



NOMURA

Nomura Global Sustainable Equity Fund

Semi-Annual Report and Unaudited Financial Statements for the
Period Ended 31 January 2024

MANAGER:

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

TRUSTEE:

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

Table of Contents

FUND PROFILE	i
FUND PERFORMANCE	i-v
MANAGER'S REPORT	v-xi

Appendix

STATEMENT OF COMPREHENSIVE INCOME	1
STATEMENT OF FINANCIAL POSITION	2-3
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	4
STATEMENT OF CASH FLOWS	5
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	6-11
NOTES TO THE FINANCIAL STATEMENTS	12-28
STATEMENT BY THE MANAGER	29
TRUSTEE'S REPORT	30

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

1. FUND PROFILE

1.1 Fund Name

Nomura Global Sustainable Equity 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 aims to achieve long-term capital growth by investing in the Nomura Funds Ireland – Global Sustainable Equity Fund USD-F (“Target Fund”).

1.5 Distribution Policy

Incidental. Distribution of income shall be in line with the dividend policy of the Target Fund.

1.6 Performance Benchmark

MSCI All Country World Index (“Benchmark”).

2. FUND PERFORMANCE

2.1 Key Fund Performance Data

Asset Allocation / Portfolio Composition	31 Jan 2024	31 Jul 2023
Target Fund	99.85	98.99
Cash and Others [#]	0.15	1.01
Total	100.00%	100.00%

[#] 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 – MYR Class A

Category	1 Aug 2023 to 31 Jan 2024	1 Aug 2022 to 31 Jan 2023	Since Commencement, 9 Jul 2021 to 31 Jul 2022
Highest NAV per Unit (RM) ¹	1.1570	0.9748	1.0489
Lowest NAV per Unit (RM) ¹	1.0093	0.8366	0.8635
Total Return (%) ²			
- Capital growth (%)	9.21	(2.36)	(5.50)
- Income (%)	-	-	-
Gross/Net Distribution per unit (sen)	-	-	-
Total NAV (USD) ¹	245	217	212
NAV per Unit (RM)	1.1570	0.9227	0.9449
Unit in Circulation	1,000	1,000	1,000

Fund – MYR Class B

Category	1 Aug 2023 to 31 Jan 2024	1 Aug 2022 to 31 Jan 2023	Since Commencement, 9 Jul 2021 to 31 Jul 2022
Highest NAV per Unit (RM) ¹	1.1106	0.9560	1.0444
Lowest NAV per Unit (RM) ¹	0.9726	0.8183	0.8493
Total Return (%) ²			
- Capital growth (%)	8.39	(3.11)	(7.25)
- Income (%)	-	-	-
Gross/Net Distribution per unit (sen)	-	-	-
Total NAV (USD) ¹	2,557,617	2,896,147	3,212,192
NAV per Unit (RM)	1.1106	0.8987	0.9274
Unit in Circulation	10,886,063	13,738,092	15,406,885

Fund – USD Class

Category	1 Aug 2023 to 31 Jan 2024	1 Aug 2022 to 31 Jan 2023	Since Commencement, 9 Jul 2021 to 31 Jul 2022
Highest NAV per Unit (USD) ¹	0.9788	0.8925	1.0346
Lowest NAV per Unit (USD) ¹	0.8512	0.7268	0.8041
Total Return (%) ²			
- Capital growth (%)	3.35	1.09	(13.13)
- Income (%)	-	-	-
Gross/Net Distribution per unit (sen)	-	-	-
Total NAV (USD) ¹	41,420	28,587	29,828
NAV per Unit (USD)	0.9788	0.8782	0.8686
Unit in Circulation	42,317	32,551	34,342

Category	1 Aug 2023 to 31 Jan 2024	1 Aug 2022 to 31 Jan 2023	Since Commencement, 9 Jul 2021 to 31 Jul 2022
Total Expense Ratio (%) ³	0.89	0.86	2.06
Portfolio Turnover Ratio (time) ⁴	0.13	0.07	0.94

Notes:

- (1) *Figures shown as ex-distribution.*
- (2) *Total Return of the Fund and its Benchmark for a period are calculated based on the absolute return of the Fund for that period. The calculation of the Total Return of the Fund is based on NAV-to-NAV basis, and is sourced from Refinitiv Lipper. Fund performances include reinvestment of income distributions into the Fund. The performance figures are a comparison of the growth/decline in NAV for the stipulated period taking into account all the distributions payable (if any) during the stipulated period:*
- **Capital Return**= {NAV per Unit End / NAV per Unit Beginning – 1} x 100
 - **Income Return**= {Income Distribution per Unit / NAV per Unit Ex-Distribution} x 100
- (3) *Total Expense Ratio (“TER”) is calculated based on the total fees and expenses incurred by the Fund divided by the average net asset value of the Fund for the financial period calculated on daily basis.*
- (4) *Portfolio Turnover ratio (“PTR”) is calculated based on the total acquisitions and total disposals of investment securities of the Fund for the financial period divided by the average net asset value of the Fund for the financial period calculated on daily basis.*

2.2 Average Total Return of the Fund

Fund – MYR Class A

	1 Year to 31 Jan 2024	Since Commencement, 9 Jul 2021 to 31 Jan 2024
Average Total Return (%)	25.39	5.85

Source: Refinitiv Lipper

Fund – MYR Class B

	1 Year to 31 Jan 2024	Since Commencement, 9 Jul 2021 to 31 Jan 2024
Average Total Return (%)	23.58	4.17

Source: Refinitiv Lipper

Fund – USD Class

	1 Year to 31 Jan 2024	Since Commencement, 9 Jul 2021 to 31 Jan 2024
Average Total Return (%)	11.46	-0.83

Source: Refinitiv Lipper

2.3 Annual Total Return of the Fund

Fund – MYR Class A

	FY 2023	Since Commencement, 9 Jul 2021 to 31 Jul 2022
Total Return (%) ¹	12.11	(5.50)
Benchmark (%)	14.98	(3.26)

Source: Refinitiv Lipper

Fund – MYR Class B

	FY2023	Since Commencement, 9 Jul 2021 to 31 Jul 2022
Total Return (%) ¹	10.47	(7.25)
Benchmark (%)	14.98	(3.26)

Source: Refinitiv Lipper

Fund – USD Class

	FY2023	Since Commencement, 9 Jul 2021 to 31 Jul 2022
Total Return (%) ¹	9.02	(13.13)
Benchmark (%)	13.49	(9.11)

Source: Refinitiv Lipper

Notes:

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

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

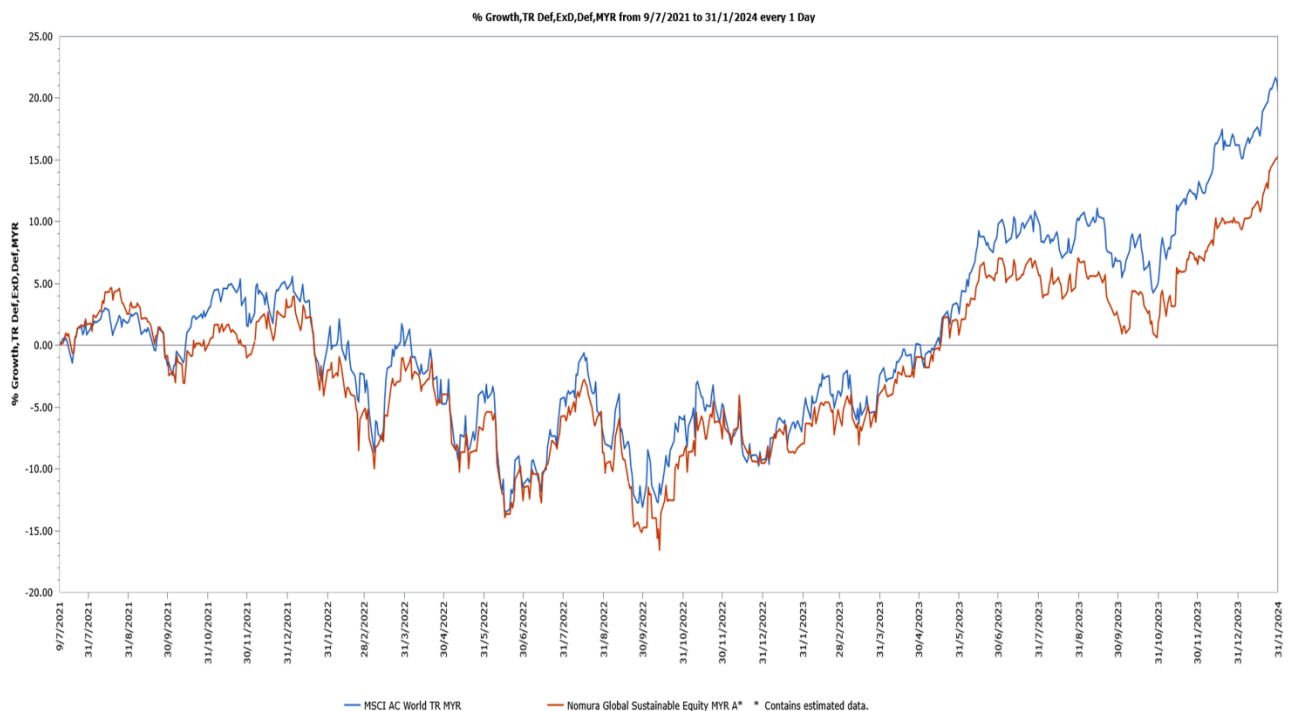
- **Capital Return** = $\{NAV \text{ per Unit End} / NAV \text{ per Unit Beginning} - 1\} \times 100$
- **Income Return** = $\{Income \text{ Distribution per Unit} / NAV \text{ per Unit Ex-Distribution}\} \times 100$
- **Total Return** = $(1 + \text{Percentage Growth})^{1/n} - 1$

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

3. MANAGER'S REPORT

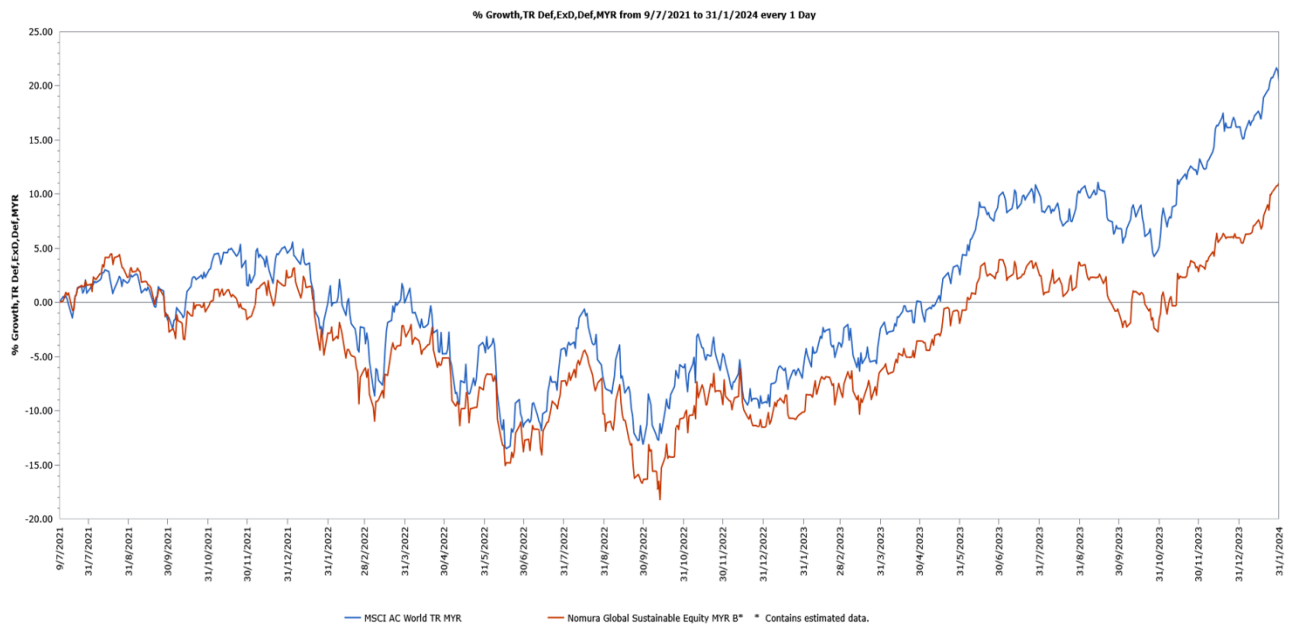
Performance of Nomura Global Sustainable Equity Fund from 9 July 2021 to 31 January 2024

Fund – MYR Class A

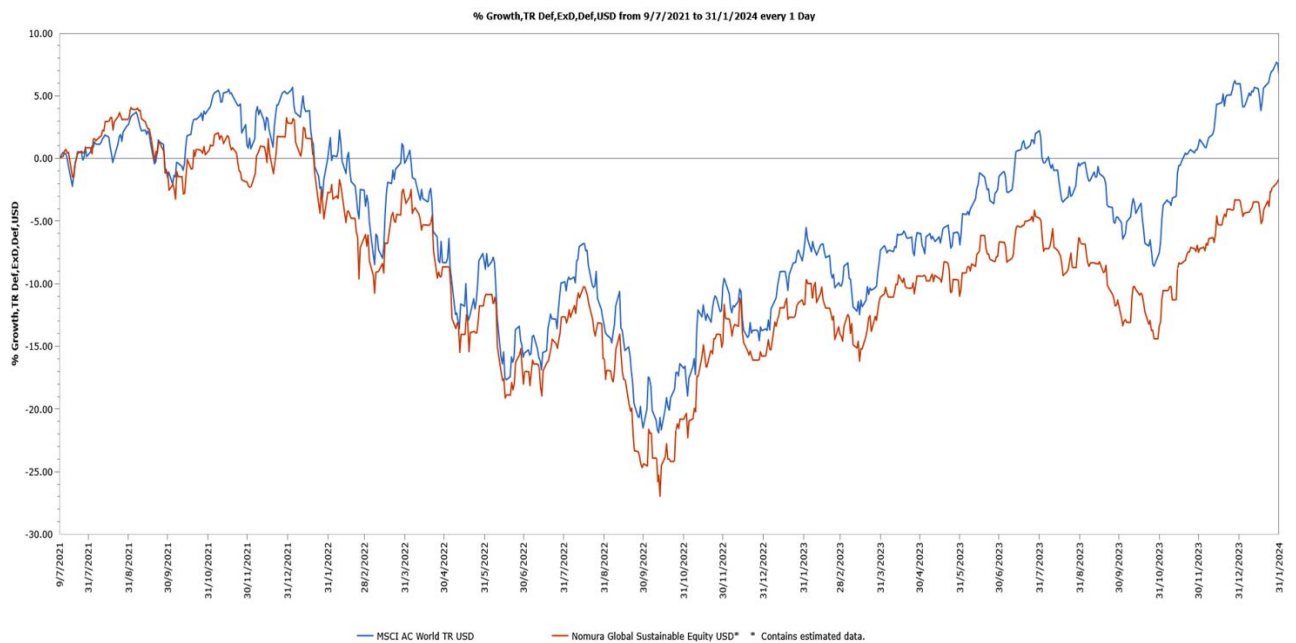


Source: Lipper

Fund – MYR Class B



Fund – USD Class



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 August 2022 to 31 January 2023

Fund – MYR Class A

For the period under review from 1 August 2023 to 31 January 2024, MYR Class A has registered 9.21% return. Compared to the Benchmark return of 9.39%, MYR Class A has underperformed the Benchmark by -0.18%. The Net Asset Value (NAV) per unit of MYR Class A as at 31 July 2023 was RM 1.0594 compared to the NAV per unit as at 31 January 2024 of RM 1.1570. On the total NAV basis, MYR Class A's NAV stood at RM 1,156.98 as at 31 January 2024. During the period under review, MYR Class A has not declared any income distribution.

Fund – MYR Class B

For the period under review from 1 August 2023 to 31 January 2023, MYR Class B has registered 8.39% return. Compared to the Benchmark return of 9.39%, MYR Class B has underperformed the Benchmark by -1.00%. The Net Asset Value (NAV) per unit of MYR Class B as at 31 July 2023 was RM 1.0246 compared to the NAV per unit as at 31 January 2024 of RM 1.1106. On the total NAV basis, MYR Class B's NAV stood at RM 12.09 million as at 31 January 2024. During the period under review, MYR Class B has not declared any income distribution.

Fund – USD Class

For the period under review from 1 August 2023 to 31 January 2024, USD Class has registered 3.35% return. Compared to the Benchmark return of 4.28%, USD Class has underperformed the Benchmark by -0.93%. The Net Asset Value (NAV) per unit of USD Class as at 31 July 2023 was USD 0.9471 compared to the NAV per unit as at 31 January 2024 of USD 0.9788. On the total NAV basis, USD Class' NAV stood at USD 0.04 million as at 31 January 2024. During the period under review, USD Class has not declared any income distribution.

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

During the period under review, market remains heavily influenced by the macro updates specifically the direction of rate decisions by central banks. Along with US 10 year treasury yield which spiked from 4% to the peak of around 5%, momentum from the narrowly traded market snapped as investors reassessed the structural themes of AI and GLP-1. Given the high rate environment, there were ongoing debates on the earnings strength in the near term. With earnings and monetary policy uncertainties, market valuation multiples stopped expanding. In the second half of this period starting in early November, market rebounded strongly when investors gained more confidence after digesting the less hawkish commentaries from central banks supported by a series of softer inflation data. The monetary policy direction became more constructive where there would be no more rate hikes across developed market central banks except for Japan. Lastly, there were rising geopolitical tensions in the Middle East including red sea disruption due to Houthis, Iraq's missile attacks and war between Israel and Palestine. These events have caused some disruptions to global business operations to a certain extent but didn't lead to a ripple effect or a series of lingering implications as evidenced in moderated global freight rates from its elevated level since end of January.

For this period, the Target Fund delivered +4.11% while underperformed the benchmark by 70bps. Overweight in EU contributed the most to the performance but more than offset by NA and Central Asia. By sector, strong selections in Healthcare and IT were offset by Utilities and Industrials. No exposure in Consumer Discretionary and Energy contributed positive allocations but not enough to provide outperformance to the overall portfolio.

The greatest contributors to the performance were Novo Nordisk and ASML which were strong beneficiaries of GLP-1 and AI respectively. On the other hand, the greatest detractors were Johnson Control and Nextera Energy. Johnson Control experienced cybersecurity attacks which resulted some business disruptions. Going forward, we think the Company could compete well in the market after resolving the issues and we are optimistic about the Company's comment about 15% data centre exposure which would largely benefit from ramping AI applications.

Source: Nomura Asset Management U.K. Limited.

3.3 Investment Outlook

2023 was a tough year for Global Sustainable Equity strategy as market rally was narrow and oriented around Mega Cap Tech and driven by momentum factor. In addition, Utilities sector was the worst performing sector in 2023 as businesses including Renewable Energy were slowed down by the uncertainties to operate profitably in high rate environment. We think the business environment would improve with the backdrop of no more rate hikes and potential rate cuts. We are optimistic to see broadening market rally when the company earnings deliver. We also think that 2024 would be a stock picker's market where market focus more on the individual company businesses strength, idiosyncratic drivers and earnings growth potential. In this market environment, outstanding stock selections would provide alpha return or stronger performance. Global Sustainable Equity strategy with its strength to invest in the right company with quality business profiles and executions would continue to be positioned to benefit from some structural themes including but not limited to AI, electrification, decarbonisation, and obesity mitigation.

We stay focused on efforts to deliver the positive impacts for investors. To conclude, we remain diligently focused on valuation and not chase 'Growth' or 'Impact' at any price.

Source: Nomura Asset Management U.K. Limited.

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

For the financial period 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 invests in businesses that provide a positive impact on the sustainable development of society in accordance to the United Nation Sustainable Development Goals ("UN SDGs"). 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.

The Manager's general approach to responsible investment can be found in its reports via the following link: <https://www.nomura-asset.com.my/responsible-investment/responsible-investing-reports/>

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

Nomura Asset Management U.K. Limited, the investment manager of the Target Fund (“**Investment Manager**”) has set six UN SDGs aligned “Impact Goals,” reflecting its sustainable investment objective, to pursue over the long term. The “Impact Goals” are 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 Jan 2024	31 Jul 2023
Target Fund	99.85	98.99
Cash and Others [#]	0.15	1.01
Total	100.00%	100.00%

[#] 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 period under review.

3.7 Target Fund’s Top 10 Holdings

As at 31 January 2024

No.	Holdings Name	(% of Target Fund’s NAV)
1	Microsoft Corporation	5.29
2	ASML Holding NV	4.38
3	Mastercard Incorporated Class A	4.28
4	Novo Nordisk A/S Class B	4.24
5	Boston Scientific Corporation	4.16
6	Taiwan Semiconductor Manufacturing Co., Ltd.	3.99
7	Adobe Inc.	3.60
8	Johnson Controls International plc	3.44
9	Visa Inc. Class A	3.26
10	UnitedHealth Group Incorporated	3.25

Source: Nomura Asset Management U.K. Limited

As at 31 July 2023

No.	Holdings Name	(% of Target Fund's NAV)
1	Johnson Controls International plc	4.11
2	Mastercard Incorporated Class A	3.78
3	Thermo Fisher Scientific Inc.	3.67
4	Microsoft Corporation	3.62
5	ASML Holding NV	3.59
6	NextEra Energy, Inc.	3.58
7	Novo Nordisk A/S Class B	3.49
8	Taiwan Semiconductor Manufacturing Co., Ltd.	3.24
9	Adobe Incorporated	3.16
10	Pentair plc	3.11

Source: Nomura Asset Management U.K. Limited

3.8 Securities Lending or Repurchase Transactions

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

3.9 Income Distribution

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

3.10 Details of Any Unit Split Exercise

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

3.11 Significant Changes in the State of Affairs of the Fund

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

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

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

* *Independent director*

3.12 Circumstances that Materially Affect Any Interest of Unit Holders

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

3.13 Cross Trades Transactions

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

3.14 Soft Commissions Received From Brokers

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

This Semi-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 SUSTAINABLE EQUITY FUND

SEMI-ANNUAL REPORT

FOR THE FINANCIAL PERIOD FROM 01 AUGUST 2023 TO 31 JANUARY 2024
(UNAUDITED)

NOMURA GLOBAL SUSTAINABLE EQUITY FUND

SEMI-ANNUAL REPORT

FOR THE FINANCIAL PERIOD FROM 01 AUGUST 2023 TO 31 JANUARY 2024
(UNAUDITED)

CONTENTS	PAGE(S)
STATEMENT OF COMPREHENSIVE INCOME	1
STATEMENT OF FINANCIAL POSITION	2 - 3
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	4
STATEMENT OF CASH FLOWS	5
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	6 - 11
NOTES TO THE FINANCIAL STATEMENTS	12 - 28
STATEMENT BY THE MANAGER	29
TRUSTEE'S REPORT	30

NOMURA GLOBAL SUSTAINABLE EQUITY FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 01 AUGUST 2023 TO 31 JANUARY 2024

	<u>Note</u>	<u>2024</u> USD	<u>2023</u> USD
INVESTMENT INCOME			
Net loss on forward foreign currency contracts at fair value through profit or loss	9	-	(12,057)
Net gain on financial assets at fair value through profit or loss ("FVTPL")	3	93,872	59,140
		<u>93,872</u>	<u>47,083</u>
OTHER GAIN/(LOSS)			
Net gain/(loss) on foreign currency exchange		188	(310)
		<u>188</u>	<u>(310)</u>
EXPENSES			
Management fee	4	(20,453)	(24,029)
Trustee fee	5	(1,336)	(1,359)
Auditors' remuneration		(1,100)	(1,060)
Tax agent's fee		(540)	(468)
Other expenses		(423)	(335)
		<u>(23,852)</u>	<u>(27,251)</u>
INCOME BEFORE TAXATION		70,208	19,522
TAXATION	6	-	-
INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>70,208</u>	<u>19,522</u>
Increase in net assets attributable to unitholders is made up of the following:			
Realised amount		(29,207)	(93,892)
Unrealised amount		99,415	113,414
		<u>70,208</u>	<u>19,522</u>

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

NOMURA GLOBAL SUSTAINABLE EQUITY FUND

STATEMENT OF FINANCIAL POSITION FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2024

	<u>Note</u>	<u>As at</u> <u>31.1.2024</u> USD	<u>As at</u> <u>31.1.2023</u> USD
ASSETS			
Cash and cash equivalents	7	21,993	30,752
Financial assets at fair value through profit or loss ("FVTPL")	3	2,595,279	2,899,357
Amount due from Manager	8	215	1,523
TOTAL ASSETS		<u>2,617,487</u>	<u>2,931,632</u>
LIABILITIES			
Accrued management fee	10	3,461	3,949
Amount due to Trustee	5	225	229
Auditors' remuneration		1,231	1,200
Amount due to Manager	10	11,963	-
Tax agent's fee		1,325	1,303
TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>18,205</u>	<u>6,681</u>
NET ASSET VALUE OF THE FUND		<u>2,599,282</u>	<u>2,924,951</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>2,599,282</u>	<u>2,924,951</u>

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

NOMURA GLOBAL SUSTAINABLE EQUITY FUND

STATEMENT OF FINANCIAL POSITION FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2024 (CONTINUED)

	<u>Note</u>	<u>As at</u> <u>31.1.2024</u> USD	<u>As at</u> <u>31.1.2023</u> USD
REPRESENTED BY			
FAIR VALUE OF OUTSTANDING UNITS (USD)			
MYR CLASS A		245	217
MYR CLASS B		2,557,617	2,896,147
USD CLASS		<u>41,420</u>	<u>28,587</u>
NUMBER OF UNIT IN CIRCULATION (UNITS)			
MYR CLASS A	11(a)	1,000	1,000
MYR CLASS B	11(b)	10,886,063	13,738,092
USD CLASS	11(c)	<u>42,317</u>	<u>32,551</u>
NET ASSET VALUE PER UNIT (USD)			
MYR CLASS A		0.2448	0.2165
MYR CLASS B		0.2349	0.2108
USD CLASS		<u>0.9788</u>	<u>0.8782</u>
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES			
MYR CLASS A		1.1570	0.9227
MYR CLASS B		1.1106	0.8987
USD CLASS		<u>0.9788</u>	<u>0.8782</u>

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

NOMURA GLOBAL SUSTAINABLE EQUITY FUND

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE FINANCIAL PERIOD FROM 01 AUGUST 2023 TO 31 JANUARY 2024

	<u>.2024</u> USD	<u>.2023</u> USD
Net assets attributable to unitholders at the date of launch	2,844,446	3,242,232
Movement due to units created and cancelled during the financial period:		
Creation of units from applications		
MYR CLASS B	183,809	61,847
USD CLASS	25,879	-
	<u>209,688</u>	<u>61,847</u>
Cancellation of units		
MYR CLASS B	(521,813)	(397,064)
USD CLASS	(3,247)	(1,586)
	<u>(525,060)</u>	<u>(398,650)</u>
Increase in net assets attributable to unitholders during the financial period	<u>70,208</u>	<u>19,522</u>
Net assets attributable to unitholders at the end of financial period	<u>2,599,282</u>	<u>2,924,951</u>

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

NOMURA GLOBAL SUSTAINABLE EQUITY FUND

STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD FROM 01 AUGUST 2023 TO 31 JANUARY 2024

	<u>Note</u>	<u>2024</u> USD	<u>2023</u> USD
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceed from sale of investments		489,554	377,776
Purchase of investments		(170,364)	(15,000)
Management fee paid		(20,951)	(24,400)
Rebate on management fee		1,301	1,509
Trustee fee paid		(1,340)	(1,911)
Payment for other fees and expenses		(2,673)	(2,726)
Net realised loss on foreign exchange		(23)	(346)
Net realised loss on forward foreign currency contracts		-	(12,057)
Net cash generated from operating activities		<u>295,504</u>	<u>322,845</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from creation of units		211,878	61,016
Payments for cancellation of units		(535,793)	(491,322)
Net cash used in financing activities		<u>(323,915)</u>	<u>(430,306)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		(28,411)	(107,461)
EFFECTS OF FOREIGN CURRENCY EXCHANGE		-	-
CASH AND CASH EQUIVALENTS AT THE DATE OF LAUNCH		50,404	138,213
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	7	<u>21,993</u>	<u>30,752</u>

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

NOMURA GLOBAL SUSTAINABLE EQUITY FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 01 AUGUST 2023 TO 31 JANUARY 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 of Nomura Global Sustainable Equity Fund (the “Fund”) have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”). The financial statements have been prepared under the historical cost convention, as modified by financial assets and financial liabilities 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 period. It also requires the Manager to exercise their judgment in the process of applying the Fund’s accounting policies. Although these estimates and judgment are based on the Manager’s best knowledge of current events and actions, actual results may differ.

(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 January 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 January 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.

NOMURA GLOBAL SUSTAINABLE EQUITY FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 01 AUGUST 2023 TO 31 JANUARY 2024 (CONTINUED)

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”).

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 United States Dollar (“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) Significant portion of the Fund’s expenses are denominated in USD.

The financial statements are presented in USD, which is the Fund’s presentation and functional currency.

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.

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 profits earned during the financial period.

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.

NOMURA GLOBAL SUSTAINABLE EQUITY FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 01 AUGUST 2023 TO 31 JANUARY 2024 (CONTINUED)

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 (either through other comprehensive income ('OCI') or 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, 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.

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 and amount due from Manager 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, amount due to Trustee, auditor's remuneration and tax agent's fee as financial liabilities measured at amortised cost.

NOMURA GLOBAL SUSTAINABLE EQUITY FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 01 AUGUST 2023 TO 31 JANUARY 2024 (CONTINUED)

F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(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 period 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. The Manager considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12 month ECL as any such impairment would be wholly insignificant to the Fund.

NOMURA GLOBAL SUSTAINABLE EQUITY FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 01 AUGUST 2023 TO 31 JANUARY 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 write off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Fund may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains. There are no write-offs/recoveries during the financial period.

G 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 three classes of units, known respectively as MYR Class A, MYR Class B & USD Class, which are cancelled at the unitholders' option and do not have identical features subject to restrictions as stipulated in the Prospectus and Securities Commission's ("SC") Guidelines on Unit Trust 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 SUSTAINABLE EQUITY FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD FROM 01 AUGUST 2023 TO 31 JANUARY 2024 (CONTINUED)

H AMOUNT DUE FROM/TO PROVIDER

Amounts due from/to Provider 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 provider 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 Provider, probability that the Provider will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by the Provider as any contractual payment which is more than 30 days past due.

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 FINANCIAL INSTRUMENTS

A derivative financial instrument 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 financial instruments 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 financial instrument 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 financial instrument. 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 SUSTAINABLE EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 AUGUST 2023 TO 31 JANUARY 2024

1 INFORMATION ON THE FUND

Nomura Global Sustainable Equity Fund (the “Fund”) was constituted pursuant to the execution of a Master Deed (the “Deed”) dated 26 March 2021 entered into between Nomura Asset Management Malaysia Sdn Bhd (the “Manager”) and Deutsche Trustees Malaysia Berhad (the “Trustee”).

The Fund was launched on 18 June 2021 and will continue its operations until terminated by the Manager or the Trustee as provided under Clause 12 of the Deed.

The Fund will invest in Nomura Funds Ireland – Global Sustainable Equity Fund USD-F (“Target Fund”), money market instruments, deposits, derivatives for hedging purposes, and any other form of investments as may be determined by the Manager and is permitted by the Securities Commission Malaysia from time to time that is in line with the Fund’s objective.

The Fund aims to achieve long-term capital growth by investing in the Target Fund.

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows:

	<u>Note</u>	Financial assets at amortised <u>cost</u> USD	Financial assets at fair value through <u>profit or loss</u> USD	<u>Total</u> USD
<u>2024</u>				
Cash and cash equivalents	7	21,993	-	21,993
Financial assets at fair value through profit or loss (“FVTPL”)	3	-	2,595,279	2,595,279
Amount due from Manager	8	215	-	215
Total		<u>22,208</u>	<u>2,595,279</u>	<u>2,617,487</u>
<u>2023</u>				
Cash and cash equivalents	7	30,752	-	30,752
Financial assets at fair value through profit or loss (“FVTPL”)	3	-	2,899,357	2,899,357
Amount due from Manager	8	1,523	-	1,523
Total		<u>32,275</u>	<u>2,899,357</u>	<u>2,931,632</u>

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

NOMURA GLOBAL SUSTAINABLE EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 AUGUST 2023 TO 31 JANUARY 2024 (CONTINUED)

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

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.

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>			
Amount due to Manager	15,424	-	15,424
Amount due to Trustee	225	-	225
Other payables and accruals	-	2,556	2,556
Net assets attributable to unitholders	2,599,282	-	2,599,282
Contractual cash out flows	<u>2,614,931</u>	<u>2,556</u>	<u>2,617,487</u>
<u>2023</u>			
Amount due to Manager	3,949	-	3,949
Amount due to Trustee	229	-	229
Other payables and accruals	-	2,503	2,503
Net assets attributable to unitholders	2,924,951	-	2,924,951
Contractual cash out flows	<u>2,929,129</u>	<u>2,503</u>	<u>2,931,632</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 SUSTAINABLE EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 AUGUST 2023 TO 31 JANUARY 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 profit or principals payment on the maturity date. This may lead to a default in the payment of principal and interest and ultimately a reduction in the value of the Fund. In the case of the Fund, the Manager will endeavor to minimise the risk by selecting only licensed financial institutions with acceptable credit ratings.

For amount due from Manager, the settlement terms of units receivable from the Manager are governed by the SC's Guidelines on Unit Trust Funds.

Analysis of deposits with licensed financial institutions and bank balances by rating agency designation are as follows:

	<u>Bank balances</u> USD	<u>Amount due</u> <u>from Manager</u> USD	<u>Total</u> USD
<u>2024</u>			
Financial institutions			
- AA1	21,993	-	21,993
- Not Rated	-	215	215
	21,993	215	22,208
<u>2023</u>			
Financial institutions			
- AA1	30,752	-	30,752
- Not Rated	-	1,523	1,523
	30,752	1,523	32,275

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

NOMURA GLOBAL SUSTAINABLE EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 AUGUST 2023 TO 31 JANUARY 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 USD2,599,282. The amount of net assets attributable to unitholder 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.

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>As at</u> <u>31.1.2024</u>
	USD
<u>Financial assets at fair value through profit or loss:</u>	
Collective investment scheme	2,595,279
	<hr/>
	<u>As at</u> <u>31.1.2023</u>
	USD
<u>Financial assets at fair value through profit or loss:</u>	
Collective investment scheme	2,899,357
	<hr/>

The table below summarises the sensitivity of the Fund's profit after tax and net asset value 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.

NOMURA GLOBAL SUSTAINABLE EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 AUGUST 2023 TO 31 JANUARY 2024 (CONTINUED)

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

Market risk (continued)

(a) Price risk (continued)

	Change in price of <u>investments</u> %	Market <u>value</u> USD	Impact on profit after tax and net asset <u>value</u> USD
<u>As at 31.1.2024</u>			
Financial assets at fair value through profit or loss:			
- Collective investment scheme	+ 5	2,725,043	129,764
	- 5	<u>2,465,515</u>	<u>(129,764)</u>
<u>As at 31.1.2023</u>			
Financial assets at fair value through profit or loss:			
- Collective investment scheme	+ 5	3,044,325	144,968
	- 5	<u>2,754,389</u>	<u>(144,968)</u>

(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:

	Ringgit <u>Malaysia</u> USD	<u>Total</u> USD
<u>2024</u>		
<u>Financial assets</u>		
Cash and cash equivalents	16,957	<u>16,957</u>

NOMURA GLOBAL SUSTAINABLE EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 AUGUST 2023 TO 31 JANUARY 2024 (CONTINUED)

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

Market risk (continued)

(b) Currency risk (continued)

	<u>Ringgit Malaysia USD</u>	<u>Total USD</u>
<u>2024</u>		
<u>Financial liabilities</u>		
Auditor's remuneration	1,231	1,231
Amount due to Manager	11,963	11,963
Tax agent's fee	1,325	1,325
Net assets attributable to unitholders	<u>2,557,862</u>	<u>2,557,862</u>
<u>2023</u>		
<u>Financial assets</u>		
Amount due from Manager	1,280	1,280
Cash and cash equivalents	<u>9,034</u>	<u>9,034</u>
<u>Financial liabilities</u>		
Auditor's remuneration	1,200	1,200
Tax agent's fee	1,303	1,303
Net assets attributable to unitholders	<u>2,896,364</u>	<u>2,896,364</u>

The table below summarises the sensitivity of the Fund's profit after tax and net asset value to changes in foreign exchange movements at the end of each reporting 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.

NOMURA GLOBAL SUSTAINABLE EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 AUGUST 2023 TO 31 JANUARY 2024 (CONTINUED)

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

Market risk (continued)

(b) Currency risk (continued)

	<u>% Change in foreign exchange rate</u>	<u>Impact on profit after tax and net asset value</u>	
		2024 USD	2023 USD
Ringgit Malaysia	+/- 5	(127,771)	127,771
		<hr/>	<hr/>
Ringgit Malaysia	+/- 5	(144,428)	144,428
		<hr/> <hr/>	<hr/> <hr/>

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 net asset value 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 unitholders' 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 SUSTAINABLE EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 AUGUST 2023 TO 31 JANUARY 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.

NOMURA GLOBAL SUSTAINABLE EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 AUGUST 2023 TO 31 JANUARY 2024 (CONTINUED)

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

Fair value hierarchy

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

- 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.

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

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

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

	<u>Level 1</u> USD	<u>Level 2</u> USD	<u>Level 3</u> USD	<u>Total</u> USD
<u>As at 31.1.2024</u>				
Financial assets at fair value through profit or loss:				
- Collective investment scheme	<u>2,595,279</u>	<u>-</u>	<u>-</u>	<u>2,595,279</u>

NOMURA GLOBAL SUSTAINABLE EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 AUGUST 2023 TO 31 JANUARY 2024 (CONTINUED)

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

Fair value hierarchy (continued)

	<u>Level 1</u> USD	<u>Level 2</u> USD	<u>Level 3</u> USD	<u>Total</u> USD
<u>As at 31.1.2023</u>				
Financial assets at fair value through profit or loss:				
- Collective investment scheme	<u>2,899,357</u>	<u>-</u>	<u>-</u>	<u>2,899,357</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.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include forward foreign currency contracts. As Level 2

instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

The carrying values of cash and cash equivalents, amount due from Manager, and all current liabilities are reasonable approximation of the fair value due to their short-term nature.

NOMURA GLOBAL SUSTAINABLE EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 AUGUST 2023 TO 31 JANUARY 2024 (CONTINUED)

3 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (“FVTPL”)

	<u>2024</u> USD	<u>2023</u> USD
At FVTPL:		
- Collective investment scheme – foreign	<u>2,595,279</u>	<u>2,899,357</u>
	<u>2024</u> USD	<u>2023</u> USD
Net gain on financial assets at FVTPL		
- realised loss on sale of investment	(6,603)	(52,987)
- unrealised gain	99,203	110,642
- management fee rebate on collective investment scheme #	<u>1,272</u>	<u>1,485</u>
	<u>93,872</u>	<u>59,140</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 net asset value. 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 net asset value of the collective investment scheme.

Collective investment scheme – foreign as follows:

2024

	<u>Quantity</u> Units	Aggregate <u>Cost</u> USD	Fair <u>Value</u> USD	Percentage <u>of NAV</u> %
Nomura Funds Ireland - Global Sustainable Equity Fund (Class F USD)	<u>24,704</u>	<u>2,457,977</u>	<u>2,595,279</u>	<u>99.85</u>

2023

	<u>Quantity</u> Units	Aggregate <u>Cost</u> USD	Fair <u>Value</u> USD	Percentage <u>of NAV</u> %
Nomura Funds Ireland - Global Sustainable Equity Fund (Class F USD)	<u>31,409</u>	<u>3,127,577</u>	<u>2,899,357</u>	<u>99.12</u>

NOMURA GLOBAL SUSTAINABLE EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 AUGUST 2023 TO 31 JANUARY 2024 (CONTINUED)

3 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (“FVTPL”) (CONTINUED)

Top 10 holdings of the Target Fund for the financial period ended to 31 January 2024:

<u>Security Name</u>	<u>Percentage of Target Fund NAV</u> %
Microsoft Corporation.	5.29
ASML Holding NV	4.38
Mastercard Incorporated Class A	4.28
Novo Nordisk A/S	4.24
Boston Scientific Corporation	4.16
Taiwan Semiconductor Manufacturing Co Ltd	3.99
Adobe Inc.	3.60
Johnson Controls International PLC	3.44
Visa Inc. Class A	3.26
UnitedHealth Group Incorporated	3.25
	<u>39.89</u>

Top 10 holdings of the Target Fund for the financial period ended to 31 January 2023:

<u>Security Name</u>	<u>Percentage of Target Fund NAV</u> %
Mastercard Inc.	4.20
Thermo Fisher Scientific Inc.	4.11
Johnson Controls International PLC	3.93
Microsoft Corporation	3.75
NextEra Energy Inc	3.64
ASML Holding NV	3.54
Pentair PLC	3.42
Novo Nordisk A/S	3.38
Taiwan Semiconductor Manufacturing Co Ltd	3.34
Alphabet Inc. Class A	3.27
	<u>36.58</u>

4 MANAGEMENT FEE

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

For the financial period ended 31 January 2024, the management fee is recognised at a rate of 0.60% (31 January 2023:0.60%) per annum of the NAV of MYR Class A and at the rate of 1.60 % (31 January 2023:1.60%) per annum of the NAV of MYR Class B and USD Class respectively, calculated on a daily basis for the financial period.

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

NOMURA GLOBAL SUSTAINABLE EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 AUGUST 2023 TO 31 JANUARY 2024 (CONTINUED)

5 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 net asset value of the Fund but subject to a minimum fee of RM 12,000 (equivalent to : USD 2,539) per annum (excluding foreign sub-custodian fees and charges).

For the financial period ended 31 January 2024, the Trustee fee is recognised at a rate of 0.03% (31 January 2023: 0.03%) per annum on the NAV of the Fund (exclusive of foreign sub-custodian fees and charges) calculated on a daily basis for the financial period, subject to a minimum fee of RM12,000 (equivalent to : USD 2,539) per annum.

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

6 TAXATION

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

The numerical reconciliation between income 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
Income before taxation	<u>70,208</u>	<u>19,522</u>
Taxation at Malaysian statutory rate of 24%	16,850	4,685
Tax effect of:		
Investment income not subject to tax	-	-
Investment gain/loss not deductible for tax purpose	(22,270)	(10,869)
Expenses not deductible for tax purposes	1,039	1,086
Restriction on tax deductible expenses for Wholesale Funds	<u>4,381</u>	<u>5,098</u>
Taxation	<u>-</u>	<u>-</u>

NOMURA GLOBAL SUSTAINABLE EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 AUGUST 2023 TO 31 JANUARY 2024 (CONTINUED)

7 CASH AND CASH EQUIVALENTS

	As at <u>31.1.2024</u> USD	As at <u>31.1.2023</u> USD
Cash and bank balances	<u>21,993</u>	<u>30,752</u>

8 AMOUNT DUE FROM MANAGER

	As at <u>31.1.2023</u> USD	As at <u>31.1.2023</u> USD
Creation of units	-	1,280
Rebate on management fee	<u>215</u>	<u>243</u>
	<u>215</u>	<u>1,523</u>

9 DERIVATIVE LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at <u>31.1.2024</u> USD	As at <u>31.1.2023</u> USD
<u>Derivative liabilities</u>		
Forward foreign currency contracts	<u>-</u>	<u>-</u>
	As at <u>31.1.2024</u> USD	As at <u>31.1.2023</u> USD
Net realised loss on forward currency contracts	-	(12,057)
Net unrealised loss on forward currency contracts	<u>-</u>	<u>-</u>
	<u>-</u>	<u>(12,057)</u>

As at 31 January 2024, the notional principal amount of the outstanding forward foreign currency contracts is Nil. The USD/MYR forward foreign currency contracts entered into during the financial period to minimise the risk of foreign exchange exposure between the USD and MYR for the Fund.

As the Fund has not adopted hedge accounting the change in fair value of the forward foreign currency contract is recognised immediately in statement of comprehensive income.

NOMURA GLOBAL SUSTAINABLE EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 AUGUST 2023 TO 31 JANUARY 2024 (CONTINUED)

10 AMOUNT DUE TO MANAGER

	As at <u>31.1.2024</u> USD	As at <u>31.1.2023</u> USD
Cancellation of units	11,963	-
Management fee	<u>3,461</u>	<u>3,949</u>
	<u><u>15,424</u></u>	<u><u>3,949</u></u>

11 NUMBER OF UNITS IN CIRCULATION

	As at <u>31.1.2024</u> No. of units	As at <u>31.1.2023</u> No. of units
(b) MYR CLASS A		
At beginning of the financial period	1,000	1,000
Creation of units during the financial period arising from applications	<u>-</u>	<u>-</u>
At end of the financial period	<u>1,000</u>	<u>1,000</u>
(b) MYR CLASS B		
At beginning of the financial period	12,434,661	15,406,885
Creation of units during the financial period arising from applications	819,379	323,406
Cancellation of units	<u>(2,367,977)</u>	<u>(1,992,199)</u>
At end of the financial period	<u>10,886,063</u>	<u>13,738,092</u>
(c) USD CLASS		
At beginning of the financial period	18,296	34,342
Creation of units during the financial period arising from applications	27,441	-
Cancellation of units	<u>(3,420)</u>	<u>(1,791)</u>
At end of the financial period	<u>42,317</u>	<u>32,551</u>

NOMURA GLOBAL SUSTAINABLE EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 AUGUST 2023 TO 31 JANUARY 2024 (CONTINUED)

12 TRANSACTIONS WITH PROVIDER

Details of transactions with the provider of the CIS for the financial period ended 31 January 2024 is as follows:

<u>Name of Provider</u>	<u>Value of trade</u> USD	<u>Percentage of total trade</u> %
Brown Brothers Harriman and Co.	<u>659,918</u>	<u>100.00</u>

Details of transactions with the provider of the CIS for the financial period ended 31 January 2023 is as follows:

<u>Name of Provider</u>	<u>Value of trade</u> USD	<u>Percentage of total trade</u> %
Brown Brothers Harriman and Co.	<u>392,776</u>	<u>100.00</u>

The financial institution above is not related to the Manager. The above transactions with provider do not involve any commission or brokerage.

13 TOTAL EXPENSE RATIO ("TER")

	<u>2024</u>	<u>2023</u>
	%	%
TER	<u>0.89</u>	<u>0.86</u>

TER is derived from the following calculation:

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

A	=	Management fee (net of management fee rebate)
B	=	Trustee's fee
C	=	Audit fee
D	=	Tax agent's fee
E	=	Other expenses
F	=	Average net asset value of Fund calculated on daily basis

The average NAV of the Fund for the financial period ended 31 January 2024 calculated on a daily basis is USD2,542,731 (31 January 2023: USD2,979,008).

NOMURA GLOBAL SUSTAINABLE EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 AUGUST 2023 TO 31 JANUARY 2024 (CONTINUED)

14 PORTFOLIO TURNOVER RATIO ("PTR")

	<u>2024</u>	<u>2023</u>
PTR (times)	<u>0.13</u>	<u>0.07</u>

PTR is derived from the following calculation:

$(\text{Total acquisition for the financial period} + \text{total disposal for the financial period}) \div 2$

Average net asset value of the Fund for the financial period calculated on daily basis

Where: total acquisition for the financial period = USD170,364 (31 January 2023: USD15,000)
total disposal for the financial period = USD489,554 (31 January 2023: USD377,776)

15 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	
	<u>2024</u>	<u>2023</u>
	No. of units USD	No. of units USD
Nomura Asset Management Malaysia Sdn Bhd - MYR CLASS A	<u>1,000</u> <u>245</u>	<u>1,000</u> <u>217</u>

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

16 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 22 March 2024.

NOMURA GLOBAL SUSTAINABLE EQUITY FUND**STATEMENT BY THE MANAGER**

We, Leslie Yap Kim Loong and Atsushi Ichii, being two of the Directors of Nomura Asset Management Malaysia Sdn Bhd (the "Manager"), do hereby state that, in the opinion of the Manager, the accompanying financial statements set out on pages 1 to 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 January 2024 and of its financial performance, changes in net assets attributable to unitholders and cash flows for the financial period from 01 August 2023 to 31 January 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
22 March 2024



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TRUSTEE'S REPORT

TO THE UNIT HOLDERS OF NOMURA GLOBAL SUSTAINABLE EQUITY FUND ("Fund")

We have acted as Trustee of the Fund for the financial period ended 31 January 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 period covered by these financial statements in accordance with the following:-

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

For Deutsche Trustees Malaysia Berhad


Ng Hon Leong
Head, Fund Operations


Sylvia Bee
Chief Executive Officer

Kuala Lumpur
22 March 2024