

Impact investment update – Q2 2026

This update is designed to help you understand how current market conditions relate to the Tribe SIMPS portfolios, alongside key developments across impact and sustainability over the quarter. We highlight an impact investment theme we are focused on and provide a snapshot of the collective impact Tribe's AuM is having.

It is provided for information only - no action is required. If you would prefer not to receive these updates, please let your financial adviser know.



Fred Kooij
Chief Impact Investment Officer

THIS QUARTER

- **Artificial intelligence continued to drive market gains**
- **Falling energy prices boosted confidence across global markets**
- **Renewable energy gained momentum as a strategic priority**

Global markets ended the second quarter of the year on a stronger footing, supported by continued enthusiasm for artificial intelligence (AI) and easing concerns over energy prices.

AI remained a major driver of equity markets, particularly for companies producing the chips and memory needed to power the technology. These businesses continued to report strong revenue and earnings growth. At the same time, investors became more cautious about the world's largest technology companies, questioning whether the huge sums being invested in AI infrastructure will generate sufficient long-term returns. The scale of investment is striking: SpaceX and Alphabet combined raised almost \$200 billion USD in equity and debt during June alone, with speculation that Meta may also seek additional funding.

Geopolitical tensions also influenced markets. An easing of tensions following the military actions against Iran, has led to a sharp reversal on the price of oil and natural gas in June. Investors took comfort from signs that disruption to global energy supplies would be limited. China also helped offset supply pressures by drawing on its strategic oil reserves, while demand continued to soften. This is especially true in transport due to the growing adoption of electric vehicle (EV) technologies, powered by locally generated renewable energy sources.

Lower energy prices helped restore confidence in bond markets. Expectations for interest rate cuts, which had briefly been pushed back as energy prices rose, returned as inflation concerns eased. This supported global bond prices, particularly in Europe, where lower energy costs have a greater economic benefit due to the region's reliance on imported energy.

These market developments reflect a broader shift taking place across the global energy system. During London Climate Action Week in June, more than 700 events brought together leaders from finance, business, government and civil society. The week also coincided with the UK's hottest June on record, with the national temperature record for the month broken on two consecutive days.¹

An important scientific milestone also marked the quarter. The Intergovernmental Panel on Climate Change (IPCC) formally retired its highest-emissions scenario (RCP8.5), recognising that rapid advances in clean energy, technology and policy have made this once-feared pathway increasingly unlikely.² This is an encouraging sign that the transition is progressing faster than many expected.

However, the challenge remains significant. Updated climate scenarios suggest the world is now on track for around 2.5-3°C of warming by 2100, making it increasingly unlikely that global warming can be limited to 1.5°C without overshooting that threshold. The focus is therefore shifting towards accelerating emissions reductions while building resilience to the impacts of climate change that are already unavoidable.

Encouragingly, the transition continues to gather pace. In 2025, renewable energy became the world's largest source of electricity globally, while wind and solar met 99% of the growth in global electricity demand. In the United States, solar alone supplied the majority of growth in electricity demand, despite continued policy uncertainty.³ For investors, these structural trends continue to reshape energy markets, supporting long-term opportunities across clean technology and infrastructure.

MACRO OUTLOOK

Against this backdrop, we continued engaging with companies across our portfolios on their climate strategies. While ambition remains high, businesses consistently highlighted common barriers to faster decarbonisation, including electricity grid capacity and access to low-carbon energy. These are system-wide challenges that require continued investment alongside supportive policy.

For long-term investors, the quarter reinforced an important theme: while geopolitical events and market sentiment will continue to drive short-term volatility, the structural shift towards a lower-carbon economy remains firmly underway. As that transition gathers momentum, we continue to see opportunities to invest in businesses that can deliver both attractive long-term returns and positive real-world outcomes.

¹ Met Office (June 2026). *New UK June maximum temperature record for second consecutive day.*

² Van Vuuren et al., (April 2026). *The Scenario Model Intercomparison Project for CMIP7 (ScenarioMIP-CMIP7).*

³ Ember (January 2026). *Solar met 61% of US electricity demand growth in 2025.*



Rob Hurford
Investment Associate

PORTFOLIOS & ASSET ALLOCATION

- **Increased equity exposure as confidence in market conditions improved**
- **Expanded investment in grid infrastructure and energy storage**
- **Focused on long-term opportunities in clean infrastructure and AI enablers**

During the quarter, we increased our allocation to equities by investing more with the core fund managers in whom we have the greatest confidence. We believe the combination of easing geopolitical tensions, a supportive outlook for company earnings and continued structural growth in key sectors provides a positive backdrop for long-term equity investors.

We also increased exposure to businesses supporting the energy transition. Recent events reinforced the importance of both energy security and decarbonisation, strengthening our conviction in companies helping to modernise energy systems. In particular, we added to areas such as grid infrastructure, utility-scale energy storage and other technologies that enable greater electrification and renewable energy adoption, especially in emerging markets where investment needs are greatest.

Within fixed income, we remain comfortable with our overall allocation despite the fact that higher US inflation weighed on bond markets. However, periods of market volatility can create attractive opportunities, and we remain attentive to these.

Across the portfolio, we remain focused on long-term themes where we see both attractive investment opportunities and measurable real-world impact, including the energy transition, grid infrastructure and sustainable water management. Our AI exposure also reflects this approach. Rather than investing primarily in AI applications, we continue to focus on the companies providing the essential infrastructure that enables AI, including businesses developing more energy-efficient semiconductors and the electrical systems needed to support growing computing demand.

IN FOCUS: DIGITAL EDUCATION

- **Online learning is expanding access to quality education at scale**
- **We recently invested in two education companies, delivering both growth and positive social impact**

Education is widely recognised as one of the most powerful drivers of long-term social and economic progress.¹ This quarter, we investigated companies scaling innovative, quality education. Traditional education systems, stretched by population growth, geographic barriers, and chronic underfunding have struggled to meet the scale of need. The result is a widening gap between the skills economies require and the opportunities individuals can access.

These challenges are creating opportunities for innovative digital education providers. From an investment perspective, online learning platforms can scale efficiently, reaching significantly more students without the costs associated with expanding physical campuses. From an impact perspective, they make quality education and skills-based learning more accessible to people who have historically faced financial or geographic barriers.

Flexible online learning can also widen participation for groups that have traditionally been underserved, particularly women balancing work or caring responsibilities, and students living in rural or remote communities. A single digital institution can educate hundreds of thousands of learners each year, extending access to education at a scale that would be difficult to achieve through campus-based models alone.

As internet access and digital adoption continue to increase across developing economies, we believe technology-enabled education has the potential to help close skills gaps, improve employability and expand economic opportunity.

Following our research, we established positions in two education companies within our equity portfolios. We believe these businesses are well placed to benefit from the growing demand for accessible, high-quality education while delivering positive, measurable social outcomes.

¹ World Bank. *Investing in Education and Skills*.



Veronica Uribe Restrepo
Impact Associate

YOUR WEALTH'S REAL-WORLD IMPACT

- This data relates specifically to the capital invested into all Tribe portfolios (97% of Tribe's Assets Under Management (AuM)).
- This reporting shows the positive impacts made by the underlying businesses and institutions you've invested in.

INVESTING IN EDUCATION

Through the education companies we currently invest in, we **supported**

4,623 higher education students

over the past 12 months.⁴



One of these companies is a South American education provider with a focus on **increasing access** to first generation students.

In 2025,

50% of their students

were the **first in their family** to attend university.

⁴ Based on 1.0% of Tribe's total AuM as of 31/06/2026. Coverage fluctuates based on company level reporting and availability of data.

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Certified



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