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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.

FUND PERFORMANCE AND ATTRIBUTION

- The Fund generated negative absolute returns in October and underperformed the MSCI All Country World Index benchmark.
- Contribution across Impact categories was mixed: Human Empowerment contributed positively to absolute returns, while Life Essentials, Environment, and Multi-Theme detracted.
- Among the 11 impact themes, Education & Job Training and Digital Divide contributed most to absolute returns. Meanwhile, Health and Resource Efficiency detracted most from absolute performance.
- From an issuer perspective, Stride Inc was the top contributor to absolute performance. Stride (Education & Job Training) is a technology-based educational company providing online learning programs for K-12 students and adult learners in the U.S. After sliding on a short report early in the month, shares rose significantly on strong earnings results at the end of October. The company experienced strong enrollment growth driven by increasing organic demand.
- The top absolute detractor from performance was First Solar. First Solar (Alternative Energy, US) is a solar energy company that designs, manufactures, markets, and distributes photovoltaic (PV) solar power systems and solar modules that convert sunlight into electricity to prevent millions of metric tons of CO2 emissions. Shares declined during the month as the company reported soft earnings results and reduced FY24 EPS guidance driven by customer project delays. US election-related concerns also continued to weigh on the stock.

FUND POSITIONING AND OUTLOOK

While broadly diversified across the Fund's three impact categories and 11 impact themes, at the end of October we had allocated the most capital to the Resource Efficiency, Health, and Safety & Security impact themes.

We remain excited about the opportunities we are seeing across the investment universe. The end of the US hiking cycle leaves us evaluating new ideas where headwinds from previously unwavering US rates and USD strength should ease. At the margin, we are adding to risk-on, rate sensitive positions, funded from more defensive exposure. We remain respectful of valuations, trimming our winners and rotating capital into stocks that have underperformed. Our research remains very productive, and we continue to identify new ideas and expand the investment universe. Looking ahead, we continue to see our companies are supported by long term structural demand for innovative products and services seeking to address the world's greatest challenges. We remain ever thankful for your support.

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. **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.

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