

## Nomura Global High Conviction Fund - Class MYR

February 2025

### Fund Commentary and Strategy

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

### Commentary from the Target Fund Manager

In February, Class MYR returned -4.39%, underperforming the benchmark by 393bps. The underperformance in February was driven by both sector allocation and stock selection. Sector allocation was negative as the Fund was overweight Consumer Discretionary (-4.9% return) while being underweight Consumer Staples (+4.3%). In addition, we have witnessed one of the largest reversals in performance between these two sectors this past month. Stock selection was the main negative headwind, driven by our bets in Communication Services (Alphabet), Consumer Discretionary (Amazon.com) and Information Technology (TMSC).

Market sentiment has swung strongly from optimism around Trump's second presidency to deep concerns around the impact of far more extensive tariffs than expected and an administration that is much more volatile and unpredictable than had been expected.

Main positive contributors were the lack of exposure to Tesla (shares were down 28%), AstraZeneca (+8%), and Marsh & McLennan (+10%). Tesla has been correcting since mid-December after a significant run on its shares from the US election results, as some market participants expected significant benefits from new policies by the new US Government. AstraZeneca reported strong 4Q numbers, with all the main drugs beating expectations and a guidance for 2025 expecting high single digit organic growth on revenues. 2025 will be a year with many catalysts, and the CEO continues to think their US\$80bn revenue target for 2030 is achievable. In addition, the issues they have been facing in China seem to be resolving and they have faced no disruptions. Marsh & McLennan benefitted from both market rotation into insurance (insurance industry +7.2% vs. S&P500 -1.3%), and a positive update from their 4Q results.

On the detractors' side, we had Alphabet (-17%), Amazon.com (-11%) and UnitedHealth (-12%). Alphabet reported results early in February and the market took badly their guidance of US\$75bn in Capex for 2025. This was more than analysts were expecting, and this is a sign that the company expects more growth in the long term, so we do not think this is a negative. Amazon.com also guided for a significant increase in Capex, with 1Q already at US\$26bn, which would mean roughly US\$100bn for 2025. The market also reacted negatively despite their beat in margins with 4Q 2024 operating margins being at the record level of 11.3%. UnitedHealth shares had a weak month, after we have seen increasing scrutiny from the new administration on health insurers, their billing practices and some headline risk from the Wall Street Journal (WSJ) and some activist investors (like Bill Ackman) about an investigation being launched by the Department of Justice (DOJ), which the company has denied.

### Cumulative Fund Returns (%)

	YTD	1 Month	3 Months	6 Months
	31/12/2024	31/1/2025	30/11/2024	31/8/2024
	To	To	To	To
	28/2/2025	28/2/2025	28/2/2025	28/2/2025
<b>Fund</b>	-0.29	-4.39	-0.29	2.36
<b>Benchmark</b>	2.58	-0.46	0.78	7.65

### Cumulative Fund Returns (%)

	1 year	3 year	5 year	Since Commencement
	29/2/2024	28/2/2022	29/2/2020	2/2/2017
	To	To	To	To
	28/2/2025	28/2/2025	28/2/2025	28/2/2025
<b>Fund</b>	1.45	20.42	50.59	78.00
<b>Benchmark</b>	8.68	40.16	97.79	140.48

### Calendar Year Returns (%)

	2024	2023	2022*	2021
<b>Fund</b>	7.68	23.52	-18.21	17.63
<b>Benchmark</b>	14.84	28.10	-13.25	23.28

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.

\* The Fund was launched as a wholesale fund on 13 December 2016. Following the approval obtained from the unit holders at a unit holders' meeting, the Fund was subsequently converted to a unit trust fund on 1 October 2022. Hence, performance data prior to 1 October 2022 as shown in this material reflects the performance of the Fund as a wholesale fund.

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

### Fund Objectives

The Fund seeks to achieve long-term capital growth by investing in Nomura Funds Ireland – Global High Conviction Fund ("Target Fund") which invests primarily in global equity securities.

### Target Fund

Nomura Funds Ireland – Global High Conviction Fund

### Benchmark

MSCI All Country World Index

### Distribution Policy

Distribution of income, if any, is incidental.

### Key Facts

Launch Date	13-Dec-2016*
Fund Category	Feeder Fund (Global Equity)
Year End	31 August
Fund Size	USD 0.68 million
Class Size	MYR 2.66 million
Units in Circulation (Class MYR)	1.50 million
NAV per Unit (Class MYR)	MYR 1.7800
Transaction cut-off time	Daily; 4:00 pm
Redemption Period	T + 9 business days

### Sales charge

Up to 5.00% of the NAV per Unit.

### Management fee

Up to 1.80% per annum of the NAV each Class.

### Trustee fee

Up to 0.02% per annum of the NAV of the Fund, subject to a minimum fee of RM9,000 per annum.

### Asset Allocation (%)

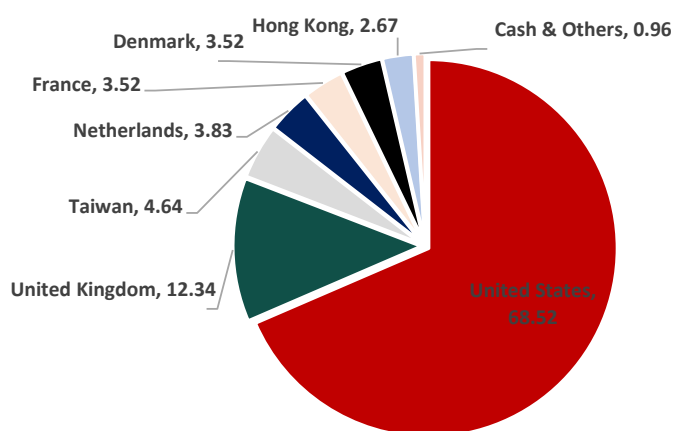
Target Fund	95.12
Cash and Others*	4.88

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).

### Top 5 Holdings of Target Fund (%)

Microsoft Corporation	8.18
Amazon.com, Inc.	7.60
Alphabet Inc. Class A	6.88
Apple Inc.	5.96
Mastercard Incorporated Class A	5.70

### Country Breakdown of Target Fund (%)



### Sector Breakdown of Target Fund (%)

Information Technology	27.90
Health Care	19.90
Consumer Discretionary	17.69
Financials	17.36
Industrials	9.31
Communication Services	6.88
Cash & Others	0.96

All data presented are as of 28 February 2025 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.

#### Disclaimer:

Based on the Fund's portfolio returns as at 31 January 2025, the Volatility Factor (VF) for the Fund is 13.98 and is classified as "High" (Source: Refinitiv Lipper). "High" includes funds with VF that are between 12.01 and 16.245. 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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