



**NOMURA**

# Nomura Global Shariah Semiconductor Equity Fund

Annual Report and Audited Financial Statements for the Financial Period  
from 25 July 2022 (Date of Launch) to 30 November 2023

**MANAGER:**

NOMURA ASSET MANAGEMENT MALAYSIA SDN. BHD.  
Business Registration No.: 200601028939 (748695-A)

**TRUSTEE:**

DEUTSCHE TRUSTEES MALAYSIA BERHAD  
Business Registration No.: 200701005591 (763590-H)

**AUDITOR:**

Pricewaterhouse Coopers PLT  
Business Registration No.: LLP0014401-LCA & AF1146

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*This Annual Report is available, upon request, to unit holders without charge*

## 1. FUND PROFILE

### 1.1 Fund Name

Nomura Global Shariah Semiconductor Equity Fund (“Fund”)

### 1.2 Type and Category of Fund

Growth – Equity (Shariah-compliant)

### 1.3 Duration of the Fund

The Fund is an open-ended fund.

### 1.4 Investment Objectives

The Fund aims to achieve long-term capital growth.

### 1.5 Distribution Policy

Distribution of income, if any, is incidental.

### 1.6 Performance Benchmark

Nasdaq Global Semiconductor Index (“Benchmark”).

## 2. FUND PERFORMANCE

### 2.1 Key Fund Performance Data

Asset Allocation / Portfolio Composition	30 November 2023
Equities	99.83%
Cash and Others	0.17%
<b>Total</b>	<b>100.00%</b>

### Fund – MYR Class

Category	Since Commencement, 15 August 2022 to 30 November 2023
Highest NAV per Unit (RM) <sup>1</sup>	1.3909
Lowest NAV per Unit (RM) <sup>1</sup>	0.7589
Total Return (%) <sup>2</sup>	
- Capital growth (%)	36.23
- Income (%)	-
Gross/Net Distribution per unit (RM)	-
Total NAV (USD) <sup>1</sup>	8,596,643
NAV per Unit (RM)	1.3623
Unit in Circulation	29,388,167

**Fund – USD Class**

Category	Since Commencement, 15 August 2022 to 30 November 2023
Highest NAV per Unit (USD) <sup>1</sup>	1.3272
Lowest NAV per Unit (USD) <sup>1</sup>	0.7188
Total Return (%) <sup>2</sup>	
- Capital growth (%)	30.21
- Income (%)	-
Gross/Net Distribution per unit (USD)	-
Total NAV (USD) <sup>1</sup>	783,121
NAV per Unit (USD)	1.3021
Unit in Circulation	601,427

Category	Since Commencement, 15 August 2022 to 30 November 2023
Total Expense Ratio (%) <sup>3</sup>	2.54
Portfolio Turnover Ratio (time) <sup>4</sup>	1.79

**Notes:**

(1) *Figures shown as ex-distribution.*

(2) *Total Return of the Fund and its Benchmark for a period are calculated based on the absolute return of the Fund for that period. The calculation of the Total Return of the Fund is based on NAV-to-NAV basis, and is sourced from Refinitiv Lipper. Fund performances include reinvestment of income distributions into the Fund. The performance figures are a comparison of the growth/decline in NAV for the stipulated period taking into account all the distributions payable (if any) during the stipulated period:*

- **Capital Return**= {NAV per Unit End / NAV per Unit Beginning – 1} x 100
- **Income Return**= {Income Distribution per Unit / NAV per Unit Ex-Distribution} x 100

(3) *Total Expense Ratio (“TER”) is calculated based on the total fees and expenses incurred by the Fund divided by the average net asset value of the Fund for the financial period calculated on daily basis.*

(4) *Portfolio Turnover Ratio (“PTR”) is calculated based on the total acquisitions and total disposals of investment securities of the Fund for the financial period divided by the average net asset value of the Fund for the financial period calculated on daily basis.*

## 2.2 Average Total Return of the Fund

### Fund – MYR Class

	<b>Since Commencement, 15 August 2022 to 30 November 2023</b>
<b>Average Total Return (%)</b>	26.94

Source: Refinitiv Lipper

### Fund – USD Class

	<b>Since Commencement, 15 August 2022 to 30 November 2023</b>
<b>Average Total Return (%)</b>	22.59

Source: Refinitiv Lipper

## 2.3 Annual Total Return of the Fund

### Fund – MYR Class

	<b>Since Commencement, 15 August 2022 to 30 November 2023</b>
<b>Total Return (%) <sup>1</sup></b>	36.23
<b>Benchmark (%)</b>	38.89

Source: Refinitiv Lipper

### Fund – USD Class

	<b>Since Commencement, 15 August 2022 to 30 November 2023</b>
<b>Total Return (%) <sup>1</sup></b>	30.21
<b>Benchmark (%)</b>	32.48

Source: Refinitiv Lipper

**Notes:**

(1) Annual Total Return of the Fund and its Benchmark for a period are calculated based on the absolute return of the Fund for that period. The calculation of the Annual Total Return of the Fund is based on NAV-to-NAV basis, and is sourced from Refinitiv Lipper. Fund performances include reinvestment of income distributions into the Fund. Further details on basis of calculation and assumption made in calculating returns is as follows:

The performance figures are a comparison of the growth/decline in NAV for the stipulated period taking into account all the distributions payable (if any) during the stipulated period:

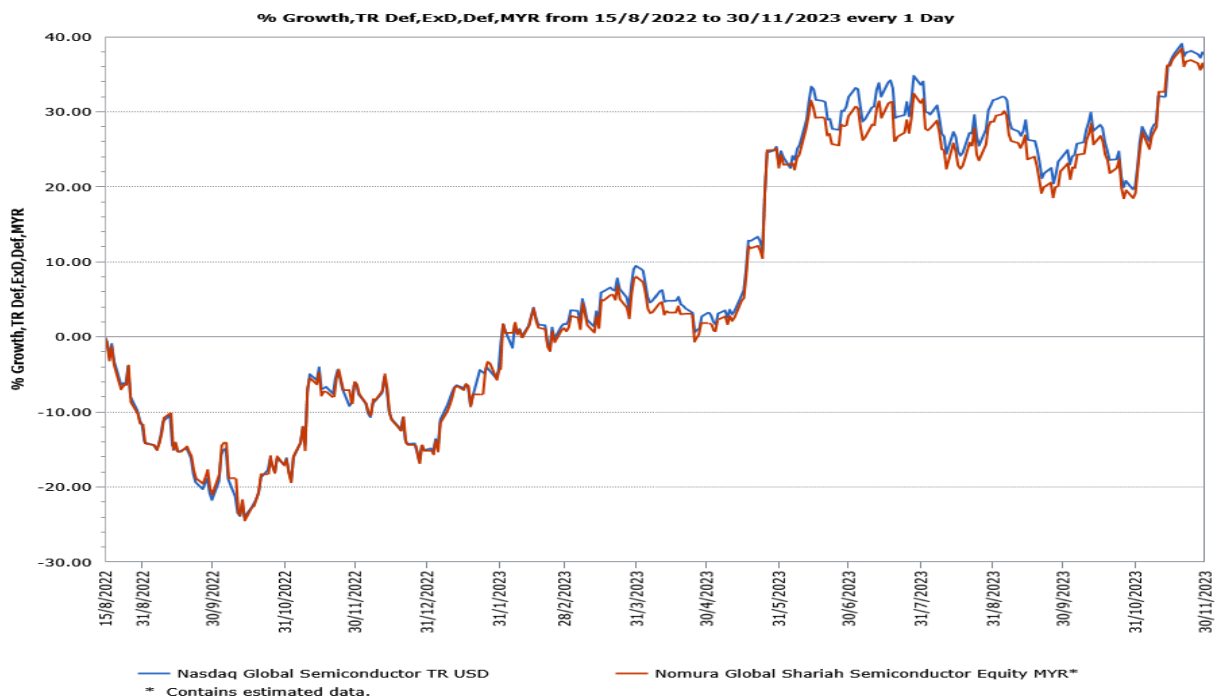
- **Capital Return** = {NAV per Unit End / NAV per Unit Beginning – 1} x 100
- **Income Return** = {Income Distribution per Unit / NAV per Unit Ex-Distribution} x 100
- **Total Return** = (1 + Percentage Growth)<sup>1/n</sup> – 1

**Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up.**

### 3. MANAGER’S REPORT

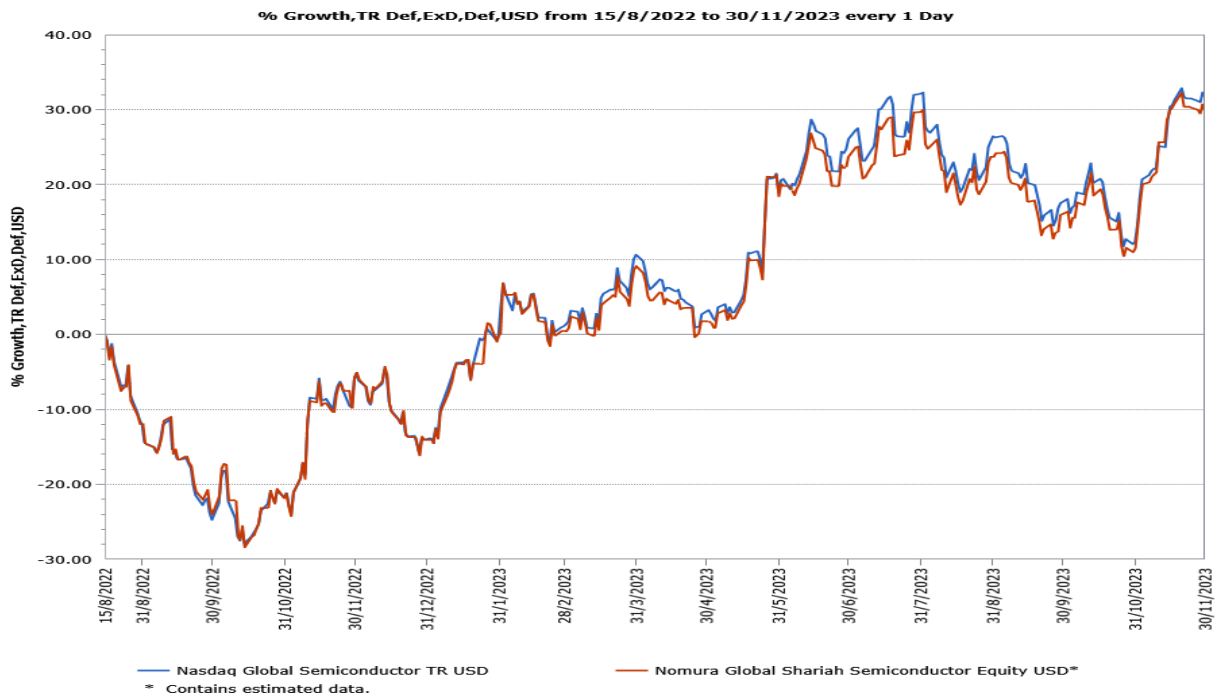
#### Performance of Nomura Global Shariah Semiconductor Equity Fund from 15 August 2022 to 30 November 2023

##### Fund – MYR Class



Source Lipper

## Fund – USD Class



**Benchmark:** Nasdaq Global Semiconductor Index

**Source:** The calculation of the Annual Total Return of the Fund is based on NAV-to-NAV basis, and is sourced from Refinitiv Lipper. Fund performances include reinvestment of income distributions into the Fund.

### 3.1 Performance for the period from 15 August 2022 to 30 November 2023

#### Fund – MYR Class

For the period under review from 15 August 2022 to 30 November 2023, MYR Class has registered 36.23% return. Compared to the Benchmark return of 38.89%, MYR Class has underperformed the Benchmark by -2.66%. The Net Asset Value (NAV) per unit of MYR Class as at 25 July 2022 (launch date) was RM 1.0000 compared to the NAV per unit as at 30 November 2023 of RM 1.3623. On the total NAV basis, MYR Class' NAV stood at RM 40.61 million as at 30 November 2023. During the period under review, MYR Class has not declared any income distribution.

#### Fund – USD Class

For the period under review from 15 August 2022 to 30 November 2023, USD Class has registered 30.21% return. Compared to the Benchmark return of 32.48%, USD Class has underperformed the Benchmark by -2.27%. The Net Asset Value (NAV) per unit of USD Class as at 25 July 2022 (launch date) was USD 1.0000 compared to the NAV per unit as at 30 November 2023 of USD 1.3021. On the total NAV basis, USD Class' NAV stood at USD 0.78 million as at 30 November 2023. During the period under review, USD Class has not declared any income distribution.

### 3.2 Review of Market for the period from 15 August 2022 to 30 November 2023

The Fund began trading on 15 August 2022 after initial cash was received by the Fund. Whilst we did not launch the Fund with short term timing in mind, the Fund started after a rally in semiconductor shares and corrected immediately thereafter. However, semiconductor shares bottomed in October of 2022 and the fund's NAV per share has risen significantly in 2023. The strong rally in semiconductor shares in 2023 is being driven by expectations for a peak in inflation which would encourage the Federal Reserve to stop raising interest rates. The semiconductor market is expected to shrink by about 9% in 2023, but semiconductor shares looked forward to 2024 when the semiconductor market is expected to grow by

around 13%. Since 15 August 2022, the Fund is up 34.51% through end of November in US dollar before fees, outperforming the Nasdaq Global Semiconductor Index by 215bps during the period. Our top contributor during the period was Intel. We were underweight Intel to start the fund as manufacturing delays plagued the company. However, midway through the period, we went overweight Intel as the company got its product roadmap on track. Our second contributor during the period was our underweight in Texas Instruments which declined due to a weak industrial end market, especially the distribution channel in China. The top detractor was cash. Although we are fully invested at all times, even a small cash position can detract from performance short term when the market rallies sharply. The top stock detractor was Lasertec due to a pushout of orders for their EUV mask inspection tools during the semiconductor down cycle, but more recently, orders have recovered.

### 3.3 Investment Outlook

Short term, we are going through what we like to call a “rolling recession” in the semiconductor industry. Typically, all end markets enter a down cycle at the same time driven by a weak macro. However, this cycle, due to COVID, the end markets went through different dynamics this cycle. The PC market experienced a boom when people began to work from home / study from home and wanted new PCs. After the PC boom, demand dried up and 2022 and 2023 are down years for the PC market. However, PCs should recover in 2024 as inventories have been worked down. On the other hand, during the pandemic, there was a shortage of auto chips and the supply chain increased inventory levels for the last few years, boosting demand. As supply constraints ease, we expect inventory levels in the auto supply chain to normalise, leading to a few quarters of inventory digestion.

### 3.4 Strategies Employed for the period from 15 August 2022 to 30 November 2023

Strategy for the Fund remained consistent since inception. We invest long term into semiconductor companies with intellectual property that will give them a competitive advantage leading to high growth. We remained fully invested throughout the period as we do not try to time the market. We understand there will be corrections in the market from time to time, but trying to time the market is difficult to do on a consistent basis. Long term, semiconductor stocks have significantly outperformed the overall market. During the period, we went tactically underweight analog and microcontroller stocks as industrial demand is weak, especially in China and overweight memory as production cuts by the big three memory makers in 2023 should lead to a rebound in DRAM prices in 2024.

### 3.5 Asset Allocation

<b>Asset Allocation / Portfolio Composition</b>	<b>30 November 2023</b>
Equities	99.83%
Cash and Others	0.17%
<b>Total</b>	<b>100.00%</b>

There were no comparative figures on the Fund’s asset allocation during the financial period under review.



### **3.6 Securities Lending or Repurchase Transactions**

The Fund has not undertaken any securities lending or repurchase transactions during the financial period under review.

### **3.7 Income Distribution**

The Fund did not declare any income during the financial period under review.

### **3.8 Details of Any Unit Split Exercise**

There was no unit split exercise during the financial period under review.

### **3.9 Significant Changes in the State of Affairs of the Fund**

There were no significant changes in the state of affairs of the Fund during the financial period under review.

However, please find the latest changes to the Manager's board of directors as follows:

Mr. Leslie Yap Kim Loong  
Mr. Atsushi Ichii  
Ms. Chooi Su May  
Mr. Tomoya Kawagishi (appointed on 7 August 2023)  
Dato' Mona Suraya Binti Kamaruddin\* (appointed on 1 November 2023)  
Mr. Johari Bin Abdul Muid\* (resigned on 31 October 2023)  
Ms. Julia Binti Hashim\*

\* *Independent director*

### **3.10 Circumstances that Materially Affect Any Interest of Unit Holders**

There were no circumstances that had materially affected the interest of the unit holders during the financial period under review.

### **3.11 Cross Trades Transactions**

There were no cross trades conducted during the financial period under review.

### **3.12 Soft Commissions Received from Brokers**

The Manager did not receive any soft commission during the financial period under review.

*This Annual Report is prepared by the Manager of the Fund, Nomura Asset Management Malaysia Sdn. Bhd., for information purposes only. Past earnings of the Fund's distribution record is not a guarantee or reflection of the Fund's future earnings or future distributions. Investors are advised that unit prices, distributions payable and investment returns may go down, as well as up.*

**NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND**

**FINANCIAL STATEMENTS**

**FOR THE FINANCIAL PERIOD FROM 25 JULY 2022  
(DATE OF LAUNCH) TO 30 NOVEMBER 2023**

# NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND

## FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 25 JULY 2022  
(DATE OF LAUNCH) TO 30 NOVEMBER 2023

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# NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND

## STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 25 JULY 2022 (DATE OF LAUNCH) TO 30 NOVEMBER 2023

	<u>Note</u>	Financial period from 25.7.2022 (date of launch) to <u>30.11.2023</u> USD
<b>INVESTMENT INCOME</b>		
Gross dividend income		70,154
Net gain on financial assets at fair value through profit or loss	7	1,868,059
Net loss on foreign currency exchanges		(36,012)
		<u>1,902,201</u>
<b>EXPENSES</b>		
Management fee	4	(105,946)
Trustee fee	5	(3,229)
Shariah Adviser's fee		(138)
Auditors' remuneration		(81)
Tax agent's fee		(56)
Transaction cost		(7,161)
Other expenses		(23,986)
		<u>(140,597)</u>
<b>PROFIT BEFORE TAXATION</b>		1,761,604
Taxation	6	(14,096)
<b>INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<u>1,747,508</u>
Increase in net assets attributable to unitholders is made up of the following:		
Realised amount		425,911
Unrealised amount		1,321,597
		<u>1,747,508</u>

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

# NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND

## STATEMENT OF FINANCIAL POSITION AS AT 30 NOVEMBER 2023

	<u>Note</u>	As at <u>30.11.2023</u> USD
<b>ASSETS</b>		
Cash and cash equivalents	8	243,385
Financial assets at fair value through profit or loss	7	9,364,010
Amount due from Manager - creation of units		209,583
Dividends receivable		8,090
Amount due from Broker		146,083
<b>TOTAL ASSETS</b>		<u>9,971,151</u>
<b>LIABILITIES</b>		
Amount due to Manager - management fee		16,615
- cancellation of units		574,157
Amount due to Trustee		534
Auditors' remuneration		81
<b>TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)</b>		<u>591,387</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>9,379,764</u>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<u>9,379,764</u>

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

# NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND

## STATEMENT OF FINANCIAL POSITION AS AT 30 NOVEMBER 2023 (CONTINUED)

	<u>Note</u>	As at <u>30.11.2023</u> USD
<b>REPRESENTED BY:</b>		
<b>FAIR VALUE OF OUTSTANDING UNITS</b>		
- MYR CLASS		8,596,643
- USD CLASS		783,121
		<u>9,379,764</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>		
- MYR CLASS	9(a)	29,388,167
- USD CLASS	9(b)	601,427
		<u>29,989,594</u>
<b>NET ASSET VALUE PER UNIT (USD)</b>		
- MYR CLASS		0.2925
- USD CLASS		1.3021
		<u>1.3623</u>
<b>NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES</b>		
- MYR CLASS		1.3623
- USD CLASS		1.3021
		<u>1.3623</u>

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS  
FOR THE FINANCIAL PERIOD FROM 25 JULY 2022  
(DATE OF LAUNCH) TO 30 NOVEMBER 2023

	Financial period from 25.7.2022 (date of launch) to 30.11.2023 USD
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE DATE OF LAUNCH</b>	-
Movement due to units created and cancelled during the financial period	
Creation of units arising from applications	
- MYR Class	17,710,145
- USD Class	740,079
Cancellation of units	
- MYR Class	(10,686,448)
- USD Class	(131,520)
Increase in net assets attributable to unitholders during the financial period	1,747,508
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL PERIOD</b>	<b>9,379,764</b>

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

## NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND

### STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD FROM 25 JULY 2022 (DATE OF LAUNCH) TO 30 NOVEMBER 2023

	<u>Note</u>	Financial period from 25.7.2022 (date of launch) to 30.11.2023 USD
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Proceeds from sale of Shariah-compliant investments		4,217,240
Purchase of Shariah-compliant investments		(11,866,607)
Dividend received		43,919
Management fee paid		(89,330)
Trustee's fee paid		(2,695)
Tax agent's fee paid		(56)
Tax paid		(14,096)
Shariah adviser's fee paid		(137)
Payment for other fees and expenses		(5,815)
Net realised loss on foreign currency exchange		(35,476)
		<hr/>
Net cash used in operating activities		(7,753,053)
		<hr/>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from creation of units		18,240,404
Payments for cancellation of units		(10,243,966)
		<hr/>
Net cash generated from financing activities		7,996,438
		<hr/>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		243,385
		<hr/>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<b>8</b>	243,385
		<hr/> <hr/>

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.



## NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 25 JULY 2022 (DATE OF LAUNCH) TO 30 NOVEMBER 2023

The following accounting policies have been used in dealing with items which are considered material in relation to the financial statements.

#### **A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS**

The financial statements of Nomura Global Shariah Semiconductor Equity Fund (the "Fund") have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss.

The preparation of financial statements in conformity with MFRS and IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reported financial period. It also requires the Manager to exercise their judgment in the process of applying the Fund's accounting policies. Although these estimates and judgment are based on the Manager's best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note K.

- (i) Standards and amendments to existing standards effective 1 January 2022.

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 25 July 2022 that have a material effect on the financial statements of the Fund.

- (ii) New standards, amendments and interpretations effective after 1 January 2022 and have not been early adopted.

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 December 2022, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

#### **B INCOME RECOGNITION**

Dividend income from quoted Shariah-compliant investments are recognised when the Fund's right to receive payment is established. Dividend income is received from financial assets measured at FVTPL.

Realised gain or loss on sale of quoted Shariah-compliant investments are accounted for as the difference between the net disposal proceeds and the carrying amount of the Shariah-compliant investments, determined on a weighted average cost basis.

## NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 25 JULY 2022 (DATE OF LAUNCH) TO 30 NOVEMBER 2023 (CONTINUED)

#### **C TAXATION**

Current tax expense is determined according to the Malaysian tax laws at the current rate based upon the taxable profits earned during the financial period.

Tax on Shariah-compliant investment income from foreign quoted Shariah-compliant investments is based on the tax regime of the respective countries that the Fund invests in.

#### **D FUNCTIONAL AND PRESENTATION CURRENCY**

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the "functional currency"). The financial statements are presented in United States Dollar ("USD"), which is the Fund's functional and presentation currency.

Due to mixed factors in determining the functional currency of the Fund, the Manager has used its judgment to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions and have determined the functional currency to be in USD primarily due to the following factors:

- (i) Significant portion of the Fund's investments are denominated in USD
- (ii) Significant portion of the Fund's expenses are denominated in USD.

#### **E FOREIGN CURRENCY TRANSLATION**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in statement of comprehensive income, except when deferred in other comprehensive income as qualifying cash flow hedges.

#### **F FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

- (i) Classification

The Fund classifies its financial assets in the following measurement categories:

- those to be measured at fair value through profit or loss, and
- those to be measured at amortised cost

# NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 25 JULY 2022 (DATE OF LAUNCH) TO 30 NOVEMBER 2023 (CONTINUED)

### F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

#### (i) Classification (Continued)

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

The Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the Fund's debt securities are solely principal and profit ("SPPI"). However, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments and derivatives are measured at fair value through profit or loss.

The Fund classifies cash and cash equivalents, amount due from Manager, dividends receivable and amount due from Broker as financial assets measured at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

The Fund classifies amount due to Manager, amount due to Trustee and auditors' remuneration payable as financial liabilities measured at amortised cost.

#### (ii) Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade date, the date on which the Fund commits to purchase or sell the asset. Shariah-compliant investments are initially recognised at fair value. Transaction costs are expensed in the statement of comprehensive income.

Financial liabilities, within the scope of MFRS 9, are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the rights to receive cash flows from the Shariah-compliant investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

Financial liabilities are derecognised when it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expired.

Unrealised gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss are presented in the statement of comprehensive income within net gain or loss on financial assets at fair value through profit or loss in the period which they arise.

Gross dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of dividend income when the Fund's right to receive payments is established.

# NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 25 JULY 2022 (DATE OF LAUNCH) TO 30 NOVEMBER 2023 (CONTINUED)

### F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

#### (ii) Recognition and measurement (Continued)

Quoted Shariah-compliant investments is initially recognised at fair value and subsequently re-measured at fair value based on the market price quoted on the relevant stock exchanges at the close of the business on the valuation day, where the close price falls within the bid-ask spread. In circumstances where the close price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of the fair value.

If a valuation based on the market price does not represent the fair value of the quoted Shariah-compliant investment, for example during abnormal market conditions or when no market price is available, including in the event of a suspension in the quotation of the Shariah-compliant securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the quoted Shariah-compliant securities are valued as determined in good faith by the Manager, based on the methods or bases approved by the Trustee after appropriate technical consultation.

Financial assets at amortised cost and other financial liabilities are subsequently carried at amortised cost using the effective profit method.

#### (iii) Impairment

The Fund's financial assets measured at amortised cost are subject to expected credit losses. The Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. The Manager considers both historical analysis and forward-looking information in determining any expected credit loss. The Manager considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Fund.

#### Significant increase in credit risk

A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due.

#### Definition of default and credit-impaired financial assets

The Fund defines a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

#### Quantitative criteria:

Any contractual payment which is more than 90 days past due is considered credit impaired.

#### Qualitative criteria:

The debtor meets unlikelihood to pay criteria, which indicates the debtor is in significant financial difficulty. The Fund considers the following instances:

- the debtor is in breach of financial covenants
- concessions have been made by the lender relating to the debtor's financial difficulty
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- the debtor is insolvent

## NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 25 JULY 2022 (DATE OF LAUNCH) TO 30 NOVEMBER 2023 (CONTINUED)

#### **F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)**

##### (iii) Impairment (Continued)

###### Definition of default and credit-impaired financial assets (continued)

Financial instruments that are credit-impaired are assessed on individual basis.

###### Write-off

The Fund writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.

The Fund may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains. There are no write-offs/recoveries during the financial period.

#### **G CASH AND CASH EQUIVALENTS**

For the purpose of statement of cash flows, cash and cash equivalents comprise cash and bank balances and deposits held in highly liquid Shariah-compliant investments that are readily convertible to known amounts of cash with an original maturity of three months or lesser which are subject to an insignificant risk of changes in value.

#### **H AMOUNT DUE FROM/(TO) BROKERS/INTERMEDIARIES**

Amount due from/to brokers/intermediaries represent receivables/payable for Shariah-compliant investments sold/purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively. The due from/to brokers/intermediaries balance is held for collection. Refer to Note F for accounting policy on recognition and measurement.

Any contractual payment which is more than 90 days past due is considered credit impaired.

Significant financial difficulties of the broker/intermediary, probability that the broker/intermediary will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

#### **I CREATION AND CANCELLATION OF UNITS**

The unitholders' contributions to the Fund meet the criteria of the definition of puttable instruments to be classified as financial liability under MFRS 132 'Financial Instruments: Presentation'.

The Fund issues cancellable units, in two classes of units, known respectively as the MYR Class and USD Class which are cancelled at the unitholders' option and do not have identical features subject to restrictions as stipulated in the Prospectus and Securities Commission's ("SC") Guidelines on Unit Trust Fund. The units are classified as financial liabilities.

## NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 25 JULY 2022 (DATE OF LAUNCH) TO 30 NOVEMBER 2023 (CONTINUED)

#### **I CREATION AND CANCELLATION OF UNITS (CONTINUED)**

Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's NAV of respective classes. The outstanding units are carried at the redemption amount that is payable at the date of the statement of financial position if the unitholder exercises the right to put the unit back to the Fund.

Units are created and cancelled at the unitholder's option at prices based on the Fund's NAV per unit of respective classes at the close of business on the relevant dealing day. The Fund's NAV per unit of respective classes is calculated by dividing the net asset attributable to unitholders of respective classes with the total number of outstanding units of respective classes.

#### **J INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS**

Income not distributed is included in net assets attributable to unitholders.

#### **K CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES**

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information contents on the estimates, certain key variables that are anticipated to have material impacts to the Fund's results and financial position are tested for sensitivity to changes in the underlying parameters.

Estimates and judgments are continually evaluated by the Manager and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In undertaking any of the Fund's investment, the Manager will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the Securities Commission's ("SC") Guidelines on Unit Trust Funds.

#### **L REALISED AND UNREALISED PORTIONS OF INCREASE OR DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS**

The analysis of realised and unrealised amount in increase or decrease in net assets attributable to unitholders as presented on the statement of comprehensive income is prepared in accordance with SC's Guidelines on Unit Trust Funds.

# NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 25 JULY 2022 (DATE OF LAUNCH) TO 30 NOVEMBER 2023

### 1 INFORMATION ON THE FUND

Nomura Global Shariah Semiconductor Equity Fund (the "Fund") was constituted pursuant to the execution of a Deed dated 25 April 2022 (the "Deed") between Nomura Asset Management Malaysia Sdn Bhd (the "Manager") and Deutsche Trustees Malaysia Berhad (the "Trustee").

The Fund aims to achieve long-term capital growth.

The Fund will invest a minimum of 70% of the Fund's net asset value ("NAV") in Shariah-compliant equities and Shariah-compliant equity-related securities of companies that are involved in the manufacturing ecosystem of semiconductor listed in the global markets and a maximum of 30% of the Fund's NAV will be invested in Islamic money market instruments and Islamic deposits and/or held in cash. To achieve long-term capital growth, the Fund may also invest in Islamic collective investment schemes to access investment opportunities which are not available through direct investment in Shariah-compliant equities and Shariah-compliant equity-related securities.

The Manager is a company incorporated in Malaysia. The principal activities of the Manager are establishment and management of unit trust funds and asset management including providing fund management services to private clients.

The financial statements were authorised for issue by the Manager on 29 January 2024.

### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows:

	At amortised cost USD	At fair value through profit or loss USD	Total USD
<u>As at 30.11.2023</u>			
<u>Financial assets</u>			
Cash and cash equivalents	243,385	-	243,385
Financial assets at fair value through profit or loss ("FVTPL")	-	9,364,010	9,364,010
Amount due to Manager - creation of units	209,583	-	209,583
Dividends receivable	8,090	-	8,090
Amount due to Broker	146,083	-	146,083
Total	<u>607,141</u>	<u>9,364,010</u>	<u>9,971,151</u>

## NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 25 JULY 2022 (DATE OF LAUNCH) TO 30 NOVEMBER 2023 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Financial instruments are as follows: (continued)

	At amortised cost <u>USD</u>	At fair value through profit or loss <u>USD</u>	Total <u>USD</u>
<u>As at 30.11.2023</u>			
<u>Financial liabilities</u>			
Amount due to Manager			
- management fee	16,615	-	16,615
- cancellation of units	574,157	-	574,157
Amount due to Trustee	534	-	534
Auditors' remuneration	81	-	81
	<u>591,387</u>	<u>-</u>	<u>591,387</u>
Total			

The Fund is exposed to a variety of risks which include market risk (including price risk, interest rate risk and currency risk), credit risk, liquidity risk and capital risk.

Financial risk management is carried out through internal control processes adopted by the Manager and adherence to the investment restrictions as stipulated by the SC's Guidelines on Unit Trust Funds.

#### Market risk

##### (a) Price risk

Price risk arises mainly from the uncertainty about future prices of investments. It represents the potential loss the Fund might suffer through holding market positions in the face of price movements. The Manager manages the risk of unfavourable changes in prices by continuous monitoring of the performance and risk profile of the investment portfolio.

The Fund's overall exposure to price risk was as follows:

	As at <u>30.11.2023</u> USD
<u>Financial assets at fair value through profit or loss:</u>	
Quoted Shariah-compliant equity securities	9,364,010
	<u>9,364,010</u>



## NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 25 JULY 2022 (DATE OF LAUNCH) TO 30 NOVEMBER 2023 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### Market risk (continued)

##### (a) Price risk (continued)

The following table summarises the sensitivity of the Fund's profit after taxation and net asset value to price risk movements. The analysis is based on the assumptions that the market price increased by 5% and decreased by 5% with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the quoted Shariah-compliant equity securities, having regard to the historical volatility of the prices.

<u>% Change in price</u>	<u>Market value</u> USD	<u>Impact on</u> <u>profit after</u> <u>tax/NAV</u> USD
<u>As at 30.11.2023</u>		
-5%	8,895,809	(468,201)
0%	9,364,010	-
+5%	9,832,211	468,201

##### (b) Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flows.

The Fund have no investment in deposits with licensed financial institutions for the financial period. Therefore, the Fund is not expose to interest rate risk.

##### (c) Currency risk

Currency risk is associated with investments denominated in foreign currencies. Investor should be aware that if the United States Dollar appreciates against the currencies in which the financial assets are denominated, this will have an adverse effect on the net asset value of the Fund and vice versa. Investors should also note any gains or losses arising from the movement of foreign currencies against its functional currency may therefore increase/decrease the capital gains of the investment denominated in foreign currencies. Nevertheless, investors should realise that currency risk is considered as one of the major risks to investments in foreign assets due to the volatile nature of the foreign exchange market. The Manager will evaluate the likely directions of a foreign currency versus United States Dollar based on considerations of economic fundamentals such as currency rate differentials, balance of payments position, debt levels and technical chart considerations.

## NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 25 JULY 2022 (DATE OF LAUNCH) TO 30 NOVEMBER 2023 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### Market risk (continued)

##### (c) Currency risk (continued)

The following table sets out the foreign currency risk concentrations and counterparties of the Fund:

	Financial assets at fair value through <u>profit or loss</u> USD	Cash and cash <u>equivalents</u> USD	Other <u>assets</u> USD	<u>Total</u> USD
<u>As at 30.11.2023</u>				
<u>Financial assets</u>				
European Dollar	1,365,424	1,439	28,730	1,395,593
Japanese Yen	1,015,632	6	2,466	1,018,104
Malaysian Ringgit	-	187,616	209,583	397,199
	<u>2,381,056</u>	<u>189,061</u>	<u>240,779</u>	<u>2,810,896</u>
		<u>Other</u> <u>liabilities</u> USD	Net assets attributable to <u>unitholders</u> USD	<u>Total</u> USD
<u>Financial liabilities</u>				
Malaysian Ringgit		553,895	8,596,643	9,150,538
		<u>553,895</u>	<u>8,596,643</u>	<u>9,150,538</u>

The table below summarises the sensitivity of the Fund's profit after tax and net asset value to changes in foreign exchange movements at the end of each reporting period. The analysis is based on the assumption that the foreign exchange rate fluctuates by 5%, with all other variables remain constant. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change in foreign exchange <u>rate</u> %	Impact on profit after <u>taxation/NAV</u> USD
<u>As at 30.11.2023</u>		
European Dollar	5	69,780
Japanese Yen	5	50,905
Malaysian Ringgit	5	437,667

## NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 25 JULY 2022 (DATE OF LAUNCH) TO 30 NOVEMBER 2023 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### Credit risk

Credit risk refers to the ability of an issuer or a counter party to make timely payments of profit or principals payment on the maturity date. This may lead to a default in the payment of principal and interest and ultimately a reduction in the value of the Fund. In the case of the Fund, the Manager will endeavor to minimise the risk by selecting only licensed financial institutions with acceptable credit ratings

The settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the SC's Guidelines on Unit Trust Funds.

For amount due from brokers/intermediaries, the settlement terms are governed by the relevant rules and regulations as prescribed by Bursa Securities and respective foreign stock exchanges. The credit risk is minimal as all transactions in quoted Shariah-compliant investments are settled/paid upon delivery using approved brokers/intermediaries.

The following table sets out the credit risk concentration and counterparties of the Fund:

	Cash and cash <u>equivalents</u> USD	Other <u>assets*</u> USD	<u>Total</u> USD
<u>As at 30.11.2023</u>			
Financial services			
- AA1	243,385	-	243,385
Others			
- Not Rated ("NR")	-	363,756	363,756
	<u>243,385</u>	<u>363,756</u>	<u>607,141</u>

\*Other assets consists of amount due from Broker, amount due from Manager and dividend receivables.

##### Liquidity risk

The Fund maintains sufficient level of liquid assets, after consultation with the Trustee, to meet anticipated payments and cancellation of units by the unitholders. Liquid assets comprise cash, deposits with licensed financial institutions and other instruments which are capable of being converted into cash within 7 days. The Fund aims to reduce its liquidity risk by maintaining a prudent level of liquid assets.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date.

## NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 25 JULY 2022 (DATE OF LAUNCH) TO 30 NOVEMBER 2023 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### Liquidity risk (continued)

The amounts in the table below are the contractual undiscounted cash flows.

	Within one month USD	Between one month to one year USD	Total USD
<u>As at 30.11.2023</u>			
Amount due to Manager			
- management fee	16,615	-	16,615
- cancellation of units	574,157	-	574,157
Amount due to Trustee	534	-	534
Auditors' remuneration	-	81	81
Net assets attributable to unitholders*	9,379,764	-	9,379,764
	<u>9,971,070</u>	<u>81</u>	<u>9,971,151</u>

\* Units are cancelled on demand at the unitholder's option. However, the Manager does not envisage that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as unitholders of these instruments typically retain them for the medium to long term.

##### Capital risk

The capital of the Fund is represented by net assets attributable to unitholders of USD9,379,764. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unitholders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

#### 3 FAIR VALUE ESTIMATION

Financial instruments comprise financial assets and financial liabilities. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of financial assets and liabilities traded in active market (such as publicly trading Shariah-compliant securities) are based on quoted market prices at the close of trading on the reporting date.

An active market is a market in which transactions for the asset take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

## NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 25 JULY 2022 (DATE OF LAUNCH) TO 30 NOVEMBER 2023 (CONTINUED)

#### 3 FAIR VALUE ESTIMATION (CONTINUED)

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques.

(i) Fair value hierarchy

The table below analyses financial instruments carried at fair value. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active market for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2)
- Inputs for the asset and liability that are not based on observable market data (that is, unobservable inputs) (Level 3)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgment by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

The following table analyses within the fair value hierarchy the Fund's financial assets (by class) measured at fair value:

	<u>Level 1</u> USD	<u>Level 2</u> USD	<u>Level 3</u> USD	<u>Total</u> USD
<u>As at 30.11.2023</u>				
Financial assets at fair value through profit or loss				
- Quoted Shariah-compliant equity securities	9,364,010	-	-	9,364,010

Shariah-compliant investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, including listed Shariah-compliant equities. The Fund does not adjust the quoted prices for this instrument.

## NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 25 JULY 2022 (DATE OF LAUNCH) TO 30 NOVEMBER 2023 (CONTINUED)

#### **3 FAIR VALUE ESTIMATION (CONTINUED)**

- (ii) The carrying values of financial assets (other than financial assets at fair value through profit or loss) and financial liabilities are a reasonable approximation of the fair values due to their short term nature.

#### **4 MANAGEMENT FEE**

In accordance with the Deed, the Manager is entitled to a management fee at a rate not exceeding 3.00% per annum of the NAV of each Class of the Fund, calculated and accrued on a daily basis.

For the financial period from 25 July 2022 (date of launch) to 30 November 2023, the management fee is recognised at a rate of 1.80% per annum of the NAV for MYR Class and 1.80% per annum of the NAV for USD Class, calculated on a daily basis.

Effective 1 September 2022, the shariah adviser's fee, audit fee and tax agent's fee are borne by the Fund Manager.

There will be no further liability to the Manager in respect of management fee other than the amounts recognised above.

#### **5 TRUSTEE FEE**

In accordance with the Deed, the Trustee is entitled to a fee at a rate not exceeding 0.10% per annum of the NAV of each Class of the Fund (excluding foreign custodian fees and charges), subject to a minimum fee of RM15,000 per annum (equivalent to: USD 3,221) per annum (excluding foreign custodian fees and charges).

For the financial period from 25 July 2022 (date of launch) to 30 November 2023, the trustee fee is recognised at a rate of 0.05% per annum of the NAV of each Class of the Fund (exclusive of foreign custodian fees and charges) calculated on a daily basis for the financial period, subject to a minimum fee of RM15,000 (equivalent to: USD 3,221) per annum.

There will be no further liability to the Trustee in respect of Trustee fee other than the amounts recognised above.

## NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 25 JULY 2022 (DATE OF LAUNCH) TO 30 NOVEMBER 2023 (CONTINUED)

#### 6 TAXATION

	Financial period from 25.7.2022 (date of launch) to <u>30.11.2023</u> USD
Tax charge for the financial period:	
Current taxation – foreign source income	14,096

The numerical reconciliation between profit before taxation multiplied by the Malaysian statutory tax rate and tax expense of the Fund is as follows:

	Financial period from 25.7.2022 (date of launch) to <u>30.11.2023</u> USD
Profit before taxation	1,761,604
Taxation at Malaysian statutory rate of 24%	422,785
Tax effects of:	
Shariah-compliant investment income not subject to tax	(442,432)
Expenses not deductible for tax purposes	8,286
Restriction on tax deductible expenses for Unit Trust Funds	25,457
Tax expense	14,096

## NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 25 JULY 2022 (DATE OF LAUNCH) TO 30 NOVEMBER 2023 (CONTINUED)

#### 7 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at <u>30.11.2023</u> USD
Financial assets at fair value through profit or loss:	
- Quoted Shariah-compliant equity securities	<u>9,364,010</u>
	Financial period from 25.7.2022 (date of launch) to <u>30.11.2023</u> USD
Net gain on financial assets at fair value through profit or loss:	
- Realised gain on sale of Shariah-compliant investments	545,926
- Unrealised gain on changes in fair value	<u>1,322,133</u>
	<u>1,868,059</u>

Quoted Shariah-compliant equity securities as at 30 November 2023 are as follows:

<u>Name of Security</u>	<u>Quantity</u> Units	Aggregate <u>cost</u> USD	Fair <u>value</u> USD	Percentage <u>of NAV</u> %
GERMANY				
<b>Information Technology</b>				
Infineon Technologies AG	5,569	198,153	215,954	2.30
TOTAL GERMANY	<u>5,569</u>	<u>198,153</u>	<u>215,954</u>	<u>2.30</u>
ITALY				
<b>Information Technology</b>				
STMicroelectronics N.V.	1,420	59,168	67,301	0.72
TOTAL ITALY	<u>1,420</u>	<u>59,168</u>	<u>67,301</u>	<u>0.72</u>



## NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 25 JULY 2022 (DATE OF LAUNCH) TO 30 NOVEMBER 2023 (CONTINUED)

#### 7 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Quoted Shariah-compliant equity securities as at 30 November 2023 are as follows: (continued)

<u>Name of Security</u>	<u>Quantity</u> Units	<u>Aggregate</u> <u>cost</u> USD	<u>Fair</u> <u>value</u> USD	<u>Percentage</u> <u>of NAV</u> %
<b>JAPAN</b>				
<b>Information Technology</b>				
Advantest Corporation	2,740	83,921	86,767	0.93
Disco Corporation	1,073	197,033	232,936	2.48
Lasertec Corporation	1,119	177,717	250,113	2.67
Tokyo Electron Limited	2,743	362,603	445,816	4.75
<b>TOTAL JAPAN</b>	<b>7,675</b>	<b>821,274</b>	<b>1,015,632</b>	<b>10.83</b>
<b>NETHERLANDS</b>				
<b>Information Technology</b>				
ASM International N.V.	440	182,927	225,913	2.41
ASML Holding N.V.	1,260	795,497	856,256	9.13
<b>TOTAL NETHERLANDS</b>	<b>1,700</b>	<b>978,424</b>	<b>1,082,169</b>	<b>11.54</b>
<b>UNITED STATES</b>				
<b>Information Technology</b>				
Advanced Micro Devices, Inc.	6,281	645,346	761,006	8.11
Analog Devices, Inc.	1,259	229,650	230,875	2.46
Applied Materials, Inc.	3,021	397,373	452,485	4.82
Broadcom Inc.	876	654,694	810,939	8.65
Intel Corporation	10,899	362,151	487,185	5.19
KLA Corporation	535	245,194	291,372	3.11
LAM Research Corporation	555	334,260	397,336	4.24
Marvell Technology, Inc	3,542	182,234	197,396	2.10
Microchip Technology Incorporated	547	44,269	45,642	0.49
Micron Technology, Inc.	8,081	519,047	615,127	6.56
Nvidia Corporation	1,742	567,352	814,733	8.69
NXP Semiconductors N.V.	800	148,116	163,264	1.74
ON Semiconductor Corporation	1,162	98,060	82,885	0.88
Qualcomm Incorporated	4,626	544,418	596,985	6.36

## NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 25 JULY 2022 (DATE OF LAUNCH) TO 30 NOVEMBER 2023 (CONTINUED)

#### 7 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Quoted Shariah-compliant equity securities as at 30 November 2023 are as follows: (continued)

<u>Name of Security</u>	<u>Quantity</u> Units	<u>Aggregate</u> <u>cost</u> USD	<u>Fair</u> <u>value</u> USD	<u>Percentage</u> <u>of NAV</u> %
UNITED STATES (CONTINUED)				
<b>Information Technology (Continued)</b>				
Taiwan Semiconductor Manufacturing Co., Ltd.	8,809	810,869	857,205	9.14
Texas Instruments Incorporated	1,169	201,825	178,519	1.90
TOTAL UNITED STATES	<u>53,904</u>	<u>5,984,858</u>	<u>6,982,954</u>	<u>74.44</u>
Total quoted Shariah-compliant equity securities	<u>70,268</u>	<u>8,041,877</u>	<u>9,364,010</u>	<u>99.83</u>
Accumulated unrealised gain on quoted Shariah-compliant equity securities		<u>1,322,133</u>		
Total quoted Shariah-compliant equity securities		<u>9,364,010</u>		

#### 8 CASH AND CASH EQUIVALENTS

	As at <u>30.11.2023</u> USD
Bank balances with a licensed bank	<u>243,385</u>

## NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 25 JULY 2022 (DATE OF LAUNCH) TO 30 NOVEMBER 2023 (CONTINUED)

#### 9 NUMBER OF UNITS IN CIRCULATION

(a) MYR Class units in circulation	As at <u>30.11.2023</u> No. of units
At the beginning of the financial period/date of launch	-
Creation of units arising from applications during the financial period	68,281,587
Cancellation of units during the financial period	<u>(38,893,420)</u>
At the end of the financial period	<u>29,388,167</u>
(b) USD Class units in circulation	As at <u>30.11.2023</u> No. of units
At the beginning of the financial period/date of launch	-
Creation of units arising from applications during the financial period	706,570
Cancellation of units during the financial period	<u>(105,143)</u>
At the end of the financial period	<u>601,427</u>

#### 10 TRANSACTIONS WITH BROKERS/INTERMEDIARIES

Details of transactions with the brokers/intermediaries are as follows:

<u>Name of brokers/intermediaries</u>	<u>Value of trade</u> USD	Percentage of total <u>trade</u> %	<u>Brokerage</u> <u>fees</u> USD	Percentage of total <u>brokerage</u> %
Robert W. Baird & Co. Incorporated	2,913,443	17.95	747	10.42
Bofa Securities, Inc New York	2,859,655	17.62	1,044	14.57
Sanford C. Bernstein And Co., Llc	2,506,688	15.45	562	7.84
Daiwa Securities Smbc Hong Kong Ltd	2,370,039	14.61	902	12.59
J.P. Morgan Securities Llc	1,426,784	8.79	419	5.86
Jefferies Llc.	731,233	4.51	154	2.15
CLSA Singapore Pte Ltd.	654,224	4.03	720	10.04
Pershing Securities Limited	606,639	3.74	607	8.46
Sanford C. Bernstein Ltd. London	507,848	3.13	508	7.09
JP Morgan Securities Ltd London	353,596	2.18	354	4.93
Others	1,296,272	7.99	1,150	16.05
	<u>16,226,421</u>	<u>100.00</u>	<u>7,167</u>	<u>100.00</u>

# NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 25 JULY 2022 (DATE OF LAUNCH) TO 30 NOVEMBER 2023 (CONTINUED)

### 11 UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER

The related parties of and their relationships with the Fund are as follows:

<u>Related parties</u>	<u>Relationship</u>
Nomura Asset Management Malaysia Sdn Bhd The Nomura Trust and Banking Co., Ltd.	The Manager Associate Company

The number of units held by the Manager and party related to the Manager as at the end of the financial period as follows:

	No. of units	As at 30.11.2023 USD
Nomura Asset Management Malaysia Sdn Bhd MYR Class	1,000	293
The Nomura Trust and Banking Co., Ltd. USD Class	500,000	651,050

The units are held legally by the Manager for booking purposes.

In addition to the related party disclosure mentioned elsewhere in the financial statements, there were no other significant related party transactions and balances.

Other than the above, there were no units held by parties related to the Manager.

## NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 25 JULY 2022 (DATE OF LAUNCH) TO 30 NOVEMBER 2023 (CONTINUED)

#### 12 TOTAL EXPENSES RATIO ("TER")

	Financial period from 25.7.2022 (date of launch) to <u>30.11.2023</u> %
TER	2.54

TER is derived from the following calculation:

$$\text{TER} = \frac{(A + B + C + D + E + F) \times 100}{G}$$

A	=	Management fee, excluding management fee rebates
B	=	Trustee fee
C	=	Fund accounting fee
D	=	Auditors' remuneration
E	=	Tax agent's fee
F	=	Other expenses
G	=	Average NAV of Fund calculated on a daily basis

The average NAV of the Fund for the financial period calculated on a daily basis is USD4,541,517.

#### 13 PORTFOLIO TURNOVER RATIO ("PTR")

	Financial period from 25.7.2022 (date of launch) to <u>30.11.2023</u>
PTR (times)	1.79

PTR is derived from the following calculation:

$$\frac{(\text{Total acquisition for the financial period} + \text{total disposal for the financial period}) \div 2}{\text{Average NAV of the Fund for the financial period calculated on a daily basis}}$$

where: total acquisition for the financial period = USD11,866,607  
total disposal for the financial period = USD4,363,490

## NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 25 JULY 2022 (DATE OF LAUNCH) TO 30 NOVEMBER 2023 (CONTINUED)

#### **14 SHARIAH INFORMATION OF THE FUND**

The Shariah Adviser confirmed that the investment portfolio of the Fund is Shariah-compliant which comprises:

- i) securities in local/foreign markets which have been classified as Shariah-compliant either by the Shariah Advisory Council of the Securities Commission Malaysia, the Shariah Supervisory Board of Dow Jones Islamic Market Developed Markets Index and/or by us;
- ii) cash placements and liquid assets which are placed in non-interest bearing account with licensed Islamic domestic and foreign financial institutions; and
- iii) collective investment schemes which we have verified as Shariah-compliant.

#### **15 COMPARATIVES**

There are no comparative figures as this is the first set of financial statements since the date of launch of the Fund.

#### **16 APPROVAL OF FINANCIAL STATEMENTS**

The financial statements have been approved for issue by the Manager on 29 January 2024.

**NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND****STATEMENT BY THE MANAGER**

We, Leslie Yap Kim Loong and Atsushi Ichii, being two of the Directors of Nomura Asset Management Malaysia Sdn Bhd (the "Manager"), do hereby state that, in the opinion of the Manager, the accompanying financial statements set out on pages 1 to 27 are drawn up in accordance with the provisions of the Deed and give a true and fair view of the financial position of the Fund as at 30 November 2023 and of its financial performance, changes in net assets attributable to unitholders and cash flows for the financial period from 25 July 2022 (date of launch) to 30 November 2023 in accordance with the Malaysian Financial Reporting Standards, and International Financial Reporting Standards.

For and on behalf of the Manager,  
NOMURA ASSET MANAGEMENT MALAYSIA SDN BHD



LESLIE YAP KIM LOONG  
Managing Director



ATSUSHI ICHII  
Director

Kuala Lumpur

29 JAN 2024



Deutsche Trustees Malaysia Berhad  
Registration No: 200701005591 (763590-H)

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50250 Kuala Lumpur

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## TRUSTEE'S REPORT

### TO THE UNIT HOLDERS OF NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND ("Fund")

We have acted as Trustee of the Fund for the financial period from 25 July 2022 (date of launch) to 30 November 2023 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Nomura Asset Management Malaysia Sdn Bhd has operated and managed the Fund during the period covered by these financial statements in accordance with the following:-

1. Limitations imposed on the investment powers of the management company under the deed, securities laws and the Guidelines on Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the deed; and
3. Any creation and cancellation of units are carried out in accordance with the deed and any regulatory requirement.

For Deutsche Trustees Malaysia Berhad

  
Ng Hon Leong  
Head, Fund Operations

  
Sylvia Beh  
Chief Executive Officer

Kuala Lumpur

29 JAN 2024



**SHARIAH ADVISER'S REPORT**

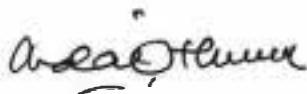
TO THE UNITHOLDERS OF  
NOMURA GLOBAL SHARIAH SEMICONDUCTOR EQUITY FUND

We hereby confirm:

To the best of our knowledge, after having made all reasonable enquiries, Nomura Asset Management Malaysia Sdn Bhd has operated and managed the Fund during the financial period from 25 July 2022 (date of launch) to 30 November 2023 covered by these financial statements in accordance with the Shariah principles and requirements and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters; and

The assets of the Fund comprise instruments that have been classified as Shariah-compliant by the Shariah Advisory Council ("SAC") of the Securities Commission Malaysia or the Shariah Supervisory Board of Dow Jones Islamic Market Developed Markets Index. As for the instruments which are not classified as Shariah-compliant by the SAC of the Securities Commission Malaysia or the Shariah Supervisory Board of Dow Jones Islamic Market Developed Markets Index, we have reviewed the said instruments and confirmed that these instruments are Shariah-compliant.

For ZICO Shariah Advisory Services Sdn Bhd



DR. AIDA OTHMAN

Designated Person Responsible for Shariah Matters Relating to the Fund

Kuala Lumpur

29 JAN 2024



INDEPENDENT AUDITORS' REPORT  
TO THE UNITHOLDERS OF NOMURA GLOBAL SHARIAH SEMICONDUCTOR  
EQUITY FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Nomura Global Shariah Semiconductor Equity Fund (“the Fund”) give a true and fair view of the financial position of the Fund as at 30 November 2023, and of its financial performance and its cash flows for the financial period from 25 July 2022 (date of launch) to 30 November 2023 in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 30 November 2023, and the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the financial period then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 1 to 27.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the “Auditors’ responsibilities for the audit of the financial statements” section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Independence and other ethical responsibilities*

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants (“By-Laws”) and the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.



INDEPENDENT AUDITORS' REPORT  
TO THE UNITHOLDERS OF NOMURA GLOBAL SHARIAH SEMICONDUCTOR  
EQUITY FUND (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

The Manager of the Fund is responsible for the other information. The other information comprises the Manager's Report, but does not include the financial statements of the Fund and our auditors' report thereon.

Our opinion on the financial statements of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the financial statements

The Manager of the Fund is responsible for the preparation of the financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to terminate the Fund, or has no realistic alternative but to do so.



INDEPENDENT AUDITORS' REPORT  
TO THE UNITHOLDERS OF NOMURA GLOBAL SHARIAH SEMICONDUCTOR  
EQUITY FUND (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- (d) Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.



INDEPENDENT AUDITORS' REPORT  
TO THE UNITHOLDERS OF NOMURA GLOBAL SHARIAH SEMICONDUCTOR  
EQUITY FUND (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

- (e) Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



INDEPENDENT AUDITORS' REPORT  
TO THE UNITHOLDERS OF NOMURA GLOBAL SHARIAH SEMICONDUCTOR  
EQUITY FUND (CONTINUED)

OTHER MATTERS

This report is made solely to the unitholders of the Fund, and for no other purpose. We do not assume responsibility to any other person for the content of this report.

  
PRICEWATERHOUSECOOPERS PLT  
LLP0014401-LCA & AF 1146  
Chartered Accountants

Kuala Lumpur  
29 January 2024