

EdenTree UK Equity Fund

Performance	3 months	6 months	1 year	3 years	5 years	10 years
Fund Performance (B Class)	-2.3%	7.9%	4.4%	26.1%	18.2%	35.5%
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	4	3	3	4	4	4

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

Market review

Global equities performed strongly over the third quarter of 2025, shrugging off concerns around US tariffs and weak employment data. UK equities participated in this rally, with the FTSE All Share rising 6.9% over the quarter.

Global equities were again led higher by US mega-cap technology stocks and many of the associated semiconductor industry names, as the ongoing artificial intelligence (AI) feeding frenzy continued. UK equities, like many other markets, did not have any meaningful exposure to this trend but rose anyway, as the equity market rally broadened out beyond just AI-related stocks.

While AI continued to push the overall market higher, sectors deemed to be at risk from rapid AI progress were weak. This included areas like stock exchange operators and business information providers, although there is much debate as to whether they are at risk or could indeed be beneficiaries. Consumer facing stocks also underperformed, such as food producers and leisure businesses, where there is evidence of weak consumer spending in the US, Europe and Asia.

The Bank of England (BoE) lowered its headline rate by 25 bps to 4.00% in August, as weak economic growth persisted alongside stubbornly high services inflation.

Performance and activity

The EdenTree UK Equity Fund underperformed its benchmark, the FTSE All Share, over the quarter. This was partly because the Fund did not have any holdings in the mining, defence and energy sectors due to our sustainability screening process, with these sectors performing well during the period.

Amid the AI-led momentum, our holdings RELX and London Stock Exchange Group both performed poorly as the market started to weigh up the potential for disrupted business models from AI. In both cases, we disagree with that prognosis and would even argue the opposite. RELX, for example, is arguably a beneficiary, especially in its legal division, where it is a leader in integrating generative AI.

In contrast, several of our holdings performed strongly across a variety of sectors. Prudential reported positive results for the first half of the year. Animal genetics company Genus performed well due to the release of strong annual results to end-June 2025, in which it delivered double-digit growth in adjusted operating profit and profit before tax, and achieved FDA approval for its PRP gene edit. Industrial equipment distribution company Diploma also released strong results during the quarter; over the year-to-date to end-June, the company delivered double-digit organic growth.

We trimmed our exposure to Spectris over the quarter following a significant rise in its share price after agreeing a takeover by a US private equity firm. We also added to Coats Group after it issued shares to finance an acquisition in its footwear business.

Outlook

Our view is that UK equities are attractively valued both relative to their own history and to other markets. This is not without reason, certainly relative to the US where earnings growth is consistently higher. However, there is extreme policy uncertainty in the US and a significant risk of unintended consequences from chaotic and short-sighted government actions. This will present opportunities in equity markets, especially at a time of historic euphoria in terms of valuations in the US equity market.

Our portfolio contains a range of compounders (lower growth but reliably steady businesses) through to higher growth, more speculative businesses. We remain confident in the overall risk and reward prospects for the portfolio in light of this heightened level of uncertainty. It remains a widely diversified portfolio, which is spread across many different industries and sectors that we believe should offer resilience against the unpredictable. Vital to this is our investment process, whereby sustainability factors are integrated into the investment management process, with our fund managers and sustainable investment analysts working side by side.

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)	27.4%	-26.5%	10.8%	9.0%	4.4%
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	3	4	3	4	3

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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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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