

This document is intended for retail investors. You should not act or rely on this document but should contact your professional adviser.

ECONOMIC REVIEW

Inflation concerns resurfaced in the US during the first quarter. The Federal Reserve left interest rates unchanged and signalled plans for a slower pace of rate cuts.

Riskier assets performed poorly, and the US stock market had its worst quarterly performance since the pandemic. Concerns included US tariffs and the risk of stagflation – slow economic growth and high unemployment, alongside rising inflation. Large technology companies were particularly weak. In contrast, European stock markets had the largest quarterly outperformance against the US S&P 500 in a decade. This was helped by a shift in fiscal policy, particularly in Germany, where government proposals are set to enable higher defence spending and infrastructure investment.

Investor moves into less risky assets supported government bonds, particularly in the US, although European government bonds were weaker. Inflation expectations and global uncertainty helped gold to its strongest first-quarter returns since the 1980s.

FUND REVIEW

The fund benefited from not holding shares in Apple, Tesla or Amazon (significant weightings in its benchmark) as their share prices fell.

EssilorLuxottica, the world's largest maker of lenses and frames, contributed positively to returns. The company's product innovation and collaboration on smart glasses boosted investor optimism.

The share price of Mercado Libre, an online e-commerce platform, rose on strong financial results for the last three months of 2024. The company also gave a positive trading outlook for 2025.

In contrast, Tetra Tech's share price underperformed. This was primarily due to the consulting and engineering service firm's revised outlook and paused federal government work. Despite these challenges, Tetra Tech maintains a strong balance sheet.

FUND TRANSACTIONS

We initiated a position in streaming service Netflix. The business has a long runway to expand globally and tends to be less sensitive to consumer downturns than you might expect.

We also made an initial investment in ServiceNow, a software company that helps businesses to manage digital workflows. We believe ServiceNow will benefit in the long term from AI developments and demand for its products.

We exited our position in industrial gas supplier Linde following a review of its Lincare business. This review prompted us to downgrade the company's environmental, social and governance (ESG) score and sell the holding.

OUTLOOK

Global corporate earnings growth appears to be slowing. Equity markets in Europe and China have been benefiting from the uncertainty caused by Donald Trump's trade policies, with investors looking to diversify at the expense of US markets. Core US inflation remains sticky, and with business and consumer confidence weakening, Make America Great Again policies could lead the US into a recession later in 2025. Global trade relations and regulations are likely to come under greater scrutiny.

We are taking an underweight view on equities, compared with our benchmark, on the expectation that companies could experience slower growth due to economic uncertainty. We are underweight government and corporate bonds as we feel they are currently not offering strong returns or adequate diversification. We aim to respond rapidly to a White House that is acting more aggressively and decisively than during Trump's first term.



The share price of beauty products company e.l.f Beauty fell. The company reported flat sales and faces uncertainty on future revenue due to trade tariffs.

IMPORTANT INFORMATION

This document is intended for retail investors. You should not act or rely on this document but should contact your professional adviser.

This document has been issued by Sarasin & Partners LLP of Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU, a limited liability partnership registered in England and Wales with registered number 00329859, and which is authorised and regulated by the Financial Conduct Authority with firm reference number 475111.

This document has been prepared for marketing and information purposes only and 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.

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.

There is no minimum investment period, though we would recommend that you view your investment as a medium to long term one (i.e. 5 to 10 years).

Investments in the transferable securities of smaller companies may be less liquid than the securities of larger companies as a result of inadequate trading volume or restrictions on trading. Transferable securities in smaller companies may possess greater potential for capital appreciation, but also involve risks such as limited product lines, markets, financial or managerial resources, and trading in such securities may be subject to more abrupt price movements than trading in the securities of larger companies.

Risks associated with investing in Real Estate Investment Trusts (REITs) include, but are not limited to, the following: declines in the value of real estate, risks related to general and local economic conditions, overbidding and increased competition, increases in property taxes and operating expenses, changes in zoning laws, casualty or condemnation losses, variations in rental income, changes in neighbourhood values, the appeal of properties to tenants, and increases in interest rates. In addition, REITs may be affected by changes in the value of the underlying property owned by the trusts or may be affected by the quality of credit extended. REITs are dependent upon management skills, may not be diversified and are

SARASIN & PARTNERS LLP

Juxon House, 100 St. Paul's Churchyard
London EC4M 8BU

T +44 (0)20 7038 7037
www.sarasinandpartners.com



subject to the risks of financing projects. The ability to trade REITs in the secondary market can be more limited than other stocks.

Frequent political and social unrest in Emerging Markets and the high inflation and interest rates this tends to encourage, may lead to sharp swings in foreign currency markets and stock markets. There is also an inherent risk in the smaller size of many Emerging Markets, especially since this means restricted liquidity. Further risks to consider are restrictions on foreigners making currency transactions or investments.

The Fund may invest in derivatives for efficient portfolio management purposes. This means Derivatives can only be used to manage the Fund more efficiently in an attempt to reduce the overall risk of its investments, reduce the costs of investing or generate additional capital or income, although this may not be achieved and may create losses greater than the cost of the derivative.

This document does not explain all the risks involved in investing in the Fund and therefore you should ensure that you read the Prospectus and the Key Investor Information Document, which contain further information including the applicable risk warnings. The Prospectus, the Key Investor Information Document as well as the annual and semi-annual reports of the Fund are available free of charge from www.sarasinandpartners.com or from Sarasin & Partners LLP, Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU, Telephone +44 (0)20 7038 7000 (telephone calls may be recorded).

Persons domiciled in the US and/or are US nationals are not permitted to hold shares in the Fund and shares may not be publicly sold, offered or issued to anyone residing in the US or to US nationals. This publication is intended for retail investors in the UK only.

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.

© 2025 Sarasin & Partners LLP – all rights reserved. This document can only be distributed or reproduced with permission from Sarasin & Partners LLP. Please contact marketing@sarasin.co.uk.

SARASIN & PARTNERS LLP

Juxon House, 100 St. Paul's Churchyard
London EC4M 8BU

T +44 (0)20 7038 7037
www.sarasinandpartners.com

