

Nomura Global Sustainable Equity Fund - USD Class

May 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 +5.81% for the month as markets rebounded. Allocation was a headwind to performance, which was balanced by selection. From a sector standpoint, the fund's overweight position in Healthcare was a significant negative driver on allocation as the sector underperformed during May (-2%) whilst higher beta sectors such as Information Technology (+10%), Communication Services (+8%) and Industrials (+8%) outperformed. In terms of selection, Information Technology was very positive in the month with several holdings rebounding substantially whilst Healthcare was weaker. With the S&P 500 close to all-time highs and, during the beginning days of June, several MAG7 names eclipsing previous highs it certainly feels as though investors have moved past a lot of the trade uncertainty. Whilst May's retail data indicates a more solid backdrop to the US economy than feared, we continue to remain aware of the substantial policy and macro-economic risks that have mounted through the first 5 months of 2025.

Johnson Controls (+21%) and Broadcom (+26%) were the two most significant outperformers in May. Johnson Controls announced solid 1Q25 results and the new CEO has been setting out a path to a better margin profile, which we think was taken well by investors. Broadcom rallied as investor optimism around AI capex spend and peer results (NVIDIA) grew substantially. The two biggest detractors were UnitedHealth Group (-27%) and AO Smith (-5%). UnitedHealth has experienced an exceptionally difficult 2-month period that surprised the market after many years of strong financial performance. Management cut the 2025 financial guidance after one quarter in mid-April, which already had triggered concern amongst investors. In May, the CEO then resigned and the new management abandoned the previous guidance after medical cost trends continued to escalate. After having trimmed our position at higher levels prior to April, we decided that the position was no longer justified on sustainability grounds and with an increasingly uncertain financial outlook, we decided to sell the position. AO Smith underperformed during May as a new competitor emerged in the water heater market that investors were concerned could impinge on AO Smith's strong market position.

Impact Focus of the Month:

In May the team took the decision to fully divest from the fund's position in UnitedHealth Group (UNH). This decision was based on the significantly deteriorating sustainability profile of the company as well as an increased uncertainty around UNH's financial outlook. At the beginning of April, wary of the multiple controversies surrounding the name, the team initiated a full review on the total impact framework for the holding and concluded that despite the material reduction in the score overall it still warranted a place in the strategy, however that the new analysis should be taken into account with regards to position sizing. Since then several events have taken place, such as management cutting guidance, shortly after followed by the CEO resigning and new management completely suspending the revised guidance. In mid-May, the Wall Street Journal reported that the Department of Justice has launched a criminal investigation into a potential involvement of UNH in Medicare fraud. This significantly affected the team's assessment of the situation given previous speculations were on civil and not criminal investigation. As a result, the team no longer felt this position warranted a place in a sustainable strategy and over several days completed a full exit.

Cumulative Fund Returns (%)

	YTD	1 Month	3 Month	6 Month
	31/12/2024	30/4/2025	28/2/2025	30/11/2024
	To	To	To	To
	31/5/2025	31/5/2025	31/5/2025	31/5/2025
Fund	5.32	5.81	3.07	2.05
Benchmark	5.54	5.81	2.68	3.08

Cumulative Fund Returns (%)

	1 Year	3 Year	Since Commencement
	31/5/2024	31/5/2022	9/7/2021
	To	To	To
	31/5/2025	31/5/2025	31/5/2025
Fund	7.34	27.12	12.31
Benchmark	14.16	43.65	33.17

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 2.81 million
Class Size	USD 0.011 million
Units in Circulation (USD Class)	0.010 million
NAV per Unit (USD Class)	USD 1.1231
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

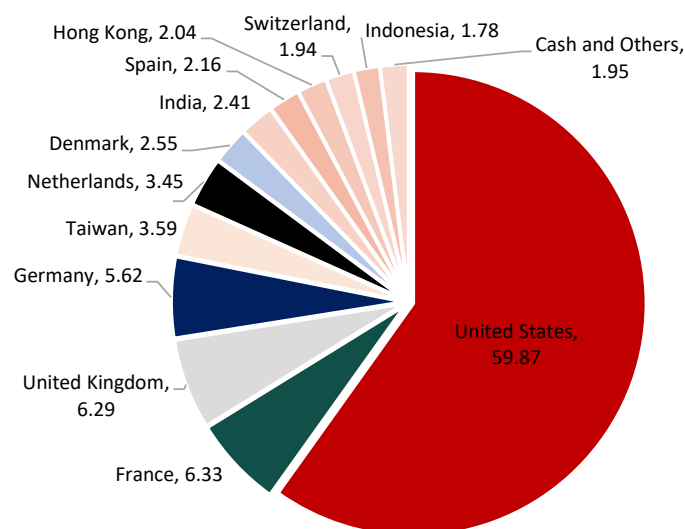
Source: Refinitiv Lipper

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Top 5 Holdings of Target Fund (%)

Microsoft Corporation	5.50
Mastercard Incorporated Class A	4.18
Johnson Controls International plc	3.61
Taiwan Semiconductor Manufacturing Co., Ltd.	3.59
ASML Holding NV	3.45

Country Breakdown of Target Fund (%)



Asset Allocation (%)

Target Fund	99.37
Cash and Others*	0.63

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 May 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 (%)

Industrials	22.79
Health Care	22.76
Information Technology	21.82
Financials	21.21
Utilities	6.30
Communication Services	3.17
Cash and Others	1.95

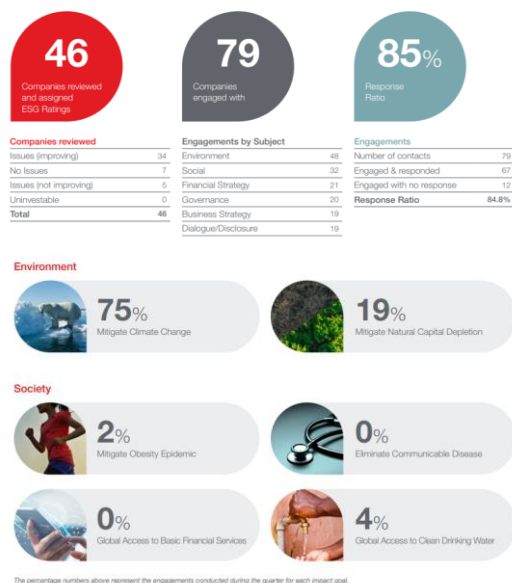
Nomura Asset Management's 6 Impact Goals

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 1Q25, 48 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_1Q25_RI_Report.pdf

Engagement in Numbers



Source: Nomura Asset Management U.K. Ltd. - Responsible Investing Report 1Q2025.

Disclaimer:

Based on the Fund's portfolio returns as at 30 April 2025, the Volatility Factor (VF) for the Fund is 12.44 and is classified as "High" (Source: Refinitiv Lipper). "High" includes funds with VF that are between 11.98 and 16.345. 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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