

EdenTree Sustainable Global Equity Fund

Performance	3 months	6 months	1 year	3 years	5 years	10 years
Fund Performance (B Class)	1.5%	16.1%	17.5%	43.5%	32.8%	121.2%
MSCI ACWI Net TR GBP*	1.5%	15.9%	18.3%	66.6%	81.3%	236.5%
IA Global	0.4%	13.4%	13.3%	47.5%	44.3%	157.5%
Sector Quartile	2	2	2	3	3	3

Source: Morningstar. Figures compared on a Bid to Bid basis with Net Income Reinvested. Data as at 30.09.2026

*The MSCI ACWI GBP Net Total Return Index was adopted as the Fund's comparative benchmark on 1 January 2024, replacing the FTSE World TR Index. As the Fund invests in a diverse range of global companies and sectors, we compare the Fund's performance to the MSCI ACWI GBP Net Total Return Index. However, the portfolio manager is not bound or influenced by the index when making investment decisions.

Market review

Global equity markets proved resilient over the quarter, despite a backdrop of rising bond yields and ongoing geopolitical uncertainty. Higher interest rates remained the dominant issue facing developed economies, although the drivers of higher yields continued to differ across regions. In the US, stronger economic growth, fiscal stimulus and crowding-out pressures from the unprecedented AI build-out have all contributed. In Europe, higher rates are, in part, responding to higher yields in the US, and also reflecting the market's view on unsustainable fiscal positions, ambitious spending plans and inflationary pressures linked to the region's lack of energy independence.

The sharp rise in government bond yields across many major economies during the quarter created a more challenging backdrop for interest-rate-sensitive assets, with short-dated government bond yields reaching levels not seen for more than two decades. Despite this, equity markets remained broadly resilient. While investors remained mindful of the ongoing conflict in the Middle East, its impact on broader equity markets was relatively contained, although higher oil prices contributed to elevated diesel costs in the US. Given the importance of fuel prices to household budgets and consumer confidence, this remains a key area to watch as the US approaches the mid-term elections.

Performance and activity

The EdenTree Sustainable Global Equity Fund delivered performance in line with its benchmark, the MSCI ACWI Index, over the quarter, but outperformed the IA Global sector.

The Fund's healthcare exposure was the strongest contributor to returns, as investors increasingly recognised the sector's attractive fundamentals and the potential for AI to accelerate advances in drug discovery, diagnostics and innovation. Among the strongest performers were Oxford Nanopore, Tecan and IQVIA, all of which benefitted from growing confidence in long-term growth prospects across the life sciences and healthcare technology landscape.

Software holdings also contributed positively, with Microsoft among the Fund's strongest performers. Microsoft's share price benefitted from continued momentum in Azure and increasing confidence in the company's ability to monetise its substantial AI investments.

On the other hand, weakness was concentrated in more interest-rate sensitive holdings as bond yields moved higher. Companies exposed to the US housing and construction markets were particularly affected, including Builders FirstSource, Carrier Global, Valmont Industries and Advanced Drainage Systems. Importantly, this weakness was largely driven by macroeconomic factors rather than company-specific issues. We continue to believe that many of these businesses possess attractive long-term fundamentals despite recent share price weakness, and that their strong balance sheets should leave them well placed to weather a prolonged period of higher interest rates.

Following strong performance from several healthcare holdings, we took profits in Tecan and reduced our position in Oxford Nanopore. Proceeds were partly reinvested into AstraZeneca, where we believe market concerns surrounding the company's strategic direction had created an attractive valuation opportunity. We modestly reduced exposure to certain financial holdings, as higher bond yields continued to create challenges for parts of the banking sector.

We initiated a position in Regal Rexnord following a period of share price weakness. We believe the company is well positioned to benefit from long-term growth in automation, robotics and industrial AI applications. Elsewhere, we selectively added to a number of interest-rate sensitive holdings, including Builders FirstSource, Carrier and Xylem, where recent weakness had created attractive entry points.

Outlook

Looking ahead, interest rates, inflation and political developments are likely to remain key drivers of market performance. The outcome of the US mid-term elections could have important implications for market leadership and the pace of investment in AI. Regulatory developments surrounding AI are also likely to remain in focus. The continued evolution of the AI theme, alongside forthcoming milestones such as Anthropic's expected IPO, may provide further insight into investor appetite for the sector and the sustainability of current growth expectations.

We remain mindful of the challenges created by higher government bond yields, particularly for banks and areas of the economy reliant on commercial real estate financing. At the same time, we continue to identify selective opportunities among high-quality businesses whose valuations have been negatively affected by the higher-for-longer interest rate environment.

While economic conditions remain relatively supportive in the US, other regions may find it more difficult to absorb the impact of elevated interest rates. We therefore continue to monitor developments closely, particularly in Europe where energy prices and fiscal pressures are important considerations.

Against this backdrop, we remain valuation sensitive and continue to apply our Sustainability at a Reasonable Price (SARP) investment discipline. By combining rigorous sustainability analysis with a strong focus on valuation and business quality, we believe the Fund remains well positioned to capture attractive long-term opportunities across global equity markets.

Performance Discrete Rolling 12 months	12 months to 30/09/2022	12 months to 30/09/2023	12 months to 30/09/2024	12 months to 30/09/2025	12 months to 30/09/2026
Fund Performance (B Class)	-17.1%	11.6%	13.2%	8.0%	17.5%
MSCI ACWI Net TR GBP*	-3.0%	12.2%	20.5%	16.8%	18.3%
IA Global	-9.2%	7.7%	16.4%	11.8%	13.3%
Sector Quartile	4	2	4	3	2

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

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Past performance is not necessarily a guide to future returns.

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Please note that the value of an investment and the income from it can fall as well as rise as a result of market and currency fluctuations, you may not get back the amount originally invested. Past performance is not necessarily a guide to future returns.

A full explanation of the characteristics of the investments is given in the Key Investor Information Document (KIID). Any forecast, figures, opinions, statements of financial market trends or investment techniques and strategies expressed are, unless otherwise stated, EdenTree Investment Management's own at the date of this document. They are considered to be reliable at the time of writing, may not necessarily be all-inclusive and are not guaranteed as to accuracy. There is no guarantee that any forecast made will come to pass.

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