

Nomura Global Shariah Strategic Growth Fund

Annual Report and Audited Financial Statements for the Financial Year Ended 30 September 2022

MANAGER:

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

TRUSTEE:

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

AUDITOR:

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

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ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

MANAGER'S REPORT

Category, Objective and Distribution Policy

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.

Fund Type

Growth

Benchmark

Absolute Return of 6% per annum.

Performance as at 30 September 2022

	1 Month (01/Sep/22- 30/Sep/22)	3 Months (01/Jul/22- 30/Sep/22)	6 Months (1/Apr/22 – 30/Sep/22)	1 Year (01/Oct/21- 30/Sep/22)	3 Year*	Since Commencement (02/Jun/20 – 30/Sep/22)
Fund – Class A	-3.89	-2.14	-10.92	-12.34	-	5.41
Benchmark	0.49	1.47	2.96	6.00	-	14.55
Out/ (Under) Performance	-4.38	-3.61	-13.88	-18.34	-	-9.14
Fund – Class B	-3.92	-2.21	-11.06	-12.61		4.67
Benchmark	0.49	1.47	2.96	6.00	-	14.55
Out/ (Under) Performance	-4.41	-3.68	-14.02	-18.61	-	-9.88

*Note: The Fund was commenced on 2 June 2020 which is less than three years.

Source of Fund and Benchmark Returns: Refinitiv Lipper

Volatility as at 30 September 2022

	3-Year
Fund	N/A

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

Strategies Employed (1 October 2021 to 30 September 2022)

During the period under review, the Fund remained closely aligned with its investment philosophies. The Fund deploys a Global Multi Asset Strategy and allocation into global Shariah-compliant equities and sukuk varied throughout the review period, depending on the market environment.

Performance Review of the Fund (1 October 2021 to 30 September 2022)

The Fund posted returns of -12.34% for Class A and -12.61% for Class B for the period under review. Market turbulence began near the start of the calendar year, where the US Federal Reserve (the Fed) commenced with hiking interest rates and tightening monetary policy in order to combat inflation. This then led to a concurrent sell-off of both global equities and sukuk, due to the rapidly rising yields.

Equities contributed approximately -12.18%, driving the bulk of the negative return for the Fund with an average weight of 50.46% across the period. The Dow Jones Islamic Developed Market Index (DJIDEV) returned -13.97% in MYR terms over the same period, however factoring in the lower average weight, our equity book underperformed mainly due to the growth factor being more impacted by rising interest rates globally. The top 5 equity contributors were Chevron Corp, Exxon Mobil, Eli Lilly, EOG Resources and Chart Industries – a mix of Energy (Oil & Gas) stocks, defensives and energy transition plays.

The top 5 equity detractors were Meta Platforms (formerly known as Facebook), Tencent, Amazon, Alphabet and Adyen. These stocks sit either in the Technology or Communications Services sectors and saw a combination of multiple compression due to being growth stocks, coupled with short term earnings risks, even though the longer term outlook should remain robust.

Sukuk and money market investments (via Collective Investment Scheme) contributed +0.31% to the overall return of the Fund with an average weight of 36.84%. As we believed that yields will continue to rise into 2022, we kept a lower allocation to sukuk and the returns here were negative – a rare case where both equities and sukuk underperformed concurrently. As such, we remain defensive in our sukuk allocations and have allocated more into money market funds which drove the positive performance here for the period under review.

We no longer hold any gold in the Fund and it was neither a contributor nor detractor. Rising real yields is not an environment that is conducive for gold price appreciation, even though it is often used as hedge for inflation and recession (being a physical asset). The remainder of negative performance can be attributed to Foreign Exchange (FX) currency hedging. Whilst we initially hedged some of our USD position, we reversed course once it became apparent that the Fed would continue to lead the rates hiking globally and this would support USD strength, in addition to the USD being deemed a safe haven currency. As such we are currently unhedged, but remain on the lookout for when the US dollar has peaked in strength.

Summary of Asset Allocation

	<u>30 September 2022</u>	<u>30 September 2021</u>
Equity Securities	40.17%	58.04%
Collective Investment Schemes (CIS) - Equity ETF	1.02%	3.37%
CIS – Malaysian Wholesale Funds	39.87%	30.01%
Cash & Other	18.94%	8.57%
Total	100.00%	100.00%

Review of Market (1 October 2021 to 30 September 2022)

This financial year coincided with one of the worst years for multi asset returns as both the bond and equity markets fell significantly. The Dow Jones Islamic World Index fell by c. -23% whilst the MSCI All Country World Index fell by c. -20% in USD terms over the financial period. The iShares 20+ Year Treasury bond ETF (used as a barometer of US long term bond performance) fell by c. -28% in USD terms over the financial period.

The crash which took place this year, began with an unanticipated inflation shock driven by rising oil prices (further exacerbated by the Russia-Ukraine war) and supply chain bottle necks caused by the pandemic and rising geo-political tensions between the US and China. Inflation increased to c. 10% in most developed countries and is proving to be more resilient than expected.

The inflation shock swiftly triggered a rate shock with central banks around the world tightening monetary policy and hiking rates as a way of reducing aggregate demand and hence inflation. 10 year nominal yields increased to 4% and 10 year real yields increased to c. 1.6% in the US which caused a large reset in the valuation for both bond and equities (and all risk assets).

Arguably, the bull market that preceded the Covid-19 shock in March 2020 led to vulnerabilities and markets which were overvalued (in hindsight). As such, rising yields led to a valuation reset – S&P 500 valuations fell from 21x at the beginning of the year to c. 16x at the end of September 2022 (in line with the historical average and commensurate to the level of real yields).

From here, the market will be focused on whether a growth or earnings shock could come next sending the global economy in to a recession and with it, a new low in risk assets. Whilst it is still too early to conclude definitively, slowing activity and growth at a time when central banks are having to keep monetary policy tight to combat inflation could lead to a hard landing or recession for the economy. In this scenario, company earnings are likely to be revised and cut lower, hence sending equity markets to the new low.

As for the Fund's allocation, we have continued to take risk down by reducing our allocation to both equities and sukuk, in favour of cash (money markets) over the financial period. As at the end of the financial year, we have c. 40% allocated to cash and money markets (via Islamic deposits and collective investment schemes). We continue to monitor the markets for the opportunity to redeploy cash into risk assets and remain defensive at the current time.

Note: "c." refers to circa, which means about or approximately.

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 year under review, the Manager did not receive any soft commission.

BREAKDOWN OF UNITHOLDERS BY SIZE

Fund - Class A

Size of holdings(units)	No. of unitholders	No. of units held*
Less than 5,000	-	-
5,001 to 10,000	-	-
10,001 to 50,000	1	30,002
50,001 to 500,000	-	-
500,001 and above	3	12,572,711
Total	4	12,602,713

Fund - Class B

Size of holdings (units)	No. of unitholders	No. of units held*
Less than 5,000	-	-
5,001 to 10,000	-	-
10,001 to 50,000	-	-
50,001 to 500,000	1	259,469
500,001 and above	3	4,729,498
Total	4	4,988,967

* 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 2022	Class A	Class B
Total NAV (RM)	13,284,015	5,222,174
NAV per Unit (RM)	1.0541	1.0467
Units in Circulation	12,602,713	4,988,967
Highest NAV (RM)	1.2825	1.2769
Lowest NAV (RM)	1.0541	1.0467

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 YEAR ENDED 30 SEPTEMBER 2022

NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR 30 SEPTEMBER 2022

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NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

		Financial year ended 30.9.2022 MYR	Financial period from 22.5.2020 (date of launch) to 30.9.2021 MYR
	Note		
INVESTMENT (LOSS)/INCOME			
Gross dividend income		282,950	308,520
Profit income on cash equivalents		334	-
Net gain/(loss) on foreign currency exchanges		53,416	(82,589)
Net (loss)/gain on forward foreign currency contracts at fair value through profit or loss		(134,088)	73,658
Net (loss)/gain on financial assets at fair value through profit or loss	7	(2,790,122)	2,385,674
Net realised gain on sale of financial assets in non-permissible securities	7	406	-
		<u>(2,587,104)</u>	<u>2,685,263</u>
EXPENSES			
Management fee	4	(272,829)	(249,889)
Trustee fee	5	(15,000)	(19,974)
Shariah Adviser's fee		(12,720)	(16,960)
Auditors' remuneration		(9,000)	(9,540)
Tax agent's fee		(5,500)	(5,406)
Transaction cost		(14,724)	(28,952)
Other expenses		(55,928)	(53,489)
		<u>(385,701)</u>	<u>(384,210)</u>
NET (LOSS)/PROFIT BEFORE TAXATION		(2,972,805)	2,301,053
Taxation	6	(7,300)	-
(DECREASE)/INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>(2,980,105)</u>	<u>2,301,053</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 YEAR ENDED 30 SEPTEMBER 2022 (CONTINUED)

	Note	Financial year ended 30.9.2022 MYR	Financial period from 22.5.2020 (date of launch) to 30.9.2021 MYR
(Decrease)/Increase in net assets attributable to unitholders is made up of the following:			
Realised amount		(840,409)	874,492
Unrealised amount		(2,139,696)	1,426,561
		<u>(2,980,105)</u>	<u>2,301,053</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 2022

	<u>Note</u>	As at <u>30.9.2022</u> MYR	As at <u>30.9.2021</u> MYR
ASSETS			
Cash and cash equivalents	8	3,711,720	1,922,848
Financial assets at fair value through profit or loss	7	15,028,126	17,466,048
Amount due from Manager			
- creation of units		-	88,700
- management fee rebate receivable		2,293	1,075
Dividends receivable		3,825	2,954
Islamic forward foreign currency contracts	9	-	-
TOTAL ASSETS		<u>18,745,964</u>	<u>19,481,625</u>
LIABILITIES			
Amount due to Manager			
- management fee		20,082	20,710
- cancellation of units		13,434	50,494
Amount due to Trustee		1,232	1,233
Amount due to Shariah Adviser		4,240	1,060
Amount due to broker		186,688	217,156
Auditors' remuneration		9,540	9,540
Tax agent's fee		4,558	3,498
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)		<u>239,774</u>	<u>303,691</u>
NET ASSET VALUE OF THE FUND		<u>18,506,190</u>	<u>19,177,934</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>18,506,190</u>	<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 2022 (CONTINUED)

	<u>Note</u>	As at <u>30.9.2022</u> MYR	As at <u>30.9.2021</u> MYR
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS			
- CLASS A		13,284,015	13,544,716
- CLASS B		5,222,175	5,633,218
		<u>18,506,190</u>	<u>19,177,934</u>
NUMBER OF UNITS IN CIRCULATION			
- CLASS A	10(a)	12,602,713	11,264,001
- CLASS B	10(b)	4,988,967	4,703,263
		<u>17,591,680</u>	<u>15,967,264</u>
NET ASSET VALUE PER UNIT (MYR)			
- CLASS A		1.0541	1.2025
- CLASS B		1.0467	1.1977
		<u>1.0541</u>	<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 YEAR ENDED 30 SEPTEMBER 2022

	Note	Financial year ended 30.9.2022 MYR	Financial period from 22.5.2020 (date of launch) to 30.9.2021 MYR
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR / DATE OF LAUNCH		19,177,934	-
Movement due to units created and cancelled during the financial year/period			
Creation of units arising from applications		5,493,270	20,621,762
- CLASS A		3,265,000	12,251,985
- CLASS B		2,228,270	8,369,777
Cancellation of units		(3,184,909)	(3,744,881)
- CLASS A		(1,389,618)	(569,974)
- CLASS B		(1,795,291)	(3,174,907)
(Decrease)/Increase in net assets attributable to unitholders during the financial year/period		(2,980,105)	2,301,053
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL YEAR/PERIOD		<u>18,506,190</u>	<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 CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

	Note	Financial year ended 30.9.2022 MYR	Financial period from 22.5.2020 (date of launch) to 30.9.2021 MYR
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of investments		23,130,666	30,300,418
Purchase of investments		(23,531,092)	(45,176,032)
Dividend received		252,140	279,133
Profit income received		334	-
Management fee rebate received		16,945	11,321
Management fee paid		(273,457)	(229,179)
Trustee fee paid		(15,001)	(18,741)
Shariah Adviser's fee paid		(9,540)	(15,900)
Tax paid		(7,300)	-
Payment for other fees and expenses		(54,152)	(57,915)
Net realised (loss)/gain on forward foreign currency contracts		(134,088)	73,658
Net realised gain/(loss) on foreign currency exchange		53,103	(82,216)
Net cash flows used in operating activities		(571,442)	(14,915,453)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from creation of units		5,581,970	20,533,063
Payments for cancellation of units		(3,221,970)	(3,694,387)
Net cash flows generated from financing activities		2,360,000	16,838,676
NET INCREASE IN CASH AND CASH EQUIVALENTS		1,788,558	1,923,223
EFFECTS OF FOREIGN CURRENCY EXCHANGE		314	(375)
CASH AND CASH EQUIVALENTS AT THE DATE OF LAUNCH		1,922,848	-
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	8	3,711,720	1,922,848

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 YEAR ENDED 30 SEPTEMBER 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 have been prepared under the historical cost convention as modified by financial assets and financial liabilities at fair value through profit or loss and comply with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

The preparation of financial statements in conformity with 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 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.

- (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 SHARIAH STRATEGIC GROWTH FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONTINUED)

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 accounted for as the difference between the net disposal proceeds and the carrying amount of the investments, determined on a weighted average cost basis.

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.

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 year.

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.

NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 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 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.

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.

NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 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.

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 or loss on financial assets at fair value through profit or loss' in the period which they arise.

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.

NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONTINUED)

F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(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. The Manager considers both historical analysis and forward-looking information in determining any expected credit loss. 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 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.

Qualitative criteria:

The debtor meets unlikelihood 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.

NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONTINUED)

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.

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 unitholders' 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 unitholders exercise 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.

NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONTINUED)

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.

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.

NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONTINUED)

L CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES (CONTINUED)

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 YEAR ENDED 30 SEPTEMBER 2022

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) Money market instruments;
- (b) Deposits;
- (c) Derivatives;
- (d) 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 2022.

NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows:

	At amortised cost MYR	At fair value through profit or loss MYR	Total MYR
<u>As at 30.9.2022</u>			
<u>Financial assets</u>			
Cash and cash equivalents	3,711,720	-	3,711,720
Dividends receivable	3,825	-	3,825
Amount due from Manager			
- management fee rebate receivable	2,293	-	2,293
Financial assets at fair value through profit or loss ("FVTPL")	-	15,028,126	15,028,126
Total	3,717,838	15,028,126	18,745,964
<u>Financial liabilities</u>			
Amount due to broker	186,688	-	186,688
Amount due to Manager			
- management fee	20,082	-	20,082
- cancellation of units	13,434	-	13,434
Amount due to Shariah Adviser	4,240	-	4,240
Amount due to Trustee	1,232	-	1,232
Auditors' remuneration	9,540	-	9,540
Tax agent's fee	4,558	-	4,558
Total	239,774	-	239,774

NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONTINUED)

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

Financial instruments are as follows:

	At amortised cost MYR	At fair value through profit or loss MYR	Total 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
Total	2,015,577	17,466,048	19,481,625
<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
Total	303,691	-	303,691

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 YEAR ENDED 30 SEPTEMBER 2022 (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 30.9.2022	As at 30.9.2021 MYR
Quoted investment		
Collective investment scheme	7,393,000	5,733,853
Exchange trade fund	188,803	644,369
Quoted equity	7,446,323	11,087,826
	<u>15,028,126</u>	<u>17,466,048</u>

The following table summarises the sensitivity of the Fund's (loss)/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	Impact on profit after tax/NAV MYR
<u>As at 30.9.2022</u>		
-5%	14,276,720	(751,406)
0%	15,028,126	-
+5%	15,779,532	751,406
	<u>15,028,126</u>	<u>751,406</u>
<u>As at 30.9.2021</u>		
-5%	16,592,746	(873,302)
0%	17,466,048	-
+5%	18,339,350	873,302
	<u>17,466,048</u>	<u>873,302</u>

(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.

The Fund's deposits with licensed financial institutions are short term in nature. Therefore, exposure to interest rate fluctuations is minimal.

NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (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 Ringgit Malaysia, 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 Ringgit Malaysia 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>2022</u>				
<u>Financial assets</u>				
Australian Dollar	92,546	5,813	564	98,923
British Pound	201,264	6	-	201,270
Danish Krone	54,371	6,157	-	60,528
European Dollar	482,808	101,850	-	584,658
Hong Kong Dollar	757,457	60,083	-	817,540
Japanese Yen	79,235	-	-	79,235
Norwegian Krone	70,475	5,596	-	76,071
Swiss Franc	-	3	-	3
United States Dollar	5,896,970	1,075,150	3,261	6,975,381
	<u>7,635,126</u>	<u>1,254,658</u>	<u>3,825</u>	<u>8,893,609</u>
	Amount due to <u>brokers</u> MYR	Other <u>liabilities</u> MYR	Net assets attributable to <u>unitholders</u> MYR	<u>Total</u> MYR
<u>Financial liabilities</u>				
United States Dollar	186,688	-	-	186,688
	<u>186,688</u>	<u>-</u>	<u>-</u>	<u>186,688</u>

NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONTINUED)

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

Market risk (continued)

(c) Currency risk (continued)

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

	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>
	<u>Amount due to brokers MYR</u>	<u>Other liabilities MYR</u>	<u>Net assets attributable to unitholders MYR</u>	<u>Total MYR</u>
<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 YEAR ENDED 30 SEPTEMBER 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 (loss)/ 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 in price %	Impact on (loss)/profit after tax/NAV MYR
<u>2022</u>		
Australian Dollar	5	4,946
British Pound	5	10,064
Danish Krone	5	3,026
European Dollar	5	29,233
Hong Kong Dollar	5	40,877
Japanese Yen	5	3,962
Norwegian Krone	5	3,804
Swiss Franc	5	-
United States Dollar	5	339,435
<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

NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONTINUED)

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

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.

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

	Cash and cash equivalents MYR	Forward foreign currency contracts MYR	Other assets* MYR	Total MYR
<u>As at 30.9.2022</u>				
Financial Services				
- AAA	2,123,334	-	-	2,123,334
- AA1	1,588,386	-	-	1,588,386
Others				
- NR	-	-	6,118	6,118
	<u>3,711,720</u>	<u>-</u>	<u>6,118</u>	<u>3,717,838</u>
<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 YEAR ENDED 30 SEPTEMBER 2022 (CONTINUED)

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

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 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.

	Within one month MYR	Between one month to one year MYR	Total MYR
<u>As at 30.9.2022</u>			
Amount due to broker	186,688	-	186,688
Amount due to Manager			
- management fee	20,082	-	20,082
- cancellation of units	13,434	-	13,434
Amount due to Trustee	1,232	-	1,232
Amount due to Shariah Adviser	-	4,240	4,240
Auditors' remuneration	-	9,540	9,540
Tax agent's fee	-	4,558	4,558
Net assets attributable to unitholders*	18,506,190	-	18,506,190
	<u>18,727,626</u>	<u>18,338</u>	<u>18,745,964</u>
<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. 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.

NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 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 MYR18,506,190 (2021: 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.

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 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.

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 YEAR ENDED 30 SEPTEMBER 2022 (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 30.9.2022</u>				
Financial assets at fair value through profit or loss				
- collective investment scheme	7,393,000	-	-	7,393,000
- exchange traded fund	188,803	-	-	188,803
- quoted equity	7,446,323	-	-	7,446,323
	<u>15,028,126</u>	<u>-</u>	<u>-</u>	<u>15,028,126</u>
<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 YEAR ENDED 30 SEPTEMBER 2022 (CONTINUED)

4 MANAGEMENT FEE

For the financial year ended 30 September 2022, 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 year ended 30 September 2022, 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 YEAR ENDED 30 SEPTEMBER 2022 (CONTINUED)

6 TAXATION

	Financial year ended <u>30.9.2022</u> MYR	Financial period from 22.5.2020 (date of launch) to <u>30.9.2021</u> MYR
Current taxation - foreign source income	7,300	-

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

	Financial year ended <u>30.9.2022</u> MYR	Financial period from 22.5.2020 (date of launch) to <u>30.9.2021</u> MYR
Net (loss)/profit before taxation	(2,972,805)	2,301,053
Tax at Malaysian statutory rate of 24 % (2021: 24%)	(713,473)	552,253
Tax effects of:		
Investment loss not deductible for tax purpose/ (Investment income not subject to tax)	625,264	(641,488)
Expenses not deductible for tax purposes	24,800	29,947
Restriction on tax deductible expenses for Wholesale Funds	63,409	59,288
Tax from foreign sourced income	7,300	-
Tax expense	7,300	-

7 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at <u>30.9.2022</u> MYR	As at <u>30.9.2021</u> MYR
Financial assets at fair value through profit or loss:		
- collective investment scheme (a)	7,393,000	5,733,853
- exchange traded fund (b)	188,803	644,369
- quoted equity (c)	7,446,323	11,087,826
	15,028,126	17,466,048

NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONTINUED)

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

	Financial year ended <u>30.9.2022</u> MYR	Financial period from 22.5.2020 (date of launch) to <u>30.9.2021</u> MYR
Net (loss)/gain on financial assets at fair value through profit or loss:		
- realised (loss)/gain on sale of investments	(667,869)	946,344
- unrealised (loss)/gain on changes in fair value	(2,140,010)	1,426,933
- management fee rebate on collective investment scheme #	18,163	12,397
	<u>(2,789,716)</u>	<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 2022 are as follows:

	<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> %
Nomura Islamic Asset Management Sdn. Bhd. –				
Nomura I-Cash Fund	3,587,589	3,681,790	3,701,315	20.00
Nomura I-Income Fund 2 - Class R	3,761,268	3,699,601	3,691,685	19.95
Total collective investment scheme	<u>7,348,857</u>	<u>7,381,391</u>	<u>7,393,000</u>	<u>39.95</u>
Accumulated unrealised gain on collective investment scheme		11,609		
Total collective investment scheme		<u>7,393,000</u>		

NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONTINUED)

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

(a) Collective investment scheme (continued)

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

	<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> %
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>		

(b) Exchange Traded Fund

(i) Exchange Traded Fund as at 30 September 2022 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)	1,166	186,422	188,803	1.02
Total Exchange Traded Fund	<u>1,166</u>	<u>186,422</u>	<u>188,803</u>	<u>1.02</u>
Accumulated unrealised gain on Exchange Traded Fund		2,381		
Total Exchange Traded Fund		<u>188,803</u>		

(ii) 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>		

NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONTINUED)

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

(c) Quoted Equity

(i) Quoted Equity as at 30 September 2022 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> %
AUSTRALIA				
Health Care				
CSL Limited	109	90,900	92,546	0.50
TOTAL AUSTRALIA	109	90,900	92,546	0.50
CAYMAN ISLANDS				
Consumer Discretionary				
JD.com, Inc	2,446	360,520	287,084	1.55
Li Ning Company Limited	2,416	96,001	85,812	0.46
Meituan	1,000	102,514	97,867	0.53
	5,862	559,035	470,763	2.54
Telecommunication Services				
Tencent Holdings Limited	1,821	449,157	286,694	1.55
TOTAL CAYMAN ISLANDS	7,683	1,008,192	757,457	4.09
DENMARK				
Health Care				
Novo Nordisk A/S	117	56,792	54,371	0.29
TOTAL DENMARK	117	56,792	54,371	0.29
FRANCE				
Consumer Staples				
L'Oreal SA	80	156,679	119,886	0.65
Industrials				
Schneider Electric SE	313	176,850	166,090	0.90
TOTAL FRANCE	393	333,529	285,976	1.55

NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONTINUED)

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

(c) Quoted Equity (continued)

(i) Quoted Equity as at 30 September 2022 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> %
JAPAN				
Consumer Staples				
Kobe Bussan Co., Ltd.	708	84,514	79,235	0.43
TOTAL JAPAN	708	84,514	79,235	0.43
NETHERLANDS				
Information Technology				
Adyen N.V.	17	140,919	100,422	0.54
ASML Holding N.V.	49	152,394	96,410	0.52
TOTAL NETHERLANDS	66	293,313	196,832	1.06
NORWAY				
Consumer Staples				
Mowi ASA	1,197	116,945	70,475	0.38
TOTAL NORWAY	1,197	116,945	70,475	0.38
UNITED KINGDOM				
Health Care				
AstraZeneca Plc	391	174,165	201,264	1.09
TOTAL UNITED KINGDOM	391	174,165	201,264	1.09

NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONTINUED)

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

(c) Quoted Equity (continued)

(i) Quoted Equity as at 30 September 2022 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> %
UNITED STATES				
Consumer Discretionary				
Amazon.com, Inc.	776	533,110	406,434	2.20
Aptiv Plc	219	97,602	79,388	0.43
Five Below, Inc.	241	130,119	153,782	0.83
Nike, Inc.	74	41,760	28,509	0.16
Target Corporation	122	82,715	83,910	0.45
Ulta Beauty, Inc.	43	54,935	79,959	0.43
	<u>1,475</u>	<u>940,241</u>	<u>831,982</u>	<u>4.50</u>
Consumer Staples				
The Estee Lauder Companies Inc.	100	130,859	100,070	0.54
Walmart Inc.	384	224,736	230,845	1.25
	<u>484</u>	<u>355,595</u>	<u>330,915</u>	<u>1.79</u>
Energy				
ConocoPhillips	303	160,195	143,727	0.78
EOG Resources, Inc.	275	97,526	142,414	0.77
Exxon Mobil Corporation	857	287,477	346,812	1.88
	<u>1,435</u>	<u>545,198</u>	<u>632,953</u>	<u>3.43</u>

NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONTINUED)

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

(c) Quoted Equity (continued)

(i) Quoted Equity as at 30 September 2022 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> %
UNITED STATES (CONTINUED)				
Health Care				
Boston Scientific Corporation	957	169,991	171,795	0.93
Danaher Corporation	111	79,990	132,886	0.72
Thermo Fisher Scientific Inc.	78	205,758	183,364	0.99
	<u>1,146</u>	<u>455,739</u>	<u>488,045</u>	<u>2.64</u>
Industrials				
Eaton Corporation Public Limited Company	356	156,459	220,052	1.19
Emerson Electric Co.	340	125,342	115,387	0.62
Jacobs Solutions Inc.	233	131,971	117,164	0.63
Johnson Controls International Plc	739	210,326	168,592	0.91
Uber Technologies, Inc.	872	121,926	107,106	0.58
	<u>2,540</u>	<u>746,024</u>	<u>728,301</u>	<u>3.93</u>
Information Technology				
Advanced Micro Devices, Inc.	195	95,589	57,266	0.31
Apple Inc.	484	349,877	310,030	1.68
CrowdStrike Holdings, Inc.	95	85,273	72,570	0.39
Marvell Technology, Inc	803	184,013	159,707	0.86
Mastercard Incorporated.	149	206,677	196,370	1.06
Microsoft Corporation	570	596,445	615,310	3.32
Nvidia Corporation	409	251,629	230,121	1.24
Palo Alto Networks, Inc.	210	154,098	159,425	0.86
Servicenow, Inc.	56	101,490	98,012	0.53
Taiwan Semiconductor Manufacturing Co., Ltd.	342	164,750	108,679	0.59
	<u>3,313</u>	<u>2,189,841</u>	<u>2,007,490</u>	<u>10.84</u>

NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONTINUED)

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

(c) Quoted Equity (continued)

(i) Quoted Equity as at 30 September 2022 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> %
UNITED STATES (CONTINUED)				
Telecommunication Services				
Alphabet Inc.	1,003	450,900	446,992	2.42
Meta Platforms, Inc.	384	331,502	241,489	1.30
	1,387	782,402	688,481	3.72
TOTAL UNITED STATES	11,780	6,015,040	5,708,167	30.85
Total Quoted Equity	22,444	8,173,390	7,446,323	40.24
Accumulated unrealised loss on Quoted Equity		(727,067)		
Total Quoted Equity		7,446,323		

(ii) 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> %
CAYMAN ISLANDS				
Consumer Discretionary				
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
	3,239	568,155	394,400	2.06
Information Technology				
Kingsoft Cloud Holdings Limited	834	139,705	98,845	0.52
Telecommunication Services				
Tencent Holdings Limited	2,264	647,744	561,981	2.93
TOTAL CAYMAN ISLANDS	6,337	1,355,604	1,055,226	5.51

NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONTINUED)

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

(c) Quoted Equity (continued)

(ii) 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> %
FRANCE				
Consumer Staples				
L'Oreal S.A.	65	126,475	112,478	0.59
Industrials				
Schneider Electric SE	278	139,756	193,988	1.01
TOTAL FRANCE	343	266,231	306,466	1.60
GERMANY				
Consumer Discretionary				
Adidas AG	93	139,286	122,575	0.64
Information Technology				
Infineon Technologies AG	700	118,536	120,587	0.63
TOTAL GERMANY	793	257,822	243,162	1.27
IRELAND				
Industrials				
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
TOTAL IRELAND	654	258,504	363,817	1.90

NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONTINUED)

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

(c) Quoted Equity (continued)

(ii) 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> %
JAPAN				
Consumer Staples				
Kobe Bussan Co.,Ltd.	708	84,514	97,048	0.51
Industrials				
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
Information Technology				
Keyence Corporation	76	159,344	190,965	1.00
TOTAL JAPAN	1,704	433,314	569,840	2.98
JERSEY				
Consumer Discretionary				
Aptiv Plc	271	92,930	168,952	0.88
TOTAL JERSEY	271	92,930	168,952	0.88
NETHERLANDS				
Information Technology				
Adyen N.V.	18	127,327	210,795	1.10
TOTAL NETHERLANDS	18	127,327	210,795	1.10
NORWAY				
Consumer Staples				
Mowi ASA	1,950	190,628	207,539	1.08
TOTAL NORWAY	1,950	190,628	207,539	1.08

NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONTINUED)

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

(c) Quoted Equity (continued)

(ii) 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> %
SWITZERLAND				
Consumer Staples				
Nestle Ltd.	157	81,814	79,341	0.41
TOTAL SWITZERLAND	157	81,814	79,341	0.41
TAIWAN				
Information Technology				
Taiwan Semiconductor Manufacturing Co., Ltd.	200	99,111	93,451	0.49
TOTAL TAIWAN	200	99,111	93,451	0.49
UNITED KINGDOM				
Consumer Discretionary				
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
Health Care				
AstraZeneca Plc	391	174,166	197,622	1.03
Industrials				
Ashtead Group Public Limited Company	440	143,571	140,166	0.73
TOTAL UNITED KINGDOM	16,231	530,129	543,678	2.83

NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONTINUED)

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

(c) Quoted Equity (continued)

(ii) 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> %
UNITED STATES				
Consumer Discretionary				
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
	2,006	1,268,478	1,332,990	6.96
Consumer Staples				
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
	662	347,457	337,799	1.76
Energy				
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
	1,155	362,250	378,150	1.98
Health Care				
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
	1,321	607,226	724,354	3.78

NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (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> %
UNITED STATES (CONTINUED)				
Industrials				
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>
Information Technology				
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>
Telecommunication Services				
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 YEAR ENDED 30 SEPTEMBER 2022 (CONTINUED)

8 CASH AND CASH EQUIVALENTS

	<u>2022</u> RM	<u>2021</u> RM
Bank balances with a licensed bank	1,588,386	1,922,848
Islamic deposits with licensed financial institutions	2,123,334	-
	<u>3,711,720</u>	<u>1,922,848</u>

The effective weighted average rate of return of Islamic deposits with licensed financial institutions per annum as at the date of the statement of financial position are as follows:

	<u>2022</u> %	<u>2021</u> %
Islamic deposits with licensed financial institutions	<u>2.73</u>	<u>-</u>

The Islamic deposits have an average maturity of 21 days (2021: Nil).

9 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.

NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONTINUED)

10 NUMBER OF UNITS IN CIRCULATION

(a) Class A units in circulation	As at <u>30.9.2022</u> No. of units	As at <u>30.9.2021</u> No. of units
At the beginning of the financial year/date of launch	11,264,001	-
Creation of units arising from applications during the financial year/period	2,593,226	11,738,399
Cancellation of units during the financial year/period	<u>(1,254,514)</u>	<u>(474,398)</u>
At the end of the year/financial period	<u>12,602,713</u>	<u>11,264,001</u>
(b) Class B units in circulation	As at <u>30.9.2022</u> No. of units	As at <u>30.9.2021</u> No. of units
At the beginning of the financial year/date of launch	4,703,263	-
Creation of units arising from applications during the financial year/period	1,834,457	7,350,870
Cancellation of units during the financial year/period	<u>(1,548,753)</u>	<u>(2,647,607)</u>
At the end of the financial year/period	<u>4,988,967</u>	<u>4,703,263</u>

NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONTINUED)

11 TRANSACTIONS WITH BROKER/INTERMEDIARY

- (i) Details of transactions with the broker/intermediary for the financial year ended 30 September 2022 are as follows:

<u>Name of broker/intermediary</u>	<u>Value of trade</u> MYR	Percentage of total <u>trade</u> %	Brokerage <u>fees</u> MYR	Percentage of total <u>brokerage</u> %
Nomura Islamic Asset Management Sdn. Bhd.	20,114,078	43.13	-	-
Nomura Asset Management Malaysia Sdn. Bhd.	5,951,256	12.76	-	-
Robert W. Baird & Co.	5,135,837	11.01	1,561	13.47
Daiwa Securities SMBC Hong Kong Ltd	3,173,282	6.81	1,552	13.39
Redburn (Europe) Limited	2,546,921	5.46	2,063	17.80
Bank Of America Securities	2,364,450	5.07	1,654	14.28
Sanford C. Bernstein And Co., Llc	952,300	2.04	499	4.31
JP Morgan Chase, New York	841,336	1.80	239	2.06
JP Morgan Securities Ltd London	777,901	1.67	733	6.33
Barclays Capital Inc	633,093	1.36	445	3.84
Jefferies Llc	617,184	1.32	236	2.04
Others	3,523,653	7.57	2,604	22.48
	<u>46,631,291</u>	<u>100.00</u>	<u>11,586</u>	<u>100.00</u>

- (ii) 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	Percentage of total <u>trade</u> %	Brokerage <u>fees</u> MYR	Percentage of total <u>brokerage</u> %
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>

NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONTINUED)

12 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>30.9.2022</u> MYR	No. of units	As at <u>30.9.2021</u> MYR
Director(s) of the Manager				
- Class A	-	-	30,002	36,077

13 TOTAL EXPENSES RATIO ("TER")

	Financial year ended <u>30.9.2022</u> %	Financial period from 22.5.2020 (date of launch) to <u>30.9.2021</u> %
TER	1.52	2.15

TER is derived from the following calculation:

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

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 year/period calculated on a daily basis is MYR21,209,113 (2021: MYR14,740,222).

NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONTINUED)

14 PORTFOLIO TURNOVER RATIO ("PTR")

	Financial year ended 30.9.2022	Financial period from 22.5.2020 (date of launch) to 30.9.2021
PTR (times)	1.12	2.54

PTR is derived from the following calculation:

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

where: total acquisition for the financial year/period = MYR23,500,624 (2021: MYR45,393,188)
total disposal for the financial year/period = MYR23,798,536 (2021: MYR29,354,074)

15 SHARIAH INFORMATION OF THE FUND

- (a) The Shariah Adviser confirmed that the investment portfolio of the Fund is Shariah-compliant, which comprises:
- Foreign securities in foreign markets which have been classified as Shariah-compliant either by the Shariah Supervisory Board of Dow Jones Islamic Market Indices and/or by Shariah Adviser; except for:
 - (i) The instrument which was earlier classified as Shariah compliant and subsequently reclassified as Shariah non-compliant by the Shariah Supervisory Board of Dow Jones Islamic Market Indices consist of JD Sports Fashion PLC. This reclassified Shariah non-compliant instrument had been fully disposed of on 12 May 2022 and 17 May 2022 which resulting in a loss of RM73,554.87 in accordance with the Fund's Shariah investment guidelines as provided in the Fund's Master Deed and supplemental Deeds, if any, as disclosed in the Fund's information memorandum/ disclosure document /prospectus; and
 - (ii) BHP Group is an existing constituent of the Dow Jones Islamic Market Developed Markets Index and had subsequently received Woodside Energy Group Limited, Shariah non-compliant stocks as a result of a corporate action. This Shariah non-compliant stock had been fully disposed of on 2 June 2022 which resulting in a gain of RM406.04 in accordance with the Fund's Shariah investment guidelines as provided in the Fund's Master Deed and supplemental Deeds, if any, as disclosed in the Fund's information memorandum/ disclosure document /prospectus.
 - Collective investment schemes which Shariah Adviser have verified as Shariah-compliant; and
 - Cash placements and liquid assets which are placed in non-interest bearing account with licensed domestic and foreign financial institutions.

NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONTINUED)

15 SHARIAH INFORMATION OF THE FUND (CONTINUED)

(b) Payment to charitable bodies

The Manager is required to administer the cleansing process by channeling the gain amounts of RM406.04 upon disposal of Woodside Energy Group Ltd to charitable bodies as soon as possible.

The payment to a charitable body has completed on 23 November 2022.

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 45 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 2022 and of its financial performance, changes in net assets attributable to unitholders and cash flows for the financial year ended 30 September 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

29 NOV 2022



Deutsche Trustees Malaysia Berhad
Registration No: 200701005591 (763590-H)
Level 20, Menara IMC
8 Jalan Sultan Ismail
50250 Kuala Lumpur
Tel +603 2053 7522
Fax +603 2053 7526

TRUSTEE'S REPORT

TO THE UNIT HOLDERS OF NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND ("Fund")

We have acted as Trustee of the Fund for the financial year ended 30 September 2022 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Nomura Asset Management Malaysia Sdn Bhd has operated and managed the Fund during the year covered by these financial statements in accordance with the following:-

1. 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 2007 and other applicable laws;
2. Valuation and pricing for the Fund is carried out in accordance with the Deed(s) of the Fund and any regulatory requirements; and
3. 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

29 NOV 2022

SHARIAH ADVISER'S REPORT

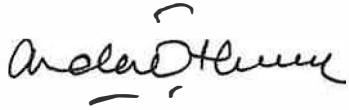
TO THE UNITHOLDERS OF
NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

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.

We hereby confirm:

1. To the best of our knowledge, after having made all reasonable enquiries, Nomura Asset Management Malaysia Sdn Bhd has operated and managed the Fund during the financial year covered by these financial statements in accordance with the Shariah principles and requirements and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters;
2. The assets of the Fund comprise instruments that 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;
3. The instrument which was earlier classified as Shariah compliant and subsequently reclassified as Shariah non-compliant by the Shariah Supervisory Board of Dow Jones Islamic Market Indices consist of JD Sports Fashion PLC. This reclassified Shariah non-compliant instrument had been fully disposed of on 12 May 2022 and 17 May 2022 in accordance with the Fund's Shariah investment guidelines as provided in the Fund's Master Deed and supplemental Deeds, if any, as disclosed in the Fund's information memorandum/ disclosure document /prospectus; and
4. BHP Group is an existing constituent of the Dow Jones Islamic Market Developed Markets Index and had subsequently received Woodside Energy Group Limited, Shariah non-compliant stocks as a result of a corporate action. This Shariah non-compliant stock had been fully disposed of on 2 June 2022 in accordance with the Fund's Shariah investment guidelines as provided in the Fund's Master Deed and supplemental Deeds, if any, as disclosed in the Fund's information memorandum/ disclosure document /prospectus.

For ZICO Shariah Advisory Services Sdn Bhd

A handwritten signature in black ink, appearing to read "Aida Othman".

DR. AIDA OTHMAN

Designated Person Responsible for Shariah Matters Relating to the Fund

Kuala Lumpur

29 NOV 2022



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 2022, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and 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 2022, and the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 1 to 45.

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.

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 the Manager's Report, but does not include the financial statements of the Fund and our auditors' report thereon.

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PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), Chartered Accountants, Level 10, Menara TH 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, P.O. Box 10192, 50706 Kuala Lumpur, Malaysia
T: +60 (3) 2173 1188, F: +60 (3) 2173 1288, www.pwc.com/my



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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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 and 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 to terminate 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)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement 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 Fund'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 of the Fund 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 read "PricewaterhouseCoopers" followed by a stylized "pi" or "PwC" monogram.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
29 November 2022