

## Nomura Global Shariah Strategic Growth Fund - Class B

September 2024

### Fund Commentary and Strategy

Markets were cheered on by the Federal Reserve's much awaited 50bps key rate reduction, led by the Mag-7 which outperformed following two lackluster months. As such, the Dow Jones Islamic Market ("DJIM") World Index rose by +2.16% and the MSCI All Country World Index ("ACWI") rose by +2.17% (both in USD terms) for the month. However, the positive global market gains were more than offset by the strong bull run of the MYR against major currency pairs as investors turned positive on MYR assets. As a result, the USD fell by +5.88% vs. MYR. The Fund's NAV for Class A, fell by -1.94%. Equity investments contributed -2.20% whilst cash, sukuk investments and the currency hedges contributed +0.26%.

### Equity Contribution -2.20%

Mag-7 and interest-rate sensitive sectors such as housing and utilities rallied following the start of the Federal Reserve's easing cycle. On the other hand, defensives such healthcare and consumer staples underperformed as markets rotated back into cyclicals. Energy underperformed as oil prices continued to decline on muted demand outlook despite rising Middle East geopolitical tensions. We continue to maintain an equity exposure of 55% from the prior month.

We expect the Federal Reserve to continue to reducing interest rates, though at a more measured pace of 25 bps per meeting in Q4. We believe that easing monetary policy will provide much needed cushioning to stave off a hard-landing scenario. As such, we will cautiously maintain our relatively high equity allocation with the following allocation: (1) defensives such as healthcare and consumer staples and (2) pockets of secular growth such as AI.

### Fixed Income & FX hedges Contribution +0.26%

Our sukuk investments via the Collective Investment Scheme ("CIS") namely Dow Jones Global Sukuk ETF which contributed +0.26% (including effects of FX hedging), with adverse currency impact from a strengthening MYR being offset by market gains from falling sukuk yields and currency hedges. US 10Y Treasury yields declined by 12bps on the back of a more dovish Federal Reserve.

### Summary

We continue to maintain 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) and Islamic deposits given elevated interest rate levels. As the Federal Reserve has finally commenced its rate cut cycle, we believe that markets will continue to price in a soft landing heading into 2025. In this base-case scenario, we will marginally increase our equity exposure heading into year end.

### Cumulative Fund Returns (%)

	YTD	1 Month	3 Months	6 Months
	31/12/2023	31/8/2024	30/6/2024	31/3/2024
	To	To	To	To
	30/9/2024	30/9/2024	30/9/2024	30/9/2024
<b>Fund</b>	6.65	-1.94	-7.14	-4.17
<b>Benchmark</b>	4.47	0.49	1.47	2.96

### Cumulative Fund Returns (%)

	1 Year	3 Year	Since Commencement
	30/9/2023	30/9/2021	2/6/2020
	To	To	To
	30/9/2024	30/9/2024	30/9/2024
<b>Fund</b>	11.56	4.63	25.32
<b>Benchmark</b>	6.00	19.10	28.73

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 12.38 million
Class Size	MYR 5.44 million
Units in Circulation (Class B)	4.34 million units
NAV per Unit (Class B)	MYR 1.2532
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
<b>Fund</b>	12.00	-15.79	10.67
<b>Benchmark</b>	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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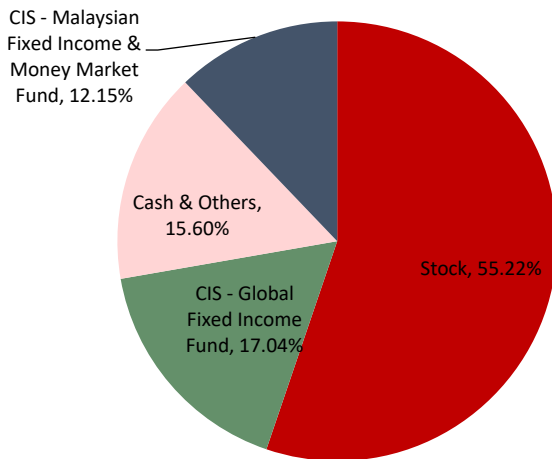
### Top 5 Equity Holdings (%)

Meta Platforms Inc-Class A	2.95%
Lonza Group Ag-Reg	2.78%
Microsoft Corp	2.65%
Alphabet Inc-CI C	2.50%
Taiwan Semiconductor-Sp Adr	2.33%

### Equity Sector Breakdown (%)

Health Care	17.54%
Information Technology	11.95%
Industrials	7.33%
Consumer Discretionary	6.67%
Communication Services	5.46%
Consumer Staples	3.17%
Materials	1.87%
Financials	1.23%

### Asset Allocation (%)



### Country Breakdown (%)

United States	51.00%
Cash & Others	15.60%
Malaysia	12.15%
Japan	5.78%
Ireland	4.21%
Switzerland	2.78%
Taiwan	2.33%
Australia	1.91%
United Kingdom	1.42%
France	1.39%
Denmark	0.92%
Netherlands	0.50%

All data presented are as of 30 September 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 August 2024, the Volatility Factor (VF) for the Fund is 9.20 and is classified as "Moderate" (Source: Refinitiv Lipper). "Moderate" includes funds with VF that are above 8.975 but not more than 12.03. 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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