

Performance	3 months	6 months	1 year	3 years	5 years	10 years
Fund Performance (B Class)	5.7%	13.8%	13.8%	42.0%	39.0%	137.1%
MSCI ACWI Net TR GBP*	3.4%	13.3%	13.9%	59.6%	80.9%	256.5%
IA Global	2.8%	10.2%	10.9%	41.0%	47.0%	174.0%
Sector Quartile	1	1	2	2	3	3

Source: Morningstar. Figures compared on a Bid to Bid basis with Net Income Reinvested. Data as at 31.12.2025

Market review

Equity markets extended their rally in the fourth quarter despite ongoing political uncertainty and geopolitical tensions. In the US, the longest government shutdown on record disrupted the release of official economic data, while private indicators pointed to softer labour-market conditions and rising cost-of-living pressures. The Federal Reserve (Fed) cut its benchmark interest rate by 25 bps in both October and December, bringing rates closer to a more neutral level. Despite this backdrop, US equities gained modestly supported by sustained AI-driven investment and elevated capital expenditure on data centres, semiconductors and digital infrastructure, which provided a tailwind to the semiconductor supply chain despite mixed underlying economic signals.

European markets performed much better than the US over the quarter. Sentiment remained broadly positive, driven by expectations that increased fiscal spending on infrastructure and defence – particularly in Germany – will bolster economic growth in 2026. Utilities, banks and healthcare sectors were the key drivers, which meant indices with large sector weightings such as Spain and Ireland posted outsized gains of between 10% and 15%. The European Central Bank (ECB) left its benchmark interest rate unchanged at 2.00% as expected, supporting equity markets.

The UK equity market was one of the stronger performing regions, driven primarily by banks, mirroring their positive performance for much of 2025. The Bank of England (BoE) cut its benchmark interest rate by 25 basis points (bps) to 3.75% in December.

Japanese equities performed largely in-line with the global index in the fourth quarter, with technology stocks driving market performance. During the period, the Bank of Japan raised its policy rate by 25 basis points (bps) to around 0.75%. Taiwan's outperformance was also driven similarly by AI-related stocks.

Performance and activity

The EdenTree Global Equity Fund performed positively over the period, outperforming its MSCI ACWI benchmark and its IA Global sector return over the quarter, placing the Fund in the first quartile.

Geographically, the Fund's outperformance was led by stock selection in the US, with a 3.7% relative outperformance compared to the Index. Stock selection in Asian markets was also positive, with both Japan and Asia ex-Japan holdings outperforming, adding to their strong three and five-year contribution.

Within the Fund's Disruptive Innovation pillar, our exposure to the AI theme rallied. Our holding in Alphabet rose 29.1%, reflecting its increasingly dominant position across the AI ecosystem, from its industry-leading chips to Gemini 3.0 becoming the most popular downloaded AI model by the end of the year. While leadership in AI may ebb and flow as new models emerge, we believe Alphabet remains well positioned. In the Healthy Futures pillar, Bruker was a top contributor. The leader in diagnostics and life sciences began to recover as US academic and NIH-related funding pressures eased. In December, we met with Bruker's CFO at the NASDAQ conference, which reinforced our conviction in the business. In our Cleaner, Safer, Circular pillar, UK power infrastructure company SSE also contributed strongly. During the quarter, the company unveiled a five-year strategic investment plan, centred primarily on its regulated networks businesses. The plan was well-received by investors, prompting a sharp re-rating of the shares.

Among the detractors, in Healthy Futures, Spotify's shares fell after a mixed update: the company beat expectations on monthly active users but guided lower on this metric, alongside a decline in ad-supported revenue and renewed competitive concerns. Nonetheless, we continue to view Spotify's dual-model structure (subscription and ad-supported) as resilient. Oxford Nanopore also detracted, reflecting weaker sentiment across the healthcare sector alongside company-specific uncertainty. Leadership changes – including a new CEO – and the cancellation of the company's investor day heightened market caution during the period. In our Disruptive Innovation pillar, cybersecurity leader Palo Alto also detracted. The company's shares sold off sharply in mid-November following its \$3.4 billion acquisition of Chronosphere, as investors digested the scale of the deal and near-term dilution concerns.

In terms of activity, we added materially to Oxford NanoPore, taking advantage of share-price weakness. We trimmed SSE into strength after its sharp re-rating and substantial outperformance earlier in the year. We initiated a new position in Carrier, a global leader in cooling solutions, which is aligned with our energy efficiency thematic, which is trading at an attractive entry point due to US housing market weakness and short-term inventory challenges. We also added to Avient, a leader in speciality material solutions enabling lightweighting and circular solutions. In the US, we added to our holding in HASI, a specialist in renewable-project financing. Finally, we exited Orange, after strong year-to-date performance.

Outlook

We enter 2026 with a constructive yet cautious stance. While we believe AI will remain a defining market force, the year ahead is unlikely to be straightforward. The vast capital invested in AI infrastructure must now translate into tangible productivity gains and credible returns on capital. Investors have so far tolerated the hyperscalers' extraordinary capex, but scrutiny is rising. We are also seeing clearer differentiation between winners and laggards in the sector: Alphabet continues to execute strongly, whereas Meta and Amazon have shown pockets of weakness, a divergence which reinforces the need for selectivity here. Similarly, the US software sector continues to face a structural threat, as SaaS models moves from seat based to outcome (or usage) based pricing, threatening what appears to be an unsustainable gross margin profile.

Macro uncertainty continues. A change in Fed leadership adds complexity regarding the degree of independence, while an overly dovish incoming chair may encounter a greater resistance from bond markets in pursuit of President Trump's desire for lower rates. Should AI-driven economic growth persist at current rates, it may mask any underlying economic softness, placing the Fed in a more difficult position as it navigates a two-speed economy. The timing and pace of rate cuts remain key variables, particularly for cyclical and industrials.

Asia remains an attractive opportunity for the Fund. Valuations are less stretched than in the US, and the region remains central to the global AI build-out – particularly Taiwan, Korea and Japan.

In summary, we expect 2026 to be shaped by three interconnected forces: the evolution of the AI story; the Fed's delicate task of managing inflation; and the geopolitical-economic pull between the US and the rest of the world. We continue to seek opportunities in high-quality, undervalued, sustainable businesses aligned with durable structural themes.

Performance Discrete Rolling 12 months	12 months to 31/12/2021	12 months to 31/12/2022	12 months to 31/12/2023	12 months to 31/12/2024	12 months to 31/12/2025
Fund Performance (B Class)	19.3%	-17.9%	16.5%	7.2%	13.8%
MSCI ACWI Net TR GBP*	22.1%	-7.2%	17.2%	19.6%	13.9%
IA Global	17.6%	-11.3%	12.7%	12.8%	10.8%
Sector Quartile	2	3	2	3	2

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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