

Nomura Global Shariah Semiconductor Equity Fund - USD Class
August 2026
Fund Commentary and Strategy

In August, USD Class returned +2.69% compared to the Nasdaq Global Semiconductor Index which rose +2.95%. Semiconductor stocks stabilised after a sharp selloff in July when elevated expectations got reset. Semiconductor shares were weak in July despite a very strong Q2 earnings season for semiconductor companies because share prices ran ahead of the fundamentals. After expectations were reset in July, share prices in August were able to advance slightly. The main company that reported earnings in August was Nvidia. Nvidia gave revenue growth guidance of 70% in FY1/28. Consensus was expecting roughly 45% revenue growth in FY1/28 before the company made this projection. Given the revenue size of Nvidia, this meant the company was guiding revenue that was \$100bn more than the sell side was expecting. The positive outlook was driven by AI demand exceeding supply and they added that they could grow closer to 100% if they had enough supply. Nvidia stock responded positively to their outlook, rising 8.7% the following day. Other sub-segments of the semiconductor sector that performed well in August included the memory sector. Both SK Hynix and Samsung announced shareholder return policies that included buybacks and dividends. SK Hynix, Samsung and Micron will have massive free cash flow over the next few years despite an increase in capex. All three memory companies will be using an increasing portion of free cash flow for buybacks and dividends. This is a common theme within the semiconductor sector. Nvidia also promised to return more cash to shareholders, mainly through share repurchases.

Top contributors to relative performance during the month were our overweight in SK Hynix ADRs, underweight in Texas Instruments and overweight in Micron. Both SK Hynix ADRs and Micron benefitted from announcements regarding returning cash to shareholders. The market would prefer to see share buybacks over dividends as this would in theory help the low PE ratios move higher. Micron is limited in how much stock they can buy back until December since Micron accepted CHIPS Act money. In December, those restrictions expire and the company has said they plan to increase buybacks after December. Buybacks in the memory sector are important because long term margin stability from LTAs (long term agreements) will not be proven out for a few years so in the meantime, share repurchases will be one of the major catalysts for share price appreciation. Texas Instruments shares fell in August. While analog and microcontroller companies had a good earnings season, the group including Texas Instruments saw their stock prices retreat because automotive end market demand remains weak and the high growth in industrial demand was seen as unsustainable. Datacentre demand for analog and microcontroller companies is seen as more sustainable, but the market focused on pure play AI companies instead such as Nvidia during August. Top detractors from relative performance during the month were our underweights in Marvell and Nanya Technology and overweight in Applied Materials. Marvell announced a partnership with Alphabet to supply custom semiconductor products such as inference accelerators, networking, storage, memory controllers, etc., with Alphabet receiving Marvell warrants based on revenue milestones. Nanya Technology is a lagging edge memory maker that is benefitting from a shortage in older DRAM products such as DDR4. Applied Materials shares fell despite reporting better than expected earnings as the share price had gone up a lot in 1H26.

Semiconductor stocks appear to be continuing their recovery in early September. Geopolitical pressures such as the Iran conflict remain risks to the downside. The Fed may raise interest rates soon which would be a headwind to tech stocks such as semiconductors. That said, AI demand remains strong which should keep semiconductor fundamentals among the best in the market. AI use cases are spreading as evidenced by continued token usage. Revenue growth at the hyperscalers is accelerating which is a sign that token usage by enterprises is translating into revenue growth. The high profit margins of the hyperscalers tells us that returns on AI investments will lead to positive free cash flow once capex growth moderates. We believe we are in the early phase of human coders being replaced by tokens generated with AI chips. The improvement in workplace productivity will be the evidence that investments into AI had paid off. We see the hyperscalers being the hubs for all this token usage by enterprises. This is similar what happened over a decade ago, before AI, when corporations outsourced compute to the hyperscalers from on premise server rooms. Back then, corporations replaced internal capex with ongoing opex by using the hyperscalers. This time, corporations are outsourcing AI capex to the hyperscalers and turning AI usage into opex. AI capex spent by the hyperscalers is a lot more efficient than each enterprise buying equipment for AI. 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. 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	31/07/2026	31/05/2026	28/02/2026
	To	To	To	To
	31/08/2026	31/08/2026	31/08/2026	31/08/2026
Fund	55.57	2.69	-2.77	25.45
Benchmark	72.98	2.95	-8.19	41.23

Cumulative Fund Returns (%)

	1 Year	3 Year	Since Commencement
	31/08/2025	31/08/2023	15/8/2022
	To	To	To
	31/08/2026	31/08/2026	31/08/2026
Fund	119.08	264.97	352.96
Benchmark	131.83	272.48	373.81

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 279.52 million
Class Size	USD 10.50 million
Units in Circulation (USD Class)	7.29 million
NAV per Unit (USD Class)	USD 1.4400
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.

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

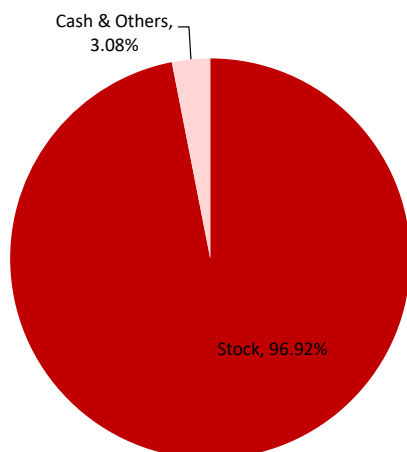
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Performance data is calculated based on the changes in the Fund's NAV price per unit for the specified length of time and on the assumption that any dividends declared are reinvested into the Fund.

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 28 August 2026 unless otherwise specified.

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

Sector Breakdown (%)

Semiconductor	96.92%
Cash & Others	3.08%

Top 5 Holdings (%)

Taiwan Semiconductor-Sp Adr	11.18
Micron Technology Inc	9.96
Nvidia Corp	9.72
Broadcom Inc	9.64
Sk Hynix Inc-Adr	8.59

Country Breakdown (%)

United States	55.31%
Taiwan	11.18%
Netherlands	10.24%
Korea Republic Of	8.59%
Japan	8.48%
Cash & Others	3.08%
United Kingdom	2.97%
Germany	0.14%

Disclaimer:

Based on the Fund's portfolio returns as at 31 July 2026, the Volatility Factor (VF) for the Fund is 35.78 and is classified as "Very High" (Source: LSEG Lipper). "Very High" includes funds with VF that are above 16.675. 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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