

Nomura Global Sustainable Equity Fund - USD Class

March 2025

Fund Commentary and Strategy

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

Commentary from the Target Fund Manager

USD Class returned -1.70% in March outperforming the benchmark by 220bps and protecting clients from the full brunt of the downturn as markets became more concerned by the implications of the Trump administration's policies. Notably this has continued in the first days of April with the fund holding up well through the turmoil that the 'Reciprocal Tariffs' have injected into the market. Sector allocation was the primary driver of the outperformance in March, benefitting from the overweight to the more defensive Healthcare and Utilities sectors and underweight to Consumer Discretionary. Selection was strongest within Financials as the more traditional US financials that the Fund does not hold on sustainability grounds sold off particularly sharply.

The greatest contributors to performance were Allianz (+11%) and AXA (+9), and not holding NVIDIA (-13%) or Apple (-8%). Allianz and AXA performed well given stable end markets from a fundamental perspective, and benefitted from a highly constructive backdrop across Europe in relation to proposals for increased infrastructure and defence spending through bypassing restrictions from the legal debt limits.

The greatest detractors were Novo Nordisk (-23%) and Adobe (-13%). Novo Nordisk shares sold off as the company announced disappointing results from CagriSema's second phase 3 trial (REDEFINE 2) and prescription trends for obesity medicines in the US appeared to grow at a low rate through the first 3 months of the year. Adobe commentary from the CEO regarding the size of their AI software revenues disappointed some investors. We believe that Adobe's main strategy with AI features is to integrate these features into their existing editing software and raise the subscription prices that users pay, rather than charge for standalone AI features.

Impact focus of the month

The team having been engaging with Broadcom, pushing the company to make more disclosures around their approach to AI. Whilst the company does not develop any AI software internally, they are the second largest supplier of AI chips to train AI models behind only NVIDIA. We were pleased to see in their recently published 2024 Corporate Responsibility Report that Broadcom have now included a section new to this year's report entitled "Responsible use of AI". In it, they stated that according to their Generative AI Policy, all uses of generative AI must be reviewed by a cross-functional team of leaders from various teams including security, privacy, legal, business management and other domains. We will continue to engage with Broadcom and other companies within the space to encourage them to put in place appropriate safeguards such as this to support lowering the risk that AI is misused. We expect more technology companies to begin addressing this topic more formally in the future.

Cumulative Fund Returns (%)

	YTD	1 Month	3 Month	6 Month
	31/12/2024	28/2/2025	31/12/2024	30/9/2024
	To	To	To	To
	31/3/2025	31/3/2025	31/3/2025	31/3/2025
Fund	0.44	-1.70	0.44	-5.39
Benchmark	-1.22	-3.90	-1.22	-2.10

Cumulative Fund Returns (%)

	1 Year	3 Year	Since Commencement
	31/3/2024	31/3/2022	9/7/2021
	To	To	To
	31/3/2025	31/3/2025	31/3/2025
Fund	2.87	11.05	7.11
Benchmark	7.63	23.97	24.64

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 2.56 million
Class Size	USD 0.010 million
Units in Circulation (USD Class)	0.010 million
NAV per Unit (USD Class)	USD 1.0711
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
Fund	10.92	14.78	-18.10
Benchmark	18.02	22.81	-17.96

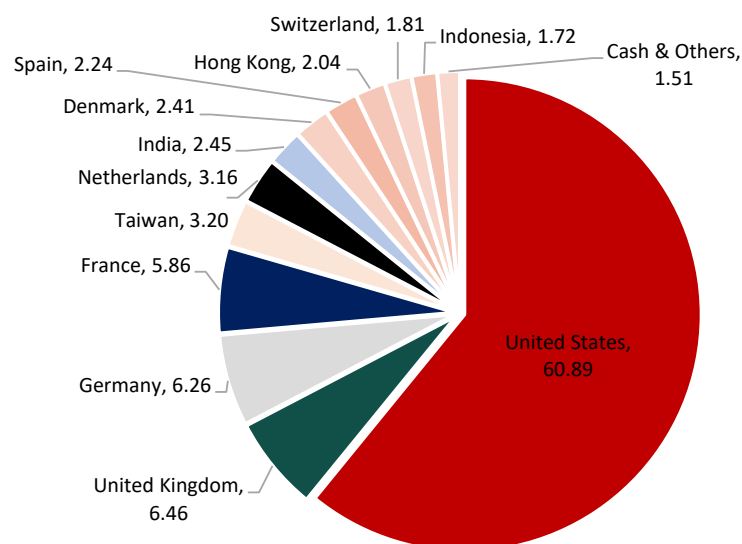
Source: Refinitiv Lipper

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Top 5 Holdings of Target Fund (%)

Microsoft Corporation	4.67
Mastercard Incorporated Class A	4.14
Johnson Controls International plc	3.74
Visa Inc. Class A	3.64
AstraZeneca PLC	3.50

Country Breakdown of Target Fund (%)



Asset Allocation (%)

Target Fund	99.04
Cash and Others*	0.96

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 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	27.02
Financials	21.60
Industrials	21.45
Information Technology	19.03
Utilities	6.62
Communication Services	2.77
Cash & Others	1.51

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

Engagement in Numbers



Environment



Society



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

Disclaimer:

Based on the Fund's portfolio returns as at 28 February 2025, the Volatility Factor (VF) for the Fund is 12.35 and is classified as "High" (Source: Refinitiv Lipper). "High" includes funds with VF that are between 11.955 and 16.355. 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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