

### Performance

In accordance with National Instrument 81-102, the Fund's performance is not disclosed as the Fund has been a reporting issuer for less than a year.

### Portfolio commentary

Strong absolute returns came from Financials, Consumer Discretionary, Consumer Staples and Health Care. These sectors performed well from an allocation point of view, while stock selection was also additive during the quarter.

On a relative basis, both sector allocation and stock selection were positive. The Fund's overweight to Real Estate and underweight to Energy and Information Technology more than offset small drags from the lack of exposure to Materials and an underweight position in Financials. The overweight to Real Estate was particularly beneficial. Real Estate Investment Trusts (REITs) delivering seniors housing and communications services rallied as the peak in the interest cycle created a more attractive funding environment. Their defensive characteristics were appealing in a slower-growth scenario.

At a stock level, the prospect of a soft landing, with the possibility of slower growth, was a tailwind. Consumer Staples holdings generally announced better earnings with companies like Kerry Group noting green shoots in their ingredients businesses. Life Sciences & Tools companies within the Health Care sector also saw improving trends as Covid-related destocking abated. Med-tech companies, such as Boston Scientific and Intuitive Surgical, that provide innovative solutions continue to benefit from new product offerings and margin expansion. Strong earnings delivery was a notable feature among Consumer Discretionary holdings such as Duolingo and MercadoLibre, which saw strong demand feed through to profit growth.

Industrials holdings detracted from relative performance. Some of the sector's previous strong performers, such as Wolters Kluwer, lagged the market. In addition, the Fund has no exposure to the more capital-intensive cyclical industrial companies which rallied on expectations of cheaper capital.

Contributors included eBay, which was a top performer over the quarter as efforts to stimulate gross merchandise volume growth begin to bear fruit. Investors also continued to gain confidence in management's strategic initiatives to improve revenue growth. Another strong performer was Mercadolibre, quarterly results showed the company continues to take market share in the competitive ecommerce market in Latin America. It is also growing its fintech division robustly and profitably, highlighting the durability of the company's competitive advantage.

Detractors included Mobileye Global which saw its share price negatively impacted by the challenging dynamics in the automotive industry, including weakness in demand in Europe, destocking in the US as well as rapid market share shifts from western to Chinese original equipment manufacturers (OEMs). Another detractor was Novo Nordisk with underperformed versus the market on account of multiple factors. This included some profit taking, given the strong previous performance.

Key Fund additions for the quarter included Boston Scientific, Progressive and Bank Rakyat Indonesia.

### Outlook

The investment team sees the macroeconomic backdrop as supportive for the strategy. The peak in interest rates and the expectations of a soft landing should lead to greater market breadth as investors look for opportunities beyond the narrow range that has driven the market over much of the year and focus more on valuations. An environment where interest rates are declining, but where growth momentum may slow, should favour companies with long-term secular growth opportunities consistent with the investment approach of the strategy.

There are multiple attractive opportunities in the Fund that should benefit from long-term societal secular trends such as ageing populations, rising middle class in emerging markets, increased incidence of chronic disease, urbanisation, and

financial inclusivity. In addition, markets typically underestimate the benefits of investing in companies with strong workplace practices that demonstrated inclusiveness, innovative, and equitable cultures. The investment process has been built to exploit these market inefficiencies, which arise predominantly due to the short-term thinking of most market participants. The subadvisor prioritises companies with long-term secular growth which display these qualities while maintaining a strong focus on valuations.

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