

## **INFORMATION MEMORANDUM**

This Information Memorandum is dated 10 April 2023.

### **NOMURA RINGGIT BOND FUND 2**

(constituted on 1 July 2020 and launched on 28 July 2020)

#### **MANAGER:**

Nomura Asset Management Malaysia Sdn Bhd  
(Registration No.: 200601028939 (748695-A))

#### **TRUSTEE:**

Deutsche Trustees Malaysia Berhad  
(Registration No.: 200701005591 (763590-H))

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

**FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 8.**

**THIS INFORMATION MEMORANDUM REPLACES AND SUPERCEDES THE INFORMATION MEMORANDUM FOR NOMURA RINGGIT BOND FUND 2 DATED 24 JULY 2020.**

## **RESPONSIBILITY STATEMENT**

This Information Memorandum has been reviewed and approved by the directors of Nomura Asset Management Malaysia Sdn Bhd 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, that there are no false or misleading statements, or omission of other facts which would make any statement in the Information Memorandum false or misleading.

## **STATEMENTS OF DISCLAIMER**

A copy of this Information Memorandum has been lodged with the Securities Commission Malaysia.

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

## **ADDITIONAL STATEMENTS**

Investors should note that they may seek recourse under the *Capital Markets and Services Act 2007* for breaches of securities laws including any statement in this Information Memorandum that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to this Information Memorandum or the conduct of any other person in relation to the Nomura Ringgit Bond Fund 2.

This Information Memorandum is not intended to and will not be issued and distributed in any country or jurisdiction other than in Malaysia ("Foreign Jurisdiction"). Consequently, no representation has been and will be made as to its compliance with the laws of any Foreign Jurisdiction. Accordingly, no offer or invitation to subscribe or purchase Units in the Nomura Ringgit Bond Fund 2 to which this Information Memorandum relates, may be made in any Foreign Jurisdiction or under any circumstances where such action is unauthorised.

Units of Nomura Ringgit Bond Fund 2 can only be sold to sophisticated investors as prescribed under the Securities Commission Malaysia Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

**NOMURA RINGGIT BOND FUND 2 MAY DECLARE DISTRIBUTION OUT OF CAPITAL. INVESTORS ARE TO NOTE THAT THE CAPITAL OF THE FUND MAY BE ERODED. THE DISTRIBUTION IS ACHIEVED BY FORGOING THE POTENTIAL FOR FUTURE CAPITAL GROWTH AND THIS CYCLE MAY CONTINUE UNTIL ALL CAPITAL OF THE FUND IS DEPLETED.**

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# 1. CORPORATE DIRECTORY

<b>MANAGER</b>	Nomura Asset Management Malaysia Sdn Bhd (Registration No.: 200601028939 (748695-A))
<b>REGISTERED OFFICE / BUSINESS OFFICE</b>	Suite No. 12.2, Level 12, Menara IMC No. 8, Jalan Sultan Ismail 50250 Kuala Lumpur Malaysia
<b>TELEPHONE NUMBER</b>	Tel: 603-2027 6688 Fax: 603-2027 6624
<b>WEBSITE</b>	<a href="https://www.nomura-asset.com.my">https://www.nomura-asset.com.my</a>
<b>E-MAIL</b>	<a href="mailto:marketing@nomura-asset.com.my">marketing@nomura-asset.com.my</a>

<b>TRUSTEE</b>	Deutsche Trustees Malaysia Berhad (Registration No.: 200701005591 (763590-H))
<b>REGISTERED OFFICE/ BUSINESS OFFICE</b>	Level 20, Menara IMC No. 8, Jalan Sultan Ismail 50250 Kuala Lumpur Malaysia
<b>TELEPHONE NUMBER</b>	Tel: 603-2053 7522 Fax: 603-2053 7526
<b>E-MAIL</b>	<a href="mailto:dtmb.rtm@db.com">dtmb.rtm@db.com</a>

## 2. GLOSSARY

In this Information Memorandum, the following abbreviations or words shall have the following meanings unless otherwise stated:

Base Currency	MYR, the currency in which the Fund is denominated.
Bursa Malaysia	The stock exchange managed or operated by Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W)).
Business Day	A day on which Bursa Malaysia is open for trading.
CMSA	Capital Markets and Services Act 2007 as may be amended from time to time.
Deed	The deed in respect of the Fund and any other supplemental deed that may be entered into between the Manager and the Trustee.
financial institution	<p>If the institution is in Malaysia–</p> <ul style="list-style-type: none"> <li>(i) licensed bank;</li> <li>(ii) licensed investment bank; or</li> <li>(iii) licensed Islamic bank.</li> </ul> <p>If the institution is outside Malaysia, any institution that is licensed, registered, approved or authorised by the relevant banking regulator to provide financial services.</p>
Forward Pricing	The price of a Unit which is the NAV per Unit calculated at the next valuation point after an application for purchase or redemption request is received by the Manager.
Fund	Nomura Ringgit Bond Fund 2.
Guidelines	Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by the SC.
Information Memorandum	The information memorandum for this Fund.
long-term	A period of 5 years or more.
LPD	31 January 2023, being the latest practicable date of all information in this Information Memorandum.
Manager / NAMM	Nomura Asset Management Malaysia Sdn Bhd (Registration No.: 200601028939 (748695-A)).
MARC	Malaysian Rating Corporation Berhad.
Net Asset Value / NAV	The value of the Fund's assets less its liabilities at the valuation point;
NAV per Unit	The NAV of the Fund at the valuation point divided by the total number of Units in circulation at the same valuation point.
RAM	RAM Rating Services Berhad
Redemption Price	The price payable by the Manager to a Unit Holder pursuant to a redemption request by the Unit Holder and will be the NAV per Unit. The Redemption Price shall be exclusive of the redemption charge (if any).

RM / MYR	Ringgit Malaysia.
SC	Securities Commission Malaysia.
Selling Price	The price payable by an investor or a Unit Holder pursuant to a purchase application and will be the NAV per Unit. The Selling Price shall be exclusive of the sales charge.
Sophisticated Investor	Any person who:- <ul style="list-style-type: none"> <li>(i) falls within any of the categories of investors set out in Part I, Schedule 6 and 7 of the CMSA;</li> <li>(ii) acquires unlisted capital market products where the consideration is not less than two hundred and fifty thousand ringgit or its equivalent in foreign currencies for each transaction whether such amount is paid for in cash or otherwise; or</li> <li>(iii) any other person as may be determined by the SC from time to time under the Guidelines.</li> </ul>
Trustee / DTMB	Deutsche Trustees Malaysia Berhad (Registration No.: 200701005591 (763590-H)).
Unit	A measurement of the right or interest of a Unit Holder in the Fund and means a unit of the Fund.
Unit Holder	A person registered as the holder of a Unit, including persons jointly registered, for the Fund.

### **General Words and Expressions**

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

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

Reference to first person pronouns such as “we”, “us” or “our” in this Information Memorandum means the Manager / NAMM.

### 3. ABOUT NOMURA RINGGIT BOND FUND 2

<b>Fund Category</b>	Wholesale Fixed Income
<b>Fund Type</b>	Income
<b>Base Currency</b>	MYR
<b>Launch Date</b>	28 July 2020
<b>Investment Objective</b>	<p>The Fund seeks to generate regular income by investing in fixed income securities whilst carefully considering capital preservation* on behalf of its investors.</p> <p><u>Note:</u>  <i>* The Fund is not a capital guaranteed or capital protected fund and the returns are not guaranteed.</i></p> <p><i>Any material change to the Fund's objective would require Unit Holders' approval.</i></p>
<b>Investment Strategy</b>	<p>The Fund seeks to achieve its investment objective by carefully considering the sources of returns and liquidity profiles of fixed income securities denominated in Ringgit Malaysia.</p> <p>The Fund seeks to capture the following sources of returns:</p> <ul style="list-style-type: none"> <li>• Income from fixed income securities denominated in Ringgit Malaysia, money market instruments, deposits and/or placement of money at call with financial institutions; and</li> <li>• Capital appreciation from the price movements of fixed income securities denominated in Ringgit Malaysia.</li> </ul> <p>For liquidity purpose, the Fund may also invest in fixed income instruments which are relatively liquid in nature including deposit placements with banks.</p> <p>The Fund may also invest in collective investment schemes to access investment opportunities which are not available through direct investment in fixed income securities denominated in Ringgit Malaysia.</p> <p>We may take temporary defensive positions that may be inconsistent with the Fund's principal strategy by reducing its investment into fixed income securities and collective investment schemes to raise liquidity levels of the Fund during adverse market condition and protect Unit Holders' interest. Similarly, we may raise liquidity levels if the liquidity profile of the investments change significantly. In raising the Fund's liquidity levels, we may invest into money market instruments, deposits, placement of money at call with financial institutions and/or hold cash. If temporary defensive position is undertaken, there is a risk that the Fund may not be able to meet its investment objective.</p>
<b>Asset Allocation</b>	<ul style="list-style-type: none"> <li>- 0% - 100% of the Fund's NAV to be invested in fixed income securities denominated in Ringgit Malaysia; and</li> <li>- 0% - 100% of the Fund's NAV to be invested in money market instruments, deposits, placement of money at call with financial institutions and/or held in cash.</li> </ul>
<b>Distribution Policy</b>	Subject to availability of income, distribution will be on monthly basis.

	<p>Distribution of income may be made from realised gains, realised income and/or out of capital. Capital refers to distributable income which has been accrued as at the end of a financial year of the Fund but is not declared and paid as distribution at the next distribution date immediately after that financial year end. Distributable income includes net investment income (i.e. dividend, coupon and interest income net of fees and expenses) and may include net realised gains (if any) based on the unaudited accounts.</p> <p>The Fund may declare distribution out of capital if there is insufficient realised gains or realised income. This is to help the Fund to achieve its investment objective to generate regular income on behalf of its investors.</p> <p>The distribution is achieved by forgoing the potential for future capital growth and this cycle may continue until all capital of the Fund is depleted.</p> <p>Distribution out of capital has a risk of eroding the capital of the Fund. Payment of distribution out of capital amounts to a return or withdrawal of part of the Unit Holder's original investment or from any capital gains attributable to that original investment. Any distribution involving any payment out of capital of the Fund will result in an immediate reduction of the NAV per Unit. As a result, the value of future returns of the Fund would be diminished.</p> <p>The greater the risk of capital erosion that exists and the likelihood that, due to capital erosion, the value of future returns of the Fund would also be diminished.</p>
<b>Performance Benchmark</b>	<p>12-month Malayan Banking Berhad Fixed Deposit Account Rate</p> <p>Source: <a href="http://www.maybank2u.com.my">www.maybank2u.com.my</a></p> <p><i>Note: The risk profile of the Fund is different from the risk profile of the performance benchmark.</i></p>
<b>Permitted Investments</b>	<p>The Fund will invest in the following investments:</p> <ul style="list-style-type: none"> <li>• Deposits and placement of money at call with financial institutions;</li> <li>• Malaysian government securities and any other securities issued or guaranteed by the Malaysian government;</li> <li>• Fixed income securities denominated in Ringgit Malaysia;</li> <li>• Money market instruments;</li> <li>• All types of collective investment schemes that is in line with the Fund's objective; and</li> <li>• Any other form of investments as may be permitted by the SC from time to time that is in line with the Fund's objective.</li> </ul>
<b>Investment Restrictions and Limits</b>	<p>The Fund is subject to the following investment restrictions and limits:</p> <p>(a) Fixed income securities denominated in Ringgit Malaysia are subject to a minimum credit rating of "A1" by RAM or an equivalent rating by MARC at the point of investment. This restriction shall not apply to securities that are issued or guaranteed by the Malaysian government;</p> <p>(b) For commercial papers denominated in Ringgit Malaysia, the issuer(s) is subject to a minimum long-term credit rating of "A1" or a minimum short-term rating of "P1" by RAM or an equivalent rating by MARC at the point of investment;</p> <p>(c) The value of the Fund's investments in fixed income securities and/or commercial papers with the credit rating of "A1" to "AA2" by RAM or an equivalent rating by MARC at the point of investment must not exceed 45% of the Fund's NAV; and</p> <p>(d) No borrowing is allowed against the securities held by the Fund. The Fund is not allowed to be levered at any time.</p>

	<p>Should the Fund ceases to comply with any limits or restrictions due to the change in the nature or structure of any investment, the Manager will not make any further acquisition to which the relevant limit or restriction is breached. The Manager shall, within six (6) months from the date of the breach, take all necessary steps and actions to rectify the breach. However, should the Manager after making all possible efforts believe that any other action to be taken would be detrimental to the Fund and its Unit Holders, the Manager, with the approval of the Trustee, is allowed to extend the rectification period to another six (6) months or such other periods to be agreed between the Manager and the Trustee. Such extension shall be communicated to the Unit Holders in the periodic reports.</p>
<b>Valuation Point</b>	<p>The Fund is valued once every Business Day after the close of the market in which the portfolio of the Fund is invested for the relevant day.</p> <p>As such, the daily price of the Fund for a particular Business Day will be published on the next Business Day.</p>
<b>Bases for Valuation of the Assets of the Fund</b>	<p><b>Fixed Income Instruments</b></p> <p>Unlisted RM denominated fixed income securities will be valued using the price quoted by a bond pricing agency ("BPA") registered with the SC. If we are of the view that the price quoted by BPA differs from the market price quoted by at least 3 independent dealers by more than 20 basis points, we may use the market price, provided that we record our basis for using a non-BPA price, obtain the necessary internal approvals to use the non-BPA price and keep an audit trail of all decisions and basis for adopting the market yield.</p> <p>For listed fixed income securities, the valuations shall be based on the market price i.e. closing price. Where no market value is publicly available or where the use of the quoted market value is inappropriate, or where no market price is available, including in the event of suspension in the quotation of the listed fixed income securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, such listed fixed income securities are valued at fair value determined in good faith by us based on the methods or bases approved by the Trustee after appropriate technical consultation.</p> <p><b>Collective Investment Schemes</b></p> <p>Listed collective investment schemes will be valued daily based on the primary exchange last closing market price or such other basis as may be prescribed by the relevant laws from time to time including approved accounting standards.</p> <p>However, if a valuation based on market price does not represent the fair value of the listed collective investment schemes, for example during abnormal market conditions or no market price is available, including in the event of a suspension in the quotation of listed collective investment schemes for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the listed collective investment schemes should be valued at fair value, as determined in good faith by us based on the methods or bases approved by the Trustee after appropriate technical consultation.</p> <p>Investments in unlisted collective investment schemes will be valued daily based on the last published price per unit.</p> <p><b>Deposits and/or Cash</b></p> <p>Placements of deposits with financial institutions will be valued daily by reference to the principal value of the deposits and the interests accrued thereon for the relevant period. Cash held on hand will be valued based on its carrying value.</p> <p><b>Money Market Instruments</b></p>

	<p>Investments in money market instruments will be valued by reference to the average indicative price quoted by at least 3 independent and reputable institutions or in accordance to fair value as determined in good faith by us, on methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.</p> <p>Investments in money market instruments with remaining term to maturity of not more than 90 days at the time of acquisition will be valued daily based on the accretion of discount or amortisation of premium on a yield to maturity basis.</p> <p><b>Any Other Investment</b> Fair value as determined in good faith by us, on methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.</p>
<b>Financial Year End</b>	31 <sup>st</sup> March
<b>Investor's Profile</b>	The Fund is for Sophisticated Investors who are seeking for regular income distribution and has a low risk tolerance.
<b>Financing and Securities Lending</b>	<p>The Fund may not obtain cash financing or borrow other assets in connection with its activities. However, the Fund may obtain cash financing on a temporary basis for the purpose of meeting redemption requests for Units and for short term bridging requirements subject to the following:</p> <ul style="list-style-type: none"> <li>• the Fund's cash borrowing / cash financing is only on a temporary basis and that borrowing/financing are not persistent;</li> <li>• the borrowing/financing period must not exceed 1 month;</li> <li>• the aggregate borrowing/financing of the Fund must not exceed 10% of the Fund's NAV at the time the borrowing/financing is incurred; and</li> <li>• the Fund may only obtain borrowing/financing from financial institutions.</li> </ul> <p>The Fund will not participate in securities lending and repurchase transactions within the meaning of the Guidelines as we do not intend to do so.</p>

## 4. UNDERSTANDING THE RISKS OF THE FUND

Below are the risks associated with the investments of the Fund. Before investing, you should first consider these factors. You are recommended to read the whole Information Memorandum to assess the risk of the Fund. If necessary, you should consult your professional adviser(s) for a better understanding of the risks.

It is important to note that events affecting the investments cannot always be foreseen. Therefore, it is not always possible to protect investments against all risks. The various asset classes generally exhibit different levels of risk.

### GENERAL RISKS OF INVESTING IN THE FUND

#### Market Risk

The value of an investment will decrease or increase due to changes in market factors i.e. economic, political or other events that impact large portions of the market. Market risk cannot be eliminated, hence the Fund's investment portfolio may be prone to changing market conditions that may result in uncertainties and fluctuations in the value of the underlying of the Fund's investment portfolio, causing the NAV or prices of Units to fluctuate.

#### Inflation Risk

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

#### Manager's Risk

This risk refers to our day-to-day management of the Fund which will impact the performance of the Fund. For example, investment decisions undertaken by us, 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. In order to mitigate this risk, the implementation of internal controls and a structured investment process and operational procedures has been put in place by us.

#### Non-compliance Risk

This is the risk that we may not follow the provisions set out in this Information Memorandum or the Deed or the law, rules or guidelines that governs the Fund or our own internal procedures whether by oversight or by omission. This risk may also occur indirectly due to legal risk, which is a risk of circumstances from the imposition and/or amendment on the relevant regulatory frameworks, laws, rules, and other legal practices affecting the Fund. An act of non-compliance/ mismanagement of the Fund may lead to operational disruptions that could potentially be detrimental to the Fund. We aim to mitigate this risk by placing stringent internal policies and procedures and compliance monitoring processes to ensure that the Fund is in compliance with the relevant fund regulations or guidelines.

#### Loan/Financing Risk

This risk occurs when investors take a loan/financing to finance their investment. The inherent risk of investing with borrowed or financed money includes investors being unable to service the loan repayments/make financing payments. In the event Units are used as collateral, Unit Holder may be required to top-up his 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 NAV per Unit as compared to the NAV per Unit at the point of purchase towards settling the loan/financing.

### SPECIFIC RISKS OF THE FUND

#### Credit and Default Risk

Credit risk relates to the creditworthiness of the issuers of the fixed income securities or money market instruments, and their expected ability to make timely payment of interest and/or principal. Any adverse situations faced by the issuer may impact the value as well as liquidity of the fixed income securities or

money market instruments. In the case of rated fixed income securities or money market instruments, this may lead to a credit downgrade.

Default risk relates to the risk that an issuer of a fixed income security or money market instrument either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the fixed income security or money market instrument. If the financial institution which the Fund places deposits with defaults in payment or become insolvent, the Fund may also suffer capital losses with regards to the capital invested and interest foregone, causing the performance of the Fund to be adversely affected. This could affect the value of the Fund as up to 100% of the NAV of the Fund may be invested in money market instruments, deposits, placement of money at call with financial institution and/or held in cash.

### **Interest Rate Risk**

Deposits placed with financial institutions are subjected to the movement in the country's interest rate; in general, this corresponds to the central bank's overnight policy rate. The interest rates offered by the financial institutions are expected to be lower in a low interest rate environment. As the relationship between interest rate and fixed income securities prices are inverse, the Fund's holding in fixed income securities will be negatively affected in a rising interest rate environment. To some extent, the interest rate of these fixed income securities would also be impacted by external environment such as shift to/from emerging market fixed income securities or change in outlook/rating by international rating agencies.

### **Liquidity Risk**

Liquidity risk refers to the ease of liquidating an asset depending on the asset's volume traded in the market. If the Fund holds assets that are illiquid, or are difficult to dispose of, the value of the Fund will be negatively affected when it has to sell such assets at unfavourable prices.

The liquidity risk of the Fund also refers to our ability as manager to honour redemption requests or to pay Unit Holders' redemption proceeds in a timely manner. This is subject to the Fund's holding of adequate liquid assets, its ability to borrow on a temporary basis as permitted by the relevant laws and/or its ability to redeem the Fund's investments at fair value. Should there be inadequate liquid assets held, the Fund may not be able to honour requests for redemption or to pay Unit Holders' redemption proceeds in a timely manner and may be forced to dispose the Fund's investments at unfavourable prices to meet redemption requirements.

### **Reinvestment Risk**

This is a risk that future proceeds (interest and/or capital) are reinvested at a lower potential interest rate for deposits which are placed with financial institutions. Reinvestment risk is especially evident during periods of falling interest rates where the interest payments are reinvested at a lower interest rate compared to the initial interest rate. For investments in fixed income securities, the reinvestment risk will be apparent during periods of falling interest rates as the Fund will be reinvesting at higher prices (there is an inverse relationship between interest rates and prices of fixed income securities).

### **Related Party Transaction Risk**

The Fund may invest in collective investment schemes of other asset management companies which are related to us and may also have dealings with parties related to these companies. Such related party transactions may potentially result in conflict of interests between the Unit Holders and us. In managing such conflict of interests, all transactions with related parties will be executed on terms which are best available to the Fund and based on best execution and at arms-length transaction between independent parties.

### **Investments in Collective Investment Schemes**

Investing in collective investment schemes may be more costly to the Fund than if the Fund had invested in the underlying investments directly as the Fund will indirectly be paying the fees and expenses of the collective investment schemes in addition to the Fund's direct fees and expenses. Investing in other collective investment schemes may subject the Fund to the risk that (i) the valuations of the Fund may not reflect the true value of the underlying collective investment schemes at a specific time and/or (ii) the valuation of the underlying collective investment schemes may not be available as at the relevant valuation point for the Fund which could result in significant losses or inaccurate pricing for the Fund. The Fund's investments in collective investment schemes may also subject the Fund to additional risks (such as risk associated with the investment manager of the collective investment scheme) than if the Fund would have

invested directly in the underlying investment of the collective investment schemes. The risk associated with the investment manager of the collective investment schemes includes but is not limited to the risk of non-adherence to the investment objective, strategy and policies of the collective investment schemes, the risk of direct or indirect losses resulting from inadequate or failed operational and administrative processes and systems of the investment manager of the collective investment schemes, and the risk that the collective investment schemes may underperform due to poor investment decisions by the investment manager of the collective investment schemes.

Any adverse price movement of such collective investment schemes will adversely affect the Fund's NAV.

#### **Distribution Out of Capital Risk**

The Fund may distribute out of the Fund's capital. Such capital distributions represent a return or withdrawal of part of the amount of your original investment and/or capital gains attributable to the original investment and will result in a reduction in the NAV per Unit of the Fund and reduce the capital available for future investment and capital growth. Future capital growth may therefore be constrained as a result.

#### **Risks Associated With the Use of Accretion or Amortised Cost Accounting**

We are using accretion or amortised cost accounting to value money market instruments with remaining term to maturity of not more than 90 days at the time of acquisition. Accretion or amortised cost accounting is an accounting process used to adjust the value between the purchase date and maturity date of a money market instruments that has been bought at a discounted rate or premium. Accretion is the accumulation of paper value on a discounted money market instruments until it reaches maturity. Where amortisation is used to calculate the yield at any given time of an money market instruments bought at a premium, it is the writing off of the investment's premium over its projected life until maturity.

We have delegated the fund accounting and valuation services of the Fund to the Trustee. There may be a possibility of incorrect valuation performed by the Trustee due to human error or system failure. To mitigate this risk, we have our own set of accretion or amortised cost accounting to reconcile the accretion or amortised cost performed by the Trustee on a daily basis. Should the difference in valuation exceeds the threshold of 0.05%, we will perform an investigation on the Trustee's valuation.

#### **Suspension of Redemption Request Risk**

Having considered the best interests of Unit Holders, the redemption requests by the Unit Holders may be subject to suspension due to exceptional circumstances stated under Section 6.8 of this Information Memorandum. In such case, Unit Holders will not be able to redeem their Units and will be compelled to remain invested in the Fund for a longer period of time than original timeline. Hence, their investments will continue to be subject to the risks inherent to the Fund.

### **RISK MANAGEMENT STRATEGIES**

The Fund has the ability to perform temporary defensive measures which may involve the Fund reducing its investments in fixed income securities and collective investment schemes (where necessary) and shift to increase the Fund's allocation in money market instruments, deposits, placement of money at call with financial institutions and/or held in cash.

In terms of the daily operational risks, the Fund would employ systems to ensure that certain limits and controls are not breached while investing in the various asset classes.

#### **Liquidity Risk Management**

We have established liquidity risk management policies to enable us to identify, monitor and manage the liquidity risk of the Fund in order to meet the redemption requests from the Unit Holders with minimal impact to the Fund as well as safeguarding the interests of the remaining Unit Holders. Such policies have taken into account, amongst others, the asset class of the Fund and the redemption policy of the Fund. To manage the liquidity risk, we have put in place the following procedures:

- The Fund may hold a maximum of 100% of its NAV in money market instruments, deposits, placement of money at call with financial institutions and/or cash. This will allow the Fund to have sufficient buffer to meet the Unit Holders' redemption request.

- Regular review by the designated fund manager on the Fund's investment portfolio including its liquidity profile.

To avoid suspension of the Fund, the Fund will hold adequate liquid assets (up to 100% of the Fund's NAV) and if the liquid assets are insufficient to meet redemption requests, we will either liquidate the investments of the Fund or seek temporary financing, considering which is in the best interests of Unit Holders. If we have exhausted all possible avenues to avoid a suspension of the Fund, we may as a last resort, in consultation with the Trustee and having considered the interests of the Unit Holders, suspend the sale (if applicable) and repurchase of Units where it is impractical for us to calculate the NAV of the Fund due to exceptional circumstances stated under Section 6.8 of this Information Memorandum. During the suspension period, the redemption requests from the Unit Holders will not be accepted and such redemption requests will be dealt on the next Business Day once the suspension is lifted. In such case, Unit Holders will not be able to redeem their Units and will be compelled to remain invested in the Fund for a longer period of time than original timeline. That said, the action to suspend redemption requests from the Unit Holders shall be exercised only as a last resort by the Manager.

**THE ABOVE SHOULD NOT BE CONSIDERED TO BE AN EXHAUSTIVE LIST OF THE RISKS WHICH INVESTORS SHOULD CONSIDER BEFORE INVESTING IN THE FUND. INVESTORS SHOULD BE AWARE THAT AN INVESTMENT IN THE FUND MAY BE EXPOSED TO OTHER RISKS FROM TIME TO TIME. INVESTORS SHOULD CONSULT A PROFESSIONAL ADVISER FOR A BETTER UNDERSTANDING OF THE RISKS.**

## 5. WHAT ARE THE FEES AND CHARGES INVOLVED?

### ***Charges***

The following describes the charges that you may **directly** incur when buying or redeeming Units:

#### **5.1 Sales Charge**

Nil.

#### **5.2 Redemption Charge**

Nil.

#### **5.3 Transfer Fee**

Nil.

#### **5.4 Switching Fee**

Nil.

### ***Fees and Expenses***

The fees and expenses **indirectly** incurred by you when investing in the Fund are as follows:

#### **5.5 Annual Management Fee**

Up to 0.25% per annum of the NAV of the Fund.

The management fee is calculated and accrued daily, and is paid monthly to us.

*Note:*

*In the event of a leap year, the computation will be based on 366 days.*

#### **5.6 Annual Trustee Fee**

The Trustee is entitled to a trustee fee of up to 0.03% per annum of the NAV of the Fund, subject to a minimum fee of RM12,000 per annum.

The trustee fee is accrued daily and paid monthly to the Trustee.

*Note:*

*In the event of a leap year, the computation will be based on 366 days.*

#### **5.7 Fund Expenses**

Only the expenses (or part thereof) which are directly related and necessary to the operation and administration of the Fund may be charged to the Fund. These would include (but are not limited to) the following:

- (i) commissions or fees paid to brokers or dealers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes (if any);
- (ii) taxes and other duties charged on the Fund by the government and/or other authorities;
- (iii) fees and expenses properly incurred by the auditors and tax agent appointed for the Fund;
- (iv) fees for the valuation of any investment of the Fund;
- (v) 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;
- (vi) 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;
- (vii) costs, commissions, fees and expenses of the sale, purchase, insurance and any other dealing of any asset of the Fund;
- (viii) costs, fees and expenses incurred in engaging any specialist approved by the Trustee for investigating or evaluating any proposed investment of the Fund;
- (ix) costs, fees and expenses incurred in engaging any adviser for the benefit of the Fund;
- (x) costs, fees and expenses incurred in the preparation and audit of the taxation, returns and accounts of the Fund;
- (xi) costs, fees and expenses incurred in the termination of the Fund or the removal or retirement of the Trustee or the Manager and the appointment of a new trustee or management company;
- (xii) 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 ordered by the court not to be reimbursed by the Fund);
- (xiii) remuneration and out of pocket expenses of the person(s) or members of a committee undertaking the oversight function of the Fund, unless the Manager decides otherwise;
- (xiv) 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;
- (xv) (where the custodial function is delegated by the Trustee) charges and fees paid to sub-custodians taking into custody any foreign assets of the Fund;
- (xvi) expenses and charges incurred in connection with the printing and postage for the annual or quarterly reports, tax certificates, reinvestment statements and other services associated with the administration of the Fund;
- (xvii) all costs and 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
- (xviii) any tax now or hereafter imposed by law or required to be paid in connection with any costs, fees and expenses incurred under sub-paragraphs (i) to (xvii) above.

## **5.8 Policy on Rebates and Soft Commissions**

We, our delegate, the Trustee or Trustee's delegate must not retain any rebate from, or otherwise share in any commission with, any broker or dealer in consideration for directing dealings in the investments of the Fund.

However, soft commissions may be retained by us if:

- (i) the soft commissions bring direct benefit or advantage to the management of the Fund and may include research and advisory related services;
- (ii) any dealing with the broker or dealer is executed on terms which are the most favourable for the Fund; and
- (iii) the availability of soft commissions is not the sole or primary purpose to perform or arrange transactions with such broker or dealer, and we or our delegate must not enter into unnecessary trades in order to achieve a sufficient volume of transactions to qualify for soft commissions.

## **5.9 Tax**

Unit Holders and/or the Fund, as the case may be, will bear any tax which may be imposed by the government or other authorities from time to time in addition to the applicable fees, charges and expenses stated in this Information Memorandum.

***There are fees and charges involved and you are advised to consider the fees and charges before investing in the Fund.***

## 6. DEALING INFORMATION

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

You can obtain a copy of this Information Memorandum, account opening form, investment application form, redemption form, transfer form and switching form from our office or from any of our authorised distributors as set out in Section 13 of this Information Memorandum.

### 6.1 How Can I Invest?

In order to invest in the Fund, you have to be:

- i) a Sophisticated Investor who is at least 18 years of age. In the case of joint applicant, the other individual jointholder must also be a Sophisticated Investor who is at least 18 years of age; or
- ii) a corporation such as registered businesses, co-operative, foundations and trusts.

The Fund's completed application form which consists of account opening form and investment application form can be handed directly to us or sent by mail, together with proof of payment of the telegraphic transfer, crossed cheque, bank draft or money order. Bank charges (if applicable) will be borne by you. Please note that other than telegraphic transfer, crossed cheque, bank draft or money order, no other form of payment is allowed. Please also note that third-party payment (i.e. payment made via an account that is not under your name) will not be accepted.

- **Telegraphic Transfer**  
You may transfer the purchase payment into our bank account via telegraphic transfer or online transfer, and include your name in the transaction description for our reference. You may obtain our bank account details from our office.
- **Crossed Cheque, Bank Draft or Money Order**  
Issuance of cheque, bank draft or money order should be made payable to "**Nomura Asset Management Malaysia Sdn Bhd – CTA (Collection)**", crossed and drawn on a local bank. You are required to write your name, Malaysian National Registration Identity Card ("NRIC") number or passport number (for foreigner) or business registration number at the back of the crossed cheque, bank draft or money order.

Units can be bought on any Business Day at our office between 9:00 a.m. to 5:30 p.m. However, the cut-off time is 4:00 p.m. Any application form which is received by us after the cut-off time will be deemed to have been received on the next Business Day and will be processed on the next Business Day. Our authorised distributors may have an earlier cut-off time. Please check with the respective authorised distributors for their respective cut-off time.

We reserve the right to vary the terms and conditions of investment and payment modes from time to time, which shall be communicated to you in writing. We may also at our sole discretion reject any application that is not complete and/or not accompanied by the required documents.

#### Transaction Details

<b>Minimum Initial Investment<sup>^</sup></b>	RM 500,000
<b>Minimum Additional Investment<sup>^</sup></b>	RM 250,000
<b>Minimum Redemption of Units<sup>^</sup></b>	250,000 Units

<b>Minimum Switching of Units<sup>^</sup></b>	250,000 Units
<b>Minimum Holding of Units<sup>^</sup></b>	<p>250,000 Units</p> <p>If the balance of your investment (i.e. total number of Units) in the Fund is less than the minimum holding of Units, you will be required to make an additional investment in order to meet the required minimum balance of investment. Otherwise, we may withdraw all your Units in the Fund and pay the proceeds to you.</p>

<sup>^</sup>subject to our discretion, you may negotiate for a lower amount or value.

## 6.2 How Can I Redeem?

You may redeem your Units by completing a redemption application form and returning it to us on any Business Day between 9:00 a.m. to 5:30 p.m. However, the cut-off time is 4:00 p.m. Any application form which is received by us after the cut-off time will be deemed to have been received on the following Business Day and will be processed on the next Business Day. Our authorised distributors may have an earlier cut-off time. Please check with the respective authorised distributors for their respective cut-off time.

Redemption of Units must be made in terms of Units and the minimum Units for redemption is 250,000 Units. There is no restriction on the frequency of redemption. However, you will need to comply with the minimum Units held (which may be changed at our discretion), otherwise all the remaining Units you hold in the Fund will be redeemed automatically.

You will receive the redemption proceeds within 3 Business Days via telegraphic transfer transferred to your bank account after we have received your redemption application provided that all documentations are complete and verifiable. However, you may experience a delay of 1 – 2 Business Days in receiving the redemption proceeds if you are redeeming your investments via our authorised distributors. In the event of any unforeseeable circumstances which results in us being unable to pay the redemption proceeds within the stipulated period above, we will pay the redemption proceeds within 7 Business Days. Where Units are held jointly, payment will be made to the person whose name appears first in the register of Unit Holders. Any bank charges or fees incurred due to a withdrawal by way of telegraphic transfer will be borne by you.

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

However, if the request to the Trustee to repurchase or cancel the Units is, in the Trustee's opinion, not in the best interests of Unit Holders or it would result in a breach of the Guidelines, the Deed or the relevant laws, the Trustee may refuse the said request in accordance to the Deed.

## 6.3 Transfer of Units

Transfer of Units between Unit Holders is only allowed at our discretion.

If allowed, the transfer of Units may be effected by completing a transfer form which is available at our office and returning it to us on any Business Day between 9:00 a.m. to 5:30 p.m. However, the cut-off time is 4:00 p.m. Any transfer form which is received by us after the cut-off time will be deemed to have been received on the following Business Day and will be processed on the next

Business Day. Our authorised distributors may have an earlier cut-off time. Please check with the respective authorised distributors for their respective cut-off time. The minimum Units to be held in the Fund shall apply to both the transferor and transferee.

However, if the transferee does not have any account with us prior to this transfer application, he must also submit his completed account opening form in addition to the transfer form.

#### 6.4 Switching of Units

Switching of Units is a process to assist you in moving your investment between funds which are managed by us in response to a change in your investment goals and/or market conditions. A switch is effected by repurchasing units from the fund in which the units are held and in turn investing the net proceeds into another fund, subject to the minimum units held and the terms and conditions applicable to that other fund.

You may switch your Units on any Business Day by completing a switching form and returning it to us on any Business Day between 9:00 a.m. to 5:30 p.m. However, the cut-off time is 4:00 p.m. Any switching form which is received by us after the cut-off time will be deemed to have been received on the following Business Day and will be processed on the next Business Day. Our authorised distributors may have an earlier cut-off time. Please check with the respective authorised distributors for their respective cut-off time.

There is no limit on the frequency of switching. However, the switching facility is only available to you if the currency denomination of the other fund that you intend to switch into is the same as the Fund. During the initial offer period of the Fund, the units of other funds which are managed by us are not allowed to switch to Units of the Fund except at our discretion.

We reserve the right to reject any switching request: (a) if we are of the view that such switch would be disruptive to efficient portfolio management; (b) if we deem it to be contrary to the best interests of either fund; or (c) if the Unit Holder would hold less than the minimum Units held after the switch.

You should note that the pricing day of the Fund may not be on the same day as when we receive your switching application. Please see below the pricing policy of switching for all our funds:

Switching Out Fund	Switching In Fund	Pricing Day	
		Switching Out Fund	Switching In Fund
Money market fund	Non-money market fund	T Day	T Day
Non-money market fund	Non-money market fund		
Money market fund	Money market fund	T Day	T + 1 Business Day
Non-money market fund	Money market fund	T Day	At the next valuation point, subject to clearance of payment and money received by the intended fund

#### 6.5 Cooling-off Right

There is no cooling-off right available.

## **6.6 Mode of Distribution**

You may elect to receive the income distribution by way of reinvestment as additional Units into the Fund or cash payment. However, if you do not elect the mode of distribution, we will reinvest the income distribution as additional Units into the Fund for you based on the NAV per Unit on the income payment date in accordance to the Forward Pricing policy, which is 2 Business Days after the income distribution date at no cost.

### Reinvestment Process

If you elect to receive income distribution by way of reinvestment as additional Units into the Fund, we shall create Units for you based on the NAV per Unit on the income payment date in accordance to the Forward Pricing policy, which is 2 Business Days after the income distribution date at no cost.

### Cash Payment Process

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

Any income distribution payable which is less than or equal to RM1,000.00 will be automatically reinvested on your behalf.

The money shall be transferred to you 2 Business Days after the income distribution date.

If the income available is too small or insignificant, any distribution may not be of benefit to you as the total cost to be incurred in any such distribution may be higher than the amount for distribution. We have the discretion to decide on the amount to be distributed to you.

## **6.7 Unclaimed Money**

Any moneys payable to you which remain unclaimed after 12 months as prescribed by Unclaimed Moneys Act 1965 ("UMA"), as may be amended from time to time, will be surrendered to the Registrar of Unclaimed Moneys by us in accordance with the requirements of the UMA. Thereafter, all claims need to be made by you with the Registrar of Unclaimed Moneys.

However, any income distribution payout via bank transfer shall be transmitted to your valid and active bank account. If the bank transfer is unsuccessful for any reason whatsoever, it will be reinvested into the Fund at such date as may be determined by us provided that you still hold Units of the Fund. No fee is payable for the reinvestment. In the event that you no longer hold any Unit in the Fund, the income distribution would be subject to the treatment mentioned in the above paragraph as prescribed by the UMA.

## **6.8 Temporary Suspension**

We and the Trustee may temporarily suspend the dealing in Units of the Fund, subject to the requirements in the Guidelines and/or the Deed, and where there is good and sufficient reason to do so.

To avoid suspension of the Fund, the Fund will hold adequate liquid assets (up to 100% of the Fund's NAV) and if the liquid assets are insufficient to meet redemption requests, we will either liquidate the investments of the Fund or seek temporary financing, considering which is in the best interests of Unit Holders. If we have exhausted all possible avenues to avoid a suspension of the Fund, we may as a last resort, in consultation with the Trustee and having considered the interests of the Unit Holders, suspend the sale (if applicable) and repurchase of Units where it is impractical for us to calculate the NAV of the Fund due to but not limited to the following:

- (i) the closure of a securities exchange or trading restrictions on a securities exchange where the Fund has substantial investment in such securities exchange; or

- (ii) an emergency or other state of affairs; or
- (iii) the realisation of the material portion of the assets of the Fund not being able to be effected at prices which would be realised if such material portion of the assets of the Fund were realised in an orderly fashion over a reasonable period in a stable market.

Please note that during the suspension period, there will be no NAV per Unit available and hence, we will not accept any transactions for the applications, redemptions, switching and/or transfers of Units. If we have earlier accepted your request for redemptions and switching of Units, please note that the requests will only be processed on the next Business Day after the cessation of suspension of the Fund. You will be notified of the suspension and when the suspension is lifted.

**Unit prices and distributions payable, if any, may go down as well as up.**

## 7. PRICING OF UNITS

### 7.1 Computation of NAV and NAV per Unit

The NAV of the Fund is determined by deducting the value of the Fund's liabilities from the value of the Fund's assets, at a valuation point.

Please note that the example below is for illustration only:

	<b>RM</b>
Value of the Fund	100,000,000.00
Add: Other assets (including cash) & income	1,400,000.00
Less: Liabilities	200,000.00
NAV before deducting management fee and trustee fee for the day	101,200,000.00
Less: Management fee for the day (101,200,000 x 0.25% / 365 days)	693.15
Less: Trustee fee for the day (101,200,000 x 0.03% / 365 days)	83.18
<b>Total NAV</b>	<b>101,199,223.67</b>

Assuming there are 100,000,000 Units of the Fund in circulation at the point of valuation, the NAV per Unit shall therefore be calculated as follows:

	<b>RM</b>
NAV of the Fund	101,199,223.67
Divide: Units in circulation	100,000,000
NAV per Unit of the Fund	1.0120

*The NAV per Unit will be rounded up to 4 decimal places for the purposes of publication of the NAV per Unit.*

*If at any time there is no Unit Holder resulting in there being no Units in circulation to the Fund and the Fund's NAV being zero, the Manager shall have the sole right and discretion to issue new Units in the Fund for sale and price each Unit of the Fund for sale to new investors at RM1.0000 per Unit.*

### 7.2 Selling Price and Redemption Price

#### Single Pricing Regime

We adopt a **single pricing regime** in calculating your investments into the Fund and redemption of Units. This means that all purchases and redemptions are transacted on a single price (i.e. NAV per Unit). You would therefore purchase and redeem Units at NAV per Unit. The Selling Price per Unit and Redemption Price per Unit are based on Forward Pricing.

#### Selling Price of Units

The Selling Price of a Unit of the Fund is the NAV per Unit at the next valuation point after the request to purchase Units is received by us (Forward Pricing). The sales charge applicable to the Fund is payable by you in addition to the Selling Price for the Units purchased.

### Calculation of Selling Price

#### **Illustration – Sale of Units**

##### ***Example:***

If you wish to invest RM500,000.00 before 4:00 p.m. on a Business Day, and if the sales charge is 0% of the NAV per Unit, the total amount to be paid by you and the number of Units issued to you will be as follows:

$$\begin{aligned}\text{Sales charge incurred} &= \frac{\text{Investment amount}}{1 + \text{sales charge (\%)}} \times \text{sales charge (\%)} \\ &= \frac{\text{RM500,000}}{1 + 0\%} \times 0\% \\ &= \text{RM0}\end{aligned}$$

$$\begin{aligned}\text{Net investment amount} &= \text{Investment amount} - \text{sales charge} \\ &= \text{RM500,000} - \text{RM0} \\ &= \text{RM500,000}\end{aligned}$$

$$\begin{aligned}\text{Units credited to investor} &= \text{Net investment amount} / \text{NAV per Unit} \\ &= \text{RM500,000} / \text{RM1.000} \\ &= 500,000 \text{ Units}\end{aligned}$$

**You are advised not to make payment in cash when purchasing Units of the Fund via any individual agent.**

### Redemption Price of Units

The Redemption Price of a Unit of the Fund is the NAV per Unit at the next valuation point after the redemption request is received by us (Forward Pricing).

### Calculation of Redemption Price

#### **Illustration – Redemption of Units**

##### ***Example:***

If you wish to redeem 250,000 Units before 4:00 p.m. on a Business Day, and if no redemption charge is imposed, the total amount to be paid to you and the number of Units redeemed by you will be as follows:

In the event that the NAV per Unit at the end of the Business Day = RM1.0000

$$\text{Redemption charge payable by you} = 0\% \times [250,000.00 \text{ Units} \times \text{RM1.0000}] = \underline{\underline{\text{RM0.00}}}$$

The total amount to be paid to you will be the number of Units to be redeemed multiplied with the NAV per Unit.

$$\begin{aligned}&= [250,000.00 \text{ Units} \times \text{RM1.0000} \text{ (the NAV per Unit)}] - \text{redemption charge} \\ &= \text{RM250,000.00} - \text{RM0.00} \\ &= \underline{\underline{\text{RM250,000.00}}}\end{aligned}$$

Therefore, you will receive **RM250,000.00** as redemption proceeds.

### **7.3 Incorrect Pricing**

We shall ensure that the Fund and the Units are correctly valued and priced according to the Deed and all relevant laws. Where there is an error in the valuation and pricing of the Fund and/or Units, any incorrect valuation and pricing of the Fund and/or Units which is deemed to be significant will involve the reimbursement of money in the following manner:

- (i) by us to the Fund; or
- (ii) by the Fund to you and/or the former Unit Holders.

However, reimbursement of money shall only apply if the error is at or above the significant threshold of 0.5% of the NAV per Unit and the amount to be reimbursed is RM10.00 or more.

***There are fees and charges involved and you are advised to consider the fees and charges before investing in the Fund.***

## **8. THE MANAGER**

### **8.1 Background Information**

NAMM was incorporated on 27 September 2006 and is licensed under the CMSA for the regulated activity of fund management. NAMM is a wholly-owned subsidiary of Nomura Asset Management Co., Ltd. (NAM Tokyo). As at LPD, Nomura Asset Management group operates in 14 offices globally. NAMM is a full-fledged asset management company with on the ground resources to support the investment management, middle and back-office functions.

### **8.2 Board of Directors**

Our board of directors is responsible for the overall management of the company and the Fund. Our board of directors not only ensures corporate governance is practised but policies and guidelines are adhered to. Our board of directors will sit at least 4 times every year, or more should the need arise.

The list of board of directors are available on our website, <https://www.nomura-asset.com.my/nomura-asset-management-malaysia/>.

### **8.3 Our Role as the Manager**

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

### **8.4 Investment Team**

#### **Mr Joel Lim Soo Min – Designated Fund Manager**

Joel joined NAMM's Fixed Income team in August 2013. He has been involved in credit analysis, macroeconomic research and portfolio management. Prior to joining NAMM, he was an equity analyst with a local asset management firm for 2 years.

He earned a Bachelor of Actuarial Studies from the Australian National University, Australia. He holds a Capital Markets Services Representative's Licence for fund management under the CMSA.

### **8.5 Material Litigation**

As at LPD, there is no material litigation or arbitration, including any pending or threatened, and there are no facts likely to give rise to any proceedings which might materially affect our business/financial position.

*Note: For more information and/or updated information about the Trustee, the Manager, the board of directors and the fund manager, please refer to our website at <http://www.nomura-asset.com.my>.*

## **9. THE TRUSTEE**

### **9.1 About Deutsche Trustees Malaysia Berhad**

DTMB 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.

### **9.2 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 224 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.

### **9.3 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. 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.

### **9.4 Trustee’s Disclosure of Material Litigation**

As at LPD, the Trustee is not (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 or financial position of the Trustee.

### **9.5 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.

## **10. SALIENT TERMS OF THE DEED**

### **10.1 Unit Holders' Rights and Liabilities**

#### **Unit Holders' Rights**

A Unit Holder has the right, amongst others:

1. to receive distributions, if any, of the Fund;
2. to participate in any increase in the value of the Units;
3. to call for Unit Holders' meetings and to vote for the removal of the Trustee or the Manager through special resolution;
4. to receive annual and quarterly reports on the Fund; and
5. to enjoy such other rights and privileges as are provided for in the Deed.

A Unit Holder would not, however, have the right to require the transfer to the Unit Holder of any of the Fund's assets. 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 registered owner of the Fund's assets.

#### **Unit Holders' Liabilities**

1. No Unit Holder is liable for any amount in excess of the purchase price paid for the Units as determined in accordance with the Deed at the time the Units were purchased and any charges payable in relation thereto.
2. A Unit Holder shall not be under any obligation to indemnify the Manager and/or the Trustee in the event that the liabilities incurred by the Manager and/or the Trustee in the name of or on behalf of the Fund pursuant to and/or in the performance of the provisions of the Deed exceed the value of the Fund's assets, and any right of indemnity of the Manager and/or the Trustee shall be limited to recourse to the Fund.

### **10.2 Termination of the Fund**

- 10.2.1 The Fund may be terminated by the Manager in its absolute discretion by giving not less than 3 months' notice in writing to the Trustee and the Unit Holders as hereinafter provided:
- (i) if the NAV of the Fund shall be at such level as the Manager considers it impossible or impracticable to continue the Fund; or
  - (ii) if any law shall be passed which renders it illegal or in the reasonable opinion of the Manager impracticable or inadvisable to continue the Fund; or
  - (iii) if in the reasonable opinion of that Manager it is impracticable or inadvisable to continue the Fund.
- 10.2.2 On the termination of the Fund, the Trustee shall realise the assets of the Fund and must be completed within 180 days if practicable or in any event as soon as possible or such extended-period provided that it is agreed by the Manager and the Trustee.
- 10.2.3 Upon the termination of the Fund, the Trustee shall from time to time distribute to the Unit Holder, in proportion to the number of Units held by them respectively, the net proceeds of realisation after discharging for all liabilities of the Fund.

### **10.3 Unit Holders' Meeting**

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

10.3.2 A Unit Holder has the right to call for a Unit Holders' meetings under the following circumstances:

- (i) to consider the most recent financial statements of the Fund;
- (ii) to require the retirement or removal of the Manager or Trustee;
- (iii) to give to the Trustee such directions as the meeting thinks proper; or
- (iv) to consider any other matter in relation to the Deed,

subject always that the direction to call for such meeting is made by not less than 50 Unit Holders or 1/10, whichever is less of all Unit Holders and the direction is given to the Manager or Trustee in writing at its registered office.

## 11. CONFLICT OF INTEREST AND RELATED PARTY TRANSACTIONS

### Related Party Transactions

Save as disclosed below, there are no existing or proposed related party transactions involving the Fund, us as the manager, the Trustee and/or persons connected to them as at LPD:

Name of Party	Name of Related Party and Nature of Relationship	Existing / Potential Related Party Transaction
Manager	Nomura Asset Management Singapore Limited  Nomura Asset Management Singapore Limited and the Manager are both wholly owned by Nomura Asset Management Co., Ltd.	Nomura Asset Management Singapore Limited provides system maintenance and information technology administrative support to the Manager.

### Deutsche Trustees Malaysia Berhad

As the trustee for the Fund and the Manager's delegate for the fund accounting and valuation services (where applicable), 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 function for the Fund to Deutsche Bank (Malaysia) Berhad.

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. The Trustee's commitment to act in the best interests of the Unit Holders of the Fund does not preclude the possibility of related party transactions or conflicts.

### Policies On Dealing With Conflict Of Interest Situations

We (including our directors) will at all time act in your best interests and will not conduct ourselves in any manner that will result in a conflict of interest or potential conflict of interest. In the unlikely event that any conflict of interest arises, such conflict shall be resolved so that the Fund is not disadvantaged. In the unlikely event that we face conflicts in respect of our duties as the manager to the Fund and to other funds that we manage, we are obliged to act in the best interests of all our investors and will seek to resolve any conflicts fairly and in accordance with the Deed.

We shall not act as principal in the sale and purchase of any securities or investments to and from the Fund. We shall not make any investment for the Fund in any securities, properties or assets in which we or our officer have financial interest in or from which we or our officer derives a benefit. Our staff are required to obtain management approval prior to making any sale and/or purchase of any security. Management approval will not be given if the proposed transaction results in a conflict of interest or a potential conflict of interest.

We (including our directors) who hold substantial shareholdings or directorships in public companies shall refrain from any decision making relating to that particular investment of the Fund.

We generally discourage cross trades and prohibit any transactions between client(s) accounts and fund accounts. Any cross trade activity require prior approval with the relevant supporting justification(s) to ensure the trades are executed in the best interest of both funds and such transactions were executed at arm's length and fair value basis. Cross trades will be reported to the members of the committee undertaking the oversight function of the Fund to ensure compliance to the relevant regulatory requirements.

As at LPD, we are not aware of any existing or potential conflict of interest situations which may arise.

## 12. ADDITIONAL INFORMATION

**(a) Enquiries**

Unit Holders can seek assistance on any issue relating to the Fund, from our client servicing personnel at our office or at any of our authorised distributors' offices during office hour. Alternatively, you may e-mail your enquiries to [marketing@nomura-asset.com.my](mailto:marketing@nomura-asset.com.my).

**(b) Keeping Track of the Daily Prices of Units**

We will publish the Fund's NAV per Unit on our website at <https://www.nomura-asset.com.my>.

The NAV per Unit for a particular Business Day will be published 1 Business Day later.

**(c) Statement of Accounts**

You will be informed of the latest updates to your investment accounts through the monthly statement of accounts. This report will be sent to you on monthly basis.

**(d) Financial Reports**

You will be informed of the Fund's performance through the audited annual reports and quarterly unaudited reports. The reports will be sent to you within 2 months after the close of the financial year-end or quarterly period.

**(e) Deed**

<b>Deed of the Fund</b>	Deed dated 1 July 2020 Supplemental Deed dated 7 March 2023
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The Deed can be inspected at our office during office hours on any Business Day.

**(f) Approvals and Conditions**

There is no exemption and/or variation to the Guidelines applied for this Fund.

**The Fund's annual and quarterly report is available upon request.**

## **13. DIRECTORY**

**Nomura Asset Management Malaysia Sdn Bhd  
(200601028939 (748695-A))**

**Registered Office/ Business Address**

Suite No. 12.2, Level 12, Menara IMC  
No. 8, Jalan Sultan Ismail  
50250 Kuala Lumpur  
Wilayah Persekutuan  
Malaysia

Tel: 03-2027 6688

Fax: 03-2027 6624

Email: [marketing@nomura-asset.com.my](mailto:marketing@nomura-asset.com.my)

**LIST OF DISTRIBUTORS**

Kindly contact us for more details on the list of our authorised distributors.