



NOMURA

Nomura Global Shariah Semiconductor Equity Fund

Semi-Annual Report and Unaudited Financial Statements for the Period
from 25 July 2022 (Date of Launch) to 31 May 2023

MANAGER:

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

TRUSTEE:

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

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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 Shariah Semiconductor Equity Fund (“Fund”)

1.2 Type and Category of Fund

Growth – Equity (Shariah-compliant)

1.3 Duration of the Fund

The Fund is an open-ended fund.

1.4 Investment Objectives

The Fund aims to achieve long-term capital growth.

1.5 Distribution Policy

Distribution of income, if any, is incidental.

1.6 Performance Benchmark

Nasdaq Global Semiconductor Index (“Benchmark”).

2. FUND PERFORMANCE

2.1 Key Fund Performance Data

Asset Allocation / Portfolio Composition	31 May 2023
Equities	95.67%
Cash and Others	4.33%
Total	100.00%

Fund – MYR Class

Category	Since Commencement, 15 August 2022 to 31 May 2023
Highest NAV per Unit (RM) ¹	1.2574
Lowest NAV per Unit (RM) ¹	0.7589
Total Return (%) ²	
- Capital growth (%)	23.18
- Income (%)	-
Gross/Net Distribution per unit (RM)	-
Total NAV (USD) ¹	3,414,824
NAV per Unit (RM)	1.2318
Unit in Circulation	12,788,574

Fund – USD Class

Category	Since Commencement, 15 August 2022 to 31 May 2023
Highest NAV per Unit (USD) ¹	1.2173
Lowest NAV per Unit (USD) ¹	0.7188
Total Return (%) ²	
- Capital growth (%)	18.86
- Income (%)	-
Gross/Net Distribution per unit (USD)	-
Total NAV (USD) ¹	669,062
NAV per Unit (USD)	1.1886
Unit in Circulation	562,900

Category	Since Commencement, 15 August 2022 to 31 May 2023
Total Expense Ratio (%) ³	1.64
Portfolio Turnover Ratio (time) ⁴	1.40

Notes:

(1) *Figures shown as ex-distribution.*

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

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

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

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

2.2 Average Total Return of the Fund

Fund – MYR Class

	Since Commencement, 15 August 2022 to 31 May 2023
Average Total Return (%)	30.00

Source: Refinitiv Lipper

Fund – USD Class

	Since Commencement, 15 August 2022 to 31 May 2023
Average Total Return (%)	24.29

Source: Refinitiv Lipper

2.3 Annual Total Return of the Fund

Fund – MYR Class

	Since Commencement, 15 August 2022 to 31 May 2023
Total Return (%) ¹	23.18
Benchmark (%)	24.29

Source: Refinitiv Lipper

Fund – USD Class

	Since Commencement, 15 August 2022 to 31 May 2023
Total Return (%) ¹	18.86
Benchmark (%)	19.68

Source: Refinitiv Lipper

Notes:

- (1) Annual Total Return of the Fund and its Benchmark for a period are calculated based on the absolute return of the Fund for that period. The calculation of the Annual Total Return of the Fund is based on NAV-to-NAV basis, and 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:

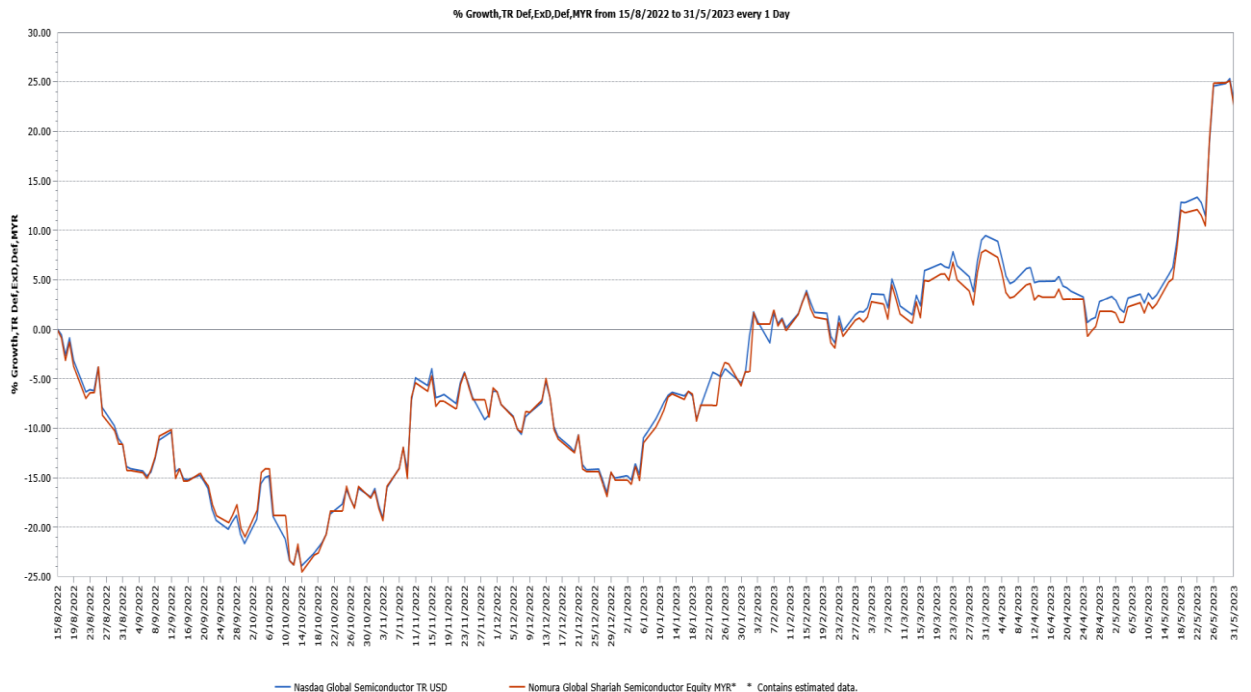
- **Capital Return** = $\{NAV \text{ per Unit End} / NAV \text{ per Unit Beginning} - 1\} \times 100$
- **Income Return** = $\{Income \text{ Distribution per Unit} / NAV \text{ per Unit Ex-Distribution}\} \times 100$
- **Total Return** = $(1 + \text{Percentage Growth})^{1/n} - 1$

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

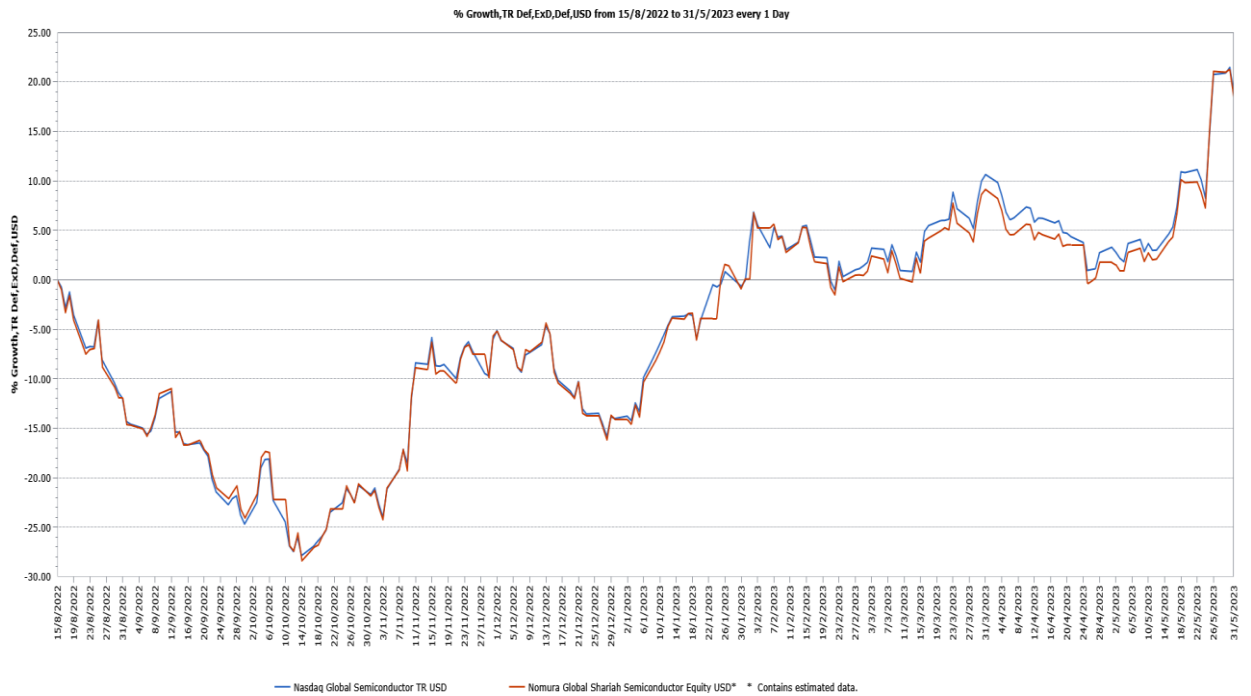
3. MANAGER'S REPORT

Performance of Nomura Global Shariah Semiconductor Equity Fund from 15 August 2022 to 31 May 2023

Fund – MYR Class



Fund – USD Class



Benchmark: Nasdaq Global Semiconductor 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 15 August 2022 to 31 May 2023

Fund – MYR Class

For the period under review from 15 August 2022 to 31 May 2023, MYR Class has registered 23.18% return. Compared to the Benchmark return of 24.29%, MYR Class has underperformed the Benchmark by -1.11%. The Net Asset Value (NAV) per unit of MYR Class as at 25 July 2022 (launch date) was RM 1.0000 compared to the NAV per unit as at 31 May 2023 of RM 1.2318. On the total NAV basis, MYR Class' NAV stood at RM 16.00 million as at 31 May 2023. During the period under review, MYR Class has not declared any income distribution.

Fund – USD Class

For the period under review from 15 August 2022 to 31 May 2023, USD Class has registered 18.86% return. Compared to the Benchmark return of 19.68%, USD Class has underperformed the Benchmark by -0.82%. The Net Asset Value (NAV) per unit of USD Class as at 25 July 2022 (launch date) was USD 1.0000 compared to the NAV per unit as at 31 May 2023 of USD 1.1886. On the total NAV basis, USD Class' NAV stood at USD 0.67 million as at 31 May 2023. During the period under review, USD Class has not declared any income distribution.

3.2 Review of Market for the period from 15 August 2022 to 31 May 2023

The semiconductor industry entered a downturn at the start of the third quarter of 2022 as major chip companies lowered profit outlooks amid slowing demand and rising inventory levels. PCs, smartphones and memory chip makers were the first to warn of waning demand following two years of solid revenue growth fueled by remote work arrangements during the Covid-19 pandemic. This led to a selloff in shares of semiconductors stocks in August and September 2022.

Better-than-expected corporate earnings and moderating inflationary pressure subsequently led to a rebound in U.S. equities in the fourth quarter of 2022. U.S inflation report unexpectedly softened in October 2022 which gave rise to investor optimism that the U.S. Federal Reserve (Fed) may slow its pace of aggressive interest rate hikes. Semiconductor stocks rose in tandem with the broader markets in October and November 2022 before retracing in December 2022 amid concerns over recessions fueled by tighter monetary policy.

The equity market started the year on solid footing in 2023 amid renewed optimism for a soft landing scenario on the back of softer inflation data and resilient economic growth. Equities rallied sharply in January 2023 before retracing in February 2023 as an unexpected reacceleration in inflationary pressure dashed hopes for a pause in interest rate increases. Equity markets subsequently rebounded in March 2023 as the U.S. regional banking crisis shifted the path of the interest rate cycle, implying an earlier pause in rate hikes than previously expected. Throughout the quarter, the semiconductor sector rose in tandem with the broader equity markets as investors looked past the ongoing inventory correction in anticipation of a strong recovery in 2H 2023.

Equities rose marginally in April 2023 as the U.S. regional banking stress receded, economic activity held up and corporate earnings were better than expected. In May 2023, strong earnings fueled a rally in megacap tech stocks but the rally was dragged by underperformance in most other sectors. This led to a divergence in equities with the Nasdaq Composite Index registering solid gains while the S&P 500 Index were largely unchanged. Semiconductors stocks were particularly strong after NVIDIA provided very strong revenue guidance amid surging demand for its Graphics Processing Unit (GPUs) as cloud companies and enterprises are racing to invest in Generative AI.

3.3 Investment Outlook

Economic growth is expected to moderate going forward dragged by headwinds from the lagged effects of restrictive monetary policy and the tightening of credit standards. Despite the muted macro outlook, the semiconductor sector is set to recover in the second half of 2023. Having entered a downturn in mid-2022, the semiconductor market has endured several quarters of inventory correction and semiconductor inventories have now moved closer to normalised levels. While shares of semiconductor companies have rallied sharply in 2023 in anticipation of the recovery, valuation of semiconductor stocks remains compelling given their long-term growth prospects underpinned by several megatrends including artificial intelligence, autonomous driving, Internet of Things (IoT) and 5G. Given our investment strategy is to own the highest quality semiconductor companies with economic moats, such as intellectual property, we continue to selectively capitalise on opportunities to tap into these long-term secular tailwinds.

3.4 Strategies Employed for the period from 15 August 2022 to 31 May 2023

The Fund ended the financial period under review with an average equity exposure of 94.5% to fully capitalise on investment opportunities in semiconductor stocks ahead of the anticipated rebound of the sector.

3.5 Asset Allocation

Asset Allocation / Portfolio Composition	31 May 2023
Equities	95.67%
Cash and Others	4.33%
Total	100.00%

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

3.6 Securities Lending or Repurchase Transactions

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

3.7 Income Distribution

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

3.8 Details of Any Unit Split Exercise

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

3.9 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, 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*

3.10 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.

3.11 Cross Trades Transactions

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

3.12 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 SHARIAH SEMICONDUCTOR EQUITY FUND

FINANCIAL STATEMENTS

**FOR THE FINANCIAL PERIOD FROM 25 JULY 2022
(DATE OF LAUNCH) TO 31 MAY 2023
(UNAUDITED)**

NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND

FINANCIAL STATEMENTS

**FOR THE FINANCIAL PERIOD FROM 25 JULY 2022 (DATE OF LAUNCH) TO 31 MAY 2023
(UNAUDITED)**

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NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 25 JULY 2022 (DATE OF LAUNCH) TO 31 MAY 2023 (UNAUDITED)

	<u>Note</u>	Financial period from 25.7.2022 (date of launch) to <u>31.5.2023</u> USD
INVESTMENT INCOME		
Gross dividend income		21,767
Net gain on financial assets at fair value through profit or loss	7	807,726
Net loss on foreign currency exchanges		(1,713)
		<u>827,780</u>
EXPENSES		
Management fee	4	(27,238)
Trustee fee	5	(757)
Shariah Adviser's fee		(137)
Auditors' remuneration		(81)
Tax agent's fee		(56)
Transaction cost		(2,403)
Other expenses		(8,541)
		<u>(39,213)</u>
NET PROFIT BEFORE TAXATION		788,567
Taxation	6	(1,238)
INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>787,329</u>
Increase in net assets attributable to unitholders is made up of the following:		
Realised amount		107,463
Unrealised amount		679,866
		<u>787,329</u>

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

NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND

STATEMENT OF FINANCIAL POSITION AS AT 31 MAY 2023 (UNAUDITED)

	<u>Note</u>	As at <u>31.5.2023</u> USD
ASSETS		
Cash and cash equivalents	8	390,460
Financial assets at fair value through profit or loss	7	3,910,523
Amount due from Manager - creation of units		446,714
Dividends receivable		2,132
TOTAL ASSETS		<u>4,749,829</u>
LIABILITIES		
Amount due to Manager - management fee		6,186
- cancellation of units		659,449
Amount due to Trustee		172
Auditors' remuneration		81
Tax agent's fee		55
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)		<u>665,943</u>
NET ASSET VALUE OF THE FUND		<u>4,083,886</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>4,083,886</u>

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

NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND

STATEMENT OF FINANCIAL POSITION AS AT 31 MAY 2023 (UNAUDITED) (CONTINUED)

	<u>Note</u>	As at <u>31.5.2023</u> USD
REPRESENTED BY:		
FAIR VALUE OF OUTSTANDING UNITS		
- MYR CLASS		3,414,824
- USD CLASS		669,062
		<u>4,083,886</u>
NUMBER OF UNITS IN CIRCULATION		
- MYR CLASS	9(a)	12,788,574
- USD CLASS	9(b)	562,900
		<u>13,351,474</u>
NET ASSET VALUE PER UNIT (USD)		
- MYR CLASS		0.2670
- USD CLASS		1.1886
		<u>1.1886</u>
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES		
- MYR CLASS		1.2318
- USD CLASS		1.1886
		<u>1.1886</u>

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

NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE FINANCIAL PERIOD FROM 25 JULY 2022 (DATE OF LAUNCH) TO 31 MAY 2023 (UNAUDITED)

	Financial period from 25.7.2022 (date of launch) to <u>31.5.2023</u> USD
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE DATE OF LAUNCH	-
Movement due to units created and cancelled during the period	
Creation of units arising from applications	
- MYR Class	5,282,122
- USD Class	571,331
Cancellation of units	
- MYR Class	(2,555,882)
- USD Class	(1,014)
Increase in net assets attributable to unitholders during the financial period	787,329
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL PERIOD	<hr/> 4,083,886 <hr/> <hr/>

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

NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND

STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD FROM 25 JULY 2022 (DATE OF LAUNCH) TO 31 MAY 2023 (UNAUDITED)

	<u>Note</u>	Financial period from 25.7.2022 (date of launch) to <u>31.5.2023</u> USD
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sale of Shariah-compliant investments		1,113,616
Purchase of Shariah-compliant investments		(4,216,412)
Dividend received		14,079
Management fee paid		(21,052)
Trustee's fee paid		(585)
Tax paid		(1,238)
Shariah adviser's fee paid		(137)
Payment for other fees and expenses		(5,398)
Net realised loss on foreign currency exchange		(2,379)
		<hr/>
Net cash used in operating activities		(3,119,506)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units		5,405,699
Payments for cancellation of units		(1,895,733)
		<hr/>
Net cash generated from financing activities		3,509,966
		<hr/>
NET INCREASE IN CASH AND CASH EQUIVALENTS		390,460
		<hr/>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	8	390,460
		<hr/> <hr/>

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

NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 25 JULY 2022 (DATE OF LAUNCH) TO 31 MAY 2023 (UNAUDITED)

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 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 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.

B INCOME RECOGNITION

Dividend income from quoted Shariah-compliant investments 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 are accounted for as the difference between the net disposal proceeds and the carrying amount of the Shariah-compliant investments, determined on a weighted average cost basis.

NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 25 JULY 2022 (DATE OF LAUNCH) TO 31 MAY 2023 (UNAUDITED) (CONTINUED)

C TAXATION

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

Tax on Shariah-compliant 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 United States Dollar (“USD”), which is the Fund’s functional and presentation currency.

E FOREIGN CURRENCY TRANSLATION

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 USD primarily due to the following factors:

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

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

F FINANCIAL ASSETS AND FINANCIAL LIABILITIES

- (i) Classification

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

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

NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 25 JULY 2022 (DATE OF LAUNCH) TO 31 MAY 2023 (UNAUDITED) (CONTINUED)

F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(i) Classification (Continued)

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 profit ("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.

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

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

(ii) Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Fund commits to purchase or sell the asset. Shariah-compliant investments are initially recognised at fair value. Transaction costs are expensed in the statement of comprehensive income.

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 Shariah-compliant 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 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.

Gross Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of dividend income when the Fund's right to receive payments is established.

NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 25 JULY 2022 (DATE OF LAUNCH) TO 31 MAY 2023 (UNAUDITED) (CONTINUED)

F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(ii) Recognition and measurement (Continued)

Quoted Shariah-compliant investments is 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 quoted Shariah-compliant investment, 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 Shariah-compliant securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the quoted Shariah-compliant 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.

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

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

NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 25 JULY 2022 (DATE OF LAUNCH) TO 31 MAY 2023 (UNAUDITED) (CONTINUED)

(iv) Impairment (Continued)

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 impairment gains. There are no write-offs/recoveries during the financial period.

G CASH AND CASH EQUIVALENTS

For the purpose of statement of cash flows, cash and cash equivalents comprise cash and bank balances held in highly liquid Shariah-compliant investments that are readily convertible to known amounts of cash with an original maturity of three months or lesser which are subject to an insignificant risk of changes in value.

H AMOUNT DUE FROM/(TO) BROKERS/INTERMEDIARIES

Amount due from/to brokers/intermediaries represent receivables/payable for Shariah-compliant investments sold/purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively. The due from/to brokers/intermediaries 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/intermediary, probability that the broker/intermediary will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

I INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

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

NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 25 JULY 2022 (DATE OF LAUNCH) TO 31 MAY 2023 (UNAUDITED) (CONTINUED)

J 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 Unit Trust Funds.

K 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 Unit Trust Funds.

NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 25 JULY 2022 (DATE OF LAUNCH) TO 31 MAY 2023 (UNAUDITED)

1 INFORMATION ON THE FUND

Nomura Global Shariah Semiconductor Equity Fund (the “Fund”) was constituted pursuant to the execution of a Deed dated 25 April 2022 (the “Deed”) between Nomura Asset Management Malaysia Sdn Bhd (the “Manager”) and Deutsche Trustees Malaysia Berhad (the “Trustee”).

The Fund aims to achieve long-term capital growth.

The Fund will invest a minimum of 70% of the Fund’s NAV in Shariah-compliant equities and Shariah-compliant equity-related securities of companies that are involved in the manufacturing ecosystem of semiconductor listed in the global markets and a maximum of 30% of the Fund’s NAV will be invested in Islamic money market instruments and Islamic deposits. To achieve long-term capital growth, the Fund may also invest in Islamic collective investment schemes to access investment opportunities which are not available through direct investment in Shariah-compliant equities and Shariah-compliant equity-related securities.

The Manager is a company incorporated in Malaysia. The principal activities of the Manager are establishment and management of unit trust funds and asset management including providing fund management services to private clients.

The financial statements were authorised for issue by the Manager on 27 July 2023.

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows:

	At amortised cost USD	At fair value through profit or loss USD	Total USD
<u>As at 31.5.2023</u>			
<u>Financial assets</u>			
Cash and cash equivalents	390,460	-	390,460
Financial assets at fair value through profit or loss (“FVTPL”)	-	3,910,523	3,910,523
Amount due to Manager - creation of units	446,714	-	446,714
Dividends receivable	2,132	-	2,132
Total	<u>839,306</u>	<u>3,910,523</u>	<u>4,749,829</u>

NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 25 JULY 2022 (DATE OF LAUNCH) TO 31 MAY 2023 (UNAUDITED) (CONTINUED)

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

Financial instruments are as follows: (Continued)

	At amortised cost <u>USD</u>	At fair value through profit or loss <u>USD</u>	<u>Total USD</u>
<u>As at 31.5.2023</u>			
<u>Financial liabilities</u>			
Amount due to Manager			
- management fee	6,186	-	6,186
- cancellation of units	659,449	-	659,449
Amount due to Shariah Adviser	-	-	-
Amount due to Trustee	172	-	172
Auditors' remuneration	81	-	81
Tax agent's fee	55	-	55
	<u>665,943</u>	<u>-</u>	<u>665,943</u>
Total			

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 Unit Trust Funds.

Market risk

(a) Price risk

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

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

	As at <u>31.5.2023</u> USD
<u>Financial assets at fair value through profit or loss:</u>	
Quoted Shariah-compliant equity securities	3,910,523
	<u>3,910,523</u>

NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 25 JULY 2022 (DATE OF LAUNCH) TO 31 MAY 2023 (UNAUDITED) (CONTINUED)

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

Market risk (Continued)

(a) Price risk (Continued)

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

<u>% Change in price</u>	<u>Market value</u> USD	Impact on profit after <u>tax/NAV</u> USD
<u>As at 31.5.2023</u>		
-5%	3,714,997	(195,526)
0%	3,910,523	-
+5%	4,106,049	195,526

(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 have no invest in deposits with licensed financial institutions are short-term in nature for the financial period. Therefore, the Fund is not exposure to interest rate risk.

NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 25 JULY 2022 (DATE OF LAUNCH) TO 31 MAY 2023 (UNAUDITED) (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. Malaysian based investor should be aware that if the Malaysian Ringgit appreciates against the currencies in which the financial assets are denominated, this will have an adverse effect on the net asset value of the Fund and vice versa. Investors should also note any gains or losses arising from the movement of foreign currencies against its functional currency may therefore increase/decrease the capital gains of the investment denominated in foreign currencies. Nevertheless, investors should realise that currency risk is considered as one of the major risks to investments in foreign assets due to the volatile nature of the foreign exchange market. The Manager will evaluate the likely directions of a foreign currency versus Ringgit Malaysia based on considerations of economic fundamentals such as currency 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> USD	Cash and cash <u>equivalents</u> USD	Other <u>assets</u> USD	<u>Total</u> USD
<u>2023</u>				
<u>Financial assets</u>				
European Dollar	578,178	310	-	578,488
Japanese Yen	301,188	1,736	155	303,079
Malaysian Ringgit	-	78,006	410,567	488,573
	<u>879,366</u>	<u>80,052</u>	<u>410,722</u>	<u>1,370,140</u>
			Net assets attributable to <u>unitholders</u> USD	<u>Total</u> USD
<u>Financial liabilities</u>		<u>Other</u> <u>liabilities</u> USD		
Malaysian Ringgit		659,449	3,416,971	4,076,420
		<u>659,449</u>	<u>3,416,971</u>	<u>4,076,420</u>

NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 25 JULY 2022 (DATE OF LAUNCH) TO 31 MAY 2023 (UNAUDITED) (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 fluctuates by 5%, 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. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change in foreign exchange rate %	Impact on profit after taxation/NAV USD
<u>2023</u>		
European Dollar	5	28,924
Japanese Yen	5	15,154
Malaysian Ringgit	5	179,392
		<u> </u>

Credit risk

Credit risk refers to the ability of an issuer or counterparty will default on its contractual obligation resulting in financial loss to the Fund.

The settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the SC's Guidelines on Unit Trust Funds.

For amount due from brokers/intermediaries, the settlement terms are governed by the relevant rules and regulations as prescribed by Bursa Securities and respective foreign stock exchanges. The credit risk is minimal as all transactions in quoted Shariah-compliant investments are settled/paid upon delivery using approved brokers/intermediaries.

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

	Cash and cash <u>equivalents</u> USD	Other <u>assets</u> USD	<u>Total</u> USD
<u>As at 31.5.2023</u>			
- AA1	390,460	-	390,460
Others			
- NR	-	448,846	448,846
	<u>390,460</u>	<u>448,846</u>	<u>839,306</u>
	<u> </u>	<u> </u>	<u> </u>

NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 25 JULY 2022 (DATE OF LAUNCH) TO 31 MAY 2023 (UNAUDITED) (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.

	<u>Within one month USD</u>	<u>Between one month to one year USD</u>	<u>Total USD</u>
<u>As at 31.5.2023</u>			
Amount due to Manager			
- management fee	6,186	-	6,186
- cancellation of units	659,449	-	659,449
Amount due to Trustee	172	-	172
Auditors' remuneration	-	81	81
Tax agent's fee	-	55	55
Net assets attributable to unitholders*	4,083,886	-	4,083,886
	<u>4,749,693</u>	<u>136</u>	<u>4,749,829</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.

Capital risk

The capital of the Fund is represented by net assets attributable to unitholders of USD4,083,886. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unitholders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 25 JULY 2022 (DATE OF LAUNCH) TO 31 MAY 2023 (UNAUDITED) (CONTINUED)

3 FAIR VALUE ESTIMATION

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

The fair value of financial assets and liabilities traded in active market (such as trading Shariah-compliant securities) are based on quoted market prices at the close of trading on the reporting 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 SEMICONDUCTOR EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 25 JULY 2022 (DATE OF LAUNCH) TO 31 MAY 2023 (UNAUDITED) (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> USD	<u>Level 2</u> USD	<u>Level 3</u> USD	<u>Total</u> USD
<u>As at 31.5.2023</u>				
Financial assets at fair value through profit or loss				
- Quoted Shariah-compliant equity securities	3,910,523	-	-	3,910,523

Shariah-compliant investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, including listed Shariah-compliant equities. The Fund does not adjust the quoted prices for this instrument.

(ii) The carrying values of financial assets (other than financial assets at fair value through profit or loss) and financial liabilities are a reasonable approximation of the fair values due to their short term nature.

4 MANAGEMENT FEE

In accordance with the Deed, the Manager is entitled to a management fee of up to 3.00% per annum calculated daily based on the net asset value of the Fund.

For the financial period ended 31 May 2023, the management fee is recognised at a rate of 1.80% per annum for MYR Class and 1.80% per annum for USD Class.

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

5 TRUSTEE FEE

In accordance with the Deed, the Trustee is entitled to a fee not exceeding 0.10% subject to a minimum of RM15,000 per annum calculated daily based on the net asset value of the Fund.

For the financial period ended 31 May 2023, the Trustee fee is recognised at a rate of 0.05% per annum, exclusive of foreign custodian fees and charges.

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

NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 25 JULY 2022 (DATE OF LAUNCH) TO 31 MAY 2023 (UNAUDITED) (CONTINUED)

6 TAXATION

	Financial period from 25.7.2022 (date of launch) to <u>31.5.2023</u> USD
Tax charge for the financial period:	
Current taxation	1,238

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

	Financial period from 25.7.2022 (date of launch) to <u>31.5.2023</u> USD
Profit before taxation	788,567
Taxation at Malaysian statutory rate of 24%	189,256
Tax effects of:	
Shariah-compliant investment income not subject to tax	(198,668)
Expenses not deductible for tax purposes	2,855
Restriction on tax deductible expenses for Unit Trust Funds	6,557
Taxation	1,238
Tax expense	1,238

NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 25 JULY 2022 (DATE OF LAUNCH) TO 31 MAY 2023 (UNAUDITED) (CONTINUED)

7 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at <u>31.5.2023</u> USD
Financial assets at fair value through profit or loss:	
- quoted Shariah-compliant equity securities	3,910,523
	<hr/> <hr/>
	Financial period from 25.7.2022 (date of launch) to <u>31.5.2023</u> USD
Net gain on financial assets at fair value through profit or loss:	
- realised gain on sale of Shariah-compliant investments	128,525
- unrealised gain on changes in fair value	679,201
	<hr/> <hr/>
	807,726

Quoted Shariah-compliant equity securities as at 31 May 2023 are as follows:

<u>Name of Security</u>	<u>Quantity</u> Units	Aggregate <u>cost</u> USD	Fair <u>value</u> USD	Percentage <u>of NAV</u> %
GERMANY				
Information Technology				
Infineon Technologies AG	2,970	98,521	109,945	2.69
TOTAL GERMANY	<hr/> 2,970	<hr/> 98,521	<hr/> 109,945	<hr/> 2.69
ITALY				
Information Technology				
STMicroelectronics N.V.	1,420	59,168	61,406	1.50
TOTAL ITALY	<hr/> 1,420	<hr/> 59,168	<hr/> 61,406	<hr/> 1.50

NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 25 JULY 2022 (DATE OF LAUNCH) TO 31 MAY 2023 (UNAUDITED) (CONTINUED)

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

Quoted Shariah-compliant equity securities as at 31 MAY 2023 are as follows (continued):

<u>Name of Security</u>	<u>Quantity</u> Units	<u>Aggregate</u> <u>cost</u> USD	<u>Fair</u> <u>value</u> USD	<u>Percentage</u> <u>of NAV</u> %
JAPAN				
Information Technology				
Advantest Corporation	365	33,958	46,791	1.15
Lasertec Corporation	580	94,222	89,879	2.20
Tokyo Electron Limited	1,190	135,330	164,518	4.03
TOTAL JAPAN	2,135	263,510	301,188	7.38
NETHERLANDS				
Information Technology				
ASM International N.V.	105	33,684	45,372	1.11
ASML Holding N.V.	505	303,700	361,455	8.85
TOTAL NETHERLANDS	610	337,384	406,827	9.96
UNITED STATES				
Information Technology				
Advanced Micro Devices, Inc.	2,040	176,249	241,148	5.91
Analog Devices, Inc.	830	147,882	147,483	3.61
Applied Materials, Inc.	1,410	157,593	187,953	4.60
Broadcom Inc.*	520	305,088	420,139	10.29
Intel Corporation	5,700	176,007	179,208	4.39
KLA Corporation	100	36,812	44,299	1.08
LAM Research Corporation	290	149,116	178,843	4.38
Marvell Technology, Inc	2,065	91,538	120,782	2.96
Microchip Technology Incorporated	330	24,187	24,836	0.61
Micron Technology, Inc.	3,080	183,591	210,056	5.14
Nvidia Corporation*	1,240	256,144	469,142	11.49

* As of 31 May 2023, the fund have exposures in Broadcom Inc. and Nvidia Corporation which both exceeded the investment limit range of 10% of Net Asset Value ("NAV") due to market movement.

Both limits have been rectified within the three month timeframe as stipulated by the SC's Guidelines on Unit Trust Funds.

NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 25 JULY 2022 (DATE OF LAUNCH) TO 31 MAY 2023 (UNAUDITED) (CONTINUED)

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

Quoted Shariah-compliant equity securities as at 31 May 2023 are as follows (continued):

<u>Name of Security</u>	<u>Quantity</u> Units	<u>Aggregate</u> <u>cost</u> USD	<u>Fair</u> <u>value</u> USD	<u>Percentage</u> <u>of NAV</u> %
UNITED STATES (CONTINUED)				
Information Technology (Continued)				
NXP Semiconductors N.V.	250	43,347	44,775	1.10
ON Semiconductor Corporation	900	67,898	75,240	1.84
Qualcomm Incorporated	1,311	167,762	148,680	3.64
Taiwan Semiconductor Manufacturing Co., Ltd.	4,140	358,593	408,163	9.99
Texas Instruments Incorporated	750	130,932	130,410	3.19
TOTAL UNITED STATES	24,956	2,472,739	3,031,157	74.22
Total quoted Shariah-compliant equity securities	32,091	3,231,322	3,910,523	95.75
Accumulated unrealised gain on quoted Shariah-compliant equity securities		679,201		
Total quoted Shariah-compliant equity securities		3,910,523		

8 CASH AND CASH EQUIVALENTS

	As at <u>31.5.2023</u> USD
Bank balances with a licensed bank	390,460
	<u>390,460</u>

NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 25 JULY 2022 (DATE OF LAUNCH) TO 31 MAY 2023 (UNAUDITED) (CONTINUED)

9 NUMBER OF UNITS IN CIRCULATION

(a)	MYR Class units in circulation	As at <u>31.5.2023</u> No. of units
	At the beginning of the financial period/date of launch	-
	Creation of units arising from applications during the financial period	23,123,864
	Cancellation of units during the financial period	<u>(10,335,290)</u>
	At the end of the financial period	<u><u>12,788,574</u></u>
(b)	USD Class units in circulation	As at <u>31.5.2023</u> No. of units
	At the beginning of the financial period/date of launch	-
	Creation of units arising from applications during the financial period	564,178
	Cancellation of units during the financial period	<u>(1,278)</u>
	At the end of the financial period	<u><u>562,900</u></u>

10 TRANSACTIONS WITH BROKERS/INTERMEDIARIES

Details of transactions with the brokers/intermediaries are as follows:

<u>Name of brokers/intermediaries</u>	<u>Value of trade</u> USD	Percentage of total <u>trade</u> %	Brokerage fees USD	Percentage of total <u>brokerage</u> %
JP Morgan Securities Llc	948,719	17.80	332	13.82
Robert W. Baird & Co. Incorporated	851,735	15.98	233	9.71
Bofa Securities, Inc New York	768,662	14.42	301	12.53
Sanford C. Bernstein And Co., Llc	633,484	11.89	132	5.51
Daiwa Securities Smbc Hong Kong Ltd	545,592	10.24	175	7.28
Jefferies Llc.	275,271	5.16	93	3.84
CLSA Singapore Pte Ltd.	210,217	3.94	231	9.62
JP Morgan Securities Ltd London	203,038	3.81	203	8.45
Sanford C. Bernstein Ltd. London	183,590	3.44	184	7.64
Barclays Capital Inc	182,242	3.42	80	3.34
Others	527,477	9.90	439	18.26
	<u>5,330,027</u>	<u>100.00</u>	<u>2,403</u>	<u>100.00</u>

NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 25 JULY 2022 (DATE OF LAUNCH) TO 31 MAY 2023 (UNAUDITED) (CONTINUED)

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

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

<u>Related parties</u>	<u>Relationship</u>
Nomura Asset Management Malaysia Sdn Bhd	The Manager
The Nomura Trust and Banking Co., Ltd.	Associate Company

The number of units held by the Manager and party related to the Manager as at the end of the financial period as follows:

	No. of units	As at <u>31.5.2023</u> USD
Nomura Asset Management Malaysia Sdn Bhd - MYR Class	1,000	1,231.80
The Nomura Trust and Banking Co., Ltd. - USD Class	500,000	594,300.00

12 TOTAL EXPENSES RATIO ("TER")

	Financial period from 25.7.2022 (date of launch) to <u>31.5.2023</u> %
TER	1.64

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 period calculated on a daily basis is USD1,904,381.

NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 25 JULY 2022 (DATE OF LAUNCH) TO 31 MAY 2023 (UNAUDITED) (CONTINUED)

13 PORTFOLIO TURNOVER RATIO (“PTR”)

	Financial period from 25.7.2022 (date of launch) to <u>31.5.2023</u>
PTR (times)	<u>1.40</u>

PTR is derived from the following calculation:

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

where: total acquisition for the financial period = USD4,218,386
total disposal for the financial period = USD1,113,186

14 SHARIAH INFORMATION OF THE FUND

The Shariah Adviser confirmed that the investment portfolio of the Fund is Shariah-compliant which comprises:

- i) foreign securities in foreign markets which have been classified as Shariah-compliant either by the Shariah Supervisory Board of Dow Jones Islamic Market Developed Markets Index and/or by us;
- ii) cash placements and liquid assets which are placed in non-interest bearing account with licensed Islamic domestic and foreign financial institutions; and
- iii) collective investment schemes which we have verified as Shariah-compliant.

NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND**STATEMENT BY THE MANAGER**

We, Leslie Yap Kim Loong and Atsushi Ichii, being two of the Directors of Nomura Asset Management Malaysia Sdn Bhd (the "Manager"), do hereby state that, in the opinion of the Manager, the accompanying financial statements set out on pages 1 to 26 are drawn up in accordance with the provisions of the Deed and give a true and fair view of the financial position of the Fund as at 31 May 2023 and of its financial performance, changes in net assets attributable to unitholders and cash flows for the financial period from 25 July 2022 (date of launch) to 31 May 2023 in accordance with the Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

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 JUL 2023



Deutsche Trustees Malaysia Berhad
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TRUSTEE'S REPORT

TO THE UNIT HOLDERS OF NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND ("Fund")

We have acted as Trustee of the Fund for the financial period from 25 July 2022 (date of launch) to 31 May 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, in exception to disclosure in Notes to Financial Statements;
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 Deutsche Trustees Malaysia Berhad


Ng Hon Leong
Head, Fund Operations


Sylvia Beh
Chief Executive Officer

Kuala Lumpur

27 JUL 2023

SHARIAH ADVISER'S REPORT

TO THE UNITHOLDERS OF
NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND

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 financial period 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; and

The assets of the Fund comprise instruments that have been classified as Shariah-compliant by the Shariah Advisory Council ("SAC") of the Securities Commission Malaysia or the Shariah Supervisory Board of Dow Jones Islamic Market Developed Markets Index. As for the instruments which are not classified as Shariah-compliant by the SAC of the Securities Commission Malaysia or the Shariah Supervisory Board of Dow Jones Islamic Market Developed Markets Index, we have reviewed the said instruments and confirmed that these instruments are Shariah-compliant.

For ZICO Shariah Advisory Services Sdn Bhd

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

DR. AIDA OTHMAN

Designated Person Responsible for Shariah Matters Relating to the Fund

Kuala Lumpur

27 JUL 2023