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Everything Ethical Newsletter – August 2026

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Market Commentary

August opened in the shadow of the Middle Eastern conflict, with oil prices swinging as tensions escalated once more, and President Trump signalling he was content to let economic pressure grind on Tehran. Brent Oil moved from the low $80s towards $92 a barrel over the course of the month, keeping inflation risk firmly at the forefront of the market's mind and pushing 10-year Gilt yields back above 5.0%. The volatility spread beyond energy; alongside the impact to agriculture from the Iran War (diesel and fertiliser disruptions), escalating Russia-Ukraine tensions put more pressure on agricultural commodity inflation, with wheat and corn prices hitting 3-year highs.

Government bond yields stayed sensitive to energy prices and central bank rhetoric, with longer-dated yields touching fresh cycle highs as yield curves steepened. A US Treasury announcement to expand long-dated bond buybacks helped calm some of these moves. The announcement revived the 'debasement trade', which saw gold surge and helped bitcoin gain over 20% for the month, whilst the U.S. dollar fell sharply. However, sentiment shifted later in the month when Federal Reserve Chair Kevin Warsh struck a hawkish tone at the Jackson Hole conference, prompting both assets to give back much of their earlier gains and spurring a spike in bond yields, as markets priced in more of a chance of a rate hike at the next meeting. Short duration bonds continued to provide insulation against this move.

Despite the conflict and inflation-riddled backdrop, equity markets marched on. A leading global equity index returned 2.60% in USD terms and 1.81% in GBP terms, with the U.S. outperforming, driven by the AI-trade amid continued capital expenditure and earnings growth, with Nvidia capping the month with impressive results. Core holding Janus Henderson Global Sustainable Equity Fund rose 2.33%, whilst Schroder Global Sustainable Value Equity (+0.30%) lagged behind following a rotation back into growth equities. Although semiconductors rebounded in August, cybersecurity and software were the standout performers, recovering from the sell-off earlier in the year after reporting robust earnings and easing previous concerns over AI-disruption.

Emerging Markets also recouped some of the losses experienced in July, particularly in tech-dominated Taiwan and Korea. UBAM Positive Impact Emerging Equity returned +0.83%, whilst value-focussed Aikya Global Emerging Markets (which was added at the last rebalance) started the month strongly with the rotation out of the tech-names, but reversed back to -0.39%.

Healthcare was also a theme that performed well over the month, benefitting from sector-related news. Firstly, obesity drug giant Eli Lilly eased concerns over a slowdown in obesity drug demand, and later in the month Moderna & Merck announced that their new vaccine helped cut the recurrence of skin cancer in a late-stage trial, which lifted the whole sector. Polar Capital Healthcare Opportunities Fund returned 3.43% over the period.

Real estate and homebuilders came under pressure as they sat on the wrong side of the hawkish rate repricing, despite moderate strength in names exposed to the data centre buildout. Elsewhere in alternatives, infrastructure was a mixed bag. Global infrastructure struggled with yields rising, whilst UK renewables found a boost from elevated power prices and energy storage-trusts rallied on the back of activist-driven corporate activity and narrowing discounts.

As we move into September, back-to-back Fed and Bank of England meetings, the ongoing Strait of Hormuz situation, and the early stages of the US mid-term election will be the key factors to focus on.

Model Portfolio Transactions in the Month

There were no changes to portfolios in August.

Performance

SAS MPS	August 2026
Defensive	0.30%
Cautious	0.42%
Balanced	0.61%
Growth	0.73%
Adventurous	0.80%

MPS Stock pick feature:

The World Bank Clean Cooking Outcome Bond is an outcome bond issued by the International Bank for Reconstruction and Development (“IBRD” or the “World Bank”). A unique feature of this bond is that the return for investors is linked to the issuance and monetization of Internationally Transferred Mitigation Outcomes (ITMOs) generated from the use of cleaner cooking devices through projects in Ghana, designed and implemented by UpEnergy, an East Africa-based company with a footprint across the region. The projects aim to make cleaner cooking accessible to 1.3 million people, cutting reliance on biomass use, which is expected to reduce greenhouse gas emissions by more than 1.8 million tons of carbon dioxide equivalent (CO2e).

Fund House Meetings:

During August we met with Marlborough, Sumitomo, Xtrackers, BNPP Axa, RBC BlueBay, Principal AM, UBAM & Columbia Threadneedle.

Ethical News

Foundations backed by Leonardo DiCaprio and Jeff Bezos have launched an unprecedented $200 million initiative to revive 100 of Earth's most threatened species, including endangered lemurs, salamanders, pangolins, pigs and echidnas. DiCaprio's Re:wild and the Bezos Earth Fund are leading the Phoenix Species Project, the groups announced Tuesday. They call it the largest single fund in history dedicated exclusively to recovering critically endangered species. DiCaprio has for years been developing the idea of a major concerted effort to help species whose habitats and future existence are threatened by climate change.

A £5m UK trial will test whether AI can help reduce Contrails (also known as vapour trails – these are made when the hot exhaust from aircraft engines meets the cold air at high altitude, creating ice crystals), by predicting where warming contrails are likely to form and getting planes to avoid those areas. Many disappear quickly, but in particularly cold and humid conditions they can persist and spread, forming clouds which trap heat that would otherwise escape from the Earth. The 30-month Operation Blue Skies project brings together Google, the UK government, the Met Office, air traffic control provider National Air Traffic Services (NATS) and researchers at the University of Cambridge and Imperial College London.

Rising temperatures in the ocean now have the potential to cause intense storms in Europe later this year, according to new research. The Mediterranean sea is heating up twice as fast as the average for oceans in the rest of the world, according to World Weather Attribution, a group of scientists that use peer reviewed methods to perform rapid studies of how climate change feeds into weather patterns. Parts of the Mediterranean sea and the European Atlantic coast recorded surface temperatures that were more than 6C hotter than would be considered normal in June.

Solar panels are now China's top source of power capacity, surpassing coal in a new milestone for the country's green-energy boom. Solar capacity reached 1,286 gigawatts at the end of July, accounting for 31.5% of totalled installed power generation. China remains the dominant player in the global solar supply chain, with investment in the sector expected to top 2 trillion yuan (£220 bn) over the next five years.

Sticking with solar, **British-owned solar company UKSOL is the first solar company that has reached significant regulatory compliance through the Energy Network Association (ENA) Register for its new UKSOL Plug-In Solar Pro system** as it prepares to bring accessible plug-in solar technology to UK households. This is a vital and important step towards the commercial launch of the UKSOL system. The compliance comes as the UK prepares for the introduction of plug in solar, which is designed to give more households access to small-scale solar generation without the cost and complexity associated with a traditional rooftop solar installation. UKSOL has been developing its Plug-In Solar Pro proposition specifically with the emerging British market in mind, with a strong emphasis on electrical safety, product quality, clear consumer information and long-term support judgement as of the date of publication and do not constitute general or specific investment advice. Nothing in this document constitutes an offer to buy or sell securities of any type or should be construed as an offer or the solicitation of an offer to purchase or subscribe or sell any investment or to engage in any other transaction. The information contained in this document is for general information purposes only and should not be considered a personal recommendation or specific investment advice.

Please remember the performance data presented is just a snapshot in time in and is not intended or to be relied upon by retail investors. Note that the value of investments and the income arising from them, may fall as well as rise and is not guaranteed. You may not get back the amount invested, especially in the early years. Investors should be aware of the underlying risk associated with investing in shares of small-cap stocks and emerging markets. These can prove to be more volatile than in more developed stock markets. Derivative instruments may be used from time to time for the purpose of efficient portfolio management. ESG and Impact investing, will by its very nature, have no or very limited exposure to some key sectors of stock markets and a higher exposure to a number of positive themes. It is therefore important to understand that both performance and the risks associated can differ versus a portfolio that does not include ethical exclusions. As the portfolios are housed on number of platforms there will be some variances in cost and performance depending on the platforms ability to hold certain share classes and their policy on execution, and the data is to provide a guide but each platform will vary.

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