Schroders

For professional investors only

Schroder Sustainable Global Core PIE Fund

31 Jul 2026

Investment Report

31 Jul/2026

Schroders

Schroder Sustainable Global Core PIE Fund

In this report

Fund Valuation

Value at 31 Jul 2026	NZD	1,237,160,987

Performance - Unhedged

Total returns (NZD, %)	1 Month %	3 Months %	6 Months %	YTD %	1 Year %	SI p.a* %
Portfolio (Net)	**-3.16**	**4.38**	**11.68**	**8.76**	**21.92**	**24.60**
Benchmark^	-2.72	4.50	11.00	7.85	20.96	23.20
Excess (Net)	***-0.44***	***-0.12***	***+0.68***	***+0.91***	***+0.96***	***+1.40***

Performance – Hedged

Total returns (NZD, %)	1 Month %	3 Months %	6 Months %	YTD %	1 Year %	SI p.a.* %
Portfolio (Net)	**-0.29**	**4.48**	**8.59**	**10.63**	**20.01**	**21.11**
Benchmark^	0.09	4.57	7.67	9.36	18.83	20.07
Excess (Net)	***-0.38***	***-0.09***	***+0.92***	***+1.27***	***+1.18***	***+1.04***

Source: Schroders, FundRock as of July 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

Global equity markets were mixed in July, with headline index returns masking a significant shift beneath the surface. Early in the month, renewed US Iran tensions briefly pushed Brent crude above $100 per barrel, lifting energy prices and reviving concerns around inflation. As geopolitical concerns eased, investor attention shifted back to second quarter earnings and the durability of profits across the AI investment cycle.

US equities were broadly flat, but there was a sharp rotation away from the areas that had led markets in the second quarter. The S&P 500 was marginally lower, while large growth and momentum stocks came under pressure as investors reassessed valuations and capital spending across AI and adjacent areas. Semiconductors were a clear pressure point after their Q2 rally. This was less a broad retreat from AI than a move toward greater selectivity, as investors questioned where future returns on AI investment are most likely to accrue.

International developed markets were more resilient, supported by lower exposure to technology and greater weight in sectors that performed well during the month. The UK was one of the strongest markets, with MSCI UK up more than 5% in USD terms, helped by its sector composition. Japan also advanced, as did Continental Europe. Emerging markets lagged overall, largely reflecting weakness in EM Asia and the semiconductor supply chain. Taiwan and South Korea were under pressure as investors reassessed crowded chip related exposures following a very strong run. This weakness masked better performance elsewhere, with Latin America delivering strong positive returns and EM EMEA also posting gains.

Style performance was the clearest feature of the month. Value outperformed Growth across all major regions, including the US, Europe, the UK, Japan and Emerging markets. The gap was particularly wide in the UK and Japan, where Value delivered strong positive returns. Momentum was notably weak, especially in the US and broader global indices, reflecting the reversal from investors rotating away from crowded winners.

Sector performance reflected the same rotation. Energy and Financials were among the stronger areas, supported by higher oil prices, rising yields and strong earnings from banks. Unsurprisingly, Technology lagged while more cyclical and value-oriented sectors held up better. The higher breadth was less about broad market strength and more about a change in leadership away from the narrow growth driven rally of the second quarter.

Fund commentary

Global equity markets were mixed in July as market leadership rotated away from the AI and momentum winners that had driven returns through the second quarter towards more attractively valued areas of the market. Sector and stock dispersion remained elevated as investors focused on earnings resilience and valuation. Against this backdrop, the portfolio underperformed its benchmark in July but remains comfortably ahead over the year to date.

Industrials were the largest detractor over the month, as manufacturing and construction holdings gave back some of their strong performance. That said, this remains a key area of contribution over the year as a whole. Detractors elsewhere were muted, though Consumer Staples and Energy also modestly weighed on returns.

These headwinds were partly offset by positive contributions from more defensive holdings within Communication Services, where integrated and wireless telecommunications holdings supported returns. Similarly, Real Estate also added modestly over the month as defensive industries were favoured as market volatility led to risk off positioning.

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.

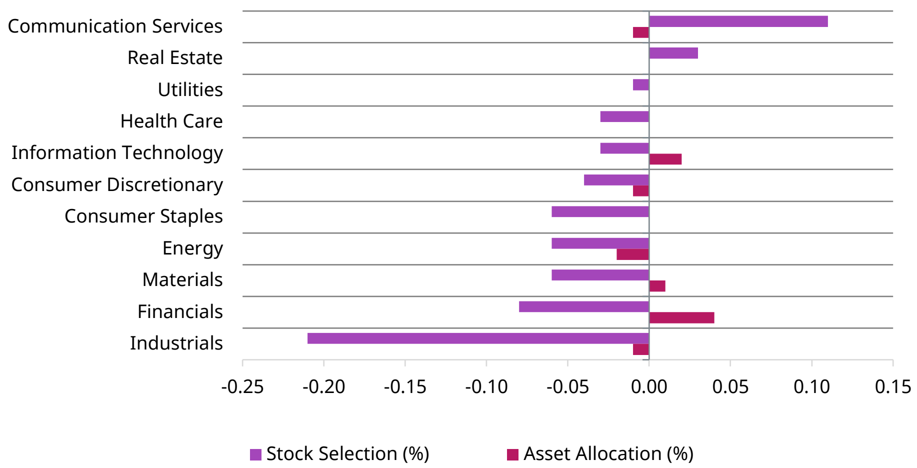
At the end of the month, some of the largest overweights in the portfolio were within Financials and Healthcare, driven by higher than index exposure to Banks and Pharmaceuticals respectively. We continue to favour securities exhibiting high quality characteristics and at favourable valuations while maintaining diversification across the portfolio.

From a regional perspective, the portfolio is neutral to North America and Emerging Markets. Elsewhere, we are underweight Continental Europe, Japan and the UK.

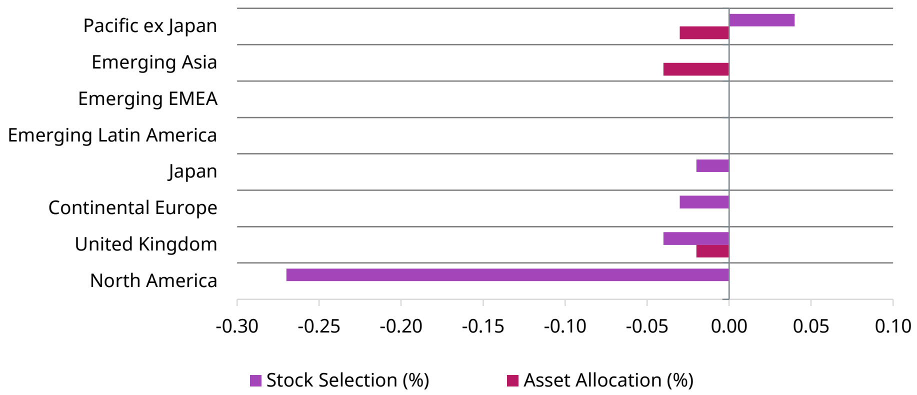
Attribution

Relative Fund Performance vs MSCI World ex Tobacco

Sector
1 month to 31 Jul 2026



Region
1 month to 31 Jul 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 Jul 2026

Stock	Contribution %
Murata Manufacturing	0.03
Mckesson	0.03
Astera Labs	0.03
Infineon Technologies	0.02
Intel	0.02

Top 5 detractors

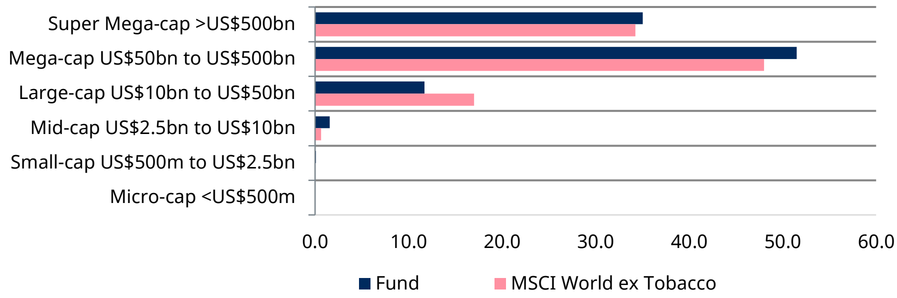
1 month to 31 Jul 2026

Stock	Contribution %
Fujikura	-0.03
Element Solutions	-0.02
Italgas	-0.02
Nokia	-0.02
ACS Group	-0.02

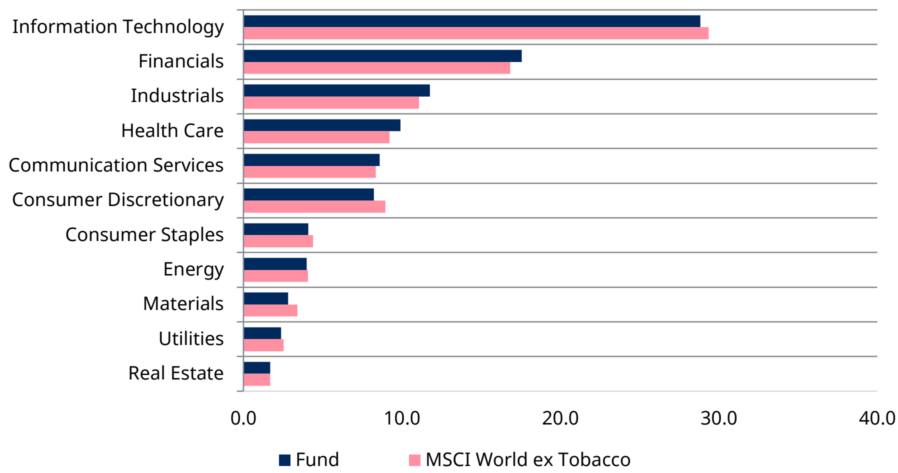
The attribution analysis shown above is intended to provide an indicative summary of the contributions to relative performance. The information is generated using Aladdin, a multi-currency performance analytical system.

Portfolio Analysis

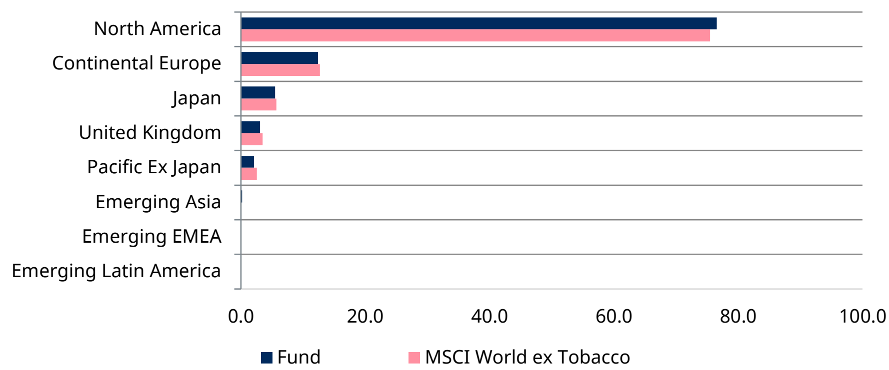
Portfolio Weightings Market Capitalisation (%) at 31 Jul 2026



Sector (%) at 31 Jul 2026



Region (%) at 31 Jul 2026



Source: Schroders & Investment Team Classifications.

Schroder Sustainable Global Core PIE Fund

Portfolio Characteristics at 31 Jul 2026

Characteristics	Fund	Index
Ex-ante Tracking error*	0.8%	-
Active share	22.7%	-
Number of stocks	498	1,277
Dividend Yield	1.5%	1.5%
Price to book	4.4	4.1
Price to earnings	23.6	23.5
Price to free cash flow	33.1	34.3
Return on capital employed	23.1	22.5
Return on equity	26.4	25.8
Operating margin	25.7	25.1
Company market cap (weighted average US$ mn)	1,109,340	1,092,956
Carbon intensity (CO2 t/M$ sales)	74.7	95.6

Top 5

Overweight positions

31 Jul 2026

Stock	Fund Weight %	Index Weight %	Active Weight %
Mckesson	0.37%	0.12%	0.25%
Cardinal Health	0.28%	0.06%	0.22%
Loblaw	0.23%	0.03%	0.21%
GTT	0.20%	-	0.20%
Iberdrola	0.37%	0.17%	0.20%

Top 5

Underweight positions

31 Jul 2026

Stock	Fund Weight %	Index Weight %	Active Weight %
Boeing	-	0.18%	-0.18%
Home Depot	0.22%	0.37%	-0.15%
Richemont	-	0.14%	-0.14%
Lockheed Martin	-	0.14%	-0.14%
CIBC	-	0.12%	-0.12%

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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