



 **RATHBONES**

MPS quarterly update

Growth

31 December 2025 – 31 March 2026

Key risks

- The value of your investment can go down as well as up so you could get back less than you invest.
- The portfolio may invest in assets which are denominated in currencies other than UK pound sterling. These investments may be affected by changes in currency exchange rates, which is known as currency risk.
- There is also a risk that an investment may not be easily sold without a significant loss in value due to an insufficient number of buyers in the market. This is known as liquidity risk.
- The portfolio may invest in emerging market equities. The risk of investing in emerging markets include potential political instability, rapid changes in economic conditions and less stringent regulatory frameworks for companies and governments in emerging markets. This can lead to higher investment uncertainty and significant investment losses.

- 4 Investment Commentary
- 6 Performance
- 8 Portfolio Overview
- 9 Equity Overview
- 11 Stock Spotlight
- 12 Investment Outlook
- 14 Full Holdings Breakdown



Investment commentary

Market overview

The escalation in missile and drone conflict involving the US, Israel and Iran has reinforced the close link between geopolitics and commodity markets, underscoring a long-standing investment reality: global economic growth remains fundamentally dependent on energy. Despite ambitious decarbonisation goals, oil and gas continue to underpin modern economies far beyond transport, supporting supply chains, industrial activity, and household energy use. The sharp rise in energy prices following the closure of the Strait of Hormuz demonstrates that widespread assumptions about “stranded” fossil fuel assets remain premature.

Within portfolios, exposure to oil majors proved valuable during the quarter, helping offset broader market weakness. Notably, energy equities provided more effective diversification than traditional defensive assets such as government bonds or gold, challenging conventional assumptions about portfolio protection during periods of volatility. At the same time, consumer staples failed to deliver the defensive characteristics many investors expected, reinforcing the need to reassess long-held beliefs about risk mitigation.

While higher energy prices may initially appear inflationary, potentially prompting central banks to pause or reverse rate cuts, they tend to act as a tax on growth over time. Because household energy spending is largely non-discretionary, rising costs squeeze consumer budgets elsewhere, gradually dampening demand and exerting deflationary pressure in the longer term.

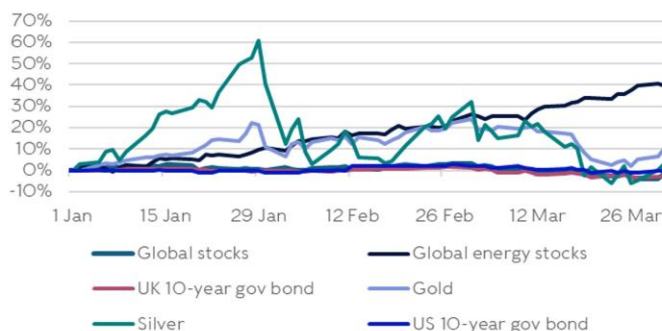
The conflict has also exposed structural vulnerabilities in the UK and Europe, particularly in defence capability and energy security. Years of underinvestment have left the region reliant on external support that can no longer be assumed. This should catalyse renewed investment in defence and nuclear power to strengthen resilience and support long-term growth, despite political and fiscal constraints.

Markets have remained highly sensitive to political signalling, particularly from the US administration, with repeated verbal interventions triggering swift rebounds in asset prices. However, Iran represents a different challenge due to its tolerance for economic disruption. For investors, the primary concern remains the security of vital trade routes. The

two-week ceasefire announced in early April is encouraging, and a sustained reopening of the Strait of Hormuz would significantly support market stability and regional recovery.

More broadly, the conflict could accelerate the ongoing shifts in global alignment, especially in Asia. As confidence in the US as a reliable partner weakens, some countries may deepen ties with China. This reinforces the case for greater geographic diversification and a more balanced exposure between US and Asian markets within portfolios.

Energy stocks one of the only diversifiers for Iran conflict



Source: FactSet; 31 Dec 2025 to 31 Mar 2026, GBP total return

\$122

The price of a barrel of Brent Oil on 30 March, after doubling over the quarter, was the highest since 2022.

Investment commentary

A wild time for fixed income, but one area surprised

The past quarter was highly volatile for fixed income, driven primarily by a surge in energy prices following geopolitical tensions. Higher energy costs feed directly into inflation, which reduces the value of fixed cashflows and is typically damaging for bonds. Government bond yields rose sharply, particularly at the short end, as markets priced out previously expected central bank rate cuts and, in some cases, anticipated rate hikes instead. The impact was more pronounced in the UK and Europe than in the US, reflecting greater reliance on Middle Eastern energy. Fears of stagflation (low growth combined with high inflation) resurfaced, echoing memories of the 1970s oil shocks, before easing again when a ceasefire and reopening of the Strait of Hormuz was announced, sending yields back down.

Despite these swings, the recent bond sell-off has been meaningfully different from the inflation-driven crisis of 2022. Then, yields surged from very low starting points while inflation was already running at around 6%. This time, inflation has been closer to 2–3%, making a move into double-digit inflation far less likely. Crucially, bond yields were already around 4% when the conflict began, providing investors with a much stronger income cushion. As a result, government bonds have held up better in total return terms than in 2022, with income, particularly in the higher-yielding UK market, offsetting much of the capital weakness.

Alongside inflation concerns, stress has continued to build in private debt markets. Several retail-facing private debt funds have seen heavy redemption pressure, highlighting a mismatch between the illiquid nature of these assets and investor expectations of liquidity within this asset class. While private loans are not inherently problematic and are often conservatively structured, excessive capital inflows, especially from less experienced retail investors, have pushed up prices and reduced credit quality.

Two specific risks are now in focus. First, many private debt funds have significant exposure to software businesses, some of which may face structural challenges as artificial intelligence reshapes business models. Second, lending terms have become increasingly borrower-friendly, limiting lenders' ability to recover capital if defaults rise. As conditions turn, these weaknesses are becoming more visible. While caution is warranted, dislocation may also create selective opportunities, hence we

have added exposure to Partners Group, an alternatives manager. The best time to buy these sorts of assets is right now: when people are running for the hills.

Against this unsettled backdrop, one area of notable stability has been investment-grade corporate bonds. Spreads widened only modestly over the quarter despite heightened economic uncertainty, reflecting strong demand for bonds yielding 4–5% over five to seven years and generally robust corporate fundamentals. Investors appear increasingly comfortable lending to companies rather than governments, with a more material repricing likely only if clear evidence of recession emerges.

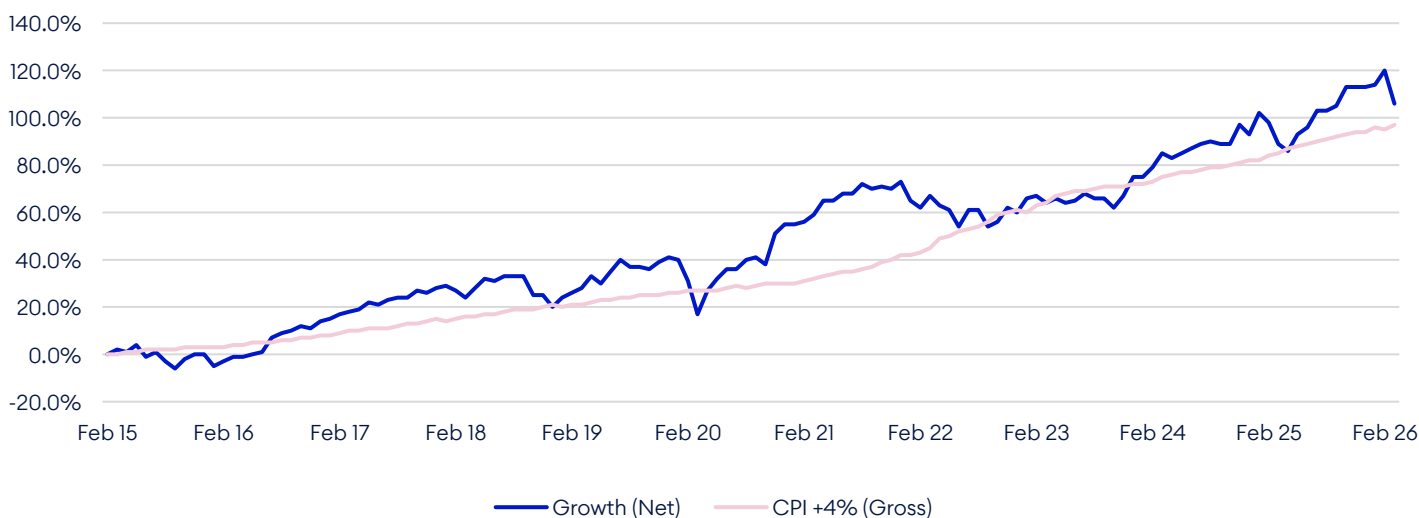
+90bps

The rise in UK 2-year government bond yields between 28 Feb and 7 Apr, the equivalent of almost 4 typical central bank increases.

This commentary reflects our general views and should not be taken as a recommendation or advice as to how any specific market is likely to perform.

Performance

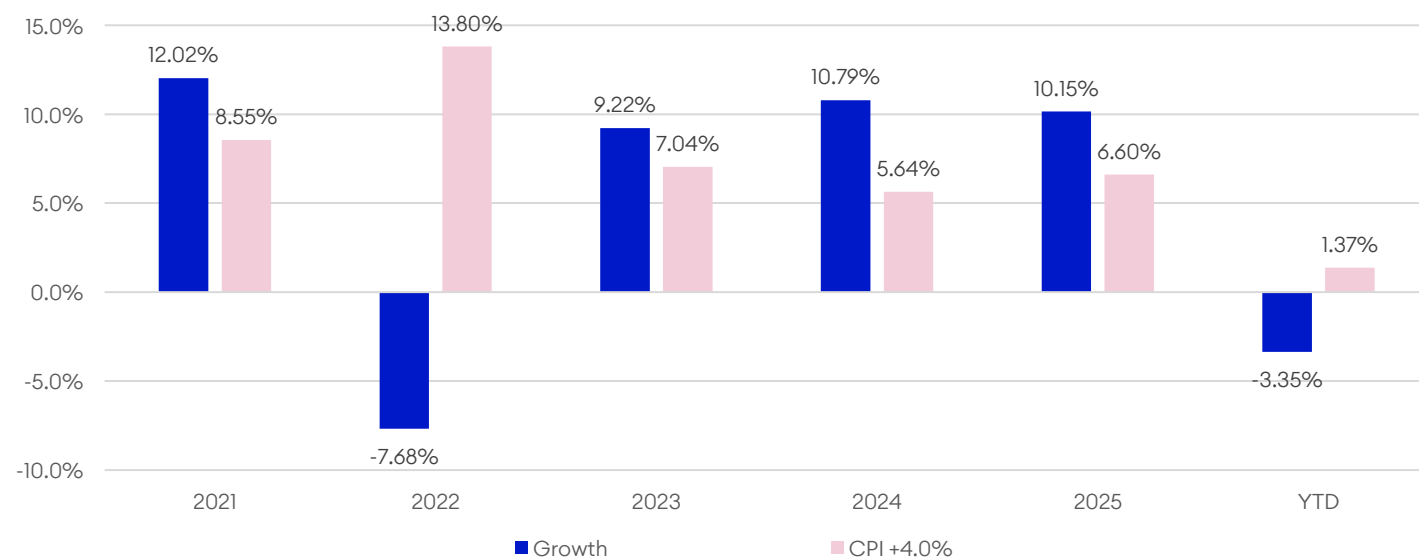
Cumulative return



	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	10 Years	Since Inception
Growth (Net)	-6.4%	-3.4%	0.3%	8.5%	24.8%	28.7%	107.4%	105.2%
CPI + 4.0% (Gross)	0.7%	1.4%	2.5%	6.6%	20.2%	49.5%	89.4%	96.6%

CPI +3.0% was used as a benchmark until 22/09/2025, with CPI +4.0% applied thereafter, reflecting updated return expectations.

Discrete annual returns



Past performance is not a reliable indicator of future results. Performance is shown net of investment management fees but excludes platform fees. A DFM fee of 0.2% p.a. was applied until 22/09/2025 and 0.0% thereafter. On 22/09/2025, the investment strategy changed from using third-party, single-strategy funds to the Rathbones LED building block framework. This change is represented in the performance chart by the black dotted line.

Source: FE as at 31/03/2026. Performance is indicative only and may vary depending on the timing of your investment and the chosen platform.

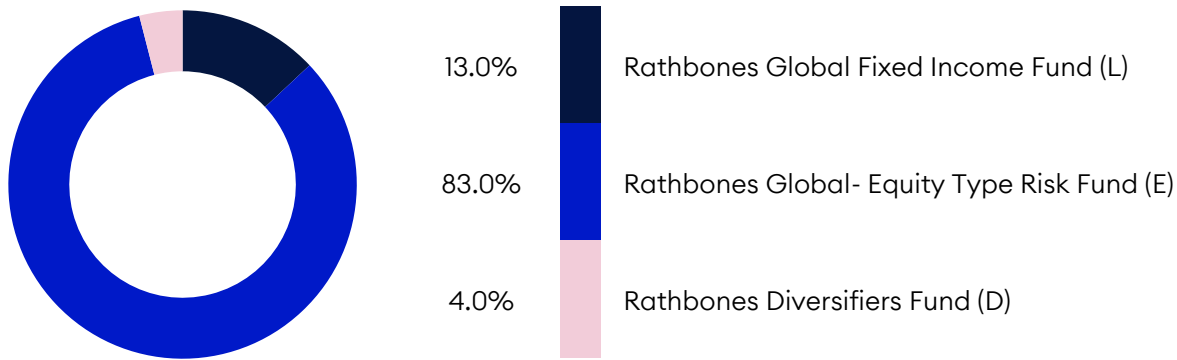


Portfolio overview

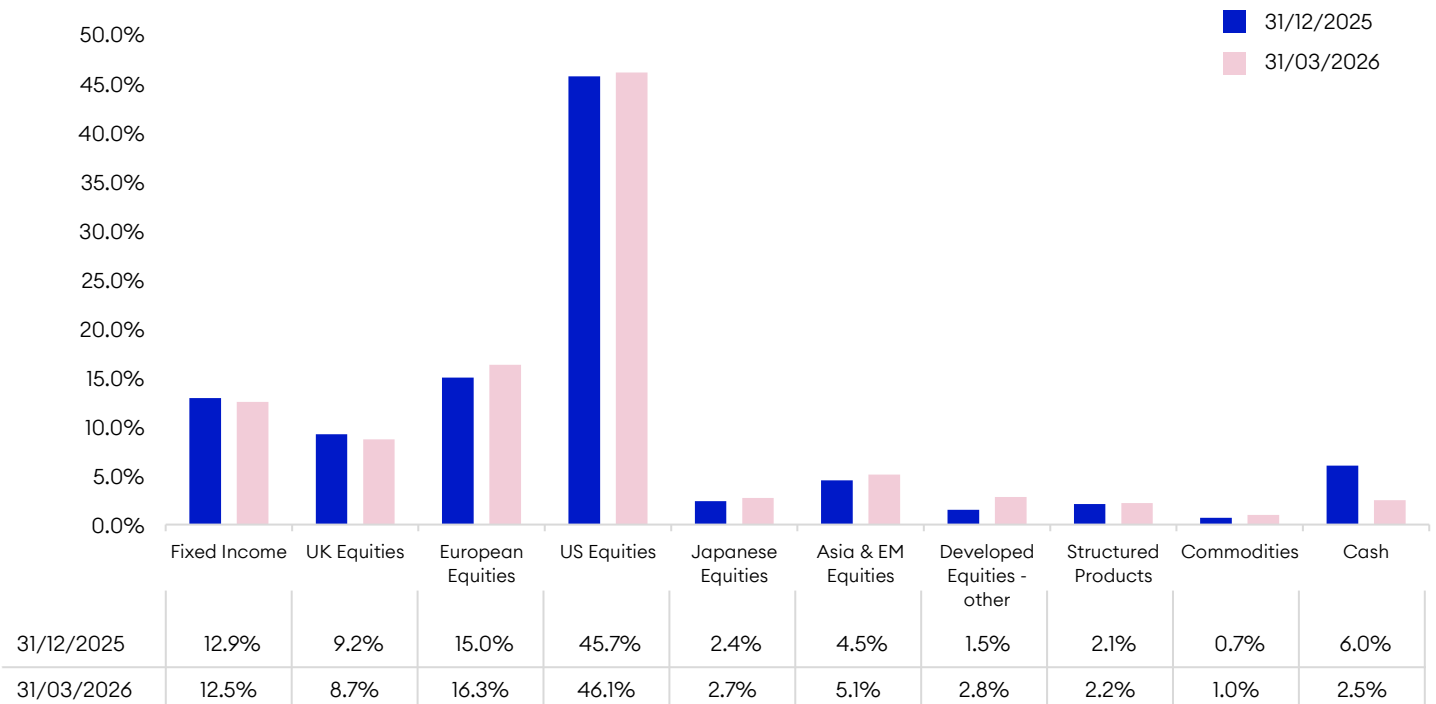
Your portfolio breakdown

The portfolio aims to deliver a return of CPI +4% per annum, net of fees, over a minimum investment horizon of five years. This portfolio is suitable for retail investors with a medium risk tolerance who are willing and able to accept the potential loss of capital in pursuit of long-term capital growth.

This is a discretionary, actively managed balanced portfolio with a medium-risk profile, constructed using our Liquidity, Equity-type risk, and Diversifiers (LED) framework.



Your asset allocation

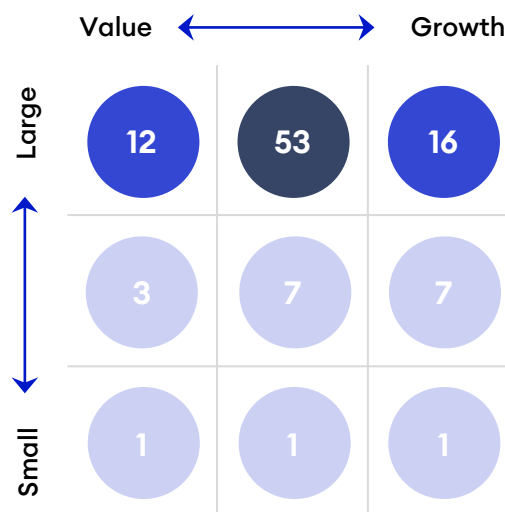


Source: Rathbones.
As at 31/03/2026.

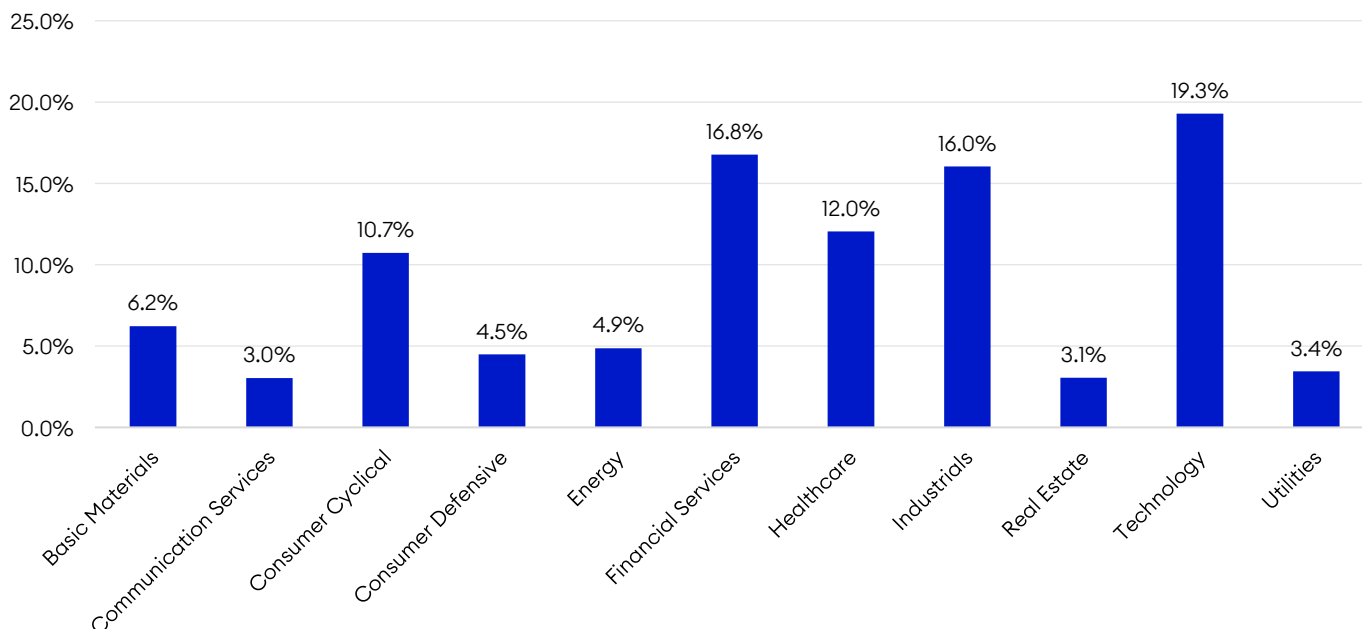
Equity overview

Your equity style

Category	Rathbones Growth
Large cap	80.5
Large value	11.6
Large blend	52.5
Large growth	16.4
Mid cap	16.8
Mid value	2.8
Mid blend	7.0
Mid growth	7.0
Small cap	2.7
Small value	0.9
Small blend	1.0
Small growth	0.9



Sector allocation



Source: Morningstar Direct.
As at 31/03/2026.

Data may not sum to 100 due to rounding.



Stock spotlight

novonesis

stryker

Novonesis

- Novonesis creates biosolutions: enzymes and cultures used in agriculture, food and beverages, household care and health products to improve the taste, texture, efficiency or impact of products, for example reducing water usage.
- Use cases are expanding thanks to sustainability and resource efficiency themes as well as evolving nutritional needs and rising emerging markets penetration.
- With 50% market share in both enzymes and cultures, Novonesis has strong economies of scale and long-tenured relationships with its customers resulting in strong pricing power and unparalleled innovation.

Stryker

- Stryker manufactures and sells medical devices and technology used in the healthcare industry, mainly in surgery, neurotechnology and orthopaedics.
- Stryker is renowned for strong capital allocation - finding and acquiring impressive innovations by smaller medtech companies, then distributing them at scale around the world to generate strong returns for shareholders.
- With the need for healthcare increasing given the aging population, both preventative and corrective, MedTech companies like Stryker are going to be a key contributor to how we address this across the globe.

Investment outlook

Overall, the first quarter of 2026 served as a reminder that geopolitics rarely resolves neatly, but markets adapt quickly. Constructing resilient portfolios requires acknowledging uncomfortable realities, questioning established assumptions and ensuring diversification works when it's most needed.

Remember, exactly a year ago Trump revealed his oversized placards with reciprocal tariffs for most of the world. Virtually everything dropped: global stocks, bonds and the dollar. Those new taxes were estimated to raise the average US tariff rate from roughly 2.5% to 23%. Investors worried that it would completely gum up trade, destroy economic growth and send inflation soaring.

This was a scary, risky time. But it wasn't a time to panic, cut and run. Investing comes with the risk of market falls – it's the price we pay for better returns in the long run. Often you must stick to your guns to reach those long-term returns. Liberation Day was no exception: global stocks are up about 15% in sterling over the past year (i.e. before the April 2025 Trump slump), with the UK a surprise frontrunner.

Over the past year, the effective US tariff rate has risen steadily but remained well below initial forecasts. The Yale Budget Lab thinks it should stay roughly flat to down from here, as the US Supreme Court's rebuke of the tariffs takes effect – along with Trump's reaction to keep most of them alive.

We've learned to expect Trump to inject uncertainty into everything. Yet his overarching goals have remained pretty consistent. For all the noise and attention-grabbing headlines, we believe Trump's team is ultimately looking to achieve these aims:

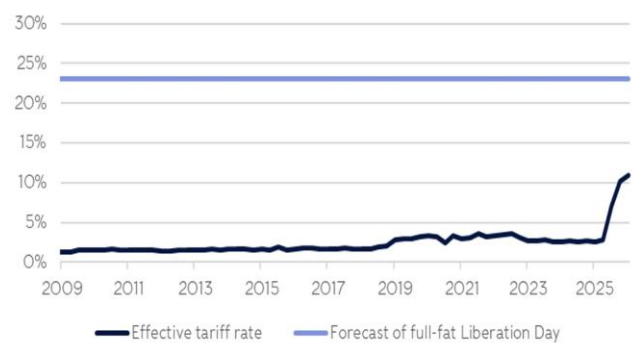
1. Greater energy independence
2. Lower bond yields
3. Deregulation
4. Tax cuts
5. Onshoring of key strategic industries
6. Reducing overseas tax competition that keeps US profits offshore and untaxed
7. Increased access to overseas markets for US companies
8. Boosting tariff revenue, thereby lowering government deficits

You can see that the consequences of the Israeli-American war with Iran clash massively with points one and two. We believe this will push Trump to make a deal and de-escalate. Of course, this awful

dance is a three-way tango. It's not enough for the US to want peace; Israel and Iran must agree. This is the biggest risk to markets at present: that Trump has completely lost control of the situation. The effects would be severe: economic growth is just energy with a fancy mask on. Renewable energy is a critical and growing fuel for global economies, but the world still runs on oil and gas.

Yet even if the energy crisis continues, the long-term dynamics of the world remain in place: people are getting older, government coffers are coming under greater strain, and better technology is the key to doing more with less. We believe the best businesses are the ones that deliver those new tools.

Tariffs up a lot, but well below Liberation Day fears



Source: FRED, Rathbones; quarterly total customs receipts as % of goods imports to the US, data from Jan 2009 to Jan 2026

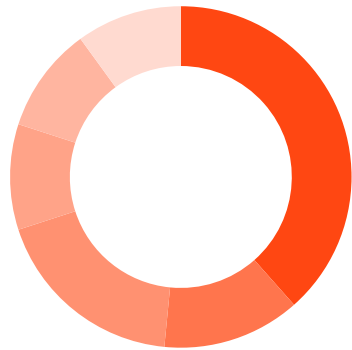
This commentary reflects our general views and should not be taken as a recommendation or advice as to how any specific market is likely to perform.



Portfolio holdings as at 31/03/2026

Global Fixed Income Fund (L)

Assets that can be sold easily, low credit risk but may carry interest rate and currency risk.

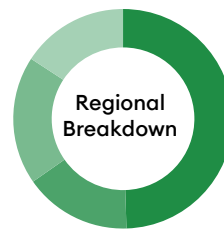


UK Conventional Government Bonds	5.0%
US Conventional Government Bonds	1.7%
Overseas Conventional Government Bonds	2.4%
Supranational Bonds	1.3%
High Quality Credit Investment Grade Bonds	1.3%
Cash	1.3%

Key figures

Duration	5.6yrs
Yield	4.0%
Average credit rating	AA+

AAA	31.3%
AA+	22.1%
AA-	45.3%
A	1.3%



UK	49.5%
US	15.8%
Australasia	18.9%
Europe	15.8%

UK Conventional Government Bonds	5.04%
UK Treasury 0.625% 07/2035	1.02%
UK Treasury 0.875% 07/2033	1.02%
UK Treasury 1.625% 10/2028	0.13%
UK Treasury 1.75% 09/2037	0.92%
UK Treasury 3.25% 01/2033	0.96%
UK Treasury 4% 10/2031	0.27%
UK Treasury 4.125% 01/2027	0.72%
US Conventional Government Bonds	1.72%
US Treasury 1.875% 02/2032	0.53%
US Treasury 3.875% 08/2033	0.53%
US Treasury 4.625% 02/2035	0.66%
Overseas Conventional Government Bonds	2.37%
Australia Treasury 1.75% 11/2032	0.47%
Australia Treasury 2.75% 06/2035	0.47%
New Zealand 4.25% 05/2034	0.43%
New Zealand 4.5% 05/2035	0.43%
Norway 3.75% 06/2035	0.57%

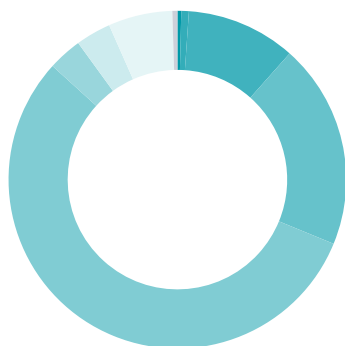
Supranational Bonds	1.27%
European Investment Bank 2.625% 09/2034	0.63%
European Investment Bank 2.75% 01/2034	0.64%
High Quality Credit IG Bonds	1.28%
Clydesdale 4.625% 06/2026	0.24%
Commonwealth Bank 3% 09/2026	0.24%
National Australia Bank 3% 09/2026	0.18%
NATS Plc 1.375% 03/2031	0.15%
NATS Plc 6.375% 11/2027	0.13%
Royal Bank of Canada 4.875% 11/2030	0.12%
Santander 5.25% 02/2029	0.22%

Figures may not sum to 100% due to rounding.

Portfolio holdings continued

Global Equity-Type Risk Fund (E)

Equities and all assets highly correlated with equities during periods of market stress.



Corporate Bonds	0.3%
Emerging Market Bonds	0.6%
UK Equities	8.7%
European Equities	16.3%
US Equities	46.1%
Japanese Equities	2.7%
Developed Equities - other	2.8%
Asian & EM Equities	5.1%
Portfolio Protection	0.0%
Cash	0.4%

Corporate Bonds	0.26%
RL Finance Bond 10.125% Perp	0.26%
Emerging Market Bonds	0.59%
Romania 5.375% 03/2031	0.59%
UK Equities	8.74%
AstraZeneca	1.32%
Compass Group	1.02%
HSBC	0.63%
Legal & General	0.97%
London Stock Exchange	0.92%
RELX	0.94%
Rentokil Initial	0.81%
Shell	1.15%
SSE	0.98%
European Equities	16.32%
ASM International	0.99%
ASML	0.99%
Assa Abloy	0.97%
E.ON	0.51%
Eurofins Scientific	0.53%
Hermes	0.28%
Kion Group	0.30%
Lonza	1.03%
L'Oreal	1.01%
LVMH	0.97%
Morgan Stanley SMI Call Spread October 2030	1.59%
Novozymes	1.01%
Roche AG	0.95%
SAP	0.93%
Schneider Electric	1.04%
Siemens	1.02%
Thales Group	1.13%
TotalEnergies	1.07%
Developed Equities - other	2.83%
Barclays EuroStoxx/Nikkei 15.8% Flat Autocall Sep 2031	1.52%
Credit Agricole FTSE/Russell/Nikkei 7.5% Defensive Autocall June 2027	1.31%

US Equities	46.13%
Abbott Laboratories	0.98%
Alphabet	1.22%
Amazon	1.19%
American Tower	1.00%
Amphenol	1.01%
Apple	1.30%
Aptiv Holdings	0.87%
Boston Scientific	1.07%
Brown & Brown	1.05%
Cadence Design Systems	1.08%
Canadian Pacific Kansas City	0.49%
Caterpillar	0.96%
Chevron	1.33%
CME Group	1.12%
Coca-Cola Co	1.13%
Costco Wholesale	1.21%
CRH	1.05%
Deere & Company	0.91%
Ecolab	0.95%
Equinix	1.18%
Ferguson Enterprises	0.73%
Freeport-McMoRan	0.42%
Home Depot	0.92%
IDEXX Laboratories	0.96%
KKR & Co	1.17%
Linde	1.18%
Mastercard	1.09%
Microsoft	1.62%
Morgan Stanley	1.19%
Motorola Solutions	1.13%
NVIDIA	1.64%
O'Reilly Automotive	1.00%
Parker Hannifin	0.56%
Shopify	0.95%
Snowflake Inc	0.27%
SPDR Russell 2000 US ETF	2.20%
Stryker	0.86%
Sunbelt Rentals	0.83%
Thermo Fisher Scientific	1.03%
Ultra Beauty	0.88%
US Bancorp	1.16%
Visa	1.08%
Waste Management	1.11%
WEC Energy Group	1.05%
Japanese Equities	2.67%
Advantest	0.16%
BofA TOPIX 12.94% Callable Note Oct 2030	1.56%
Sony	0.95%
Asia & EM Equities	5.13%
AIA	1.17%
Alibaba	0.81%
HDFC Bank	0.83%
Singapore Telecommunications	1.04%
Taiwan Semiconductor Manufacturing Co	1.28%

Figures may not sum to 100% due to rounding.

Portfolio holdings continued

Global Diversifiers Fund (D)

Assets with diversification potential demonstrated by low correlation to equities.



Actively Managed Strategies	2.15%
BofA European Catapult Strategy May 2028	0.37%
BNP European Rates Volatility Gamma Weighted Oct 2027	0.13%
BNP European Rates Volatility Notional Weighted Oct 2027	0.13%
Citi Commodity Curve Note Jun 2026	0.28%
GS Commodity Basis Momentum Strategy Sep 2027	0.21%
JP Morgan Orbital Dispersion Note Sep 2030	0.34%
Morgan Stanley Equity Quality Note Nov 2026	0.17%
RBC GBP Rates Accrual November 2035	0.18%
Société Générale US Rates Volatility Note Aug 2027	0.34%

Commodities	1.00%
Credit Agricole Gold 15.75% Callable Oct 2030	0.21%
Credit Agricole Gold 16% Callable Oct 2030	0.12%
GS Enhanced Beta ex-Gold Strategy Sep 2027	0.18%
Invesco Physical Gold ETC	0.11%
iShares Physical Gold ETC	0.11%
Morgan Stanley 17.4% Copper Callable Jan 2031	0.16%
WisdomTree Core Physical Gold ETC	0.11%
Cash Equivalents	0.21%
UK Treasury 0% 06/2026	0.21%

Figures may not sum to 100% due to rounding.

RATHBONES

MPS Range	Defaqto Rating
Conservative	2
Cautious	3
Cautious Plus	4
Balanced	5
Balanced Plus	6
Growth	7
Growth Plus	8

This MPS portfolio solution is designed for clients of professional advisers. A copy of our Target Market Assessment is available upon request.

If you would like further information, please do not hesitate to contact your local Business Development Director or email MPSONplatforms@rathbones.com and we will be pleased to assist you. If you are a client, please reach out directly to your financial adviser.



Issued and approved by Rathbones Investment Management Limited, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Registered office: Port of Liverpool Building, Pier Head, Liverpool L3 1NW, Registered in England No. 01448919.

Rathbones Asset Management Limited is authorised and regulated by the Financial Conduct Authority. Registered Office: 30 Gresham Street, London, EC2V 7QN.



rathbones.com

Issued and approved by Rathbones Investment Management Limited, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Registered office: Port of Liverpool Building, Pier Head, Liverpool L3 1NW, Registered in England No. 01448919.