

## **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.**

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

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**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 4<sup>th</sup> paragraph has been inserted;
  - b) Distribution policy – new 2<sup>nd</sup> to 6<sup>th</sup> paragraphs have been inserted; and
  - c) Specific risks of the Fund – a new risk (distribution out of capital risk) has been inserted.
- The 4<sup>th</sup> 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 4<sup>th</sup> 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:

<b>Distribution Policy</b>	<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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**THIS FIRST SUPPLEMENTARY PROSPECTUS DATED 1 MAY 2023 HAS TO BE READ IN CONJUNCTION WITH THE PROSPECTUS DATED 1 DECEMBER 2022.**

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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 4<sup>th</sup> 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:

<b>Deed of the Fund</b>	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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## **SECOND SUPPLEMENTARY PROSPECTUS**

This Second Supplementary Prospectus is dated 25 March 2024.

### **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 SECOND SUPPLEMENTARY PROSPECTUS DATED 25 MARCH 2024 HAS TO BE READ IN CONJUNCTION WITH THE PROSPECTUS DATED 1 DECEMBER 2022 AND THE FIRST SUPPLEMENTARY PROSPECTUS DATED 1 MAY 2023.**

**INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THE PROSPECTUS DATED 1 DECEMBER 2022, THE FIRST SUPPLEMENTARY PROSPECTUS DATED 1 MAY 2023 AND THIS SECOND SUPPLEMENTARY PROSPECTUS DATED 25 MARCH 2024. 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, PAGE 2 OF THE FIRST SUPPLEMENTARY PROSPECTUS DATED 1 MAY 2023 AND PAGE 1 OF THIS SECOND SUPPLEMENTARY PROSPECTUS DATED 25 MARCH 2024.**

**THIS SECOND SUPPLEMENTARY PROSPECTUS DATED 25 MARCH 2024 HAS TO BE READ IN CONJUNCTION WITH THE PROSPECTUS DATED 1 DECEMBER 2022 AND THE FIRST SUPPLEMENTARY PROSPECTUS DATED 1 MAY 2023.**

**RESPONSIBILITY STATEMENT**

This Second 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 Second 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 Second Supplementary Prospectus has been registered with the SC.

The authorisation of the Nomura i-Income Fund 2, and registration of this Second 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, the First Supplementary Prospectus dated 1 May 2023 or this Second 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 Second Supplementary Prospectus. The SC makes no representation on the accuracy or completeness of this Second 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 Second 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 Second 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 Second 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 Second 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 SECOND SUPPLEMENTARY PROSPECTUS DATED 25 MARCH 2024 HAS TO BE READ IN CONJUNCTION WITH THE PROSPECTUS DATED 1 DECEMBER 2022 AND THE FIRST SUPPLEMENTARY PROSPECTUS DATED 1 MAY 2023.**

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Unless otherwise provided in this Second Supplementary Prospectus, all the capitalised terms used herein shall have the same meanings ascribed to them in the Prospectus dated 1 December 2022 (as amended by the First Supplementary Prospectus dated 1 May 2023) (“Prospectus”).

**EXPLANATORY NOTE**

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

- The glossary for “Eligible Market” has been amended.
- The reinvestment risk and Shariah non-compliance risk under specific risks of the Fund have been amended.
- The 2<sup>nd</sup> paragraph of the temporary suspension under dealing information has been amended.
- Mr Eugene Ray Martin has replaced Mr Joel Lim Soo Min as the designated person responsible for the management of the Fund effective 2 November 2023.
- The Islamic derivatives under Shariah investment guidelines has been amended.
- The Shariah non-compliant investment under cleansing/purification process for the Fund has been amended.

**1. GLOSSARY**

**Page 2 of the Prospectus**

The information in relation to Eligible Market is hereby deleted and replaced with the following:

Eligible Market	An exchange, government securities market or an OTC market— (a) that is regulated by a regulatory authority of that jurisdiction; (b) that is open to the public or to a substantial number of market participants; and (c) on which financial instruments are regularly traded;
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**2. UNDERSTANDING THE RISKS OF THE FUND**

**Page 11 of the Prospectus**

The information in relation to the reinvestment risk under the specific risks of the Fund is hereby deleted and replaced with the following:

**Reinvestment Risk**

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

**Page 12 of the Prospectus**

The information in relation to the Shariah non-compliance risk under the specific risks of the Fund is hereby deleted and replaced with the following:

**Shariah Non-compliance Risk**

This risk refers to the risk that the Manager may wrongly invest in a Shariah non-compliant investment in the Fund. The said Shariah non-compliant investment will be withdrawn within one month of knowing the status of the investment. In the event the Shariah non-compliant investment resulted in gain (through capital gain and/ or interest), the gain is to be channelled to *baitulmal* and/or any other charitable bodies as advised by the Shariah Adviser.

**THIS SECOND SUPPLEMENTARY PROSPECTUS DATED 25 MARCH 2024 HAS TO BE READ IN CONJUNCTION WITH THE PROSPECTUS DATED 1 DECEMBER 2022 AND THE FIRST SUPPLEMENTARY PROSPECTUS DATED 1 MAY 2023.**

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### **3. DEALING INFORMATION**

#### **Page 20 of the Prospectus**

The 2<sup>nd</sup> paragraph of Section 6.8 – Temporary Suspension is hereby deleted and replaced with the following:

2<sup>nd</sup> paragraph:

To avoid suspension of the Fund, the Fund will hold adequate Islamic liquid assets (50% of the Fund's NAV) and if the Islamic 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 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.

### **4. THE MANAGER**

#### **Page 24 of the Prospectus**

The information in relation to Section 8.4 – Investment Team is hereby deleted and replaced with the following:

#### **Mr Eugene Ray Martin – Designated Fund Manager**

Eugene joined NAMM in August 2019 as Portfolio Manager attached to the Malaysian Fixed Income and Global Sukuk team. Prior to joining NAMM, Eugene was a strategist for Fixed Income Currency and Commodities of CIMB Investment Bank. He was also Fund Manager and Senior Credit Analyst for AmFunds Management.

As Portfolio Manager at NAMM, Eugene is a contributing member of the Emerging Bond Investment meetings held regularly and jointly with other Emerging Bond market specialists from Nomura Asset Management offices in New York, Singapore, Tokyo, London and Frankfurt.

Eugene holds a Masters of Applied Economics from the Australian National University and a Bachelor in Health Sciences (Hons) Biomedicine from Universiti Sains Malaysia.

### **5. THE SHARIAH ADVISER**

#### **Page 26 of the Prospectus**

- i) The information in relation to Islamic derivatives under Section 9.4.1 - Shariah Investment Guidelines is hereby deleted and replaced with the following:

#### **Islamic derivatives**

The Fund may use Islamic derivatives approved by the Shariah Adviser, such as Islamic foreign exchange forward contracts, for hedging purposes. If Islamic derivatives are not available or are not commercially viable, the Fund may use conventional derivatives subject to prior approval from the Shariah Adviser being obtained.



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- ii) The information in relation to Shariah Non-compliant Investment under Section 9.4.2 - Cleansing/Purification Process For The Fund is hereby deleted and replaced with the following:

**Shariah Non-compliant Investment**

This refers to Shariah non-compliant investment made by the Manager. The said Shariah non-compliant investment will be disposed/withdrawn within 1 month of knowing the status of the investment. In the event the Shariah non-compliant investment resulted in gain (through capital gain and/or interest) received before or after the withdrawal of the investment, the gain is to be channelled to *baitulmal* and/or any other charitable bodies as advised by the Shariah Adviser. If the withdrawal of the investment resulted in losses to the Fund, the losses are to be borne by the Manager. The Fund has a right to retain only the investment cost.

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