

PRODUCT HIGHLIGHTS SHEET NOMURA RINGGIT BOND FUND 1

Date of issuance: 1 July 2019

RESPONSIBILITY STATEMENT

This Product Highlights Sheet has been reviewed and approved by the directors of Nomura Asset Management Malaysia Sdn. Bhd. (the “Company”) and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable inquiries, they confirm to the best of their knowledge and belief, there are no false or misleading statements, or omission of other facts which would make any statement in the Product Highlights Sheet false or misleading.

STATEMENT OF DISCLAIMER

The relevant information and document in relation to the Nomura Ringgit Bond Fund 1 (the “Fund”), including a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia under the Lodge and Launch Framework.

The lodgement of the relevant information and document in relation to the Fund, including this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends the Fund or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Product Highlights Sheet.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of the Company responsible for the Fund and takes no responsibility for the contents of this Product Highlights Sheet. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Product Highlights Sheet, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

Additional Statement

For the purpose of this Product Highlights Sheet, the words and phrases defined in the Information Memorandum of the Fund shall, subject to any amendment made hereto, be deemed to have the same meaning in this Product Highlights Sheet.

This Product Highlights Sheet only highlights the key features and risks of this Fund. Investors are advised to request, read and understand the Information Memorandum and disclosure documents before deciding to invest.

PRODUCT HIGHLIGHTS SHEET

NOMURA RINGGIT BOND FUND 1

BRIEF INFORMATION ON THE PRODUCT

1. What is this Fund about?

This is a wholesale fixed income fund, which seeks to optimize returns to its investors by mainly investing in fixed income securities denominated in Ringgit Malaysia.

PRODUCT SUITABILITY

2. Who is this Fund suitable for?

The Fund is suitable primarily for Sophisticated Investors who are seeking for a consistent income stream over a medium horizon.

The Fund is not a capital guaranteed or capital protected fund and the returns are not guaranteed.

KEY PRODUCT FEATURES

3. What am I investing in?

Launch Date	1 July 2019							
Financial Year End	31 December							
Investment Policy and Strategy	<p>The Fund shall invest primarily in fixed income securities with sound and quality credit fundamentals. The Fund would largely maintain a buy and hold strategy for its core holdings.</p> <p>For liquidity purpose, the Fund may also invest in fixed income instruments which are relatively liquid in nature including deposit placements with banks and debt securities issued by the Malaysian Government and denominated in Ringgit Malaysia.</p> <p>The permitted investments will be rebalanced during appropriate times such as when there is a change in the credit fundamentals to ensure stable capital growth and consistent income stream to investors. During any unfavourable credit event, the Manager shall exercise its discretion to act based on the best interest of the Fund. The Manager could continue to hold the affected security should the Manager believes it to be more beneficial to the Fund.</p>							
Asset Allocation	<table border="1"> <thead> <tr> <th>Asset Type</th> <th>% of the Fund's NAV</th> </tr> </thead> <tbody> <tr> <td>Fixed Income securities denominated in Ringgit Malaysia.</td> <td>Maximum 100%</td> </tr> <tr> <td>Deposits and placement of money at call with financial institutions.</td> <td>Maximum 20%</td> </tr> </tbody> </table>	Asset Type	% of the Fund's NAV	Fixed Income securities denominated in Ringgit Malaysia.	Maximum 100%	Deposits and placement of money at call with financial institutions.	Maximum 20%	
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Deposits and placement of money at call with financial institutions.	Maximum 20%							
Distribution Policy	The Fund will distribute income on a quarterly basis, subject to availability of income.							

Performance Benchmark	Malayan Banking Berhad 12 months Fixed Deposit Account rate
Minimum Initial Investment ¹	RM500,000.00 or such amount as the Manager may decide from time to time.
Minimum Holdings ¹	250,000 units or such amount as the Manager may decide from time to time.
Minimum Additional Investment ¹	RM250,000.00 or such amount as the Manager may decide from time to time.

Note 1: For more information, kindly refer to the Fund's Information Memorandum.

4. Who am I investing with?

Please find below the relevant parties involved in the Fund:-

The Manager – Nomura Asset Management Malaysia Sdn. Bhd. (748695-A)

The Trustee – CIMB Commerce Trustee Berhad (313031-A)

The Auditor – Ernst & Young

The Tax Adviser – Ernst & Young Tax Consultants Sdn. Bhd. (179793-K)

5. What are the possible outcomes of my investment?

The Fund shall invest primarily in fixed income securities with sound and quality credit fundamentals. The Fund would largely maintain a buy and hold strategy for its core holdings.

For liquidity purpose, the Fund may also invest in fixed income instruments which are relatively liquid in nature including deposit placements with banks and debt securities issued by the Malaysian Government and denominated in Ringgit Malaysia.

The permitted investments will be rebalanced during appropriate times such as when there is a change in the credit fundamentals to ensure stable capital growth and consistent income stream to investors.

During any unfavourable credit event, the Manager shall exercise its discretion to act based on the best interest of the Fund. The Manager could continue to hold the affected security should the Manager believes it to be more beneficial to the Fund. The Manager will provide updates on their strategies in the periodic reporting to the investors.

KEY RISKS

6. What are the key risks associated with this Fund?

General Risks

- **Financing risk**

Investors should assess 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 the Fund depends on the experience and expertise of the investment managers. The failure to exercise due care or any lapses in judgement on the part of the Manager may jeopardize the performance of the Fund.

- **Non-compliance risk**

This is the risk of the Manager or the Trustee, not complying with the Deed of the Fund and all applicable laws or guidelines issued by the regulators whether intentionally or through negligence. The magnitude of such risk and its impact on the Fund and/or Unit Holders are dependent on the nature and severity of the non-compliance.

- **Inflation Risk**

Inflation risk is the risk of potential loss in the purchasing power of your investment due to a general increase of consumer prices. Inflation erodes the nominal rate of your return giving you a lower real rate of return. Inflation is thus one of the major risks to you over a long term period and results in uncertainty over the future value of investments.

- **Other variable factors risk**

The performance of the Fund is driven by many variable factors and the return is not guaranteed. These include financial market conditions, interest rate fluctuation, stability of local currency and general economic environment. The prices of units may go down as well as up. Similarly, distribution (if any) may vary from year to year depending on the performance of the Fund.

Specific Risks

- **Issuer/ credit risk**

Placement of deposits with financial institutions may also attract such risk. A plausible scenario, though highly unlikely may occur whereby the financial institution suffers severe losses and there is no monetary assistance from any third party. In this highly unlikely scenario, the Fund may be left with the only choice of suing the financial institution.

Investing in fixed income or money market instruments are also subject to this risk. In the event that the issuer of such instrument defaults in payment at maturity, the value of the Fund may be adversely affected. This may be managed by holding a diversified portfolio of fixed income and money market instruments and monitoring the issuers' fundamentals on an ongoing basis.

- **Reinvestment Risk**

This is a risk that future proceeds (profit and/or capital) are reinvested at a lower potential interest rate. Reinvestment risk is especially evident during periods of falling interest rate.

- **Interest Rate risk**

This is the risk that changes in interest rates may adversely affect the valuation of the Fund's investments. Where interest rate rises, the price of the Fund's investments in fixed income instruments would generally decline and this may lower the overall market value of the said investments. The reverse may apply if interest rates fall.

It is important to note that events affecting the investments cannot always be foreseen. Therefore, it is not always possible to protect your investments against all risks. Investors should assess the merits and risks when investing in the Fund or obtain professional advice before subscribing to the Fund.

FEES & CHARGES

7. What are the fees and charges involved?

There is no Sales Charge, Switching Fee and Redemption Charge imposed for this Fund. However, there are fees and charges which you are indirectly charged should you decide to invest in this Fund as follows:-

- A Management fee of up to 0.20% per annum of the NAV of the Fund;
- A Trustee fee of 0.03% per annum of the NAV of the Fund subject to a minimum of RM9,000.00 per annum; and
- Any other expenses in relation to the administration and operations of the Fund.

For more information, kindly refer to the Fund's Information Memorandum on fees, charges and expenses.

YOU SHOULD NOT MAKE PAYMENT IN CASH TO A UNIT TRUST CONSULTANT OR ISSUE A CHEQUE IN THE NAME OF A UNIT TRUST CONSULTANT.

VALUATIONS AND EXITING FROM INVESTMENT

8. How often are valuations available?

The Fund will be valued at the close of every Business Day. You may obtain the NAV and NAV per Unit of the Fund from the Manager's website – <https://www.nomura-asset.com.my>

You may also contact us at 03-2027 6688 or email to marketing@nomura-asset.com.my

9. How can I exit from this Fund and what are the costs involved?

Unit Holders may redeem their investments in the Fund at any point in time by completing the prescribed redemption request form and returning it to the Manager on any Business Day. Applications for redemption or switching must be submitted to the Manager on a Business Day no later than 4.00 pm. Such redemption or switching requests are deemed received only if all documents and forms received by the Manager are duly completed. Any documents and forms received by the Manager after 4.00 pm shall be treated as having been received by the Manager on the following Business Day.

The Redemption Price per unit for the Fund shall be the NAV per Unit as at the close of the Business Day when the request is received. Redemption proceeds will be paid to a Unit Holder within the following Business Day.

There is generally no restriction on the frequency of redemption; however, there a minimum redeemed amount of 250,000 units for each redemption application. However, if a Unit Holder is holding less than 250,000 units, the Manager is entitled, but not compelled, to consider that a redemption request has also been made in respect of the remaining units and can compulsorily redeem these remaining units.

Please refer to the Fund's Information Memorandum for further details.

CONTACT INFORMATION

10. Who should I contact for further information or to lodge a complaint?

i) Should you have any queries, require further information regarding this Fund or would like to seek an internal dispute resolution, you may contact us:

- a) via phone to: 603-2027 6688
- b) via fax to: 603-2027 6624
- c) via email to: marketing@nomura-asset.com.my
- d) via letter to: Nomura Asset Management Malaysia Sdn. Bhd.
Suite12.2, Level 12, Menara IMC,
8, Jalan Sultan Ismail,
50250 Kuala Lumpur
Malaysia

For information about our authorized distributors, you may reach us via any of the methods above.

You may also visit our website: <https://www.nomura-asset.com.my> for further details of the Company and/or the Fund.

ii) If you are dissatisfied with the outcome of the internal dispute resolution process, you may refer your dispute to the Securities Industries Dispute Resolution Corporation (SIDREC):

- a) via phone to: 603-2282 2280
- b) via fax to: 603-2282 3855
- c) via email to: info@sidrec.com.my
- d) via letter to: Securities Industry Dispute Resolution Center (SIDREC)
Unit A-9-1, Level 9, Tower A
Menara UOA Bangsar
No. 5, Jalan Bangsar Utama 1
59000 Kuala Lumpur

iii) You may also direct your complaint to the SC even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the SC's Consumer & Investor Office:

- a) via phone to the Aduan Hotline at: 603-6204 8999
- b) via fax to: 603-6204 8991
- c) via email to: aduan@seccom.com.my
- d) via online complaint form available at: www.sc.com.my
- e) via letter to: Consumer & Investor Office
Securities Commission Malaysia
No. 3, Persiaran Bukit Kiara
Bukit Kiara
50490 Kuala Lumpur

APPENDIX

Business Day : means a day (other than a Saturday, Sunday or public holiday) on which banks in Kuala Lumpur is open for trading.

Fund : refers to the Nomura Ringgit Bond Fund 1.

Manager/ Company : refers to Nomura Asset Management Malaysia Sdn. Bhd.

Net Asset Value (NAV) : means the value of all assets of the Fund less the value of all the liabilities of the Fund at the valuation point; solely 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.

SC : Refers to Securities Commission Malaysia.
