



NOMURA

Nomura Global Shariah Strategic Growth Fund

Quarterly Report and Financial Statements
For The Period Ended 31 March 2021

MANAGER:

NOMURA ASSET MANAGEMENT MALAYSIA SDN. BHD.
Business Registration No.: 200601028939 (748695A)

TRUSTEE:

DEUTSCHE TRUSTEES MALAYSIA BERHAD
Business Registration No. : 200701005591 (763590-H)

Table of Contents

| | |
|--|----|
| MANAGER'S REPORT | II |
| SOFT COMMISSIONS RECEIVED FROM BROKERS | IV |
| BREAKDOWN OF UNITHOLDERS BY SIZE | V |
| FUND DATA..... | V |

Appendix

| | |
|---|---|
| STATEMENT OF COMPREHENSIVE INCOME | 1 |
| STATEMENT OF FINANCIAL POSITION | 2 |
| STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS | 3 |
| STATEMENT OF CASH FLOWS | 4 |
| SHARIAH ADVISER'S REPORT TO THE UNITHOLDERS OF NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND | 5 |

MANAGER'S REPORT

Fund Type, Category, Objective and Distribution Policy

The Nomura Global Shariah Strategic Growth Fund (the "Fund") is a Shariah wholesale fund which seeks to achieve long-term capital growth, primarily through the Fund's investment in foreign Shariah-compliant equities, Shariah-compliant sukuk, Shariah-compliant collective investment schemes, and Islamic money markets instruments.

As the Fund seeks to provide capital growth, distribution will be incidental at the discretion of the Manager. Distribution of income, if any, at least on annual basis, subject to availability of income.

Benchmark

Absolute Return of 6% per annum.

Performance as at 31 March 2021

| | 1 Month (28/Feb/21- 31/Mar/21) | 3 Months (31/Dec/20 – 31/Mar/21) | 6 Months (30/Sep/20 – 31/Mar/21) | 1 Year* | 3 Year* | Since Inception (02/Jun/20 – 31/Mar/21) |
|-----------------------------|--------------------------------------|--|--|---------|---------|--|
| Fund – Class A | -0.09% | 1.79% | 7.62% | - | - | 14.51% |
| Benchmark | 0.50% | 1.45% | 2.94% | - | - | 4.93% |
| Out/ (Under) Performance | -0.58% | 0.34% | 4.68% | - | - | 9.58% |
| Fund – Class B | -0.11% | 1.71% | 7.46% | - | - | 14.23% |
| Benchmark | 0.50% | 1.45% | 2.94% | - | - | 4.93% |
| Out/ (Under) Performance | -0.61% | 0.27% | 4.52% | - | - | 9.30% |

*Note: The Fund commenced on 2 June 2020 which is less than one year.

Source of Fund and Benchmark Returns: Refinitiv Lipper

Volatility as at 31 March 2021

| 3-Year |
|--------|
|--------|

Fund

N/A

This information is prepared by Nomura Asset Management Malaysia (NAMM) for information purposes only. Past earnings or the Fund's distribution record is not a guarantee or reflection of the Fund's future earnings/future distributions. Investors are advised that unit prices, distributions payable and investment returns may go down as well as up.

Strategies Employed (1 January to 31 March 2021)

During the period under review, the Fund remained closely aligned with its investment philosophies and process.

Performance Review of the Target Fund (1 January to 31 March 2021)

The Fund returned approximately +0.02% (Class A) and -0.01% (Class B) in the first month of 2021. Asian equities drove the bulk of the performance for the equities allocation in the Fund. Further, gold contribution was negative while the Malaysian sukuk and money market allocations contributed a flat performance. The asset class performance was largely a reflection of value rotation and “dash for trash” chasing the fiscal stimulus, which is discussed further in the market review section of this report. Within the equity book, the top contributors were Eli Lilly, Tencent and Kingsoft Cloud. On the other hand, the largest detractors were Mastercard, Worldline and Nihon M&A.

Equity markets were relatively more mixed in February. Whilst the first half of the month was strong, growth names in particular underperformed in the latter half due to the spike in treasury yields. Consequently, the Fund returned approximately 1.86% (Class A) and 1.84% (Class B). The equity contribution was again the largest, driven by the US equities, whilst the gold and sukuk & money market allocations detracted from performance owing to the higher treasury yields. Within the equity book, the top contributors were ConocoPhillips, Antofagasta and Oz Minerals. Conversely, Keyence Corp, Teladoc and Chugai Pharma were the biggest laggards of the month.

Lastly, in March the portfolio returns were once again flattish at -0.09% (Class A) and -0.11% (Class B). The month was characterized by a receding of risk appetite as yields continued to be at high levels. The equity contribution was approximately +83bps driven largely by US equities, while the money market position contributed +4bps. However, the FX hedges and other fees proved to be a drag of approximately -86bps. Within the equity book, the top performers were Persimmon, Advance Auto Parts and Facebook. At the other end, the worst performers were Chewy, Teladoc and Kingsoft Cloud.

Summary of Asset Allocation

| | <u>31 March 2021</u> | <u>31 December 2020</u> |
|--|----------------------|-------------------------|
| Cash and Others | 8.30% | 6.80% |
| Equity Securities | 68.30% | 64.80% |
| Collective Investment Schemes (CIS) - Gold ETF | 0.00% | 1.80% |
| CIS - Malaysian Wholesale Fund | 23.40% | 26.60% |
| Total | 100.00% | 100.00% |

Review of Market (1 January to 31 March 2021)

January was a negative month of returns for global equities as it gave away most of the returns towards the month-end, low quality/low valuation outperformed high quality/high valuation factors by 2-6% points within the S&P500. This is a reversal of 2020, but a continuation of what we have seen since the election, and especially since the Georgia runoff where the victory for the Democrats makes large stimulus more likely. This gave bond yields a boost, hence the rotation in equity markets. Energy (+3.8%) was the best performing sector followed by the Healthcare sector (+1.4%) and then the REITs (+0.5%) sector as the market underwent the rotation which some dub the "dash for trash". Within this, Autos was by far the best performing subsector (+13.0%) with the Energy (+3.8%), Pharma/Biotech (+3.1%) and Semiconductors/Semi-Equipment (+2.4%) sectors a considerable way off. Conversely, Consumer Staples (-5.2%), Industrials (-4.3%) and Materials (-2.4%) were the worst performing sectors. Within the worst performers, Professional Services (-7.1%), Household/Personal Products (-6.7%) and Consumer Services (-6.6%) were the worst performing subsector groups.

In February, global equities rose, led by Developed Markets (+2.5%), outperforming Emerging Market by 1.7%. February market's performance was a story of two halves, as the key focus in the earlier part of the month were on companies financial results with the markets posting strong weekly gains. Further, the progress on vaccination and prospects of the US fiscal stimulus revived the reflation trade. The tables turned in the second half as the rally came to a halt and equities declined as treasury yields dampened investor enthusiasm towards risky assets (U.S Treasury yield rose +34bps to 1.40%). Commodities were the standout performer for the month, and the Energy and Materials sectors paved the way as short dated assets outperformed growth assets due to the rates spike. Brent oil price gained a whopping 17.5% month-on-month in February to end the month at US\$64.4/bbl. It touched \$67/bbl on Feb 24th, the highest level in more than a year, as the market looks ahead toward an accelerated decline in record inventories. The S&P Industrial metals index was up 11.1%. Copper climbed to a fresh ten-year high on higher expected demand driven by global economic recovery in the light of vaccine rollouts. Gold prices tumbled 6.1% (to close at \$1,734/oz) amid a broader surge higher in US long-dated real yields. Conversely, Healthcare, Consumer and Tech were sector laggards.

Much of the focus for the month of March was on vaccines and the details of Biden's spending plan. Amid this backdrop, global developed equities rose once again (+3.1%), outperforming Emerging Market (which fell -1.7%) by 4.8%. Risk appetite for Emerging Market fell in contrast to Developed Market. A few factors played a key role in this namely i) US treasury yields breaching key levels (U.S Treasury yield rose +34bps to 1.74%.) ii) resurgence of virus outbreak leading to mobility restrictions in a number of countries and iii) a heightened perception on exaction risk for Emerging Market monetary and fiscal policies especially focused on President Erdogan replacing the CBRT Governor again; and iv) idiosyncratic events, such as Intel's plan on re-entering the foundry business. A theme emerging for 2021 is that 2020 winners continue to be 2021 losers. Notably, Energy (with oil prices is up 24% Year-to-Date), Utilities and Financials were the best performing sectors for the month. On the other hand, Tech Communications Services and Healthcare lagged in March.

SOFT COMMISSIONS RECEIVED FROM BROKERS

Soft commissions received from brokers/dealers are retained by the manager only if the goods and services provided are of demonstrable benefit to unit holders of the Fund.

During the financial period under review, the Manager did not receive any soft commission.

BREAKDOWN OF UNITHOLDERS BY SIZE

Fund - Class A

| Size of holdings(units) | No. of unitholders | No. of units held* |
|-------------------------|--------------------|--------------------|
| Less than 5,000 | 0 | - |
| 5,001 to 10,000 | 1 | 10,000 |
| 10,001 to 50,000 | 0 | - |
| 50,001 to 500,000 | 1 | 432,269 |
| 500,001 and above | 2 | 9,806,849 |
| Total | 4 | 10,249,118 |

Fund - Class B

| Size of holdings (units) | No. of unitholders | No. of units held* |
|--------------------------|--------------------|--------------------|
| Less than 5,000 | 0 | - |
| 5,001 to 10,000 | 0 | - |
| 10,001 to 50,000 | 0 | - |
| 50,001 to 500,000 | 2 | 343,517 |
| 500,001 and above | 2 | 3,959,299 |
| Total | 4 | 4,302,815 |

* Note: Excluding Manager's Stock.

INCOME DISTRIBUTION

The Fund did not declare any income over the period under review.

FUND DATA

| As at 31 March 2021 | Class A | Class B |
|----------------------|------------|-----------|
| Total NAV (RM) | 11,766,193 | 4,927,588 |
| NAV per Unit (RM) | 1.1480 | 1.1452 |
| Units in Circulation | 10,249,118 | 4,302,815 |
| Highest NAV (RM) | 1.1986 | 1.1961 |
| Lowest NAV (RM) | 1.1216 | 1.1197 |

Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up.

The logo features a large, stylized 'N' composed of several overlapping triangles in various shades of red and pink. To the right of this graphic, the word 'NOMURA' is written in a bold, white, sans-serif font.

NOMURA

**NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND (“NGSSGF”)
FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**

| CONTENTS | PAGE(S) |
|--|----------------|
| STATEMENT OF COMPREHENSIVE INCOME | 1 |
| STATEMENT OF FINANCIAL POSITION | 2 |
| STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS | 3 |
| STATEMENT OF CASH FLOWS | 4 |
| SHARIAH ADVISER'S REPORT TO THE UNITHOLDERS OF NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND | 5 |

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**

| | Financial period from 1-1-2021 to 31-3-2021 RM |
|--|---|
| INVESTMENT INCOME | |
| Dividend income | 31,216 |
| Net gain on financial assets at fair value through profit or loss ("FVTPL") | 198,760 |
| OTHER INCOME | |
| Net loss on forward currency contracts | (137,854) |
| Net gain on foreign currency exchange | 214,310 |
| Rebate on management fee | 2,014 |
| | <hr/> |
| Gross Income | 308,446 |
| | <hr/> |
| EXPENSES | |
| Management fee | 50,169 |
| Trustee's fee | 3,699 |
| Shariah Adviser's fee | 2,355 |
| Audit fee | 1,767 |
| Tax agent's fee | 1,001 |
| Custody Fees | 5,612 |
| Other expenses | 7,838 |
| | <hr/> |
| | 72,441 |
| | <hr/> |
| PROFIT BEFORE TAXATION | 236,005 |
| TAXATION | (4,080) |
| | <hr/> |
| PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | 231,925 |
| | <hr/> |
| Profit after taxation is made up as follows: | |
| Realised amount | (93,825) |
| Unrealised amount | 325,750 |
| | <hr/> |
| | 231,925 |
| | <hr/> <hr/> |

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021**

| | 31-3-2021 RM |
|---|-------------------------|
| ASSETS | |
| Financial assets at fair value through profit or loss ("FVTPL") | 15,323,588 |
| Amount due from Manager | 128,665 |
| Amount due from broker | 179,051 |
| Dividend receivables | 3,111 |
| Cash and cash equivalents | 1,478,017 |
| TOTAL ASSETS | <u>17,112,432</u> |
| LIABILITIES | |
| Derivative Liability | 27,933 |
| Accrued management fee | 17,942 |
| Amount due to Manager | 111,022 |
| Amount due to Trustee | 1,274 |
| Amount due to Shariah Adviser | 1,570 |
| Amount due to broker | 204,552 |
| Other payables and accruals | 54,358 |
| TOTAL LIABILITIES | <u>418,651</u> |
| NET ASSET VALUE | <u>16,693,781</u> |
| UNITHOLDER'S FUNDS | |
| Unitholders' capital | 15,150,506 |
| Retained earnings | 1,543,275 |
| NET ASSET ATTRIBUTABLE TO UNITHOLDERS | |
| - MYR NGSSGFA CLASS | 11,766,193 |
| - MYR NGSSGFB CLASS | 4,927,588 |
| | <u>16,693,781</u> |
| UNITS IN CIRCULATION | |
| - MYR NGSSGFA CLASS | 10,249,118 |
| - MYR NGSSGFB CLASS | 4,302,815 |
| | <u>14,551,933</u> |
| NET ASSET VALUE PER UNIT | |
| - MYR NGSSGFA CLASS | 1.1480 |
| - MYR NGSSGFB CLASS | 1.1452 |

**STATEMENT OF CHANGES IN NET ASSET VALUE
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**

| | Unitholders' capital RM | Retained earnings RM | Total RM |
|--|--|-------------------------------------|---------------------|
| Balance as at 1 Januray 2021 | 12,887,760 | 1,311,350 | 14,199,110 |
| Movement in unitholders' contribution: | | | |
| Creation of units from applications | | | |
| - MYR NGSSGFA CLASS | 1,036,173 | - | 1,036,173 |
| - MYR NGSSGFB CLASS | 2,173,715 | - | 2,173,715 |
| Cancellation of units | | | |
| - MYR NGSSGFA CLASS | (136,621) | - | (136,621) |
| - MYR NGSSGFB CLASS | (810,521) | - | (810,521) |
| Total comprehensive income for the financial period | - | 231,925 | 231,925 |
| Balance as at 31 March 2021 | <u>15,150,506</u> | <u>1,543,275</u> | <u>16,693,781</u> |

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**

| | Financial period from 1-1-2021 to 31-3-2021 RM |
|---|---|
| CASH FLOWS FROM OPERATING | |
| Proceeds from sale of Shariah-compliant investments | 6,228,399 |
| Net loss on forward currency contracts | (9,348) |
| Purchase of Shariah-compliant instruments | (7,857,553) |
| Dividend received | 26,614 |
| Management fee paid | (46,977) |
| Rebate on management fee | 2,078 |
| Trustee's fee paid | (3,699) |
| Payment for other fees and expenses | (19,608) |
| | <hr/> |
| Net cash used in operating activities | (1,680,094) |
| | <hr/> |
| CASH FLOW FROM FINANCING ACTIVITIES | |
| Cash proceeds from creation of units | 3,111,888 |
| Payments for cancellation of units | (836,120) |
| | <hr/> |
| Net cash generated from financing activities | 2,275,768 |
| | <hr/> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 595,674 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD | |
| | 882,343 |
| | <hr/> |
| CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD | |
| | 1,478,017 |
| | <hr/> |
| Cash and cash equivalents comprise: | |
| Cash at banks | 1,478,017 |
| | <hr/> |

SHARIAH ADVISER’S REPORT TO THE UNITHOLDERS OF NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

We have acted as the Shariah Adviser of Nomura Global Shariah Strategic Growth Fund (“the Fund”). Our responsibility is to ensure that the procedures and processes employed by Nomura Asset Management Malaysia Sdn Bhd are in accordance with Shariah principles.

In our opinion, Nomura Asset Management Malaysia Sdn Bhd has managed and administered the Fund in accordance with Shariah principles and complied with the applicable guidelines, rulings and decisions issued by the Securities Commission Malaysia pertaining to Shariah matters for the financial period ended 31 March 2021.

In addition, we also confirm that the investment portfolio of the Fund comprises instruments which have been classified as Shariah-compliant by the Shariah Supervisory Board of Dow Jones Islamic Market Indices. As for the instruments which are not classified as Shariah-compliant by the Shariah Supervisory Board of Dow Jones Islamic Market Indices, we have reviewed the said instruments and confirmed that these instruments are Shariah-compliant.

For ZICO Shariah Advisory Services Sdn Bhd

DR. AIDA OTHMAN

Designated Person Responsible for Shariah Matters Relating to the Fund

Kuala Lumpur