

# Darwin Bereavement Services Fund

Quarterly Update – Q3 2020

“B” Accumulation Units



## Performance

	NAV Price	Performance Return %				Annual Return %	Total Return %		Annualised Return % per annum	
Unit Class	Current Quarter	3 Month	6 Month	12 Month	2020 YTD Return	2019	3 Year	5 Year	3 Year	5 Year
B Accumulation Launch date: 1/12/2018	1.1003	+3.88	+4.20	+5.12	+4.39	+5.40	#N/A	#N/A	#N/A	#N/A

All data as at 30 September 2020 unless otherwise stated. Please note that whilst investments into the Fund were made at a price of £1.0000 per unit from 9/11/2018, the first NAV was not struck until 30/06/2019. Source: Darwin Alternatives. NAV is calculated on a quarterly basis.

## Investment Statement – Q3 2020

The bereavement services sector continues to see the direct consequences of the ongoing Covid-19 pandemic. The GreenAcres portfolio and the CDS Group are both working tirelessly to ensure high standards are maintained in the sector so that there is a safe and Covid-secure setting that allows for mourning the loss of a loved one.

The last quarter has been fairly stable for the GreenAcres sites compared to the significant increase in burial volumes which were seen in the very early stages of the pandemic. Attendance numbers are still limited to 30 for funerals and the social distancing measures introduced at the start of the pandemic remain in force. Consequently, the take-up of some products and services are slower than anticipated because of the inevitably reduced number of visitors at the sites. For example, most of the weddings booked for this year have been postponed and rebooked for 2021.

Planning permission has recently been granted at Greenacres Heatherley Wood for an extension to the woodland service hall and the addition of a new admin and reception building. Works are due to commence in early January 2021 and include a new gathering room within the framework of the existing service hall, additional parking spaces and a new reception building, all of which will improve the customer experience at funeral services.

The results of the planning application to extend the site at GreenAcres Colney are due shortly and, subject to planning, we have agreed terms to acquire additional land from a neighbouring at GreenAcres Chiltern. In addition we are searching actively for additional sites for crematoria or cemetery development, with a number of leads currently under review for suitability.

Over the last 18 months, Greenacres have been simplifying operational procedures and August saw the management team complete the consolidation of their IT systems. With a new state of the art management system fully integrated with a new back office finance system, day to day management processes have now been streamlined, not only delivering cost efficiencies but also improved customer service levels and a platform for growth as the business expands.

The CDS Group (our bereavement services consulting business) has been successful in the tender process on a number of key projects for the planning application and design of new crematoria and cemetery schemes. CDS continues to lead the way in the sector with their green initiatives, working together with representatives from ICCM, FBCA and the Cremation Society of Great Britain to create an environmental charter which will promote sustainable, safe and environmentally friendly practices for the whole industry.

In summary, there has been a lot of activity within the businesses in the fund over the last quarter. They have continued to deliver positive cashflows throughout the ongoing pandemic and the total return to investors for 2020 is expected to be close to the target of 6%.

Key Data	
Fund Size:	£38.1m
Launch Date:	1 December 2018
Dealing Date:	1 <sup>st</sup> business day of each quarter

Dealing & Valuation Frequency:	Quarterly
Minimum Subscription:	£1,000,000
Annual Management Fee:	0.50%
TER:	0.725%

## Strategy

- The Darwin Bereavement Services Fund acquires and operates cemeteries, crematoria and other bereavement services assets in the UK.
- The Fund is aiming to acquire a total of 20-30 assets over the next five years and is targeting a total fund size of £250-£300m.
- The management strategy for the portfolio is the 'operational excellence' model, exploiting economies of scale where possible, but operating the businesses for the long-term to deliver consistent, stable free cash flows.
- A key component in the strategy is the development of a strong customer-centric brand, which will be a critical differentiator in what is a fragmented (and often poorly served) sector.

## Fund Summary

- The Darwin Bereavement Services Fund is an open-ended unit trust authorised by the Guernsey Financial Services Commission as a Class B open-ended Collective Investment Scheme.
- The objective of the Fund is to preserve and grow capital and provide income returns above the rate of inflation. The Fund aims to make annualised total returns of 6%.
- The Fund is ungeared, although borrowing will be permitted to fund redemptions if necessary.
- The Fund invests in a portfolio of bereavement services assets in the UK with a view to enhancing value through strategic selection and interventionist asset management.

## Portfolio

Park	Location	Property Type	Size - Acres	Capacity - plots	Purchase Date
Chiltern	Buckinghamshire	Woodland burial park	72	17,889	1 December 2018
Colney	Norfolk	Woodland burial park	16	3,660	1 December 2018
Epping Forest	Essex	Woodland burial park	52	11,961	1 December 2018
Heatherley Wood	Hampshire	Woodland burial park	12	3,105	1 December 2018
Kemnal Park	London	Cemetery	55	28,081	1 December 2018
Rainford	Merseyside	Woodland burial park	65	17,978	1 December 2018

- The Fund also acquired CDS Group, a bereavement services consulting business, in February 2020

### Trustee:

Butterfield Bank (Guernsey) Limited

### Administrator:

Vistra Fund Services (Guernsey) Limited

### Business Valuers:

Smith and Williamson

### Property Valuers:

JLL

### Auditors:

Grant Thornton Limited

### Lawyers:

Guernsey: Collas Crill  
London: Burges Salmon LLP

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Authorised & regulated by  
the Financial Conduct  
Authority

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