



**NOMURA**

**Nomura Global Shariah Strategic Growth Fund**  
Annual Report and Audited Financial Statements for the  
Financial Year Ended 30 September 2021

**MANAGER:**

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

**TRUSTEE:**

DEUTSCHE TRUSTEE MALAYSIA BHD  
Business Registration No. : 200701005591 (763590-H)



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## 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, is at least on annual basis, subject to availability of income.

### Benchmark

Absolute Return of 6% per annum.

### Performance as at 30 September 2021

	1 Month (8/31/2021 To 9/30/2021)	3 Months (6/30/2021 To 9/30/2021)	6 Months (3/31/2021 To 9/30/2021)	1 Year (9/30/2020 To 9/30/2021)	3 Year (9/30/2018 To 9/30/2021)	Since Inception (5/22/2020 To 9/30/2021)
Fund – Class A	-3.43%	-0.91%	4.75%	12.73%	-	20.25%
Benchmark	0.48%	1.48%	2.96%	6.00%	-	8.23%
Out/ (Under) Performance	-3.91%	-2.39%	1.78%	6.74%	-	12.02%
Fund – Class B	-3.46%	-0.98%	4.58%	12.39%	-	19.77%
Benchmark	0.48%	1.48%	2.96%	6.00%	-	8.23%
Out/ (Under) Performance	-3.94%	-2.46%	1.62%	6.39%	N/A	11.54%

Source of Fund and Benchmark Returns: Refinitiv Lipper

### Volatility as at 30 September 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.

## MANAGER'S REPORT (CONTINUED)

### Strategies Employed (2<sup>nd</sup> June 2020 to 30<sup>th</sup> September 2021)

During the period under review, the Fund remained closely aligned with its investment philosophies and process amidst continued COVID 19 concerns and a volatile global market. The Fund deploys a Global Multi Asset Strategy and allocation into Global Shariah Equities and Sukuk varied throughout the review period, depending on the market environment.

### Performance Review of the Fund (2<sup>nd</sup> June 2020 to 30<sup>th</sup> September 2021)

The Fund (Class A) returned +20.25% in the c.16 months from inception to the end of September 2021. Global equities contributed all of the returns as the Sukuk market was adversely impacted by rising yields globally.

Equities contributed 19.95% to the overall return of the Fund with an average weight of 60.92%. The top 10 equity contributors were Apple, Google, Nvidia, Microsoft, Eaton, Facebook, Aptiv, Adyen, Danaher and Schneider Electric. This mix of Secular Growth Technology companies and Industrials / Cyclical highlights the tilt in the Equity book and the fund's positioning over the review period.

The top 5 equity detractors were Meituan, Alibaba, Teladoc, Philips 66 and Uber. However, the three key detractors that are Meituan, Alibaba and Tencent which combined, contributed -2.19% to fund returns. Selloff in the China Internet space driven by regulation tightening and liquidity withdrawal are the main reasons for underperformance.

Sukuk (via Collective Investment Scheme ("CIS")) contributed +1.35% to the overall return of the Fund with an average weight of 24.23%. Our dynamic asset allocation strategy meant that we kept a lower allocation to the Sukuk market as the Fund was launched after global bond yields collapse. With the world set to reopen and vaccine development and distribution was underway, we believed that yields will continue to rise into 2022. As such, we remain defensive in our Sukuk allocations and have allocated more into money market funds.

Gold (via CIS) contributed 0.02% to the overall return of the Fund, with an average weight of 2.53%. Whilst we did have gold as part of the asset allocation in the first few months of the review period, we eventually brought the allocation down to zero as Gold is unlikely going to outperform in our view. Rising real yields and stronger GDP growth is not an environment that is conducive for Gold price appreciation, even though it is often used as hedge for inflation.

### Summary of Asset Allocation

	<u>30 September 2021</u>	<u>30 September 2020</u>
Equity Securities	58.04%	57.14%
Collective Investment Schemes (CIS) - Equity ETF	3.37%	0.00%
Collective Investment Schemes (CIS) - Gold ETF	0.00%	7.17%
CIS – Malaysian Sukuk and Money Market Funds	30.01%	29.38%
Cash & Other	8.57%	6.31%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

## **MANAGER'S REPORT (CONTINUED)**

### **Review of Market (2<sup>nd</sup> June 2020 to 30<sup>th</sup> September 2021)**

The Fund was launched a few months after news of Covid 19 forced economies around the world to enter into a lockdown. Uncertainty was the key concern for market participants and as we progressed into the second half of the year, development of vaccines started to look promising and the equity market started to rebound strongly, more so after the conclusion of the US election which was positive for risk assets.

Equity market returns were highly bifurcated with the stay at home and work from home winners leading the market whilst cyclicals and reopening themes did badly amidst the ongoing uncertainty. However, as we entered the 4th Quarter of 2020, investors started to look ahead and through the current pandemic and started to position for a strong cyclical recovery and a world with rising bond yields.

In contrast to 2020, where EPS revisions were negative but big multiple expansions drove markets, 2021 has seen the reverse phenomenon occur. Multiples have compressed but large EPS revisions of greater than 20% have been enough to offset this. In addition, we have seen broader market performance where the top stocks (Facebook, Microsoft, Exxonmobil, Google and Nvidia) account for a less top-heavy distribution of performance.

The growth vs value debate within stocks has also swung wildly over the course of 2021 and bond yields have been arguably the number one factor in the narrative of this year. In the first quarter, we saw bond yields rip and value stocks had a huge rebound from the collapse of yields (and by extension value stocks) during the pandemic. Subsequently in the 2nd quarter, we saw yields come back down and value give back much of their rebound.

Another key factor in this year's market performance has been the return of higher inflation. However, most market bulls continue to believe this is transitory and not structural, with some reasons include: i) unemployment benefits expiring pushing people back into work, ii) backwardation in commodity curves, iii) easy comps & iv) historical post-recession precedent

Delta variant also remains a key concern, albeit affecting EM countries more so than DM where vaccinations are still lagging. The Fed left the fed funds rate in July unchanged, expressed some level of confidence on the economy against the delta variant in the statement (though Powell's presser sounded more dovish), and reiterated the transitory inflation viewpoint.

August saw positive returns for the global market and in particular global risk assets, in spite of global COVID 19 cases which passed 216 million in August, a material increase from the 196 million cases by July. The number of global daily cases continued to surge off the back of the continued spread of the Delta variant, but with vaccinations taking effect and overall severity appearing to fall, financial markets are not too perturbed by this for the time being.

Lastly, in September we saw the pullback finally occur as the evolving Evergrande situation led to global uncertainty, driving sell-off in developer bonds, highlighting potential risk for the banking sector. Iron Ore prices collapsed, partly as China crude steel demand slowed due to regulatory and decarbonisation related reasons. The US Federal Reserve did not help as it shifted in the hawkish direction, as they increased signalling of a faster and earlier tapering of asset purchases.

### **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 <sup>a</sup>
Less than 5,000	-	-
5,001 to 10,000	-	-
10,001 to 50,000	1	30,002
50,001 to 500,000	1	349,163
500,001 and above	2	10,884,837
<b>Total</b>	<b>4</b>	<b>11,264,001</b>

### Fund - Class B

Size of holdings (units)	No. of unitholders	No. of units held <sup>a</sup>
Less than 5,000	-	-
5,001 to 10,000	-	-
10,001 to 50,000	-	-
50,001 to 500,000	1	207,404
500,001 and above	3	4,495,858
<b>Total</b>	<b>4</b>	<b>4,703,263</b>

<sup>a</sup> Note: Excluding Manager's Stock.

## INCOME DISTRIBUTION

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

## FUND DATA

As at 30 September 2021	Class A	Class B
Total NAV (RM)	13,544,716	5,633,218
NAV per Unit (RM)	1.2025	1.1977
Units in Circulation	11,264,001	4,703,263
Highest NAV (RM)	1.2510	1.2464
Lowest NAV (RM)	0.9839	0.9838

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

**NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND**

**FINANCIAL STATEMENTS**

**FOR THE FINANCIAL PERIOD FROM 22 MAY 2020  
(DATE OF LAUNCH) TO 30 SEPTEMBER 2021**

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# **NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND**

## **FINANCIAL STATEMENTS**

**FOR THE FINANCIAL PERIOD FROM 22 MAY 2020  
(DATE OF LAUNCH) TO 30 SEPTEMBER 2021**

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## NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

### STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 22 MAY 2020 (DATE OF LAUNCH) TO 30 SEPTEMBER 2021

	<u>Note</u>	Financial period from 22.5.2020 (date of launch) to <u>30.9.2021</u> MYR
<b>INVESTMENT INCOME</b>		
Gross dividend income		308,520
Net loss on foreign currency exchanges		(82,589)
Net gain on forward foreign currency contracts at fair value through profit or loss		73,658
Net gain on financial assets at fair value through profit or loss	7	2,385,674
		<u>2,685,263</u>
<b>EXPENSES</b>		
Management fee	4	(249,889)
Trustee fee	5	(19,974)
Shariah Adviser's fee		(16,960)
Auditors' remuneration		(9,540)
Tax agent's fee		(5,406)
Transaction cost		(28,952)
Other expenses		(53,489)
		<u>(384,210)</u>
<b>NET PROFIT BEFORE TAXATION</b>		2,301,053
Taxation	6	-
<b>INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<u><u>2,301,053</u></u>

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

## NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

### STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 22 MAY 2020 (DATE OF LAUNCH) TO 30 SEPTEMBER 2021 (CONTINUED)

	<u>Note</u>	Financial period from 22.5.2020 (date of launch) to <u>30.9.2021</u> MYR
Increase in net assets attributable to unitholders is made up of the following:		
Realised amount		874,492
Unrealised amount		<u>1,426,561</u>
		<u><u>2,301,053</u></u>

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

# NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

## STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021

	<u>Note</u>	As at 30.9.2021 MYR
<b>ASSETS</b>		
Cash and cash equivalents		1,922,848
Financial assets at fair value through profit or loss	7	17,466,048
Amount due from Manager		
- creation of units		88,700
- management fee rebate receivable		1,075
Dividends receivable		2,954
Islamic forward foreign currency contracts	8	-
<b>TOTAL ASSETS</b>		<u>19,481,625</u>
<b>LIABILITIES</b>		
Amount due to Manager		
- management fee		20,710
- cancellation of units		50,494
Amount due to Trustee		1,233
Amount due to Shariah Adviser		1,060
Amount due to broker		217,156
Auditors' remuneration		9,540
Tax agent's fee		3,498
<b>TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)</b>		<u>303,691</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>19,177,934</u>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<u>19,177,934</u>

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

## NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

### STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021 (CONTINUED)

	<u>Note</u>	As at <u>30.9.2021</u> MYR
<b>REPRESENTED BY:</b>		
<b>FAIR VALUE OF OUTSTANDING UNITS</b>		
- MYR NGSSGFA CLASS		13,544,716
- MYR NGSSGFB CLASS		5,633,218
		<u>19,177,934</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>		
- MYR NGSSGFA CLASS	9(a)	11,264,001
- MYR NGSSGFB CLASS	9(b)	4,703,263
		<u>15,967,264</u>
<b>NET ASSET VALUE PER UNIT (MYR)</b>		
- MYR NGSSGFA CLASS		1.2025
- MYR NGSSGFB CLASS		1.1977
		<u>1.1977</u>

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

## NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

### STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE FINANCIAL PERIOD FROM 22 MAY 2020 (DATE OF LAUNCH) TO 30 SEPTEMBER 2021

	Financial period from 22.5.2020 (date of launch) to <u>30.9.2021</u> MYR
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE DATE OF LAUNCH</b>	-
Movement due to units created and cancelled during the financial period	
Creation of units arising from applications	20,621,762
- MYR NGSSGFA CLASS	12,251,985
- MYR NGSSGFB CLASS	8,369,777
Cancellation of units	(3,744,881)
- MYR NGSSGFA CLASS	(569,974)
- MYR NGSSGFB CLASS	(3,174,907)
Increase in net assets attributable to unitholders during the financial period	2,301,053
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL PERIOD</b>	19,177,934

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

## NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

### STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD FROM 22 MAY 2020 (DATE OF LAUNCH) TO 30 SEPTEMBER 2021

Financial  
period from  
22.5.2020  
(date of  
launch) to  
30.9.2021  
MYR

#### CASH FLOWS FROM OPERATING ACTIVITIES

Proceeds from sale of investments	30,300,418
Purchase of investments	(45,176,032)
Dividend received	279,133
Management fee rebate received	11,321
Management fee paid	(229,179)
Trustee fee paid	(18,741)
Shariah Adviser's fee paid	(15,900)
Payment for other fees and expenses	(57,915)
Net realised gain on forward foreign currency contracts	73,658
Net realised loss on foreign currency exchange	(82,216)
	<hr/>
Net cash flows used in operating activities	(14,915,453)
	<hr/>

#### CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from creation of units	20,533,063
Payments for cancellation of units	(3,694,387)
	<hr/>
Net cash flows generated from financing activities	16,838,676
	<hr/>

**NET INCREASE IN CASH AND CASH EQUIVALENTS** 1,923,223

**EFFECTS OF FOREIGN CURRENCY EXCHANGE** (375)

**CASH AND CASH EQUIVALENTS AT THE  
DATE OF LAUNCH** 

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**CASH AND CASH EQUIVALENTS AT THE  
END OF THE FINANCIAL PERIOD** 

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 1,922,848 

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Cash and cash equivalents as at 30 September 2021 comprise of bank balances.

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

# NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 22 MAY 2020 (DATE OF LAUNCH) TO 30 SEPTEMBER 2021

The following accounting policies have been used in dealing with items which are considered material in relation to the financial statements.

### A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention, except as disclosed in the summary of significant accounting policies and comply with Malaysian Financial Reporting Standards, International Financial Reporting Standards (“MFRS”).

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reported financial period. It also requires the Manager to exercise their judgment in the process of applying the Fund’s accounting policies. Although these estimates and judgment are based on the Manager’s best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note L.

#### (a) Standards, amendments to published standards and interpretations that are effective

- The Conceptual Framework for Financial Reporting (“Framework”) (effective 1 January 2020)

The Framework was revised with the primary purpose to assist the International Accounting Standards Board (“IASB”) to develop IFRS that are based on consistent concepts and enable preparers to develop consistent accounting policies where an issue is not addressed by an IFRS.

Key changes include:

- increasing the prominence of stewardship in the objective of financial reporting;
- reinstating prudence as a component of neutrality;
- defining a reporting entity, which may be a legal entity, or a portion of an entity;
- revising the definitions of an asset and a liability;
- removing the probability threshold for recognition and adding guidance on derecognition;
- adding guidance on different measurement basis; and
- stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements.

No changes are made to any of the current accounting standards. However, entities that rely on the Framework in determining their accounting policies for transactions, events or conditions that are not otherwise dealt with under the accounting standards have to apply the revised Framework from 1 September 2020.

- Amendments to MFRS 101 and MFRS 108 ‘Definition of Material’ (effective 1 January 2020) clarify the definition of materiality and use a consistent definition throughout MFRSs and the Conceptual Framework for Financial Reporting.

The revised Framework and adoption of the amendments to published standards did not have any impact on the current year and is not likely to affect future periods.

## NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 22 MAY 2020 (DATE OF LAUNCH) TO 30 SEPTEMBER 2021 (CONTINUED)

#### A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

##### (b) Standards and amendments that have been issued but not yet effective

- Amendments to MFRS 3 'Reference to Conceptual Framework' (effective 1 January 2022) replace the reference to Framework for Preparation and Presentation of Financial Statements with 2018 Conceptual Framework.
- Annual Improvements to MFRSs 2018 – 2020 Cycle (effective for annual periods beginning on or after 1 January 2022).
- Amendments to MFRS 137 'onerous contracts—cost of fulfilling a contract' (effective 1 January 2022) clarify that direct costs of fulfilling a contract include both the incremental cost of fulfilling the contract as well as an allocation of other costs directly related to fulfilling contracts.
- Amendments to MFRS 101 'Classification of liabilities as current or non-current (effective 1 January 2023) clarify that a liability is classified as non-current if an entity has a substantive right at the end of the reporting period to defer settlement for at least 12 months after the reporting period. A liability is classified as current if a condition is breached at or before the reporting date and a waiver is obtained after the reporting date.

The adoption of the above standards, amendments to standards or interpretations is not expected to have a material effect on the financial statements of the Fund.

#### B INCOME RECOGNITION

Dividend income from quoted Shariah-compliant investments and Islamic collective investment scheme are recognised when the Fund's right to receive payment is established. Dividend income is received from financial assets measured at FVTPL.

Realised gain or loss on sale of quoted Shariah-compliant investments and Islamic collective investment scheme are arrived at after accounting for cost of investments, determined on the weighted average cost method.

Realised gain or loss on Islamic forward foreign currency contracts are measured by the net settlement amount as per the Islamic forward foreign currency contract.



## **NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 22 MAY 2020 (DATE OF LAUNCH) TO 30 SEPTEMBER 2021 (CONTINUED)**

#### **C TAXATION**

Current tax expense is determined according to the Malaysian tax laws at the current rate based upon the taxable profits earned during the financial period.

Tax on investment income from foreign quoted Shariah-compliant investments is based on the tax regime of the respective countries that the Fund invests in.

#### **D FUNCTIONAL AND PRESENTATION CURRENCY**

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia ("MYR"), which is the Fund's functional and presentation currency.

#### **E FOREIGN CURRENCY TRANSLATION**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in statement of comprehensive income, except when deferred in other comprehensive income as qualifying cash flow hedges.

#### **F FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

##### **(i) Classification**

The Fund classifies its financial assets in the following measurement categories:

- those to be measured at fair value through profit or loss, and
- those to be measured at amortised cost

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

## NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 22 MAY 2020 (DATE OF LAUNCH) TO 30 SEPTEMBER 2021 (CONTINUED)

#### F FINANCIAL ASSETS AND FINANCIAL LIABILITIES

##### (i) Classification (continued)

The Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the Fund's debt securities are solely principal and interest ("SPPI"). However, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments and derivatives not designated as hedging instruments are measured at fair value through profit or loss.

Investments in CIS have contractual cash flows that do not represent SPPI, and therefore are classified as fair value through profit or loss.

The Fund classifies cash and cash equivalents, amount due from Manager and dividends receivable as financial assets at amortised cost as these financial assets are held to collect contractual cash flows that represent SPPI.

The Fund classifies amount due to broker, amount due to Manager, amount due to Trustee, amount due to Shariah Adviser, auditors' remuneration and tax agent's fee as financial liabilities measured at amortised cost.

##### (ii) Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value.

Financial liabilities, within the scope of MFRS 9, are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

Financial liabilities are derecognised when it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expired.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category including the effects of foreign transactions are presented in the statement of comprehensive income within 'net gain on financial assets at fair value through profit and loss' in the period which they arise.

## NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 22 MAY 2020 (DATE OF LAUNCH) TO 30 SEPTEMBER 2021 (CONTINUED)

#### F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

##### (ii) Recognition and measurement (continued)

Investments in Islamic collective investment schemes are valued at the last published net asset value ("NAV") per unit at the date of the statement of financial position.

Quoted Shariah-compliant investments and Shariah-compliant exchange traded funds are initially recognised at fair value and subsequently re-measured at fair value based on the market price quoted on the relevant stock exchanges at the close of the business on the valuation day, where the close price falls within the bid-ask spread. In circumstances where the close price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of the fair value.

If a valuation based on the market price does not represent the fair value of the securities, for example during abnormal market conditions or when no market price is available, including in the event of a suspension in the quotation of the securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the securities are valued as determined in good faith by the Manager, based on the methods or bases approved by the Trustee after appropriate technical consultation.

Financial assets at amortised cost and other financial liabilities are subsequently carried at amortised cost using the effective interest method.

##### (iii) Impairment

The Fund's financial assets measured at amortised cost are subject to expected credit losses. The Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward-looking information in determining any expected credit loss. Management considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12 month expected credit losses as any such impairment would be wholly insignificant to the Fund.

##### Significant increase in credit risk

A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due.

##### Definition of default and credit-impaired financial assets

The Fund defines a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria:

Any contractual payment which is more than 90 days past due is considered credit impaired.

## NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 22 MAY 2020 (DATE OF LAUNCH) TO 30 SEPTEMBER 2021 (CONTINUED)

#### F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

##### (iii) Impairment (continued)

###### Qualitative criteria:

The debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Fund considers the following instances:

- the debtor is in breach of financial covenants
- concessions have been made by the lender relating to the debtor's financial difficulty
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- the debtor is insolvent

Financial instruments that are credit-impaired are assessed on individual basis.

###### Write-off

The Fund writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.

The Fund may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in bad debt recoveries. There are no write-offs/recoveries during the financial period.

#### G CASH AND CASH EQUIVALENTS

For the purpose of statement of cash flows, cash and cash equivalents comprise cash and bank balances and deposits held in highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### H AMOUNT DUE FROM/(TO) BROKER

Amount due from and to broker represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively. The due from broker balance is held for collection. Refer to Note F for accounting policy on recognition and measurement.

Any contractual payment which is more than 90 days past due is considered credit impaired.

Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

## **NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 22 MAY 2020 (DATE OF LAUNCH) TO 30 SEPTEMBER 2021 (CONTINUED)**

#### **I CREATION AND CANCELLATION OF UNITS**

The unitholders' contributions to the Fund meet the definition of puttable instruments classified as financial liability under MFRS 132 "Financial Instruments: Presentation".

The Fund issues cancellable units, in two classes of units, known respectively as the Class A and Class B, which are cancelled at the unitholder's option and do not have identical features. The units are classified as financial liabilities. Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's NAV of respective classes. The outstanding units are carried at the redemption amount that is payable at the date of the statement of financial position if the unitholder exercises the right to put back the unit to the Fund.

Units are created and cancelled at the unitholder's option at prices based on the Fund's NAV per unit of respective classes at the close of business on the relevant dealing day. The Fund's NAV per unit of respective classes is calculated by dividing the net assets attributable to unit holders of respective classes with the total number of outstanding units of respective classes.

#### **J DERIVATIVE FINANCIAL INSTRUMENTS**

A derivative financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

The Fund's derivative financial instruments comprise forward foreign currency contracts. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Financial derivative positions will be "marked to market" at the close of each valuation day. Foreign exchange gains and losses on the derivative financial instrument are recognised in profit or loss when settled or at the date of the statement of financial position at which time they are included in the measurement of the derivative financial instrument. Derivative instruments that have a negative fair value are presented as liabilities as fair value through profit or loss.

The fair value of forward foreign currency contracts is determined using forward exchange rates on the date of the statement of financial position, with the resulting value discounted back to present value.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and the nature of the item being hedged. Derivatives that do not qualify for hedge accounting are classified as financial assets/liabilities at fair value through profit or loss.

#### **K INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS**

Income not distributed is included in net assets attributable to unitholders.

## NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 22 MAY 2020 (DATE OF LAUNCH) TO 30 SEPTEMBER 2021 (CONTINUED)

#### **L CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES**

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information contents on the estimates, certain key variables that are anticipated to have material impacts to the Fund's results and financial position are tested for sensitivity to changes in the underlying parameters.

Estimates and judgments are continually evaluated by the Manager and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In undertaking any of the Fund's investment, the Manager will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the Securities Commission's ("SC") Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

#### Functional currency

Due to mixed factors in determining the functional currency of the Fund, the Manager has used its judgment to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions and have determined the functional currency to be in MYR primarily due to the following factors:

- (i) The Fund's units are denominated in MYR.
- (ii) Significant portion of the Fund's investments are denominated in MYR
- (iii) Significant portion of the Fund's cash is denominated in MYR for the purpose of making settlement of foreign trades and expenses.
- (iv) Significant portion of the Fund's expenses are denominated in MYR.

#### **M REALISED AND UNREALISED PORTIONS OF INCREASE OR DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS**

The analysis of realised and unrealised amount in increase or decrease in net assets attributable to unitholders as presented on the statement of comprehensive income is prepared in accordance with SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

# NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 22 MAY 2020 (DATE OF LAUNCH) TO 30 SEPTEMBER 2021

### 1 INFORMATION ON THE FUND

The Wholesale Fund was constituted under the name Nomura Global Shariah Strategic Growth Fund (the "Fund") pursuant to the execution of a Deed dated 17 April 2020 (the "Deed") entered into between Nomura Asset Management Malaysia Sdn Bhd (the "Manager") and Deutsche Trustees Malaysia Berhad (the "Trustee").

The Fund commenced operations on 22 May 2020 and will continue its operations until terminated by the Trustee as provided under Clause 11.3 of the Deed.

The Fund may invest in any of the following assets, subject to the Deeds, the Fund's objective, the Guidelines, the requirements of the SC and all relevant laws:

- (a) Debentures;
- (b) Money market instruments;
- (c) Deposits;
- (d) Derivatives;
- (e) Structured products; and
- (f) Any other form of investments permitted by the SC from time to time which is in line with the objective of the Fund.

All investments will be subjected to the SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework, the Deed and the objective of the Fund.

The main 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.

The Manager is a company incorporated in Malaysia. The principal activities of the Manager are establishment and management of unit trust funds, exchange-traded funds and private retirement schemes as well as providing fund management services to private clients.

The financial statements were authorised for issue by the Manager on 29 November 2021.

## NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 22 MAY 2020 (DATE OF LAUNCH) TO 30 SEPTEMBER 2021 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows:

	<u>Note</u>	At amortised cost MYR	At fair value through profit or loss MYR	<u>Total</u> MYR
<u>As at 30.9.2021</u>				
<u>Financial assets</u>				
Cash and cash equivalents		1,922,848	-	1,922,848
Dividends receivable		2,954	-	2,954
Amount due from Manager				
- creation of units		88,700	-	88,700
- management fee rebate receivable		1,075	-	1,075
Financial assets at fair value through profit or loss ("FVTPL")		-	17,466,048	17,466,048
<b>Total</b>		<b>2,015,577</b>	<b>17,466,048</b>	<b>19,481,625</b>
<u>Financial liabilities</u>				
Amount due to broker		217,156	-	217,156
Amount due to Manager				
- management fee		20,710	-	20,710
- cancellation of units		50,494	-	50,494
Amount due to Shariah Adviser		1,060	-	1,060
Amount due to Trustee		1,233	-	1,233
Auditors' remuneration		9,540	-	9,540
Tax agent's fee		3,498	-	3,498
<b>Total</b>		<b>303,691</b>	<b>-</b>	<b>303,691</b>

The Fund is exposed to a variety of risks which include market risk (including price risk, interest rate risk and currency risk), credit risk, liquidity risk and capital risk.

Financial risk management is carried out through internal control processes adopted by the Manager and adherence to the investment restrictions as stipulated by the SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.



## NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 22 MAY 2020 (DATE OF LAUNCH) TO 30 SEPTEMBER 2021 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### Market risk

##### (a) Price risk

Price risk arises mainly from the uncertainty about future prices of investments. It represents the potential loss the Fund might suffer through holding market positions in the face of price movements. The Manager manages the risk of unfavourable changes in prices by continuous monitoring of the performance and risk profile of the investment portfolio.

The Fund's overall exposure to price risk was as follows:

	As at <u>30.9.2021</u> MYR
<b>Quoted investment</b>	
Collective investment scheme	5,733,853
Exchange trade fund	644,369
Quoted equity	11,087,826
	<u>17,466,048</u>

The following table summarises the sensitivity of the Fund's profit after taxation and net asset value to price risk movements. The analysis is based on the assumptions that the market price increased by 5% and decreased by 5% with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the quoted securities, having regard to the historical volatility of the prices.

<u>% Change in price</u>	<u>Market value</u> MYR	<u>Impact on</u> <u>profit after</u> <u>tax/NAV</u> MYR
<u>As at 30.9.2021</u>		
-5%	16,592,746	(873,302)
0%	17,466,048	-
+5%	18,339,350	873,302

##### (b) Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flows.

As at 30 September 2021, the Fund is not exposed to any interest rate risk.

## NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 22 MAY 2020 (DATE OF LAUNCH) TO 30 SEPTEMBER 2021 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### Market risk (continued)

##### (c) Currency risk

Currency risk is associated with investments denominated in foreign currencies. When the foreign currencies fluctuate in an unfavourable movement against United States Dollar, the investments will face currency losses in addition to the capital gain/(loss). The Manager will evaluate the likely directions of a foreign currency versus United States Dollar based on considerations of economic fundamentals such as interest rate differentials, balance of payments position, debt levels and technical chart considerations.

The following table sets out the foreign currency risk concentrations and counterparties of the Fund:

	Financial assets at <u>fair value</u> MYR	Cash and cash <u>equivalents</u> MYR	Dividends <u>receivable</u> MYR	<u>Total</u> MYR
<u>2021</u>				
<u>Financial assets</u>				
Australian Dollar	-	43,822	-	43,822
British Pound	543,678	195,602	-	739,280
Canadian Dollar	-	26,572	-	26,572
European Dollar	760,424	286,686	-	1,047,110
Hong Kong Dollar	956,381	177,521	-	1,133,902
Japanese Yen	569,841	194,615	687	765,143
Norwegian Krone	207,539	1,809	-	209,348
Swiss Franc	79,341	2,543	-	81,884
United States Dollar	8,614,991	512,586	2,267	9,129,844
	<u>11,732,195</u>	<u>1,441,756</u>	<u>2,954</u>	<u>13,176,905</u>
			Net assets attributable to	
	Amount due to <u>brokers</u> MYR	Other <u>liabilities</u> MYR	<u>unitholders</u> MYR	<u>Total</u> MYR
<u>Financial liabilities</u>				
British Pound	71,303	-	-	71,303
United States Dollar	145,853	-	-	145,853
	<u>217,156</u>	<u>-</u>	<u>-</u>	<u>217,156</u>

## NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 22 MAY 2020 (DATE OF LAUNCH) TO 30 SEPTEMBER 2021 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### Market risk (continued)

##### (c) Currency risk (continued)

The table below summarises the sensitivity of the Fund's profit after tax and net asset value to changes in foreign exchange movements. The analysis is based on the assumption that the foreign exchange rate changes based on each currency's respective historical volatility, with all other variables remain constant. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Any appreciation/(depreciation) in foreign exchange rate relative to MYR will result in a corresponding increase/(decrease) in the net assets attributable to unitholders by each currency's respective historical volatility. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change <u>in price</u> %	Impact on profit after <u>tax/NAV</u> MYR
<u>2021</u>		
Australian Dollar	5	2,191
British Pound	5	40,529
Canadian Dollar	5	1,329
European Dollar	5	52,356
Hong Kong Dollar	5	56,695
Japanese Yen	5	38,257
Norwegian Krone	5	10,467
Swiss Franc	5	4,094
United States Dollar	5	463,785

##### Credit risk

Credit risk refers to the ability of an issuer or counterparty to make timely payments of interest, principals and proceeds from realisation of investment. The Manager manages the credit risk by undertaking credit evaluation to minimise such risk.

Credit risk arising from cash and bank balances is managed by ensuring that they are held by parties with credit rating of AA or higher.

The settlement terms of the proceeds from the creation of units' receivable from the Manager are governed by the SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

## NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 22 MAY 2020 (DATE OF LAUNCH) TO 30 SEPTEMBER 2021 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### Credit risk (continued)

The following table sets out the credit risk concentration and counterparties of the Fund:

	<u>Cash and cash equivalents</u> MYR	<u>Forward foreign currency contracts</u> MYR	<u>Other assets*</u> MYR	<u>Total</u> MYR
<u>As at 30.9.2021</u>				
Financial Services				
- AA1	1,922,848	-	-	1,922,848
Others				
- NR	-	-	92,729	92,729
	<u>1,922,848</u>	<u>-</u>	<u>92,729</u>	<u>2,015,577</u>

\*Other assets consist of amount due from Manager and dividends receivable.

## NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 22 MAY 2020 (DATE OF LAUNCH) TO 30 SEPTEMBER 2021 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations. The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellation of units by unitholders. Liquid assets comprise cash.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date.

The amounts in the table below are the contractual undiscounted cash flows.

	<u>Within</u> <u>one month</u> MYR	<u>Between</u> <u>one month</u> <u>to one year</u> MYR	<u>Total</u> MYR
<u>As at 30.9.2021</u>			
Amount due to broker	217,156	-	217,156
Amount due to Manager			
- management fee	20,710	-	20,710
- cancellation of units	50,494	-	50,494
Amount due to Trustee	1,233	-	1,233
Amount due to Shariah Adviser	-	1,060	1,060
Auditors' remuneration	-	9,540	9,540
Tax agent's fee	-	3,498	3,498
Net assets attributable to unitholders*	19,177,934	-	19,177,934
	<u>19,467,527</u>	<u>14,098</u>	<u>19,481,625</u>

\* Units are cancelled on demand at the unitholder's option (Note I). However, the Manager does not envisage that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as unitholders of these instruments typically retain them for the medium to long term.

##### Capital risk

The capital of the Fund is represented by net assets attributable to unitholders of MYR19,177,934. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unitholders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

# NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 22 MAY 2020 (DATE OF LAUNCH) TO 30 SEPTEMBER 2021 (CONTINUED)

### 3 FAIR VALUE ESTIMATION

Financial instruments comprise financial assets and financial liabilities. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of financial assets traded in active markets (such as trading securities) is based on quoted market prices at the close of trading on the period end date. The Fund utilises the current bid price for financial assets which falls within the bid-ask spread.

An active market is a market in which transactions for the asset take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques.

#### (i) Fair value hierarchy

The table below analyses financial instruments carried at fair value. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active market for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2)
- Inputs for the asset and liability that are not based on observable market data (that is, unobservable inputs) (Level 3)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgment by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

## NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 22 MAY 2020 (DATE OF LAUNCH) TO 30 SEPTEMBER 2021 (CONTINUED)

#### 3 FAIR VALUE ESTIMATION (CONTINUED)

##### (i) Fair value hierarchy (continued)

The following table analyses within the fair value hierarchy the Fund's financial assets (by class) measured at fair value:

	<u>Level 1</u> MYR	<u>Level 2</u> MYR	<u>Level 3</u> MYR	<u>Total</u> MYR
<u>As at 30.9.2021</u>				
Financial assets at fair value through profit or loss				
- collective investment scheme	5,733,853	-	-	5,733,853
- exchange traded fund	644,369	-	-	644,369
- quoted equity	11,087,826	-	-	11,087,826
	<u>17,466,048</u>	<u>-</u>	<u>-</u>	<u>17,466,048</u>

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, including quoted equities, exchange traded funds and collective investment schemes. The Fund does not adjust the quoted prices for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include forward foreign currency contracts. As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

- (ii) The carrying values of cash and cash equivalents, amount due from broker and amount due from Manager and all current liabilities, except for forward foreign currency contracts are a reasonable approximation of the fair values due to their short term nature.

## **NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 22 MAY 2020 (DATE OF LAUNCH) TO 30 SEPTEMBER 2021 (CONTINUED)**

#### **4 MANAGEMENT FEE**

For the financial period from 22 May 2020 (date of launch) to 30 September 2021, the management fee is recognised at a rate of 1.20% per annum for Class A and 1.50% per annum for Class B the NAV of the Fund, calculated on a daily basis as stated in the Fund's Information Memorandum.

There will be no further liability to the Manager in respect of management fee other than the amounts recognised above.

#### **5 TRUSTEE FEE**

For the financial period from 22 May 2020 (date of launch) to 30 September 2021, the Trustee fee is recognised at a rate of 0.04% per annum on the NAV of the Fund, exclusive of foreign custodian fees and charges, calculated on a daily basis for the financial period, or a minimum of MYR15,000 as stated in the Fund's Information Memorandum.

There will be no further liability to the Trustee in respect of Trustee fee other than the amounts recognised above.



## NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 22 MAY 2020 (DATE OF LAUNCH) TO 30 SEPTEMBER 2021 (CONTINUED)

#### 6 TAXATION

Financial  
period from  
22.5.2020  
(date of  
launch) to  
30.9.2021  
MYR

Current taxation

-

The numerical reconciliation between net profit before taxation multiplied by the Malaysian statutory tax rate and tax expense of the Fund is as follows:

Financial  
period from  
22.5.2020  
(date of  
launch) to  
30.9.2021  
MYR

Net profit before taxation

2,301,053

Tax at Malaysian statutory rate of 24%

552,253

Tax effects of:

Investment income not subject to tax

(641,488)

Expenses not deductible for tax purposes

29,947

Restriction on tax deductible expenses for Wholesale Funds

59,288

Tax expense

-

#### 7 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

As at  
30.9.2021  
MYR

Financial assets at fair value through profit or loss:

- collective investment scheme

5,733,853

- exchange traded fund

644,369

- quoted equity

11,087,826

17,466,048

## NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 22 MAY 2020 (DATE OF LAUNCH) TO 30 SEPTEMBER 2021 (CONTINUED)

#### 7 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

	Financial period from 22.5.2020 (date of launch) to <u>30.9.2021</u> MYR
Net gain on financial assets at fair value through profit or loss:	
- realised gain on sale of investments	946,344
- unrealised gain on changes in fair value	1,426,933
- management fee rebate on collective investment scheme #	12,397
	<u>2,385,674</u>

# In arriving at the fair value of collective investment scheme, the management fee initially paid to the Manager of collective investment scheme has been considered as part of its net asset value. In order to prevent the double charging of management fee, management fee charged on the Fund's investment in a collective investment scheme has been refunded to the Fund. Accordingly, any rebate of management fee received from the Manager of collective investment scheme is reflected as an increase in the net asset value of the collective investment scheme.

(a) Collective investment scheme

(i) Collective investment scheme as at 30 September 2021 are as follows:

	<u>Quantity</u> Units	<u>Aggregate cost</u> MYR	<u>Fair value</u> MYR	<u>Percentage of NAV</u> %
Nomura Islamic Asset Management Sdn. Bhd. –				
Nomura I-Cash Fund	490,243	500,637	501,224	2.61
Nomura I-Income Fund	4,736,697	5,219,906	5,232,629	27.28
Total collective investment scheme	<u>5,226,940</u>	<u>5,720,543</u>	<u>5,733,853</u>	<u>29.89</u>
Accumulated unrealised gain on collective investment scheme		13,310		
Total collective investment scheme		<u>5,733,853</u>		

## NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 22 MAY 2020 (DATE OF LAUNCH) TO 30 SEPTEMBER 2021 (CONTINUED)

#### 7 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

##### (b) Exchange Traded Fund

(i) Exchange Traded Fund as at 30 September 2021 are as follows:

<u>Name of Security</u>	<u>Quantity</u> Units	<u>Aggregate</u> <u>cost</u> MYR	<u>Fair</u> <u>value</u> MYR	<u>Percentage</u> <u>of NAV</u> %
iShares MSCI World Islamic UCITS ETF USD (Dist)	3,680	643,408	644,369	3.36
Total Exchange Traded Fund	<u>3,680</u>	<u>643,408</u>	<u>644,369</u>	<u>3.36</u>
Accumulated unrealised gain on Exchange Traded Fund		961		
Total Exchange Traded Fund		<u>644,369</u>		

##### (c) Quoted Equity

(i) Quoted Equity as at 30 September 2021 are as follows:

<u>Name of Security</u>	<u>Quantity</u> Units	<u>Aggregate</u> <u>cost</u> MYR	<u>Fair</u> <u>value</u> MYR	<u>Percentage</u> <u>of NAV</u> %
<b>CAYMAN ISLANDS</b>				
<b>Consumer Discretionary</b>				
Alibaba Group Holding Limited	874	129,543	66,862	0.35
JD.Com, Inc.	700	109,101	106,649	0.56
Meituan	1,665	329,511	220,889	1.15
	<u>3,239</u>	<u>568,155</u>	<u>394,400</u>	<u>2.06</u>
<b>Telecommunication Services</b>				
Tencent Holdings Limited	2,264	647,744	561,981	2.93
TOTAL CAYMAN ISLANDS	<u>5,503</u>	<u>1,215,899</u>	<u>956,381</u>	<u>4.99</u>

## NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 22 MAY 2020 (DATE OF LAUNCH) TO 30 SEPTEMBER 2021 (CONTINUED)

#### 7 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(c) Quoted Equity (continued)

(i) Quoted Equity as at 30 September 2021 are as follows (continued):

<u>Name of Security</u>	<u>Quantity</u> Units	<u>Aggregate</u> <u>cost</u> MYR	<u>Fair</u> <u>value</u> MYR	<u>Percentage</u> <u>of NAV</u> %
<b>FRANCE</b>				
<b>Consumer Staples</b>				
L'Oreal S.A.	65	126,475	112,478	0.59
<b>Industrials</b>				
Schneider Electric SE	278	139,756	193,988	1.01
<b>TOTAL FRANCE</b>	<b>343</b>	<b>266,231</b>	<b>306,466</b>	<b>1.60</b>
<b>GERMANY</b>				
<b>Consumer Discretionary</b>				
Adidas AG	93	139,286	122,575	0.64
<b>Information Technology</b>				
Infineon Technologies AG	700	118,536	120,587	0.63
<b>TOTAL GERMANY</b>	<b>793</b>	<b>257,822</b>	<b>243,162</b>	<b>1.27</b>
<b>IRELAND</b>				
<b>Industrials</b>				
Eaton Corporation Plc	450	190,215	281,188	1.47
Johnson Controls International Plc	148	46,018	42,167	0.22
Trane Technologies Plc	56	22,271	40,462	0.21
	654	258,504	363,817	1.90
<b>TOTAL IRELAND</b>	<b>654</b>	<b>258,504</b>	<b>363,817</b>	<b>1.90</b>

## NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 22 MAY 2020 (DATE OF LAUNCH) TO 30 SEPTEMBER 2021 (CONTINUED)

#### 7 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(c) Quoted Equity (continued)

(i) Quoted Equity as at 30 September 2021 are as follows (continued):

<u>Name of Security</u>	<u>Quantity</u> Units	<u>Aggregate</u> <u>cost</u> MYR	<u>Fair</u> <u>value</u> MYR	<u>Percentage</u> <u>of NAV</u> %
<b>JAPAN</b>				
<b>Consumer Staples</b>				
Kobe Bussan Co.,Ltd.	708	84,514	97,048	0.51
<b>Industrials</b>				
Nidec Corporation	220	69,225	102,473	0.53
Recruit Holdings Co.,Ltd.	700	120,231	179,354	0.94
	920	189,456	281,827	1.47
<b>Information Technology</b>				
Keyence Corporation	76	159,344	190,965	1.00
<b>TOTAL JAPAN</b>	<b>1,704</b>	<b>433,314</b>	<b>569,840</b>	<b>2.98</b>
<b>JERSEY</b>				
<b>Consumer Discretionary</b>				
Aptiv Plc	271	92,930	168,952	0.88
<b>TOTAL JERSEY</b>	<b>271</b>	<b>92,930</b>	<b>168,952</b>	<b>0.88</b>
<b>NETHERLANDS</b>				
<b>Information Technology</b>				
Adyen N.V.	18	127,327	210,795	1.10
<b>TOTAL NETHERLANDS</b>	<b>18</b>	<b>127,327</b>	<b>210,795</b>	<b>1.10</b>
<b>NORWAY</b>				
<b>Consumer Staples</b>				
Mowi ASA	1,950	190,628	207,539	1.08
<b>TOTAL NORWAY</b>	<b>1,950</b>	<b>190,628</b>	<b>207,539</b>	<b>1.08</b>

## NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 22 MAY 2020 (DATE OF LAUNCH) TO 30 SEPTEMBER 2021 (CONTINUED)

#### 7 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(c) Quoted Equity (continued)

(i) Quoted Equity as at 30 September 2021 are as follows (continued):

<u>Name of Security</u>	<u>Quantity</u> Units	<u>Aggregate</u> <u>cost</u> MYR	<u>Fair</u> <u>value</u> MYR	<u>Percentage</u> <u>of NAV</u> %
<b>SWITZERLAND</b>				
<b>Consumer Staples</b>				
Nestle Ltd.	157	81,814	79,341	0.41
<b>TOTAL SWITZERLAND</b>	<b>157</b>	<b>81,814</b>	<b>79,341</b>	<b>0.41</b>
<b>TAIWAN</b>				
<b>Information Technology</b>				
Taiwan Semiconductor Manufacturing Co., Ltd.	200	99,111	93,451	0.49
<b>TOTAL TAIWAN</b>	<b>200</b>	<b>99,111</b>	<b>93,451</b>	<b>0.49</b>
<b>UNITED KINGDOM</b>				
<b>Consumer Discretionary</b>				
JD Sports Fashion Plc	1,400	71,761	82,822	0.43
Taylor Wimpey Plc	14,000	140,631	123,068	0.64
	15,400	212,392	205,890	1.07
<b>Health Care</b>				
Astrazeneca Plc	391	174,166	197,622	1.03
<b>Industrials</b>				
Ashtead Group Public Limited Company	440	143,571	140,166	0.73
<b>TOTAL UNITED KINGDOM</b>	<b>16,231</b>	<b>530,129</b>	<b>543,678</b>	<b>2.83</b>

## NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 22 MAY 2020 (DATE OF LAUNCH) TO 30 SEPTEMBER 2021 (CONTINUED)

#### 7 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(c) Quoted Equity (continued)

(i) Quoted Equity as at 30 September 2021 are as follows (continued):

<u>Name of Security</u>	<u>Quantity</u> Units	<u>Aggregate</u> <u>cost</u> MYR	<u>Fair</u> <u>value</u> MYR	<u>Percentage</u> <u>of NAV</u> %
<b>UNITED STATES</b>				
<b>Consumer Discretionary</b>				
Amazon.Com, Inc.	46	645,496	632,403	3.30
D.R. Horton, Inc.	200	73,367	70,283	0.37
Five Below, Inc.	87	61,500	64,376	0.34
Levi Strauss & Co.	1,140	120,230	116,935	0.61
Nike, Inc.	275	155,190	167,142	0.87
Target Corporation	195	132,209	186,693	0.97
Ulta Beauty, Inc.	63	80,486	95,158	0.50
	<u>2,006</u>	<u>1,268,478</u>	<u>1,332,990</u>	<u>6.96</u>
<b>Consumer Staples</b>				
Mondelez International, Inc.	340	88,766	82,784	0.43
The Estee Lauder Companies Inc.	100	130,859	125,521	0.65
Walmart Inc.	222	127,832	129,494	0.68
	<u>662</u>	<u>347,457</u>	<u>337,799</u>	<u>1.76</u>
<b>Energy</b>				
Chevron Corporation	375	136,945	159,213	0.83
EOG Resources, Inc.	300	100,833	100,779	0.53
Exxon Mobil Corporation	480	124,472	118,158	0.62
	<u>1,155</u>	<u>362,250</u>	<u>378,150</u>	<u>1.98</u>
<b>Health Care</b>				
Boston Scientific Corporation	610	98,825	110,768	0.58
Danaher Corporation	151	108,815	192,386	1.00
Eli Lilly And Company	120	115,939	116,033	0.61
Intuitive Surgical, Inc.	13	55,131	54,087	0.28
Johnson & Johnson	179	119,311	120,982	0.63
Medtronic Public Limited Company	248	109,205	130,098	0.68
	<u>1,321</u>	<u>607,226</u>	<u>724,354</u>	<u>3.78</u>

## NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 22 MAY 2020 (DATE OF LAUNCH) TO 30 SEPTEMBER 2021 (CONTINUED)

#### 7 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(c) Quoted Equity (continued)

(i) Quoted Equity as at 30 September 2021 are as follows (continued):

<u>Name of Security</u>	<u>Quantity</u> Units	<u>Aggregate</u> <u>cost</u> MYR	<u>Fair</u> <u>value</u> MYR	<u>Percentage</u> <u>of NAV</u> %
<b>Industrials</b>				
Emerson Electric Co.	340	125,342	134,037	0.70
Honeywell International Inc.	162	103,487	143,919	0.75
Jacobs Engineering Group Inc.	120	61,795	66,557	0.35
Uber Technologies, Inc.	785	178,652	147,178	0.76
	<u>1,407</u>	<u>469,276</u>	<u>491,691</u>	<u>2.56</u>
<b>Information Technology</b>				
Adobe Inc.	98	178,999	236,120	1.23
Apple Inc.	853	413,015	505,127	2.62
Applied Materials, Inc.	175	74,617	94,279	0.49
CrowdStrike Holdings, Inc.	95	85,273	97,716	0.51
Marvell Technology, Inc.	515	84,347	129,985	0.68
Mastercard Incorporated.	120	156,195	174,605	0.91
Micron Technology, Inc.	516	139,009	153,278	0.80
Microsoft Corporation	699	628,045	824,706	4.30
Nvidia Corporation	436	188,541	377,998	1.97
Servicenow, Inc.	56	101,490	145,836	0.76
Square, Inc.	198	146,070	198,740	1.03
	<u>3,761</u>	<u>2,195,601</u>	<u>2,938,390</u>	<u>15.30</u>
<b>Telecommunication Services</b>				
Alphabet Inc.	63	480,701	702,722	3.66
Facebook, Inc.	239	250,761	339,463	1.77
	<u>302</u>	<u>731,462</u>	<u>1,042,185</u>	<u>5.43</u>
TOTAL UNITED STATES	<u>10,614</u>	<u>5,981,750</u>	<u>7,245,559</u>	<u>37.77</u>
Total Quoted Equity	<u>39,272</u>	<u>9,675,164</u>	<u>11,087,826</u>	<u>57.82</u>
Accumulated unrealised gain on Quoted Equity		<u>1,412,662</u>		
Total Quoted Equity		<u>11,087,826</u>		



## NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 22 MAY 2020 (DATE OF LAUNCH) TO 30 SEPTEMBER 2021 (CONTINUED)

#### 8 FORWARD FOREIGN CURRENCY CONTRACTS

The Islamic forward foreign currency contracts are transacted with CIMB Islamic Bank Berhad and Standard Chartered Saadiq Berhad. The Islamic foreign currency forward agreement entered into is for hedging against the currency exposure arising from the investment in the quoted Shariah-compliant investments and Islamic collective investment scheme denominated in MYR.

As at the date of the statement of financial position, there is no forward foreign currency contracts outstanding.

As the Fund has not adopted hedge accounting, the change in the fair value of the Islamic foreign currency forward contracts is recognised immediately in the statement of income and expenses.

#### 9 NUMBER OF UNITS IN CIRCULATION

##### (a) MYR NGSSGFA CLASS units in circulation

	As at <u>30.9.2021</u> No. of units
At the date of launch	-
Creation of units arising from applications during the financial period	11,738,399
Cancellation of units during the financial period	<u>(474,398)</u>
At the end of the financial period	<u>11,264,001</u>

##### (b) MYR NGSSGFB CLASS units in circulation

	As at <u>30.9.2021</u> No. of units
At the date of launch	-
Creation of units arising from applications during the financial period	7,350,870
Cancellation of units during the financial period	<u>(2,647,607)</u>
At the end of the financial period	<u>4,703,263</u>

## NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 22 MAY 2020 (DATE OF LAUNCH) TO 30 SEPTEMBER 2021 (CONTINUED)

#### 10 TRANSACTIONS WITH BROKER/INTERMEDIARY

(i) Details of transactions with the broker/intermediary for the financial period from 22 May 2020 (date of launch) to 30 September 2021 are as follows:

<u>Name of broker/intermediary</u>	<u>Value of trade</u> MYR	<u>Percentage</u> of total trade %	<u>Brokerage</u> fees MYR	<u>Percentage</u> of total brokerage %
Nomura Islamic Asset Management Sdn. Bhd.	41,012,277	54.18	-	-
J.P. Morgan Securities Llc	7,205,632	9.52	7,113	24.57
Sanford C. Bernstein And Co., Llc	6,464,120	8.54	3,830	13.23
Daiwa Securities SMBC Hong Kong Ltd	5,865,157	7.75	6,160	21.28
Robert W. Baird & Co.	5,294,173	6.99	1,377	4.75
Citigroup Global Markets Limited	3,802,699	5.02	6,155	21.26
Merrill Lynch International Limited	3,284,721	4.34	2,278	7.87
Evercore Inc	904,532	1.20	244	0.84
Jefferies Llc	782,043	1.03	290	1.00
CLSA Singapore Pte Ltd	382,438	0.51	420	1.45
Others	695,814	0.92	1,085	3.75
	<u>75,693,606</u>	<u>100.00</u>	<u>28,952</u>	<u>100.00</u>

#### 11 UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER

The related parties of and their relationships with the Fund are as follows:

<u>Related parties</u>	<u>Relationship</u>
Nomura Asset Management Malaysia Sdn Bhd	The Manager
Senior Management of the Manager	Director(s) of the Manager

The number of units held by the Director(s) of the Manager as at the end of the financial period as follows:

	No. of units	As at <u>30.9.2021</u> MYR
Director(s) of the Manager - MYR NGSSGFA CLASS	30,002	36,077

## NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 22 MAY 2020 (DATE OF LAUNCH) TO 30 SEPTEMBER 2021 (CONTINUED)

#### 12 MANAGEMENT EXPENSE RATIO (“MER”)

Financial  
period from  
22.5.2020  
(date of  
launch) to  
30.9.2021  
%

MER 2.15

MER is derived from the following calculation:

$$\text{MER} = \frac{(A + B + C + D + E + F) \times 100}{G}$$

A	=	Management fee, excluding management fee rebates
B	=	Trustee fee
C	=	Fund accounting fee
D	=	Auditors' remuneration
E	=	Tax agent's fee
F	=	Other expenses
G	=	Average NAV of Fund calculated on a daily basis

The average NAV of the Fund for the financial period calculated on a daily basis is MYR14,740,222.

#### 13 PORTFOLIO TURNOVER RATIO (“PTR”)

Financial  
period from  
22.5.2020  
(date of  
launch) to  
30.9.2021

PTR (times) 2.54

PTR is derived from the following calculation:

$$\frac{(\text{Total acquisition for the financial period} + \text{total disposal for the financial period}) \div 2}{\text{Average NAV of the Fund for the financial period calculated on a daily basis}}$$

where: total acquisition for the financial period = MYR45,393,188  
total disposal for the financial period = MYR29,354,074

## **NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 22 MAY 2020 (DATE OF LAUNCH) TO 30 SEPTEMBER 2021 (CONTINUED)**

#### **14 COMPARATIVES**

There are no comparative figures as this is the first set of annual financial statements prepared since the launch of the Fund.

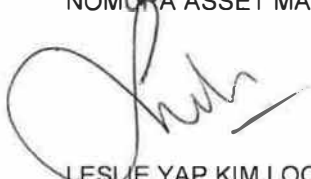
#### **15 SHARIAH INFORMATION OF THE FUND**

The Shariah Adviser has confirmed that the investment portfolio of the Fund is Shariah-compliant, which comprises liquid assets that are placed in the Shariah-compliant investment and/or instruments.

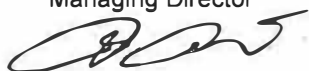
**NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND****STATEMENT BY THE MANAGER**

We, Leslie Yap Kim Loong and Atsushi Ichii, being two of the Directors of Nomura Asset Management Malaysia Sdn Bhd (the "Manager"), do hereby state that, in the opinion of the Manager, the accompanying financial statements set out on pages 1 to 36 are drawn up in accordance with the provisions of the Deed and give a true and fair view of the financial position of the Fund as at 30 September 2021 and of its financial performance, changes in net assets attributable to unitholders and cash flows for the financial period from 22 May 2020 (date of launch) to 30 September 2021 in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

For and on behalf of the Manager,  
NOMURA ASSET MANAGEMENT MALAYSIA SDN BHD



LESLIE YAP KIM LOONG  
Managing Director



ATSUSHI ICHII  
Director

Kuala Lumpur

29 NOV 2021



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## TRUSTEE'S REPORT

### TO THE UNIT HOLDERS OF NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

We have acted as Trustee for Nomura Global Shariah Strategic Growth Fund (the "Fund") for the financial period from 22 May 2020 (date of launch) to 30 September 2021. To the best of our knowledge, for the financial period under review, Nomura Asset Management Malaysia Sdn Bhd (the "Manager") has operated and managed the Fund in accordance with the following:-

- (a) limitations imposed on the investment powers of the Manager under the Deed(s), the Securities Commission's Guidelines on Unlisted Capital Market Products under The Lodge and Launch Framework, the Capital Markets and Services Act and other applicable laws;
- (b) valuation and pricing for the Fund is carried out in accordance with the Deed(s) of the Fund and any regulatory requirements; and
- (c) creation and cancellation of units for the Fund are carried out in accordance with the Deed(s) of the Fund and any regulatory requirements.

For Deutsche Trustees Malaysia Berhad

A handwritten signature in black ink, appearing to read 'mif'.

**Soon Lai Ching**  
Senior Manager, Trustee Operations

A handwritten signature in black ink, appearing to read 'Jiva'.

**Jiva Munusamy**  
Head, Client Management

Kuala Lumpur  
29 November 2021

## 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 year ended 30 September 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

A handwritten signature in black ink, appearing to read "Aida Othman", with a horizontal line underneath.

DR. AIDA OTHMAN

Designated Person Responsible for Shariah Matters Relating to the Fund

Kuala Lumpur

29 NOV 2021



## INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Our opinion

In our opinion, the financial statements of Nomura Global Shariah Strategic Growth Fund (“the Fund”) give a true and fair view of the financial position of the Fund as at 30 September 2021, and of its financial performance and its cash flows for the financial period from 22 May 2020 (date of launch) to 30 September 2021 in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards.

#### What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 30 September 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial period from 22 May 2020 (date of launch) to 30 September 2021, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 1 to 36.

#### Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the “Auditors’ responsibilities for the audit of the financial statements” section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence and other ethical responsibilities*

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants (“By-Laws”) and the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.





## INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND (CONTINUED)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

#### Information other than the financial statements and auditors' report thereon

The Manager of the Fund is responsible for the other information. The other information comprises Manager's report but does not include the financial statements of the Fund and our auditors' report thereon.

Our opinion on the financial statements of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of the Manager for the financial statements

The Manager of the Fund is responsible for the preparation of the financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or has no realistic alternative but to do so.

#### Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF  
NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- (d) Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF  
NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND (CONTINUED)

OTHER MATTERS

This report is made solely to the unitholders of the Fund and for no other purpose. We do not assume responsibility to any other person for the content of this report.

A handwritten signature in black ink, appearing to be 'R. N. C.', is written over the printed name of the firm.

PRICEWATERHOUSECOOPERS PLT  
LLP0014401-LCA & AF 1146  
Chartered Accountants

Kuala Lumpur  
29 November 2021