

PROSPECTUS

This Prospectus is dated 1 May 2019

**This Prospectus incorporates
the following fund :-**

Date of constitution

Nomura i-Cash Fund

11 June 2012

Manager:
Nomura Islamic Asset Management Sdn Bhd
(838564-T)

Trustee:
Deutsche Trustees Malaysia Berhad
(763590-H)

**INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF
THIS PROSPECTUS. 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 7.**

**THIS PROSPECTUS REPLACES AND SUPERCEDES THE INFORMATION
MEMORANDUM FOR THE FUND DATED 29 JULY 2016.**

RESPONSIBILITY STATEMENT

This Prospectus has been reviewed and approved by the directors of Nomura Islamic Asset Management Sdn Bhd (“Manager”) and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, 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 this Prospectus false or misleading.

STATEMENTS OF DISCLAIMER

The Securities Commission Malaysia has authorized the Fund and a copy of this Prospectus has been registered with the Securities Commission Malaysia.

The authorization of the Fund, and the registration of this Prospectus, should not be taken to indicate that the Securities Commission Malaysia recommends the said Fund or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Prospectus.

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

INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IF INVESTORS ARE UNABLE TO MAKE THEIR OWN EVALUATION, THEY ARE ADVISED TO CONSULT PROFESSIONAL ADVISERS.

Investors should note that they may seek recourse under the Capital Market and Services Act 2007 for breaches of securities laws including any statement in the Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to the Prospectus or the conduct of any other person in relation to the Fund.

Nomura i-Cash Fund has been certified as being Shariah-compliant by the Shariah Adviser appointed for this Fund.

This Prospectus is not intended to and will not be issued and distributed in any country or jurisdiction other than in Malaysia. The Manager reserves the right not to sell to any person other than a Malaysian resident or citizen, any Units of any Fund to which this Prospectus relates.

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DEFINITIONS

Act / CMSA	: means the Capital Markets and Services Act 2007 including all amendments thereto;
BNM	: Bank Negara Malaysia
Bursa Malaysia	: means Bursa Malaysia Securities Berhad, the stock exchange managed or operated by Bursa Malaysia Berhad;
Business Day	: means a day (other than a Saturday, Sunday or public holiday) on which banks in Kuala Lumpur is open for trading;
Deed	: means the replacement deed dated 28 February 2019 in respect of the Fund entered into between the Manager and the Trustee and any supplemental(s) thereto;
Forward pricing	: means price per unit that is the NAV per unit calculated at the next valuation point after an instruction or a request is received;
Fund	: Nomura i-Cash Fund
Guidelines	: means the Guidelines on Unit Trust Funds issued by the Securities Commission Malaysia as may be amended from time to time;
Investment of the Fund	: means the purchases of or by the Fund as permitted by the Deed, Prospectus and any relevant law;
Islamic bank	: means a bank licensed under the Islamic Financial Services Act 2013;
Jointholder	: means a person who holds Units together with another person or persons and "Jointholders" means the persons who are holding the same Units;
Latest Practicable Date or LPD	: 31 March 2019, in which all information provided herein, shall remain current and relevant as at such date;
Licensed bank	: has the same meaning as prescribed under the Financial Services Act 2013;
Licensed investment bank	: has the same meaning as prescribed under the Financial Services Act 2013;
Manager / we/us	: refers to Nomura Islamic Asset Management Sdn Bhd (Company No. 838564-T), the management company of the Fund;
NiCF	: Nomura i-Cash Fund;
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;

NAV per Unit	: means the NAV of the Fund at a particular valuation point divided by the number of Units in circulation at the same valuation point;
Prospectus	: means the disclosure document issued by the Manager describing the details of the Fund.
Redemption Price	: means the price payable to a Unit Holder pursuant to a redemption of a Unit and is the NAV per Unit as at the next valuation point (Forward pricing) after the repurchase request is received by the Manager; for the avoidance of doubt, Redemption Price does not include any redemption charge which may be imposed;
RM	: means Ringgit Malaysia, the official currency of Malaysia;
SAC	: refers to the Shariah Advisory Council of the Securities Commission Malaysia and / or BNM;
SC	: refers to the Securities Commission Malaysia established under the Securities Commission Act 1993;
Selling Price	: means the price payable by an applicant for a Unit pursuant to a successful application for Units and is the NAV per Unit as at the next valuation point (Forward pricing) after the request for investment is received by the Manager; for the avoidance of doubt, Selling Price does not include any sales charge which may be imposed;
Short-term	: means a period of less than 1 year;
Special Resolution	: means a resolution passed at a meeting of Unit Holders duly convened in accordance with the Deed by a majority in number representing at least three-fourths of the Unit Holders voting at the meeting, in person or by proxy. For the purpose of terminating the Fund, a special resolution is passed by a majority in number representing at least three-fourths of the value of the Units held by the Unit Holders voting at the meeting, in person or by proxy;
Shariah Adviser	: refers to ZICO Shariah Advisory Services Sdn. Bhd. (Company No. 769433-D) the shariah adviser appointed for the NiCF and includes its permitted assigns, successors in title and any new or replacement shariah adviser;
Sukuk	: refers to certificates of equal value which evidence undivided ownership or investment in the assets using Shariah principles and concepts endorsed by the SAC of the SC;
Shariah	: Means Islamic law comprising the whole body of rulings pertaining to human conducts derived from sources Shariah consisting of Quran, <i>Sunnah</i> , <i>Ijma'</i> , <i>Qiyas</i> , <i>Istihsan</i> , <i>Masalih al-Mursalah</i> , <i>'Uruf</i> , <i>Istishab</i> and <i>Sadd al-Dhara'i</i> .
Shariah requirement	: Means a phrase or expression which generally means making sure that any human conduct must not involve any elements which are prohibited by the Shariah and that in performing that conduct all the

essential elements that make up the conduct must be present and each essential element must meet all the necessary conditions required by the Shariah for that element.

- Trustee : refers to Deutsche Trustees Malaysia Berhad (Company No. 763590-H), the Trustee appointed for the Fund;
- Unit/Units : 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;
- Units in circulation : means Units created and fully paid for and which has not been cancelled and is the total number of Units issued at a particular valuation point; and
- Unit Holder/Unit Holders : means a person for the time being who is registered pursuant to the Deed as a holder of Units including persons jointly registered.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to person shall include corporations.

Any reference in this Prospectus to any enactment or guideline is a reference to the enactment or guideline as for the time being amended or re-enacted.

Any reference to a time of day in the Prospectus shall be referenced to Malaysian time, unless otherwise stated.

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CORPORATE DIRECTORY

THE MANAGER

NAME : NOMURA ISLAMIC ASSET MANAGEMENT SDN BHD
COMPANY NO. : 838564-T
REGISTERED/BUSINESS ADDRESS : Suite No. 12.3, Level 12, Menara IMC
No. 8, Jalan Sultan Ismail
50250 Kuala Lumpur
Wilayah Persekutuan
Malaysia
TELEPHONE NO. : 03-2027 6668
FAX NO. : 03-2027 6612
EMAIL ADDRESS : niam@nomura-asset.com.my
WEBSITE : <http://nomura-asset.com.my/nomura-islamic-asset-management/>

THE TRUSTEE

NAME : DEUTSCHE TRUSTEES MALAYSIA BERHAD
COMPANY NO. : 763590-H
REGISTERED/BUSINESS ADDRESS : Level 20, Menara IMC
No. 8, Jalan Sultan Ismail
50250 Kuala Lumpur
TELEPHONE NO. : 03-2053 7522
FAX NO. : 03-2053 7526

THE SHARIAH ADVISER

NAME : ZICO SHARIAH ADVISORY SERVICES SDN. BHD.
COMPANY NO. : 769433-D
REGISTERED OFFICE : Level 7-6 Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
Wilayah Persekutuan
BUSINESS ADDRESS : Level 7-6 Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
Wilayah Persekutuan
TELEPHONE NO. : 03-2093 3999
FAX NO. : 03-03-2093 2999

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CHAPTER 1: DETAILED INFORMATION ON THE FUND

1.1 Fund Profile

Nomura i-Cash Fund

Base Currency

Ringgit Malaysia (“RM”)

Fund Category

Islamic Money Market Fund

Investment Objective

The Fund seeks to provide investors with regular *income distributions through investments in Islamic deposits, Islamic placement of money at call, General Investment Accounts and Islamic Negotiable Instruments.

Any material change to the investment objective of the Fund would require the Unit Holders’ approval.

Note:

** All income distribution will be made in the form of cash. Please refer to Distribution Policy on page 6 for further details.*

Investment Policy and Strategy

The Fund will be managed in accordance with *Shariah* requirements and thus the investments to be made by the Fund will also follow *Shariah* requirements. In that respect, the Fund will invest in Islamic deposits, Islamic placement of money at call, General Investment Accounts and Islamic Negotiable Instruments. The combination of these instruments may allow the Manager to obtain higher returns over a one year investment horizon compared to merely placing monies in Islamic deposits. The Manager will actively manage the permitted investments and maturity structure of the investments in the Fund to optimize return for investors in accordance to the interest rates outlook and analysis.

The Fund performance relies on the professional judgment of the Manager to make decisions concerning the Fund’s portfolio investments. The basic investment philosophy of the Manager is to seek to provide regular income distributions while preserving capital and maintaining liquidity. The Manager believes that an important way to accomplish this is by analyzing various factors, including the current and anticipated changes in interest rates; and economic statistics that could affect the investments undertaken by the Fund.

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

For example, if the Manager believes that BNM will raise interest rates in the next 3 months, the Manager would reduce its placement of longer-term Islamic deposits and maintain shorter term Islamic deposits. After the interest rate hike, the Manager can then redeploy funds into longer-term Islamic deposits at higher profit rates.

The current and expected future economic environment is amongst the key factors that affect the monetary policy decision setting of any central bank. Amongst the tools that a central bank can employ to reflect its monetary policy stance include the setting of the interest rate level. During periods of lacklustre growth, the central bank may keep interest rates low to promote higher economic activity and conversely, raise rates if inflation is rising rapidly in a strong growth environment. By monitoring historical and forecasted economic statistics, the Manager can develop a view on potential changes in monetary policy moving forward and thus manage the duration of the permitted investments to account for those potential changes.

The Fund generally adopts a hold-to-maturity policy as the Fund's investments are within one year investment horizon that only provides profits upon their maturity.

There will be no foreign investments in the Fund.

The Fund will invest in Islamic deposits with Financial institutions. The Financial institutions are subject to a minimum credit rating of at least "A3" or "P2" by RAM Rating Services Berhad ("RAM") or an equivalent rating by Malaysian Rating Corporation Berhad ("MARC") at the point of placement. In the unlikely event of a credit rating downgrade, the Manager reserves the right to withdraw the Islamic deposits in the best interest of the investors within a reasonable time frame taking into consideration prevailing market conditions and factors

Specific risks associated with this Fund and investments are as elaborated in Section 1.5 of this Prospectus.

The Fund does not invest in interest bearing instruments. The interest rate referred herein is to the general interest rate of the country which may affect the value of the investment of the Fund.

Notwithstanding the general strategy stated above, the Fund, being an Islamic Fund, will be strictly guided by the methodologies, rulings and screening processes dictated by the Shariah Adviser appointed for the Fund.

Asset Allocation

The Fund may invest:

- Islamic deposits, Islamic placement of money at call, General Investment Accounts and Islamic Negotiable Instruments (INIs) with a maturity of less than 365 days

Investor Profile

The Fund is suitable for Unit Holder, who:

- want a portfolio of investments that adhere to Shariah principles;
- require a high level of liquidity;
- have a short term investment horizon of 1-year and below; and
- have a low tolerance for risk.

Distribution Policy

Subject to the availability of realized income received from the investment, the Fund will distribute income at least once a month.

Performance Benchmark

BNM Islamic Interbank Overnight Rate

Source: www.bnm.gov.my

Note : This benchmark reflects the daily average of Islamic interbank deposit rates in Malaysia. However, the risk profile of the benchmark is not the same as the risk profile of the Fund.

1.2 Permitted Investments

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

- (a) Islamic deposits and Islamic placement of money at call with licensed Financial institutions;
- (b) General Investment Accounts and Islamic Negotiable Instruments (INIs); and
- (c) Any other form of Shariah-compliant investments as may be agreed upon between the Manager and the Trustee from time to time.

1.3 Investment Restrictions and Limits

The Fund will be subject to the following investment restrictions and limits in the course of execution of its investment policies and strategies:

- The value of the Fund's investments in permitted investments which have a remaining maturity period of not more than 365 days must not be less than 90% of the Fund's NAV.
- The Fund shall not invest in permitted investments which have a remaining maturity period of more than 365 days.
- The value of the fund's placement in Islamic deposits with any single Financial institution must not exceed 20% of the fund's NAV.
- The Fund shall not invest in sukuk, Islamic money market instruments or Islamic collective investment schemes.
- Portions of the Fund's NAV that is not utilised for permitted investments shall be held in cash.

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

If a particular restriction or limit is breached, no further acquisition of the relevant investment may be made. The Manager will then, as soon as possible but in any event no later than three (3) months from the date of breach, take all necessary steps and actions to rectify the breach.

1.4 General Risks of Investing in Unit Trust Fund

Before making an investment, prospective investors should consider the following risk factors carefully in addition to the other information set forth elsewhere in this Prospectus. Although the Manager seeks to mitigate risks by investing in a diversified portfolio, investors should be warned that there are potential risks in investing in unit trust funds. They include:

Manager's risk - This risk refers to the day-to-day management of the Fund by the Manager which will impact the performance of the Fund. For example, investment decisions undertaken by the Manager, as a result of an incorrect view of the market or any non-compliance with internal policies, investment mandate, the deed, relevant law or guidelines due to factors such as human

error or weaknesses in operational process and systems, may adversely affect the performance of the Fund.

Market risk - Market risk refers to the possibility that an investment will lose value because of a general decline in financial markets, due to economic, political and/or other factors, which will result in a decline in the Fund's NAV.

Performance risk – There is no guarantee in relation to the investment returns or on distribution to Unit Holders.

Inflation Risk - This is the risk that investors' investment in the Fund may not grow or generate income at a rate that keeps pace with inflation. This would reduce investors' purchasing power even though the value of the investment in monetary terms has increased.

Loan financing risk - This risk occurs when investors take a financing to finance their investment. The inherent risk of investing with borrowed money includes investors being unable to service the financing payments. In the event units are used as collateral, an investor may be required to top-up the investors' existing instalment if the prices of units fall below a certain level due to market conditions. Failing which, the units may be sold at a lower net asset value per unit as compared to the net asset value per unit at the point of purchase towards settling the financing.

Non-Compliance risk - The risk that a management company and other parties associated with a unit trust fund inadvertently fails to comply with the rules set out in the Fund's deed, or the law that governs the Fund, or act fraudulently or dishonestly. It also includes the risk of a management company failing to comply with internal control procedures due to an oversight. The non-compliance may expose the Fund to higher risks that may result in a fall in the value of the Fund.

1.5 Specific Risks of Investing in the Fund

Credit and Default Risk

Credit risk relates to the creditworthiness of the Financial institutions we place deposits with and their expected ability to make timely payments of the profits and/or principal amount of the placements. Default risk relates to the risk that a Financial institution either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the investment. This could adversely affect the value of the fund.

Reinvestment Risk

This is a risk that future proceeds (profit and/or capital) are reinvested at a lower potential profit rate.

Reinvestment risk is especially evident during periods of falling interest rates where the profit payments are reinvested at a lower profit rate compare to the initial profit rate.

Investment in the Fund is not the same as placement of funds in an Islamic deposit with a licensed Islamic financial institution. There are risks involved and investors should rely on their own evaluation to assess the merits and risks when investing in the Fund.

1.6 Risk Management Strategies

Investing in a Islamic unit trust fund enables the Unit Holders to enjoy the benefit and advantage of diversifying their investments and assets. As with all investments, however, there are related risks.

Risks are not necessarily bad or negative, they are something to be aware of and to be managed. Proper risk management accommodates investment volatility. This part of the Prospectus describes how risks typical to the Fund are managed.

Proper risk management is ensured throughout the entire investment management process. Various measures include:

- Adhering to the Fund's investment objective, policy and strategy;
- Undertaking stringent evaluation of movements in market prices and regularly monitoring, reviewing and reporting to the investment committee to ensure that the Fund's investment objective is met;
- Employing active and effective asset allocation strategy;
- Employing a stringent screening process by conducting fundamental analysis of potential investments; and
- Practising prudent liquidity management in a timely and cost effective manner.

1.7 Additional Information in Relation to the Fund

1.7.1. Shariah Investment Guidelines

The following is adopted by the Shariah Adviser in determining the Shariah status of investments of the Fund.

Islamic deposits:

The Fund can invest in Islamic deposits issued by Financial institutions that are acceptable by Shariah advisers as Shariah-compliant or those Islamic deposits that have been approved by Bank Negara Malaysia's Shariah Advisory Council.

1.7.2. Cleansing Process for the Fund

Shariah non-compliant Investment

This refers to Shariah non-compliant investment inadvertently made by the Manager. The said Shariah non-compliant investment will be disposed of/withdrawn within a month of knowing the status of the investment. If the investment resulted in gain (through capital gain and/or dividend/profit), the gain is to be channelled to baitulmal or any other charitable bodies as advised by the Shariah Adviser as part of the Fund's cleansing process. If the disposal of the investment resulted in losses to the Fund, the losses are to be borne by the Manager.

1.7.3. Zakat (tithe) 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.

THE INVESTMENT PORTFOLIO OF THE FUND WILL COMPRISES OF INSTRUMENTS THAT HAVE BEEN CLASSIFIED AS SHARIAH-COMPLIANT BY THE SAC OF THE SC OR THE SAC OF BNM. FOR INSTRUMENTS WHICH ARE NOT CLASSIFIED BY THE SAC OF THE SC OR THE SAC OF BNM, THE SHARIAH ADVISER WILL REVIEW THE SAID INSTRUMENTS AND OPINE THAT THESE INSTRUMENTS ARE SHARIAH-COMPLIANT.

NOTE:

THERE CAN BE NO ASSURANCE THAT THE INVESTMENT OBJECTIVE OF THE FUND WILL BE REALISED. 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 PROSPECTUS, AND IF NECESSARY, CONSULT YOUR ADVISORS.

ANY MATERIAL CHANGES TO THE FUND'S INVESTMENT OBJECTIVE WOULD REQUIRE YOUR APPROVAL.

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CHAPTER 2: FEES, CHARGES AND EXPENSES

This part of the Prospectus informs you about the fees, charges and expenses involved so that you will know the costs of your investments better. It also shows how Units of the Fund is priced to enable you to make your investment decisions prudently.

Costs, however, are not the only consideration with respect to investment goals. Time horizons, risk tolerance and financial resources are also important factors.

We may, for any reason at any time, waive, or reduce the amount of any fees (except for the trustee fee) or any other charges payable by you in respect of the Fund. This may apply either generally (for all investors) or specifically (any particular investor) and for any period or periods of time at our discretion.

FEE AND CHARGES DIRECTLY INCURRED WHEN YOU INVEST IN THE FUND

2.1 Sales Charge

The Manager does not intend to impose any sales charge.

2.2 Redemption Charge

The Manager does not intend to impose any redemption charge.

2.3 Policy on Rounding Adjustment

The NAV per Unit of the Fund is rounded to four (4) decimal points. When you invest in the Fund, the investment amount payable by you will be rounded to two (2) decimal points. Units in your account will be rounded to two (2) decimal points. Your redemption value will also be rounded to two (2) decimal points.

Assuming that the NAV per Unit of the Fund is RM1.000003459, as shown on the illustration below, the Selling Price will be:

=NAV per Unit
=RM1.000003459
= RM1.0000 (rounded to four decimal points)

Note: This applies to all calculations/illustrations whether direct or indirect expenses incurred by investors when investing in the Fund as set out in this Prospectus.

2.4 Transfer Fee

No transfer of units is allowed for this Fund.

2.5 Switching Fee

No switching fee charged for switching between the funds managed by the Manager. However, the Manager reserves the right to reject any switching request:-

- (i) that it regards as disruptive to efficient portfolio management; or
- (ii) if deemed by the Manager to be contrary to the best interest of either of the funds; or
- (iii) 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 12:00 pm (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 12:00 pm, then it will be processed using the NAV per Unit calculated for the following Business Day.

FEES AND EXPENSES INDIRECTLY INCURRED WHEN YOU INVEST IN THE FUND

2.6 Management Fee

The annual management fee imposed by the Fund is up to zero point two five per centum (0.25%) per annum of the NAV of the Fund calculated and accrued on a daily basis.

Please refer to Chapter 3.1.3, Computation of NAV and NAV per Unit for information on how the management fee is calculated.

2.7 Trustee Fee

The annual trustee fee imposed by the Fund is up to zero point zero two five per centum (0.025%) per annum of the NAV of the Fund subject to a minimum trustee fee of RM12,000.00 per annum.

Please refer to Chapter 3.1.3, Computation of NAV and NAV per Unit for information on how the trustee fee is calculated.

2.8 Other Expenses

The following is a list of expenses directly related to and which will be paid out of the Fund:

- Commissions/fees paid to brokers;
- Auditors' fee;
- Tax adviser's fee;
- Shariah Adviser's fee (where applicable);
- Valuation fees incurred for valuation of any Shariah-compliant investment of the Fund by independent valuers for the benefit of the Fund;
- Taxes and other indirect or similar duties imposed by the law or government and/or other regulatory authorities required to be paid in connection with any costs, fees and expenses as may be charged to the Fund;
- Cost for modification of the Deed save where such modification is for the benefit of the Manager and/or Trustee;
- 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 the Trustee;
- Independent investment committee members fee;
- Other fees and/or expenses directly related to the Fund such as printing and publishing interim and annual reports; and
- Any other fees and/or expenses allowed under the Deed.

2.9 Other Charges

In executing your transaction, certain charges may be incurred. You shall bear such transaction charges, for instance bank charges, telegraphic charges and courier charges. We reserve the right to vary such conditions from time to time, which shall be communicated to you in writing.

2.10 Policy on Rebates and Soft Commissions

The Manager and its delegates will not retain any rebate from, or otherwise share in any commission with, any Financial institution in consideration for direct dealings in the Shariah-compliant investments of the Fund. The Manager will pursue a policy of not accepting any such rebates. Any rebate on shared commissions will be credited into the accounts of the Fund.

Similarly, the Manager will pursue a policy not to accept any goods and services (“soft commissions”) from any Financial institution.

ALL FEES, EXPENSES AND CHARGES PAYABLE TO OR BY THE MANAGER, THE TRUSTEE AND/OR THE FUND ARE SUBJECT TO ANY APPLICABLE TAXES AND/OR DUTIES AS MAY BE IMPOSED BY THE GOVERNMENT OR OTHER AUTHORITIES FROM TIME TO TIME.

THERE ARE FEES AND CHARGES INVOLVED AND INVESTORS ARE ADVISED TO CONSIDER THEM BEFORE INVESTING IN THE FUND.

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CHAPTER 3: TRANSACTION INFORMATION

3.1 Valuation of the Fund and Bases for Valuation of the Assets of the Fund

3.1.1 Valuation of the Fund

The Manager will ensure that all assets of the Fund will be valued at fair value at the close of each Business Day and at all times be in compliance with the Guidelines and all relevant laws.

The valuation point of the Fund is at 5.00 p.m. on every Business Day.

3.1.2 Bases for Valuation of the Assets of the Fund

The Manager will ensure that all the Shariah-compliant investments of the Fund will be valued at fair value and at all times be in compliance with the Guidelines and all relevant laws.

The valuation point for the Fund is at the end of every Business Day.

Valuation of investments in General Investment Accounts shall be done on a daily basis by reference to the value of such investments as provided by the bank or the financial institution that issues the instrument.

Valuation of Islamic deposits and Islamic Negotiable Instruments placed with Financial institutions shall be done on a daily basis by reference to the principal value of such investments. Profit receivable will be accrued each day based on the profit attached to the deposits.

Investors are advised that certain types of Shariah-compliant instruments are required to be held until such Shariah-compliant instruments mature for the “actual value” to be realised. Any sale of such Shariah-compliant instruments before its maturity may attract costs and penalties that would result in a value which is less than its “actual value”. As such, any valuation of such Shariah-compliant instruments (before its maturity) is merely indicative of what the value might be and does not represent the “actual value” of such Shariah-compliant instruments.

3.1.3 Computation of NAV and NAV per Unit

The Net Asset Value 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 is inclusive of the management fee and the trustee fee for the relevant day.

An illustration of computation of NAV and NAV per Unit of the Fund

For illustration purposes, we assume the Shariah-compliant investments of the Fund are worth RM10,006,000 and the liabilities are at RM1,590.07, at the valuation point, the NAV of the Fund at that valuation point will be:

Example: Computation of NAV and NAV per Unit	RM
Investments	10,001,000.00
Other Assets	5,000.00
Total Assets	10,006,000.00
Less: Liabilities	1,590.07

: Distribution Payable	4,300.00
NAV of the Fund <i>(before deduction of Management and Trustee Fees)</i>	10,000,109.93
Less:	
Management Fee - Calculated on a Daily Basis (0.25% per annum/365 days)	68.49
Trustee Fee - Calculated on a Daily Basis (0.025% per annum/365days)	6.85
NAV of the Fund <i>(after deduction of Management and Trustee Fees)</i>	10,000,034.59
Units In Circulation	10,000,000.00
NAV per Unit	1.000003459
NAV per Unit <i>(Rounded up to four decimal points)</i>	1.0000

Computation of the NAV per Unit for the Fund

The NAV per Unit of the Fund at a valuation point is determined by dividing the NAV of the Fund at that valuation point by the number of units in circulation of that Fund at the same valuation point.

$$\begin{aligned}
 \text{NAV per Unit of the Fund} &= \text{NAV} \div \text{units in circulation} \\
 &= \text{RM}10,000,034.59 \div 10,000,000 \text{ Units} \\
 &= \text{RM}1.000003459 \\
 &= \text{RM}1.0000 \text{ (rounded to four decimal points)}
 \end{aligned}$$

Note : *The above illustration does not take into account any applicable taxes and/or duties.*

3.2 Pricing Policy

Single Pricing Policy

We adopt the single pricing policy in calculating your investment for subscription and redemption of Units. Single pricing equates to the sales and redemption of Units being quoted and transacted on a single price (i.e., NAV per Unit).

Basis of Determining Selling/Redemption Price

The Selling Price and Redemption Price per Unit for the Fund shall be at the NAV per Unit of the Fund. The Selling Price and Redemption Price are based on Forward pricing; this means that Units will be bought and sold on the NAV per Unit at the next valuation point following the receipt by the Manager of an application to buy or a request to redeem Units.

Selling Price

Kindly refer to the illustrations below on how Units will be allocated to you.

As an example, if you invest RM10,000.00 in the Fund;

$$\text{Selling Price} = \text{NAV per Unit} : \text{RM}1.0000$$

You wish to invest a fixed investment amount of RM10,000.00

$$\text{Units allocated to you} = \text{RM}10,000 / \text{RM}1.0000$$

= 10,000 Units

Amount payable by you = RM10,000.00

Note : *The above illustration does not take into account of any applicable taxes and/or duties.*

Redemption Price

The Redemption Price is calculated by dividing the NAV of the Fund by the total number of Units of the Fund in circulation at the point of valuation; this is the same as the NAV per Unit of the Fund.

Assuming that the NAV per Unit of the Fund is RM0.9999963, as shown on the illustration below, the Redemption Price will be:

= NAV per Unit
= RM0.9999963
= RM1.0000 (rounded to four decimal points)

Your redemption proceeds are based on the Redemption Price at the next valuation point upon receipt of your request. Assuming you request to redeem 5,000 Units of the Fund on 31 March 2019 and the Redemption Price as at the next valuation point (which is published on the following day) is RM0.999996 per Unit for the Fund, as shown in the illustration below, the redemption proceeds that you will receive will be:

= 5,000 Units x RM1.0000
= RM5,000.00

Redemption proceeds will be paid within 1 Business Day of the date of receipt of a redemption request.

If it is not a Business Day, the price determination point for the purpose of determining the Redemption Price will be 5:00 p.m. Malaysian time on the following Business Day.

The NAV per Unit will be published on www.nomura-asset.com.my on a daily basis following a Business Day.

Note: The Manager does not intend to impose any redemption charge for the Fund.

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 SC of the same unless the Trustee considers the 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 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 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.

Policy on Rounding Adjustment

In calculating your investments with us, the NAV per Unit which is also the Selling Price and Redemption Price will be rounded to four decimal points and the Units allocated to you will be rounded to two decimal points.

3.3 Application and Redemption

3.3.1 Purchase of Units

Investors can obtain this *Prospectus* and an application form for Units from the Manager's office or any of the authorised distributors/agents of the Manager. This Prospectus is also available at Manager's website at www.nomura-asset.com.my/nomura-islamic-asset-management/. The application for units of the Fund may be conducted at the Manager's office.

Any application for Units received or deemed to have been received by the Manager on/or before 12.00 p.m. ("the cut-off time"), the Selling Price would be the NAV per Unit at the end of the Business Day on which the application for Units is received by the Manager. Any application for Units received or deemed to have been received after 12.00 p.m would be considered as having been received on the next Business Day and would be based on the NAV per Unit on the next Business Day.

The application form should be submitted together with a cheque or bank draft made payable to "*Nomura Islamic Asset Management Sdn Bhd*". All cheques and bank drafts have to be crossed and drawn on a local bank. Bank charges (where relevant) for outstation cheques, will have to be borne by investors. Subject to prior arrangements, the Manager reserves the right to accept payment for Units applied for in any other form as may be acceptable to the Manager.

Applications by individuals must be accompanied by a copy of the applicant's identity card or passport or other valid document of identification.

Investors are required to complete application forms which are available at the Business office of the Manager (*please refer to Corporate Directory*)

Note:

Investors are advised not to make payment in cash to any individual agent when purchasing units of the Fund.

3.3.2 Redemption of Units

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; this form is available at the office of the Manager.

Any redemption request received or deemed to have been received by the Manager on/or before 12:00 p.m. ("the cut-off time"), the Redemption Price would be the NAV per Unit at the end of the Business Day on which the redemption request is received by the Manager. Any redemption request received or deemed to have been received after 12:00 p.m would be considered as having been received on the next Business Day and would be based on the NAV per Unit on the next Business Day.

The Manager does not intend to impose any redemption charge for the Fund.

In a case where the Units are standing in the names of more than one Unit Holder, where mode of holding is specified as “Joint Application”, all joint holders will have to sign the redemption requests. However, in cases of holding specified as “Either Applicant to sign”, any one of the Unit Holders will have the power to make redemption requests, without it being necessary for all the Unit Holders to sign. In all cases, the first-named Unit Holder will receive the proceeds of the redemption.

The redemption of Units of the Fund may be conducted at the Manager’s office.

Payment of Redemption Proceeds

The Manager may redeem Units utilising its own funds or alternatively, the Manager may request the Trustee to cancel Units of the Fund for the purpose of meeting a Unit Holder’s redemption request. The Trustee will pay the redemption proceeds to the Manager for onward payment to the Unit Holder within 1 Business Day of the date on which the written redemption request is received by the Manager PROVIDED that the written redemption request is received in good and proper form by the Manager before the cut-off time on that day.

However, if redemption proceeds can only be met by the sale of assets of the Fund at an inappropriate price or on terms which are not in the interest of existing Unit Holders, the Trustee may suspend the redemption and act in accordance with the Deed.

Redemption Frequency and Minimum Units Redeemed

There is no restriction on the frequency of redemption and the number of times a Unit Holder can make a redemption request. However, there is a minimum redeemed amount of 5,000 units or such other amount as the Manager may from time to time decide.

3.4 Minimum Initial Investment

The minimum initial investment for the Fund is RM10,000.00 or such other lower amount as we may decide from time to time.

3.5 Minimum Holdings

The minimum holding for the Fund is 5,000 units. However, the Manager in its sole discretion can impose any minimum holdings from time to time.

3.6 Minimum Additional Investment

The minimum additional investment for the Fund is RM5,000.00 or such other lower amount as we may decide from time to time.

3.7 Switching Facility

Switching is a facility which enables you to convert units of a particular fund for the units of other funds managed by the Manager. Subject to a minimum units for switching of 5,000 units or such other amount as the Manager may from time to time decide, the switch will be effected by redeeming Units from the fund in which the Units are held and investing the net proceeds in the other fund(s), subject to the minimum balance (where applicable) and terms and conditions applicable for the respective fund(s). You may switch some or all of your Units in the Fund into units of our other funds by completing a Transaction Form – Switch..

3.8 Transfer of Ownership of Units

A transfer involves the change of ownership of Units from one Unit Holder to another person. No transfer is allowed for this Fund.

3.9 Cooling-Off

If you change your mind about an investment that you have made in the Fund, you may request for a refund of your investment within six (6) Business Days from the date of your application for Units accepted by us. Refund for every Unit held following a request for a reversal of an application would be the sum of:

- (a) the NAV per Unit on the day the Units were first purchased; and
- (b) the sales charge originally imposed on the day the Units were purchased.

All such requests must be received or be deemed to have been received by us before 12.00 p.m. on a Business Day. Requests received or deemed to have been received after 12:00 p.m. will be treated as having been received on the following Business Day.

Cooling-off proceeds will only be paid after we receive cleared funds for the original investment. Such proceeds shall be refunded to you within 10 days of receipt of the application for cooling-off.

A cooling-off right is only available to an individual investor who is investing for the first time in any of the unit trust funds managed by us. Our staff and a person, who is registered with a body approved by the SC to deal in the Units of our unit trust funds are not entitled to a cooling-off right.

3.10 Policy on Gearing and Minimum Liquid Assets Requirements

The Fund are not permitted to obtain cash financing or borrow other assets (including the borrowing of Shariah-compliant securities within the meaning of the Securities Borrowing and Lending Guidelines and its updates from time to time) in connection with its activities.

3.11 Mode of Distribution

Subject to the availability of income, the Fund will distribute income at least once a month.

The income distribution is derived from profits earned from the Fund's investments in Islamic deposits.

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 cash payment.

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, you will be paid by cheque. The Manager has the discretion to decide on the amount to be distributed to the Unit Holders.

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 Money

In accordance with the provision of the Deed, if the Unit Holders do not cash the distribution by way of cheque payment within 6 months from the date of the cheque, the Manager shall cause the distribution to be converted into additional Units. The conversion shall be based on the NAV per Unit at the said cheque expiry date. However, if the Unit Holder no longer maintains an account with the Manager, the Unit Holder may request the Manager to arrange for the monies to be paid by replacement cheque to the Unit Holder. After the lapse of **twelve (12) months** from the date of the replacement cheque, the Manager shall file and pay the unrepresented payments to the Registrar of Unclaimed Moneys and Unit Holders will have to liaise directly with the Registrar of Unclaimed Moneys to claim their monies.

In the event any of the cheques is not presented meant for redemption, for payment by the date which falls **twelve (12) months** from the date of the cheque, the Unit Holder may request the Manager to arrange for the monies to be paid by replacement cheque to Unit Holder. However, after the lapse of one year from the date of the cheque, the Manager shall file and pay the unrepresented payments to the Registrar of Unclaimed Moneys and Unit Holders will have to liaise directly with the Registrar of Unclaimed Moneys to claim their monies.

Anti-Money Laundering Policies and Procedures

The Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (AMLA) is the act that provides for the offence of money laundering and also the measures to be taken for the prevention of money laundering and terrorism financing offences. The Financial Intelligence and Enforcement Department (FIED) of Bank Negara Malaysia has been established to carry out the functions as the competent authority under the AMLA. All market intermediaries under the Act and management companies approved by the SC under the Act are obliged to comply with the provisions of the AMLA.

Under the AMLA, any person who –

- (a) engages, directly or indirectly, in a transaction that involves proceeds of an unlawful activity or instrumentalities of an offence;
- (b) acquires, receives, possesses, disguises, transfers, converts, exchanges, carries, disposes of or uses proceeds of an unlawful activity or instrumentalities of an offence;
- (c) removes from or brings into Malaysia, proceeds of an unlawful activity or instrumentalities of an offence; or

- (d) conceals, disguises or impedes the establishment of the true nature, origin, location, movement, disposition, title of, rights with respect to, or ownership of, proceeds of an unlawful activity or instrumentalities of an offence,

commits a money laundering offence and shall on conviction be liable to imprisonment for a term not exceeding fifteen (15) years and shall also be liable to a fine of not less than five (5) times the sum or value of the proceeds of an unlawful activity or instrumentalities of an offence at the time the offence was committed or five (5) million ringgit, whichever is the higher.

When opening new accounts and entering into a transaction with a client, the Manager identifies and verifies the client through documents such as identity card, passport, birth certificate, constituent documents or any other official documents, whether in the possession of a third party or otherwise. Such documents shall be filed by the Manager in accordance with relevant laws. Where the Manager suspects that a particular transaction may not be genuine, a report will be made to the FIED.

UNIT PRICES AND DISTRIBUTIONS PAYABLE, IF ANY, MAY GO DOWN AS WELL AS UP.

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A QUICK GUIDE ON HOW TO BUY, SELL, SWITCH & TRANSFER (WHERE APPLICABLE)

	Type of Application	Procedure	Unit holder acknowledgement
First Application (Purchase)	1. Individual	<ul style="list-style-type: none"> • Account Opening Form • Transaction Form • Suitability Assessment Form • FATCA and CRS Declaration Forms • A copy of the photocopy NRIC /passport/ other valid document of identification 	<ul style="list-style-type: none"> • Confirmation Advice • Holder Statement
	2. Corporate	<ul style="list-style-type: none"> • Account Opening Form • Transaction Form • Suitability Assessment Form • FATCA and CRS Declaration Forms • Certified true copy of NRIC or Passport or valid document of identification of the beneficial owners. • Board Resolution (including specimen signatures) and list of authorized signatories or authorization for any person(s) to represent/ open/ operate on behalf of the organization • Certificate of Incorporation/ Certificate of Registration Business Registration Certificate/ Relevant Constituent Documents or other similar documents • Duly Certified true copy of Latest Form 9, 24, 49 and other similar documents • Duly Certified true copy of a Memorandum and Articles of Association or Constitution or By Laws • Specimen card (Directors and / or Authorized Personnel) 	<ul style="list-style-type: none"> • Confirmation Advice • Holder Statement
	3. Joint Account	<ul style="list-style-type: none"> • Account Opening Form • Transaction Form • Photocopy NRIC/passport/other document of identification 	<ul style="list-style-type: none"> • Confirmation Advice • Holder Statement

Additional Purchase	1. Individual	<ul style="list-style-type: none"> • Transaction Form 	<ul style="list-style-type: none"> • Confirmation Advice • Holder Statement
	2. Corporate	<ul style="list-style-type: none"> • Transaction Form 	<ul style="list-style-type: none"> • Confirmation Advice • Holder Statement
	3. Joint Account (Individual)	<ul style="list-style-type: none"> • Transaction Form 	<ul style="list-style-type: none"> • Confirmation Advice • Holder Statement
Switch	1. Individual / Joint Account	<ul style="list-style-type: none"> • Transaction Form • Letter of Authorization- joint account (Decease / Sick Client) • Under 18 one person only 	<ul style="list-style-type: none"> • Confirmation Advice • Holder Statement
	2. Corporate	<ul style="list-style-type: none"> • Transaction Form • Board of Resolution • Specimen card (Directors and / or Authorized Personnel) 	<ul style="list-style-type: none"> • Confirmation Advice • Holder Statement

** We may, for any reason at any time, lower or raise the minimum initial/additional investment, switch and/or transfer amounts (where applicable) in respect of the Fund. This may apply either generally (for all investors) or specifically (for any particular investor) and for any period or periods of time at our discretion.*

In the event the account of the Fund has more than one registered owner, the first-named Unit Holder (as determined by reference to the original Fund Account Application Form) shall receive the confirmation advices, all notices and correspondence with respect to the Fund Account, as well as any redemption proceeds or income distribution or other distributions.

In the case of joint holders, any one of such joint holders may vote either personally or by proxy as comprised in the joint holding. If the joint holders are present at any meeting either personally or by proxy, the joint holder whose name stands first in the unit holder register shall alone be entitled to vote.

CHAPTER 4: THE MANAGER OF THE FUND

4.1 Background Information

The Manager obtained its Islamic fund management licence in January 2009 and has over 10 years' experience in the Islamic asset management industry. As at LPD, the Manager manages in excess MYR5.0billion assets for various client segments. The Manager is a wholly owned subsidiary of Nomura Asset Management Co., Ltd. (NAM Tokyo). The Manager will extend the Nomura Asset Management Group's (NAM) Islamic branding and secure the company's vision of making Malaysia its global Islamic hub.

NAM Tokyo is a subsidiary of Nomura Holdings, Inc., the holding company of the Nomura Group. NAM can trace back its investment management history to Nomura Securities Investment Trust Management Co. Ltd, which was established in 1959. NAM Tokyo, the company was established in 1997 as a result of the merger of Nomura Securities Investment Trust Management Co. Ltd. and Nomura Investment Management Co. Ltd. in 1981.

As at LPD, the Manager has a staff force of ten (10) staff. Its sister company, Nomura Asset Management Malaysia Sdn Bhd (NAMM) will provide the platform on certain back-office functions and technical experience in the setting up and management of Islamic fund activities. NAMM has a staff force of twenty-nine (29).

4.2 Role of the Manager

The Manager is responsible for the day-to-day management of the Fund to ensure its management and operations are in accordance with the provisions of the Deed, the Guidelines and other relevant securities laws and regulations.

4.3 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.

Board of Directors

Mr. Yasuhiro Yokota

Mr. Toshihiko Matsunaga (retiring 3 May 2019)

Ms. Nor Rejina Abdul Rahim

Mr. Hiroyuki Nishikawa (with effect from 23 April 2019)

Dato' Wan Kamaruzaman Bin Wan Ahmad*

Mr. Johari Bin Abdul Muid*

**Independent director*

The above members of the Board of Directors also serve as members of the Board of Directors of NAMM.

4.4 Investment Committee

Roles and Primary Function of the Investment Committee

The investment committee of the Fund ("Investment Committee") formulates, establishes and implements investment strategies and policies. The Investment Committee will continually review and monitor the

success of these strategies and policies using predetermined benchmarks towards achieving a proper performance for the Fund. The Investment Committee will also ensure investment guidelines and regulations are complied with. The Investment Committee will meet at least once every quarter.

4.5 Investment Team

The investment team is responsible for managing, realising, investing or howsoever dealing in accordance with the investment objectives of the Fund. The investment team shall have discretionary authority over the investments of the Fund subject to the Guidelines, the relevant securities laws, the internal procedures as well as the direction of the investment committee of the Fund.

The investment team of the Manager is headed by the Head of Global Sukuk and Malaysian Fixed Income, Hiew Teck Kong who is also the designated person responsible for the investment management of the Fund. The team will report directly to the investment committee on a regular basis on the status of the portfolio of the Fund, proposed investment strategy and discuss matters relating to the portfolio.

Hiew Teck Kong

Head of Global Sukuk and Malaysian Fixed Income / Designated Fund Manager

Hiew is currently the Head of Fixed Income of NIAM. He has 17 years of experience in managing fixed income mandates. Prior to joining NIAM, he was the head of fixed income in HLG Asset Management Berhad. During his tenure as a fixed income manager with CIMB-Principal Asset Management Berhad and a fixed income manager with Mayban Investment Management Sdn Bhd from 2000 to 2005, he helped managed institutional and unit trust funds. He spent 3 years in Malaysia Discounts Berhad as senior fixed income dealer. He is the designated fund manager for the Fund.

Hiew holds a Bachelor of Science in Business Administration (Finance) from University of Nebraska, USA and holds a Capital Markets Services Representative's license from the SC.

4.6 Material Litigation and Arbitration

As at LPD, the Manager is not engaged in any material litigation and arbitration, including those pending or threatened, and is not aware of any facts likely to give rise to any proceedings which might materially affect the Manager's business and/or financial position or any of its delegates.

4.7 Shariah Adviser

4.7.1 Background Information

ZICO Shariah Advisory Services Sdn. Bhd. ("ZICO Shariah") is the appointed Shariah Adviser to the Fund. ZICO Shariah is a member of ZICO Holdings and is registered by the SC to advise on sukuk issuances, Islamic funds as well as other Islamic capital market products and instruments. It is also approved by Bank Negara Malaysia to provide Shariah advice, Shariah review and Shariah audit services to Islamic financial institutions. ZICO Shariah has more than 10 years of Shariah advisory experience.

4.7.2 Roles and Responsibilities of the Shariah Adviser

The roles and responsibilities of the Shariah Adviser include:

1. Ensuring that the operations and investments of the Fund are in compliance with Shariah principles/requirements;

2. Providing expertise and guidance for the Fund in all matters from the perspective of Shariah principles, including on the Fund's deed and prospectus, its structure and investment process, and other operational and administrative matters;
3. Consulting the SC who may consult the SAC of the SC where there is any ambiguity or uncertainty as to an investment, instrument, system, procedure and/or process;
4. 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;
5. Preparing reports to be included in the Fund's interim and annual reports certifying whether the Fund have been managed and administered in accordance with the Shariah principles;
6. Ensuring that the Fund complies with any guideline, ruling or decision issued by the SC, with regard to Shariah matters
7. Vetting and advising on the promotional materials of the Fund;
8. Assisting and attending to any ad-hoc meeting called by the SC and/or any other relevant authority.

ZICO Shariah 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.

4.7.3 Profile of Designated Person Responsible for Shariah Matters Relating to the Fund

Dr. Aida Othman

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.

FURTHER INFORMATION ON THE MANAGER, INVESTMENT COMMITTEE AND SHARIAH ADVISER IS PROVIDED IN THE MANAGER'S WEBSITE AT <https://www.nomura-asset.com.my/nomura-islamic-asset-management/>

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CHAPTER 5: THE TRUSTEE

5.1 Background Information

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.

5.2 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 LPD, DTMB is the trustee for 178 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.

5.3 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 CMSA and all relevant laws.

5.4 Trustee’s Disclosure of Material Litigation and Arbitration

As at LPD, neither the Trustee nor its delegate is (a) engaged in any material litigation and arbitration, including those pending or threatened, nor (b) aware of any facts likely to give rise to any proceedings which might materially affect the business/financial position of the Trustee and any of its delegate.

5.5 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 6: SALIENT TERMS OF THE DEED

6.1 Rights and Liabilities of the Unit Holders

6.1.1 Rights of the Unit Holders

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

- 1) to receive distributions of income, if any, of the Fund;
- 2) to participate in any increase in the NAV of Units of the Fund;
- 3) to call for Unit Holders' Meetings and to vote for the removal of the Trustee or the Manager through a special resolution;
- 4) to exercise the cooling-off right (only for qualified investors) in accordance with Clause 3.9 herein;
- 5) to receive annual and interim reports on the Fund; and
- 6) to exercise such other rights and privileges as provided for in the Deed.

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

6.1.2 Liabilities of the 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:

- 1) 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 Prospectus and the Deed.
- 2) A Unit Holder would not be liable to indemnify the Trustee and/or the Manager if the liabilities incurred by the Trustee and/or the Manager on behalf of the Fund exceed the NAV of the Fund and any right of indemnity of the Trustee and/or the Manager shall be limited to recourse to the Fund.

Note: Please be advised that if a Unit Holder invests in Units through an IUTA which adopts the nominee system of ownership, the Unit Holder would not be considered to be a Unit Holder under the Deed and the Unit Holder may consequently not have all the rights ordinarily exercisable by a Unit Holder (for example, the right to call for a Unit Holders' Meeting and to vote thereat and the right to have the Unit Holder's particulars appearing in the register of Unit Holders of the Fund).

6.2 Maximum Fees and Charges Permitted by the Deed

The maximum rate of **direct** charges allowed by the Deed is as follows:-.

Sales Charge

5.50% of the NAV per Unit.

Redemption Charge

1.00% of the NAV per Unit.

The maximum rate of *indirect* fees allowed by the Deed is as follows:-

Annual Management Fee

The maximum rate of the annual management fee shall be three point zero per centum (3.0%) per annum of the Net Asset Value of the Fund calculated and accrued on a daily basis.

Annual Trustee Fee

The maximum rate of the annual trustee fee shall be zero point one per centum (0.10%) per annum of the Net Asset Value of the Fund calculated and accrued on a daily basis subject to a minimum trustee fee of RM12,000.00 only per annum.

6.3 Increase in Fees and Charges

Sales Charge

The Manager may not charge a sales charge at a rate higher than that disclosed in this Prospectus unless:

- (a) the Manager has notified the Trustee in writing of the higher rate and the date on which such higher rate is to become effective;
- (b) a supplemental Prospectus stating the higher rate is issued thereafter; and
- (c) such time as may be prescribed by any relevant law shall have elapsed since the supplemental Prospectus is registered, lodged and issued.

Redemption Charge

The Manager may not charge a redemption charge at a rate higher than that disclosed in this Prospectus unless:

- (a) the Manager has notified the Trustee in writing of the higher rate and the date on which such higher rate is to become effective;
- (b) a supplemental Prospectus stating the higher rate is issued thereafter; and
- (c) such time as may be prescribed by any relevant law shall have elapsed since the supplemental Prospectus is registered, lodged and issued.

Annual Management Fee

The Manager does not intend to impose an annual management fee however should at a rate higher than that disclosed in this Prospectus unless:

- (a) the Manager has come to an agreement with the Trustee on the higher rate in accordance with the Deed;
- (b) the Manager has notified the Unit Holders of the higher rate and the date on which such higher rate is to become effective; such time as may be prescribed by any relevant law shall have elapsed since the notice is sent;
- (c) a supplemental/replacement Prospectus stating the higher rate is issued thereafter; and
- (d) such time as may be prescribed by any relevant law shall have elapsed since the supplemental/replacement Prospectus is registered, lodged and issued.

Annual Trustee Fee

The Trustee may not charge an annual trustee fee at a rate higher than that disclosed in this Prospectus unless:

- (a) the Manager has come to an agreement with the Trustee on the higher rate;
- (b) the Manager has notified the Unit Holders of the higher rate and the date on which such higher rate is to become effective; such time as may be prescribed by any relevant law shall have elapsed since the notice is sent;
- (c) a supplemental/replacement Prospectus stating the higher rate is issued thereafter; and
- (d) such time as may be prescribed by any relevant law shall have elapsed since the supplemental/replacement Prospectus is registered, lodged and issued.

6.4 Procedures to Increase the Maximum Rate of the Direct and Indirect Fees and Charges in the Deed

The maximum sales charge, redemption charge, annual management fee or annual trustee fee set out in the Deed are not allowed to be increased unless a Unit Holders Meeting has been held in accordance with the Deed. A supplemental deed proposing a modification to the Deed to increase such charges is required to be submitted for registration with the SC accompanied by a resolution of not less than two-thirds (2/3) of all Unit Holders at the Unit Holders Meeting sanctioning the proposed modification to the Deed.

6.5 Permitted Expenses Payable Out of the Fund's Property

Only the expenses (or parts thereof) which are directly related and necessary in operating and administering the Fund may be charged to the Fund. These would include (but are not limited to) the following:

- (a) commissions/fees paid to brokers in effecting dealings in the Shariah-compliant investments of the Fund, shown on the contract notes or confirmation notes;
- (b) taxes and other duties charged on the Fund by the government and/or other authorities;
- (c) costs, fees and expenses properly incurred by the auditor and/or tax agent appointed for the Fund;
- (d) costs, fees and expenses incurred for the valuation of any Shariah-compliant investment of the Fund by independent valuers for the benefit of the Fund;
- (e) costs, fees and expenses incurred for any modification of the Deed save where such modification is for the benefit of the Manager and/or the Trustee;
- (f) 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 the Trustee;
- (g) costs, commissions, fees and expenses of the sale, purchase, takaful and any other dealing of any asset of the Fund;
- (h) costs, fees and expenses incurred in engaging any specialist approved by the Trustee for investigating or evaluating any proposed investment of the Fund;
- (i) costs, fees and expenses incurred in engaging any valuer, adviser or contractor for the benefit of the Fund;

- (j) costs, fees and expenses incurred in the preparation and audit of the taxation, returns and accounts of the Fund;
- (k) costs, fees and expenses incurred in the termination of the Fund or the removal of the Trustee or the Manager and the appointment of a new trustee or management company;
- (l) costs, fees and expenses incurred in relation to any arbitration or other proceedings concerning the Fund or any asset of the Fund, including proceedings against the Trustee or the Manager by the other for the benefit of the Fund (save to the extent that legal costs incurred for the defence of either of them are not ordered by the court to be reimbursed by the Fund);
- (m) remuneration and out of pocket expenses of the independent members of the Investment Committee of the Fund, unless the Manager decides otherwise;
- (n) costs, fees and expenses deemed by the Manager to have been incurred in connection with any change or the need to comply with any change or introduction of any law, regulation or requirement (whether or not having the force of law) of any governmental or regulatory authority;
- (o) (where the custodial function is delegated by the Trustee) charges and fees paid to sub-custodians taking into custody any foreign assets or Shariah-compliant investments of the Fund;
- (p) expenses and charges incurred in the printing and postage for the annual/interim report, tax certificates, notice of meeting of unitholders, newspaper advertisement, reinvestment statements and other services properly incurred in the administration of the Fund as may be approved by the Trustee;
- (q) all costs and/or expenses associated with the distributions declared pursuant to the Deed and the payment of such distribution including without limitation fees, costs and/or expenses for the revalidation or reissuance of any distribution cheque or warrant or telegraphic transfer; and
- (r) all costs and/or expenses associated with the distributions declared pursuant to the Deed and the payment of such distribution including without limitation fees, costs and/or expenses for the revalidation or reissuance of any distribution cheque or warrant or telegraphic transfer.

THERE ARE FEES INVOLVED AND INVESTORS ARE ADVISED TO CONSIDER THEM BEFORE INVESTING IN THE FUND.

6.6 The Manager's Right To Retire

The Manager has the power to retire in favour of some other corporation by giving to the Trustee three (3) months' notice in writing of the Manager's desire so to do, or such other period as the Trustee and the Manager may agree upon, and subject to the fulfilment of the following conditions:

- the retiring Manager shall appoint such corporation by writing under the seal of the retiring Manager as the management company of the Fund in its stead and assign and transfer to such corporation all its rights and duties as management company of the Fund;
- such corporation shall enter into such deed or deeds as the Trustee may consider to be necessary or desirable to secure the due performance of its duties as management company for the Fund; and
- upon the payment to the Trustee of all sums due from the retiring Manager to the Trustee hereunder at the date of such retirement, the retiring Manager shall be absolved and released from all further obligations hereunder but without prejudice to the rights of the

Trustee or any Unit Holder or other person in respect of any act or omission on the part of the retiring Manager prior to such retirement and the new management company may and shall thereafter exercise all the powers and enjoy all the rights and shall be subject to all the duties and obligations of the Manager hereunder as fully as though such new management company had been originally a party to this Deed.

6.7 Removal and Replacement of the Manager

The Manager may be removed by the Trustee on the grounds that:

- the Manager has failed or neglected to carry out its duties to the satisfaction of the Trustee and the Trustee considers that it would be in the Unit Holders interest to do so after the Trustee has given notice to it of that opinion and the reasons for that opinion, and has considered any representations made by the Manager in respect of that opinion, and after consultation with the relevant authorities and with the approval of the Unit Holders by way of a Special Resolution;
- unless expressly directed otherwise by the relevant authorities, if the Manager is in breach of any of its obligations or duties under the Deed or the relevant laws, or has ceased to be eligible to be a management company under the relevant laws; or
- the Manager has gone into liquidation, except for the purpose of amalgamation or reconstruction or some similar purpose, or has had a receiver appointed or has ceased to carry on business;

and the Manager shall not accept any extra payment or benefit in relation to such removal or replacement.

In any of the above occurs, the Manager shall upon receipt of a written notice from the Trustee cease to be the management company of the Fund by the mere fact of the Manager's receipt of the notice. The Trustee shall, at the same time, by writing appoint some other corporation already approved by the relevant authorities to be the management company of the Fund; such corporation shall have entered into such deed or deeds with the Trustee as the Trustee may consider to be necessary or desirable to secure the due performance of its duties as management company for the Fund during the remainder period of the Fund.

6.8 Retirement of the Trustee

Provided always that the Manager has in place a corporation approved by the relevant authorities to act as the trustee of the Fund, the Trustee may retire upon the expiration of three (3) months', or such shorter period as Trustee and the Manager may agree upon, notice in writing to the Manager of its desire so to do.

6.9 Removal and Replacement of the Trustee

The Manager is obliged to give the Unit Holders notice in writing to consider the removal of the Trustee if the Trustee fails or neglects to carry out its duties as stipulated in the Deed and under the Act. The Manager shall take all reasonable steps to replace the Trustee as soon as practicable after becoming aware of any such circumstances that:

- the Trustee has ceased to exist;
- the Trustee has not been validly appointed;
- the Trustee is not eligible to be appointed or act as a trustee under the Act;
- the Trustee has failed or refused to act as Trustee in accordance with the provisions and covenants of the Deed and the provisions of the Act;
- a receiver has been appointed over the whole or substantial part of the assets or undertaking of the Trustee and has not ceased to act under the appointment, or a petition is presented for the winding up of the Trustee (other than for the purpose of and followed

by a reconstruction, unless during or following such reconstruction the Trustee becomes or is declared to be insolvent); or

- the Trustee is under investigation for conduct that contravenes the Trust Companies Act 1949, the Trustee Act 1949, the Companies Act 2016 or any relevant law.

In addition, the Trustee may be removed and another trustee may be appointed by Special Resolution of the Unit Holders at a duly convened meeting of which notice has been given to the Unit Holders in accordance with the Deed.

6.10 Termination of the Fund

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

- The SC's approval is revoked under section 256E of the Act;
- A special resolution is passed at a Unit Holders' meeting to terminate or wind up the Fund, following occurrence of events stipulated under section 301(1) of the Act and the court has confirmed the resolution, as required under section 301(3) of the Act;
- A special resolution is passed at a Unit Holders' meeting to terminate or wind up the Fund;
- The Fund has reached its maturity date as specified in the Deed; and
- The effective date of an approved transfer scheme (if any) has resulted in the Fund, which is the subject of the transfer scheme, being left with no asset/property.

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 Fifty (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 of 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 the Deed and the Manager shall indemnify the Trustee against any claims arising out of the Trustee's execution of the 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 the Deed and all relevant laws.

The Manager or the Trustee shall, as soon as practicable after the winding up of the Fund inform Unit Holders and the relevant authorities of the same.

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

- (a) if the Manager have 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 the Deed or contravened any of the provisions of any relevant law;

the Trustee shall summon for a Unit Holders meeting to get directions from the Unit Holders. If a Special Resolution is passed by the Unit Holders at the meeting 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 arrange for a final review and audit of the final accounts of the Fund by the auditor of the Fund.

In all other cases of termination of the trust and winding-up of the Fund, such final review and audit by the auditor of the Fund shall be arranged by the Manager.

6.11 Unit Holders' Meeting

A Unit Holders' meeting may be called by the Manager, Trustee and/or Unit Holders. Any such meeting must be convened in accordance with the Deed and/or the SC Guidelines.

6.11.1 Quorum Required for a Unit Holders' Meeting

The quorum required for a meeting of the Unit Holders shall be five (5) Unit Holders, whether present in person or by proxy, provided that if the Fund has five (5) or less Unit Holders, the quorum required for a meeting of the Unit Holders of the Fund shall be two (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 twenty five per centum (25%) of the Units in circulation at the time of the meeting.

6.11.2 Meeting Convened by the Unit Holders

The Unit Holders may direct the Manager to summon a meeting for any purpose including, without limitation, for the purpose of:

- (a) requiring the retirement or removal of the Manager;
- (b) requiring the retirement or removal of the Trustee;
- (c) considering the most recent financial statements of the Fund;
- (d) giving to the Trustee such directions as the meeting thinks proper; or
- (e) considering any matter in relation to the Deed.

provided always that the Manager shall not be obliged to summon such a meeting unless direction has been received from not less than fifty (50) or one-tenth (1/10) of all the Unit Holders, whichever is the lesser number.

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 fifty (50) or one-tenth (1/10) 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.

6.11.3 Meeting Convened 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.

6.11.4 Meeting Convened by the Trustee

Where:

- (a) the Manager is in liquidation,
- (b) in the opinion of the Trustee, the Manager has ceased to carry on business, or
- (c) in the opinion of the Trustee, the Manager has, to the prejudice of Unit Holders, failed to comply with the Deed or contravened any of the provisions of the Act,

the Trustee shall summon a Unit Holders' meeting by:

- (a) sending by post at least twenty-one (21) days before the date of the proposed meeting a notice of the proposed meeting to each of the Unit Holders at the Unit Holder's last known address or, in the case of Jointholders, to the Jointholder whose name stands first in the records of the Manager at the Jointholder's last known address; and
- (b) publishing at least twenty-one (21) days before the date of the proposed meeting an advertisement giving notice of the meeting in a national language newspaper published daily and another newspaper approved by the relevant authorities.

The Trustee may also summon a Unit Holders' meeting by giving at least fourteen (14) days written notice of the meeting to Unit Holders, specifying in the notice the place and time of the meeting and the terms of the resolutions to be proposed at the meeting, for any purpose including, without limitation, for the purpose of:

- (a) requiring the retirement or removal of the Manager;
- (b) giving instructions to the Trustee or the Manager if the Trustee considers that the investment management policies of the Manager are not in the interests of Unit Holders;
- (c) securing the agreement of the Unit Holders to release the Trustee from any liability;
- (d) deciding on the next course of action after the Trustee has suspended the sale and redemption of Units; and
- (e) deciding on the reasonableness of the annual management fee charged to the Fund.

CHAPTER 7: RELATED-PARTY TRANSACTIONS & CONFLICT OF INTEREST

7.1 Manager

As at LPD, the Manager is not aware of any existing and/or proposed related party transactions or conflict of interest situations involving the Fund.

As the management company of the Fund, the Manager will observe high standards of integrity and fair dealing to the best and exclusive interests of the Unit Holders of the Fund. The Manager will not conduct transactions in any manner which will result in unnecessary costs or risk to the Fund. It will also avoid conflicts of interests and will act in a manner as will avoid any disadvantage to the Fund, if such conflicts should arise. The Manager will not without the Trustee's prior approval, invest any moneys of the Fund in any securities, property and assets in which it or any of its officers (including Directors and staff) has a financial interest or from which it or any of its officers derives a benefit.

A person shall be deemed to have a financial interest in securities if he/she has an interest or interests in one or more voting shares in the company and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is not less than five (5%) per centum of the aggregate of the nominal amounts of all the voting shares in the company.

In making an investment transaction for the Fund, the Manager is obliged not to make improper use of its position in managing the Fund to gain, directly or indirectly, any advantage for itself or for any other person or to cause detriment to the interests of Unit Holders. If the interests of the directors or the Investment Committee members of a Fund conflict with the interests of that Fund, they will not be allowed to participate in the decision-making process in respect of the matter. Additionally, all the Manager's employees have to disclose their personal dealings.

As at LPD, none of the directors of the Manager and the substantial shareholder of the Manager have any direct and indirect interest in other corporations carrying on a similar business.

Subject to any legal requirement, the Manager or any of its related corporation, or any of its officers or directors, may invest in the Fund. The directors of the Manager will receive no payments from the Fund other than distributions that they may receive as a result of investment in the Fund. No fees other than the ones set out in this Prospectus have been paid to any promoter of the Fund, or the Trustee (either to become a Trustee or for other services in connection with the Fund), or us for any purpose.

7.2 Trustee

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 in the following events:

1. Where the Fund invests in the products offered by Deutsche Bank AG and any of its group companies (e.g. money market placement, etc.);
2. Where the Fund has obtained financing from Deutsche Bank AG and any of its group companies, as permitted under the SC's guidelines and other applicable laws;
3. Where the Manager appoints DTMB to perform its back office functions (e.g. fund accounting and valuation); and
4. Where DTMB has delegated its custodian functions for the Fund to DBMB.

DTMB 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 DTMB 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. DTMB'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.

7.3 Advisers

The auditor for the Fund, the tax adviser for the Fund, Shariah Adviser and solicitors for the Manager have confirmed that they have no interest/potential interest or conflict of interest/potential conflict of interest with the Manager and the respective Fund.

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CHAPTER 8: TAX ADVISER'S LETTER ON TAXATION OF THE FUND AND UNIT HOLDERS

TAXATION ADVISER'S LETTER ON TAXATION OF THE FUND AND UNITHOLDERS

5 December 2018

PricewaterhouseCoopers Taxation Services Sdn Bhd

Level 10, 1 Sentral, Jalan Rakyat
Kuala Lumpur Sentral
P.O.Box 10192
50706 Kuala Lumpur

The Board of Directors

Nomura Islamic Asset Management Sdn Bhd
Suite No. 12.3, Level 12, Menara IMC
No. 8, Jalan Sultan Ismail
50250 Kuala Lumpur
Wilayah Persekutuan
Malaysia

TAXATION OF NOMURA i-CASH FUND AND UNITHOLDERS

Dear Sirs,

This letter has been prepared for inclusion in the Prospectus ("hereinafter referred to as "the Prospectus") in connection with the offer of units in Nomura i-Cash Fund ("the Fund").

The taxation of income for both the Fund and the Unitholders are subject to the provisions of the Malaysian Income Tax Act, 1967 ("the Act"). The applicable provisions are contained in Section 61 of the Act, which deals specifically with the taxation of trust bodies in Malaysia.

TAXATION OF THE FUND

The Fund will be regarded as resident for Malaysian tax purposes since the Trustee of the Fund is resident in Malaysia.

1. Domestic Investments

i. General Taxation

The income of the Fund consisting of dividends, interest or profit¹ (other than interest / profit¹ which is exempt from tax) and other investment income derived from or accruing in Malaysia, after deducting tax allowable expenses, is liable to Malaysian income tax at the rate of 24 per cent.

Gains on disposal of investments by the Fund will not be subject to Malaysian income tax.

ii. Dividend and Other Exempt Income

All companies are under the single-tier taxation system. Hence, dividends received would be exempted from tax and the deductibility of expenses incurred against such dividend income would be disregarded. There will no longer be any tax refunds available for single-tier dividends received. Dividends received from companies under the single-tier system would be exempted.

The Fund may receive Malaysian dividends which are tax exempt. The exempt dividends may be received from investments in companies which had previously enjoyed or are currently enjoying the various tax incentives provided under the law. The Fund will not be taxable on such exempt income.

Interest or profitⁱ or discount income derived from the following investments are exempt from tax:

- (a) Securities or bonds issued or guaranteed by the Government of Malaysia;
- (b) Debentures or sukuk, other than convertible loan stocks, approved or authorized by, or lodged with, the Securities Commission Malaysia; or
- (c) Bon Simpanan Malaysia issued by Bank Negara Malaysia.

Income from investment in structured products which are seen to be debentures under Capital Markets and Services Act 2007 will be exempted. Otherwise, tax implications could arise.

- (d) Interest or profitⁱ paid or credited by any bank or financial institution licensed under the Financial Services Act 2013 or Islamic Financial Services Act 2013;
- (e) Interest or profitⁱ paid or credited by any development financial institution regulated under the Development Financial Institutions Act 2002;
- (f) Bonds, other than convertible loan stocks, paid or credited by any company listed in Bursa Malaysia Securities Berhad ACE Market; or
- (g) Interest or profitⁱ paid or credited by Malaysia Building Society Berhad.

The interest or discount income exempted from tax at the Fund level will also be exempted from tax upon distribution to the Unitholders.

In respect of item (d) and (e) above, in the case of a wholesale fund which is a money market fund, the exemption shall only apply to a wholesale fund which complies with the criteria as set out in the relevant guidelines of the Securities Commission Malaysia.

[In the recent Budget 2019 announcement, it was proposed that with effect from 1 January 2019, the exemption on a wholesale money market fund shall only apply to interest income derived by a person other than a company.]

Under Malaysian anti-avoidance provisions, the Malaysian tax authorities have the right to review the tax treatment and exemption of entities which may have been set up to take advantage of tax exemptions where the set up does not have commercial substance or rationale.

2. Tax Allowable Expenses

Expenses wholly and exclusively incurred in the production of taxable gross income are allowable as deductions under Section 33(1) of the Act. In addition, Section 63B of the Act provides for tax deduction in respect of managers' remuneration, expenses on maintenance of the register of Unitholders, share registration expenses, secretarial, audit and accounting fees, telephone charges, printing and stationery costs and postages. The deduction is based on a formula subject to a minimum of 10 per cent and a maximum of 25 per cent of the expenses.

3. Other Income

The Fund may receive other income such as exit fee which will be subject to tax at the rate of 24 percent.

4. Real Property Gains Tax (“RPGT”)

Any gains on disposal of real properties or shares in real property companiesⁱⁱ (chargeable asset) by the Fund would be subject to RPGT at the following rates:-

Disposal time frame	RPGT rates
Within 3 years	30%
In the 4 th year	20%
In the 5 th year	15%
In the 6 th year and subsequent years ⁱⁱⁱ	5%

5. Sales and Services Tax (“SST”)

Effective from 1 September 2018, SST has been reintroduced to replace the Goods and Services Tax (“GST”). Both the Sales Tax Act 2018 and Services Tax Act 2018 have been gazetted on 28 August 2018. The rates for sales tax are nil, 5 per cent, 10 per cent or a specific rate whereas the rate for service tax is at 6 per cent.

Sales tax will be chargeable on taxable goods manufactured in or imported into Malaysia, unless specifically exempted by the Minister. Whereas, only specific taxable services provided by specific taxable persons will be subject to service tax. Sales tax and service tax are single stage taxes. SST incurred would generally form an irrecoverable costs to the business.

Certain professional, consultancy or management services obtained by the Fund may be subject to service tax at 6 percent.

TAXATION OF UNITHOLDERS

Unitholders will be taxed on an amount equivalent to their share of the total taxable income of the Fund to the extent of the distributions received from the Fund. The income distribution from the Fund will carry a tax credit in respect of the Malaysian tax paid by the Fund. Unitholders will be entitled to utilise the tax credit against the tax payable on the income distribution received by them. No additional withholding tax will be imposed on the income distribution from the Fund.

Corporate Unitholders, resident^{iv} and non-resident, will generally be liable to income tax at 24 per cent on distribution of income received from the Fund. The tax credits attributable to the distribution of income can be utilised against the tax liabilities of these Unitholders.

Individuals and other non-corporate Unitholders who are tax resident in Malaysia will be subject to income tax at graduated rates ranging from 1 per cent to 28 per cent. Individuals and other non-corporate Unitholders who are not resident in Malaysia will be subject to income tax at 28 per cent. The tax credits attributable to the distribution of income can be utilised against the tax liabilities of these Unitholders.

Non-resident Unitholders may also be subject to tax in their respective jurisdictions and depending on the provisions of the relevant country's tax legislation and any double tax treaty with Malaysia, the Malaysian tax suffered may be creditable in the foreign tax jurisdictions.

The distribution of exempt income and gains arising from the disposal of investments by the Fund will be exempted from tax in the hands of the Unitholders.

Any gains realised by Unitholders (other than those in the business of dealing in securities, insurance companies or financial institutions) on the sale or redemption of the units are treated as capital gains

and will not be subject to income tax. This tax treatment will include in the form of cash or residual distribution in the event of the winding up of the Fund.

Unitholders electing to receive their income distribution by way of investment in the form of new units will be regarded as having purchased the new units out of their income distribution after tax.

Unit splits issued by the Fund are not taxable in the hands of Unitholders.

We hereby confirm that the statements made in this report correctly reflect our understanding of the tax position under current Malaysian tax legislation. Our comments above are general in nature and cover taxation in the context of Malaysian tax legislation only and do not cover foreign tax legislation. The comments do not represent specific tax advice to any investors and we recommend that investors obtain independent advice on the tax issues associated with their investments in the Fund.

Yours faithfully,
for and on behalf of

PRICEWATERHOUSECOOPERS TAXATION SERVICES SDN BHD

Jennifer Chang
Partner

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- i Under section 2(7) of the Income Tax Act 1967, any reference to interest shall apply, mutatis mutandis, to gains or profits received and expenses incurred, in lieu of interest, in transactions conducted in accordance with the principles of Syariah.
 - ii A real property company is a controlled company which owns or acquires real property or shares in real property companies with a market value of not less than 75 per cent of its total tangible assets. A controlled company is a company which does not have more than 50 members and is controlled by not more than 5 persons.
 - iii It was proposed in the recent Budget 2019 that the RPGT rate for disposal in the 6th and subsequent years from the date of acquisition be increased from 5% to 10% with effect from 1 January 2019.
 - iv Resident companies with paid up capital in respect of ordinary shares of RM2.5 million and below will pay tax at 18* per cent for the first RM500,000 of chargeable income with the balance taxed at 24 per cent.

With effect from YA 2009, the above shall not apply if more than –

- (a) 50 per cent of the paid up capital in respect of ordinary shares of the company is directly or indirectly owned by a related company;
- (b) 50 per cent of the paid up capital in respect of ordinary shares of the related company is directly or indirectly owned by the first mentioned company;
- (c) 50 per cent of the paid up capital in respect of ordinary shares of the first mentioned company and the related company is directly or indirectly owned by another company.

“Related company” means a company which has a paid up capital in respect of ordinary shares of more than RM2.5 million at the beginning of the basis period for a YA.

* It was proposed in the recent Budget 2019 that the tax rate for the first RM500,000 of chargeable income will be reduced to 17 per cent effective from YA 2019.

PricewaterhouseCoopers Taxation Services Sdn Bhd have given their written consent to the inclusion of their report as tax adviser in the form and context in which it appears in the Prospectus and have not, before the date of issue of the Prospectus, withdrawn such consent.

CHAPTER 9: ADDITIONAL INFORMATION

9.1 Customer Service

Where to Purchase and Redeem

Units can be purchased or redeemed on any Business Day between 9.00 a.m. to 4.30 p.m. at the business office of the Manager, details of which are as follows:

You may always contact our team of Customer Service personnel who would be happy to assist in:

1. enquiry on balance of account and personal details;
2. repurchase, transfer, switching and cooling-off request (where applicable);
3. request to change correspondence/registered address, telephone number and other personal details;
4. request for confirmation advices on purchase and other transactions related to your unit holdings, half yearly statements and copy of annual and/or interim reports;
5. other queries regarding the Fund's performance.

You may choose to communicate with us via:

- customer service hotline: 603-2027 6668
- facsimile: 603-2027 6612
- email: imarketing@nomura-asset.com.my

You can also review and track the performance of your Units by checking the unit prices which are published on <https://www.nomura-asset.com.my/nomura-islamic-asset-management/>.

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

For internal dispute resolution, you may contact us:

- a) Via phone to: 603-2027 6668
- b) Via fax to: 603-2027 6612
- c) Via email to: imarketing@nomura-asset.com.my
- d) Via letter to: Nomura Islamic Asset Management Sdn Bhd

If you are dissatisfied with the outcome of the internal dispute resolution process, you can lodge your complaint with the Securities Industries Dispute Resolution Center (SIDREC) by contact them:

- 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
Unit A-9-1, Level 9, Tower A,
Menara UOA Bangsar,
No. 5, Jalan Bangsar Utama 1,
59000 Kuala Lumpur.

Keeping Abreast of Developments in the Fund

Investors are able to obtain the latest information on the Fund as well market updates at our office or through any of our authorised distributors/agents set out in *Sections 9.1 and 9.2*. Investors can also view or track the unit prices of the Fund at <https://www.nomura-asset.com.my/nomura-islamic-asset-management/> which is updated on a daily basis.

9.2 Avenue for Advice

BUSINESS ADDRESS:

Nomura Islamic Asset Management Sdn. Bhd.
Suite 12.3, Level 12, Menara IMC
No. 8, Jalan Sultan Ismail
50250 Kuala Lumpur
Wilayah Persekutuan
Malaysia

Or you may contact our customer service at 03-603-2027 6668 or visit our website at <http://nomura-asset.com.my/nomura-islamic-asset-management/>.

9.3 Deeds

Fund	Deeds
Nomura i-Cash Fund	Deed dated 28 February 2019

9.4 Financial Year End

Fund	Financial Year End
Nomura i-Cash Fund	30 April

When you invest in the Fund, the Manager will undertake to send you the following within 2 months:-

- Written confirmation on all transactions and income distributions;
- Unaudited interim report for the half year of the Fund's financial year; and
- Annual audited report for the Fund's financial year-end.

THE FUND'S ANNUAL REPORT IS AVAILABLE UPON REQUEST.

CHAPTER 10: APPROVALS AND CONDITIONS

On 26 April 2019, the SC has authorised the Fund under Section 256(c)(1) of the Act and approved the appointment of the Manager as the management company for the Fund under section 289(1) of the Act. The authorisation and approval is subject to the following conditions and the status of compliance is as follows:

<u>Details of conditions imposed</u>	<u>Status of Compliance</u>
<ul style="list-style-type: none">The authorisation of the Fund is subject to the condition that the Manager is to ensure full compliance with the requirements of the Guidelines prior to the issuance of this Prospectus.	Complied.
<ul style="list-style-type: none">The appointment of the Manager as the management company for the Fund is subject to the condition that the Manager is required to submit an operational audit report of its operation to the SC within six (6) months from the date of this Prospectus. The appointment of the auditors and scope of work shall be subject to the SC's approval.	Noted and to be complied with.

CHAPTER 11: DOCUMENTS AVAILABLE FOR INSPECTION

Unit Holders may inspect without charge, at the registered office of the Manager and the business office of the Trustee, during their ordinary business hours, the following documents or copies thereof, where applicable:

- (a) The Deed and the supplementary deed(s) (if any) of the Fund;
- (b) The current Prospectus and supplementary/replacement Prospectuses (if any) of the Fund;
- (c) The latest annual and interim reports of the Fund (if any);
- (d) Each material contract or document referred to in this Prospectus;
- (e) All reports, letters or other documents, valuations and statements by any expert, any part of which is extracted or referred to in this Prospectus;
- (f) The audited financial statements of the Manager and the Fund for the current financial year and for the last three financial years or from the date of incorporation/commencement (if less than three years);
- (g) Any writ and relevant cause papers for all material litigation and arbitration disclosed in the Prospectus (where applicable); and
- (h) Any consent given by experts or persons named in this Prospectus as having made a statement that is included in this Prospectus or on which a statement made in this Prospectus is based.

CHAPTER 12: DIRECTORY OF SALES OFFICES

THE MANAGER

NAME : NOMURA ISLAMIC ASSET MANAGEMENT SDN BHD
COMPANY NO. : 838564-T
REGISTERED/BUSINESS ADDRESS : Suite No. 12.3, Level 12, Menara IMC
No. 8, Jalan Sultan Ismail
50250 Kuala Lumpur
Wilayah Persekutuan
Malaysia
TELEPHONE NO. : 03-2027 6668
FAX NO. : 03-2027 6612
EMAIL ADDRESS : niam@nomura-asset.com.my
WEBSITE : <http://nomura-asset.com.my/nomura-islamic-asset-management/>

AUTHORISED DISTRIBUTORS

Please contact our marketing department at 03 – 2027 6668 between 9:00a.m. to 5:30p.m. on a Business Day or e-mail us at imarketing@nomura-asset.com.my, for information about our authorised distributors.