

PRODUCT HIGHLIGHTS SHEET
NOMURA i-CASH FUND

Date of issuance: 1 May 2019

RESPONSIBILITY STATEMENT

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

STATEMENT OF DISCLAIMER

The Securities Commission Malaysia has authorised the issuance of the Nomura i-Cash Fund (the "Fund") and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

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

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

Additional Statement

The Fund has been certified as being Shariah compliant by the appointed Shariah Adviser.

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

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

NOMURA i-CASH FUND

BRIEF INFORMATION ON THE PRODUCT

1. What is this Fund about?

This is an Islamic money market unit trust fund, which 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.

PRODUCT SUITABILITY

2. Who is this Fund suitable for?

The Fund is suitable primarily for those who require a high level of liquidity, have a short term investment horizon of 1-year and below, a low tolerance for risk and want a portfolio of investments that adhere to Shariah principles.

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

KEY PRODUCT FEATURES

3. What am I investing in?

Launch Date	1 May 2019
Financial Year End	30 April
Investment Policy and Strategy	<p>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.</p> <p>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.</p> <p>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.</p> <p>There will be no foreign investments in the Fund.</p> <p>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</p>

	into consideration prevailing market conditions and factors.
Asset Allocation	Islamic deposits, Islamic placement of money at call, General Investment Accounts and Islamic Negotiable Instruments (INIs) with a maturity of less than 365 days.
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	Bank Negara Malaysia (“BNM”) Islamic Interbank Overnight Rate
Minimum Initial Investment ¹	RM 10,000.00
Minimum Holdings ¹	5,000 units
Minimum Additional Investment ¹	RM 5,000.00

Note 1: For more information, kindly refer to the Fund’s Prospectus.

4. Who am I investing with?

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

The Manager – Nomura Islamic Asset Management Sdn. Bhd. (838564-T)

The Trustee – Deutsche Trustees Malaysia Berhad (763590-H)

The Shariah Adviser – ZICO Shariah Advisory Services Sdn. Bhd.(769433-D)

The Auditor – PricewaterhouseCoopers

The Tax Adviser – PricewaterhouseCoopers Taxation Services Sdn. Bhd. (464731-M)

5. What are the possible outcomes of my investment?

The Fund’s investments in Islamic deposits, Islamic placement of money at call, General Investment Accounts and Islamic Negotiable Instruments may allow the Manager to obtain higher returns over a one year investment horizon compared to merely placing monies in Islamic deposits.

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

In the best scenario case, if the Manager believes that BNM will raise interest rates in the next few months, the Manager would reduce its placement of longer-term Islamic deposits and maintain shorter term Islamic deposits. Subsequent to the interest rate hike, the Manager can then redeploy funds into longer-term Islamic deposits at higher profit rates.

KEY RISKS

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

General Risks

- **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 installment 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.

Specific Risks

- **Credit and Default Risk** – This 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 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.

FEES & CHARGES

7. What are the fees and charges involved?

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

- A Management fee of up to 0.25% per annum of the NAV of the Fund;
- A Trustee fee of up to 0.025% per annum of the NAV of the Fund subject to a minimum of RM 12,000.00 per annum; and
- Any other expenses in relation to the administration and operations of the Fund.

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

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

VALUATIONS AND EXITING FROM INVESTMENT

8. How often are valuations available?

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

You may also contact us at 03-2027 6668 or email to imarketing@nomura-asset.com.my.

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

Unit Holders may redeem their investments in the Fund at any point in time by completing the prescribed redemption request form and returning it to the Manager on any Business Day. Applications for redemption or switching must be submitted to the Manager on a Business Day no later than 12.00 pm. Such redemption or switching requests are deemed received only if all documents and forms received by the Manager are duly completed. Any documents and forms received by the Manager after 12.00 pm shall be treated as having been received by the Manager on the following Business Day.

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

There is generally no restriction on the frequency of redemption; however, there a minimum redeemed amount of 5,000 units for each redemption application. However, if a Unit Holder is holding less than 5,000 units, the Manager is entitled, but not compelled, to consider that a redemption request has also been made in respect of the remaining units and can compulsorily redeem these remaining units.

If you are an individual investor who is investing for the first time in any of the unit trust fund(s) managed by the Manager and 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 received by the Manager.

Please refer to the Fund's Prospectus for further details.

FUND PERFORMANCE¹

Average Annual Return² of the Fund against Benchmark – as at 30 April 2018 (%)³

	1-Year	3-Year	5-Year	10-Year	Since Inception ⁴
Fund	3.50	3.71	3.53	-	3.44
Benchmark	3.04	3.08	3.06	-	3.05

Annual Total Return of the Fund against Benchmark – as at 30 April (%)³

	FY2018	FY 2017	FY 2016	FY 2015	FY 2014
Fund	3.50	3.78	3.85	3.53	2.99
Benchmark	3.04	3.01	3.21	3.15	2.92

1-Year Performance Review (May 2017 – April 2018)

For the period under review, the Fund has registered 3.50% return. Compared to the Benchmark return of 3.04%, the Fund has outperformed the Benchmark by 0.46%. The Net Asset Value (NAV) per unit of the Fund as at 30 April 2018 was RM1.0236 compared to the NAV per unit as at 28 April 2017 which was RM1.0284. On the total NAV basis, the Fund's NAV stood at RM 316.40 million as at 30 April 2018.

Income Distribution

	FY 2018	FY 2017	FY 2016
Gross / Net Distribution per unit (sen)	0.04036	0.03162	0.03633

Distribution is in the form of cash or reinvestment into the Fund.

Portfolio Turnover Ratio (PTR)

The Fund's PTR is zero as the Fund only invests in Islamic deposits, Islamic placement of money at call, General Investment Accounts and Islamic Negotiable Instruments (INIs) with a maturity of less than 365 days.

Notes:

1. Prior to 1 May 2019, the Fund was managed by the Manager as a wholesale fund. The performance data shown in this document reflects the performance of the Fund as a wholesale fund.
2. The Average annual returns of the Fund and its Benchmark for a period are calculated based on the absolute return of the Fund for that period annualised over one year.
3. The calculation of the above returns is based on NAV-to-NAV basis, and is sourced from Novagni Analytics and Advisory Sdn. Bhd. Fund performances include reinvestment of income distributions into the Fund.
4. The Fund commenced on 7 November 2012 as a wholesale fund.

PAST PERFORMANCE OF THE FUND IS NOT AN INDICATION OF ITS FUTURE PERFORMANCE.

CONTACT INFORMATION

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

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

- a) via phone to: 603-2027 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.
Suite12.3, Level 12, Menara IMC,
8, Jalan Sultan Ismail,
50250 Kuala Lumpur
Malaysia

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

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

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

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

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

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

iv) Federation of Investment Managers Malaysia (FIMM)'s Complaints Bureau:

- a) via phone to: 603-2092 3800
- b) via fax to: 603-2093 2700
- c) via email to: complaints@fimm.com.my
- d) via online complaint form available at: www.fimm.com.my
- e) via letter to: Legal, Secretarial & Regulatory Affairs
Federation of Investment Managers Malaysia
19-06-1, 6th Floor, Wisma Tune
Damansara Heights
50490 Kuala Lumpur

v)

APPENDIX

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

Fund : refers to the Nomura i-Cash Fund.

General Investment Account (GIA) : refers to investment account based on either Mudharabah or Murabahah that works on profit sharing basis and fixed profit income basis respectively.

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

Net Asset Value (NAV) : means the value of all assets of the Fund less the value of all the liabilities of the Fund at the valuation point; solely for the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund should be inclusive of the management fee and the trustee fee for the relevant day.

SC : Refers to Securities Commission Malaysia.
