

# Schroder ISF\* Global Multi-Asset Balanced

Fund Manager: Ingmar Przewlocka, Anna Podoprigora | Fund update: December 2025

## Performance overview

- The fund performance was positive in December. Global equities rose slightly in the month despite late-month volatility from profit-taking, supported by central bank confidence but tempered by lingering valuation concerns.

## Drivers of fund performance

- Performance was positive, driven by equities and alternatives. Currency contributed, while fixed income detracted slightly.
- Equity gains were driven mainly by Europe, notably long exposure to Germany. European auto and basic industries positioning helped. Our basket of global blockchain and crypto companies cost us some performance as Bitcoin sold off. US equities and emerging markets were roughly flat.
- Government bonds detracted modestly overall. Longer-dated US Treasuries detracted, while European positioning helped performance. Credit and emerging markets debt were roughly flat.
- Gains in alternatives were driven by commodities, notably silver.

## Portfolio activity

- We held the portfolio on course in December—relatively aggressive on equities but cautious on interest-rate exposure—with some minor adjustments.
- In the US, we closed our small-cap futures position and added some Nasdaq exposure.
- We made an allocation to a basket of gold stocks actively managed by a team of Schroders specialists.
- In Europe, we retained our overweight to Germany, took profits on part of our European basic industries position, and added some broad European equity index exposure.
- In fixed income, we trimmed US duration and took profits on our short 30-year BUXL position in Germany. Ended the month with a duration of about 0.7 years.

- In commodities, we added some more silver and retained our gold exposure via ETCs (exchange-traded commodities). We added to our industrial metals ETC and retained our diversified commodity swap ETF (exchange-traded fund).
- In currencies, we reduced our exposure to the US dollar.

## Outlook

- It's safe to assume that volatility will continue in the coming year, but the exact sources of that volatility remain to be seen. If the past year has taught us anything, it's that you can't build your investment approach on the correlation patterns of the past.
- The many assumptions that were tested in 2025 show how crucial it is for multi-asset managers to have an evolutionary aspect to their strategy. High conviction is important, but it's also important not to be too much in love with any given investment idea.
- Among the many uncertainties that have arisen in the past year, one thing we're watching is potential for a further loss of faith in central bank independence.
- On a related note, we're keeping an eye on inflation. Of all the many fears that moved markets in recent months, inflation anxiety remained relatively subdued. But having seen the "nowhere to hide" environment of 2022, when bonds and equities fell simultaneously, we know the damage that can be done by a de-anchoring of inflation expectations.

## Calendar year performance (%)

*Past performance is not a guide to future performance and may not be repeated. The value of investments and the income from them may go down as well as up and investors may not get back the amount originally invested.*

Year	Fund	Comparator benchmark <sup>1</sup>
2025	12.5	3.9
2024	7.1	5.6
2023	7.0	6.2
2022	-8.5	-11.1
2021	8.5	3.7
2020	6.0	1.4
2019	12.0	7.7
2018	-6.9	-5.1
2017	3.7	2.0
2016	0.6	1.9

Source: Schroders, as at 31 December 2025. Fund performance is net of fees, NAV to NAV with net income reinvested, C Acc shares. <sup>1</sup>Target benchmark is 3m Euribor +3%. Comparator benchmark is Morningstar EUR Cautious Allocation Global Category. As of 15 August 2022, the target is replaced from 3m Euribor +3% to a comparator of the Morningstar EUR Cautious Allocation Global Category. Please see the respective fund factsheets for the performance of other share classes.

## Risk considerations

**Capital risk / distribution policy:** As the fund intends to pay dividends regardless of its performance, a dividend may represent a return of part of the amount you invested.

**Counterparty risk:** The fund may have contractual agreements with counterparties. If a counterparty is unable to fulfil their obligations, the sum that they owe to the fund may be lost in part or in whole.

**Credit risk:** A decline in the financial health of an issuer could cause the value of its bonds to fall or become worthless.

**Currency risk:** The fund may lose value as a result of movements in foreign exchange rates.

**Currency risk / hedged share class:** The hedging of the share class may not be fully effective and residual currency exposure may remain. The cost associated with hedging may impact performance and potential gains may be more limited than for unhedged share classes.

**Emerging Markets & Frontier risk:** Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty, operational and liquidity risk than developed markets.

**High yield bond risk:** High yield bonds (normally lower rated or unrated) generally carry greater market, credit and liquidity risk.

**Liquidity risk:** In difficult market conditions, the fund may not be able to sell a security for full value or at all. This could affect performance and could cause the fund to defer or suspend redemptions of its shares.

**Operational risk:** Operational processes, including those related to the safekeeping of assets, may fail. This may result in losses to the fund.

**Performance risk:** Investment objectives express an intended result but there is no guarantee that such a result will be achieved. Depending on market conditions and the macro economic environment, investment objectives may become more difficult to achieve.

**IBOR:** The transition of the financial markets away from the use of interbank offered rates (IBORs) to alternative reference rates may impact the valuation of certain holdings and disrupt liquidity in certain instruments. This may impact the investment performance of the fund.

**Derivatives risk:** Efficient Portfolio Management and Investment Purposes: Derivatives may be used to manage the portfolio efficiently. A derivative may not perform as expected, may create losses greater than the cost of the derivative and may result in losses to the fund. The fund may also materially invest in derivatives including using short selling and leverage techniques with the aim of making a return. When the value of an asset changes, the value of a derivative based on that asset may change to a much greater extent. This may result in greater losses than investing in the underlying asset.

**Sustainability 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.

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