

EdenTree Green Impact Infrastructure Fund

Performance	3 months	6 months	1 year	3 years	ITD*
Fund Performance (B Class)	2.8%	11.9%	13.1%	12.1%	-0.3%
IA Infrastructure**	-5.4%	-2.5%	7.2%	29.1%	14.3%
Sector Quartile	1	1	1	4	4

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

*Inception date: 28.09.2022

**As the Fund will invest in companies involved in the ownership, operation or maintenance of infrastructure assets, investors may compare the Fund's performance to the Investment Association Infrastructure Sector. Funds in this sector must have at least 80% of their assets (directly or indirectly) in companies involved in the ownership, operation or maintenance of infrastructure assets (including but not limited to: utilities, energy, transport, health, education, security and communications). However, the Manager is not bound or influenced by the Sector category when making investment decisions.

Market review

The third quarter provided a mixed backdrop for green infrastructure. The breakdown in ceasefire negotiations between the US and Iran pushed energy prices higher during the period, which benefitted renewable energy generators through higher power prices. However, the increase in inflation expectations also contributed to a sharp rise in government bond yields, which could place upward pressure on the discount rates used to value infrastructure assets.

In response to inflationary pressures, the US Federal Reserve raised its target rate by 25 basis points (bps) to 3.75%-4.00%, as policymakers sought to support a return of inflation to its 2% target. In the UK, the Bank of England (BoE) maintained its base rate at 3.75%, although some policymakers voted in favour of an increase. The BoE also signalled the potential for a rise later in the year.

Elsewhere, conditions improved for battery energy storage systems, with revenues for both one-hour and two-hour batteries increasing during the quarter.

Performance and activity

The EdenTree Green Impact Infrastructure Fund delivered another strong positive return over the quarter, as the recovery across infrastructure continued. Within the Fund's financial segments, High Return Potential was the strongest contributor, while Diversifiers marginally detracted. Across its Green Impact Infrastructure Framework, Energy Generation made the largest positive contribution, with all other segments also contributing positively apart from Circular Economy.

The multi-service provider Elis was the largest detractor for the quarter, with its share price falling more than 20%. The company's first-half results were received negatively by the market despite revenue and earnings being broadly in line with consensus, as weaker-than-expected free cash flow weighed on sentiment. Nevertheless, this was arguably due to seasonality as well as some higher investment, inventory build-up and slower collections, and the longer-term outlook for the business remained unchanged. The company was also affected by concerns surrounding the weaker French economy, despite the majority of its operations being international. We viewed the de-rating as an opportunity to top up our holding. National Grid and Octopus Renewables Infrastructure also detracted over the quarter.

Greencoat UK Wind and The Renewables Infrastructure Group (TRIG) were the strongest contributors to Fund performance. Greencoat UK Wind benefitted from its relatively high exposure to UK merchant power prices as near-term UK electricity prices rose sharply. TRIG performed strongly after agreeing to sell its 17.5% stake in the Beatrice offshore wind farm to Equitix Investment Management for around £155 million, with the proceeds going to reduce its revolving credit facility drawings, representing meaningful progress towards TRIG's capital recycling target. An honourable mention goes to Greencoat Renewables, our largest holding, which also contributed positively to the Fund's performance. It reported first-half net cash generation in line with budget despite below-budget energy generation, highlighting the resilience of its business model. It raised its full-year dividend cover guidance to 1.5 times and continued its share buybacks.

During the quarter, we initiated a new investment in Solaria Energía y Medio Ambiente, a Spanish renewable energy company that develops, constructs, owns and operates renewable generation assets. Its activities are primarily focused on utility-scale solar PV, but its operations also cover co-located and standalone battery energy storage, wind assets, infrastructure services and powered-land solutions for data centres.

Outlook

In the near term, higher bond yields may put further pressure on reported net asset values for infrastructure companies, but, in our view, these companies are generally trading at discounts that are more than wide enough to accommodate this. Furthermore, both operating results and transaction evidence remain far more reassuring than public market discounts suggest. We think this indicates that listed valuations reflect materially more risk than private buyers observe in the underlying assets.

The key driver of future returns is not simply whether interest rates and discount rates eventually fall again, but whether companies can continue to generate strong cash flows, reduce debt and demonstrate the credibility of their valuations through disposals. We believe that the companies we invest in are well positioned to do just that. Holdings with self-funded business models and strong dividend cover should be especially well positioned.

We continue to see that the rise of artificial intelligence and related data-centre investment adds urgency to the need for renewable power, battery energy storage and grid connections, and we believe this is supportive for our investments. Green infrastructure remains well positioned to continue to generate positive environmental impact while capturing the financial upside from a durable clean energy demand tailwind, and we believe further rerating is warranted from here.

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)		-13.9%	5.0%	-5.6%	13.1%
IA Infrastructure**		-8.4%	13.4%	6.2%	7.2%
Sector Quartile		4	4	4	1

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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