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MARKET REVIEW

Global equities remained steady for most of the month but sold off in the final days, as investors awaited key US elections, navigated heightened geopolitical tensions in the Middle East, and assessed ongoing policy easing measures. Favorable US economic data, including subdued inflation, drove expectations that the US Federal Reserve (Fed) may slow its pace of rate cuts. This sentiment was further emphasized by the notable rise in 10-year Treasury yields, which reached 4.28% in October, up from a 15-month low of 3.62% in late September, underscoring the market's expectations for the pace of Fed rate cuts, positive economic indicators, and improved prospects for a soft landing. In Europe, third-quarter GDP exceeded expectations, and the European Central Bank lowered interest rates by 25 basis points, to 3.25%, amid waning inflation and a weak economic outlook. Emerging markets faced pressure from a stronger US dollar, while the conflict in the Middle East reached its one-year mark, with military strikes escalating between Israel and Iran.

The MSCI All Country World Index Net returned -2.2% over the month. Within the index, nine out of 11 sectors declined for the month. Materials and consumer staples were the bottom performing sectors, while financials and communication services were the top performing sectors for the period.

FUND PERFORMANCE AND ATTRIBUTION

- The fund outperformed the index over the month, however delivered negative returns.
- Security selection was the primary driver of relative outperformance. Strong selection in consumer discretionary, health care and industrials was modestly offset by selection in real estate. Sector allocation, a result of our bottom-up stock selection process, detracted from returns. Allocation effect was driven by our underweight to financials and overweight to health care and consumer discretionary, but partially offset by our lack of exposure to consumer staples and materials.
- At the issuer level, our top two relative contributors were an overweight to Dayforce and an out of benchmark allocation to Trainline, while our top two relative detractors were an out of benchmark allocation to ICON and an overweight to First Solar.
- Shares of Dayforce rose after the company reported solid third quarter results, driven by better-than-expected revenue. The company also reaffirmed full year revenue guidance. Shares of ICON fell over the period after reporting third quarter results that missed expectations in earnings and revenue. Management also reduced their full-year 2024 revenue and EPS guidance due to factors such as budget cuts from two major customers and lower vaccine-related activity.

FUND POSITIONING AND OUTLOOK

We invest with a long-term view, focusing on companies that are driving or benefiting from innovation and/or exposed to strong secular or structural trends. Megatrends we continue to favor include Artificial Intelligence and machine learning, digital transformation, migration to cloud, sustainability, direct-to-consumer models, and health care innovation. Our sector positioning is driven by bottom-up, stock-by-stock decisions. The Fund remains overweight in consumer discretionary and healthcare as an indication of where we currently see attractive structural growth opportunities.

At the end of the period, our largest overweights were consumer discretionary and health care. We were most underweight to financials and had no exposure to consumer staples. From a regional perspective, our largest overweight was North America and we were most underweight to Europe and Emerging Markets.

RISKS

CAPITAL: Investment markets are subject to economic, regulatory, market sentiment and political risks. All investors should consider the risks that may impact their capital, before investing. The value of your investment may become worth more or less than at the time of the original investment. The Fund may experience a high volatility from time to time. **CONCENTRATION:** Concentration of investments within securities, sectors or industries, or geographical regions may impact performance. **CURRENCY:** The value of the Fund may be affected by changes in currency exchange rates. Unhedged currency risk may subject the Fund to significant volatility. **EMERGING MARKETS:** Emerging markets may be subject to custodial and political risks, and volatility. Investment in foreign currency entails exchange risks. **EQUITIES:** Investments may be volatile and may fluctuate according to market conditions, the performance of individual companies and that of the broader equity market. **HEDGING:** Any hedging strategy using derivatives may not achieve a perfect hedge. **LIQUIDITY (MKT):** The Fund may invest in securities that are less liquid and may be more difficult to buy or sell in a timely fashion and/or at fair value. **MANAGER:** Investment performance depends on the investment management team and their investment strategies. If the strategies do not perform as expected, if opportunities to implement them do not arise, or if the team does not implement its investment strategies successfully; then a fund may underperform or experience losses. **SMALL AND MID-CAP COMPANY:** Small and mid-cap companies' valuations may be more volatile than those of large cap companies. They may also be less liquid. **SUSTAINABILITY:** A Sustainability Risk can be defined as an environmental, social or governance event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of an investment.

PAST PERFORMANCE DOES NOT PREDICT FUTURE RETURNS. AN INVESTMENT CAN LOSE VALUE.

Fund performance is based on USD S Acc share class and are net of fees and expenses. Other share class performance may differ. | Index used in the calculation of attribution data: MSCI All Country World. | Fund performance is net of actual (but not necessarily maximum) withholding and capital gains tax but are not otherwise adjusted for the effects of taxation and assume reinvestment of dividends and capital gains. | If an investor's own currency is different from the currency in which the fund is denominated, the investment return may increase or decrease as a result of currency fluctuations. | The views expressed are in the context of the investment objective of the Fund only and should not be considered a recommendation or advice.

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