

**Nomura Global Shariah Strategic Growth Fund**

**30 June 2021**

**Fund Commentary and Strategy**

June was a strong month for global risk assets accompanied by a reversal in the value or reflation trade as growth or tech stocks outperformed, with US 10 year yields re-tracing lower. The June Federal Open Market Committee meeting sowed doubts over the Feds commitment to let inflation run high, earlier taper hence causing doubts to the reflation trade.

The Fund's equity book (+4.45%) outperformed relative to the Dow Jones World Islamic Index +(4.02%) in MYR, with an average weight of c60% for the month of June.

The Fund's NAV was up +2.55% (Class A) and +2.53% (Class B). Equities contributed +2.62% whilst the rising COVID concerns and lockdown in Malaysia led to the ringgit weakening by 0.62%. Whilst the FX hedges were closed on the 17th of June, it contributed to a headwind of -0.13%.

Our Sukuk (via the collective investment scheme, CIS) exposure contributed about +0.16% as local fixed income markets continued to get a bid amidst the renewed lockdown.

We remain cautious on equities with allocation to equities being capped at c60% (from c69% in April). However, we think US real yields likely rise in the second half, driving nominal yields higher which would benefit the reflation trade. As such, we will be looking to position the equity book accordingly towards the economic sensitive or cyclical sectors.

We retain our positive view on risk assets over the mid to long term and view any corrections in the market as an opportunity to buy the dip and rebuild our equity exposures.

**Fund Objectives**

The objective of the Fund is 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.

**Investment Strategy**

Asset allocation is optimised to navigate the different market cycles throughout the investment life of the Fund to ensure that the Fund can achieve the targeted annual return and prioritise the preservation of the Unit Holder's capital.

**Distribution Policy**

Distribution of income, if any, is at least on annual basis, subject to availability of income.

**Benchmark**

Absolute return of 6% per annum

**Cumulative Fund Returns (%)**

	1 Month	3 Months	6 Months	Since Inception
	31/5/2021	31/3/2021	31/12/2020	22/5/2020
	To	To	To	To
	30/6/2021	30/6/2021	30/6/2021	30/6/2021
Class A	2.55	5.71	7.60	21.35
Benchmark A	0.49	1.47	2.96	6.66
Class B	2.53	5.62	7.43	20.96
Benchmark B	0.49	1.47	2.96	6.66

Source: Refinitiv Lipper

Performance data is calculated based on the changes in the Fund's NAV price per unit for the specified length of time and on the assumption that any dividends declared are reinvested into the Fund. All data presented are as of 30 June 2021 unless otherwise specified.

**Key facts as at 30 June 21**

Launch Date	22-May-2020
Fund Type	Shariah-compliant Wholesale Fund
Year End	30 September
Fund Size/ NAV per Unit (Class A)	12,292,619.73/ 1.2135
Fund Size/ NAV per Unit (Class B)	5,802,533.20/ 1.2096
Minimum Initial Investment	MYR 500,000 (Class A) MYR 1,000 (Class B)
Minimum Subsequent Investment	MYR 10,000 (Class A) MYR 1,000 (Class B)

**Disclaimer:**

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**Top 5 Equity Holdings (%)**

Microsoft Corp	3.94
Alphabet Inc - Class C	3.71
Tencent Holdings Ltd	3.70
Facebook Inc - Class A	2.87
Apple Inc	2.66

**Equity Sector Breakdown (%)**

Collective Investment Scheme	2.17%
Communication Services	10.28%
Consumer Discretionary	9.51%
Consumer Staples	3.58%
Energy	2.40%
Health Care	3.96%
Industrials	7.97%
Information Technology	20.41%

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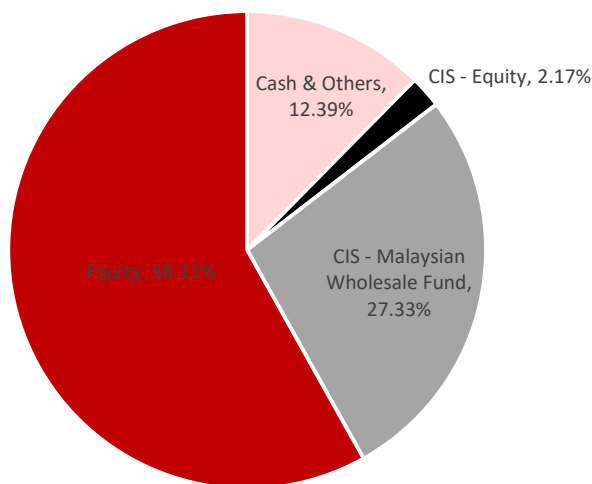
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**Asset Allocation (%)**



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