

Nomura Global Sustainable Equity Fund - USD Class

September 2024

Fund Commentary and Strategy

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

Commentary from the Target Fund Manager

The USD Class returned +0.74% in September underperforming MSCI ACWI by -162bps. The negative performance was mostly driven by allocation driven by the overweight position in Healthcare and our underweight position in Consumer Discretionary. After August's performance was helped by Healthcare, this trend went into reverse in September with the Healthcare sector underperforming the broader index by -5%. Meanwhile, Consumer Discretionary saw a strong rebound in September (+7%) that created a further headwind for the fund as news of a China stimulus boosted the sector. Selection was broadly flat in September with strong selection in Financials and Industrials being offset by negative performance in Healthcare and Information Technology.

The top contributors to performance were AIA (+27%) and Pentair (+10%). AIA outperformed substantially in the latter part of September as investors became more constructive on Chinese related equities as the Politburo announced new stimulus measures. Pentair was one of several industrial stocks in the portfolio to benefit from more positive investor assumptions on global growth as well as the start of US rate cuts. The greatest detractors were Novo Nordisk (-15%) and Adobe (-10%). Novo Nordisk announced the clinical results from Monlunabant, a cannabinoid receptor molecule in development for anti-obesity treatment that disappointed investors. Adobe shares fell after 4Q guidance at their results in mid-September came in below investor expectations.

Impact focus of the month:

During September, the team initiated a new position in Waste Management (WM), the North American leader in both solid waste collection and disposal as well as recycling processing. We see it as a high quality business with steady cash flows, defensive characteristics and strong returns to shareholders through growing dividend and more importantly significant share buyback programme. The broader space is fragmented and still in consolidation phase, so top players like WM continue to do significant amount of tuck-in acquisitions, which are the main reason for expanding margins, through increased route density. Although recycling processing is still a relatively small portion of overall business mix (ca.6-7%) it is the primary area for growth capital, along with RNG (ca.2%). What is interesting about this company's emissions profile is that in 2022, WM's sustainability services avoided or removed close to 3x (48.3mm tonnes of CO2e) their own emissions across the entire value chain (17mm tonnes of CO2e). This would be the main impact metric the team would be tracking going forward, along with million tonnes of material recovered.

Cumulative Fund Returns (%)

	YTD	1 Month	3 Month	6 Month
	31/12/2023	31/8/2024	30/6/2024	31/3/2024
	To	To	To	To
	30/9/2024	30/9/2024	30/9/2024	30/9/2024
Fund	17.76	0.74	5.70	8.73
Benchmark	19.08	2.36	6.72	9.93

Cumulative Fund Returns (%)

	1 Year	3 Year	Since Commencement
	30/9/2023	30/9/2021	9/7/2021
	To	To	To
	30/9/2024	30/9/2024	30/9/2024
Fund	28.30	erfor	13.21
Benchmark	32.35	28.09	27.31

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	USD 0.037 million
Units in Circulation (USD Class)	0.033 million
NAV per Unit (USD Class)	USD 1.1321
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	14.78	-18.10	2.27
Benchmark	22.81	-17.96	6.12

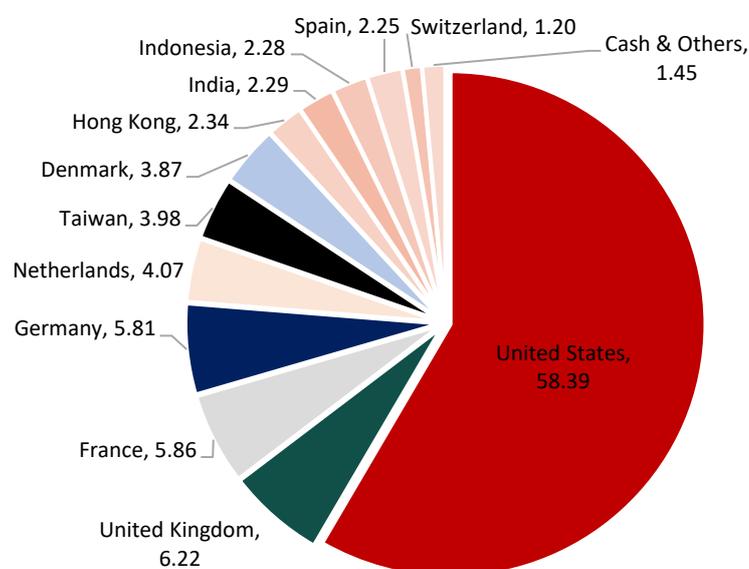
Source: Refinitiv Lipper

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	5.04
Johnson Controls International plc	4.49
Mastercard Incorporated Class A	4.08
ASML Holding NV	4.07
Taiwan Semiconductor Manufacturing Co., Ltd.	3.98

Country Breakdown of Target Fund (%)



Asset Allocation (%)

Target Fund	99.50
Cash and Others*	0.50

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 September 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	26.34
Financials	21.51
Industrials	20.46
Information Technology	19.86
Utilities	6.89
Communication Services	3.48
Cash & Others	1.45

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 2Q24, 55 of our total engagements were directly aligned to our 6 Impact Goals outlined below. Mitigate Climate Change Mitigate Obesity Epidemic Mitigate Natural Capital Depletion Global Access to Basic Financial Services Global Access to Clean Drinking Water Eliminate Communicable Disease 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 here for more details on the report.](#)

Engagement in Numbers



Source: Nomura Asset Management U.K. Ltd. - Responsible Investing Report Q2 2024.

Disclaimer:

Based on the Fund's portfolio returns as at 31 August 2024, the Volatility Factor (VF) for the Fund is 12.65 and is classified as "High" (Source: Refinitiv Lipper). "High" includes funds with VF that are between 12.03 and 16.265. 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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