Cazenove Capital

Part of the Schroders Group

Stramongate

March 2025

Fund Objective and Investment Policy

The Company's long term investment goal is to double the assets of the Stramongate Group in real terms over 30 years while paying an annual dividend that keeps pace with inflation. This translates into an average annual rate of growth in NAV per share of approximately inflation + 2.3% and a net total return objective of inflation + 4% after fees and other costs. The Fund will invest in a diversified international portfolio across a range of asset classes and including both quoted and unquoted investments.

This is not intended to be a profit forecast and there is no assurance that the Company will meet its investment objective.

Investment Managers

Alex Tate & Amelia Sandbach

Managed since

19 December 2020

Fund size (£m)

255.20

NAV per share (£)

7.80

Total number of shares in issue

32,779,296

Past 12m yield

1.97%

Dividend distribution dates

Semi-annually

Latest Dividend (payable in two tranches)

15.40p

ISIN

LU0707675970

Website

(incl. historic NAV and dividend information)

www.stramongate.com

Contact

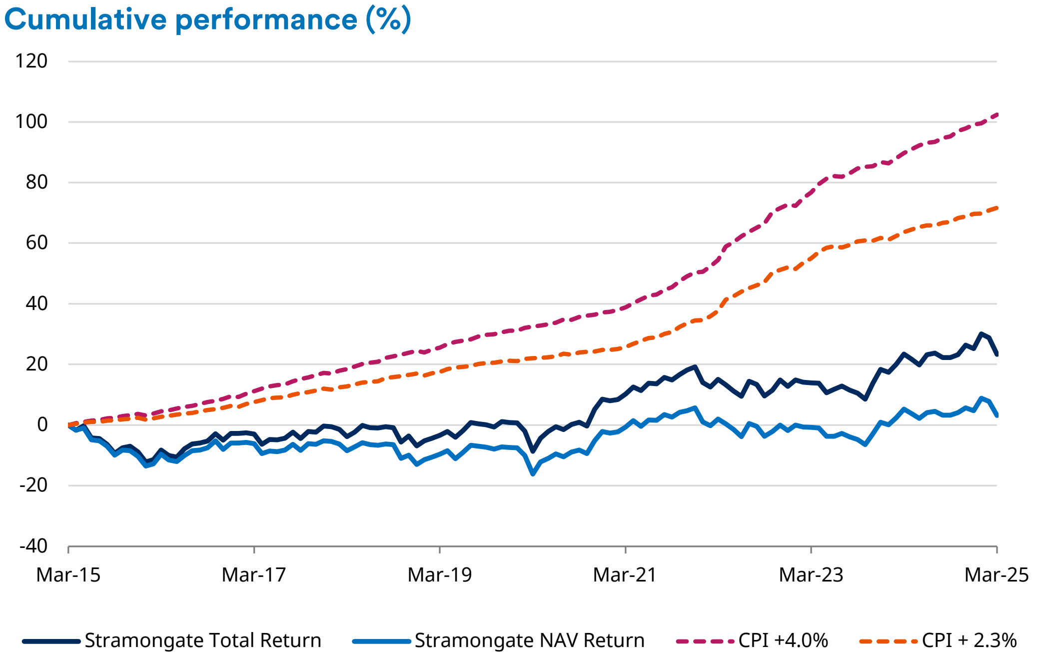
Stephen.Harris@Schroders.com

Performance analysis

Performance % (total return)	3 Mon	YTD	1 Year	3 Year	5 Year	10 Year
Stramongate	-1.5%	-1.5%	-0.1%	7.2%	35.0%	23.3%
CPI +4.0%	*1.7%*	*1.7%*	*6.7%*	*31.0%*	*52.7%*	*102.4%*
ARC Sterling Growth	*-1.6%*	*-1.6%*	*2.1%*	*6.5%*	*37.6%*	*52.4%*
MSCI AC World	*-4.3%*	*-4.3%*	*4.9%*	*24.7%*	*94.7%*	*168.3%*

Performance % (total return)	Mar 24 - Mar 25	Mar 23 - Mar 24	Mar 22 - Mar 23	Mar 21 - Mar 22	Mar 20 - Mar 21
Stramongate	-0.1%	8.3%	-0.9%	4.4%	20.6%
CPI +4.0%	*6.7%*	*7.3%*	*14.4%*	*11.3%*	*4.7%*
ARC Sterling Growth	*2.1%*	*9.2%*	*-4.5%*	*4.6%*	*23.5%*
MSCI AC World	*4.9%*	*20.6%*	*-1.4%*	*12.4%*	*38.9%*

Performance over past 10 years %



Performance is net of all corporate costs, investment management and underlying fund fees. Past performance is not a guide to future performance. The value of an investment and the income from it may go down as well as up and investors may not get back the amount originally invested.

Market and Portfolio Comment

Over the quarter of 2025 the NAV per share fell by -1.5%.

The first quarter of 2025 saw heightened volatility in global markets, influenced significantly by global policy announcements, most notably out of the US, Europe and China. The deepening of tensions arising from renewed trade tariffs amid a slowdown in some key macro indicators led to questions over the "exceptionalism" of the US economy. Meanwhile we saw significant fiscal shifts in Europe, particularly in Germany after their election in February, while in China there was a combination of monetary and fiscal measures; these measures led to a more positive outlook for both regions after recent periods of sub-par growth.

Against this backdrop, the portfolio's equities produced a return of -5.7% over the first quarter, behind the global equity market return (as indicated by the MSCI All Country World Index) of -4.3%.

US equities saw a reversal of fortune from the last quarter of 2024, with the S&P 500 and Nasdaq 100 declining by 4.6% and 8.3% respectively (in USD terms). This marked their worst quarter since 2022 and reflected rising fears over trade policy impacts, a fall in consumer confidence and the release of a lower-cost AI model by Chinese start-up DeepSeek which caused investors to reassess expectations around AI, US leadership in the field, and returns on investment. The latter led to the 'Magnificent 7' basket of large cap technology companies entering a bear market, with every member of the group, other than Apple, falling more than 20% from their recent highs.

Given this, the underperformance was largely driven by the core allocation to the Schroder Global Sustainable Equity strategy. Although the strategy's positions in financials and healthcare helped dampen the underperformance (notably Banco Bilbao Vizca (+34.3%) and Roche Holdings (+16.7%)) it was names in the industrials sector that largely contributed to the relative weakness. These included Recruit Holdings (-29.8%) and Emerson Electric (-13.8%).

A new position in the Rockefeller US Small Cap ESG fund (-18.1%) bore the brunt of the US market volatility but performed in line with US small caps, and the UBS S&P500 ESG Elite ETF (-8.0%) fell in line with the market. Elsewhere in equities, the Sparinvest Global Ethical Value (+1.4%) delivered positive returns given its value-focused tilt.

In fixed income markets US Treasury yields fell across the curve amid market uncertainty, whilst conversely UK Gilt yields rose as lower growth and stubborn inflation were in focus. The bond allocation delivered a small positive return (+0.9%), in particular the MS Global Sustainable Asset Backed Securities Fund (+2.7%) continued to generate a good spread over traditional corporate bonds.

It was a good quarter for alternatives (+2.7%). The holdings in gold (+19.3%) and energy transition metals (+6.9%) performed strongly, whilst other alternatives such as Schroder Sustainable Diversified Alternative Assets fund (+1.7%) and Blue Orchard Microfinance (+1.7%) were also positive contributors.

Notably the private equity allocation was positively impacted by the uplift in SpaceX (via DFJ Growth +84.5%) following funding rounds and a Tender Offer in November 2024 that saw the Company valued at $350bn. Conversely, our Valuation Committee decided to proactive lower the price of Sicut (sustainable railway sleepers) pending receipt of consolidated management accounts despite the company having reported strong continued sales in the US.

Market Outlook

Writing this in early April, and post 'Liberation Day', we note the situation remains fluid. We have been adapting the portfolio since the start of the year, rather than making any significant "knee-jerk" changes to the portfolios in light of the announcements. However, we continue to closely review our positioning as the facts become clearer and we observe how other countries respond to the tariffs, as well as the scope for any softening of the levels set out so far.

Our base case remains that we will see a slowdown in US growth, but not a recession. Clearly, however, the risks of recession have risen. More encouragingly, we have been seeing early signs of cyclical recovery in Europe and China, although tariffs will be a headwind to this.

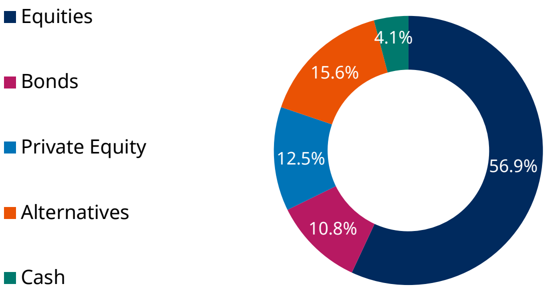
We believe Trump's tariff announcements so far will likely be the ceiling from which bilateral trade negotiations can begin. Fiscal stimulus in Germany and China, together with easing monetary conditions from central banks, is likely to provide some support to the global economy, and so our central case remains for a slowdown not a recession.

Overall, while equities have been under pressure since their peak in mid-February, we remain comfortable with our exposure – which is at a broadly 'neutral' level when we remove the uncalled commitments to private equity. While uncertainty has risen, markets should be supported by continued growth in household earnings, rising corporate profits, and higher government spending outside the US.

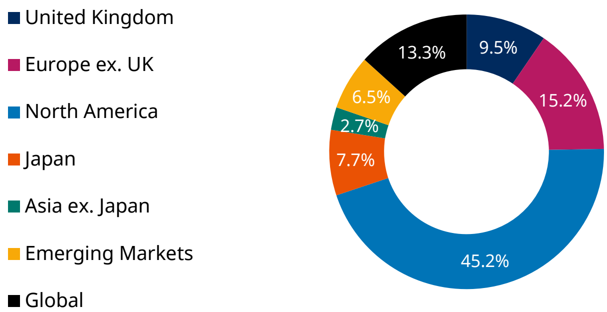
We continue to believe that diversification outside of equities is important, with assets such as bonds and gold helping to protect portfolios from the equity volatility so far this year. Broader commodities can also help to manage the continuing risk of inflation and elevated geopolitical tensions within multi-asset portfolios.

Asset allocation

Asset Mix



Equity Allocation



Holdings analysis

Top ten holdings	Sector	% NAV
Schroder Gl Citi RE -Z-GBP-Inc	Alternatives	4.5%
DFJ Growth 2006 LP	Private Equity	4.1%
SparInv EthicalValue-HM2 X-GBP-Inc	Global Equity	3.8%
UBS S P 500 ESG Elite ETF-USD-A-Acc	North America Equity	3.8%
1.125 UK Gilt 31.01.2039	U.K Bonds	3.2%
Schroder Sust Div Alts -IS-GBP-Inc	Alternatives	2.6%
Microsoft Corp	North America Equity	2.6%
UBAM Impact EM Equity -YD-GBP-Inc	Emerging Markets Equity	2.5%
Alphabet -A- USD	North America Equity	2.2%
24 Sust ShortTrm Bond AQG-GBP-Inc	Global Bonds	2.0%
Total:		**31.2%**

Source: Cazenove Capital & Pictet, as at 31 March 2025.

Asset allocation is subject to change.

Sustainability Insights

Portfolio equities *vs Global Equities*

People

Social Dividend

4.3%

vs -0.4%

Planet

Environmental Dividend

-0.6%

vs -2.0%

Social and environmental dividend is measured using SustainEx which calculates the contribution of the companies expressed as a percentage of sales. For example, a score of +2% means that the portfolio adds $2 of benefits for society for every $100 of sales.[1] Benchmark is MSCI All Countries World Index

Climate Dashboard

Portfolio equities *vs Global Equities*

Carbon footprint

72% lower

Implied temperature rise

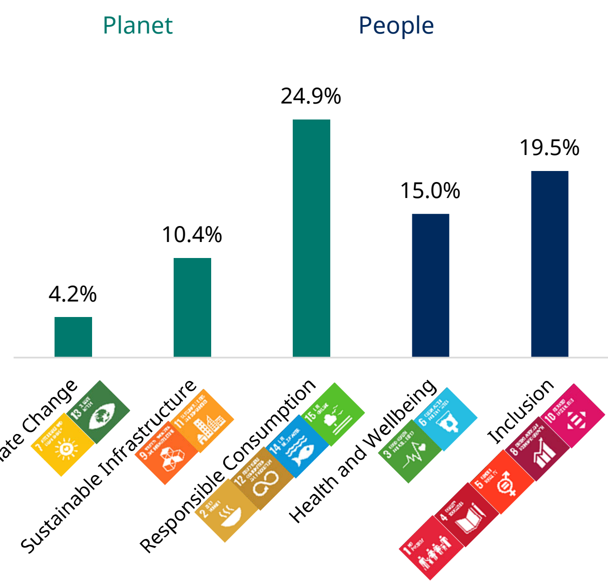
2.2°C

vs 2.6°C

Carbon footprint based on the average Scope 1 and 2 carbon emissions (tonnes CO2e) of portfolio companies. Implied temperature rise based on projected emissions, i.e. targets and historical efforts across scopes 1, 2 & 3 over one time horizon. Benchmark is MSCI All Countries World Index

Sustainable Development Goals (SDG)

Equities alignment



Source: MSCI SDG alignment based on companies with any revenue from products and services that support the goals within the equity portfolio, grouped under our 5 key themes

Taking 'Action' to support the United Nations Sustainable Development Goals

Engagement Themes

Using our influence to create change

Investment Themes

Allocating capital to solutions

Climate Change

Biodiversity and Natural Resource Constraints

Human Capital Management

Human Rights

Inclusion and Diversity

Governance and Oversight

Engagement: Inclusion and Diversity

We engaged with Japanese medical equipment manufacturers, Terumo and Fujifilm, on their board composition. For context, Japanese companies on average see 20.5% representation of women on their boards – a proportion which lags other developed countries (Japan has announced a push for 30% female board members by 2030). Fujifilm currently has 27% female representation on the board, and Terumo only has 9% female representation.

Our conversations with the companies centred on improving this, as well as improving international diversity. Both companies have acknowledged the ask, and we are delighted that Terumo has committed to improving its gender and international diversity in response.

Investment: Health and Wellbeing

Natera is a leader in genetic testing, using advanced DNA analysis and AI to support early disease detection. Its flagship test, Signatera, identifies minimal residual disease (MRD) and cancer recurrence up to 16.5 months earlier than standard scans for colorectal cancer and up to two years for breast cancer. This enables more informed treatment decisions, potentially reducing costs and side effects while improving survival. Backed by 100+ studies and used by over 200,000 patients, Signatera is covered by most insurers and supported by over 35% of U.S. oncologists.

Source: Natera.com / HSBC Sustainable Healthcare Fund

Climate Change

Health and Wellbeing

Sustainable Infrastructure

Responsible Consumption

Inclusion

* SustainEx™ disclaimer

[1]SustainEx™ provides an estimate of the net 'impact' that an issuer may create in terms of social and environmental 'costs' or 'benefits'. It does this by using certain metrics with respect to that issuer, and quantifying them positively (for example by paying 'fair wages') and negatively (for example the carbon an issuer emits) to produce an aggregate notional measure of the relevant underlying issuer's social and environmental 'costs', 'externalities' or 'impacts'. SustainEx™ utilises and is reliant on third party data (including third party estimates) as well as Schroders' own modelling assumptions, and the outcome may differ from other sustainability tools and measures. Where SustainEx™ relies on data and estimates produced by third parties, Schroders seeks to ensure that such data and estimates are accurate, but Schroders cannot and does not warrant the accuracy, completeness and adequacy of such third party data and estimates. Like any model, SustainEx™ will evolve and develop over time as Schroders continues to assess, refine and add to the metrics and their relative contributions. Generating SustainEx™ scores involves an element of judgment and subjectivity across the different metrics chosen by Schroders, and accordingly Schroders does not accept any liability arising from any inaccuracy or omission in, or the use of or reliance on, SustainEx™ scores. As the model evolves, changes made to how metrics are applied may result in changes to the SustainEx™ score of any issuer and ultimately the overall fund/portfolio score. At the same time, of course, the issuer's SustainEx™ performance might improve or deteriorate.

Schroders' proprietary sustainability tools including SustainEx™ may not cover all of a fund/portfolio's holdings from time to time, in which case Schroders may use a range of alternative methods to assess the relevant holding. In addition, certain types of assets (such as cash and certain equivalent securities) are treated as neutral and are therefore not considered by our proprietary tools. Other types of assets such as equity indices and index derivatives may not be considered by our proprietary tools and in such case would be excluded from a product's sustainability score.

Risk considerations

Sustainable investing risk: The fund has environmental and/or social characteristics. This means it may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the investment manager. The fund may invest in companies that do not reflect the beliefs and values of any particular investor. **Interest rate risk:** A rise in interest rates generally causes bond prices to fall, while a decline in the financial health of an issuer could cause the value of its bonds to fall or become worthless. A failure of a deposit institution or an issuer of a money market instrument could create losses. Equity prices fluctuate based on many factors including general, economic, industry or company news. **Currency risk:** The fund can be exposed to different currencies – foreign exchange rates could create losses. Underlying funds may use derivatives for leverage, which makes it more sensitive to certain market interest rate movements and may cause above-average volatility and risk of loss. **Derivative risk:** A derivative may not perform as expected, and may create losses greater than the cost of the derivative. The counterparty to a derivative or other contractual agreement or synthetic product could become unable to honour its commitments to the fund, potentially creating a partial or total loss for the fund. **Liquidity risk**: In difficult market conditions, an underlying fund may not be able to sell a security for full value or at all and could cause the fund to defer or suspend redemptions of its shares. **Emerging markets and frontiers risk**: Emerging markets, generally carry greater political, legal, counterparty and operational risk. **Operational risk:** Failures at service providers could lead to disruptions of fund operations or losses.

MSCI usage information:

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