

SECOND SUPPLEMENTARY INFORMATION MEMORANDUM

This Second Supplementary Information Memorandum is dated 31 January 2025.

NOMURA RINGGIT BOND FUND 1 (constituted on 25 June 2019 and launched on 1 July 2019)

MANAGER:

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

TRUSTEE:

CIMB Commerce Trustee Berhad
(Registration No.: 199401027349 (313031-A))

THIS SECOND SUPPLEMENTARY INFORMATION MEMORANDUM DATED 31 JANUARY 2025 HAS TO BE READ IN CONJUNCTION WITH THE INFORMATION MEMORANDUM DATED 10 APRIL 2023 AND THE FIRST SUPPLEMENTARY INFORMATION MEMORANDUM DATED 15 FEBRUARY 2024.

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THE INFORMATION MEMORANDUM DATED 10 APRIL 2023, THE FIRST SUPPLEMENTARY INFORMATION MEMORANDUM DATED 15 FEBRUARY 2024 AND THIS SECOND SUPPLEMENTARY INFORMATION MEMORANDUM DATED 31 JANUARY 2025. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

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RESPONSIBILITY STATEMENT

This Second Supplementary Information Memorandum has been reviewed and approved by the directors of Nomura Asset Management Malaysia Sdn Bhd and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements, or omission of other facts which would make any statement in this Second Supplementary Information Memorandum false or misleading.

STATEMENTS OF DISCLAIMER

The Securities Commission Malaysia (“SC”) has not authorised or recognised the Nomura Ringgit Bond Fund 1 and a copy of the Information Memorandum dated 10 April 2023, the First Supplementary Information Memorandum dated 15 February 2024 and this Second Supplementary Information Memorandum (collectively, “Information Memorandums”) have not been registered with the SC.

The lodgement of the Information Memorandums should not be taken to indicate that the SC recommends the Nomura Ringgit Bond Fund 1 or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in the Information Memorandums.

The SC is not liable for any non-disclosure on the part of Nomura Asset Management Malaysia Sdn Bhd, the management company responsible for the Nomura Ringgit Bond Fund 1 and takes no responsibility for the contents in the Information Memorandums. The SC makes no representation on the accuracy or completeness of the Information Memorandums, 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 Information Memorandum that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to this Second Supplementary Information Memorandum or the conduct of any other person in relation to the Nomura Ringgit Bond Fund 1.

This Second Supplementary Information Memorandum is not intended to and will not be issued and distributed in any country or jurisdiction other than in Malaysia (“Foreign Jurisdiction”). Consequently, no representation has been and will be made as to its compliance with the laws of any Foreign Jurisdiction. Accordingly, no offer or invitation to subscribe or purchase Units in the Nomura Ringgit Bond Fund 1 to which this Second Supplementary Information Memorandum relates, may be made in any Foreign Jurisdiction or under any circumstances where such action is unauthorised.

Units of Nomura Ringgit Bond Fund 1 can only be sold to sophisticated investors as prescribed under the Securities Commission Malaysia Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

NOMURA RINGGIT BOND FUND 1 MAY DECLARE DISTRIBUTION OUT OF CAPITAL. INVESTORS ARE TO NOTE THAT THE CAPITAL OF THE FUND MAY BE ERODED. THE DISTRIBUTION IS ACHIEVED BY FORGOING THE POTENTIAL FOR FUTURE CAPITAL GROWTH AND THIS CYCLE MAY CONTINUE UNTIL ALL CAPITAL OF THE FUND IS DEPLETED.

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Unless otherwise provided in this Second Supplementary Information Memorandum, all the capitalised terms used herein shall have the same meanings ascribed to them in the Information Memorandum dated 10 April 2023 and the First Supplementary Information Memorandum dated 15 February 2024 (“Information Memorandum”).

EXPLANATORY NOTE

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

- **Section 2: Glossary**
 - ❖ The definition of “Sophisticated Investor” has been amended.
- **Section 3: About Nomura Ringgit Bond Fund 1**
 - ❖ The information in relation to “Section 3 – Asset Allocation” has been amended.
 - ❖ The information in relation to “Section 3 – Performance Benchmark” has been amended.
 - ❖ The information in relation to item (a), (c) and (d) of “Section 3 – Investment Restrictions and Limits” have been amended.
 - ❖ New items (f), (g), (h), (i) and (j) have been added to “Section 3 – Investment Restrictions and Limits”.
- **Section 5: What are the Fees and Charges Involved?**
 - ❖ The information in relation to annual management fee has been amended.
- **Section 6: Dealing Information**
 - ❖ The information in relation to “Section 6.7 – Unclaimed Money” has been amended.

1. GLOSSARY

Page 3 of the Information Memorandum

The information in relation to the definition of “Sophisticated Investor” is hereby deleted and replaced with the following:

Sophisticated Investor(s) Any person who:-

- (i) is determined to be a sophisticated investor under:
 - (a) the Guidelines on Categories of Sophisticated Investors; or
 - (b) any relevant laws/guidelines for wholesale funds;
- (ii) acquires any capital market product specified under the Guidelines where the consideration is not less than RM250,000 or its equivalent in foreign currencies for each transaction whether such amount is paid for in cash or otherwise.

2. ABOUT NOMURA RINGGIT BOND FUND 1

Page 4 of the Information Memorandum

The information in relation to Section 3 – Asset Allocation is hereby deleted and replaced with the following:

Asset Allocation	<ul style="list-style-type: none"> - 0% - 100% of the Fund’s NAV to be invested in fixed income securities denominated in Ringgit Malaysia¹; and - 0% - 50% of the Fund’s NAV to be invested in money market instruments, deposits, placement of money at call with financial institutions and/or held in cash.
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Note 1: The Manager does not intend to increase positions in asset-backed fixed income securities beyond 10% and corporate bonds beyond 80% of the Fund’s NAV respectively.

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Page 5 of the Information Memorandum

The information in relation to item (a), (c) and (d) of Section 3 – Investment Restrictions and Limits are hereby deleted and replaced with the following:

- (a) Fixed income securities denominated in Ringgit Malaysia are subject to a minimum credit rating of “A3” or “P1” by RAM or an equivalent rating by MARC at the point of investment². This restriction shall not apply to securities that are issued or guaranteed by the Malaysian government;
- (c) The average duration of the total investments of the Fund including cash shall not exceed 5 years;
- (d) The value of the Fund’s investment in fixed income securities issued by a single issuer shall not exceed 10% of the Fund’s NAV, provided always that the value of the Fund’s investment in fixed income securities issued by a single issuer with a credit rating below “AA3” or “P1”, as rated by RAM or an equivalent rating by MARC shall not exceed 5% of the Fund’s NAV. This restriction shall not apply to securities that are issued or guaranteed by the Malaysian government;

Note 2: Notwithstanding this, the Manager will strive to maintain an average credit rating of “AA3” by RAM or an equivalent rating by MARC for the Fund. The Manager further does not intend to invest more than 25% of the Fund’s NAV in single A-rated papers.

Item (f), (g), (h), (i) and (j) are hereby inserted under Section 3 – Investment Restrictions and Limits as follows:

- (f) The maximum duration of money market instruments, deposits and placement of money at call with financial institutions shall not exceed 13 months;
- (g) The Manager does not intend to invest more than 20% of the Fund’s NAV in any one sector, save for the financial sector;
- (h) The value of the Fund’s investments in money market instruments issued by any single issuer must not exceed 10% of the Fund’s NAV;
- (i) The value of the Fund’s placement in deposits with any single financial institution must not exceed 20% of the Fund’s NAV (“single financial institution limit”). The single financial institution limit does not apply to placements of deposits arising from:
 - a) subscription monies received prior to the commencement of investment by the Fund;
 - b) liquidation of investments prior to the termination of the Fund, where the placement of deposits with various financial institutions would not be in the best interest of Unit Holders; or
 - c) monies held for the settlement of redemption or other payment obligations, where the placement of deposits with various financial institutions would not be in the best interest of Unit Holders; and
- (j) The aggregate value of the Fund’s investments in, or exposure to, a single issuer through the following must not exceed 25% of the Fund’s NAV (“single issuer aggregate limit”):
 - a) fixed income securities;
 - b) money market instruments; and
 - c) deposits.

In determining the single issuer aggregate limit, the value of the Fund’s investments in instruments in paragraph (d) issued by the same issuer must be included in the calculation.

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The information in relation to Section 3 – Performance Benchmark is hereby deleted and replaced with the following:

Performance Benchmark	<p>40% FTSE BPAM Corporate 3Y – 7Y All Bond Index + 20% FTSE BPAM Corporate 1Y – 3Y All Bond Index + 20% FTSE BPAM Government 3Y – 7Y All Bond Index + 20% FTSE BPAM Government 1Y – 3Y All Bond Index.</p> <p><i>Notes:</i></p> <p>(1) <i>The risk profile of the Fund is different from the risk profile of the performance benchmark.</i></p> <p>(2) <i>With effect from 31 January 2025, the performance benchmark has been changed from 12-month Malayan Banking Berhad Fixed Deposit Account Rate to 40% FTSE BPAM Corporate 3Y – 7Y All Bond Index + 20% FTSE BPAM Corporate 1Y – 3Y All Bond Index + 20% FTSE BPAM Government 3Y – 7Y All Bond Index + 20% FTSE BPAM Government 1Y – 3Y All Bond Index.</i></p>
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3. WHAT ARE THE FEES AND CHARGES INVOLVED?

Page 12 of the Information Memorandum

The information in relation to the Section 5.5 on page 12 of the Information Memorandum under the heading “Annual Management Fee” is hereby deleted and replaced with the following:

5.5 Annual Management Fee

Up to 0.20% per annum of the NAV of the Fund.

The management fee is calculated and accrued daily, and is paid monthly to us. We may in our discretion, from time to time, charge an annual management fee that is lower than that stated above. Please refer to <https://www.nomura-asset.com.my/news-announcements/> for information on the current annual management fee charged to the Fund.

We reserve the right to enter into separate fee sharing and/or fee reimbursement arrangements with the Unit Holders. Such fee as may be agreed between the Manager and the relevant Unit Holder will be calculated and paid/reimbursed by the Manager from its management fee.

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

4. DEALING INFORMATION

Page 18 of the Information Memorandum

The information in relation to the Section 6.7 on page 18 of the Information Memorandum under the heading “Unclaimed Money” is hereby deleted and replaced with the following:

6.7 Unclaimed Money

Any moneys payable to you which remain unclaimed after 2 years as prescribed by Unclaimed Moneys Act 1965 (“UMA”), as may be amended from time to time, will be surrendered to the Registrar of Unclaimed Moneys by us in accordance with the requirements of the UMA. Thereafter, all claims need to be made by you with the Registrar of Unclaimed Moneys.

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

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