

Fund Commentary and Strategy

USD Class A returned 7.83% outperforming the benchmark by 0.38% despite market rallying a lot with multiple underlying drivers. One of the drivers is the mean reversion where mega cap techs and growth stocks that suffered the most in 2022 outperformed the market strongly in January '23. This then fed into short covering and fear of missing out (FOMO) as Bank of America survey shows that global fund managers' cash level was relatively high. In addition, as Federal Reserve announcing no surprise with another 25 basis point hike, we think the investors have sought to get ahead of the Federal Reserve when it comes to the pivot into a more accommodative policy.

By region, less allocation to US contributed positively as other markets were recovering faster with global fund managers were shifting flows away from US. Selection was a strong contributor in North America while being offset by EU. By sector, positive selection attribution was offset by allocation attribution. This is due to the underweight in one of the most cyclical sectors such as Consumer Discretionary that benefitted from the risk-taking sentiments.

By individual stocks, the top contributors were TSMC, Pentair and A.O.Smith. All three benefitted from the improvement of its respective industry sentiment and earnings reports with better than feared guidance. Top detractors were Becton Dickinson and AstraZeneca PLC. We found no detrimental change on its fundamentals. The market factor rotation has led them to lag the market performance and we think that would only be momentary. AMZN was a huge detractor as a non-holding stock with the mega cap techs rallying.

Impact focus of the month: The team have initiated a position in Tetra Tech aligned with the Global Access to Clean Drinking Water impact goal. Tetra Tech is an environmental consulting and engineering business which is typically engaged at the very front end of water and sustainability projects. When municipalities grow more concerned about droughts and access to water they will engage firms such as Tetra Tech to help them to develop engineering solutions. The even more impactful side of the business is the company's position as a go to solutions provider for USAID (US Agency for International Development agency) supporting the development of water access projects across the poorest nations globally in which water access is needed most. The US in particular has made huge commitments to ramping up infrastructure spending to support access to water and a cleaner grid (through Federal Acts such as the Inflation Reduction Act (IRA) and Infrastructure Investment and Jobs Act (IIJA)) and this spending will start to come through from the end of this year providing a significant boost for Tetra Tech over the long term. The team do not believe however that this is priced into the stock at current levels following a significant de-rating as certain previous 'sustainable' darlings have fallen out of favour.

Cumulative Fund Returns (%)

	YTD	1 Month	3 Month	6 Month
	31/12/2022	31/12/2022	31/10/2022	31/7/2022
	To	To	To	To
	31/1/2023	31/1/2023	31/1/2023	31/1/2023
Fund	7.83	7.83	11.93	-1.00
Benchmark	7.45	7.45	8.78	-0.97

Cumulative Fund Returns (%)

	Since Commencement
	13/6/2022
	To
	31/1/2023
Fund	8.34
Benchmark	5.21

Source: Refinitiv Lipper

Notes:

Performance data is calculated based on the changes in the Fund's NAV price per unit for the specified length of time and on the assumption that any dividends declared are reinvested into the Fund.

Performance figures are presented in cumulative basis, unless indicated otherwise.

FUND'S PAST PERFORMANCE IS NOT AN INDICATION OF ITS FUTURE PERFORMANCE

Fund Objectives

The Fund aims to achieve long-term capital growth.

Benchmark

Dow Jones Islamic Market Developed Markets Index

Investment Adviser

Nomura Asset Management U.K. Limited

Distribution Policy

Distribution of income, if any, is incidental and may be made from realised gains, realised income and/or out of capital.

Key Facts

Launch Date	23-May-2022
Fund Category	Equity (Shariah-compliant)
Year End	31 May
Fund Size	USD 1.15 million
Class Size	USD 1.08 million
Units in Circulation (USD Class A)	1.00 million
NAV per Unit (USD Class A)	USD 1.0834
Transaction cut-off time	Daily; 4:00 pm
Redemption Period	T + 10 business days

Sales charge

Up to 3.00% of the NAV per Unit.

Management fee

Up to 1.60% per annum of the NAV of each Class.

Trustee fee

Up to 0.05% per annum of the NAV of the Fund (including local custodian fees and expenses but excluding foreign custodian fees and charges), subject to a minimum fee of RM15,000 per annum.

Calendar Year Returns (%)

	2022
Fund	0.47
Benchmark	-2.08

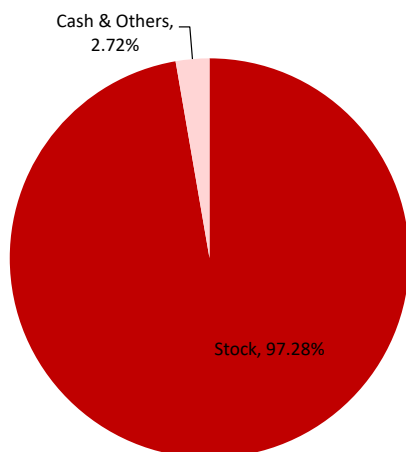
Source: Refinitiv Lipper

Notes:

Performance data is calculated based on the changes in the Fund's NAV price per unit for the specified length of time and on the assumption that any dividends declared are reinvested into the Fund. Performance figures are presented in cumulative basis, unless indicated otherwise.

Calendar year returns for 2022 are measured from its commencement date of 13 June 2022.

Asset Allocation (%)



Top 5 Holdings (%)

Alphabet Inc - Cl A	5.92
Microsoft Corp	5.01
Mastercard Inc	4.92
Thermo Fisher Scientific Inc	4.55
Novo Nordisk A/S-B	4.39

All data presented are as of 31 January 2023 unless otherwise specified.

Percentages may not add up to 100% due to rounding.

Sector Breakdown (%)

Information Technology	36.95%
Health Care	24.29%
Industrials	19.02%
Communication Services	5.92%
Materials	3.57%
Consumer Discretionary	2.97%
Consumer Staples	2.79%
Cash & Others	2.72%
Utilities	1.78%

Country Breakdown (%)

United States	55.67%
Ireland	8.95%
Netherlands	6.22%
Denmark	6.17%
Japan	4.31%
Taiwan	4.08%
United Kingdom	4.02%
Switzerland	2.79%
France	2.77%
Cash & Others	2.72%
Belgium	1.24%
Germany	1.05%

Nomura Asset Management's 6 Impact Goals

In 3Q22 we continued to work on progressing towards our 6 Impact Goals focused around the most pressing issues facing our world and where we as investors believe we can have the greatest positive impact. The impact goals are closely aligned with the United Nations Sustainable Development Goals (UN SDGs), and NAM's Global ESG Statement.

As part of our commitment to deeply integrate our 6 Impact Goals into our processes we strive to further increase our engagements with companies on the selected goals and work together towards achieving progress. In 3Q22, 25 of our total engagements were directly aligned to our Mitigate Climate Change goal and 7 with Mitigate Natural Capital Depletion goal.

Click [here](#) for more details on the report.

Engagements by NAM Impact Goals

Mitigate Climate Change	25
Mitigate Natural Capital Depletion	7
Eliminate Communicable Disease	0
Mitigate the Obesity Epidemic	0
Global Access to Basic Financial Services	0
Global Access to Clean Drinking Water	0
Total	32



Source: Nomura Asset Management U.K. Ltd. - Responsible Investing Report Q3 2022

Disclaimer:

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