

SARASIN RESPONSIBLE MODEL PORTFOLIOS

QUARTERLY COMMENTARY Q4 2025

This document is intended for our financial adviser clients who are professional investors and who may wish to discuss the contents with their own clients. If you are a retail investor reading this document, you should not act or rely on the contents without the guidance of your financial adviser



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QUARTER HIGHLIGHTS

- A cut in US interest rates supported riskier asset classes, particularly technology stocks.
- The Storebrand Emerging Markets Fund and the Vanguard UK Government Bond Index Fund contributed positively.
- The Sarasin Responsible Global Equity Fund weighed on performance.
- We added the Fidelity Index World ESG Fund and the Legal & General Global Infrastructure Fund to the portfolios.
- Our underweight position in both corporate and government bonds reflects our view that we see better opportunities in other asset classes.

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

The US Federal Reserve announced further interest rate cuts over the quarter, which proved supportive for riskier asset classes. Technology stocks, particularly those exposed to artificial intelligence (AI) and cloud computing, led the way. Elsewhere, Japan's newly elected Prime Minister, Sanae Takaichi, announced supportive economic measures. This helped Japanese stock markets to perform well. Emerging markets, particularly in Asia, also posted strong gains helped by robust company earnings.

Some volatility emerged in the closing days of the quarter. Concerns over the monetisation of AI spending caused some short-term weakness in equity markets, but not enough to erase overall gains. Precious metals performed well, with silver the dominant contributor.

IN FOCUS

Bank of Ireland

Bank of Ireland has performed well in the portfolios on the back of improved profitability and increased capital returns to shareholders through share buybacks and dividends. Earnings have been underpinned by resilient net interest income and accelerated loan growth, helping lift the lender's share price higher.

We believe Bank of Ireland has a modest valuation compared with the returns that it offers shareholders, which gives potential for the share price to increase.

PORTFOLIO REVIEW

The main positive contributor to the portfolios' performance was the Storebrand Emerging Markets Fund. Emerging market equities performed well over the quarter, on account of a weakening dollar and attractive relative valuations. The Vanguard UK Government Bond Index Fund also contributed positively. UK government bonds delivered solid returns as a weakening growth backdrop caused yields to fall and subsequent rises in bond prices.

In contrast, the holding in the Sarasin Responsible Global Equity Fund weighed on performance. The fund's holding in Netflix detracted following the firm's bidding war with Paramount for Warner Brothers. Discovery. Shares in Microsoft were also weak as sentiment around the company's capital expenditure on data centres deteriorated.

PORTFOLIO TRANSACTIONS

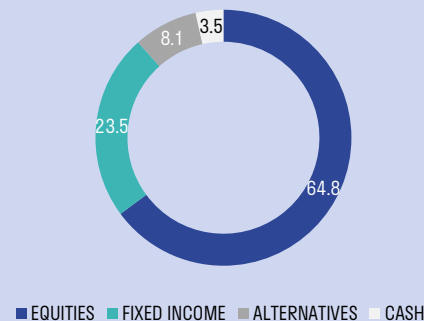
We added the Fidelity Index World ESG Fund to the portfolios. This new holding gives greater diversification to global equities and reduces active risk within the portfolios. We reduced our holding in the Sarasin Responsible Global Equity Fund to acquire Fidelity Index World ESG Fund.

We also initiated a position in the Legal & General Global Infrastructure Fund. Attractive yields and having revenues linked to inflation make it a useful diversifier in the portfolios.

QUARTERLY OUTLOOK

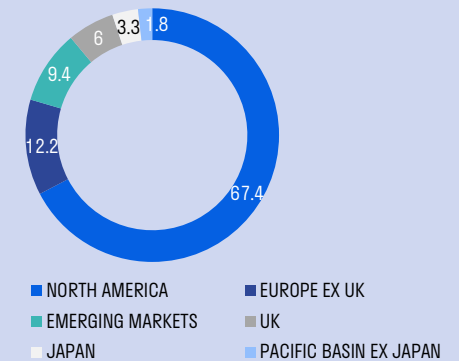
RESPONSIBLE MODEL PORTFOLIO EXAMPLE

ASSET ALLOCATION (%)



Asset allocation of Sarasin Responsible Balanced Model Portfolio as at 31 December 2025.

GEOGRAPHIC ALLOCATION (%)



Geographic allocation of Sarasin Responsible Balanced Model Portfolio as at 31 December 2025.

FIND OUT MORE ABOUT OUR
RESPONSIBLE MODEL
PORTFOLIO SERVICE

The Sarasin Responsible Model Portfolios are five risk-rated multi-asset model portfolios designed to support long-term real return objectives. Financial advisers who would like to find out more about how the Sarasin Responsible Model Portfolios could help your clients, please contact us directly on:

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OUTLOOK

Competing global powers, likely increased defence spending and new trade tariffs could make 2026 a year of political, economic and technological fragmentation. We believe that innovation-led economies should continue to benefit from investment in AI and data centres. Inflation modestly above target levels in developed countries and US mid-term elections in November should provide a supportive backdrop for equity market growth.

We are overweight equities compared with our benchmark, as corporate earnings appear to be recovering. Our underweight position in both corporate and government bonds reflects our view that fixed income assets do not currently offer adequate diversification compared to their history. Our above-benchmark gold position provides some protection against market volatility and the erosion in value of fiat currencies (government-issued money with value based on trust, not backed by a physical commodity) as a result of inflation.

SARASIN RESPONSIBLE MODEL PORTFOLIOS

KEY RISKS

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

Capital; The value of your investments can go down as well as up, and you may not get back the full amount you invested.

Market; Investment returns are subject to market conditions. Volatility in financial markets may negatively affect portfolio values.

Concentration; Portfolios that are not well diversified or are concentrated in specific asset classes, sectors or geographies may carry higher risk.

Liquidity; Some investments may be difficult to sell quickly at a fair price, particularly during periods of market stress.

Currency; If your portfolio includes overseas investments, fluctuations in exchange rates may affect the value of your investments.

Credit; Fixed income and other debt instruments carry the risk that issuers may default on their obligations, which could impact the portfolio's value.

Inflation; Inflation may reduce the real value of investment returns over time.

The risk factors outlined above represent key considerations relevant to the model portfolios. This list is not intended to be exhaustive, and advisers should be mindful of additional risk factors that may be relevant depending on client-specific circumstances and prevailing market conditions.

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Capital at risk. The investments of the Responsible Model Portfolios are subject to normal market fluctuations. The value of the investments of the Responsible Model Portfolios and any income derived from them can fall as well as rise and investors may not get back the amount they 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.

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