

WS CLIMATE STEWARDSHIP FUND

INVESTMENT OBJECTIVE

The Climate Stewardship Fund seeks income and investment growth over a minimum period of 5 years by investing ethically using Christian principles in the shares of UK listed/quoted companies. The Fund aims to have a weighted average carbon intensity substantially lower (at least 15% lower, but better if possible) than that of the FTSE All Share Index.

ETHICAL INVESTING

Christian ethics are a first principle matter for Epworth. We aim to ensure that our investment decisions are consistent with the Christian faith. As such, all investments chosen by the fund must adhere to Epworth's established ethical pillars. To qualify for inclusion, each asset undergoes a meticulous due diligence process conducted by Epworth's experienced investment team and subsequently presented to the Asset Allocation Committee for evaluation. Continuous, rigorous monitoring of investments is conducted by the Epworth team. This involves regular interactions with the management of respective companies and third-party funds. The Responsible Investment Committee at Epworth is actively consulted in instances where specific stewardship concerns arise. For illustrative instances of fund investments and their qualification criteria, please refer to the accompanying case study map.

FUND SUMMARY

Fund Type	Charity Authorised Investment Fund (CAIF)
Inception Date	28 May 2020
Fund Size (31 December 2025)	£60.3m
Valuation & Dealing Dates	Daily
Minimum Investment	£1,000
ISIN	GB00BMD3GL27 (Income) GB00BMD3GM34 (Accumulation)
Benchmark	FTSE All Share Index
Management Fee	0.65% p.a.
Ongoing Charges Figure	0.68% p.a.
Report Frequency	Quarterly
Historic Yield per Annum (Estimated to 31 December 2025)	3.48%

TOP 10 COMPANY HOLDINGS

AS AT 31 DECEMBER 2025	WEIGHTING (%)
1 HSBC	7.1
2 AstraZeneca	5.7
3 Natwest	5.0
4 Unilever	4.9
5 GSK	3.4
6 Reckitt Benckiser	3.1
7 Tesco	2.9
8 Lloyds	2.6
9 National Grid	2.6
10 Relx	2.6

CARBON FOOTPRINT ANALYSIS



FUND VS FTSE ALL-SHARE

At 31 December 2025

Source: Clarity AI

COMMENTARY

The UK equity market railed strongly to new highs by the end of 2025, benefitting from slowing inflation and optimism about global corporate earnings potential going into 2026. Domestically, the UK government's budget was not as anti-business as some had feared, allowing the Bank of England to cut interest rates to support the economy.

The UK Equity Fund lagged its benchmark during the quarter, stemming principally from positioning in the consumer discretionary and communication services sectors. The sharp rally in precious metal prices also created additional headwinds, as several mining stocks that benefited from the surge were excluded on ethical grounds. UK equities enjoyed a very strong 2025 driven by this theme alongside strength in companies exposed to military spending, making it a challenging year for ethical investors.

In addition, investors who selected companies offering long-term growth and quality characteristics also suffered, with returns unusually driven by large companies offering near term profit certainty and trading on cheaper multiples in such a disruptive environment, such as banks. Bloomberg's style indices reported that UK 'value' stocks returned around +25% in 2025, whilst 'growth' stocks fell almost 20% - a remarkable level of dispersion.

The main drag on fund performance in the quarter within the consumer discretionary sector came from B&M Value Retail, which the team chose to exit before the end of the year. B&M struggled as rising wage costs and an inability to push these prices through to customers had put pressure on its profit margins. At the same time, competition had intensified, with supermarkets sharpening their pricing and loyalty offers.

Within communication services, conviction positions in Rightmove and Auto Trader struggled as investors grew concerned about the potential impact of artificial intelligence on these business models. The rapid improvement in AI tools has raised questions about whether new competitors could challenge their traditional platforms, weighing on sentiment during the period. The team remain confident in the strength of these positions and the resilience of the business models, and believe the recent share price reaction likely overstates the long-term risk.

ADMINISTRATOR

Waystone
www.waystone.com

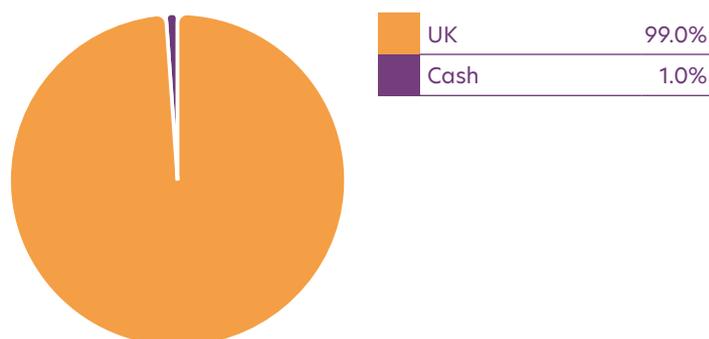
RISK WARNING

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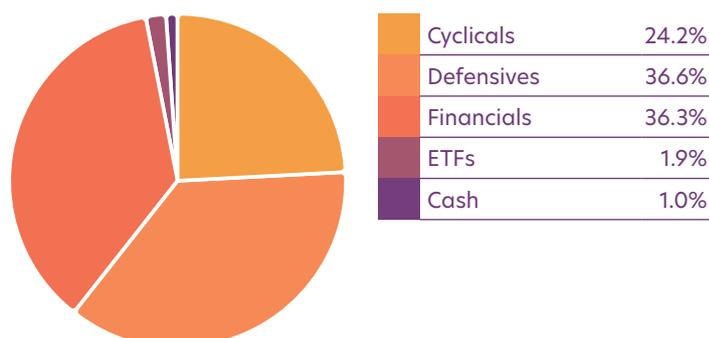
PERFORMANCE

	1 year %	3 years % p.a.	5 years % p.a.	Since 28.05.20 % p.a.
To 31 December 2025				
Fund	15.9	10.9	8.3	8.7
Benchmark	24.0	13.6	11.7	12.0
12 Months to 31 December	2025 %	2024 %	2023 %	2022 %
Fund	15.9	9.2	7.8	-10.3
Benchmark	24.0	9.5	7.9	0.3

SPREAD OF INVESTMENT BY MARKET



SPREAD OF INVESTMENTS BY SECTOR



NEXT STEPS

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epworthim.com

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