

# Sarasin IE Multi Asset – Defensive (GBP)

## Quarterly commentary Q1 2026

This document is only intended for professional investors in South Africa. It is not suitable for retail investors and is not for onward distribution. 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.

### Economic review

A combination of factors shaped investor sentiment over the quarter. These included the outbreak of conflict in Iran and moves by investors between sectors of equity markets into areas that appeared to offer better value.

Early optimism around broadening global growth was overshadowed by renewed tariff disruption and then by a surge in oil and gas prices. This shifted investor focus towards inflation risks and led to weaker performance in both equities and bonds.

Many investors switched from large and expensive US technology companies to value-orientated parts of the market. Japan was the strongest major market, supported by a weaker yen and expectations for fiscal policy that would support growth. Meanwhile, UK equities were relatively resilient thanks to their exposure to commodities and the impact of weaker sterling.

Global government bonds were volatile over the quarter and generally weaker as higher energy prices caused renewed concerns over inflation.

UK gilts were the weakest of the major markets, as the UK was seen as particularly exposed to higher fuel prices. In addition, the Bank of England adopted a more aggressive tone.

The disruption to regional energy infrastructure and the closure of the Strait of Hormuz pushed oil and natural gas prices sharply higher.

### Fund review

ASML, a major microchip manufacturer, delivered strong performance driven by record-breaking new orders revealed in the company's fourth quarter results. There was growing investor confidence in the sustainability of artificial intelligence (AI) demand.

The consumer products company Colgate-Palmolive maintained its recent momentum. This was largely a result of better-than-expected results for the final quarter of 2025 and a strategy aimed at maintaining growth over the next five years.

Microsoft shares were weaker amid concerns around higher levels of spending on AI, and the company's ongoing commitment in this area. We remain convinced that Microsoft will be a long-term AI winner.

Shares of ServiceNow, a software specialist, were weaker after the company announced its fourth quarter 2025 results. The weakness was despite performance that was better than expectations and the guidance for the full year 2026 being ahead of consensus.

### Fund transactions

We sold our holding in the restaurant chain Chipotle. The shares benefited from a rebound in price and were trading close to our estimate of intrinsic value. We chose to redeploy capital into opportunities with more compelling upside potential.

We also exited our position in the animal health specialist Zoetis after disappointing performance from its Librela product for dogs. Increased competition has reduced our confidence in the company's ability to deliver sustained above-market growth.

We started a position in Quanta Services, which is a direct beneficiary of US electrical infrastructure expansion. While the valuation is high, we believe there is still upside on a multi-year outlook.

We also took a holding in BHP. The company offers high-quality exposure to copper, which we view as benefiting from demand arising from electrification, as well as tightening global supply.

Another new holding was Hoya, which manufactures optical glass, and has diversified into healthcare. We believe that the company offers exposure to attractive structural growth opportunities.

We started a position in an industrial metals ETF (exchange-traded fund). We think this sector could be a beneficiary of entering a multi-year physical investment boom led by the demand for AI, electrification, reshoring of domestic supply chains and defence spending.

### Outlook

Although there are hopes of a managed de-escalation of the Iran war, there is also a strong possibility of a protracted, perhaps lower-intensity, conflict lasting several months. Global economic growth should remain resilient, assuming the beginning of some form of a phased re-opening of oil and gas cargoes through the Strait of Hormuz. Inflation is likely to increase modestly for most developed economies. Central banks have delayed interest rate cuts while the outcome of the Iran war remains uncertain.

We are actively seeking opportunities to increase our allocation to equities as we see a constructive longer-term backdrop for global equities amid signs of positive earnings growth, while valuations have come down to more acceptable levels because of the geopolitical uncertainty.

We have moved from a negative to a neutral position in UK government bonds, as yields are increasing. We remain underweight corporate bonds as we believe that the asset class does not currently offer strong returns or adequate diversification compared to its history.

Our stance on alternative assets is neutral. This includes gold, where we have locked in profits on our previously long-held overweight position.

# Sarasin IE Multi Asset – Defensive (GBP)

## 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:

**Bond risk:** In stressed conditions bonds may become harder to sell in a timely manner, resulting in unpredictable changes in the value of your holdings.

**Emerging markets risk:** Emerging markets may face more political, economic or structural challenges than developed markets. Shares may also be less liquid, meaning investments may not be sold quickly enough to prevent or minimize a loss. As a result, investing in emerging markets may involve a higher risk than investing in developed markets.

**Alternatives risk:** The fund may invest in alternative assets that are difficult to sell quickly, challenging to value, and subject to higher fees. These assets may also contribute to greater price volatility compared to traditional assets such as equities, fixed income and cash. Such conditions could lead to unpredictable changes in the value of your holdings.

**Derivatives risk:** Derivatives are financial instruments whose value is linked to the expected future price movements of an underlying asset. Derivatives such as futures, forward contracts, options, and swaps may be used to seek to manage risk within the fund, reduce investment costs and generate additional income. However, these strategies may not be successful and could lead to losses greater than the cost of the derivative.

**Exchange Traded Funds (ETFs) risk:** ETFs are subject to market fluctuations and the risks of their underlying investments. They are also subject to management fees and other expenses.

**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.

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

**More than 35% of scheme property in securities issued by governments and public bodies:** The fund may invest more than 35% in government or public securities issued by any single issuer listed in the Prospectus. Such exposure will be in line with the investment policy of the fund and in pursuit of the fund's objective. It is currently envisaged that the fund's exposure to such securities may be to those issued by the UK government, although this may vary and include securities issued by other governments and public issuers listed in the Prospectus.

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

Sarasin & Partners LLP  
50 George Street  
London, W1U 7DY  
T +44 (0)20 7038 7000  
sarasinandpartners.com

## Important information

**This document is only intended for professional investors in South Africa. It is not suitable for retail investors and is not for onward distribution.**

**This is a marketing communication.** Issued by Sarasin & Partners LLP, 50 George Street, London W1U 7DY. Registered in England and Wales, No. OC329859. Authorised and regulated by the Financial Conduct Authority (FRN: 475111). Website: [www.sarasinandpartners.com](http://www.sarasinandpartners.com). Tel: +44 (0)20 7038 7000. Telephone calls may be recorded or monitored in accordance with applicable laws.

This document has been produced for marketing and informational purposes only. It is not a solicitation or an offer to buy or sell any security. The information on which the material is based has been obtained in good faith, from sources that we believe to be reliable, but we have not independently verified such information and we make no representation or warranty, express or implied, as to its accuracy. All expressions of opinion are subject to change without notice. This document should not be relied on for accounting, legal or tax advice, or investment recommendations. Reliance should not be placed on the views and information in this material when taking individual investment and/or strategic decisions.

**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 Multi Asset - Defensive 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 Multi Asset - Defensive Fund.

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

Neither Sarasin & Partners LLP nor any other member of the J. Safra Sarasin Holding Ltd group accepts any liability or responsibility whatsoever for any consequential loss of any kind arising out of the use of this document or any part of its contents. The use of this document should not be regarded as a substitute for the exercise by the recipient of their own judgement. Sarasin & Partners LLP and/or any person connected with it may act upon or make use of the material referred to herein and/or any of the information upon which it is based, prior to publication of this document.

Where the data in this document comes partially from third-party sources the accuracy, completeness or correctness of the information contained in this publication is not guaranteed, and third-party data is provided without any warranties of any kind. Sarasin & Partners LLP shall have no liability in connection with third-party data.

© 2026 Sarasin & Partners LLP. All rights reserved. This document is subject to copyright and can only be reproduced or distributed with permission from Sarasin & Partners LLP. Any unauthorised use is strictly prohibited.