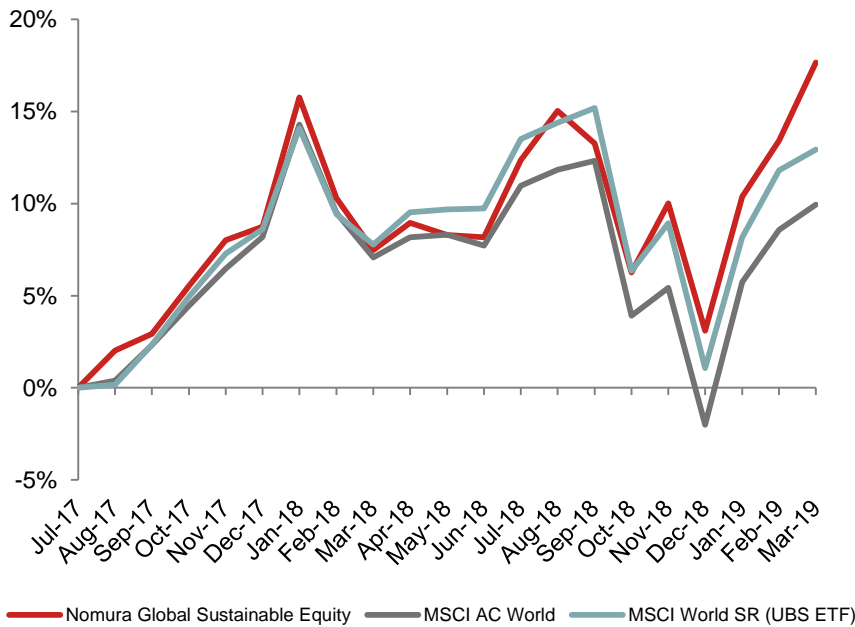


# Nomura's Global Sustainable Equity Strategy

March 2019

## Cumulative Performance in USD (%)



## Strategy Overview

Global investment in businesses exhibiting high sustainable value creation, at discount valuation

## Philosophy

- Sustainable Value Creation:** high total value generation, fair value sharing among all stakeholders, good corporate governance and ethical management decision making are all characteristics of companies that have a highly positive impact on society. Through achieving a sustainable balance of value creation for all stakeholders these businesses can often generate attractive financial returns and considerable benefit to society as a whole over the very long term
- Discount Valuation:** buying below intrinsic value and we believe the behavioural biases of other investors give us opportunities to do this

	1 mth	3 mth	1 yr	SI p.a
Nomura Global Sustainable Equity	3.74	14.11	9.47	10.26
MSCI AC World	1.26	12.18	2.68	5.85
MSCI World SR (UBS ETF)	1.00	11.73	4.79	7.58

\*Since Inception: August 2017

## Monthly Commentary

The Nomura Global Sustainable Equity strategy returned +3.74% in March outperforming the MSCI ACWI index by +2.48% and the MSCI World Socially Responsible ETF (UBS) by +2.74%. Allocation was neutral over the month with outperformance coming entirely from broad based stock selection. The strategy has outperformed MSCI ACWI by +7.58% since inception in August 2017.

HDFC (+10.0%) and Apple (+10.0%) were the greatest contributors to performance. Apple outperformed as anticipation built up for their Services event on 25 March. This was the first time an Apple event did not introduce any hardware products. The event was as expected with video streaming original content featuring Oprah and Steven Spielberg. Other announcements included gaming, news and credit card services. HDFC was supported by very strong Indian equity markets.

Cigna (-7.8%) and CVS (-6.7%) were the primary performance detractors with both companies dragged down by increasing political noise from Congress as Democrats continue to push for a Medicare for All bill.

This strategy is currently managed as a 'paper portfolio'. As such all holdings & performance returns are synthetic. Performance data if presented is exclusive of all associated investment management fees (e.g. transaction costs and administration fees). This information was prepared and issued by Nomura Asset Management UK Ltd. from sources it reasonably believes to be accurate. The contents are not intended in any way to indicate or guarantee future investment results as the value of investments may go down as well as up. Values may also be affected by exchange rate movements and investors may not get back the full amount originally invested. NAM UK is authorised and regulated by the Financial Conduct Authority (FCA) in the UK (registration no. 122703). NAM UK's registered office is at 1 Angel Lane, London, EC4R 3AB.

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## Portfolio Holdings

March 2019

Holdings as at 29/03/2019	Portfolio Weight (%)	Reason for holding this stock
Novo Nordisk A/S Class B	5.5%	Best in class diabetes treatment has a crucial role to play in combating the impact of an ever growing global epidemic
Microsoft Corporation	4.9%	Has shown an industry leading commitment to sustainability and corporate social responsibility
Alphabet Inc. Class A	4.8%	World leader in technology. Global inequality can be tackled through equal access to information & data
MasterCard Inc. Class A	4.2%	Replacing cash with card payments adds substantial value to society, reducing inefficiency and friction in the banking system
PayPal Holdings Inc	4.2%	Enables global access to 'banking' type services, notably across developing markets in which access is otherwise limited
Safaricom Limited	4.0%	Mobile money services assist financial inclusion in Kenya, reducing friction in the economy and supporting growth
Johnson Controls	4.0%	JCI's HVAC technology has improved building energy efficiency by 40% over the last decade
Eversource Energy	3.7%	High quality, low emitting utility. Significant proportion of future investment will support a transition to lower carbon intensity
NextEra Energy, Inc.	3.5%	Global leader in renewables investment and renewable generator operation
Apple Inc.	3.4%	Pioneer of the smart phone: mobile digitalisation has supported economic growth and reduced inequality globally
Pentair	3.4%	Water filtration & flow control products support increased water purity and quality
SAP SE	3.1%	Products & services facilitate the streamlining of customer's operations reducing friction and supporting economic growth
Medtronic Plc	3.1%	World leading cardiac & vascular medtech offering (cardiovascular disease is the number one killer globally)
AIA Group Limited	3.0%	Life insurance provider to APAC clients with sustainable management practices
Orange	2.9%	Decent quality telecom with robust practices; we believe telcos add value through enabling global communication
Allianz SE	2.9%	Very strong sustainability and responsible investment practices
Becton, Dickinson and Co.	2.7%	World leading producer of medical devices and instruments
Waters Corp	2.6%	Analytical laboratory instrument product range used to ensure drug, water and food quality & purity
Smith (A.O.) Corp	2.6%	Global leader in high efficiency residential water heaters. Strong water purification franchise particularly across China
Adecco	2.5%	Largest temp staffing firm globally; facilitating increased access to employment, most notably across blue collar roles
Axe SA	2.5%	Industry leader with regards to responsibility - formally integrates ESG into insurance underwriting practices
GlaxoSmithKline Plc	2.5%	Drug manufacturer with leading vaccine, HIV and asthma franchises. Has consistently led the Access to Medicine Index.
eBay, Inc.	2.5%	Online auction platform lowers the barriers to entry for small businesses supporting financial mobility and innovation
Gilead Sciences, Inc.	2.5%	World leader in HIV treatment. Donated patents for production in low income regions (11m sufferers receive this low cost treatment)
Intel Corp	2.4%	#1 CPU supplier for servers that reside in cloud datacentres. Cloud datacentres aggregate workloads and increase utilisation rates
Johnson & Johnson	2.4%	Industry leader with regards to sustainability and ethical practices
Housing Devp. Finance.	2.4%	India's largest private mortgage lender; supports increased accessibility of housing and business expansion
Compass Group	2.2%	Outsourced catering services to both the private & public sectors have been shown to increase efficiency and reduce waste output
National Grid Plc	1.9%	Huge investment in electricity transmission is supporting the shift from fossil fuel generation to renewables
Cigna Corporation	1.5%	Succeeds by making healthcare more affordable than competitors, supporting healthcare cost depression for customers
Jain Irrigation Systems Ltd	1.4%	India's #1 player in micro irrigation; supports water usage reduction & higher crop yields in a nation that is plagued by drought
CVS Health Corp	1.2%	Pharmacy Benefit Manager business acts a powerful deflationary force against rapidly rising healthcare costs in the United States
Celgene Corp	0.5%	Best-in-class therapies for Multiple Myeloma. Price point is high, but on balance we do not find it to be overly excessive vs. peers
Cash	3.3%	N/A
<b>Total</b>	<b>100.0%</b>	

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