



NOMURA

Nomura i-Income Fund

Semi-Annual Report and Unaudited Financial Statements for the
Period Ended 30 June 2026

MANAGER:

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

TRUSTEE:

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

Table of Contents

FUND PROFILE.....	i
FUND PERFORMANCE	i-iv
MANAGER'S REPORT	iv-vii

Appendix

STATEMENT OF COMPREHENSIVE INCOME.....	1
STATEMENT OF FINANCIAL POSITION	2
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	3
STATEMENT OF CASH FLOWS	4
MATERIAL ACCOUNTING POLICY INFORMATION	5-10
NOTES TO THE FINANCIAL STATEMENTS	10-28
STATEMENT BY THE MANAGER.....	29
TRUSTEE'S REPORT	30
SHARIAH ADVISER'S REPORT	31

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

1. FUND PROFILE

1.1 Fund Name

Nomura i-Income Fund (“**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 regular income distributions through investments in Islamic deposits, Islamic money market instruments and sukuk.

1.5 Distribution Policy

Distribution of income, if any, is on quarterly basis and may be made from realised gains, realised income and/or out of capital.

1.6 Performance Benchmark

12-month Malayan Banking Berhad General Investment Account Rate (“**Benchmark**”).

2. FUND PERFORMANCE

2.1 Key Fund Performance Data*

Asset Allocation / Portfolio Composition	30 Jun 2026 [^]	31 Dec 2025 [^]	31 Dec 2024	31 Dec 2023
Government Investment Issue	-	-	47.34%	58.32%
Islamic commercial paper/ Sukuk	87.28%	86.01%	40.06%	20.00%
Cash and other net current assets / liabilities	12.72%	13.99%	12.60%	21.68%
Total	100.00%	100.00%	100.00%	100.00%

[^]The Manager commenced termination of this Fund on 27 March 2025 and is currently undergoing fund termination administration.

Fund – Class I

Category	1 Jan 2026 to 30 Jun 2026	1 Jan 2025 to 31 Dec 2025	1 Jan 2024 to 31 Dec 2024	1 Jan 2023 to 31 Dec 2023
Highest NAV per Unit (RM) ¹	0.2890	1.3425	1.0432	1.1184
Lowest NAV per Unit (RM) ¹	0.1412	0.2437	0.8130	1.0336
Total Return (%) ²				
- Capital growth (%) [*]	-	1.73	(19.69)	(4.84)
- Income (%) [*]	-	-	30.98	5.25
Gross/Net Distribution per unit (RM)	-	1.0988	0.2574	0.0543
Total NAV (RM) ¹	185	346	1,035	113,857,427
NAV per Unit (RM)	0.1487	0.2777	0.8307	1.0345
Unit in Circulation	1,246	1,246	1,246	110,056,500

Fund – Class R

Category	1 Jan 2026 to 30 Jun 2026	1 Jan 2025 to 31 Dec 2025	1 Jan 2024 to 31 Dec 2024	1 Jan 2023 to 31 Dec 2023
Highest NAV per Unit (RM) ¹	0.1732	1.3322	1.0406	1.1171
Lowest NAV per Unit (RM) ¹	0.0846	0.1514	0.8079	1.0314
Total Return (%) ²				
- Capital growth (%) [*]	-	1.66	(20.08)	(5.00)
- Income (%) [*]	-	-	31.20	5.26
Gross/Net Distribution per unit (RM)	0.0022	1.1833	0.2574	0.0543
Total NAV (RM) ¹	1,784,394	3,389,333	21,395,938	34,222,836
NAV per Unit (RM)	0.0888	0.1687	0.8250	1.0323
Unit in Circulation	20,092,962	20,092,962	25,933,720	33,152,393

Category	1 Jan 2026 to 30 Jun 2026	1 Jan 2025 to 31 Dec 2025	1 Jan 2024 to 31 Dec 2024	1 Jan 2023 to 31 Dec 2023
Total Expense Ratio (%) ³	0.99	0.89	0.34	0.29
Portfolio Turnover Ratio (time) ⁴	-	1.54	0.86	0.87

Notes:

** Prior to 1 October 2022, the Fund was managed as a single class wholesale fund. Hence, the aforementioned Fund data prior to 1 October 2022 reflects the data of the Fund as a single class wholesale fund which are subject to guidelines, restrictions and risks applicable to wholesale fund. Performance is measured until 26 March 2025 as the liquidation has commenced on 27 March 2025.*

(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 LSEG 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. The Manager commenced termination of this Fund on 27 March 2025 and is currently undergoing fund termination administration.*

2.2 Average Total Return of the Fund ¹

Fund – Class I

	1 Year to 26 Mar 2025	3 Years to 26 Mar 2025	5 Years to 26 Mar 2025
Average Total Return (%)	6.63	2.65	3.49

Source: LSEG Lipper

Fund – Class R

	1 Year to 26 Mar 2025	3 Years to 26 Mar 2025	5 Years to 26 Mar 2025
Average Total Return (%)	6.24	2.44	3.36

Source: LSEG Lipper

Performance is measured until 26 March 2025 as the liquidation has commenced on 27 March 2025.

2.3 Annual Total Return of the Fund ¹

Fund – Class I

	FY2025	FY2024	FY2023	FY2022	FY2021	FY2020
Total Return (%) ²	1.73	5.83	0.05	0.65	0.83	7.01
Benchmark (%)	0.62	2.57	2.45	2.22	1.95	2.50

Source: LSEG Lipper

Fund – Class R

	FY2025	FY2024	FY2023	FY2022	FY2021	FY2020
Total Return (%) ²	1.66	5.47	-0.11	0.61	0.83	7.01
Benchmark (%)	0.62	2.57	2.45	2.22	1.95	2.50

Source: LSEG Lipper

Notes:

- (1) Prior to 1 October 2022, the Fund was managed as a single class wholesale fund. Hence, the aforementioned Fund data prior to 1 October 2022 reflects the data of the Fund as a single class wholesale fund which are subject to guidelines, restrictions and risks applicable to wholesale fund. Performance is measured until 26 March 2025 as the liquidation has commenced on 27 March 2025.
- (2) Annual Total Return of the Fund and its Benchmark for a period are calculated based on the absolute return of the Fund for that period. The calculation of the Annual Total Return of the Fund is based on NAV-to-NAV basis, and is sourced from LSEG Lipper. Fund performances include reinvestment of income distributions into the Fund. Further details on basis of calculation and assumption made in calculating returns is as follows:

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

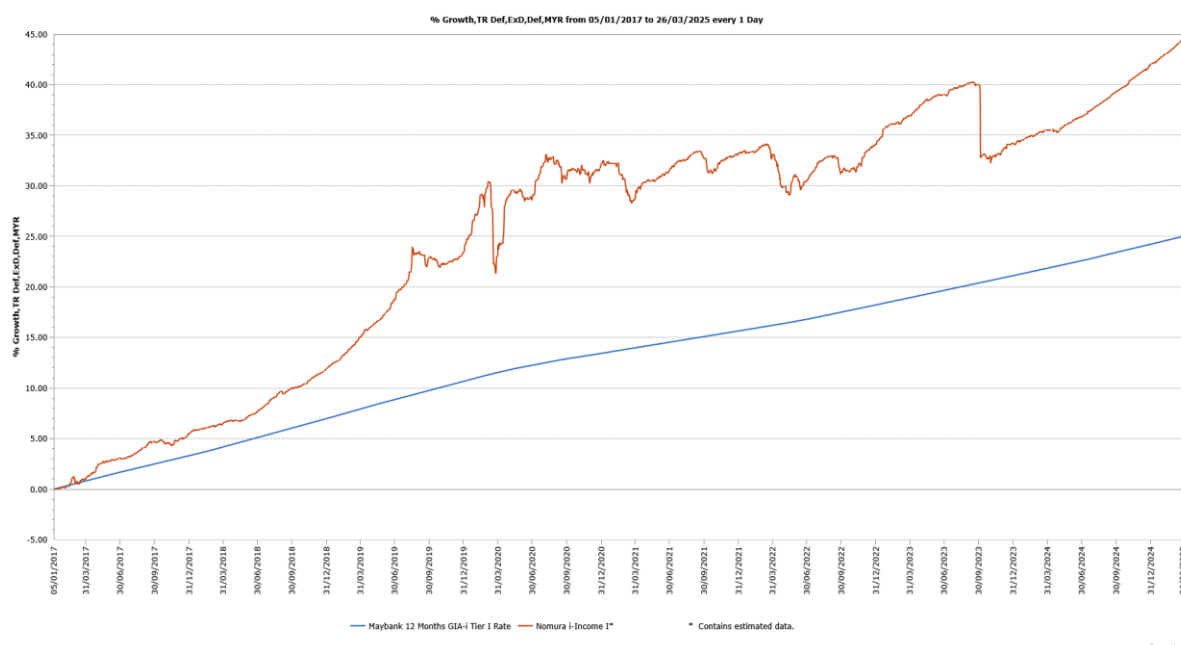
- **Capital Return** = $\{NAV \text{ per Unit End} / NAV \text{ per Unit Beginning} - 1\} \times 100$
- **Income Return** = $\{Income \text{ Distribution per Unit} / NAV \text{ per Unit Ex-Distribution}\} \times 100$
- **Total Return** = $(1 + \text{Percentage Growth})^{1/n} - 1$

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

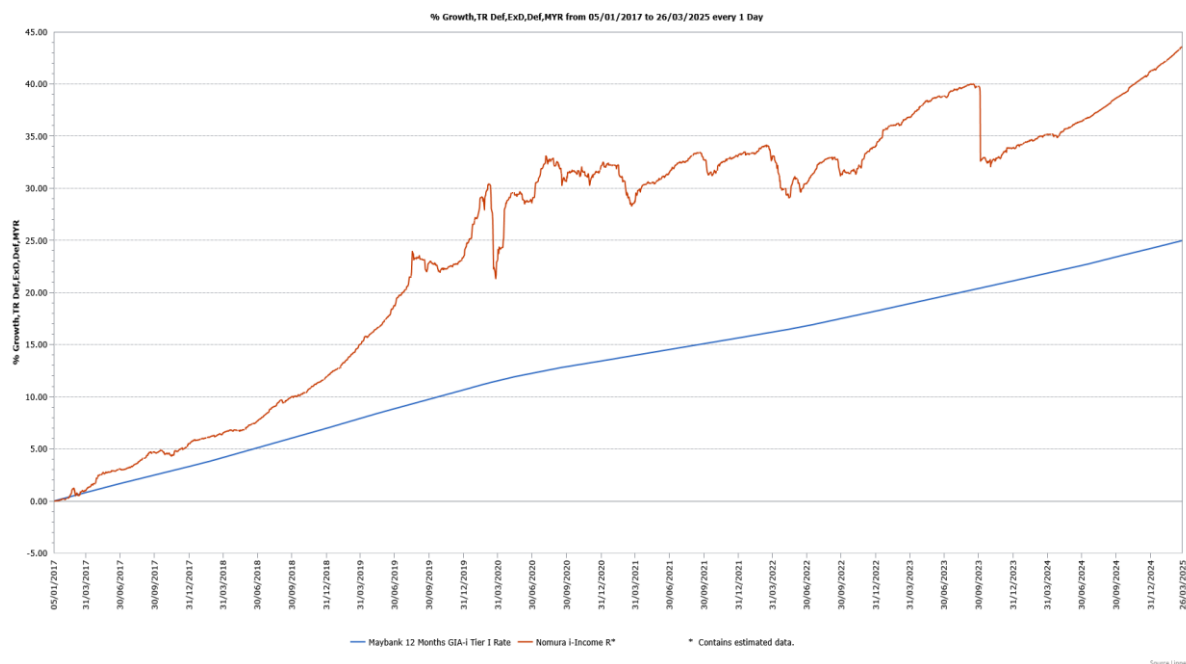
3. MANAGER'S REPORT

Performance of Nomura i-Income Fund from 5 January 2017* to 26 March 2025

Fund – Class I



Fund – Class R



* The Fund commenced on 8 November 2012. However, there were no units in circulation for the period between 21 March 2016 and 4 January 2017. As such, the Fund's performance figures are only available from 5 January 2017 onwards. Performance is measured until 26 March 2025 as the liquidation has commenced on 27 March 2025.

Benchmark: 12-month Malayan Banking Berhad General Investment Account Rate

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

3.1 Performance for the period from 1 January 2026 to 30 June 2026

Fund – Class I

For the period under review from 1 January 2026 to 30 June 2026, the Net Asset Value ("NAV") per unit of Class I as at 31 December 2025 was RM0.2777 compared to the NAV per unit as at 30 June 2026 of RM0.1487. On the total NAV basis, Class I's NAV stood at RM185 as at 30 June 2026.

Fund – Class R

For the period under review from 1 January 2026 to 30 June 2026, the Net Asset Value ("NAV") per unit of Class R as at 31 December 2025 was RM0.1687 compared to the NAV per unit as at 30 June 2026 of RM0.0888. On the total NAV basis, Class R's NAV stood at RM1,1784,394 as at 30 June 2026.

3.2 Review of Market for the period from 1 January 2026 to 30 June 2026

Global markets navigated a volatile period, buffeted by a succession of external shocks. In 1H26, elevated rates volatility was driven predominantly by external factors – geopolitical flashpoints, shifting expectations around US Federal Reserve policy under new leadership, and heightened uncertainty over global supply chains and energy prices. These pressures kept market sentiment cautious and jittery for much of 1H26. Tracking global yield movements, the domestic yield curve reset higher over the review period, with the bulk of the upward repricing weighted towards the earlier months before conditions steadied somewhat into the later months of the period.

RAM downgraded the credit rating of SPR Energy (M) Sdn Bhd (SPRE) to C1/Negative from B1/Negative. The rating announcement was made on 20 April 2026. The downgrade reflects SPRE's fragile capacity to meet its sukuk obligation on a timely basis while the negative outlook reflects a high likelihood of default. The finance service reserve account (FSRA) faced a funding shortfall on 19 January 2026 which was later addressed on 8 April 2026. The management is exploring remedial options and has appointed a scheme advisor to come out with a restructuring proposal. In fiscal 2025, SPRE's power plant suffered unscheduled outages of 779 hours, more than doubling the outage hours in fiscal 2024. Consequently, SPRE swung to pre-tax losses of RM10.4 million in fiscal 2025, versus pretax profit of RM2.2 million in fiscal 2024.

3.3 Investment Outlook

Not applicable as the Fund is undergoing termination administration.

3.4 Strategies Employed for the period from 1 January 2026 to 30 June 2026

Not applicable as the Fund is undergoing termination administration.

3.5 Asset Allocation

Asset Allocation / Portfolio Composition	30 Jun 2026[^]	31 Dec 2025[^]	31 Dec 2024	31 Dec 2023
Government Investment Issue	-	-	47.34%	58.32%
Islamic commercial paper/ Sukuk	87.28%	86.01%	40.06%	20.00%
Cash and other net current assets / liabilities	12.72%	13.99%	12.60%	21.68%
Total	100.00%	100.00%	100.00%	100.00%

[^]The Manager commenced termination of this Fund on 27 March 2025 and is currently undergoing fund termination administration.

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 Distribution

The Manager has distributed a total of gross/net distribution of RM0.0022 per unit for unit holders of Class R over the financial period ended 30 June 2026.

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

Fund – Class R

Cum-Distribution Date	Cum-Distribution (RM)	Ex-Distribution Date	Ex-Distribution (RM)	Distribution per Unit (RM)
10-Feb-2026	0.1712	11-Feb-2026	0.1690	0.0022

Distribution Breakdown

Fund – Class R

Ex-Distribution Date	Income Distribution per Unit (RM)	Income (%)	Capital Distribution per Unit (RM)	Capital (%)
11-Feb-2026	-	-	0.0022	100.00

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.

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

SEMI-ANNUAL REPORT
FOR THE FINANCIAL PERIOD FROM 01 JANUARY 2026 TO 30 JUNE 2026
(UNAUDITED)

NOMURA i-INCOME FUND

SEMI-ANNUAL REPORT FOR THE FINANCIAL PERIOD FROM 01 JANUARY 2026 TO 30 JUNE 2026 (UNAUDITED)

CONTENTS	PAGE(S)
STATEMENT OF COMPREHENSIVE INCOME	1
STATEMENT OF FINANCIAL POSITION	2
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	3
STATEMENT OF CASH FLOWS	4
MATERIAL ACCOUNTING POLICY INFORMATION	5 - 10
NOTES TO THE FINANCIAL STATEMENTS	11 - 28
STATEMENT BY THE MANAGER	29
TRUSTEE'S REPORT	30
SHARIAH ADVISER'S REPORT	31

NOMURA i-INCOME FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 01 JANUARY 2026 TO 30 JUNE 2026 (UNAUDITED)

	<u>Note</u>	<u>2026</u> RM	<u>2025</u> RM
INVESTMENT (LOSS)/INCOME			
Profit income from unquoted sukuk at fair value through profit or loss ("FVTPL")		135,015	375,867
Profit income from Islamic deposits with licensed financial institutions at amortised cost		6,435	69,585
Net (loss)/gain on financial assets at fair value through profit or loss ("FVTPL")	6	(1,674,905)	9,985,719
		<u>(1,533,455)</u>	<u>10,431,171</u>
EXPENSES			
Management fee	3	5,492	26,909
Trustee's fee	4	5,951	5,951
Shariah Adviser's fee		3,213	3,213
Audit fee		8,700	8,384
Tax agent's fee		2,731	2,463
Other expenses		1,353	1,410
		<u>27,440</u>	<u>48,330</u>
(LOSS)/PROFIT BEFORE FINANCE COST AND TAXATION		(1,560,895)	10,382,841
FINANCE COST			
Distributions	10	(44,205)	(23,727,138)
LOSS BEFORE TAXATION		<u>(1,605,100)</u>	<u>(13,344,297)</u>
TAXATION	5	-	-
DECREASE IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>(1,605,100)</u>	<u>(13,344,297)</u>
Decrease in net assets attributable to unit holders is made of the following:			
Realised amount		69,805	(23,245,876)
Unrealised amount		(1,674,905)	9,901,579
		<u>(1,605,100)</u>	<u>(13,344,297)</u>

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

NOMURA i-INCOME FUND

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2026 (UNAUDITED)

	<u>Note</u>	<u>2026</u> RM	<u>2025</u> RM
ASSETS			
Cash and cash equivalents	7	575,960	415,194
Financial assets at fair value through profit or loss ("FVTPL")	6	1,227,984	2,747,720
TOTAL ASSETS		<u>1,803,944</u>	<u>3,162,914</u>
LIABILITIES			
Accrued management fee	3	581	1,029
Amount due to Trustee	4	987	986
Amount due to Shariah Adviser		961	597
Auditor's remuneration		8,775	7,486
Other payables and accruals		8,061	4,700
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)		<u>19,365</u>	<u>14,798</u>
NET ASSET VALUE OF THE FUND		<u>1,784,579</u>	<u>3,148,116</u>
NET ASSET ATTRIBUTABLE TO UNIT HOLDERS		<u>1,784,579</u>	<u>3,148,116</u>
REPRESENTED BY			
FAIR VALUE OF OUTSTANDING UNITS (RM)			
Class I		185	315
Class R		1,784,394	3,147,801
NUMBER OF UNIT IN CIRCULATION (UNITS)			
Class I	9	1,246	1,246
Class R	9	20,092,962	20,092,962
NET ASSET VALUE PER UNIT (RM)			
Class I		0.1487	0.2527
Class R		0.0888	0.1567

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

NOMURA i-INCOME FUND

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS FOR THE FINANCIAL PERIOD FROM 01 JANUARY 2026 TO 30 JUNE 2026

	<u>2026</u> RM	<u>2025</u> RM
Net assets attributable to unit holders at the beginning of financial period	3,389,679	21,396,973
Movement due to units created and cancelled during the financial period:		
Creation of units from applications Class R	-	7,113,032
Cancellation of units Class R	-	(12,017,592)
Decrease in net assets attributable to Unit holders during the financial period	(1,605,100)	(13,344,297)
Net assets attributable to unit holders at the end of financial period	<u>1,784,579</u>	<u>3,148,116</u>

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

NOMURA i-INCOME FUND

STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD FROM 01 JANUARY 2026 TO 30 JUNE 2026 (UNAUDITED)

	<u>Note</u>	<u>2026</u> RM	<u>2025</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of Shariah-compliant investments		-	15,652,950
Proceeds from redemption of Shariah-compliant investments		-	10,000,000
Profit income from unquoted sukuk		147,525	662,528
Profit income from Islamic deposits with licensed financial institutions		6,435	69,585
Management fee paid		(6,056)	(33,595)
Trustee's fee paid		(5,983)	(5,981)
Shariah Adviser's fee paid		(3,000)	(4,633)
Tax agent's fee paid		-	(2,599)
Payment for other fees and expenses		(15,655)	(15,632)
Net cash generated from operating activities		<u>123,266</u>	<u>26,322,623</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		-	7,223,032
Payments for cancellation of units		-	(12,088,583)
Distributions paid		(44,205)	(23,727,138)
Net cash used in financing activities		<u>(44,205)</u>	<u>(28,592,689)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		79,061	(2,270,066)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD		<u>496,899</u>	<u>2,685,260</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	7	<u><u>575,960</u></u>	<u><u>415,194</u></u>

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

NOMURA i-INCOME FUND

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL PERIOD FROM 01 JANUARY 2026 TO 30 JUNE 2026 (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 year. It also requires the Manager to exercise their judgement in the process of applying the Fund's accounting policies. Although these estimates and judgement are based on the Manager's best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note I 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 July 2025 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

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL PERIOD FROM 01 JANUARY 2026 TO 30 JUNE 2026 (UNAUDITED) (CONTINUED)

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 ("RM"), which is the Fund's presentation and functional currency.

C 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).

NOMURA i-INCOME FUND

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL PERIOD FROM 01 JANUARY 2026 TO 30 JUNE 2026 (UNAUDITED) (CONTINUED)

C INCOME RECOGNITION (CONTINUED)

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).

Dividend income from Islamic collective investment scheme is recognised when the Fund's right to receive payment is established. Dividend income is received from financial assets measured at FVTPL.

D TAXATION

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

E FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Classification

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

- those to be measured subsequently at fair value through profit or loss, 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 investments are measured at fair value through profit or loss.

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

The Fund classifies cash and cash 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 as financial liabilities measured at amortised cost.

NOMURA i-INCOME FUND

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL PERIOD FROM 01 JANUARY 2026 TO 30 JUNE 2026 (UNAUDITED) (CONTINUED)

E 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 presented in the statement of comprehensive income in the financial period in which they arise.

Investments in Islamic collective investment schemes are valued at the last published net asset value ("NAV") per unit at the date of the statement of financial position.

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 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 deposits, which is a reasonable estimate of fair value due to the short-term nature of the deposits.

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

NOMURA i-INCOME FUND

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL PERIOD FROM 01 JANUARY 2026 TO 30 JUNE 2026 (UNAUDITED) (CONTINUED)

E FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(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.

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.

F 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.

G CREATION AND CANCELLATION OF UNITS

The unit holders' contributions to the Fund meet the criteria of the definition of puttable instruments to be classified as financial liability under MFRS 132 'Financial Instruments: Presentation'.

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

NOMURA i-INCOME FUND

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL PERIOD FROM 01 JANUARY 2026 TO 30 JUNE 2026 (UNAUDITED) (CONTINUED)

G CREATION AND CANCELLATION OF UNITS (CONTINUED)

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 each financial period if the unit holder exercises the right to put the unit back to the Fund.

Units are created and cancelled at the unit holder'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 unit holders of respective classes with the total number of outstanding units of respective classes.

H FINANCE COST

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

I CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the 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.

Estimate of fair value of unquoted sukuk

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

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, obtains necessary internal approvals to use the non-BPA price. Refer to Note E for further explanation.

NOMURA i-INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 JANUARY 2026 TO 30 JUNE 2026 (UNAUDITED)

1 INFORMATION ON THE FUND

Nomura i-Income Fund (the "Fund") was constituted pursuant to the execution of a Master Deed dated 11 June 2012. The Fund has changed its name from Nomura i-Money Market Fund to Nomura i-Income Fund as amended by the First Supplemental Deed dated 23 August 2013 between Nomura Islamic Asset Management Sdn Bhd and Deutsche Trustees Malaysia Berhad (the "Trustee").

The Fund was launched on 7 November 2012 and will continue its operations until being terminated by the Manager or the Trustee as provided under Clause 25 of the Deed.

The Fourth Supplemental Deed dated 14 June 2022 in respect of the Fund (the "Deed") was entered into between Nomura Asset Management Malaysia Sdn Bhd (the "Manager"), Nomura Islamic Asset Management Sdn Bhd, and the Trustee to govern the Fund and replace in its entirety the Initial Deeds and the provision of the Initial Deeds.

The Fund was converted into a Unit Trust Fund and the Manager has been changed to Nomura Asset Management Malaysia Sdn Bhd from Nomura Islamic Asset Management Sdn Bhd on 1 October 2022 and will continue its operations until terminated by the Manager or the Trustee as provided under the Deed.

The Manager commenced termination of this Fund on 27 March 2025.

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>	<u>At fair value through profit or loss RM</u>	<u>At amortised cost RM</u>	<u>Total RM</u>
<u>2026</u>				
<u>Financial assets</u>				
Unquoted sukuk	6	1,227,984	-	1,227,984
Cash and cash equivalents	7	-	575,960	575,960
Total		<u>1,227,984</u>	<u>575,960</u>	<u>1,803,944</u>

NOMURA i-INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 01 JANUARY 2026 TO 30 JUNE 2026
(UNAUDITED) (CONTINUED)

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

Financial instruments are as follows: (continued)

	<u>Note</u>	At fair value through profit or loss RM	At amortised cost RM	<u>Total RM</u>
<u>2026</u>				
<u>Financial liabilities</u>				
Accrued management fee		-	581	581
Amount due to Trustee		-	987	987
Amount due to Shariah Adviser		-	961	961
Auditor's remuneration		-	8,775	8,775
Other payables and accruals		-	8,061	8,061
Total			19,365	19,365

	<u>Note</u>	At fair value through profit or loss RM	At amortised cost RM	<u>Total RM</u>
<u>2025</u>				
<u>Financial assets</u>				
Unquoted sukuk	6	2,747,720	-	2,747,720
Cash and cash equivalents	7	-	415,194	415,194
Total		2,747,720	415,194	3,162,914

<u>Financial liabilities</u>				
Accrued management fee		-	1,029	1,029
Amount due to Trustee		-	986	986
Amount due to Shariah Adviser		-	597	597
Auditor's remuneration		-	7,486	7,486
Other payables and accruals		-	4,700	4,700
Total		-	14,798	14,798

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

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

NOMURA i-INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 JANUARY 2026 TO 30 JUNE 2026 (UNAUDITED) (CONTINUED)

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

Market risk

(a) 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 interest rate risk).

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

	<u>2026</u> RM	<u>2025</u> RM
Financial assets at fair value through profit or loss*	1,227,984	2,747,720

* Includes profit receivable of RM129,284 (30.06.2025: RM130,870).

The table below summarises the sensitivity of the Fund's NAV 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 loss</u> <u>after tax/NAV</u> RM
<u>2026</u>		
+5%	1,153,635	54,935
-5%	1,043,765	(54,935)
<u>2025</u>		
+5%	2,747,693	130,843
-5%	2,486,007	(130,843)

(b) Interest rate risk

In general, when interest rates rise, valuation for unquoted sukuk will tend to fall and vice versa. Therefore, the NAV of the Fund may also tend to fall when interest rates rise or are expected to rise when interest 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 NAV shall not be affected at maturity. In order to mitigate interest 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 interest 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 interest rate movements. Sukuk with longer maturity and lower profit rates are more susceptible to interest rate movements.

NOMURA i-INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 JANUARY 2026 TO 30 JUNE 2026 (UNAUDITED) (CONTINUED)

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

Market risk (continued)

(b) Interest rate risk (continued)

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

The above interest 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 NAV and loss after tax to movements in prices of sukuk held by the Fund as a result of movement in interest rates. The analysis is based on the assumptions that the interest rates increased and decreased by 1% with all other variables held constant.

	<u>Impact on loss after tax/NAV</u>	
	<u>2026</u>	<u>2025</u>
	RM	RM
<u>% Change in interest rate</u>		
+ 1%	(14,755)	(23,761)
- 1%	15,060	24,031

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

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 unit holders. 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 period as at the statement of financial position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

NOMURA i-INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 JANUARY 2026 TO 30 JUNE 2026 (UNAUDITED) (CONTINUED)

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

Liquidity risk (continued)

	Less than 1 month RM	Between 1 month to 1 year RM	Total RM
<u>2026</u>			
Accrued management fee	581	-	581
Amount due to Trustee	987	-	987
Amount due to Shariah Adviser	-	961	961
Auditor's remuneration	-	8,775	8,775
Other payables and accruals	-	8,061	8,061
	<u>1,568</u>	<u>17,797</u>	<u>19,365</u>

2025

Accrued management fee	1,029	-	1,029
Amount due to Trustee	986	-	986
Amount due to Shariah Adviser	-	597	597
Auditor's remuneration	-	7,486	7,486
Other payables and accruals	-	4,700	4,700
	<u>2,015</u>	<u>12,783</u>	<u>14,798</u>

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.

NOMURA i-INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 JANUARY 2026 TO 30 JUNE 2026 (UNAUDITED) (CONTINUED)

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

Credit/default risk (continued)

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

	Financial assets at fair value through profit or loss RM	Cash and cash equivalents RM	Total RM
<u>2026</u>			
Energy and Utilities			
- C1	1,227,984	-	1,227,984
Financial			
- AAA	-	575,960	575,960
	<u>1,227,984</u>	<u>575,960</u>	<u>1,803,944</u>
	Financial assets at fair value through profit or loss RM	Cash and cash equivalents RM	Total RM
<u>2025</u>			
Energy and Utilities			
- B1	2,747,720	-	2,747,720
Financial			
- AAA	-	415,194	415,194
	<u>2,747,720</u>	<u>415,194</u>	<u>3,162,914</u>

NOMURA i-INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 JANUARY 2026 TO 30 JUNE 2026 (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 unit holders of RM1,784,579 (30.06.2025: RM3,148,116). The amount of net assets attributable to unit holders can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. 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 unit holders 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 unit holders.

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.

NOMURA i-INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 JANUARY 2026 TO 30 JUNE 2026 (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:

- (i) The carrying value is a reasonable estimate of fair value for cash and cash equivalent.
- (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 table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

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

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

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

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

NOMURA i-INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 JANUARY 2026 TO 30 JUNE 2026 (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:

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<u>2026</u>				
Financial assets at fair value through profit or loss:				
- Unquoted sukuk	-	1,227,984	-	1,227,984

2025

Financial assets at fair value through profit or loss:				
- Unquoted sukuk	-	2,747,720	-	2,747,720

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 E.

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

3 MANAGEMENT FEE

In accordance with the Deed, the Manager is entitled to a management fee at a rate not exceeding 4.00 % per annum of the NAV of the Fund calculated and accrued on a daily basis.

For the financial period from 1 January 2026 to 30 June 2026 the management fee is recognised at a rate of 0.23% (financial period from 1 January 2025 to 30 June 2025: 0.23%) per annum of the NAV of Class I, and at a rate of 0.40% (financial period from 1 January 2025 to 30 June 2025: 0.40%) per annum of the NAV of Class R respectively, calculated on a daily basis.

NOMURA i-INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 JANUARY 2026 TO 30 JUNE 2026 (UNAUDITED) (CONTINUED)

3 MANAGEMENT FEE (CONTINUED)

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

4 TRUSTEE FEE

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

For the financial period from 1 January 2026 to 30 June 2026, the trustee fee provided in the financial statements is 0.03% (financial period from 1 January 2025 to 30 June 2025: 0.03%) per annum based on the NAV of the Fund, calculated on a daily basis for the financial period, 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>2026</u> RM	<u>2025</u> RM
Current taxation - local	-	-

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

	<u>2026</u> RM	<u>2025</u> RM
Net loss before taxation	(1,605,100)	10,382,841
Tax at applicable rate of 24% (2025: 24%)	(385,224)	2,491,882
Tax effect of:		
Investment income not subject to tax	(34,719)	(2,503,481)
Investment loss not deductible for tax purposes	402,748	-
Expenses not deductible for tax purposes	13,846	3,129
Restriction on tax deductible expenses for unit trust funds	3,349	8,470
Taxation	-	-

NOMURA i-INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 JANUARY 2026 TO 30 JUNE 2026 (UNAUDITED) (CONTINUED)

6 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2026</u> RM	<u>2025</u> RM
Financial assets at FVTPL:		
- Unquoted sukuk	1,227,984	2,747,720
Net (loss)/gain on financial assets at FVTPL comprised:		
- Net realised gain on sale of financial assets at FVTPL	-	84,140
- Net unrealised (loss)/gain on changes in fair values	(1,674,905)	9,901,579
	<u>(1,674,905)</u>	<u>9,985,719</u>

Financial assets at fair value through profit or loss as at 30 June 2026 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 as at 30.06.2026</u> RM	<u>Percentage of NAV 30.06.2026</u> %
5,000,000	SPR Energy (M) Sdn Bhd#	C1	5,277,675	1,227,984	68.81
TOTAL UNQUOTED SUKUK			<u>5,277,675</u>	<u>1,227,984</u>	<u>68.81</u>
UNREALISED LOSS ON CHANGES IN FAIR VALUE			<u>(4,049,691)</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			<u>1,227,984</u>		

#RAM reaffirmed the credit rating of SPR Energy (M) Sdn Bhd (SPRE) at B1/Negative. The rating announcement was made on 26 March 2025. The rating reaffirmation reflects SPRE's limited ability to withstand further adverse operational challenges of its 100 MW combined-cycle, gas turbine power plant. In 2025, the power plant suffered another fire incident which led its unplanned outage rate (UOR) to breach the 4%-threshold. The power plant remains vulnerable to operational challenges as it approaches its 11th year of operation.

NOMURA i-INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 JANUARY 2026 TO 30 JUNE 2026 (UNAUDITED) (CONTINUED)

6 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

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

Unquoted Sukuk

<u>Nominal value</u> RM	<u>Name of Counter</u>	<u>Rating</u>	<u>Cost</u> RM	Fair value as at <u>30.06.2025</u> RM	Percentage of NAV <u>30.06.2025</u> %
5,000,000	SPR Energy (M) Sdn Bhd#	B1	5,296,256	2,747,720	87.28
TOTAL UNQUOTED SUKUK			<u>5,296,256</u>	<u>2,747,720</u>	<u>87.28</u>
UNREALISED LOSS ON CHANGES IN FAIR VALUE			<u>(2,548,536)</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			<u>2,747,720</u>		

*Country Garden Real Estate Sdn Bhd's credit rating suffered a multi-notch downgrade from AA3 to B3 in 2023. This was reaffirmed in March 2024 by RAM Ratings at B3/Negative. During the financial year, the sukukholders to Country Garden Real Estate Sdn Bhd's secured Islamic Medium Term Notes programme ("Programme") agreed to waive certain events of default associated with (amongst others) failure by its guarantors to observe its obligations under the corporate guarantee, subject to (amongst other conditions) maintenance of a security cover of two point five times (2.5x) the outstanding amount of sukuk under the Programme. Country Garden Real Estate Sdn Bhd has until 21 February 2025 (or some further period that may be agreed by the security trustee) to execute the necessary land charges and thereafter until 21 June 2025 (or some further period that may be agreed by the security trustee) to perfect and effect these charges to maintain the 2.5x security cover.

Recently, in January 2025, the Country Garden Real Estate Sdn Bhd conveyed that restructuring plans announced by its ultimate parent company, Country Garden Holdings, will not affect the creditors in Malaysia. Country Garden Real Estate Sdn Bhd also reiterated its commitment to pay into the finance service account the amounts necessary to meet its financial obligations, as required by the transaction documents.

RAM downgraded the credit rating of SPR Energy (M) Sdn Bhd (SPRE) to C1/Negative from B1/Negative. The rating announcement was made on 20 April 2026. The downgrade reflects SPRE's fragile capacity to meet its sukuk obligation on a timely basis while the negative outlook reflects a high likelihood of default. The finance service reserve account (FSRA) faced a funding shortfall on 19 January 2026 which was later addressed on 8 April 2026. The management is exploring remedial options and has appointed a scheme advisor to come out with a restructuring proposal. In fiscal 2025, SPRE's power plant suffered unscheduled outages of 779 hours, more than doubling the outage hours in fiscal 2024. Consequently, SPRE swung to pre-tax losses of RM10.4 million in fiscal 2025, versus pretax profit of RM2.2 million in fiscal 2024.

NOMURA i-INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 JANUARY 2026 TO 30 JUNE 2026 (UNAUDITED) (CONTINUED)

7 CASH AND CASH EQUIVALENTS

	<u>2026</u> RM	<u>2025</u> RM
Islamic deposits with licensed financial institutions	338,851	408,285
Bank balances in a licensed bank	237,109	6,909
	<u>575,960</u>	<u>415,194</u>

Weighted average effective profit rates per annum is as follows:

	<u>2026</u> %	<u>2025</u> %
Islamic deposits with licensed financial institutions	<u>2.75</u>	<u>2.95</u>

Islamic deposits with licensed financial institutions have an average maturity of 1 day (30.06.2025: 1 day).

NOMURA i-INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 JANUARY 2026 TO 30 JUNE 2026 (UNAUDITED) (CONTINUED)

8 SHARIAH INFORMATION OF THE FUND

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

- (a) investments in sukuk which have been classified as Shariah-compliant by the Shariah Advisory Council of the Securities Commission Malaysia or the Shariah Advisory Council of Bank Negara Malaysia ("BNM SAC"); and
- (b) cash placements and liquid assets which are placed in investments and/or instruments in the local market that have been classified as Shariah-compliant by the BNM SAC.

9 NUMBER OF UNITS IN CIRCULATION

	<u>2026</u> No. of units	<u>2025</u> No. of units
<u>Class I</u>		
At beginning of the financial period	1,246	1,246
At end of the financial period	<u>1,246</u>	<u>1,246</u>
	<u>2026</u> No. of units	<u>2025</u> No. of units
<u>Class R</u>		
At beginning of the financial period	20,092,962	25,933,720
Creation of units during the financial period:		
Arising from creations	-	8,567,469
Cancellation of units	-	(14,408,227)
At end of the financial period	<u>20,092,962</u>	<u>20,092,962</u>

10 DISTRIBUTIONS

	<u>2026</u> RM	<u>2025</u> RM
Distributions to unit holders are from the following sources:		
Distribution equalisation	<u>44,205</u>	<u>23,727,138</u>

NOMURA i-INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 JANUARY 2026 TO 30 JUNE 2026 (UNAUDITED) (CONTINUED)

10 DISTRIBUTIONS (CONTINUED)

During the financial period from 01 January 2026 to 30 June 2026, distributions per unit were made as follows:

<u>Ex date</u>	Gross distribution per RM/unit		Net distribution per RM/Unit	
	<u>Class I</u> RM	<u>Class R</u> RM	<u>Class I</u> RM	<u>Class R</u> RM
11 February 2026	-	0.0022	-	0.0022
<u>Class R</u>	<u>Income</u> <u>distribution</u> RM	<u>Income</u> <u>distribution</u> %	<u>Capital</u> <u>distribution</u> RM	<u>Capital</u> <u>distribution</u> %
11 February 2026	-	-	44,205	100.00

During the financial period from 01 January 2025 to 30 June 2025, distributions per unit were made as follows:

<u>Ex date</u>	Gross distribution per RM/unit		Net distribution per RM/Unit	
	<u>Class I</u> RM	<u>Class R</u> RM	<u>Class I</u> RM	<u>Class R</u> RM
8 April 2025	1.0988	1.1808	1.0988	1.1808
<u>Class I</u>	<u>Income</u> <u>distribution</u> RM	<u>Income</u> <u>distribution</u> %	<u>Capital</u> <u>distribution</u> RM	<u>Capital</u> <u>distribution</u> %
8 April 2025	-	-	1,369	100.00
<u>Class R</u>	<u>Income</u> <u>distribution</u> RM	<u>Income</u> <u>distribution</u> %	<u>Capital</u> <u>distribution</u> RM	<u>Capital</u> <u>distribution</u> %
8 April 2025	-	-	23,725,769	100.00

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.

During the financial period ended 30 June 2026, the Fund incurred unrealised losses of RM1,674,905 (2025: Nil).

NOMURA i-INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 JANUARY 2026 TO 30 JUNE 2026 (UNAUDITED) (CONTINUED)

11 TRANSACTIONS WITH FINANCIAL INSTITUTIONS / INTERMEDIARY

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>2026</u>		
CIMB Islamic Bank Berhad	2,432,000	100.00
	<u>2,432,000</u>	<u>100.00</u>
<u>2025</u>		
CIMB Islamic Bank Berhad	105,902,000	47.33
Public Islamic Bank Berhad	51,201,000	22.88
Maybank Islamic Berhad	37,248,000	16.65
Alliance Islamic Bank Bhd	10,250,000	4.58
CIMB Bank Berhad	10,037,000	4.49
Hong Leong Investment Bank Berhad	5,615,950	2.51
Bank Islam Malaysia Berhad	3,500,000	1.56
	<u>223,753,950</u>	<u>100.00</u>

The above transactions with the Manager relate to subscriptions of a unit trust fund managed by the Manager.

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

NOMURA i-INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 JANUARY 2026 TO 30 JUNE 2026 (UNAUDITED) (CONTINUED)

12 TOTAL EXPENSE RATIO ("TER")

	<u>2026</u> %	<u>2025</u> %
TER	<u>0.99</u>	<u>0.36</u>

TER is derived from the following calculation:

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

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

The average NAV of the Fund for the financial period calculated on daily basis is RM2,768,649 (30.06.2025: RM13,303,335).

13 PORTFOLIO TURNOVER RATIO ("PTR")

	<u>2026</u>	<u>2025</u>
PTR (times)	<u>-</u>	<u>0.59</u>

PTR is derived from the following calculation:

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

Average NAV of the Fund for the financial period calculated on daily basis

Where: total acquisition for the financial period = RM Nil (30.06.2025: RM Nil)
total disposal for the financial period = RM Nil (30.06.2025: RM15,652,950)

NOMURA i-INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 01 JANUARY 2026 TO 30 JUNE 2026 (UNAUDITED) (CONTINUED)

14 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 Senior Management of the Manager	The Manager Director(s) of the Manager

In the opinion of the Manager, the above units were transacted at the prevailing market price.

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.

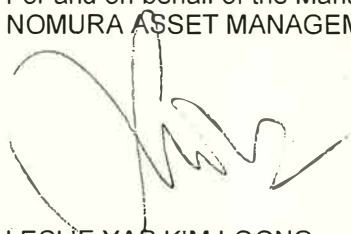
15 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 23 August 2026.

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

We, Leslie Yap Kim Loong and Chooi Su May, 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 28 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 June 2026 and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial period from 01 January 2026 to 30 June 2026 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



Chooi Su May
Director

Kuala Lumpur

27 AUG 2026



Deutsche Trustees Malaysia Berhad
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8 Jalan Sultan Ismail
50250 Kuala Lumpur
Tel +603 2053 7522
Fax +603 2053 7526

TRUSTEE'S REPORT

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

We have acted as Trustee of the Fund for the financial period ended 30 June 2026 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

27 AUG 2026

SHARIAH ADVISER'S REPORT

TO THE UNIT HOLDERS OF
NOMURA i-INCOME FUND

We hereby confirm:

To the best of our knowledge, after having made all reasonable enquiries, Nomura Asset Management Malaysia Sdn Bhd has operated and managed the Fund during the financial 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.

For ZICO Shariah Advisory Services Sdn Bhd

A handwritten signature in black ink, appearing to read "Aida Othman", is written over a horizontal line.

DR. AIDA OTHMAN

Designated Person Responsible for Shariah Matters Relating to the Fund

Kuala Lumpur

27 AUG 2026