

# Nomura Global Sustainable Equity Fund

Semi-Annual Report and Unaudited Financial Statements For  
The Period From 18 June 2021 (Launch Date) to 31 January  
2022

**MANAGER:**

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

**TRUSTEE:**

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

**AUDITOR:**

Pricewaterhouse Coopers PLT  
Business Registration No.: LLP0014401-LCA & AF1146

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*This Semi-Annual Report is available, upon request, to unit holders without charge*

## 1. FUND PROFILE

### 1.1 Fund Name

Nomura Global Sustainable Equity Fund (“**Fund**”)

### 1.2 Type and Category of Fund

Growth – Feeder Fund (Global equity)

### 1.3 Duration of the Fund

The Fund is an open-ended fund.

### 1.4 Investment Objectives

The Fund aims to achieve long-term capital growth by investing in the Nomura Funds Ireland – Global Sustainable Equity Fund USD-F (“**Target Fund**”).

### 1.5 Distribution Policy

Incidental. Distribution of income shall be in line with the dividend policy of the Target Fund.

### 1.6 Performance Benchmark

MSCI All Country World Index (“**Benchmark**”).

## 2. FUND PERFORMANCE

### 2.1 Key Fund Performance Data

Asset Allocation / Portfolio Composition	31 January 2022
Target Fund	99.30%
Cash and Others <sup>#</sup>	0.70%
<b>Total (%)</b>	<b>100</b>

<sup>#</sup> Included in ‘Cash and Others’ are cash on hand and net current assets/ liabilities. Net current liabilities include amounts which are accrued (but not due and payable).

### Fund – MYR Class A

Category	Since Commencement, 9 July 2021 to 31 Jan 2022
Highest NAV per Unit (RM) <sup>1</sup>	1.0489
Lowest NAV per Unit (RM) <sup>1</sup>	0.9622
Total Return (%) <sup>2</sup>	
- Capital growth (%)	(1.73)
- Income (%)	-
Gross/Net Distribution per unit (sen)	-
Total NAV (USD) <sup>1</sup>	235
NAV per Unit (RM)	0.9827
Unit in Circulation	1,000

**Fund – MYR Class B**

<b>Category</b>	<b>Since Commencement, 9 July 2021 to 31 Jan 2022</b>
Highest NAV per Unit (RM) <sup>1</sup>	1.0444
Lowest NAV per Unit (RM) <sup>1</sup>	0.9514
Total Return (%) <sup>2</sup>	
- Capital growth (%)	(2.85)
- Income (%)	-
Gross/Net Distribution per unit (sen)	-
Total NAV (USD) <sup>1</sup>	3,032,853
NAV per Unit (RM)	0.9715
Unit in Circulation	13,061,450

**Fund – USD Class**

<b>Category</b>	<b>Since Commencement, 9 July 2021 to 31 Jan 2022</b>
Highest NAV per Unit (USD) <sup>1</sup>	1.0346
Lowest NAV per Unit (USD) <sup>1</sup>	0.9464
Total Return (%) <sup>2</sup>	
- Capital growth (%)	(3.27)
- Income (%)	-
Gross/Net Distribution per unit (sen)	-
Total NAV (USD) <sup>1</sup>	31,181
NAV per Unit (USD)	0.9673
Unit in Circulation	32,234

<b>Category</b>	<b>Since Commencement, 9 July 2021 to 31 Jan 2022</b>
Total Expense Ratio (%) <sup>3</sup>	1.22
Portfolio Turnover Ratio (time) <sup>4</sup>	1.39

# Notes:

- (1) *Figures shown as ex-distribution.*
- (2) *Total Return of the Fund and its Benchmark for a period are calculated based on the absolute return of the Fund for that period. The calculation of the Total Return of the Fund is based on NAV-to-NAV basis, and is sourced from Refinitiv Lipper. Fund performances include reinvestment of income distributions into the Fund. The performance figures are a comparison of the growth/decline in NAV for the stipulated period taking into account all the distributions payable (if any) during the stipulated period:*
  - **Capital Return**= {NAV per Unit End / NAV per Unit Beginning – 1} x 100
  - **Income Return**= {Income Distribution per Unit / NAV per Unit Ex-Distribution} x 100
- (3) *Total Expense Ratio ("TER") is calculated based on the total fees and expenses incurred by the Fund divided by the average net asset value of the Fund for the financial period calculated on daily basis.*
- (4) *Portfolio Turnover ratio ("PTR") is calculated based on the total acquisitions and total disposals of investment securities of the Fund for the financial period divided by the average net asset value of the Fund for the financial period calculated on daily basis.*

## 2.2 Average Total Return of the Fund

### Fund – MYR Class A

	Since Commencement, 9 July 2021 to 31 Jan 2022
<b>Average Total Return (%)</b>	(3.03)

Source: Refinitiv Lipper

### Fund – MYR Class B

	Since Commencement, 9 July 2021 to 31 Jan 2022
<b>Average Total Return (%)</b>	(4.97)

Source: Refinitiv Lipper

### Fund – USD Class

	Since Commencement, 9 July 2021 to 31 Jan 2022
<b>Average Total Return (%)</b>	(5.69)

Source: Refinitiv Lipper

## 2.3 Annual Total Return of the Fund

### Fund – MYR Class A

	Since Commencement, 9 July 2021 to 31 Jan 2022
<b>Total Return (%)</b> <sup>1</sup>	(1.73)
<b>Benchmark (%)</b>	0.14

Source: Refinitiv Lipper

### Fund – MYR Class B

	Since Commencement, 9 July 2021 to 31 Jan 2022
<b>Total Return (%)</b> <sup>1</sup>	(2.85)
<b>Benchmark (%)</b>	0.14

Source: Refinitiv Lipper

### Fund – USD Class

	Since Commencement, 9 July 2021 to 31 Jan 2022
<b>Total Return (%)</b> <sup>1</sup>	(3.27)
<b>Benchmark (%)</b>	0.04

Source: Refinitiv Lipper

### Notes:

- (1) Annual Total Return of the Fund and its Benchmark for a period are calculated based on the absolute return of the Fund for that period. The calculation of the Annual Total Return of the Fund is based on NAV-to-NAV basis, and include reinvestment of income distributions into the Fund. Further details on basis of calculation and assumption made in calculating returns is as follows:

The performance figures are a comparison of the growth/decline in NAV for the stipulated period taking into account all the distributions payable (if any) during the stipulated period:

- **Capital Return** =  $\{NAV \text{ per Unit End} / NAV \text{ per Unit Beginning} - 1\} \times 100$
- **Income Return** =  $\{Income \text{ Distribution per Unit} / NAV \text{ per Unit Ex-Distribution}\} \times 100$
- **Total Return** =  $\{(1 + Capital \text{ Return}) \times (1 + Income \text{ Return})\} - 1$

An illustration of the above would be as follows:

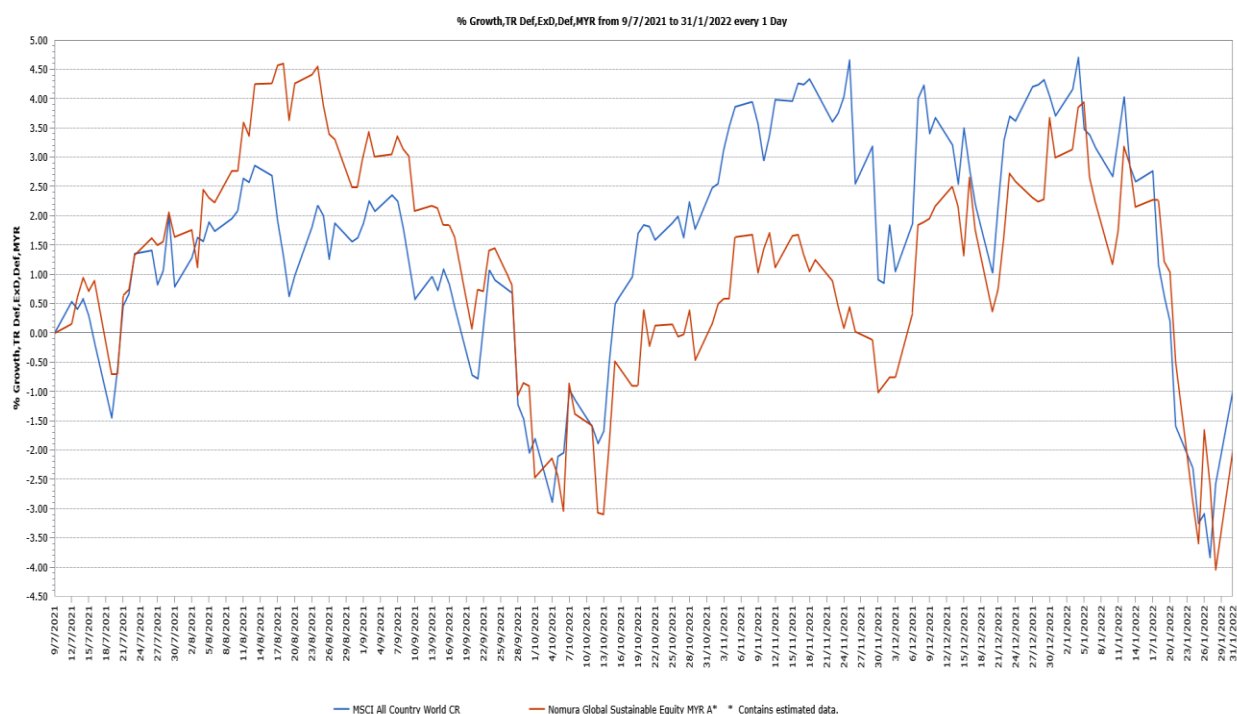
- **Capital Return**  $= 0.9827 / 1.0000 - 1$   
 $= -0.0173 \times 100$   
 $= -1.73\%$
- **Income Return**  $= 0\%$
- **Total Return**  $= \{(1 - 1.73)\} \times (1 + 0.0) - 1$   
 $= -1.73\%$

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

### 3. MANAGER'S REPORT

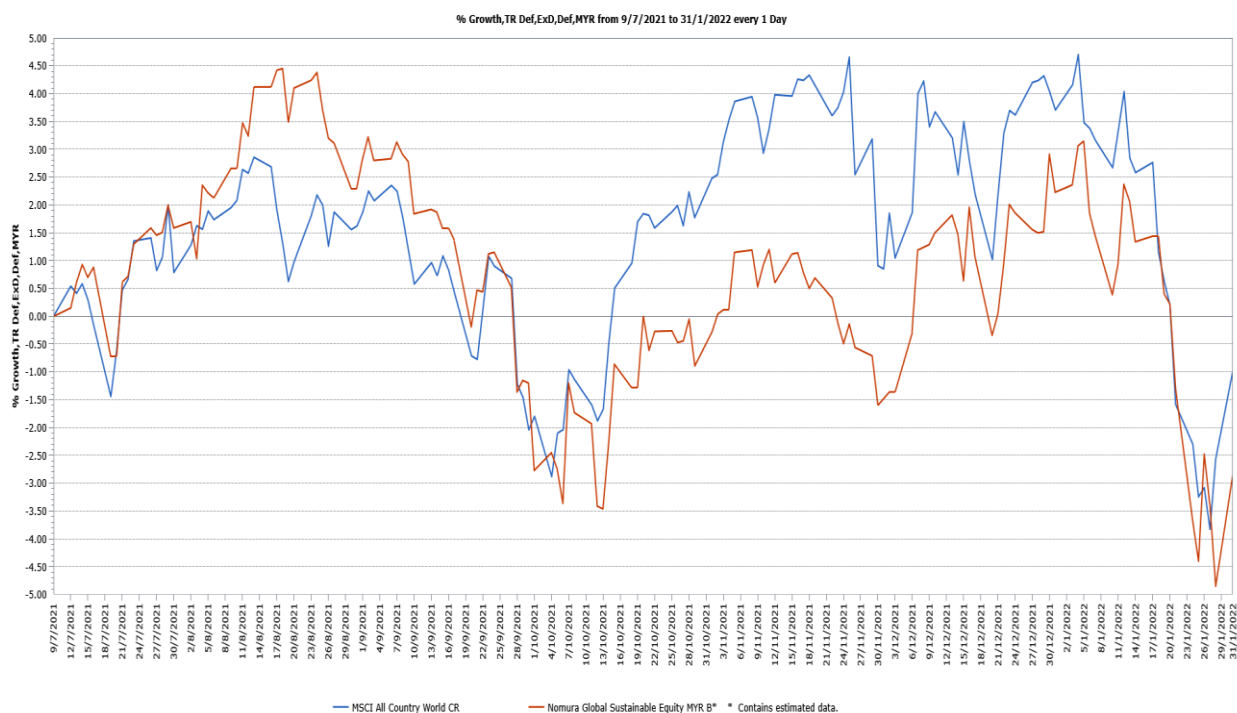
#### Performance of Nomura Global Sustainable Equity Fund from 9 July 2021 to 31 January 2022

Fund – MYR Class A

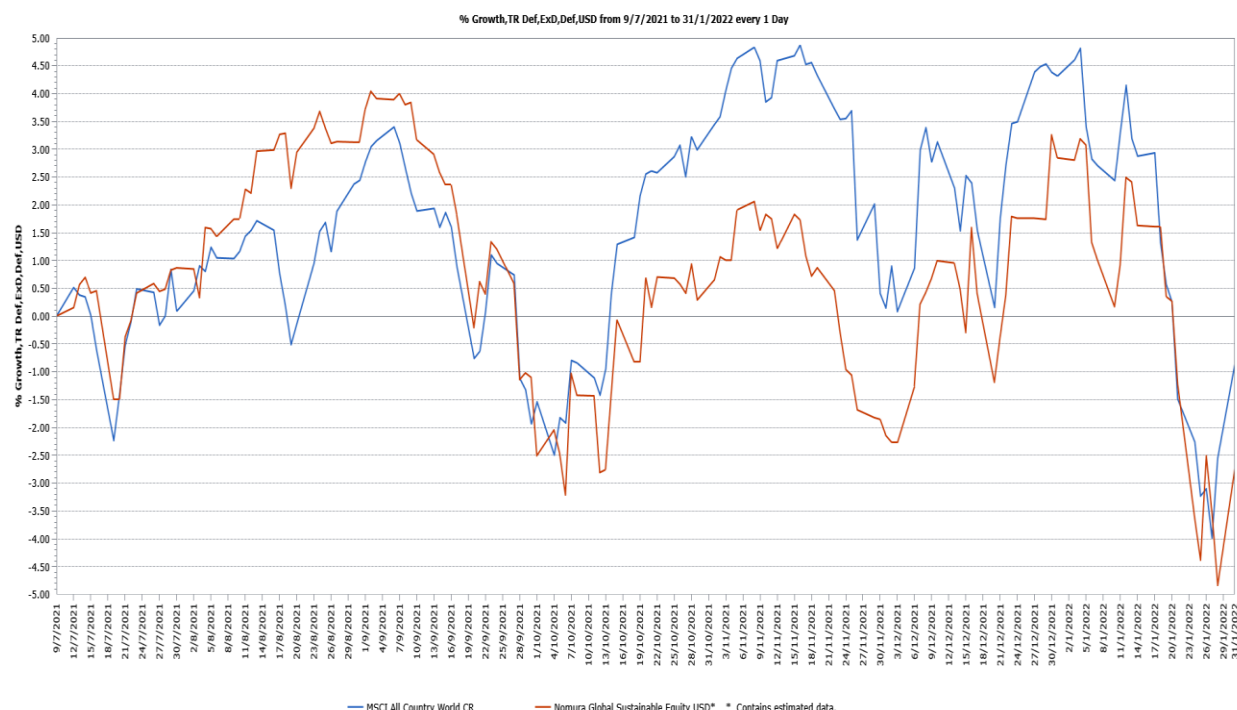


Source: Uppier

## Fund – MYR Class B



## Fund – USD Class



**Benchmark:** MSCI All Country World Index

**Source:** The calculation of the Annual Total Return of the Fund is based on NAV-to-NAV basis, and is sourced from Refinitiv Lipper. Fund performances include reinvestment of income distributions into the Fund.



### 3.1 Performance for the period from 9 July 2021 to 31 January 2022

#### **Fund – MYR Class A**

For the period under review from 9 July 2021 to 31 January 2022, MYR Class A has registered -1.73% return. Compared to the Benchmark return of 0.14%, MYR Class A has underperformed the Benchmark by -1.87%. The Net Asset Value (NAV) per unit of MYR Class A as at 18 June 2021 (launch date) was RM 1.0000 compared to the NAV per unit as at 31 January 2022 of RM 0.9827. On the total NAV basis, MYR Class A's NAV stood at RM 982.70 as at 31 January 2022. During the period under review, MYR Class A has not declared any income distribution.

#### **Fund – MYR Class B**

For the period under review from 9 July 2021 to 31 January 2022, MYR Class B has registered -2.85% return. Compared to the Benchmark return of 0.14%, MYR Class B has underperformed the Benchmark by -2.99%. The Net Asset Value (NAV) per unit of MYR Class B as at 18 June 2021 (launch date) was RM 1.0000 compared to the NAV per unit as at 31 January 2022 of RM 0.9715. On the total NAV basis, MYR Class B's NAV stood at RM 12.69 million as at 31 January 2022. During the period under review, MYR Class B has not declared any income distribution.

#### **Fund – USD Class**

For the period under review from 9 July 2021 to 31 January 2022, USD Class has registered -3.27% return. Compared to the Benchmark return of 0.04%, USD Class has underperformed the Benchmark by -3.31%. The Net Asset Value (NAV) per unit of USD Class as at 18 June 2021 (launch date) was USD 1.0000 compared to the NAV per unit as at 31 January 2022 of USD 0.9673. On the total NAV basis, USD Class' NAV stood at USD 0.03 million as at 31 January 2022. During the period under review, USD Class has not declared any income distribution.

### 3.2 Review of Market and Target Fund for the period from 9 July 2021 to 31 January 2022

It was a volatile period for the relative performance of the strategy as the market swung wildly between favouring certain styles and sectors as levels of concerns over the COVID pandemic oscillated and the debate over whether government and central bank actions would ultimately prove inflationary raged on.

Sector allocation contributed modestly over the period as strong headwinds from the outperformance of Energy and Financials (to which the strategy is very underweight) were offset by the underweight to Consumer Discretionary. Stock selection was broadly neutral over the period with strong selection in Healthcare and Industrials offset by selection in Technology as for much of the period the market continued to ignore pockets of extreme overvaluation and overly penalise companies under any threat of disruption; though this did start to turn towards the end of calendar year and into January. The strategy overweight to Quality (Profit) and underweight to Earnings Variability both contributed positively to performance, whilst the modestly negative 'Growth-Value' exposure oscillated between being a strong tailwind and a strong headwind over the period as market perceptions swung wildly around the implications for risk assets of the Coronavirus pandemic, and the global response of governments and central banks.

The greatest contributors to the performance of the Target Fund were Novo Nordisk and AXA. On the other hand, the greatest detractors to the performance were PayPal and Umicore.

*Source: Nomura Asset Management U.K. Ltd*

### 3.3 Investment Outlook

Since the end of the reporting period (31<sup>st</sup> January) continued hawkish commentary from the Federal Reserve (“**Fed**”), in which it has signalled that it will increase rates faster to combat inflation and that it is almost ready to start to shrink its balance sheet, initially led to the market fully pricing in upwards of 6 rate hikes in 2022 and the US ten year initially rose to in excess of 2.0%. However, the surprise invasion of Ukraine by Russia mid-February has since driven a material risk off move in broader markets. On one hand the impact on oil and gas prices, which have spiked very sharply, are adding to concerns around inflation, however on the other hand markets have begun to discount the ability of the Fed to raise rates more aggressively faced with such elevated geopolitical risks, which has driven a sharp decline in real interest rates. This has resulted in exceptionally high volatility in in the first few weeks and once again huge swings between the performance of certain styles and sectors.

The strategy has no direct holdings in Russia and the underlying holdings themselves have very low exposure to Russia or Eastern Europe, however performance should be expected to remain volatile in the near term given the impact of rising commodity prices, inflation pressures and potential implications for central bank actions in the face of such elevated geopolitical risk. Furthermore the bubble like valuation levels that have been seen in pockets of the market such as ‘Clean Energy’, and the subsequent collapse as investors have been forced to refocus on underlying valuation, highlight the extraordinary times we have been through with regards to excess liquidity and the distortions this has created. We strongly believe it is more important than ever within this extremely volatile environment – in which markets are readjusting to unprecedented changes in levels of support combined with highly elevated geopolitical risk – to remain diligently focused on valuation and not chase ‘Growth’ or ‘Impact’ at any price.

*Source: Nomura Asset Management U.K. Ltd*

### 3.4 Strategies Employed for the period from 9 July 2021 to 31 January 2022

The Fund is a qualified Sustainable and Responsible Investment Fund under the Securities Commission Malaysia’s Guidelines on Sustainable and Responsible Investment Funds. The Fund invests in the Target Fund which invests in businesses that provide a positive impact on the sustainable development of society in accordance to the United Nation Sustainable Development Goals (“**UN SDGs**”). This includes the screening, selection, monitoring and realisation of the Target Fund’s investments by the Investment Manager.

The Fund remained primarily invested in the Target Fund with approximately 99% of the Fund’s assets being invested in the Target Fund during the period under review.

The Manager’s general approach to responsible investment can be found in its reports via the following link: <https://www.nomura-asset.com.my/responsible-investment/responsible-investing-reports/>

### 3.5 Strategies Employed by the Target Fund for the period from 9 July 2021 to 31 January 2022

The Investment Manager of the Target Fund (“**Investment Manager**”) has set six UNSDGs aligned “Impact Goals,” reflecting its sustainable investment objective, to pursue over the long term. The “Impact Goals” are as follows:

- 1) Mitigate Climate Change,
- 2) Mitigate Natural Capital Depletion,
- 3) Eliminate Communicable Disease,
- 4) Mitigate the Obesity Epidemic,
- 5) Global Access to Basic Financial Services and
- 6) Global Access to Clean Drinking Water.

Against the Investment Manager's "Impact Goals", the Target Fund has shown broad based positive contribution in 2021 which the data is monitored. For the period (Jan 1, 2021 – Dec 31, 2021), the Target Fund's sustainability 'impact' indicators performed with the data (impact per USD million invested in the Target Fund) shown as below:

- Recovered 807 kgs of high value industrial and precious metals through recycling;
- 329 tonnes lower CO2 emissions (scope 1+2+3) relative to the Index, the MSCI All Country World Index. Equivalent to taking 72 cars off the road;
- 2.46 kW of renewable energy connected. Enough to power 3 homes;
- 73 kWh of cathode material produced for electric vehicles. Enough to power 3 EVs;
- 25 low income patients reached with treatments for communicable diseases through access strategies ;
- Provided treatment for 6 diabetes sufferers;
- Provided \$617 of mortgage financing to the economically weak sector in India;
- Supported 52 otherwise highly underserved individuals across Kenya having access to mobile payments; and
- Supported the production of 1,528 litres of clean drinking water.

Source: Nomura Asset Management U.K. Ltd

### 3.6 Asset Allocation

Asset Allocation / Portfolio Composition	31 January 2022
Target Fund	99.30%
Cash and Others <sup>#</sup>	0.70%
<b>Total (%)</b>	<b>100</b>

<sup>#</sup> Included in 'Cash and Others' are cash on hand and net current assets/ liabilities. Net current liabilities include amounts which are accrued (but not due and payable).

There were no significant changes on the Fund's asset allocation during the financial period under review.

### 3.7 Target Fund's Top 10 Holdings

No.	Holdings Name	As at 31 January 2022 (% of Target Fund's NAV)
1	Novo Nordisk A/S Class B	3.83
2	Becton, Dickinson and Company	3.82
3	Microsoft Corporation	3.79
4	Johnson Controls International plc	3.77
5	Alphabet Inc. Class A	3.75
6	Apple Inc.	3.39
7	Mastercard Incorporated Class A	3.32
8	Taiwan Semiconductor Manufacturing Co., Ltd.	3.30
9	National Grid plc	3.19
10	AXA SA	3.14

Source: Nomura Asset Management U.K. Limited

### 3.8 Securities Lending or Repurchase Transactions

The Fund has not undertaken any securities lending or repurchase transactions during the financial period under review.

### 3.9 Income Distribution

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

### 3.10 Details of Any Unit Split Exercise

There was no unit split exercise during the financial period under review.

### 3.11 Significant Changes in the State of Affairs of the Fund

There were no significant changes in the state of affairs of the Fund during the financial period under review.

In addition, please find the latest changes to the Manager's board of directors as follows:

Ms. Nor Rejina Abdul Rahim (resigned on 1 November 2021)  
 Mr. Leslie Yap Kim Loong (appointed on 1 November 2021) ^  
 Mr. Atsushi Ichii  
 Mr. Johari Bin Abdul Muid\*  
 Ms. Julia Binti Hashim\*

*^Also serves as Investment Committee member (non-independent) and non-executive director of the Manager's sister company, Nomura Islamic Asset Management Sdn. Bhd.*

*\* Independent director*

### 3.12 Circumstances that Materially Affect Any Interest of Unit Holders

There were no circumstances that had materially affected the interest of the unit holders during the financial period under review.

### 3.13 Cross Trades Transactions

There were no cross trades conducted during the financial period under review.

### 3.14 Soft Commissions Received From Brokers

The Manager did not receive any soft commission during the financial period under review.

*This Semi-Annual Report is prepared by the Manager of the Fund, Nomura Asset Management Malaysia Sdn. Bhd., for information purposes only. Past earnings of the Fund's distribution record is not a guarantee or reflection of the Fund's future earnings or future distributions. Investors are advised that unit prices, distributions payable and investment returns may go down, as well as up.*

NOMURA GLOBAL SUSTAINABLE EQUITY FUND

SEMI-ANNUAL REPORT

FOR THE FINANCIAL PERIOD FROM 18 JUNE 2021  
(DATE OF LAUNCH) TO 31 JANUARY 2022  
(UNAUDITED)

# NOMURA GLOBAL SUSTAINABLE EQUITY FUND

## SEMI-ANNUAL REPORT

FOR THE FINANCIAL PERIOD FROM 18 JUNE 2021  
(DATE OF LAUNCH) TO 31 JANUARY 2022  
(UNAUDITED)

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# NOMURA GLOBAL SUSTAINABLE EQUITY FUND

## STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 18 JUNE 2021 (DATE OF LAUNCH) TO 31 JANUARY 2022

	<u>Note</u>	Financial period from 18.6.2021 (date of launch) to <u>31.1.2022</u> USD
<b>INVESTMENT LOSS</b>		
Net loss on forward foreign currency contracts at fair value through profit or loss		(494)
Net loss on financial assets at fair value through profit or loss ("FVTPL")	3	(56,396)
		<u>(56,890)</u>
<b>OTHER INCOME</b>		
Net loss on foreign currency exchange		(3,225)
		<u>(3,225)</u>
<b>EXPENSES</b>		
Management fee	4	(11,263)
Trustee fee	5	(211)
Auditors' remuneration		(1,350)
Tax agent's fee		(689)
Other expenses		(896)
		<u>(14,409)</u>
<b>LOSS BEFORE TAXATION</b>		(74,524)
<b>TAXATION</b>	6	-
<b>DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<u>(74,524)</u>
Decrease in net assets attributable to unitholders is made up of the following:		
Realised amount		(16,543)
Unrealised amount		(57,981)
		<u>(74,524)</u>

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

# NOMURA GLOBAL SUSTAINABLE EQUITY FUND

## STATEMENT OF FINANCIAL POSITION AS AT 31 JANUARY 2022

	<u>Note</u>	<u>As at</u> <u>31.1.2022</u> USD
<b>ASSETS</b>		
Cash and cash equivalents	7	45,744
Financial assets at fair value through profit or loss ("FVTPL")	3	3,042,863
Amount due from Manager	8	5,158
<b>TOTAL ASSETS</b>		<u>3,093,505</u>
<b>LIABILITIES</b>		
Forward foreign currency contract		494
Amount due to Manager	10	4,174
Amount due to Trustee		78
Amount due to provider	9	23,163
Auditors' remuneration		1,350
Tax agent's fee		237
<b>TOTAL LIABILITIES EXCLUDING NET ASSETS</b>		<u>29,496</u>
<b>ATTRIBUTABLE TO UNITHOLDERS</b>		
<b>NET ASSET VALUE OF THE FUND</b>		<u>3,064,269</u>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<u>3,064,269</u>

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



# NOMURA GLOBAL SUSTAINABLE EQUITY FUND

## STATEMENT OF FINANCIAL POSITION AS AT 31 JANUARY 2022 (CONTINUED)

	<u>Note</u>	<u>As at</u> <u>31.1.2022</u> USD
<b>REPRESENTED BY</b>		
<b>FAIR VALUE OF OUTSTANDING UNITS (USD)</b>		
MYR CLASS A		235
MYR CLASS B		3,032,853
USD CLASS		<u>31,181</u>
<b>NUMBER OF UNIT IN CIRCULATION (UNITS)</b>		
MYR CLASS A	11(a)	1,000
MYR CLASS B	11(b)	13,061,450
USD CLASS	11(c)	<u>32,234</u>
<b>NET ASSET VALUE PER UNIT (USD)</b>		
MYR CLASS A		0.2349
MYR CLASS B		0.2322
USD CLASS		<u>0.9673</u>
<b>NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES</b>		
MYR CLASS A		0.9827
MYR CLASS B		0.9715
USD CLASS		<u>0.9673</u>

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

# NOMURA GLOBAL SUSTAINABLE EQUITY FUND

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE FINANCIAL PERIOD FROM 18 JUNE 2021 (DATE OF LAUNCH) TO 31 JANUARY 2022

	Financial period from 18.6.2021 (date of launch) to <u>31.1.2022</u> USD
<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 from applications	
MYR CLASS A	241
MYR CLASS B	3,162,164
USD CLASS	<u>32,323</u>
	<u>3,194,728</u>
Cancellation of units	
MYR CLASS B	<u>(55,935)</u>
Decrease in net assets attributable to unitholders during the financial period	<u>(74,524)</u>
<b>Net assets attributable to unitholders at the end of financial period</b>	<u><u>3,064,269</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 SUSTAINABLE EQUITY FUND

## STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD FROM 18 JUNE 2021 (DATE OF LAUNCH) TO 31 JANUARY 2022

	<u>Note</u>	Financial period from 18.6.2021 (date of launch) to <u>31.1.2022</u> USD
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Proceed from sale of investments		16,600
Purchase of investments		(3,093,406)
Management fee paid		(7,089)
Rebate on management fee		451
Trustee fee paid		(133)
Tax agent fee paid		(452)
Payment for other fees and expenses		(896)
Net realised foreign exchange loss		(3,230)
Net cash used in operating activities		<u>(3,088,155)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from creation of units		3,189,834
Payments for cancellation of units		(55,935)
Net cash generated from financing activities		<u>3,133,899</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		45,744
<b>EFFECTS OF FOREIGN CURRENCY EXCHANGE</b>		-
<b>CASH AND CASH EQUIVALENTS AT THE DATE OF LAUNCH</b>		-
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	7	<u><u>45,744</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 SUSTAINABLE EQUITY FUND

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 18 JUNE 2021 (DATE OF LAUNCH) TO 31 JANUARY 2022

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 of Nomura Global Sustainable Equity Fund (the “Fund”) have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”). The financial statements have been prepared under the historical cost convention, as modified by financial assets and financial liabilities at fair value through profit or loss.

The preparation of financial statements in conformity with the MFRS and IFRS 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 revenues and expenses during the reported financial year. 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.

##### (i) Standards and amendments to existing standards effective 1 January 2021.

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 January 2021 that have a material effect on the financial statements of the Fund.

##### (ii) New standards, amendments and interpretations effective after 1 January 2021 and have not been early adopted.

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2021, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

## NOMURA GLOBAL SUSTAINABLE EQUITY FUND

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 18 JUNE 2021 (DATE OF LAUNCH) TO 31 JANUARY 2022 (CONTINUED)

#### B PRESENTATION AND FUNCTIONAL 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”).

Due to mixed factors in determining the functional currency of the Fund, the Manager has used its judgement 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 United States Dollar (“USD”) primarily due to the following factors:

- i) Significant portion of the net asset value (“NAV”) is invested in the form of collective investment scheme denominated in USD.
- ii) Significant portion of the Fund’s expenses are denominated in USD.

The financial statements are presented in USD, which is the Fund’s presentation and functional currency.

#### Transactions and balances

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 year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

#### C INCOME RECOGNITION

For collective investment scheme (“CIS”), realised gains and losses on sale of investments are accounted for as the difference between the net disposal proceeds and the carrying amount of the investments, determined on a weighted average cost basis.

#### D 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 year.

#### E CASH AND CASH EQUIVALENTS

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

## NOMURA GLOBAL SUSTAINABLE EQUITY FUND

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 18 JUNE 2021 (DATE OF LAUNCH) TO 31 JANUARY 2022 (CONTINUED)

#### F FINANCIAL ASSETS AND FINANCIAL LIABILITIES

##### (i) Classification

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

- those to be measured subsequently at fair value (either through other comprehensive income ('OCI') or 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.

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, 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 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 as financial assets at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

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

## NOMURA GLOBAL SUSTAINABLE EQUITY FUND

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 18 JUNE 2021 (DATE OF LAUNCH) TO 31 JANUARY 2022 (CONTINUED)

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

##### (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. Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value.

Financial liabilities 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 de-recognised 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.

Unrealised gains or losses arising from changes in the fair value of the “financial assets at fair value through profit or loss” category are recognised in the statement of comprehensive income with net gain or loss on financial assets at fair value through profit or loss in the financial year in which they arise.

Collective investment scheme is valued based on the most recent published NAV per unit or share of such collective investment scheme or, if unavailable, on the last published price of such unit or share (excluding any sales charge included in such selling price).

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

##### (iii) Impairment

The Fund measures credit risk and expected credit losses (“ECL”) using probability of default, exposure at default and loss given default. The Manager considers both historical analysis and forward looking information in determining any ECL. The Manager 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 ECL as any such impairment would be wholly insignificant to the Fund.

## NOMURA GLOBAL SUSTAINABLE EQUITY FUND

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 18 JUNE 2021 (DATE OF LAUNCH) TO 31 JANUARY 2022 (CONTINUED)

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

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

###### Significant increase in credit risk

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

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

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

###### Write-off

The Fund write 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 impairment gains. There are no write-offs/recoveries during the financial year.

#### G UNITHOLDERS' CAPITAL

The unitholders' contribution to the Fund meet the definition of puttable instruments classified as financial liability under MFRS132 "Financial Instruments: Presentation".

The Fund issues cancellable units, in two classes of units, known respectively as the USD Class and MYR Class, which are cancelled at the unitholders' option and do not have identical features subject to restrictions as stipulated in the Information Memorandum and Securities Commission's ("SC") Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework. 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 unitholders exercise the right to put back the unit to the Fund.

Units are created and cancelled at the unitholders' 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 unitholders of respective classes with the total number of outstanding units of respective classes.



## NOMURA GLOBAL SUSTAINABLE EQUITY FUND

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 18 JUNE 2021 (DATE OF LAUNCH) TO 31 JANUARY 2022 (CONTINUED)

#### H AMOUNT DUE FROM/TO PROVIDER

Amounts due from/to Provider represent receivables for collective investment scheme sold and payables for collective investment scheme purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from provider at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the Provider, probability that the Provider will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by the Provider as any contractual payment which is more than 30 days past due.

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

#### I MANAGEMENT FEE REBATE

Management fee rebate derived from the Manager on an accrual basis to ensure no double charging of management fee. It is accrued daily based on the fair value of collective investment scheme held.

#### J INCREASE/DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

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

# NOMURA GLOBAL SUSTAINABLE EQUITY FUND

## NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 18 JUNE 2021 (DATE OF LAUNCH) TO 31 JANUARY 2022 (CONTINUED)

### 1 INFORMATION ON THE FUND

Nomura Global Sustainable Equity Fund (the “Fund”) was constituted pursuant to the execution of a Master Deed (the “Deed”) dated 26 March 2021 entered into between Nomura Asset Management Malaysia Sdn Bhd (the “Manager”) and Deutsche Trustees Malaysia Berhad (the “Trustee”).

The Fund was launched on 18 June 2021 and will continue its operations until terminated by the Manager or the Trustee as provided under Clause 12 of the Deed.

The Fund will invest in Nomura Funds Ireland – Global Sustainable Equity Fund USD-F (“Target Fund”), , money market instruments, deposits, derivatives for hedging purposes, and any other form of investments as may be determined by the Manager and is permitted by the Securities Commission Malaysia from time to time that is in line with the Fund’s objective.

The Fund aims to achieve long-term capital growth by investing in the Target Fund.

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

Financial instruments are as follows:

<u>As at 31.1.2022</u>	<u>Note</u>	Financial assets at amortised <u>cost</u> USD	Financial assets at fair value through <u>profit or loss</u> USD	<u>Total</u> USD
Cash and cash equivalents	7	45,744	-	45,744
Financial assets at fair value through profit or loss (“FVTPL”)	3	-	3,042,863	3,042,863
Amount due from Manager	8	5,158	-	5,158
Total		<u>50,902</u>	<u>3,042,863</u>	<u>3,093,765</u>

All current liabilities are financial liabilities which are carried at amortised cost.

# NOMURA GLOBAL SUSTAINABLE EQUITY FUND

## NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 18 JUNE 2021 (DATE OF LAUNCH) TO 31 JANUARY 2022 (CONTINUED)

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

The Fund is exposed to a variety of risks which include liquidity risk, credit risk, capital risk, market risk (inclusive of price risk and currency risk), country risk, concentration risk and fund management risk.

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

#### Liquidity risk

The Fund maintains sufficient level of liquid assets, after consultation with the Trustee, to meet anticipated payments and cancellation of units by the unitholders. Liquid assets comprise cash, deposits with licensed financial institutions and other instruments which are capable of being converted into cash within 7 days. The Fund aims to reduce its liquidity risk by maintaining a prudent level of liquid assets.

The table below summarises the Fund's financial liabilities into relevant maturity groupings based on the remaining year as at the statement of financial position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	Less than 1 month USD	Between 1 month to 1 year USD	Total USD
<u>As at 31.1.2022</u>			
Forward foreign currency contract	494	-	494
Accrued management fees	4,174	-	4,174
Amount due to Trustee	78	-	78
Amount due to provider	23,163	-	23,163
Other payables and accruals	-	1,587	1,587
Net assets attributable to unitholders	-	3,064,269	3,064,269
Contractual cash out flows	<u>27,909</u>	<u>3,065,856</u>	<u>3,093,765</u>

\* Outstanding units are redeemed on demand at the unitholders' option. However, the Manager does not envisage that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

## NOMURA GLOBAL SUSTAINABLE EQUITY FUND

### NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 18 JUNE 2021 (DATE OF LAUNCH) TO 31 JANUARY 2022 (CONTINUED)

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

##### Credit risk

Credit risk refers to the ability of an issuer or a counter party to make timely payments of profit or principals payment on the maturity date. This may lead to a default in the payment of principal and interest and ultimately a reduction in the value of the Fund. In the case of the Fund, the Manager will endeavor to minimise the risk by selecting only licensed financial institutions with acceptable credit ratings.

For amount due from Manager, the settlement terms of units receivable from the Manager are governed by the SC guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

Analysis of deposits with licensed financial institutions and bank balances by rating agency designation are as follows:

	<u>Bank balances</u> USD	<u>Amount due from Provider</u> USD	<u>Amount due from Manager</u> USD	<u>Total</u> USD
<u>As at 31.1.2022</u>				
Financial institutions				
- AA1	45,744	-	-	45,744
- Not Rated	-	-	5,158	5,158
	<u>45,744</u>	<u>-</u>	<u>5,158</u>	<u>50,902</u>

The financial assets of the Fund are neither past due or impaired.

# NOMURA GLOBAL SUSTAINABLE EQUITY FUND

## NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 18 JUNE 2021 (DATE OF LAUNCH) TO 31 JANUARY 2022 (CONTINUED)

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

#### Capital risk

The capital of the Fund is represented by net assets attributable to unitholders of USD 3,064,269. The amount of net assets attributable to unitholder can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of the 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 the unitholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

#### Market risk

##### (a) Price risk

Price risk is the risk that the fair value of an investment of the Fund will fluctuate because of changes in market prices (other than those arising from currency risk).

The Fund's overall exposures to price risk are as follows:

	<u>As at</u> <u>31.1.2022</u> USD
<u>Financial assets at fair value through profit or loss:</u>	
Collective investment scheme	3,042,863

The table below summarises the sensitivity of the Fund's profit after tax and net asset value to movements in prices of investments at the end of each reporting year. The analysis is based on the assumptions that the price of the investments fluctuates by 5% with all other variables held constant.

	Change in price of investments %	Market value USD	Impact on profit after tax and net asset value USD
<u>As at 31.1.2022</u>			
Financial assets at fair value through profit or loss:			
- Collective investment scheme	+ 5	3,195,006	152,143
	- 5	2,890,720	(152,143)

# NOMURA GLOBAL SUSTAINABLE EQUITY FUND

## NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 18 JUNE 2021 (DATE OF LAUNCH) TO 31 JANUARY 2022 (CONTINUED)

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

#### Market risk (continued)

##### (b) Currency risk

Currency risk is associated with investments denominated in Ringgit Malaysia. When the foreign currency fluctuates in an unfavorable 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 differentials, balance of payments position, debt levels, and technical chart of considerations.

The following tables set out the foreign currency risk concentrations and counterparties of the Fund:

	Ringgit Malaysia USD	Total USD
<u>2022</u>		
<u>Financial assets</u>		
Amount due from Manager	4,899	4,899
Cash and cash equivalents	27,716	27,716
	<hr/>	<hr/>
<u>Financial liabilities</u>		
Auditor's remuneration	1,350	1,350
Tax agent's fee	689	689
Net assets attributable to unitholders	3,033,088	3,033,088
	<hr/>	<hr/>

## NOMURA GLOBAL SUSTAINABLE EQUITY FUND

### NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 18 JUNE 2021 (DATE OF LAUNCH) TO 31 JANUARY 2022 (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 at the end of each reporting year. The analysis is based on the assumption that the foreign exchange rate changes by 5%, with all other variables held constant. This represents management's best estimate of a reasonable possible shift in a foreign exchange rate, having regard to historical volatility of this rate. Any increase/ (decrease) in foreign exchange rate will result in a corresponding (decrease)/increase in the net assets attributable to unitholder by approximately 5%. Disclosures below are shown in absolute terms, changes and impacts could be positive and negative.

	% Change in foreign <u>exchange rate</u>	Impact on profit after tax and <u>net asset value</u>	2022 USD
Ringgit Malaysia	+/- 5	(150,126)	150,126

##### Country Risk

The risk of price fluctuation in foreign securities may arise due to political, financial and economic events in foreign countries. If this occurs, there is possibility that the net asset value of the Fund may be adversely affected.

##### Concentration Risk

The Fund, as a feeder fund, invests significantly all its assets in a CIS, any adverse effect on the CIS will inevitably affect the Fund as well. The performance of the Fund is also dependent on the performance of the CIS. This risk may be mitigated as the Manager is allowed to take temporary defensive positions in response to adverse market conditions. The Manager is also able to substitute the CIS with another fund with similar objective of the Fund if, in the Manager's opinion, the CIS no longer meets the Fund's objective subject to the unitholders' approval.

##### Fund management risk

There is the risk that the management company may not adhere to the investment mandate of the respective fund. With close monitoring by various relevant internal parties, investment management system being incorporated with limits and controls, and regular reporting to the senior management team, the management company is able to manage such risk. The Trustee has an oversight function over management of the Fund by the management company to safeguard the interests of the unitholders.

## NOMURA GLOBAL SUSTAINABLE EQUITY FUND

### NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 18 JUNE 2021 (DATE OF LAUNCH) TO 31 JANUARY 2022 (CONTINUED)

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

##### Fair value estimation

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 (i.e. an exit price).

The fair value of financial assets and liabilities traded in active market (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the year end date.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each year end date. Valuation techniques used for non-standardised financial instruments such as options, currency swaps and other over-the-counter derivatives, include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

The fair values are based on the following methodology and assumptions:

- (i) For bank balance, the carrying value is a reasonable estimate of fair value.
- (ii) The carrying value less impairment provision of receivables and payables are assumed to approximate their fair values. The carrying value of the financial assets and financial liabilities approximate their fair value due to their short term nature.

Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risk, liquidity risk and counterparty risk.



## NOMURA GLOBAL SUSTAINABLE EQUITY FUND

### NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 18 JUNE 2021 (DATE OF LAUNCH) TO 31 JANUARY 2022 (CONTINUED)

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

##### Fair value hierarchy

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

- Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2: 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 3: Inputs for the asset and liability that are not based on observable market data (that is unobservable inputs).

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.

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

	<u>Level 1</u> USD	<u>Level 2</u> USD	<u>Level 3</u> USD	<u>Total</u> USD
<u>As at 31.1.2022</u>				
Financial assets at fair value through profit or loss:				
- Collective investment scheme	3,042,863	-	-	3,042,863
- Forward foreign currency contracts	-	(494)	-	(494)
	<u>3,042,863</u>	<u>(494)</u>	<u>-</u>	<u>3,042,369</u>

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

The carrying values of cash and cash equivalents, amount due from Manager, and all current liabilities are reasonable approximation of the fair value due to their short-term nature.

# NOMURA GLOBAL SUSTAINABLE EQUITY FUND

## NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 18 JUNE 2021 (DATE OF LAUNCH) TO 31 JANUARY 2022 (CONTINUED)

### 3 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL")

	<u>2022</u> USD
At FVTPL:	
- Collective investment scheme – foreign	<u>3,042,863</u>
	Financial period from 18.6.2021 (date of launch) to <u>31.1.2022</u> USD
Net loss on financial assets at FVTPL	
- realised gain on sale of investments	385
- unrealised loss	(57,491)
- management fee rebate on collective investment scheme #	<u>711</u> <u>(56,395)</u>

# In arriving at the fair value of collective investment scheme, the management fee initially paid to the Manager of collective investment scheme have been considered as part of its net asset value. In order to prevent the double charging of management fee which is not permissible under SC Guidelines, management fee charged on the Fund's investments in collective investment scheme have 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.

Collective investment scheme – foreign as at 31 January 2022 is as follows:

	<u>Quantity</u> Units	Aggregate <u>Cost</u> USD	Fair <u>Value</u> USD	Percentage <u>of NAV</u> %
Nomura Funds Ireland - Global Sustainable Equity Fund (Class F USD)	<u>30,696</u>	<u>3,100,354</u>	<u>3,042,863</u>	<u>99.30</u>

## NOMURA GLOBAL SUSTAINABLE EQUITY FUND

### NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 18 JUNE 2021 (DATE OF LAUNCH) TO 31 JANUARY 2022 (CONTINUED)

#### 4 MANAGEMENT FEE

In accordance with the Deed, the Manager is entitled to a management fee at a rate not exceeding 3.00% per annum of the net asset value of each Class calculated and accrued on a daily basis.

For the financial period from 18 June 2021 (date of launch) to 31 January 2022, the management fee is recognised at a rate of 0.60% per annum of the NAV of Class A and at the rate of 1.60 % per annum of the NAV of Class B and Class USD respectively, calculated on a daily basis for the financial period.

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

#### 5 TRUSTEE FEE

In accordance with the Deed, the Trustee is entitled to an annual fee at a rate not exceeding 0.10% per annum of the net asset value of the Fund but subject to a minimum fee of RM 12,000 (equivalent to : USD 2,868) per annum (excluding foreign sub-custodian fees and charges).

For the financial period from 18 June 2021 (date of launch) to 31 January 2022, the Trustee fee is recognised at a rate of 0.03% per annum on the NAV of the Fund (exclusive of foreign sub-custodian fees and charges) calculated on a daily basis for the financial period, subject to a minimum fee of RM12,000 (equivalent to : USD 2,868) per annum.

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

## NOMURA GLOBAL SUSTAINABLE EQUITY FUND

### NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 18 JUNE 2021 (DATE OF LAUNCH) TO 31 JANUARY 2022 (CONTINUED)

#### 6 TAXATION

Financial  
period from  
18.6.2021  
(date of  
launch) to  
31.1.2022  
USD

Current taxation - local

-

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

Financial  
period from  
18.6.2021  
(date of  
Launch) to  
31.1.2022  
USD

Loss before taxation

(74,524)

Taxation at Malaysian statutory rate of 24%

(17,886)

Tax effect of:

Investment income not subject to tax

(65)

Investment loss not deductible for tax purpose

14,663

Expenses not deductible for tax purposes

717

Restriction on tax deductible expenses for Wholesale Funds

2,571

Taxation

-

-

# NOMURA GLOBAL SUSTAINABLE EQUITY FUND

## NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 18 JUNE 2021 (DATE OF LAUNCH) TO 31 JANUARY 2022 (CONTINUED)

### 7 CASH AND CASH EQUIVALENTS

As at  
31.1.2022  
USD

Cash and bank balances	<u>45,744</u>
------------------------	---------------

### 8 AMOUNT DUE FROM MANAGER

As at  
31.1.2022  
USD

Creation of units	4,899
Rebate on management fee	259
	<u>5,158</u>

### 9 AMOUNT DUE TO PROVIDER

As at  
31.1.2022  
USD

Purchase of investments	<u>23,163</u>
-------------------------	---------------

### 10 AMOUNT DUE TO MANAGER

As at  
31.1.2022  
USD

Cancellation of units	-
Management fee	4,174
	<u>4,174</u>

### 11 NUMBER OF UNITS IN CIRCULATION

As at  
31.1.2022  
No. of units

#### (a) MYR CLASS A

At beginning of the financial year	-
Creation of units during the financial year arising from applications	1,000
At end of the financial year	<u>1,000</u>

# NOMURA GLOBAL SUSTAINABLE EQUITY FUND

## NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 18 JUNE 2021 (DATE OF LAUNCH) TO 31 JANUARY 2022 (CONTINUED)

### 11 NUMBER OF UNITS IN CIRCULATION (CONTINUED)

	As at <u>31.1.2022</u> No. of units
(b) MYR Class B	
At beginning of the financial year	-
Creation of units during the financial year arising from applications	13,291,614
Cancellation of units	<u>(230,164)</u>
At end of the financial year	<u>13,061,450</u>
(c) USD CLASS	
At beginning of the financial year	-
Creation of units during the financial year arising from applications	<u>32,234</u>
At end of the financial year	<u>32,234</u>

### 12 TRANSACTIONS WITH FINANCIAL INSTITUTIONS

Details of transactions with the provider of the CIS for the financial year ended 31 January 2022 is as follows:

<u>Name of Provider</u>	Value of trade USD	Percentage of total trade %
Brown Brothers Harriman and Co.	<u>3,133,169</u>	<u>100</u>

The financial institution above is not related to the Manager.

# NOMURA GLOBAL SUSTAINABLE EQUITY FUND

## NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 18 JUNE 2021 (DATE OF LAUNCH) TO 31 JANUARY 2022 (CONTINUED)

### 13 TOTAL EXPENSE RATIO ("TER")

Financial  
period from  
18.6.2021  
(date of  
launch) to  
31.1.2022  
  
%

TER 1.22

TER is derived from the following calculation:

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

- A = Management fee (net of management fee rebate)
- B = Trustee's fee
- C = Audit fee
- D = Tax agent's fee
- E = Other expenses
- F = Average net asset value of Fund calculated on daily basis

The average NAV of the Fund for the financial period from 18 June 2021 (date of launch) to 31 January 2022 calculated on a daily basis is USD1,126,981.

### 14 PORTFOLIO TURNOVER RATIO ("PTR")

Financial  
period from  
18.6.2021  
(date of  
launch) to  
31.1.2022

PTR (times) 1.39

PTR is derived from the following calculation:

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

Where: total acquisition for the financial year = USD3,116,569  
total disposal for the financial year = USD16,600

## NOMURA GLOBAL SUSTAINABLE EQUITY FUND

### NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 18 JUNE 2021 (DATE OF LAUNCH) TO 31 JANUARY 2022 (CONTINUED)

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

The related party of and its relationship with the Fund are as follows:

<u>Related party</u>	<u>Relationship</u>		
Nomura Asset Management Malaysia Sdn Bhd	The Manager		
		<u>No. of units</u>	<u>2022 USD</u>
Nomura Asset Management Malaysia Sdn Bhd - MYR CLASS A		<u>1,000</u>	<u>235</u>

The units are held legally by the Manager for booking purposes.

#### 16 COMPARATIVES

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

#### 17 SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD

The macro-economic outlook as a result of Covid-19, both domestically and globally, may result in the deterioration of the Fund's NAV/unit in future periods.

The Manager is monitoring the situation closely and will be managing the portfolio to achieve the Fund's objective.

#### 18 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 30 March 2022.



**NOMURA GLOBAL SUSTAINABLE EQUITY 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 26 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 31 January 2022 and of its financial performance, changes in net assets attributable to unitholders and cash flows for the financial period from 18 June 2021 (date of launch) to 31 January 2022 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

30 MAR 2022



Deutsche Trustees Malaysia Berhad  
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## TRUSTEE'S REPORT

### TO THE UNIT HOLDERS OF NOMURA GLOBAL SUSTAINABLE EQUITY FUND

We have acted as Trustee for Nomura Global Sustainable Equity Fund (the "Fund") for the financial period from 18 June 2021 (date of launch) to 31 January 2022 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Nomura Asset Management Malaysia Sdn Bhd (the "Manager") has operated and managed the Fund during the financial period covered by these financial statements 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 Unit Trust Funds, the Capital Markets and Services Act 2007 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

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

**Jiva Munusamy**  
Head, Client Management

Kuala Lumpur

**30 MAR 2022**