

EdenTree UK Equity Opportunities Fund

Performance	3 months	6 months	1 year	3 years	5 years	10 years
Fund Performance (B Class)	1.1%	10.0%	10.7%	41.1%	37.9%	68.6%
FTSE All-Share TR GBP*	6.9%	11.6%	16.2%	50.0%	84.1%	118.3%
IA UK All Companies	3.1%	10.7%	9.5%	40.8%	57.4%	84.4%
Sector Quartile	3	3	3	3	3	4

Source: Morningstar. Figures compared on a Bid to Bid basis with Net Income Reinvested. Data as at 30.09.2025

Market review

The FTSE All-Share Index rose in sterling terms over the quarter. Among UK indices, the large-cap FTSE 100 Index led the way, outperforming the FTSE Small Cap, FTSE 250 and FTSE AIM All-Share during the period.

In the UK, the Labour Party found governing challenging, a situation made worse by the negative economic impact of tax-raising measures introduced in their October 2024 Budget. The Bank of England (BoE) cut interest rates by 25 basis points (bps) in August, taking the base rate to 4.00%. However, the decision among Monetary Policy Committee (MPC) members was closer than expected, with the 25-bps cut passing by a narrow 5-4 majority after the MPC had to hold an unprecedented second vote. The BoE then held rates at its September meeting, citing concerns about continuing inflationary pressures.

The US stock market performed strongly in the period. The Federal Reserve (Fed) voted to cut the federal funds rate to a 4.00-4.25% range at its latest meeting. Interestingly, one member of the Federal Open Market Committee (FOMC) voted for a larger 50 bps cut. The decrease in interest rates came amid signs of softness in the labour market and data showing the impact of tariffs on inflation has been modest.

The European Central Bank (ECB) held its key interest rate at 2.00% during the period. ECB President Christine Lagarde indicated the ECB had switched to a “wait-and-watch” mode as the domestic European economy was showing resilience. The conflict in Ukraine continued, although the US administration appeared keen to push for a ceasefire.

Elsewhere, Israel’s military campaign in Gaza continued. In commodity markets, the oil price was volatile as it reacted to concerns around weakening demand and the potential implications of increased production.

Performance and activity

The EdenTree UK Equity Opportunities Fund underperformed its benchmark, the FTSE All-share, during the quarter. The Fund also underperformed the IA UK All Companies sector.

In terms of sector exposures, our overweight to the travel and leisure and the medical equipment and services sectors detracted from the Fund’s performance. Our overweight position to the industrial support services and the investment banking and brokerage services sectors contributed positively to the Fund’s performance.

Detractors from the Fund’s performance over the quarter included online package holiday specialist On the Beach, medical products company Convatec and software company for small and mid-sized businesses Sage. On the Beach’s share price struggled largely due to slower forward bookings for the 2026 summer period. Convatec’s share price declined due to potential headwinds to its wound management segment from US regulatory changes. Sage’s share price fell due to moderations in annual recurring revenue (ARR) growth alongside investor fears around the threat of artificial intelligence.

The Fund’s top contributors over the period included our overweight positions in global professional services business JTC, diagnostic commercialisation platform Diaceutics and global provider of financial solutions Alpha Group. The share price of JTC rose sharply on the back of competing takeover bids. Diaceutics performed well due to strong first-half results. Finally, Alpha Group’s share price rose following confirmation of a successful takeover bid from Corpay.

In terms of activity, we increased our holdings in Calnex, AJ Bell, Auto Trader and GB Group. We took profits in Prudential, Tatton Asset Management, St James's Place, Wise and JTC. We sold out of Close Brothers.

Outlook

President Trump's introduction of reciprocal tariffs marked a turning point in global trade, raising the risk of slower economic growth and rising inflation. The extent of the negative effects of these tariffs will depend on how negotiations fare with the US' trade partners and also how businesses respond. The US and China have continued to negotiate in the face of a November tariff deadline; US-China relations will likely be linked to trade tensions going forward, which could have global consequences.

In the UK, the economic picture is looking fairly challenged. Consumers are facing a squeeze on their disposable income, partly due to higher National Insurance (NI) contributions. The NI increases have arguably discouraged businesses from hiring and led to price hikes, which has negatively affected consumer spending. The tax burden for the UK taxpayer also remains high, with further tax increases likely in the upcoming Autumn Budget. This combined with a late November timetable for the Autumn Budget could impede future economic activity.

In Europe, the prolonged conflict in Ukraine will likely continue to have adverse economic impacts, although much will depend on whether the US can broker a ceasefire.

The US has proposed a ceasefire plan in Gaza, which has been accepted by Israel. Until there is further progress on this plan, it is difficult to accurately assess the impact on global trade and oil prices.

In commodity markets, the trajectory of the oil price will depend not only on tensions in the Middle East, but on the strength of global demand and the impact of OPEC+ members increasing production. Stimulus measures from the Chinese authorities have been introduced to boost consumption and increase demand.

While some political and economic risks lie ahead, we remain focused on finding new opportunities in companies that meet our strict criteria of strong earnings growth, high margins and strong cash flows.

Performance Discrete Rolling 12 months	12 months to 30/09/2021	12 months to 30/09/2022	12 months to 30/09/2023	12 months to 30/09/2024	12 months to 30/09/2025
Fund Performance (B Class)	42.6%	-31.4%	13.6%	12.2%	10.7%
FTSE All-Share TR GBP*	27.9%	-4.0%	13.8%	13.4%	16.2%
IA UK All Companies	32.1%	-15.4%	12.6%	14.2%	9.5%
Sector Quartile	1	4	2	3	2

Source: Morningstar. Figures compared on a Bid to Bid basis with Net Income Reinvested.

*As the Fund invests in a diverse range of UK companies and sectors, we compare the Fund's performance to the FTSE All Share Index. However, the portfolio manager is not bound or influenced by the index when making investment decisions.

Past performance is not necessarily a guide to future returns.

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