

### Fund Commentary and Strategy

With US Fed announcement of a 50bps rate cut in the September FOMC meeting, US market officially exited its tightening cycle which lasted for 2 years. We expect additional rate cuts to be gradual into 2025 as inflation continue to moderate. Against resilient economic backdrop, investors reacted positively allocating more into riskier assets such as equity while rotating out of defensive assets such as treasury and cash. The optimism was evidenced by S&P 500 and STOXX Europe 600 recording another all-time high. Going forward in the near term, we think market focus would be on Q3 earnings season to gauge the economic and business strength while remain cautious about recession risk.

By region, EU underperformed with negative monthly performance in USD basis as compared to other regions such as NA and APAC that have delivered positive monthly performance. This has dragged down the fund performance given its overweight position. By sector, Healthcare was the weakest as market switched to slight risk on mode and rotated out of Healthcare. In addition, fund underperformance was attributed to selection in IT and underweight allocation in Consumer Discretionary.

The top contributors to the relative performance were Pentair and Johnson Control. Pentair pool business was traded favourably by the market as the Company is expected to have more positive business outlook in a rate cut environment. On the other hand, the bottom contributors to the relative performance were Novo Nordisk and AstraZeneca. Both large cap pharmaceutical companies underperformed as both released clinical trial data readout for their respective drugs Molunabant (Novo Nordisk) and Dato-DXd (Astrazeneca) to be below market expectations. While market has priced in lower confidence on the drug from this disappointing data, we remain cautiously optimistic and look forward for more data in Q4 2024 to support more positive drug pipeline impacts on the company earnings in the outer years.

### Impact focus of the month:

During September, the team initiated a new position in Waste Management (WM), the North American leader in both solid waste collection and disposal as well as recycling processing. We see it as a high quality business with steady cash flows, defensive characteristics and strong returns to shareholders through growing dividend and more importantly significant share buyback programme. The broader space is fragmented and still in consolidation phase, so top players like WM continue to do significant amount of tuck-in acquisitions, which are the main reason for expanding margins, through increased route density. Although recycling processing is still a relatively small portion of overall business mix (ca.6-7%) it is the primary area for growth capital, along with RNG (ca.2%). What is interesting about this company's emissions profile is that in 2022, WM's sustainability services avoided or removed close to 3x (48.3mm tonnes of CO2e) their own emissions across the entire value chain (17mm tonnes of CO2e). This would be the main impact metric the team would be tracking going forward, along with million tonnes of material recovered.

### Cumulative Fund Returns (%)

	YTD	1 Month	3 Month	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
<b>Fund</b>	23.05	-0.20	2.70	10.61
<b>Benchmark</b>	18.75	1.68	4.35	8.67

### Cumulative Fund Returns (%)

	1 Year	Since Commencement
	30/9/2023	13/6/2022
	To	To
	30/9/2024	30/9/2024
<b>Fund</b>	35.73	55.48
<b>Benchmark</b>	32.82	50.43

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.

**FUND'S PAST PERFORMANCE IS NOT AN INDICATION OF ITS FUTURE PERFORMANCE**

### Fund Objectives

The Fund aims to achieve long-term capital growth.

### Benchmark

Dow Jones Islamic Market Developed Markets Index

### Investment Adviser

Nomura Asset Management U.K. Limited

### Distribution Policy

Distribution of income, if any, is incidental and may be made from realised gains, realised income and/or out of capital.

### Key Facts

Launch Date	23-May-2022
Fund Category	Equity (Shariah-compliant)
Year End	31 May
Fund Size	USD 6.37 million
Class Size	USD 1.58 million
Units in Circulation (USD Class A)	1.02 million
NAV per Unit (USD Class A)	USD 1.5548
Transaction cut-off time	Daily; 4:00 pm
Redemption Period	T + 10 business days

### Sales charge

Up to 3.00% of the NAV per Unit.

### Management fee

Up to 1.60% 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
<b>Fund</b>	25.77	0.47
<b>Benchmark</b>	29.37	-2.08

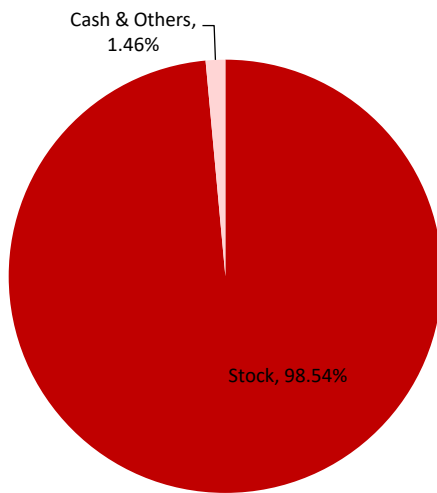
Source: Refinitiv Lipper

**Notes:**

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Calendar year returns for 2022 are measured from its commencement date of 13 June 2022.

### Asset Allocation (%)



### Top 5 Holdings (%)

Microsoft Corp	6.66
Nvidia Corp	6.27
Alphabet Inc-CI A	6.00
Schneider Electric Se	5.20
Boston Scientific Corp	5.15

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

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

### Sector Breakdown (%)

Information Technology	33.83%
Health Care	29.28%
Industrials	20.90%
Financials	6.96%
Communication Services	6.00%
Consumer Discretionary	1.58%
Cash & Others	1.46%

### Country Breakdown (%)

United States	64.16%
Ireland	7.55%
France	5.20%
Taiwan	4.89%
Netherlands	4.52%
Denmark	4.21%
United Kingdom	3.26%
Germany	2.66%
Japan	2.08%
Cash & Others	1.46%

## Nomura Asset Management's 6 Impact Goals

This quarter we continued to work on progressing towards our 6 Impact Goals (as below) focused around the most pressing issues facing our world and where we as investors believe we can have a positive impact across various stakeholders. In 2Q24, 55 of our total engagements were directly aligned to our 6 Impact Goals outlined below. Mitigate Climate Change Mitigate Obesity Epidemic Mitigate Natural Capital Depletion Global Access to Basic Financial Services Global Access to Clean Drinking Water Eliminate Communicable Disease The Impact Goals are closely aligned with the United Nations Sustainable Development Goals (UN SDGs), and NAM's ESG Statement. As part of our commitment to deeply integrate our 6 Impact Goals into our processes we strive to further increase our engagements with companies on the selected goals and work together towards achieving progress.

[Click here for more details on the report.](#)

## Engagement in Numbers



Source: Nomura Asset Management U.K. Ltd. - Responsible Investing Report Q2 2024.

**Disclaimer:**  
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