

SARASIN

Six Minute Strategy

Loose Money, Hard Power

January 2026

This document is only intended for retail investors/and or private clients who are US persons. You should not act or rely on any information contained in this document without seeking advice from a professional adviser.

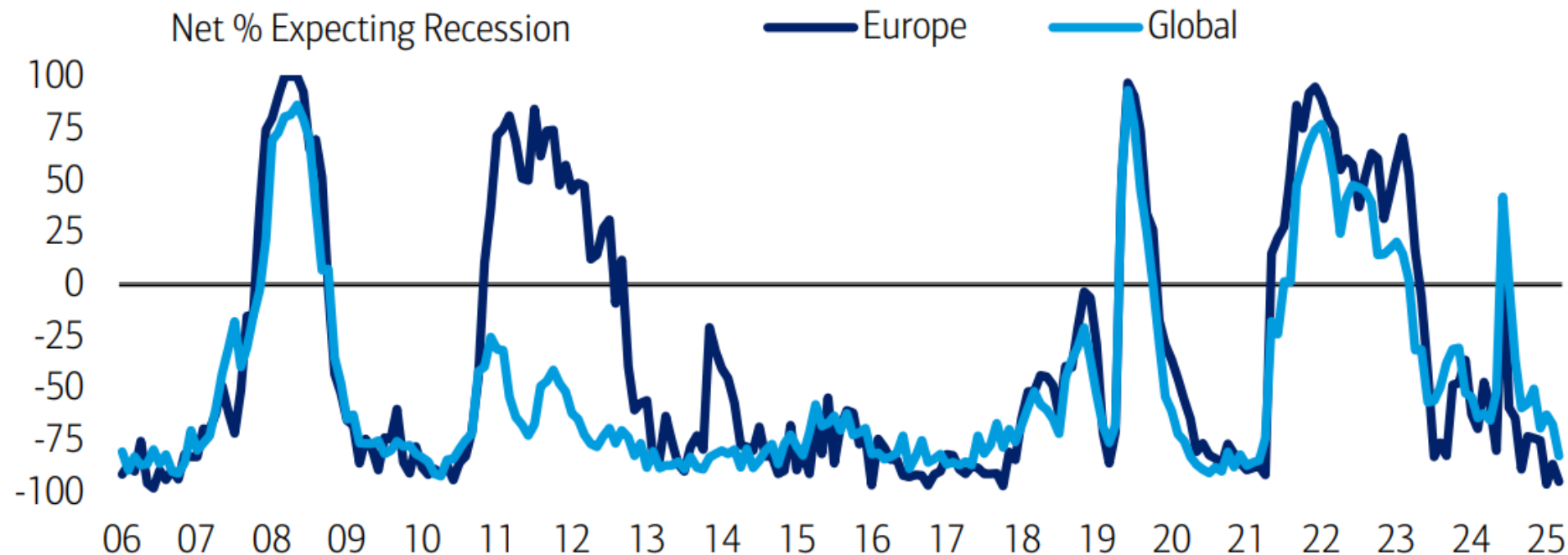


Economic optimism at record highs

Consensus belief that we will avoid a recession in 2026 is near record highs

 BofA Survey suggests 95% of European investors see no recession in Europe over next 12m

How likely do you think it is that the economy in this region will see a recession over the next 12 months?



Source: BofA European & Global Fund Manager Survey

BofA GLOBAL RESEARCH

Source: Bank of America Fund Manager Survey Jan 2026

2026 Global Macro backdrop

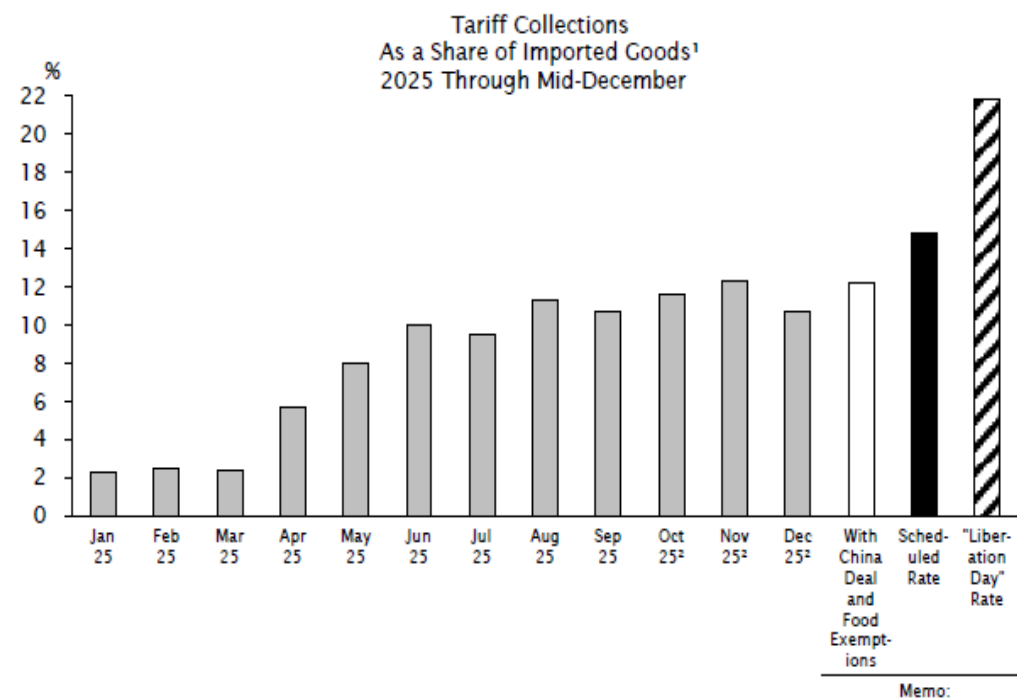
Why are investors so positive?

View	Rationale	Implication
Strong nominal GDP environment.	Real growth driven by a positive fiscal impulse. Inflation easing but remains above target.	<i>Good backdrop for risk assets (Developed and EM equities).</i>
Geopolitics – messy but unlikely to disrupt equity market <i>for now</i> .	Tensions easing, but USD payments system remains weaponised.	<i>Overweight gold and other metals, underweight USD.</i>
AI remains in the driving seat.	Important contributions to GDP growth and market returns.	<i>AI opportunities are widening across sectors and regions.</i>

1. US: Tariff exemptions are growing

Tariff collections lower than originally planned – consumer a priority for the White House

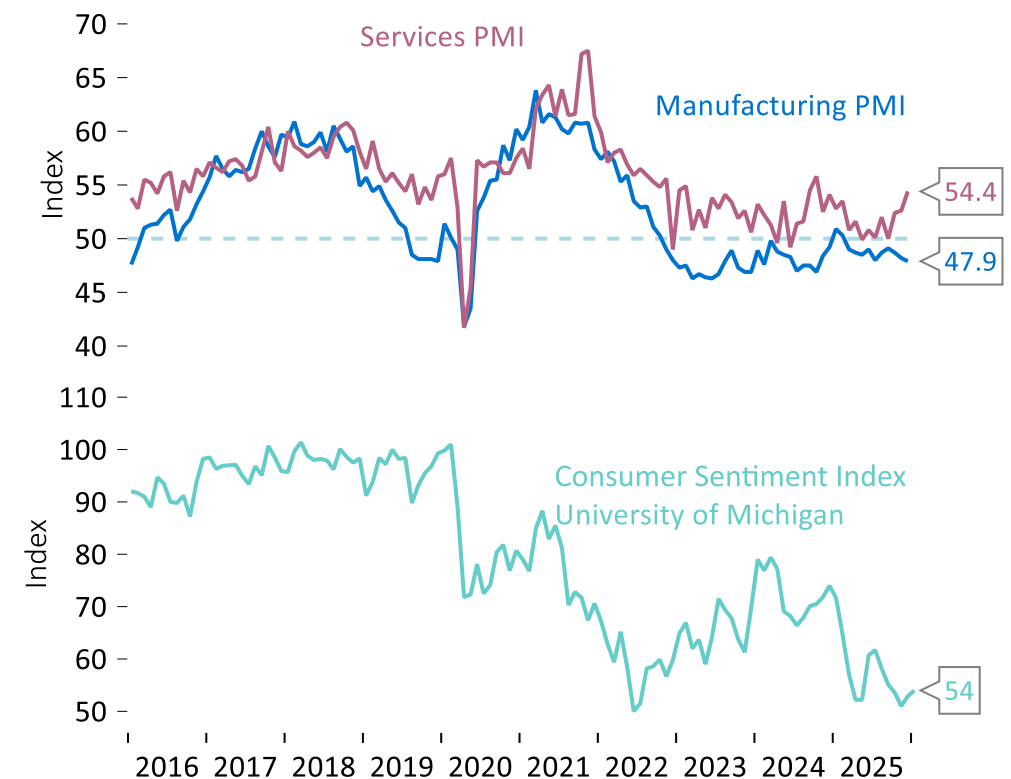
 Tariff collections rates falling from Liberation Day highs



Source: U.S. Treasury, Census Bureau, Bloomberg L.P., Empirical Research Partners Analysis.
¹Monthly Federal custom duties receipts through November 2025, goods imports on a nonseasonally-adjusted Census basis through September 2025.
²Goods import estimates based on bill-of-lading imports and the daily U.S. Treasury statements.

 Services sentiment recovers – consumer may have bottomed

United States, Business Surveys, ISM, Report on Business, SA, Index



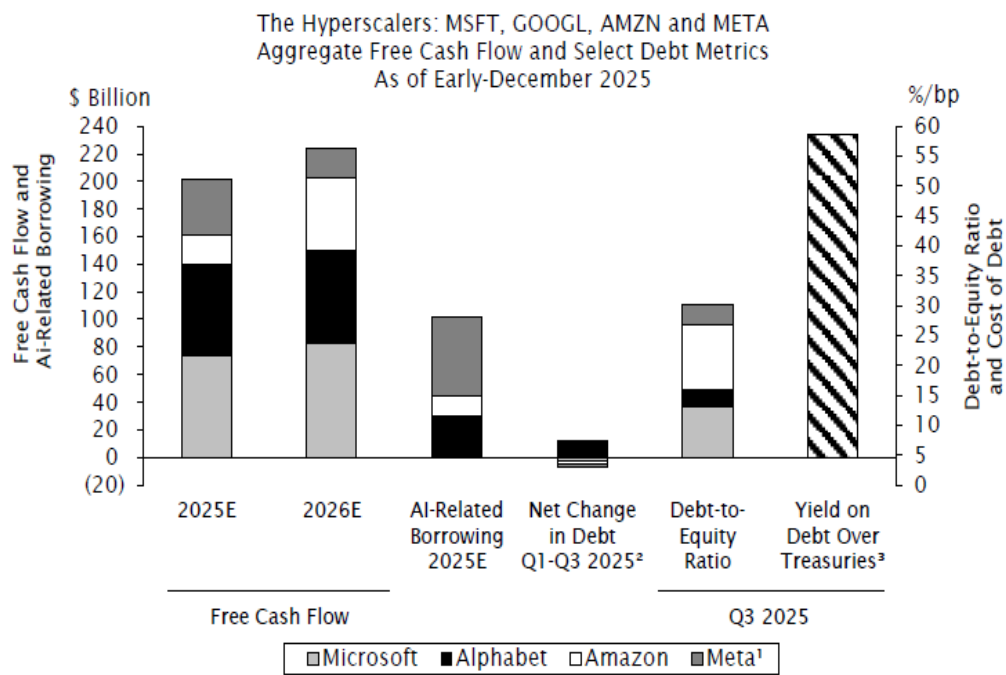
Source: Macrobond, 19.01.26

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

2. AI: debt funding rises but overall leverage still low

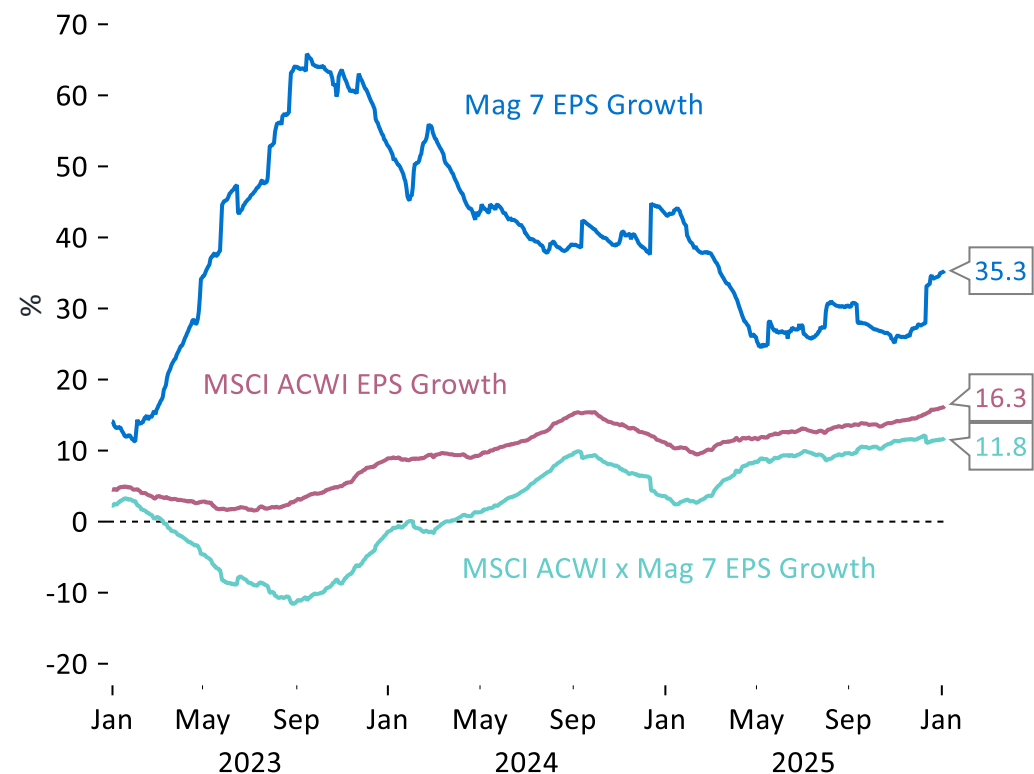
AI debt funding not problematic while earnings and cash flow remain robust

 **Borrowing rising but debt-to-equity remains low**



 **Mag 7 still leads forecasted global earnings growth**

Bloomberg forecast earnings growth



Source: Macrobond, 19.01.26

Source: Empirical Research, December 2025

3. China: exports have held up despite US trade war

China exports to Europe risk tariffs or other trade barriers

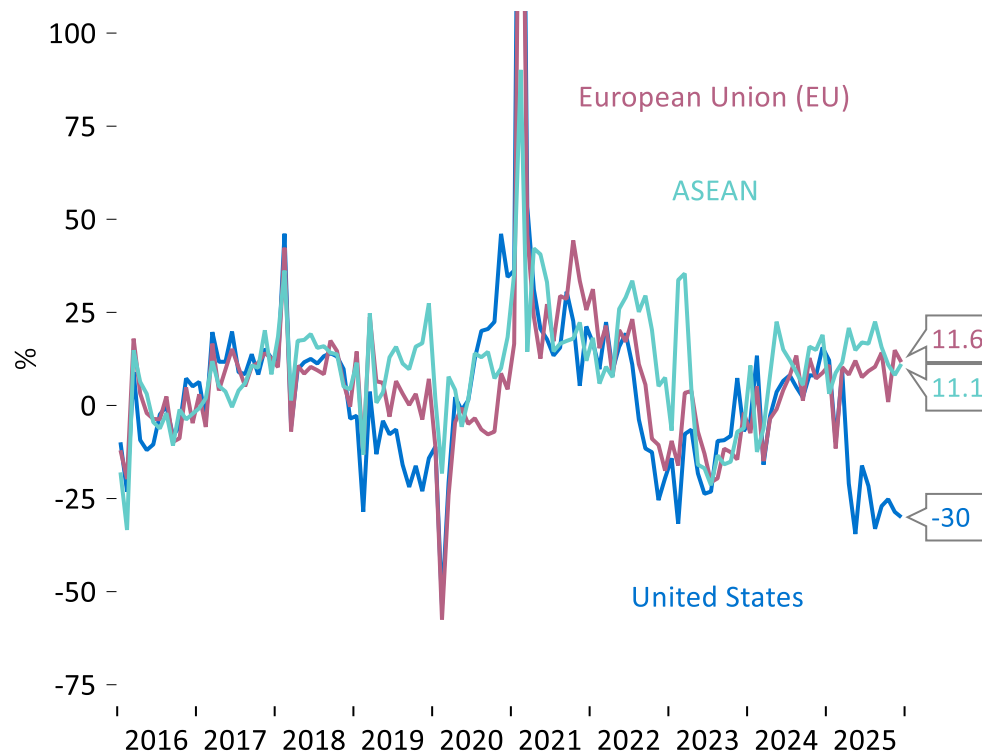


Exports diverted from the US – Europe/Asia swamped



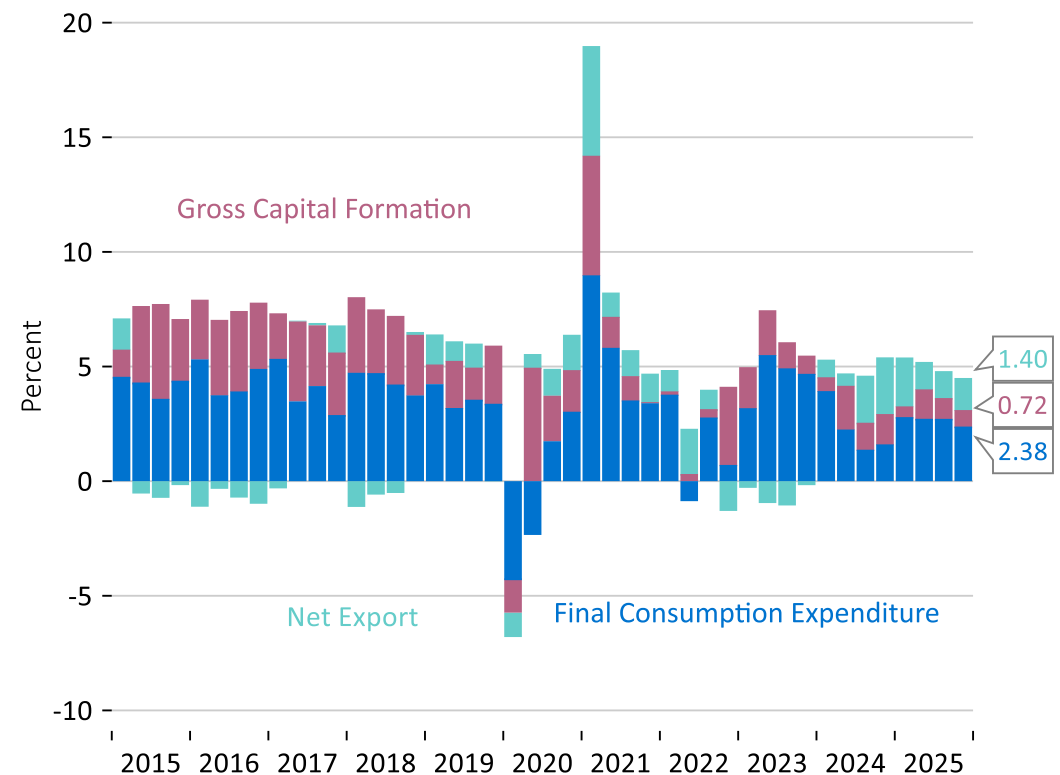
Consumer spending weak – government stimulus likely

China, foreign trade, export, by country/region, export, value (Macrobond calculated), USD



Source: Macrobond, 21.01.26

China Contribution to GDP - change Y/Y



Source: Macrobond, 19.01.26

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

4. Gold overweight continues

Long-term demand supported by central bank diversification away from US Treasuries



Gold price

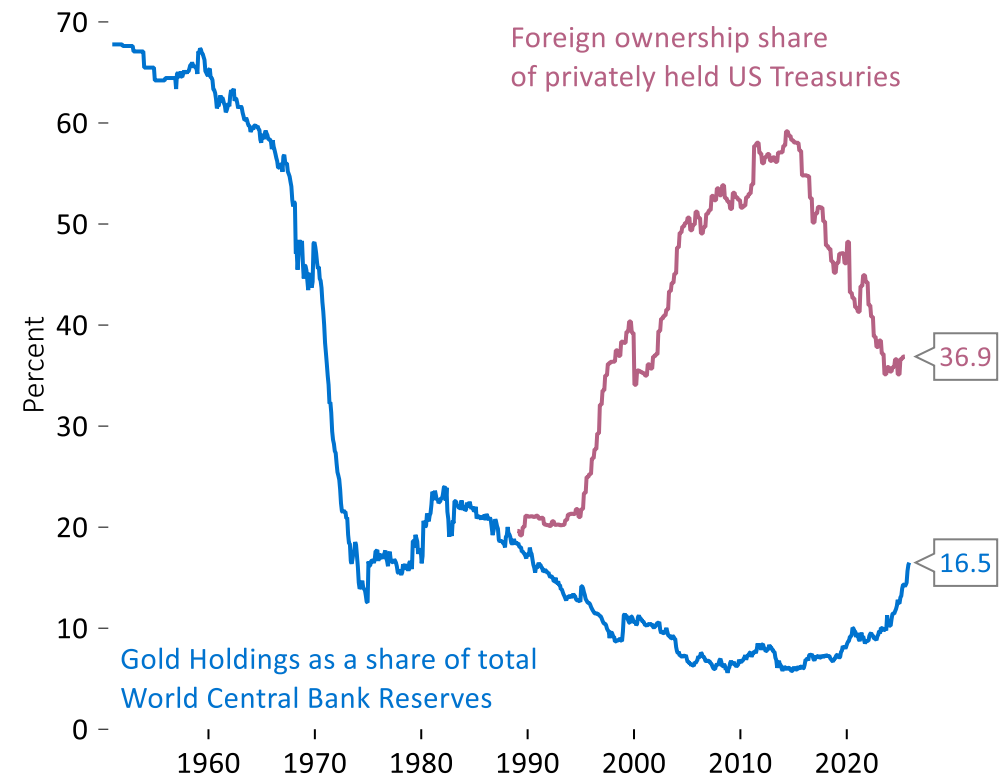


Source: Macrobond, 22.01.26



Reserve managers showing a preference for gold

Holdings of Reserve Assets



Source: Macrobond, 22.01.26

Policy summary

Global strategy – January 2026

Bonds: Underweight	<ul style="list-style-type: none">• UW government bonds: inflation risks – economies running hot – no political will to reduce deficits.• UW credit: spreads remain historically tight – risk/reward balance unfavourable.
Equities: Overweight	<ul style="list-style-type: none">• OW equity: global equity earnings remain robust, with strong buybacks and dividend growth.• Valuation: earnings continue to climb – revisions positive – buybacks near record levels.
Alternatives: Overweight	<ul style="list-style-type: none">• OW alternatives: favour absolute return funds – private equity – transition metals.• OW gold: ongoing emerging-market central bank buying continues to support demand.
Cash: Strongly Underweight	<ul style="list-style-type: none">• US dollar to depreciate over the long term.• Euro and emerging world currencies continue to rally.• Japanese yen and sterling neutral.
Risks	<ol style="list-style-type: none">1. Liquidity/credit squeeze – equity valuations shrink – wealth effect triggers recession.2. Stagflation – sticky core inflation – yield curves steepen – bond vigilantes return.3. Climate – extreme events increase – unravelling of Paris goals – China takes leadership of climate agenda.

Source: Sarasin & Partners, January 2026

Important information

This document is only intended for retail investors/and or private clients who are US persons. You should not act or rely on any information contained in this document without seeking advice from a professional adviser.

This is a marketing communication. Issued by Sarasin Asset Management Limited (“SAM”), Juxon House, 100 St Paul’s Churchyard, London, EC4M 8BU. Registered in England and Wales, No. 01497670. Authorised and regulated by the UK Financial Conduct Authority (“FCA”) (FRN: 163584). Registered as an Investment Adviser with the US Securities and Exchange Commission under the Investment Advisers Act of 1940, as amended (CRD No. 115788/SEC No. 801-62077). Website: www.sarasinassetmanagement.com. Tel: +44 (0)20 7038 7000. Telephone calls may be recorded or monitored in accordance with applicable laws.

The information in this document has not been approved or verified by the SEC or by any state securities authority. Registration with the SEC does not imply a certain level of skill or training.

In rendering investment advisory services, SAM may use the resources of its affiliate, Sarasin & Partners LLP (“S&P”), an SEC Exempt Reporting Adviser. S&P is a London-based specialist investment manager and is authorised and regulated by the FCA (FRN: 475111).

SAM has entered into a Memorandum of Understanding (“MOU”) with S&P to provide advisory resources to clients of SAM. To the extent that S&P provides advisory services in relation to any US clients of SAM pursuant to the MOU, S&P will be subject to the supervision of SAM. S&P and any of its respective employees who provide services to clients of SAM are considered under the MOU to be “associated persons” as defined in the Investment Advisers Act of 1940. S&P manages mutual funds in which SAM may invest its clients’ assets as appropriate. To the extent that SAM is able to exercise proxy voting on behalf of its clients, SAM follows the policy set by S&P. Proxy voting is an operational process dependent upon support from SAM’s clients’ custodians, some of which do not support proxy voting in all or certain markets.

This document has been prepared for marketing and informational purposes only. 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 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. Management fees and expenses are described in SAM’s Form ADV, which is available upon request or at the SEC’s public disclosure website, www.adviserinfo.sec.gov/Firm/115788.

Important information

Neither Sarasin & Partners LLP, Sarasin Asset Management Limited 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.

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.

The index data referenced is the property of third-party providers and has been licensed for use by us. Our Third-Party Suppliers accept no liability in connection with its use. See our website for a full copy of the index disclaimers <https://sarasinandpartners.com/important-information/>.

© 2026 Sarasin Asset Management Limited. All rights reserved. This video is subject to copyright and can only be reproduced or distributed with permission from Sarasin Asset Management Limited. Any unauthorised use is strictly prohibited.

SARASIN

Sarasin Asset Management Limited

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

T: +44 (0)20 7038 7000
F: +44 (0)20 7038 6850

E: marketing@sarasin.co.uk

www.sarasinassetmanagement.com

45 Rockefeller Plaza
20th Floor
New York NY 10111 USA

