

FIRST SUPPLEMENTARY PROSPECTUS

This First Supplementary Prospectus is dated 1 May 2023.

NOMURA i-INCOME FUND 2

(constituted on 3 May 2021 and launched on 30 June 2021)

MANAGER:

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

TRUSTEE:

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

THIS FIRST SUPPLEMENTARY PROSPECTUS DATED 1 MAY 2023 HAS TO BE READ IN CONJUNCTION WITH THE PROSPECTUS DATED 1 DECEMBER 2022.

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THE PROSPECTUS DATED 1 DECEMBER 2022 AND THIS FIRST SUPPLEMENTARY PROSPECTUS DATED 1 MAY 2023. 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 10 OF THE PROSPECTUS DATED 1 DECEMBER 2022 AND PAGE 2 OF THIS FIRST SUPPLEMENTARY PROSPECTUS DATED 1 MAY 2023.

RESPONSIBILITY STATEMENT

This First Supplementary Prospectus 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 this First Supplementary Prospectus false or misleading.

STATEMENTS OF DISCLAIMER

The Securities Commission Malaysia (“SC”) has authorised the Nomura i-Income Fund 2 and a copy of this First Supplementary Prospectus has been registered with the SC.

The authorisation of the Nomura i-Income Fund 2, and registration of this First Supplementary Prospectus, should not be taken to indicate that the SC recommends the Nomura i-Income Fund 2 or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in the Prospectus dated 1 December 2022 or this First Supplementary Prospectus.

The SC is not liable for any non-disclosure on the part of the Manager responsible for Nomura i-Income Fund 2 and takes no responsibility for the contents in this First Supplementary Prospectus. The SC makes no representation on the accuracy or completeness of this First Supplementary Prospectus, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

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

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 First Supplementary Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to this First Supplementary Prospectus or the conduct of any other person in relation to the Nomura i-Income Fund 2.

Nomura i-Income Fund 2 has been certified as being Shariah-compliant by the Shariah adviser appointed for this Fund.

This First Supplementary Prospectus 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 i-Income Fund 2 to which this First Supplementary Prospectus relates, may be made in any Foreign Jurisdiction or under any circumstances where such action is unauthorised.

NOMURA I-INCOME 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.

THIS FIRST SUPPLEMENTARY PROSPECTUS DATED 1 MAY 2023 HAS TO BE READ IN CONJUNCTION WITH THE PROSPECTUS DATED 1 DECEMBER 2022.

Unless otherwise provided in this First Supplementary Prospectus, all the capitalised terms used herein shall have the same meanings ascribed to them in the Prospectus dated 1 December 2022 (“Prospectus”).

EXPLANATORY NOTE

This First Supplementary Prospectus has been issued to inform investors of the following:

- Distribution of income may be made from realised gains, realised income and/or out of capital. As such, the information in the following sections has been amended:
 - a) Inside cover/ first page – a new 4th paragraph has been inserted;
 - b) Distribution policy – new 2nd to 6th paragraphs have been inserted; and
 - c) Specific risks of the Fund – a new risk (distribution out of capital risk) has been inserted.
- The 4th paragraph of the policies on dealing with conflict of interest situations has been amended.
- Item (d) under additional information has been amended.

1. COVER PAGE

Inside cover/ first page of the Prospectus

A new 4th paragraph is hereby inserted as follows under the additional statements:

NOMURA I-INCOME 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.

2. ABOUT NOMURA I-INCOME FUND 2

Page 6 of the Prospectus

The information in relation to the distribution policy is hereby deleted and replaced with the following:

Distribution Policy	<p>Subject to availability of income, distribution will be on quarterly basis.</p> <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 provide investors with regular income distributions.</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>
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	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.
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3. UNDERSTANDING THE RISKS OF THE FUND

Pages 10 – 12 of the Prospectus

The information in relation to the distribution out of capital risk is hereby inserted under the specific risks of the Fund as follows:

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 Classes and reduce the capital available for future investment and capital growth. Future capital growth may therefore be constrained as a result.

4. CONFLICT OF INTEREST AND RELATED PARTY TRANSACTIONS

Pages 34 – 35 of the Prospectus

The information in relation to the 4th paragraph of the policies on dealing with conflict of interest situations is hereby deleted and replaced with the following:

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.

5. ADDITIONAL INFORMATION

Page 36 of the Prospectus

The information in relation to item (d) is hereby deleted and replaced with the following:

Deed of the Fund	Deed dated 3 May 2021 First Supplemental Deed dated 2 September 2022 Second 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.

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