

Sarasin Responsible Model Portfolios

Quarterly commentary Q1 2026

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.



Ben Gilbert
Fund Manager



Edward Lloyd
Co-Fund Manager

Quarter highlights

Uncertainty caused by the war in Iran led to weaker performance across global stock and bond markets.

The Legal & General Global Infrastructure Fund contributed positively to the portfolios' performance.

The Sarasin Responsible Global Equity (GBP Hedged) Fund detracted from the portfolios' performance.

We initiated a position in the Legal & General Emerging Markets Government Bond Fund as government debt in emerging market countries offers attractive yields.

We see a constructive longer-term backdrop for global equities given trends in positive earnings growth and remain underweight corporate bonds.

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

Tariff disruption and a surge in energy prices following the commencement of the war in Iran negatively affected investor sentiment during the quarter. Investors became increasingly concerned about inflation risks, which led to weaker performance across global stock and bond markets.

The US stock market lagged international peers, in a rotation where many investors switched from expensive US technology companies towards sectors of the market offering better perceived value. Japan was the strongest major equity market overall, while UK equities remained relatively resilient.

Global government bonds were volatile 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 an inflationary shock because of high net imports of energy. The Bank of England struck a cautious tone as a result by leaving interest rates unchanged.

In focus

Brevan Howard Absolute Return Government Bond Fund

The fund contributed positively to the portfolios' returns during the period. The strategy seeks to generate uncorrelated returns through active positioning in rates, inflation and currency markets. It adopts a highly flexible approach, taking positions across global government bond markets using both cash instruments and derivatives, with no benchmark constraints. In the current environment of elevated macroeconomic volatility, the strategy has benefited from its ability to dynamically express views on interest rate trajectories in the light of central bank policy divergence, while maintaining a strong focus on risk management.

Fund review

The Legal & General Global Infrastructure Fund contributed positively to the portfolios' performance. Infrastructure equities performed consistently well given their defensive nature and inflation-linked cashflows. The Storebrand Emerging Markets Fund also contributed positively. Emerging market equities performed strongly on account of improving earnings growth and more compelling valuations.

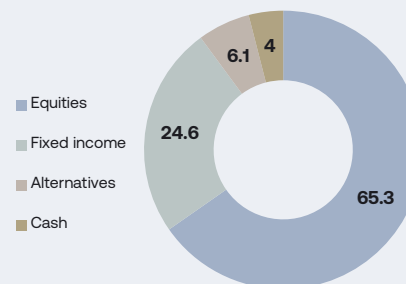
In contrast, the Sarasin Responsible Global Equity Fund detracted from the portfolios' performance. The fund's software company holdings, notably in Microsoft and ServiceNow, weighed on performance, as investors questioned the long-term durability of software business models in light of rapid AI developments. The Fidelity Index World ESG Screened Fund also contributed negatively. The underperformance of technology companies with larger market capitalisation weighed on its performance.

Fund transactions

We initiated a position in the Legal & General Emerging Markets Government Bond Fund. Government debt in emerging market countries offers attractive yields and expectations of further US dollar depreciation make us positive about the asset class. This is because investors can benefit from both higher income and gains if emerging market currencies strengthen against the US dollar.

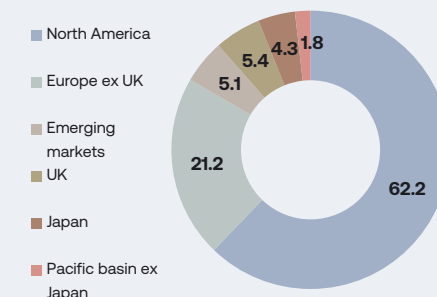
Model Portfolio example

Asset allocation (%)



Asset allocation of Sarasin Responsible Balanced Model Portfolio as at 31 March 2026.
Source: Sarasin & Partners

Geographic allocation (%)



Geographic allocation of Sarasin Responsible Balanced Model Portfolio as at 31 March 2026.
Source: Sarasin & Partners

Sarasin Responsible Model Portfolios

Outlook

Although there are hopes of managed de-escalation of the Iran war, there is also strong possibility of a protracted, lower-intensity conflict lasting several months. Global economic growth drivers remain, however their resilience assumes some form of a phased near-term re-opening of oil and gas cargo transit 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 remains uncertain.

Given the current backdrop in the Middle East, we initially took a neutral weighting in equities compared with our benchmark, with proceeds temporarily invested into cash. However, we have since started redeploying capital by adding progressively back to equity exposure on market weakness. We see a constructive longer-term backdrop for global equities given trends in positive earnings growth, with elevated valuations down to more acceptable levels because of the geopolitical uncertainty.

We have moved from underweight to a neutral position in UK government bonds, as yields increased to attractive levels in the period. We remain underweight corporate bonds as we believe that the asset class does not offer the prospect of sustained levels of returns or diversification compared to its history. Our stance on alternative assets is neutral. This includes gold, where we were able to lock in profits as we reduced our previously long-held overweight position.

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:

+44 (0)20 7038 7037 | sales@sarasin.co.uk

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.

Important information

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.

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. Tel: +44 (0)20 7038 7000. Telephone calls may be recorded or monitored in accordance with applicable laws.

This document has been prepared for marketing and informational purposes. 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 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.

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.

Nothing in this document is intended to, or shall be deemed to, establish any legal partnership or joint venture between Sarasin & Partners LLP and any adviser or recipient.

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.

US Persons are not permitted to invest in the Model Portfolios. This publication is intended for investors in the United Kingdom only.

© 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.