

# Nomura i-Income Fund 2

Semi-Annual Report and Unaudited Financial Statements for the  
Period Ended 30 April 2025

**MANAGER:**

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

**TRUSTEE:**

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

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

## 1. FUND PROFILE

### 1.1 Fund Name

Nomura i-Income Fund 2 (“Fund”)

### 1.2 Type and Category of Fund

Income – Fixed Income (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 recurring income on its investments.

### 1.5 Distribution Policy

Subject to availability of income, distribution will be on quarterly basis.

### 1.6 Performance Benchmark

Maybank 3-month Islamic Fixed Deposit Rate (“Benchmark”).

## 2. FUND PERFORMANCE

### 2.1 Key Fund Performance Data

Asset Allocation / Portfolio Composition	30 Apr 2025	31 Oct 2024	31 Oct 2023	31 Oct 2023
Unquoted sukuk – Government of Malaysia	27.33%	60.88%	63.31%	62.47%
Cash and Others <sup>#</sup>	72.67%	39.12%	36.69%	37.53%
<b>Total (%)</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

<sup>#</sup> Included in ‘Cash and Others’ are cash on hand and Islamic deposits and other net current assets/liabilities.

1. A maximum of 50% of the Fund’s NAV to be invested in Islamic deposits, placement of money at call with financial institutions and/or held in cash. The exposure of the non-compliance issue was below the threshold from 09.04.2025 onward. This is due to the market has been rallying aggressively since the start of April 2025 hence Portfolio Manager decided to raise liquidity level and take temporary defensive measure for the fund as disclosed in the fund’s investment strategy.

2. A minimum of 50% of the Fund’s NAV to be invested in Islamic fixed income instruments denominated in Ringgit Malaysia, including Government Investment Issues (GII) and/or other Islamic fixed income instruments issued or guaranteed by the Malaysian government or BNM or its subsidiaries. The exposure of the non-compliance issue was below the threshold from 07.04.2025 onward. This is due to the market has been rallying aggressively since the start of April 2025 hence Portfolio Manager decided to raise liquidity level and take temporary defensive measure for the fund as disclosed in the fund’s investment strategy. Portfolio Manager is taking temporary defensive mode for the fund and will deploy when opportunity arises and plans to deploy within 3 months.

**Fund – Class S**

Category	1 Nov 2024 to 30 Apr 2025	1 Nov 2023 to 30 Apr 2024	1 Nov 2022 to 30 Apr 2023	Since Commencement, 21 Jul 2021 to 31 Oct 2022
Highest NAV per Unit (RM) <sup>1</sup>	1.0183	1.0060	1.0045	1.0034
Lowest NAV per Unit (RM) <sup>1</sup>	1.0075	0.9930	0.9722	0.9165
Total Return (%) <sup>2</sup>				
- Capital growth (%)	0.93	0.51	1.83	(1.72)
- Income (%)	2.63	3.19	3.10	1.70
Gross/Net Distribution per unit (RM sen)	1.55	1.60	1.70	1.67
Total NAV (RM) <sup>1</sup>	40,862,357	40,113,653	40,237,111	39,502,084
NAV per Unit (RM)	1.0166	0.9980	1.0011	0.9828
Unit in Circulation	40,194,023	40,193,994	40,193,960	40,193,943

**Fund – Class I**

Category	1 Nov 2024 to 30 Apr 2025	1 Nov 2023 to 30 Apr 2024	1 Nov 2022 to 30 Apr 2023	Since Commencement, 21 Jul 2021 to 31 Oct 2022
Highest NAV per Unit (RM) <sup>1</sup>	1.0138	1.0026	1.0023	1.0030
Lowest NAV per Unit (RM) <sup>1</sup>	1.0034	0.9901	0.9703	0.9165
Total Return (%) <sup>2</sup>				
- Capital growth (%)	0.89	0.45	1.77	(1.90)
- Income (%)	2.64	3.20	3.10	1.70
Gross/Net Distribution per unit (RM sen)	1.55	1.60	1.70	1.67
Total NAV (RM) <sup>1</sup>	31,397,565	30,856,441	30,985,278	29,915,884
NAV per Unit (RM)	1.0120	0.9945	0.9987	0.9810
Unit in Circulation	31,026,225	31,026,196	31,026,163	30,496,526

**Fund – Class R**

Category	1 Nov 2024 to 30 Apr 2025	1 Nov 2023 to 30 Apr 2024	1 Nov 2022 to 30 Apr 2023	Since Commencement, 21 Jul 2021 to 31 Oct 2022
Highest NAV per Unit (RM) <sup>1</sup>	1.0083	0.9987	1.0000	1.0030
Lowest NAV per Unit (RM) <sup>1</sup>	0.9985	0.9869	0.9686	0.9164
Total Return (%) <sup>2</sup>				
- Capital growth (%)	0.80	0.37	1.71	(2.07)
- Income (%)	2.65	3.21	3.11	1.71
Gross/Net Distribution per unit (RM sen)	1.55	1.60	1.70	1.67
Total NAV (RM) <sup>1</sup>	2,234,146	3,083,134	6,093,717	5,710,910
NAV per Unit (RM)	1.0062	0.9905	0.9962	0.9793
Unit in Circulation	2,220,366	3,112,828	6,116,916	5,831,775

**Fund – Class H (Hedged)**

Category	1 Nov 2024 to 30 Apr 2025	1 Nov 2023 to 30 Apr 2024	1 Nov 2022 to 30 Apr 2023	Since Commencement, 21 Jul 2021 to 31 Oct 2022
Highest NAV per Unit (USD) <sup>1</sup>	1.1433	1.0806	1.0371	1.0258
Lowest NAV per Unit (USD) <sup>1</sup>	1.1106	1.0526	0.9914	0.9191
Total Return (%) <sup>2</sup>				
- Capital growth (%)	2.70	2.53	4.15	(0.45)
- Income (%)	0.53	0.63	0.64	0.37
Gross/Net Distribution per unit (USD sen)	0.35	0.34	0.36	0.364
Total NAV (RM) <sup>1</sup>	864,656	940,364	5,333,147	5,877,373
NAV per Unit (USD)	1.1433	1.0786	1.0371	0.9955
Unit in Circulation	175,390	182,718	1,153,531	1,249,243

Category	1 Nov 2024 to 30 Apr 2025	1 Nov 2023 to 30 Apr 2024	1 Nov 2022 to 30 Apr 2023	Since Commencement, 21 Jul 2021 to 31 Oct 2022
Total Expense Ratio (%) <sup>3</sup>	0.13	0.14	0.15	0.37
Portfolio Turnover Ratio (time) <sup>4</sup>	0.17	0.19	1.24	0.59

**Notes:**

(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

### Fund – Class S

	1 Year to 30 Apr 2025	3 Year to 30 Apr 2025	Since Commencement, 21 Jul 2021 to 30 Apr 2025
<b>Average Total Return (%)</b>	4.59	4.22	2.92

Source: Refinitiv Lipper

### Fund – Class I

	1 Year to 30 Apr 2025	3 Year to 30 Apr 2025	Since Commencement, 21 Jul 2021 to 30 Apr 2025
<b>Average Total Return (%)</b>	4.49	4.12	2.80

Source: Refinitiv Lipper

### Fund – Class R

	1 Year to 30 Apr 2025	3 Year to 30 Apr 2025	Since Commencement, 21 Jul 2021 to 30 Apr 2025
<b>Average Total Return (%)</b>	4.33	3.96	2.66

Source: Refinitiv Lipper

**Fund – Class H (Hedged)**

	1 Year to 30 Apr 2025	3 Year to 30 Apr 2025	Since Commencement, 21 Jul 2021 to 30 Apr 2025
<b>Average Total Return (%)</b>	6.55	5.59	4.13

Source: Refinitiv Lipper

**2.3 Annual Total Return of the Fund**
**Fund – Class S**

	FY2024	FY2023	Since Commencement, 21 Jul 2021 to 31 Oct 2022
<b>Total Return (%)<sup>1</sup></b>	4.22	4.42	(0.04)
<b>Benchmark (%)</b>	2.69	2.84	2.43

Source: Refinitiv Lipper

**Fund – Class I**

	FY2024	FY2023	Since Commencement, 21 Jul 2021 to 31 Oct 2022
<b>Total Return (%)<sup>1</sup></b>	4.11	4.31	(0.22)
<b>Benchmark (%)</b>	2.69	2.84	2.43

Source: Refinitiv Lipper

**Fund – Class R**

	FY2024	FY2023	Since Commencement, 21 Jul 2021 to 31 Oct 2022
<b>Total Return (%)<sup>1</sup></b>	3.95	4.16	(0.39)
<b>Benchmark (%)</b>	2.69	2.84	2.43

Source: Refinitiv Lipper

### Fund – Class H (Hedged)

	FY2024	FY2023	Since Commencement, 21 Jul 2021 to 31 Oct 2022
<b>Total Return (%)<sup>1</sup></b>	6.37	6.43	(0.08)
<b>Benchmark (%)</b>	11.73	2.06	(8.47)

Source: Refinitiv Lipper

### Notes:

- (1) 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:

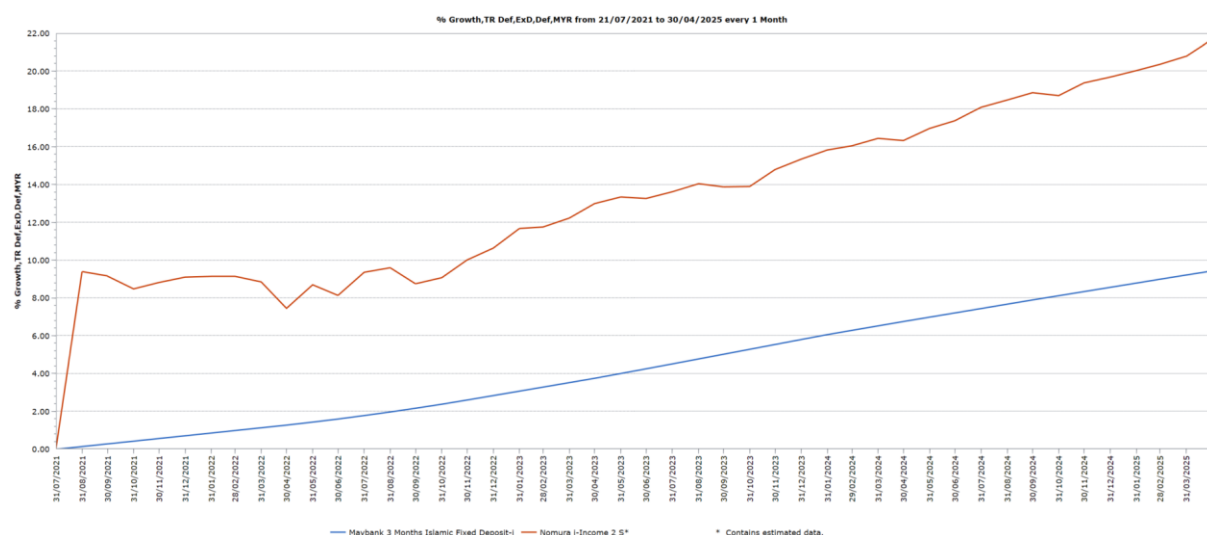
- **Capital Return** =  $\{ \text{NAV per Unit End} / \text{NAV per Unit Beginning} - 1 \} \times 100$
- **Income Return** =  $\{ \text{Income Distribution per Unit} / \text{NAV per Unit Ex-Distribution} \} \times 100$
- **Total Return** =  $(1 + \text{Percentage Growth})^{1/n} - 1$

**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

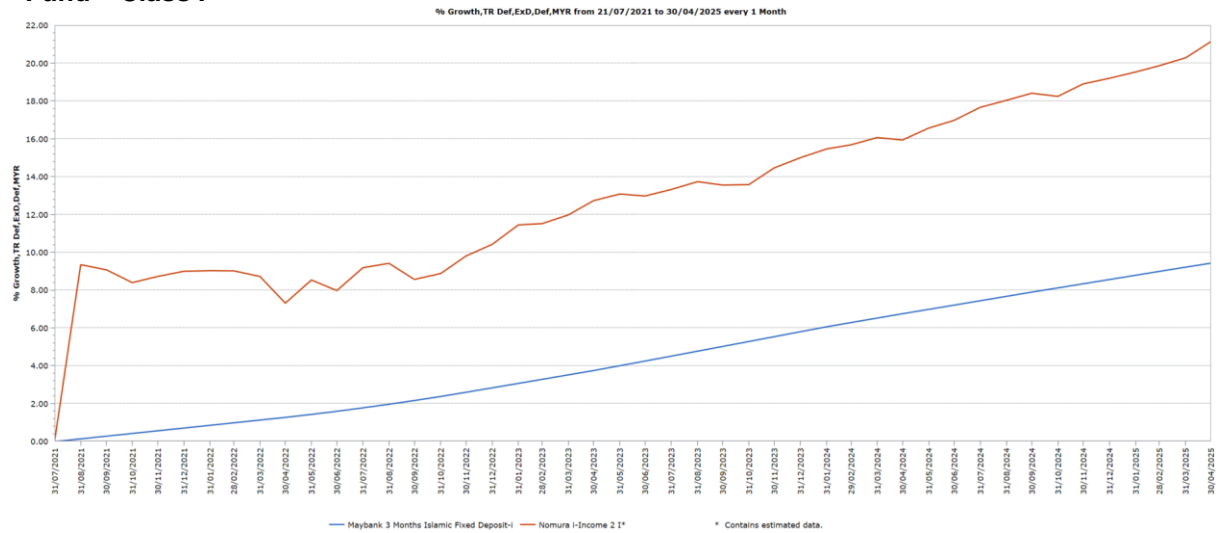
### Performance of Nomura i-Income Fund 2 from 21 July 2021 to 30 April 2025

#### Fund – Class S

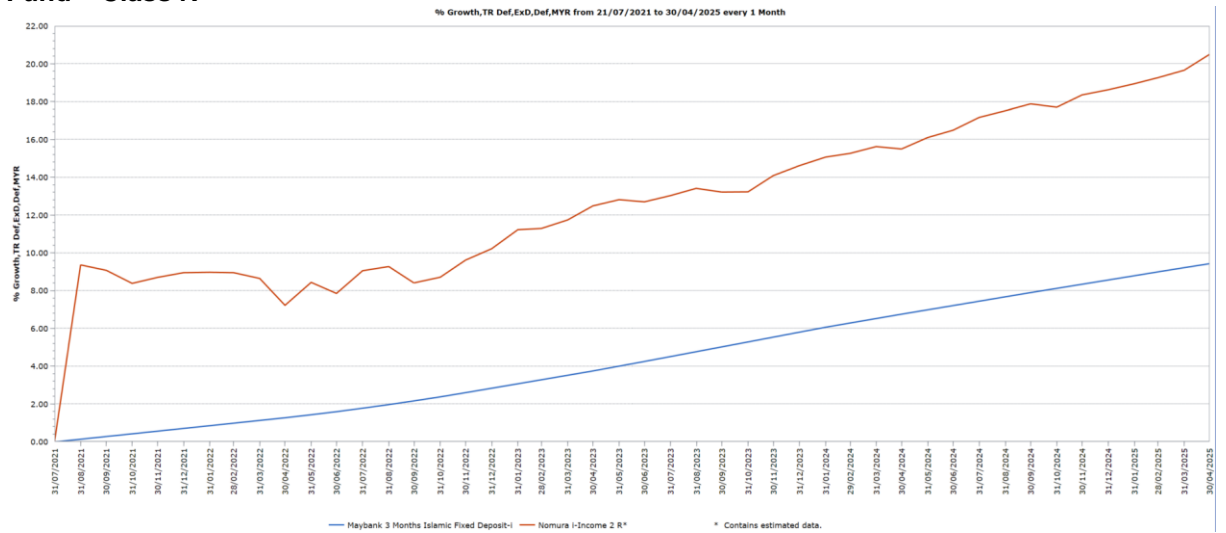




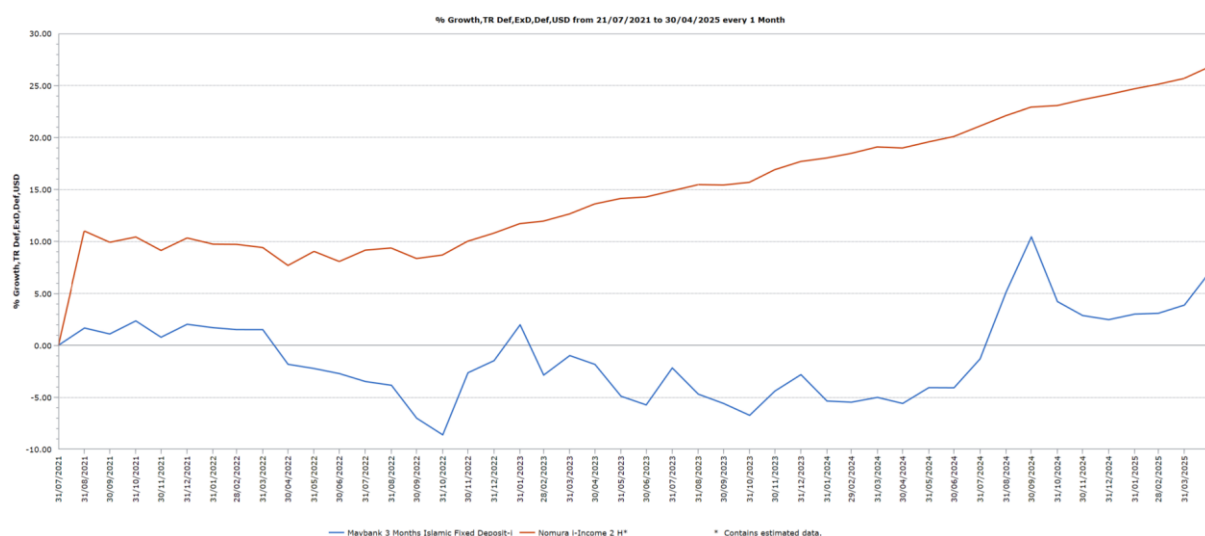
## Fund – Class I



## Fund – Class R



## Fund – Class H (Hedged)



**Benchmark:** Maybank 3-month Islamic Fixed Deposit 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 November 2024 to 30 April 2025

#### Fund – Class S

For the period under review from 1 November 2024 to 30 April 2025, Class S has registered 2.49% return. Compared to the Benchmark return of 1.21%, Class S has outperformed the Benchmark by 1.28%. The Net Asset Value (NAV) per unit of Class S as at 31 October 2024 was RM 1.0072 compared to the NAV per unit as at 30 April 2025 of RM 1.0166. On the total NAV basis, Class S's NAV stood at RM 40.86 million as at 30 April 2025. During the period under review, Class S has declared a total income distribution of RM 0.0155 per unit.

#### Fund – Class I

For the period under review from 1 November 2024 to 30 April 2025, Class I has registered 2.45% return. Compared to the Benchmark return of 1.21%, Class I has outperformed the Benchmark by 1.24%. The Net Asset Value (NAV) per unit of Class I as at 31 October 2024 was RM 1.0031 compared to the NAV per unit as at 30 April 2025 of RM 1.0120. On the total NAV basis, Class I's NAV stood at RM 31.40 million as at 30 April 2025. During the period under review, Class I has declared a total income distribution of RM 0.0155 per unit.

#### Fund – Class R

For the period under review from 1 November 2024 to 30 April 2025, Class R has registered 2.37% return. Compared to the Benchmark return of 1.21%, Class R has outperformed the Benchmark by 1.16%. The Net Asset Value (NAV) per unit of Class R as at 31 October 2024 was RM 0.9982 compared to the NAV per unit as at 30 April 2025 of RM 1.0062. On the total NAV basis, Class R's NAV stood at RM 2.23 million as at 30 April 2025. During the period under review, Class R has declared a total income distribution of RM 0.0155 per unit.

### Fund – Class H (Hedged)

For the period under review from 1 November 2024 to 30 April 2025, Class H (Hedged) has registered 3.02% return. Compared to the Benchmark return of 2.71%, Class H (Hedged) has outperformed the Benchmark by 0.32%. The Net Asset Value (NAV) per unit of Class H (Hedged) as at 31 October 2024 was USD 1.0523 compared to the NAV per unit as at 30 April 2025 of USD 1.1433. On the total NAV basis, Class H (Hedged)'s NAV stood at RM 0.86 million as at 30 April 2025. During the period under review, Class H (Hedged) has declared a total income distribution of USD 0.0035 per unit.

## 3.2 Review of Market for the period from 1 November 2024 to 30 April 2025

In contrast to the monetary policy easing measures adopted by major Central Banks, Bank Negara Malaysia (“BNM”) stayed put and continued to maintain its Overnight Policy Rate (“OPR”) unchanged at 3.00% throughout the review period. In its latest Monetary Policy Committee meeting that was held in March 2025, BNM retained its neutral tone with a balanced outlook for both global and domestic economies. Global growth is expected to be sustained by resilient labour market conditions, moderating inflation, and less restrictive monetary policy amid elevated uncertainties surrounding global trade and geopolitical developments. On the domestic front, while economic growth is expected to be sustained, supported by positive domestic demand and continued expansion in investment activity, BNM indicated that domestic growth outlook is subject to downside risks from evolving global trade policies and lower-than-expected commodity production. Meanwhile, domestic inflation for the year is forecasted to remain manageable with the overall impact of the several announced domestic policies expected to be contained. All in all, BNM reiterated that the current monetary policy stance remains supportive of the economy and is consistent with the current assessment of the inflation and growth prospects.

## 3.3 Investment Outlook

We expect a volatile 2H25, led by the uncertainty surrounding the announced unilateral tariffs by the US, leading to a high amount of volatility in currency and financial assets globally. This in addition to the uncertainty domestically from an increase in prices. We anticipate gradually increasing duration, though it will be done at a conservative basis. Should yields rise to levels that we deem to offer value, we will deploy our cash into short to medium dated GII to better position the portfolio for the coming few periods.

## 3.4 Strategies Employed for the period from 1 November 2024 to 30 April 2025

Strategy-wise, we remain cautious of the yield curve, as despite the weakness of the yield curve, in a period of high uncertainty. We have aggressively reduced the duration of the portfolio. We think it is opportunistic to slowly increase duration when the curve begins to show value in the belly to the long-end of the curve. In the interim we see better rolldown benefit in the short-end of the curve.

## 3.5 Asset Allocation

Asset Allocation / Portfolio Composition	30 Apr 2025	31 Oct 2024	31 Oct 2023	31 Oct 2023
Unquoted sukuk - Government of Malaysia	27.33%	60.88%	63.31%	62.47%
Cash and Others <sup>#</sup>	72.67%	39.12%	36.69%	37.53%
<b>Total (%)</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

<sup>#</sup> Included in ‘Cash and Others’ are cash on hand and Islamic deposits and other net current assets/liabilities.

1. A maximum of 50% of the Fund's NAV to be invested in Islamic deposits, placement of money at call with financial institutions and/or held in cash. The exposure of the non-compliance issue was below the threshold from 09.04.2025 onward. This is due to the market has been rallying aggressively since the start of April 2025 hence Portfolio Manager decided to raise liquidity level and take temporary defensive measure for the fund as disclosed in the fund's investment strategy.

2. A minimum of 50% of the Fund's NAV to be invested in Islamic fixed income instruments denominated in Ringgit Malaysia, including Government Investment Issues (GII) and/or other Islamic fixed income instruments issued or guaranteed by the Malaysian government or BNM or its subsidiaries. The exposure of the non-compliance issue was below the threshold from 07.04.2025 onward. This is due to the market has been rallying aggressively since the start of April 2025 hence Portfolio Manager decided to raise liquidity level and take temporary defensive measure for the fund as disclosed in the fund's investment strategy. Portfolio Manager is taking temporary defensive mode for the fund and will deploy when opportunity arises and plans to deploy within 3 months.

### 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 RM0.0155 per unit for unit holders of each Class S, Class I and Class R, and USD0.0035 per unit for unit holders of Class H (Hedged) over the financial period ended 30 April 2025.

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

#### Fund – Class S

Cum-Distribution Date	Cum-Distribution (RM)	Ex-Distribution Date	Ex-Distribution (RM)	Distribution per Unit (RM)
20-Dec-24	1.0134	23-Dec-24	1.0087	0.0055
17-Mar-25	1.0183	19-Mar-25	1.0088	0.0100

#### Fund – Class I

Cum-Distribution Date	Cum-Distribution (RM)	Ex-Distribution Date	Ex-Distribution (RM)	Distribution per Unit (RM)
20-Dec-24	1.0092	23-Dec-24	1.0044	0.0055
17-Mar-25	1.0138	19-Mar-25	1.0043	0.0100

#### Fund – Class R

Cum-Distribution Date	Cum-Distribution (RM)	Ex-Distribution Date	Ex-Distribution (RM)	Distribution per Unit (RM)
20-Dec-24	1.0041	23-Dec-24	0.9993	0.0055
17-Mar-25	1.0083	19-Mar-25	0.9987	0.0100

#### Fund – Class H (Hedged)

Cum-Distribution Date	Cum-Distribution (USD)	Ex-Distribution Date	Ex-Distribution (USD)	Distribution per Unit (USD)
20-Dec-24	1.1202	23-Dec-24	1.1200	0.0012
17-Mar-25	1.1343	19-Mar-25	1.1327	0.0023

### **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  
Ms. Chooi Su May  
Mr. Tomoya Kawagishi (Resigned on 23 May 2024)  
Mr. Kenichi Suzuki (Appointed on 1 October 2024)  
Dato' Mona Suraya Binti Kamaruddin\*  
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 Semi-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-INCOME FUND 2

SEMI-ANNUAL REPORT  
FOR THE FINANCIAL PERIOD FROM 01 NOVEMBER 2024 TO 30 APRIL 2025  
(UNAUDITED)

## NOMURA i-INCOME FUND 2

### SEMI-ANNUAL REPORT FOR THE FINANCIAL PERIOD FROM 01 NOVEMBER 2024 TO 30 APRIL 2025 (UNAUDITED)

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## NOMURA i-INCOME FUND 2

### STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 01 NOVEMBER 2024 TO 30 APRIL 2025 (UNAUDITED)

	<u>Note</u>	<u>2025</u> RM	<u>2024</u> RM
<b>INVESTMENT INCOME</b>			
Profit income from unquoted sukuk at fair value through profit or loss ("FVTPL")		769,462	779,076
Profit income from Islamic deposits with licensed financial institutions and term deposits at amortised cost		602,041	570,883
Net gain on Islamic forward foreign currency contracts	9	(11,005)	11,412
Net (loss)/gain on financial assets at fair value through profit or loss ("FVTPL")	6	569,999	336,456
Net gain/(loss) on foreign currency exchange		12,468	(1,184)
		<u>1,942,965</u>	<u>1,696,643</u>
<b>EXPENSES</b>			
Management fee	3	(75,970)	(77,101)
Trustee's fee	4	(11,228)	(11,261)
Shariah Adviser's fee		(3,213)	(3,163)
Audit fee		(7,311)	(7,195)
Tax agent's fee		(2,463)	(2,424)
Other expenses		(1,700)	(1,551)
		<u>(101,885)</u>	<u>(102,695)</u>
<b>NET INCOME BEFORE FINANCE COST AND TAXATION</b>		1,841,080	1,593,948
<b>FINANCE COST</b>			
Distributions	11	<u>(1,145,541)</u>	<u>(1,192,450)</u>
<b>NET INCOME AFTER FINANCE COST AND BEFORE TAXATION</b>		695,539	401,498
<b>TAXATION</b>	5	<u>-</u>	<u>-</u>
<b>INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<u>695,539</u>	<u>401,498</u>
Increase in net assets attributable to unitholders is made of the following:			
Realised amount		201,666	90,291
Unrealised amount		493,873	311,207
		<u>695,539</u>	<u>401,498</u>

The accompanying material accounting policy information and notes to the financial statements form an integral part of these unaudited financial statements.



## NOMURA i-INCOME FUND 2

### STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2025 (UNAUDITED)

	<u>Note</u>	<u>2025</u> RM	<u>2024</u> RM
<b>ASSETS</b>			
Financial assets at fair value through profit or loss ("FVTPL")	6	20,595,684	41,031,919
Term deposits	8	48,212,890	-
Islamic forward foreign currency contract	9	1,106	78
Cash and cash equivalents	7	6,557,179	33,965,924
Amount due from Manager		46,123	24,243
<b>TOTAL ASSETS</b>		<u>75,412,982</u>	<u>75,022,164</u>
<b>LIABILITIES</b>			
Islamic forward foreign currency contract	9	24,110	-
Accrued management fee	3	12,474	12,568
Amount due to Trustee	4	1,854	1,844
Amount due to Shariah Adviser		1,170	1,043
Auditors' remuneration		7,311	7,195
Other payables and accruals		7,339	5,922
<b>TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)</b>		<u>54,258</u>	<u>28,572</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>75,358,724</u>	<u>74,993,592</u>
<b>NET ASSET ATTRIBUTABLE TO UNITHOLDERS</b>		<u>75,358,724</u>	<u>74,993,592</u>

The accompanying material accounting policy information and notes to the financial statements form an integral part of these unaudited financial statements.

NOMURA i-INCOME FUND 2

STATEMENT OF FINANCIAL POSITION  
A223S AT 30 APRIL 2025 (UNAUDITED) (CONTINUED)

	<u>Note</u>	<u>2025</u> RM	<u>2024</u> RM
<b>REPRESENTED BY</b>			
<b>FAIR VALUE OF OUTSTANDING UNITS (RM)</b>			
Class S		40,862,357	40,113,653
Class I		31,397,565	30,856,441
Class R		2,234,146	3,083,134
Class H (Hedged)		<u>864,656</u>	<u>940,364</u>
<b>NUMBER OF UNIT IN CIRCULATION (UNITS)</b>			
Class S	10	40,194,023	40,193,994
Class I	10	31,026,225	31,026,196
Class R	10	2,220,366	3,112,828
Class H (Hedged)	10	<u>175,390</u>	<u>182,718</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>			
Class S		1.0166	0.9980
Class I		1.0120	0.9945
Class R		1.0062	0.9905
Class H (Hedged)		<u>4.9299</u>	<u>5.1465</u>
<b>NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES</b>			
Class S		1.0166	0.9980
Class I		1.0120	0.9945
Class R		1.0062	0.9905
Class H (Hedged)		<u>1.1433</u>	<u>1.0789</u>

The accompanying material accounting policy information and notes to the financial statements form an integral part of these unaudited financial statements.

NOMURA i-INCOME FUND 2

STATEMENT OF CHANGES IN NET ASSET ATTRIBUTABLE TO UNITHOLDERS  
FOR THE FINANCIAL PERIOD FROM 01 NOVEMBER 2024 TO 30 APRIL 2025  
(UNAUDITED)

	<u>2025</u> RM	<u>2024</u> RM
<b>Net assets attributable to unitholders at the beginning of financial period</b>	75,989,690	77,376,603
Movement due to units created and cancelled during the financial period:		
Creation of units from applications		
Class R	194,789	1,255,216
Class H (Hedged)	<u>243,894</u>	<u>172,835</u>
	<u>438,683</u>	<u>1,428,051</u>
Creation of units from distributions		
Class S	17	17
Class I	17	17
Class R	38,403	49,890
Class H (Hedged)	<u>3,225</u>	<u>3,037</u>
	<u>41,662</u>	<u>52,961</u>
Cancellation of units		
Class R	(1,099,002)	(4,079,808)
Class H (Hedged)	<u>(707,848)</u>	<u>(185,713)</u>
	<u>(1,806,850)</u>	<u>(4,265,521)</u>
Increase in net assets attributable to unitholders during the financial period	<u>695,539</u>	<u>401,498</u>
<b>Net assets attributable to unitholders at the end of financial period</b>	<u><u>75,358,724</u></u>	<u><u>74,993,592</u></u>

The accompanying material accounting policy information and notes to the financial statements form an integral part of these unaudited financial statements.

## NOMURA i-INCOME FUND 2

### STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD FROM 01 NOVEMBER 2024 TO 30 APRIL 2025 (UNAUDITED)

	<u>Note</u>	<u>2025</u> RM	<u>2024</u> RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Placement of term deposits		(47,791,000)	-
Proceeds from maturity of term deposits		26,349,000	-
Proceeds from sale of Shariah-compliant investments		25,695,000	18,516,114
Purchase of Shariah-compliant instruments		-	(10,223,000)
Profit income from unquoted sukuk		1,311,775	841,567
Profit income from Islamic deposits with licensed financial institutions		888,571	570,883
Management fee paid		(76,718)	(78,442)
Trustee's fee paid		(11,306)	(11,388)
Shariah adviser's fee paid		(3,000)	(3,180)
Payment for other fees and expenses		(16,169)	(15,331)
Net realised gain/(loss) on Islamic forward foreign currency contracts		(25,359)	(33,541)
Net realised foreign exchange (loss)/gain		12,468	1,184
Net cash generated from operating activities		<u>6,333,262</u>	<u>9,564,866</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash proceeds from units created		392,560	1,403,808
Payment for cancellation of units		(1,817,271)	(4,265,521)
Distributions paid		(1,103,880)	(1,139,489)
Net cash used in financing activities		<u>(2,528,591)</u>	<u>(4,001,202)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		3,804,671	5,563,664
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>		<u>2,752,508</u>	<u>28,402,260</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	7	<u><u>6,557,179</u></u>	<u><u>33,965,924</u></u>

The accompanying material accounting policy information and notes to the financial statements form an integral part of these unaudited financial statements.

## NOMURA i-INCOME FUND 2

### MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL PERIOD FROM 01 NOVEMBER 2024 TO 30 APRIL 2025 (UNAUDITED)

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. 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 International Financial Reporting Standards 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 period. 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 L to the financial statements.

(i) Standards, amendments to published standards and interpretations that are applicable and effective:

There are no standards, amendments to standards or interpretations that are applicable and effective for annual periods beginning on 1 November 2024 that have a material effect on the financial statements of the Fund.

(ii) Standards and amendments that have been issued that are applicable to the Fund but not yet effective:

- Amendments to MFRS 9 and MFRS 7 'Amendments to the Classification and Measurement of Financial Instruments' (effective 1 January 2026):
  - The amendments clarify that financial assets are derecognised when the rights to the cash flows expire or when the asset is transferred, and financial liabilities are derecognised at the settlement date (i.e. when the liability is extinguished or qualifies for derecognition).
  - There is an optional exception to derecognise a financial liability at a date earlier than the settlement date if the cash transfer takes place through an electronic payment system, provided that all the specified criteria are met;
  - The amendments also clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest ("SPPI") criterion;
  - There are additional new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
  - The amendments update the disclosures for equity instruments designated at fair value through other comprehensive income ("FVOCI").

## NOMURA i-INCOME FUND 2

### MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL PERIOD FROM 01 NOVEMBER 2024 TO 30 APRIL 2025 (UNAUDITED)

#### A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

- (ii) Standards and amendments that have been issued that are applicable to the Fund but not yet effective: (continued)
- MFRS 18 'Presentation and Disclosure in Financial Statements' (effective 1 January 2027) replaces MFRS 101 'Presentation of Financial Statements'.
    - The new MFRS introduces a new structure of profit or loss statement.
      - (a) Income and expenses are classified into 3 new main categories:
        - i. Operating category which typically includes results from the main business activities;
        - ii. Investing category that presents the results of investments in associates and joint ventures and other assets that generate a return largely independently of other resources; and
        - iii. Financing category that presents income and expenses from financing liabilities.
      - (b) Entities are required to present two new specified subtotals: 'Operating profit or loss' and 'Profit or loss before financing and income taxes'.
    - Management-defined performance measures are disclosed in a single note and reconciled to the most similar specified subtotal in MFRS Accounting Standards.
    - Changes to the guidance on aggregation and disaggregation which focus on grouping items based on their shared characteristics.

The Fund is currently still assessing the effect of the above standards and amendments. No other new standards or amendments to standards 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, which is the Fund's presentation and functional currency.

#### C FOREIGN CURRENCY TRANSLATION

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in statement of comprehensive income, except when deferred in other comprehensive income as qualifying cash flow hedges.

## NOMURA i-INCOME FUND 2

### MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL PERIOD FROM 01 NOVEMBER 2024 TO 30 APRIL 2025 (UNAUDITED) (CONTINUED)

#### D INCOME RECOGNITION

Profit income from unquoted sukuk and Islamic deposits with licensed financial institutions are 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).

Realised gain and loss on sale of unquoted sukuk is measured by the difference between the net disposal proceeds and the carrying amounts of the Shariah-compliant investments (adjusted for accretion of discount or amortisation of premium).

Realised gain or loss on Islamic forward foreign currency contracts are measured by the net settlement amount as per the Islamic forward foreign currency contract.

#### E 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 period.

#### F 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, 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 sukuk are solely principal and profit, however, these Shariah-compliant 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 Shariah-compliant investments are measured at fair value through profit or loss.

The Fund classifies amount due from Manager and cash and cash equivalents 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, auditors' remuneration and other payables and accruals as financial liabilities measured at amortised cost.

## NOMURA i-INCOME FUND 2

### MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL PERIOD FROM 01 NOVEMBER 2024 TO 30 APRIL 2025 (UNAUDITED) (CONTINUED)

#### F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

##### (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. 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 Shariah-compliant financial instrument.

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

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

Unrealised gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are recognised in the statement of comprehensive income with net gain or loss on financial assets at fair value through profit or loss in the financial year in which they arise.

Unquoted sukuk denominated in Ringgit Malaysia are revalued on a daily basis based on fair value prices quoted by a bond pricing agency ("BPA") registered with the Securities Commission of Malaysia ("SC") as per the SC's Guidelines on Unit Trust Funds. Where such quotations are not available or where the Manager is of the view that the price quoted by the BPA for a specific unquoted sukuk differs from the market price by more than 20 basis points, the Manager may use the market price, provided that the Manager:

- (a) Records its basis for using a non-BPA price;
- (b) Obtains necessary internal approvals to use the non-BPA price; and
- (c) Keeps an audit trail of all decisions and basis for adopting the market price.

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

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 close to zero as these Shariah-compliant 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.



## NOMURA i-INCOME FUND 2

### MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL PERIOD FROM 01 NOVEMBER 2024 TO 30 APRIL 2025 (UNAUDITED) (CONTINUED)

#### F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

##### (iii) Impairment (continued)

###### Significant increase in credit risk

A significant increase in credit risk is defined by management 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 period.

#### G CASH AND CASH EQUIVALENTS

For the purpose of statement of cash flows, cash and cash equivalents comprise cash and bank balance and Islamic deposits with licensed financial institutions that is readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### H CREATION AND CANCELLATION OF UNITS

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

The Fund issues cancellable units, in four classes of units, known respectively as the Class S, Class I, Class R and Class H (Hedged), which are cancelled at the unitholders' option and do not have identical features subject to restrictions as stipulated in the Prospectus and Securities Commission's ("SC") Guidelines on Unit Trust Funds. The units are classified as financial liabilities.

Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's NAV of respective classes. The outstanding units are carried at the redemption amount that is payable at the date of the statement of financial position if the unitholders exercise the right to put back the unit to the Fund.

Units are created and cancelled at the unitholder's option at prices based on the Fund's NAV per unit of respective classes at the close of business on the relevant dealing day. The Fund's NAV per unit of respective classes is calculated by dividing the net asset attributable to unitholders of respective classes with the total number of outstanding units of respective classes.

## NOMURA i-INCOME FUND 2

### MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL PERIOD FROM 01 NOVEMBER 2024 TO 30 APRIL 2025 (UNAUDITED) (CONTINUED)

#### I DISTRIBUTIONS

Distributions are at the discretion of the Fund. A distribution to the Fund's unitholders is accounted for as a finance cost in the statement of comprehensive income when they are appropriately authorized and no longer at the discretion of the Fund. A proposed distribution is recognised as a liability in the year in which it is approved by the Trustee.

#### J DERIVATIVE

A derivative is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

The Fund's derivative comprise Islamic forward foreign currency contracts. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. Financial derivative positions will be "marked to market" at the close of each valuation day. Foreign exchange gains or losses on the derivative are recognised in profit or loss when settled or at the date of the statement of financial position at which time they are included in the measurement of the derivative. Derivative instruments that have a negative fair value are presented as liabilities as fair value through profit or loss.

The fair value of Islamic forward foreign currency contracts is determined using forward exchange rates on the date of the statement of financial position, with the resulting value discounted back to present value.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and the nature of the item being hedged. Derivatives that do not qualify for hedge accounting are classified as financial assets/liabilities at fair value through profit or loss.

#### K INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

Income not distributed is included in net assets attributable to unitholders.

#### L 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 Funds' 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 there are no accounting policies which require significant judgment to be exercised.

#### M REALISED AND UNREALISED PORTIONS OF INCREASE OR DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

The analysis of realised and unrealised amount in increase or decrease in net assets attributable to unitholders as presented on the statement of comprehensive income is prepared in accordance with SC's Guidelines on Unit Trust Funds.

## NOMURA i-INCOME FUND 2

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 NOVEMBER 2024 TO 30 APRIL 2025 (UNAUDITED)

#### 1 INFORMATION ON THE FUND

Nomura i-Income Fund 2 (the "Fund") was constituted pursuant to the execution of a Master Deed dated 3 May 2021, a First Supplemental Deed dated 2 September 2022 and a Second Supplemental Deed dated 7 March 2023 (collectively referred to as the "Deed") entered into between Nomura Asset Management Malaysia Sdn Bhd (the "Manager") and Deutsche Trustees Malaysia Berhad (the "Trustee").

The Fund was launched on 30 June 2021 and will continue its operations until being terminated by the Manager or the Trustee as provided under Clause 12 of the Deed.

The Fund will invest in RM-denominated Islamic fixed income instruments which are liquid and carries minimal risk of default. The Fund primarily invests in Islamic fixed income instruments including sukuk issued or guaranteed by the Malaysia government, Islamic deposits and/or placement of money at call with financial institutions.

The Fund seeks to provide investors with recurring income on its investments.

The Manager is a company incorporated in Malaysia. The principal activities of the Manager are establishment and management of unit trust funds and asset management including providing fund management services to private clients.

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows:

	<u>Note</u>	Financial assets at fair value through <u>profit or loss</u> RM	Financial assets at <u>amortised cost</u> RM	<u>Total</u> RM
<u>2025</u>				
<u>Financial assets</u>				
Cash and cash equivalents	7	-	6,557,179	6,557,179
Term deposits	8	-	48,212,890	48,212,890
Amount due from Manager		-	46,123	46,123
Unquoted sukuk	6	20,595,684	-	20,595,684
Islamic forward foreign currency contracts		1,106	-	1,106
Total		<u>20,596,790</u>	<u>54,816,192</u>	<u>75,412,982</u>
<u>Financial liabilities</u>				
Islamic forward foreign currency contracts		24,110	-	24,110
Accrued management fee		-	12,474	12,474
Amount due to Trustee		-	1,854	1,854
Amount due to Shariah Adviser		-	1,170	1,170
Auditor's remuneration		-	7,311	7,311
Other payables and accruals		-	7,339	7,339
Total		<u>24,110</u>	<u>30,148</u>	<u>54,258</u>

## NOMURA i-INCOME FUND 2

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 NOVEMBER 2024 TO 30 APRIL 2025 (UNAUDITED) (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Financial instruments are as follows (continued):

	<u>Note</u>	Financial assets at fair value through profit or loss RM	Financial assets at amortised cost RM	<u>Total</u> RM
<u>2024</u>				
<u>Financial assets</u>				
Cash and cash equivalents	7	-	33,965,924	33,965,924
Amount due from Manager		-	24,243	24,243
Unquoted sukuk	6	41,031,919	-	41,031,919
Islamic forward foreign currency contracts		78	-	78
Total		<u>41,031,997</u>	<u>33,990,167</u>	<u>75,022,164</u>
<u>Financial liabilities</u>				
Accrued management fee		-	12,568	12,568
Amount due to Trustee		-	1,844	1,844
Amount due to Shariah Adviser		-	1,043	1,043
Auditor's remuneration		-	7,195	7,195
Other payables and accruals		-	5,922	5,922
Total		<u>-</u>	<u>28,572</u>	<u>28,572</u>

The Fund is exposed to a variety of risks which include market risk (inclusive of price risk, profit rate risk and currency 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.

#### Price risk

Price risk is the risk that the fair value of an investment of the Fund will fluctuate because of changes in market prices (other than those arising from profit rate risk).

The Fund's overall exposure to price risk are as follows:

	<u>2025</u> RM	<u>2024</u> RM
Financial assets at fair value through profit or loss*	<u>20,595,684</u>	<u>41,031,919</u>

\* Includes profit receivable of RM151,684 (2024: RM212,669).

## NOMURA i-INCOME FUND 2

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 NOVEMBER 2024 TO 30 APRIL 2025 (UNAUDITED) (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### Price risk (continued)

The table below summarises the sensitivity of the Fund's net asset value and profit after tax to movements in prices of Shariah-compliant investments. The analysis is based on the assumptions that the price of the investments fluctuates by 5% with all other variables held constant.

<u>% Change in price</u>	<u>Market value</u> RM	<u>Impact on profit</u> <u>after tax/NAV</u> RM
<u>2025</u>		
+5	21,466,200	1,022,200
-5	19,421,800	(1,022,200)
<u>% Change in price</u>	<u>Market value</u> RM	<u>Impact on profit</u> <u>after tax/NAV</u> RM
<u>2024</u>		
+5	42,860,213	2,040,963
-5	38,778,287	(2,040,963)

##### Profit rate risk

In general, when profit rates rise, valuation for unquoted sukuk will tend to fall and vice versa. Therefore, the net asset value of the Fund may also tend to fall when profit rates rise or are expected to rise when profit rates fall. However, investors should be aware that should the Fund hold an unquoted sukuk till maturity, such fluctuations would dissipate as it approaches maturity, and thus the growth of the net asset value shall not be affected at maturity. In order to mitigate profit rates exposure of the Fund, the Manager will manage the duration of the portfolio via shorter or longer tenured assets depending on the view of the future profit rate trend of the Manager, which is based on its continuous fundamental research and analysis.

This risk is crucial since sukuk portfolio management depends on forecasting profit rate movements. Sukuk with longer maturity and lower profit rates are more susceptible to profit rate movements.

Investors should note that sukuk is subject to profit rate fluctuations. Such investments may be subject to unanticipated rise in profit rates which may impair the ability of the issuers to make payments of profit and principal, especially if the issuers are highly leveraged. An increase in profit rates may therefore increase the potential for default by an issuer.

The above profit rate is a general economic indicator that will have an impact on the management of the Fund regardless whether it is an Islamic fund or otherwise. It does not in any way suggest that the Fund will invest in conventional financial instruments. All the investments carried out for the Fund are in accordance with Shariah requirements.

The table below summarises the sensitivity of the Fund's net asset value and profit after tax to movements in prices of sukuk held by the Fund as a result of movement in profit rates. The analysis is based on the assumptions that the profit rates increased and decreased by 1% with all other variables held constant.

## NOMURA i-INCOME FUND 2

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 NOVEMBER 2024 TO 30 APRIL 2025 (UNAUDITED) (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### Profit rate risk (continued)

	<u>Impact on profit after tax/NAV</u>	
	<u>30.04.2025</u>	<u>30.04.2024</u>
	RM	RM
<u>% Change in profit rate</u>		
+ 1%	(32,427)	(70,102)
- 1%	32,490	70,245

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

##### Currency risk

Currency risk is associated with cash holding denominated in United States Dollar. When the foreign currency fluctuates in an unfavorable movement against Ringgit Malaysia, the investments will face currency losses. The Manager will evaluate the likely directions of a foreign currency versus Ringgit Malaysia based on considerations of economic fundamentals such as interest differentials, balance of payments position, debt levels, and technical chart of considerations.

The following tables set out the foreign currency risk concentrations and counterparties of the Fund:

	<u>Islamic forward foreign currency contracts</u>	<u>Net assets attributable to unitholders</u> RM	<u>Total</u> RM
<u>2025</u>			
USD	(23,004)	864,656	841,652
<u>2024</u>			
USD	78	940,364	940,442

The table below summarises the sensitivity of the Fund's profit after tax and NAV to changes in foreign exchange movements at the end of each reporting period. The analysis is based on the assumption that the foreign exchange rate changes by 5%, with all other variables held constant. This represents management's best estimate of a reasonable possible shift in a foreign exchange rate, having regard to historical volatility of this rate. Any increase/(decrease) in foreign exchange rate will result in a corresponding (decrease)/increase in the net assets attributable to unitholder by approximately 5%. Disclosures below are shown in absolute terms, changes and impacts could be positive and negative.

	<u>Change in foreign exchange rate</u> %	<u>Impact on profit after tax/NAV</u> RM
<u>2025</u>		
USD	5	42,083
<u>2024</u>		
USD	5	47,022

## NOMURA i-INCOME FUND 2

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 NOVEMBER 2024 TO 30 APRIL 2025 (UNAUDITED) (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### Liquidity risk

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 unquoted sukuk 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.

The table below summarises the Fund's financial liabilities into relevant maturity groupings based on the remaining year as at the statement of financial position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	Less than 1 month RM	Between 1 month to 1 year RM	Total RM
<u>2025</u>			
Islamic forward foreign currency contract	-	24,110	24,110
Accrued management fee	12,474	-	12,474
Amount due to Trustee	1,854	-	1,854
Amount due to Shariah Adviser	-	1,170	1,170
Auditors' remuneration	-	7,311	7,311
Other payables and accruals	-	7,339	7,339
Contractual cash out flows	<u>14,328</u>	<u>39,930</u>	<u>54,258</u>
<u>2024</u>			
Accrued management fee	12,568	-	12,568
Amount due to Trustee	1,844	-	1,844
Amount due to Shariah Adviser	-	1,043	1,043
Auditors' remuneration	-	7,195	7,195
Other payables and accruals	-	5,922	5,922
Contractual cash out flows	<u>14,412</u>	<u>14,160</u>	<u>28,572</u>

## NOMURA i-INCOME FUND 2

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 NOVEMBER 2024 TO 30 APRIL 2025 (UNAUDITED) (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### Credit/default risk

Credit risk refers to the ability of an issuer or a counterparty to make timely payments of profit or principals 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 placements of Islamic deposits with licensed financial institutions is managed by ensuring that the Fund will only place Islamic deposits in reputable licensed financial institutions.

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.

For unquoted sukuk, 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.

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

	Financial assets at FVTPL RM	Cash and cash equivalents RM	Other assets* RM	Total RM
<u>2025</u>				
Financial services				
- AAA	-	30,207,390	-	30,207,390
- AA2	-	12,528,630	-	12,528,630
- AA+	-	12,034,049	-	12,034,049
Public Administration				
- Not Rated	20,595,684	-	-	20,595,684
Others				
- AAA	-	-	1,106	1,106
- Not Rated	-	-	46,123	46,123
	<u>20,595,684</u>	<u>54,770,069</u>	<u>47,229</u>	<u>75,412,982</u>
<u>2024</u>				
Financial services				
- AAA	-	15,066,167	-	15,066,167
- AA1	-	487,555	-	487,555
- AA2	-	5,699,551	-	5,699,551
- AA+	-	12,712,651	-	12,712,651
Public Administration				
- Not Rated	41,031,919	-	-	41,031,919
Others				
- AAA	-	-	78	78
- Not Rated	-	-	24,243	24,243
	<u>41,031,919</u>	<u>33,965,924</u>	<u>24,321</u>	<u>75,022,164</u>

\*Other assets consist of amount due from Manager and Islamic forward foreign currency contract



## NOMURA i-INCOME FUND 2

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 NOVEMBER 2024 TO 30 APRIL 2025 (UNAUDITED) (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### Capital risk

The capital of the Fund is represented by net assets attributable to unitholders of RM75,358,724 (2024: RM74,993,592). The amount of net assets attributable to unitholders 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.

##### 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 interests 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 an active market (such as publicly traded Islamic derivatives and Shariah-compliant securities) are based on quoted market prices at the close of trading on the period 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 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 period end date. Valuation techniques used for non-standardised Shariah-compliant 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 Shariah-compliant 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 sukuk, for which market were or have been inactive during the financial period. 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) The carrying value is a reasonable estimate of fair value for cash and cash equivalent.

## NOMURA i-INCOME FUND 2

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 NOVEMBER 2024 TO 30 APRIL 2025 (UNAUDITED) (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### Fair value estimation (continued)

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

- (ii) Ringgit-denominated unquoted sukuk are valued using fair value prices quoted by a bond pricing agency ("BPA"). Where the Manager is of the view that the price quoted by BPA for a specific unquoted sukuk differs from the market price by more than 20 basis points, the Manager may use market price, provided that the Manager records its basis for using a non-BPA price, and obtains necessary internal approvals to use the non-BPA price.

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

##### Fair value hierarchy

The Fund adopted MFRS 13 "Fair Value Measurement" in respect of disclosures about the degree of reliability of fair value measurement. This requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- 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>2025</u>				
Financial assets at fair value through profit or loss:				
- Unquoted sukuk	-	20,595,684	-	20,595,684
- Islamic forward foreign currency contracts	-	1,106		1,106
	<u>-</u>	<u>20,596,790</u>	<u>-</u>	<u>20,596,790</u>

## NOMURA i-INCOME FUND 2

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 NOVEMBER 2024 TO 30 APRIL 2025 (UNAUDITED) (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### Fair value hierarchy (continued)

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

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<u>2025</u>				
Financial liabilities at fair value through profit or loss:				
- Islamic forward foreign currency contracts	-	24,110	-	24,110
	<u>-</u>	<u>24,110</u>	<u>-</u>	<u>24,110</u>
<u>2024</u>				
Financial assets at fair value through profit or loss:				
- Unquoted sukuk	-	41,031,919	-	41,031,919
- Islamic forward foreign currency contracts	-	78	-	78
	<u>-</u>	<u>41,031,997</u>	<u>-</u>	<u>41,031,997</u>

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, including collective investment schemes. The Fund does not adjust the quoted prices for these instruments.

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 sources supported by observable inputs are classified within Level 2. Level 2 instruments include unquoted sukuk. 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 on valuation of these financial assets are stated in Note F.

The carrying values of financial assets (other than financial assets at FVTPL) and financial liabilities (other than Islamic forward foreign currency contracts) 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 5.00% per annum of the Net Asset Value (NAV) of the Fund calculated and accrued on a daily basis.

For the financial period from 01 November 2024 to 30 April 2025, the management fee is recognised at a rate of 0.15% (01.11.2024 - 30.04.2025: 0.15%) per annum of the NAV of Class S, at the rate of 0.25% (01.11.2024 - 30.04.2025: 0.25%) per annum of the NAV of Class I and at the rate of 0.40% (01.11.2024 - 30.04.2025: 0.40%) per annum of the NAV of Class R and Class H (Hedged) respectively, calculated on a daily basis for the financial period.

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

## NOMURA i-INCOME FUND 2

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 NOVEMBER 2024 TO 30 APRIL 2025 (UNAUDITED) (CONTINUED)

#### 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 (including local custodian fees and expenses but excluding foreign custodian fees and charges), subject to a minimum fee of RM12,000 per annum.

For the financial period from 01 November 2024 to 30 April 2025, the trustee fee is recognised at a rate of 0.03% (01.11.2024 - 30.04.2025: 0.03%) per annum on the NAV of the Fund, calculated on a daily basis for the financial period (including local custodian fees and expenses but excluding foreign custodian fees and charges), subject to a minimum fee of RM12,000 per annum.

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

#### 5 TAXATION

	<u>2025</u> RM	<u>2024</u> RM
Current taxation - local	-	-

The numerical reconciliation between net income after finance cost and before taxation multiplied by the Malaysian statutory tax rate and tax expense of the Fund is as follows:

	<u>2025</u> RM	<u>2024</u> RM
Net income after finance cost and before taxation	695,539	401,498
Tax at applicable rate of 24% (2024: 24%)	166,929	96,360
Tax effect of:		
Shariah-compliant Investment income exempt from tax	(469,405)	(412,505)
Profit not deductible for tax purposes	3,094	5,311
Expenses not deductible for tax purposes	279,552	292,451
Restriction on tax deductible expenses for unit trust Funds	19,830	18,383
Taxation	-	-

## NOMURA i-INCOME FUND 2

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 NOVEMBER 2024 TO 30 APRIL 2025 (UNAUDITED) (CONTINUED)

#### 6 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2025</u> RM	<u>2024</u> RM
Financial assets at FVTPL:		
- Unquoted sukuk	<u>20,595,684</u>	<u>41,031,919</u>
Net gain on financial assets at FVTPL comprised:		
- Realised gain on sale of financial assets at FVTPL	90,480	3,121
- Unrealised gain on changes in fair values	<u>479,519</u>	<u>333,335</u>
	<u>569,999</u>	<u>336,456</u>

Financial assets at fair value through profit or loss as at 30 April 2025 are as follows:

#### Unquoted Sukuk

<u>Nominal value RM</u>	<u>Name of Counter</u>	<u>Rating</u>	<u>Cost RM</u>	<u>Fair value RM</u>	<u>Percentage of net assets value %</u>
10,000,000	Government of Malaysia	Not Rated	10,299,785	10,412,779	13.82
10,000,000	Government of Malaysia	Not Rated	10,016,716	10,182,905	13.51
TOTAL UNQUOTED SUKUK			<u>20,316,501</u>	<u>20,595,684</u>	<u>27.33</u>
UNREALISED GAIN ON CHANGES IN FAIR VALUE			<u>279,183</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			<u>20,595,684</u>		

## NOMURA i-INCOME FUND 2

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 NOVEMBER 2024 TO 30 APRIL 2025 (UNAUDITED) (CONTINUED)

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

Financial assets at fair value through profit or loss as at 30 April 2024 are as follows:

##### Unquoted Sukuk

<u>Nominal value</u> RM	<u>Name of Counter</u>	<u>Rating</u>	<u>Cost</u> RM	<u>Fair value</u> RM	Percentage of net <u>assets value</u> %
5,000,000	Government of Malaysia	Not Rated	5,146,357	5,125,727	6.83
15,000,000	Government of Malaysia	Not Rated	15,506,329	15,423,017	20.57
20,000,000	Government of Malaysia	Not Rated	20,758,883	20,483,175	27.31
TOTAL UNQUOTED SUKUK			<u>41,411,569</u>	<u>41,031,919</u>	<u>54.71</u>
UNREALISED LOSS ON CHANGES IN FAIR VALUE			<u>(379,650)</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			<u>41,031,919</u>		

#### 7 CASH AND CASH EQUIVALENTS

	<u>2025</u> RM	<u>2024</u> RM
Islamic deposits with licensed financial institutions	6,503,099	33,478,369
Bank balances in a licensed bank	54,080	487,555
	<u>6,557,179</u>	<u>33,965,924</u>

Weighted average effective profit rates per annum is as follows:

	<u>2025</u> %	<u>2024</u> %
Islamic deposits with licensed financial institutions	<u>2.90</u>	<u>3.74</u>

Islamic deposits with licensed financial institutions have an average maturity of 5 days (01.11.2024 - 30.04.2025: 132 days).

## NOMURA i-INCOME FUND 2

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 NOVEMBER 2024 TO 30 APRIL 2025 (UNAUDITED) (CONTINUED)

#### 8 TERM DEPOSITS

	<u>2025</u> RM	<u>2024</u> RM
Islamic deposits with licensed financial institutions	48,212,890	-
	<u>48,212,890</u>	<u>-</u>

Weighted average effective profit rates per annum is as follows:

	<u>2025</u> %	<u>2024</u> %
Islamic deposits with licensed financial institutions	3.81	-
	<u>3.81</u>	<u>-</u>

Islamic deposits with licensed financial institutions have an average maturity of 80 days.

#### 9 DERIVATIVE AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL")

	<u>2025</u> RM	<u>2024</u> RM
Financial assets at fair value through profit or loss:		
- Islamic forward foreign currency contracts	1,106	78
	<u>1,106</u>	<u>78</u>
Financial liabilities at fair value through profit or loss:		
- Islamic forward foreign currency contracts	24,110	-
	<u>24,110</u>	<u>-</u>
	<u>2025</u> RM	<u>2024</u> RM
Net (loss)/gain on Islamic forward foreign currency contracts at fair value through profit or loss:		
- realised (loss)/gain on Islamic forward foreign currency contracts	(25,359)	33,541
- unrealised gain/(loss) on Islamic forward foreign currency contracts	14,354	(22,129)
	<u>(11,005)</u>	<u>11,412</u>

## NOMURA i-INCOME FUND 2

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 NOVEMBER 2024 TO 30 APRIL 2025 (UNAUDITED) (CONTINUED)

#### 9 DERIVATIVE AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL") (CONTINUED)

Islamic forward foreign currency contracts as at 30 April 2025 is as follows:

<u>Name of issuer</u>	<u>Receivables</u> RM	<u>Payables</u> RM	<u>Fair value</u> RM	Percentage of net asset value of the Fund %
CIMB Islamic Bank Berhad	947,828	970,832	(23,004)	(0.03)

Islamic forward foreign currency contracts as at 30 April 2024 is as follows:

<u>Name of issuer</u>	<u>Receivables</u> RM	<u>Payables</u> RM	<u>Fair value</u> RM	Percentage of net asset value of the Fund %
Standard Chartered Saadiq Bank Malaysia Berhad	930,620	930,542	78	-

The Islamic forward foreign currency contracts are transacted with CIMB Islamic Bank Berhad (2024: Standard Chartered Saadiq Bank Malaysia Berhad). The Islamic foreign currency forward agreement entered into during the financial year to minimise the risk of foreign exchange exposure between the USD and MYR for the Fund.

As at 30 April 2025, the notional principal amount for Islamic forward foreign currency contract is RM947,828 (2024: RM930,620).

As the Fund has not adopted hedge accounting, the change in the fair value of the Islamic foreign currency forward contracts are recognised immediately in the statement of income and expenses.



## NOMURA i-INCOME FUND 2

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 NOVEMBER 2024 TO 30 APRIL 2025 (UNAUDITED) (CONTINUED)

#### 10 NUMBER OF UNITS IN CIRCULATION

	<u>2025</u>	<u>2024</u>
	No. of units	No. of units
<u>Class S</u>		
At beginning of the financial period	40,194,006	40,193,977
Creation of units during the financial period:		
Arising from distributions	17	17
	<hr/>	<hr/>
At end of the financial period	40,194,023	40,193,994
	<hr/>	<hr/>
<u>Class I</u>		
At beginning of the financial period	31,026,208	31,026,179
Creation of units during the financial period:		
Arising from distributions	17	17
	<hr/>	<hr/>
At end of the financial period	31,026,225	31,026,196
	<hr/>	<hr/>
<u>Class R</u>		
At beginning of the financial period	3,086,868	5,904,643
Creation of units during the financial period:		
Arising from creations	194,209	1,265,085
Arising from distributions	38,433	50,374
Cancellation of units	(1,099,144)	(4,107,274)
	<hr/>	<hr/>
At end of the financial period	2,220,366	3,112,828
	<hr/>	<hr/>
<u>Class H (Hedged)</u>		
At beginning of the financial period	267,536	184,386
Creation of units during the financial period:		
Arising from creations	48,825	34,638
Arising from distributions	641	605
Cancellation of units	(141,612)	(36,911)
	<hr/>	<hr/>
At end of the financial period	175,390	182,718
	<hr/>	<hr/>

## NOMURA i-INCOME FUND 2

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 NOVEMBER 2024 TO 30 APRIL 2025 (UNAUDITED) (CONTINUED)

#### 11 DISTRIBUTIONS

	<u>2025</u> RM	<u>2024</u> RM
Distributions to unitholders are from the following sources:		
Profit income from unquoted sukuk at FVTPL	769,462	779,076
Profit income from Islamic deposits with licensed Financial institutions at amortised cost	477,964	516,069
	<u>1,247,426</u>	<u>1,295,145</u>
Less: Expenses	(101,885)	(102,695)
	<u><u>1,145,541</u></u>	<u><u>1,192,450</u></u>

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

	<u>Gross/net distribution</u> <u>2025</u> RM/unit	<u>2024</u> RM/unit
<u>Class S, I and R</u>		
December 2023	-	0.0240
March 2024	-	0.0240
December 2024	0.0055	-
March 2025	0.0100	-

	<u>Gross/net distribution</u> <u>2025</u> USD/unit	<u>2024</u> USD/unit
<u>Class H (Hedged)</u>		
December 2023	-	0.0017
March 2024	-	0.0017
December 2024	0.0012	-
March 2025	0.0023	-

Gross distribution is derived using total income less total expenses.

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-INCOME FUND 2

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 NOVEMBER 2024 TO 30 APRIL 2025 (UNAUDITED) (CONTINUED)

#### 12 TRANSACTIONS WITH FINANCIAL INSTITUTIONS

Details of transactions with the top 10 financial institutions are as follows:

	<u>Value of trade</u> RM	<u>Percentage of total trade</u> %
<u>2025</u>		
Maybank Islamic Berhad	91,721,000	55.52
CIMB Islamic Bank Berhad	31,912,000	19.32
AmBank Islamic Berhad	12,500,000	7.57
Public Islamic Bank Berhad	12,077,000	7.30
Kuwait Finance House (Malaysia) Berhad	11,972,000	7.25
CIMB Bank Berhad	5,025,000	3.04
	<u>165,207,000</u>	<u>100.00</u>
<u>2024</u>		
Maybank Islamic Berhad	248,371,000	50.22
CIMB Islamic Bank Berhad	126,466,400	25.57
Public Islamic Bank Berhad	28,840,000	5.83
AmBank Islamic Berhad	27,773,000	5.62
RHB Islamic Bank Berhad	20,070,000	4.06
Kuwait Finance House (Malaysia) Berhad	17,550,000	3.55
AmBank (M) Berhad	15,305,000	3.09
CIMB Bank Berhad	10,163,000	2.06
	<u>494,538,400</u>	<u>100.00</u>

All financial institutions above are not related to the Manager.

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

## NOMURA i-INCOME FUND 2

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 NOVEMBER 2024 TO 30 APRIL 2025 (UNAUDITED) (CONTINUED)

#### 13 TOTAL EXPENSE RATIO ("TER")

	<u>2025</u> %	<u>2024</u> %
TER	<u>0.13</u>	<u>0.14</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 net asset value of Fund calculated on daily basis

The average net asset value of the Fund for the financial period calculated on daily basis is RM75,471,318 (2024: RM75,487,092).

#### 14 PORTFOLIO TURNOVER RATIO ("PTR")

	<u>2025</u>	<u>2024</u>
PTR (times)	<u>0.17</u>	<u>0.19</u>

PTR is derived from the following calculation:

(Total acquisition for the financial period + total disposal for the financial period) ÷ 2

Average net asset value of the Fund for the financial period calculated on daily basis

Where: total acquisition for the financial period = RM nil (2024: RM10,226,404)  
total disposal for the financial period = RM26,173,175 (2024: RM18,650,096)

## NOMURA i-INCOME FUND 2

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 NOVEMBER 2024 TO 30 APRIL 2025 (UNAUDITED) (CONTINUED)

#### 15 UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER

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

<u>Related party</u>	<u>Relationship</u>	
Nomura Asset Management Malaysia Sdn Bhd	The Manager	
Senior Management of the Manager	Director(s) of the Manager	

	<u>2025</u>		<u>2024</u>	
	No. of units	RM	No. of units	RM
Nomura Asset Management Malaysia Sdn Bhd				
- Class S	1,097	1,115	1,068	1,066
- Class I	1,097	1,110	1,068	1,062
- Class R	1,097	1,104	1,068	1,058
- Class H (Hedged)	1,019	5,204	1,014	5,219

The units held by the Manager are held legally for booking purposes.

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.

#### 16 SHARIAH INFORMATION OF THE FUND

The Shariah Adviser has confirmed that the investment portfolio of the Fund is Shariah-compliant, which comprises:

- i) cash placement and liquid assets that are placed in investments and/or instruments in the local market that have been classified as Shariah-compliant by the Shariah Advisory Council ("SAC") of Bank Negara Malaysia; and
- ii) investments of Government Investment Issues and any other Islamic fixed income instruments which have been classified as Shariah-compliant by the SAC of the Securities Commission Malaysia or Bank Negara Malaysia.

#### 17 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 24 June 2025.

## NOMURA i-INCOME FUND 2

## 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 Directors of the Manager, the accompanying financial statements set out on pages 1 to 30 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 2025 and of its financial performance, changes in net asset value and cash flows for the financial period from 01 November 2024 to 30 April 2025 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  
24 June 2025



Deutsche Trustees Malaysia Berhad  
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## TRUSTEE'S REPORT


### TO THE UNIT HOLDERS OF NOMURA I-INCOME FUND 2 ("Fund")

We have acted as Trustee of the Fund for the financial period ended 30 April 2025 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 period 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

  
**Sylvia Beh**  
Chief Executive Officer

Kuala Lumpur  
24 June 2025

## SHARIAH ADVISER'S REPORT

TO THE UNIT HOLDERS OF  
NOMURA i-INCOME FUND 2

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 period 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 stylized flourish at the end.

DR. AIDA OTHMAN

Designated Person Responsible for Shariah Matters Relating to the Fund

Kuala Lumpur

24 JUN 2025