

Nomura i-Cash Fund

Annual Report and Audited Financial Statements for the
Financial Year Ended 30 April 2023

MANAGER:

NOMURA ASSET MANAGEMENT MALAYSIA SDN. BHD.
Business Registration No.: 200601028939 (748695-A)

TRUSTEE:

DEUTSCHE TRUSTEES MALAYSIA BERHAD
Business Registration No.: 200701005591 (763590-H)

AUDITOR:

PRICEWATERHOUSE COOPERS PLT
Business Registration No.: LLP0014401-LCA & AF1146

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This Annual Report is available, upon request, to unit holders without charge

1. FUND PROFILE

1.1 Fund Name

Nomura i-Cash Fund (“Fund”)

1.2 Type and Category of Fund

Income – Money Market (Islamic)

1.3 Duration of the Fund

The Fund is an open-ended fund.

1.4 Investment Objectives

The Fund seeks to provide investors with regular income distributions through investments in Islamic deposits, Islamic placement of money at call, general investment accounts and Islamic negotiable instruments.

1.5 Distribution Policy

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

1.6 Performance Benchmark

BNM Islamic Interbank Overnight Rate (“Benchmark”).

2. FUND PERFORMANCE

2.1 Key Fund Performance Data*

Category	1 May 2022 to 30 Apr 2023	1 May 2021 to 30 Apr 2022	1 May 2020 to 30 Apr 2021
Highest NAV per Unit (RM) ¹	1.0501	1.0272	1.0393
Lowest NAV per Unit (RM) ¹	1.0237	1.0179	1.0228
Total Return (%) ²			
- Capital growth (%)	2.59	(0.30)	(1.12)
- Income (%)	0.05	1.95	3.02
Gross/Net Distribution per unit (RM sen)	0.05	2.00	3.10
Total Expense Ratio (%) ³	0.24	0.23	0.23
Portfolio Turnover Ratio (time) ⁴	10.08	13.18	4.30

Category	30 Apr 2023	30 Apr 2022	30 Apr 2021
Total NAV (RM ¹ million) ¹	163.56	149.62	414.87
NAV per Unit (RM)	1.0501	1.0235	1.0265
Unit in Circulation (million)	155.75	146.19	404.18
Asset Allocation / Portfolio Composition			
Islamic deposits (%)	99.84	99.69	99.52
Cash and other net assets (%)	0.16	0.31	0.48
Total (%)	100	100	100

Notes:

* Prior to 1 May 2019, the Fund was managed as a wholesale fund. Hence, the aforementioned Fund data prior to 1 May 2019 reflects the data of the Fund as a wholesale fund which are subject to guidelines, restrictions and risks applicable to wholesale fund.

(1) Figures shown as ex-distribution.

(2) Total Return of the Fund and its Benchmark for a period are calculated based on the absolute return of the Fund for that period. The calculation of the Total Return of the Fund is based on NAV-to-NAV basis, and is sourced from Refinitiv Lipper. Fund performances include reinvestment of income distributions into the Fund. The performance figures are a comparison of the growth/decline in NAV for the stipulated period taking into account all the distributions payable (if any) during the stipulated period:

- **Capital Return**= {NAV per Unit End / NAV per Unit Beginning – 1} x 100
- **Income Return**= {Income Distribution per Unit / NAV per Unit Ex-Distribution} x 100

(3) Total Expense Ratio ("TER") is calculated based on the total fees and expenses incurred by the Fund divided by the average net asset value of the Fund for the financial period calculated on daily basis.

(4) Portfolio Turnover Ratio ("PTR") is calculated based on the total acquisitions and total disposals of investment securities of the Fund for the financial period divided by the average net asset value of the Fund for the financial period calculated on daily basis.

2.2 Average Total Return of the Fund ¹

	1 Year to 30 Apr 2023	3 Years to 30 Apr 2023	5 Years to 30 Apr 2023
Average Total Return (%)	2.64	2.07	2.66

Source: Refinitiv Lipper

2.3 Annual Total Return of the Fund ¹

	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
Total Return (%) ²	2.64	1.67	1.91	3.40	3.71
Benchmark (%)	2.49	1.73	1.80	2.90	3.26

Source: Refinitiv Lipper

Notes:

- (1) Prior to 1 May 2019, the Fund was managed as a wholesale fund. Hence, the aforementioned Fund data prior to 1 May 2019 reflects the data of the Fund as a wholesale fund which are subject to guidelines, restrictions and risks applicable to wholesale fund.
- (2) Annual Total Return of the Fund and its Benchmark for a period are calculated based on the absolute return of the Fund for that period. The calculation of the Annual Total Return of the Fund is based on NAV-to-NAV basis, and is sourced from Refinitiv Lipper. Fund performances include reinvestment of income distributions into the Fund. Further details on basis of calculation and assumption made in calculating returns is as follows:

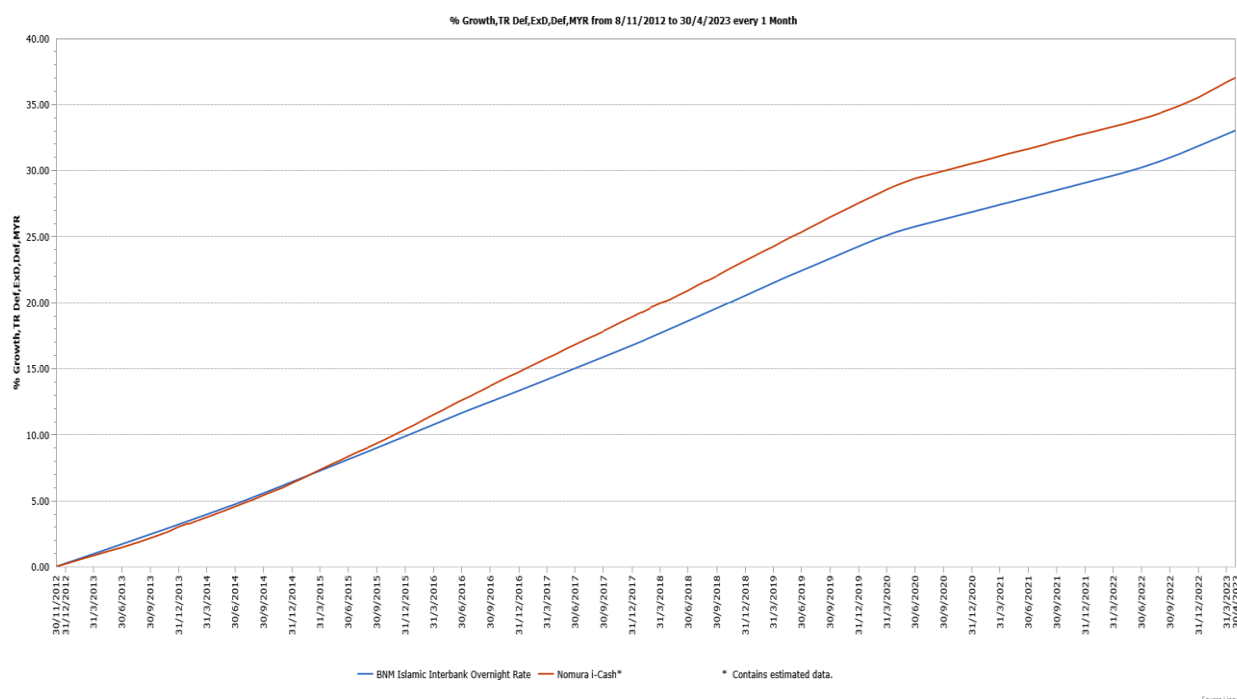
The performance figures are a comparison of the growth/decline in NAV for the stipulated period taking into account all the distributions payable (if any) during the stipulated period:

- **Capital Return** = {NAV per Unit End / NAV per Unit Beginning – 1} x 100
- **Income Return** = {Income Distribution per Unit / NAV per Unit Ex-Distribution} x 100
- **Total Return** = $(1 + \text{Percentage Growth})^{1/n} - 1$

Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up.

3. MANAGER'S REPORT

Performance of Nomura i-Cash Fund from 8 November 2012 to 30 April 2023



Benchmark: Bank Negara Malaysia Islamic Interbank Overnight Rate

Source: The calculation of the Annual Total Return of the Fund is based on NAV-to-NAV basis, and is sourced from Refinitiv Lipper. Fund performances include reinvestment of income distributions into the Fund.

3.1 Performance for the period from 1 May 2022 to 30 April 2023

For the period under review from 1 May 2022 to 30 April 2023, the Fund has registered 2.64% return. Compared to the Benchmark return of 2.49%, the Fund has outperformed the Benchmark by 0.15%. The Net Asset Value (“NAV”) per unit of the Fund as at 30 April 2022 was RM1.0235 compared to the NAV per unit as at 30 April 2023 of RM1.0501. On the total NAV basis, the Fund’s NAV stood at RM163.56 million as at 30 April 2023. During the period under review, the Fund has declared a total income distribution of RM 0.0005 per unit.

3.2 Review of Market for the period from 1 May 2022 to 30 April 2023

As the global economy reopens following the Covid-19 pandemic-induced lockdowns, coupled with tight labour market conditions and elevated inflationary pressures, major central banks adopted aggressive monetary policy tightening cycle in 2022 as an effort to tame inflation. Similarly, in Malaysia, Bank Negara Malaysia (“BNM”) has delivered four back-to-back 25 bps Overnight Policy Rate (“OPR”) hike during the period under review, bringing the OPR from its record-low of 1.75% to 2.75% as of end Apr-23. However, BNM unexpectedly paused in Jan-23 and Mar-23 as BNM assesses the lagged impact of the consecutive OPR hikes in 2022.

3.3 Investment Outlook

Given the expectation that BNM is close to concluding its rate hike cycle, we expect deposit rates to remain stable at current levels. As such, we will remain opportunistic and lengthen duration in periods of higher deposit rates. We will continue to maintain short-term liquidity for redemption purposes.

3.4 Strategies Employed for the period from 1 May 2022 to 30 April 2023

The Fund was solely invested in Islamic deposits during the period under review. As deposit rates picked up substantially following the series of rate hikes by BNM, we have remained opportunistic and lengthened the Fund's duration to take advantage of the higher deposit rates. We continued to maintain short-term liquidity for redemption purposes.

3.5 Asset Allocation

Asset Allocation	30 Apr 2023	30 Apr 2022
Islamic deposits (%)	99.84	99.69
Cash and other net assets (%)	0.16	0.31
Total (%)	100.00	100.00

There were no significant changes on the Fund's asset allocation during the financial period under review.

3.6 Securities Lending or Repurchase Transactions

The Fund has not undertaken any securities lending or repurchase transactions during the financial period under review.

3.7 Income Distribution

The Manager has distributed a total of gross/net distribution of RM0.0005 per unit for unit holders of the Fund over the financial period ended 30 April 2023.

The Net Asset Value per Unit prior and subsequent to the distributions were as follows:

Cum-Distribution Date	Cum-Distribution (RM)	Ex-Distribution Date	Ex-Distribution (RM)	Distribution per Unit (RM)
15-Jul-2022	1.0273	18-Jul-2022	1.0274	0.0001
15-Aug-2022	1.0290	16-Aug-2022	1.0290	0.0001
15-Sep-2022	1.0308	19-Sep-2022	1.0310	0.0001
15-Dec-2022	1.0373	16-Dec-2022	1.0373	0.0001
15-Mar-2023	1.0457	16-Mar-2023	1.0457	0.0001

3.8 Details of Any Unit Split Exercise

There was no unit split exercise during the financial period under review.

3.9 Significant Changes in the State of Affairs of the Fund

There were no significant changes in the state of affairs of the Fund during the financial period under review.

However, please find the latest changes to the Manager's board of directors as follows:

Mr. Leslie Yap Kim Loong
Mr. Atsushi Ichii
Mr. Wataru Ogihara (resigned on 31 December 2022)
Ms. Chooi Su May
Mr. Johari Bin Abdul Muid*
Ms. Julia Binti Hashim*

* Independent director

3.10 Circumstances that Materially Affect Any Interest of Unit Holders

There were no circumstances that had materially affected the interest of the unit holders during the financial period under review.

3.11 Cross Trades Transactions

There were no cross trades conducted during the financial period under review.

3.12 Soft Commissions Received From Brokers

The Manager did not receive any soft commission during the financial period under review.

This Annual Report is prepared by the Manager of the Fund, Nomura Asset Management Malaysia Sdn. Bhd., for information purposes only. Past earnings of the Fund's distribution record is not a guarantee or reflection of the Fund's future earnings or future distributions. Investors are advised that unit prices, distributions payable and investment returns may go down, as well as up.

NOMURA i-CASH FUND

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023

NOMURA i-CASH FUND

FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023

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NOMURA i-CASH FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023

	<u>Note</u>	<u>2023</u> RM	<u>2022</u> RM
INVESTMENT INCOME			
Profit income from Islamic deposits with licensed financial institutions at fair value through profit or loss ("FVTPL")		<u>4,411,725</u>	<u>5,875,650</u>
EXPENSES			
Management fee	3	304,210	616,747
Trustee's fee	4	38,026	77,093
Shariah Adviser's fee		6,360	6,360
Audit fee		8,800	8,800
Tax agent's fee		4,876	4,134
Other expenses		<u>2,941</u>	<u>6,005</u>
		<u>365,213</u>	<u>719,139</u>
PROFIT BEFORE TAXATION		4,046,512	5,156,511
TAXATION	5	<u>-</u>	<u>-</u>
PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		<u><u>4,046,512</u></u>	<u><u>5,156,511</u></u>
Profit after taxation is made up as follows:			
Realised amount		<u><u>4,046,512</u></u>	<u><u>5,156,511</u></u>

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

NOMURA i-CASH FUND

STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2023

	<u>Note</u>	As at <u>30.04.2023</u> RM	As at <u>30.04.2022</u> RM
ASSETS			
Cash and cash equivalent		300,258	500,702
Financial assets at fair value through profit or loss ("FVTPL")	6	163,307,290	149,168,233
TOTAL ASSETS		<u>163,607,548</u>	<u>149,668,935</u>
LIABILITIES			
Accrued management fee		26,737	26,657
Amount due to Trustee		3,342	3,332
Amount due to Shariah Adviser		2,650	1,590
Other payables and accruals		13,568	13,463
TOTAL LIABILITIES		<u>46,297</u>	<u>45,042</u>
NET ASSET VALUE OF THE FUND		<u>163,561,251</u>	<u>149,623,893</u>
UNITHOLDERS' FUNDS			
Unitholders' capital		158,259,288	148,297,642
Retained earnings		5,301,963	1,326,251
NET ASSET ATTRIBUTABLE TO UNITHOLDERS		<u>163,561,251</u>	<u>149,623,893</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)	8	<u>155,751,912</u>	<u>146,193,500</u>
NET ASSET VALUE PER UNIT (RM)		<u>1.0501</u>	<u>1.0235</u>

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

NOMURA i-CASH FUND

STATEMENT OF CHANGES IN NET ASSET VALUE FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023

	<u>Note</u>	<u>Unitholders'</u> <u>capital</u> RM	<u>Retained</u> <u>earnings</u> RM	<u>Total</u> RM
Balance as at 1 May 2022		148,297,642	1,326,251	149,623,893
Movement in unitholders' contribution:				
Creation of units from applications		68,150,135	-	68,150,135
Creation of units from distributions		54,423	-	54,423
Cancellation of units		(58,242,912)	-	(58,242,912)
Distributions	9	-	(70,800)	(70,800)
Total comprehensive income for the financial year		-	4,046,512	4,046,512
Balance as at 30 April 2023		<u>158,259,288</u>	<u>5,301,963</u>	<u>163,561,251</u>
Balance as at 1 May 2021		411,771,921	3,095,382	414,867,303
Movement in unitholders' contribution:				
Creation of units from applications		127,521,463	-	127,521,463
Creation of units from distributions		4,079,394	-	4,079,394
Cancellation of units		(395,075,136)	-	(395,075,136)
Distributions	9	-	(6,925,642)	(6,925,642)
Total comprehensive income for the financial year		-	5,156,511	5,156,511
Balance as at 30 April 2022		<u>148,297,642</u>	<u>1,326,251</u>	<u>149,623,893</u>

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

NOMURA i-CASH FUND

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023

	<u>2023</u> RM	<u>2022</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from maturity of Islamic deposits with licensed financial institutions	1,525,919,185	4,194,480,602
Placement of Islamic deposits with licensed financial institutions	(1,539,049,185)	(3,932,456,712)
Profit income received from Islamic deposits with licensed financial institutions	3,402,668	7,547,472
Management fee paid	(304,130)	(658,766)
Trustee's fee paid	(38,016)	(82,346)
Shariah Adviser's fee paid	(5,300)	(7,950)
Tax agent's fee paid	(4,537)	(4,134)
Payment for other fees and expenses	(11,975)	(14,804)
Net cash (used in)/generated from operating activities	<u>(10,091,290)</u>	<u>268,803,362</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from creation of units	68,150,135	128,631,463
Payments for cancellation of units	(58,242,912)	(395,098,786)
Distributions paid	(16,377)	(2,846,248)
Net cash generated from/(used in) financing activities	<u>9,890,846</u>	<u>(269,313,571)</u>
NET DECREASE IN CASH AND CASH EQUIVALENT	(200,444)	(510,209)
CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE FINANCIAL YEAR	<u>500,702</u>	<u>1,010,911</u>
CASH AND CASH EQUIVALENT AT THE END OF THE FINANCIAL YEAR	<u><u>300,258</u></u>	<u><u>500,702</u></u>
Cash and cash equivalent comprised of:		
Bank balance	<u><u>300,258</u></u>	<u><u>500,702</u></u>

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

NOMURA i-CASH FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023

The following accounting policies have been used in dealing with items which are considered material in relation to the financial statements.

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with the MFRS and IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported financial year. It also requires the Manager to exercise their judgement in the process of applying the Fund's accounting policies. Although these estimates and judgement are based on the Manager's best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note I.

(a) Standards and amendments to existing standards effective 1 January 2022

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 May 2022 that have a material effect on the financial statements of the Fund.

(b) New standards, amendments and interpretations effective after 1 January 2022 and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 May 2022, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

B PRESENTATION AND FUNCTIONAL CURRENCY

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is the Fund's presentation and functional currency.

C INCOME RECOGNITION

Profit income from Islamic deposits with licensed financial institutions is recognised on an accrual basis using the effective profit method.

Profit income is calculated by applying the effective profit rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets, the effective profit rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

NOMURA i-CASH FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

D TAXATION

Current tax expense is determined according to the Malaysian tax laws at the current rate based upon the taxable income earned during the financial year.

E FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Classification

The Fund classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss ("FVTPL"), and
- those to be measured at amortised cost.

The Fund classifies its Shariah-compliant investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The contractual cash flows of the Fund's debt securities are solely principal and profit. However, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

Investments in collective investment scheme have contractual cash flows that do not represent SPPI, and therefore are classified as fair value through profit or loss.

The Fund classifies cash and cash equivalent as financial assets at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

The Fund classifies accrued management fee, amount due to Trustee, amount due to Shariah Adviser and other payables and accruals as financial liabilities measured at amortised cost.

(ii) Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Fund commits to purchase or sell the asset. Shariah-compliant investments are initially recognised at fair value. Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value.

Financial liabilities are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

NOMURA i-CASH FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

E FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(ii) Recognition and measurement (continued)

Financial assets are de-recognised when the rights to receive cash flows from the Shariah-compliant investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

Financial liabilities are de-recognised when it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expired.

Islamic deposits with licensed financial institutions are stated at fair value. Due to short-term nature of the Islamic deposits, the cost plus accrued profit calculated based on the effective profit rate method over the period from the date of placement to the date of maturity of the respective Islamic deposits is the reasonable estimate of fair value.

Financial assets at amortised cost and other financial liabilities are subsequently carried at amortised cost using the effective profit method.

(iii) Impairment

The Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward-looking information in determining any expected credit loss. Management considers the probability of default to be closed to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Fund.

Significant increase in credit risk

A significant increase in credit risk is defined by the Manager as any contractual payment which is more than 30 days past due.

Definition of default and credit-impaired financial assets

Any contractual payment which is more than 90 days past due is considered credit-impaired.

Write-off

The Fund writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Fund may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains. There are no write-offs/recoveries during the financial year.

F CASH AND CASH EQUIVALENTS

For the purpose of statement of cash flows, cash and cash equivalent comprises cash and bank balance that is readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

NOMURA i-CASH FUND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

G UNITHOLDERS' CAPITAL

The unitholders' contributions to the Fund meet the criteria of the definition of puttable instrument to be classified as equity instruments under MFRS 132 'Financial Instruments: Presentation'. These criteria include:

- The units entitle the holders to a pro-rata share of the Fund's net asset value ("NAV");
- The units are the most subordinated class and class features are identical;
- There is no contractual obligation to deliver cash or another financial asset other than the obligation on the Fund to repurchase the units; and
- The total expected cash flows from the units over its life are based substantially on the change in the net asset of the Fund.

The outstanding units are carried at the redemption amount that is payable at each financial year if the unitholder exercises the right to put the unit back to the Fund.

Units are created and cancelled at prices based on the Fund's NAV per unit at the time of creation or cancellation. The Fund's NAV per unit is calculated by dividing the net asset attributable to unitholders with the total number of outstanding units.

H DISTRIBUTIONS

Distributions are at the discretion of the Fund. A distribution to the Fund's unitholders is accounted for as a deduction from realised reserves. A proposed distribution is recognised as a liability in the year in which it is approved by the Trustee.

I CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Fund's results and financial position are tested for sensitivity to changes in the underlying parameters.

Estimates and judgements are continually evaluated by the Manager and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

However, the Manager is of the opinion that in applying these accounting policies, no significant judgement was required.

Estimate of fair value of Islamic deposits with licensed financial institutions

In undertaking any of the Fund's Shariah-compliant investment, the Manager will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the Securities Commission's ("SC") Guidelines on Unit Trust Funds.

NOMURA i-CASH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023

1 INFORMATION ON THE FUND

Nomura i-Cash Fund (the “Fund”) was constituted as a wholesale fund pursuant to the execution of a Master Deed dated 11 June 2012, First Supplemental Master Deed dated 23 August 2013, a Second Supplemental Master Deed dated 23 October 2015, a Third Supplemental Master Deed dated 17 January 2017 (the “Initial Deeds”) entered into between Nomura Islamic Asset Management Sdn Bhd (the “Manager”) and Deutsche Trustees Malaysia Berhad (the “Trustee”).

Pursuant to a Unit Holders’ meeting held on 6 December 2018, it was resolved, inter alia, that the Manager and/or the Trustee be authorised to (i) change the structure of the Fund from a wholesale fund into a retail fund; and (ii) to execute a deed and/or supplemental deed and do all things necessary to incorporate the resolution on a date to be decided at the absolute discretion of the Manager in consultation with the Trustee.

A replacement deed dated 22 April 2019 in respect of the Fund (the “Principal Deed”) was entered into between the Manager and the Trustee to govern the Fund and replace in its entirety the Initial Deeds and the provision of the Initial Deeds. The Fund was converted into a Unit Trust Fund on 1 May 2019.

The First Supplemental Deed dated 22 June 2022 was entered into between Nomura Islamic Asset Management Sdn Bhd (the “Existing Manager”), Nomura Asset Management Malaysia Sdn Bhd (the “Manager”) and Deutsche Trustees Malaysia Berhad (the “Trustee”) to appoint Nomura Asset Management Malaysia Sdn Bhd as the Manager of the Fund effective 1 October 2022.

The Fund continue its operations until terminated by the Manager or the Trustee as provided under the Principal Deed and the First Supplemental Deed.

The Fund seeks to provide investors with regular income distributions through investments in Islamic deposits, Islamic placement of money at call, general investment accounts and Islamic negotiable instruments.

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments of the Fund are as follows:

	<u>Note</u>	Financial assets at fair value through <u>profit or loss</u> RM	Financial assets at amortised <u>cost</u> RM	<u>Total</u> RM
<u>As at 30.04.2023</u>				
Islamic deposits with licensed financial institutions	6	163,307,290	-	163,307,290
Cash and cash equivalent		-	300,258	300,258
Total		<u>163,307,290</u>	<u>300,258</u>	<u>163,607,548</u>

NOMURA i-CASH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Financial instruments of the Fund are as follows (continued):

	<u>Note</u>	Financial assets at fair value through <u>profit or loss</u> RM	Financial assets at amortised <u>cost</u> RM	<u>Total</u> RM
<u>As at 30.04.2022</u>				
Islamic deposits with licensed financial institutions	6	149,168,233	-	149,168,233
Cash and cash equivalent		-	500,702	500,702
Total		<u>149,168,233</u>	<u>500,702</u>	<u>149,668,935</u>

The Fund is exposed to a variety of risks which include market risk (inclusive of interest rate risk), liquidity risk, credit/default risk, capital risk and fund management risk.

Financial risk management is carried out through internal control processes adopted by the Manager and adherence to the investment restrictions as stipulated in the Deed and SC's Guidelines on Unit Trust Funds.

Interest rate risk

Interest rate risk is the risk that the value of the Fund's Shariah-compliant investments and its return will fluctuate because of changes in interest rates.

Interest rate is a general economic indicator that will have an impact on the management of the Fund. The Fund's exposure to the interest rate risk is mainly confined to short-term placements with licensed financial institutions. The Manager overcomes the exposure by way of maintaining Islamic deposits on short term basis.

The Fund's Islamic deposits with licensed financial institutions are short-term in nature. Therefore, exposure to interest rate fluctuations is minimal.

As at the date of the statement of financial position, all the financial asset and financial liabilities have no exposure to interest rate movement except for Islamic deposits with licensed financial institutions of RM163,307,290 (2022: RM149,168,233) which have maturities of less than one year.

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations.

The Fund maintains sufficient level of Islamic liquid assets, after consultation with the Trustee, to meet anticipated payments and cancellation of units by unitholders. Islamic liquid assets comprise cash, Islamic deposits with licensed financial institutions and other Shariah-compliant instruments which are capable of being converted into cash within 7 days. The Fund aims to reduce its liquidity risk by maintaining a prudent level of Islamic liquid assets.

NOMURA i-CASH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (continued)

The table below summarises the Fund's financial liabilities into relevant maturity groupings based on the remaining period as at the statement of financial position date to the contractual maturity date.

The amounts in the table below are the contractual undiscounted cash flows.

	Less than 1 month RM	Between 1 month to 1 year RM	Total RM
<u>As at 30.04.2023</u>			
Accrued management fee	26,737	-	26,737
Amount due to Trustee	3,342	-	3,342
Amount due to Shariah Adviser	-	2,650	2,650
Other payables and accruals	-	13,568	13,568
Contractual undiscounted cash out flows	<u>30,079</u>	<u>16,218</u>	<u>46,297</u>
<u>As at 30.04.2022</u>			
Accrued management fee	26,657	-	26,657
Amount due to Trustee	3,332	-	3,332
Amount due to Shariah Adviser	-	1,590	1,590
Other payables and accruals	-	13,463	13,463
Contractual undiscounted cash out flows	<u>29,989</u>	<u>15,053</u>	<u>45,042</u>

Credit/default risk

Credit risk refers to the ability of an issuer or a counter party to make timely payments of profit or principal payment on the maturity date. This may lead to a default in the payment of principal and profit and ultimately a reduction in the value of the Fund. In the case of the Fund, the Manager will endeavor to minimise the risk by selecting only issues with prescribed and acceptable credit ratings.

Credit risk arising from cash and cash equivalent are managed by ensuring that the Fund will maintain only cash balance.

For Islamic deposits with licensed financial institutions, the Manager regularly reviews the rating assigned by the issuer so that necessary steps can be taken if the rating falls below those described by the Deed and SC's Guidelines on Unit Trust Funds.

For amount due from Manager, the settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the SC's Guidelines on Unit Trust Funds.

NOMURA i-CASH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit/default risk (continued)

The following table sets out the credit risk concentration of the Fund:

	Financial assets at fair value through profit or loss RM	Cash and cash equivalents RM	Total RM
<u>As at 30.04.2023</u>			
Financial services			
- AAA	66,651,256	-	66,651,256
- AA1	-	300,258	300,258
- AA2	8,370,664	-	8,370,664
- AA3	54,604,561	-	58,604,561
- AA+	29,680,809	-	29,680,809
	<u>163,307,290</u>	<u>300,258</u>	<u>163,607,548</u>
<u>As at 30.04.2022</u>			
Financial services			
- AAA	62,613,998	-	62,613,998
- AA1	-	500,702	500,702
- AA2	27,269,118	-	27,269,118
- AA3	30,367,923	-	30,367,923
- AA+	28,917,194	-	28,917,194
	<u>149,168,233</u>	<u>500,702</u>	<u>149,668,935</u>

Capital risk

The capital of the Fund is represented by equity consisting of unitholders' capital of RM158,259,288 (2022: RM148,297,642) and retained earnings of RM5,301,963 (2022: RM1,326,251). The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unitholders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the Shariah-compliant investment activities of the Fund.

NOMURA i-CASH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Fund management risk

There is the risk that the management company may not adhere to the investment mandate of the respective Fund. With close monitoring by the investment committee, back office system being incorporated with limits and controls, and regular reporting to the senior management team, the management company is able to manage such risk. The Trustee has an oversight function over management of the Fund by the management company to safeguard the profits of unitholders.

Fair value estimation

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

The fair value of financial assets and liabilities traded in active market (such as publicly traded Islamic derivatives and trading Shariah-compliant securities) are based on quoted market prices at the close of trading on the year end date.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial assets and financial liabilities that are not traded in an active market is determined by using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each year end date. Valuation techniques used for non-standardised financial instruments such as Islamic options, Islamic currency swaps and other over-the-counter Islamic derivatives, include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

For instruments for which there is no active market, the Fund may use internally developed models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. Valuation models are used primarily to value unlisted debt securities, for which market were or have been inactive during the financial year. Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds.

The fair values are based on the following methodology and assumptions:

- (i) Bank balance and Islamic deposits with licensed financial institutions with maturities less than 1 year, the carrying value is a reasonable estimate of fair value.
- (ii) The carrying value less impairment provision of receivables and payables are assumed to approximate their fair values. The carrying value of the financial assets and financial liabilities approximate their fair value due to their short term nature.

Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risk, liquidity risk and counterparty risk.

NOMURA i-CASH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Fair value hierarchy

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset and liability that are not based on observable market data (that is, unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement.

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following table analyses within the fair value hierarchy the Fund's financial assets (by class) measured at fair value:

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<u>As at 30.04.2023</u>				
Financial assets at fair value through profit or loss:				
- Islamic deposits with licensed financial institutions	-	163,307,290	-	163,307,290
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>As at 30.04.2022</u>				
Financial assets at fair value through profit or loss:				
- Islamic deposits with licensed financial institutions	-	149,168,233	-	149,168,233
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Financial instruments that trade in markets that are considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing solutions supported by observable inputs are classified within Level 2. Level 2 instruments includes Islamic deposits with licensed financial institutions.

NOMURA i-CASH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Fair value hierarchy (continued)

As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. The Fund's policies of valuation of these financial assets are stated in Note E.

The carrying value of cash and cash equivalent and all current liabilities are reasonable approximation of the fair value due to their short-term nature.

3 MANAGEMENT FEE

In accordance with the Deed, the Manager is entitled to a management fee at a rate not exceeding 3.00% per annum of the NAV of the Fund calculated and accrued on a daily basis.

For the financial year ended 30 April 2023, the management fee is recognised as at rate of 0.20% (2022: 0.20%) per annum on the NAV of the Fund, calculated on a daily basis for the financial year.

There will be no further liability to the Manager in respect of the management fee other than the amounts recognised above.

4 TRUSTEE FEE

In accordance with the Deed, the Trustee is entitled to an annual fee at a rate not exceeding 0.10% per annum of the NAV of the Fund, subject to a minimum fee of RM12,000 per annum, calculated daily on the NAV of the Fund.

For the financial year ended 30 April 2023, the trustee fee is recognised as at rate of 0.025% (2022: 0.025%) per annum on the NAV of the Fund, calculated on a daily basis for the financial year.

There will be no further liability to the Trustee in respect of the trustee fee other than the amounts recognised above.

5 TAXATION

	<u>2023</u> RM	<u>2022</u> RM
Current taxation – local	-	-

NOMURA i-CASH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

5 TAXATION (CONTINUED)

The numerical reconciliation between profit before taxation multiplied by the Malaysian statutory tax rate and tax expense of the Fund is as follows:

	<u>2023</u> RM	<u>2022</u> RM
Profit before taxation	4,046,512	5,156,511
Tax at applicable rate of 24% (2022: 24%)	971,163	1,237,563
Tax effect of:		
Shariah-compliant investment income not subject to tax	(1,058,814)	(1,410,156)
Expenses not deductible for tax purposes	12,402	22,335
Restriction on tax deductible expenses for Unit Trust Funds	75,249	150,258
Taxation	-	-

6 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>As at</u> <u>30.04.2023</u> RM	<u>As at</u> <u>30.04.2022</u> RM
Financial assets at FVTPL:		
- Islamic deposits with licensed financial institutions *	163,307,290	149,168,233

* Includes profit receivable of RM1,279,290 (2022: RM270,233).

<u>Principal</u> <u>Amount</u> RM	<u>Name of Financial</u> <u>Institution</u>	<u>Rating</u>	<u>Carrying value</u> <u>as at</u> <u>30.04.2023</u> RM	<u>Percentage</u> <u>of net</u> <u>assets value</u> <u>30.04.2023</u> %
29,400,000	AmBank Islamic Berhad	AA3	29,627,539	18.11
28,700,000	Bank Islam Malaysia Berhad	AA3	28,977,022	17.71
28,900,000	CIMB Islamic Bank Berhad	AAA	29,152,860	17.83
27,904,000	Hong Leong Islamic Bank Berhad	AAA	28,060,922	17.16
29,412,000	Kuwait Finance House (Malaysia) Berhad	AA+	29,680,809	18.15

NOMURA i-CASH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

6 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

<u>Principal Amount</u> RM	<u>Name of Financial Institution</u>	<u>Rating</u>	<u>Carrying value as at 30.04.2023</u> RM	<u>Percentage of net assets value 30.04.2023</u> %
4,343,000	Maybank Islamic Berhad	AAA	4,344,211	2.65
5,084,000	Public Islamic Bank Berhad	AAA	5,093,263	3.11
8,285,000	RHB Islamic Bank Berhad	AA1	8,370,664	5.12
TOTAL ISLAMIC DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS			<u>163,307,290</u>	<u>99.84</u>
<u>Principal Amount</u> RM	<u>Name of Financial Institution</u>	<u>Rating</u>	<u>Carrying value as at 30.04.2022</u> RM	<u>Percentage of net assets value 30.04.2022</u> %
21,500,000	AmBank Islamic Berhad	AA3	21,537,417	14.39
8,829,000	Bank Islam Malaysia Berhad	AA3	8,830,505	5.90
26,552,000	CIMB Islamic Bank Berhad	AAA	26,587,524	17.77
13,700,000	Hong Leong Islamic Bank Berhad	AAA	13,712,837	9.16
28,817,000	Kuwait Finance House (Malaysia) Berhad	AA+	28,917,194	19.33
8,600,000	Maybank Islamic Berhad	AAA	8,600,801	5.75
13,700,000	Public Islamic Bank Berhad	AAA	13,712,837	9.16
27,200,000	RHB Islamic Bank Berhad	AA2	27,269,118	18.23
TOTAL ISLAMIC DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS			<u>149,168,233</u>	<u>99.69</u>

NOMURA i-CASH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

6 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

The effective weighted average profit rate per annum is as follows:

	<u>2023</u>	<u>2022</u>
Islamic deposits with licensed financial institutions	3.66%	1.90%
	<u> </u>	<u> </u>
Average days to maturity	60 days	22 days
	<u> </u>	<u> </u>

7 SHARIAH INFORMATION OF THE FUND

The Shariah Adviser has confirmed that the investment portfolio of the Fund is Shariah-compliant, which comprises cash placements and liquid assets that are placed in the Shariah-compliant investment and/or instruments in the local market that have been classified as Shariah-compliant by the Shariah Advisory Council of Bank Negara Malaysia.

8 NUMBER OF UNITS IN CIRCULATION (UNITS)

	<u>2023</u>	<u>2022</u>
	No. of units	No. of units
At beginning of the financial year	146,193,500	404,175,493
Creation of units during the financial year:		
Arising from creations	65,906,029	124,626,164
Arising from distributions	52,605	3,999,661
Cancellation of units	(56,400,222)	(386,607,818)
	<u> </u>	<u> </u>
At end of the financial year	155,751,912	146,193,500
	<u> </u>	<u> </u>

NOMURA i-CASH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

9 DISTRIBUTIONS

	<u>2023</u> RM	<u>2022</u> RM
Distributions to unitholders are from the following sources:		
Prior years realised income	-	1,769,131
Profit income from Islamic deposits with licensed financial institutions	436,013	5,875,650
Less: Expenses	(365,213)	(719,139)
	<hr/> 70,800	<hr/> 6,925,642
Taxation	-	-
	<hr/> 70,800	<hr/> 6,925,642
	<hr/> <hr/>	<hr/> <hr/>

During the financial year, distributions per unit were made as follows:

	<u>Gross/Net distribution</u> <u>2023</u> RM/unit	<u>2022</u> RM/unit
May 2022/2021	-	0.0035
June 2022/2021	-	0.0063
July 2022/2021	0.0001	0.0002
August 2022/2021	0.0001	-
September 2022/2021	0.0001	0.0013
October 2022/2021	-	0.0003
November 2022/2021	-	0.0014
December 2022/2021	0.0001	0.0070
January 2023/2022	-	-
February 2023/2022	-	-
March 2023/2022	0.0001	-
April 2023/2022	-	-
	<hr/> <hr/>	<hr/> <hr/>

Gross distribution is derived using total income less total expenses. Net distribution above is mainly sourced from current and prior financial years' realised income.

Gross distribution per unit is derived from gross realised income less expenses divided by the number of units in circulation, while net distribution for unit is derived from gross realised income less expenses and taxation divided by the number of units in circulation.

NOMURA i-CASH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

10 TRANSACTIONS WITH LICENSED FINANCIAL INSTITUTIONS

Details of transactions with the licensed financial institutions are as follows:

	<u>Value of trade</u> RM	<u>Percentage of total trade</u> %
<u>30.04.2023</u>		
Maybank Islamic Berhad	481,786,185	31.30
AmBank Islamic Berhad	197,256,000	12.82
CIMB Islamic Bank Berhad	194,211,000	12.62
Kuwait Finance House (Malaysia) Berhad	183,906,000	11.95
Bank Islam Malaysia Berhad	181,295,000	11.78
RHB Islamic Bank Berhad	174,703,000	11.35
Hong Leong Islamic Bank Berhad	105,459,000	6.85
Public Islamic Bank Berhad	20,433,000	1.33
	<u>1,539,049,185</u>	<u>100.00</u>
<u>30.04.2022</u>		
Hong Leong Islamic Bank Bhd	758,616,854	19.29
CIMB Islamic Bank Berhad	744,918,356	18.94
AmBank Islamic Berhad	630,802,547	16.04
RHB Islamic Bank Berhad	572,783,000	14.56
Maybank Islamic Berhad	464,312,936	11.81
Public Islamic Bank Berhad	350,650,224	8.92
Kuwait Finance House (Malaysia) Berhad	285,075,795	7.25
Bank Islam Malaysia Berhad	125,297,000	3.19
	<u>3,932,456,712</u>	<u>100.00</u>

All licensed financial institutions above are not related to the Manager.

The above transactions were in respect of money market placements. Transactions in these Shariah-compliant investments do not involve any commission or brokerage.

NOMURA i-CASH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

11 TOTAL EXPENSE RATIO ("TER")

	<u>2023</u> %	<u>2022</u> %
TER	<u>0.24</u>	<u>0.23</u>

TER is derived from the following calculation:

$$\text{TER} = \frac{(A + B + C + D + E + F)}{G} \times 100$$

A	=	Management fee
B	=	Trustee's fee
C	=	Shariah Adviser's fee
D	=	Audit fee
E	=	Tax agent's fee
F	=	Other expenses
G	=	Average NAV of Fund calculated on daily basis

The average NAV of the Fund for the financial year calculated on daily basis is RM152,102,968 (2022: RM308,369,675).

12 PORTFOLIO TURNOVER RATIO ("PTR")

	<u>2023</u>	<u>2022</u>
PTR (times)	<u>10.08</u>	<u>13.18</u>

PTR is derived from the following calculation:

$$\frac{(\text{Total acquisition for the financial year} + \text{total disposal for the financial year}) \div 2}{\text{Average NAV of the Fund for the financial year calculated on daily basis}}$$

Where: total acquisition for the financial year = RM1,539,049,185 (2022: RM3,932,456,712)
total disposal for the financial year = RM1,525,919,185 (2022: RM4,194,480,602)

NOMURA i-CASH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023 (CONTINUED)

13 UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER

The related parties of and its relationship with the Fund are as follows:

<u>Related parties</u>	<u>Relationship</u>
Nomura Asset Management Malaysia Sdn Bhd	The Manager
Nomura Islamic Asset Management Sdn Bhd	Associate company of the Manager
Senior management of the Manager	Director(s) of the Manager
Deutsche Trustees Malaysia Berhad for Nomura Global Shariah Strategic Growth Fund	Fund Managed by the Manager

	<u>30.04.2023</u>		<u>30.04.2022</u>	
	No. of units	RM	No. of units	RM
Nomura Asset Management Malaysia Sdn Bhd	6,535,620	6,863,055	6,533,218	6,686,749
Deutsche Trustees Malaysia Berhad for Nomura Global Shariah Strategic Growth Fund	-	-	2,780,773	2,846,121

In the opinion of the Manager, the above units were transacted at the prevailing market price. Save and except for units held by Deutsche Trustees Malaysia Berhad, the above units are held legally and beneficially by the respective related parties. The units held by Deutsche Trustees Malaysia Berhad are held in trust for Fund Managed by the Manager.

In addition to the related party disclosure mentioned elsewhere in the financial statements, there were no other significant related party transactions and balances.

Other than the above, there were no units held by parties related to the Manager.

14 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 28 June 2023.

NOMURA i-CASH FUND**STATEMENT BY THE MANAGER**

We, Leslie Yap Kim Loong and Atsushi Ichii, being two of the Directors of Nomura Asset Management Malaysia Sdn Bhd ("the Manager"), do hereby state that, in the opinion of the Manager, the accompanying financial statements set out on pages 1 to 22 are drawn up in accordance with the provisions of the Deed and give a true and fair view of the financial position of the Fund as at 30 April 2023 and of its financial performance, changes in net asset value and cash flows for the financial year ended 30 April 2023 in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

For and on behalf of the Manager,
NOMURA ASSET MANAGEMENT MALAYSIA SDN BHD



LESLIE YAP KIM LOONG
Managing Director



ATSUSHI ICHII
Director

Kuala Lumpur

28 JUN 2023



Deutsche Trustees Malaysia Berhad
Registration No: 200701005591 (763590-H)
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TRUSTEE'S REPORT

TO THE UNIT HOLDERS OF NOMURA i-CASH FUND ("Fund")

We have acted as Trustee of the Fund for the financial year ended 30 April 2023 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Nomura Asset Management Malaysia Sdn Bhd has operated and managed the Fund during the year covered by these financial statements in accordance with the following:-

1. Limitations imposed on the investment powers of the management company under the deed, securities laws and the Guidelines on Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the deed; and
3. Any creation and cancellation of units are carried out in accordance with the deed and any regulatory requirement.

We are of the opinion that the distribution of income by the Fund is appropriate and reflects the investment objective of the Fund.

For Deutsche Trustees Malaysia Berhad


Ng Hon Leong
Head, Fund Operations


Jiva Munusamy
Head, Client Management

Kuala Lumpur
28 June 2023

SHARIAH ADVISER'S REPORT

TO THE UNIT HOLDERS OF
NOMURA i-CASH FUND

We hereby confirm:

To the best of our knowledge, after having made all reasonable enquiries, Nomura Asset Management Malaysia Sdn Bhd has operated and managed the Fund during the financial year covered by these financial statements in accordance with the Shariah principles and requirements and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia or Bank Negara Malaysia pertaining to Shariah matters; and

The assets of the Fund comprise instruments that have been classified as Shariah-compliant by the Shariah Advisory Council ("SAC") of the Securities Commission Malaysia or Bank Negara Malaysia. As for the instruments which are not classified as Shariah-compliant by the SAC of the Securities Commission Malaysia or Bank Negara Malaysia, we have reviewed the said instruments and confirmed that these instruments are Shariah-compliant.

For ZICO Shariah Advisory Services Sdn Bhd

A handwritten signature in black ink, appearing to read "Aida Othman", with a horizontal line underneath.

DR. AIDA OTHMAN

Designated Person Responsible for Shariah Matters Relating to the Fund

Kuala Lumpur

28 JUN 2023



INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF NOMURA I-CASH FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Nomura i-Cash Fund (“the Fund”) give a true and fair view of the financial position of the Fund as at 30 April 2023, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 30 April 2023, and the statement of comprehensive income, statement of changes in net asset value and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 1 to 22.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the “Auditors’ responsibilities for the audit of the financial statements” section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants (“By-Laws”) and the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information other than the financial statements and auditors’ report thereon

The Manager of the Fund is responsible for the other information. The other information comprises the Manager’s Report, but does not include the financial statements of the Fund and our auditors’ report thereon.

Our opinion on the financial statements of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

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INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF NOMURA I-CASH FUND (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the financial statements

The Manager of the Fund is responsible for the preparation of the financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to terminate the Fund, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



INDEPENDENT AUDITORS' REPORT
TO THE UNITHOLDERS OF NOMURA I-CASH FUND (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- (d) Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



INDEPENDENT AUDITORS' REPORT
TO THE UNITHOLDERS OF NOMURA I-CASH FUND (CONTINUED)

OTHER MATTERS

This report is made solely to the unitholders of the Fund, and for no other purpose. We do not assume responsibility to any other person for the content of this report.

A handwritten signature in black ink, appearing to read "R. L. C. a", positioned above the printed name of the firm.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
28 June 2023