

Schroder Sustainable Global Core PIE Fund

July 2025

Investment Report

July 2025

Schroders

Schroder Sustainable Global Core PIE Fund

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Fund Valuation

Value at 31 Jul 2025	NZD	632,036,334
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Performance - Unhedged

Total returns (NZD, %)	1 Month %	3 Months %	6 Months %	CYTD %	1 Year %	SI p.a.* %
Portfolio (Net)	+4.58	+13.75	+3.60	+6.51	+18.56	+26.24
Benchmark^	+4.18	+12.57	+2.46	+5.10	+16.27	+24.57
Excess (Net)	+0.40	+1.18	+1.14	+1.41	+2.29	+1.67

Performance – Hedged

Total returns (NZD, %)	1 Month %	3 Months %	6 Months %	CYTD %	1 Year %	SI p.a.* %
Portfolio (Net)	+2.36	+13.08	+5.54	+9.40	+15.74	+21.78
Benchmark^	+2.06	+12.04	+4.82	+8.43	+14.11	+20.81
Excess (Net)	+0.30	+1.04	+0.72	+0.97	+1.63	+0.97

Source: Schroders, FundRock as of July 2025. Returns shown net of fees and are calculated by FundRock. Performance shown reflects past performance, which is no guarantee of future results. Current performance may be higher or lower than the performance shown. Principal value and investment returns will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Performance for all periods is shown cumulative. NAV performance may differ from performance calculated at closing market prices. The difference between the portfolio and benchmark returns may not equal stated excess returns due to rounding. Since inception from 30 November 2023. ^Benchmark is the MSCI World ex Tobacco NR NZD for the unhedged and MSCI World ex Tobacco NR NZD Hedged for the hedged. Indices are net dividend reinvested (NDR).

Market review

Global equity markets finished higher in July, as investor sentiment was buoyed by resilient earnings, diminishing policy uncertainty. Notably, volatility remained unusually subdued throughout the period whilst market breadth improved modestly, with a broadening of the rally beyond mega-cap technology.

Macroeconomic policy developments played a key role in stabilising sentiment as the Federal Reserve left its benchmark rate unchanged. Treasury yields moved slightly higher but stayed within a narrow range, while the U.S. dollar reversed a portion of its Q2 decline. Elsewhere, trade frictions flared briefly as the U.S. introduced 50% tariffs on copper imports, weighing on industrial metals early in the month. However, subsequent exemptions and new trade agreements with key global partners helped ease uncertainty and reduce pressure on commodity markets.

Large-cap U.S. tech stocks, particularly those with AI exposure, led gains once again. Nvidia surpassed a \$4 trillion market cap during the month, while broader strength in semiconductors propelled technology stocks higher. However, July also marked a notable rotation into more cyclical areas. Autos, banks, homebuilders, and oil majors all performed strongly in the US as demand indicators improved, and housing data stabilised. In contrast, defensive sectors such as consumer staples and health care lagged. Elsewhere, performance (in USD) varied by region. European equities lagged on the negative impact of US trade policy, whilst UK equities outperformed most developed peers, helped by strong results in energy, materials and financials amid a softer pound. Meanwhile, Japanese equities were weaker over the month, though saw a rise in USD terms as the yen weakened further.

Emerging market equities also advanced in July, though performance was mixed across regions. The MSCI Emerging Markets Index rose approximately 2% in USD terms, supported by gains in Asia and EMEA, with weakness seen in LATAM. In Asia, Chinese equities moved modestly higher as investor sentiment improved marginally on expectations of targeted stimulus and a more accommodative policy stance from Beijing. Taiwanese stocks also rallied on the continued outperformance of the AI theme.

Fund commentary

The portfolio outperformed in July, supported by broad-based contributions amid improving global sentiment and a risk-on backdrop, with market dynamics influenced by softening inflation prints and more clarity regarding future US trade and fiscal policy.

Technology and industrials were again notable contributors, with stock selection in hardware, semis and manufacturing adding value. Financials also supported performance, reversing prior weakness as global banks benefited from improved earnings. Detractors were limited, though communication services and utilities modestly weighed on performance, particularly in North America and Europe, as rate-sensitive and income-oriented names lagged amid rising bond yields.

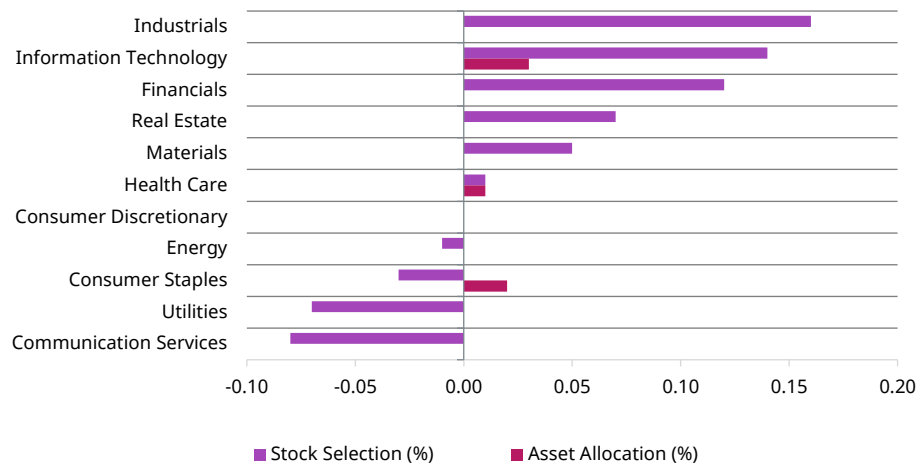
At a high level, the portfolio remains well diversified across stock, geography and sector with a continued focus on companies with solid fundamentals that are not overpriced in line with our underlying investment philosophy. Given the multiple inputs employed within our process, the strategy continues to be exposed to a range of themes and with a broad allocation across our distinct measures of Value & Quality.

At the end of the month, some of the largest overweights in the portfolio were within technology and industrials, driven by higher than index exposure to application software and manufacturing respectively. We continue to favour securities exhibiting high quality characteristics and at favourable valuations while maintaining diversification across the portfolio. From a regional perspective, the portfolio is overweight the US and Emerging Markets led by EM Asia allocations. Elsewhere, we are underweight Japan and the UK.

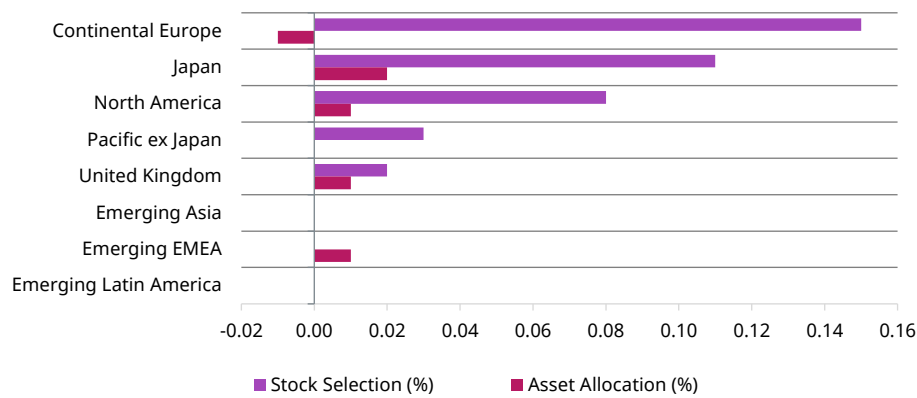
Attribution

Relative Fund Performance vs
MSCI World ex Tobacco

Sector
1 month to 31 Jul 2025



Region
1 month to 31 Jul 2025



Source: Schroders & QEP Classifications. Attribution disclaimer: Please note that this data was sourced from Aladdin. Note the data used by Aladdin is un-audited, whereas the data used for actual performance is audited, therefore any subsequent cleaning of data will not be reflected in Aladdin & performance here will not match actual published performance. Data above is indicative only and should not be viewed as a recommendation to buy/sell. Past performance is no guarantee of future results.

Schroder Sustainable Global Core PIE Fund

Top 5

contributors

1 month to 31 Jul 2025

Stock	Contribution %
Fujikura	0.05
TE Connectivity	0.04
GE Vernova	0.03
Celestica	0.03
CBRE Group	0.03

Top 5

detractors

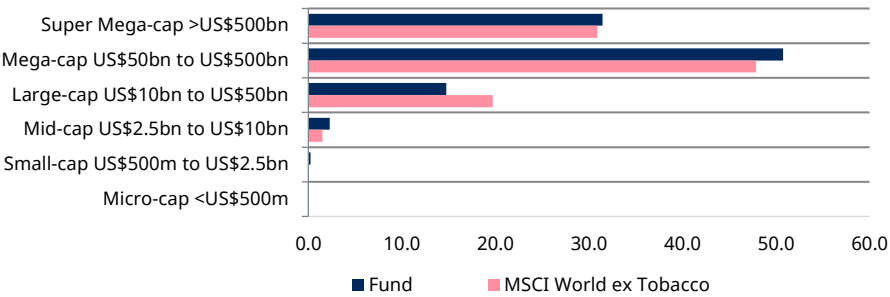
1 month to 31 Jul 2025

Stock	Contribution %
Spotify	-0.03
Roblox	-0.02
Xiaomi	-0.02
Netflix	-0.02
KPN	-0.02

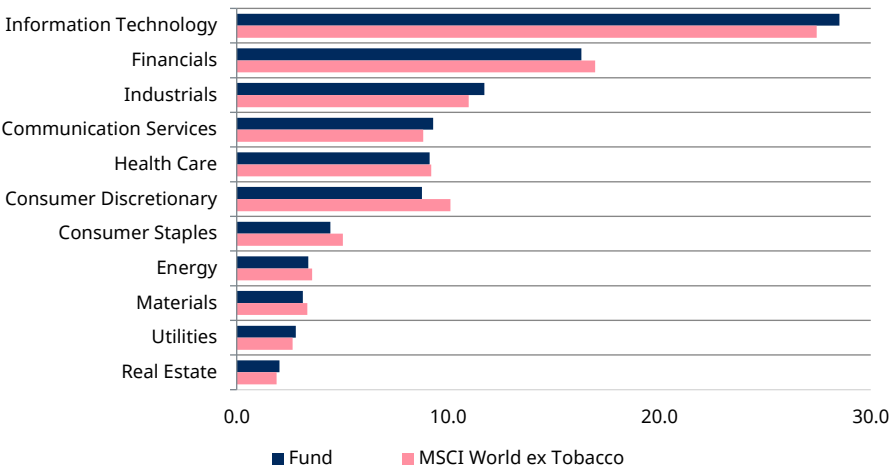
The attribution analysis shown above is intended to provide an indicative summary of the contributions to relative performance. The information is generated using Aladdin, a multi-currency performance analytical system.

Portfolio Analysis

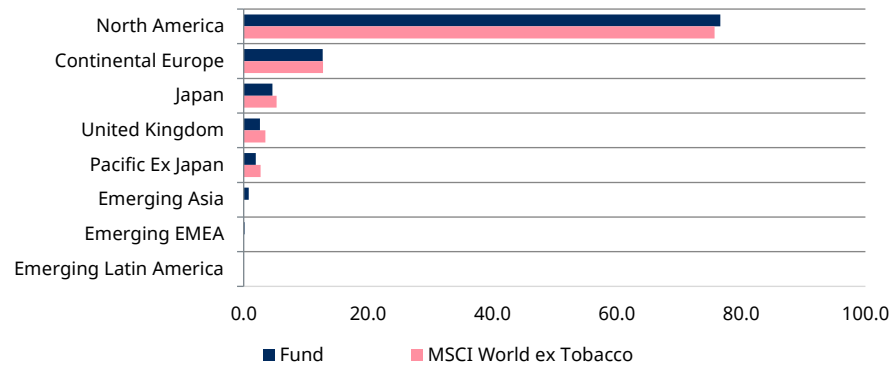
Portfolio Weightings Market Capitalisation (%) at 31 Jul 2025



Sector (%) at 31 Jul 2025



Region (%) at 31 Jul 2025



Source: Schroders & Investment Team Classifications.

Schroder Sustainable Global Core PIE Fund

Portfolio Characteristics at 31 Jul 2025

Characteristics	Fund	Index
Ex-ante Tracking error*	1.0%	-
Active share	25.1%	-
Number of stocks	500	1,317
Dividend Yield	1.5%	1.6%
Price to book	4.2	3.7
Price to earnings	23.0	22.1
Price to free cash flow	33.5	33.7
Return on capital employed	23.7	22.5
Return on equity	27.0	25.8
Operating margin	24.9	24.3
Company market cap (weighted average US\$ mn)	935,093	915,558
Carbon intensity (CO2 t/M\$ sales)	84.4	95.3

Top 5

Overweight positions

31 Jul 2025

Stock	Fund Weight %	Index Weight %	Active Weight %
Boston Scientific	0.55%	0.20%	0.35%
Howmet Aerospace	0.42%	0.09%	0.33%
Welltower	0.39%	0.14%	0.25%
Italgas	0.25%	-	0.25%
Transdigm	0.37%	0.12%	0.25%

Top 5

Underweight positions

31 Jul 2025

Stock	Fund Weight %	Index Weight %	Active Weight %
Commonwealth Bank	-	0.25%	-0.25%
Boeing	-	0.22%	-0.22%
Honeywell	-	0.19%	-0.19%
Airbus	-	0.16%	-0.16%
CME	-	0.13%	-0.13%

Source: Schroders & MSCI. *Tracking Error is sourced from Aladdin.

Index: MSCI World ex Tobacco

Notes

Responsible Investment: Schroders Socially Responsible Investment and Corporate Governance policies can be found on our website <http://www.schroders.com/global/about-schroders/corporate-responsibility/responsible-investment/>. We also publish regular articles on Socially Responsible Investing, which can be found on Schroders Talking Point www.schroders.com/talkingpoint.

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