

Summary

Portfolio name	Fund value	Est. income yield %	Est. quarterly income	Rolling quarterly income
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Foundation Scotland – total funds invested	£35,984,925	3.0	£269,886	£0
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Performance (cumulative, %)	Quarter (inception date 27 th January)
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Rathbones Charity Growth & Income Fund (Foundation Scotland holding)	-4.1
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Composite benchmark	-1.0
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UK CPI + 3% per annum	1.7
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- The first quarter of 2026 was a difficult period, dominated by the conflict in the Middle East, consequent higher energy prices and the fear of rising future inflation
- As a result, there was a shift in interest rate expectations. Investors became wary of possible interest rate rises, rather than further cuts.
- The performance of the fund reflected the drop in both equities and fixed income in the quarter. Leaving few places to shelter. Oil and gas was the best performing sector but is embargoed under the funds ethical policy. Approximately 1.2% of the performance difference relative to the benchmark is driven by the energy and mining sector
- The team were disciplined and added selectively to high-quality companies at attractive valuations. The fund has outperformed in the equity market recovery post 31st March

Asset allocation and sector returns

As at 31st March 2025

Q1 asset class comments

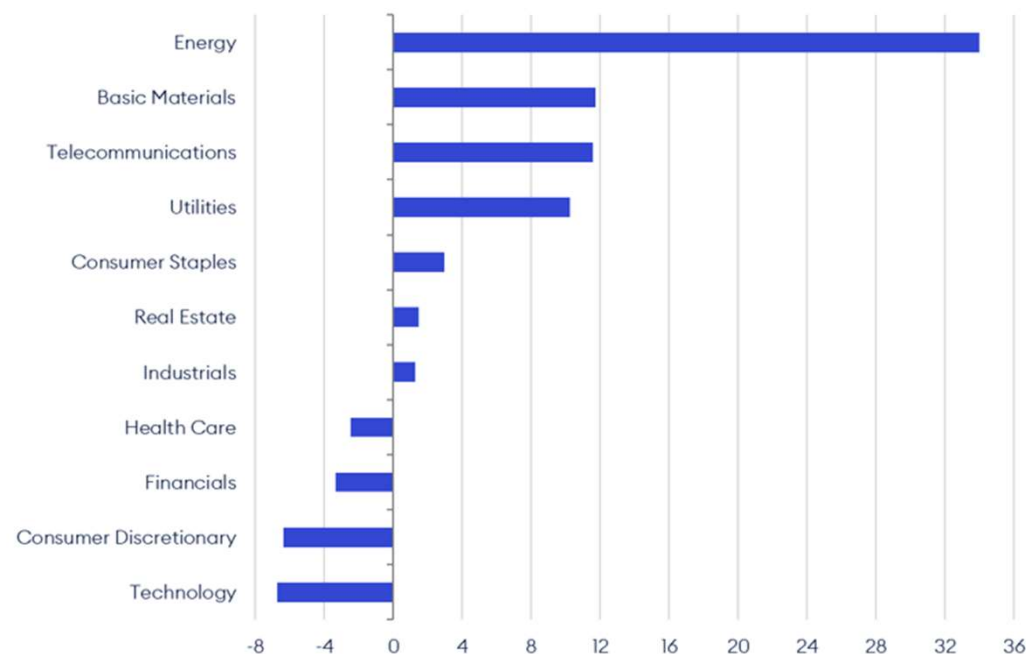
Equities – overall equity markets were choppy throughout quarter. Technology and infrastructure were a bright spot for the fund while software and healthcare were weak.

Fixed income – during the quarter we took decisive action in this area. Reducing interest rate risk. Bonds did not offer diversification in the sell off but they provide reliable income to the strategy.

Real assets – we increased the copper exposure in the fund reflecting the opportunity arising from electrification. The energy shock should accelerate the move to renewables

While this was a volatile quarter it did provide an opportunity to add new ideas to the fund at attractive valuations. This has served us well during the recent recovery

Global equity sector returns (Q1-26)

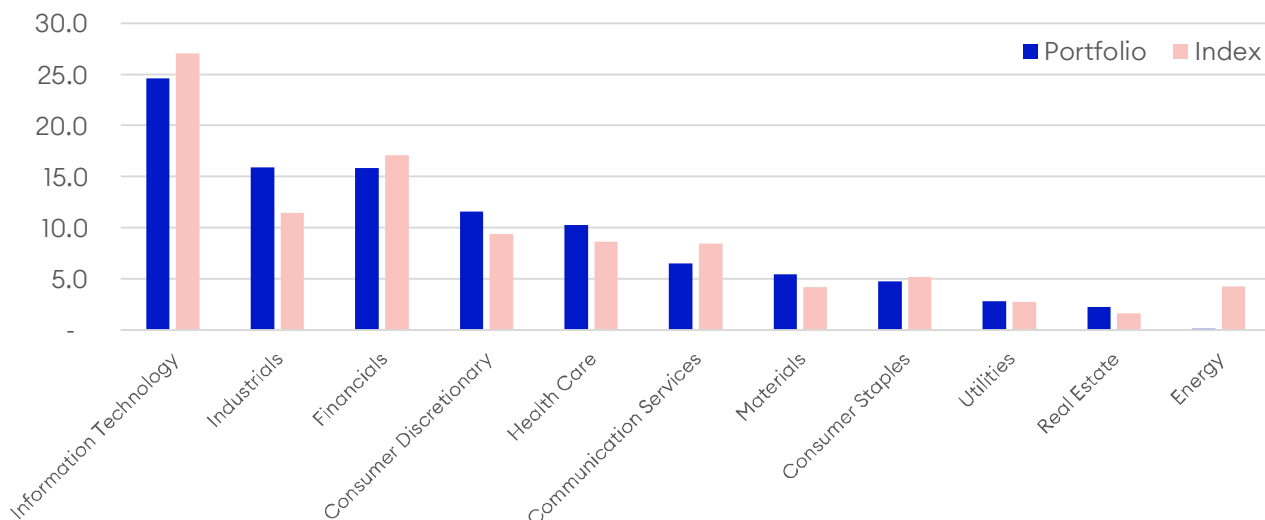


Sources: LSEG, Rathbones, as at 31 March 2026.

The fund excludes: weapons, adult entertainment, predatory lending, fossil fuels, gambling, alcohol, tobacco and cannabis. A more detailed analysis may be found in the appendix.

Equity positioning

Sector breakdown**



- While the fund’s ethical exclusions mean it does not own oil and gas companies, we do own energy businesses. These were broadly resilient. We added to E.On and Siemens Energy in the quarter
- Technology returns were hugely polarised. Software and IT services were weak whereas semiconductors and AI infrastructure companies posted strong results
- On weakness we increased NVIDIA, Shopify and Relx

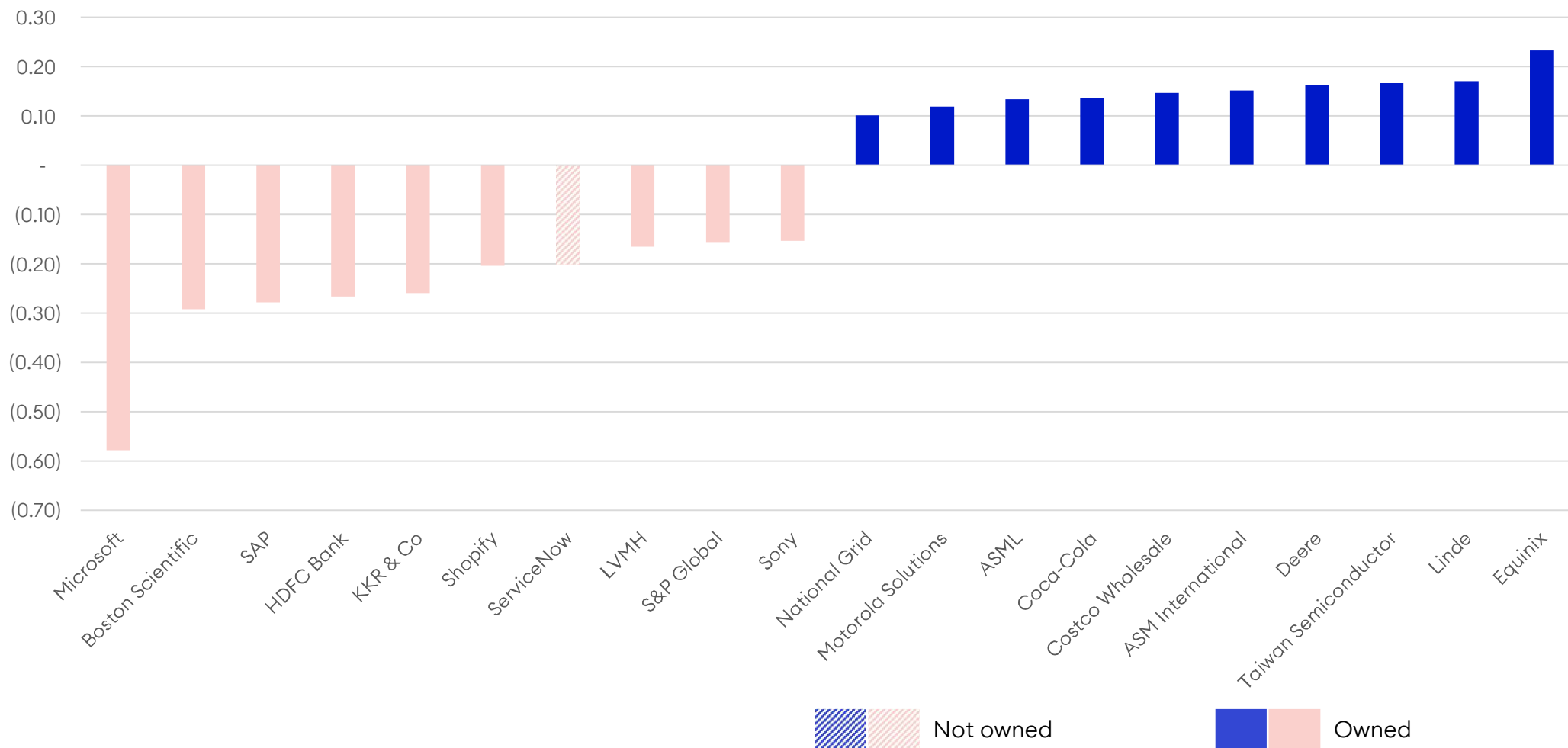
Top 10 holdings

Security name	Equity weight* (%)
NVIDIA	4.01
Alphabet	3.00
Microsoft	2.64
Taiwan Semiconductor	2.16
Amazon	1.96
Apple	1.91
AIA Group	1.66
Amphenol	1.61
Broadcom	1.58
Coca-Cola	1.56
Total no. of securities*	
	84

Sources: Rathbones, as at 31st March 2026. *Excluding funds, **Inclusive of funds. Index – FTSE All World Index

Equity contributors and detractors

First Quarter 2026



Source: Rathbones; as at 31st March 2026. Bars denote absolute contribution.

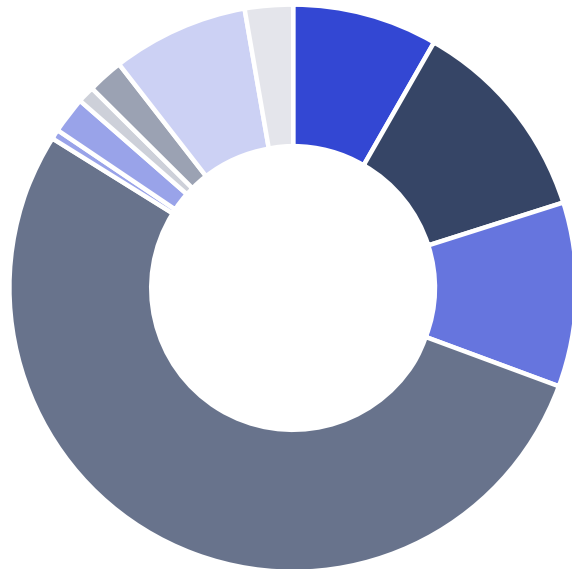
**Investments can go down as well as up and you could get back less than you invested.
Past performance is not a reliable indicator of future results.**

Responsible Investment - Engagement

Our engagement work in 2025

Rathbones Asset Management voted on **4,508** unique proposals
We voted against management **4%** of the time

Votes cast by proposal category



- Audit related - 374
- Compensation - 474
- Environmental - 24
- Combiend environmental/social - 43
- Routine business - 351
- Capitalisation - 533
- Directors - 2,399
- Social - 95
- Takeover related - 91
- Other - 124

Engagement example

Alphabet
Taking the “dis” out of “disinformation”

What’s the issue?

- Unregulated AI poses significant risks to society – for example, by spreading false information
- Companies not doing enough to combat these risks could face legal and financial problems/hits to their reputation
- Alphabet’s stock fell 4% after it suspended image creation using generative AI, following racial bias accusation

What did we do?

- We backed a resolution at the June 2025 AGM, requesting a report assessing the risks associated with unethical/improper usage of external data when developing its AI products
- Once again, we supported a resolution for a one-share one-vote governance structure

What happened?

- One-share, one-vote resolution: 30.7%
- AI resolution: 12.8%

What next?

- We’ll keep pressing Alphabet on these issues
- Engagement on AI risks will become even more important, as it grows more sophisticated