

Fund Commentary and Strategy

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

Commentary from the Target Fund Manager

March was characterised by unprecedented moves in the banking sector following the collapse of several regional banks in the US and later in the month the collapse of Credit Suisse and emergency rescue by UBS. The events posed questions on the Central Banks next steps with Federal Reserve's terminal rate moving from 5.42% down to 4.96%. Selection effect over the period contributed significantly to performance, coming predominantly from Financials, while allocation effect was negative.

Impact focus of the month: During the month, the team initiated an engagement project across portfolio holdings to promote access to obesity medications and treatment of the condition. This project is closely aligned with one of the strategy's impact goals - Mitigate the Obesity Epidemic. As a first step, the team started distributing a questionnaire to all the holdings with sizable presence in the US. The main purpose of this study is to get an understanding of investee companies' health care plans in relation to obesity treatments coverage, weight loss programs and others.

Top contributors to performance were Adobe (+19%) and Alphabet (+15.2%). Adobe shares rebounded in March from a drop in previous month. In February, Adobe shares fell on reports that the US Department of Justice was ready to file an antitrust lawsuit to block Adobe's acquisition of Figma. In March, Adobe reported good quarterly results and raised full year guidance, which assured investors that they can achieve high growth with or without Figma. Alphabet outperformed during the month from a sell-off in February caused by their Bard generative AI event that contained factual errors in demos. In March, they released a light version of Bard to the public and in Target Fund Manager's opinion, the market became comfortable that Bard's eventual inclusion into Google search will be able to prevent Bing - ChatGPT from taking market share in search.

Top detractors were CVS Health (-11%) and Safaricom (-23.3%). The main reason for Safaricom's underperformance over the period is investors reducing positions due to the Kenyan Shilling crisis. Kenya's FX reserves are now down to 3.6 months of import cover, which is lower than the 4 months minimum cover policy of the East Africa Community (EAC) of which Kenya is a member. This has led to a liquidity crisis and foreign investors have taken the decision to exit Kenya until the situation improves. Whilst the Target Fund Manager continue to believe that Safaricom is bringing Kenyans into the digital economy daily, the Target Fund Manager has reduced their position to lower the risk related to the currency situation. CVS Health suffered from the broader sell-off within healthcare. The shares also underperformed other managed care names as the business reset EPS guidance lower for 2023/2024 after announcing the acquisition of Oak Street Health, which will be dilutive in the near-term. The Target Fund Manager think the strategy to move into value-based care is sensible long-term and that the shares are undervalued at this point.

Cumulative Fund Returns (%)

	YTD 31/12/2022 To 31/3/2023	1 Month 28/2/2023 To 31/3/2023	3 Month 31/12/2022 To 31/3/2023	6 Month 30/9/2022 To 31/3/2023
Fund	5.80	1.76	5.80	11.88
Benchmark	7.62	1.43	7.62	12.34

Cumulative Fund Returns (%)

	1 Year 31/3/2022 To 31/3/2023	Since Commencement 9/7/2021 To 31/3/2023
Fund	-3.81	-6.40
Benchmark	-2.37	-1.29

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 2.91 million
Class Size	MYR 12.72 million
Units in Circulation (MYR Class B)	13.59 million
NAV per Unit (MYR Class B)	MYR 0.936
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 (%)

	2022	2021
Fund	-13.45	2.22
Benchmark	-13.25	5.73

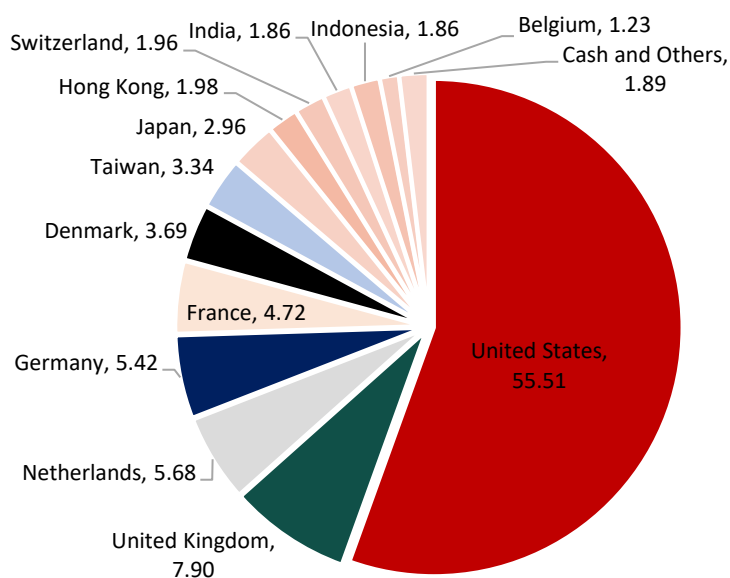
Source: Refinitiv Lipper

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 (%)

Thermo Fisher Scientific Inc.	4.21
Mastercard Incorporated Class A	4.09
Microsoft Corporation	4.03
NextEra Energy, Inc.	3.86
Johnson Controls International plc	3.71

Country Breakdown of Target Fund (%)



Asset Allocation (%)

Target Fund	99.20
Cash and Others*	0.80

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 31 March 2023 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 (%)

Information Technology	28.35
Health Care	25.27
Industrials	16.65
Financials	10.37
Utilities	7.43
Communication Services	3.97
Consumer Staples	3.64
Materials	3.27
Cash and Others	1.04

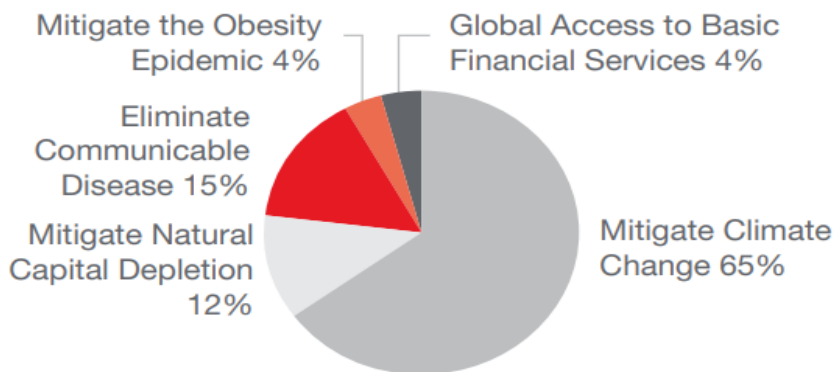
Nomura Asset Management's 6 Impact Goals

In 4Q22 we continued to work on progressing towards our 6 Impact Goals focused around the most pressing issues facing our world and where we as investors believe we can have the greatest positive impact. The impact goals are closely aligned with the United Nations Sustainable Development Goals (UN SDGs), and NAM's Global 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. In 4Q22, 31 of our total engagements were directly aligned to our Mitigate Climate Change goal, 6 with Mitigate Natural Capital Depletion goal, 7 with Eliminate Communicable Disease, 2 with Mitigate the Obesity Epidemic and 2 with Global Access to Financial Services. None of our engagements for impact were linked to our Global Access to Clean Drinking Water goal.

Click [here](#) for more details on the report.

Engagements by NAM Impact Goals

Mitigate Climate Change	31
Mitigate Natural Capital Depletion	6
Eliminate Communicable Disease	7
Mitigate the Obesity Epidemic	2
Global Access to Basic Financial Services	2
Global Access to Clean Drinking Water	0
Total	48



Source: Nomura Asset Management U.K. Ltd. - Responsible Investing Report Q4 2022

Disclaimer:

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