

**Nomura Asset Management Malaysia Sdn Bhd**  
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Co Regn No: 200601028939 (748695-A)

14 April 2023

Dear Unit Holder,

**NOTIFICATION OF THE ISSUANCE OF FIRST SUPPLEMENTARY PROSPECTUS AND SECOND SUPPLEMENTAL DEED FOR NOMURA i-INCOME FUND 2 (“FUND”)**

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We would like to inform that the first supplementary prospectus of the Fund and the second supplemental deed governing the Fund have been registered with the Securities Commission Malaysia, and will be made effective on 1 May 2023. A copy of the first supplementary prospectus of the Fund will be published on our website at <https://www.nomura-asset.com.my/funds/nomura-i-income-fund-2/>

Please take note that with effect from 1 May 2023, 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. 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 provide investors with regular income distributions. Please refer to the appended explanatory memoranda for more information.

Should you require any information or clarification regarding the aforesaid changes, you may contact your client services manager or email us at [marketing@nomura-asset.com.my](mailto:marketing@nomura-asset.com.my).

Yours faithfully,  
**Nomura Asset Management Malaysia Sdn Bhd**



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**Leslie Yap**  
Managing Director

**Nomura Asset Management Malaysia Sdn Bhd**  
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## **EXPLANATORY MEMORANDA**

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 provide investors with regular income distributions. 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.

### **Rationale for change:**

Based on the Guidelines on Unit Trust Funds dated 28 November 2022 (“Revised Guidelines”) issued by the Securities Commission Malaysia, which reads as follows:

*“Distributable income which is not declared and paid as distribution in a period of a financial year can be carried forward as distributable income for the next period(s) within the same financial year. Distributable income that has been accrued as at the end of a financial year and is declared and paid as distribution at the next distribution date immediately after that financial year end could be treated as distributable income in respect of that financial year. However, distributable income which has been accrued as at the end of a financial year but is not declared and paid as distribution at the next distribution date immediately after that financial year end (“Unutilised Distributable Income”) should be included as “capital” for the next financial year.”*

The Fund aims to provide investors with regular income distributions as stated under the investment objective and income distribution policy of the Fund. In order to provide income at regular interval as per the distribution policy of the Fund, the Fund currently may distribute income from Unutilised Distributable Income. However based on the Revised Guidelines, the Unutilised Distributable Income is now included as capital of the Fund for income distribution for the next financial year.

The amendment made in the first supplementary prospectus of the Fund to allow the Fund to distribute income out of the Fund’s capital to be in line with the Revised Guidelines is consistent with the existing practice. There is no intention to change the existing practice for calculation of income distribution amount. What has changed is the categorisation of Unutilised Distributable Income under the Revised Guidelines which is now be part of the Fund’s capital. There is no intention to allow distribution out of the Fund’s capital which is not part of the Unutilised Distributable Income.