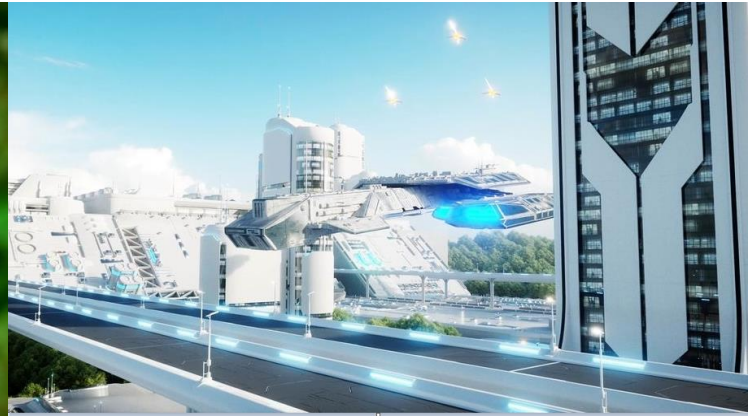


INFORMATION MEMORANDUM
IN RESPECT OF THE
NOMURA GLOBAL SHARIAH STRATEGIC GROWTH FUND

This Information Memorandum is dated 22 May 2020.



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

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

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS INFORMATION MEMORANDUM. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 9.

Expertise to Exceed¹

RESPONSIBILITY STATEMENTS AND STATEMENTS OF DISCLAIMER

This Information Memorandum has been seen and approved by the directors of *Nomura Asset Management Malaysia Sdn Bhd* and they collectively and individually accept full responsibility for the accuracy of all information contained herein and confirm, having made all enquiries which are reasonable in the circumstances, that to the best of their knowledge and belief, there are no other facts omitted which would make any statement herein misleading.

The Securities Commission Malaysia has approved the issue, offer or invitation in respect of the *Nomura Global Shariah Strategic Growth Fund*, the subject of this Information Memorandum, and the approval shall not be taken to indicate that the Securities Commission Malaysia recommends the investment.

The Securities Commission Malaysia will not be liable for any non-disclosure on the part of *Nomura Asset Management Malaysia Sdn Bhd* and takes no responsibility for the contents of the Information Memorandum, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from, or in reliance upon the whole or any part of the content of this Information Memorandum.

ADDITIONAL INFORMATION

In the event the investment strategy employs leverage, potential investors are warned that the use of leverage can magnify the impact of investment risks in the *Nomura Global Shariah Strategic Growth Fund*.

Investors are advised to read the Information Memorandum and obtain professional advice before subscribing to the *Nomura Global Shariah Strategic Growth Fund*.

Investors are advised to note that recourse for false or misleading statements or acts made in connection with the Information Memorandum is directly available through sections 248, 249 and 357 of the Capital Markets and Services Act 2007.

This Information Memorandum is not intended to and will not be issued and distributed in any country or jurisdiction other than in Malaysia ("Foreign Jurisdiction"). Consequently, no representation has been and will be made as to its compliance with the laws of any Foreign Jurisdiction. Accordingly, no offer or invitation to subscribe or purchase Units in the *Nomura Global Shariah Strategic Growth Fund* to which this Information Memorandum relates, may be made in any Foreign Jurisdiction or under any circumstances where such action is unauthorised.

The *Nomura Global Shariah Strategic Growth Fund* is not registered in the United States of America under the Investment Company Act of 1940. The Units of the *Nomura Global Shariah Strategic Growth Fund* have not been registered in the United States of America under the Securities Act of 1933. The Units made available under this offer may not be directly or indirectly offered or sold in the United States of America or any of its territories or possessions or areas subject to its jurisdiction or to or for the benefit of nationals or residents thereof, unless pursuant to an exemption from registration requirements available under US law, any applicable statute, rule or interpretation. Investors may be required to declare that they are not a US Person and are not applying for the Units on behalf of any US Person. The Manager has the right to reject any application for Units if it has reasonable grounds to believe that any applicant is a US Person or if any applicant is seeking to purchase Units on behalf of a US Person. For the avoidance of doubt, the term "US Person" shall mean any person that is a United States person within the meaning of Regulation S under the Securities Act of 1933, as the definition of such term may be changed from time to time by legislation, rules, regulations or judicial or administrative agency interpretations.

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DEFINITIONS

the Act or CMSA	The Capital Markets and Services Act 2007 as may be amended from time to time.
Authorised Distributors	Means Institutional Unit Trust Advisers (IUTA) and Corporate Unit Trust Advisers (CUTA) that may be appointed by the Manager to market and distribute the Fund.
BNM	Bank Negara Malaysia.
Bursa Malaysia	The stock exchange managed and operated by Bursa Malaysia Securities Berhad.
Business Day	In respect of the Fund means, a day on which Bursa Malaysia is open for trading.
Class A	The class described as Class A in Section 1.12.
Class B	The class described as Class B in Section 1.12.
Deed	The deed dated 17 th April 2020 in respect of the Fund entered into between the Manager and the Trustee.
financial institution	(a) if the institution is in Malaysia: (i) licensed bank; (ii) licensed merchant bank; or (iii) Islamic bank; (b) if the institution is outside Malaysia, any institution that is licensed/registered/approved/authorised to provide financial services by the relevant banking regulator.
the Fund	The Nomura Global Shariah Strategic Growth Fund.
Guidelines	The Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by the Securities Commission Malaysia as may be amended from time to time.
Information Memorandum	This document, and includes any supplementary or replacement Information Memoranda.
Launch Date	Means the date of this Information Memorandum and is the date on which sale of Units of the Fund may first be made; the Launch Date is also the date of constitution of the Fund.
Long-term	A period of more than five (5) years.
Management Fee	A percentage of the NAV of the Fund that is paid to the Manager for managing the Fund.
the Manager	Nomura Asset Management Malaysia Sdn Bhd.
Net Asset Value or NAV	The NAV of the Fund is determined by deducting the value of all the Fund's liabilities from the value of all the Fund's assets, at the valuation point. For the purpose of computing the annual

	management fee and annual trustee fee, the NAV of the Fund should be inclusive of the management fee and the trustee fee for the relevant day.
NAV per Unit	Means the Net Asset Value per Unit for each class of Units; the Net Asset Value per Unit of a class of Units at a particular valuation point shall be the Net Asset Value of the Fund attributable to that class of Units divided by the number of Units in circulation for that class of Units at the same valuation point.
Offer Period	<p>A period of thirty (30) days starting on the Launch Date and during which the Manager invites potential investors to participate in the Fund by subscribing for Units in the Fund; during this period, Units are created, cancelled, sold and redeemed at a fixed price.</p> <p>The Manager may shorten the Offer Period if the Manager is of the view that it is timely to commence the Fund to enable it to commence investment for the Fund due to favourable market conditions.</p>
RM or Ringgit Malaysia	The lawful currency of Malaysia.
relevant laws	Means laws, rules, regulations, guidelines, directives, circulars, guidance notes and investment management standards passed or issued by any relevant authority relating to or connected with the fund management industry in Malaysia.
Securities Commission or SC	Securities Commission Malaysia established under the Securities Commission Act 1993.
Sophisticated Investor	Means any person who falls within any of the categories of investors set out in Part I, Schedule 6 and 7 of the CMSA.
Special Resolution	Means a resolution passed at a meeting of Unit Holders duly convened in accordance with the Deed and carried by a majority in number representing at least 3/4 of the value of the Units held by the Unit Holders voting at the meeting in person or by proxy.
Trustee	Deutsche Trustees Malaysia Berhad.
Trustee Fee	A percentage of the NAV of the Fund that is paid to the Trustee for acting as the trustee for the Fund.
Unit	Means an undivided share in the beneficial interest and/or right in the Fund and a measurement of the interest and/or right of a Unit Holder in the Fund and means a Unit of the Fund.
Unit Holder / Investors	The Sophisticated Investors for the time being registered as the holder of Units in the Fund.
Wholesale Fund	A unit trust scheme, the units of which are issued, offered for subscription or purchase, or for which invitations to subscribe for or purchase of units have been made, exclusively to Sophisticated Investors.

General Words and Expressions

In this Information Memorandum, unless the context otherwise requires, words importing the singular shall include the plural and vice-versa.

References to any law, rules, guidelines or orders shall include such laws, rules, guidelines or orders as may be amended from time to time.

CHAPTER 1: FUND INFORMATION

1.1 FUND OBJECTIVE

The objective of the Fund is to achieve long-term capital growth, primarily through the Fund's investment in foreign Shariah-compliant equities, Shariah-compliant sukuk, Shariah-compliant collective investment schemes, and Islamic money markets instruments.

Any material change to the Fund objective would require Unit Holders' approval.

1.2 INVESTMENT POLICY AND STRATEGY

The Manager shall actively change the allocation of the Fund's investments into different asset classes to optimise returns to the Investors.

The Fund will move to a more defensive asset allocation i.e. sukuk, Islamic money markets and Islamic deposits, during periods of market volatility or uncertainty in the markets.

The Fund may also deploy the use of Shariah-compliant derivative instruments to hedge against potential volatility in relation to foreign exchange movements against the MYR and/or market price movements.

Investment Strategy

Multi Asset Approach

The Manager will deploy its multi-asset framework that is designed to derive the optimal asset allocation between the Fund's underlying asset classes: global equities, sukuk, and cash. Asset allocation is optimised to navigate the different market cycles throughout the investment life of the Fund to ensure that the Fund can achieve the targeted annual return and prioritise the preservation of the Unit Holder's capital.

The optimal asset allocation of the Fund is derived by performing tactical adjustments to the baseline asset allocation comprising of 50% in global equities and 50% in sukuk. The tactical adjustments enables the Fund to be adaptive to current market cycles to improve the overall risk-adjusted return profile of the Fund.

The tactical adjustments is determined by following a three-step process:

1. Quantitatively capturing multiple investment themes that drive global capital markets (e.g. whether markets are in a risk on/risk off mode);
2. Applying a score on each of the investment themes analysed in Step 1. This score is allocated based on the expected directionality of each theme and the probability of occurrence. For example, the score may indicate whether expectations of global growth (investment themes) is strong or weak; and
3. The Manager then considers how relatively favourable each underlying asset classes is based on the scores from Step 2. For example, a positive score on global growth would imply that global equities are relatively more attractive vs. sukuk

The Manager will adopt a rule-based risk reduction approach in deriving the final asset allocation for the Fund. The risk reduction rule may result in an overall reduction in the Fund's equity weight when the Fund experiences large drawdowns.

Global Equities

Based on the optimised allocation from our multi asset framework, the Fund will be investing primarily in companies that are exposed to secular growth and/or companies with defendable supply side dynamics (barriers to entry and competitive moats).

Sukuk and Shariah Money Markets

Based on the optimised allocation from our multi asset framework, the Fund will be investing primarily in ringgit denominated sukuk and Shariah money markets, either directly or via collective investment schemes.

1.3 ASSET ALLOCATION

The asset allocation of the Fund will be as follows:

- 0% to 100% - Foreign Shariah-compliant equities
- 0% to 100% - Shariah-compliant sukuk and Islamic money market instruments
- 0% to 100% - Shariah-compliant collective investment schemes

1.4 BENCHMARK

Absolute return of 6% per annum.

1.5 INITIAL OFFER PRICE

The price for units for Class A and Class B is fixed at RM1.00 per unit during the Offer Period.

1.6 FINANCIAL YEAR END

The period of twelve (12) months ending on the 30th day of September of every calendar year except that the first financial year of the Fund shall commence on the date of this Information Memorandum and end on the 30th day of September 2021.

1.7 BASE CURRENCY

The Fund is denominated in Ringgit Malaysia (RM).

1.8 PERMITTED INVESTMENTS

Unless otherwise prohibited by the relevant authorities or any relevant laws and provided always that there are no inconsistencies with the objective of the Fund, the Fund may invest in the following domestic and foreign investments:

- Shariah-compliant equities;
- Shariah-compliant collective investment schemes;
- Sukuk;
- Government Investment Issues;
- Islamic deposits;
- Islamic investment accounts;
- Islamic derivative instruments for hedging purposes only;
- Islamic money market instruments; and

- Any other Shariah-compliant investments that may be permitted by the Shariah Advisory Council of Securities Commission Malaysia and/or the Shariah Advisory Council of Bank Negara Malaysia.

1.9 INVESTMENT RESTRICTIONS AND LIMITS

The Fund will be managed in accordance with the following list of investment restrictions and limits:

- the value of the Fund's holdings in the ordinary shares of any single issuer must not exceed 15% of the Fund's NAV;
- the value of the Fund's holdings in any sukuk of any single issuer shall not exceed 30% of the Fund's NAV;
- the value of the Fund's placement in Islamic deposits with any single financial institution shall not exceed 30% of the Fund's NAV;
- the value of the Fund's investment in any Islamic money market instrument shall not exceed 30% of the Fund's NAV;
- the Fund shall not engage in margin trading or short selling Fund; and
- the Fund shall not borrow or lend monies.

The Fund shall also observe the Shariah Investment Guidelines set out in **Chapter 7.4** of this Information Memorandum.

The above limits and restrictions shall be complied with at all times based on the most up-to-date value of the Fund and value of the Shariah-compliant assets. However, a 5% allowance in excess of any limit or restriction shall be permitted where the limit or restriction is breached through the appreciation or depreciation of the NAV of the Fund whether as a result of an appreciation or depreciation in value of the fund's assets, or as a result of repurchase of units or payment made out of the fund.

The Manager will not make any further acquisition to which the relevant limit is breached and the Manager shall, within reasonable period of not more than three (3) months from the date of the breach, take all necessary steps and actions to rectify the breach.

IN THE CASE OF THE BREACH OF REGULATORY RESTRICTIONS, WE SHALL TAKE ALL NECESSARY STEPS AND ACTIONS TO RECTIFY THE BREACH AS REQUIRED UNDER RELEVANT LAWS OR AS DIRECTED BY THE REGULATORS. IN THE CASE OF BREACH OF OTHER RESTRICTIONS SUCH AS RESTRICTIONS IMPOSED BY INTERNAL POLICIES, WE WILL TAKE STEPS AND ACTIONS TO RECTIFY THE BREACH WITHIN A REASONABLE PERIOD AS WE DEEM NECESSARY.

1.10 BASES FOR VALUATION AND VALUATION FOR THE FUND

1.10.1 BASES FOR VALUATION

Listed Securities will be valued daily based on the primary exchange last closing market price or such other basis as may be prescribed by the relevant laws from time to time including approved accounting standards.

However, if a valuation based on market price does not represent the fair value of the securities, or no market price is available, including in the event of a suspension in the quotation of the securities for a period extending fourteen (14) days, or such shorter period as agreed by the Trustee, then the securities should be valued at fair value, as determined in good faith by the Manager or its delegate based on methods approved by the Trustee.

Unlisted Shariah-compliant securities

Investments in unlisted Shariah-compliant securities will be valued at the cost price of each investment until the securities are successfully listed on a recognised stock exchange, upon which

quoted prices will be available and valuation will be based on the primary exchange last closing market price or such other basis as may be prescribed by the relevant laws from time to time including approved accounting standards.

Sukuk

Valuation of Sukuk will be valued daily using fair value prices quoted by a Bond Pricing Agency ("BPA") registered with the Securities Commission. If the Manager is of the view that the price quoted by the BPA for a Sukuk differs from the 'market price' by more than 20 basis points, the Manager may use another 'market price' deemed appropriate provided that the Manager adheres to the requirements stipulated by the Securities Commission.

For Sukuk where prices are not available from the BPA, fair valuation will be based on the average prices provided by 3 financial institutions at least fortnightly.

Where fair market valuation is not available from the above sources, publicly or where the use of a quoted market price is inappropriate, the Sukuk will be valued at fair value determined in good faith by the Manager, on methods or bases which has been verified by the Fund's auditors.

Money Market Instruments

Valuation of money market instruments shall be determined daily based on the accretion of discount or amortisation of premium on a yield to maturity basis.

Unlisted Collective Investment Schemes

Investments in unlisted collective investment schemes will be valued based on the last published price per unit or other appropriate method as determined by the Manager and approved by the Trustee.

Financial Derivatives

For financial derivatives which are listed on the market exchange(s), the position in these instruments shall be marked-to-market at the close of each trading day of the respective markets on the same business day, provided by the financial derivatives' provider or Fund Manager or its delegate. Valuation for financial derivative instruments which are transacted over-the-counter, the valuation of these derivatives shall be based on the rates provided by the respective issuers. Specifically to foreign exchange forward contracts ("FX Forwards"), valuation based on FX foreign exchange rate as stipulated by the Securities Commission. If the rates are not available, the FX Forwards will be valued by referencing to the average indicative rate quoted by at least 3 independent dealers; or in accordance to fair value as determined in good faith by us on methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.

Cash and Liquid Assets

Cash and liquid assets placed with financial institutions shall be valued based on the carrying value (by reference to the principal value of such investments and the interests accrued thereon for the relevant period) which is a reasonable estimate of fair value.

Cash and liquid assets are defined as currency fixed deposits and placement of money at call with financial institutions.

The value of any other investment comprising in the Fund which cannot be determined in the manner set out above, shall be valued at fair value and at all times in compliance with the relevant laws (including approved accounting standards).

1.10.2 VALUATION OF THE FUND

The Fund must be valued at 6.00 p.m. on every Business Day (or “trading day” or “T” day). However, if the Fund has exposure to investments outside of Malaysia, the Fund shall be valued at 11.00 a.m. on the next Business Day (or “T + 1”).

All foreign assets are translated into the Base Currency based on the exchange rate as stipulated by the Securities Commission, or such other time as may be prescribed from time to time by the relevant laws.

If the foreign market in which the Fund is invested in is closed for business, we will value the underlying assets based on the latest available price as at the day the particular foreign market was last opened for business.

1.11 SUSPENSION ON DEALING IN UNITS

If the Manager requests the Trustee to suspend the sale and/or redemption of Units, and the Trustee considers that the suspension is not in the interests of Unit Holders, the Trustee shall immediately call for a Unit Holders' meeting to decide on the next course of action. For the avoidance of doubt, the primary consideration for the suspension of the sale and/or redemption of Units is that the assets of the Fund to be acquired/sold or liquidated are not able to be acquired/sold or liquidated at an appropriate price or on adequate terms.

Notwithstanding the aforesaid, the Trustee may, without the consent of the Unit Holders, suspend the sale and/or redemption of Units in exceptional circumstances when there is good and sufficient reason to do so having regard to the interests of the Unit Holders and potential investors of the Fund.

The aforesaid suspension shall cease once the exceptional circumstances which triggered the suspension have come to an end and all suspended applications for Units and redemption requests shall be deemed to have been received on the first Business Day after the lifting of the suspension. The Trustee shall cause the Manager to inform the Unit Holders when dealing in Units of the Fund is suspended.

1.12 CLASSES OF UNITS IN THE FUND

As at the date of this Information Memorandum, there are two classes of Units in the Fund and they are briefly described as follows:

Class A	<ul style="list-style-type: none">• Units of this class are available for sale during and after the Offer Period;• The minimum initial investment amount is RM500,000.00; and• Annual management fee is up to 1.20% per annum of the NAV of the Fund attributable to Class A.
Class B	<ul style="list-style-type: none">• Units of this class are available for sale during and after the Offer Period;• The minimum initial investment amount is RM10,000.00; and• Annual management fee is up to 1.50% per annum of the NAV of the Fund attributable to Class B.

Other features and details of the Classes of Units can be found in **Chapter 3** and **Chapter 4** of this Information Memorandum.

CHAPTER 2: RISK FACTORS

The Manager encourages Unit Holders to give careful consideration to the risks associated when investing in the Fund and, accordingly, to obtain independent financial and taxation advice before investing in the Fund.

2.1 GENERAL RISKS OF INVESTING IN THE FUND

*Below are some of the **general risks** which Unit Holders should be aware of when investing in the Fund:*

Financing risk

Financing risk is the inherent risk of investing with borrowed money, which should include the following:

- the ability to service the financing and the effect of interest rates on the financed amount; and
- if units are used as collateral, Investors may be required to provide additional collateral should the Fund's prices fall below a certain level.

Fund management risk

The performance of a collective investment scheme depends on the experience, knowledge and expertise of the Manager. Any error in the investment techniques and processes adopted by the Manager may have an adverse impact on the Fund's performance. The Manager seeks to mitigate this risk by implementing a consistent and structured investment process, systematic operational procedures and processes along with stringent internal controls.

Non-compliance risk

There is a risk that the Manager may not be able to observe the rules governing the Fund. It is the intention of the Manager to observe all rules governing the Fund at all times. However, both external factors (adverse market conditions, natural disasters or political instability) and internal factors (oversight by the Manager, a lapse in the compliance function, or a clerical error) could impact the ability of the Manager to observe rules governing the Fund. Whilst non-compliance with the rules governing the Fund will not necessarily result in losses to the Fund, a Unit Holder cannot discount the risk that losses may be suffered by the Fund if the non-compliance with the rules is sufficiently serious.

Inflation risk

Inflation rate risk is the risk of potential loss in the purchasing power of investment due to a general increase of consumer prices. Inflation erodes the nominal rate of return giving a lower real rate of return. Inflation is thus one of the major risks over the long term that could also impact the short term if a sudden shock occurs, such as a spike in oil prices, resulting in uncertainty over the future value of investments.

Credit Risk

Credit risk, a fundamental risk relating to all fixed income securities as well as money market instruments, is the chance that an issuer will fail to make principal and/or interest payments when due. Issuers with higher credit risk typically offer higher yields for this added risk. Conversely, issuers with lower credit risk typically offer lower yields. Generally, government securities are considered to be the safest in terms of credit risk, while corporate debt, especially those with poorer credit ratings, have the highest credit risk. Changes in the financial condition of an issuer, changes in economic and political conditions in general, or changes in economic and political conditions which may have specific effect

on an issuer (particularly a sovereign or supranational issuer), are all factors that may have an adverse impact on an issuer's credit quality and security values. Related to credit risk is the risk of downgrade by a rating agency. Rating agencies such as Standard & Poor's, Moody's and Fitch, among others, provide ratings for a wide array of fixed income securities (corporate, sovereign, or supranational) which are based on their creditworthiness. The agencies may change their ratings from time to time due to financial, economic, political, or other factors, which, if the change represents a downgrade, can adversely impact the value of the affected securities.

2.2 SPECIFIC RISKS RELATED TO THE FUND

*Below are some of the **specific risks** when investing in the Fund; they may include but are not limited to:*

Specific Security risk

Specific security risk refers to the downside of capital invested in a single security. However, this risk is being mitigated as the Fund diversifies this risk by investing through a basket of carefully selected securities.

Credit and Default risk

Credit and default risk arises when an issuer or counterparty of Islamic money market instruments/placement of Islamic deposits and private debt issuances (subscribed via the Fund's investments in fixed income/bond collective investment schemes) is unable to make timely payments on profit and/or principals which may lead to a default in the payment of principal and profit and ultimately a reduction in the value of the Fund.

Liquidity risk

This is the risk that the units of the Fund cannot be readily sold and converted into cash. In managing liquidity risk, the Manager will maintain a sufficient liquidity level for the purposes of meeting repurchase requests.

Country risk

Since the Fund invest globally, the Fund will be exposed to risks specific to the countries of which the securities are listed on. The changes or developments in the regulations, political environment and the economy of the above countries may impact the Fund.

Currency risk

Currency risk is also known as foreign exchange risk where the risk is associated with the Fund's underlying investments which are denominated in different currencies than the Fund's Base Currency, i.e. MYR. The impact of the exchange rate movement between MYR and the currencies of the underlying investments may result in depreciation or appreciation of the value of the Fund's investments as expressed in MYR.

Derivative risk

Derivatives listed on market exchanges: participating in these derivative instruments require the initial deposit of margin and where applicable, additional deposit of margin. As the requirements for margin are usually on a short notice, failure of the Fund in making provisions to the required deposit for margin may result in the position being liquidated at a loss. To mitigate this, the position of such derivatives will be closely monitored by the Fund Manager and provisions be accounted for accordingly.

Derivatives transacted over-the-counter are being subjected to the possibility that the counterparty to the said derivative may fail or default in its contractual obligations. Such failure or default by the

counterparty whether in the payment of principal and/or profit from the derivative instrument's transaction may ultimately lead to a reduction in the value of the Fund.

Reclassification of Shariah-compliance status

Shariah-compliant securities and instruments held by the Fund are subject to periodic review by the Shariah Advisory Council of the Securities Commission Malaysia, Shariah Advisory Council of Bank Negara Malaysia, the Shariah boards of the relevant Islamic indices or the Shariah Adviser. These securities may be reclassified as non-compliant during such reviews and the Fund may need to take the necessary steps to dispose of such security or instrument, upon the advice of the Shariah Adviser. Consequently, the Fund may realise some losses in the disposal of the same or there may be opportunity loss for the Fund as the Fund may not be permitted to retain excess capital gains derived from such disposal.

THE ABOVE SHOULD NOT BE CONSIDERED TO BE AN EXHAUSTIVE LIST OF THE RISKS WHICH POTENTIAL INVESTORS SHOULD CONSIDER BEFORE INVESTING INTO THE FUND. POTENTIAL INVESTORS SHOULD BE AWARE THAT AN INVESTMENT IN THE FUND MAY BE EXPOSED TO OTHER RISKS OF AN EXCEPTIONAL NATURE FROM TIME TO TIME.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF AN INVESTMENT. YOU SHOULD READ AND UNDERSTAND THE CONTENTS OF THE INFORMATION MEMORANDUM AND, IF NECESSARY, CONSULT YOUR ADVISER(S) BEFORE MAKING AN INVESTMENT DECISION.

CHAPTER 3: FEES, CHARGES AND EXPENSES

Expenses directly incurred by Unit Holders.

3.1 SALES CHARGE

None until further notice.

3.2 REDEMPTION CHARGE

Class A	None until further notice
Class B	None until further notice

3.3 SWITCHING FEE

None until further notice.

3.4 TRANSFER FEE

None until further notice.

3.5 OTHER CHARGES

Charges, for instance bank charges, telegraphic charges and courier charges, shall be borne by the Investor in order to execute transactions on behalf of the Investor.

3.6 MANAGEMENT FEE

Class A	Up to 1.20% per annum of the NAV of the Fund attributable to Class A
Class B	Up to 1.50% per annum of the NAV of the Fund attributable to Class B

The annual management fee of the Fund is calculated and accrued daily and is charged to the Fund; this fee is collected by the Manager on a monthly basis.

*** Where the Manager invest in other collective investment schemes which are also being managed by the Manager, the management fee will only be charged once at the Fund level. The management fee charged to the other collective investment schemes by the Manager will be rebated back to the Fund. There is no double charging of management fee.**

Please note that the example below is for illustration only:

Class A

Assuming that the NAV of the Fund for the day is RM50 million, the accrued management fee for that day would be:

$$\text{RM}50,000,000 \times (1.20\%/365 \text{ days}) = \text{RM } 1,643.84 \text{ per day}$$

3.7 TRUSTEE FEE

Class A	0.04% per annum of the NAV of the Fund attributable to Class A subject to a minimum of RM15,000 per annum (excluding foreign custodian fees and charges, if any).
Class B	0.04% per annum of the NAV of the Fund attributable to Class B subject to a minimum of RM15,000 per annum (excluding foreign custodian fees and charges, if any).

Please note that the example below is for illustration only:

Class A

Assuming that the NAV of the Fund for the day is RM50 million, the accrued trustee fee for that day would be:

$$\text{RM}50,000,000 \times (0.04\%/365 \text{ days}) = \text{RM } 54.79 \text{ per day}$$

The trustee fee is apportioned to each Class based on the multi-class ratio.

3.8 OTHER EXPENSES

Only fees and expenses that are directly related and necessary to the business of the Fund may be charged to the Fund. These include (but are not limited to) the following:

- (a) commissions or fees paid to brokers and dealers in effecting dealings in the investments of the Fund;
- (b) (where the custodial function is delegated by the Trustee for the custody of foreign investments) charges and fees paid to sub-custodians taking into custody any foreign assets of the Fund;
- (c) tax and other duties charged on the Fund by the government and/or other authorities;
- (d) costs, fee and other expenses properly incurred by the auditor and tax adviser appointed for the Fund;
- (e) costs, fees and expenses incurred for the valuation of any investments of the Fund by independent valuers for the benefit of the Fund;
- (f) costs, fees and expenses incurred for any modification of the Deed save where modification is for the benefit of the Manager and/or the Trustee;
- (g) costs, fees and expenses incurred for any meeting of the Unit Holders save where such meeting is convened for the benefit of the Manager and/or Trustee;
- (h) any tax and/or other indirect or similar tax now or hereafter imposed by law or required to be paid in connection with any costs, fees and expenses incurred by the Fund; and
- (i) other fees and expenses related to the Fund allowed under the Deed.

All expenses are apportioned to each Class based on the multi-class ratio.

CHAPTER 4: TRANSACTION INFORMATION

4.1 PRICING POLICY

The Fund adopts a forward pricing basis which means that the price is based on the NAV per Unit of the Fund at the end of a Business Day after the transaction applications request is received by the Manager.

The Manager will adopt a single pricing policy where all transactions of Units by an investor/Unit Holder on a Business Day will be based on the NAV per Unit of the respective class which is determined at the close of each Business Day.

If at any time there is no Unit Holder resulting in there being no Units in circulation to the Fund and the Fund's NAV being zero, the Manager shall have the sole right and discretion to issue new Units in the Fund for sale and price each Unit of the Fund for sale to new investors at initial offer price of RM1.00 per Unit. For avoidance of doubt, once there are no Units in circulation or Unit Holders, no liabilities will be borne by the class of the Fund.

A transaction of Units of the Fund by an investor/Unit Holder is considered as carried out on a particular Business Day only if the payment (in cleared funds) together with completed application form and relevant supporting documents are received by the Manager not later than 4:00 p.m. (or such other later time as the Manager may deem fit in its discretion) on that same Business Day. In the event the same is only received by the Manager after 4:00 p.m. (or such other later time as the Manager may deem fit in its discretion), the transaction is considered as carried out on the following Business Day. Any payment made on a non-Business Day shall be treated as payment made on the following Business Day.

Applications for repurchase or switching must be submitted to the Manager on a Business Day no later than 4:00 p.m. (or such other later time as the Manager may deem fit in its discretion). Such repurchase or switching requests are deemed received only if all documents and forms received by the Manager are duly and correctly completed. Any documents and forms received by the Manager after 4:00 p.m., (or such other later time as the Manager may deem fit in its discretion) shall be treated as having been received by the Manager on the following Business Day.

4.2 COMPUTATION OF NAV AND NAV PER UNIT

The NAV of the Fund is determined as at each Business Day and is the total value of all assets of the Fund (which includes, amongst others investments and cash held by the Fund including income derived by the Fund which has not been distributed to Unit Holders), less all liabilities of the Fund (which includes, amongst others, any amount owing or payable by the Fund including any valid provisions that the Trustee or the Manager considers necessary to be made).

Illustration 1: Computation of NAV and NAV per Unit

The following is an illustration using hypothetical figures of a valuation carried out for the Fund:

Net Asset Value of the Fund	RM981,906,688.68
Units in Circulation	981,000,000 Units
Therefore, NAV per Unit is	RM981,906,688.68 ÷ 981,000,000 Units = RM1.00092424941 (before rounding adjustments) = RM1.0009 (rounded to 4 decimal points)

4.3 INCORRECT PRICING

The Manager shall take immediate action to rectify any incorrect valuation and/or pricing of the Fund and/or the Units and to notify the Trustee and the relevant authorities of the same unless the Trustee considers the incorrect valuation and/or pricing of the Fund and/or the Units is of minimal significance. An incorrect valuation and/or pricing of the Fund and/or the Units shall result in a reimbursement of moneys unless the Trustee considers that such incorrect valuation and/or pricing of the Fund and/or the Units is of minimal significance.

The Trustee shall not consider an incorrect valuation and/or pricing of the Fund and/or the Units to be of minimal significance if the error involves a discrepancy of 0.5% or more of the NAV per Unit unless the total impact on a Unit Holder's account is less than RM10.00. An incorrect valuation and/or pricing not considered to be of minimal significance by the Trustee shall result in reimbursement of moneys and/or creation of Units in the following manner:

- (a) if there is an over valuation and/or pricing in relation to the purchase and creation of Units, the Fund shall reimburse the Unit Holder;
- (b) if there is an over valuation and/or pricing in relation to the redemption of Units, the Manager shall reimburse the Fund;
- (c) if there is an under valuation and/or pricing in relation to the purchase and creation of Units, the Manager shall reimburse the Fund; and
- (d) if there is an under valuation and/or pricing in relation to the redemption of Units, the Fund shall reimburse the Unit Holder or former Unit Holder.

4.4 MINIMUM INITIAL INVESTMENT, MINIMUM ADDITIONAL INVESTMENT, MINIMUM HOLDING TO MAINTAIN ACCOUNT, MINIMUM REDEMPTION OF UNITS, MINIMUM TRANSFER OF UNITS, AND MINIMUM SWITCHING OF UNITS

	Class A	Class B
Minimum Initial Investment	RM500,000 or such other amount as the Manager may from time to time prescribe	RM10,000 or such other amount as the Manager may from time to time prescribe
Minimum Additional Investment	RM10,000 or such other amount as the Manager may from time to time prescribe	RM5,000 or such other amount as the Manager may from time to time prescribe
Minimum Holding to Maintain Account	250,000 Units or such other lesser number of Units as the Manager may from time to time prescribe	5,000 Units or such other lesser number of Units as the Manager may from time to time prescribe
Minimum Redemption of Units	5,000 Units or such other lesser number of Units as the Manager may from time to time prescribe	5,000 Units or such other lesser number of Units as the Manager may from time to time prescribe
Minimum Transfer of Units	250,000 Units or such other amount as the Manager may from time to time prescribe	5,000 Units or such other amount as the Manager may from time to time prescribe
Minimum Switching of Units	5,000 Units or such other amount as the Manager may from time to time prescribe	5,000 Units or such other amount as the Manager may from time to time prescribe

4.5 APPLICATION FOR UNITS

Units of the Class of the Fund are available for subscription by Sophisticated Investors as from the date of the Information Memorandum. During the Offer Period, Units will be sold at RM1.00 each and will be issued only upon the Manager's designated account being credited with the subscription amount together with all the duly completed requisite documents.

After the Offer Period, Units will be sold at the NAV per Unit as at each of the Business Day which the subscription amount is credited into the Manager's designated account subject to the receipt by the Manager of the duly completed requisite documents. The cut-off time is 4:00 p.m. (or such other later time as the Manager may deem fit in its discretion) which means applications and subscription amount received after 4:00 p.m. will be deemed to have been received on the following Business Day.

Units can be bought on any Business Day at the Manager's office between 9.00 a.m. to 5.30 p.m. However, the cut off time is 4:00 p.m. (or such other time as the Manager may deem fit in its discretion) which means subscription amount received after 4:00 p.m. will be deemed to have been received on the following Business Day.

Where an application is received after the cut-off time, as above, the request will be deemed to have been received on the next Business Day. The Manager reserves the right to vary the terms and conditions of investment and payment modes from time to time, which shall be communicated to Unit Holders in writing. The Manager may also at its sole discretion any application that is not complete and/or not accompanied by the required documents.

4.6 REDEMPTION OF UNITS

Unit Holders may liquidate their investments partially or wholly by requesting the Manager to repurchase their Units; requests are irrevocable. Units will be repurchased at the NAV per Unit as at each of the Business Day when the request is received. There is no repurchase charge. Repurchase proceeds will be paid to a Unit Holder within five (5) Business Day after the day the repurchase request is received by the Manager and provided that all documentations are completed and verifiable or such other period as may be agreed by the Manager and the Trustee in the event the Fund do not have sufficient cash or other liquid assets to make payment.

There is generally no restriction on the frequency of repurchase; however, if a Unit Holder is holding less than the minimum units or such amount as the Manager may decide from time to time, the Manager is entitled, but not compelled, to consider that a repurchase request has also been made in respect of the remaining Units and can compulsorily repurchase the same.

If due to circumstances beyond the Manager's control and in the Manager's sole opinion, liquidation of the assets of the Fund for the purpose of raising proceeds for repurchase request cannot be effected without prejudicing the interests of Unit Holders, the timing for payment of such repurchase proceeds may be extended if the Manager considers it necessary in the interests of the Unit Holders, where the timing for payment of such repurchase proceeds shall not exceed twenty-one (21) days unless a longer period is agreed between the Manager and the Trustee.

However, if the request to the Trustee to repurchase or cancel the Units results in the sale of assets of the Fund, or sale of assets which cannot be liquidated at an appropriate price or on adequate terms and is as such not in the interest of existing Unit Holders, the Trustee may refuse the said request in accordance to the Deed.

Units can be sold on any Business Day at the Manager's office between 9:00 a.m. to 5:30 p.m.. However, the cut off time is 4:00 p.m. which means applications received after 4:00 p.m. will be deemed to have been received on the following Business Day.

4.7 SWITCHING OF UNITS

The switching facility is a process to assist Unit Holders in moving their investment between funds in response to a change in their investment goals and/or market conditions. Unit Holders may switch into or out of any wholesale funds which are managed by the Manager. A switch is effected by repurchasing Units from the fund in which the Units are held and in turn investing the net proceeds into another fund, subject to the minimum balance and terms and conditions applicable to that fund. There is no limit as to the frequency of switching transaction. No switching fee charged for switching between the funds managed by the Manager. However, the Manager reserves the right to reject any switching request:

- (a) that it regards as disruptive to efficient portfolio management;
- (b) if deemed by the Manager to be contrary to the best interest of either of the funds; or
- (c) if it would result in that Unit Holder holding Units in the Fund which is less than minimum holding after the switch.

Unit Holders may exercise the switching facility on any Business Day by completing and sending a switching request in the form as prescribed by the Manager to the office of the Manager.

A switch is processed as a withdrawal from one Fund and an investment into another. If the Manager receives a valid switch request before 4:00 p.m. (or such other time as the Manager may deem fit in its discretion), the Manager will process it using the NAV per Unit calculated for that Business Day. If the Manager receives the request at or after 4:00 p.m., then it will be processed using the NAV per Unit calculated for the following Business Day.

4.8 TRANSFER OF UNITS

Transfer of units between Unit Holders of the Fund is subject to the discretion of the Fund Manager. Transfer of units may be effected by completing the Transfer Form, obtainable at the offices' of the registered distributors of the Fund.

The minimum holdings (in units) in the Fund shall apply to the transferor and transferee. Transfer instructions are to be furnished to the Fund Manager in accordance to the Fund's cut-off time for transactions.

4.9 POLICY ON ROUNDING ADJUSTMENTS

The calculation of the NAV per Unit is rounded up to 4 decimal points.

The amount for application and redemption of Units will be rounded up to 2 decimal points.

4.10 POLICY ON THE MANAGER DEALING IN UNITS OF THE FUND

The Manager may only hold Units to comply with redemption requests and for the purposes of creating Units to meet anticipated applications for Units. The Manager may only hold a maximum of 3,000,000 Units or 10% of the Units in circulation, whichever is lower.

4.11 PERIODIC REPORTING TO UNIT HOLDERS

During every Financial Year of the Fund, each Unit Holder will receive:

- (a) monthly statement of accounts, which provides the latest updates of the Investors' investment accounts, will be sent to Unit Holders;
- (b) quarterly reports consisting of financial statements, information on fund performance and volatility, risk, market outlook, changes in key investment personnel, illiquid holdings and details on the Fund's exposure will be sent to Unit Holders;

- (c) annual report consisting of audited financial statements, information on fund performance and volatility, risk, market outlook, changes in key investment personnel, illiquid holdings and details on the Fund's exposure will be sent to Unit Holders; and
- (d) reports may be in hardcopy or softcopy format.

4.12 DISTRIBUTION POLICY

As the Fund seeks to provide capital growth, distribution will be incidental at the discretion of the Manager.

Distribution of income, if any, distribute its income at least on annual basis, subject to availability of income.

If the distribution available is too small or insignificant, the Manager may choose not to distribute the income as the distribution may not be beneficial to the Unit Holders as the total cost to be incurred in such distribution may be higher than the amount available for distribution. The Manager has the discretion to decide on the amount to be distributed to the Unit Holders.

All income distribution will be made in the form of cash. However, you may, when filling up the application form for the purchase of Units, elect the mode of distributions in cash payment or additional Units by way of reinvestment by simply ticking the appropriate column in the application form. You may also inform the Manager, at any time before the distribution date, of your desire to receive either cash payment or additional Units via reinvestment. In the event the Unit Holders did not indicate any preference, all distributions shall be forwarded to the Unit Holders via reinvestment.

Distribution, which is less than or equal to the amount of RM1,000.00 would be automatically reinvested based on the NAV of the income payment date which is two (2) Business Days after the income distribution date. If you cease to be a Unit Holder after an income distribution is declared but before the distribution date, and therefore still entitled to the income distribution, it will be processed as per the option selected during subscription only. The Manager has the discretion to decide on the amount to be distributed to the Unit Holders.

4.13 DISTRIBUTION OPTIONS

Reinvestment Process

If you elect to receive income distribution by way of reinvestment, the Manager shall create Units for you based on the NAV of the income payment date which is two (2) Business Days after the income distribution date.

There will not be any cost to Investors for reinvestments in new additional Units.

Cash Payment Process

If you elect to receive income distribution by way of cash payment, the Manager shall transfer the money to your designated bank account unless a specific instruction is received to do otherwise.

The money shall be transferred to the Unit Holder two (2) Business Days after the income distribution date.

Unclaimed Moneys

Distribution proceeds which remain unclaimed for six (6) months or more, will automatically be reinvested into the Fund based on the prevailing NAV per Unit of the Fund. Any repurchase moneys payable to Unit Holders which remain unclaimed after twelve (12) months as prescribed by the Unclaimed Moneys Act 1965 ("UMA") (as may be amended from time to time) will be handled in accordance with the UMA.

CHAPTER 5: THE MANAGER

5.1 BACKGROUND OF THE MANAGER

Nomura Asset Management Malaysia Sdn Bhd (NAMM) was incorporated on 27 September 2006 and is licensed under the Capital Markets and Services Act 2007 for the regulated activity of fund management. NAMM is a wholly-owned subsidiary of Nomura Asset Management Co. Ltd. (NAM Tokyo). As of 31 March 2020, Nomura Asset Management group operates in 15 offices globally. NAMM is a full-fledged asset management company with on the ground resources to support the investment management, middle and back-office functions. As at 31 March 2020, the total value of the assets under management of NAMM stood at approximately RM15.8 billion.

5.2 DUTIES AND RESPONSIBILITIES OF THE MANAGER

The Manager is responsible for the investment management and marketing of the Fund; servicing Unit Holders' needs; keeping proper administrative records of Unit Holders and the Fund; ensuring compliance with stringent internal procedures and guidelines of relevant authorities.

The designated fund manager of the Fund is Hisham Hamzah.

Hisham Hamzah is a Portfolio Manager from the Developed Markets Equity team at NAMM, a position he has held since joining NAMM in May 2017. In his current role, he co-manages Developed Market Equities investment portfolios on behalf of Malaysian and overseas based investors.

Prior to joining NAMM, Hisham had over 10 years of experience in the financial services sector in the United Kingdom. Prior to returning to Malaysia, he was as an analyst at Lansdowne Partners, a hedge fund based in London where he was part of the European Long Only strategy. Hisham was also an Equities Analyst at Redburn Partners where he covered the Transport sector. He started his career at Ernst & Young UK.

Hisham is a CFA Charter Holder and a Chartered Accountant (CA). He graduated from the University of Warwick and has a First Class degree in BSc (Hons) Accounting and Finance.

5.3 BOARD OF DIRECTORS

The Board of Directors is responsible for the overall management of the Manager and the Fund. The Board not only ensures corporate governance is practised but policies and guidelines are adhered to. The Board will sit at least four (4) times every year, or more should the need arise.

5.4 THE MANAGER'S DELEGATES

Karvy Fintech (Malaysia) Sdn Bhd (*Registrar and Transfer Agency Functions*)

The Manager has appointed Karvy Fintech (Malaysia) Sdn Bhd (formerly known as Karvy Computershare (Malaysia) Sdn Bhd) ("Karvy") as the registrar and transfer agent for the Fund. Karvy was incorporated in Malaysia on 8 March 2016 and has its business address at Suite 16.01, Level 16, Menara IMC, 8 Jalan Sultan Ismail, 50250 Kuala Lumpur.

Its roles and responsibilities as registrar and transfer agent for the Fund include maintaining the register of Unit Holders, transaction processing, reconciliation and preparing relevant communication to Unit Holders.

All fees and expenses arising out of this appointment are not charged to the Fund and are solely borne by the Manager.

Deutsche Trustees Malaysia Bhd (*Fund Valuation and Fund Accounting Functions*)

As the Trustee for the Fund and the Manager's delegate for the fund accounting and valuation services, there may be related party transactions involving or in connection with the Fund within the following events:

- (a) where the Fund invests in the products offered by Deutsche Bank AG and any of its group companies (e.g. money market placement, etc.);
- (b) where the Fund has obtained financing from Deutsche Bank AG and any of its group companies, as permitted under the Securities Commission's guidelines and other applicable laws;
- (c) where the Manager appoints the Trustee to perform its back office functions (e.g. fund accounting and valuation); and
- (d) where the Trustee has delegated its custodian functions for the Fund to Deutsche Bank (Malaysia) Berhad.

The Trustee will rely on the Manager to ensure that any related party transactions, dealings, investments and appointments are on terms which are the best that are reasonably available for or to the Fund and are on an arm's length basis as if between independent parties.

While the Trustee has internal policies intended to prevent or manage conflicts of interests, no assurance is given that their application will necessarily prevent or mitigate conflicts of interests. The Trustee's commitment to act in the best interests of the Unit Holders of the Fund does not preclude the possibility of related party transactions or conflicts.

CHAPTER 6: THE TRUSTEE

6.1 BACKGROUND OF THE TRUSTEE

Deutsche Trustees Malaysia Berhad (“DTMB”) (Company No. 763590-H) was incorporated in Malaysia on 22 February 2007 and commenced business in May 2007. DTMB is registered as a trust company under the Trust Companies Act 1949, with its business address at Level 20, Menara IMC, 8 Jalan Sultan Ismail, 50250 Kuala Lumpur.

DTMB is a member of Deutsche Bank Group (“Deutsche Bank”). Deutsche Bank provides commercial and investment banking, retail banking, transaction banking, and asset and wealth management products and services to corporations, governments, institutional investors, small and medium-sized businesses, and private individuals.

6.2 EXPERIENCE IN TRUSTEE BUSINESS

DTMB is part of Deutsche Bank’s Securities Services, which provides trust, custody and related services on a range of securities and financial structures. As at 31 March 2020, DTMB is the trustee for 184 collective investment schemes including unit trust funds, wholesale funds, exchange-traded funds and private retirement schemes.

DTMB’s trustee services are supported by Deutsche Bank (Malaysia) Berhad (“DBMB”), a subsidiary of Deutsche Bank, financially and for various functions, including but not limited to financial control and internal audit.

6.3 ROLES, DUTIES AND RESPONSIBILITIES OF THE TRUSTEE

DTMB’s main functions are to act as trustee and custodian of the assets of the Fund and to safeguard the interests of Unit Holders of the Fund. In performing these functions, the Trustee has to exercise due care and vigilance and is required to act in accordance with the relevant provisions of the Deed, the Act and all relevant laws.

6.4 TRUSTEE’S DISCLOSURE OF MATERIAL LITIGATION

As at 31 March 2020, the Trustee is not engaged in any material litigation and arbitration, including those pending or threatened and the Trustee is not aware of any facts likely to give rise to any proceedings which might materially affect the business or financial position of the Trustee.

6.5 TRUSTEE’S DELEGATE

The Trustee has appointed DBMB as the custodian of the assets of the Fund. DBMB is a wholly-owned subsidiary of Deutsche Bank AG. DBMB offers its clients access to a growing domestic custody network that covers over 30 markets globally and a unique combination of local expertise backed by the resources of a global bank. In its capacity as the appointed custodian, DBMB’s roles encompass safekeeping of assets of the Fund; trade settlement management; corporate actions notification and processing; securities holding and cash flow reporting; and income collection and processing.

All investments of the Fund are registered in the name of the Trustee for the Fund, or where the custodial function is delegated, in the name of the custodian, to the order of the Trustee for the Fund. As custodian, DBMB shall act only in accordance with instructions from the Trustee.

CHAPTER 7: THE SHARIAH ADVISER

7.1 PROFILE OF THE SHARIAH ADVISER

ZICO Shariah Advisory Services Sdn. Bhd. (“ZICO Shariah”) is a member of ZICO Holdings and is registered with the Securities Commission to advise on sukuk issuances, Islamic funds as well as other Islamic capital market products and instruments. It is also approved by the Central Bank of Malaysia to provide Shariah advice, Shariah review and Shariah audit services to Islamic financial institutions. ZICO Shariah has more than 12 years of Shariah advisory experience. As at 31 December 2019, ZICO Shariah is acting as the Shariah Adviser to 77 Islamic funds.

7.2 ROLES AND RESPONSIBILITIES OF ZICO SHARIAH ADVISORY SERVICES SDN BHD AS THE SHARIAH ADVISER

- (a) Ensuring that the operations and investments of the Fund is in compliance with Shariah principles/requirements;
- (b) providing expertise and guidance for the Fund in all matters from the perspective of Shariah principles, including on the Funds’ Deed and Information, its structure and investment process, and other operational and administrative matters;
- (c) consulting the Securities Commission Malaysia where there is any ambiguity or uncertainty as to an investment, instrument, system, procedure and/or process;
- (d) scrutinising the Fund’s compliance reports as provided by the manager’s compliance officer, transaction reports provided by or duly approved by the trustee and any other report deemed necessary for the purpose of ensuring that the Fund’s investments are in line with Shariah principles;
- (e) preparing reports to be included in the Fund’s quarterly and annual reports certifying whether the Fund has been managed and administered in accordance with the Shariah principles;
- (f) ensuring that the Fund complies with any guideline, ruling or decision issued by the Securities Commission, with regard to Shariah matters;
- (g) vetting and advising on the promotional materials of the Fund; and
- (h) assisting and attending to any ad-hoc meeting called by the Securities Commission Malaysia and/or any other relevant authority. The Shariah Adviser reviews the Fund’s investments on a monthly basis to ensure compliance with Shariah requirements at all times and meets with the Manager on a quarterly basis to review and advise on the Fund’s compliance with Shariah requirements.

7.3 PROFILE OF THE DESIGNATED PERSON RESPONSIBLE FOR SHARIAH MATTERS RELATING TO THE FUND

Dr. Aida Othman is the designated person responsible for Shariah matters relating to the Funds.

Dr. Aida Othman is a Partner at Zaid Ibrahim & Co. She is also a Director with ZICO Shariah. Dr. Aida advises on Islamic banking and finance transactions and documentation; in particular, she has advised on Shariah compliance issues, structured Islamic products, Islamic financing documentation, sukuk issuance, takaful, regulatory framework for Islamic financial services, Islamic wealth management, Islamic private equity and unit trust funds.

Dr. Aida holds a Doctor of Philosophy in Comparative Law & Middle Eastern Studies from Harvard University, United States of America. She also obtained her Masters of Law from Cambridge University, United Kingdom and Bachelor of Laws (First Class Honours) and Bachelor of Islamic Law (Syariah) (First Class Honours) from International Islamic University, Malaysia.

Dr. Aida sits on the Shariah Advisory Board of HSBC Amanah Malaysia Berhad.

7.4 SHARIAH INVESTMENT GUIDELINES ADOPTED BY THE SHARIAH ADVISER

7.4.1 SHARIAN INVESTMENT GUIDELINES

ZICO Shariah Advisory Services Sdn Bhd shall adopt the following, in determining the Shariah status of investments of the Fund.

Sukuk and Islamic money market instruments

The Fund's investment in domestic sukuk will be selected from the list of sukuk approved by SC and BNM. The Fund's investment in foreign sukuk will be selected after consultation with the Shariah Adviser. The Shariah Adviser will review the information memorandum or the prospectus of the foreign sukuk for details regarding the Shariah approval and fatwa certifying such sukuk. The Shariah Adviser will review the structure, contracts, asset and terms for the foreign sukuk issuance to ascertain if they comply with Shariah principles. The Fund can invest in Shariah-based deposits and Islamic money market instruments issued by financial institutions or those that have been approved by the Shariah Advisory Council of Bank Negara Malaysia.

Domestic Equities

The Fund shall refer to the list of Shariah-compliant securities issued by the SACSC on a half-yearly basis to determine if a domestic listed equity is Shariah-compliant.

For domestic unlisted equities, the Shariah Adviser applies the two-tier quantitative approach based on the business activity and financial ratio benchmarks in determining the Shariah status of the equities. For business activity benchmark, the contribution of Shariah non-compliant activities to the Group revenue or Group profit before taxation of the company will be computed and compared against the relevant business activity benchmarks as follows:

- (a) The 5% benchmark is applicable to the following businesses/activities:
- (i) conventional banking;
 - (ii) conventional insurance;
 - (iii) gambling;
 - (iv) liquor and liquor-related activities;
 - (v) pork and pork related-activities;
 - (vi) non-halal food and beverages;
 - (vii) tobacco and tobacco related activities;
 - (viii) interest income from conventional accounts and instruments (including interest income awarded arising from a court judgement or arbitrator);
 - (ix) dividends from Shariah non-compliant investments, Shariah non-compliant entertainments; and
 - (x) other activities deemed non-compliant according to Shariah.

For the above-mentioned businesses/activities, the contribution of Shariah non-compliant businesses/activities to the Group revenue or Group profit before taxation of the company must be less than 5%.

- (b) The 20% benchmark is applicable to the following businesses/activities:
- (i) share trading;
 - (ii) stockbroking business;
 - (iii) rental received from Shariah non-compliant activities; and
 - (iv) other activities deemed non-compliant according to Shariah.

For the above-mentioned businesses/activities, the contribution of Shariah non-compliant businesses/activities to the Group revenue or Group profit before taxation of the company must be less than 20%.

For financial ratio benchmark, the Shariah Adviser will determine whether the financial ratios (i.e. debt over total assets and cash over total assets ratio is less than 33%) of the equities, complies with the financial ratio benchmarks. For cash over total assets, cash only includes cash placed in conventional accounts and instruments, whereas cash placed in Islamic accounts and instruments is excluded from the calculation. For debt over total assets, debt only includes interest-bearing debt whereas Islamic financing or sukuk is excluded from the calculation.

In addition to the above two-tier quantitative criteria, the Shariah Adviser also takes into account the qualitative aspect which involves public perception or image of the company's activities from the perspective of Islamic teaching.

Foreign Equities

The Fund shall refer to the list of approved Islamic indices to determine if a foreign listed equity is Shariah-compliant.

For the funds' investments in unlisted equities in the foreign markets which are not within the list of the approved Islamic indices, the Shariah Adviser applies the two-tier approach which applies the sector-based and accounting-based screens, in determining the Shariah status of the equities.

For sector-based screens, core business activities related to advertising and media, alcohol, cloning, conventional banking and insurance, gambling, pork, pornography, tobacco and trading of gold and silver as cash on deferred basis will not be appropriate for Islamic investment purpose.

For accounting-based screen, the Shariah Adviser will determine if the conventional debt ratio, conventional cash ratio, account receivable ratio and non-permissible income ratio of the company's financial position comply with the financial thresholds as approved by the Islamic indices subscribed by the funds.

These benchmarks may vary in accordance with the development of Islamic capital markets and the jurisdiction of the Islamic indices providers that are being referred to. Should any of the calculation fail to satisfy the financial benchmark, the Shariah Adviser will not accord Shariah-compliant status for the equities. To ensure strict compliance with Shariah requirements, foreign Shariah-compliant equities which are approved by the Shariah Adviser will be reviewed twice yearly.

7.4.2 CLEANSING/PURIFICATION PROCESS FOR THE FUND

Wrong Investment

This refers to Shariah non-compliant investment made by the Manager. The said Shariah non-compliant investment will be disposed/withdrawn within one (1) month of knowing the status of the investment. In the event the investment resulted in gain (through capital gain and/or profit), the gain is to be channelled to Baitulmal or any other charitable bodies as advised by the Shariah Adviser. If the disposal of the investment resulted in losses to the Fund, the losses are to be borne by the Manager.

Zakat for the Fund

The Fund does not pay Zakat on behalf of Muslim individuals and Islamic legal entities who are Investors of the Fund. Thus, Investors are advised to pay zakat on their own.

CHAPTER 8: RIGHTS AND LIABILITIES OF UNIT HOLDERS

8.1 RIGHTS OF UNIT HOLDERS

As a Unit Holder of the Fund, and subject to the provisions of the Deed, you have the right to:

- receive distributions, if any, from the Fund;
- participate in any increase in the NAV of the Fund;
- call for Unit Holders' meetings and to vote for the removal of the Trustee or the Manager through a Special Resolution;
- receive monthly statements, quarterly and annual reports on the Fund; and
- exercise such other rights and privileges as provided for in the Deed.

However, Unit Holders would not have the right to require the transfer to them any of the investments of the Fund. Neither would Unit Holders have the right to interfere with or to question the exercise by the Trustee (or by the Manager on the Trustee's behalf) of the rights of the Trustee as trustee of the investments of the Fund.

8.2 LIABILITIES OF UNIT HOLDERS

As a Unit Holder of the Fund, and subject to the provisions of the Deed, your liabilities would be limited to the following:

- a Unit Holder would not be liable for nor would a Unit Holder be required to pay any amount in addition to the payment for Units of the Fund as set out in this Information Memorandum and the Deed; and
- a Unit Holder would not be liable to indemnify the Trustee and/or the Manager in the event that the liabilities incurred by the Trustee and/or the Manager on behalf of the Fund exceed the NAV of the Fund.

CHAPTER 9: POWER TO CALL FOR A UNIT HOLDERS' MEETING

9.1 MEETINGS DIRECTED BY THE UNIT HOLDERS

Unit Holders may call for a meeting for any purpose.

Unless otherwise required or allowed by the relevant laws, the Manager shall, within twenty-one (21) days of receiving a direction from not less than 50 or 1/10, whichever is less, of Unit Holders at the registered office of the Manager, summon a meeting of the Unit Holders by:

- (a) sending by post at least seven (7) days before the date of the proposed meeting a notice of the proposed meeting to all the Unit Holders;
- (b) publishing at least fourteen (14) days before the date of the proposed meeting an advertisement giving notice of the proposed meeting in a national language newspaper published daily and another newspaper approved by the relevant authorities; and
- (c) specifying in the notice the place and time of the meeting and the terms of the resolutions to be proposed at the meeting.

9.2 MEETINGS SUMMONED BY THE TRUSTEE

The Trustee may summon a meeting of Unit Holders for any purpose whatsoever by:

- (a) giving at least fourteen (14) days written notice of the meeting to Unit Holders; and
- (b) specifying in the notice the place and time of the meeting and the terms of the resolutions to be proposed at the meeting.

9.3 MEETINGS SUMMONED BY THE MANAGER

The Manager may summon a meeting of Unit Holders for any purpose whatsoever by:

- (a) giving at least fourteen (14) days written notice of the meeting to Unit Holders; and
- (b) specifying in the notice the place and time of the meeting and the terms of the resolutions to be proposed at the meeting.

9.4 PROVISIONS GOVERNING UNIT HOLDERS' MEETINGS

Quorum

The quorum required for a meeting of the Unit Holders shall be 5 Unit Holders, whether present in person or by proxy, provided that if the Fund has 5 or less Unit Holders, the quorum required for a meeting of the Unit Holders of the Fund shall be 2 Unit Holders, whether present in person or by proxy; if the meeting has been convened for the purpose of voting on a Special Resolution, the Unit Holders present in person or by proxy must hold in aggregate at least 25% of the Units in circulation at the time of the meeting.

If within 30 minutes from the time appointed for the meeting a quorum is not present, the meeting if convened upon the request of Unit Holders shall be dissolved. In any other case, it shall stand adjourned to such day and time not being less than seven (7) days thereafter and to such place as may be appointed by the Chairman; at such adjourned meeting, the Unit Holders present in person or by proxy shall be the quorum for the transaction of business including the passing of Special Resolutions if the quorum prescribed by this Deed is not present after 30 minutes from the time appointed for the adjourned meeting.

Resolutions passed at a meeting of Unit Holders bind all Unit Holders whether or not they were present at the meeting at which the resolutions were passed. No objection may be made as to any vote cast unless such objection is made at the meeting.

Voting by Proxy

A notice calling a Unit Holders' meeting will contain a statement that a Unit Holder is entitled to attend and vote or may appoint a proxy.

The instrument appointing a proxy shall be duly stamped, if required, and deposited at the office of the Manager not less than 48 hours before the time appointed for the meeting or adjourned meeting as the case may be at which the person named in such instrument proposes to vote.

A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or the power of attorney or other authority under which the proxy was signed or the sale of Units in respect of which the proxy was given provided that no intimation in writing of such death, insanity, revocation or sale shall have been received at the place so appointed for the deposit of proxies or if no such place is appointed at the registered office of the Manager before the commencement of the meeting or adjourned meeting at which the proxy is used.

Chairman of the Meeting

The meeting will be chaired if the meeting was convened at the instance of the Unit Holders or the Trustee, by a person appointed by the Unit Holders present at the meeting or, where no such appointment is made, a nominee of the Trustee; or if the meeting was convened at the instance of the Manager, by a person appointed by the Manager.

The decision of the Chairman of the meeting on any matter shall be final.

Meetings of the Unit Holders of a Class of Units

The provisions of the Deed, in so far as they relate to meetings of the Unit Holders of the Fund, shall apply, *mutatis mutandis*, to meetings of the Unit Holders of a class of Units.

9.5 TERMINATION OF THE FUND

The Fund may be terminated or wound up should the following events occur:

- the Securities Commission's approval is revoked under section 212(7)(A) of the Act;
- a Special Resolution is passed at a Unit Holders' meeting to terminate or wind up the Fund; and
- such other events and situations as provided in the Deed.

Upon the termination of the Fund, the Trustee shall:

- (a) sell all the assets of the Fund then remaining in its hands and pay out of the Fund any liabilities of the Fund; such sale and payment shall be carried out and completed in such manner and within such period as the Trustee considers to be in the best interests of the Unit Holders; and
- (b) from time to time distribute to the Unit Holders, in proportion to the number of Units held by them respectively:
 - (i) the net cash proceeds available for the purpose of such distribution and derived from the sale of the investments and assets of the Fund less any payments for liabilities of the Fund; and
 - (ii) any available Cash Produce;

provided always that the Trustee shall not be bound, except in the case of final distribution, to distribute any of the moneys for the time being in his hands the amount of which is insufficient for payment to the Unit Holders of 50 sen in respect of each Unit and provided also that the Trustee shall be entitled to

retain out of any such moneys in his hands full provision for all costs, charges, taxes, expenses, claims and demands incurred, made or anticipated by the Trustee in connection with or arising out of the winding-up of the Fund and, out of the moneys so retained, to be indemnified against any such costs, charges, taxes, expenses, claims and demands; each such distribution shall be made only against the production of such evidence as the Trustee may require of the title of the Unit Holder relating to the Units in respect of which the distribution is made.

In the event the Fund is terminated, the Trustee shall be at liberty to call upon the Manager to grant the Trustee, and the Manager shall so grant, a full and complete release from this Deed and the Manager shall indemnify the Trustee against any claims arising out of the Trustee's execution of this Deed provided always that such claims have not been caused by any failure on the part of the Trustee to exercise the degree of care and diligence required of a trustee as contemplated by this Deed and all relevant laws.

Where the termination of the Fund and the winding-up of the Fund have been occasioned by any of the events set out herein:

- (a) if the Manager has gone into liquidation, except for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee and the relevant authorities;
- (b) if, in the opinion of the Trustee, the Manager has ceased to carry on business; or
- (c) if, in the opinion of the Trustee, the Manager has to the prejudice of Unit Holders failed to comply with the provisions of this Deed or contravened any of the provisions of any relevant laws;

the Trustee shall summon for a Unit Holders' meeting to get directions from the Unit Holders. If a Special Resolution is passed to terminate the trust and wind-up the Fund, the Trustee shall apply to the Court for an order confirming such Special Resolution. The Trustee shall, as soon as practicable after the winding up of the Fund inform Unit Holders and the relevant authorities of the same. The Trustee shall also arrange for a final review and audit of the final accounts of the Fund by the auditor of the Fund.

9.6 TERMINATION OF A CLASS OF UNITS

The Manager may terminate a particular class of Units in accordance with the relevant laws. The Manager may only terminate a particular class of Units if the termination of that class of Units does not prejudice the interests of Unit Holders of any other class of Units. For the avoidance of doubt, the termination of a class of Units shall not affect the continuity of any other class of Units of the Fund.

CHAPTER 10: ADDITIONAL INFORMATION

10.1 POLICY ON REBATES AND SOFT COMMISSION

The Manager will not retain any rebate from, or otherwise share in any commission with, any broker/dealer in consideration for directing dealings in the investments of the Fund. Any rebate on brokerage fees or shared commissions is to be credited into the accounts of the Fund (where such brokerage fees or shared commissions are paid out or to be paid out of that Fund). Goods and services ("Soft Commission") received from brokers are retained by the Manager or its delegate only if the goods and services are of demonstrable benefit to the Unit Holders such as research materials and computer software incidental to the investment management of the Fund.

10.2 POLICY ON CROSS TRADES

The Manager shall only undertake sale and purchase transactions between the Fund with another fund/client of the Manager (cross-trades) where the:

- (a) sale and purchase decisions are in the best interest of both clients/Fund;
- (b) transactions are executed through a broker/dealer on an arm's length and fair value basis;
- (c) reason for such transactions is documented prior to execution of trades;
- (d) activity is identified to both clients/Fund in their respective periodic transaction reports or statements; and
- (e) written authorisation to conduct such activity has been obtained in advance from clients.

Cross trades between staff personal account and the Fund's account(s), and cross trades between proprietary account(s) and the Fund's account(s) are prohibited.

10.3 ENQUIRIES

All enquiries about the investment should be directed in writing to:

marketing@nomura-asset.com.my