

Fund Commentary and Strategy

In September, the MYR Class returned -4.03%, outperforming the Nasdaq Global Semiconductor Index by 35bps. Year-to date through September, the MYR Class returned 15.12%, ahead of the benchmark by 492bps. Market sentiment towards semiconductor stocks stabilised in September. We got through earnings season, US CPI report and the Trump-Harris debate which cleared the deck for improved sentiment. Plus, a bigger than expected Fed Funds rate cut of 50bps also helped improve sentiment. Although geopolitics including increased tensions in the Middle East were negative factors, the market in general was robust with semiconductor shares slightly lagging the overall market.

Top contributors during the month to relative performance were Micron and our underweights in Renesas and Texas Instruments. Micron traded up 7.8% during the month on better than expected November quarter guidance. Sentiment had gotten so poor with sell side analysts lowering their estimates for the November quarter before release of August quarter earnings. Instead, Micron gave November quarter revenue and gross margin guidance that was much better than consensus. The company said HBM (high bandwidth memory) volume shipments during the August quarter was in line with their target and yields continue to improve, a worry that the Street had. Renesas and Texas Instruments fell during the month for the same reason, namely worries over the strength of the recovery in industrial and automotive end markets as well as the competitive environment in China. Top detractors from relative performance were Disco and our underweight in Intel. Disco fell along with other semiconductor capital equipment stocks as the market is worried about a slowdown in China sales. Intel, which we do not hold, rose 6.4% during the month on reports that Qualcomm may be interested in bidding for the company. We do not think it would make sense for Qualcomm to acquire Intel. Qualcomm does not have any experience running fabs as they outsource their manufacturing to TSMC. That means they would likely spin off the manufacturing operations, but the company would not get a high value for it as it will be losing money until 2027 and they are in manufacturing to TSMC. We see Intel having difficulty with their foundry initiative because they are outsourcing more, not less to TSMC which makes it harder to sign up new customers.

Our outlook and strategy for the semiconductor sector is unchanged. Semiconductor stocks have rebounded, but have lagged the overall market. We think there could be a catch-up trade once the market realises that the semiconductor up cycle is still intact. We believe the semiconductor up cycle will remain intact barring a severe recession. Recent economic data in the US shows an economy that is doing better than feared and aggressive action by the Fed as well as China's fiscal policies should keep the global economy expanding. In terms of end markets, we think the AI infrastructure build out will continue to be driver of semiconductor industry sales. Additionally, we expect the PC market to grow 5-7% next year in units after growing around 1% this year. Drivers of this improved growth in PCs include PCs that were bought during the initial stages of the pandemic being refreshed, end of life for Windows 10 in October 2025 and AI PCs starting to sell better. Stock selection strategy for the fund is unchanged. We focus on companies with leading edge intellectual property that can lead to higher market share within their area of expertise. This investment philosophy has led to an overweight in HPC (high performance computing) and SPE (semiconductor production equipment). We are underweight analog and microcontrollers given the recovery in industrial and automotive demand is weaker than expected. We also worry that the seeds of excess capacity are being sown in China given industrial and automotive chips use accessible mature technology which could become a long term negative for pricing in the analog and microcontroller segment.

Cumulative Fund Returns (%)

	YTD	1 Month	3 Months	6 Month
	31/12/2023	31/8/2024	30/6/2024	31/3/2024
	To	To	To	To
	30/9/2024	30/9/2024	30/9/2024	30/9/2024
Fund	15.12	-4.03	-19.84	-11.74
Benchmark	10.20	-4.38	-19.30	-11.43

Cumulative Fund Returns (%)

	1 Year	Since Commencement
	30/9/2023	15/8/2022
	To	To
	30/9/2024	30/9/2024
Fund	39.76	71.61
Benchmark	33.92	67.30

Source: Refinitiv Lipper

Notes:

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

FUND'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 56.41 million
Class Size	MYR 219.60 million
Units in Circulation (MYR Class)	134.07 million
NAV per Unit (MYR Class)	MYR 1.6379
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 (%)

	2023	2022
Fund	70.38	-14.77
Benchmark	67.12	-14.26

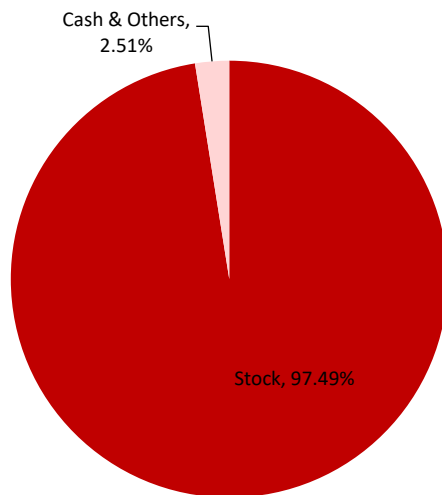
Source: Refinitiv Lipper

Notes:

Performance data is calculated based on the changes in the Fund's NAV price per unit for the specified length of time and on the assumption that any dividends declared are reinvested into the Fund. Performance figures are presented in cumulative basis, unless indicated otherwise.

Calendar year returns for 2022 are measured from its commencement date of 15 August 2022.

Asset Allocation (%)



All data presented are as of 30 September 2024 unless otherwise specified.

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

Sector Breakdown (%)

Semiconductor	97.49%
Cash & Others	2.51%

Top 5 Holdings (%)

Broadcom Inc	10.47
Taiwan Semiconductor-Sp Adr	9.83
Nvidia Corp	9.70
Asml Holding Nv	9.63
Micron Technology Inc	8.46

Country Breakdown (%)

United States	60.58%
Netherlands	14.24%
Japan	12.17%
Taiwan	9.83%
Cash & Others	2.51%
Germany	0.68%

Disclaimer:

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