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MARKET REVIEW

Global equities rose in August despite significant market volatility. Exacerbated by an abrupt unwinding of the Japanese yen carry trade, equities fell precipitously at the beginning of August amid an uptick in recession risks and fears of excessively restrictive monetary policy in the US. However, markets rebounded amid optimism that the US economy can achieve a soft landing. Federal Reserve Chair Jerome Powell cited an impending rate cut during his Jackson Hole symposium speech stating, "the time has come for policy to adjust." Against a backdrop of declining inflation and softening global economic growth, monetary policy easing gathered pace in August as the central banks of England, Sweden, New Zealand, and Mexico lowered interest rates. The Bank of Japan faces a higher bar to raise interest rates in October after its rate hike in July destabilized markets and caused a sharp spike in the yen. Global economic data was mixed, highlighted by broad signs of cooling inflation across the global, tepid growth in Europe hindered by weak manufacturing in Germany, and a softening US labor market. Geopolitical risks remained highly elevated; the war between Ukraine and Russia escalated after Ukrainian forces breached the Russian town of Kursk, while the humanitarian catastrophe in Gaza continues to destabilize the region.

The MSCI All Country World Index Net returned 2.5% for the period. Within the index, 10 out of 11 sectors rose over the month. Real estate and health care were the top performing sectors, while energy and consumer discretionary were the bottom performing sectors for the period.

FUND PERFORMANCE AND ATTRIBUTION

- The fund outperformed the index over the month.
- Security selection was the primary driver of relative outperformance. Strong selection in consumer discretionary and information technology was partially offset by selection in communication services and real estate. Sector allocation, a result of our bottom-up stock selection process, detracted from returns. Allocation effect was driven by our overweight to consumer discretionary and lack of exposure to consumer staples, but partially offset by our overweight to health care and lack of exposure to energy.
- At the issuer level, our top two relative contributors were overweights to Eli Lilly and MercadoLibre, while our top two relative detractors were overweights to Amazon.com and Airbnb.
- Shares of Eli Lilly rose after the company reported second-quarter earnings that surpassed estimates, driven by strong sales of their GLP-1 diabetes and obesity treatments, Mounjaro and Zepbound. The company also raised its full-year revenue outlook by \$3 billion, further boosting investor confidence. Shares of Amazon fell after the e-commerce giant reported mixed results for the second quarter. Earnings beat expectations and revenue missed consensus estimates due to cautious consumers choosing to trade down to lower-priced products. Management issued disappointing guidance for the third quarter, citing challenging consumer environment.

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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