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MARKET REVIEW

Global equities rose in November. Donald Trump's presidential reelection and the Republican Party's sweep of both chambers of Congress led the US to significantly outperform other regions amid expectations for deregulation, additional tax cuts, and a more accommodative US business environment. The breadth of change anticipated from the new US administration reverberated across the globe with far-reaching implications for foreign policy, trade dynamics, inflation, and economic growth. Elon Musk's appointment to the newly formed US Department of Government Efficiency extended a strong risk appetite in markets. Prospects for a soft landing appeared to remain intact, and central banks in the US, UK, New Zealand, Mexico, and Sweden continued to lower interest rates. Inflation neared central bank targets in many regions. However, in November, a key measure of US inflation rose for the first time since March, and UK inflation surged to its highest level in six months, highlighting the ongoing sensitivity of prices to economic changes. Eurozone business activity sank to a 10-month low, while Germany's coalition government collapsed, and the country's manufacturing sector remained mired in a deep downturn. In France, Prime Minister Michel Barnier's Cabinet confronted a possible vote of no confidence. A stronger US dollar pressured emerging markets, and Chinese equities declined amid limited government aid and low consumer demand. Geopolitical risks remained heightened, while the US and France brokered a ceasefire agreement between Israel and Hezbollah.

The MSCI All Country World Index Net returned 3.7% over the month. Within the index, nine out of 11 sectors rose for the month. Consumer discretionary and financials were the top performing sectors, while materials and health care were the bottom performing sectors over the month.

FUND PERFORMANCE AND ATTRIBUTION

- The fund outperformed the index for the period.
- Security selection was the primary driver of relative outperformance. Strong selection in information technology and industrials was partially offset by selection in financials and consumer discretionary. Sector allocation, a result of our bottom-up stock selection process, also contributed to returns. Allocation effect was driven by our overweight to consumer discretionary and lack of exposure to materials, but partially offset by our underweight to financials and overweight to health care.
- At the issuer level, our top two relative contributors were overweights to Shopify and HubSpot, while our top two relative detractors were an out of benchmark allocation to HA Sustainable Infrastructure Capital and not owning Tesla.
- Shopify is a cloud-based e-commerce platform for online stores and retail point-of-sales systems. The share price rose in November after management announced strong 2Q24 results and issued guidance that exceeded expectations. Strength in the international merchants segment fueled revenue growth as the company continued to capture market share. Shares of HA Sustainable Infrastructure, the real estate investment trust, fell during the period following third-quarter EPS that failed to meet consensus estimates as revenue was down from a year ago. Management confirmed expectations for adjusted earnings to grow at a compounded annual rate of 8% – 10% from 2024 to 2026.

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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