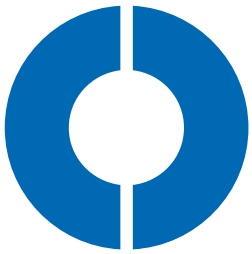
Schroders

For professional investors only



Schroder Sustainable Global Core PIE Fund

31 Oct 2026

Investment Report

31 Oct/2026

Schroders

Schroder Sustainable Global Core PIE Fund

In this report

Fund Valuation and Performance
Market and Fund Commentary
Performance Attribution
Portfolio Analysis

Fund Valuation

Value at 31 Oct 2026	NZD	1,414,384,864

Performance

Total returns (NZD, %)	1 Month %	3 Months %	6 Months %	CYTD %	1 Year %	SI p.a* %
Portfolio (Net)	**-1.55**	**4.10**	**8.66**	**13.22**	**13.32**	**23.96**
Benchmark^	-0.65	4.84	9.56	13.07	13.77	23.00
Excess (Net)	**-0.90**	**-0.74**	**-0.90**	**+0.15**	**-0.45**	**+0.96**

Performance – Hedged

Total returns (NZD, %)	1 Month %	3 Months %	6 Months %	CYTD %	1 Year %	SI p.a.* %
Portfolio (Net)	**-1.78**	**-0.07**	**4.41**	**10.55**	**10.58**	**19.10**
Benchmark^	-0.90	0.54	5.13	9.95	10.57	18.42
Excess (Net)	**-0.88**	**-0.61**	**-0.72**	**+0.60**	**+0.01**	**+0.68**

Source: Schroders, FundRock as of October 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 equities fell in October, but the relatively modest headline decline concealed one of the most significant changes in market leadership for several years. The focus of the AI debate shifted from the strength of underlying demand towards the availability and cost of capital, the scale of investment required and the timing of future returns. Strong earnings were no longer enough to support some of the market's largest winners, prompting a sharp reduction in areas of strength over the year. The resulting unwinding of leveraged positions was among the largest on record, while capital rotated into more cyclical and defensive areas. Energy was the clearest beneficiary, although defensive areas also advanced in the US.

US equities finished the month lower, but this masked much stronger performance from the average stock. The equal weighted S&P 500 gained almost 5% (all figures in USD terms), while the headline index slipped by just under 1% and most of its constituents advanced. Earnings remained robust and generally exceeded expectations, but the bar had become exceptionally high and several of the largest technology companies fell despite delivering respectable results. Investors became increasingly focused on free cash flow, capital intensity and whether the considerable sums being invested in AI would ultimately generate adequate returns.

Outside the US, developed markets were relatively resilient. The UK was the strongest major market, helped by its greater exposure to Energy and defensive sectors, while continental Europe also advanced modestly despite ongoing concerns around the fiscal and political situation in France. The performance of Financials was more mixed outside the US where Financials finished in positive territory. European banks came under pressure as higher government borrowing costs raised concerns around the region's fiscal outlook. Emerging markets had a much more difficult month as the unwind in AI related positions weighed heavily on technology focused markets in Korea and Taiwan. Latin America also struggled, with Brazilian equities falling sharply following the unexpected win for Lula in the presidential election.

The macroeconomic backdrop remained complicated. The Federal Reserve paused in October despite inflation continuing to run above expectations, although two members voted in favour of another increase. The US ten year Treasury yield initially rose to a multiyear high before falling back below 5% as investors moved into government bonds during the technology sell off. At the same time, renewed tensions in the Middle East kept oil prices above $100 per barrel, maintaining pressure on headline inflation and the outlook for more energy sensitive areas of the economy.

From a sector perspective, Energy and the traditional defensive areas were the clear winners. Consumer Staples, Healthcare and Utilities rose strongly, while Technology and Communication Services fell. Materials and Financials also benefited from the wider rotation in the US, although results within Financials were uneven. The move from US Technology into Consumer Staples was the largest since the early stages of the dot com downturn. There was also a clear style narrative, with Value outperforming Growth by a wide margin and smaller companies holding up better than the largest index names.

Fund commentary

October saw significant rotation in markets as the AI trade was tested, oil prices moved higher and risk aversion picked up. With Q3 reporting season in full swing, volatility was heightened and many of the companies and market segments that had performed strongly over 2026 faced pressure as market participants adjusted positioning rapidly. Against this backdrop the portfolio underperformed though remains ahead of its index over the year to date. The portfolio's preferred positioning in quality cyclicals alongside structural growth was tested by this reversal. Further impacting was underexposure to beneficiaries both within resources and selective defensives. The rotation appeared to reflect a broader degree of de-risking and de-grossing across markets, rather than a fundamental change in the outlook for these areas.

Industrials were a key detractor, with weakness across manufacturing, construction and infrastructure-related industries. Industrials had been an important contributor earlier in the year, and some of those gains were given back during the recent reversal. Financials also detracted, particularly through exposure to banks, while information technology was affected by weakness across hardware and other technology-related industries. Energy continued to be a drag, driven in part by the portfolio's underweight to more volatile refiners, which were among the chief beneficiaries of higher oil prices. Our defensive anchor provided support though failed to meaningfully offset the weakness elsewhere in the portfolio, with Healthcare the strongest area of relative performance. Favoured stable quality exposures, particularly pharmaceuticals, electricity and gas transmission, and selected telcos all supported here.

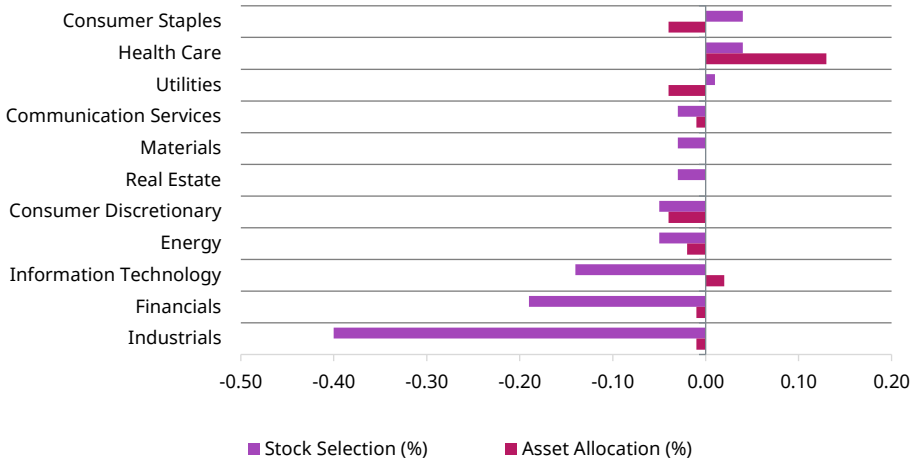
At a high level, the portfolio remains well diversified across stock, geography and sector with a continued focus on companies with solid fundamentals that are not overpriced in line with our underlying investment philosophy. Given the multiple inputs employed within our process, the strategy continues 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 Healthcare and Industrials, driven by higher than index exposure to pharmaceuticals 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 overweight North America and Emerging Markets. Elsewhere, we are underweight Pacific ex Japan, Continental Europe and the UK.

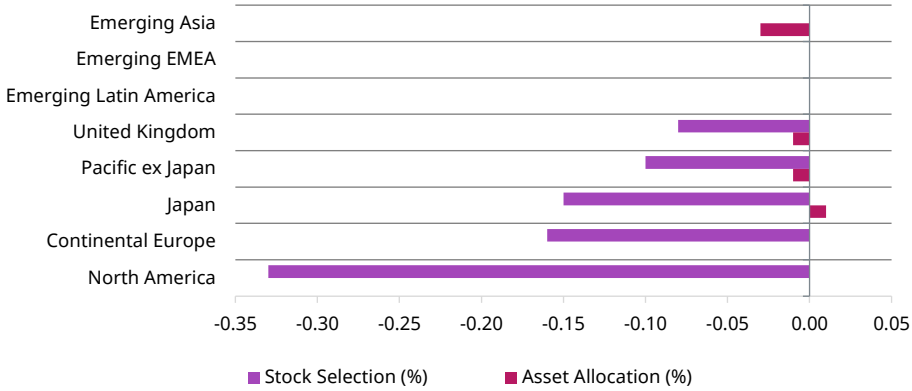
Attribution

Relative Fund Performance vs MSCI World ex Tobacco

Sector
1 month to 31 Oct 2026



Region
1 month to 31 Oct 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.

Top 5 contributors

1 month to 31 Oct 2026

Stock	Contribution %
Mckesson	0.05
Eli Lilly	0.04
Cardinal Health	0.03
Loblaw	0.03
Novartis	0.02

Top 5 detractors

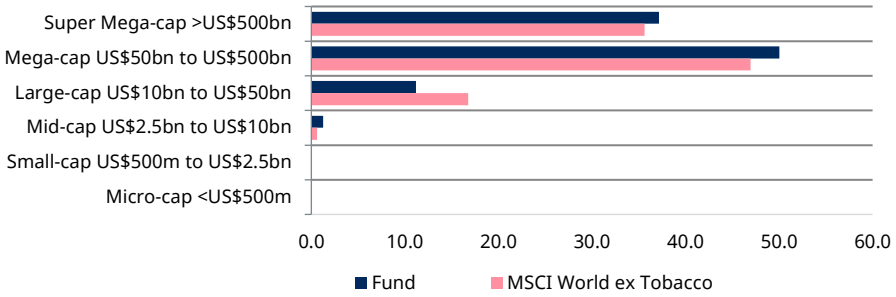
1 month to 31 Oct 2026

Stock	Contribution %
Lockheed Martin	-0.04
GTT	-0.04
Schneider Electric	-0.03
Kurita Water Industries	-0.03
Home Depot	-0.03

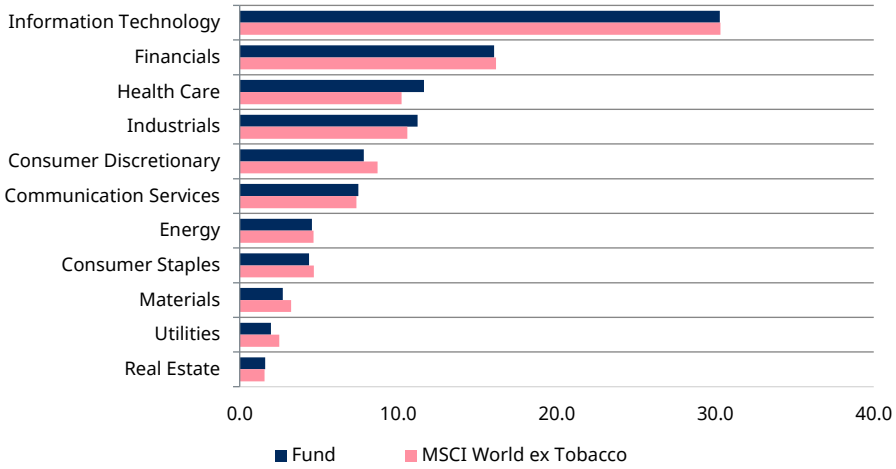
The attribution analysis shown above is intended to provide an indicative summary of the contributions to relative performance. The information is generated using Aladdin, a multi-currency performance analytical system.

Portfolio Analysis

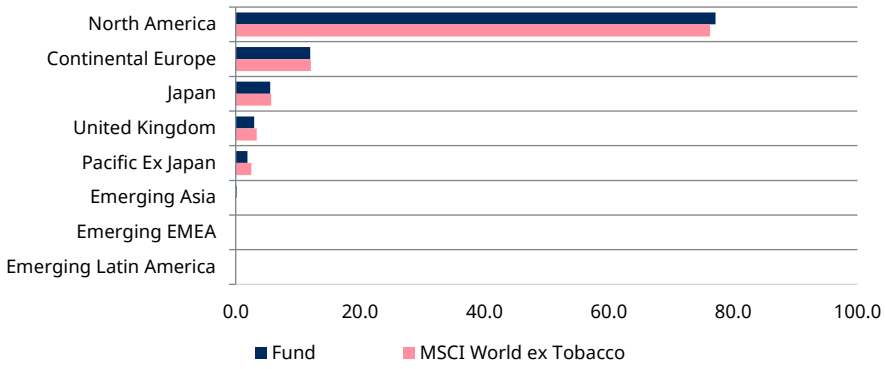
Portfolio Weightings Market Capitalisation (%) at 31 Oct 2026



Sector (%) at 31 Oct 2026



Region (%) at 31 Oct 2026



Source: Schroders & Investment Team Classifications.

Portfolio Characteristics at 31 Oct 2026

Characteristics	Fund	Index
Ex-ante Tracking error*	0.8%	-
Active share	20.6%	-
Number of stocks	505	1,243
Dividend Yield	1.4%	1.5%
Price to book	4.4	4.0
Price to earnings	22.4	22.0
Price to free cash flow	28.7	30.3
Return on capital employed	24.2	23.3
Return on equity	27.7	27.1
Operating margin	26.6	25.9
Company market cap (weighted average US$ mn)	1,143,438	1,138,298
Carbon intensity (CO2 t/M$ sales)	70.6	95.6

Top 5 Overweight positions

31 Oct 2026

Stock	Fund Weight %	Index Weight %	Active Weight %
Mckesson	0.39%	0.13%	0.26%
Loblaw	0.25%	0.03%	0.22%
Cardinal Health	0.28%	0.07%	0.21%
Iberdrola	0.37%	0.17%	0.20%
GTT	0.18%	-	0.18%

Top 5 Underweight positions

31 Oct 2026

Stock	Fund Weight %	Index Weight %	Active Weight %
Home Depot	0.20%	0.37%	-0.16%
Lockheed Martin	-	0.15%	-0.15%
Marathon Petroleum	-	0.15%	-0.15%
Boeing	-	0.14%	-0.14%
Valero Energy	-	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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