S&P500 annual total return (USD)

Forecasts included are not guaranteed and should not be relied upon.
Source: Refinitiv, Cazenove. Data to 31 December 2022.
Responsible Multi-Asset Fund
Designed specifically for charities

- **Charity Authorised Investment Fund** – regulated by the Charity Commission and FCA
- **Strong corporate governance** – the Fund is monitored by an independent Advisory Committee
- A target return objective of **inflation (CPI) plus 4%** over rolling ten-year periods\(^1\)
- **Responsible investment policy**, aims to achieve positive outcomes for people and the planet, with screening aligned with common charity concerns and values
- Income units pay a **sustainable distribution** to fund charitable expenditure (targeting 4% p.a. total return distribution smoothed over the previous three years)
- **Liquidity**: 12.00 daily dealing
- **Active asset allocation** over a market cycle around central strategy
- Morningstar Rating\(^*\): Risk and Return ★★★★★ Sustainability ★★★★★
- Current fund size £1,316m on behalf of 334 charities

Source: \(^1\)The target return is not guaranteed and your capital is at risk. 31\(^{st}\) March 2023. Estimated risk and return data is based on our own analysis. Risk, return or yield characteristics of the above portfolios or constituent asset classes are not guaranteed to be achieved in the future. We define risk as standard deviation of annual returns. Our forecasts assume an average rate of inflation (CPI) of 2% per annum. \(^*\)Morningstar Ratings are sourced from Morningstar.
Responsible Investment Policy

A whole portfolio approach

Investment:
A. Avoid Harm: Ensuring all our investments avoid harm
   ✓ Screening policy excluding areas of significant harm
   ✓ Integrating ESG factors in the investment process
   ✓ Reducing total portfolio carbon emissions and funding offsets

B. Benefit people and planet: Investing in global leaders in sustainability that support social and economic development

C. Contributes to solutions: Creating impact, tackling environmental and social challenges through thematic and impact strategies supporting the Sustainable Development Goals

Influence:
✓ Influence companies & managers, through engagement and voting, to encourage progress towards the UN sustainable development goals
✓ Collaborate with asset owners and managers to drive industry change

Exclusions
Fossil Fuels, Alcohol, Pornography, Armaments, Tobacco, Gambling, High interest rate lending & Human embryonic cloning

Source: Cazenove Capital. Screens are applied with a threshold tolerance of maximum 10% of revenue derived from the controversial area. See Sustainable Investment Policy. Screening tolerances for pooled investments are dependent on the underlying funds’ responsible investment strategy. Morningstar Ratings are sourced from Morningstar.
Summary of investments
31st March 2023

- Total assets: £71,027,423
- Medium Term Fund: £9,238,177
- Permanent Endowment Fund: £61,789,246
- Total portfolio distribution target: 4.0% p.a.

Performance - Permanent Endowment Fund

- 12 months: -4.6% (Portfolio), -2.1% (Peer Group)*, 14.5% (Inflation +4%)
- 6 months: 3.6%, 4.6%, 6.2%
- 3 months: 1.3%, 2.0%, 2.3%

YTD performance**: +2.1%

A smoother path of returns over time

Targeting circa 70% of global equity market volatility over an economic cycle

Responsible Multi-Asset Fund

Long-term performance

<table>
<thead>
<tr>
<th>31st March 2023</th>
<th>Since Inception</th>
<th>3 years p.a.</th>
<th>2 years p.a.</th>
<th>1 year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responsible Multi-Asset Fund</td>
<td>+28.6%</td>
<td>+10.8%</td>
<td>+3.6%</td>
<td>-2.2%</td>
</tr>
<tr>
<td>Inflation (UK CPI) +4%</td>
<td>+46.3%</td>
<td>+10.1%</td>
<td>+12.9%</td>
<td>+14.5%</td>
</tr>
<tr>
<td>Peer Group</td>
<td>+12.1%</td>
<td>+7.2%</td>
<td>-0.1%</td>
<td>-4.6%</td>
</tr>
</tbody>
</table>

Past performance is not a guide to future performance.
## Responsible Multi-Asset Fund

### Short term performance

#### Contribution to performance Q1

**Responsible Multi-Asset Fund: 1.3%**

<table>
<thead>
<tr>
<th>Top contributors to performance</th>
<th>Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schroder Global Sustainable Growth Fund</td>
<td>+2.2%</td>
</tr>
<tr>
<td>WisdomTree Physical Gold</td>
<td>+0.2%</td>
</tr>
<tr>
<td>Schroders Global Energy Transition Fund</td>
<td>+0.1%</td>
</tr>
<tr>
<td>Invesco US Treasury Bond</td>
<td>+0.1%</td>
</tr>
<tr>
<td>RPI Linked Gilt 2027</td>
<td>+0.1%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Bottom contributors to performance</th>
<th>Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schroder Sustainable Diversified Alternative Assets</td>
<td>-0.3%</td>
</tr>
<tr>
<td>Property Income Trust for Charities</td>
<td>-0.2%</td>
</tr>
<tr>
<td>WisdomTree Energy Transition</td>
<td>-0.1%</td>
</tr>
<tr>
<td>HSBC Global Sustainable Healthcare Fund</td>
<td>-0.1%</td>
</tr>
<tr>
<td>UBAM Positive Emerging Markets Fund</td>
<td>-0.1%</td>
</tr>
</tbody>
</table>

#### Contribution to performance 1 Year

**Responsible Multi-Asset Fund: -2.2%**

<table>
<thead>
<tr>
<th>Top contributors to performance</th>
<th>Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schroder Global Sustainable Growth Fund</td>
<td>+0.3%</td>
</tr>
<tr>
<td>Schroder Global Energy Transition</td>
<td>+0.3%</td>
</tr>
<tr>
<td>Sparinvest Ethical Global Value Fund</td>
<td>+0.1%</td>
</tr>
<tr>
<td>HSBC ESG Liquidity Fund</td>
<td>+0.1%</td>
</tr>
<tr>
<td>TwentyFour Sustainable Short Term Bond Fund</td>
<td>+0.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Bottom contributors to performance</th>
<th>Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schroder Sustainable Diversified Alternative Assets</td>
<td>-0.8%</td>
</tr>
<tr>
<td>Property Income Trust for Charities</td>
<td>-0.5%</td>
</tr>
<tr>
<td>Charities Property Fund</td>
<td>-0.3%</td>
</tr>
<tr>
<td>Charity Bond Fund</td>
<td>-0.3%</td>
</tr>
<tr>
<td>WisdomTree Physical Gold</td>
<td>-0.2%</td>
</tr>
</tbody>
</table>

---

*Past performance is not a guide to future performance.*

Source: 31st March 2023, Schroders/Datastream/Lipper in GBP, net income reinvested. For illustration purposes, not a recommendation to buy or sell.
Sustainability
Sustainability insights
Equity portfolio

Carbon Value at Risk measures the extent to which company profits and investor returns could be at risk if there was a globally agreed and implemented carbon price of $100. ESG Integration: Integrating environmental, social and governance factors into investment decisions. Carbon footprint includes an aggregate of the annual scope 1 & 2 carbon emissions attributed to the companies. Impact is measured using SustainEx™. Schroders uses SustainEx™ to estimate the net social and environmental “cost” or “benefit” of an investment portfolio having regard to certain sustainability measures in comparison to a product's benchmark where relevant. For example, a score of +2% means that the portfolio adds $2 of benefits to society for every $100 of sales. It does this using third party data as well as Schroders own estimates and assumptions and the outcome may differ from other sustainability tools and measures. Source: Schroders, MSCI, EPA. Benchmark/Global Equities: MSCI AC World. As at 30th September 2022.

1 Carbon Value at Risk measures the extent to which company profits and investor returns could be at risk if there was a globally agreed and implemented carbon price of $100. ²ESG Integration: Integrating environmental, social and governance factors into investment decisions. Carbon footprint includes an aggregate of the annual scope 1 & 2 carbon emissions attributed to the companies. Impact is measured using SustainEx™. Schroders uses SustainEx™ to estimate the net social and environmental “cost” or “benefit” of an investment portfolio having regard to certain sustainability measures in comparison to a product's benchmark where relevant. For example, a score of +2% means that the portfolio adds $2 of benefits to society for every $100 of sales. It does this using third party data as well as Schroders own estimates and assumptions and the outcome may differ from other sustainability tools and measures. Source: Schroders, MSCI, EPA. Benchmark/Global Equities: MSCI AC World. As at 30th September 2022.
Understanding the impact of your investments

34% Contributes to solutions

Portfolio holdings included that by our assessment are contributing to furthering sustainable development. Impact metric data provided, in part by Net Purpose. As at 31st December 2021.

Impact metrics per £1m invested

People

- 424 People reached
- 191 provided with healthcare
- 218 provided with financial service
- 14 provided with digital services

Planet

- 154 Tonnes of CO₂e avoided
- Which is the equivalent of the carbon absorbed by 2,548 trees

Thematic alignment

- Climate Change: 22%
- Sustainable Infrastructure: 16%
- Responsible Consumption: 6%
- Health and Well-being: 48%
- Inclusion: 8%

UNSDGs aligned to planet

UNSDGs aligned to people

1Portfolio holdings included that by our assessment are contributing to furthering sustainable development. Impact metric data provided, in part by Net Purpose. As at 31st December 2021.
Investing for the Planet

**Investment examples**

**Lombard Odier Climate Bond Fund**

**IBRD – Integrated modern agriculture development project**

Building climate resilience

- 94,000 hectares
- 380,000 farmer households supported

**Lombard Odier Climate Bond Fund**

**Nordic Investment Bank – Blue Bonds**

Protecting Baltic Seas Ecosystems

- Improved waste water treatment equivalent to the sewage created by 997,170 people

**Thomas Lloyds Energy Impact Trust**

**Uttar Pradesh project**

Building renewable energy in ASIA

- Clean electricity provided to 102,894 people
- 114,681 tonnes of CO₂ avoided annual

Investing for People

Investment examples

**Big Society Capital Impact Trust**

*Greater Manchester - homelessness intervention programme*¹

- Getting and keeping young people off the streets
- Intended to reach 1500 young people

**Threadneedle Social Bond Fund**

*International Finance Facility for Immunisation – Vaccine Bonds*²

- Providing essential healthcare services
- 981m children vaccinated
- Prevented 16million deaths since 2000

**Big Society Capital Impact Trust**

*Hull Women's Network*³

- Helping women escape domestic violence
- 670 women and children supported
- 200 new homes across the city

We offset the Scope 1&2 carbon emissions of the fund

Innovative partnership with Ecologi

COLLECTIVE IMPACT

36,228 trees planted

152,871 tonnes of carbon avoided

Equivalent to one of the following:

Avoiding 27,799 LONG HAUL FLIGHTS

Saving 108,684 METRES² SEA ICE

Avoiding 89.9m MILES DRIVEN IN A CAR

Track our collective impact through offsets at www.ecologi.com/cazenovecapital

1The UK Governments greenhouse gas emissions report estimates that a flight from London to San Francisco emits 0.15119kg of carbon dioxide equivalent. 2A report published by Science Magazine found that the loss of Arctic sea ice had a linear relationship to carbon dioxide equivalent emissions. The ratio is 3 ± 0.3 square meters per tonne of CO2e. https://protect-eu.mimecast.com/s/Ht-MCby55ZxkxjyG1VWXV?domain=science.org.

3The US Environmental Protection Agency’s carbon emissions calculator estimates that 2,481 miles driven in a car emits 1 tonne of carbon dioxide equivalent. Carbon offsets are purchased against the average quarterly scope 1 & 2 carbon emissions attributed to the equities, as measured by MSCI, calculated on a daily basis. These figures reflect the offsets collectively purchased for the Charities Responsible Multi-Asset Fund, Cazenove Sustainable Growth Fund and Cazenove Sustainable Balanced Fund. Offset purchases are voluntary and capped at a maximum of 0.05% of the total funds value.
Pushing for progress

A path to Net Zero:
As a founding signatory to the asset managers net zero initiative we have committed to achieve net zero by 2050 or sooner.
To enable this we have been engaging with our underlying managers to understand their climate commitments and decarbonisation plans. We have completed an initial review of all 150 managers on our buy lists and have set initial meetings with 23 managers to understand better their goals.
Following the publication of our Climate Transition Plan, will be launching a large scale engagement in 2023, targeting laggard managers with an initial focus on the firm level commitments
In 2022 we engaged over 700 companies on their net zero plans. Preliminary results show engaged companies were 2X more likely to adopt carbon targets.

Eliminate Commodity Driven deforestation:
We have committed to eliminate exposure to commodity-driven deforestation in the companies directly held in the investment portfolios we manage by 2025. Commodities covered include palm oil, soy, cattle products, and timber.
In 2022 we reviewed all holdings to understand where our highest exposures are. These companies are being engaged with in priority order:
Tier 1 priority – companies with direct exposures to deforestation risk commodities (largely producers and traders with revenue exposure >20%).
Tier 2 – companies with exposure to deforestation risk commodities in their supply chain, where Schroders have material exposure.
Tier 3 - all companies with deforestation risk that do not meet the materiality thresholds.
We look forward to reporting on progress going forward.

Source: Schroders/Cazenove. For illustration purposes, not a recommendation to buy or sell. Published February 2022 in our Engagement Blueprint.
Outlook and positioning
Outlook
Q1 2023

Economics
The expectation is for slowing global growth and for the US economy to fall into a shallow recession. Inflationary pressures should ease but remain above long term central bank targets.

Valuations
Equity valuations have moderated but earnings are at risk of downgrades. Government bonds look better value relative to recent history.

Sentiment
Investor sentiment has improved but could continue to be tested with the potential for periods of heightened volatility.

Risks
Both downside and upside risks to the base case. Continued monetary policy tightening and geopolitical uncertainty pose most significant downside risks.

Source: Cazenove Capital.
Adding to global equities – are we there yet?

Getting closer, but none of the signals suggest an imminent end to the bear market

1. A peak in US interest rates
2. The economic backdrop stops deteriorating
3. The earnings backdrop stops deteriorating
4. Equity market valuations have meaningfully de-rated
5. Capitulation in investor sentiment and positioning

Source: Cazenove Capital. Arrows represent the year to date movement in the indicator.
Investment views
March 2023

Investment positioning

- Underweight equities – given elevated near term uncertainty, albeit valuations look more attractive
- Overweight bonds – Nominal government bonds have defensive characteristics in an uncertain economic environment and look more attractively valued relative to recent history.
- Overweight diversifiers and cash – attractive diversification characteristics and low correlation to traditional assets.

Rising interest rates offer more attractive returns relative to recent history, whilst cash offers optionality in potentially volatile markets.

Longer term themes

- Green initiatives to benefit from focus on energy independence and more supportive government policy
- More rapid adoption of technology and advances in healthcare
- Secular shift toward private markets

<table>
<thead>
<tr>
<th>Responsible Multi-Asset Fund</th>
<th>Strategy</th>
<th>Tactical ranges</th>
<th>Current position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equities</td>
<td>70%</td>
<td>55–85%</td>
<td>66.0%</td>
</tr>
<tr>
<td>Bonds</td>
<td>10%</td>
<td>0–20%</td>
<td>11.4%</td>
</tr>
<tr>
<td>Property</td>
<td>10%</td>
<td>0–15%</td>
<td>5.4%</td>
</tr>
<tr>
<td>Diversifiers</td>
<td>8%</td>
<td>0–15%</td>
<td>9.7%</td>
</tr>
<tr>
<td>Cash</td>
<td>2%</td>
<td>0–15%</td>
<td>7.5%</td>
</tr>
</tbody>
</table>

Source: Schroders, 31st March 2023. Allocations are subject to change.
Responsible Multi-Asset Fund

Investment Selection - to meet both financial and impact objectives

Source: Schroders, 31st March 2023. For illustration purposes, not a recommendation to buy or sell
Appendices
## Sustainability at Schroders

Our experience and expertise

<table>
<thead>
<tr>
<th><strong>21+ years</strong></th>
<th><strong>44</strong></th>
<th><strong>With 300+ years</strong></th>
<th><strong>Fully ESG Integrated</strong></th>
<th><strong>2,100+</strong></th>
<th><strong>Across 58</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>ESG integration</td>
<td>Dedicated ESG specialists</td>
<td>Combined investment experience</td>
<td>Across our managed assets</td>
<td>Engagements in 2021</td>
<td>Countries globally</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>10</strong></th>
<th><strong>13,000+</strong></th>
<th><strong>A+</strong></th>
<th><strong>1st</strong></th>
<th><strong>UN global compact</strong></th>
<th><strong>Net Zero Asset Manager</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Proprietary investment tools and frameworks</td>
<td>Companies covered by our portfolio-level sustainability reporting tools</td>
<td>UN PRI annual assessment(^1)</td>
<td>Asset manager to tie cost of capital to sustainability goals</td>
<td>Signatory</td>
<td>Founding member of initiative</td>
</tr>
</tbody>
</table>

Source: Schroders, March 2022 unless otherwise stated. \(^1\)PRI, 2015 - 2020 Assessment Reports. \(^2\)For certain businesses acquired during the course of 2020 and 2021 we have not yet integrated ESG factors into investment decision-making. There are also a small number of strategies for which ESG integration is not practicable or now possible, for example passive index tracking or legacy businesses or investments in the process of or soon to be liquidated, and certain joint venture businesses are excluded.
Our climate transition action plan

Science-based targets for our investment and operational activities to lead the transition to a low carbon economy

Data is sourced from MSCI Research and Refinitiv. Schroders Climate Transition Action Plan - Financial Professionals - Schroders
Investing for a better future
Investing with intention, taking action and delivering impact

Intention
✓ to meet your financial goals
✓ to have a positive impact on people and planet
✓ to align with your charities values

Action
✓ investing to avoid harm, to benefit society and contribute to solutions
✓ influencing companies, managers and policy makers to make progress towards the sustainable development goals

Impact
✓ measuring and managing the impact of your investments
✓ reporting on people and planet
The power of collective action

Data shown reflects the notional aligned impact calculated for 12 months to 31 December 2021, based on the value of assets in our sustainable growth fund, accrued daily. The positive impact is generated by the companies that we invest in and the users of their products and services, like the organisations that have helped improve access to healthcare, finance and education and the people who choose to switch to renewable energy. Investors in the sustainable growth fund are aligned with these impacts by investing in a company’s activities generally but do not finance any particular activity, product or service that a company may undertake or make available. We use the most up to date underlying impact data available as reported by the companies and fund managers in which we invest to estimate these impact metrics, and apportion it according to our holding size. To illustrate the aggregated impact, we translate the impact into more meaningful comparisons using the following conversion ratios: over a decade, one tree captures and stores 60kg of carbon dioxide from the atmosphere (Source: EPA), the average UK home uses 3,731KWh of electricity in a year (Source: Ofgem). Where data is not available we have not included it, with the expectation that our results are conservative. Impact metrics provided, in part by Net Purpose. The full impact methodology is available on our website.

<table>
<thead>
<tr>
<th>People</th>
<th></th>
<th>Planet</th>
</tr>
</thead>
<tbody>
<tr>
<td>People reached</td>
<td>206,596</td>
<td>75,315 Tonnes of CO₂e avoided</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Which is the equivalent of the carbon absorbed by 1,242,699 trees</td>
</tr>
<tr>
<td>93,388 People provided with healthcare</td>
<td>29,325 MWh of renewable energy generated</td>
<td>7,860 homes for a year</td>
</tr>
<tr>
<td>106,323 People provided with financial services</td>
<td>276,532 m³ of water saved</td>
<td>Water saved and treated equivalent of 142 olympic-sized swimming pools</td>
</tr>
<tr>
<td>6,598 People provided with digital services</td>
<td>79,564 m³ of waste water treated</td>
<td></td>
</tr>
<tr>
<td>287 People received education</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Sustainability insights

<table>
<thead>
<tr>
<th>Implied portfolio temperature rise</th>
<th>People</th>
<th>Planet</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2.4°C</strong> Benchmark MSCI All Countries World Index (ACWI)</td>
<td><strong>Senior Management Gender Diversity</strong>&lt;br&gt;Average % of women in senior management</td>
<td><strong>Waste Intensity</strong>&lt;br&gt;Total amount of waste produced (tonnes) per $m sales&lt;br&gt;99% lower than the benchmark</td>
</tr>
<tr>
<td><strong>2°C</strong> Responsible Multi-Asset Fund</td>
<td><strong>Board Gender Diversity</strong>&lt;br&gt;Average % of women on board</td>
<td><strong>Water Intensity</strong>&lt;br&gt;Total water withdrawal (cubic metres) per $m of sales&lt;br&gt;88% lower than the benchmark</td>
</tr>
<tr>
<td></td>
<td><strong>Human Rights Policy</strong>&lt;br&gt;% of companies with a human rights policy</td>
<td><strong>Carbon Intensity</strong>&lt;br&gt;Total CO2 and CO2 equivalents emission (tonnes) per $m of sales&lt;br&gt;78% lower than the benchmark</td>
</tr>
<tr>
<td></td>
<td>PORTFOLIO</td>
<td>BENCHMARK</td>
</tr>
<tr>
<td></td>
<td>17%</td>
<td>20%</td>
</tr>
<tr>
<td></td>
<td>22%</td>
<td>24%</td>
</tr>
<tr>
<td></td>
<td>74%</td>
<td>83%</td>
</tr>
</tbody>
</table>

**Note:** Numbers may not sum due to rounding.
Investment process
Adding value at every stage of the process

**Strategy**
- Long-term roadmap: allocation to different asset classes to suit your return objectives, risk tolerances and spending needs
- Secular themes (sustainability, demographics, technology)

Targeting inflation plus spending

**Asset Allocation**
- Allocation to different asset classes over a business cycle. Based on:
  - Economics
  - Valuations
  - Sentiment

Adding value over the business cycle

**Investment selection**
- Choosing the best investments
- Fundamental research and proprietary tools
- Integrating sustainability
- Active ownership
- Ensuring value for money

Delivering your goals
Investment beliefs
At the heart of our approach

Benefits of a long-term view
Long term investors can benefit from their time horizon.
Equities outperform over the longer-term, but are volatile

Diversification to smooth the journey
Target return of inflation +4% with a focus on risk

Active decisions through the cycle
The economic environment needs to be taken into account

Sustainability
Understanding the impact of investments can improve investment decisions

Source: Cazenove Capital. The investment philosophy may be adjusted when deemed necessary. Target return is not guaranteed and your capital is at risk.
Why we invest sustainably
It’s what makes a great investment ‘stay’ great

We believe that only investments that are
- run for the long-term
- taking account of their impact on all stakeholders
will be able to sustain growth and returns

“Long-term value creation shaped by relationships with stakeholders”

Source: Cazenove
Core equity approach: Global Sustainable Growth

A distinctive approach with five key pillars of value creation

Philosophy
- Long-term value creation driven by stakeholder relationships

Expertise
- Unique collaboration between experienced teams, drawing on Schroders’ wider global resources

Sustainability
- Proprietary framework for differentiated and in-depth analysis

Portfolio construction
- Investment led process focusing on positive sustainability characteristics and strong fundamentals

Active ownership
- Targeted engagement to improve shareholder and societal outcomes

Source: Schroders.
Investment process
Overview

Global Research Platform
- Leverage Schroders’ global analyst network and Global Team expertise
- Identification of suitable candidates

Sustainable Investor Group
- Initial vetting process
- Sustainable Quotient (SQ) analysis
- Investable universe of approximately 100 stocks

Portfolio Managers
- Fundamental risk
- Valuation
- Conviction
- Liquidity
- Portfolio of 30–50 stocks

Sustainable Investor Group
- Targeted engagement driven by sustainability assessment
  - Stewardship/Voting
  - Seek to enhance long term returns

Good Company vs. Good Investment

Source: Schroders.
Schroder Sustainable Diversified Alternative Assets Fund
Providing diversified investment returns and capital for sustainable solutions

- Return target: UK CPI + 2.5% after fees, over a 5-7 year period.
- Invests in alternative asset classes including sustainable infrastructure, social housing, private equity, renewables, gold etc.
- Contributing towards the UN Sustainable Development Goals

- Climate Change
  - Renewables including wind, solar, and bioenergy.
  - Climate mitigation or adaptation catastrophe-linked bonds
  - Investment examples:
    - Thomas Lloyd Energy Impact Trust – sustainable energy infrastructure in Asia

- Health and wellness
  - Healthcare providers, care homes, doctors surgeries.
  - Life sciences innovation and technology.
  - Investment examples:
    - Syncona Ltd
    - Impact Healthcare REIT
    - Target Healthcare REIT Ltd

- Responsible consumption
  - Biodiversity-linked investments e.g. carbon offsets and forestry.
  - Energy transition-linked commodities
  - Investment examples:
    - SDCL Energy Efficiency Income Trust

- Sustainable infrastructure
  - Clean energy infrastructure including battery storage, EV charging.
  - Water and sanitation infrastructure.
  - Investment examples:
    - International Public Partnerships (INPP)

- Inclusion
  - Social infrastructure including housing, education, hospitals, courts.
  - Microfinance and financial inclusion.
  - Investment examples:
    - Schroder BSC Social Impact Trust

Holdings as at 30th June 2022. SFDR Sustainable Finance Disclosure Regulation. For illustration purposes only and not a recommendation to buy or sell. Target return is not guaranteed and your capital is at risk.
Companies that consider all their stakeholders

Global direct equity holdings as at 31 March 2023

<table>
<thead>
<tr>
<th>Communication Services</th>
<th>Consumer Discretionary</th>
<th>Consumer Staples</th>
<th>Financials</th>
<th>Health Care</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Alphabet</td>
<td>- Booking Holdings</td>
<td>- Nestle</td>
<td>- AIA Group</td>
<td>- AstraZeneca</td>
</tr>
<tr>
<td>- Deckers Outdoor</td>
<td>- Greggs</td>
<td>- Raia Drogasil</td>
<td>- B3 SA</td>
<td>- DexCom</td>
</tr>
<tr>
<td>- Inditex</td>
<td>- Kingfisher</td>
<td>- Reckitt Benckiser</td>
<td>- DBS Group</td>
<td>- Elevance Health</td>
</tr>
<tr>
<td>- Sekisui Chemical</td>
<td>- Greggs</td>
<td>- Unilever</td>
<td>- FinecoBank</td>
<td>- Lonza Group</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- HDFC Bank</td>
<td>- Oak Street Health</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Macquarie Group</td>
<td>- Roche</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Toronto Dominion</td>
<td>- Thermo Fisher</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Industrials</th>
<th>IT</th>
<th>Materials</th>
<th>Utilities</th>
<th>Energy</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Bunzl</td>
<td>- Adobe</td>
<td>- Norsk Hydro</td>
<td>- AstraZeneca</td>
<td></td>
</tr>
<tr>
<td>- Husqvarna</td>
<td>- ASML</td>
<td></td>
<td>- DexCom</td>
<td></td>
</tr>
<tr>
<td>- Recruit Holdings</td>
<td>- Keyence</td>
<td></td>
<td>- Elevance Health</td>
<td></td>
</tr>
<tr>
<td>- RELX</td>
<td>- Microsoft</td>
<td></td>
<td>- Lonza Group</td>
<td></td>
</tr>
<tr>
<td>- Schneider Electric</td>
<td>- Salesforce</td>
<td></td>
<td>- Oak Street Health</td>
<td></td>
</tr>
<tr>
<td>- Spirax-Sarco</td>
<td>- TSMC</td>
<td></td>
<td>- Roche</td>
<td></td>
</tr>
<tr>
<td>- Vestas Wind Systems</td>
<td>- Texas Instruments</td>
<td></td>
<td>- Thermo Fisher</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Visa</td>
<td></td>
<td>- UnitedHealth Group</td>
<td></td>
</tr>
</tbody>
</table>

Source: Schroders, Refinitiv. The stocks and sectors shown above are for illustrative purposes only and are not to be considered a recommendation to buy or sell. Portfolio composition is subject to change.
Investment Selection

Look through analysis

Equity Geographical Exposure

- UK
- Europe
- North America
- Asia
- Japan
- Emerging Markets
- Cash

Fund Currency Exposure

- £: 41%
- $: 29%
- €: 9%

- Other: 9%

Source: Schroders. Style Analytics benchmark 100% MSCI AC World. As at 31st March 2023. For illustration purposes only. Please note that this is indicative exposure only and may change, subject to market conditions and outlook.
Investment Selection: Equities

Look through analysis

**Top 10 Holdings**

<table>
<thead>
<tr>
<th>Rank</th>
<th>Company</th>
<th>Exposure</th>
<th>YTD Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Microsoft Corporation</td>
<td>4.9%</td>
<td>+18.2%</td>
</tr>
<tr>
<td>2</td>
<td>Schneider Electric</td>
<td>2.9%</td>
<td>+16.9%</td>
</tr>
<tr>
<td>3</td>
<td>Alphabet Inc</td>
<td>2.7%</td>
<td>+15.3%</td>
</tr>
<tr>
<td>4</td>
<td>Booking Holdings</td>
<td>2.7%</td>
<td>+29.1%</td>
</tr>
<tr>
<td>5</td>
<td>AstraZeneca</td>
<td>2.4%</td>
<td>+1.6%</td>
</tr>
<tr>
<td>6</td>
<td>Texas Instruments</td>
<td>2.4%</td>
<td>+11.2%</td>
</tr>
<tr>
<td>7</td>
<td>Thermo Fisher Scientific</td>
<td>2.3%</td>
<td>+2.8%</td>
</tr>
<tr>
<td>8</td>
<td>UnitedHealth Group</td>
<td>2.2%</td>
<td>-12.3%</td>
</tr>
<tr>
<td>9</td>
<td>Bunzl Public Limited</td>
<td>2.1%</td>
<td>+10.8%</td>
</tr>
<tr>
<td>10</td>
<td>AIA Group</td>
<td>2.1%</td>
<td>-7.1%</td>
</tr>
</tbody>
</table>

**Risk Metrics**

<table>
<thead>
<tr>
<th>Metric</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active Share</td>
<td>80.6%</td>
</tr>
<tr>
<td>Tracking error</td>
<td>2.9%</td>
</tr>
<tr>
<td>No. of stocks</td>
<td>278</td>
</tr>
<tr>
<td>Beta</td>
<td>0.97</td>
</tr>
</tbody>
</table>

Source: Schroders. Style Analytics benchmark 100% MSCI AC World. As at 31st March 2023. The securities above are not a recommendation to sell or purchase. For illustration purposes only. Past performance is not a guide to future performance.
Charity Responsible Multi-Asset Fund

Asset allocation history

Source: Schroders, 31st March 2023
Responsible Multi-Asset Fund

Performance since inception

- Long term target of inflation +4%
- Expect oscillations around this target as it is a non-investable ‘benchmark’
- Inception base date 1st August 2018 when Global Equities were historically 4% above average valuation
- Range: Upper and lower boundaries represent two standard deviations of the strategy from the central return expectation (inflation +4%)
- Targeting circa 70% of global equity market volatility over an economic cycle

Past performance is not a guide to future performance.
Source: Datastream/Lipper, bid to bid, in GBP, net income reinvested at 31st March 2023. S Share Class; cumulative returns. Inception: 1 August 2018. Global equity PE valuation at launch was 18.6 compared with the 15 year average of 17.9.
# Responsible Multi-Asset Fund

Performance since inception - Must be included in all packs with RMAF performance

<table>
<thead>
<tr>
<th></th>
<th>Since Inception</th>
<th>Since Inception p.a.</th>
<th>3 Years to 31 March 2023 (p.a.)</th>
<th>1 April 2022 to 31 March 2023</th>
<th>1 April 2021 to 31 March 2022</th>
<th>1 April 2020 to 31 March 2021</th>
<th>1 April 2019 to 31 March 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responsible Multi-Asset Fund</td>
<td>+28.6%</td>
<td>+5.5%</td>
<td>+10.8%</td>
<td>-2.2%</td>
<td>+9.6%</td>
<td>+26.8%</td>
<td>-4.3%</td>
</tr>
<tr>
<td>Inflation (CPI) +4%*</td>
<td>+44.7%</td>
<td>+8.3%</td>
<td>+9.7%</td>
<td>+13.2%</td>
<td>+11.3%</td>
<td>+4.7%</td>
<td>+5.6%</td>
</tr>
</tbody>
</table>

*Past performance is not a guide to future performance.*

Responsible Multi-Asset Fund

Downside risk management

Ten worst months for global equities since inception

Ten best months for global equities since inception

Past performance is not a guide to future performance.
Source: Datastream/Lipper, RMAF S share class in GBP, as at 31st March 2023. Inception: 1 August 2018.
### Responsible Multi-Asset Fund

**Fund performance to 31st March 2023**

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Fund</th>
<th>12M</th>
<th>3Y</th>
<th>3Y ANN</th>
<th>5Y</th>
<th>5Y ANN</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equities - Emerging Markets</strong></td>
<td>UBAM Positive Impact Emerging Markets</td>
<td>-3.5%</td>
<td>(2)</td>
<td>n/a</td>
<td>n/a</td>
<td>-3.5%</td>
</tr>
<tr>
<td></td>
<td>MSCI EM (Emerging Markets) NR USD</td>
<td>-4.0%</td>
<td>-17.2%</td>
<td>5.4%</td>
<td>6.9%</td>
<td>-1.3%</td>
</tr>
<tr>
<td></td>
<td>HSBC Global Sustainable Healthcare Equity</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>Pictet Nutrition</td>
<td>-0.2%</td>
<td>(4)</td>
<td>n/a</td>
<td>n/a</td>
<td>-0.2%</td>
</tr>
<tr>
<td></td>
<td>Schroder Global Sustainable Growth</td>
<td>1.2%</td>
<td>(1)</td>
<td>65.3%</td>
<td>(1)</td>
<td>18.2%</td>
</tr>
<tr>
<td></td>
<td>Schroder Global Energy Transition</td>
<td>11.0%</td>
<td>(1)</td>
<td>122.9%</td>
<td>(1)</td>
<td>30.6%</td>
</tr>
<tr>
<td></td>
<td>Sparinvest Global Ethical Value</td>
<td>1.2%</td>
<td>(1)</td>
<td>n/a</td>
<td>n/a</td>
<td>1.2%</td>
</tr>
<tr>
<td></td>
<td>MSCI AC World NR GBP</td>
<td>2.2%</td>
<td>-41.5%</td>
<td>12.3%</td>
<td>54.2%</td>
<td>9.1%</td>
</tr>
<tr>
<td><strong>Fixed Income - UK</strong></td>
<td>Cazenove Charity Bond Fund</td>
<td>-15.2%</td>
<td>(1)</td>
<td>-23.0%</td>
<td>(1)</td>
<td>-8.4%</td>
</tr>
<tr>
<td></td>
<td>Vontobel 24 Sutton Short Term Bond Income</td>
<td>-2.5%</td>
<td>(3)</td>
<td>1.3%</td>
<td>(3)</td>
<td>0.1%</td>
</tr>
<tr>
<td></td>
<td>Threadneedle EU Social Bond</td>
<td>-7.6%</td>
<td>-14.0%</td>
<td>-4.9%</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>Invesco US Treasury Bond ETF</td>
<td>-5.9%</td>
<td>-14.0%</td>
<td>-4.9%</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>Fed. Hermes Climate Change HY Bond</td>
<td>-13.3%</td>
<td>(4)</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>Lombard Odier Global Climate Bond</td>
<td>-6.2%</td>
<td>-10.1%</td>
<td>-5.5%</td>
<td>-3.9%</td>
<td>-0.8%</td>
</tr>
<tr>
<td></td>
<td>FTSE Actuaries UK Gilts All Stocks</td>
<td>-13.8%</td>
<td>-27.1%</td>
<td>-10.0%</td>
<td>-13.5%</td>
<td>-2.9%</td>
</tr>
<tr>
<td><strong>Alternatives - Property</strong></td>
<td>Charities Property Fund</td>
<td>-10.1%</td>
<td>n/a</td>
<td>11.0%</td>
<td>19.1%</td>
<td>3.6%</td>
</tr>
<tr>
<td></td>
<td>Property Income Tst for Charities</td>
<td>-16.3%</td>
<td>4.9%</td>
<td>1.6%</td>
<td>14.0%</td>
<td>2.7%</td>
</tr>
<tr>
<td></td>
<td>IPD UK All Property Monthly TR</td>
<td>-15.3%</td>
<td>7.7%</td>
<td>2.5%</td>
<td>13.9%</td>
<td>2.6%</td>
</tr>
<tr>
<td></td>
<td>IA Property Other TR</td>
<td>-18.9%</td>
<td>5.7%</td>
<td>1.9%</td>
<td>5.2%</td>
<td>1.0%</td>
</tr>
<tr>
<td></td>
<td>WisdomTree GBP Hedged Gold</td>
<td>-0.3%</td>
<td>19.7%</td>
<td>6.2%</td>
<td>33.2%</td>
<td>5.9%</td>
</tr>
<tr>
<td><strong>Alternatives - Multi-Asset</strong></td>
<td>Schroder Sustainable Diversified Alt. Assets</td>
<td>14.4%</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>14.4%</td>
</tr>
</tbody>
</table>

Past performance is not a guide to future performance.

Source: Lipper, Datastream, bid to bid, in GBP, net income reinvested. 31st March 2023. 1 Lagged by one month. For illustration purposes, not a recommendation to buy or sell.
## Responsible Multi-Asset Fund

### Fund performance to 31st March 2023

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Alternatives - Property</td>
<td>IPD UK All Property Monthly TR</td>
<td>-15.3%</td>
<td>7.7%</td>
<td>2.5%</td>
<td>13.9%</td>
<td>2.6%</td>
<td>-15.3%</td>
<td>-23.9%</td>
<td>2.6%</td>
<td>0.1%</td>
<td>5.6%</td>
</tr>
<tr>
<td>Alternatives - Property</td>
<td>IA Property Other TR</td>
<td>-18.9%</td>
<td>5.7%</td>
<td>1.9%</td>
<td>5.2%</td>
<td>1.0%</td>
<td>-18.9%</td>
<td>-11.0%</td>
<td>17.4%</td>
<td>-7.6%</td>
<td>7.7%</td>
</tr>
<tr>
<td>Alternatives - Gold</td>
<td>WisdomTree GBP Hedged Gold</td>
<td>-0.3%</td>
<td>19.7%</td>
<td>6.2%</td>
<td>33.2%</td>
<td>5.9%</td>
<td>-0.3%</td>
<td>-13.9%</td>
<td>5.5%</td>
<td>18.0%</td>
<td>-5.7%</td>
</tr>
<tr>
<td>Alternatives - Other</td>
<td>International Public Partnerships</td>
<td>-12.4%</td>
<td>6.3%</td>
<td>2.1%</td>
<td>30.1%</td>
<td>5.4%</td>
<td>-12.4%</td>
<td>7.5%</td>
<td>12.9%</td>
<td>6.6%</td>
<td>14.8%</td>
</tr>
<tr>
<td>Alternatives - Other</td>
<td>Renewables Infrastructure Grp (IT)</td>
<td>-2.9%</td>
<td>13.5%</td>
<td>4.3%</td>
<td>53.0%</td>
<td>8.9%</td>
<td>-2.9%</td>
<td>16.9%</td>
<td>0.0%</td>
<td>14.6%</td>
<td>17.6%</td>
</tr>
<tr>
<td>Alternatives - Multi-Asset</td>
<td>Schroder Sustainable Diversified Alt. Assets</td>
<td>14.4%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>14.4%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Past performance is not a guide to future performance.
Source: Lipper, Datastream, bid to bid, in GBP, net income reinvested. 31st March 2023. ¹Lagged by one month. For illustration purposes, not a recommendation to buy or sell.
Responsible Multi-Asset Fund

Quarterly distributions

Fund price

Source: Schroders, 31st March 2023. RMAF, S Distribution share class. Total return distribution, smoothed over the previous three years targeting 4% per annum, paid 1% per quarter. The target return is not guaranteed and your capital is at risk.
Responsible Multi-Asset Fund

Assets under management

£1,316 million
334 Charities

Source: Schroders 31st March 2023. Fund launch date 1st August 2018
Responsible investment policy

Screening policy

Exclusions

- Indiscriminate weaponry (zero tolerance)
- Armaments (>10% revenues)
- Pornography (>3% revenues)
- Tobacco (>10% revenues)
- Gambling (>10% revenues)
- High interest rate lending (>10% revenues)
- Human embryonic cloning (>10% revenues)
- Alcohol (>10% revenues unless the company meets industry standards for responsible marketing and retailing)
- Fossil Fuels – extraction, production and refining of coal, oil and gas (>10% revenues)

The exclusion policy reflects common concerns of charities. It will be reviewed regularly and may be amended as considered necessary.

To aid diversification we will incorporate the use of pooled funds and third party managers. As screening policies may differ we will select funds that currently exhibit no exposure to the above sectors and will continue to monitor the underlying holdings for compliance.
Carbon Offsetting

Partnership with Ecologi

- To support our efforts to have a positive impact on the planet we offset the portfolio’s carbon emissions on a quarterly basis, based on scope 1 and 2 carbon emissions from the equities. We work with social enterprise Ecologi, to buy carbon credits from environmental projects across the world, with a focus on reforestation and conservation of biodiverse forests. We will report on the environmental projects and their impact within our annual impact report.

- The cost of the projects will be paid for by the firm and no charge is passed to investors.

- Carbon offsets are purchased against the average quarterly scope 1 & 2 carbon emissions attributed to the equities, as measured by MSCI, calculated on a daily basis. Offset purchases are voluntary and capped at a maximum of 0.05% of the total funds value.

- Details of the carbon credits purchased and projects supported can be seen at www.ecologi.com/cazenovecapital
# Long-term returns and risk assumptions

## Cazenove Capital GBP Portfolios

### Forward looking return assumptions for high level asset classes (GBP)

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Expected long-term return p.a.</th>
<th>Expected volatility p.a.</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK equity</td>
<td>7.0%</td>
<td>13.9%</td>
<td>Assumption of 4% equity risk premium over expected returns from government bonds (3%)</td>
</tr>
<tr>
<td>Developed market ex-UK equity</td>
<td>7.0%</td>
<td>14.9%</td>
<td>Assumption of 4% equity risk premium over expected returns from government bonds (3%)</td>
</tr>
<tr>
<td>Emerging market equity</td>
<td>9.5%</td>
<td>21.4%</td>
<td>Emerging market premium over developed equities expected to reward investors for higher risk and higher anticipated nominal growth rates</td>
</tr>
<tr>
<td>Government bonds (UK or £ hedged)</td>
<td>3.0%</td>
<td>6.0%</td>
<td>0.75% excess return over cash for maturity extension</td>
</tr>
<tr>
<td>Investment grade corporate bonds (UK or £ hedged)</td>
<td>4.0%</td>
<td>6.1%</td>
<td>Returns derived by adding expected credit spread, net of anticipated losses due to defaults, to government bond yields (credit spread 1.1%, default losses 0.1%)</td>
</tr>
<tr>
<td>High yield bonds (UK or £ hedged)</td>
<td>5.0%</td>
<td>9.3%</td>
<td>Returns derived by adding expected credit spread, net of anticipated losses due to defaults, to government bond yields (credit spread 5%, default losses 3%)</td>
</tr>
<tr>
<td>Liquid private and real assets</td>
<td>6.0%</td>
<td>12.0%</td>
<td>Reflects return of 5% from real estate and infrastructure (1% premium over investment grade bonds) combined with exposure to listed private equity and debt</td>
</tr>
<tr>
<td>Target absolute return</td>
<td>3.75%</td>
<td>8.7%</td>
<td>Long term sensitivity of 0.3 to equity markets expected to generate 1.5% excess returns over cash</td>
</tr>
<tr>
<td>Short equity volatility</td>
<td>5.75%</td>
<td>11.2%</td>
<td>Returns from systematic monetisation of equity volatility</td>
</tr>
<tr>
<td>Cash (£)</td>
<td>2.25%</td>
<td>0.7%</td>
<td>Derived from inflation assumption of 2% and equilibrium real interest rate of 0.25%</td>
</tr>
</tbody>
</table>

Source: Cazenove Capital, 2021. The expected returns are forecasts and not a reliable indicator of future performance. Illustrative ten year performance for a normal business cycle. Income reinvested with no capital withdrawals. Underlying assumptions and calculations available on request. All forecast performance figures are exclusive of commissions, fees and other charges which will have an effect on final performance figures.
Disclaimers, risk warnings and regulatory status

Disclaimers

We comply with our obligations under the Financial Services and Markets Act 2000. The disclaimers set out in this section do not exclude or restrict liability for any duty to clients under this Act or any other applicable regulatory authority. Nothing in this document should be deemed to constitute the provision of financial, investment or other professional advice in any way. The material in this document is for information purposes only and the services, securities, investments and funds described may not be available to or suitable for you. Not all strategies are appropriate at all times.

We have taken all reasonable care to ensure that the information contained within this document is accurate, up to date, and complies with all prevailing UK legislation. However, no liability can be accepted for any errors or omissions, or for any loss resulting from its use. Any data and material provided ahead of an investment decision are for information purposes only. Unit and share prices are for information purposes only, they are not intended for trading purposes. We shall not be liable for any errors or delays in these prices or in the provision of this information, or for any actions taken in reliance thereon. We reserve the right to amend, alter, or withdraw any of the information contained in this document at any time and without notice. No liability is accepted for such changes.

This document may include forward-looking statements that are based upon our current opinions, expectations and projections. We undertake no obligation to update or revise any forward-looking statements. Any such information is not a guarantee of any future performance. There is no assurance that any forecast or projection will be realised.

All data contained within this document is sourced from Cazenove Capital unless otherwise stated. Where FTSE International Limited ('FTSE') data is used, 'FTSE' is a trade mark of the London Stock Exchange Group of companies and is used by FTSE International Limited under licence. All rights in the FTSE indices vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices or underlying data. No further distribution of FTSE data is permitted without FTSE's express written consent.

SustainEx™ provides an estimate of the net “impact” that an issuer may create in terms of social and environmental “costs” or “benefits”. It does this by using certain metrics with respect to that issuer, and quantifying them positively (for example by paying ‘fair wages’) and negatively (for example the carbon an issuer emits) to produce an aggregate notional measure of the relevant underlying issuer's social and environmental “costs”, “externalities” or “impacts”. SustainEx™ utilises and is reliant on third party data (including third party estimates) as well as Schroders' own modelling assumptions, and the outcome may differ from other sustainability tools and measures. Where SustainEx™ relies on data and estimates produced by third parties, Schroders seeks to ensure that such data and estimates are accurate, but Schroders cannot and does not warrant the accuracy, completeness and adequacy of such third party data and estimates. Like any model, SustainEx™ will evolve and develop over time as Schroders continues to assess, refine and add to the metrics and their relative contributions. Generating SustainEx™ scores involves an element of judgment and subjectivity across the different metrics chosen by Schroders, and accordingly Schroders does not accept any liability arising from any inaccuracy or omission in, or the use of or reliance on, SustainEx™ scores. As the model evolves, changes made to how metrics are applied may result in changes to the SustainEx™ score of any issuer and ultimately the overall fund/portfolio score. At the same time, of course, the issuer's SustainEx™ performance might improve or deteriorate. Schroders' proprietary sustainability tools including SustainEx™ may not cover all of a fund/portfolio's holdings from time to time, in which case Schroders may use a range of alternative methods to assess the relevant holding. In addition, certain types of assets (such as cash and certain equivalent securities) are treated as neutral and are therefore not considered by our proprietary tools. Other types of assets such as equity indices and index derivatives may not be considered by our proprietary tools and in such case would be excluded from a product's sustainability score.
Investment risk: Past performance is not a guide to future performance and may not be repeated. 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.

Private Assets: Investors should only invest in private assets (and other illiquid and high risk assets) if they are prepared and have the ability to sustain a total loss of their investment. No representation has been or can be made as to the future performance of these investments. Whilst investment in private assets can offer the potential of higher than average returns, it also involves a corresponding higher degree of risk and is only considered appropriate for sophisticated investors who can understand, evaluate and afford to take that risk. Private Assets are more illiquid than other types of investments. Any secondary market tends to be very limited. Investors may well not be able to realise their investment prior to the relevant exit dates.

Taxation: Statements concerning taxation are based on our understanding of the taxation law in force at the time of publication, and are not intended to constitute tax advice. The levels and bases of, and reliefs from, taxation may change. You should obtain professional advice on taxation where appropriate before proceeding with any investment.

Exchange rates: Investments in overseas securities are exposed to movements in exchange rates. These changes may have an adverse effect on the value or income of investments.

Debt securities: Investments in bonds issued by borrowers with lower credit ratings may result in a greater risk of default and have a negative impact on income and capital value. Income payments may constitute a return of capital in whole or in part. Income may be achieved by foregoing future capital growth.

Emerging markets: There are additional risks associated with investment in emerging and developing markets. These include: higher volatility of markets; systems and standards affecting trading, settlement, registration and custody of securities all possibly lower than in developed markets; lack of liquidity in markets and exchanges leading to lower marketability of securities and greater price fluctuation; significant currency volatility, possibly resulting in adoption of exchange controls; lower shareholder protection or information to investors provided from the legal infrastructure and accounting, auditing and reporting standards.

Unregulated collective investment schemes: Unregulated collective investment schemes and other non-mainstream pooled investments (NMPIs) are unlikely to offer a level of investor protection equivalent to that available for UK regulated investments. Such schemes may deal infrequently and may limit redemption.

Structured products: Structured products are usually issued by financial institutions and in the event of these institutions going into liquidation or failing to comply with the terms of the securities you may not receive the anticipated returns and you may lose all or part of the money you originally invested. If you sell your investment before its maturity date the investment may achieve a price less than the original investment. The performance of these investments may depend on indices and defined calculations which may differ from direct investments.

Gearing: Some of the investments we may make on your behalf could be in investment companies which use gearing as a strategy or invest in other investment companies which use gearing, such as investment trusts. The strategy which the issuer of such securities uses or proposes to use may result in movements in the price of the securities being more volatile than the movements in the price of underlying investments. Such investments may be subject to sudden and large falls in value and you may get back nothing at all if there is a sufficiently large fall.
Disclaimers, risk warnings and regulatory status

Risk warnings (continued)

**Regulated Mortgages:** Schroder & Co. Limited is authorised by the Prudential Regulation Authority to administer, advise on, arrange (bring about) and enter into a regulated mortgage contract. Your home may be repossessed if you do not keep up repayments on your mortgage.

Company particulars and regulatory status

This document is issued by Cazenove Capital which is a trading name of Schroder & Co. Limited, which together with other Companies in the Schroders Group provides the services described. Schroder & Co Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Our registered office is at 1 London Wall Place, London EC2Y 5AU. Registered Number 2280926 England. Services may be subject to value added tax (VAT). Schroder & Co. Limited is registered for VAT in the United Kingdom (GB 243868730). **Communications may be recorded and monitored.**