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Nomura Global Shariah Semiconductor Equity Fund - MYR Class

September 2023

Fund Commentary and Strategy

Semiconductor stocks fell in tandem with the broader market as bond yields rose amid growing expectations for a prolonged period of restrictive monetary policy. The U.S. Federal Reserve (Fed) maintained its benchmark interest rate at the September FOMC meeting but indicated borrowing costs are likely remain elevated for an extended period. The MYR class of the Fund registered a decline of -5.02%, while the benchmark, the Nasdaq Global Semiconductor Index, returned -5.93%.

The semiconductor industry appeared to have bottomed in mid-2023 as inventory levels normalized. Soaring demand for artificial intelligence semiconductor chips from cloud service providers, internet companies and enterprises has accelerated the recovery of the semiconductor cycle and generated enthusiasm surrounding AI-related semiconductor stocks. Despite the robust 2023 rally in semiconductor stocks in anticipation of this recovery, the outlook of semiconductor stocks remains compelling. Their durable growth prospects are anchored in several megatrends, including artificial intelligence, autonomous driving, Internet of Things (IoT) and 5G. Consistent with our investment strategy of targeting leading semiconductor firms with economic moats, such as intellectual property and pricing power, we remain focused on capitalising on investment opportunities to tap into these long-term secular tailwinds.

Top contributor to performance is the Fund's holding of Micron. Micron's share price fell less than the broader sector, following management's comments that memory pricing had largely bottomed and guided for gross margin to turn positive in the second half of FY24. DRAM prices have started to inflect higher in recent months due to robust demand for AI servers, driving growth in higher-priced memory products such as HBM and DDR5. The primary detractor to performance was TSMC, as Huawei re-entry into the 5G market through the launch of the Huawei Mate 60 Pro posed a risk to TSMC. The Mate 60 Pro, reported to have download speeds exceeding those of premium 5G phones, runs on a CPU processor manufactured by rival semiconductor foundry SMIC. We view this risk to TSMC as manageable, and we anticipate that the strong demand for AI chips, along with a broader recovery in PCs and smartphones, will provide substantial tailwinds to the company.

Cumulative Fund Returns (%)

	YTD 31/12/2022 To 30/9/2023	1 Month 31/8/2023 To 30/9/2023	3 Months 30/6/2023 To 30/9/2023	6 Month 31/3/2023 To 30/9/2023
Fund	44.07	-5.02	-5.68	13.13
Benchmark	45.70	-5.93	-6.24	13.04

Cumulative Fund Returns (%)

	1 Year 30/9/2022 To 30/9/2023	Since Commencement 15/8/2022 To 30/9/2023
Fund	54.61	22.79
Benchmark	58.01	24.92

Source: Refinitiv Lipper

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

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

Fund Objectives
The Fund aims to achieve long-term capital growth.

Benchmark
Nasdaq Global Semiconductor Index

Investment Adviser
Nomura Asset Management U.K. Limited

Distribution Policy
Distribution of income, if any, is incidental.

Key Facts

Launch Date	25-Jul-2022
Fund Category	Equity (Shariah-compliant)
Year End	30 November
Fund Size	USD 10.57 million
Class Size	MYR 46.39 million
Units in Circulation (MYR Class)	37.78 million
NAV per Unit (MYR Class)	MYR 1.2279
Transaction cut-off time	Daily; 4:00 pm
Redemption Period	T + 10 business days

Sales charge
Up to 5.00% of the NAV per Unit.

Management fee
Up to 1.80% per annum of the NAV of each Class.

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

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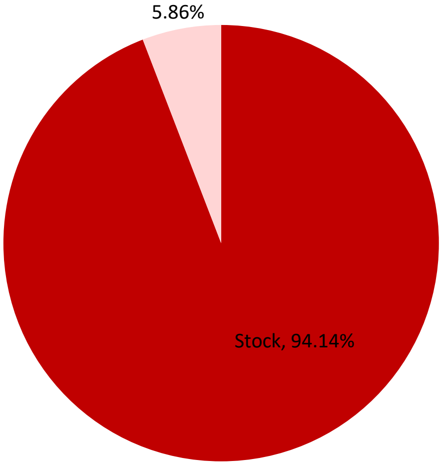
Calendar Year Returns (%)

	2022
Fund	-14.77
Benchmark	-14.26

Source: Refinitiv Lipper

Notes:
Performance data is calculated based on the changes in the Fund's NAV price per unit for the specified length of time and on the assumption that any dividends declared are reinvested into the Fund. Performance figures are presented in cumulative basis, unless indicated otherwise.
Calendar year returns for 2022 are measured from its commencement date of 15 August 2022.

Asset Allocation (%)



All data presented are as of 29 September 2023 unless otherwise specified.

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

Top 5 Holdings (%)

Taiwan Semiconductor-Sp Adr	9.20
Nvidia Corp	9.19
Broadcom Inc	9.09
Asml Holding Nv	8.51
Advanced Micro Devices	6.78

Country Breakdown (%)

United States	63.96%
Netherlands	12.28%
Taiwan	9.20%
Japan	6.54%
Cash & Others	5.86%
Germany	2.17%

Sector Breakdown (%)

Semiconductor	94.14%
Cash & Others	5.86%