A decorative graphic consisting of numerous diagonal lines in various shades of blue, teal, and grey, creating a sense of movement and depth.

Darwin Bereavement Services Fund

Darwin Alternative Investment Management Limited offers innovative, alpha-driven investment solutions and aims to provide long-term investors with stable absolute returns which can enhance capital and provide predictable levels of income.

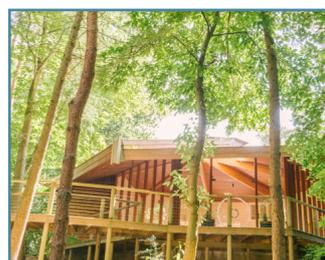
The Darwin approach combines the very best of strategic thinking with that of traditional fund management evaluation. Whilst the two disciplines are very different, the combination of them both becomes incredibly powerful at obtaining and creating more reliable, fact-based information which allows us to invest in the right businesses and ensure we maximise their potential.

In its continued efforts to provide investment opportunities which offers diversification away from mainstream assets and help investors meet their payment liabilities, Darwin Alternatives launched the Darwin Bereavement Services Fund (DBSF) in November 2018. The Fund is a core Social Infrastructure solution for institutional investors, particularly UK Local Authorities and LGPSs, to acquire bereavement services assets which are then actively managed to deliver sustainable, long-term free cash flow. The NAV of the Fund is currently £197.1m* and it owns and operates a portfolio of 18 crematoria, cemeteries and memorial parks as well as an online affordable funeral service provider, bereavement services consulting business and publisher of bereavement guides for hospitals.

DBSF has agreed in principle to a joint venture for the design, build and servicing of electric cremators with a long-established West Midlands-based incinerator manufacturer. This is expected to launch in the first half of 2023.

The strategy of the Darwin Bereavement Services Fund is to buy and build a portfolio of cemeteries, crematoria and other bereavement services assets in the UK.

The aim is to develop a portfolio of circa 20-30 assets over the next three years with a target fund size of £300-£500m.



*As at 31 December 2022

Industry Overview

The funeral services market is estimated to be worth £3.8bn annually. Ownership of burial space and crematoria is concentrated within the Local Authority sector (70%+ of crematoria) and the Church (70% + of burial space), but the private sector is significantly fragmented and an increasingly important part of overall provision as local authorities in particular operate at, or near to, capacity.

The bereavement services market has strong fundamentals:

- Consistent demand (death rates are even forecast to rise over the next 10 years before dropping back to 'normal' levels).
- Lack of supply in crematoria but particularly in burial space as many council cemeteries are close to full capacity.
- Over half of the London Boroughs are considered either full or at critical levels in terms of burial capacity.
- Growing Muslim population will increase pressure on burial space where there is already 'non-parishioner' demand.

- Cemeteries and crematoria operate essentially as local monopolies, since geography is the principal driver of consumer choice.
- Demand for alternative services e.g. woodland burials; private cemeteries and ceremonial parks; is expected to increase as the UK becomes more secular and there is a growth in people with no religious affiliation.
- In Mar 2021, the Times published the results from data compiled on local authorities' burial space across the UK, which showed the residual time period before their existing council-owned cemeteries are full to capacity:
 - 1 in 6 have 5 years or less
 - 1 in 4 have 10 years or less
 - About half have 20 years or less

Fund Strategy

The strategy of the Darwin Bereavement Services Fund is to buy and build a portfolio of 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 three years and is targeting a total fund size of £300-£500m. Assets may be acquired from local councils as well as from the private sector. The Fund will be ungeared, although borrowing will be permitted to fund redemptions if necessary.

A key component in the strategy is the development of strong customer-centric brands, which will be a critical differentiator in what is a fragmented (and often poorly served) sector. 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.

DBSF will operate a thorough screening and due diligence process, including a 10 year business plan which considers:

1. Potential attributes of an individual target to the total portfolio profile
2. Value and yield drivers
3. Contribution analysis
4. Risk factors and mitigants

Benefits to Investors

The Darwin Bereavement Services Fund will deliver core Social Infrastructure and offers sustainable, predictable, un-correlated returns.

The Fund aims to deliver consistent, asset backed returns of 6-8%* per annum, net of fees, derived from a diversified

portfolio of bereavement services assets with land underpinning the value of the Fund.

The Fund is designed to offer stable levels of income to investors, and it is anticipated that for those holding Income units, dividends of 6% per annum are expected to be paid**.

* Target return. **Year 1: 5% net; thereafter: 6% net

Performance

Unit Class	NAV Price £ Current Quarter	Performance Return %					
		3 Month	6 Month	12 Month	2022 YTD	2021	12 Month Return Including Dividend Payments %
A Accumulation	1.2205	+1.63	+3.27	+6.22	+6.22	+5.51	+6.22
B Accumulation	1.2266	+1.65	+3.31	+6.31	+6.31	+5.62	+6.31
B Income	1.0348	+1.42	+1.25	+1.61	+1.61	#N/A	+6.11
C Accumulation	1.0974	+1.57	+3.15	+5.97	+5.97	+5.18	+6.20
C Income	1.0320	+0.55	+1.09	+1.28	+1.28	#N/A	+5.78
D Income	1.0314	+0.58	+1.14	+1.38	+1.38	#N/A	+5.88
E Accumulation	1.0541	+1.58	+3.17	+6.02	+6.02	#N/A	N/A
E Income	1.0361	+0.57	+1.12	+1.33	+1.33	#N/A	+5.83

Source: Darwin Alternatives. As at: 31 December 2022. Darwin Bereavement Services Fund performance shown is for "A", "B", "C", "D" and "E" Class Accumulation and Income Units and based on the published NAV price. "A" and "B" units are now closed to new investors. NAV is calculated on a quarterly basis. Please note that whilst initial investments into "A" and "B" units were made at a price of £1.0000 per unit from 9/11/2018, the first NAV was not struck until 30/06/2019. Returns for Income units do not include dividend payments except where stated.

The Portfolio

At launch in November 2018, DBSF acquired a portfolio of six high-quality and differentiated cemetery and ceremonial parks in the UK, currently operated under the GreenAcres brand.

- The parks total over 270 acres in size and offer c.83,000 burial plots and each site provides full burial, cremated remains and cremation services, with lease options for customers that range from 10 to 125 years.
- They offer a multi-faith approach including Eternal Gardens specifically designed, built and operated for the Muslim community.

In May 2021, DBSF acquired both parts of the Memoria Group - Memoria Ltd. and Affordable Funerals (previously Low Cost Funerals Ltd.).

- Memoria is the UK's third largest developer and operator of private crematoria and memorial parks widely recognised as an industry leader and innovator - the first installation of an electric cremator in the UK. Through its Affordable Funerals business, it is also one of the country's largest supplier of online, fulfilled direct cremation and attended funeral fixed price packages.
- Memoria's portfolio of 12 high-quality sites across England and Wales has been built with a single vision to deliver the best possible standards of service and facility to look after bereaved families. Two further sites are under construction.



CDS Group

In February 2020, the Fund acquired the CDS Group, a leading bereavement services consulting business in the UK.

- Over 100 local authority clients and the principal private sector operators.
- Undertake feasibility, planning and design of new crematoria and cemeteries, including extensions
- Environmental management services, advising on water table management.
- Lead player in the Environmental Stewardship Group which seeks to lead the bereavement sector to sustainability www.environmentalstewardshipgroup.org.uk
- Other environmental improvements focus on alternatives to coffin materials, embalming and imported black granite.

RNS Publications

Turnside Marketing Ltd, a business that trades under the name of RNS Publications, was acquired in December 2021.

- RNS is the leading supplier of Bereavement Information Books and Hospital Guides to hospitals and hospices throughout the UK.
- Income is derived from the sale of advertising within its publications, predominantly from funeral directors, but also from other ethical organisations within the bereavement services sector.
- RNS has strong links to a network of over 2,500 funeral directors which will be of value to the other businesses within the portfolio.

Fund Details

Investment Objective	To maximise total return in Sterling terms through a combination of income and growth
Investment Strategy	To invest in UK bereavement services assets
Fund Structure	Guernsey unit trust authorised by the Guernsey Financial Services Commission as an authorised Class B open-ended Collective Investment Scheme
Gearing	The fund will be ungeared
Eligible Investors	Designed as a long term investment for institutional and professional investors
Dealing	Quarterly on the first business day of each quarter and/or additional days by prior consultation
Base Currency	Sterling
Target Return	6-8% per annum (Year 1: 5% per annum)
Taxation	It is intended to manage the Fund so that it is not subject to tax in Guernsey or the UK on its capital gains
Governing Law	Guernsey

Unit Classes	Minimum Subscription	Lock In Period	Annual Management Fee
Income and Accumulation			
Class C	£1,000,000	No lock-in period	0.85% per annum
Class D	£1,000,000	10 year lock-in period	0.75% per annum
Class E	£1,000,000	5 year lock-in period	0.80% per annum

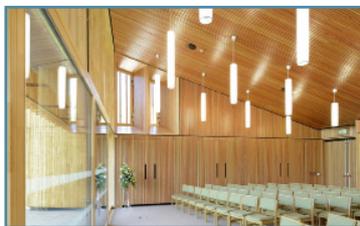
Performance Fee

15% of the value of the outperformance about the benchmark – a 6% annual increase in the Net Asset Value of the fund.

The manager will, however, only receive the performance fee if the NAV per unit is above the previous high water mark attained during the relevant period.

Redemption Fee

Time of redemption from acquisition	Percentage Charge
Within one year	15.0%
Within two years	12.5%
Within three years	10.0%
Within four years	7.5%
Within five years	5.0%
Thereafter	0



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Disclaimer: The purpose of this document is to provide summary information and does not constitute a recommendation to buy or sell units in the fund. Any decision to buy and sell shares should be made after seeking appropriate professional advice and on the basis of the Fund's Prospectus, available from the Administrator to investors in certain jurisdictions where the fund has been authorised. The Fund can only be marketed to Eligible Investors as defined in the Prospectus. The Fund is not marketed or sold in any jurisdiction that is not legally permitted. Investments in property carry specific risks and may not guarantee a return, and the value and the income on them may go up or down, so that you may not realise the amount originally invested. Changes in exchange rates between currencies may cause the value of investments to go up or down. Persons in receipt of the information contained herein are required to inform themselves about, and observe such restrictions. Past performance of this or any other Darwin fund is not necessarily a guide to future performance, nor can the performance of this fund be linked to performance of another Darwin fund. The value of investments and the income from them can fluctuate and is not guaranteed. The views expressed are as at December 2022 and are subject to change. This document does not constitute investment or any advice. This document is produced by Darwin Alternative Investment Management Limited who are authorised and regulated by the Financial Conduct Authority.