

# 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.

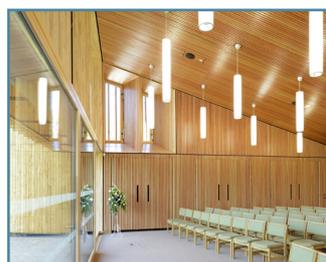
The Darwin approach combines the very best of strategic thinking with that of traditional fund management evaluation. Whilst the two disciplines are very different, the combination of them both becomes incredibly powerful at obtaining and creating more reliable, fact-based information which allows us 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 £170.6m\* and it owns and operates a portfolio of 17 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 also recently acquired a business which is designing and will manufacture a new electric cremator capable of replacing existing gas-powered machines. Electric cremators produce significantly less harmful emissions than gas cremators.

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 2025. \*\*1 crematorium operated by Memoria is not owned by the Fund.

# 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\*\*.

## Performance

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

Unit Class	NAV Price £ Current Quarter	Performance Return %					
		3 Month	12 Month	2025 YTD	2024	12 Month Dividend Payments %	12 Month Return Including Dividend Payments %
C Accumulation	0.9732	-0.76	-16.18	-16.18	-0.59	#N/A	-16.18
C Income	0.8319	-0.75	-16.58	-16.58	-4.51	+0.50	-16.08
D Income	0.8341	-0.73	-16.51	-16.51	-4.41	+0.50	-16.01
E Accumulation	0.9363	-0.75	-16.13	-16.13	-0.54	#N/A	-16.13
E Income	0.8365	-0.75	-16.55	-16.55	-4.47	+0.50	-16.05

Source: Darwin Alternatives. As at: 31 Dec 2025. Darwin Bereavement Services Fund performance shown is based on the published NAV price. NAV is calculated on a quarterly basis.

# The Portfolio

## GreenAcres

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

- The parks total over 270 acres in size 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.

## Memoria

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 11 high-quality sites (10 of which are owned by the Fund) 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.

### Memoria - Portfolio

1. Barry, Cardiff & Glamorgan
2. Amber Valley, Derbyshire
3. Waverley, Suffolk
4. St. Asaph, Denbighshire
5. Hitchin, North Hertfordshire
6. Northop, Flintshire
7. Barnby Moor, Nottinghamshire
8. Kidlington, North Oxfordshire
9. Paisley, Scotland
10. Doncaster, South Yorkshire
11. Feversham, Kent



## 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](http://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.

## Addfield

Addfield Environmental Systems Ltd and Addfield Projects Ltd. were acquired in February 2023.

- Strong proven global reputation of designing, manufacturing and installing waste incineration systems to over 142 countries.
- Has recently begun to explore how it can evolve its existing technology to develop electric cremators for use with human remains which will produce significantly less harmful emissions than gas cremators.
- Addfield cremators will be manufactured in Staffordshire, capable of replacing gas cremators on existing sites, and produced at scale over time.
- CDS has a pipeline of potential clients for Addfield cremators, one of which has already made an order.

[Click here to view a video showing the work being undertaken by CDS Group and DBSF to improve environmental practices within bereavement services.](#)

# Fund Details

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

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

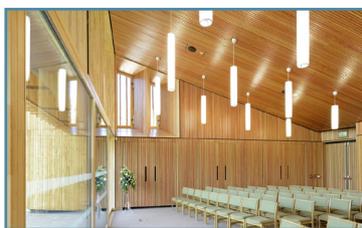
## Performance Fee

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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