

## Nomura Global Sustainable Equity Fund - MYR Class B

February 2025

### Fund Commentary and Strategy

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

### Commentary from the Target Fund Manager

MYR Class B returned -1.66% in February, underperforming MSCI ACWI by 120 bps. The Fund struggled to keep up with the market in the first weeks of the month as equities, once again led by Mega Cap tech, rallied strongly, but performed very well towards the end of the month once again demonstrating the strategy's defensive properties in a general risk off and turbulent environment. Sector allocation contributed strongly driven by lack of exposure to Consumer Discretionary and our overweight position to defensive sectors, such as Healthcare. Negative selection more than offset this however and was most pronounced in Information Technology and Communication Services.

The top contributors to performance were not holding Tesla (-28%) and Johnson Controls (+10%). Since early November last year, Tesla has been seen as a proxy trade for Trump's win and Elon Musk's position within the administration. Initially this was a significant headwind to performance given the name is not held in the strategy, however more recently we have seen a reversal of that trend with the name catching up with fundamentals paired with a slowdown in production in 4Q and lowering of expectations for quarterly deliveries. Johnson Controls has performed strongly on the back of decent 4Q results and a full year guidance raise, which was ahead of expectations and is underpinned by very strong orders. The market was also positively surprised by the announcement of the new CEO who was an external appointment from Danaher.

The greatest detractors were Tetra Tech (-21%) and Alphabet (-17%). During the month, Tetra Tech has continued to be a significant headwind to the funds' performance. General political noise around Trump's Department of Government Efficiency cost cutting and reduction of funds for the USAID were further paired with risks around Ukraine spending following an escalation of political tension. We have also seen an extended selloff of previous AI winners since the introduction of DeepSeek in late January. Alphabet was one of the names that although reiterating its confidence in its AI strategy has significantly reversed gains during the month.

### Impact focus of the month

In February 2025, the team initiated our Green Pharma project, which we plan to maintain as one of the focus areas for our sustainable strategies for the year. We note that, despite the progress we are seeing and the increased granularity around measuring and reporting on Scope 3 categories, the industry is still facing considerable challenges. As part of this process, we reached out to the majority of our pharmaceutical holdings which did not yet have complete Scope 3 reporting/targets and engaged on understanding on a variety of topics, such as drivers of upstream emissions (e.g. purchased goods and services), relationships with manufacturing partners, use of capital equipment and the trade-off companies might need to make to decarbonise their manufacturing and logistics processes. This fits in with our overall goals to reduce the carbon intensity of strategy holdings and feel comfortable that sufficient financial resources are being put into place to achieve Net Zero greenhouse gas emissions by 2050.

### Cumulative Fund Returns (%)

	YTD 31/12/2024 To 28/2/2025	1 Month 31/1/2025 To 28/2/2025	3 Month 30/11/2024 To 28/2/2025	6 Month 31/8/2024 To 28/2/2025
<b>Fund</b>	1.98	-1.66	-0.55	0.14
<b>Benchmark</b>	2.58	-0.46	0.78	7.65

### Cumulative Fund Returns (%)

	1 Year 29/2/2024 To 28/2/2025	3 Year 28/2/2022 To 28/2/2025	Since Commencement 9/7/2021 To 28/2/2025
<b>Fund</b>	1.84	24.34	16.64
<b>Benchmark</b>	8.68	40.16	38.41

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 11.52 million
Units in Circulation (MYR Class B)	9.87 million
NAV per Unit (MYR Class B)	MYR 1.1664
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 (%)

	2024	2023	2022
<b>Fund</b>	7.97	19.74	-13.45
<b>Benchmark</b>	14.84	28.10	-13.25

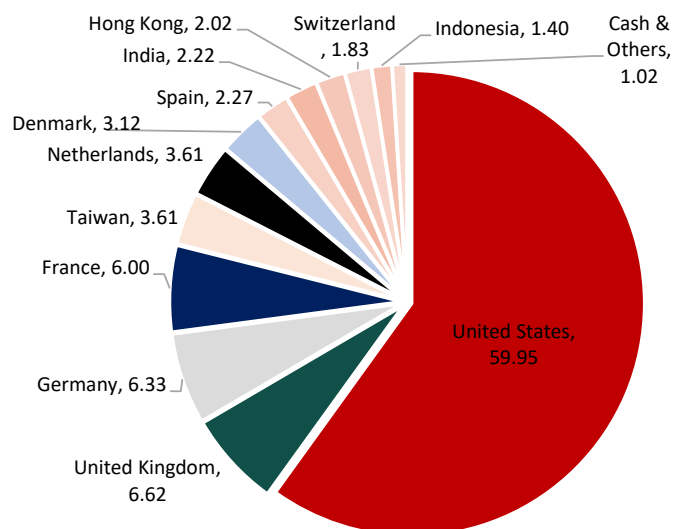
Source: Refinitiv Lipper

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	4.83
Mastercard Incorporated Class A	4.36
Johnson Controls International plc	3.91
AstraZeneca PLC	3.86
Visa Inc. Class A	3.84

### Country Breakdown of Target Fund (%)



### Asset Allocation (%)

Target Fund	99.47
Cash and Others*	0.53

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 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.

### Sector Breakdown of Target Fund (%)

Health Care	27.33
Financials	21.13
Industrials	21.10
Information Technology	20.04
Utilities	6.41
Communication Services	2.98
Cash & Others	1.02

### 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 4Q24, 32 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\\_4Q24\\_RI\\_Report.pdf](https://www.nomura-asset.co.uk/download/past_docs/Past_Responsible_Investing_Reports/NAM_UK_4Q24_RI_Report.pdf)

### Engagement in Numbers



Source: Nomura Asset Management U.K. Ltd. - Responsible Investing Report 4Q2024.

#### Disclaimer:

Based on the Fund's portfolio returns as at 31 January 2025, the Volatility Factor (VF) for the Fund is 12.47 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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