

Portfolio Positioning Highlights

A more favorable backdrop for small caps. Macro events have overshadowed company fundamentals in recent years, with small-cap stocks bearing the brunt of worries about inflation, rising interest rates and slowing economic growth. This period of relative underperformance compared to large caps has been an exception compared to a record of small-cap outperformance since 2001. Though inflation remains above central bank targets, we are investing with a better economic backdrop than a year ago. We believe this could allow investors to refocus on earnings growth as the key driver of stock prices.

Market Review

Stocks ended the month lower. Global equities declined in October following a strong third-quarter rally. Better-than-expected economic data, especially in the U.S., led investors to scale back expectations for central bank rate cuts. As a result, bond yields rose over the month, which acted as a headwind for stock performance.

Small-cap stocks lagged. Small-cap stocks underperformed large caps in both the U.S. and non-U.S. developed markets. This underperformance partly reflected concerns that higher-for-longer interest rates could lead to a more difficult funding environment for smaller companies.

Most sectors had negative returns. Interest rate-sensitive sectors such as real estate had the largest declines as bond yields rose. Financials stocks outperformed.

Key Contributors

AtkinsRealis Group. This company, formerly called SNC-Lavalin Group, provides project management and professional services for engineering, nuclear and other segments. The company reported strong revenue growth, supported by nearshoring and the restarting of nuclear power plants in the U.S.

TWFG. Commercial and personal insurer TWFG has reported solid sales trends, supported by its independent platform for distributing insurance products. It benefits from high retention rates, a secular growth shift toward independent agencies and a continuation of recent premium growth trends.

Mirion Technologies. This provider of radiation safety, science and medicine solutions is experiencing strong organic growth, particularly in nuclear medicine. We believe it may benefit longer term as countries seek to add nuclear energy capacity.

Key Detractors

ATI. This supplier of high-performance alloys and aerospace equipment reported weaker earnings due to slower aircraft production and supply chain challenges at The Boeing Co. We believe ATI remains positioned to benefit from increased defense spending and an industry shift to more fuel-efficient jet engines.

Asics. Shares of sporting goods company Asics gave back some of its strong year-to-date performance as investors became more cautious about the outlook for consumer spending in China. The company has delivered very strong revenue and earnings growth, aided by resilient consumer spending in the U.S. and other markets.

Boardwalk Real Estate Investment Trust. This multifamily REIT owns properties in Alberta. Shares declined on concerns over new Canadian immigration restrictions that may reduce labor force growth and rental demand in its market.

Notable Buys

SATS. Singapore Airport Terminal Services, or SATS, is a holding company that provides food solutions and gateway services. The company is gaining market share in both cargo and food, and it is benefiting from synergies from a prior acquisition.

GDS Holdings. We added a position in this carrier-neutral data center operator in China. We believe it may benefit from a strong demand for data center services. The company recently raised capital, largely from U.S. private equity firms, which may further boost its ability to win additional U.S. customers.

Notable Sells

Gold Circuit Electronics. We sold our position in this Taiwan-based supplier of printed circuit boards to help fund opportunities with more attractive risk/reward profiles.

Aspen Aerogels. We sold our holdings in Aspen Aerogels, a manufacturer of insulation for the energy, industrial and electric vehicle markets in part due to an uncertain outlook for its business tied to electric vehicles. The company also recently raised capital.

Disclosures

The EU Sustainable Finance Disclosure Regulation (“SFDR”) requires investment firms to formalise how sustainability is integrated into their business and processes, and to make new public and client-facing disclosures on sustainability matters. The aforementioned disclosures relating to Nomura Asset Management U.K. Limited are published on our website at <https://www.nomura-asset.co.uk/responsible-investment/esg-sustainable-investment/>. Product related disclosures regarding Nomura Funds Ireland PLC and its sub-funds can be found in the prospectus. Nomura Funds Ireland – American Century Global Small Cap Equity Fund is an Art. 8 fund according to SFDR.

This document was prepared by American Century Investments and is distributed by Nomura Asset Management U.K. Ltd. and Nomura Asset Management Europe KVG mbH – UK Branch. It is not intended for distribution to or use by any person or entity in any jurisdiction or country where such distribution or use would be contrary to law or regulation. The shares in the fund have not been and will not be offered for sale in the United States of America, its territories or possessions and all areas subject to its jurisdiction, or to United States Persons.

This document is 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. Before purchasing any investment fund or product, you should read the related prospectus and fund documentation, including full details of all the risks associated with it, to form your own assessment and judgement on whether this investment is suitable in light of your financial knowledge and experience, investment objectives and financial or tax situation and whether to obtain specific advice from an investment professional.

This is a marketing communication. Please refer to the prospectus and to the PRIIPs KID or UCITS KIID as appropriate for your relevant jurisdiction before making any final investment decisions.

The fund is a sub-fund of Nomura Funds Ireland plc, which is authorised by the Central Bank of Ireland as an open-ended umbrella investment company with variable capital and segregated liability between its sub-funds, established as an undertaking for Collective Investment in Transferable Securities under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011. The UCITS fund is not intended for distribution to or use by any person or entity in any jurisdiction or country where such distribution or use would be contrary to law or regulation.

The prospectus, key information document (PRIIPs KID), key investor information document (UCITS KIID) - as appropriate for your relevant jurisdiction - and other fund related materials are available in English and, for the PRIIPs KID, in the official language of the countries in which the fund is available for distribution on the Nomura Asset Management U.K. Ltd. website at <https://www.nomura-asset.co.uk/fund-documents/>. Nomura Asset Management U.K. Ltd. is authorised and regulated by the Financial Conduct Authority. Nomura Asset Management Europe KVG mbH is authorised and regulated by the Federal Financial Supervisory Authority (BaFin). Its UK Branch is also authorised and regulated by the Financial Conduct Authority (FCA).

A summary of investor rights for the Nomura Funds Ireland plc and its Sub-Funds in English and information on collective redress mechanisms are available at https://www.nomura-asset.co.uk/download/funds/how-to-invest/Summary_of_investor_rights.pdf. Nomura Asset Management U.K. Limited may at any time decide to terminate arrangements it may have made for the marketing of units of a fund in a member state other than its home member state.

The opinions expressed are those of American Century Investments (or the portfolio manager) and are no guarantee of the future performance of any American Century Investments' portfolio. This material has been prepared for educational purposes only. It is not intended to provide, and should not be relied upon for, investment, accounting, legal or tax advice. References to specific securities are for illustrative purposes only and are not intended as recommendations to purchase or sell securities. Opinions and estimates offered constitute our judgment and, along with other portfolio data, are subject to change without notice.

American Century Investment Management (UK) Limited is authorised and regulated by the Financial Conduct Authority. American Century Investment Management (UK) Limited is registered in England and Wales. Registered number: 06520426. Registered office: 12 Henrietta Street, 4th Floor, London, WC2E 8LH. American Century Investments (EU) GmbH is registered with the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)). American Century Investment Management, Inc. is not authorised by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)).

©2024 American Century Proprietary Holdings, Inc. All rights reserved.

NOMURA
NOMURA ASSET MANAGEMENT

 American Century
Investments®

MARKETING MATERIAL/FOR PROFESSIONAL CLIENTS ONLY/NOT FOR PUBLIC USE