

Nomura Global Sustainable Equity Fund - MYR Class B

November 2024

Fund Commentary and Strategy

During the month, the Fund was mainly invested in the Target Fund.

Commentary from the Target Fund Manager

The MYR Class B returned +1.72% lagging the benchmark by 362 bps in a very tough month in which our approach to sustainable investing faced an almost perfect storm following the US election of Donald Trump, the Republicans winning both the Senate and House, alongside a number of surprising picks for the Trump administration and the noise surrounding this. Selection was the primary driver of the underperformance coming predominantly from Financials as more traditional US banks and alternatives, which the Fund cannot hold on sustainability grounds, soared following the outcome of the US election. Selection was also negative within Industrials as certain holdings that are levered to the continued positive progression of the US towards becoming more sustainable were hit on concerns this will slow materially under Trump. Healthcare was a surprise negative for the strategy with the market and ourselves having expected a Trump/Republican victory to be more conducive to a less negative environment, however with the selection of Robert F. Kennedy Jr. as Health Secretary and the escalating rhetoric from the 'Department of Government Efficiency' nominees the sector has remained under significant pressure.

The greatest detractors were Tetra Tech (-15%) and not holding Tesla (+38%). The staggering advance by Tesla, against the prevailing logic of much less support for electric vehicles across Republicans, was driven by Elon Musk's very close ties to Donald Trump and the bullishness around the benefits Tesla will experience as a result of Musk's expected heavy involvement in the new administration, which may support for example a more supportive backdrop for ramping up the autonomous driving and other ancillary business units. Tetra Tech is one of the biggest beneficiaries of the Inflation Reduction Act (IRA) and Infrastructure Investment and Jobs Act (IIJA) and there is some concern Trump may take a scalpel to these, whilst the company further gave a cautious outlook for next year in particular as a result of lower expectations for U.S. Agency for International Development (USAID) funding under the new administration.

The greatest contributors to performance were Johnson Controls (+11%) and Pentair (+10%). The former benefitted from another solid set of earnings that have continued to change market perception over its ability to execute on its pivot towards being more commercial building focused, whilst Pentair as a more consumer facing business benefitted from the increased optimism around the US consumer under a Trump presidency.

Impact Focus of the Month:

In November, sustainable investment specialist Daniela Dorelova took the opportunity to visit several renewable sites of strategy holding Iberdrola in Puertollano, Spain. The tour began with a visit of their 100MWs Puertollano II solar park. The entire green energy production from the park is sent to a substation, where it is either directed to the co-located 5MW/20MWh battery storage site, to their green hydrogen pilot plant or if in excess sold to the grid. The solar park further showcased some of the various nature based solutions Iberdrola utilises to reduce their ecological footprint and to achieve their 2030 Nature Positive target. For instance, at the Puertollano II solar park specifically, the company uses sheep herds instead of fertilisers or vegetation maintenance, while at other sites the engineering team explained they would often have beehives for honey production or ponds. The dual aim is to have minimal maintenance requirements for both the equipment and the overall site, while maximising the positive impact on ecosystems.

Cumulative Fund Returns (%)

	YTD	1 Month	3 Month	6 Month
	31/12/2023	31/10/2024	31/8/2024	31/5/2024
	To	To	To	To
	30/11/2024	30/11/2024	30/11/2024	30/11/2024
Fund	10.72	1.72	0.70	-0.72
Benchmark	16.89	5.34	6.82	4.58

Cumulative Fund Returns (%)

	1 Year	3 Year	Since Commencement
	30/11/2023	30/11/2021	9/7/2021
	To	To	To
	30/11/2024	30/11/2024	30/11/2024
Fund	14.08	19.21	17.29
Benchmark	20.85	33.67	37.34

Source: Refinitiv Lipper

Notes: Performance data is calculated based on the changes in the Fund's NAV price per unit for the specified length of time and on the assumption that any dividends declared are reinvested into the Fund. Performance figures are presented in cumulative basis, unless indicated otherwise.

FUND'S PAST PERFORMANCE IS NOT AN INDICATION OF ITS FUTURE PERFORMANCE

Fund Objectives

The Fund aims to achieve long-term capital growth by investing in the Target Fund.

Target Fund

Nomura Funds Ireland – Global Sustainable Equity Fund USD-F

Benchmark

MSCI All Country World Index

Distribution Policy

Incidental. Distribution of income shall be in line with the dividend policy of the Target Fund.

Key Facts

Launch Date	18-Jun-2021
Fund Category	Feeder Fund (Global Equity)
Year End	31 July
Fund Size	USD 2.59 million
Class Size	MYR 11.34 million
Units in Circulation (MYR Class B)	9.66 million
NAV per Unit (MYR Class B)	MYR 1.1729
Transaction cut-off time	Daily; 4:00 pm
Redemption Period	Within 10 days

Sales charge

Up to 3.00% of the NAV per Unit.

Management fee

Up to 1.60% per annum of the NAV of each Class.

Trustee fee

Up to 0.03% per annum of the NAV of the Fund (excluding foreign custodian fees and charges), subject to a minimum fee of RM12,000.00 per annum.

Calendar Year Returns (%)

	2023	2022	2021
Fund	19.74	-13.45	2.22
Benchmark	28.10	-13.25	5.73

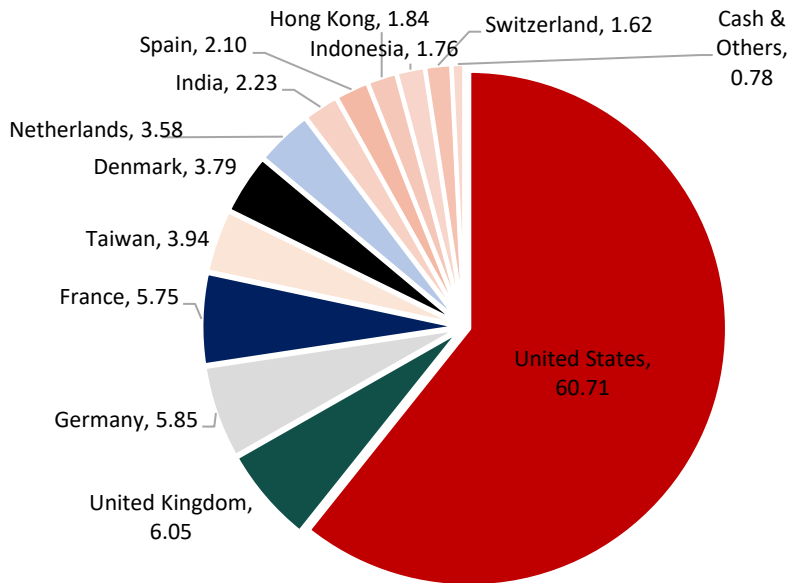
Source: Refinitiv Lipper

Notes: Performance data is calculated based on the changes in the Fund's NAV price per unit for the specified length of time and on the assumption that any dividends declared are reinvested into the Fund. Performance figures are presented in cumulative basis, unless indicated otherwise. Calendar year returns for 2021 are measured from its commencement date of 9 July 2021.

Top 5 Holdings of Target Fund (%)

Microsoft Corporation	5.24
Mastercard Incorporated Class A	4.47
Johnson Controls International plc	4.45
Taiwan Semiconductor Manufacturing	3.94
Boston Scientific Corporation	3.93

Country Breakdown of Target Fund (%)



Asset Allocation (%)

Target Fund	98.98
Cash and Others*	1.02

Included in 'Cash and Others' are cash on hand and net current assets / liabilities. Net current liabilities include amounts which are accrued (but not due and payable).

All data presented are as of 30 November 2024 unless otherwise specified.

Data in relation to the Target Fund is sourced from Nomura Asset Management U.K. Ltd.

Percentages may not add up to 100% due to rounding.

Sector Breakdown of Target Fund (%)

Health Care	26.86
Financials	21.36
Industrials	20.84
Information Technology	20.00
Utilities	6.45
Communication Services	3.71
Cash & Others	0.78

Nomura Asset Management's 6 Impact Goals

This quarter we continued to work on progressing towards our 6 Impact Goals (as below) focused around the most pressing issues facing our world and where we as investors believe we can have a positive impact across various stakeholders. In 3Q24, 61 of our total engagements were directly aligned to our 6 Impact Goals outlined below. The impact goals are closely aligned with the United Nations Sustainable Development Goals (UN SDGs), and NAM's ESG Statement. As part of our commitment to deeply integrate our 6 Impact Goals into our processes we strive to further increase our engagements with companies on the selected goals and work together towards achieving progress.

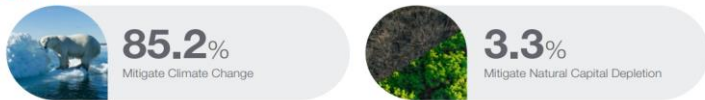
Click below for more details on the report:

https://www.nomura-asset.co.uk/download/past_docs/Past_Responsible_Investing_Reports/NAM_UK_3Q24_RI_Report.pdf

Engagement in Numbers



Environment



Society



Source: Nomura Asset Management U.K. Ltd. - Responsible Investing Report Q32024.

Disclaimer:

Based on the Fund's portfolio returns as at 31 October 2024, the Volatility Factor (VF) for the Fund is 12.78 and is classified as "High" (Source: Refinitiv Lipper). "High" includes funds with VF that are between 12.195 and 16.36. The VF means there is a possibility for the Fund in generating an upside return or downside return around this VF. The Volatility Class (VC) is assigned by Refinitiv Lipper based on quintile ranks of VF for qualified funds. VF is subject to monthly revision and VC will be revised every six months. The Fund's portfolio may have changed since this date and there is no guarantee that the Fund will continue to have the same VF or VC in the future. Presently, only funds launched in the market for at least 36 months will display the VF and its VC.

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