



MEMBER

# Sarasin & Partners Webinar: MPS Strategy Update

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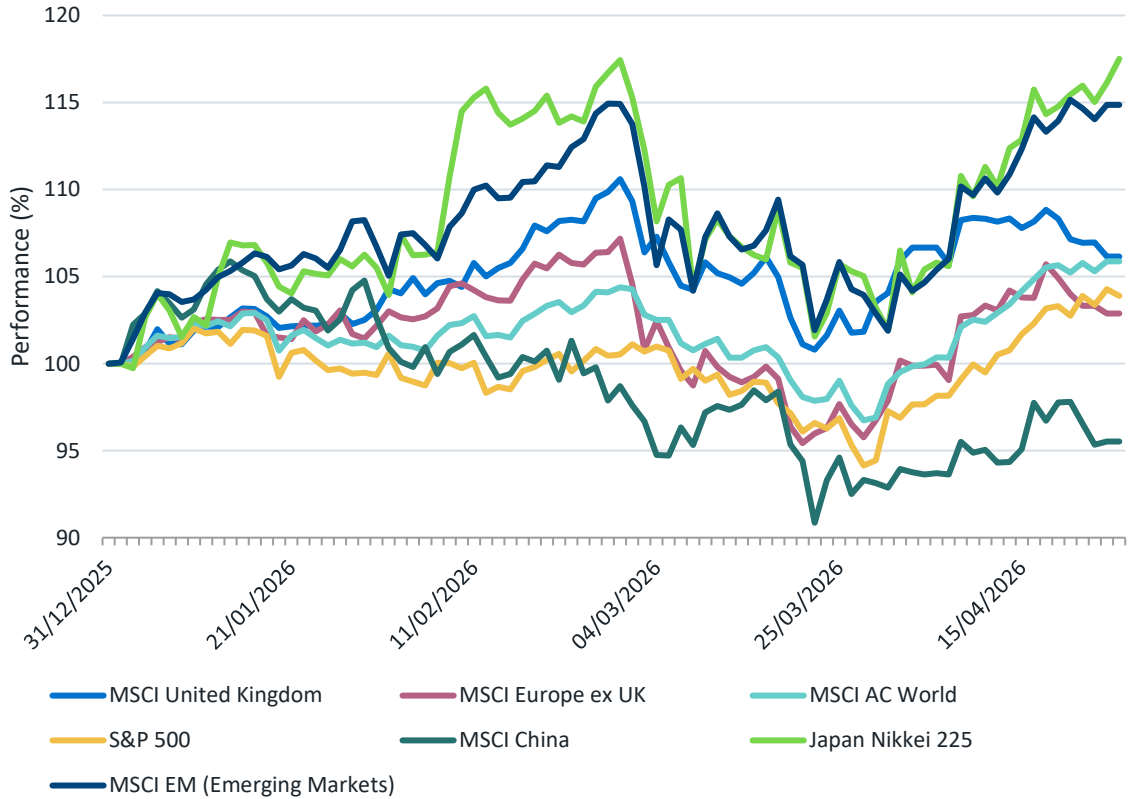


# Market backdrop and portfolio performance

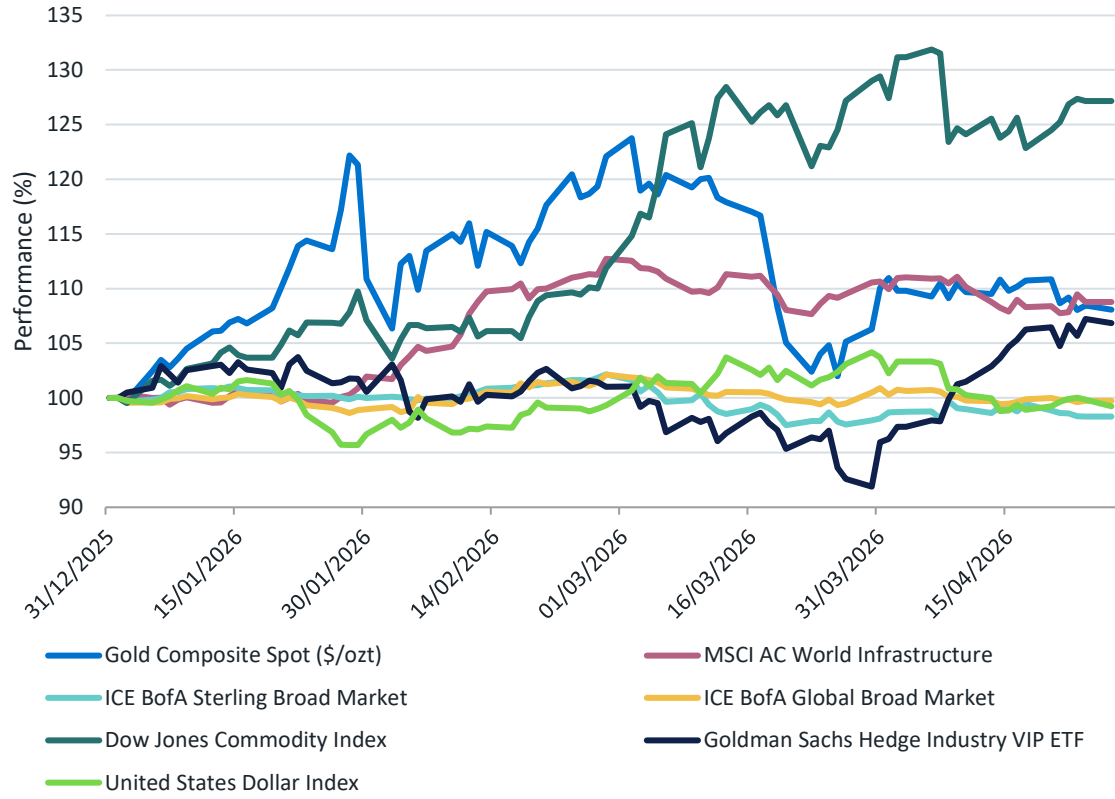


# Markets YTD

## Equity Markets YTD



## Diversifying Assets YTD



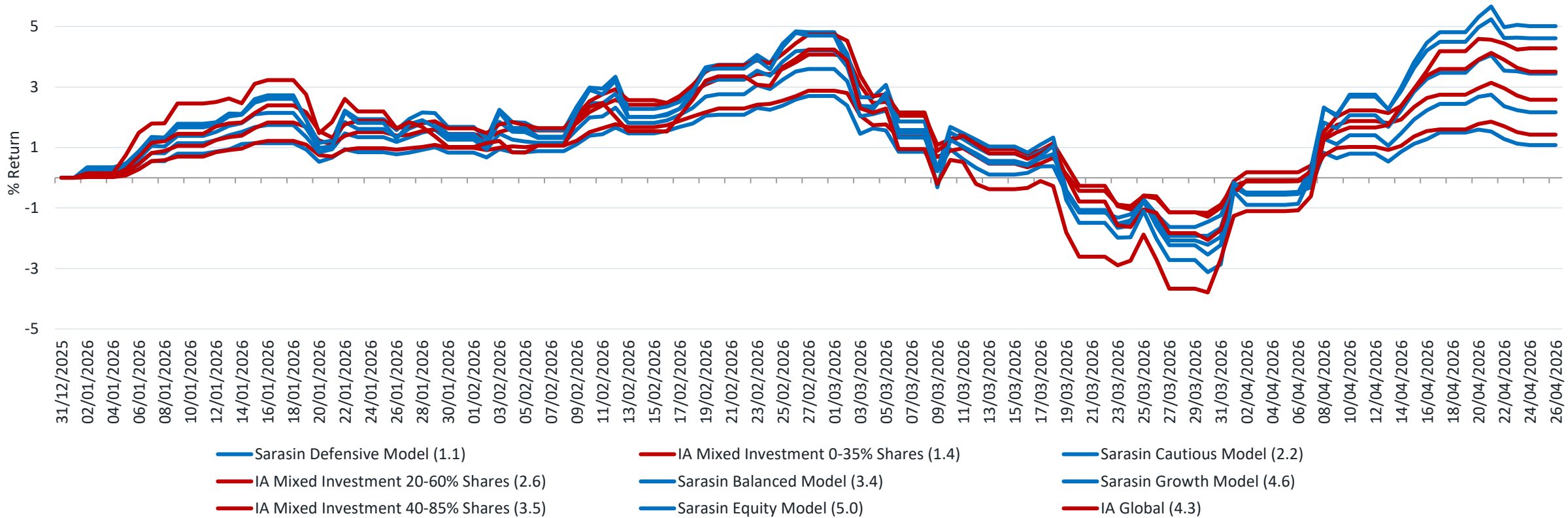
Past performance is not a reliable indicator of future results and may not be repeated.  
 Source: FactSet 31.12.25 to 26.04.26

Source: FactSet 31.12.25 to 26.04.26

# MPS Performance



## MPS YTD performance



Performance is provided net of fees. **Past performance is not a reliable indicator of future results and may not be repeated.** The past performance was calculated in Pound Sterling on a net asset value basis with distributable income reinvested. Source: Morningstar 01.01.26 to 26.04.26

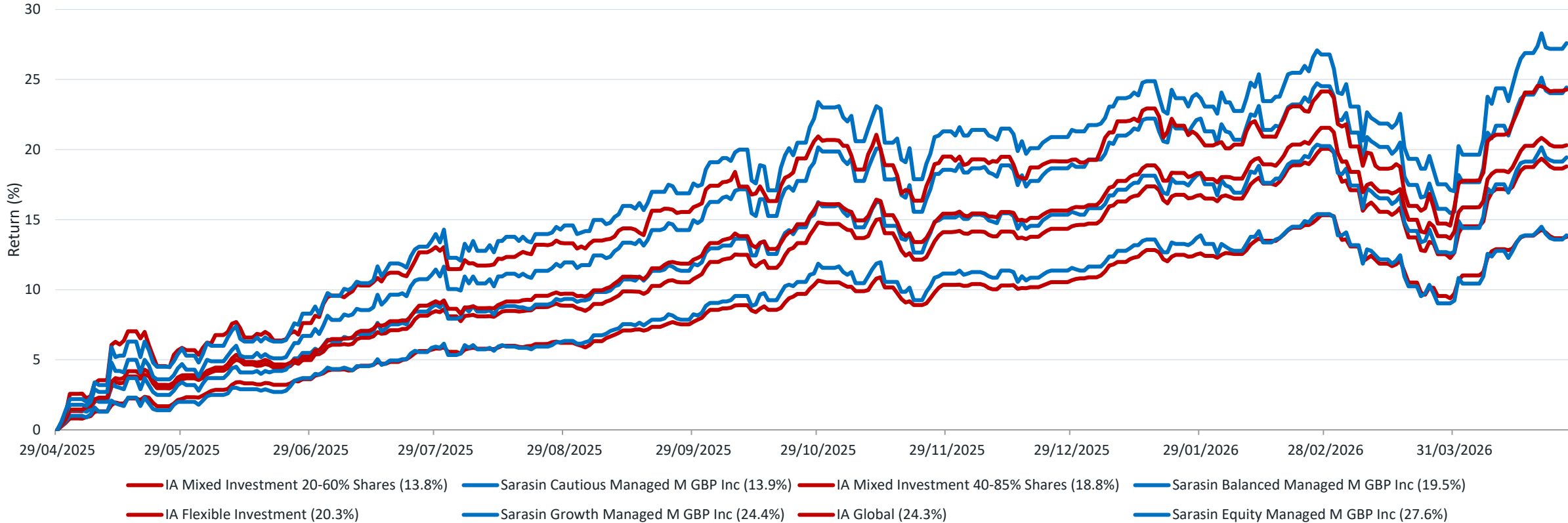
# Advantages of a unitised overlay



# Managed Fund 1 year anniversary



## Managed Fund since inception performance

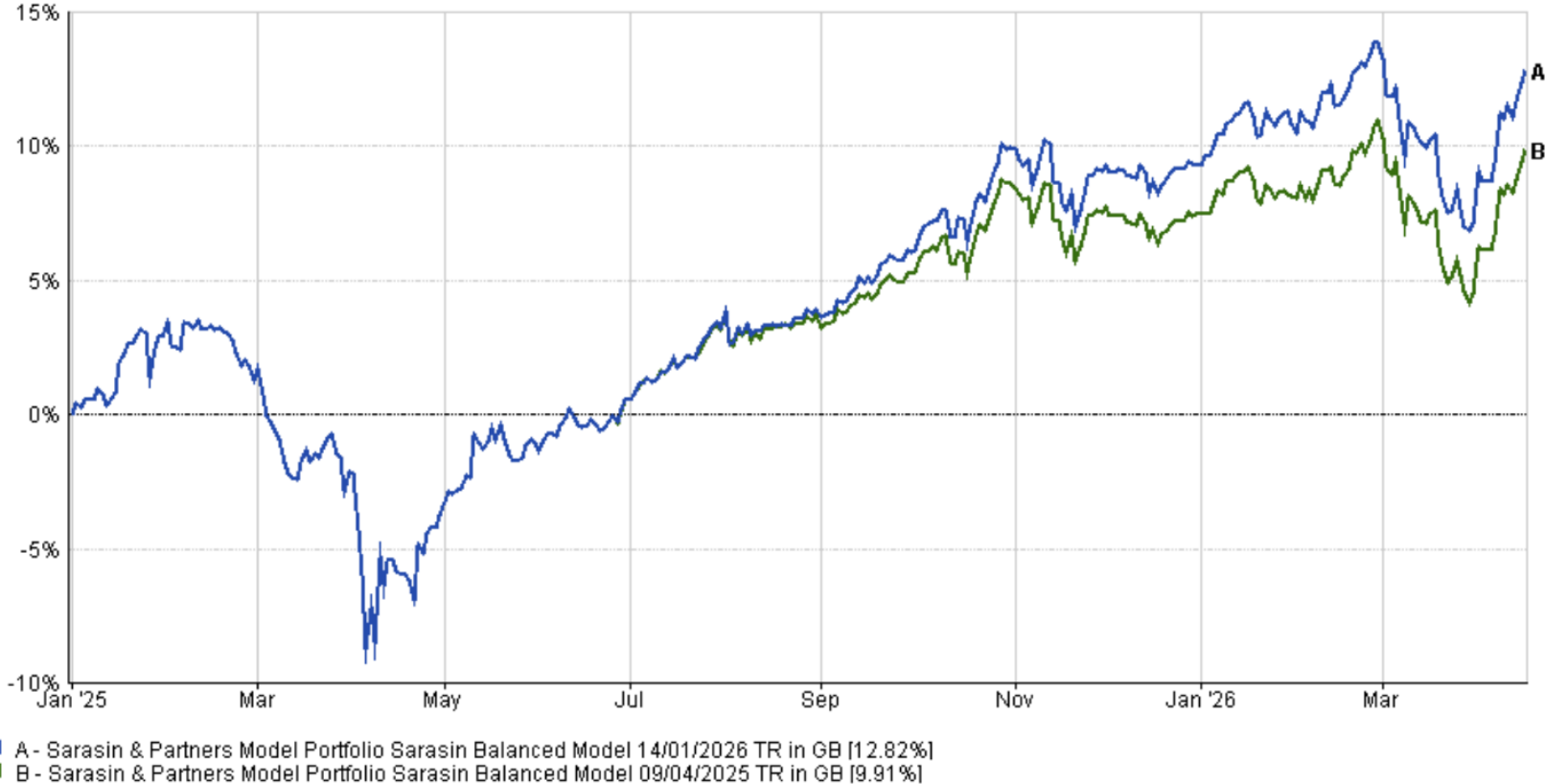


Performance is provided net of fees. **Past performance is not a reliable indicator of future results and may not be repeated.** The past performance was calculated in Pound Sterling on a net asset value basis with distributable income reinvested. Source: Morningstar 29.04.25 to 27.04.26

# Managed Funds & MPS – adding value in Fragmentation regime



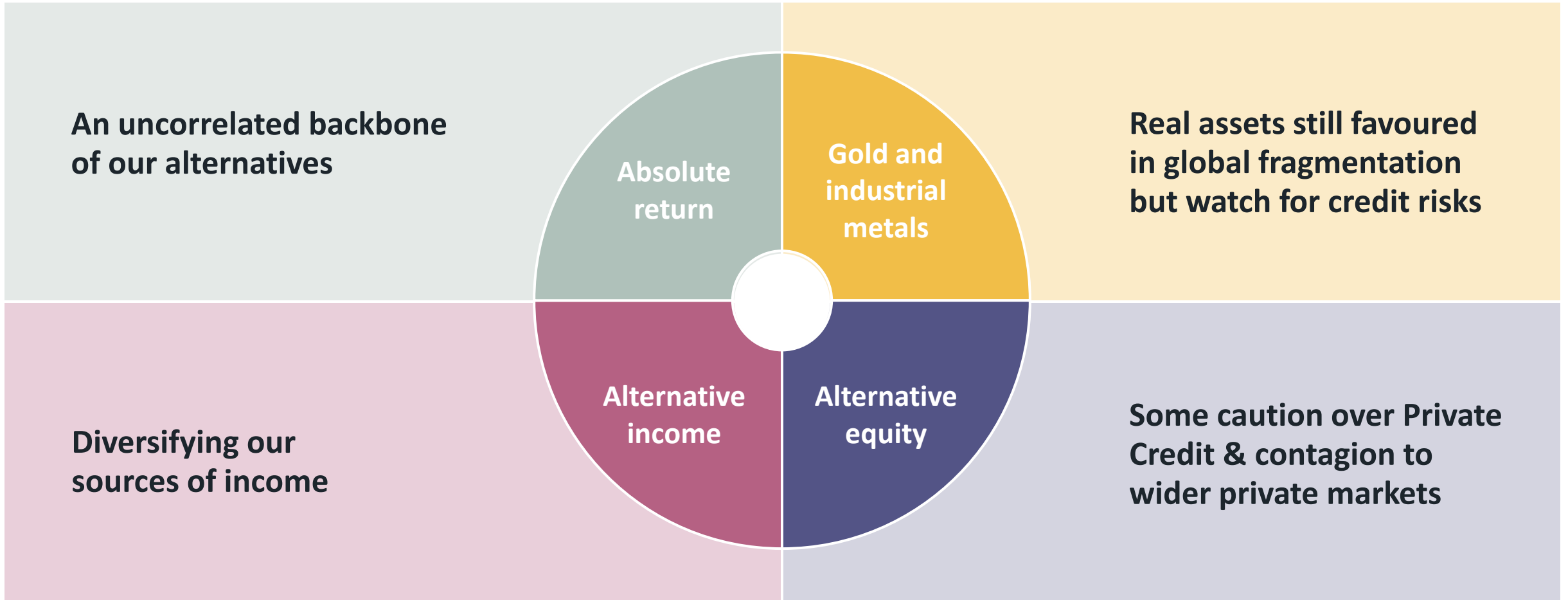
## Performance w/ & w/out Managed Funds Allocation



01/01/2025 - 16/04/2026 Data from FE fundinfo2026

Source FE Analytics, April 2026

# Opportunities for alternatives in 2026



Source: Sarasin & Partners, March 2026

Past performance is not a reliable indicator of future results and may not be repeated.

# WisdomTree Industrial Metals

Role in portfolio: access to demand from AI build out

## Why now?

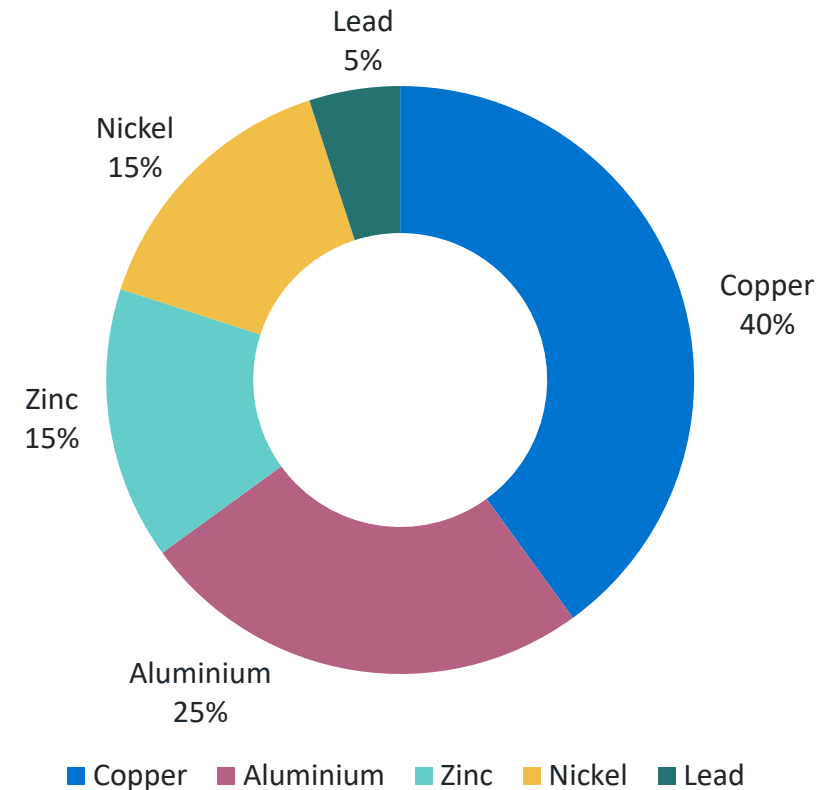
- A multi-year physical investment boom led by the demand for AI, Electrification, reshoring of domestic supply chains and defence spending

## Key drivers:

- Transition: Massive demand uplift from EVs, batteries, and power grids
- Supply Constraints: Long lead times for new mines, environmental limits on expansion
- Geopolitical Factors: Strategic stockpiling and resource nationalism raise prices
- Inflation Hedge: Historically, industrial metals have shown positive correlation with inflation surprises
- Access via a listed ETC



## Underlying metals

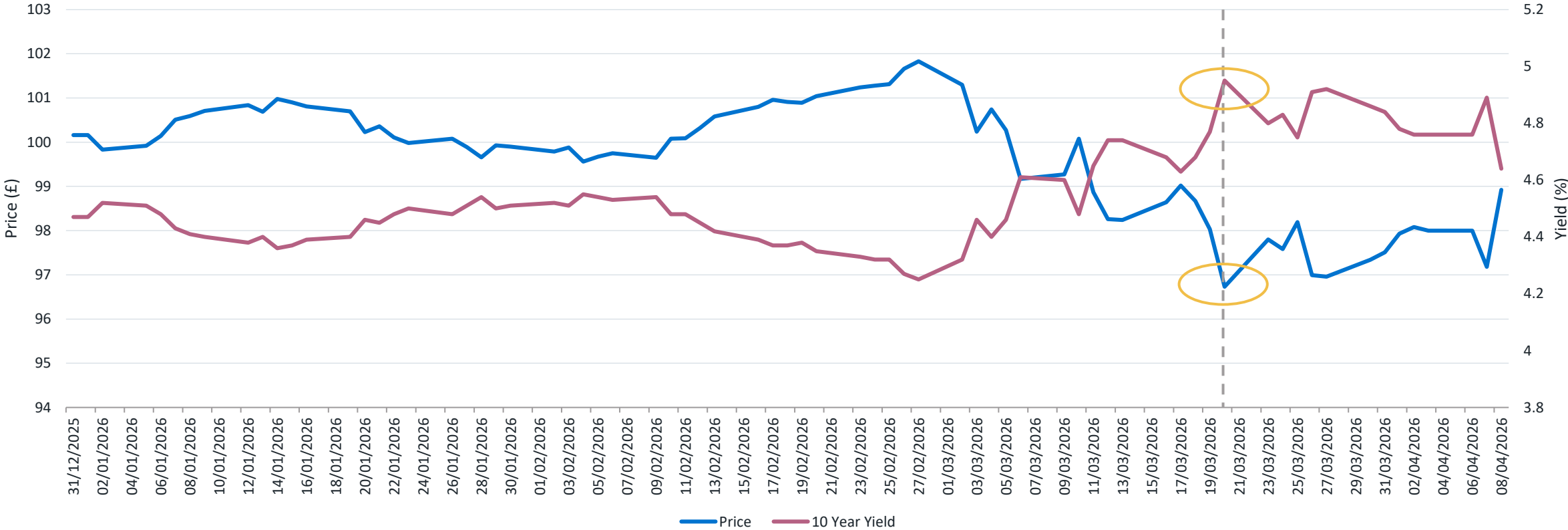


Source: Sarasin & Partners, 31.03.26

# Real time trading advantage



## Purchase of gilts following spike in yields from Iran war



Source: FactSet 31.12.25 to 10.04.26

# Positioning and outlook

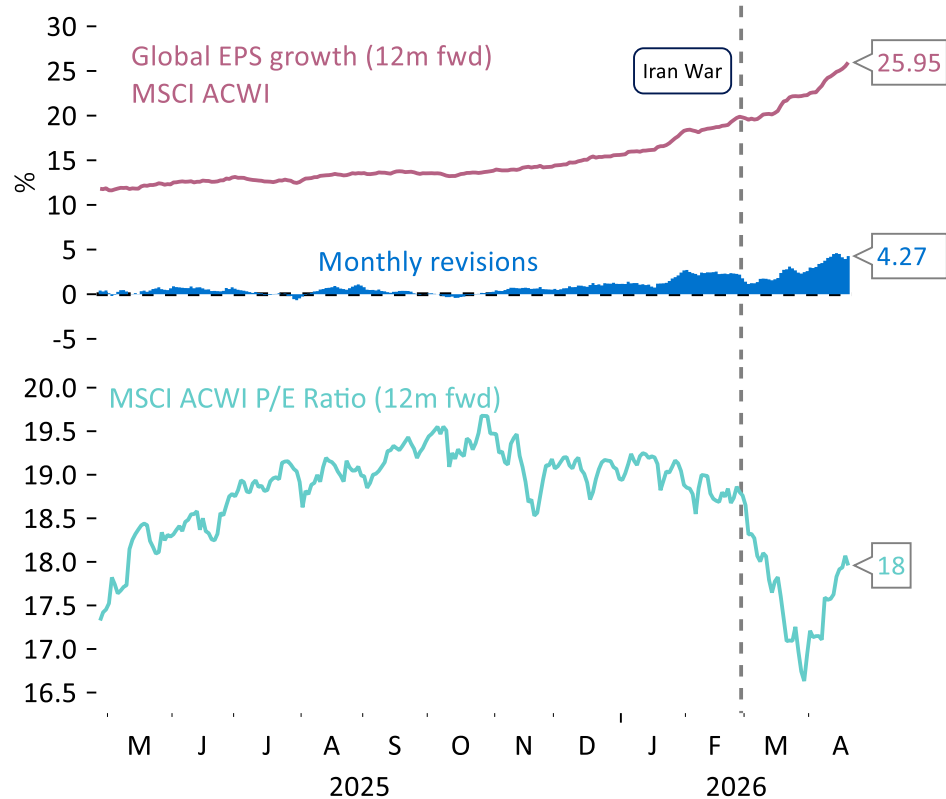


# Global equities

Overweight stance on robust earnings and dividend growth



## Earnings strong despite Iran War – Revisions positive

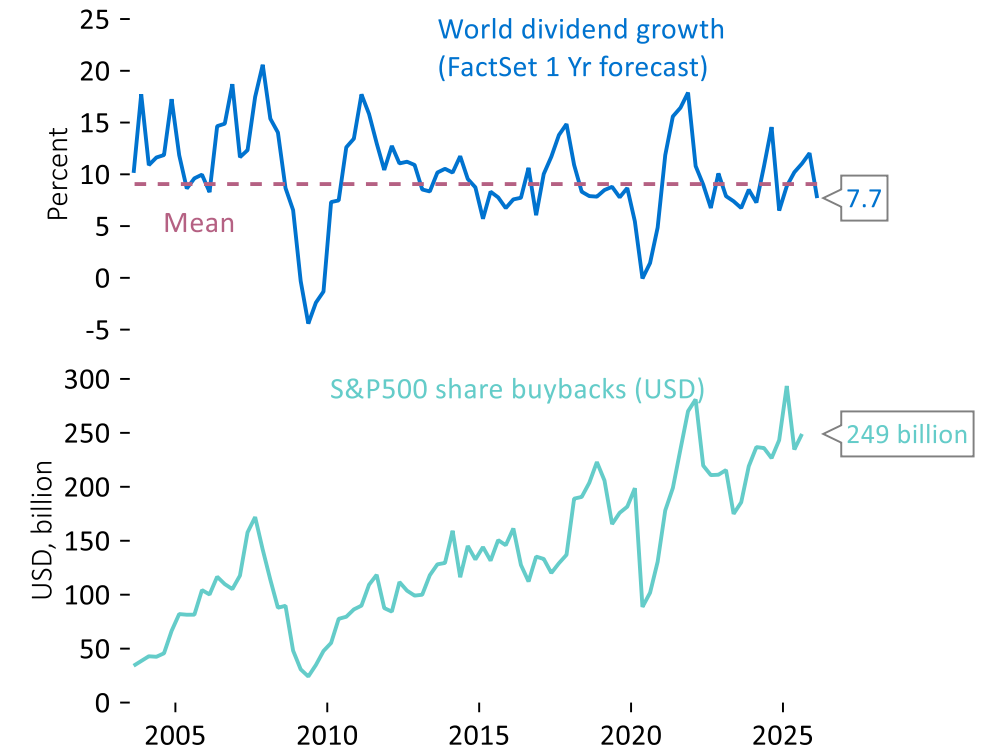


Source: Macrobond, 28.04.26



## Dividend growth strong – Share buy backs close to peak

Global Dividend Growth & US Stock Buybacks



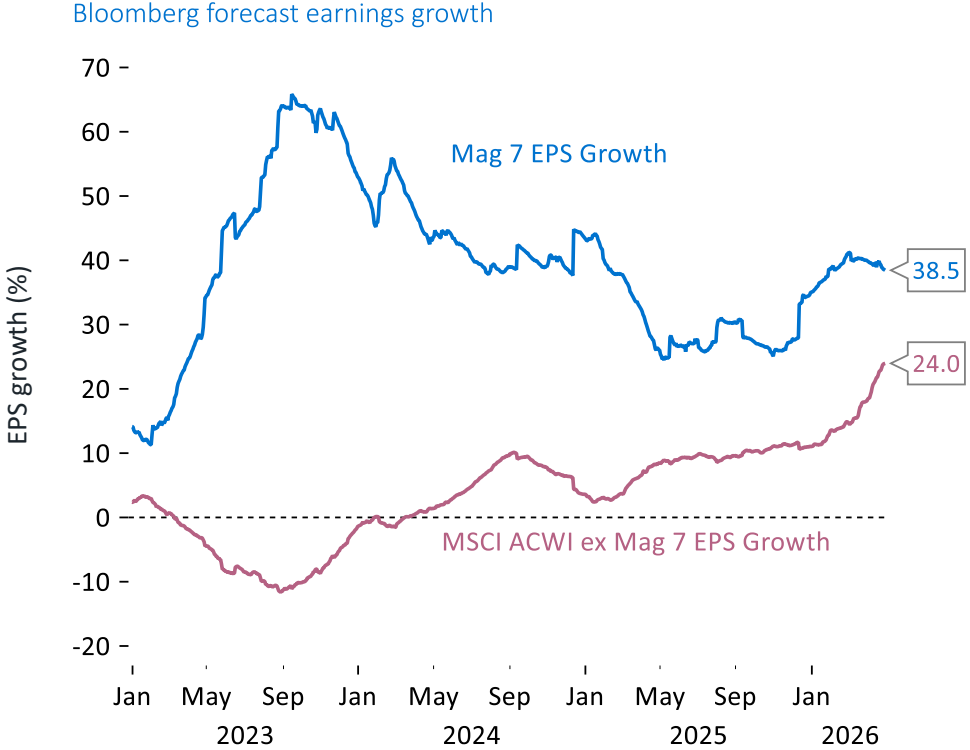
Source: Macrobond, 29.04.26

Past performance is not a reliable indicator of future results and may not be repeated.

# Risks: AI return on capital and private credit contagion



## Magnificent 7 earnings growth still robust

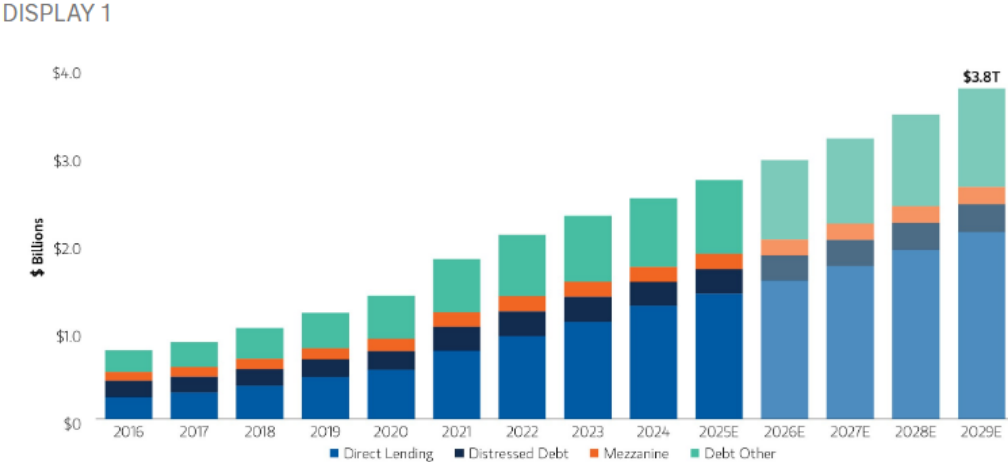


Source: Macrobond, 29.04.26



## Drip of negative news causes tightening across credit markets

### Projected and historic growth in private assets



Source: PitchBook, LESG, Morgan Stanley Investment Management. Gross invested assets including leverage applied. Excludes uncalled capital in drawdown funds. Forecasts generated on April 19, 2025. Historical data as of September 30, 2025.

Private credit is broadly non-bank lending to mid-size, below investment grade, businesses through privately negotiated loans. It is not publicly traded.

Past performance is not a reliable indicator of future results and may not be repeated.

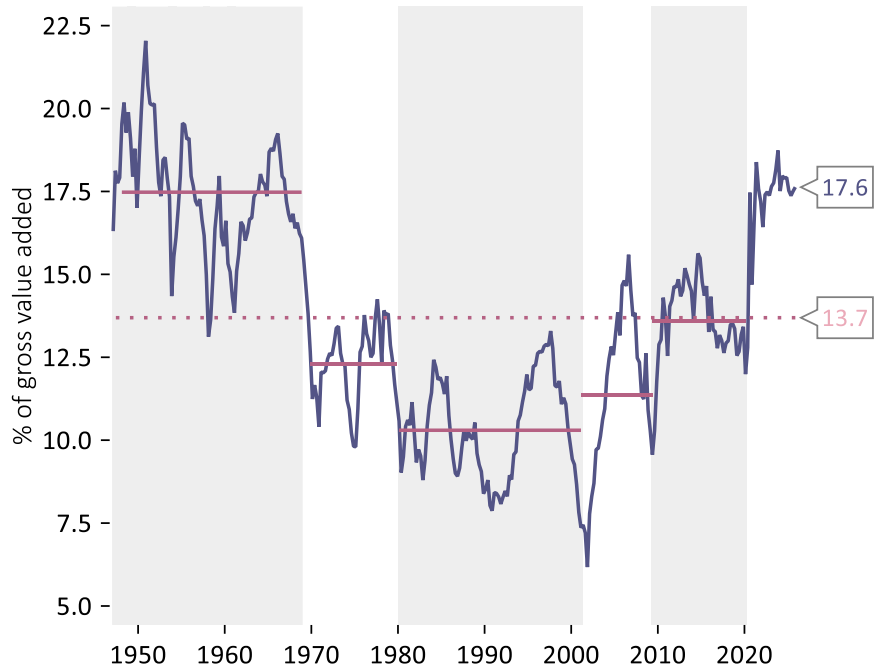
# Fragmentation: Global profits and AI



## Profits are near record levels of economic output

### Corporate profits as share of gross valued added

Nonfinancial domestic US corporate business

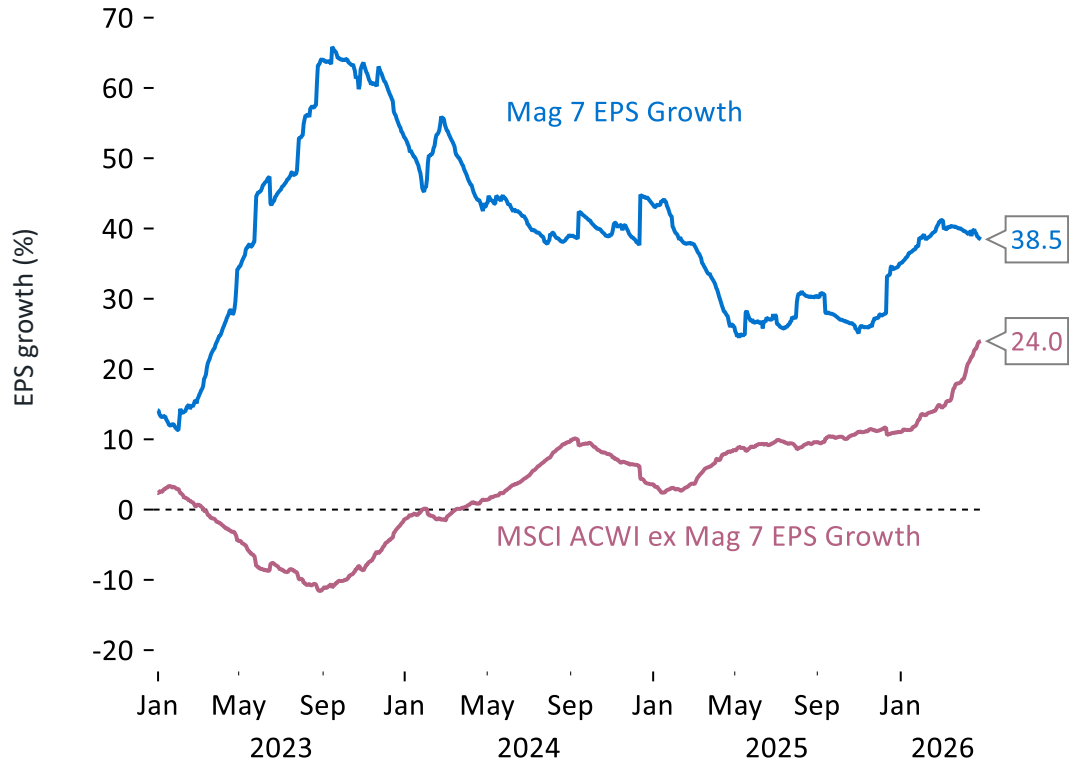


Source: Macrobond, 29.04.26  
 Note: Shaded/unshaded areas represent phases of corporate profitability



## Mag7 earnings growth still strong

### Bloomberg forecast earnings growth



Source: Macrobond, 29.04.26

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# 2026 April: Global Policy Stance

Bonds Underweight	Equities Overweight	Alternatives Neutral	Cash Underweight	Risks
<p><b>Neutral government bonds:</b> higher yields starting to price-in fiscal deficits</p> <p><b>UW credit:</b> spreads still remain historically tight</p>	<p><b>OW equity:</b> global equity earnings remain robust but stagflation risks from Gulf rising</p> <p><b>Valuation:</b> earnings estimates continue to climb despite Iran War</p>	<p><b>Neutral alternatives</b> favour absolute return funds and industrial metals</p> <p><b>Neutral gold:</b> scaling back gold on possible EM sales</p>	<p><b>US dollar</b> to depreciate over the long term</p> <p><b>Opportunities</b> to invest elsewhere</p>	<ol style="list-style-type: none"> <li><b>Liquidity / credit squeeze</b> – risks in private credit market lead to spill over into broader PE markets</li> <li><b>Stagflation</b> – sticky inflation on prolonged Iran conflict</li> <li><b>AI returns prove elusive</b> – earnings shock across global markets</li> </ol>

Source: Sarasin & Partners, April 2026

# Key Risks

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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.

A description of the risks applicable to the Sarasin Managed Funds is set out in the Prospectus.

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