

**Nomura Global Sustainable Equity Fund - USD Class**
**May 2026**
**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 +2.05% in May underperforming the MSCI ACWI by 316 bps. Allocation was slightly negative (-25 bps) driven by the overweight positions in Healthcare, Industrials and Utilities. Selection drove the majority of the underperformance with the IT (-180 bps) and Industrials (-130 bps) sectors most negative. During the month of May, global equities continued to rally driven by the sharp increase in AI-related names. The NASDAQ exemplified this with a monthly rise of +10% and the SOXX, a widely tracked semiconductor index, rose even more sharply (+23%). The bullishness within equity markets has been concentrated in tech mostly because of the transformative developments in AI but also because the sector is viewed as relatively immune to the more volatile geopolitical backdrop. Despite talks and some calming of tensions in Iran, the conflict has not been settled and oil prices remain elevated compared to the start of 2026. A further increase in treasury yields through May demonstrated the concern from fixed income investors over the inflationary outlook for the US. The combination of uncertainty on the macro-economic direction with high equity valuations creates a potentially risky outlook for investors. To balance for this, we continue to weigh our exposures to technology and the AI revolution with areas that offer greater defensiveness in case we see a more challenging backdrop. From a bottom-up perspective, we remain very constructive on the potential in AI and added to our positioning in May. Looking forward, we think several large IPOs slated to list (SpaceX, OpenAI, Anthropic) as well as recent capital raises (e.g. Alphabet) point to the continuing appetite to build out data centers to the benefit of the AI hardware ecosystem.

The greatest contributors to performance in May were Cisco (+32%) and TSMC (+12%). At their April quarter earnings call, Cisco raised their FY7/26 AI order guidance from \$5bn to \$9bn, driven by hyperscaler order momentum. This gives us a better visibility into their FY7/27 and we raised our revenue estimates for the company. TSMC shares rose due to a strong market for semiconductor stocks. Semiconductor shares were led by memory and CPUs as agentic AI use cases are broadening out.

The two biggest detractors were Waste Management (-9%) and Boston Scientific (-16%). Waste Management reported a first quarter EPS beat, however top-line performance came a touch short of consensus with collection and disposal volumes falling 1.5%, reflecting severe winter weather impacts and the continued intentional shedding of lower-margin residential customers. Furthermore, given the defensive nature of the business, the stock also failed to keep up with the AI rally. During May, the CEO of Boston Scientific presented at Bernstein's Strategic Decisions Conference and spoke negatively about the group's Watchman trends in the US essentially resetting growth expectations lower for this segment across the rest of 2026. Despite the reiteration of the group's financial guidance, this was taken quite negatively by investors after several disappointments already in 2026. The shares fell over the subsequent days.

**Impact Focus of the Month**

Throughout May, our engagement with a holding in Utilities on climate topics continued, building on efforts initiated earlier in the year. During proxy season, we voted FOR a shareholder resolution titled "Report on Plans to Reduce and Align GHG Emissions with Paris Agreement Goals." This vote served as a formal escalation mechanism following inconclusive engagement and aligned our position with that of like-minded institutional peers. The resolution reflects substantive concerns about the company's strategic direction. The company has withdrawn its 2045 'Real Zero' GHG emissions reduction target, including all interim targets, and has pivoted its growth strategy toward new natural gas generation capacity. We believe that in the absence of forward-looking GHG reduction targets, shareholders lack sufficient information to assess how the company intends to manage climate-related risks. Additional disclosure on emissions reduction plans and climate risk mitigation would meaningfully improve shareholder visibility. For background, in March, we held an engagement call with the company's environmental team.

The discussion covered the rationale for removing the 2045 'Real Zero' target, the materiality of different Scope 3 emissions categories, and the company's plans to expand natural gas generation capacity in response to demand growth driven by AI infrastructure buildout and industrial reshoring. The outcome of the call was disappointing, as the company offered limited reassurance on its climate commitments. On the positive side, in April, a constructive development emerged on one of our outstanding engagement requests. Following our recommendation, the company engaged directly with ISS to address apparent discrepancies in how the company's Scope 3 emissions categories were being classified. According to a member of their Sustainability team, ISS has agreed to reclassify the company's reported Scope 3 categories from 'modelled' to 'reported,' recognising them as material. While this reclassification is yet to be reflected in the ISS database, the development is an encouraging outcome that arose directly from our ongoing relationship and engagement with the company.

**Cumulative Fund Returns (%)**

	YTD	1 Month	3 Month	6 Month
	31/12/2025	30/04/2026	28/02/2026	30/11/2025
	To	To	To	To
	31/05/2026	31/05/2026	31/05/2026	31/05/2026
<b>Fund</b>	-0.10	2.05	0.10	0.60
<b>Benchmark</b>	12.35	5.21	7.69	13.56

**Cumulative Fund Returns (%)**

	1 Year	3 Year	Since Commencement
	31/05/2025	31/05/2023	9/7/2021
	To	To	To
	31/05/2026	31/05/2026	31/05/2026
<b>Fund</b>	9.74	39.22	23.25
<b>Benchmark</b>	30.80	85.35	74.19

Source: LSEG 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 3.49 million
Class Size	USD 0.017 million
Units in Circulation (USD Class)	0.014 million
NAV per Unit (USD Class)	USD 1.2325
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 (%)**

	2025	2024	2023
<b>Fund</b>	15.69	10.92	14.78
<b>Benchmark</b>	22.87	18.02	22.81

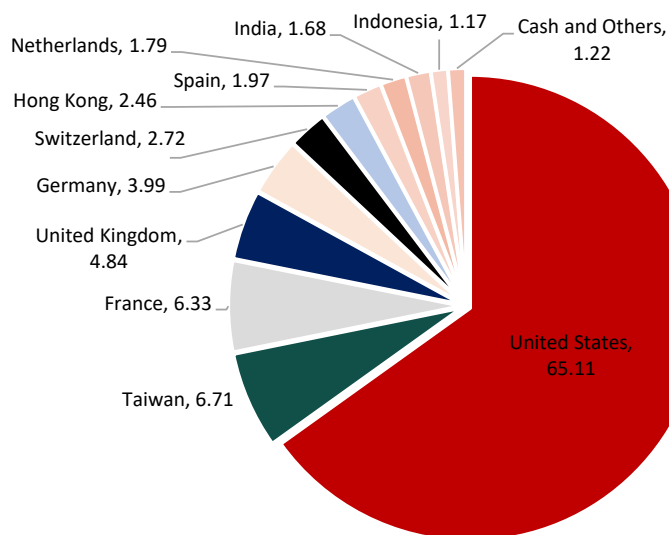
Source: LSEG Lipper

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

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

NVIDIA Corporation	7.12
Taiwan Semiconductor Manufacturir	6.71
Alphabet Inc. Class A	6.62
Microsoft Corporation	5.60
Broadcom Inc.	4.08

**Country Breakdown of Target Fund (%)**



**Asset Allocation (%)**

Target Fund	99.89
Cash and Others*	0.11

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 2026 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	33.48
Industrials	19.40
Health Care	16.66
Financials	16.54
Communication Services	6.62
Utilities	6.09
Cash and Others	1.22

## 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 3Q25, 35 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.

Within the area of engagement, we are shifting more of our focus from what we have done to what we have actually influenced, hence as part of our process we classify our engagement work as either one-off or ongoing. For all the engagements that the teams across the different offices initiate and classify as ongoing, we establish a milestone goal and track the progress of over time.

Click below for more details on the report:

[https://www.nomura-asset.co.uk/download/past\\_docs/Past\\_Responsible\\_Investing\\_Reports/NAM\\_UK\\_3Q25\\_RI\\_Report.pdf](https://www.nomura-asset.co.uk/download/past_docs/Past_Responsible_Investing_Reports/NAM_UK_3Q25_RI_Report.pdf)

## Engagement in Numbers



### Environment



### Society



The percentage numbers above represent the engagements conducted during the quarter for each impact goal.

Source: Nomura Asset Management U.K. Ltd. - Responsible Investing Report 3Q2025.

#### Disclaimer:

Based on the Fund's portfolio returns as at 30 April 2026, the Volatility Factor (VF) for the Fund is 10.00 and is classified as "Moderate" (Source: LSEG Lipper). "Moderate" includes funds with VF that are between 8.585 and 11.775. 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 LSEG 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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