

# Sarasin IE Thematic Global Real Estate Equity

## 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

After a strong start to the year, the listed real estate sector – like equities more broadly – experienced a very challenging quarter.

The outbreak of war in Iran led to a sharp rise in bond yields, driven by concerns over higher inflation stemming from increased energy prices. As a result, the likelihood of anticipated interest-rate cuts across Europe, the UK and the US diminished, causing a significant decline in risk asset valuations.

### Fund review

The fund maintains a structural overweight to Europe and Asia relative to the US, reflecting the underlying fundamentals of these property markets. For example, our overweight position in German residential real estate is supported by expectations of solid rental growth and stable yields. However, the escalation of the Iran war called the stability of yields into question, leading to notably weak performance in German residential stocks.

We also saw negative contributions from our other European overweight positions, including in the UK and the Netherlands. Interestingly, despite the geopolitical backdrop, US real estate investment trusts (REIT)s were less affected. While still negative over the month, they outperformed their European and Asian counterparts.

Amid the broader market turbulence, companies continued reporting their 2025 results and providing 2026 outlooks. Encouragingly, most updates were generally positive, although overshadowed by geopolitical developments and rising bond yields.

### Fund transactions

There were no significant transactions during the quarter.

### Outlook

Listed real estate equities returned to levels seen at the start of 2026, following a strong start to the year and a weak March. We maintain our view that, should the Iran conflict be resolved in the near term, the sector's outlook should improve materially after three years of valuation pressure and concerns around refinancing headwinds offsetting underlying growth.

Despite improving fundamentals, share prices remain broadly in line with early 2023 levels. Valuations continue to appear attractive, with listed real estate trading at a historical discount to the broader equity market. At the time of writing, value per share multiples are approximately 18% below their 15-year average and the discount to net asset value (NAV) is close to 30%.

# Sarasin IE Thematic Global Real Estate Equity

## 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.

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 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.

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.