



**NOMURA**

# Nomura Global High Conviction Fund

Annual Report and Audited Financial Statements for the  
Financial Year Ended 31 August 2024

**MANAGER:**

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

**TRUSTEE:**

CIMB COMMERCE TRUSTEE BERHAD  
Business Registration No.: 199401027349 (313031-A)

**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 High Conviction Fund (“Fund”)

### 1.2 Type and Category of Fund

Growth – Feeder fund (Global equity)

### 1.3 Duration of the Fund

The Fund is an open-ended fund.

### 1.4 Investment Objectives

The Fund seeks to achieve long term capital growth by investing in Nomura Funds Ireland – Global High Conviction Fund (“Target Fund”) which invests primarily in global equity securities.

### 1.5 Distribution Policy

Distribution of income, if any, is incidental.

### 1.6 Performance Benchmark

MSCI All Country World Index (“Benchmark”).

## 2. FUND PERFORMANCE

### 2.1 Key Fund Performance Data\*

Asset Allocation / Portfolio Composition	31 Aug 2024	31 Aug 2023	31 Aug 2022
Target Fund	99.68%	98.71%	99.42%
Cash and Others <sup>#</sup>	0.32%	1.29%	0.58%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

<sup>#</sup> Included in ‘Cash and Others’ are cash on hand and net current assets/ liabilities. Net current liabilities include amounts which are accrued (but not due and payable).

### Fund – Class USD

Category	1 Sep 2023 to 31 Aug 2024	1 Sep 2022 to 31 Aug 2023	1 Sep 2021 to 31 Aug 2022
Highest NAV per Unit (USD) <sup>1</sup>	1.3161	1.1558	1.2469
Lowest NAV per Unit (USD) <sup>1</sup>	1.0221	0.8525	0.9249
Total Return (%) <sup>2</sup>			
- Capital growth (%)	15.98	14.61	(20.62)
- Income (%)	-	-	-
Gross/Net Distribution per unit (sen)	-	-	-
Total NAV (USD) <sup>1</sup>	83,621	28,075	4,284
NAV per Unit (USD)	1.3013	1.1179	0.9760
Unit in Circulation	64,258	25,113	4,390

**Fund – Class MYR**

Category	1 Sep 2023 to 31 Aug 2024	1 Sep 2022 to 31 Aug 2023	1 Sep 2021 to 31 Aug 2022
Highest NAV per Unit (RM) <sup>1</sup>	1.9071	1.6544	1.6541
Lowest NAV per Unit (RM) <sup>1</sup>	1.5181	1.2762	1.2990
Total Return (%) <sup>2</sup>			
- Capital growth (%)	7.04	16.22	(14.48)
- Income (%)	-	-	-
Gross/Net Distribution per unit (sen)	-	-	-
Total NAV (USD) <sup>1</sup>	867,045	982,536	449,915
NAV per Unit (RM)	1.7390	1.6187	1.3932
Unit in Circulation	2,153,166	2,814,400	1,444,809

Category	1 Sep 2023 to 31 Aug 2024	1 Sep 2022 to 31 Aug 2023	1 Sep 2021 to 31 Aug 2022
Total Expense Ratio (%) <sup>3</sup>	0.97	1.01	0.96
Portfolio Turnover Ratio (time) <sup>4</sup>	1.70	1.55	0.17

**Notes:**

\* Prior to 1 October 2022, the Fund was managed as a wholesale fund. Hence, the aforementioned Fund data prior to 1 October 2022 reflects the data of the Fund as a wholesale fund which are subject to guidelines, restrictions and risks applicable to wholesale fund.

(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. The PTR is higher due to high transaction volume on previous FY of the Fund.

(5) The Fund commenced on 2 February 2017. There were no units in circulation for Class USD for the period between 19 May 2020 and 22 October 2020. As such, the Class USD’s performance figures are only available from 23 October 2020 onwards.



## 2.2 Average Total Return of the Fund <sup>1</sup>

### Fund – Class USD

	1 Year to 31 Aug 2024	3 Years to 31 Aug 2024	Since commencement, 23 Oct 2020 to 31 Aug 2024 <sup>3</sup>
<b>Average Total Return (%)</b>	15.98	1.80	7.00

Source: Refinitiv Lipper

### Fund – Class MYR

	1 Year to 31 Aug 2024	3 Years to 31 Aug 2024	5 Years to 31 Aug 2024
<b>Average Total Return (%)</b>	7.04	2.08	7.59

Source: Refinitiv Lipper

## 2.3 Annual Total Return of the Fund <sup>1</sup>

### Fund – Class USD

	FY 2024	FY 2023	FY2022	FY2021 <sup>3</sup>	FY2020
<b>Total Return (%) <sup>2</sup></b>	15.98	14.61	(20.62)	23.04	-
<b>Benchmark (%)</b>	23.99	14.53	(15.49)	29.49	-

Source: Refinitiv Lipper

### Fund – Class MYR

	FY 2024	FY 2023	FY2022	FY2021	FY2020
<b>Total Return (%) <sup>2</sup></b>	7.04	16.22	(14.48)	21.75	11.36
<b>Benchmark (%)</b>	15.51	18.74	(9.01)	28.92	16.00

Source: Refinitiv Lipper

### Notes:

- (1) Prior to 1 October 2022, the Fund was managed as a wholesale fund. Hence, the aforementioned Fund data prior to 1 October 2022 reflects the data of the Fund as a wholesale fund which are subject to guidelines, restrictions and risks applicable to wholesale fund.
- (2) 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

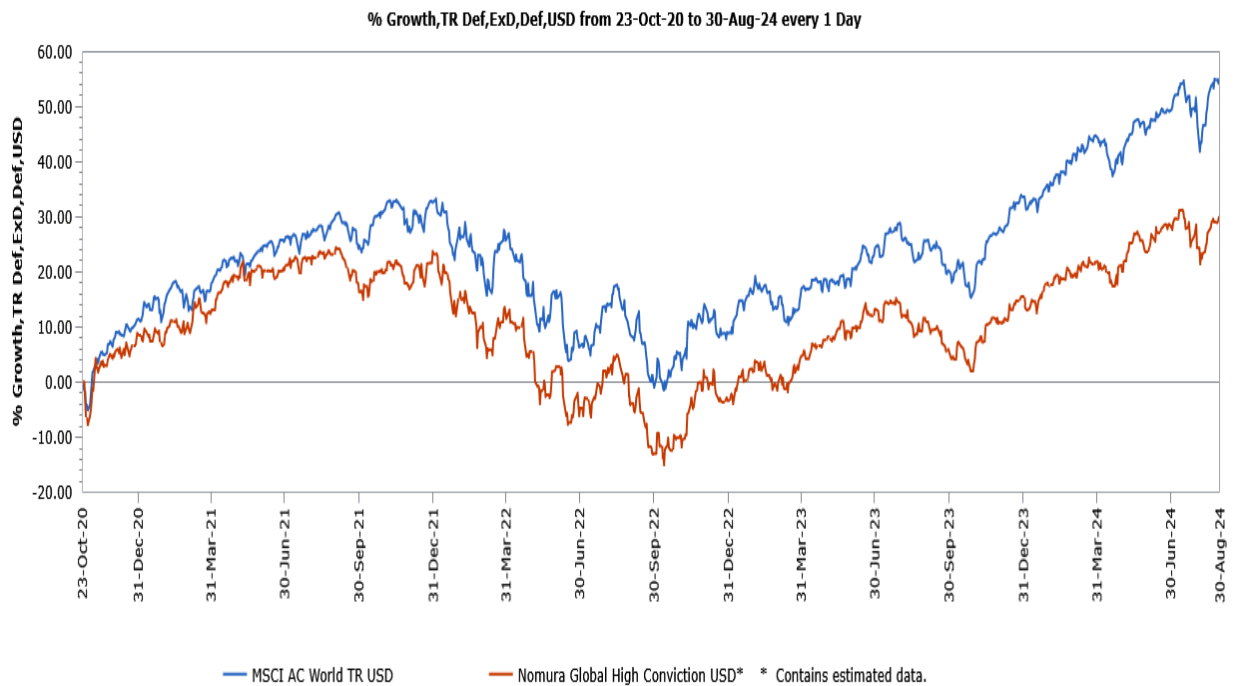
(3) The Fund commenced on 2 February 2017. There were no units in circulation for Class USD for the period between 19 May 2020 and 22 October 2020. As such, the Class USD's performance figures are only available from 23 October 2020 onwards.

**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 High Conviction Fund

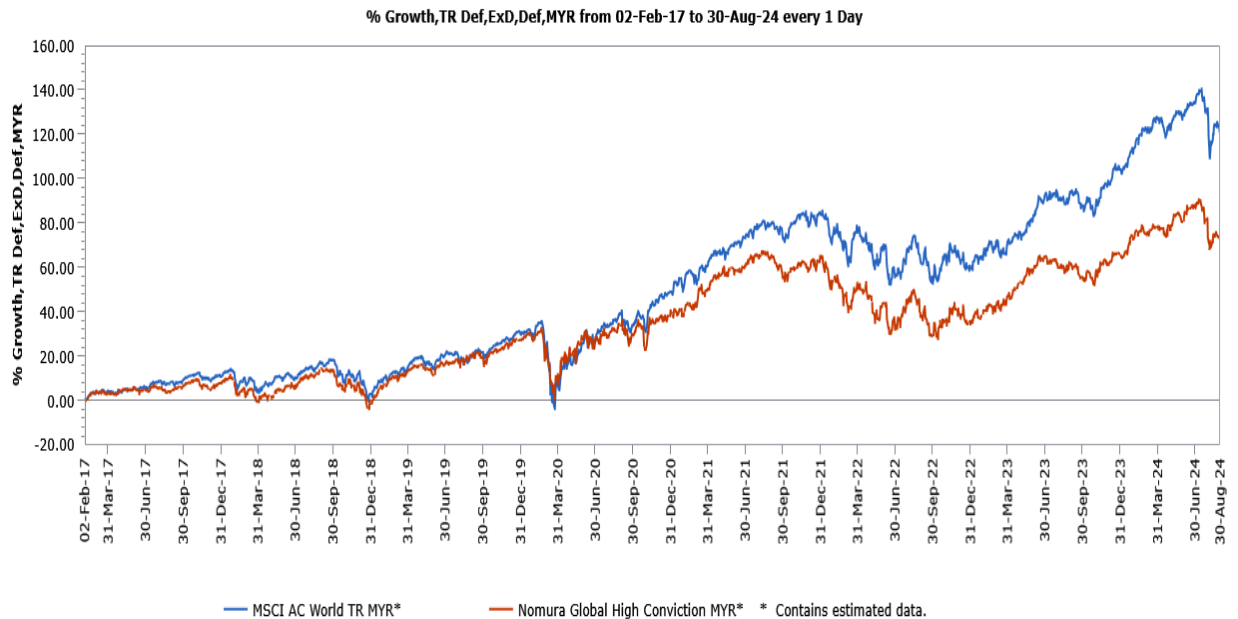
Fund – Class USD (from 23 October 2020\* to 31 August 2024)



Source Lipper

\* The Fund commenced on 2 February 2017. There were no units in circulation for Class USD for the period between 19 May 2020 and 22 October 2020. As such, the Class USD's performance figures are only available from 23 October 2020 onwards.

## Fund – Class MYR (from 2 February 2017 to 31 August 2024)



**Benchmark:** MSCI All Country World 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 1 September 2023 to 31 August 2024

#### Fund – Class USD

For the period under review from 1 September 2023 to 31 August 2024, Class USD has registered 15.98% return. Compared to the Benchmark return of 23.99%, Class USD has underperformed the Benchmark by -8.01%. The Net Asset Value (“NAV”) per unit of Class USD as at 31 August 2024 was USD1.3013 compared to the NAV per unit as at 31 August 2023 of USD1.1179. On the total NAV basis, Class USD’s NAV stood at USD0.084 million as at 31 August 2024.

#### Fund – Class MYR

For the period under review from 1 September 2023 to 31 August 2024, Class MYR has registered 7.04% return. Compared to the Benchmark return of 15.51%, Class MYR has underperformed the Benchmark by -8.47%. The Net Asset Value (“NAV”) per unit of Class MYR as at 31 August 2024 was RM1.7390 compared to the NAV per unit as at 31 August 2023 of RM1.6187. On the total NAV basis, Class MYR’s NAV stood at RM3.74 million as at 31 August 2024.

### 3.2 Review of Market and Target Fund for the period from 1 September 2023 to 31 August 2024

During the period under review, the Target Fund remained closely aligned with its investment philosophies and process.

In September higher quality stocks underperformed, partly as a result of the rapid rise in bond yields (US 10yr yield from around 4.1% to around 4.6%). Energy stocks also did well during September on the back of rising oil prices, which was a drag to the fund relative performance, with the Target Fund not holding any Energy stocks. NextEra Energy was the worst contributor falling sharply on the

announcement that its subsidiary NextEra Energy Partners would substantially reduce its dividend growth profile. On the positive side UnitedHealth performed well within Health Care.

In October Quality did better than the average. Microsoft performed well after announcing good quarterly results with revenue and EPS exceeding consensus expectations and in particular Azure (their cloud computing product) showing sign of reacceleration. Less positive was the fall in the price of the industrial holdings, like IMI, which suffered from the falling market rather than specific news.

In an exceptionally strong month for the equity markets in November, the Target Fund struggled to keep up, driven in part by factor exposure, but also as results of the cash exposure, and stock selection. Persimmon issued a positive trading update and benefited from lower bond yields in the UK, with mortgage rates starting to decrease. Moody's also benefited from lower yields in the US, with companies starting to take advantage of lower rates and increasing issuance. Compass Group, one of the main positive contributors in October, issued conservative guidance for FY24 and its shares corrected.

In another strong month in December, the Target Fund underperformed and global bond yields continued to fall. Persimmon continued to benefit from lower bond yields and mortgage rates decreasing in the UK. For the same reason, Marsh & McLennan was penalised by the reduction in the US bond yields, and the FED pivot, with the market expecting six rate cuts over the next year at the end of 2023.

January was a more modest month for the market, and the Target Fund managed to outperform it, driven by stock selection. ASML shares performed strongly after delivering good Q4 results with both sales and earnings above expectations. The market was also reassured by the rising order backlog. On the other side, AIA Group was dragged down by a more difficult backdrop in the Chinese macro-economic picture with a challenging start to the year for many Chinese equities.

In a strong and concentrated rally for the markets in February, the Target Fund struggled to keep up with it. Amazon shares performed strongly after delivering good Q4 results, with Amazon Web Services (AWS) growth higher than expected, advertising now being a US\$15bn per quarter business and accelerating margins and free cash flow (FCF). On the other side, Daikin Industries was dragged down by disappointing Q3 earnings, especially on the operating margin front, as heat pump demand in Europe hasn't recovered and lower housing investments in the US has led to inventory adjustments.

Similarly in March, the market continued to perform strongly in March, and the Target Fund struggled to keep up with it. The Target Fund being overweight in Consumer Discretionary was a factor on this, as the sector trailed the market strength. NextEra performed strongly after the announcement that the Federal Election Commission had closed its case looking into certain contributions in relation to its Florida Power & Light division, removing an overhang for the stock whilst the renewables business hosted a very positive renewables day for investors further underlining just how far ahead the company is versus peers. AIA was dragged down after their earnings reports, in part a reflection of a final capitulation on higher quality China exposed names. We took advantage of the weakness in Adobe shares in March after they reported Q1 results, to build a new position in the company. Results were ahead of expectations, but many investors were disappointed by their outlook and the pushing back of expectations for the monetisation of generative artificial intelligenceAI (Firefly).

The market corrected in April, and the Target Fund benefited outperforming its benchmark. Alphabet performed strongly with a positive Q1 results announcement. Their growth in constant currency was, at +16%, much better than expected (Search +14%, YouTube +21%, Cloud +28%). Profitability has increased significantly with the number of employees 5% less than 12 months ago, as the company is more efficient, operating margins have expanded from 25.0% last year to 31.6% in Q1 2024. They also announced they would start paying dividends, which will add to the pool of funds open to invest in the company. On the detractors' side, Microsoft had good Q1 results in late April, but still shares were down during the month due to some combination of positioning and high expectations.

With a very strong market in May, the Target Fund underperformed, driven by stock selection. NextEra Energy continued its recovery with a more positive sentiment and the overhang from the Federal Trade Commission investigation now having been removed. Investors also continue to become more constructive on demand for clean energy driven by the huge increase expected from artificial intelligence

(AI). Our lack of exposure to NVIDIA was the main headwind in May, as it reported strong Q1 numbers and gave better than expected guidance for the July quarter on the back of demand for their AI chips. Whilst our semiconductor holdings in ASML and TSMC performed well, this was not enough to offset NVIDIA. We also started to build a new small position in Lululemon, which had lagged significantly the index significantly as the market is worried about the deceleration in their US sales.

The Target Fund posted a strong absolute and relative performance in June, driven by sector allocation. Adobe delivered strong 2Q24 results and a raise to full year guidance. These results demonstrated the continued strength of the business near-term whilst we were also encouraged by management's commentary on new AI technologies (Firefly). Our lack of exposure to NVIDIA was again the main detractor in June, as shares continued to perform strongly on the back of good demand for their AI chips. TSMC reported strong June sales and commented that NVIDIA AI chip demand was one of the drivers. Although NVIDIA was a detractor, our overweight in TSMC more than made up for our NVIDIA being underweight in June.

July was a difficult month for the Target Fund, which underperformed a strong market. Compass Group outperformed in July as it delivered strong 3QFY24 results and a raise to full year guidance. These results demonstrate the industry is now in a better position than before COVID-19, with increasing outsourcing trends, while Compass is still being valued attractively. But on the other side, ASML suffered despite reporting better than expected orders in Q2 with TSMC ramping up its orders for EUV equipment. On the day they released results, it was reported that the US government was considering tighter restrictions on Dutch and Japanese semiconductor capital equipment companies. Our Target Fund also suffered from market rotation out of HealthCare and Information Technology, and into Financials.

Finally, in August, the Target Fund underperformed driven by stock selection, specifically in Industrials and Communication Services. The fund benefited from being overweight in Health Care, while the overweight in Consumer Discretionary was a drag to performance. The main positive contributors were AstraZeneca and Novo Nordisk, both benefited from some rotation as the market sold down early in the month. On the detractors' side, Daikin Industries reported earnings in August, with a miss in operating margins, being dragged by the chemical business. We also took advantage of the market correction to start a new position in a company we have been following for some time, Boston Scientific. This company is exposed to some of the most favourable markets within medical technology, and within these attractive markets is in a good position to continue increasing its margins. It is also less exposed to China and has more niche products and less exposure to large capital equipment vs. other alternatives, which provides a more defensive profile.

*Source: Nomura Asset Management U.K. Limited*

### 3.3 Investment Outlook

We see the current economic cycle in an expansion phase, although weaker than previous cycles. This expansion phase suggests that, on average, we should expect significantly positive returns (double digits) in developed equity markets over the next six months.

The US market over the last 21 months has been dominated by the performance of the Magnificent 7 (Mag7) stocks, which has been driven by strong EPS revisions and contributed to most of the market's increase. When looking at the P/E multiples of the Mag7 stocks compared with the rest of the US market, there has been no re-rating of the Mag7 stocks in the last year. However, we have seen some re-rating in the remainder of the market, especially in the last three months, as the market participants are prepare for the US elections results.

There are some sectors the market believes will benefit from a Trump presidency (particularly if the Republicans also control the Senate and the House of Representatives, in a sweep): These include Financials (banks, insurance), Oil and Gas, traditional Industrial companies, etc. These sectors have recently started to outperform the perceived losers of a Trump presidency (Semiconductors, green energy, electric vehicles, etc.).

The market seems comfortable about inflation, despite there could be volatility after the US elections, especially if we see a Republican or Democratic Sweep in the results. The Federal Reserve already decreased interest rates by 50bps in its September meeting, and the market expects (93% chance) another 25bps cut in November, followed by another one in December (62% chance). By September 2025, the market is discounting a total of five 25bps cuts, bringing the rate down to 3.63%.

The market is also increasingly pricing a soft landing of the US economy, with no recession in sight, and GDP growth remains at healthy levels (Q3 estimated now at 3.0%).

*Source: Nomura Asset Management U.K. Limited*

### 3.4 Strategies Employed for the period from 1 September 2023 to 31 August 2024

For the financial year under review, the Fund has complied with the requirements of the Guidelines on Sustainable and Responsible Investment Funds.

The Fund invests in the Target Fund which promotes environmental and/or social characteristics in a way that meets the criteria contained in Article 8 of SFDR\*. This includes the screening, selection, monitoring and realisation of the Target Fund's investments by the Investment Manager.

The Fund remained primarily invested in the Target Fund with approximately 99% of the Fund's assets being invested in the Target Fund during the period under review.

\* *Sustainable Finance Disclosures Regulation. Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial service sector.*

### 3.5 Strategies Employed by the Target Fund for the period from 1 September 2023 to 31 August 2024

Nomura Asset Management U.K. Limited, the investment manager of the Target Fund ("**Investment Manager**") has a philosophy of considering the environmental, social and governance impact of investment decisions on all the stakeholders of an investee company, including the environment, society, customers, suppliers, employees and investors. Within this philosophical framework, the Investment Manager has additionally identified six Impact Goals, which it aims to contribute to over the long-term, as follows:

- 1) Mitigate Climate Change,
- 2) Mitigate Natural Capital Depletion,

- 3) Eliminate Communicable Disease,
- 4) Mitigate the Obesity Epidemic,
- 5) Global Access to Basic Financial Services and
- 6) Global Access to Clean Drinking Water.

Source: Nomura Asset Management U.K. Limited

### 3.6 Asset Allocation

Asset Allocation / Portfolio Composition	31 Aug 2024	31 Aug 2023	31 Aug 2022
Target Fund	99.68%	98.71%	99.42%
Cash and Others <sup>#</sup>	0.32%	1.29%	0.58%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

<sup>#</sup> Included in 'Cash and Others' are cash on hand and net current assets/ liabilities. Net current liabilities include amounts which are accrued (but not due and payable).

There were no significant changes on the Fund's asset allocation during the financial year under review.

### 3.7 Securities Lending or Repurchase Transactions

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

### 3.8 Income Distribution

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

### 3.9 Details of Any Unit Split Exercise

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

### 3.10 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 year 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 (Resigned 23 May 2024)
- Mr. Suzuki Kenichi (Date of appointment: 1 October 2024)
- Dato' Mona Suraya Binti Kamaruddin \*
- Ms. Julia Binti Hashim\*

\* Independent director

### **3.11 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 year under review.

### **3.12 Cross Trades Transactions**

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

### **3.13 Soft Commissions Received From Brokers**

The Manager did not receive any soft commission during the financial year 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 HIGH CONVICTION FUND

FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

# NOMURA GLOBAL HIGH CONVICTION FUND

## FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

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## NOMURA GLOBAL HIGH CONVICTION FUND

### STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

	<u>Note</u>	<u>2024</u> USD	<u>2023</u> USD
<b>INVESTMENT INCOME</b>			
Net gain on financial assets at fair value through profit or loss ("FVTPL")	7	119,636	93,362
Net loss on forward foreign currency contracts	8	-	(2,577)
Net gain/(loss) on foreign currency exchange		785	(2,279)
		<u>120,421</u>	<u>88,506</u>
<b>EXPENSES</b>			
Management fee	3	(11,960)	(9,158)
Trustee's fee	4	(1,936)	(2,007)
Other expenses		(1,991)	(1,402)
		<u>(15,887)</u>	<u>(12,567)</u>
<b>PROFIT BEFORE TAXATION</b>		104,534	75,939
<b>TAXATION</b>	6	-	-
<b>INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<u>104,534</u>	<u>75,939</u>
Increase in net assets attributable to unitholders is made up of the following:			
Realised amount		53,610	23,962
Unrealised amount		50,924	51,977
		<u>104,534</u>	<u>75,939</u>

The accompanying material accounting policy information and notes to the financial statements form an integral part of these financial statements.

## NOMURA GLOBAL HIGH CONVICTION FUND

### STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2024

	<u>Note</u>	<u>2024</u> USD	<u>2023</u> USD
<b>ASSETS</b>			
Cash and cash equivalents	9	2,607	5,572
Financial assets at fair value through profit or loss ("FVTPL")	7	947,649	997,619
Amount due from Manager		-	319,202
Amount due from Manager of Target Fund - management fee rebate receivable		1,816	1,388
<b>TOTAL ASSETS</b>		<u>952,072</u>	<u>1,323,781</u>
<b>LIABILITIES</b>			
Amount due to Manager of Target Fund		-	312,076
Accrued management fee	3	1,242	923
Amount due to Trustee	4	164	170
<b>TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<u>1,406</u>	<u>313,169</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>950,666</u>	<u>1,010,612</u>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<u>950,666</u>	<u>1,010,612</u>

The accompanying material accounting policy information and notes to the financial statements form an integral part of these financial statements.

NOMURA GLOBAL HIGH CONVICTION FUND

STATEMENT OF FINANCIAL POSITION  
AS AT 31 AUGUST 2024 (CONTINUED)

	<u>Note</u>	<u>2024</u> USD	<u>2023</u> USD
<b>REPRESENTED BY</b>			
<b>FAIR VALUE OF OUTSTANDING UNITS (USD)</b>			
Class MYR		867,045	982,537
Class USD		<u>83,621</u>	<u>28,075</u>
<b>NUMBER OF UNIT IN CIRCULATION (UNITS)</b>			
Class MYR	10(a)	2,153,166	2,814,400
Class USD	10(b)	<u>64,258</u>	<u>25,113</u>
<b>NET ASSET VALUE PER UNIT (USD)</b>			
Class MYR		0.4027	0.3491
Class USD		<u>1.3013</u>	<u>1.1179</u>
<b>NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES</b>			
Class MYR		1.7390	1.6187
Class USD		<u>1.3013</u>	<u>1.1179</u>

The accompanying material accounting policy information and notes to the financial statements form an integral part of these financial statements.

## NOMURA GLOBAL HIGH CONVICTION FUND

### STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

	<u>2024</u> USD	<u>2023</u> USD
<b>Net assets attributable to unitholders at the beginning of the financial year</b>	1,010,612	454,199
Movement due to units created and cancelled during the financial year:		
Creation of units from applications		
Class MYR	766,986	1,075,369
Class USD	<u>462,358</u>	<u>23,226</u>
	<u>1,229,344</u>	<u>1,098,595</u>
Cancellation of units		
Class MYR	(974,586)	(617,961)
Class USD	<u>(419,238)</u>	<u>(160)</u>
	<u>(1,393,824)</u>	<u>(618,121)</u>
Increase in net assets attributable to unitholders during the financial year	<u>104,534</u>	<u>75,939</u>
<b>Net assets attributable to unitholders at the end of financial year</b>	<u>950,666</u>	<u>1,010,612</u>

The accompanying material accounting policy information and notes to the financial statements form an integral part of these financial statements.

## NOMURA GLOBAL HIGH CONVICTION FUND

### STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

	<u>Note</u>	<u>2024</u> USD	<u>2023</u> USD
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Proceed from sale of investments		1,345,525	654,442
Purchase of investments		(1,496,680)	(800,055)
Management fee paid		(3,384)	(2,502)
Trustee's fee paid		(1,942)	(2,550)
Payment for other fees and expenses		(1,991)	(1,402)
Net realised foreign exchange gain/(loss)		829	(3,056)
Net realised loss on forward foreign currency contracts		-	(2,244)
Net cash used in operating activities		<u>(157,643)</u>	<u>(157,367)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash proceeds from creation of units		1,548,546	780,150
Payments for cancellation of units		(1,393,824)	(618,121)
Net cash generated from financing activities		<u>154,722</u>	<u>162,029</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		(2,921)	4,662
<b>EFFECTS OF FOREIGN CURRENCY EXCHANGE</b>		(44)	20
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>		<u>5,572</u>	<u>890</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	9	<u>2,607</u>	<u>5,572</u>

The accompanying material accounting policy information and notes to the financial statements form an integral part of these financial statements.

## NOMURA GLOBAL HIGH CONVICTION FUND

### MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

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 have been prepared in accordance with the 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 (including derivative financial instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with the 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 revenues and expenses during the reported financial year. It also requires the Manager to exercise their judgement in the process of applying the Fund's accounting policies. Although these estimates and judgement are based on the Manager's best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note L.

##### (i) Standards and amendments to existing standards effective 1 January 2023

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 September 2023 that have a material effect on the financial statements of the Fund.

##### (ii) New standards, amendments and interpretations effective after 1 January 2023 and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 September 2023, 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 PRESENTATION AND FUNCTIONAL 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 presentation and functional currency.

Due to mixed factors in determining the functional currency of the Fund, the Manager has used its judgement 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 net asset value ("NAV") is invested in the form of collective investment scheme denominated in USD.
- ii) Part of the Fund's cash is denominated in USD for the purpose of making settlement of foreign trades and expenses.
- iii) Significant portion of the Fund's expenses are denominated in USD.



## NOMURA GLOBAL HIGH CONVICTION FUND

### MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024 (CONTINUED)

#### B PRESENTATION AND FUNCTIONAL CURRENCY (CONTINUED)

##### Transactions and balances

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 year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income, except when deferred in other comprehensive income as qualifying cash flow hedges.

#### C INCOME RECOGNITION

For collective investment scheme ("CIS"), realised gains and losses on sale of investments are accounted for as the difference between the net disposal proceeds and the carrying amount of the investments, determined on a weighted average cost basis.

#### D TAXATION

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

#### E CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash and bank balances that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### F FINANCIAL ASSETS AND FINANCIAL LIABILITIES

##### (i) Classification

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

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

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 interest ("SSPI"), 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 are measured at fair value through profit or loss.

## NOMURA GLOBAL HIGH CONVICTION FUND

### MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024 (CONTINUED)

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

##### (i) Classification (continued)

Investments in CIS have contractual cash flows that do not represent SPPI, and therefore are classified as fair value through profit or loss.

The Fund classifies cash and cash equivalents, amount due from Manager and amount due from Manager of Target Fund as financial assets 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 of Target Fund, accrued management fee and amount due to Trustee 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. Investments are initially recognised at fair value. Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value.

Financial liabilities 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 de-recognised when the rights to receive cash flows from the 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" category are recognised in the statement of comprehensive income with net gain or loss on financial assets at fair value through profit or loss in the financial year in which they arise.

Collective investment scheme is valued based on the most recent published NAV per unit or share of such collective investment scheme or, if unavailable, on the last published price of such unit or share (excluding any sales charge included in such selling price).

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

##### (iii) Impairment

The Fund measures credit risk and expected credit losses ("ECL") using probability of default, exposure at default and loss given default. The Manager considers both historical analysis and forward-looking information in determining any ECL. Management 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 ECL as any such impairment would be wholly insignificant to the Fund.

## NOMURA GLOBAL HIGH CONVICTION FUND

### MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024 (CONTINUED)

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

##### (iii) Impairment (continued)

###### Significant increase in credit risk

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

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

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

###### 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 year.

#### G UNITHOLDERS' CAPITAL

The unitholders' contribution to the Fund meet the definition of puttable instruments classified as financial liability under MFRS132 "Financial Instruments: Presentation".

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

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 unitholders exercise the right to put back the unit to the Fund.

Units are created and cancelled at the unitholders' 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 assets attributable to unitholders of respective classes with the total number of outstanding units of respective classes.

## NOMURA GLOBAL HIGH CONVICTION FUND

### MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024 (CONTINUED)

#### H AMOUNT DUE FROM/TO MANAGER OF TARGET FUND

Amounts due from/to Manager of Target Fund represent receivables for collective investment scheme sold and payables for collective investment scheme purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from Manager of Target Fund at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the Manager of Target Fund, probability that the Manager of Target Fund will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

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

#### I MANAGEMENT FEE REBATE

Management fee rebate derived from the Manager on an accrual basis to ensure no double charging of management fee. It is accrued daily based on the fair value of collective investment scheme held.

#### J INCREASE/DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

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

#### K DERIVATIVE

A derivative is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

The Fund's derivative comprise forward foreign currency contracts. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Financial derivative positions will be "marked to market" at the close of each valuation day. Foreign exchange gains and losses on the derivative are recognised in profit or loss when settled or at the date of the statement of financial position at which time they are included in the measurement of the derivative. Derivative instruments that have a negative fair value are presented as liabilities as fair value through profit or loss.

The fair value of forward foreign currency contracts is determined using forward exchange rates on the date of the statement of financial position, with the resulting value discounted back to present value.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and the nature of the item being hedged. Derivatives that do not qualify for hedge accounting are classified as financial assets/liabilities at fair value through profit or loss.

## NOMURA GLOBAL HIGH CONVICTION FUND

### MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024 (CONTINUED)

#### L CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS 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.

However, the Manager is of the opinion that there are no accounting policies which require significant judgment to be exercised.

#### M 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 HIGH CONVICTION FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

### 1 INFORMATION ON THE FUND

Nomura Global High Conviction Fund (the "Fund") was constituted pursuant to the execution of a Master Deed dated 22 November 2016 and Supplemental Deed dated 4 July 2022 (collectively referred to as the "Deed") entered into between Nomura Asset Management Sdn Bhd (the "Manager") and CIMB Commerce Trustee Berhad (the "Trustee").

The Fund was launched on 13 December 2016 and will continue its operations until terminated by the Manager or the Trustee as provided under Clause 12 of the Supplemental Deed.

The Fund was converted into a Unit Trust Fund on 1 October 2022. The Fund shall invest in the Target Fund, money market instruments, fixed deposits with financial institutions, derivatives and any other form of investments as may be permitted by the SC from time to time that is in line with the Fund's objective.

The Fund seeks to achieve long-term capital growth by investing in the Nomura Funds Ireland – Global High Conviction Fund (Target Fund) which invests primarily in global equity 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.

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

Financial instruments are as follows:

	<u>Note</u>	Financial assets at <u>FVTPL</u> USD	Financial assets at <u>amortised cost</u> USD	<u>Total</u> USD
<u>2024</u>				
<u>Financial assets</u>				
Cash and cash equivalents	9	-	2,607	2,607
Financial assets at FVTPL	7	947,649	-	947,649
Amount due from Manager of Target Fund - management fee rebate receivable		-	1,816	1,816
Total		<u>947,649</u>	<u>4,423</u>	<u>952,072</u>

## NOMURA GLOBAL HIGH CONVICTION FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024 (CONTINUED)

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

Financial instruments are as follows: (continued)

	<u>Note</u>	Financial assets at <u>FVTPL</u> USD	Financial assets at <u>amortised cost</u> USD	<u>Total</u> USD
<u>2023</u>				
<u>Financial assets</u>				
Cash and cash equivalents	9	-	5,572	5,572
Financial assets at FVTPL	7	997,619	-	997,619
Amount due from Manager		-	319,202	319,202
Amount due from Manager of Target Fund - management fee rebate receivable		-	1,388	1,388
Total		<u>997,619</u>	<u>326,162</u>	<u>1,323,781</u>

All current liabilities are financial liabilities which are carried at amortised cost.

The Fund is exposed to a variety of risks which include liquidity risk, credit risk, capital risk, market risk (inclusive of price risk and currency risk), country risk, concentration risk and fund management risk.

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

## NOMURA GLOBAL HIGH CONVICTION FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024 (CONTINUED)

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

##### Market risk

##### (a) Price risk

Price risk is the risk that the fair value of an investment of the Fund will fluctuate because of changes in market prices (other than those arising from currency risk).

The Fund's overall exposures to price risk are as follows:

	<u>2024</u> USD	<u>2023</u> USD
<u>Financial assets at FVTPL:</u>		
Collective investment scheme	947,649	997,619

The table below summarises the sensitivity of the Fund's profit after tax and NAV to movements in prices of investments at the end of each reporting year. The analysis is based on the assumptions that the price of the investments fluctuates by 5% with all other variables held constant.

<u>% Change in price</u>	<u>Market value</u> USD	<u>Impact on profit</u> <u>after tax and NAV</u> USD
<u>2024</u>		
+5%	995,031	47,382
-5%	900,267	(47,382)
<u>2023</u>		
+5%	1,047,500	49,881
-5%	947,738	(49,881)



# NOMURA GLOBAL HIGH CONVICTION FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024 (CONTINUED)

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

#### Market risk (continued)

##### (b) Currency risk

Currency risk is associated with investments denominated in Ringgit Malaysia. When the foreign currency fluctuates in an unfavorable movement against United States Dollar, the investments will face currency losses in addition to the capital gain/(loss). The Manager will evaluate the likely directions of a foreign currency versus United States Dollar based on considerations of economic fundamentals such as interest differentials, balance of payments position, debt levels, and technical chart of considerations.

The following tables set out the foreign currency risk concentrations and counterparties of the Fund:

	<u>Cash and cash equivalents</u> USD	<u>Total</u> USD
<u>2024</u>		
<u>Financial assets</u> Ringgit Malaysia	1,749	1,749
	<u>Net assets attributable to unitholders</u> USD	<u>Total</u> USD
<u>Financial liabilities</u> Ringgit Malaysia	867,045	867,045
	<u>Cash and cash equivalents</u> USD	<u>Total</u> USD
<u>2023</u>		
<u>Financial assets</u> Ringgit Malaysia	5,377	5,377
	<u>Net assets attributable to unitholders</u> USD	<u>Total</u> USD
<u>Financial liabilities</u> Ringgit Malaysia	982,537	982,537

## NOMURA GLOBAL HIGH CONVICTION FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024 (CONTINUED)

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

##### Market risk (continued)

##### (b) Currency risk (continued)

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 year. The analysis is based on the assumption that the foreign exchange rate changes by 5%, with all other variables held constant. This represents management's best estimate of a reasonable possible shift in a foreign exchange rate, having regard to historical volatility of this rate. Any increase/ (decrease) in foreign exchange rate will result in a corresponding (decrease)/increase in the net assets attributable to unitholder by approximately 5%. Disclosures below are shown in absolute terms, changes and impacts could be positive and negative.

	Change in foreign exchange rate %	<u>2024</u> USD	Impact on profit after tax and NAV <u>2023</u> USD
Ringgit Malaysia	+5	43,265	48,858
Ringgit Malaysia	-5	(43,265)	(48,858)

## NOMURA GLOBAL HIGH CONVICTION FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024 (CONTINUED)

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

##### 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 summarises the Fund's financial liabilities into relevant maturity groupings based on the remaining year as at the statement of financial position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	Less than <u>1 month</u> USD	Between 1 month <u>to 1 year</u> USD	<u>Total</u> USD
<u>2024</u>			
Accrued management fee	1,242	-	1,242
Amount due to Trustee	164	-	164
Net assets attributable to unitholders*	<u>950,666</u>	-	<u>950,666</u>
Contractual cash out flows	<u>952,072</u>	<u>-</u>	<u>952,072</u>
<u>2023</u>			
Accrued management fee	923	-	923
Amount due to Trustee	170	-	170
Amount due to Manager of Target Fund	312,076	-	312,076
Net assets attributable to unitholders*	<u>1,010,612</u>	-	<u>1,010,612</u>
Contractual cash out flows	<u>1,323,781</u>	<u>-</u>	<u>1,323,781</u>

\* Outstanding units are redeemed on demand at the unitholders' 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 holders of these instruments typically retain them for the medium to long term.

## NOMURA GLOBAL HIGH CONVICTION FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024 (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 interest 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.

Credit risk arising from placements of deposits with licensed financial institutions is managed by ensuring that the Fund will only place deposits in reputable licensed financial institutions.

For amount due from Manager, 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.

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

	Cash and cash <u>equivalents</u> USD	Other <u>assets*</u> USD	<u>Total</u> USD
<u>2024</u>			
Financial institutions			
- AAA	2,607	-	2,607
Other			
- Not rated	-	1,816	1,816
	<u>2,607</u>	<u>1,816</u>	<u>4,423</u>
	Cash and cash <u>equivalents</u> USD	Other <u>assets*</u> USD	<u>Total</u> USD
<u>2023</u>			
Financial institutions			
- AAA	5,572	-	5,572
Other			
- Not rated	-	320,590	320,590
	<u>5,572</u>	<u>320,590</u>	<u>326,162</u>

\*Other assets include amount due from Manager and amount due from Manager of the Target Fund.

The financial assets of the Fund are neither past due or impaired.

## NOMURA GLOBAL HIGH CONVICTION FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024 (CONTINUED)

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

##### Capital risk

The capital of the Fund is represented by net assets attributable to unitholders of USD950,666 (2023: USD1,010,612). 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 the 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 the unitholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

##### Country Risk

The risk of price fluctuation in foreign securities may arise due to political, financial and economic events in foreign countries. If this occurs, there is possibility that the NAV of the Fund may be adversely affected.

##### Concentration Risk

The Fund, as a feeder fund, invests significantly all its assets in a CIS, any adverse effect on the CIS will inevitably affect the Fund as well. The performance of the Fund is also dependent on the performance of the CIS. This risk may be mitigated as the Manager is allowed to take temporary defensive positions in response to adverse market conditions. The Manager is also able to substitute the CIS with another fund with similar objective of the Fund if, in the Manager's opinion, the CIS no longer meets the Fund's objective subject to the unitholder's approval.

##### Fund management risk

There is the risk that the management company may not adhere to the investment mandate of the respective fund. With close monitoring by various relevant internal parties, investment management system being incorporated with limits and controls, and regular reporting to the senior management team, the management company is able to manage such risk. The Trustee has an oversight function over management of the Fund by the management company to safeguard the interests of the unitholders.

## NOMURA GLOBAL HIGH CONVICTION FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024 (CONTINUED)

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

##### Fair value estimation

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 (i.e. an exit price).

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

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each year end date. Valuation techniques used for non-standardised financial instruments such as options, currency swaps and other over-the-counter derivatives, include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

The fair values are based on the following methodology and assumptions:

- (i) For bank balance, the carrying value is a reasonable estimate of fair value.
- (ii) The carrying value less impairment provision of receivables and payables are assumed to approximate their fair values. The carrying value of the financial assets and financial liabilities approximate their fair value due to their short term nature.

Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risk, liquidity risk and counterparty risk.

##### Fair value hierarchy

The Fund adopted MFRS 13 "Fair Value Measurement" in respect of disclosures about the degree of reliability of fair value measurement. This requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2: 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 3: Inputs for the asset and liability that are not based on observable market data (that is unobservable inputs).

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.

## NOMURA GLOBAL HIGH CONVICTION FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024 (CONTINUED)

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

##### Fair value hierarchy (continued)

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>2024</u>				
Financial assets at FVTPL:				
- Collective investment scheme	<u>947,649</u>	<u>-</u>	<u>-</u>	<u>947,649</u>
<u>2023</u>				
Financial assets at FVTPL:				
- Collective investment scheme	<u>997,619</u>	<u>-</u>	<u>-</u>	<u>997,619</u>

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed equities and collective investment scheme. The Fund does not adjust the quoted prices for these instruments.

The carrying values of financial assets (other than financial assets at FVTPL) and financial liabilities (other than forward foreign currency contracts) are reasonable approximation of the fair value due to their short-term nature.

## NOMURA GLOBAL HIGH CONVICTION FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024 (CONTINUED)

#### 3 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 year ended 31 August 2024, the management fee is recognised at a rate of 1.60% (2023: 1.60%) per annum on the NAV of each Class of the Fund, calculated on a daily basis for the financial year.

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

#### 4 TRUSTEE FEE

In accordance with the Deed, the Trustee is entitled to an annual fee at a rate not exceeding 0.10% per annum of the NAV of each Class of the Fund (including local custodian fees and expenses but excluding foreign custodian fees and charges) subject to a minimum fee of RM9,000 (equivalent to: USD1,936) (2023: RM9,000 (equivalent to: USD2,007)) per annum.

For the financial year ended 31 August 2024, the Trustee fee is recognised at a rate of 0.02% (2023: 0.02%) per annum on the NAV of the Fund (including local custodian fees and expenses but excluding foreign custodian fees and charges), calculated on a daily basis for the financial year, subject to a minimum fee of RM9,000 (equivalent to: USD1,936) (2023: RM9,000 (equivalent to: USD2,007)) per annum.

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

#### 5 AUDIT FEE AND TAX AGENT'S FEE

Audit fee and tax agent's fee of the Fund for the current and previous financial year are borne by the Manager of the Fund.



## NOMURA GLOBAL HIGH CONVICTION FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024 (CONTINUED)

#### 6 TAXATION

	<u>2024</u> USD	<u>2023</u> USD
Current taxation - local	-	-

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

	<u>2024</u> USD	<u>2023</u> USD
Profit before taxation	<u>104,534</u>	<u>75,939</u>
Taxation at applicable rate of 24% (2023: 24%)	25,088	18,225
Tax effect of:		
Investment income not subject to tax	(28,901)	(21,241)
Expenses not deductible for tax purposes	943	818
Restriction on tax deductible expenses for Unit Trust Funds	<u>2,870</u>	<u>2,198</u>
Taxation	<u>-</u>	<u>-</u>

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

	<u>2024</u> USD	<u>2023</u> USD
Financial assets at FVTPL:		
- Collective investment scheme – foreign	<u>947,649</u>	<u>997,619</u>
Net gain on financial assets at FVTPL comprised of:		
- realised gain on sale of investments	59,227	35,007
- unrealised gain on changes in fair value	51,724	51,533
- management fee rebate on collective investment scheme #	<u>8,685</u>	<u>6,822</u>
	<u>119,636</u>	<u>93,362</u>

# In arriving at the fair value of collective investment scheme, the management fee initially paid to the Manager of collective investment scheme have been considered as part of its NAV. In order to prevent the double charging of management fee which is not permissible under SC's Guidelines on Unit Trust Funds, management fee charged on the Fund's investments in collective investment scheme have been refunded to the Fund. Accordingly, any rebate of management fee received from the Manager of collective investment scheme is reflected as an increase in the NAV of the collective investment scheme.

## NOMURA GLOBAL HIGH CONVICTION FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024 (CONTINUED)

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

Collective investment scheme – foreign as at 31 August 2024 is as follows:

	<u>Quantity</u> Units	Aggregate <u>cost</u> USD	Fair <u>value</u> USD	Percentage <u>of NAV</u> %
Nomura Funds Ireland – Global High Conviction Fund (Class A USD)	<u>4,272</u>	865,485	<u>947,649</u>	<u>99.68</u>
Unrealised gain on changes In fair value		<u>82,164</u>		
Total financial assets at fair value through profit or loss		<u>947,649</u>		

Collective investment scheme – foreign as at 31 August 2023 is as follows:

	<u>Quantity</u> Units	Aggregate <u>cost</u> USD	Fair <u>value</u> USD	Percentage <u>of NAV</u> %
Nomura Funds Ireland – Global High Conviction Fund (Class A USD)	<u>5,284</u>	967,179	<u>997,619</u>	<u>98.71</u>
Unrealised gain on changes In fair value		<u>30,440</u>		
Total financial assets at fair value through profit or loss		<u>997,619</u>		

## NOMURA GLOBAL HIGH CONVICTION FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024 (CONTINUED)

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

Top 10 holdings of the Target Fund are as follows:

<u>Security Name</u>	<u>Percentage of Target Fund's NAV</u> %
<u>2024</u>	
Microsoft Corporation	8.01
Amazon.com, Inc.	6.54
Apple Inc.	6.41
Alphabet Inc. Class A	5.77
Mastercard Incorporated Class A	5.20
Taiwan Semiconductor Manufacturing Company Limited	5.05
Compass Group PLC	4.70
Novo Nordisk A/S Class B	4.55
UnitedHealth Group Inc	4.32
AstraZeneca PLC	4.05
	<hr/> <hr/> 54.60
<u>2023</u>	
Microsoft Corporation	6.99
Alphabet Inc. Class A	6.85
Apple Inc.	6.33
Mastercard Incorporated Class A	5.39
Nestle S.A.	4.80
Amazon.com, Inc.	4.67
Taiwan Semiconductor Manufacturing Company Limited	4.31
LVMH Moet Hennessy Louis Vuitton SE	4.30
Compass Group PLC	4.26
Novo Nordisk A/S Class B	4.10
	<hr/> <hr/> 52.00

## NOMURA GLOBAL HIGH CONVICTION FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024 (CONTINUED)

#### 8 DERIVATIVE ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2024</u> USD	<u>2023</u> USD
<u>Derivative assets</u>		
Forward foreign currency contracts	-	-
	<u>2024</u> USD	<u>2023</u> USD
Net realised loss on forward foreign currency contracts	-	(2,244)
Net unrealised loss on forward foreign currency contracts	-	(333)
	<u>-</u>	<u>(2,577)</u>

The Fund has not entered into forward foreign currency contracts as at 31 August 2024 and 31 August 2023 respectively.

#### 9 CASH AND CASH EQUIVALENTS

	<u>2024</u> USD	<u>2023</u> USD
Cash and bank balances	<u>2,607</u>	<u>5,572</u>

#### 10 NUMBER OF UNITS IN CIRCULATION

	<u>2024</u> No. of units	<u>2023</u> No. of units
(a) Class MYR		
At beginning of the financial year	2,814,400	1,444,809
Creation of units arising from applications during the financial year	2,076,839	3,129,526
Cancellation of units	<u>(2,738,073)</u>	<u>(1,759,935)</u>
At end of the financial year	<u>2,153,166</u>	<u>2,814,400</u>
(b) Class USD		
At beginning of the financial year	25,113	4,390
Creation of units arising from applications during the financial year	389,596	20,878
Cancellation of units	<u>(350,451)</u>	<u>(155)</u>
At end of the financial year	<u>64,258</u>	<u>25,113</u>

NOMURA GLOBAL HIGH CONVICTION FUND

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024 (CONTINUED)

11 TRANSACTIONS WITH PROVIDER

Details of transactions with the provider of the CIS as follows:

	Value of trade USD	Percentage of total trade %
<u>2024</u>		
<u>Name of Provider</u>		
Brown Brothers Harriman and Co.	<u>2,530,129</u>	<u>100.00</u>
<u>2023</u>		
<u>Name of Provider</u>		
Brown Brothers Harriman and Co.	<u>1,764,757</u>	<u>100.00</u>

The provider above is not related to the Manager.

12 TOTAL EXPENSE RATIO ("TER")

	<u>2024</u> %	<u>2023</u> %
TER	<u>0.97</u>	<u>1.01</u>

TER is derived from the following calculation:

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

A	=	Management fee (net of management fee rebate)
B	=	Trustee's fee
C	=	Other expenses
D	=	Average NAV of Fund calculated on daily basis

The average NAV of the Fund for the financial year calculated on daily basis is USD745,475 (2023: USD570,850).

## NOMURA GLOBAL HIGH CONVICTION FUND

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024 (CONTINUED)

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

	<u>2024</u>	<u>2023</u>
PTR (times)	<u>1.70</u>	<u>1.55</u>

PTR is derived from the following calculation:

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

Where: total acquisition for the financial year = USD1,184,604 (2023: USD1,112,131)  
total disposal for the financial year = USD1,345,525 (2023: USD652,626)

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

The related party of and its relationship with the Fund are as follows:

<u>Related party</u>	<u>Relationship</u>
Nomura Asset Management Malaysia Sdn Bhd	The Manager
Nomura Islamic Asset Management Sdn Bhd	Associate company of the Manager
The Nomura Trust and Banking Co., Ltd	Associate company of the Manager

There were no units held by the Manager and parties related to the Manager.

#### 15 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 23 October 2024.

**NOMURA GLOBAL HIGH CONVICTION 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 Directors of the Manager, the accompanying financial statements set out on pages 1 to 28 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 31 August 2024 and of its financial performance, changes in net assets attributable to unitholders and cash flows for the financial year ended 31 August 2024 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  
23 October 2024

**TRUSTEE'S REPORT  
TO THE UNIT HOLDERS OF NOMURA GLOBAL HIGH CONVICTION FUND ("Fund")**

We have acted as Trustee of the Fund for the financial year ended 31 August 2024 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 year 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 and on behalf of  
**CIMB Commerce Trustee Berhad**



**Datin Ezreen Eliza binti Zulkiplee**  
Chief Executive Officer

Kuala Lumpur, Malaysia  
23 October 2024





## INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF NOMURA GLOBAL HIGH CONVICTION FUND

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Our opinion

In our opinion, the financial statements of Nomura Global High Conviction Fund (“the Fund”) give a true and fair view of the financial position of the Fund as at 31 August 2024, and of its financial performance and its cash flows for the financial year then ended 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 31 August 2024, and the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 1 to 28.

#### 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.

#### 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.



INDEPENDENT AUDITORS' REPORT  
TO THE UNITHOLDERS OF NOMURA GLOBAL HIGH CONVICTION FUND  
(CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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.

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.



INDEPENDENT AUDITORS' REPORT  
TO THE UNITHOLDERS OF NOMURA GLOBAL HIGH CONVICTION FUND  
(CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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.
- (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 HIGH CONVICTION 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*

PRICEWATERHOUSECOOPERS PLT  
LLP0014401-LCA & AF 1146  
Chartered Accountants

Kuala Lumpur  
23 October 2024