

Schroder Sustainable Global Core PIE Fund

31 Aug 2026

Investment Report

31 Aug/2026

Schroders

Schroder Sustainable Global Core PIE Fund

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Fund Valuation

Value at 31 Aug 2026	NZD	1,304,449,593
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Performance

Total returns (NZD, %)	1 Month %	3 Months %	6 Months %	YTD %	1 Year %	SI p.a.* %
Portfolio (Net)	1.74	3.44	11.43	10.65	21.03	24.54
Benchmark^	1.94	3.60	11.47	9.94	20.13	23.28
Excess (Net)	-0.20	-0.16	-0.04	+0.71	+0.90	+1.26

Performance – Hedged

Total returns (NZD, %)	1 Month %	3 Months %	6 Months %	YTD %	1 Year %	SI p.a.* %
Portfolio (Net)	2.17	2.16	9.50	13.03	20.31	21.34
Benchmark^	2.36	2.35	9.27	11.94	19.25	20.42
Excess (Net)	-0.19	-0.19	+0.23	+1.09	+1.06	+0.92

Source: Schroders, FundRock as of August 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 regained ground in August, supported by ongoing economic resilience and a healthy corporate earnings backdrop. Developed market equities rose 2.6%, while Emerging markets gained 3.4% in US dollar terms, helped in part by a weaker dollar. The month also saw signs of earnings broadening, with global earnings growth estimates for 2026 rising to 34% year on year based on consensus estimates.

The macro backdrop remained mixed. The Middle East remained tense, with Brent crude trading around \$90 per barrel, while Federal Reserve Chair Warsh struck a hawkish tone at Jackson Hole. The US yield curve flattened as rate hike expectations picked up, although the Treasury's announcement of longer dated bond buybacks helped stabilise the long end of the market.

US equities rebounded after July's technology-led weakness with the AI trade continuing to be an important driver, although mega cap technology performance was more mixed. Microsoft rose strongly alongside Nvidia, while many other semiconductor names lagged, reinforcing the view that investors remain selective within the AI supply chain.

International (ex US) developed markets also advanced, though performance varied by region. Japan was one of the stronger markets, supported by a softer yen, domestic fiscal support and broad-based sector participation. European markets lagged despite renewed technology momentum, while UK returns were broadly flat on the month.

Emerging markets delivered solid positive returns, outperforming Developed markets. Taiwan was the standout performer, supported by its exposure to AI and semiconductors, while Korea also outperformed given the AI theme return alongside announcements of higher shareholder returns from major technology companies. China's July rebound proved short lived, as August data continued to point to weak domestic demand, although AI related onshore IPO activity remained strong.

Style performance was more balanced than in recent months. Globally, Growth and Value both rose 2.6% in August, while small caps outperformed slightly. That said, regional dispersion remained meaningful. In the US, Value outperformed Growth, while outside the US, Growth generally had the edge, particularly in Europe, the UK and Japan.

Sector performance reflected the combination of renewed Technology momentum and stronger commodity markets. Software stocks were particularly strong, helping offset concerns around potential disruption from AI, while semiconductors recovered from July's weakness. Materials was the strongest sector, supported by gains in precious and industrial metals, while energy also outperformed as natural gas prices rose sharply despite oil remaining range bound. Healthcare also posted a strong month of positive returns, driven by strength across biotech and health equipment names.

Fund commentary

Global equity markets regained momentum in August, supported by resilient earnings and a recovery in parts of the AI trade, although higher yields created a more challenging backdrop for some defensive areas. Against this backdrop, the portfolio modestly underperformed its benchmark during the month but remains comfortably ahead over the year to date.

Financials were a detractor, with weakness concentrated in life & health insurers and selected banks. Materials also weighed, primarily reflecting lower exposure to gold and mining stocks as precious metals rallied. Communication Services and Healthcare were further headwinds, with weaker performance across online services alongside underexposure to health equipment.

These headwinds were partly offset by positive contributions from Information Technology, led by application software and semiconductors. Utilities provided further support as stock selection was positive in the sector. Within Industrials, strong stock selection across manufacturing was a notable positive, helping to offset weaker returns elsewhere in the sector.

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.

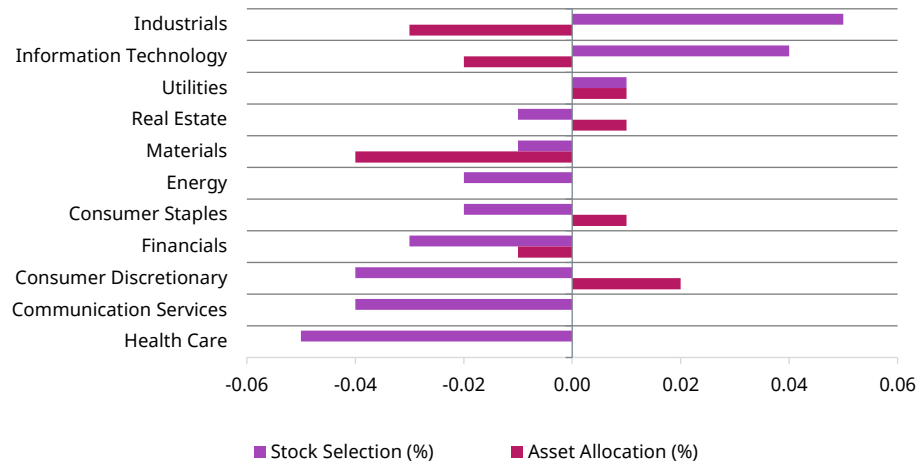
At the end of the month, some of the largest overweights in the portfolio were within Financials and Industrials, driven by higher than index exposure to Banks and Manufacturers respectively. We continue to favour securities exhibiting high quality characteristics and at favourable valuations while maintaining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

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

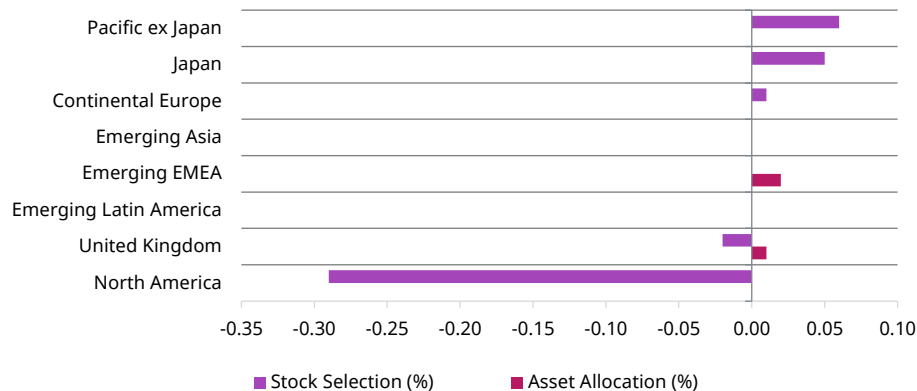
Attribution

Relative Fund Performance vs MSCI World ex Tobacco

Sector
1 month to 31 Aug 2026



Region
1 month to 31 Aug 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 Aug 2026

Stock	Contribution %
Yangzijiang Shipbuilding	0.03
Atlassian	0.02
Honeywell Aerospace	0.02
ServiceNow	0.02
Zeta Global Holdings	0.02

Top 5

detractors

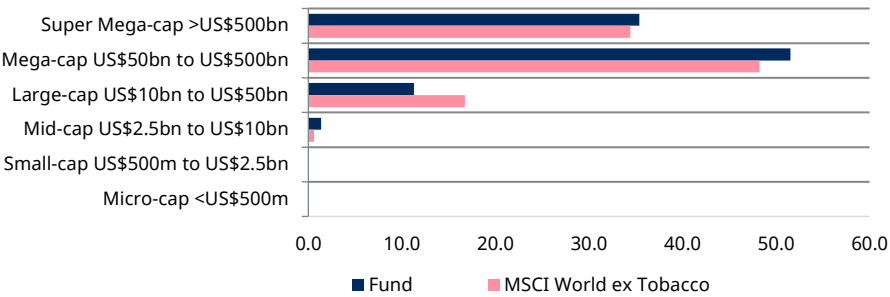
1 month to 31 Aug 2026

Stock	Contribution %
Agnico Eagle Mines	-0.03
Clear Secure	-0.02
Wheaton Precious Metals	-0.02
Curtiss Wright	-0.02
Loblaws	-0.02

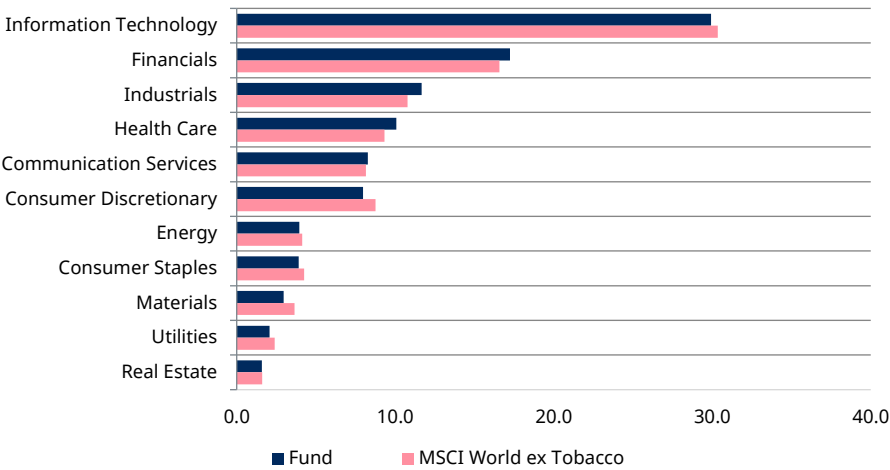
The attribution analysis shown above is intended to provide an indicative summary of the contributions to relative performance. The information is generated using Aladdin, a multi-currency performance analytical system.

Portfolio Analysis

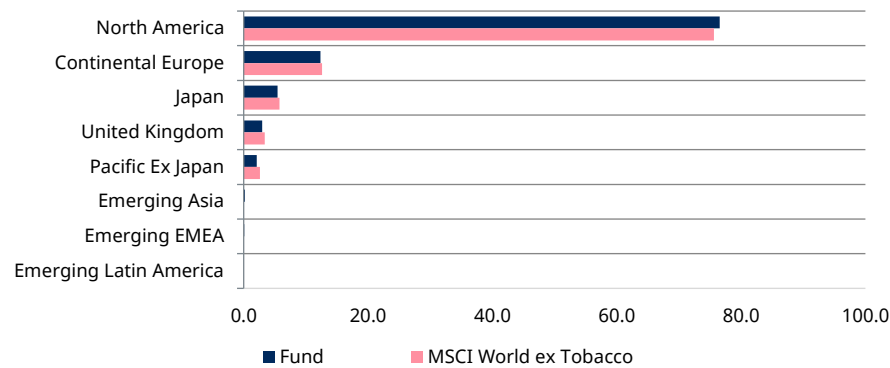
Portfolio Weightings Market Capitalisation (%) at 31 Aug 2026



Sector (%) at 31 Aug 2026



Region (%) at 31 Aug 2026



Source: Schroders & Investment Team Classifications.

Schroder Sustainable Global Core PIE Fund

Portfolio Characteristics at 31 Aug 2026

Characteristics	Fund	Index
Ex-ante Tracking error*	0.7%	-
Active share	22.1%	-
Number of stocks	493	1,275
Dividend Yield	1.4%	1.5%
Price to book	4.5	4.1
Price to earnings	23.2	23.0
Price to free cash flow	33.1	34.3
Return on capital employed	23.8	23.0
Return on equity	27.2	26.5
Operating margin	26.4	25.8
Company market cap (weighted average US\$ mn)	1,180,967	1,163,109
Carbon intensity (CO2 t/M\$ sales)	70.2	92.3

Top 5

Overweight positions

31 Aug 2026

Stock	Fund Weight %	Index Weight %	Active Weight %
Mckesson	0.36%	0.12%	0.24%
Cardinal Health	0.27%	0.06%	0.21%
GTT	0.21%	-	0.21%
Italgas	0.20%	0.01%	0.19%
Loblaw	0.21%	0.03%	0.18%

Top 5

Underweight positions

31 Aug 2026

Stock	Fund Weight %	Index Weight %	Active Weight %
Boeing	-	0.17%	-0.17%
Home Depot	0.20%	0.36%	-0.16%
Richemont	-	0.14%	-0.14%
Lockheed Martin	-	0.13%	-0.13%
Scotiabank	-	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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