

# SARASIN & PARTNERS



# Model portfolio update – November 2023

Ben Gilbert, Model Portfolio Manager

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# Policy summary

Modestly underweight on equities. Overweight on corporate bonds, commodities and sterling



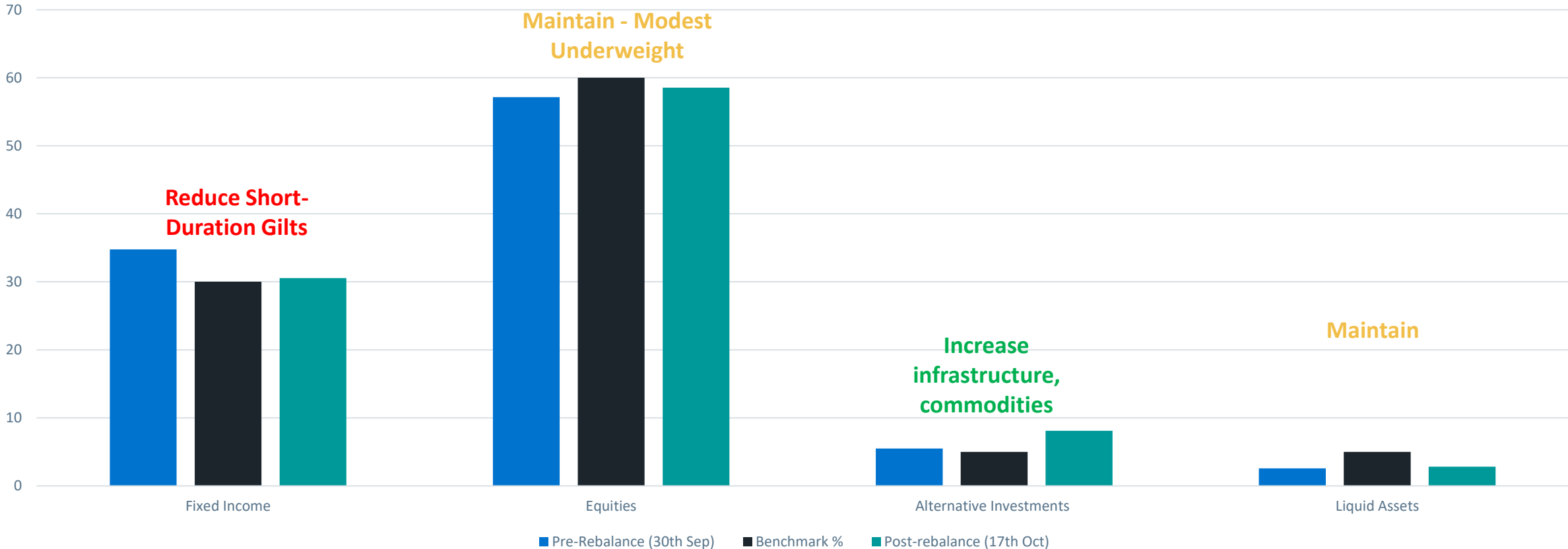
## Global strategy update – November 2023

<b>Bonds</b>	<b>Neutral</b> <ul style="list-style-type: none"><li>• <b>Underweight Govt:</b> Corporate issues offer better value</li><li>• <b>Overweight Inv. Grade Credit:</b> Yields attractive – corporate balance sheets healthy</li></ul>
<b>Equities</b>	<b>Modest underweight</b> <ul style="list-style-type: none"><li>• <b>Global:</b> Earnings slowing but still attractive, supply chain pressures easing but tech valuations worrying</li><li>• <b>Emerging markets:</b> Valuations attractive but higher oil prices and a stronger dollar are challenges</li><li>• <b>Modest Underweight:</b> Key risk a de-rating of US and global technology stocks</li></ul>
<b>Alternatives</b>	<b>Neutral</b> <ul style="list-style-type: none"><li>• <b>Neutral Correlated:</b> Higher interest rates mostly priced in – discounts attractive</li><li>• <b>Underweight Uncorrelated:</b> Hedge funds and absolute return unlikely to outperform cash/bonds</li><li>• <b>Overweight</b> positions in <b>gold</b> as hedge against a failure in the financial system. <b>Carbon &amp; Climate Transition Metals</b> attractive</li></ul>
<b>Cash (tactical)</b>	<b>Overweight</b> <ul style="list-style-type: none"><li>• <b>Overweight:</b> Sterling can rally toward PPP on lower political risk (PM Sunak &amp; Starmer’s policies both market friendly)</li></ul>
<b>Risks</b>	<ol style="list-style-type: none"><li>1. <b>Liquidity risks</b> elevated as central bank balance sheets shrink &amp; real rates turn positive</li><li>2. Long-term risk from failing to <b>secure climate targets</b></li><li>3. Political risk from <b>military conflict</b> has climbed as Pax Americana ends including: Ukraine, Israel-Hamas, Taiwan, N.Korea, Balkans, Africa (coups), Armenia-Azerbaijan</li></ol>

Source: Sarasin & Partners, 31 October 2023

# Current tactical asset allocation

 Sarasin Balanced Model Portfolio Asset Allocation vs. Composite Benchmark\*

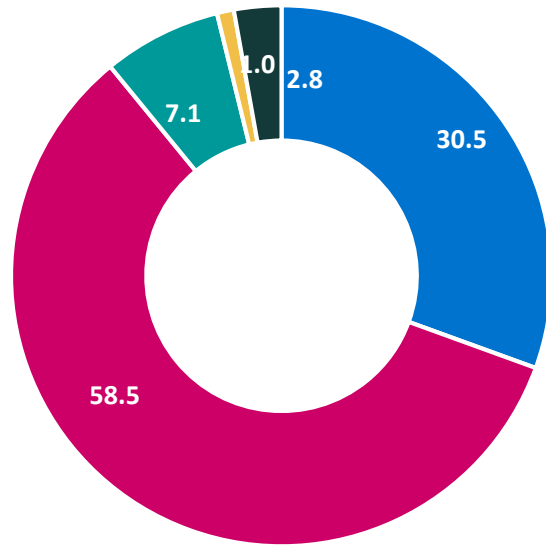


Source: Sarasin & Partners, 17 October 2023. \*The composite benchmark mirrors the asset class weightings of the Sarasin Balanced Model Portfolio.

# Asset allocation update



## Sarasin Balanced Model

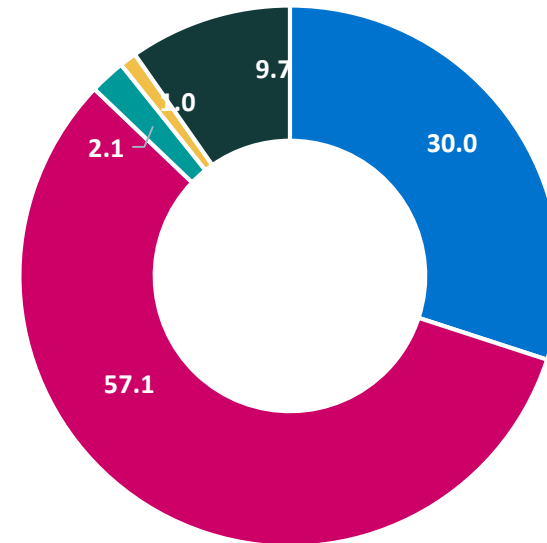


- Fixed Income
- Equities
- Correlated Alternative Investments
- Uncorrelated Alternative Investments
- Liquid Assets

Source: Sarasin & Partners, 17 October 2023



## Sarasin Responsible Balanced Model



- Fixed Income
- Equities
- Correlated Alternative Investments
- Uncorrelated Alternative Investments
- Liquid Assets

Source: Sarasin & Partners, 17 October 2023

# The next 10 years

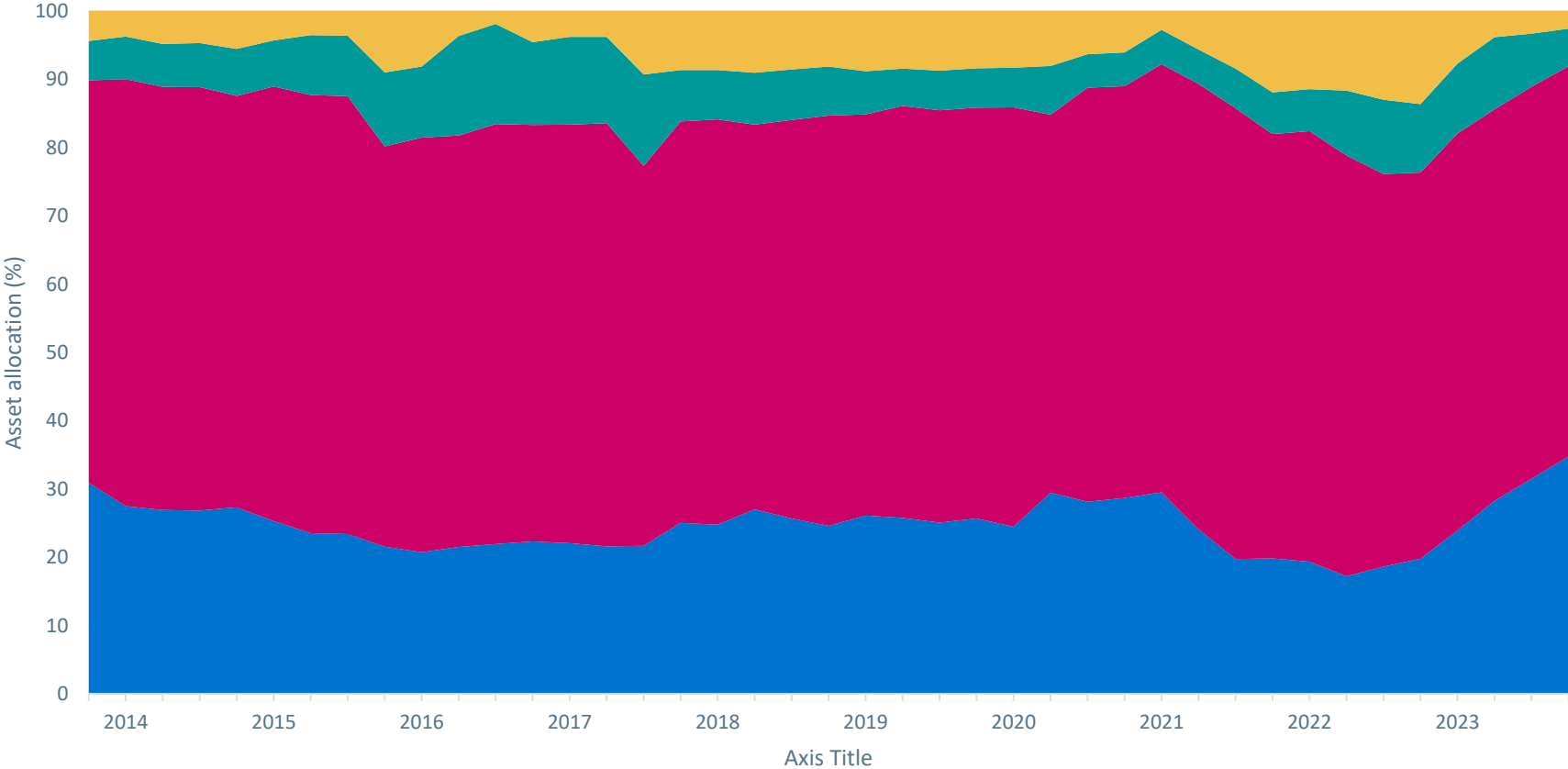
We envisage a changing landscape for society, economy and markets



# Long-term tactical asset allocation



## Sarasin Balanced Model Portfolio



Source: Sarasin & Partners, 30 September 2023

■ Fixed Income ■ Equities ■ Alternatives ■ Cash

# Important information

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