



NOMURA

Nomura Global High Conviction Fund

Semi-Annual Report and Unaudited Financial Statements for the
Period Ended 28 February 2023

MANAGER:

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

TRUSTEE:

CIMB COMMERCE TRUSTEE BERHAD
Business Registration No.: 199401027349 (313031-A)

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

1. FUND PROFILE

1.1 Fund Name

Nomura Global High Conviction Fund (“Fund”)

1.2 Type and Category of Fund

Growth – Feeder fund (Global equity)

1.3 Duration of the Fund

The Fund is an open-ended fund.

1.4 Investment Objectives

The Fund seeks to achieve long term capital growth by investing in Nomura Funds Ireland – Global High Conviction Fund (“Target Fund”) which invests primarily in global equity securities.

1.5 Distribution Policy

Distribution of income, if any, is incidental.

1.6 Performance Benchmark

MSCI All Country World Index (“Benchmark”).

2. FUND PERFORMANCE

2.1 Key Fund Performance Data*

Asset Allocation / Portfolio Composition	28 Feb 2023	31 Aug 2022	31 Aug 2021	31 Aug 2020
Target Fund	99.66%	99.46%	98.96%	99.50%
Cash and Others [#]	0.34%	0.54%	1.04%	0.50%
Total	100.00%	100.00%	100.00%	100.00%

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

Fund – Class USD

Category	1 Sep 2022 to 28 Feb 2023	1 Sep 2021 to 31 Aug 2022	Since commencement, 23 Oct 2020 to 31 Aug 2021 ⁵
Highest NAV per Unit (USD) ¹	1.0432	1.2469	1.2421
Lowest NAV per Unit (USD) ¹	0.8525	0.9249	0.9229
Total Return (%) ²			
- Capital growth (%)	1.74	(20.62)	(23.04)
- Income (%)	-	-	-
Gross/Net Distribution per unit (sen)	-	-	-
Total NAV (USD) ¹	4,290	4,284	5,624
NAV per Unit (USD)	0.9961	0.9760	1.2421
Unit in Circulation	4,307	4,390	4,528

Fund – Class MYR

Category	1 Sep 2022 to 28 Feb 2023	1 Sep 2021 to 31 Aug 2022	1 Sep 2020 to 31 Aug 2021	1 Sep 2019 to 31 Aug 2020
Highest NAV per Unit (RM) ¹	1.4409	1.6541	1.6743	1.3451
Lowest NAV per Unit (RM) ¹	1.2762	1.2990	1.2231	1.0059
Total Return (%) ²				
- Capital growth (%)	1.57	(14.48)	21.75	11.36
- Income (%)	-	-	-	-
Gross/Net Distribution per unit (sen)	-	-	-	-
Total NAV (USD) ¹	471,264	449,915	570,432	317,911
NAV per Unit (RM)	1.4199	1.3932	1.6458	1.3426
Unit in Circulation	1,488,522	1,444,809	1,439,354	985,769

Category	1 Sep 2022 to 28 Feb 2023	1 Sep 2021 to 31 Aug 2022	1 Sep 2020 to 31 Aug 2021	1 Sep 2019 to 31 Aug 2020
Total Expense Ratio (%) ³	0.51	0.96	0.73	2.43
Portfolio Turnover Ratio (time) ⁴	0.03	0.17	0.36	1.99

Notes:

* Prior to 1 October 2022, the Fund was managed as a wholesale fund. Hence, the aforementioned Fund data prior to 1 October 2022 reflects the data of the Fund as a wholesale fund which are subject to guidelines, restrictions and risks applicable to wholesale fund.

(1) Figures shown as ex-distribution.

(2) Total Return of the Fund and its Benchmark for a period are calculated based on the absolute return of the Fund for that period. The calculation of the Total Return of the Fund is based on NAV-to-NAV basis, and is sourced from Refinitiv Lipper. Fund performances include reinvestment of income distributions into the Fund. The performance figures are a comparison of the growth/decline in NAV for the stipulated period taking into account all the distributions payable (if any) during the stipulated period:

- **Capital Return**= {NAV per Unit End / NAV per Unit Beginning – 1} x 100
- **Income Return**= {Income Distribution per Unit / NAV per Unit Ex-Distribution} x 100

(3) Total Expense Ratio (“TER”) is calculated based on the total fees and expenses incurred by the Fund divided by the average net asset value of the Fund for the financial period calculated on daily basis.

(4) Portfolio Turnover ratio (“PTR”) is calculated based on the total acquisitions and total disposals of investment securities of the Fund for the financial period divided by the average net asset value of the Fund for the financial period calculated on daily basis.

(5) The Fund commenced on 2 February 2017. There were no units in circulation for Class USD for the period between 19 May 2020 and 22 October 2020. As such, the Class USD’s performance figures are only available from 23 October 2020 onwards.

2.2 Average Total Return of the Fund ¹

Fund – Class USD

	1 Year to 28 Feb 2023	3 Years to 28 Feb 2023	Since commencement, 23 Oct 2020 to 28 Feb 2023 ³
Average Total Return (%)	(9.76)	-	(0.27)

Source: Refinitiv Lipper

Fund – Class MYR

	1 Year to 28 Feb 2023	3 Years to 28 Feb 2023	5 Years to 28 Feb 2023
Average Total Return (%)	(3.94)	6.30	6.12

Source: Refinitiv Lipper

2.3 Annual Total Return of the Fund ¹

Fund – Class USD

	FY2022	FY2021 ³	FY2020	FY2019	FY2018
Total Return (%) ²	(20.62)	23.04	-	-	-
Benchmark (%)	(15.49)	29.49	-	-	-

Source: Refinitiv Lipper

Fund – Class MYR

	FY2022	FY2021	FY2020	FY2019	FY2018
Total Return (%) ²	(14.48)	21.75	11.36	5.72	9.46
Benchmark (%)	(9.01)	28.92	16.00	2.62	7.76

Source: Refinitiv Lipper

Notes:

- (1) Prior to 1 October 2022, the Fund was managed as a wholesale fund. Hence, the aforementioned Fund data prior to 1 October 2022 reflects the data of the Fund as a wholesale fund which are subject to guidelines, restrictions and risks applicable to wholesale fund.
- (2) Annual Total Return of the Fund and its Benchmark for a period are calculated based on the absolute return of the Fund for that period. The calculation of the Annual Total Return of the Fund is based on NAV-to-NAV basis, and is sourced from Refinitiv Lipper. Fund performances include reinvestment of income distributions into the Fund. Further details on basis of calculation and assumption made in calculating returns is as follows:

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

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

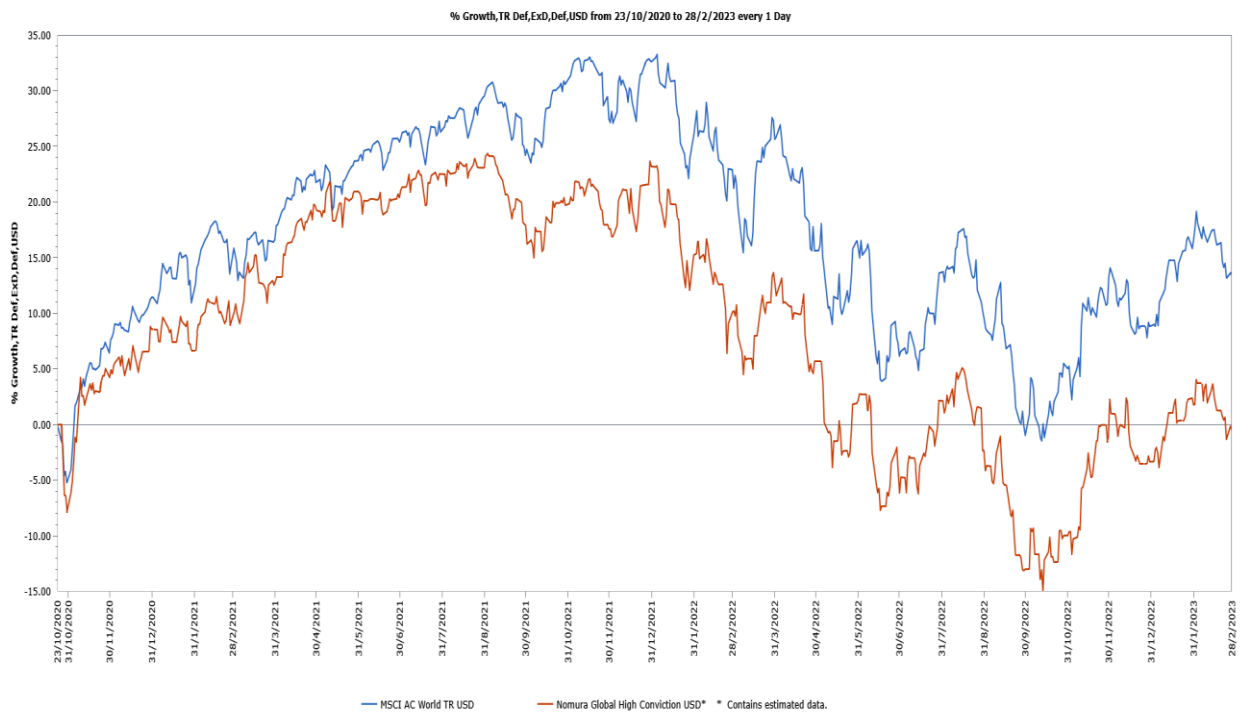
(3) The Fund commenced on 2 February 2017. There were no units in circulation for Class USD for the period between 19 May 2020 and 22 October 2020. As such, the Class USD's performance figures are only available from 23 October 2020 onwards.

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

3. MANAGER'S REPORT

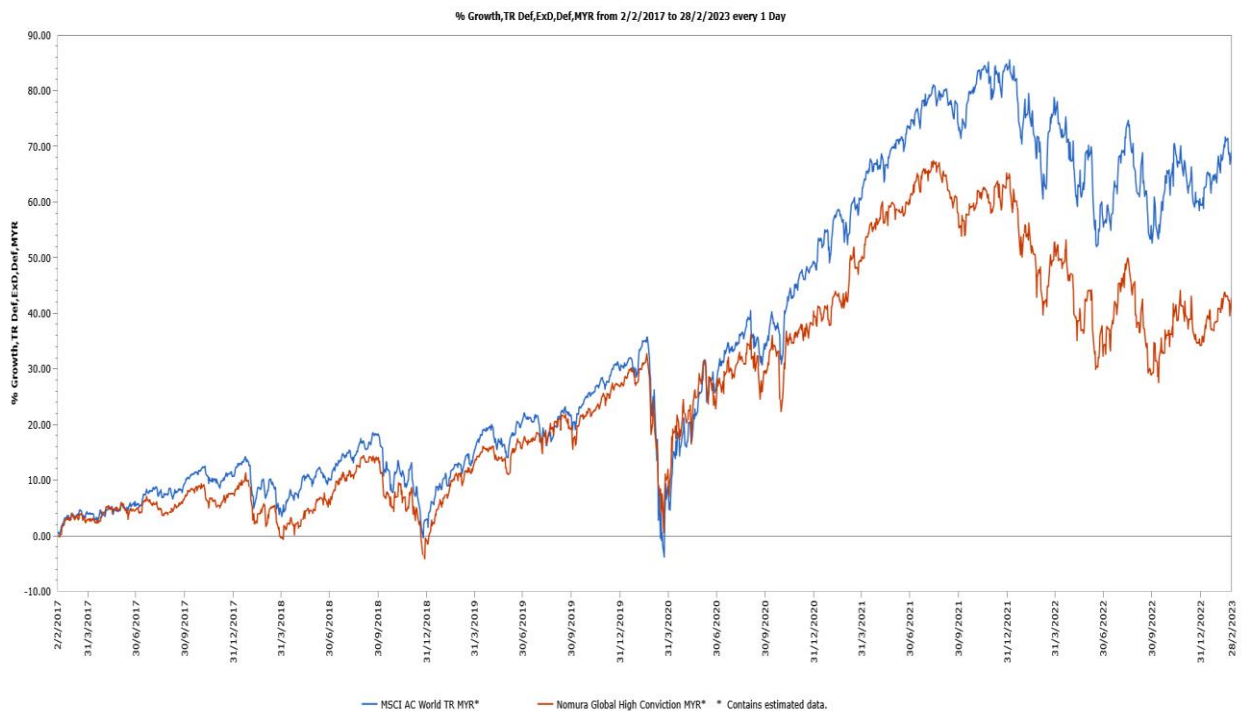
Performance of Nomura Global High Conviction Fund

Fund – Class USD (from 23 October 2020* to 28 February 2023)



* The Fund commenced on 2 February 2017. There were no units in circulation for Class USD for the period between 19 May 2020 and 22 October 2020. As such, the Class USD's performance figures are only available from 23 October 2020 onwards.

Fund – Class MYR (from 2 February 2017 to 28 February 2023)



Benchmark: MSCI All Country World Index

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

3.1 Performance for the period from 1 September 2022 to 28 February 2023

Fund – Class USD

For the period under review from 1 September 2022 to 28 February 2023, Class USD has registered 1.74% return. Compared to the Benchmark return of 3.54%, Class USD has underperformed the Benchmark by -1.80%. The Net Asset Value (“NAV”) per unit of Class USD as at 28 February 2023 was USD0.9961 compared to the NAV per unit as at 31 August 2022 of USD0.9760. On the total NAV basis, Class USD’s NAV stood at USD4,290 as at 28 February 2023.

Fund – Class MYR

For the period under review from 1 September 2022 to 28 February 2023, Class MYR has registered 1.57% return. Compared to the Benchmark return of 3.82%, Class MYR has underperformed the Benchmark by -2.25%. The Net Asset Value (“NAV”) per unit of Class MYR as at 28 February 2023 was RM1.4199 compared to the NAV per unit as at 31 August 2022 of RM1.3932. On the total NAV basis, Class MYR’s NAV stood at RM1.49 million as at 28 February 2023.

3.2 Review of Market and Target Fund for the period from 1 September 2022 to 28 February 2023

In late September, the UK Government announced a ‘mini budget’ with various tax cutting initiatives, which caused significant market volatility including further weakening of sterling. UK oriented stocks also were hit with even USD earners falling as money was pulled from UK investment funds. This gave the Target Fund Manager some opportunities, but also in this vein, Persimmon was the weakest performer in September. The strongest performers tended to be the less cyclical or lower beta stocks such as Cigna, which continued to outperform along with the Healthcare sector, which has outperformed so far this year and did so again in September.

In October, the rise in bond yields was an important factor with inflation remaining persistently high and central banks hawkish, the Target Fund Manager saw bond yields rise again. The key movers in stocks were in the Technology sector and while the Target Fund Manager tend to regard several, but not all, of these stocks as higher quality they generally suffered weak Q 3 results and fell, significantly in some cases. Meta in particular was a significant loser and one that the Target Fund Manager does not hold (partly on ESG grounds given its previous attitude to personal data), so was positive from a relative return perspective. However on the other hand, Alphabet and Microsoft disappointed the market and although Apple remained resilient, the stock has since fallen back on concerns over iPhone demand in the near term. This situation led to a frustrating month whereby the Target Fund was doing quite well but after the disappointing results at the end of the month, performance reversed.

Rates expectations were less hawkish in November in spite of strong jobs data, as inflation finally moderated. This caused a fluctuation in the performance of different parts of the market through the month although overall “Quality”, the Target Fund Manager’s favoured area, was flat to the benchmark with the outperformance achieved primarily coming from stock selection. In particular AiA, the large Asian life insurer, recovered from its previous price level, which had been pressured by the zero COVID-19 policy in China and Ross Stores, an off price retailer in the US published good quarterly numbers causing the stock to rally sharply. The second half of the latest quarterly reporting season has been good for the Target Fund’s performance, which is a reversal from the first half and now the performance of the Target Fund year-to-date has recovered substantially.

The rise in yields caused Quality stocks to underperform somewhat at the end of the month with the Target Fund finishing the year almost flat to the benchmark gross of fees. The best performing stocks were Novo Nordisk and AiA which both rose around 10% in the month. Novo Nordisk continues to see good momentum in its anti-obesity drug Wegovy and AiA benefitted from the reopening of China post the extended zero COVID policy. Interestingly the large fall in the price of Telsa was actually the largest relative contributor in the US having been a negative contributor, after a rapid rise in 2021. Telsa stock is now 70% below its peak.

If the Federal Reserve does start cutting rates by the end of 2023, the Target Fund Manager believes it is good for Growth stocks, unless the cuts are associated with a very sharp economic slowdown. At this moment, the Federal Reserve continues to be hawkish although the January rate hike was just 25bps. The best performing stocks in the month were Amazon, AO Smith and LVMH. Amazon bounced back after a weak end to 2022 along with other Growth stocks, as mentioned previously AO Smith and LVMH were beneficiaries of optimism related to China re-opening post pandemic with LVMH in particular benefiting from giving a positive outlook for 2023 despite mixed Q4 reported results. The losers in the month were NextEra Energy which announced that a key manager (CEO of key subsidiary) will retire and Cigna which fell along with the Healthcare sector.

February was a month of earnings releases with most companies doing reasonably well. Meta, which we do not hold, was a particular positive surprise after a very tough period, had positive results at the start of the month causing the stock to jump. On the other hand, the excitement around ChatGPT caused concern that Alphabet’s search business will be disrupted, putting pressure on the stock price. As a result of that, Alphabet was one of the portfolio’s worst performing stocks in the month, down 9% while further negative performance came from not owning NVIDIA which is a key beneficiary of the Artificial Intelligence boom. Moody’s was also down 10% in the month pulling back with the market after rising in January. The best performing stocks were IMI which rose 6% and continues to perform well, Novo Nordisk which continues to benefit from the sale of the weight loss drug Wegovy and UnitedHealth, which was added to the portfolio during the month and quickly started to outperform.

Source: Nomura Asset Management U.K. Limited

3.3 Investment Outlook

There is now some sign that the peak of inflation has passed and that we are at least approaching the top of the interest rate hiking cycle. We would expect this to be generally positive for higher quality stocks that tend to have a longer duration of return profile.

At the very start of the year, we saw the market start to react to such expectations with growth stocks outperforming sharply, but what was strange is that quality continued to underperform. That underperformance continued into February 2023 and was a headwind for our strategy although good stock selection made up for it. As the banking crisis unfolded, higher quality stocks outperformed very significantly as is normal in such situations and the performance of our strategy was commensurately positively affected with stock selection again positive and adding to the outperformance. We would expect some reversal of the banking related fears as time passes, but with an economic slowdown in prospect and potential interest rate cuts later in the year, the performance of the strategy should remain positive.

One risk that has recently emerged is the attitude of Organization of the Petroleum Exporting Countries Plus (“OPEC+”) to the recently lower oil price. Lower oil price has been a positive for the inflation outlook and also the strategy performance, but OPEC+ has now cut production in an effort to boost oil prices. This threatens to lift inflation again and put more pressure on the global economy. It is unclear how the stock market will react but we would expect our approach of focusing on higher quality companies to generally prove resilient to these pressures.

Source: Nomura Asset Management U.K. Limited

3.4 Strategies Employed for the period from 1 September 2022 to 28 February 2023

For the financial period under review, the Fund has complied with the requirements of the Guidelines on Sustainable and Responsible Investment Funds.

The Fund invests in the Target Fund which promotes environmental and/or social characteristics in a way that meets the criteria contained in Article 8 of SFDR*. This includes the screening, selection, monitoring and realisation of the Target Fund’s investments by the Investment Manager.

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

* *Sustainable Finance Disclosures Regulation. Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial service sector.*

3.5 Strategies Employed by the Target Fund for the period from 1 September 2022 to 28 February 2023

Nomura Asset Management U.K. Limited, the investment manager of the Target Fund (“**Investment Manager**”) has a philosophy of considering the environmental, social and governance impact of investment decisions on all the stakeholders of an investee company, including the environment, society, customers, suppliers, employees and investors. Within this philosophical framework, the Investment Manager has additionally identified six Impact Goals, which it aims to contribute to over the long-term, as follows:

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

Source: Nomura Asset Management U.K. Limited

3.6 Asset Allocation

Asset Allocation / Portfolio Composition	28 Feb 2023	31 Aug 2022	31 Aug 2021	31 Aug 2020
Target Fund	99.66%	99.46%	98.96%	99.50%
Cash and Others [#]	0.34%	0.54%	1.04%	0.50%
Total	100.00%	100.00%	100.00%	100.00%

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

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

3.7 Target Fund's Top 10 Holdings

As at 28 Feb 2023

No.	Holdings Name	(% of Target Fund's NAV)
1	Microsoft Corporation	6.58
2	Apple Inc.	6.32
3	Alphabet Inc. Class A	5.56
4	LVMH Moet Hennessy Louis Vuitton SE	5.21
5	Mastercard Incorporated Class A	5.10
6	Taiwan Semiconductor Manufacturing Co., Ltd.	4.70
7	Thermo Fisher Scientific Inc.	4.48
8	Nestle S.A.	4.32
9	Moody's Corporation	3.98
10	Novo Nordisk A/S Class B	3.86

Source: Nomura Asset Management U.K. Limited

As at 31 Aug 2022

No.	Holdings Name	(% of Target Fund's NAV)
1	Microsoft Corporation	7.63
2	Apple Inc.	7.45
3	Alphabet Inc. Class A	7.39
4	Thermo Fisher Scientific Inc.	5.54
5	Mastercard Incorporated Class A	5.15
6	Amazon.com, Inc.	5.11
7	AIA Group Limited	4.88
8	LVMH Moet Hennessy Louis Vuitton SE	4.84
9	Novo Nordisk A/S Class B	4.62
10	Johnson Controls International plc	4.62

Source: Nomura Asset Management U.K. Limited

As at 31 Aug 2021

No.	Holdings Name	(% of Target Fund's NAV)
1	Alphabet Inc. Class C	6.94
2	Microsoft Corporation	6.86
3	Apple Inc.	6.54
4	DaVita Inc.	6.48
5	Novo Nordisk A/S Class B	5.30
6	Unilever PLC	4.97
7	Comcast Corporation Class A	4.94
8	PepsiCo, Inc.	4.50
9	PayPal Holdings, Inc.	4.46
10	Taiwan Semiconductor Manufacturing Co., Ltd.	4.41

Source: Nomura Asset Management U.K. Limited

3.8 Securities Lending or Repurchase Transactions

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

3.9 Income Distribution

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

3.10 Details of Any Unit Split Exercise

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

3.11 Significant Changes in the State of Affairs of the Fund

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

However, unitholders are to take note that the Fund has been converted from a wholesale fund to unit trust fund from 1 October 2022.

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

Mr. Leslie Yap Kim Loong
 Mr. Atsushi Ichii
 Mr. Wataru Ogihara (resigned on 31 December 2022)
 Ms. Chooi Su May
 Mr. Johari Bin Abdul Muid*
 Ms. Julia Binti Hashim*

* Independent director

3.12 Circumstances that Materially Affect Any Interest of Unit Holders

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

3.13 Cross Trades Transactions

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

3.14 Soft Commissions Received From Brokers

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

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

NOMURA GLOBAL HIGH CONVICTION FUND

SEMI-ANNUAL REPORT

**FOR THE FINANCIAL PERIOD FROM 01 SEPTEMBER 2022 TO 28
FEBRUARY 2023 (UNAUDITED)**

NOMURA GLOBAL HIGH CONVICTION FUND

SEMI-ANNUAL REPORT

**FOR THE FINANCIAL PERIOD FROM 01 SEPTEMBER 2022 TO 28
FEBRUARY 2023 (UNAUDITED)**

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NOMURA GLOBAL HIGH CONVICTION FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 01 SEPTEMBER 2022 TO 28 FEBRUARY 2023

	<u>Note</u>	<u>2023</u> USD
INVESTMENT INCOME		
Net gain on financial assets at fair value through profit or loss ("FVTPL")	3	15,717
		<hr/> 15,717
OTHER INCOME		
Net loss on foreign currency exchange		(2,626)
		<hr/> (2,626)
EXPENSES		
Management fee	4	(3,617)
Trustee fee	5	(995)
Other expenses		(397)
		<hr/> (5,009)
PROFIT BEFORE TAXATION		
		8,082
TAXATION		
	6	-
INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		
		<hr/> <hr/> 8,082
Increase in net assets attributable to unitholders is made up of the following:		
Realised amount		(4,793)
Unrealised amount		12,875
		<hr/> 8,082

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

NOMURA GLOBAL HIGH CONVICTION FUND

STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2023

	<u>Note</u>	<u>2023</u> USD
ASSETS		
Cash and cash equivalents	7	2,253
Financial assets at fair value through profit or loss ("FVTPL")	3	473,924
Amount due from Manager	8	2,097
TOTAL ASSETS		<hr/> 478,274 <hr/>
LIABILITIES		
Amount due to Provider		1,157
Amount due to Manager	9	1,239
Amount due to Trustee		325
TOTAL LIABILITIES		<hr/> 2,721 <hr/>
NET ASSET VALUE OF THE FUND		<hr/> 475,553 <hr/>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<hr/> 475,553 <hr/>

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

NOMURA GLOBAL HIGH CONVICTION FUND

STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2023 (CONTINUED)

	<u>Note</u>	<u>2023</u> USD
REPRESENTED BY		
FAIR VALUE OF OUTSTANDING UNITS (USD)		
Class MYR		471,264
Class USD		4,290
		<hr/>
NUMBER OF UNIT IN CIRCULATION (UNITS)		
Class MYR	10(a)	1,488,522
Class USD	10(b)	4,307
		<hr/> <hr/>
NET ASSET VALUE PER UNIT (USD)		
Class MYR		0.3166
Class USD		0.9961
		<hr/>
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES		
Class MYR		1.4199
Class USD		0.9961
		<hr/>

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

NOMURA GLOBAL HIGH CONVICTION FUND

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE FINANCIAL PERIOD FROM 01 SEPTEMBER 2022 TO 28 FEBRUARY 2023

	<u>2023</u> USD
Net assets attributable to unitholders at the beginning of the financial period*	454,199
Movement due to units created and cancelled during the financial period:	
Creation of units from applications	
- Class MYR	21,265
- Class USD	-
Cancellation of units	
- Class MYR	(7,914)
- Class USD	(79)
	<hr/> 467,471
Increase in net assets attributable to unitholders during the financial period	8,082
Net assets attributable to unitholders at the end of financial period	<hr/> <hr/> <u>475,553</u>

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

NOMURA GLOBAL HIGH CONVICTION FUND

STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED FROM 01 SEPTEMBER 2022 TO 28 FEBRUARY 2023

	<u>Note</u>	<u>2023</u> USD
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceed from sale of investments		11,432
Purchase of investments		(17,783)
Management fee paid		(3,026)
Rebate on management fee		2,710
Trustee fee paid		(1,384)
Payment for other fees and expenses		(397)
Net realised foreign exchange loss		(2,227)
Net cash used in from operating activities		<u>(10,675)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units		20,097
Payments for cancellation of units		(7,993)
Net cash generated from financing activities		<u>12,104</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		1,429
EFFECTS OF FOREIGN CURRENCY EXCHANGE		(66)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD		890
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	7	<u><u>2,253</u></u>

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

NOMURA GLOBAL HIGH CONVICTION FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 01 SEPTEMBER 2022 TO 28 FEBRUARY 2023

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

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

The preparation of financial statements in conformity with the MFRS and IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported financial 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.

There are no areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements.

(i) Standards and amendments to existing standards effective 1 January 2022.

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 January 2022 that have a material effect on the financial statements of the Fund.

(ii) New standards, amendments and interpretations effective after 1 January 2022 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 2022, 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 HIGH CONVICTION FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 01 SEPTEMBER 2022 TO 28 FEBRUARY 2023 (CONTINUED)

B PRESENTATION AND FUNCTIONAL CURRENCY

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the “functional currency”).

Due to mixed factors in determining the functional currency of the Fund, the Manager has used its judgement to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions and have determined the functional currency to be in United States Dollar (“USD”) primarily due to the following factors:

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

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

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income.

C INCOME RECOGNITION

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

D TAXATION

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

E CASH AND CASH EQUIVALENTS

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

NOMURA GLOBAL HIGH CONVICTION FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 01 SEPTEMBER 2022 TO 28 FEBRUARY 2023 (CONTINUED)

F FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Classification

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

- those to be measured subsequently at fair value (either through other comprehensive income ('OCI') or through profit or loss), and
- those to be measured at amortised cost.

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

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

The Fund classifies cash and cash equivalents and amount due from Manager as financial assets at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

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

NOMURA GLOBAL HIGH CONVICTION FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 01 SEPTEMBER 2022 TO 28 FEBRUARY 2023 (CONTINUED)

F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(ii) Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade date, the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value. Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value.

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

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

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

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

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

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

(iii) Impairment

The Fund measures credit risk and expected credit losses (“ECL”) using probability of default, exposure at default and loss given default. The Manager considers both historical analysis and forward looking information in determining any ECL. The Manager considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12 month ECL as any such impairment would be wholly insignificant to the Fund.

NOMURA GLOBAL HIGH CONVICTION FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 01 SEPTEMBER 2022 TO 28 FEBRUARY 2023(CONTINUED)

F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(iii) Impairment (continued)

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Write-off

The Fund write off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Fund may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains. There are no write-offs/recoveries during the financial period.

G UNITHOLDERS' CAPITAL

The Fund issues cancellable units, in two classes of units, known respectively as the Class USD and Class MYR, which are cancelled at the unitholders' option and do not have identical features subject to restrictions as stipulated in the Prospectus and Securities Commission's ("SC") Guidelines on Unit Trust Funds. 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 exercises the right to put back the unit to the Fund.

Prior to 1 September 2019, the Fund classified its puttable instruments as liabilities in accordance with MFRS 132 "Financial Instruments" Presentation". However, the amendment required puttable financial instruments that meet the definition of a financial liability to be classified as equity where certain strict criteria are met. Those criteria include:

- the puttable instruments must entitle the holder to a pro-rata share of net assets;
- the puttable instruments must be the most subordinated class and class features must be identical;
- there must be no contractual obligations to deliver cash or other financial asset other than the obligation on the issuer to repurchase; and
- the total expected cash flows from the puttable instrument over its life must be based substantially on the profit or loss if the issuer.

NOMURA GLOBAL HIGH CONVICTION FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 01 SEPTEMBER 2022 TO 28 FEBRUARY 2023 (CONTINUED)

G UNITHOLDERS' CAPITAL (CONTINUED)

These conditions were met when Class USD become fully redeemed on 28 May 2020 and Class MYR became the sole share class in the Fund. Should the terms or conditions of the unitholders' capital change such that they do not comply with the strict criteria contained in the MFRS 132, the unitholders' capital would be reclassified to a financial liability from the date the instrument ceases to meet the criteria. The financial liability would be measured at the instrument's fair value at the date of reclassification. Any difference between the carrying value of the equity instrument and fair value of the liability at the date of reclassification would be recognised in equity.

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

H AMOUNT DUE FROM/ (TO) PROVIDER

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

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

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

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

I MANAGEMENT FEE REBATE

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

NOMURA GLOBAL HIGH CONVICTION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 SEPTEMBER 2022 TO 28 FEBRUARY 2023

1 INFORMATION ON THE FUND

Nomura Global High Conviction Fund (the “Fund”) was constituted pursuant to the execution of a Master Deed (the “Deed”) dated 22 November 2016 entered into between Nomura Asset Management Sdn Bhd (the “Manager”) and CIMB Commerce Trustee Berhad (the “Trustee”).

The Fund was launched on 13 December 2016 and will continue its operations until terminated by the Manager or the Trustee as provided under Clause 15 of the Deed.

The Supplemental Deed dated 4 July 2022 in respect of the Fund (the “Deed”) was entered into between Nomura Asset Management Malaysia Sdn Bhd (the “Manager”) and the Trustee to govern the Fund and replace in its entirety the Initial Deed and the provision of the Initial Deed.

The Fund was converted into a Unit Trust Fund on 1 October 2022 and will continue its operations until terminated by the Manager or the Trustee as provided under the Deed.

The Fund shall invest in the Target Fund, money market instruments, fixed deposits with financial institutions, derivatives and any other form of investments as may be permitted by the SC from time to time that is in line with the Fund’s objective.

The Fund seeks to achieve long-term capital growth by investing in the Target Fund which invests primarily in global equity securities.

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows:

<u>2023</u>	<u>Note</u>	Financial assets at amortised <u>cost</u> USD	Financial assets at fair value through <u>profit or loss</u> USD	<u>Total</u> USD
Cash and cash equivalents	7	2,253	-	2,253
Financial assets at fair value through profit or loss (“FVTPL”)	3	-	473,924	473,924
Amount due from Manager	8	2,097	-	2,097
Total		<u>4,350</u>	<u>473,924</u>	<u>478,274</u>

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

NOMURA GLOBAL HIGH CONVICTION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 SEPTEMBER 2022 TO 28 FEBRUARY 2023 (CONTINUED)

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

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

Financial risk management is carried out through internal control processes adopted by the Manager and adherence to the investment restrictions as stipulated in the Deed and SC's Guidelines on Unit Trust Funds.

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

	Less than <u>1 month</u> USD	Between 1 month <u>to 1 year</u> USD	<u>Total</u> USD
<u>2023</u>			
Amount due to Provider	1,157	-	1,157
Amount due to Manager	1,239	-	1,239
Amount due to Trustee	325	-	325
Net assets attributable to unitholders *	475,553	-	475,553
Contractual cash out flows	<u>478,274</u>	<u>-</u>	<u>478,274</u>

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

NOMURA GLOBAL HIGH CONVICTION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 SEPTEMBER 2022 TO 28 FEBRUARY 2023 (CONTINUED)

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

Liquidity risk (continued)

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

Credit risk

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

For amount due from Manager, the settlement terms of units receivable from the Manager are governed by the SC's Guidelines on Unit Trust Funds.

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

	<u>Bank balances</u> USD	<u>Amount due from Manager</u> USD	<u>Total</u> USD
<u>2023</u>			
Financial institutions			
- AAA	2,253	-	2,253
- Not Rated	-	2,097	2,097
	<u>2,253</u>	<u>2,097</u>	<u>4,350</u>

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

NOMURA GLOBAL HIGH CONVICTION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 SEPTEMBER 2022 TO 28 FEBRUARY 2023 (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 USD475,553. The amount of net assets attributable to unitholder can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of the unitholders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for the unitholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

Market risk

(a) Price risk

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

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

	<u>2023</u>
	USD
<u>Financial assets at fair value through profit or loss:</u>	
Collective investment scheme	473,924
	<hr/>

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

	<u>Change in price of investments</u>	<u>Market value</u>	<u>Impact on profit after tax and net asset value</u>
	%	USD	USD
<u>2023</u>			
Financial assets at fair value through profit or loss:			
- Collective investment scheme	+ 5	497,620	23,696
	- 5	450,228	(23,696)
		<hr/>	<hr/>

NOMURA GLOBAL HIGH CONVICTION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 SEPTEMBER 2022 TO 28 FEBRUARY 2023 (CONTINUED)

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

Market risk (continued)

(b) Currency risk

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

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

	<u>Ringgit Malaysia</u> USD	<u>Total</u> USD
<u>2023</u>		
<u>Financial assets</u>		
Cash and cash equivalents	1,623	1,623
<u>Financial liabilities</u>		
Net assets attributable to unitholders	471,264	471,264

NOMURA GLOBAL HIGH CONVICTION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 SEPTEMBER 2022 TO 28 FEBRUARY 2023 (CONTINUED)

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

Market risk (continued)

(c) Currency risk (continued)

The table below summarises the sensitivity of the Fund's profit after tax and net asset value to changes in foreign exchange movements at the end of each reporting period. The analysis is based on the assumption that the foreign exchange rate changes by 5%, with all other variables held constant. This represents management's best estimate of a reasonable possible shift in a foreign exchange rate, having regard to historical volatility of this rate. Any increase/ (decrease) in foreign exchange rate will result in a corresponding (decrease)/increase in the net assets attributable to unitholder by approximately 5%. Disclosures below are shown in absolute terms, changes and impacts could be positive and negative.

	% Change in foreign exchange rate	Impact on profit after tax and net asset value 2023 USD
Ringgit Malaysia	+/- 5	+/- 23,482

Country Risk

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

Concentration Risk

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

Fund management risk

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

NOMURA GLOBAL HIGH CONVICTION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 SEPTEMBER 2022 TO 28 FEBRUARY 2023 (CONTINUED)

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

Fair value estimation

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

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

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

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

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

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

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

NOMURA GLOBAL HIGH CONVICTION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 SEPTEMBER 2022 TO 28 FEBRUARY 2023 (CONTINUED)

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

Fair value hierarchy

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

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

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

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

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

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

	<u>Level 1</u> USD	<u>Level 2</u> USD	<u>Level 3</u> USD	<u>Total</u> USD
<u>2023</u>				
Financial assets at fair value through profit or loss:				
- Collective investment scheme	<u>473,924</u>	<u>-</u>	<u>-</u>	<u>473,924</u>

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

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

NOMURA GLOBAL HIGH CONVICTION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 SEPTEMBER 2022 TO 28 FEBRUARY 2023 (CONTINUED)

3 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (“FVTPL”)

	<u>2023</u> USD
At FVTPL:	
- Collective investment scheme – foreign	<u>473,924</u>
Net gain on financial assets at FVTPL	
- realised gain on sale of investments	(248)
- unrealised (loss)/gain	13,274
- management fee rebate on collective investment scheme #	<u>2,691</u>
	<u>15,717</u>

In arriving at the fair value of collective investment scheme, the management fee initially paid to the Manager of collective investment scheme have been considered as part of its net asset value. In order to prevent the double charging of management fee which is not permissible under SC Guidelines, management fee charged on the Fund’s investments in collective investment scheme have been refunded to the Fund. Accordingly, any rebate of management fee received from the Manager of collective investment scheme is reflected as an increase in the net asset value of the collective investment scheme.

Collective investment scheme – foreign as at 28 February 2023 is as follows:

	<u>Quantity</u> Units	Aggregate <u>Cost</u> USD	Fair <u>Value</u> USD	Percentage <u>of NAV</u> %
Nomura Funds Ireland – Nomura Global High Conviction Fund Class A USD	<u>2,804</u>	<u>481,743</u>	<u>473,924</u>	<u>99.66</u>

NOMURA GLOBAL HIGH CONVICTION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 SEPTEMBER 2022 TO 28 FEBRUARY 2023 (CONTINUED)

4 MANAGEMENT FEE

In accordance with the Deed, the Manager is entitled to a management fee at a rate not exceeding 3% per annum of the net asset value of the Fund calculated and accrued on a daily basis.

The management fee provided in the financial statements is 1.60% per annum based on the net asset value of the Fund, calculated on a daily basis for the financial period.

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

5 TRUSTEE FEE

In accordance with the Deed, the Trustee is entitled to an annual fee at a rate of 0.10% per annum of the net asset value of the Fund.

The trustee fee provided in the financial statements is 0.02% per annum based on the net asset value of the Fund, calculated on a daily basis for the financial period, subject to a minimum fee of RM 9,000 (equivalent to : USD 2,007) per annum.

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

6 TAXATION

	<u>2023</u> USD
Current taxation - local	-

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

	<u>2023</u> USD
Profit before taxation	<u>8,082</u>
Taxation at Malaysian statutory rate of 24%	1,940
Tax effect of:	
Investment income not subject to tax	(3,090)
Loss not deductible for tax purpose	594
Expenses not deductible for tax purposes	356
Restriction on tax deductible expenses for Wholesale Funds	200
Taxation	<u>-</u>

NOMURA GLOBAL HIGH CONVICTION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 SEPTEMBER 2022 TO 28 FEBRUARY 2023 (CONTINUED)

7 CASH AND CASH EQUIVALENTS

	<u>2023</u> USD
Cash and bank balances	<u>2,253</u>

8 AMOUNT DUE FROM MANAGER

	<u>2023</u> USD
Creation of units	1,168
Rebate on management fee	929
	<u>2,097</u>

9 AMOUNT DUE TO MANAGER

	<u>2023</u> USD
Management fee	1,239
	<u>1,239</u>

10 NUMBER OF UNITS IN CIRCULATION

	<u>2023</u> No. of units
(a) CLASS MYR	
At beginning of the financial period	1,444,809
Creation of units during the financial period arising from creations	68,171
Cancellation of units	<u>(24,458)</u>
At end of the financial period	<u>1,488,522</u>
(b) CLASS USD	
At beginning of the financial period	4,390
Creation of units during the financial period arising from creations	-
Cancellation of units	<u>(83)</u>
At end of the financial period	<u>4,307</u>

NOMURA GLOBAL HIGH CONVICTION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 SEPTEMBER 2022 TO 28 FEBRUARY 2023 (CONTINUED)

11 TRANSACTIONS WITH FINANCIAL INSTITUTIONS

Details of transactions with the provider of the CIS for the financial period ended 28 February 2023 is as follows:

<u>Name of Provider</u>	<u>Value of trade</u> USD	<u>Percentage of total trade</u> %
Brown Brothers Harriman	<u>28,557</u>	<u>100</u>

The financial institution above is not related to the Manager.

12 TOTAL EXPENSE RATIO ("TER")

TER	<u>2023</u> %
	<u>0.51</u>

TER is derived from the following calculation:

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

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

The average net asset value of the Fund for the financial period calculated on daily basis is USD453,472.

NOMURA GLOBAL HIGH CONVICTION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 SEPTEMBER 2022 TO 28 FEBRUARY 2023 (CONTINUED)

13 PORTFOLIO TURNOVER RATIO (“PTR”)

	<u>2023</u>
PTR (times)	<u>0.03</u>

PTR is derived from the following calculation:

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

Where: total acquisition for the financial period = USD18,940
total disposal for the financial period = USD9,617

14 UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER

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

<u>Related party</u>	<u>Relationship</u>
Nomura Asset Management Malaysia Sdn Bhd	The Manager

There were no units held by the Manager and parties related to the Manager.

15 COMPARATIVES

There are no comparative figures as this is the first set of semi-annual financial statements prepared since the Fund converted from Wholesale Fund to Unit Trust Fund on 1 October 2022.

16 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 27 April 2023.

NOMURA GLOBAL HIGH CONVICTION 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 24 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 28 February 2023 and of its financial performance, changes in net assets attributable to unitholders and cash flows for the financial period from 01 September 2022 to 28 February 2023 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
27 April 2023

**TRUSTEE'S REPORT
TO THE UNIT HOLDERS OF NOMURA GLOBAL HIGH CONVICTION FUND ("Fund")**

We have acted as Trustee of the Fund for the financial period from 01 September 2022 to 28 February 2023 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 period covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the management company under the deed, securities laws and the Guidelines on Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the deed; and
3. Any creation and cancellation of units are carried out in accordance with the deed and any regulatory requirement.

For and on behalf of
CIMB Commerce Trustee Berhad



§ **Datin Ezreen Eliza binti Zulkiplee**
Chief Executive Officer

Kuala Lumpur, Malaysia
27 April 2023