

EdenTree Global Impact Bond Fund



Performance	3 months	6 months	1 year	3 years	ITD*
Fund Performance (B Class)	0.9%	2.6%	2.0%	16.5%	-1.6%
iBoxx Glo Green Soc Sust Bond Hdg TR GBP**	1.1%	3.2%	3.4%	16.7%	-3.5%
IA Global Corporate Bond	2.4%	3.4%	4.4%	18.0%	3.9%
Sector Quartile	4	3	4	2	4

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

*Inception date: 24.01.2022

Yields***	
Distribution	3.8%
Underlying	3.2%
Historic	3.4%

Source: EdenTree. Data as at 30.09.2025

Market review

With the exception of the US and Canada, global bond yields rose across most major economies over the quarter, as higher-than-expected inflation, notably in the UK, led market participants to pare back their expectations of interest rate cuts. In France, fiscal concerns kept longer-maturity bond yields higher and were also the main driver behind Fitch's downgrade of the country's sovereign credit to single-A in September.

During the quarter, the US Federal Reserve (Fed) cut its benchmark interest rate for the first time in 2025 to a target range of 4.00-4.25%, with Fed Chair Jerome Powell citing growing concerns over an already weakening labour market. The European Central Bank (ECB), having cut by a cumulative 100 basis points (bps) so far this year, held its main benchmark interest rate at 2.00%. Policymakers have since declared this as a neutral level, given balanced risks to both economic growth and inflation in the euro area. The Bank of England (BoE) cut its benchmark interest rate by 25 bps to 4.00% in August, its third such action this year. The BoE maintained guidance of a "gradual and careful" pace of further rate reductions. The Bank of Canada cut its benchmark interest rate by 25 bps to 2.50% in September, following a contraction in GDP in the second quarter.

Alongside the rally in risk assets, credit spreads continued to tighten over the quarter and now sit at historic tights. Lower-quality debt outperformed higher-quality credit, with corporate bonds ending the period ahead of government bonds as the yield curve steepened. Shorter-dated corporate bonds outperformed their longer-duration counterparts; this was influenced, to great extent, by movements in the underlying sovereign yield curves.

Performance and activity

The Global Impact Bond Fund underperformed its iBoxx Global Green Social Sustainability Index benchmark and the IA Global Corporate Bond sector over the period. The Fund's performance was negatively affected by its allocation to longer-dated securities, where it was overweight. This offset the positive contribution from the Fund's security selection in the financial and utility sectors where credit spreads tightened over the period.

Over the period, the Fund reduced its interest rate sensitivity in euro and sterling-denominated debt. It also opened new positions in high-quality credits in Europe, the US and Canada to deploy cash from significant subscriptions.

The Fund initiated holdings in Covivio 0.875% 2033 (2032 call), Caixabank 3.625% 2032 (2031 call), Crédit Agricole 4.375% 2033, National Grid 1.96% 2030, Ontario 1.55% 2029, Generali 5.272% 2033, International Bank for Reconstruction and Development 4.375% 2035, EU 2.75% 2033, ABN Amro 3% 2031, Iberdrola 3.5% 2035, Nationwide 7.875% (2031 call) and Swedbank 4.875% 2030 (2029 call).

The Fund added to positions in Axa 1.375% 2040 (2031 call), Orange 2.375% 2032, ING Bank 7.25% perpetual bond (2034 call), Handelsbanken 3.625% 2036 (2031 call), Caisse d'Amortissement de la Dette Sociale 2.125% 2032, European Investment Bank 1.625% 2031, Mohawk 3.625% 2030, Pfizer 2.625% 2030 and Munich Re 5.875% 2042 (2031 call).

There was an early redemption of the Santander USA 5.807% 2026 holding. The Fund also reduced its positions in UK Gilt 0.5% 2061, UK Gilt 1.5% 2053, French OAT 0.5% 2044, International Bank for Reconstruction and Development 2.5% 2032 and Close Brothers Group 2% 2031 (2026 call).

Outlook

The global interest rate cycle appears to be de-coupling, with faster reductions by major central banks in geographies such as Europe and Canada met with limited monetary policy loosening from the Fed and the BoE. The latter institutions have cut less, with the BoE, in particular, placing greater emphasis on lingering inflation risks. Even though the most recent disruption to trade has not yet resulted in higher consumer prices, a heightened level of uncertainty remains, particularly around fiscal policy. In an environment marked by concerns around large and growing government budget deficits and a slower pace of interest rate cuts, shorter and intermediate tenor bonds tend to perform better. The trend for steeper yield curves, therefore, looks set to continue.

Credit spreads are currently at historic tightness, which typically reduces the appeal of riskier corporate bonds, as the compensation for associated risks, including default, diminishes. Despite deteriorating labour markets, the global economy's resilience in the face of ongoing shocks, not least recent trade tariffs, is confounding expectations and may well see market participants persist in their renewed search for yield.

Higher budget deficits amongst major economies such as the US, UK and France are rightly garnering more attention from bond markets, particularly as attempts to curb spending are met with stiff political resistance. Fitch's downgrade of France's credit rating to single-A following France's failure to implement the required fiscal consolidation could serve as a precursor to national budget announcements elsewhere in the coming months. Interest rate risk on longer-dated maturities, therefore, looks underpriced. We also remain cautious of lower-quality corporate debt, such as sub-investment grade debt, despite the lack of an obvious catalyst for credit market weakness. We remain vigilant in seeking out opportunities to add to high-quality bonds, scrutinising the robustness of business models and cash flows to ensure adequate compensation for risk.

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)					2.9%	11.1%	2.0%
iBoxx Glo Green Soc Sust Bond Hdg TR GBP**					1.7%	10.9%	3.4%
IA Global Corporate Bond					2.1%	10.7%	4.4%
Sector Quartile					2	1	4

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

*Inception date: 24.01.2022

**This benchmark is a comparator against which the overall performance of the Fund can be measured. It has been chosen based on the Fund's multi-currency portfolio of debt instruments, the bulk of which possess a clear use of proceeds and as such are labelled Green, Social and/or Sustainable. The portfolio manager is not bound or influenced by the index when making investment decisions and the Fund's holdings may deviate from the benchmark's constituents.

***The Distribution Yield reflects the amounts that may be expected to be distributed over the next 12 months as a percentage of the mid-market share price of the fund as at the date shown. The Underlying Yield reflects the annualised income net of expenses of the fund (calculated in accordance with relevant accounting standards) as a percentage of the midmarket share price of the fund as at the date shown. Both yields are based on a snapshot of the portfolio on that day. The yields do not include any preliminary charge and investors may be subject to tax on distributions. The Distribution Yield is higher than the Underlying Yield because the Fund's expenses are charged to capital. This has the effect of increasing the distributions for the year and constraining the Fund's capital performance to an equivalent extent. The Historic Yield reflects distributions declared over the past twelve months as a percentage of the share price.

Past performance is not necessarily a guide to future returns.

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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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