

Nomura Global Shariah Strategic Growth Fund - Class B

February 2024

Fund Commentary and Strategy

Artificial Intelligence (AI) rally continued to lead global markets higher in February 2024. As such, the Dow Jones Islamic Market ("DJIM") World Index rose by +5.26% and the MSCI All Country World Index ("ACWI") rose by +4.15% (both in USD terms) for the month. Stocks moved higher as the US economy continued to demonstrate ongoing resilience, defying expectations of a sharp slowdown or imminent recession. Concurrently, the USD appreciated by c0.21% vs. MYR, supporting returns in local currency. The Fund's NAV for Class B, rose by +5.63%. Equity investments contributed +5.73% whilst cash and sukuk investments contributed -0.10%.

Equity Contribution +5.73%

NVIDIA, Meta, Tokyo Electron and Uber led gains in the fund as the AI-rally powered on. Also, consumer discretionary saw a rebound as investors took comfort in a still-strong labour market underpinning consumer spending. On the other hand, cyclicals such as energy continued to underperformed, which we have maintained our underweight position. Our equity exposure was scaled down slightly to 57% in February, from 59% the prior month.

We maintain the view that we have seen peak interest rates, which is a tailwind for market valuations heading into 2024. On the other hand, potential for recessionary conditions to prevail remain headwinds for corporate earnings. As such, we will cautiously maintain our relatively high equity allocation in light of easing monetary conditions into the following: (1) defensives such as healthcare and consumer staples which have notably underperformed in 2023 but could see a modest rebound on rotational play and (2) pockets of secular growth such as AI.

Fixed Income & FX hedges Contribution -0.10%

Our sukuk investments via the Collective Investment Scheme ("CIS") namely Dow Jones Global Sukuk ETF which contributed -0.10% (including effects of FX hedging) on the back of rising US bond yields. US bond yields continued to rise over the month as markets dialled back expectations of rate cuts by the Federal Reserve in 1H2024, given the stronger than expected economic data.

Summary

We continue to tactically increase our equities positioning, with a two pronged approach to strike a balance between defensive positioning while still maintaining exposure to sectors that are in secular growth mode. We will continue to maintain sizeable allocation to sukuk investments (via CIS) while reducing our money market placements. Given our view that lower interest rates are not a matter of 'if', but 'when', in 2024, we intend to deploy our sizeable cash deposits into sukuk and equities.

Cumulative Fund Returns (%)

	YTD	1 Month	3 Months	6 Months
	31/12/2023	31/1/2024	30/11/2023	31/8/2023
	To	To	To	To
	29/2/2024	29/2/2024	29/2/2024	29/2/2024
Fund	9.67	5.63	11.57	12.53
Benchmark	0.98	0.49	1.47	2.96

Cumulative Fund Returns (%)

	1 Year	3 Year	Since Commencement
	28/2/2023	28/2/2021	2/6/2020
	To	To	To
	29/2/2024	29/2/2024	29/2/2024
Fund	19.99	12.40	28.87
Benchmark	6.00	19.10	24.41

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.

* The Fund was launched as a wholesale fund on 22 May 2020. Following the approval obtained from the unit holders at a unit holders' meeting, the Fund was subsequently converted to a unit trust fund on 1 October 2022. Hence, performance data prior to 1 October 2022 as shown in this material reflects the performance of the Fund as a wholesale fund.

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

Fund Objectives

The objective of the Fund is to achieve long-term capital growth, primarily through the Fund's investments in foreign Shariah-compliant equities, sukuk, Islamic collective investment schemes and Islamic money market instruments.

Benchmark

Absolute return of 6% per annum

Distribution Policy

Distribution of income, if any, is incidental.

Key Facts

Launch Date	22-May-2020*
Fund Type	Mixed Assets (Shariah-compliant)
Year End	30 September
Fund Size	MYR 18.10 million
Class Size	MYR 10.78 million
Units in Circulation (Class B)	8.37 million units
NAV per Unit (Class B)	MYR 1.2887
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 1.50% per annum of the NAV of the Class.

Trustee fee

Up to 0.04% per annum of the NAV of the Fund, subject to a minimum fee of RM15,000 per annum.

Calendar Year Returns (%)

	2023	2022	2021
Fund	12.00	-15.79	10.67
Benchmark	6.00	6.00	6.00

Source: Refinitiv Lipper

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Calendar year returns for 2020 are measured from its commencement date of 2 June 2020.

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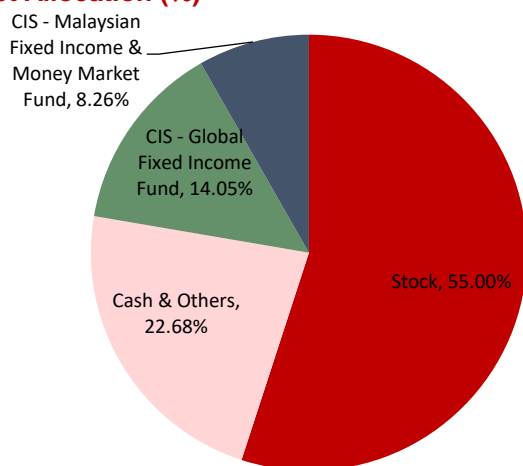
Top 5 Equity Holdings (%)

Nvidia Corp	3.41%
Meta Platforms Inc-Class A	2.61%
Microsoft Corp	2.55%
Amazon.Com Inc	2.51%
Taiwan Semiconductor-Sp Adr	2.49%

Equity Sector Breakdown (%)

Information Technology	21.16%
Health Care	9.39%
Consumer Discretionary	5.99%
Industrials	5.47%
Communication Services	4.66%
Consumer Staples	3.98%
Financials	2.52%
Materials	1.38%
Energy	0.45%

Asset Allocation (%)



Country Breakdown (%)

United States	49.44%
Cash & Others	22.68%
Malaysia	8.26%
Japan	5.55%
Ireland	2.90%
Taiwan	2.49%
Switzerland	2.24%
Netherlands	1.86%
Australia	1.41%
France	0.94%
United Kingdom	0.90%
Denmark	0.73%
Norway	0.60%

All data presented are as of 29 February 2024 unless otherwise specified.

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

Disclaimer:

Based on the Fund's portfolio returns as at 31 January 2024, the Volatility Factor (VF) for the Fund is 8.2 and is classified as "Low" (Source: Refinitiv Lipper). "Low" includes funds with VF that are above 4.11 but not more than 8.33. The VF means there is a possibility for the Fund in generating an upside return or downside return around this VF. The Volatility Class (VC) is assigned by Refinitiv Lipper based on quintile ranks of VF for qualified funds. VF is subject to monthly revision and VC will be revised every six months. The Fund's portfolio may have changed since this date and there is no guarantee that the Fund will continue to have the same VF or VC in the future. Presently, only funds launched in the market for at least 36 months will display the VF and its VC.

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