

EdenTree Global Equity Fund



Performance	3 months	6 months	1 year	3 years	5 years	10 years
Fund Performance (B Class)	7.6%	13.6%	8.0%	36.4%	45.5%	143.0%
MSCI ACWI Net TR GBP*	9.5%	15.1%	16.8%	58.0%	90.0%	273.1%
IA Global	7.3%	13.3%	11.8%	40.2%	56.8%	188.2%
Sector Quartile	2	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

Global equities rose over the third quarter, fuelled by the continuation of the artificial intelligence (AI) driven rally. This positive performance came despite a mixed economic backdrop, marked by moderating global growth and rising US inflation.

Equity markets were further supported by a robust second quarter earnings season and increasing investor expectations of monetary policy easing. These expectations manifested in September, with the much-anticipated first rate cut this year from the US Federal Reserve (Fed) taking the Fed's benchmark interest rate to a target range of 4.00-4.25%. The weaker private sector US jobs report drove the dollar lower but did not discourage the equity rally.

In Europe, markets also rose over the period, although less so than the US. However, performance was varied across the region, with French market sentiment in particular being damaged by political instability. The French fiscal situation remains fragile at the start of the fourth quarter, with the resignation and subsequent re-appointment of French Prime Minister Sébastien Lecornu shortly after the end of the third quarter reflecting the ongoing challenges of delivering a workable and widely accepted national budget.

Performance and activity

The EdenTree Global Equity Fund performed positively over the period, although it underperformed its MSCI ACWI benchmark. However, the Fund outperformed its IA Global peer group return over the quarter, placing the Fund in the second quartile.

Although the Fund's stock selection was strong, its geographic allocation detracted from performance, primarily due to an overweight position in Europe excluding the UK. Despite Europe's positive performance, it was the weakest geographical region over the quarter, returning approximately 4.9%. In comparison, US equities posted strong gains, rising approximately 10% over the quarter. This performance was driven by the dominant technology-related themes, with the Magnificent 7 returning almost 20% in sterling terms.

Within the Fund's Disruptive Innovation pillar, our holdings exposed to the AI theme rallied. The Fund's top contributor was Alphabet, which rose by over 40%. Alphabet's performance was driven by strong results, and, in our view, an undemanding valuation relative to other Magnificent 7 stocks. Increasingly, it appears Alphabet's AI offering, including Gemini, is experiencing accelerating traffic. The recent announcement that Apple has signed an agreement to potentially implement Gemini in Apple iOS suggests Alphabet is well placed in Edge AI solutions (given Alphabet's existing dominance in Android OS). Additionally, our holding in Lattice Semiconductor, a leader in low-power FPGAs for Edge AI and industrial automation, rose by approximately 50% over the quarter. The rally in Lattice Semiconductor's share price followed strong earnings results, expanding backlog and growing investor enthusiasm around its AI exposure – which is estimated to account for around 20% of its revenue.

Our Cleaner, Safer, Circular holdings delivered strong performance, with newly acquired US building products holdings quickly re-rating following reassuring results driven by accelerating rate cut optimism. Given the flurry of AI data centre project announcements over the quarter, companies specialising in the supporting electrical power infrastructure also benefitted from the rally. The Fund's holding in Prysmian rose over 40%, given the company's crucial role in electrical interconnectors resulting in several large project wins.

Our Healthy Future holdings struggled during the period, impacted by concerns over potential pharmaceutical tariffs, uncertainty over the NIH budget and US Secretary of Health and Human Services RFK Jr. continuing to pursue an anti-consensus health agenda. Despite these headwinds, our thesis of a rational middle ground being reached remains. We used this short-term weakness in the healthcare sector as an opportunity to reinforce our long-term conviction, ending the quarter with a 7.5% overweight. There have been encouraging signs post-quarter for the sector, including a deal on drug prices between the US administration and industry bellwether Pfizer, which could signal a more constructive policy environment.

In terms of activity, we reduced some of the recently purchased US residential exposure after a significantly faster-than-expected share price recovery. We recycled the proceeds into a new holding in IQVIA, a provider of contract research services and health data and analytics. IQVIA's key customer is the pharmaceutical sector, and the company is well positioned to benefit from easing industry headwinds. We also added HASI, a US specialist in financing a wide array of low-carbon projects, including energy efficiency projects and land for solar power. With the urgent need to increase power generation to support data centres, solar, wind and battery technologies are the only sources of new electric capacity that can be operational in less than two years. This presents a sizeable opportunity for HASI, where we feel the significant time and cost benefits of renewable energy outweigh any ideological opposition in the US.

Outlook

Market performance continues to diverge from economic strength, with equity valuations appearing materially stretched in certain areas. Looking ahead, markets have so far adopted a 'bad news is good news' stance, balancing signs of economic weakness with hopes of corresponding interest rate cuts. However, inflation remains a key determinate of future monetary policy, and if inflation remains stickier or continues to rise, this will challenge the consensus optimism for rate cuts.

In the US, additional risks stem from the government shutdown, which has led to a blackout of key economic data releases, including employment and CPI. This comes at a time of already heightened anxiety and could impact the Fed's decision-making, as well as that of other central banks that use the US's most recent economic data to inform their own policy decisions.

Outside of the US, the challenge facing the French political system feels like Groundhog Year and serves as a reminder to other fiscally challenged economies that effective reform is far better enacted from a position of strength than from being enforced.

Consistent with our 'sustainability at a reasonable price' valuation discipline, we have continued to take profits in areas with stretched valuations, allocating to areas we feel have been overly discounted, including healthcare, utilities and other over-looked sectors that are sensitive to changes in interest rates.

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)	28.7%	-17.1%	11.6%	13.2%	8.0%
MSCI ACWI Net TR GBP*	24.0%	-3.0%	12.2%	20.5%	16.8%
IA Global	23.1%	-9.2%	7.7%	16.4%	11.8%
Sector Quartile	1	3	2	4	3

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

*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.

Past performance is not necessarily a guide to future returns.

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