

Fund Commentary and Strategy

In December, the MYR Class rose 3.39%, outperforming the Nasdaq Global Semiconductor Index by 69bps. For calendar year 2024, the MYR Class finished the year up 21.67% ahead of the benchmark by 686bps. Semiconductor stocks were up last month with AI related stocks once again leading the way. Broadcom led the gains in December, rising 43%. Broadcom reported strong earnings results for their October quarter and gave a positive outlook through 2027 for their custom AI ASICs business. That led to a gain of 19% for peer Marvell which is also seeing strong demand for their custom AI ASICs with design partner Amazon Web Services. In fact, Broadcom's bullish AI comments had a positive impact on all AI related semiconductor stocks across the globe including semiconductor capital equipment. We remain overweight leading edge semiconductor stocks that are benefitting from AI related capital spending by public cloud companies. On the other hand, laggards during the month included Intel and microcontroller companies. Semiconductor stocks outperformed the Nasdaq Composite as well as the MSCI All Country World Index after lagging in recent months.

Top contributors during the month to relative performance were Broadcom and our underweights in Intel and Texas Instruments. Broadcom gave a bullish outlook for their AI networking and custom ASIC SAM (serviceable addressable market) of \$60-90bn in 2027 just for their current 3 hyperscaler customers with 80-85% of this being custom ASICs and 15-20% being Ethernet. This SAM was only 15-20bn in FY10/24 so as long as they can maintain high market within their hyperscaler customers, AI semiconductors will reaccelerate top line growth for their Semiconductor Segment. Intel declined 16.6% last month because the interim co-CEO made comments that the company was committed to the foundry strategy of their former CEO which was greeted negatively since the market is hoping the company reverses its strategy of trying to compete with TSMC. Texas Instruments fell 6.7% last month along with other semiconductor stocks exposed to industrial and automotive as near term demand trends have not improved yet. Top detractors from relative performance during the period were Micron and our underweight in Mediatek. Micron fell 14% last month as the company reported worse than expected guidance mainly due to excess NAND inventory. NAND demand has been weak due to a weak PC and smartphone market with Chinese competitor YMTC selling NAND at a discount which is lowering NAND prices for Micron. However, Micron's HBM3E yields are improving better than we expected and HBM4 development is progressing faster than we thought. Mediatek rose 11.8% as mainstream smartphone demand in China is recovering thanks to government subsidies.

Our outlook and strategy for the semiconductor sector is unchanged. Semiconductor stocks have lagged the overall market during the market recovery phase. This is because outside of AI, chip demand remains sluggish for PCs, smartphones, industrial and automotive. However, 2025 should see better demand for these four sluggish end markets as AI PCs and AI smartphones should see good demand and industrial and automotive chip demand should recover along with the global economy. Semiconductor capital equipment companies are seeing a shift in geographic and company specific orders, but the key to remember is that as long as the long term end demand picture has not changed, chips will have to be made by someone and thus demand for the equipment to make chips does not change. 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 which includes our AI related holdings) 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 to build 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	30/11/2024	30/9/2024	30/6/2024
	To	To	To	To
	31/12/2024	31/12/2024	31/12/2024	31/12/2024
Fund	21.67	3.39	5.68	-15.28
Benchmark	14.81	2.70	4.18	-15.93

Cumulative Fund Returns (%)

	1 Year	Since Commencement
	31/12/2023	15/8/2022
	To	To
	31/12/2024	30/12/2024
Fund	21.67	81.37
Benchmark	14.81	74.29

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.

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 50.99 million
Class Size	MYR 214.16 million
Units in Circulation (MYR Class)	123.72 million
NAV per Unit (MYR Class)	MYR 1.7310
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 (%)

	2024	2023	2022
Fund	21.67	70.38	-14.77
Benchmark	14.81	67.12	-14.26

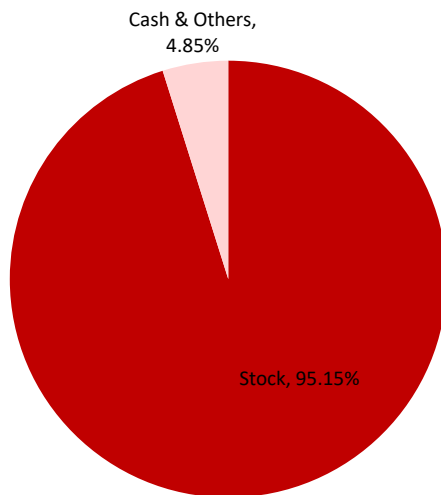
Source: Refinitiv Lipper

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 31 December 2024 unless otherwise specified.

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

Sector Breakdown (%)

Semiconductor	95.15%
Cash & Others	4.85%

Top 5 Holdings (%)

Broadcom Inc	12.20
Nvidia Corp	10.59
Taiwan Semiconductor-Sp Adr	10.08
Asml Holding Nv	9.45
Micron Technology Inc	7.19

Country Breakdown (%)

United States	58.27%
Netherlands	13.71%
Japan	12.70%
Taiwan	10.08%
Cash & Others	4.85%
Germany	0.39%

Disclaimer:

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