

Schroder Sustainable Global Core PIE Fund

**January 2026
Investment Report**

January/2026

Schroders

Schroder Sustainable Global Core PIE Fund

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Performance – Unhedged

Total returns (NZD, %)	1 Month %	3 Months %	6 Months %	1 Year %	SI p.a.* %
Portfolio (Net)	-2.62	-2.53	9.17	13.10	24.53
Benchmark [^]	-2.84	-2.23	8.98	11.65	23.20
Excess (Net)	+0.22	-0.30	+0.19	+1.45	+1.33

Performance – Hedged

Total returns (NZD, %)	1 Month %	3 Months %	6 Months %	1 Year %	SI p.a.* %
Portfolio (Net)	1.88	1.90	10.51	16.63	21.83
Benchmark [^]	1.57	2.14	10.37	15.69	21.04
Excess (Net)	+0.31	-0.24	+0.14	+0.94	+0.79

Source: Schroders, FundRock as of January 2026. Returns shown net of fees, net of tax PIR 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

Equity markets made a positive but uneven start to 2026. January gains were accompanied by bouts of volatility as investors weighed elevated valuations against evolving policy expectations. Overall, market moves reflected a period of consolidation rather than a continuation of the strong momentum seen at the end of 2025.

Monetary policy remained a key driver of sentiment. The Federal Reserve reiterated that further rate cuts would depend on incoming data, with particular focus on inflation and labour market conditions. While inflation continued to ease across most developed markets, signs of slowing employment growth in the US reinforced expectations of gradual policy easing rather than an aggressive cutting cycle.

Equity market breadth continued to improve during January, with gains extending beyond the largest growth stocks and into a wide range of sectors and regions. US equities posted modest gains, with mixed performance among large Technology stocks as dispersion in the market continued. In contrast, international markets generally performed better, supported by more attractive valuations and improving investor sentiment. European and UK equities advanced despite ongoing growth and fiscal concerns, while Japanese equities rose though currency weakness somewhat tempered returns for dollar investors. Emerging markets also delivered positive returns, with broad based strength in Emerging Asia, EMEA & Latin America.

Finally, commodity markets had a strong but volatile start to the year. Precious metals rallied sharply early in January, supported by central bank purchases, heightened geopolitical risks and increased retail participation, before reversing late in the month as crowded positioning unwound and macro expectations shifted. Despite a sharp sell off at month end, gold and silver still finished January higher. Energy markets also performed strongly, with oil and gas prices rising on colder winter weather and tighter supply conditions leaving the Energy sector the strongest performing part of the market in January.

Fund commentary

After a strong 2025, the portfolio made a positive start to the new year, outperforming its benchmark in January as markets trended upwards. While investor sentiment remained constructive, performance was uneven amid ongoing valuation and policy considerations. Against this backdrop, relative returns were driven by stock selection across a range of sectors.

Financials were the largest contributor, supported by positive stock selection across Banks, Payments and Asset Managers, with strength coming from a range of regions. Industrials also added meaningfully, led by Manufacturing and Construction exposures, while Information Technology contributed through underlying Hardware and Application Software exposures. Positioning in Consumer Discretionary added modestly, with contributions within Apparel, Autos and Leisure-related names. Detractors were limited. Defence & Aerospace weighed modestly while Materials and Utilities detracted slightly.

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.

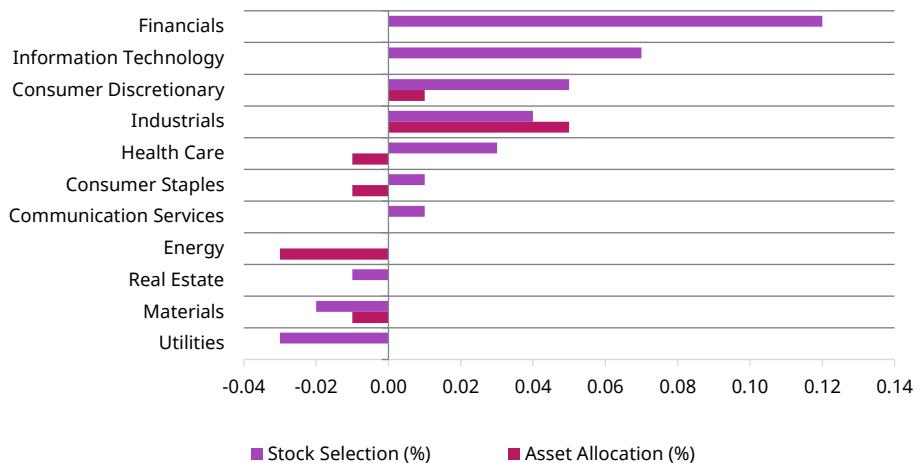
At the end of the month, some of the largest overweights in the portfolio were within Industrials and Healthcare, driven by higher than index exposure to Manufacturing and Pharma respectively. We continue to favour securities exhibiting high quality characteristics and at favourable valuations while maintaining diversification across the portfolio. The most notable underweights were in Financials and Energy, alongside Consumer Discretionary where we maintain our underweight exposure.

From a regional perspective, the portfolio is overweight the US and Emerging Markets. Elsewhere, we are underweight Continental Europe, Asia Pacific and the UK.

Attribution

Relative Fund Performance vs MSCI World ex Tobacco

Sector
1 month to 31 Jan 2026



Region
1 month to 31 Jan 2026



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 Jan 2026

Stock	Contribution %
GTT	0.03
GE Vernova	0.02
Ebara	0.02
Hanwha	0.02
Siemens Energy	0.02

Top 5

detractors

1 month to 31 Jan 2026

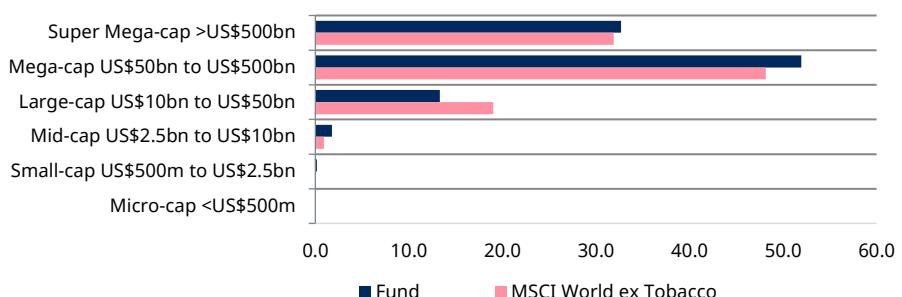
Stock	Contribution %
Lockheed Martin	-0.03
Honeywell	-0.02
Northrop Grumman	-0.02
Bloom Energy	-0.02
SLB	-0.02

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

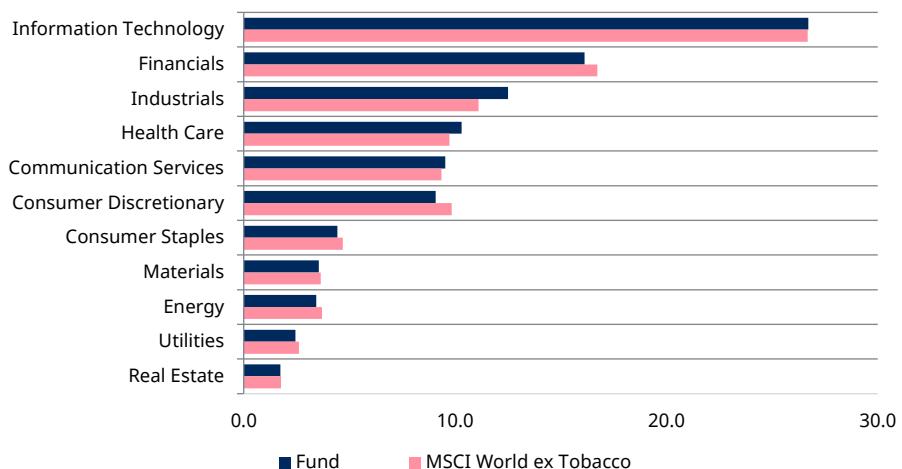
Portfolio Weightings

Market Capitalisation (%) at 31 Jan 2026



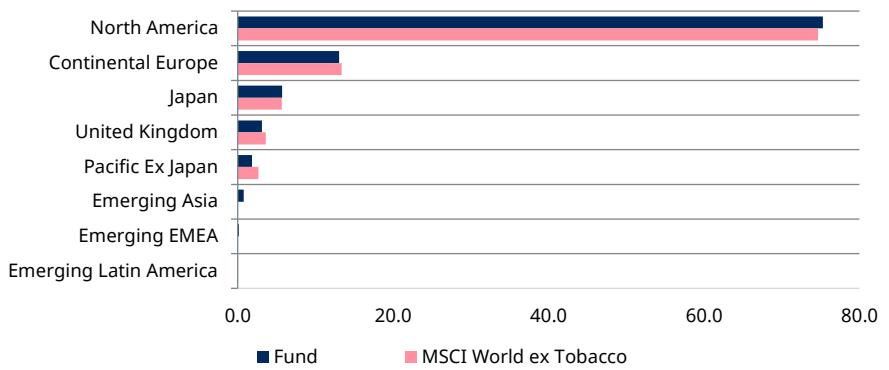
Sector (%)

at 31 Jan 2026



Region (%)

at 31 Jan 2026



Source: Schroders & Investment Team Classifications.

Schroder Sustainable Global Core PIE Fund

Portfolio Characteristics at 31 Jan 2026

Characteristics	Fund	Index
Ex-ante Tracking error*	0.8%	
Active share	24.2%	-
Number of stocks	508	1,314
Dividend Yield	1.4%	1.5%
Price to book	4.4	4.0
Price to earnings	24.2	23.5
Price to free cash flow	35.8	34.7
Return on capital employed	23.8	22.7
Return on equity	26.2	25.4
Operating margin	25.5	25.4
Company market cap (weighted average US\$ mn)	1,028,218	1,016,910
Weighted Average Carbon Intensity (CO2 t/M\$ sales)	74.8	95.1

Top 5

Overweight positions

31 Jan 2026

Stock	Fund Weight %	Index Weight %	Active Weight %
Boston Scientific	0.55%	0.16%	0.38%
GE Vernova	0.51%	0.24%	0.28%
Cardinal Health	0.31%	0.06%	0.25%
CBRE	0.30%	0.06%	0.24%
Italgas	0.24%	-	0.24%

Top 5

Underweight positions

31 Jan 2026

Stock	Fund Weight %	Index Weight %	Active Weight %
Boeing	-	0.22%	-0.22%
Commonwealth Bank	0.03%	0.21%	-0.18%
Honeywell	-	0.17%	-0.17%
Lockheed Martin	-	0.16%	-0.16%
Comcast	-	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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