

Sarasin IE Global Equity Opportunities

Monthly commentary April 2026

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Economic review

Equity investors looked beyond geopolitical tensions between the US and Iran during April. This contributed to a sharp rise in share prices, with the US stock market reaching a new record high.

Emerging markets, though, were the standout performers. Taiwan and South Korea made particularly strong gains, with their central position in the artificial intelligence (AI) supply chain proving to be highly beneficial. Conversely, European stocks were somewhat constrained by ongoing energy supply disruption.

Fund review

Factory automation specialist Keyence contributed to the fund's performance. The firm's shares rose strongly following the release of quarterly results that were ahead of expectations. A proposed amendment to allow the board to authorise share buybacks was very well received by investors, marking a meaningful shift in Keyence's approach to returning excess cash to shareholders.

Google owner Alphabet's shares also gained during the month. The company released a strong set of quarterly results that showed a significant increase in revenue from its cloud business. Investor sentiment was also boosted by the increasing likelihood that Alphabet's AI investments will start to deliver tangible returns.

Conversely, shares in AO Smith detracted from the fund's performance. The water heater manufacturer's share price decline was driven by disappointing quarterly results that led to a downward revision of full-year financial guidance.

Gaming and social media firm Tencent also detracted from the fund's performance. Its shares underperformed during the month as investors grew cautious about the company's aggressive pivot towards AI, which is expected to weigh heavily on its profits in the near term.

Fund transactions

We started a position in Taiwan Semiconductor Manufacturing Company. The producer of high-powered semiconductors has recently underperformed relative to Nvidia, which presented an attractive entry point.

We restarted our position in luxury automaker Ferrari, taking advantage of a meaningful decline in its share price versus our previous exit level.

During the month, we sold the remainder of our position in cybersecurity company Fortinet. We were concerned about the long-term outlook for the business.

We also sold our holding in professional services firm Marsh & McLennan. We lost confidence in the stock's ability to withstand the impact of AI on its business model.

Outlook

Global equity markets have continued to recover since the initial shock of the Iran conflict, and volatility has been less pronounced than in previous episodes of market stress. This is despite ongoing uncertainty over the blockade of the Strait of Hormuz.

We think a relatively robust global economy, which is becoming less energy-dependent, is better placed to navigate what could be a protracted, lower-intensity conflict. Even so, oil prices remain high, and rising transport and fertiliser costs are adding to cost-of-living pressures.

Central banks are pausing interest-rate cuts while the outlook for the Gulf conflict remains uncertain. At its April meeting, the Bank of England's Monetary Policy Committee held the Bank Rate at 3.75% and signalled that rises may be needed if the energy shock feeds into broader UK inflation.

We have moved from a neutral weighting to an overweight stance on equities compared with our benchmark, given the evidence of robust corporate earnings and dividend growth.

We continue to focus on high-quality companies with higher returns on equity, stable earnings growth and lower borrowings, which should offer some downside protection in case of economic headwinds. We are avoiding some areas, such as unprofitable technology, where high valuations are hard to justify.

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Key risks

It is important that investors are aware of the various risks prior to making an investment decision. The primary risks of the fund have been outlined below:

Operational risk: Operational risks arising from failures or delays in processes and systems, or the failure of a third-party provider may affect the value of your investments. If compensation is required to due failures, payments may be delayed.

Counterparty and settlement risk: The fund could lose money if a counterparty with which it transacts with becomes unwilling or unable to repay money owed to the fund.

Currency-hedged class risk: Some of the share classes within the fund use currency hedging to protect against exchange rate fluctuations. However, hedging may not fully eliminate currency risk and can sometimes lead to additional costs or reduced returns.

Charges deducted from capital: The fund has charges deducted from capital, which may reduce the potential for growth.

Further details of the risks that apply to the fund can be found in the fund's Prospectus.

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Important information

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Capital at risk. The value of investments and any income derived from them can fall as well as rise and investors may not get back the amount originally invested. If investing in foreign currencies, the return in the investor's reference currency may increase or decrease as a result of currency fluctuations. Past performance is not a reliable indicator of future results and may not be repeated. Forecasts are not a reliable indicator of future performance.

The Sarasin IE Global Equity Opportunities Fund is registered and approved under section 65 of the Collective Investment Schemes Control Act 45 of 2002.

Collective investment schemes are generally medium to long-term investments. The value of participatory interests (units/shares) or the investment may go down as well as up. Past performance is not necessarily a guide to future performance. Collective investment schemes are traded at ruling prices and can engage in borrowing and scrip lending. A schedule of fees, charges and maximum commissions is available on request from Prescient Management Company (RF) (PTY) LTD ("SA Representative") and/or Sarasin & Partners LLP ("the Investment Manager").

Prescient Management Company (RF) (PTY) LTD is registered and approved under the Collective Investment Schemes Control Act 45 of 2002. Registration Number 2002/022560/07. Registered office: Prescient House, Westlake Business Park, Otto Close, Westlake, 7945, South Africa.

Performance has been calculated using net NAV to NAV numbers with income reinvested. The Investment Manager does not provide any guarantee either with respect to the capital or the return of a portfolio. The Investment Manager reserves the right to close the portfolio to new investors in order to manage it more efficiently in accordance with its mandate.

Where foreign securities are included in a portfolio there may be material risks such as potential constraints on liquidity and the repatriation of funds, macroeconomic risks, political risks, foreign exchange risks, tax risks, settlement risks; and potential limitations on the availability of market information.

The fund may not be appropriate for investors who plan to withdraw their money within five years. Prospective investors should review the Prospectus carefully, including the section on 'Risk Factors', prior to making any final investment decisions. The Prospectus, the Key Investor Information Document for the relevant class, the Minimum Disclosure Document & General Investor Report, as well as the annual and half-yearly reports, are available from the SA Representative and/or the Investment Manager on request.

The fund may not be distributed to investors in jurisdictions where such distribution would be unlawful. The Investment Manager reserves the right to reject any applications from outside of the jurisdictions where the fund is registered for sale. US Persons are not permitted to subscribe for units in the Sarasin IE Global Equity Opportunities Fund.

Fund prices are published daily and are available on our website. These are also available upon request.

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