Issued in December 2025

Schroder Multi-Asset Investments

Trusted Novus Bank – November 2025

The month in summary:

November saw elevated volatility across global markets as concerns about AI-linked valuations resurfaced at the same time that worries about the levels of economic growth in Europe and Asia persisted. Shifting expectations for central bank policy amplified the divergence in regional performance. Investors favoured more defensive areas, while tech-oriented names faced broader pullbacks.

US

The US equity market, as measured by the S&P 500 Index, ended November relatively flat after a volatile month of trading. Expensive valuations in the technology sector—particularly among AI-related stocks—remained a key concern, with these worries resurfacing even after the brief optimism following a strong earnings report from AI-chipmaker Nvidia. Additional pressure came from mounting labour-market concerns, including a private-sector employment report showing an unexpected loss of 32,000 jobs and significant small business layoffs. That fuelled macroeconomic uncertainty. The US government shutdown, which continued into early November, heightened volatility by delaying the release of essential economic data like the official nonfarm payrolls report.

Market sentiment swung sharply, briefly reaching "extreme fear" levels and contributing to a mid-month selloff. However, optimism returned as moderating inflation data increased expectations that the Federal Reserve (Fed) would cut interest rates in December. Defensive and interest-rate-sensitive sectors benefitted against this backdrop, while there was a notable sector rotation as investors shifted away from megacap tech stocks towards healthcare, energy and regional banks. Despite this rotation, the US market continues to be dominated by a handful of megacap stocks in the technology sector, and volatility may persist until there is sustained evidence that the market is broadening.

Eurozone

Eurozone shares had a volatile start to November but rebounded by month end, with investor sentiment buoyed by increasing expectations of a Fed rate cut. Financials, Healthcare and Communications Services were among the best-performing sectors. Financials benefitted from stronger bank earnings and improved macroeconomic expectations, while Communications Services continued to realize gains from resilient digital advertising revenues.

Defensive sectors generally outperformed as investors sought stability amid ongoing global volatility and concerns around high-growth stock valuations, especially within technology and AI-related segments. These concerns contributed to a rotation towards value stocks and more stable earnings sectors. Manufacturing activity remained subdued across the region, and particularly in Germany and France. Still, overall business activity in the Eurozone grew, led by a solid recovery in services, which helped offset ongoing manufacturing weakness.

Employment continued to increase modestly, with the services sector maintaining hiring momentum even as manufacturing firms reduced staff. Third-quarter GDP growth was confirmed at a slight but positive gain of 0.2% quarter-over-quarter. That suggested a resilient economy despite ongoing challenges. Input costs rose at the fastest pace in several months, driven by renewed pressures in both manufacturing and services, though the rate at which firms increased their selling prices eased to a multi-month low, particularly in services. Against this backdrop, the European Central Bank is widely expected to leave its key interest rate unchanged at its December meeting.

UK

The performance of UK equities in November 2025 was helped by a pullback in gilt yields and a softer pound that provided support for large, globally oriented companies. Softer inflation and labour-market data also increased expectations of Bank of England rate cuts. That helped pushed the 10-year gilt yield lower and eased financial conditions. The November Budget was well-received, with greater-than-expected fiscal headroom and lower projected gilt issuance helping to stabilise market sentiment. Against this macro backdrop, defensively tilted areas such as healthcare and consumer staples generally outperformed more cyclical or rate-sensitive segments.

Energy-related stocks were underpinned by firmer gas-linked and broader commodity expectations, even as crude prices were choppy. By contrast, domestically focused consumer and some industrial names lagged as households continued to feel the squeeze from past price rises and uncertainty about the longer-term impact of tax and spending plans. Despite the year's rally, UK shares still traded at a noticeable valuation discount to other major markets, which kept strategic interest from overseas investors and ongoing M&A activity in focus. Overall, local investor sentiment remains cautious, even as the fundamental backdrop has improved.

Japan

The Japanese equity market was highly volatile, with the TOPIX Total Return up 1.42% while the Nikkei 225 fell 4.12%. Globally, mounting valuation concerns in generative-AI and defence-related stocks produced sharp price swings, and uncertainty around the timing of Fed rate cuts added market-wide volatility. Domestically, rising Japan/China tensions and related travel/import headlines weighed on inbound-exposed names, including hotels and retailers. Even so, solid first-half, fiscal-year 2025 earnings released during the month underpinned the broader market. Overall, shifting expectations for US policy and AI demand, together with diplomacy-driven moves, explain the mixed but resilient performance.

Emerging markets

Emerging market (EM) equities declined in November, following strong performance in recent months, despite a weaker US dollar and declining 2-year and 10-year Treasury yields. The EM index underperformed the MSCI World Index. EM index heavyweights Korea, Taiwan and China, which have supported the EM index's performance over much of 2025, gave back some of their recent gains amid a pull-back in technology-related stocks in the month.

Middle Eastern markets Saudia Arabia, UAE and Qatar posted losses in US dollar terms, against a backdrop of softer energy prices amid optimism about the US administration's ability to broker a peace deal between Russia and Ukraine. The Turkish market weakened on inflation concerns, while China's returns were broadly in line with that of the benchmark, as investors booked profits after strong year-to-date performance.

India posted slightly positive returns in US dollar terms, helped by good economic growth data and the market's relative lack of exposure to technology. The smaller Asian markets of Indonesia, Malaysia and Philippines delivered positive returns in US dollar terms, as did Mexico and South Africa, with the latter helped by an interest rate cut, strength in precious metals prices and a medium-term budget statement that was well received by the market. Some of the European markets did well, including Greece and Hungary, while Colombia, Brazil and Chile were the leading markets in the month.

Asia (ex Japan)

Asia ex Japan equities declined in November, with losses concentrated in North Asia and growth-oriented sectors. China and Taiwan were among the weaker markets, as investors reduced exposure to China's sluggish recovery and took profits in Taiwan's semiconductor and AI leaders. Korea also slipped modestly, reflecting softer export momentum and global growth concerns. Thailand and Singapore posted declines amid weaker external demand, tourism headwinds and trade pressures, while Indonesia, Malaysia and the Philippines generated positive returns, supported by resilient domestic demand and more balanced sector exposure.

At the sector level, Consumer Discretionary and Communication Services were the laggards, weighed down by China-linked consumption and internet names, while information technology and industrials also fell because of profit-taking in AI and hardware beneficiaries and concerns over the global capex and trade cycle. Offsetting some weakness, Energy, Financials and Healthcare delivered positive returns, supported by defensive earnings profiles and, in the case of Energy, select names benefiting from firmer natural gas and energy infrastructure dynamics.

Global bonds

Events in the US — increased volatility in equities and a growing anticipation of a December Fed rate cut — drove fixed income markets during November.

Corporate bond performance was mixed, with the US outperforming other credit markets (both investment grade and high yield) but spreads widening versus Treasuries. Heavy supply in European and UK investment grade weighed on performance.

US Treasuries outperformed other major government bond markets. The yield curve steepened as yields in shorter maturities fell (given their greater sensitivity to changes in interest rates). Initially expectations for a December Fed rate cut were finely balanced, with some optimism around the end of the US government shutdown and the hawkish delivery of October's rate cut weighing on Treasuries. However, with September's delayed labour market report suggesting a weaker outlook, coupled with speculation that Kevin Hassett, the current director of the National Economic Council, was the leading candidate for the next Fed Chair (paving the way for additional cuts next year), the market tone shifted in a more dovish direction.

In the UK, the Budget was the focal point, with gilt yields climbing ahead of the event. However, the actual Budget announcement was well-received, as the government's headroom against its own self-imposed fiscal rules was bigger than expected and the forecasted gilt supply was lower than expected.

Meanwhile, eurozone markets were driven by global events. High-frequency survey data signalled an improvement in the region's growth momentum heading towards the end of the year. Although this was driven by services, with the manufacturing sector continuing to struggle — particularly in Germany.

The Japanese government bond market was the clear underperformer for the month as the government announced a 21.3-trillion-yen fiscal stimulus package. The sheer size of the package raised investors' concerns over Japan's already substantial debt burden.

Commodities

Commodities overall posted modest gains in November with considerable variation by sector. Precious metals were the clear outperformers, led by solid gains in silver and gold as investors continued to favor safe-haven assets amid ongoing macroeconomic uncertainty. Gold's advance was more measured after its strong recent run, perhaps, in part, because investors were taking profits.

Industrial metals were broadly flat to slightly negative for the month, reflecting softer global manufacturing activity, excess inventories in several markets, and weaker demand signals from China. Copper was the notable exception, with prices rising on firmer demand, ongoing supply tightness, recurring production disruptions, and strong structural support from electrification and data-centre investment.

Energy commodities overall declined, with crude oil prices falling on concerns about oversupply and uncertain demand. The main exception within energy was US natural gas, which posted meaningful gains as seasonal heating demand and strong liquefied natural gas (LNG) exports tightened supply–demand balances amid a more disciplined production backdrop. In contrast, European natural gas prices declined during the month.

Model portfolio positioning – November 2025

While the US government shutdown has clouded some of the recent macro data, we continue to see a low probability of a US recession. The labour market remains in a low hiring/firing equilibrium and real disposable income continues to support consumer spending. While risks are present, particularly around the implications of an "AI Bust" scenario, we believe it is premature to adopt a highly defensive stance. We're closely monitoring the increasing use of debt and circularity to fund AI capex, as these trends could present structural vulnerabilities over time. Market expectations for rates cuts in 2026 may prove ambitious, but the prospect of an extended Fed cutting cycle—absent a recession—should remain supportive of equity markets. As such, we maintain our long equity position, with a preference for the US—where corporate earnings will remain supported by large fiscal stimulus in 2026—and for China, where valuations, sentiment, and positioning appear far less stretched.

We have added to EuroStoxx Banks after the recent correction. The position benefits from attractive valuations, a supportive backdrop of strong bank earnings and an improving macro picture. Moreover, the ECB's decision to pause rate hikes reduces pressure on banks' net interest margins, providing a more stable environment for the sector.

We maintain an underweight in US Treasuries given ambitious market expectations at the front-end and crowded long positioning. We continue to see this position diversifying our pro-risk tilt through equities and gold, both of which remain sensitive to liquidity conditions.

Despite recent market volatility, our positive view on gold remains unchanged. We continue to see it as a diversifier in an environment marked by policy uncertainty, fiscal fragility, and growing investor doubts over the long-term role of Treasuries and the US dollar.

In conclusion, we believe cyclical risks remain relatively contained, but structural vulnerabilities, particularly around AI circularity and concentration, are beginning to build. For now, we balance our positive view on equities with a long position in Gold and an underweight position in duration.

Issued in December 2025

Portfolio Positioning – as at 30 November 2025

	Stable		Balanced		Dynamic		Growth	
	Portfolio (%)	Benchmark (%)	Portfolio (%)	Benchmark (%)	Portfolio (%)	Benchmark (%)	Portfolio (%)	Benchmark (%)
Equities	**25.5**	**20.3**	**45.7**	**40.5**	**75.4**	**70.4**	**95.1**	**90.2**
Global Equities	**10.2**	**-**	**22.3**	**-**	**49.0**	**-**	**62.3**	**-**
Schroder ISF Global Equity Alpha	3.0		11.1		19.4		27.5	
Schroder ISF Global Recovery	3.1		4.1		5.3		6.1	
Schroder ISF Global Innovation	3.1		5.1		6.3		7.9	
Amundi MSCI World ETF	-		2.0		17.1		19.7	
iShares Core MSCI World ETF	1.0		-		1.0		1.0	
North American Equities	**9.7**	**-**	**15.3**	**-**	**15.4**	**-**	**18.9**	**-**
Schroder ISF US Large Cap	3.1		6.6		6.9		8.3	
S&P 500 ETF	6.7		8.7		8.5		10.6	
European Equities	**2.1**	**-**	**3.1**	**-**	**3.0**	**-**	**5.0**	**-**
Lyxor Euro Stoxx ETF	-		1.0		1.0		3.0	
Lyxor Stoxx Europe 600 Banks ETF	2.1		2.1		2.0		2.0	
Emerging Market Equities	**3.5**	**-**	**5.0**	**-**	**8.0**	**-**	**8.9**	**-**
Schroder ISF Global Emerging Market Opportunity	1.5		3.0		6.0		6.9	
Schroder ISF China	1.0		1.0		1.0		1.0	
HSBC Hang Seng Tech ETF	1.0		1.0		1.0		1.0	
Fixed Income	**63.5**	**78.7**	**40.5**	**58.5**	**10.8**	**28.6**	**-**	**8.8**
Government Bonds	**34.2**	**48.8**	**16.3**	**33.7**	**3.0**	**16.3**	**-**	**8.8**
iShares Global Government Bond ETF	26.8		13.8		-		-	
iShares USD Treasury 1-3Yr ETF	5.9		-		-		-	
iShares USD Treasury 20+Yr ETF	1.5		2.5		3.0		-	
Investment Grade Credit	**26.3**	**29.9**	**16.3**	**19.9**	**-**	**7.4**	**-**	**-**
Schroder ISF Global Corporate Bond	26.3		10.4		-		-	
iShares Global Corporate Bond ETF	-		5.9		-		-	
High Yield Debt	**2.0**	**-**	**4.4**	**2.5**	**4.4**	**2.5**	**-**	**-**
Schroder ISF Global High Yield	-		2.5		2.5		-	
Schroder ISF Euro High Yield	2.0		2.0		2.0		-	
Emerging Market Debt	**-**	**-**	**2.5**	**2.5**	**2.5**	**2.5**	**-**	**-**
Schroder ISF Emerging Market Bond	-		2.5		2.5		-	
Convertible Bonds	**1.0**	**-**	**1.0**	**-**	**1.0**	**-**	**-**	**-**
Schroder ISF Global Convertible Bond	1.0		1.0		1.0		-	
Alternatives	**10.0**	**-**	**12.9**	**-**	**12.8**	**-**	**3.9**	**-**
Schroder GAIA Cat Bond	3.0		2.9		2.9		1.9	
Schroder GAIA Egerton Equity	1.0		2.0		2.0		-	
Schroder GAIA Wellington Pagosa	1.0		2.0		2.0		1.0	
Schroder GAIA Two Sigma Diversified	1.0		2.0		1.9		1.0	
Schroder GAIA Contour Tech Equity	1.0		1.0		1.0		-	
Amundi Physical Gold	3.0		3.0		3.0		-	
Cash	**1.0**	**1.0**	**1.0**	**1.0**	**1.0**	**1.0**	**1.0**	**1.0**

Source: Schroders, as at 30 November 2025. Schroder International Selection Fund is referred to as Schroder ISF.

Model Portfolio Performance

GBP Hedged

	1 Month %	3 Months %	1 Year %	3 Years %	Since Inception %
TNB GBP Stable	**-0.2**	**3.5**	**6.9**	**22.3**	**16.8**
Benchmark	-0.2	2.8	6.6	21.3	17.6
TNB GBP Balanced	**-0.3**	**4.6**	**9.1**	**31.5**	**25.6**
Benchmark	-0.2	4.0	8.7	30.1	27.0
TNB GBP Dynamic	**-0.4**	**6.2**	**11.9**	**45.7**	**39.7**
Benchmark	-0.4	5.7	11.4	42.8	40.7
TNB GBP Growth	**-0.6**	**6.6**	**12.5**	**53.3**	**48.7**
Benchmark	-0.4	6.8	12.9	50.7	49.5

Euro Hedged

	1 Month %	3 Months %	1 Year %	3 Years %	Since Inception %
TNB EUR Stable	**-0.2**	**2.8**	**4.3**	**17.7**	**11.0**
Benchmark	-0.2	2.1	3.9	16.6	11.7
TNB EUR Balanced	**-0.3**	**3.6**	**5.6**	**27.3**	**20.1**
Benchmark	-0.2	3.1	5.3	26.1	21.0
TNB EUR Dynamic	**-0.2**	**5.1**	**7.7**	**41.3**	**32.9**
Benchmark	-0.2	4.5	6.9	39.7	34.5
TNB EUR Growth	**-0.4**	**5.2**	**7.6**	**48.8**	**40.3**
Benchmark	-0.2	5.5	7.7	48.2	43.1

USD Hedged

	1 Month %	3 Months %	1 Year %	3 Years %	Since Inception %
TNB USD Stable	**-0.2**	**3.1**	**8.1**	**26.4**	**20.2**
Benchmark	-0.2	2.4	7.6	24.9	20.4
TNB USD Balanced	**-0.3**	**3.7**	**11.1**	**37.7**	**29.5**
Benchmark	-0.3	3.2	10.6	36.2	30.3
TNB USD Dynamic	**-0.5**	**4.8**	**15.3**	**54.6**	**42.8**
Benchmark	-0.5	4.3	14.8	53.2	44.7
TNB USD Growth	**-0.8**	**4.6**	**16.7**	**63.6**	**49.9**
Benchmark	-0.6	5.0	17.4	64.4	54.0

Source: Schroders, as at 30 November 2025. Performance calculated daily at close of business prices. Benchmark indices are as follows: Equities = MSCI All Countries World Index, Government Bonds = Bloomberg Global Treasury G7, Bloomberg 1-3 Year G7 Total Return Index, Investment Grade = Bloomberg Global Aggregate Corporate Bond, High Yield = Bloomberg Global High Yield, Emerging market Debt = Bloomberg Barclays EM Hard Currency Aggregate. These indices are hedged to the base currency of the model portfolio. The composition of the weighting of the indices in each benchmark vary with the risk profile of each portfolio. Inception date is 22/04/2022.

Market Performance

Total returns (net) % – to the end of November 2025

	1 month			12 months		
Equities	**USD**	**EUR**	**GBP**	**USD**	**EUR**	**GBP**
MSCI World	-1.0	-0.5	-0.8	17.0	6.5	12.0
MSCI World Value	0.0	0.6	0.2	11.6	1.6	6.8
MSCI World Growth	-1.9	-1.4	-1.7	22.2	11.2	17.0
MSCI World Smaller Companies	-0.1	0.5	0.1	11.4	1.4	6.7
MSCI Emerging Markets	-2.2	-1.7	-2.0	29.7	18.1	24.2
MSCI AC Asia ex-Japan	-2.5	-2.0	-2.3	29.4	17.7	23.8
S&P 500	-1.0	-0.5	-0.8	15.0	4.7	10.1
MSCI EMU	-1.2	-0.7	-1.0	35.3	23.1	29.5
FTSE Europe ex UK	-0.6	-0.1	-0.4	29.6	17.9	24.0
FTSE All-Share	-0.1	0.5	0.1	25.1	13.8	19.7
TOPIX*	0.1	0.7	0.3	24.9	13.7	19.6

	1 month			12 months		
Government bonds	**USD**	**EUR**	**GBP**	**USD**	**EUR**	**GBP**
JPM GBI US All Mats	0.1	0.7	0.3	5.1	-4.3	0.8
JPM GBI UK All Mats	-0.2	0.3	0.0	6.5	-3.0	2.1
JPM GBI Japan All Mats**	-3.8	-3.3	-3.6	-8.9	-17.0	-12.6
JPM GBI Germany All Traded	-0.9	-0.3	-0.7	7.6	-2.0	3.2
Corporate bonds						
BofA ML Global Broad Market Corporate	-0.4	0.1	-0.2	8.0	-1.7	3.6
BofA ML US Corporate Master	-0.2	0.3	0.0	6.3	-3.1	2.0
BofA ML EMU Corporate ex T1 (5–10Y)	-1.0	-0.4	-0.8	12.8	2.7	8.2
BofA ML £ Non-Gilts	-0.2	0.3	0.0	10.1	0.3	5.6
Non-investment grade bonds						
BofA ML Global High Yield	-0.2	0.4	0.0	9.0	-0.7	4.6
BofA ML Euro High Yield	-0.5	0.0	-0.3	15.5	5.2	10.8

Source: LSEG DataStream. Local currency returns in November 2025: *2.8%, **-1.2%.

Past performance is not a guide to future performance and may not be repeated.

Important information:

This communication is marketing material. This information is not an offer, solicitation or recommendation to buy or sell any financial instrument or to adopt any investment strategy. Information herein is believed to be reliable but we do not warrant its completeness or accuracy.

Any data has been sourced by us and is provided without any warranties of any kind. It should be independently verified before further publication or use. Third party data is owned or licenced by the data provider and may not be reproduced, extracted or used for any other purpose without the data provider's consent. Neither we, nor the data provider, will have any liability in connection with the third-party data.

The material is not intended to provide, and should not be relied on for accounting, legal or tax advice. Reliance should not be placed on any views or information in the material when taking individual investment and/or strategic decisions. No responsibility can be accepted for error of fact or opinion. Any references to securities, sectors, regions and/or countries are for illustrative purposes only.

Schroders has expressed its own views and opinions in this document and these may change.

The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested. Past performance is not a guide to future performance and may not be repeated. Exchange rate changes may cause the value of any overseas investments to rise or fall.

The forecasts included should not be relied upon, are not guaranteed and are provided only as at the date of issue. Our forecasts are based on our own assumptions which may change. We accept no responsibility for any errors of fact or opinion and assume no obligation to provide you with any changes to our assumptions or forecasts. Forecasts and assumptions may be affected by external economic or other factors.

This information/document is produced and complied for use by Trusted Novus Bank Limited. Any onwards distribution in part or full will be the responsibility of Trusted Novus Bank Limited as the issuer of the material and should be appropriately disclosed as such. If information is distributed onward, you will ensure that the Information is suitable for the intended audience and that it does not breach any applicable laws and regulations in the relevant jurisdiction(s).

This document is issued in December 2025 by Schroder Investment Management Ltd, 1 London Wall Place, London EC2Y 5AU. Registration No 4191730 England. Authorised and regulated by the Financial Conduct Authority.