# EdenTree Investment Funds Assessment of Value Report

**Year ended 31 December 2023**

### EdenTree Investment Funds **Series 1**

EdenTree Responsible & Sustainable UK Equity Fund

EdenTree Responsible & Sustainable European Equity Fund

EdenTree Responsible & Sustainable Global Equity Fund

EdenTree Responsible & Sustainable Managed Income Fund (formerly EdenTree Higher Income Fund)

EdenTree Responsible & Sustainable UK Equity Opportunities Fund

EdenTree Responsible & Sustainable Sterling Bond Fund

EdenTree Responsible & Sustainable Short Dated Bond Fund

EdenTree Green Future Fund

EdenTree Global Impact Bond Fund

### EdenTree Investment Funds **Series 2**

EdenTree Responsible & Sustainable Multi-Asset Cautious Fund

EdenTree Responsible & Sustainable Multi-Asset Balanced Fund

EdenTree Responsible & Sustainable Multi-Asset Growth Fund

EdenTree Green Infrastructure Fund

# A Message from the Board

The EdenTree Investment Management Board are delighted to present the 2023 Assessment of Value Report.

This is EdenTree's 4th Assessment of Value report and we have implemented a number of changes this year to our corporate structure, the EdenTree Fund range, and the way we assess value.

All our Funds have long-term investment horizons and objectives. We therefore do not assign ratings to recently launched Funds.

## Change to our Corporate Structure

### What we did...

At the beginning of 2023 we transitioned our asset management business to another company, changed the permissions of EdenTree Investment Management (EIM), and appointed directors to the EIM Board who were different to those of the asset management company and other companies within EdenTree and the Benefact Group.

### Why did we do this?

In essence, to ensure the interests of investors are at the front and centre of all that EdenTree Investment Management does, we have created a clear distinction between the board of our parent and our asset manager. This ensures independence is protected and the interests of investors are the core concern of the board.

## Changes to our Fund Range

In our last Assessment of Value Report, we confirmed that a decision had been made to close our two charity Funds- the Amity Global Equity Fund for Charities and the Amity Balance Fund for Charities. These Funds were launched in 2011, and neither Fund had reached the scale required to attract larger investment from our charity clients. Additionally, both Funds had scored at the lower end in our last few Assessments of Value. These Funds were closed in October 2023.

We also moved all our Funds to a Dilution Adjustment model (also known as "Swing Pricing") in July 2023. We made this change as we believe this model provides better protection to investors against transaction costs which result from material subscriptions or redemptions in the Funds.

## Changes to the way we assess value

Since the introduction of the Assessment of Value in 2019, there has been considerable change in the way asset management firms assess value. There are many different approaches adopted across the industry, which led to the FCA conducting their second industry sample review of Assessment of Value reports in 2023. We have used the FCA's published findings alongside our own internal review to improve and simplify how we assess and report on value.

The most significant change we have made has been to only publish a single RAG rating per Fund, which will be backed up by a more in-depth assessment of the FCA's seven pillars. Additionally, we have enhanced our performance narratives, improved our cost-based allocation models and added more colour around our market-leading Responsible Investment processes.

As we have in previous years, we have also requested updates from EdenTree's CIO, Charlie Thomas and Head of Responsible Investing, Carlota Esguevillas.

We hope you find this year's report informative and clear about how we provide value to investors across the Fund range.

**Sue Round**
Chair, EdenTree Investment Management Ltd.

Directors of EdenTree Investment Management Limited

M Warren | JS Brown | J Parrott



# Our Culture and Values

Our culture, values and behaviours are strongly focused on delivering great service for customers and clients and to be seen as a force for good in the wider business community and society as a dedicated manager of responsible, sustainable and impact aligned solutions. We are innovative, and nurture new ideas and product solutions that always seek to deliver for customers and client.

# Our Assessment Criteria

The FCA outline seven criteria for all UK fund managers to consider when determining if value has been delivered to investors. We have outlined our approach to these criteria below.

All our Funds have long-term investment horizons and objectives. We therefore do not assign ratings to recently launched Funds.

### Performance

In order to assess the performance of a Fund, we look at a number of different measures. Firstly, we look at whether the Fund is meeting its investment objective. We then look at absolute performance, performance relative to benchmark and performance against the peer group, which is usually the Fund's IA Sector.

As our Funds are typically subject to our Responsible and Sustainable screening process, we further look at performance against a smaller subset of the peer group in which the Funds have a similar ESG/ Sustainability focus. Additionally, where the Responsible Investing process is likely to have a material impact on the Fund's performance, we estimate the effect in order to present a fuller picture of the Fund's performance.

When assessing value, we consider the Fund's performance against it's investment objective and performance against benchmark as the key measures, with less emphasis placed on performance against the peer group.

The final contribution of Performance to the overall rating of the Fund is a subjective decision, based on the cumulative assessment of the measures above.

### Quality of Service

We look at a number of different indicators when assessing Quality of Service. This assessment will typically be the same across the Fund range as the service levels are agreed at the Fund level. There are however some examples when specific services are provided for some Funds and not for others due to Fund-specific characteristics.

The indicators we use to assess Quality of Service are:

- The quality of service provided by our third-party service providers
- The value added by the Responsible Investment Team, including all investor publications
- Level of training and education provided, for example, to intermediaries, as well as "insights" provided for private investors
- Training provided to our customer facing teams

Additionally, we look at the level of complaints received in the period as well as more qualitative aspects such as the standard of the communications we send out and whether simple and appropriate language is used.

A contribution to the overall value-rating of the Fund is decided using the overall balance of the indicators above.

## Authorised Fund Manager Costs

We complete a detailed activity-based cost allocation exercise on a semi-annual and annual basis. To complete this exercise, we look at both direct costs (such as front office staff, sales staff, other business functions, outsourced costs) as well as indirect costs (such an allocation of central services, legal and other business expenses).

Total expenses is then compared to net revenue and average AUM to understand profitability at a Fund level. The contribution of the AFM costs to the overall value rating of a Fund is based on the level of cost that is put through the Fund and the overall profitability of the Fund.

## Economies of Scale

The cost-based allocation and profitability calculations also form the basis of our assessment of Economies of Scale.

As a boutique investment manager, we are currently unable to benefit from the scale of operations that larger asset managers can leverage. Where we can take advantage of industry scale, such as using industry platforms and use of outsourcers, we do. As we grow, we expect there to be opportunities to reduce third party costs, but at our current AUM this is not currently feasible.

This element of the Assessment of Value applies across the fund range, and we will therefore not assess this at a Fund level beyond the profitability assessments.

## Comparable Market Rates

We review our fee levels against peer groups consisting of similar strategies.

In addition to the actual Fund selection, the process ensures that similar share classes are compared in order to avoid comparing, for example, institutional share classes of one manager with retail classes of another.

Where the rates are significantly different to the peer group, the rating is appropriately amended.

## Comparable Services

Both our institutional mandates and pooled Funds leverage the same investment process, however due to our specialism around responsible investment, segregated mandates are likely to have a customer centric view and therefore are not always aligned with the strategies in the pooled Funds.

We manage a range of segregated mandates, including active European, Global and Multi-Asset strategies for different types of institutional investors including Charities, Insurance Clients, Family Offices and Asset Managers.

When assessing the value of comparable services, we look at the level of fees charges, the services provided and the size of the mandates compared to our pooled funds. Within our pooled funds, we have also recently set up share classes for larger institutional investors which may offer a better comparator.

## Classes of Share

In order to assess the Classes of Share measure, we look at a number of different factors.

The main driver for the fee differentials between the share classes of a Fund is the level of cost and resource associated with servicing the respective classes. Higher fee levels would apply to share classes where more resource is required, especially when relative investment levels are taken into account.

Other factors we consider are the appropriateness of the entry features for each class, and reviews that are undertaken to ensure investors are in their most appropriate class given their level of investment.

We have more recently launched super-institutional share classes which offer larger institutional investors more competitive rates due to the benefits from scale that they bring to the Funds they invest in.



# Our Fund Ratings

**We have given each of our Funds an overall rating of Red, Amber or Green. The ratings should be interpreted as below:**

**An overall Red rating** indicates that there are some serious areas of concern and that the Fund overall does not provide value to investors.

A Red rating will typically mean that a more in-depth review is required and that some changes should be implemented ahead of the next Assessment of Value.

**An overall Amber rating** indicates that the Fund provides investors with value, but there are some areas of concerns.

The rating indicates that there are issues which need to be monitored and potentially addressed in order for the Fund to provide value to investors.

**An overall Green rating** indicates that the Fund provides investors with value based on our assessment of the seven pillars identified by the FCA.

Although there may still be some issues that need to be addressed or some improvements that need to be made, overall, the ACD is satisfied that the Fund is providing value to investors.

**An overall Grey rating** We have not rated Funds which have recently launched and have not yet reached their long-term time horizons.

**Our ratings are summarised on the following table:**

| Fund | Overall rating | Fund | Overall rating |
|---|---|---|---|
| A EdenTree Responsible and Sustainable UK Equity | ● | H EdenTree Responsible and Sustainable Multi-Asset Cautious | ● |
| B EdenTree Responsible and Sustainable European Equity | ● | I EdenTree Responsible and Sustainable Multi-Asset Balanced | ● |
| C EdenTree Responsible and Sustainable Global Equity | ● | J EdenTree Responsible and Sustainable Multi-Asset Growth | ● |
| D EdenTree Responsible and Sustainable Managed Income | ● | K EdenTree Green Future Fund | ● |
| E EdenTree Responsible  and Sustainable UK Equity Opportunities | ● | L EdenTree Global Impact Bond Fund | ● |
| F EdenTree Responsible and Sustainable Sterling Bond | ● | M EdenTree Green Infrastrcture Fund | ● |
| G EdenTree Responsible and Sustainable Short Dated Bond | ● | | |

# A Message from the Head of Responsible Investment

**After several years of progress, we have begun to see more debate on the value of integrating ESG (environmental, social and governance) factors as part of a dedicated investment strategy. Whilst events over the past year have led some firms to pull back in terms of their commitment, we remain steadfast and true in our principles and in our approach.**

Responsible and sustainable investing is not a 'fad or fashion'; it represents the clearly articulated values surrounding the responsible management of client assets entrusted to our charge. The rigorous standards we apply in assessing the practices of businesses we invest in recognises that some negative sustainability externalities might not be financially material today, but due to changing regulation and legislation, can damage that company's returns in the future.

As stewards of your investment, we seek to invest in companies for the long-term and to use our influence to drive positive societal and environmental change. Engagement with companies enables us to make sound, responsible investment decisions and to act as a catalyst for change. Over the course of 2023 we continued our programme of engagement, meeting with 189 companies on topics such as climate change, human rights, and biodiversity.

This engagement dialogue was supported by strong standards of corporate governance – where we use our votes as shareholders to hold companies to account. Across the year we voted at 353 meetings across 5,402 resolutions, opposing or abstaining in 11% of cases. As with previous years, the majority of action taken was against excessive executive remuneration, followed by Board balance issues.

In November, the FCA published its long-awaited Sustainability Disclosure Requirements (SDR) and investment labels policy statement – bringing much needed clarity to the sustainable investment market. With over 35 years of experience in this area, responsible and sustainable investment is not an add-on – it's all we do, and we are fully committed to offering our clients products which contribute to a greener, more sustainable economy.

**Carlota Esguevillas**
**Head of Responsible Investment**

# How do we deliver value to our investors?

**As a specialist investment manager with over 35 years of experience, responsible & sustainable investment is core to our investment philosophy and underpins our objective to deliver 'Performance with Principles' for our clients and be responsible stewards of those investments.**

We embed our core values approach which fully integrates Environmental, Social & Governance factors into the investment process. Our aim is to select those investments that meet our core values tests, and help to make a positive impact on the challenges faced by society through delivering and supporting sustainable solutions.

We are fundamental active managers, we seek to invest with a long-term investment horizon in a diversified mix of responsible and sustainably managed companies. A key pillar of our investment philosophy is our strong value discipline – identifying intrinsically sound companies with strong balance sheets and superior cash flow generation driven by proven business models at an attractive valuation.

We are benchmark 'aware' but not benchmark constrained. Utilising our independent thought and analysis, we aim to identify contrarian opportunities, which often focuses our attention away from large-cap companies.

As stewards of your investment, we seek to invest in companies for the long-term, leading to low portfolio turnover and trading costs, whilst ensuring we actively vote and engage with management.

We have been continuously recognised for the strength of our approach, being awarded the title of 'Best Ethical Investment Provider' at the Moneyfacts Life & Pensions Awards for the fifteenth year in 2023..

## Responsible investing is central to our approach


## Research

**EdenTree's thought-leadership research draws on an unrivalled depth of expertise that has built over 35 years as pioneers in responsible and sustainable investing. Our team regularly publish expert opinion pieces, which help to inform our clients. We regularly produce our flagship Expert Briefings and Emerging Issues Briefings, which provide an expert perspective on some of the biggest challenges facing our world today and how we, as responsible and sustainable investors can be a part of the solution.**

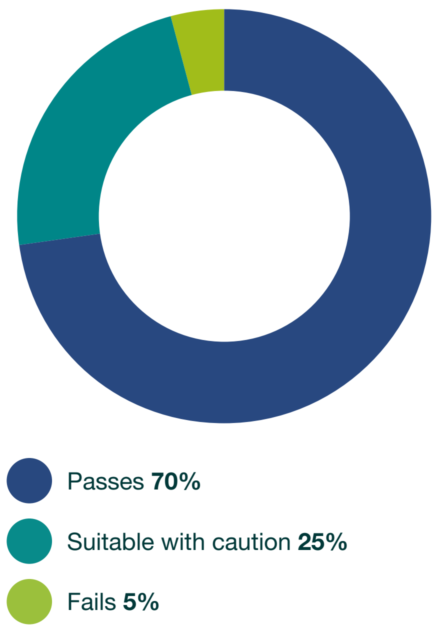
## Screening

To be considered suitable for inclusion within our range of responsibly managed funds, an investment idea must meet the criteria laid out by our responsible and sustainable screening model. There are three parts to this: Ethics/Values, Responsibility/ ESG and Sustainability and Thematic.

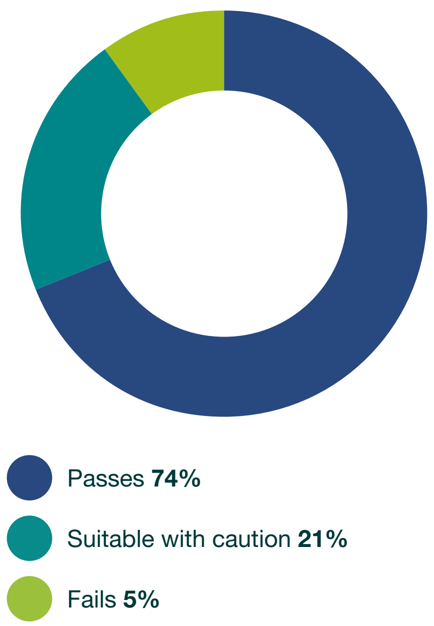
In 2023, the RI team completed 128 screenings and reviews. The quality of long-held portfolio stocks remains very strong with 70% achieving our highest rating of Pass. Of the reviews conducted, 25% were judged suitable with caution and 5% failed and were divested.

New ideas in 2023 achieved a 74% pass rate – an improvement on both 2022 (69%) and 2021 (61%). Of the remaining requests, 21% were judged suitable with caution and 5% failed our screening and did not progress.

**2023 Review Outcomes**




**2023 Screening Outcomes**



## Ethics/Values

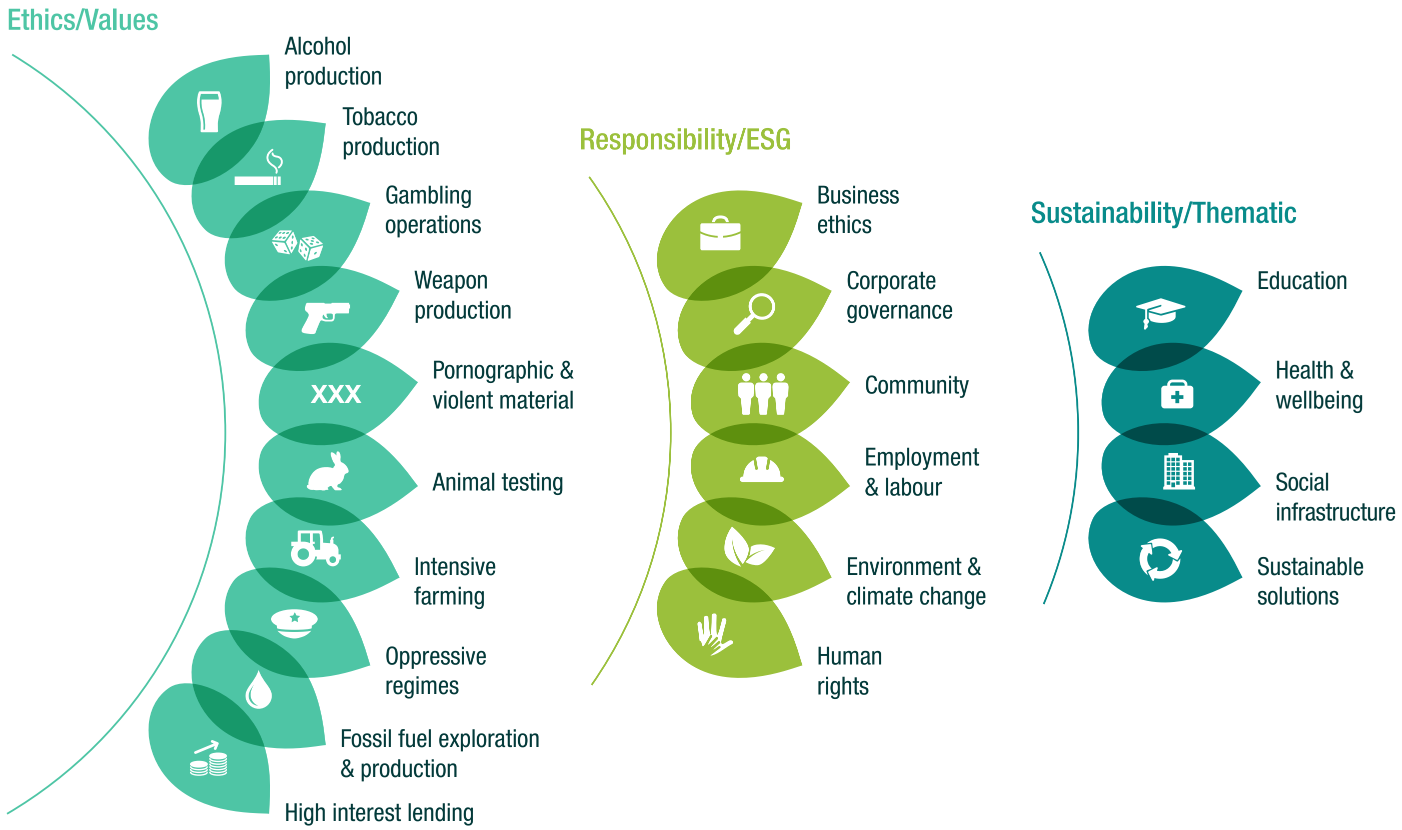
The ten negative screens which make up the ethics and values portion aim to avoid harmful activities that are a detriment to society. Companies that derive more than 10% of their profits or turnover from these activities are excluded from our universe of investible stocks.

## Responsibility/ESG

We then have a responsibility criteria, incorporating six different considerations which reflect ESG risk and our commitment to responsible investment. These are core to the way in which we consider stocks as being suitable for inclusion in our funds.

## Sustainability/Thematic

Finally, as we screen stock ideas, we will consider the positive sustainability case in terms of products and solutions, and how companies are referencing the Sustainable Development Goals as part of their business case.




## Engagement

**We engage with businesses on a wide range of environmental, social and governance issues, both when we are considering investing and then as shareholders. We believe that this is the best way to make sound, responsible investment decisions and act as a catalyst for change.**

| Type of Engagement | Number | % |
|---|---|---|
| Proxy Voting Related | 21 | 11% |
| Thematic Engagement | 116 | 61% |
| Screening Related | 46 | 24% |
| Reactive & Controversy Related | 6 | 3% |
| **Total** | 189 | 100% |

| Topic of Engagement | Number | % |
|---|---|---|
| Environment | 71 | 38% |
| Social | 49 | 27% |
| Governance | 25 | 13% |
| Overlapping | 38 | 20% |
| Negative screens | 6 | 3% |
| **Total** | 189 | 100% |

## Governance

**We believe that shareholders have a vital role to play in encouraging high standards of corporate governance from the perspective of being long-term investors. We therefore seek to vote at all UK meetings in which we have a shareholding, and have appointed Glass Lewis as our proxy advisory service for overseas governance and voting.**

We have adopted a policy of voting in support of company management except where proposals are considered to be in breach of UK corporate governance best practice, or are viewed as not being in the economic interests of shareholders. We will seek to engage pro-actively with companies where either existing corporate governance arrangements or management proposals cause concern.

At EdenTree, we also hold ourselves to the same exacting standards as we do the companies that we invest in. That is why we are signatories of the Principles of Responsible Investment (PRI) and the FRC Stewardship Code, and why we publish full guidelines around our governance and voting procedures. See our website for more information on our voting activity and the rationale for resolutions opposed, abstained and in favour.

**In 2023 we voted at:**

| | |
|---|---|
| Total Number of Meetings Voted at | 353 |
| Total Number of Resolutions Voted on | 5,402 |
| Total Number of Markets | 23 |
| Percentage of Proposals Opposed/Abstained | 11% |

We opposed or abstained on 11% of proposals.

In the UK, 57% of action taken was against executive remuneration reports and policies. We have a detailed framework on executive pay and find it very challenging to support pay packages where we view the majority to be excessive, and where the annual variable pay multiple exceeds 300%. In 2023 we supported just one remuneration report out of our 45 FTSE100 holdings voted (2%).

**Total Number of UK Remuneration Proposals Voted:**

| | |
|---|---|
| Total Number of UK Remuneration Proposals Voted on | 209 |
| Total Percentage of Remuneration Proposals Supported (all votes) | 46% |
| Total Percentage of Remuneration Proposals Opposed/Abstained (all votes) | 54% |
| Percentage of FTSE100 Remuneration Proposals Opposed | 98% |

# Message from the CIO

**Global stock and bonds markets produced generally positive returns in 2023, despite an eventful backdrop. A key question for markets at the start of the year was whether attempts by central banks to douse inflation during 2022 had been effective, and if so, how soon the likes of the US Federal Reserve and Bank of England would stop increasing interest rates. In answer, inflation proved stubbornly persistent, only turning a corner in the summer, before finally falling back towards the end of the year, most notably in the US.**

Against this backdrop, interest rates climbed beyond expectations and sentiment was tested by the collapse of Silicon Valley Bank (SVB) in March, the largest such collapse since the Global Financial Crisis. Fortunately, the shockwaves from this event – which ultimately led to the emergency takeover of Credit Suisse by rival UBS – were quickly contained. Sentiment improved as the period progressed, boosted by encouraging economic data. Nevertheless, investors remained alive to pressing and concerning geopolitical risks, which stepped up a notch throughout the year amid the continuation of fighting in Ukraine, ongoing US-China tensions and the outbreak of war in Gaza.

In this environment, EdenTree's fund range had a constructive year with eight out of 13 funds exceeding the average performance of their respective peer groups, while only two funds appeared in the fourth quartile of their peer groups. These rankings are against mainstream, rather than responsible and sustainable, peers as compiled by the Investment Association and we are pleased that so many of our funds delivered positive returns against the mainstream competition. This has been in part due to specific investment decisions of the team at EdenTree, but also the bounce back in investment styles and factors that generally support our funds, including a notable lag in the performance of areas in which we do not invest, such as fossil fuels.

During the second half of the year, we undertook a rigorous strategic review of the investment desk, strengthening EdenTree's core investment pillars as we look ahead to future growth in responsible and sustainable investing and the Financial Conduct Authority's forthcoming Sustainable Disclosure Requirements (SDR) and fund labelling regime. This review resulted in the creation of CIO leadership and performance teams, as well as the appointment of a new UK Equities lead (as part of a restructuring of the UK desk) and additional resources to the investment team. We believe these changes will provide a robust framework to support the performance of our funds over the longer term, with potentially positive outcomes for our clients.

We thank you for your continued support.

**Charlie Thomas**
**Chief Investment Officer, EdenTree**



# Individual Fund Assessments

# EdenTree Responsible & Sustainable UK Equity Fund

**Fund manager:** Greg Herbert
**Fund objective:** To achieve long-term capital appreciation over five years or more and an income, through a diversified portfolio of UK companies.
**Overall rating:** AMBER

**The EdenTree Responsible and Sustainable UK Equity Fund has been rated Amber for 2023, primarily due to its underperformance.**

| | Annual Management Charge (AMC) | Initial charge | Ongoing charge (OCF) |
|---|---|---|---|
| Class A | 1.25% | 0.00% | 1.29% |
| Class B | 0.75% | 0.00% | 0.79% |

In order to address the poor performance of the Fund in previous assessment periods, the Fund Manager was changed, with Greg Herbert taking over in Q4 2023. Since the change, there has been a renewed focus on UK large cap investments. This has resulted in a significant improvement in performance, which we expect to continue into 2024.

The Fund underperformed its benchmark over one, three and five years. The Fund underperformed in 2023 despite an estimated positive tailwind from the Fund's Responsible Investment screening process. Additionally, the Fund also underperformed it's IA Sector and its selected specialist peer group over the same time periods.

The Fund's assessment was however positive on all other measures. The fee levels are in line with similar funds available, and the costs borne both by the Manager and within the Fund are in line with expectations. Although one of the larger Funds in the range, the Fund is still not large enough to benefit from any material economies of scale. The Quality of Service assessment remains strong as it does across the whole Fund range.

**Performance**

| | 31/12/2018 to 31/12/2019 | 31/12/2019 to 31/12/2020 | 31/12/2020 to 31/12/2021 | 31/12/2021 to 31/12/2022 | 31/12/2022 to 31/12/2023 |
|---|---|---|---|---|---|
| Fund | 26.7% | -5.6% | 15.1% | -20.1% | 6.4% |
| Benchmark | 19.2% | -9.8% | 18.3% | 0.3% | 7.9% |
| Sector | 22.2% | -6.2% | 17.1% | -9.2% | 7.4% |

Table showing the year by year percentage growth of the EdenTree Responsible and Sustainable UK Equity Fund – Share Class B.
Source: FE fundinfo. Fund and sector performance is shown in local currency on a bid to bid basis with income reinvested in the fund.

The EdenTree R&S UK Equity Fund is currently achieving its objective of long-term capital appreciation over five years, and absolute performance over 2023 was positive.

The Fund had inconsistent short-term performance relative to benchmark over 2023, underperforming the FTSE All-Share TR by 1.5%. The effect of EdenTree's Responsible Investment process had a significant effect on the performance of the Fund, and the relative underperformance was despite a positive tailwind effect of 1.8% from the RI screens. The Fund also underperforms its benchmark over three and five years.

The Fund has underperformed its IA Sector (IA UK All Companies) over one, three and five years, and also underperformed its selected peer group over the same periods.

## Strategy & Positioning

Performance over the past five years has been poor relative to both benchmark and peers, and consequently a decision was taken to replace the existing fund manager with Greg Herbert. The Fund underwent a reorganisation in Q4 under newly-appointed manager Greg Herbert, which saw a renewed focus on UK large-cap companies within the portfolio, with representation in this area having been actively increased from 49.2% to 68.5% over the course of the quarter.

Underperformance of -11.9% within Financials was most detrimental to Fund relative performance on the year, followed by -10.8% relative in top overweight of Industrials. Underweight exposure to worst-performing Consumer Staples and Materials were top positives, collectively contributing +3.2% to total Fund relative performance.

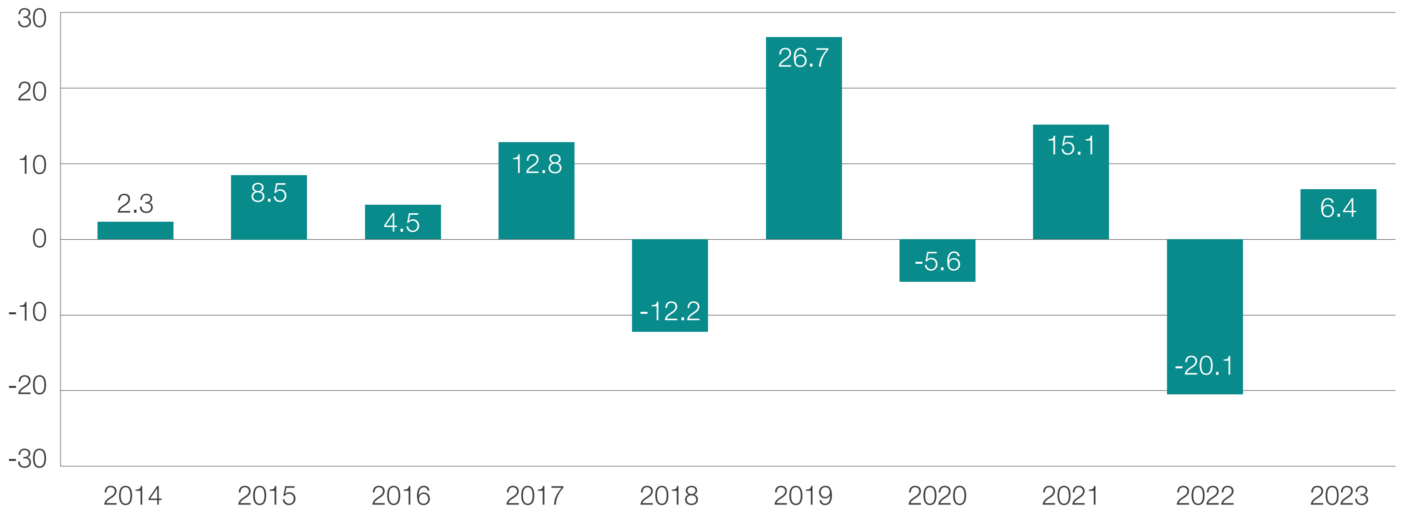



Table showing the year by year percentage growth of the EdenTree Responsible and Sustainable UK Equity Fund – Share Class B.

## Quality of Services

We assess the quality of service at the firm level rather than the Fund level as the same service is typically offered across the Fund range.

For 2023, we have assessed the service provided by our third party service providers, which has been satisfactory and deemed to provide value through the service level provided.

We continue to provide an market-leading responsible investment process, which continues to evolve along with the wider sustainable investment developments across the industry.

EdenTree additionally continue to provide training and education to intermediaries, as well as "insights" to private investors, which are available on the EdenTree website. We also endeavour to use simple language in our communications and ensure accessibility through all of our communications and website.

Finally, we look at metrics such as complaints received. For 2023, all metrics were within our tolerances and there were minimal complaints received.

## Authorised Fund Manager Costs

EdenTree continue to ensure that the costs within the Funds are reasonable, and that the fees are set at an appropriate level to reflect the costs. There is currently a 0.04% difference between the Annual Management Charge and the Ongoing Charges Figure, which is in line with expectations for this strategy and this size of Fund.

We complete an activity-based cost allocation on a semi-annual and annual basis to ensure that the revenue and costs are within our normal tolerances. This allocation considers direct staff costs, in-house and outsourced services as well as general overheads. The overall assessment for the R&S UK Equity Fund was that all metrics were consistent with previous years and in line with expectations.

## Comparable Market Rates

The AMC and OCF for both the A and B share classes, which are available to retail and institutional investors respectively, continue to remain aligned to the comparator peer group of funds at 1.25% and 0.75%.

There was some rebalancing of the portfolio in November 2023 when there was a change in the Fund Manager, however there was no material effect on the transaction cost levels for the year.

## Economies of Scale

We continue to monitor fund costs, AUMs and profitability in order to consider any benefits arising from economies of scale. The R&S UK Equity Fund is currently at a viable size, however it is not yet large enough for there to be any significant benefits from scale.

## Comparable Services

Both our institutional mandates and our pooled funds leverage the same investment process. Institutional clients with segregated mandates however often have more bespoke investment objectives and policies which makes direct comparisons more challenging.

There are currently no pure UK Equity segregated mandates for a direct comparison.

## Classes of Units

The fee differential between the A and B classes is appropriate and reflect the difference in costs and resource required to service investors in each class.

Additionally, we are comfortable that investors are in their correct classes given the scale of their investments.

No entry charge is applied to either share class.

# EdenTree Responsible & Sustainable European Equity Fund

**Fund manager:** Chris Hiorns and David Osfield
**Fund objective:** To achieve long-term capital growth over five years or more with an income through a diversified portfolio of European (ex-UK) companies.
**Overall rating: GREEN**

**The EdenTree Responsible and Sustainable European Equity Fund has been rated Green for 2023 due to positive assessments across all seven pillars.**

| | Annual Management Charge (AMC) | Initial charge | Ongoing charge (OCF) |
|---|---|---|---|
| **Class A** | 1.25% | 0.00% | 1.30% |
| **Class B** | 0.75% | 0.00% | 0.80% |

The Fund performed in line with its benchmark over the year. It outperforms its benchmark over three years and slightly underperforms its benchmark over five years. The Fund outperforms its IA Sector over one, three and five years. It has also outperformed its smaller selected peer group, which have similar strategies, over the same time periods.

Both the Annual Management Charge (AMC) and Ongoing Charges figures (OCF) are in line with the peer group and our activity-base cost allocation shows that the costs borne by the Manager are within expectations. The Fee levels are also in line with other European Equity strategies managed by EdenTree outside of the UK domiciled UCITS Fund range.

The Fund is currently one of the larger Funds by assets under management within the range, however it is not yet at the size to benefit from any material economies of scale. The Quality of Service assessment remains strong as it does across the whole Fund range.

The Fund overall had a very strong year and continues to deliver value for investors.

**Performance**

| | 31/12/2018 to 31/12/2019 | 31/12/2019 to 31/12/2020 | 31/12/2020 to 31/12/2021 | 31/12/2021 to 31/12/2022 | 31/12/2022 to 31/12/2023 |
|---|---|---|---|---|---|
| **Fund** | 14.8% | 5.9% | 17.5% | 0.1% | 15.0% |
| **Benchmark** | 20.5% | 8.6% | 17.4% | -7.0% | 15.7% |
| **Sector** | 20.3% | 10.5% | 15.6% | -8.8% | 14.3% |

Table showing the year by year percentage growth of the EdenTree Responsible and Sustainable European Equity Fund – Share Class B. Source: FE fundinfo. Fund and sector performance is shown in local currency on a bid to bid basis with income reinvested in the fund.

The EdenTree R&S European Equity Fund is currently achieving its objective of long-term capital growth over five years or more with an income through a diversified portfolio of European companies. Absolute performance in 2023 was positive.

The Fund performed in line with its benchmark (FTSE World Europe ex UK TR) over 2023. EdenTree's Responsible Investment process had a minimal effect on performance and was estimated as a positive tailwind of 0.1%. The Fund significantly outperforms the benchmark over three years and the five-year performance is in line with the benchmark.

The Fund has outperformed its IA Sector (IA Europe excluding UK) significantly over one, three and five years, and has also outperformed its selected peers over the same periods.

## Strategy & Positioning

The European value segment lagged growth by -3.7% in Q4 as falling bond yields drove growth outperformance - in spite of this, value was only -0.5% behind on the year.

Outperformance of +11% in Germany and overweight exposure to outperforming Spain were top positives, while less material allocations to Ireland, Sweden and Finland underperformed.

Outperformance in Consumer Staples underweight (the only negative sector on the year) was most beneficial, followed by relative strength within Consumer discretionary. Overweight allocations to Basic Materials and Telecommunications were largest detractors.

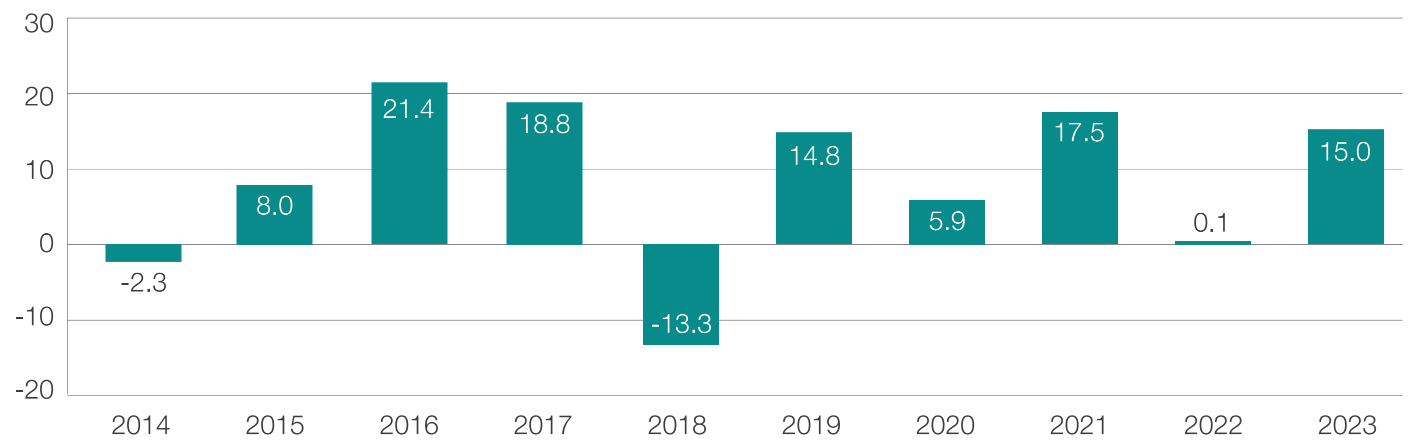



Table showing the year by year percentage growth of the EdenTree Responsible & Sustainable European Equity Fund – Share Class B.

## Quality of Services

We assess the quality of service at the firm level rather than the Fund level as the same service is typically offered across the Fund range.

For 2023, we have assessed the service provided by our third party service providers, which has been satisfactory and deemed to provide value through the service level provided.

We continue to provide an market-leading responsible investment process, which continues to evolve along with the wider sustainable investment developments across the industry.

EdenTree additionally continue to provide training and education to intermediaries, as well as "insights" to private investors, which are available on the EdenTree website. We also endeavour to use simple language in our communications and ensure accessibility through all of our communications and website.

Finally, we look at metrics such as complaints received. For 2023, all metrics were within our tolerances and there were minimal complaints received.

## Authorised Fund Manager Costs

EdenTree continue to ensure that the costs within the Funds are reasonable, and that the fees are set at an appropriate level to reflect the costs. There is currently a 0.05% difference between the Annual Management Charge and the Ongoing Charges Figure, which is in line with expectations for this strategy and this size of Fund.

We complete an activity-based cost allocation on a semi-annual and annual basis to ensure that the revenue and costs are within our normal tolerances. This allocation considers direct staff costs, in-house and outsourced services as well as general overheads. The overall assessment for the R&S European Equity Fund was that all metrics were consistent with previous years and in line with expectations.

## Comparable Market Rates

For both A and B share classes in the selected comparator group for the period to 31 December 2023 the R&S European Equity Fund charges were aligned with the selected peer group.

Investment horizons are long term and we have long holding periods for stocks, this has the added benefit of keeping transactional costs in the fund low.

## Economies of Scale

We continue to monitor fund costs, AUMs and profitability in order to consider any benefits arising from economies of scale. The R&S European Equity Fund is currently at a viable size, however it is not yet large enough for there to be any significant benefits from scale.

## Comparable Services

Both our institutional mandates and our pooled funds leverage the same investment process. Institutional clients with segregated mandates however often have more bespoke investment objectives and policies which makes direct comparisons more challenging.

EdenTree currently manage a European Equity Fund on behalf of a European asset manager, where EdenTree acts as the Investment Advisor. This strategy is distributed across Europe and is a single mandate currently at €718m AUM. The Management Fee for this mandate is lower than the EdenTree R&S European Equity Fund, however this is a pure investment management fee and does not therefore require the same level of central services, Sales staff costs, regulatory oversight or systems coverage. Taking this into account, the relative fee levels are in line with the R&S European Equity Fund.

## Classes of Units

The fee differential between the A and B classes is appropriate and reflect the difference in costs and resource required to service investors in each class.

Additionally, we are comfortable that investors are in their correct classes given the scale of their investments.

No entry charge is applied to either share class.

# EdenTree Responsible & Sustainable Global Equity Fund

**Fund manager:** David Osfield and Thomas Fitzgerald
**Fund objective:** To achieve long-term capital growth over five years or more with an income through a diversified portfolio of international (including the UK) companies.
**Overall rating:** AMBER

**The EdenTree Responsible and Sustainable Global Equity Fund has been rated Amber for 2023, primarily due to issues around performance.**

| | Annual Management Charge (AMC) | Initial charge | Ongoing charge (OCF) |
|---|---|---|---|
| **Class A** | 1.25% | 0.00% | 1.29% |
| **Class B** | 0.75% | 0.00% | 0.79% |

The Fund underperformed its benchmark over one, three and five years. The Fund did outperform its IA Sector over 2023, but still underperforms it over three and five years. The Fund outperforms its smaller selected peer group, which has similar strategies, over the year.

It should be noted that the underperformance of the Fund, while disappointing, has been driven by the investment style. The Fund focuses on pursuing "Sustainability at a Reasonable Price (SARP)", which identifies and evaluates the long-term potential for companies that are enabling and benefiting from the transition to a more sustainable global economy, without over-paying for this exposure. This process enables the identification of under-covered or out-of-favour stocks whose potential is often misunderstood by the market.

The Fund has a positive assessment on all other measures. The fee levels are in line with the wider industry and the costs both within the Fund and borne by the Manager are in line with expectations. The fees are also in line with other segregated institutional global equity mandates when adjusted for the differences in managing pooled and segregated accounts.

The Fund is currently at a viable size, but not yet large enough to benefit from any material economies of scale. The Quality of Service assessment remains strong as it does across the whole Fund range.

There is an overall positive trend in performance for the Fund and we expect the value rating to therefore trend towards Green going forward.

| Performance | | | | | |
|---|---|---|---|---|---|
| | 31/12/2018 to 31/12/2019 | 31/12/2019 to 31/12/2020 | 31/12/2020 to 31/12/2021 | 31/12/2021 to 31/12/2022 | 31/12/2022 to 31/12/2023 |
| **Fund** | 19.1% | 11.6% | 19.3% | -17.9% | 16.5% |
| **Benchmark** | 22.8% | 12.7% | 22.1% | -7.2% | 17.2% |
| **Sector** | 21.9% | 14.8% | 17.6% | -11.3% | 12.7% |

Table showing the year by year percentage growth of the EdenTree Responsible and Sustainable Global Equity Fund – Share Class B. Source: FE fundinfo. Fund and sector performance is shown in local currency on a bid to bid basis with income reinvested in the fund.

The EdenTree R&S Global Equity Fund is currently achieving its objective of long-term capital growth over five years or more with an income. Absolute performance in 2023 was positive.

The Fund slightly underperformed the benchmark (the FTSE World TR) by 0.7% over 2023, despite EdenTree's Responsible Investment process contributing 1.7% positively to performance. Although longer term performance is positive from an absolute perspective, the Fund has underperformed the benchmark over three and five years as well. The short-term trend however is an improvement in performance.

The Fund has outperformed the IA Global sector over 2023 by 3.7% but has underperformed over three and five years by 3.5% and 13.1% respectively. Against the selected peer group, the Fund has outperformed over one and three years, but is still underperforming over five years.

## Strategy & Positioning

Expectations of easier monetary policy in 2024 drove gains within growth areas in Q4.

Good stock selection in the US delivered +4% which more than compensated for underweight exposure there, and the Fund's Japanese equities were +26% relative, whilst the underperforming UK equity overweight was costly.

Top industry overweight Industrials delivered +6.8% outperformance, and Health Care +7.6%, while Consumer Staples underweight was also beneficial. Technology underweight detracted -1.1% from total Fund relative performance, with underperforming Financials accounting for the same.

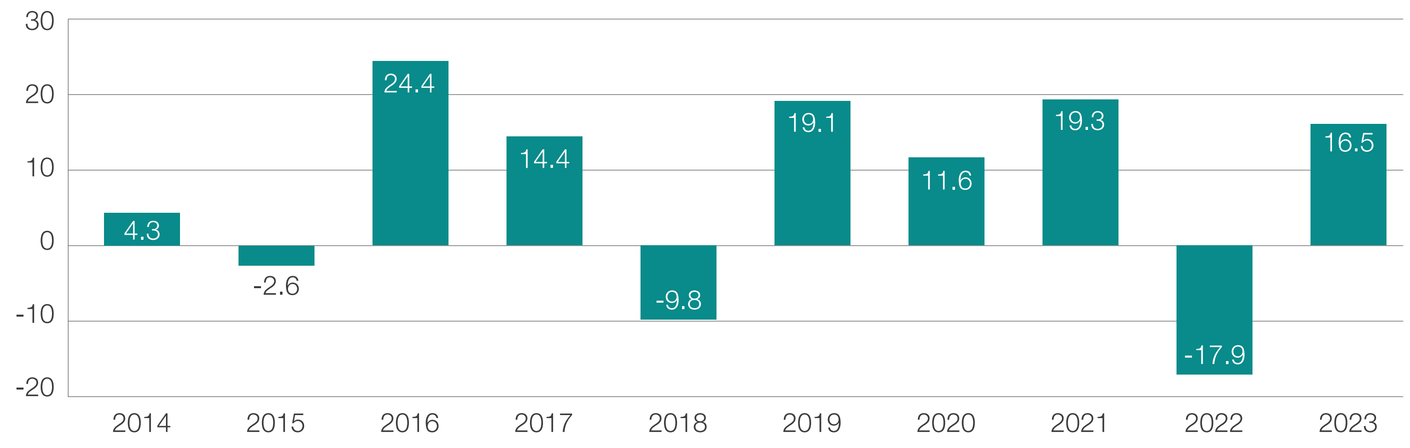



Table showing the year by year percentage growth of the EdenTree Responsible And Sustainable Global Equity Fund – Share Class B.

## Quality of Services

We assess the quality of service at the firm level rather than the Fund level as the same service is typically offered across the Fund range.

For 2023, we have assessed the service provided by our third party service providers, which has been satisfactory and deemed to provide value through the service level provided.

We continue to provide an market-leading responsible investment process, which continues to evolve along with the wider sustainable investment developments across the industry.

EdenTree additionally continue to provide training and education to intermediaries, as well as "insights" to private investors, which are available on the EdenTree website. We also endeavour to use simple language in our communications and ensure accessibility through all of our communications and website.

Finally, we look at metrics such as complaints received. For 2023, all metrics were within our tolerances and there were minimal complaints received.

## Authorised Fund Manager Costs

EdenTree continue to ensure that the costs within the Funds are reasonable, and that the fees are set at an appropriate level to reflect the costs. There is currently a 0.04% difference between the Annual Management Charge and the Ongoing Charges Figure, which is in line with expectations for this strategy and this size of Fund.

We complete an activity-based cost allocation on a semi-annual and annual basis to ensure that the revenue and costs are within our normal tolerances. This allocation considers direct staff costs, in-house and outsourced services as well as general overheads. The overall assessment for the R&S Global Equity Fund was that all metrics were consistent with previous years and in line with expectations.

## Comparable Market Rates

For both A and B share classes in the selected comparator group for the period to 31 December 2023 the R&S Global Equity Fund charges were aligned with the selected peer group.

Investment horizons are long term and we have long holding periods for stocks, this has the added benefit of keeping transactional costs in the fund low.



## Economies of Scale

We continue to monitor fund costs, AUMs and profitability in order to consider any benefits arising from economies of scale. The R&S Global Equity Fund is currently at a viable size, however it is not yet large enough for there to be any significant benefits from scale.

## Comparable Services

Both our institutional mandates and our pooled funds leverage the same investment process. Institutional clients with segregated mandates however often have more bespoke investment objectives and policies which makes direct comparisons more challenging.

EdenTree currently manages segregated institutional global equity mandates. The Management Fee for these mandates are lower than the EdenTree R&S Global Equity Fund, however this is down to a number of factors including long-term commitments from the institutional clients and the significant scale of these mandates. The fees are therefore in line with the R&S Global Equity Fund fees when factoring in the differences in terms between the two groups of investors.

## Classes of Units

The fee differential between the A and B classes is appropriate and reflect the difference in costs and resource required to service investors in each class.

Additionally, we are comfortable that investors are in their correct classes given the scale of their investments.

No entry charge is applied to either share class.

# EdenTree Responsible & Sustainable Managed Income Fund

**Fund manager:** Greg Herbert
**Fund objective:** To prioritise income, with the aim of exceeding the yield of the FTSE 250 Index, together with capital growth over the longer term, five years or more.
**Overall rating:** **GREEN**

**The EdenTree Responsible and Sustainable Managed Income Fund has been rated Green for 2023 due to its recent performance being in line with benchmark and positive assessment on all other measures.**

| | Annual Management Charge (AMC) | Initial charge | Ongoing charge (OCF) |
|---|---|---|---|
| **Class A** | 1.25% | 0.00% | 1.44% |
| **Class B** | 0.75% | 0.00% | 0.94% |

The Fund performed in line with its benchmark in 2023, but has underperformed the benchmark over three and five years. The Fund has slightly underperformed its peer group and IA Sector in 2023, but outperforms both over three years. Additionally, it is achieving its objective of exceeding the yield of the FTSE 250 Mid-Cap Index.

The fee levels are in line with other similar funds in the market, although it should be noted that the published Ongoing Charges figure includes a significant synthetic element due to the types of investments held. The Authorised Fund Manager costs are within expectations.

The Fund is at a viable size, however it is not yet large enough to benefit from any material economies of scale. The Quality of Service assessment remains positive as it does across the whole Fund range.

Since 1st March 2023, the Fund has been managed by Greg Herbert, and has seen an increased emphasis on reliable dividend growth.

**Performance**

| | 31/12/2018 to 31/12/2019 | 31/12/2019 to 31/12/2020 | 31/12/2020 to 31/12/2021 | 31/12/2021 to 31/12/2022 | 31/12/2022 to 31/12/2023 |
|---|---|---|---|---|---|
| **Fund** | 13.9% | -5.3% | 17.0% | -7.0% | 7.6% |
| **Benchmark** | 19.2% | -9.8% | 18.3% | 0.3% | 7.9% |
| **Sector** | 15.8% | -5.5% | 11.1% | -10.1% | 8.1% |

Table showing the year by year percentage growth of the EdenTree Responsible and Sustainable Managed Income Fund – Share Class B. Source: FE fundinfo. Fund and sector performance is shown in local currency on a bid to bid basis with income reinvested in the fund.

The Fund is achieving its objective of exceeding the yield of the FTSE 250 Mid-Cap Index, together with capital growth over the longer term. Absolute performance was positive over the year.

The Fund performed broadly in line with its benchmark (FTSE AllSh TR) over the year but underperforms the benchmark over three and five years. EdenTree's Responsible Investment process has a significant effect on the performance of the Fund, and positively contributed 1.8% to performance.

The Fund slightly underperformed the IA Mixed Investment 40-85% Sector over 2023. It outperforms the sector over three years and underperforms over five years. Against the selected peer group, the Fund underperforms over 2023, but outperforms the group over three years. The Fund underperforms its peer group over five years.

## Strategy & Positioning

Managed by Greg Herbert since 1st March 2023, the Fund has retained its primary income focus whilst placing increased emphasis on reliable dividend growth.

During his tenure, strategic allocation to fixed interest (from equities) has seen a +6.9% increase in 2023, with the majority of the Fund's legacy holdings in UK Preference Shares and PIBS having now been sold in favour of more liquid conventional corporate bonds; with Michael Sheehan appointed manager of the fixed interest section.

Core UK equity allocation outperformed by +1.4% on the year, whilst off-benchmark allocation to overseas equities was positive given outperformance vs. the FTSE All-Share, and allocation to fixed interest was only marginally detrimental as bonds rallied in the final quarter.

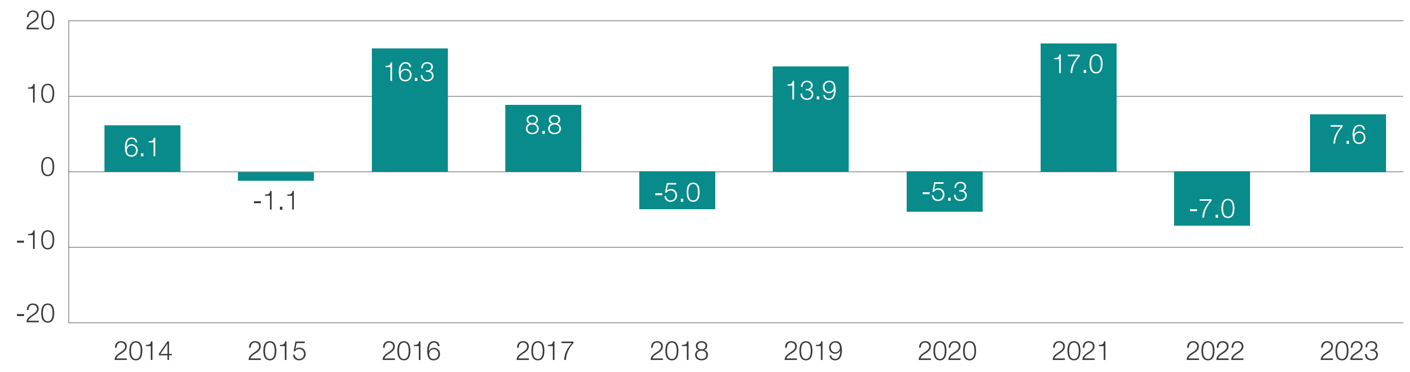



Table showing the year by year percentage growth of the EdenTree Responsible and Sustainable Managed Income Fund – Share Class B.

## Quality of Services

We assess the quality of service at the firm level rather than the Fund level as the same service is typically offered across the Fund range.

For 2023, we have assessed the service provided by our third party service providers, which has been satisfactory and deemed to provide value through the service level provided.

We continue to provide an market-leading responsible investment process, which continues to evolve along with the wider sustainable investment developments across the industry.

EdenTree additionally continue to provide training and education to intermediaries, as well as "insights" to private investors, which are available on the EdenTree website. We also endeavour to use simple language in our communications and ensure accessibility through all of our communications and website.

Finally, we look at metrics such as complaints received. For 2023, all metrics were within our tolerances and there were minimal complaints received.

## Authorised Fund Manager Costs

EdenTree continue to ensure that the costs within the Funds are reasonable, and that the fees are set at an appropriate level to reflect the costs. There is currently a 0.06% difference between the Annual Management Charge and the Ongoing Charges Figure, which is in line with expectations for this strategy and this size of Fund.

This Fund has an additional synthetic element of the overall OCF of 13.2bps, which is driven by the OCFs of the underlying holdings, where relevant.

We complete an activity-based cost allocation on a semi-annual and annual basis to ensure that the revenue and costs are within our normal tolerances. This allocation considers direct staff costs, in-house and outsourced services as well as general overheads. The overall assessment for the R&S Managed Income Fund was that all metrics were consistent with previous years and in line with expectations.

## Comparable Market Rates

For both A and B share classes for the period to 31 December 2023 the R&S Managed Income Fund charges continued to be mid-range within the comparator group.

The OCF for the Fund includes a synthetic element which takes into account the charges of some underlying positions, where required.

The R&S Managed Income Fund additionally launched an I share class in May 2023 for larger institutional investors, with an AMC of 0.55%. This share class is more competitive against the peer group, however investment is restricted to larger investments.

## Economies of Scale

We continue to monitor fund costs, AUMs and profitability in order to consider any benefits arising from economies of scale. The R&S Managed Income Fund is currently at a viable size, however it is not yet large enough for there to be any significant benefits from scale.

## Comparable Services

Both our institutional mandates and our pooled funds leverage the same investment process. Institutional clients with segregated mandates however often have more bespoke investment objectives and policies which makes direct comparisons more challenging.

EdenTree currently manages a number of segregated institutional multi-asset mandates. The Management Fee for these are generally lower than the EdenTree R&S Managed Income Fund, however these are large mandates with long-term commitments from investors. As they are segregated mandates, they are also not subject to the same level of resource as a regulated pooled produce requires. Taking these factors into account, the feel levels for the R&S Managed Income Fund are in line with similar segregated strategies.

## Classes of Units

The fee differential between the A and B classes is appropriate and reflect the difference in costs and resource required to service investors in each class.

Additionally, we are comfortable that investors are in their correct classes given the scale of their investments.

No entry charge is applied to either share class.

# EdenTree Responsible & Sustainable
# UK Equity Opportunities Fund

**Fund manager:** Phil Harris
**Fund objective:** To achieve long-term capital growth over five years or more with an income.
**Overall rating:** **GREEN**

**The EdenTree Responsible and Sustainable UK Opportunities Fund is rated Green for 2023, due to strong performance over 2023, and positive assessments on the other pillars.**

| | Annual Management Charge (AMC) | Initial charge | Ongoing charge (OCF) |
|---|---|---|---|
| **Class A** | 1.25% | 0.00% | 1.30% |
| **Class B** | 0.75% | 0.00% | 0.80% |

The Fund outperformed its benchmark and IA Sector over 2023 but underperforms both over three and five years. Against its selected smaller peer group, which have similar investment strategies, it has stronger long-term performance.

The fee levels are in line with similar funds available, and the costs borne both by the Manager and within the Fund are in line with expectations. The Fund is currently at a viable size; however it has not yet reached a level where there are any material benefits from scale. The Quality of Service assessment remains strong as it does across the whole Fund range.

The Fund was rated as Amber in the 2022 Assessment of Value report, but strong performance over 2023 has resulted in a Green rating this year. The Fund performance continues to be monitored to ensure the positive rating remains appropriate.

**Performance**

| | 31/12/2018 to 31/12/2019 | 31/12/2019 to 31/12/2020 | 31/12/2020 to 31/12/2021 | 31/12/2021 to 31/12/2022 | 31/12/2022 to 31/12/2023 |
|---|---|---|---|---|---|
| **Fund** | 28.0% | -4.7% | 22.5% | -24.4% | 10.1% |
| **Benchmark** | 19.2% | -9.8% | 18.3% | 0.3% | 7.9% |
| **Sector** | 22.2% | -6.2% | 17.1% | -9.2% | 7.4% |

Table showing the year by year percentage growth of the EdenTree Responsible and Sustainable UK Equity Opportunities Fund – Share Class B. Source: FE fundinfo. Fund and sector performance is shown in local currency on a bid to bid basis with income reinvested in the fund.

The EdenTree R&S UK Equity Opportunities Fund is currently achieving its objective of long-term capital growth over five years or more with an income. Absolute performance over 2023 was positive and performance has been on an improving trend over the shorter term.

The Fund has outperformed its benchmark, the FTSE All-Share TR by 2.2% over 2023. EdenTree's Responsible Investment process has a significant effect on the performance of the Fund, and positively contributed 1.8% of the outperformance of the benchmark. The Fund does however still underperform the benchmark over three and five years.

The Fund has outperformed its IA Sector (IS UK All Companies) over 2023 but underperformed over three and five years. The Fund has outperformed its selected peer group over one and three years and is in line with them over five years.

## Strategy & Positioning

With over 50% exposure to UK small and mid-caps, the Fund benefitted from a strong rebound in the fourth quarter, as expectations of a monetary policy pivot brought about a rapid decline in bond yields and associated discount rate assumptions.

Industry underweight exposure to worst-performing Consumer Staples was most material to Fund relative outperformance, bolstered by a premium bid for Hotel Chocolat within the sector, whilst top Fund overweight in Consumer Discretionary also outperformed. Against this, underperforming overweight exposure to Financials was most detrimental, sacrificing -4.5% relative performance on the year.

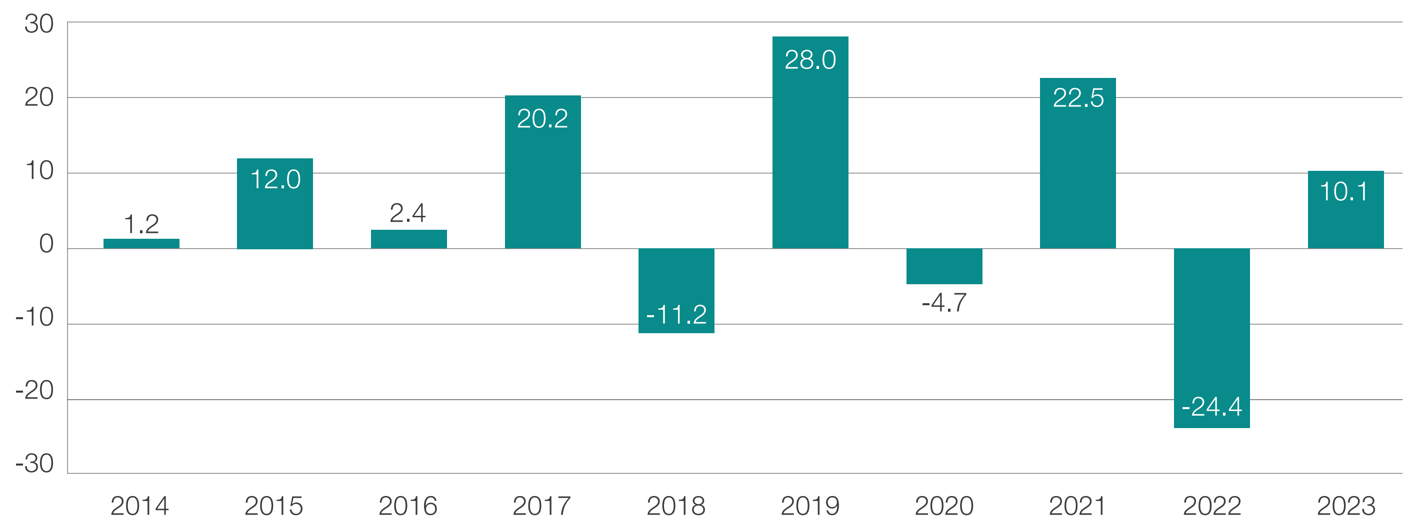



Table showing the year by year percentage growth of the EdenTree Responsible And Sustainable UK Equity Opportunities Fund – Share Class B.

## Quality of Services

We assess the quality of service at the firm level rather than the Fund level as the same service is typically offered across the Fund range.

For 2023, we have assessed the service provided by our third party service providers, which has been satisfactory and deemed to provide value through the service level provided.

We continue to provide an market-leading responsible investment process, which continues to evolve along with the wider sustainable investment developments across the industry.

EdenTree additionally continue to provide training and education to intermediaries, as well as "insights" to private investors, which are available on the EdenTree website. We also endeavour to use simple language in our communications and ensure accessibility through all of our communications and website.

## Authorised Fund Manager Costs

EdenTree continue to ensure that the costs within the Funds are reasonable, and that the fees are set at an appropriate level to reflect the costs. There is currently a 0.05% difference between the Annual Management Charge and the Ongoing Charges Figure, which is in line with expectations for this strategy and this size of Fund.

We complete an activity-based cost allocation on a semi-annual and annual basis to ensure that the revenue and costs are within our normal tolerances. This allocation considers direct staff costs, in-house and outsourced services as well as general overheads. The overall assessment for the R&S UK Equity Opportunities Fund was that all metrics were consistent with previous years and in line with expectations.

## Comparable Market Rates

For both A and B share classes in the selected comparator group for the period to 31 December 2023 the R&S UK Equity Opportunities Fund charges are in line with peers with similar objectives.

Investment horizons are long term and we have long holding periods for stocks, this has the added benefit of keeping transactional costs in the fund low.

## Economies of Scale

We continue to monitor fund costs, AUMs and profitability in order to consider any benefits arising from economies of scale. The R&S UK Equity Opportunities Fund is currently at a viable size, however it is not yet large enough for there to be any significant benefits from scale.

## Comparable Services

Both our institutional mandates and our pooled funds leverage the same investment process. Institutional clients with segregated mandates however often have more bespoke investment objectives and policies which makes direct comparisons more challenging.

There are currently no pure UK Equity segregated mandates for a direct comparison.

## Classes of Units

The fee differential between the A and B classes is appropriate and reflect the difference in costs and resource required to service investors in each class.

Additionally, we are comfortable that investors are in their correct classes given the scale of their investments.

No entry charge is applied to either share class.

# EdenTree Responsible & Sustainable Sterling Bond Fund

**Fund manager:** David Katimbo-Mugwanya
**Fund objective:** To generate a regular level of income payable quarterly.
**Overall rating:** **GREEN**

**The Fund has been rated Green as it has been assessed positively against all seven pillars, although there are some negative indicators with regards to performance.**

| | Annual Management Charge (AMC) | Initial charge | Ongoing charge (OCF) |
|---|---|---|---|
| **Class A** | 1.15% | 0.00% | 1.19% |
| **Class B** | 0.55% | 0.00% | 0.59% |

Performance for the year was in line with benchmark and the Fund outperforms the benchmark over three and five years. Performance was also in line with the sector, although the sector is large and contains Funds with a wide range of strategies.

The fee levels for the Fund are in line with the peer group and the costs both within the Fund and paid by the Authorised Fund Manager are in line with expectations.

The fee levels are also in line with the rates charge for institutional segregated mandates when adjusted for the differences in service between managing a pooled vehicle and a segregated account.

The Fund is currently at a viable AUM, however it is not yet large enough to benefit from any material economies of scale. The Quality of Service assessment remains positive as it does across the whole Fund range.

**Performance**

| | 31/12/2018 to 31/12/2019 | 31/12/2019 to 31/12/2020 | 31/12/2020 to 31/12/2021 | 31/12/2021 to 31/12/2022 | 31/12/2022 to 31/12/2023 |
|---|---|---|---|---|---|
| **Fund** | 8.8% | 6.4% | -0.3% | -13.6% | 8.0% |
| **Benchmark** | 7.8% | 7.8% | -3.1% | -17.7% | 8.6% |
| **Sector** | 9.3% | 6.1% | 0.9% | -11.7% | 8.0% |

Table showing the year by year percentage growth of the EdenTree Responsible and Sustainable Sterling Bond Fund – Share Class B. Source: FE fundinfo. Fund and sector performance is shown in local currency on a bid to bid basis with income reinvested in the fund.

The Fund is achieving its objective of generating a regular level of quarterly income. Absolute performance for 2023 was positive.

The Fund's performance was neutral against its benchmark (iBoxx Sterling Non-Gilt Overall Return) in 2023, and it significantly outperforms the benchmark over three and five years. Absolute performance over three years was however negative despite the strong outperformance.

EdenTree's Responsible Investment process is not considered to have a material effect on performance for fixed income strategies.

The Fund performed in line with the IA Sterling Strategic Bond sector in 2023 but underperforms the sector on the longer term three and five-year measures. It should be noted that this sector contains a wide range of fixed income strategies.

Against the selected peer group, The Fund has underperformed in 2023, but has outperformed over three and five years.

## Strategy & Positioning

Strategic duration positioning of the portfolio was actively lengthened in the second half of the year by more than a year, to finish the year +1.4 years longer than benchmark. Narrowing corporate spreads also acted in the Fund's favour on 'BBB+' credit vs. the 'A+' rated index.

The Fund's underweight to high-grade 'AAA'-rated issuers added +0.5% to total Fund relative performance, which was offset by exposure to unrated instruments including UK preference shares and PIBS with undated maturities.

Industry-wise, outperforming overweight in Financials and underweight non-gilt governmental issues were key positives, whilst underperformance was most evident within the Consumer Staples and Consumer Discretionary overweight allocations.

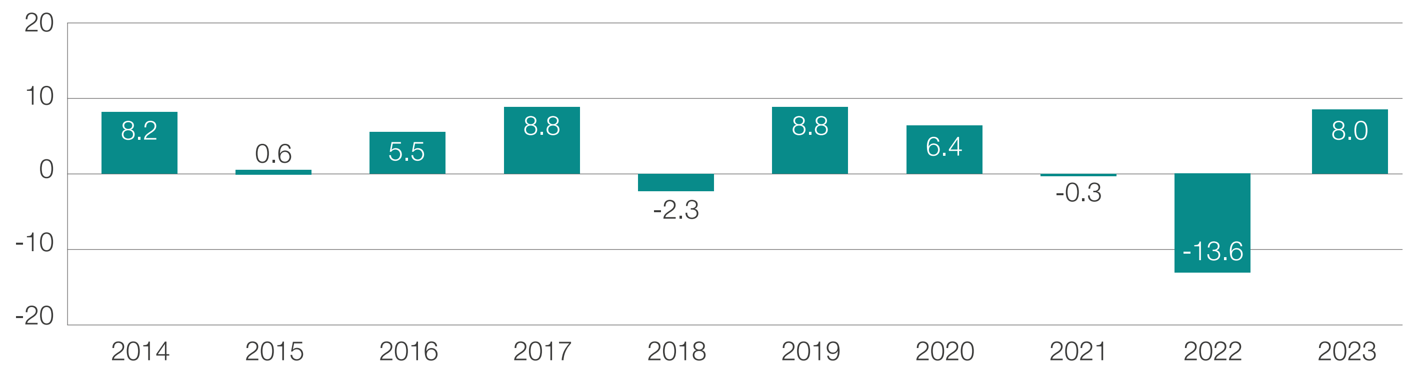



Table showing the year by year percentage growth of the EdenTree Responsible And Sustainable Sterling Bond Fund – Share Class B.

## Quality of Services

We assess the quality of service at the firm level rather than the Fund level as the same service is typically offered across the Fund range.

For 2023, we have assessed the service provided by our third party service providers, which has been satisfactory and deemed to provide value through the service level provided.

We continue to provide an market-leading responsible investment process, which continues to evolve along with the wider sustainable investment developments across the industry.

EdenTree additionally continue to provide training and education to intermediaries, as well as "insights" to private investors, which are available on the EdenTree website. We also endeavour to use simple language in our communications and ensure accessibility through all of our communications and website.

Finally, we look at metrics such as complaints received. For 2023, all metrics were within our tolerances and there were minimal complaints received.

## Authorised Fund Manager Costs

EdenTree continue to ensure that the costs within the Funds are reasonable, and that the fees are set at an appropriate level to reflect the costs. There is currently a 0.04% difference between the Annual Management Charge and the Ongoing Charges Figure, which is in line with expectations for this strategy and this size of Fund.

We complete an activity-based cost allocation on a semi-annual and annual basis to ensure that the revenue and costs are within our normal tolerances. This allocation considers direct staff costs, in-house and outsourced services as well as general overheads. The overall assessment for the R&S Sterling Bond Fund was that all metrics were consistent with previous years and in line with expectations.

## Comparable Market Rates

For both A and B share classes in the selected comparator group for the period to 31 December 2023 the Sterling Bond Fund charges were aligned with peers with similar objectives.

Investment horizons are long term and we have long holding periods for stocks, this has the added benefit of keeping transactional costs in the fund low.

## Economies of Scale

We continue to monitor fund costs, AUMs and profitability in order to consider any benefits arising from economies of scale. The R&S Sterling Bond Fund is currently at a viable size, however it is not yet large enough for there to be any significant benefits from scale.

## Comparable Services

Both our institutional mandates and our pooled funds leverage the same investment process. Institutional clients with segregated mandates however often have more bespoke investment objectives and policies which makes direct comparisons more challenging.

EdenTree currently manages a number of segregated institutional fixed income strategies. The Management Fee for these are generally lower than the EdenTree R&S Sterling Bond Fund, however these are large mandates with long-term commitments from investors. As they are segregated mandates, they are also not subject to the same level of resource as a regulated pooled produce requires. Taking these factors into account, the feel levels for the R&S Sterling Bond Fund are in line with similar segregated strategies.

## Classes of Units

The fee differential between the A and B classes is appropriate and reflect the difference in costs and resource required to service investors in each class.

Additionally, we are comfortable that investors are in their correct classes given the scale of their investments.

No entry charge is applied to either share class.

# EdenTree Responsible & Sustainable Short Dated Bond Fund

**Fund manager:** David Katimbo-Mugwanya
**Fund objective:** The fund aims to preserve capital and generate a regular income payable quarterly.
**Overall rating:** **GREEN**

**The EdenTree Responsible and Sustainable Short Dated Bond Fund has been rated Green for 2023 as it has been assessed positively against all seven pillars.**

| | Annual Management Charge (AMC) | Initial charge | Ongoing charge (OCF) |
|---|---|---|---|
| **Class B** | 0.35% | 0.00% | 0.38% |

The Fund performed in line with its benchmark in 2023, and outperforms the benchmark over three and five years. The Fund has broadly performed in line with its peer group over the long term. It should be noted that the Fund's IA Sector is not representative of the Fund's mandate and therefore not considered an appropriate comparator.

The fee levels of the Fund are in line with similar funds available in the market and both the cists borne within the Fund and by the Authorised Fund Manager are within expectations. The fees are also in line with comparable segregated fixed income mandates managed by EdenTree , taking into account the differences in services and costs require between managing pooled and segregated mandates.

The Fund is at a viable size and has seen significant growth over the last few years. The relative fee level is lower than other Funds in the range due to the type of strategy it is, and this means significant AUM growth is required before the Fund will see any significant benefits from scale. The Quality of Service assessment remains positive as it does across the whole Fund range.

**Performance**

| | 31/12/2018 to 31/12/2019 | 31/12/2019 to 31/12/2020 | 31/12/2020 to 31/12/2021 | 31/12/2021 to 31/12/2022 | 31/12/2022 to 31/12/2023 |
|---|---|---|---|---|---|
| **Fund** | 2.9% | 2.3% | -1.4% | -5.2% | 5.9% |
| **Benchmark** | 2.7% | 2.7% | -1.5% | -6.6% | 5.9% |
| **Sector** | 9.5% | 7.9% | -2.0% | -16.3% | 9.3% |

Table showing the year by year percentage growth of the EdenTree Responsible and Sustainable Short Dated Bond Fund – Share Class B. Source: FE fundinfo. Fund and sector performance is shown in local currency on a bid to bid basis with income reinvested in the fund.

The Fund is achieving its objective of preserving capital and generating a regular quarterly income. Absolute performance for the year was positive.

The Fund performed in line with its benchmark (Markit iBoxx GBP NnGlt Ex BBB 1-5 TR) over the year and has outperformed the benchmark over three and five years. EdenTree's Responsible Investment process is not considered to have a material effect on the performance for fixed income strategies.

The Fund has underperformed the IA Sterling Corporate Bond Sector in 2023 and outperformed the sector over three and five years. This sector, however, is not reflective of the Fund's mandate and therefore not considered an appropriate comparator.

The Fund has slightly underperformed its selected peer group in 2023, but its performance remains ahead of this group over three and five years.

## Strategy & Positioning

The Fund's duration of 2.3 years is level with benchmark, whilst portfolio credit risk of 'A+' is only very slightly below 'AA-' index, proximity of risk alignment is evident in performance, resulting in very low tracking error.

Bonds under 1 year tenor are typically held by the portfolio to maturity while they are ejected from the 1-5yr index, resulting in a natural short-end <1year overweight for the Fund.

Fund underweight in government issues was positive, assisted by outperformance, while off-benchmark BBB credit allocation performed best of all thanks to supportive credit risk appetite.

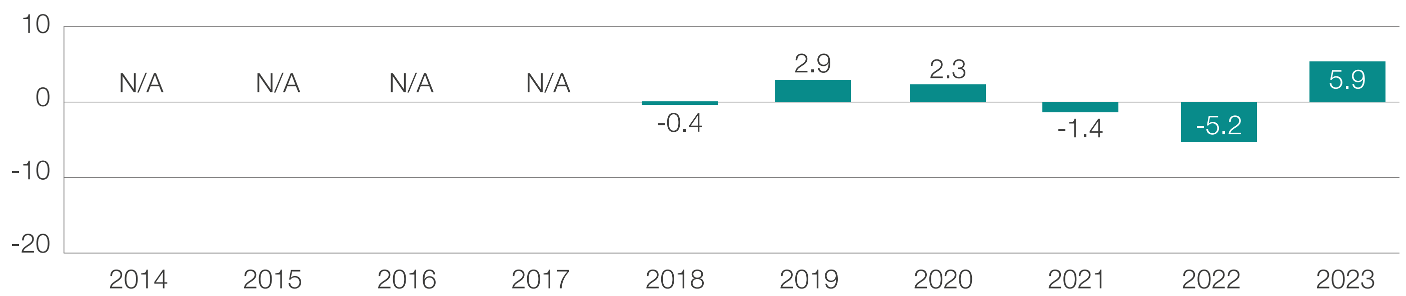



Table showing the year by year percentage growth of the EdenTree Responsible And Sustainable Short Dated Bond Fund – Share Class B.

## Quality of Services

We assess the quality of service at the firm level rather than the Fund level as the same service is typically offered across the Fund range.

For 2023, we have assessed the service provided by our third party service providers, which has been satisfactory and deemed to provide value through the service level provided.

We continue to provide an market-leading responsible investment process, which continues to evolve along with the wider sustainable investment developments across the industry.

EdenTree additionally continue to provide training and education to intermediaries, as well as "insights" to private investors, which are available on the EdenTree website. We also endeavour to use simple language in our communications and ensure accessibility through all of our communications and website.

Finally, we look at metrics such as complaints received. For 2023, all metrics were within our tolerances and there were minimal complaints received.

## Authorised Fund Manager Costs

EdenTree continue to ensure that the costs within the Funds are reasonable, and that the fees are set at an appropriate level to reflect the costs. There is currently a 0.03% difference between the Annual Management Charge and the Ongoing Charges Figure, which is in line with expectations for this strategy and this size of Fund.

We complete an activity-based cost allocation on a semi-annual and annual basis to ensure that the revenue and costs are within our normal tolerances. This allocation considers direct staff costs, in-house and outsourced services as well as general overheads. The overall assessment for the R&S Short Dated Bond Fund was that all metrics were consistent with previous years and in line with expectations.

## Comparable Market Rates

For the B share class in the selected comparator group for the period to 31 December 2023 the Short Dated Bond Fund charges were aligned with peers with similar objectives, though it is noted there are not many comparable funds.



## Economies of Scale

We continue to monitor fund costs, AUMs and profitability in order to consider any benefits arising from economies of scale. The R&S Short Dated Bond Fund is currently at a viable size, however it is not yet large enough for there to be any significant benefits from scale.

## Comparable Services

Both our institutional mandates and our pooled funds leverage the same investment process. Institutional clients with segregated mandates however often have more bespoke investment objectives and policies which makes direct comparisons more challenging.

EdenTree currently manages a number of segregated institutional fixed income strategies. The Management Fee for these are generally lower than the EdenTree R&S Short Dated Bond Fund, however these are large mandates with long-term commitments from investors. As they are segregated mandates, they are also not subject to the same level of resource as a regulated pooled produce requires. Taking these factors into account, the feel levels for the R&S Short Dated Bond Fund are in line with similar segregated strategies.

## Classes of Units

The Fund only has a B Class available at this time for external investment.

We are comfortable that all investors in the share class are paying an appropriate fee given the scale of their investment.

No entry charge is applied to the share class.

# EdenTree Responsible & Sustainable Multi-Asset Cautious Fund

**Fund manager:** Chris Hiorns
**Fund objective:** Our EdenTree Responsible and Sustainable Multi-Asset Cautious Fund seeks to provide long-term capital growth and income over five years or more with a lower level of risk relative to other funds within our range.
**Overall rating: N/A**

**This Fund is currently under five years old and therefore long-term performance and value cannot be assessed at this stage.**

| | Annual Management Charge (AMC) | Initial charge | Ongoing charge (OCF) |
|---|---|---|---|
| **Class A** | 1.25% | 0.00% | 1.60% |
| **Class B** | 0.75% | 0.00% | 1.10% |

Performance for the Fund was positive for the year. The Fund does not have a benchmark but outperformed it's IA Sector and performed in line with its peer group of Funds with similar strategies.

Both the Fund's Annual Management Charge (AMC) and Ongoing Charges figures (OCF) are above the peer group average and the AMC is currently under review.

EdenTree currently cap the direct OCF of this Fund, and therefore the assessment remains positive for the Authorised Fund Manager Costs pillar, however the capped OCF remains high at the capped level compared to peers.

The Fund currently has a low AUM and therefore no benefits from scale are expected in the near future. The Quality of Service assessment remains positive as it does across the Fund range.

**Performance**

| | 31/12/2021 to 31/12/2022 | 31/12/2022 to 31/12/2023 |
|---|---|---|
| **Fund** | -12.7% | 7.9% |
| **Sector** | N/A | 6.9% |

Table showing the year by year percentage growth of the EdenTree Responsible & Sustainable Multi-Asset Cautious Fund – Share Class A & B. Source: FE fundinfo. Fund and sector performance is shown in local currency on a bid to bid basis with income reinvested in the fund.

The Fund was launched in July 2021 and therefore does not have a long enough track record to enable the Board to carry out a full Assessment of Value.

Absolute performance was positive for 2023. The Fund does not have a benchmark but performance is compared against the IA Mixed Investment 20%-60% Shares sector, which it outperformed over the year. The Fund also performed in line with its selected peer group of similar funds.

## Strategy & Positioning

With only 39% allocated to equities via EdenTree OEIC Funds, MAF Cautious has the lowest risk profile of our 3 multi asset products, underperforming MAFs Balanced and Growth over the period.

Equity allocation favours UK domestic exposure and large-cap value over small and mid-cap growth.

Fixed interest duration is 5.3 years and weighted average credit A.

Infrastructure makes up over 75% of the alternatives allocation, with limited exposure to REITs.

Whilst R&S Global Equity and R&S European Funds were top pooled performers for the year, contribution from fixed interest products was almost equally material, with infrastructure the only negative performer.


Table showing the year by year percentage growth of the EdenTree Responsible & Sustainable Multi-Asset Cautious Fund – Share Class A & B.

## Quality of Services

We assess the quality of service at the firm level rather than the Fund level as the same service is typically offered across the Fund range.

For 2023, we have assessed the service provided by our third party service providers, which has been satisfactory and deemed to provide value through the service level provided.

We continue to provide an market-leading responsible investment process, which continues to evolve along with the wider sustainable investment developments across the industry.

EdenTree additionally continue to provide training and education to intermediaries, as well as "insights" to private investors, which are available on the EdenTree website. We also endeavour to use simple language in our communications and ensure accessibility through all of our communications and website.

Finally, we look at metrics such as complaints received. For 2023, all metrics were within our tolerances and there were minimal complaints received.

## Authorised Fund Manager Costs

The EdenTree R&S Multi-Asset Cautious Fund launched in July 2021 and therefore is under three years old as of 31st December 2023. The Fund has not yet reached a viable scale and therefore the costs have been capped so that the OCF is a maximum 0.15% higher than the AMC. EdenTree cover all additional costs above this level.

This Fund has an additional synthetic element of the overall OCF of 20bps, which is driven by the OCFs of the underlying holdings, where relevant.

The fee cap will stay in place until the Fund has reached a viable size and the uncapped OCF is at a level in line with other uncapped EdenTree Fund OCFs.

## Comparable Market Rates

Both the AMC and OCF remain high in comparison to the Multi-Asset Fund peer group. The OCFs have been capped at 0.90% and 1.40% respectively for the A and B Classes, although these levels remain at the higher end of the peer group.

In addition, the Multi-Asset Funds' published OCFs include a synthetic element. For the Multi-Asset Cautious Fund, this was 0.20%.

The fee levels remain under review.

## Economies of Scale

We continue to monitor fund costs, AUMs and profitability in order to consider any benefits arising from economies of scale. The EdenTree R&S Multi-Asset Cautious Fund is currently in growth stage and therefore is not yet large enough for there to be any significant benefits from scale.

## Comparable Services

Both our institutional mandates and our pooled funds leverage the same investment process. Institutional clients with segregated mandates however often have more bespoke investment objectives and policies which makes direct comparisons more challenging.

EdenTree currently manages a number of segregated institutional multi-asset mandates. The Management Fee for these are generally lower than the EdenTree R&S Multi-Asset Cautious Fund, however these are large mandates with long-term commitments from investors. As they are segregated mandates, they are also not subject to the same level of resource as a regulated pooled produce requires. However, despite taking these factors into account, the feel levels for the R&S Multi-Asset Cautious Fund remain higher than expected when compared to similar segregated strategies.

## Classes of Units

The fee differential between the A and B classes is appropriate and reflect the difference in costs and resource required to service investors in each class.

Additionally, we are comfortable that investors are in their correct classes given the scale of their investments.

No entry charge is applied to either share class.

# EdenTree Responsible & Sustainable Multi-Asset Balanced Fund

**Fund manager:** Chris Hiorns
**Fund objective:** Our EdenTree Responsible and Sustainable Multi-Asset Balanced Fund seeks to provide long-term capital growth and income over five years or more with a more moderate level of risk relative to other funds within our range.
**Overall rating: N/A**

**This Fund is currently under five years old and therefore long-term performance and value cannot be assessed at this stage.**

| | Annual Management Charge (AMC) | Initial charge | Ongoing charge (OCF) |
|---|---|---|---|
| **Class A** | 1.25% | 0.00% | 1.60% |
| **Class B** | 0.75% | 0.00% | 1.10% |

Performance for the Fund was positive for the year. The Fund does not have a benchmark but outperformed it's IA Sector and performed in line with its peer group of Funds with similar strategies.

Both the Fund's Annual Management Charge (AMC) and Ongoing Charges figures (OCF) are above the peer group average and the AMC is currently under review.

EdenTree currently cap the direct OCF of this Fund, and therefore the assessment remains positive for the Authorised Fund Manager Costs pillar, however the capped OCF remains high at the capped level compared to peers.

The Fund currently has a low AUM and therefore no benefits from scale are expected in the near future. The Quality of Service assessment remains positive as it does across the Fund range.

**Performance**

| | 31/12/2021 to 31/12/2022 | 31/12/2022 to 31/12/2023 |
|---|---|---|
| **Fund** | -14.1% | 8.6% |
| **Sector** | N/A | 8.1% |

Table showing the year by year percentage growth of the EdenTree Responsible & Sustainable Multi-Asset Balanced Fund – Share Class A & B. Source: FE fundinfo. Fund and sector performance is shown in local currency on a bid to bid basis with income reinvested in the fund.

The Fund was launched in July 2021 and therefore does not have a long enough track record to enable the Board to carry out a full Assessment of Value.

Absolute performance was positive for 2023. The Fund does not have a benchmark but performance is compared against the IA Mixed Investment 40%-85% Shares sector, which it outperformed over the year. The Fund also performed in line with its selected peer group of similar funds.

## Strategy & Positioning

With 51% allocated to equities via EdenTree OEIC Funds, MAF Balanced risk profile is midway between Cautious and Growth multi asset products, with performance over the period consistent with design.

Equity exposure is balanced UK-overseas, and blends small and mid-cap growth with large-cap value.

Fixed interest duration is 5.7 years and weighted average credit A-.

Infrastructure represents over two-thirds of the alternatives allocation, with a corresponding lower exposure to REITs.

R&S Global Equity and R&S European Funds were top pooled performers for the year, with broader contribution across the pooled section evident owing to lower concentration. Infrastructure was the only negative performer in the mix.


Table showing the year by year percentage growth of the EdenTree Responsible & Sustainable Multi-Asset Balanced Fund – Share Class A & B.

## Quality of Services

We assess the quality of service at the firm level rather than the Fund level as the same service is typically offered across the Fund range.

For 2023, we have assessed the service provided by our third party service providers, which has been satisfactory and deemed to provide value through the service level provided.

We continue to provide an market-leading responsible investment process, which continues to evolve along with the wider sustainable investment developments across the industry.

EdenTree additionally continue to provide training and education to intermediaries, as well as "insights" to private investors, which are available on the EdenTree website. We also endeavour to use simple language in our communications and ensure accessibility through all of our communications and website.

Finally, we look at metrics such as complaints received. For 2023, all metrics were within our tolerances and there were minimal complaints received.

## Authorised Fund Manager Costs

The EdenTree R&S Multi-Asset Balanced Fund launched in July 2021 and therefore is under three years old as of 31st December 2023. The Fund has not yet reached a viable scale and therefore the costs have been capped so that the OCF is a maximum 0.15% higher than the AMC. EdenTree cover all additional costs above this level.

This Fund has an additional synthetic element of the overall OCF of 20bps, which is driven by the OCFs of the underlying holdings, where relevant.

The fee cap will stay in place until the Fund has reached a viable size and the uncapped OCF is at a level in line with other uncapped EdenTree Fund OCFs.

## Comparable Market Rates

Both the AMC and OCF remain high in comparison to the Multi-Asset Fund peer group. The OCFs have been capped at 0.90% and 1.40% respectively for the A and B Classes, although these levels remain at the higher end of the peer group.

In addition, the Multi-Asset Funds' published OCFs include a synthetic element. For the Multi-Asset Balanced Fund, this was 0.20%.

The fee levels remain under review.

## Economies of Scale

We continue to monitor fund costs, AUMs and profitability in order to consider any benefits arising from economies of scale. The EdenTree R&S Multi-Asset Balanced Fund is currently in growth stage and therefore is not yet large enough for there to be any significant benefits from scale.

## Comparable Services

Both our institutional mandates and our pooled funds leverage the same investment process. Institutional clients with segregated mandates however often have more bespoke investment objectives and policies which makes direct comparisons more challenging.

EdenTree currently manages a number of segregated institutional multi-asset mandates. The Management Fee for these are generally lower than the EdenTree R&S Multi-Asset Balanced Fund, however these are large mandates with long-term commitments from investors. As they are segregated mandates, they are also not subject to the same level of resource as a regulated pooled produce requires. However, despite taking these factors into account, the feel levels for the R&S Multi-Asset Balanced Fund remain higher than expected when compared to similar segregated strategies.

## Classes of Units

The Fund only has a B Class available at this time for external investment.

We are comfortable that all investors in the share class are paying an appropriate fee given the scale of their investment.

No entry charge is applied to the share class.

# EdenTree Responsible & Sustainable Multi-Asset Growth Fund

**Fund manager:** Chris Hiorns
**Fund objective:** Our EdenTree Responsible and Sustainable Multi-Asset Growth Fund seeks to provide long-term capital growth and income over five years or more with a higher level of risk relative to other funds within our range.
**Overall rating: N/A**

**This Fund is currently under five years old and therefore long-term performance and value cannot be assessed at this stage.**

| | Annual Management Charge (AMC) | Initial charge | Ongoing charge (OCF) |
|---|---|---|---|
| **Class A** | 1.25% | 0.00% | 1.56% |
| **Class B** | 0.75% | 0.00% | 1.06% |

Performance for the Fund was positive for the year. The Fund does not have a benchmark but outperformed it's IA Sector and performed in line with its peer group of Funds with similar strategies.

Both the Fund's Annual Management Charge (AMC) and Ongoing Charges figures (OCF) are above the peer group average and the AMC is currently under review.

EdenTree currently cap the direct OCF of this Fund, and therefore the assessment remains positive for the Authorised Fund Manager Costs pillar, however the capped OCF remains high at the capped level compared to peers.

The Fund currently has a low AUM and therefore no benefits from scale are expected in the near future. The Quality of Service assessment remains positive as it does across the Fund range.



**Performance**

| | 31/12/2021 to 31/12/2022 | 31/12/2022 to 31/12/2023 |
|---|---|---|
| **Fund** | -14.8% | 10.3% |
| **Sector** | N/A | 8.1% |

Table showing the year by year percentage growth of the EdenTree Responsible & Sustainable Multi-Asset Growth Fund – Share Class A & B. Source: FE fundinfo. Fund and sector performance is shown in local currency on a bid to bid basis with income reinvested in the fund.

The Fund was launched in July 2021 and therefore does not have a long enough track record to enable the Board to carry out a full Assessment of Value.

Absolute performance was positive for 2023. The Fund does not have a benchmark but performance is compared against the IA Mixed Investment 40%-85% Shares sector, which it outperformed over the year. The Fund also performed in line with its selected peer group of similar funds.

## Strategy & Positioning

With 64% allocated to equities via EdenTree OEIC Funds, MAF Growth has the highest risk profile of our 3 multi asset products, participating accordingly in Q4 equity market rebound.

Equity allocation favours overseas exposure and small and mid-cap growth-orientated investments over large-cap value.

Fixed interest duration is 6.3 years and weighted average credit BBB+.

Within alternatives, allocation is fairly evenly balanced between infrastructure and more economically-sensitive REITs.

R&S Global Equity and R&S European Funds were top pooled performers for the year, with Green Future Fund also contributing materially. Within alternatives, direct UK REITs performed well, whilst Infrastructure was the only negative performer in the mix.


Table showing the year by year percentage growth of the EdenTree Responsible & Sustainable Multi-Asset Growth Fund – Share Class A & B.

## Quality of Services

We assess the quality of service at the firm level rather than the Fund level as the same service is typically offered across the Fund range.

For 2023, we have assessed the service provided by our third party service providers, which has been satisfactory and deemed to provide value through the service level provided.

We continue to provide an market-leading responsible investment process, which continues to evolve along with the wider sustainable investment developments across the industry.

EdenTree additionally continue to provide training and education to intermediaries, as well as "insights" to private investors, which are available on the EdenTree website. We also endeavour to use simple language in our communications and ensure accessibility through all of our communications and website.

Finally, we look at metrics such as complaints received. For 2023, all metrics were within our tolerances and there were minimal complaints received.

## Authorised Fund Manager Costs

The EdenTree R&S Multi-Asset Growth Fund launched in July 2021 and therefore is under three years old as of 31st December 2023. The Fund has not yet reached a viable scale and therefore the costs have been capped so that the OCF is a maximum 0.15% higher than the AMC. EdenTree cover all additional costs above this level.

This Fund has an additional synthetic element of the overall OCF of 16bps, which is driven by the OCFs of the underlying holdings, where relevant.

The fee cap will stay in place until the Fund has reached a viable size and the uncapped OCF is at a level in line with other uncapped EdenTree Fund OCFs.

## Comparable Market Rates

Both the AMC and OCF remain high in comparison to the Multi-Asset Fund peer group. The OCFs have been capped at 0.90% and 1.40% respectively for the A and B Classes, although these levels remain at the higher end of the peer group.

In addition, the Multi-Asset Funds' published OCFs include a synthetic element. For the Multi-Asset Growth Fund, this was 0.16%.

The fee levels remain under review.

## Economies of Scale

We continue to monitor fund costs, AUMs and profitability in order to consider any benefits arising from economies of scale. The EdenTree R&S Multi-Asset Growth Fund is currently in growth stage and therefore is not yet large enough for there to be any significant benefits from scale.

## Comparable Services

Both our institutional mandates and our pooled funds leverage the same investment process. Institutional clients with segregated mandates however often have more bespoke investment objectives and policies which makes direct comparisons more challenging.

EdenTree currently manages a number of segregated institutional multi-asset mandates. The Management Fee for these are generally lower than the EdenTree R&S Multi-Asset Growth Fund, however these are large mandates with long-term commitments from investors. As they are segregated mandates, they are also not subject to the same level of resource as a regulated pooled produce requires. However, despite taking these factors into account, the feel levels for the R&S Multi-Asset Growth Fund remain higher than expected when compared to similar segregated strategies.

## Classes of Units

The Fund only has a B Class available at this time for external investment.

We are comfortable that all investors in the share class are paying an appropriate fee given the scale of their investment.

No entry charge is applied to the share class.

# EdenTree Green Future Fund

**Fund manager:** Charlie Thomas and Thomas Fitzgerald
**Fund objective:** To provide long term capital growth over 5 years or more with an income by investing globally in companies which, at the core of their business, provide sustainable solutions to some of the world's environmental challenges.
**Overall rating: N/A**

**The Fund has under 2 years' track record as of 31st December 2023 and therefore long-term performance and value cannot be assessed at this stage.**

| | Annual Management Charge (AMC) | Initial charge | Ongoing charge (OCF) |
|---|---|---|---|
| **Class B** | 0.75% | 0.00% | 0.85% |

The Fund launched in January 2022 and therefore has under two years' track record as of 31st December 2023.

The Fund underperformed its benchmark and its IA Sector over the year but did outperform the smaller peer group of funds with similar strategies. As the Fund is under two years old, performance will not be considered as one of the main contributors to the rating as the Fund has a long-term investment objective.

Both the Annual Management Charge (AMC) and Ongoing Charges Figure (OCF) are competitive when compared to peers, although the OCF is currently capped. Authorised Fund Manager Costs are within expectations given the subsidy paid in order to maintain the OCF cap.

The Fund has a relatively low AUM and therefore is not in a position to benefit from economies of scale. The Quality of Service assessment remains positive as it does across the whole Fund range.

**Performance**

| | 31/12/2021 to 31/12/2022 | 31/12/2022 to 31/12/2023 |
|---|---|---|
| **Fund** | -2.9% | 10.5% |
| **Benchmark** | - | 17.2% |
| **Sector** | -3.8% | 12.7% |

Table showing the year by year percentage growth of the EdenTree Green Future Fund – Share Class B.
Source: FE fundinfo. Fund and sector performance is shown in local currency on a bid to bid basis with income reinvested in the fund.

The Fund was launched in January 2022 and therefore does not have a long enough track record to enable the Board to carry out a full Assessment of Value.

Absolute performance was positive for 2023. The Fund underperformed its benchmark (FTSE World TR) during the year. There was a positive effect of the EdenTree Responsible Investing process of 1.7% on performance.

The Fund underperformed the IA Global Sector but outperformed the selected peer group average.

## Strategy & Positioning

The Fund's strategy remains focused on deployment of capital to environmental solutions, renewable energy infrastructure and technology, and companies that support the transition to a low carbon economy.

US and UK allocations underperformed, together sacrificing -4.4% from total Fund relative performance, against a collective gain of +1.4% from outperformance in less materially-weighted RoW and Asia ex Japan.

At industry level, Health Care, Consumer Staples and Telecommunication underweights – all falling outside of the thematic investment universe - were most beneficial, whilst underperforming underweights in Technology and Consumer Discretionary were most costly, along with -0.9% headwind from excluded Energy.


Table showing the year by year percentage growth of the EdenTree Green Future Fund – Share Class B.

## Quality of Services

We assess the quality of service at the firm level rather than the Fund level as the same service is typically offered across the Fund range.

For 2023, we have assessed the service provided by our third party service providers, which has been satisfactory and deemed to provide value through the service level provided.

We continue to provide an market-leading responsible investment process, which continues to evolve along with the wider sustainable investment developments across the industry.

EdenTree additionally continue to provide training and education to intermediaries, as well as "insights" to private investors, which are available on the EdenTree website. We also endeavour to use simple language in our communications and ensure accessibility through all of our communications and website.

Finally, we look at metrics such as complaints received. For 2023, all metrics were within our tolerances and there were minimal complaints received.

## Authorised Fund Manager Costs

The EdenTree Green Future Fund launched in January 2022 and therefore is a relatively new Fund. The Fund has not yet reached a viable scale and therefore the costs have been capped so that the OCF is a maximum 0.10% higher than the AMC. EdenTree cover all additional costs above this level.

The fee cap will stay in place until the Fund has reached a viable size and the uncapped OCF is at a level in line with other uncapped EdenTree Fund OCFs.

## Comparable Market Rates

The Annual Management Charge for the EdenTree Green Future Fund is competitive when compared against the selected peer group.

The Ongoing Charges for the Funds have been capped at a maximum of 0.10% above the Annual Management Charge for each respective share class.

We will continue to monitor the costs and the cap to ensure the overall fee level continues to be in line with the wider market as well as offer investors value.

## Economies of Scale

We continue to monitor fund costs, AUMs and profitability in order to consider any benefits arising from economies of scale. The EdenTree Green Future Fund is currently in growth stage and therefore is not yet large enough for there to be any significant benefits from scale.

## Comparable Services

Both our institutional mandates and our pooled funds leverage the same investment process. Institutional clients with segregated mandates however often have more bespoke investment objectives and policies which makes direct comparisons more challenging.

EdenTree currently manages segregated institutional global equity mandates, although these are significantly different investment strategies to the Green Future Fund. The Management Fees for these mandates are lower than the EdenTree Green Future Fund, however this is down to a number of factors including long-term commitments from the institutional clients and the significant scale of these mandates. The fees are therefore in line with the Green Future Fund fees when factoring in the differences in terms between the two groups of investors.

## Classes of Units

The Fund only has a B Class available at this time for external investment.

We are comfortable that all investors in the share class are paying an appropriate fee given the scale of their investment.

No entry charge is applied to the share class.

# EdenTree Global Impact Bond Fund

**Fund manager:** David Katimbo-Mugwanya and Michael Sheehan
**Fund objective:** To deliver measurable positive environmental and social impact alongside a regular level of income, payable quarterly.
**Overall rating: N/A**

**The Fund has under 2 years' track record as of 31st December 2023 and therefore long-term performance and value cannot be assessed at this stage.**

| | Annual Management Charge (AMC) | Initial charge | Ongoing charge (OCF) |
|---|---|---|---|
| **Class B** | 0.55% | 0.00% | 0.60% |

As the Fund launched in January 2022, it has under two years' track record as of 31st December 2023. The Fund slightly underperformed the benchmark over the year, and slightly outperformed its IA Sector. The Fund performed well against the smaller peer group of similar funds.

EdenTree published the Fund's first Impact Report in December 2022.

The Fund's Annual Management Charge (AMC) is high when compared to the peer group. As a result of this, the Ongoing Charges Figure (OCF) is also at the high end, even though it Is currently capped at 0.05% above the AMC.

The Fund currently has low AUM and therefore significant growth is required before any benefits from economies of scale materialise. The Quality of Service assessment remains positive as it does across the Fund range.

**Performance**

| | 31/12/2021 to 31/12/2022 | 31/12/2022 to 31/12/2023 |
|---|---|---|
| **Fund** | -13.5% | 7.6% |
| **Benchmark** | - | 8.2% |
| **Sector** | -10.6% | 6.7% |

Table showing the year by year percentage growth of the EdenTree Global Impact Bond Fund – Share Class B.
Source: FE fundinfo. Fund and sector performance is shown in local currency on a bid to bid basis with income reinvested in the fund.

The Fund was launched in January 2022 and therefore does not have a long enough track record to enable the Board to carry out a full Assessment of Value.

Absolute performance was positive for the year. The Fund slightly underperformed its benchmark (iBoxx GBP Global Green, Social and Sustainable GBP Hedged TR) by 0.6% over the year.

EdenTree's Responsible Investment process is not considered to have a material effect on performance for fixed income strategies. The Fund slightly outperformed the IA Global Corporate Bond Sector and significantly outperformed its smaller selected peer group of similar funds.

The EdenTree Global Impact Bond Fund also has an objective for delivering positive environmental and social impact. EdenTree published the Fund's inaugural Impact Report in December 2022, which provided a detailed breakdown of the impact the Fund made, including Carbon Emissions avoided, Renewable Energy generated, Water treatment and provision, Healthcare beneficiaries, Education beneficiaries and Green Building. Further detail on EdenTree's approach to Impact Investing was also detailed.

## Strategy & Positioning

The Fund's duration ended the year at 6.4 years, 0.1 longer than benchmark, having been lengthened in the second half of the year from a duration underweight of -0.6 years. Weighted average credit rating of the portfolio is marginally riskier than the index at 'A-' vs. 'A+' benchmark.

The Fund's portfolio is invested across USD (43%), EUR (27%), GBP (26%) and CAD (4%) bonds, with currency risk hedged back to sterling, which is consistent with the GBP hedged global bond benchmark.

BBB allocation, representing 47% of the Fund, performed best on narrowing credit spreads while holdings in AA issues underperformed.

Utilities credit overweight added +0.4% to unhedged fund relative, whilst government underweight detracted -0.2%.


Table showing the year by year percentage growth of the EdenTree Global Impact Bond Fund – Share Class B.

## Quality of Services

We assess the quality of service at the firm level rather than the Fund level as the same service is typically offered across the Fund range.

For 2023, we have assessed the service provided by our third party service providers, which has been satisfactory and deemed to provide value through the service level provided.

We continue to provide an market-leading responsible investment process, which continues to evolve along with the wider sustainable investment developments across the industry.

EdenTree additionally continue to provide training and education to intermediaries, as well as "insights" to private investors, which are available on the EdenTree website. We also endeavour to use simple language in our communications and ensure accessibility through all of our communications and website.

Finally, we look at metrics such as complaints received. For 2023, all metrics were within our tolerances and there were minimal complaints received.

## Authorised Fund Manager Costs

The EdenTree Global Impact Bond Fund launched in January 2022 and therefore is a relatively new Fund. The Fund has not yet reached a viable scale and therefore the costs have been capped so that the OCF is a maximum 0.05% higher than the AMC. EdenTree cover all additional costs above this level.

The fee cap will stay in place until the Fund has reached a viable size and the uncapped OCF is at a level in line with other uncapped EdenTree Fund OCFs.

## Comparable Market Rates

The fee levels for the EdenTree Global Impact Bond Fund are at the higher end of the peer group.

The Ongoing Charges have been capped at a maximum of 0.05% above the Annual Management Charge for each respective share class.

The fee level is currently under consideration for this Fund.

## Economies of Scale

We continue to monitor fund costs, AUMs and profitability in order to consider any benefits arising from economies of scale. The EdenTree Global Impact Bond Fund is currently in growth stage and therefore is not yet large enough for there to be any significant benefits from scale.

## Comparable Services

Both our institutional mandates and our pooled funds leverage the same investment process. Institutional clients with segregated mandates however often have more bespoke investment objectives and policies which makes direct comparisons more challenging.

EdenTree currently manages a number of segregated institutional fixed income strategies, however these are significantly different to the Global Impact Bond Fund strategy. The Management Fee for these mandates are generally lower than the EdenTree Global Impact Bond Fund, however these are large mandates with long-term commitments from investors. As they are segregated mandates, they are also not subject to the same level of resource as a regulated pooled produce requires. Despite taking these factors into account, however, the fee levels for the Global Impact Bond Fund are higher than expected when compared to similar segregated strategies.

## Classes of Units

The Fund only has a B Class available at this time for external investment.

We are comfortable that all investors in the share class are paying an appropriate fee given the scale of their investment.

No entry charge is applied to the share class.

# EdenTree Green Infrastructure Fund

**Fund manager:** Tommy Kristoffersen
**Fund objective:** To generate income with the potential for capital growth by investing in infrastructure-related companies around the globe, which demonstrate positive environmental outcomes.
**Overall rating: N/A**

**The Fund has under 2 years' track record as of 31st December 2023 and therefore long-term performance and value cannot be assessed at this stage.**

| | Annual Management Charge (AMC) | Initial charge | Ongoing charge (OCF) |
|---|---|---|---|
| **Class B** | 0.75% | 0.00% | 0.85% |

The EdenTree Green Infrastructure Fund launched in September 2022, and therefore has just over a year's track record as of 31st December 2023.

The EdenTree Green Infrastructure Fund launched as a specialist Fund which invests purely in Green Infrastructure. Although there are many Infrastructure Funds available, there are very few similar funds available which have the same "Green" credentials.

The Fund underperformed the broader infrastructure sectors but did perform in line with similar Infrastructure Funds which have a similar environmental focus.

On other measures, the Fund was rated positively. The Annual Management Charge (AMC) and Ongoing Charges (OCF) were in line with other Funds. EdenTree currently cap the OCF, and therefore the Authorised Fund Manager costs were in line with expectations. The Fund currently has a relatively low AUM as it is a new fund, and therefore is not in a position to see any benefits from scale. The Quality of Service assessment remains positive as it does across the Fund range.

As the Fund only has a year's track record, it is considered too early in the Fund's life to rate the performance. The Fund has a long-term investment objective and a single year's performance will provide an inaccurate picture of the long-term investment credentials.

We believe the Fund continues to provide value as it is a unique proposition, which is priced competitively and provides investors with a specialised environmentally focussed infrastructure strategy not available widely in the market.

## Performance

| | 31/12/2022 to 31/12/2023 |
|---|---|
| **Fund** | -9.7% |
| **Sector** | -2.7% |

Table showing the year by year percentage growth of the EdenTree Global Impact Bond Fund – Share Class B.
Source: FE fundinfo. Fund and sector performance is shown in local currency on a bid to bid basis with income reinvested in the fund.

The Fund was launched in September 2022, and therefore has only one full calendar year of performance history. Consequently we cannot give the fund a rating until it has achieved its longer term objective.

The Fund achieved a return of -9.7% over the year and performed in line with the IA sector.

The Fund does not have a benchmark and there are a limited number of true comparator Funds in the market as there few Infrastructure Funds with similar "Green" credentials. Green Energy as a whole underperformed the broader sectors, however the Fund has performed well against similar Funds in the market.

## Strategy & Positioning

Stock-picking within majority-weighted Energy Generation drove +1.2% outperformance, whilst all other areas were weaker than the peer group.


Table showing the year by year percentage growth of the EdenTree Global Impact Bond Fund – Share Class B.

## Quality of Services

We assess the quality of service at the firm level rather than the Fund level as the same service is typically offered across the Fund range.

For 2023, we have assessed the service provided by our third party service providers, which has been satisfactory and deemed to provide value through the service level provided.

We continue to provide an market-leading responsible investment process, which continues to evolve along with the wider sustainable investment developments across the industry.

EdenTree additionally continue to provide training and education to intermediaries, as well as "insights" to private investors, which are available on the EdenTree website. We also endeavour to use simple language in our communications and ensure accessibility through all of our communications and website.

Finally, we look at metrics such as complaints received. For 2023, all metrics were within our tolerances and there were minimal complaints received.

## Authorised Fund Manager Costs

The EdenTree Green Infrastructure Fund launched in September 2022 and therefore is a relatively new Fund. The Fund has not yet reached a viable scale and therefore the costs have been capped so that the OCF is a maximum 0.10% higher than the AMC. EdenTree cover all additional costs above this level.

The fee cap will stay in place until the Fund has reached a viable size and the uncapped OCF is at a level in line with other uncapped EdenTree Fund OCFs.

## Comparable Market Rates

The Annual Management Charge for the EdenTree Green Infrastructure Fund is in line when compared against the selected peer group. The peer group for the Fund is relatively small, and the AMC is approximately around the mid-point within the group.

The Ongoing Charges for the Funds have been capped at a maximum of 0.10% above the Annual Management Charge for each respective share class.

We will continue to monitor the costs and the cap to ensure the overall fee level continues to be in line with the wider market as well as offer investors value.

## Economies of Scale

We continue to monitor fund costs, AUMs and profitability in order to consider any benefits arising from economies of scale. The EdenTree Green Infrastructure Future Fund is currently in growth stage and therefore is not yet large enough for there to be any significant benefits from scale.

## Comparable Services

Both our institutional mandates and our pooled funds leverage the same investment process. Institutional clients with segregated mandates however often have more bespoke investment objectives and policies which makes direct comparisons more challenging.

Although infrastructure is held as part of some multi-asset segregated mandates, there are currently no pure Infrastructure segregated mandates for a direct comparison.

## Classes of Units

The fee differential between the B and S classes is appropriate and reflect the difference in costs and resource required to service investors in each class.

Additionally, we are comfortable that investors are in their correct classes given the scale of their investments.

No entry charge is applied to either share class.

investment
management

# CONTACT US

**If you have any questions, or would like to know more about our responsible investment and in-house research and analysis, please get in touch.**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