NOMURA ASSET MANAGEMENT

3-year Fund Volatility
33.0
Very High
Lipper Analytics
30-Jun-2026

Nomura Global Shariah Semiconductor Equity Fund - USD Class

July 2026

Fund Commentary and Strategy

In July, USD Class returned -20.08% underperformed the benchmark by 3bps. Semiconductor stocks underwent profit taking after three months of gains. Expectations were high going into earnings season for the leading semiconductor companies after the huge rally. Earnings season was very strong for the semiconductor sector with many companies raising guidance for revenue and earnings. However, in some cases, the stocks of these companies fell despite the strong fundamentals as expectations were even higher. This is a common phenomenon in the stock market when expectations need to be reset and some of the froth must be taken out of the market. The July correction did take some of the froth out of semiconductor shares. Another worry during the month was whether there will be a return on all the capex that is being spent on AI data centres and the chips that go inside them. We have gone through many of these cycles of fear vs. greed as the market goes from looking at the glass half full to glass half empty when it comes to AI demand. Our view is that AI use cases are broadening out and more enterprises are adopting AI which should make AI demand more sustainable. Finally, the other worry was competition for global semiconductors as China catches up in terms of technology. China's DRAM champion CXMT going public and an article that stated a Chinese state-owned company started mass producing DUV immersion lithography equipment hurt sentiment particularly for global memory makers and ASML, the Dutch lithography equipment maker that is dominant in DUV immersion lithography. Our view is CXMT is catching up but is believed to be two generations behind in both HBM (high bandwidth memory) and conventional DRAM. For DUV immersion lithography, the light source is not the only barrier to entry for ASML, but the throughput and overlay (alignment accuracy) is also a competitive advantage for ASML.

Top contributors to relative performance during the month were cash, underweight in Intel, and overweight in Broadcom. Although we are always fully invested, having even a small cash position adds to relative performance when the semiconductor sector is weak as it was in July. Intel reported good quarterly results, but profit taking ensued after a strong year-to-date share price performance. We remain sceptical regarding their foundry business as we do not see them catching up to leader TSMC. Broadcom stock had lagged the sector year-to-date so was more resilient during the correction in July. In addition, Broadcom announced a six year custom silicon deal with Apple which helped Broadcom stock. Top detractors from relative performance during the month were our overweights in KLA Corp, Lam Research and Arm. KLA Corp and Lam Research shares sold off in July as high expectations in semiconductor capital equipment stocks got reset. At the end of July, Lam Research reported excellent quarterly earnings which is helping the equipment stocks rebound in August. Arm stock fell in July on profit taking and worry surrounding capacity allocation from TSMC to make their in-house CPU given how tight capacity is at TSMC. We believe Arm is a beneficiary of growth in agentic AI workloads using CPUs which will help their royalty business near term and their in-house CPU business long term.

Semiconductor stocks are rebounding in early August after the sharp selloff in July. Elon Musk on the SpaceX earnings call said they will exclusively use Nvidia GPUs for its AI services. SpaceX is a new source of semiconductor demand which is a positive as AI data centre capacity is in a capacity constrained situation. SpaceX also is renting some compute capacity to Anthropic. Anthropic misread their needs for compute and are now trying to catch up by entering into partnerships with many companies that provide compute capacity. OpenAI planned better than Anthropic in securing compute. Anthropic seemed to be caught off guard with how much demand they would see for their AI models. The hyperscalers this earnings season remained committed to capex with most raising their capex guidance for this year. Expectations for 2027 AI capex is rising which should mean semiconductor demand should remain robust next year. On the other hand, there is fear in the market that China is catching up to the US in terms of AI models and AI chips. It is true that China is catching up in both these realms. However, we do not see it as a zero sum game. We believe hyperscalers will offer a range of AI models from US companies as well as Chinese companies and depending on the task complexity, customer will choose the appropriate model. Enterprises will choose cheaper AI models for less complex tasks. What is important for semiconductor demand is not the price of tokens, but the number of tokens generated. The number of tokens generated continues to increase significantly because enterprises are seeing value from AI. The number of tokens is what drives compute needs so we believe that price competition will lead to wider enterprise adoption and token usage will remain strong for the foreseeable future. Our strategy remains unchanged in that we invest in semiconductor companies that have a solid competitive position within their sub-segment. All of our portfolio companies are global leaders in their field. While there will always be corrections in the highly volatile semiconductor stocks, we remain positive on the long term prospects of the semiconductor industry.

Cumulative Fund Returns (%)

	YTD	1 Month	3 Months	6 Month
	31/12/2025 To 31/07/2026	30/06/2026 To 31/07/2026	30/04/2026 To 31/07/2026	31/01/2026 To 31/07/2026
Fund	51.50	-20.08	9.17	25.58
Benchmark	68.02	-20.11	11.54	41.74

Cumulative Fund Returns (%)

	1 Year	3 Year	Since Commencement
	31/07/2025 To 31/07/2026	31/07/2023 To 31/07/2026	15/8/2022 To 31/07/2026
Fund	110.90	238.84	341.10
Benchmark	127.73	246.19	360.21

Source: LSEG 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.

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 242.97 million
Class Size	USD 8.95 million
Units in Circulation (USD Class)	6.38 million
NAV per Unit (USD Class)	USD 1.4023
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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Nomura Global Shariah Semiconductor Equity Fund - USD Class

July 2026

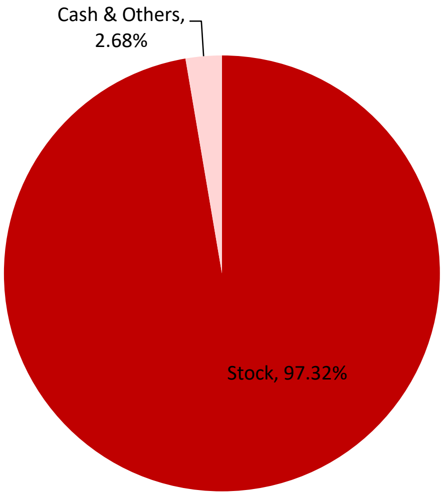
Calendar Year Returns (%)

	2025	2024	2023	2022
Fund	61.15	24.97	67.68	-13.78
Benchmark	58.12	17.98	69.73	-13.49

Source: LSEG 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 31 July 2026 unless otherwise specified.

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

Sector Breakdown (%)

Semiconductor	97.32%
Cash & Others	2.68%

Top 5 Holdings (%)

Taiwan Semiconductor-Sp Adr	11.16
Nvidia Corp	9.86
Broadcom Inc	9.50
Micron Technology Inc	8.59
Asml Holding Nv	7.52

Country Breakdown (%)

United States	55.74%
Netherlands	11.23%
Taiwan	11.16%
Japan	8.34%
Korea Republic Of	7.32%
United Kingdom	3.35%
Cash & Others	2.68%
Germany	0.18%

Disclaimer:

Based on the Fund's portfolio returns as at 30 June 2026, the Volatility Factor (VF) for the Fund is 32.97 and is classified as "Very High" (Source: LSEG Lipper). "Very High" includes funds with VF that are above 16.495. 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 LSEG 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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