RHB Asset Management

RHB Asset Management Sdn Bhd (174588-X)

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RHB Asset Management

MASTER PROSPECTUS

Master Prospectus

Name of the Funds	Date of Constitution
RHB Global Equity Yield Fund	19 October 2005
RHB Asia Pacific Fund	19 October 2005
RHB Resources Fund	28 February 2006
RHB Global Allocation Fund	9 March 2006
RHB Global New Stars Fund	22 September 2006
RHB Golden Dragon Fund	9 April 2007
RHB Big Cap China Enterprise Fund	16 October 2007
RHB Asian Growth Opportunities Fund	20 July 2007
RHB ASEAN Fund	19 December 2007
RHB US Focus Equity Fund	14 July 2010
RHB Asian Real Estate Fund	14 June 2007

This master prospectus is dated 3 September 2017.

Manager
RHB Asset Management Sdn Bhd (174588-X)
(A member of RHB Banking Group)

Trustees
HSBC (Malaysia) Trustee Berhad (1281-T)
(A member of the HSBC Group)
Maybank Trustees Berhad (5004-P)

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS MASTER PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 106.

Responsibility Statement

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

Statements of Disclaimer

The Securities Commission Malaysia has authorised the Funds and a copy of this master prospectus has been registered with the Securities Commission Malaysia.

The authorisation of the Funds, and registration of this master prospectus, should not be taken to indicate that the Securities Commission Malaysia recommends the said Funds or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this master prospectus.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of RHB Asset Management Sdn Bhd, the management company responsible for the said Funds, and takes no responsibility for the contents in this master prospectus. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this master prospectus, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IF INVESTORS ARE UNABLE TO MAKE THEIR OWN EVALUATION, THEY ARE ADVISED TO CONSULT PROFESSIONAL ADVISERS.

Additional Statements

Investors should note that they may seek recourse under the Capital Markets and Services Act 2007 for breaches of securities laws including any statement in this master prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to this master prospectus or the conduct of any other person in relation to the Funds.

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DEFINITIONS

In this master prospectus, the following abbreviations or words shall have the following meanings unless otherwise stated:

BGF	BlackRock Global Funds (BGF).
BGF-GAF	BGF Global Allocation Fund.
BMSB	Bursa Malaysia Securities Berhad.
Bursa Malaysia	The stock exchange managed and operated by BMSB.
Business Day	In relation to **GEY**, **ASPAC**, **RESO, GNS, DRAGON, BIGCAP, ASEAN** and **AREF**: A day in which BMSB / Bursa Malaysia and the foreign markets* are open for trading. * foreign markets in which investments of the Fund having in aggregate values amounting to at least 50% of the Fund's Net Asset Value are invested therein. In relation to **GAF**: A day in which the BMSB is open for trading and (i) a day which is a business day in Hong Kong (i.e. a day other than Saturdays, Sundays and public holidays); and (ii) a day which is a business day in Luxembourg for banks and the Luxembourg stock exchange, and such other days as the directors of BGF may decide. In relation to **AGO:** A day in which the Bursa Malaysia is open for trading and (i) a day which is a business day in Singapore (i.e. a day other than Saturdays, Sundays and public holidays); and (ii) a day which is a dealing day as defined in the prevailing prospectus of the United Asian Growth Opportunities Fund. In relation to **US FOCUS:** A day in which Bursa Malaysia is open for trading and a day which is a business day in New York and Luxembourg (i.e. a day other than Saturdays, Sundays, public holidays and any day determined to be a non-business day by the managers of the target fund, the Schroder International Selection Fund US Small & Mid-Cap Equity).
ChinaClear	China Securities Depositary and Clearing Corporation Limited which is the PRC's central securities depository in respect of China A Shares.
Deed	**RHB Global Equity Yield Fund, RHB Asia Pacific Fund, RHB Resources Fund, RHB Global Allocation Fund, RHB Global New Stars Fund and RHB Golden Dragon Fund** PG 14.03 Master deed dated 27 April 2004 as modified via its first supplemental master deed dated 8 June 2004, second supplemental master deed dated 19 October 2005, third supplemental master deed dated 8 December 2005, fourth supplemental master deed dated 28 February 2006, fifth

supplemental master deed dated 9 March 2006, sixth supplemental master deed dated 22 September 2006, seventh supplemental master deed dated 15 December 2006, eighth supplemental master deed dated 30 January 2007, ninth supplemental master deed dated 9 April 2007, tenth supplemental master deed dated 14 May 2007, eleventh supplemental master deed dated 15 May 2007, twelfth supplemental master deed dated 27 June 2007, thirteenth supplemental master deed dated 24 December 2007, fourteenth supplemental master deed dated 28 February 2013, fifteenth supplemental master deed dated 4 September 2013, sixteenth supplemental master deed dated 2 March 2015, seventeenth supplemental master deed dated 8 May 2015, eighteenth supplemental master deed dated 25 May 2015, nineteenth supplemental master deed dated 3 June 2015 and any other supplemental master deeds as may be registered with the Securities Commission from time to time.

RHB Big Cap China Enterprise Fund
Deed dated 16 October 2007 as modified via its first supplemental deed dated 4 September 2013, second supplemental deed dated 16 February 2015, third supplemental deed dated 3 June 2015 and any other supplemental deeds as may be registered with the Securities Commission from time to time.

RHB Asian Growth Opportunities Fund
Deed dated 20 July 2007 as modified via its first supplemental deed dated 4 September 2013 , second supplemental deed dated 16 February 2015, third supplemental deed dated 3 June 2015 and any other supplemental deeds as may be registered with the Securities Commission from time to time.

RHB ASEAN Fund
Deed dated 19 December 2007 as modified via its first supplemental deed dated 4 September 2013 , second supplemental deed dated 24 February 2015, third supplemental deed dated 3 June 2015 and any other supplemental deeds as may be registered with the Securities Commission from time to time.

RHB US Focus Equity Fund
Deed dated 14 July 2010 as modified via its first supplemental deed dated 4 September 2013 , second supplemental deed dated 24 February 2015, third supplemental deed dated 3 June 2015 and any other supplemental deeds as may be registered with the Securities Commission from time to time.

RHB Asian Real Estate Fund
Deed dated 14 June 2007 as modified via its first supplemental deed dated 4 September 2013 , second supplemental deed dated 3 March 2015, third supplemental deed dated 3 June 2015 and any other supplemental deeds as may be registered with the Securities Commission from time to time.

Eligible Market

A market which is regulated by a regulatory authority, operates regularly, is open to the public and has adequate liquidity for the purposes of the Fund. A non-exhaustive list of Eligible Markets includes stock exchanges, derivative exchanges, over-the-counter debt securities markets and money markets.

EPF	Employees Provident Fund.
FBM Asian Palm Oil Plantation Index	FTSE Bursa Malaysia Asian Palm Oil Plantation Index.
FIMM	Federation of Investment Managers Malaysia.
Fund (respectively) or Funds (collectively)	RHB Global Equity Yield Fund ("**GEY**"); or RHB Asia Pacific Fund ("**ASPAC**"); or RHB Resources Fund ("**RESO**"); or RHB Global Allocation Fund ("**GAF**"); or RHB Global New Stars Fund ("**GNS**"); or RHB Golden Dragon Fund ("**DRAGON**"); or RHB Big Cap China Enterprise Fund ("**BIGCAP**"); or RHB Asian Growth Opportunities Fund ("**AGO**"); or RHB ASEAN Fund ("**ASEAN**"); or RHB US Focus Equity Fund ("**USFOCUS**); or RHB Asian Real Estate Fund ("**AREF**").
GST	Goods and services tax.
HKSCC	Hong Kong Securities Clearing Company Limited which operates a securities market and a derivatives market in Hong Kong and the clearing houses for those markets.
IPO(s)	Initial Public Offering(s).
Latest Practicable Date	30 June 2017.
Manager/Management Company	RHB Asset Management Sdn Bhd (174588-X).
MSCI	Morgan Stanley Capital International.
MSCI AC	Morgan Stanley Capital International All Countries.
Net Asset Value (NAV)	The Net Asset Value of the respective Fund is determined by deducting the value of all the Fund's liabilities from the value of all the Fund's assets, at the valuation point.
Net Asset Value per unit	The Net Asset Value of the respective Fund divided by the total number of units in circulation at that valuation point.
PRC	People's Republic of China.
Repurchase Price	The price (before deducting any repurchase charge) payable by the Manager to a Unit Holder pursuant to the repurchase of a unit of the Fund. The Repurchase Price shall be the Net Asset Value per unit as at the next valuation point of the Fund's relevant Business Day ("forward pricing") after the repurchase request is received by the Manager. A repurchase charge, if any, will be computed separately based on the withdrawal amount/repurchase amount. The implementation of GST is effective from 1 April 2015 at the rate of 6% and the repurchase charge payable (if any) is exclusive of GST.
RM or Ringgit Malaysia	The lawful currency of Malaysia.

Securities Commission	Securities Commission Malaysia.
Selling Price	The price (before adding any sales charge) payable by an investor or a Unit Holder for the purchase of a unit of the Fund. The Selling Price shall be the Net Asset Value per unit as at the next valuation point of the Fund's relevant Business Day ("forward pricing") after the application for units of a Fund is received by the Manager. A sales charge, if any, will be computed separately based on the investment amount/purchase amount, net of bank charges (if any). The implementation of GST is effective from 1 April 2015 at the rate of 6% and the sales charge payable (if any) is exclusive of GST.
Senior Securities	Loans or debt securities that have claim prior to junior obligations and equity on a corporation's assets in the event of liquidation. Senior securities/debt commonly includes funds borrowed from banks, insurance companies, or other financial institutions, as well as notes, bonds or debentures not expressly defined as junior or subordinated.
SFC	Securities and Futures Commission in Hong Kong.
Stock Connect	Shanghai-Hong Kong Stock Connect.
SSE	Shanghai Stock Exchange.
SEHK	Stock Exchange of Hong Kong.
Schroder ISF USSME	Schroder International Selection Fund US Small & Mid-Cap Equity.
Trustee	HSBC (Malaysia) Trustee Berhad in respect of **GEY, ASPAC, RESO, GAF, GNS, DRAGON, BIGCAP, AGO, ASEAN** and **USFOCUS**. Maybank Trustees Berhad in respect of **AREF**.
UAGOF	United Asian Growth Opportunities Fund.
UCITS	Undertaking for Collective Investment in Transferable Securities.
Unit Holder	The person(s) for the time being registered under the provisions of the Deed as the holder of units of a Fund and includes person(s) jointly so registered, and where applicable includes the Manager.
UOBAM	UOB Asset Management Ltd, Singapore.

CORPORATE DIRECTORY

MANAGER
RHB Asset Management Sdn Bhd

REGISTERED & PRINCIPAL OFFICE
Level 8, Tower 2 & 3
RHB Centre, Jalan Tun Razak
50400 Kuala Lumpur
Tel: 03-9205 8000
Fax: 03-9205 8100
E-mail: **rhbam@rhbgroup.com**
Website: **www.rhbgroup.com**

In respect of **GEY, ASPAC, RESO, GAF, GNS, DRAGON, BIGCAP, AGO, ASEAN** and **USFOCUS**:
TRUSTEE
HSBC (Malaysia) Trustee Berhad
13th Floor, Bangunan HSBC, South Tower
No. 2, Leboh Ampang
50100 Kuala Lumpur
Tel: 03-2075 7800 Fax: 03-2179 6511

In respect of **AREF**:
TRUSTEE
Maybank Trustees Berhad
8th Floor, Menara Maybank
100 Jalan Tun Perak
50050 Kuala Lumpur
Tel: 03- 2074 8580 / 2074 8952 Fax: 03- 2070 9387

1. FUND INFORMATION

1.1 RHB Global Equity Yield Fund

1.1.1 Fund Category

Equity fund.

1.1.2 Financial Year End

30 June.

1.1.3 Name of Trustee

HSBC (Malaysia) Trustee Berhad.

1.1.4 Investment Objective

This Fund aims to achieve long term* capital appreciation and provide a source of income^ through investments in securities of companies listed or traded in the global emerging and developed markets.

Any material change to the investment objective of this Fund requires the Unit Holders' approval.

Note: *"long term" in this context refers to a period of between 5 – 7 years.
^The income is in the form of units. Please refer to the Fund's distribution mode.

1.1.5 Investment Strategy

This Fund seeks to generate income and capital gains by investing in equity and equity related securities of companies offering attractive dividend yields, good growth prospects, sound fundamentals and solid management and financial discipline. These are securities of companies listed or traded in the global emerging and developed markets such as Malaysia, Australia, China, Hong Kong SAR, India, Indonesia, Japan, New Zealand, Philippines, Singapore, South Korea, Sri Lanka, Taiwan, Thailand, United States of America, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and United Kingdom.

The Fund seeks to make regular distributions of income and capital gains and offer potential for price appreciation. This investment approach should enable the Fund to meet these objectives over the medium to long term. Due to the emphasis on dividend and quality, the Fund is likely to possess below average exposure in low yielding countries and low yielding sectors. Absolute levels of volatility and downside risk should be relatively low in relation to the benchmark, given the Fund's emphasis is on higher yield equity securities.

The Manager adopts a bottom-up approach, leveraging on its equity research platform. As a sell discipline, the Manager will realize the investments of the Fund when, in the Manager's opinion, a fair value is reached or when better investment alternatives present themselves. On this basis, the portfolio of the Fund comprises mostly stocks which have attractive dividend yields^ and offer price performance potential.

^ refers to stocks with level of yields that are generally above the country/industry norms. Attractive yields for fixed income securities are level of yields that are above the industry norm for that type of fixed income security of the same rating in the country of investment.

Thus, this Fund's portfolio will be structured as follows:
Up to 98% of Net Asset Value

- Investments in securities of and securities relating to companies that have attractive dividend yields and good growth potential.

2% - 10% of Net Asset Value

- Investments in liquid assets including bonds, money market instruments and deposits with financial institutions.

Subject to the range stipulated above, the above asset allocation will be reviewed from time to time depending on the judgement of the Manager as to the general market and economic conditions. Although the Fund is actively managed, how active or the frequency of its trading strategy will very much depend on market opportunities. Specific risks associated with such securities and investments are as elaborated in Section 2.2.

The risk management strategies and techniques employed by the Manager include diversification of the Fund's investments in terms of its exposure to various industries, sectors, countries and asset class and/or type of investments (i.e. equity, fixed income, money market instruments). Financial derivatives may also be used for hedging purposes where appropriate. Generally, the assets of the Fund will be invested over a medium to long term period with disposal of the investments when necessary to control risk as well as to optimise capital gains. This is especially so when the full growth potential of an investment is deemed to have been reduced following a prolonged rise in equity values and the other available investments may present cheaper valuations and potential higher returns. The Fund also complies with the permitted investments and restrictions imposed by the Securities Commission. Adherence to the permitted investments and restrictions also helps the Manager to risk-manage the Fund's portfolio in terms of diversification. Moreover, the Manager in making its investment decisions shall at all times comply with the investment restrictions of the Fund and requirements as set out in the Deed.

For investments in foreign markets, the Manager in managing the principal risks such as country risk and currency risk, will always take into consideration the reference benchmark as well as its evaluation of the historical developments and its prior experience in such markets. Such practice will be managed through active management and constant review of the economic and political developments of the countries invested. Investments will ultimately be made based on the risk-reward.

While the Manager adopts a strategy of remaining close to fully invested, there may be instances where the reference allocation may not be followed if the Manager believes there are systemic risk that warrant an allocation into another asset class such as fixed income securities, money market securities or deposits with financial institutions (these are deposits that are not embedded with or linked to financial derivative instruments (structured deposits) and (where applicable) these are current accounts, short term money market deposits and short term deposits with financial institutions). In such circumstances, the Manager has the discretion to allocate up to 100% of the Fund's equity investments into other asset classes such as fixed income securities, money market instruments and deposits with financial institutions, which are defensive in nature. These are deposits that are not embedded with or linked to financial derivatives instruments (structured deposits) and (where applicable) these are current accounts, short term money market deposits and short term deposits with financial institutions.

The performance of this Fund is benchmarked against the MSCI AC World Free Index (RM). The benchmark chosen best represents the Fund's investments geographical location/ investment universe. For ease of reference, investors may refer to Bloomberg L.P. or the MSCI website (**www.msci.com**) for this indicator. Investor should note that the risk profile of the Fund is different from the risk profile of the benchmark.

1.1.6 Investment in Unlisted Securities

The Manager will only make such investments where the Manager expects those investments to complement the objective and enhance the performance of this Fund. Such investments shall not include:

(a) Equities not listed for trading in a stock market of a stock exchange but have been approved for such listing and offered directly to the Fund by the issuer;

(b) Debentures traded on an organised over-the-counter market; and

(c) Structured product.

The Fund's investments in unlisted securities (if any) shall always be subject to the restriction stipulated in Section 1.1.13 (a).

1.1.7 Collective Investment Schemes

The Manager will only make such investments where the Manager expects those investments to complement the objective and enhance the performance of this Fund. In addition, the Manager will only make such investments if the target fund is registered/authorised/approved by the relevant regulatory authority in its home jurisdiction as the case may be and which operates within the general investment principles of the Guidelines on Unit Trust Funds issued by the Securities Commission. The Fund's investments in collective investment schemes (if any) shall always be subject to the restrictions stipulated in Section 1.1.13 (g) and (m).

1.1.8 Financial Derivatives

The Manager may participate in futures contracts and other financial derivatives, when appropriate. The category of financial derivatives to be participated in shall be the stock index futures contracts, the stock index options contracts, single stock futures contracts, forwards and swaps or any other categories and/or types of futures contracts or financial derivatives that may be allowable by the relevant authorities from time to time. The Fund's participation in financial derivatives is basically to hedge the portfolio from any unexpected price movement in the underlying market and also the portfolio's exposure to foreign currency as well as to hedge against any opportunity loss arising from its uninvested cash. The benefit of any upside of price movement in the underlying market or currency movement is limited as the primary interest is to protect the value of the portfolio and to manage risks in relation to the benchmark. Nonetheless, the Fund may also invest in financial derivatives for investment purpose to enhance the returns of the Fund. If the Fund were to invest in over-the-counter ("OTC") derivatives, the Manager will monitor the credit rating of the counterparty issuing the derivatives and dispose off the derivatives should the rating of the said derivative counterparty fall below the credit rating of A by RAM Rating Services Berhad or its equivalent rating by a reputable rating establishment. If the Fund does invest in derivatives, there may be a likelihood that the NAV per unit of the Fund may be subject to high volatility. The Fund's investments in financial derivatives (if any) shall always be subject to the restriction stipulated in Section 1.1.13 (f) and (i).

1.1.9 Structured Products

The Manager may also invest in structured products where the Manager expects those investments to complement the objective and enhance the performance of this Fund. The Fund's investments in structured products (if any) shall always be subject to the restrictions stipulated in Section 1.1.13 (f) and (h).

1.1.10 Foreign Securities

The Manager may invest up to 98% of the Net Asset Value in securities of foreign markets where its regulatory authority is a member of the International Organisation of Securities Commission (IOSCO).

The Fund will invest in securities/instruments listed on or traded in global markets, such as, Australia, China, Hong Kong SAR, India, Indonesia, Japan, New Zealand, Philippines, Singapore, South Korea, Sri Lanka, Taiwan, Thailand, United States of America, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and United Kingdom. When investing in foreign markets which require prior permission or approval such as in the form of an investment licence or investor code or investor registration, the Fund has/will obtain such necessary permission or approval in order to invest in such markets.

In undertaking these foreign investments, the Manager will invest directly in the equities markets and may also invest through other collective investment schemes, where appropriate subject to the restrictions stipulated in Section 1.1.7.

1.1.11 Liquid Assets

The Manager in structuring the Fund's portfolio will maintain a minimum liquid assets level of 2% of the Net Asset Value for the purpose of meeting redemptions and to enable the proper and efficient management of the Fund. However, this does not preclude the Manager from lowering or raising the liquid assets level from the stipulated level to allow the Manager to react to the prevailing market conditions and to manage investment risks when circumstances warrant it.

This Fund shall not borrow in connection with its activities or lend any of its cash or investments unless permitted by the relevant laws pertaining to unit trust funds. The Fund may participate in the lending of securities provided always that such activity complies with all relevant guidelines, laws and/or regulations. However, the Fund may borrow cash on a temporary basis (i.e. not more than one (1) month) from financial institutions to meet redemption requests. Such borrowing shall not exceed ten (10) per cent of the Net Asset Value at the time the borrowing is incurred.

1.1.12 Distribution Policy

Consistent with the Fund's objective to achieve long term* capital growth and current income, the Fund will distribute a substantial portion of its returns to Unit Holders. Distributions, if any, after deduction of taxation and expenses, are generally declared semi-annually and will be reinvested.

*Note: "long term" in this context refers to a period of between 5 – 7 years.

1.1.13 Permitted Investments and Restrictions

This Fund may invest in securities traded on the BMSB or any other market considered as an Eligible Market, unlisted securities, collective investment schemes, securities/instruments in foreign markets, financial derivatives, structured products, liquid assets (including money market instruments and deposits with any financial institutions), participate in the lending of securities, and any other investments permitted by the Securities Commission from time to time.

The acquisition of such permitted investments is subject to the following restrictions:

a) The value of the Fund's investments in unlisted securities must not exceed ten (10) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.

b) The value of the Fund's investments in ordinary shares issued by any single issuer must not exceed ten (10) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.

c) The value of the Fund's investments in transferable securities (i.e. equities, debentures and warrants) and money market instruments issued by any single issuer must not exceed fifteen (15) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.

d) The value of the Fund's placement in deposits with any single financial institution must not exceed twenty (20) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.

e) The value of the Fund's investments in transferable securities and money market instruments issued by any group of companies must not exceed twenty (20) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.

f) The aggregate value of the Fund's investments in transferable securities, money market instruments, deposits, over-the-counter ("OTC") financial derivatives and structured products issued by or placed with, as the case may be, any single issuer/financial institution must not exceed twenty five (25) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.

g) The value of the Fund's investments in units/shares of any collective investment scheme must not exceed twenty (20) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.

h) The value of the Fund's investments in structured products issued by any single counter-party must not exceed fifteen (15) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time. This single counter-party limit may be exceeded if the counter-party has a minimum long-term rating that indicates very strong capacity for timely payment of financial obligations provided by any domestic or global rating agency and the structured product has a capital protection feature. When this applies, the calculation of the aggregate value to determine compliance with item (f) should exclude the value of investment in structured products.

i) The value of the Fund's OTC financial derivatives transactions with any single counter-party must not exceed ten (10) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time; and the Fund's exposure to the underlying assets (vide the financial derivatives) must not exceed the Fund's investment spread limits as stipulated in (b), (c), (d), (e), (f), (g) and (h) above. In addition, the Fund's net market exposure owing to its financial derivatives position must not exceed the Net Asset Value.

j) The Fund's investments in transferable securities (other than debentures) must not exceed ten (10) per cent of the securities issued by any single issuer, or any other limit as may be prescribed by the Securities Commission from time to time.

k) The Fund's investments in debentures must not exceed twenty (20) per cent of the debentures issued by any single issuer, or any other limit as may be prescribed by the Securities Commission from time to time.

l) The Fund's investments in money market instruments must not exceed ten (10) per cent of the instruments issued by any single issuer, or any other limit as may be prescribed by the Securities Commission from time to time. Such limit does not apply to money market instruments that do not have a pre-determined issue size.

m) The Fund's investments in collective investment schemes must not exceed twenty five (25) per cent of the units/shares in any one collective investment scheme, or any other limit as may be prescribed by the Securities Commission from time to time.

The limits and restrictions mentioned herein must be complied with at all times based on the most up-to-date value of the Fund's investments. However, a 5% allowance in excess of the limits or restrictions is permitted where the limits or restrictions are breached through an appreciation or depreciation of the Net Asset Value (whether as a result of an appreciation or depreciation of the investments or as a result of repurchase of units of the Fund or payment made from the Fund). The Manager will not make any further acquisitions to which the relevant limit is breached, and the Manager will within a reasonable period of not more than three (3) months from the date of the breach take all necessary steps and actions to rectify the breach. Such limits and restrictions however, do not apply to securities/instruments that are issued or guaranteed by the Malaysian government or Bank Negara Malaysia.

1.2 RHB Asia Pacific Fund

1.2.1 Fund Category

Equity fund.

1.2.2 Financial Year End

31 December.

1.2.3 Name of Trustee

HSBC (Malaysia) Trustee Berhad.

1.2.4 Investment Objective

This Fund aims to achieve long term* capital appreciation through investments in securities of companies listed or traded in emerging and developed markets.

Any material change to the investment objective of this Fund requires the Unit Holders' approval.

*Note: "long term" in this context refers to a period of between 5 – 7 years.

1.2.5 Investment Strategy

This Fund seeks to achieve its objective through investments in equity and equity related securities of companies listed or traded in the Asia Pacific markets. These are securities of companies listed on the stock exchanges of the emerging and developed markets such as Malaysia, Australia, China, Hong Kong SAR, India, Indonesia, Japan, New Zealand, Philippines, Singapore, South Korea, Sri Lanka, Taiwan and Thailand.

Thus, this Fund's portfolio will be structured as follows:

Up to 98% of Net Asset Value
- Investments in securities of and securities relating to companies that have high growth potential.

2% - 10% of Net Asset Value
- Investments in liquid assets including bonds, money market instruments and deposits with financial institutions.

Subject to the range stipulated above, the above asset allocation will be reviewed from time to time depending on the judgement of the Manager as to the general market and economic conditions. Although the Fund is actively managed, how active or the frequency of its trading strategy will very much depend on market opportunities. Specific risks associated with such securities and investments are as elaborated in Section 2.2.

The risk management strategies and techniques employed by the Manager include diversification of the Fund's investments in terms of its exposure to various industries, sectors, countries and asset classes/type of investments (i.e. equity, fixed income, money market instruments). Financial derivatives may also be used for hedging purposes where appropriate. Generally, the assets of the Fund will be invested over a medium to long term period with disposal of the investments when necessary to control risk as well as to optimise capital gains. This is especially so when the full growth potential of an investment is deemed to have been reduced over a prolonged rise in equity values and the other available investments may present cheaper valuations and potential higher returns. The Fund also complies with the permitted investments and restrictions imposed by the

Securities Commission. Adherence to the permitted investments and restrictions also helps the Manager to risk-manage the Fund's portfolio in terms of diversification. Moreover, the Manager in making its investment decisions shall at all times comply with the investment restrictions of the Fund and requirements as set out in the Deed.

For investments in foreign markets, the Manager in managing the principal risks such as country risk and currency risk will always take into consideration the reference benchmark as well as its evaluation of the historical developments and its prior experience in such markets. Such practice will be managed through active management and constant review of the economic and political developments of the countries invested. Investments will ultimately be made based on the risk-reward.

The Manager may take temporary defensive positions that may be inconsistent with the Fund's principal strategy in attempting to respond to adverse economic, political or any other market conditions. In such circumstances, the Manager may reallocate up to 100% of the Fund's equity investments into other asset classes such as fixed income securities, money market instruments and deposits with financial institutions, which are defensive in nature. These are deposits that are not embedded with or linked to financial derivative instruments (structured deposits) and (where applicable) these are current accounts, short term money market deposits and short term deposits with financial institutions.

The performance of this Fund is benchmarked against the MSCI AC Asia Pacific Index (RM). The benchmark chosen best represents the Fund's investment geographical location/investment universe. For ease of reference, investors may refer to Bloomberg L.P. or the MSCI website (**www.msci.com**) for this indicator. Investor should note that the risk profile of the Fund is different from the risk profile of the benchmark.

1.2.6 Investment in Unlisted Securities

The Manager will only make such investments where the Manager expects those investments to complement the objective and enhance the performance of this Fund. Such investments shall not include:

(a) Equities not listed for trading in a stock market of a stock exchange but have been approved for such listing and offered directly to the Fund by the issuer;

(b) Debentures traded on an organised over-the-counter market; and

(c) Structured product.

The Fund's investments in unlisted securities (if any) shall always be subject to the restriction stipulated in Section 1.2.13 (a).

1.2.7 Collective Investment Schemes

The Manager will only make such investments where the Manager expects those investments to complement the objective and enhance the performance of this Fund. In addition, the Manager will only make such investments if the target fund is registered/authorised/approved by the relevant regulatory authority in its home jurisdiction as the case may be and which operates within the general investment principles of the Guidelines on Unit Trust Funds issued by the Securities Commission. The Fund's investments in collective investment schemes (if any) shall always be subject to the restrictions stipulated in Section 1.2.13 (g) and (m).

1.2.8 Financial Derivatives

The Manager may participate in futures contracts and other financial derivatives, when appropriate. The category of financial derivatives to be participated in shall be the stock index futures contracts, the stock index options contracts, single stock futures contracts, forwards and swaps or any other categories and/or types of futures contracts or financial derivatives that may be allowable by the relevant authorities from time to time. The Fund's participation in financial derivatives is basically to hedge the portfolio from any unexpected price movement in the underlying market and also the portfolio's exposure to foreign currency as well as to hedge against any opportunity loss arising from its uninvested cash. The benefit of any upside of price movement in the underlying market or currency movement is limited as the primary interest is to protect the value of the portfolio and to manage risks in relation to the benchmark. Nonetheless, the Fund may also invest in financial derivatives for investment purpose to enhance the returns of the Fund. If the Fund were to invest in over-the-counter ("OTC") derivatives, the Manager will monitor the credit rating of the counterparty issuing the derivatives and dispose off the derivatives should the rating of the said derivative counterparty fall below the credit rating of A by RAM Rating Services Berhad or its equivalent rating by a reputable rating establishment. If the Fund does invest in derivatives, there may be a likelihood that the NAV per unit of the Fund may be subject to high volatility. The Fund's investments in financial derivatives (if any) shall always be subject to the restriction stipulated in Section 1.2.13 (f) and (i).

1.2.9 Structured Products

The Manager may also invest in structured products where the Manager expects those investments to complement the objective and enhance the performance of this Fund. The Fund's investments in structured products (if any) shall always be subject to the restrictions stipulated in Section 1.2.13 (f) and (h).

1.2.10 Foreign Securities

The Manager may invest up to 98% of the Net Asset Value in securities of foreign markets where the regulatory authority is a member of the International Organisation of Securities Commission (IOSCO).

The Fund will invest in securities/instruments listed on or traded in Asia Pacific markets, such as Australia, China, Hong Kong SAR, India, Indonesia, Japan, New Zealand, Philippines, Singapore, South Korea, Sri Lanka, Taiwan and Thailand. When investing in foreign markets which require prior permission or approval such as in the form of an investment licence or investor code or investor registration, the Fund has/will obtain such necessary permission or approval in order to invest in such markets.

In undertaking these foreign investments, the Manager may invest directly in the equities and/or bonds, and/or may invest through other collective investment schemes, where appropriate, subject to the restriction stipulated in Section 1.2.7.

1.2.11 Liquid Assets

The Manager in structuring the Fund's portfolio will maintain a minimum liquid assets level of 2% of the Net Asset Value for the purpose of meeting redemptions and to enable the proper and efficient management of the Fund. However, this does not preclude the Manager from lowering or raising the liquid assets level from the stipulated level to allow the Manager to react to the prevailing market conditions and to manage investment risks when circumstances warrant it.

This Fund shall not borrow in connection with its activities or lend any of its cash or investments unless permitted by the relevant laws pertaining to unit trust funds. The Fund may participate in the lending of securities provided always that such activity complies with all relevant guidelines, laws and/or regulations. However, the Fund may borrow cash on a temporary basis (i.e. not more than one (1) month) from financial institutions to meet redemption requests. Such borrowing shall not exceed ten (10) per cent of the Net Asset Value at the time the borrowing is incurred.

1.2.12 Distribution Policy

Consistent with the Fund's objective to achieve capital growth, distributions will therefore be of secondary importance. Distributions, if any, after deduction of taxation and expenses are generally declared annually and will be reinvested.

1.2.13 Permitted Investments and Restrictions

This Fund may invest in securities traded on the BMSB or any other market considered as an Eligible Market, unlisted securities, collective investment schemes, securities/instruments in foreign markets, financial derivatives, structured products, liquid assets (including money market instruments and deposits with any financial institutions), participate in the lending of securities, and any other investments permitted by the Securities Commission from time to time.

The acquisition of such permitted investments is subject to the following restrictions:

a) The value of the Fund's investments in unlisted securities must not exceed ten (10) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.

b) The value of the Fund's investments in ordinary shares issued by any single issuer must not exceed ten (10) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.

c) The value of the Fund's investments in transferable securities (i.e. equities, debentures and warrants) and money market instruments issued by any single issuer must not exceed fifteen (15) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.

d) The value of the Fund's placement in deposits with any single financial institution must not exceed twenty (20) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.

e) The value of the Fund's investments in transferable securities and money market instruments issued by any group of companies must not exceed twenty (20) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.

f) The aggregate value of the Fund's investments in transferable securities, money market instruments, deposits, over-the-counter ("OTC") financial derivatives and structured products issued by or placed with, as the case may be, any single issuer/financial institution must not exceed twenty five (25) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.

g) The value of the Fund's investments in units/shares of any collective investment scheme must not exceed twenty (20) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.

h) The value of the Fund's investments in structured products issued by any single counter-party must not exceed fifteen (15) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time. This single counter-party limit may be exceeded if the counter-party has a minimum long-term rating that indicates very strong capacity for timely payment of financial obligations provided by any domestic or global rating agency and the structured product has a capital protection feature. When this applies, the calculation of the aggregate value to determine compliance with item (f) should exclude the value of investment in structured products.

i) The value of the Fund's OTC financial derivatives transactions with any single counter-party must not exceed ten (10) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time; and the Fund's exposure to the underlying assets (vide the financial derivatives) must not exceed the Fund's investment spread limits as stipulated in (b), (c), (d), (e), (f), (g) and (h) above. In addition, the Fund's net market exposure owing to its financial derivatives position must not exceed the Net Asset Value.

j) The Fund's investments in transferable securities (other than debentures) must not exceed ten (10) per cent of the securities issued by any single issuer, or any other limit as may be prescribed by the Securities Commission from time to time.

k) The Fund's investments in debentures must not exceed twenty (20) per cent of the debentures issued by any single issuer, or any other limit as may be prescribed by the Securities Commission from time to time.

l) The Fund's investments in money market instruments must not exceed ten (10) per cent of the instruments issued by any single issuer, or any other limit as may be prescribed by the Securities Commission from time to time. Such limit does not apply to money market instruments that do not have a pre-determined issue size.

m) The Fund's investments in collective investment schemes must not exceed twenty five (25) per cent of the units/shares in any one collective investment scheme, or any other limit as may be prescribed by the Securities Commission from time to time.

The limits and restrictions mentioned herein must be complied with at all times based on the most up-to-date value of the Fund's investments. However, a 5% allowance in excess of the limits or restrictions is permitted where the limits or restrictions are breached through an appreciation or depreciation of the Net Asset Value (whether as a result of an appreciation or depreciation of the investments or as a result of repurchase of units of the Fund or payment made from the Fund). The Manager will not make any further acquisitions to which the relevant limit is breached, and the Manager will within a reasonable period of not more than three (3) months from the date of the breach take all necessary steps and actions to rectify the breach. Such limits and restrictions however, do not apply to securities/instruments that are issued or guaranteed by the Malaysian government or Bank Negara Malaysia.

1.3 RHB Resources Fund

1.3.1 Fund Category

Equity fund.

1.3.2 Financial Year End

31 March.

1.3.3 Name of Trustee

HSBC (Malaysia) Trustee Berhad.

1.3.4 Investment Objective

This Fund aims to achieve long term* capital appreciation through investments in securities of companies whose businesses are in or are substantially related to the natural resources sectors.

Any material change to the investment objective of this Fund requires the Unit Holders' approval.

*Note: "long term" in this context refers to a period of between 5 – 7 years.

1.3.5 Investment Strategy

The Fund will invest in securities of and securities relating to companies whose businesses are in or are substantially related to the natural resources sectors such as but not limited to plantations (e.g. palm oil, rubber, timber), oil and gas including without limitation, the development, production and/or distribution of services, equipment and/or downstream products or services that are derived from these sectors. These are companies that have attractive growth potential, sound fundamentals and good management, and whose securities are listed or traded in the Asia Pacific markets such as Malaysia, Australia, China, Hong Kong SAR, India, Indonesia, Japan, New Zealand, Philippines, Singapore, South Korea, Sri Lanka, Taiwan and Thailand.

Thus, this Fund's portfolio will be structured as follows:

Up to 98% of Net Asset Value
- Investments in securities of companies whose businesses are in or are substantially related to the natural resources sectors.

2% - 5% of Net Asset Value
- Investments in liquid assets including bonds, money market instruments and deposits with financial institutions.

Subject to the range stipulated above, the above asset allocation will be reviewed from time to time depending on the judgement of the Manager as to the general market and economic conditions. Although the Fund is actively managed, how active or the frequency of its trading strategy will very much depend on market opportunities. Specific risks associated with such securities and investments are as elaborated in Section 2.2.

The risk management strategies and techniques employed by the Manager include diversification of the Fund's investments in terms of its exposure to various industries, sectors, countries and asset classes and/or type of investments (i.e. equity, fixed income, money market instruments). Financial derivatives may also be used for hedging purposes where appropriate. Generally, the assets of the Fund will be invested over a medium to long term period with disposal of the investments when necessary to control risk as well as to optimise capital gains. This is especially so when the full growth potential of the investment is deemed to have been reduced over a prolonged rise in equity values and the other available investments may present cheaper valuations and potential higher returns. The Fund also complies with the permitted investments and restrictions imposed by the Securities Commission. Adherence to the permitted investment and restrictions also helps the Manager to risk-manage the Fund's portfolio in terms of diversification. Moreover, the Manager in making its investment decisions shall at all times comply with the investment restrictions of the Fund and requirements as set out in the Deed.

For investments in foreign markets, the Manager in managing the principal risks such as country risk and currency risk, will always take into consideration the reference benchmark as well as its evaluation of the historical developments and its prior experience in such markets. Such practice will be managed through active management and constant review of the economic and political developments of the countries invested. Investments will ultimately be made based on the risk-reward.

The Manager may take temporary defensive positions that may be inconsistent with the Fund's principal strategy in attempting to respond to adverse economic, political or any other market conditions. In such circumstances, the Manager may reallocate up to 100% of the Fund's investments into other asset classes such as fixed income securities, money market instruments and deposits with financial institutions, which are defensive in nature. These are deposits that are not embedded with or linked to financial derivative instruments (structured deposits) and (where applicable) these are current accounts, short term money market deposits and short term deposits with financial institutions.

The performance of this Fund is benchmarked against a composite benchmark comprising:
50% FBM Asian Palm Oil Plantation Index (RM) (or such other equivalent index as may be substituted by BMSB);
25% Bloomberg Asia Pac Mining Index (RM);
25% MSCI Asia Pac Energy (RM).

The composite benchmark chosen best represents the Fund's underlying investments and the geographical location of its investments.

For ease of reference, investors may refer to Bloomberg L.P. or the Manager for these indicators. Investor should note that the risk profile of the Fund is different from the risk profile of the benchmark.

1.3.6 Investment in Unlisted Securities

The Manager will only make such investments where the Manager expects those investments to complement the objective and enhance the performance of this Fund. Such investments shall not include:

(a) Equities not listed for trading in a stock market of a stock exchange but have been approved for such listing and offered directly to the Fund by the issuer;

(b) Debentures traded on an organised over-the-counter market; and

(c) Structured product.

The Fund's investments in unlisted securities (if any) shall always be subject to the restriction stipulated in Section 1.3.13 (a).

1.3.7 Collective Investment Schemes

The Manager will only make such investments where the Manager expects those investments to complement the objective and enhance the performance of this Fund. In addition, the Manager will only make such investments if the target fund is registered/authorised/approved by the relevant regulatory authority in its home jurisdiction as the case may be and which operates within the general investment principles of the Guidelines on Unit Trust Funds issued by the Securities Commission. The Fund's investments in collective investment schemes (if any) shall always be subject to the restrictions stipulated in Section 1.3.13 (g) and (m).

1.3.8 Financial Derivatives

The Manager may participate in futures contracts and other financial derivatives, when appropriate. The category of financial derivatives to be participated in shall be the stock index futures contracts, the stock index options contracts, single stock futures contracts, forwards and swaps or any other categories and/or types of futures contracts or financial derivatives that may be allowable by the relevant authorities from time to time. The Fund’s participation in financial derivatives is basically to hedge the portfolio from any unexpected price movement in the underlying market and also the portfolio’s exposure to foreign currency as well as to hedge against any opportunity loss arising from its uninvested cash. The benefit of any upside of price movement in the underlying market or currency movement is limited as the primary interest is to protect the value of the portfolio and to manage risks in relation to the benchmark. Nonetheless, the Fund may also invest in financial derivatives for investment purpose to enhance the returns of the Fund. If the Fund were to invest in over-the-counter (“OTC”) derivatives, the Manager will monitor the credit rating of the counterparty issuing the derivatives and dispose off the derivatives should the rating of the said derivative counterparty fall below the credit rating of A by RAM Rating Services Berhad or its equivalent rating by a reputable rating establishment. If the Fund does invest in derivatives, there may be a likelihood that the NAV per unit of the Fund may be subject to high volatility. The Fund’s investments in financial derivatives (if any) shall always be subject to the restriction stipulated in Section 1.3.13 (f) and (i).

1.3.9 Structured Products

The Manager may also invest in structured products where the Manager expects those investments to complement the objective and enhance the performance of this Fund. The Fund’s investments in structured products (if any) shall always be subject to the restrictions stipulated in Section 3.3.3 (f) and (h).

1.3.10 Foreign Securities

The Manager may invest up to 98% of the Net Asset Value in securities of foreign markets where the regulatory authority is a member of the International Organisation of Securities Commission (IOSCO).

The Fund will invest in securities/instruments listed on or traded in Asia Pacific markets, such as Australia, China, Hong Kong SAR, India, Indonesia, Japan, New Zealand, Philippines, Singapore, South Korea, Sri Lanka, Taiwan and Thailand. When investing in foreign markets which require prior permission or approval such as in the form of an investment licence or investor code or investor registration, the Fund has/will obtain such necessary permission or approval in order to invest in such markets.

In undertaking these foreign investments, the Manager will invest directly in the equities markets and may also invest through other collective investment schemes where appropriate, subject to the restriction stipulated in Section 1.3.7.

1.3.11 Liquid Assets

The Manager in structuring the Fund's portfolio will maintain a minimum liquid assets level of 2% of the Net Asset Value for the purpose of meeting redemptions and to enable the proper and efficient management of the Fund. However, this does not preclude the Manager from lowering or raising the liquid assets level from the stipulated level to allow the Manager to react to the prevailing market conditions and to manage investment risks when circumstances warrant it.

This Fund shall not borrow in connection with its activities or lend any of its cash or investments unless permitted by the relevant laws pertaining to unit trust funds. The Fund may participate in the lending of securities provided always that such activity complies with all relevant guidelines, laws and/or regulations. However, the Fund may borrow cash on a temporary basis (i.e. not more than one (1) month) from financial institutions to meet redemption requests. Such borrowing shall not exceed ten (10) per cent of the Net Asset Value at the time the borrowing is incurred.

1.3.12 Distribution Policy

Consistent with the Fund's objective to achieve long term* capital appreciation, distributions will therefore be of secondary importance. Distributions, if any, after deduction of taxation and expenses are generally declared annually and will be reinvested.

1.3.13 Permitted Investments and Restrictions

This Fund may invest in securities traded on the BMSB or any other market considered as an Eligible Market, unlisted securities, collective investment schemes, securities/instruments in foreign markets, financial derivatives, structured products, liquid assets (including money market instruments and deposits with any financial institutions), participate in the lending of securities, and any other investments permitted by the Securities Commission from time to time.

The acquisition of such permitted investments is subject to the following restrictions:

a) The value of the Fund's investments in unlisted securities must not exceed ten (10) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.

b) The value of the Fund's investments in ordinary shares issued by any single issuer must not exceed ten (10) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.

c) The value of the Fund's investments in transferable securities (i.e. equities, debentures and warrants) and money market instruments issued by any single issuer must not exceed fifteen (15) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.

d) The value of the Fund's placement in deposits with any single financial institution must not exceed twenty (20) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.

e) The value of the Fund's investments in transferable securities and money market instruments issued by any group of companies must not exceed twenty (20) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.

f) The aggregate value of the Fund's investments in transferable securities, money market instruments, deposits, over-the-counter ("OTC") financial derivatives and structured products issued by or placed with (as the case may be) any single issuer/financial institution must not exceed twenty five (25) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.

g) The value of the Fund's investments in units/shares of any collective investment scheme must not exceed twenty (20) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.

h) The value of the Fund's investments in structured products issued by any single counter-party must not exceed fifteen (15) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time. This single counter-party limit may be exceeded if the counter-party has a minimum long-term rating that indicates very strong capacity for timely payment of financial obligations provided by any domestic or global rating agency and the structured product has a capital protection feature. When this applies, the calculation of the aggregate value to determine compliance with item (f) should exclude the value of investment in structured products.

i) The value of the Fund's OTC financial derivatives transactions with any single counter-party must not exceed ten (10) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time; and the Fund's exposure to the underlying assets (vide the financial derivatives) must not exceed the Fund's investment spread limits as stipulated in (b), (c), (d), (e), (f), (g) and (h) above. In addition, the Fund's net market exposure owing to its financial derivatives position must not exceed the Net Asset Value.

j) The Fund's investments in transferable securities (other than debentures) must not exceed ten (10) per cent of the securities issued by any single issuer, or any other limit as may be prescribed by the Securities Commission from time to time.

k) The Fund's investments in debentures must not exceed twenty (20) per cent of the debentures issued by any single issuer, or any other limit as may be prescribed by the Securities Commission from time to time.

l) The Fund's investments in money market instruments must not exceed ten (10) per cent of the instruments issued by any single issuer, or any other limit as may be prescribed by the Securities Commission from time to time. Such limit does not apply to money market instruments that do not have a pre-determined issue size.

m) The Fund's investments in collective investment schemes must not exceed twenty five (25) per cent of the units/shares in any one collective investment scheme, or any other limit as may be prescribed by the Securities Commission from time to time.

The limits and restrictions mentioned herein must be complied with at all times based on the most up-to-date value of the Fund's investments. However, a 5% allowance in excess of the limits or restrictions is permitted where the limits or restrictions are breached through an appreciation or depreciation of the Net Asset Value (whether as a result of an appreciation or depreciation of the investments or as a result of repurchase of units of the Fund or payment made from the Fund). The Manager will not make any further acquisitions to which the relevant limit is breached, and the Manager will within a reasonable period of not more than three (3) months from the date of the breach take all necessary steps and actions to rectify the breach. Such limits and restrictions however, do not apply to securities/instruments that are issued or guaranteed by the Malaysian government or Bank Negara Malaysia.

1.4 RHB Global Allocation Fund

1.4.1 Fund Category

Feeder fund.

1.4.2 Financial Year End

31 August.

1.4.3 Name of Trustee

HSBC (Malaysia) Trustee Berhad.

1.4.4 Investment Objective

This Fund aims to maximise total return expressed in Ringgit Malaysia by investing globally in equity, debt and short term securities, of both corporate and governmental issuers, with no prescribed limits.

Any material change to the investment objective of this Fund requires the Unit Holders' approval. For more information, investors should also refer to the target fund's investment objective, investment focus and approach (under Section 1.4.10).

1.4.5 Investment Strategy

The Fund seeks to achieve its investment objective by investing in a target fund. The Fund will invest principally in one of BlackRock Global Funds (BGF) that is, the BGF Global Allocation Fund (BGF-GAF). BGF-GAF, launched on 30th July 1993 (Class A non-distributing shares were only available on 3rd January 1997), is a collective investment scheme, domiciled in Luxembourg and regulated by the Commission de Surveillance du Secteur Financier (Luxembourg Financial Sector Supervising Authority) under Part I of the Law of 17 December 2010 that implements Directives 2001/107/EC and 2001/108/EC. BGF-GAF invests globally in equity, debt and short term securities, of both corporate and governmental issuers, with no prescribed limits. BlackRock (Luxembourg) S.A., the management company of BGF-GAF is also regulated by the Luxembourg Financial Sector Supervising Authority Luxembourg under the Law of 17 December 2010. BlackRock (Luxembourg) S.A. has delegated its investment management functions of BGF-GAF to the investment adviser, BlackRock Investment Management LLC who is regulated by the U.S. Securities and Exchange Commission under the Securities Act 1933 and the Securities Exchange Act 1934.

Thus, this Fund's portfolio will be structured as follows:

At least 95% of Net Asset Value
- Investments in Class A non-distributing shares of the BGF-GAF.

2% - 5% of Net Asset Value
- Investments in liquid assets.

Although the Fund is passively managed, the investments in the Fund will be rebalanced from time to time to meet sales and redemptions and to enable the proper and efficient management of the Fund. Specific risks associated with the Fund and the target fund, BGF-GAF are as elaborated in Section 2.2.

The Manager does not adopt a temporary defensive position for the Fund in response to adverse market, economic, political, or any other conditions as such defensive strategies are expected to be implemented at the target fund level, i.e. BGF-GAF when deemed necessary by the BGF-GAF's manager. This will allow the Fund to best track the performance of BGF-GAF. It also follows that if BGF-GAF fails to adopt a successful defensive position in response to adverse market and economic conditions, there is a risk that the Fund will mirror the BGF-GAF's negative performance, if any. Also, investors should note that at all times the Fund is always subject to currency risk (which is elaborated under Section 2.1 and 2.2).

This Fund is a feeder fund that invests at least 95% of its Net Asset Value in BGF-GAF. The risk management strategies and techniques employed will be at the BGF-GAF level whereby BGF employs a risk management process in connection with financial techniques and instruments which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the BGF-GAF portfolio.

Notwithstanding the above, the Manager may, in consultation with the Trustee, replace BGF-GAF with another Luxembourg-based fund with a similar objective if, in the Manager's opinion, BGF-GAF no longer meets this Fund's investment objective, or when acting in the interest of the Unit Holders.

The performance of this Fund is benchmarked against a composite benchmark comprising:
36% S & P 500 Composite (RM);
24% FTSE World (ex-US) (RM);
24% 5 Year US Treasury Note (RM);
16% Citigroup Non-USD World Government Bond Index (RM).

The composite benchmark chosen for the Fund is consistent and corresponding to BGF-GAF except that it is the Ringgit Malaysia equivalent of the BGF-GAF's benchmark to allow for similar comparison with the performance of the RM denominated Fund.

For ease of reference, investors may refer to the Manager for these indicators. Investor should note that the risk profile of the Fund is different from the risk profile of the benchmark.

1.4.6 Collective Investment Schemes

As this Fund is a feeder fund, it will invest predominantly in one collective investment scheme i.e. BGF-GAF.

1.4.7 Financial Derivatives

As BGF-GAF is denominated in US Dollars, the Manager may trade in financial derivatives, which include but is not limited to forwards and swaps, for the purpose of hedging this Fund's exposure to foreign currency. The benefit of any upside of currency movement is limited as the primary interest is to protect the value of the portfolio. The Fund's net market exposure owing to its financial derivatives positions must not exceed the Net Asset Value.

1.4.8 Foreign Securities

The Manager invests at least 95% of the Net Asset Value in units of BGF-GAF, a collective investment scheme domiciled in Luxembourg.

1.4.9 Liquid Assets

The Manager in structuring the Fund's portfolio will maintain a minimum liquid assets level of 2% of the Net Asset Value for the purpose of meeting redemptions and to enable the proper and efficient management of the Fund. However, this does not preclude the Manager from lowering or raising the liquid assets level from the stipulated level for purposes of accepting sales or to meet redemption payments and to enable proper and efficient management of the Fund.

This Fund shall not borrow in connection with its activities or lend any of its cash or investments unless permitted by the relevant laws pertaining to unit trust funds. However, the Fund may borrow cash on a temporary basis (i.e. not more than one (1) month) from financial institutions to meet redemption requests. Such borrowing shall not exceed ten (10) per cent of the Net Asset Value at the time the borrowing is incurred.

1.4.10 Information on BGF Global Allocation Fund

(a) About BGF Global Allocation Fund

BlackRock Global Funds (BGF) is a public limited company (société anonyme) established under the laws of the Grand Duchy of Luxembourg as an open ended variable capital investment company (société d'investissement à capital variable). BGF has been authorised by the Commission de Surveillance du Secteur Financier (Luxembourg Financial Sector Supervising Authority) as an undertaking for collective investments in transferable securities (UCITS) pursuant to the provisions of Part I of the Law of 17 December 2010, as amended from time to time and is regulated pursuant to such law.

BGF is an umbrella structure comprising separate funds with segregated liability. Each fund shall have segregated liability from the other funds and BGF shall not be liable as a whole to third parties for the liabilities of each fund. Each fund shall be made up of a separate portfolio of investments maintained and invested in accordance with the investment objectives applicable to such fund.

BGF Global Allocation Fund (BGF-GAF), launched on 30th July 1993 (Class A non-distributing shares were only available on 3rd January 1997), is one of the said funds. The applicable legislation in Luxembourg to BGF-GAF is Part I of the Law of 17 December 2010. BGF has appointed BlackRock (Channel Islands) Limited as its principal distributor and BlackRock (Luxembourg) S.A as its management company.

BlackRock (Luxembourg) S.A., the management company of BGF-GAF is regulated by Commission de Surveillance du Secteur Financier (the "CSSF") (Luxembourg Financial Sector Supervising Authority) under Chapter 15 of the Luxembourg Law of 17 December 2010. BlackRock (Luxembourg) S.A. has delegated its investment management functions of BGF-GAF to the investment adviser, BlackRock Investment Management LLC who is regulated by the U.S. Securities and Exchange Commission under the Securities Act 1933 and the Securities Exchange Act 1934.

The management company and the investment advisers of BGF-GAF are all under the BlackRock Group which as at 30 June 2017 employs approximately over 13,000 staff who provide investment management services internationally for institutional, retail and private clients. The BlackRock Group managed US$5.69 trillion as of 30 June 2017 in client assets and is represented in more than 30 countries around the world.

(b) Investment Objective

BGF-GAF aims to maximise total return by investing globally in equity, debt and short term securities, of both corporate and governmental issuers, with no prescribed limits.

(c) Investment Strategy

In normal market conditions, BGF-GAF will invest at least 70% of its total assets (which does not include ancillary liquid assets) in the securities of corporate and governmental issuers. BGF-GAF generally will seek to invest in securities that are, in the opinion of its investment adviser, undervalued. BGF-GAF may also invest in the equity securities of small and emerging growth companies. BGF-GAF may also invest a portion of its debt portfolio may also be invested in high yield fixed income transferable securities. Currency exposure is flexibly managed.

(d) Investment scope and limits

1 The following restrictions of Luxembourg law and (where relevant) of the directors of BGF currently apply to BGF:

1.1 Investments of BGF-GAF shall consist of:

(a) Transferable securities and money market instruments admitted to official listings on regulated stock exchanges in member states of the European Union (the "EU"),

(b) Transferable securities and money market instruments dealt in on other regulated markets in member states of the EU, that are operating regularly, are recognised and are open to the public,

(c) Transferable securities and money market instruments admitted to official listings on stock exchanges in any other country in Europe, Asia, Oceania, the American continents and Africa,

(d) Transferable securities and money market instruments dealt in on other regulated markets that are operating regularly, are recognised and open to the public of any other country in Europe, Asia, Oceania, the American continents and Africa,

(e) Recently issued transferable securities and money market instruments provided that the terms of the issue include an undertaking that application will be made for admission to the official listing on one of the stock exchanges as specified in (a) and (c) or regulated markets that are operating regularly, are recognised and open to the public as specified in (b) and (d) and that such admission is secured within a year of issue,

(f) Units of undertakings for collective investment in transferable securities ("UCITS") and/or other undertakings for collective investment ("UCIs") within the meaning of Article 1(2), points (a) and (b) of Directive 2009/65/EC, as amended, whether they are situated in a member state or not, provided that:

- such other UCIs are authorised under laws which provide that they are subject to supervision considered by the Commission de Surveillance du Secteur Financier ("CSSF") to be equivalent to that laid down in EU law, and that cooperation between authorities is sufficiently ensured;
- the level of protection for unitholders in the other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on asset segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC, as amended;
- the business of the other UCIs is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period;
- no more than 10% of the UCITS' or the other UCIs' assets (or of the assets of any sub-fund thereof, provided that the principle of segregation of liabilities of the different compartments is ensured in relation to third parties), whose acquisition is contemplated, can, according to their constitutional documents, be invested in aggregate in units of other UCITS or other UCIs;

(g) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in an EU member state or, if the registered office of the credit institution is situated in a non-member state, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law;

(h) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a regulated market; and/or financial derivative instruments dealt in over-the-counter ('OTC derivatives'), provided that:

- the underlying consists of instruments described in sub-paragraphs (a) to (g) above and (i) below, financial indices, interest rates, foreign exchange rates or currencies, in which BGF may invest according to its investment objectives;
- the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF; and
- the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at BGF's initiative;

(i) money market instruments other than those dealt in on a regulated market, which fall under Article 1 of the 2010 Law, if the issue or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that they are:

- issued or guaranteed by a central, regional or local authority or central bank of an EU member state, the European Central Bank, the EU or the European Investment Bank, a non-member state or, in the case of a federal state, by one of the members making up the federation, or by a public international body to which one or more member states belong; or
- issued by an undertaking any securities of which are dealt in on regulated markets referred to in subparagraphs (a),(b) or (c) above; or
- issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by EU law; or
- issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least EUR 10 million and which presents and publishes its annual accounts in accordance with Directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

1.2 Furthermore, BGF-GAF may invest no more than 10% of its net assets in securities and money market instruments other than those referred to in sub-paragraph 1.1 (a) to (i).

1.3 BGF-GAF may acquire the units of other funds under BGF, UCITS and/or other UCIs referred to in paragraph 1.1 (f). BGF-GAF's aggregate investment in UCITS, other funds under BGF and other UCI's will not exceed 10% of its net assets in order that the other funds under BGF are deemed eligible investments for other UCITS funds.
When BGF-GAF has acquired shares of UCITS and/or other UCIs, the assets of the

respective UCITS or other UCIs do not have to be combined for the purposes of the limits laid down in paragraph 1.6.

When BGF-GAF invests in the units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the same investment manager or by any other company with which the investment manager is linked by common management or control, or by a substantial direct or indirect holding, no subscription or redemption fees may be charged to BGF on its investment in the units of such other UCITS and/or UCIs.

1.4 When BGF-GAF invests in shares of another fund under BGF ("BGF's target fund"):

- the BGF's target fund may not itself invest in BGF-GAF;
- the BGF's target fund may not invest more than 10% of its net assets in units of another fund under BGF (as set out in paragraph 1.3 above);
- any voting rights which may be attached to the shares of the BGF's target fund will be suspended for BGF-GAF for the duration of the investment;
- any management fees or subscription or redemption fees payable in relation to the BGF's target fund may not be charged to BGF-GAF; and
- the net asset value of the shares of the BGF's target fund may not be considered for the purpose of the requirement that the capital of BGF should be above the legal minimum as specified in the 2010 Law, currently EUR 1,250,000.

1.5 BGF-GAF may hold ancillary liquid assets.

1.6 BGF-GAF may not invest in any one issuer in excess of the limits set out below:

(a) Not more than 10% of its net assets may be invested in transferable securities or money market instruments issued by the same entity;

(b) Not more than 20% of its net assets may be invested in deposits made with the same entity;

(c) By way of exception, the 10% limit stated in the first paragraph of this section may be increased to:

- a maximum of 35% if the transferable securities or money market instruments are issued or guaranteed by an EU member state, by its local authorities, by a non-member state or by public international bodies to which one or more member states belong;
- a maximum of 25% in the case of certain bonds when these are issued by a credit institution which has its registered office in an EU member state and is subject by law to special public supervision designed to protect bond holders. In particular, sums deriving from the issue of these bonds must be invested in conformity with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in the event of failure of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest. When BGF-GAF invests more than 5% of its net assets in the bonds referred to in this paragraph and issued by one issuer, the total value of these investments may not exceed 80% of the value of its net assets.

(d) The total value of the transferable securities or money market instruments held by BGF-GAF in the issuing bodies in each of which it invests more than 5% of its net assets must not then exceed 40% of the value of its net assets. This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision. The transferable securities and money market instruments limits referred to in the two indents of paragraph 1.6 (c) above shall not be taken into account for the purpose of applying the limit of 40% referred to in this paragraph.

Notwithstanding the individual limits laid down in sub-paragraphs 1.6 (a) to (d) above, BGF-GAF may not combine:

- investments in transferable securities or money market instruments issued by a single entity, and/or
- deposits made with a single entity, and/or
- exposures arising from OTC derivative transactions undertaken with a single entity, in excess of 20% of its net assets.

When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of the above mentioned restrictions.

The limits provided for in sub-paragraphs 1.6 (a) to (d) above may not be combined, and thus investments in transferable securities or money market instruments issued by the same entity or in deposits or derivative instruments made with this entity carried out in accordance with paragraphs 1.6 (a) to (d) shall under no circumstances exceed in total 35% of its net assets.

Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 83/349/ EEC or in accordance with recognized international accounting rules, are regarded as a single entity for the purpose of calculating the investment limits mentioned in sub-paragraphs 1.6 (a) to (d) above.

BGF-GAF may not invest cumulatively more that 20% of its net assets in transferable securities or money market instruments of the same group subject to restrictions 1.6 (a) and the three indents under 1.6 (d) above.

Without prejudice to the limits laid down in paragraph 1.8 below, the limit of 10% laid down in sub-paragraph 1.6 (a) above is raised to a maximum of 20% for investment in equity and/or debt securities issued by the same body when the aim of the investment policy of BGF-GAF is to replicate the composition of a certain equity or debt securities index which is recognised by the CSSF, on the following basis:

- the composition of the index is sufficiently diversified;
- the index represents an adequate benchmark for the market to which it refers;
- it is published in an appropriate manner;
- it is replicable;
- it is transparent, with the full calculation methodology and index performance published; and
- it is subject to independent valuation.

This limit is 35% where that proves to be justified by exceptional market conditions in particular in regulated markets where certain transferable securities or money market instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

By way of derogation, BGF-GAF is authorised to invest up to 100% of its net assets in different transferable securities and money market instruments issued or guaranteed by an EU Member State, its local authorities, by another member state of the Organisation for Economic Co-operation and Development ("OECD") or public international bodies of which one or more EU member states are members, provided that (i) such securities are part of at least six different issues and (ii) securities from any one issue do not account for more than 30% of the net assets of BGF-GAF.

1.7 BGF may not invest in shares with voting rights enabling it to exercise significant influence over the management of the issuing body.

1.8 BGF may not:

(a) Acquire more than 10% of the shares with non-voting rights of one and the same issuer.
(b) Acquire more than 10% of the debt securities of one and the same issuer.
(c) Acquire more than 25% of the units of one and the same undertaking for collective investment.
(d) Acquire more than 10% of the money market instruments of any single issuer.

The limits stipulated in sub-paragraphs 1.8 (b) (c) and (d) above may be disregarded at the time of acquisition if, at that time, the gross amount of debt securities or of the money market instruments, or the net amount of securities in issue cannot be calculated.

1.9 The limits stipulated in paragraphs 1.7 and 1.8 above do not apply to:

(a) Transferable securities and money market instruments issued or guaranteed by an EU member state or its local authorities;
(b) Transferable securities and money market instruments issued or guaranteed by a non-EU member state;
(c) Transferable securities and money market instruments issued by public international institutions of which one or more EU member states are members;
(d) Transferable securities held by BGF-GAF in the capital of a company incorporated in a non-member state investing its assets mainly in the securities of issuing bodies having their registered offices in that state, where under the legislation of that state such a holding represents the only way in which BGF-GAF can invest in the securities of issuing bodies of that state. This derogation, however, shall apply only if in its investment policy the company from the non-member state complies with the limits laid down in Articles 43, 46 and 48 (1) and (2) of the 2010 Law. Where the limits set in Articles 43 and 46 of the 2010 Law are exceeded, Article 49 shall apply mutatis mutandis; and
(e) Transferable securities held by BGF in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unitholders' request exclusively on its or their behalf.

1.10 BGF may always, in the interest of the shareholders, exercise the subscription rights attached to securities, which form part of its assets.

When the maximum percentages stated in paragraphs 1.2 through 1.8 above are exceeded for reasons beyond the control of BGF, or as a result of the exercise of subscription rights, BGF must adopt, as a priority objective, sales transactions to remedy the situation, taking due account of the interests of its shareholders.

1.11 BGF-GAF may borrow to the extent of 10% of its total net assets (valued at market value) provided these borrowings are made on a temporary basis. However, BGF may acquire for the account of BGF-GAF foreign currency by way of back-to-back loan. Any repayment of monies borrowed, together with accrued interest, shall be paid out of the assets of BGF-GAF.

1.12 BGF may not grant credit facilities nor act as guarantor on behalf of third parties, provided that for the purpose of this restriction (i) the acquisition of transferable securities, money market instruments or other financial investments referred to in sub-paragraphs 1.1 (f), (h) and (i) above, in fully or partly paid form and (ii) the permitted lending of portfolio securities shall be deemed not to constitute the making of a loan.

1.13 BGF undertakes not to carry out uncovered sales transactions of transferable securities, money market instruments or other financial instruments referred to in sub-paragraphs 1.1 (f), (h) and (i) above; provided that this restriction shall not prevent BGF from making deposits or carrying out accounts in connection with financial derivatives instruments, permitted within the limits referred to above.

1.14 BGF's assets may not include precious metals or certificates representing them, commodities, commodities contracts, or certificates representing commodities.

1.15 BGF may not purchase or sell real estate or any option, right or interest therein, provided that BGF may invest in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.

1.16 BGF will in addition comply with such further restrictions as may be required by the regulatory authorities in any country in which the Shares are marketed.

BGF shall take the risks that it deems reasonable to reach the assigned objective set for BGF-GAF; however, it cannot guarantee that it shall reach its goals given stock exchange fluctuations and other risks inherent in investments in transferable securities.

2 Financial Techniques and Instruments

2.1 BGF must employ a risk-management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the portfolio; it must employ a process for accurate and independent assessment of the value of OTC derivative instruments. It must communicate to the CSSF regularly and in accordance with the detailed rules defined by the latter, the types of derivative instruments, the underlying risks, the quantitative limits and the methods which are chosen in order to estimate the risks associated with transactions in derivative instruments.

2.2 In addition, BGF is authorised to employ techniques and instruments relating to transferable securities and to money market instruments under the conditions and within the limits laid down by the CSSF provided that such techniques and instruments are used for the purpose of efficient portfolio management or for hedging purposes.

2.3 When these operations concern the use of derivative instruments, these conditions and limits shall conform to the provisions laid down in the 2010 Law.

Under no circumstances shall these operations cause BGF to diverge from its investment policies and investment restrictions.

2.4 BGF will ensure that the global exposure of the underlying assets shall not exceed the total net value of BGF-GAF. The underlying assets of index based derivative instruments are not combined to the investment limits laid down under sub-paragraphs 1.6 (a) to (d) above.

- When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of the above-mentioned restrictions.

- The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

2.5 Efficient portfolio management – other techniques and instruments

In addition to the investments in financial derivatives instruments, BGF may employ other techniques and instruments relating to transferable securities and money market instruments subject to the conditions set out in the CSSF Circular 08/356, as amended from time to time, and the European Securities and Markets Authority's ("ESMA") Guidelines ESMA/2012/832EL, such as repurchase or reverse repurchase transactions, ("repo transactions") and securities lending. Techniques and instruments which relate to transferable securities or money market instruments and which are used for the purpose of efficient portfolio management, including financial derivatives instruments which are not used for direct investment purposes, shall be understood as a reference to techniques and instruments which fulfill the following criteria:

a) they are economically appropriate in that they are realised in a cost-effective way;

b) they are entered into for one or more of the following specific aims;

  (i) reduction of risk;
  (ii) reduction of cost;
  (iii) generation of additional capital or income for BGF with a level of risk which is consistent with the risk profile of BGF and BGF-GAF and the risk diversification rules applicable to them;

c) their risks are adequately captured by the risk management process of BGF; and

d) they cannot result in a change to BGF-GAF's declared investment objective or add significant supplementary risks in comparison to general risk policy as described in the prospectus and key investor information document of BGF-GAF.

Techniques and instruments (other than financial derivatives instruments) which may be used for efficient portfolio management purposes are set out below and are subject to the conditions set out below.

Moreover those transactions may be carried out for 100% of the assets held by BGF-GAF provided (i) that their volume is kept at an appropriate level or that BGF is entitled to request the return of the securities lent in a manner that enables it, at all times, to meet its redemption obligations; and (ii) that these transactions do not jeopardise the management of BGF's assets in accordance with the investment policy of BGF-GAF. Risks shall be monitored in accordance with the risk management process of BGF.

As part of the efficient portfolio management techniques BGF-GAF may underwrite or sub-underwrite certain offerings from time to time through the investment advisers of BGF-GAF. The management company of BGF-GAF will seek to ensure that BGF-GAF will receive the commissions and fees payable under such contracts and all investments acquired pursuant to such contracts will form part of BGF-GAF's assets. Under the Luxembourg regulation, there is no requirement to require a prior consent of the trustee or custodian.

2.6 Securities lending transactions

BGF may enter into securities lending transactions provided that it complies with the following rules:

(i) BGF may lend securities either directly or through a standardised system organised by a recognised clearing institution or a lending program organised by a financial institution subject to prudential supervision rules which are recognised by the CSSF as equivalent to those laid down in EU law and specialised in this type of transactions;

(ii) the borrower must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law.

(iii) net exposures (i.e. the exposures of BGF-GAF less the collateral received by BGF-GAF) to a counterparty arising from securities lending transactions shall be taken into account in the 20% limit provided for in Article 43(2) of the 2010 Law.

(iv) as part of its lending transactions, BGF must receive collateral, the market value of which, shall, at all times, be equal to at least the market value of the securities lent plus a premium.

(v) such collateral must be received prior to or simultaneously with the transfer of the securities lent. When the securities are lent through an intermediary referred to under 2.6 (i) above, the transfer of the securities lent may be effected prior to receipt of the collateral, if the relevant intermediary ensures proper completion of the transaction. The intermediary may, instead of the borrower, provide to the UCITS collateral in lieu of the borrower; and

(vi) BGF must have the right to terminate any securities lending arrangement which it has entered into at any time or demand the return of any or all of the securities loaned.

BGF shall disclose the global valuation of the securities lent in the annual and semi-annual reports.

2.7 Repo transactions

BGF may enter into:

(i) repurchase transactions which consist of the purchase or sale of securities with provisions reserving the seller the right or the obligation to repurchase from the buyer securities sold at a price and term specified by the two parties in their contractual arrangement; and

(ii) reverse repurchase agreement transactions, which consist of a forward transaction at the maturity of which the seller (counterparty) has the obligation to repurchase the securities sold and BGF the obligation to return the securities received under the transaction.

2.7.1 BGF can act either as buyer or seller in repo transactions. Its involvement in such transactions is however subject to the following rules:

(a) the fulfillment of the conditions 2.6 (ii) and 2.6 (iii);

(b) during the life of a repo transaction with BGF acting as purchaser, BGF shall not sell the securities which are the object of the contract, before the counterparty has exercised its option or until the deadline for the repurchase has expired, unless BGF has other means of coverage;

(c) the securities acquired by BGF under a repo transaction must conform to the BGF-GAF's investment policy and investment restrictions and must be limited to:

(i) short-term bank certificates or money market instruments as defined in Directive 2007/16/EC of 19 March 2007;

(ii) bonds issued by non-governmental issuers offering an adequate liquidity;

(iii) assets referred to under 2.8.2 (b), (c) and (d) below; and

BGF shall disclose the total amount of the open repo transactions on the date of reference of its annual and interim reports.

2.7.2 Where BGF enters into repurchase agreements, it must be able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered. Fixed-term repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by BGF.

2.7.3 Where BGF enters into reverse repurchase agreements, it must be able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the net asset value. Fixed-term reverse repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by BGF.

2.8 Management of collateral for OTC financial derivative transactions and efficient portfolio management techniques

2.8.1 Collateral obtained in respect of OTC financial derivative transactions and efficient portfolio management techniques ("Collateral"), such as a repo transaction or securities lending arrangement, must comply with the following criteria:

(a) liquidity: Collateral (other than cash) should be highly liquid and traded on a regulated market or multi-lateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to its pre-sale valuation. Collateral received should also comply with the provisions of Article 48 of the 2010 Law;

(b) valuation: Collateral should be capable of being valued on a daily basis and assets that exhibit high price volatility should not be accepted as Collateral unless suitably conservative haircuts are in place;

(c) issuer credit quality: Collateral should be of high quality;

(d) correlation: Collateral should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;

(e) diversification: Collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of BGF-GAF's net asset value. When BGF-GAF is exposed to different counterparties, the different baskets of Collateral should be aggregated to calculate the 20% limit of exposure to a single issuer; and

(f) immediately available: Collateral must be capable of being fully enforced by the BGF at any time without reference to or approval from the counterparty.

2.8.2 Subject to the above criteria, Collateral must comply with the following criteria:

(a) liquid assets such as cash, short term bank deposits, money market instruments as defined in Directive 2007/16/EC of 19 March 2007, letters of credit and guarantees at first demand issued by a first class credit institution not affiliated to the counterparty;

(b) bonds issued or guaranteed by a member state of the OECD or by their local authorities or supranational institutions and bodies of a community, regional or world-wide scope;

(c) shares or units issued by money market-type UCIs calculating a daily net asset value and having a rating of AAA or its equivalent;

(d) shares or units issued by UCITS investing mainly in bonds/shares mentioned under (e) and (f) hereunder;

(e) bonds issued or guaranteed by first class issuers offering an adequate liquidity; or

(f) shares admitted to or dealt in on a regulated market of a member state of the European Union or on a stock exchange of a member state of the OECD, provided that these shares are included in a main index.

2.8.3 Where there is title transfer, the Collateral received should be held by the custodian, or its agent. Where there is no title transfer the Collateral will be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the Collateral.

2.8.4 When the Collateral given in the form of cash exposes BGF to a credit risk vis-à-vis the trustee of this Collateral, such exposure shall be subject to the 20% limitation as laid down in section 1.6 above.

2.8.5 During the duration of the agreement, non-cash Collateral cannot be sold, re-invested or pledged.

2.8.6 Cash received as Collateral may only be:

(i) placed on deposit with entities prescribed in Article 50(f) of Directive 2009/65/EC;
(ii) invested in high quality government bonds;
(iii) used for the purpose of reverse repurchase agreements provided the transactions are with credit institutions subject to prudential supervision and BGF can recall at any time the full amount of the cash on an accrued basis; and
(iv) invested in short term money market funds as defined in ESMA guidelines on a common definition of European money market funds.

Re-invested cash Collateral should be diversified in accordance with the diversification requirements applicable to non-cash Collateral.

2.8.7 BGF has implemented a haircut policy in respect of each class of assets received as Collateral. A haircut is a discount applied to the value of a Collateral asset to account for the fact that its valuation, or liquidity profile, may deteriorate over time. The haircut policy takes account of the characteristics of the relevant asset class, including the credit standing of the issuer of the Collateral, the price volatility of the Collateral and the results of any stress tests which may be performed in accordance with the collateral management policy. Subject to the framework of agreements in place with the relevant counterparty, which may or may not include minimum transfer amounts, it is the intention of BGF that any Collateral received shall have a value, adjusted in light of the haircut policy, which equals or exceeds the relevant counterparty exposure where appropriate.

2.8.8 Risk and potential conflicts of interest associated with OTC derivatives and efficient portfolio management

(a) There are certain risks involved in OTC derivative transactions, efficient portfolio management activities and the management of collateral in relation to such activities, in particular but without limitation, the risk factors relating to derivatives, counterparty risk and counterparty risk to the custodian. These risks may expose investors to an increased risk of loss.

(b) The combined counterparty risk on any transaction involving OTC derivative instruments or efficient portfolio management techniques may not exceed 10% of the assets of BGF-GAF when the counterparty is a credit institution domiciled in the EU or in a country where the CSSF considers that supervisory regulations are equivalent to those prevailing on the EU. This limit is set at 5% in any other case.

BGF's delegates will continuously assess the credit or counterparty risk as well as the potential risk, which is for trading activities, the risk resulting from adverse movements in the level of volatility of market prices and will assess the hedging effectiveness on an ongoing basis. They will define specific internal limits applicable to these kinds of operations and monitor the counterparties accepted for these transactions.

This means that the investment adviser of BGF-GAF may be expected to regularly employ currency management and hedging techniques in BGF-GAF. Techniques used may include hedging the currency exposure on BGF-GAF portfolio or/and using more active currency management techniques such as currency overlays, but does not mean that BGF-GAF's portfolio will always be hedged in whole or in part.

3 The Stock Connect

The Stock Connect is a securities trading and clearing linked program developed by Hong Kong Exchanges and Clearing Limited ("HKEX"), SSE and ChinaClear with an aim to achieve mutual stock market access between the People's Republic of China ("PRC") and Hong Kong. The Stock Connect comprises a northbound trading link and a southbound trading link. Under the northbound trading link, Hong Kong and overseas investors (including BGF-GAF), through their Hong Kong brokers and a securities trading service company established by Stock Exchange of Hong Kong ("SEHK"), may be able to trade eligible China A Shares listed on the SSE by routing orders to SSE. Under the southbound trading link investors in the PRC will be able to trade certain stocks listed on the SEHK. Under a joint announcement issued by the SFC and CSRC on 10 November 2014 the Stock Connect commenced trading on 17 November 2014.

Under the Stock Connect, the BGF-GAF, through their Hong Kong brokers may trade certain eligible shares listed on the SSE. These include all the constituent stocks from time to time of the SSE 180 Index and SSE 380 Index, and all the SSE listed A shares that are not included as constituent stocks of the relevant indices but which have corresponding H-Shares listed on SEHK, except the following:

- SSE-listed shares which are not traded in RMB; and
- SSE-listed shares which are included in the "risk alert board".

It is expected that the list of eligible securities will be subject to review.

The trading is subject to rules and regulations issued from time to time. Trading under the Stock Connect will initially be subject to a maximum cross-boundary investment quota ("Aggregate Quota"), together with a daily quota ("Daily Quota"). Northbound trading and southbound trading will be subject to a separate set of Aggregate and Daily Quota. The northbound aggregate quota caps the absolute amount of fund inflow into the PRC. The Daily

Quota limits the maximum net buy value of cross-boundary trades under the Stock Connect each day.

HKSCC, a wholly-owned subsidiary of HKEX, and ChinaClear will be responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by their respective market participants and investors. The China A Shares traded through Stock Connect are issued in scripless form, and investors will not hold any physical China A Shares.

Although HKSCC does not claim proprietary interests in the SSE securities held in its omnibus stock account in ChinaClear, ChinaClear as the share registrar for SSE listed companies will still treat HKSCC as one of the shareholders when it handles corporate actions in respect of such SSE securities.

In addition to paying trading fees, levies and stamp duties in connection with trading in China A Shares, the BGF-GAF may be subject to new fees arising from trading of China A Shares via the Stock Connect which are yet to be determined and announced by the relevant authorities.

In accordance with the UCITS requirements, the custodian shall provide for the safekeeping of the BGF-GAF assets in the PRC through its global custody network. Such safekeeping is in accordance with the conditions set down by the CSSF which provides that there must be legal separation of non-cash assets held under custody and that the custodian through its delegates must maintain appropriate internal control systems to ensure that records clearly identify the nature and amount of assets under custody, the ownership of each asset and where documents of title to each asset are located.

BGF-GAF may invest no more than 10% of its total assets in the PRC via Stock Connect.

(e) Risk Management of BGF-GAF

The management company of BGF-GAF, BlackRock (Luxembourg) S.A., employs a risk management process in respect of BGF-GAF which enables it to monitor accurately and manage the global exposure from financial derivative instruments ("global exposure") which BGF-GAF gains as a result of its strategy.

The management company of BGF-GAF uses a methodology known as "Value at Risk" ("VaR") in order to measure the global exposure of the BGF-GAF and manage the potential loss to them due to market risk. The VaR methodology measures the potential loss to a fund at a particular confidence (probability) level over a specific time period and under normal market conditions. The management company of BGF-GAF uses the 99% confidence interval and one month measurement period for the purposes of carrying out this calculation.

There are two types of VaR measure which can be used to monitor and manage the global exposure of a fund: "Relative VaR and "Absolute VaR". Relative VaR is where the VaR of a fund is divided by the VaR of an appropriate benchmark or reference portfolio, allowing the global exposure of a fund to be compared to and limited by reference to the global exposure of the appropriate benchmark or reference portfolio. The regulations that the BGF-GAF is subject to specifies that the VaR of the BGF-GAF must not exceed twice the VaR of its benchmark.

Risk management measure used for BGF-GAF: Relative VaR using 36% S&P 500 Index, 24% FTSE World Index (Ex-US), 24% 5Yr US Treasury Note, 16% Citigroup Non-USD World Govt Bond Index as the appropriate benchmark.

Leverage

A fund's level of investment exposure (for an equity fund, when combined with its instruments and cash) can in aggregate exceed its net asset value due to the use of financial derivative instruments or borrowing (borrowing is only permitted in limited circumstances and not for investment purposes). Where a fund's investment exposure exceeds its net asset value this is known as leverage. The regulations that the BGF-GAF is subject to requires that its prospectus includes information relating to the expected levels of leverage in a fund where VaR is being used to measure global exposure. The expected level of leverage of BGF-GAF is set out below and expressed as a percentage of its net asset value. The BGF-GAF may have higher levels of leverage in a typical or volatile market conditions for example when there are sudden movements in investment prices due to difficult economic conditions in a sector or region. In such circumstances the investment adviser of BGF-GAF may increase its use of derivatives in BGF-GAF in order to reduce the market risk, which it is exposed to. This in turn would have the effect of increasing its level of leverage. For the purposes of this disclosure, leverage is the investment exposure gained through the use of financial derivative instruments. It is calculated using the sum of the notional values of all of the financial derivative instruments held by the relevant fund, without netting. The expected level of leverage is not a limit and may vary over time.

Expected level of leverage of BGF-GAF: 140% of its net asset value.

1.4.11 Distribution Policy

As this Fund invests at least 95% of its Net Asset Value in BGF-GAF which does not pay any distributions, and consistent with this Fund's objective to maximise total returns, this Fund is therefore not expected to make any distributions. Distributions, if any, after deduction of taxation and expenses, is paid once a year by way of reinvestment.

1.4.12 Permitted Investments and Restrictions

This Fund may invest in one collective investment scheme i.e. BGF-GAF, securities/instruments in foreign markets, financial derivatives, liquid assets (including money market instruments and deposits with any financial institutions) and any other investments permitted by the Securities Commission from time to time.

In undertaking the Fund's investments, the Fund must not invest in a fund-of-funds, a feeder fund, or any sub-fund of an umbrella scheme which is a fund-of-funds or a feeder fund.

1.5 RHB Global New Stars Fund

1.5.1 Fund Category

Equity fund.

1.5.2 Financial Year End

31 December.

1.5.3 Name of Trustee

HSBC (Malaysia) Trustee Berhad.

1.5.4 Investment Objective

This Fund aims to achieve medium to long term* capital appreciation by investing in initial public offerings ("IPOs"), pre-IPO securities, post-IPO listed securities, debt securities and/or deposits.

Any material change to the investment objective of this Fund requires the Unit Holders' approval.

* Note: "medium to long term" in this context refers to a period of between 3 – 7 years.

1.5.5 Investment Strategy

There is no target industry or sector for the investments of this Fund and it may invest across all approved markets and sectors. This Fund will invest in post-IPO listed securities, IPOs and pre-IPO securities as follows:

- Post-IPO Portion
    - A portion of the Fund invests in listed securities of approved markets issued within three (3) years of their IPOs at the time of investment.
    - The Manager has absolute discretion in deciding when to sell such listed securities, and may hold such listed securities beyond three years of their IPOs to participate in, but shall not be limited to, share dividends and bonus share issues.
- IPO Portion
    - A portion of the Fund invests in securities offered through IPOs which have been approved for listing in the approved markets. This may also include new listing for companies already listed on other exchanges.
- Pre-IPO Portion
    - A portion of the Fund may be invested from time to time in privately placed pre-IPO securities of companies which are established in the approved markets, that is pre-IPO deals of which the investee companies are targeting to obtain a listing on an approved stock exchange, and other corporate finance deals.

In the event the Manager finds that there are no suitable investment opportunities for any portion of the Fund at any time, part or all of that portion may be invested in equities, debt securities and/or deposits or held as cash until such time when investment opportunities in the instruments listed above are available. When investing in equities under these circumstances, the Manager can invest in the global equities market of companies that have been listed beyond the three (3) year limit of the Post-IPO Portion. Debt instruments/bonds that are issued by corporations and financial institutions are of investment grade, that is, those instruments/bonds having a credit rating of Baa3 or higher at the point of purchase by Moody's Investors Service or its equivalent rating by any other domestic or global rating agency. The Manager can also invest in debt instruments/bonds issued by corporations and financial institutions which are not rated by any rating agency. Such un-rated debt instruments/bonds are only applicable to un-rated debt instruments/bonds from countries where their regulatory authorities do not require mandatory rating for the issuance of such debt securities. The Manager's investments in these un-rated investments shall always be based on the Manager's investment philosophy of fundamental analysis. However, debt instruments/bonds issued by supra-nationals, governments and their agencies need not be rated.

Depending on investment conditions and opportunities, the Manager intends to maintain an asset allocation for the Fund as follows:

- Up to 98% of Net Asset Value in the IPO Portion and Post-IPO Portion
- Up to 10% of Net Asset Value in the Pre-IPO Portion.
- 2% - 5% of Net Asset Value in liquid assets.

Subject to the range stipulated above, the above asset allocation will be reviewed from time to time depending on the judgement of the Manager as to the general market and economic conditions save that the Fund's investment in the Pre-IPO Portion will not exceed 10% of the Net Asset Value. Although the Fund is actively managed, how active or the frequency of its trading strategy will very much depend on market opportunities. Specific risks associated with such securities and investments are as elaborated in Section 2.2.

The risk management strategies and techniques employed by the Manager include diversification of the Fund's investments in terms of its exposure to various industries, sectors and countries. Financial derivatives are also used for hedging purposes where appropriate. Generally, the assets of the Fund will be invested over a medium to long term period with disposal when necessary to control risk as well as to optimise capital gains. This is especially so when the full growth potential of an investment is deemed to have been reduced over a prolonged rise in equity values and the other available investments may present cheaper valuations and potential higher returns. The Fund also complies with the permitted investments and restrictions imposed by the Securities Commission. Adherence to the permitted investments and restrictions also helps the Manager to risk-manage the Fund's portfolio in terms of diversification. Moreover, the Manager in making its investment decisions shall at all times comply with the investment restrictions of the Fund and requirements as set out in the Deed.

For investments in foreign markets, the Manager in managing the principal risks such as country risk and currency risk, will always take into consideration its evaluation of the historical developments and its prior experience in such markets. Such practice will be managed through active management and constant review of the economic and political developments of the countries invested. Investments will ultimately be made based on the risk-reward.

The Manager may take temporary defensive positions that may be inconsistent with the Fund's principal strategy in attempting to respond to adverse economic, political or any other market conditions. In such circumstances, the Manager may reallocate up to 100% of the Fund's investments into other asset classes such as fixed income securities, money market instruments and deposits with financial institutions, which are defensive in nature. These are deposits that are not embedded with or linked to financial derivative instruments (structured deposits) and (where applicable) these are current accounts, short term money market deposits and short term deposits with financial institutions.

The performance of this Fund is benchmarked against the MSCI AC World Index (RM). The benchmark chosen best represents the Fund's investment geographical location/investment universe. For ease of reference, investors may refer to Bloomberg L.P. or the MSCI website (**www.msci.com**) for this indicator. Investor should note that the risk profile of the Fund is different from the risk profile of the benchmark.

1.5.6 Investment in Unlisted Securities

The Manager will only make such investments where the Manager expects those investments to complement the objective and enhance the performance of this Fund. Such investments shall not include:

(a) Equities not listed for trading in a stock market of a stock exchange but have been approved for such listing and offered directly to the Fund by the issuer;

(b) Debentures traded on an organised over-the-counter market; and

(c) Structured product.

The Fund's investments in unlisted securities (if any) shall always be subject to the restriction stipulated in Section 1.5.14 (a).

1.5.7 Collective Investment Schemes

The Manager will only make such investments where the Manager expects those investments to complement the objective and enhance the performance of this Fund. In addition, the Manager will only make such investments if the target fund is registered/authorised/approved by the relevant regulatory authority in its home jurisdiction as the case may be and which operates within the general investment principles of the Guidelines on Unit Trust Funds issued by the Securities Commission. The Fund's investments in collective investment schemes (if any) shall always be subject to the restrictions stipulated in Section 1.5.14 (g) and (m).

1.5.8 Financial Derivatives

The Manager may participate in futures contracts and other financial derivatives, when appropriate. The category of financial derivatives to be participated in shall be the stock index futures contracts, the stock index options contracts, single stock futures contracts, forwards and swaps or any other categories and/or types of futures contracts or financial derivatives that may be allowable by the relevant authorities from time to time. The Fund's participation in financial derivatives is basically to hedge the portfolio from any unexpected price movement in the underlying market and also the portfolio's exposure to foreign currency as well as to hedge against any opportunity loss arising from its uninvested cash. The benefit of any upside of price movement in the underlying market or currency movement is limited as the primary interest is to protect the value of the portfolio and to manage risks in relation to the benchmark. Nonetheless, the Fund may also invest in financial derivatives for investment purpose to enhance the returns of the Fund. If the Fund were to invest in over-the-counter ("OTC") derivatives, the Manager will monitor the credit rating of the counterparty issuing the derivatives and dispose off the derivatives should the rating of the said derivative counterparty fall below the credit rating of A by RAM Rating Services Berhad or its equivalent rating by a reputable rating establishment. If the Fund does invest in derivatives, there may be a likelihood that the NAV per unit of the Fund may be subject to high volatility. The Fund's investments in financial derivatives (if any) shall always be subject to the restriction stipulated in Section 1.5.14 (f) and (i).

1.5.9 Structured Products

The Manager may also invest in structured products where the Manager expects those investments to complement the objective and enhance the performance of this Fund. The Fund's investments in structured products (if any) shall always be subject to the restrictions stipulated in Section 1.5.14 (f) and (h).

1.5.10 Foreign Securities

The Manager may invest up to 98% of the Net Asset Value in securities of foreign markets where the regulatory authority is a member of the International Organisation of Securities Commission (IOSCO).

The Fund will invest in securities/instruments listed on or traded in global markets such as Australia, China, Hong Kong SAR, India, Indonesia, Japan, New Zealand, Pakistan, Philippines, Singapore, South Korea, Sri Lanka, Taiwan, Thailand, United States of America, Austria, Belgium, Brazil, Czech Republic, Denmark, Dubai, Egypt, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Jordan, Mexico, Netherlands, Norway, Portugal, Russia, Spain, Sweden, Switzerland, Turkey and United Kingdom. When investing in foreign markets which require prior permission or approval such as in the form of an investment licence or investor code or investor registration, the Fund has/will obtain such necessary permission or approval in order to invest in such markets.

In undertaking these foreign investments, the Manager will invest directly in the equities markets (listed and/or unlisted) and may also invest through other collective investment schemes where appropriate, subject to the restriction stipulated in Section 1.5.7.

1.5.11 Liquid Assets

The Manager in structuring the Fund's portfolio will maintain a minimum liquid assets level of 2% of the Net Asset Value for the purpose of meeting redemptions and to enable the proper and efficient management of the Fund. However, this does not preclude the Manager from lowering or raising the liquid assets level from the stipulated level to allow the Manager to react to the prevailing market conditions and to manage investment risks when circumstances warrant it.

This Fund shall not borrow in connection with its activities or lend any of its cash or investments unless permitted by the relevant laws pertaining to unit trust funds. The Fund may participate in the lending of securities provided always that such activity complies with all relevant guidelines, laws and/or regulations. However, the Fund may borrow cash on a temporary basis (i.e. not more than one (1) month) from financial institutions to meet redemption requests. Such borrowing shall not exceed ten (10) per cent of the Net Asset Value at the time the borrowing is incurred.

1.5.12 Distribution Policy

Consistent with the Fund's objective to achieve medium to long term* capital appreciation, distributions will therefore be of secondary importance. Distributions, if any, after deduction of taxation and expenses are generally declared annually and will be reinvested.

*Note: "medium to long term" in this context refers to a period of between 3 – 7 years.

1.5.13 Permitted Investments and Restrictions

This Fund may invest in securities traded on the BMSB or any other market considered as an Eligible Market, securities not listed in or traded under the rules of an Eligible Market ("unlisted securities"), collective investment schemes, securities/instruments in foreign markets, financial derivatives, structured products, liquid assets (including money market instruments and deposits with any financial institutions), participate in the lending of securities, and any other investments permitted by the Securities Commission from time to time.

The acquisition of such permitted investments is subject to the following restrictions:

a) The value of the Fund's investments in unlisted securities must not exceed ten (10) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.

b) The value of the Fund’s investments in ordinary shares issued by any single issuer must not exceed ten (10) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.

c) The value of the Fund’s investments in transferable securities (i.e. equities, debentures and warrants) and money market instruments issued by any single issuer must not exceed fifteen (15) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.

d) The value of the Fund’s placement in deposits with any single financial institution must not exceed twenty (20) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.

e) The value of the Fund’s investments in transferable securities and money market instruments issued by any group of companies must not exceed twenty (20) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.

f) The aggregate value of the Fund’s investments in transferable securities, money market instruments, deposits, over-the-counter (“OTC”) financial derivatives and structured products issued by or placed with, as the case may be, any single issuer/financial institution must not exceed twenty five (25) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.

g) The value of the Fund’s investments in units/shares of any collective investment scheme must not exceed twenty (20) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.

h) The value of the Fund’s investments in structured products issued by any single counter-party must not exceed fifteen (15) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time. This single counter-party limit may be exceeded if the counter-party has a minimum long-term rating that indicates very strong capacity for timely payment of financial obligations provided by any domestic or global rating agency and the structured product has a capital protection feature. When this applies, the calculation of the aggregate value to determine compliance with item (f) should exclude the value of investment in structured products.

i) The value of the Fund’s OTC financial derivatives transactions with any single counter-party must not exceed ten (10) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time; and the Fund’s exposure to the underlying assets (vide the financial derivatives) must not exceed the Fund’s investment spread limits as stipulated in (b), (c), (d), (e), (f), (g) and (h) above. In addition, the Fund’s net market exposure owing to its financial derivatives position must not exceed the Net Asset Value.

j) The Fund’s investments in transferable securities (other than debentures) must not exceed ten (10) per cent of the securities issued by any single issuer, or any other limit as may be prescribed by the Securities Commission from time to time.

k) The Fund’s investments in debentures must not exceed twenty (20) per cent of the debentures issued by any single issuer, or any other limit as may be prescribed by the Securities Commission from time to time.

l) The Fund’s investments in money market instruments must not exceed ten (10) per cent of the instruments issued by any single issuer, or any other limit as may be prescribed by the

Securities Commission from time to time. Such limit does not apply to money market instruments that do not have a pre-determined issue size.

m) The Fund's investments in collective investment schemes must not exceed twenty five (25) per cent of the units/shares in any one collective investment scheme, or any other limit as may be prescribed by the Securities Commission from time to time.

The limits and restrictions mentioned herein must be complied with at all times based on the most up-to-date value of the Fund's investments. However, a 5% allowance in excess of the limits or restrictions is permitted where the limits or restrictions are breached through an appreciation or depreciation of the Net Asset Value (whether as a result of an appreciation or depreciation of the investments or as a result of repurchase of units of the Fund or payment made from the Fund). The Manager will not make any further acquisitions to which the relevant limit is breached, and the Manager will within a reasonable period of not more than three (3) months from the date of the breach take all necessary steps and actions to rectify the breach. Such limits and restrictions however, do not apply to securities/instruments that are issued or guaranteed by the Malaysian government or Bank Negara Malaysia.

1.6 RHB Golden Dragon Fund

1.6.1 Fund Category

Mixed asset fund.

1.6.2 Financial Year End

31 December.

1.6.3 Name of Trustee

HSBC (Malaysia) Trustee Berhad.

1.6.4 Investment Objective

This Fund aims to maximise total returns through a combination of long term* growth of capital and current income.

Any material change to the investment objective of this Fund requires the Unit Holders' approval.

* Note: "long term" in this context refers to a period of between 5 - 7 years.

1.6.5 Investment Strategy

The Fund seeks to achieve its investment objective through a diversified portfolio of equities and equity-linked securities issued by companies whose businesses are in the Greater China (i.e. the People's Republic of China, Hong Kong SAR and Taiwan) ("China Equities") and Malaysian fixed income securities. Specific risks associated with securities and investments are as elaborated in Section 2.2.

The Fund's direct investments in the China Equities are those of companies whose securities are listed on the Hong Kong, Shanghai, Shenzhen and Taiwan Stock Exchanges, including Greater China companies that are listed in other non-Greater China markets such as the US, London and Singapore Stock Exchanges. These are companies that have at least 50% of its business operations located in Greater China and/or have at least 50% of its revenues derived from the Greater China. The Fund's investments will also include collective investment schemes domiciled in Singapore, Luxembourg, Hong Kong, United Kingdom and US investing primarily in the Greater China markets. The Fund's direct investments are not sector specific and can invest in a broad range of sectors and industries. It seeks to add value by investing in a selective range of opportunities identified by the Manager as having a strong attraction based on company fundamentals.

The Fund's investment in fixed income securities will be that of Malaysian debt securities issued by corporations, financial institutions and governments (comprising amongst others of convertible debt securities, redeemable debt securities, bonds/securities that are issued and/or guaranteed by the government or quasi-government agencies, corporate bonds carrying at least BBB ratings by RAM Rating Services Berhad (RAM) or the equivalent rating by any other reputable rating agency) as well as fixed income collective investment schemes, money market instruments, cash and deposits with financial institutions.

The Manager employs a bottom-up investment process involving rigorous company research. In addition, the Manager also employs a top-down process to review asset allocation at both the regional/country and sector levels. The Manager believe long-term investment performance can be achieved by employing a rigorous research process that enables the Manager to identify companies that generate superior returns as well as by identifying companies that are undervalued.

This Fund's portfolio will comprise a blend of carefully selected China Equities (as aforementioned), Malaysian debt securities (as aforementioned), money market instruments, cash and deposits with financial institutions subject always to a minimum allocation of 30% in China Equities and 30% in Malaysian debt securities/fixed income securities, money market instruments, cash and deposits with financial institutions.

Thus, this Fund's portfolio will be structured as follows:

30% - 70% of Net Asset Value
- Investments in securities of and securities relating to companies whose businesses are in the Greater China and are listed on the Greater China markets and/or other markets.

30% - 70% of Net Asset Value
- Investments in Malaysian fixed income securities, money market instruments, cash and deposits with financial institutions.

In reviewing this asset allocation strategy, the Fund's asset mix would range from 30% - 70% in China Equities and 30% - 70% in Malaysian fixed income securities, money market instruments, cash and deposits with financial institutions. Accordingly, this Fund will be able to have a maximum exposure to the China Equities market of up to 70% whilst maintaining a minimum of 30% in Malaysian fixed income securities, money market instruments, cash and deposits with financial institutions to provide stability through diversification of the asset class. Similarly, this Fund can also invest up to 70% of its in Malaysian fixed income securities, money market instruments, cash and deposits with financial institutions whilst maintaining the minimum of 30% in China Equities market to diversify the portfolio and to provide capital growth.

Given this asset mix, the Fund will be able to tap into varied markets conditions in order to capitalise on any market opportunities. The actual percentage of assets invested in China Equities and fixed income securities will therefore vary from time to time, depending on the judgment of the Manager as to the general market and economic conditions, trends and yields, interest rates and changes in fiscal and monetary policies. Thus, although the Fund is actively managed, how active or the frequency of its trading strategy will very much depend on market opportunities.

The risk management strategies and techniques employed by the Manager include diversification of the Fund's investments in terms of its exposure to various industries, sectors, countries and asset classes and/or type of investments (i.e. equity, fixed income, money market instruments). Financial derivatives may also be used for hedging purposes where appropriate. Generally, the assets of the Fund will be invested over a medium to long term period with disposal of the investments when necessary to control risk as well as to optimise capital gains. This is especially so when the full growth potential of an investment is deemed to have been reduced following a prolonged rise in equity values and the other available investments may present cheaper valuations and potential higher returns. The Fund also complies with the permitted investments and restrictions imposed by the Securities Commission. Adherence to the permitted investments and restrictions also helps the Manager to risk-manage the Fund's portfolio in terms of diversification. Moreover, the Manager in making its investment decisions shall at all times comply with the investment restrictions of the Fund and requirements as set out in the Deed.

For investments in foreign markets, the Manager in managing the principal risks such as country risk and currency risk, will always take into consideration the reference benchmark as well as its evaluation of the historical developments and its prior experience in such markets. Such practice will be managed through active management and constant review of the economic and political developments of the countries invested. Investments will ultimately be made based on the risk-reward.

The Manager may take temporary defensive positions that may be inconsistent with the Fund's principal strategy in attempting to respond to adverse economic, political or any other market conditions. In such circumstances, the Manager may reallocate up to 100% of the Fund's equity investments into other asset classes such as debt securities, money market instruments and deposits with any financial institutions, which are defensive in nature. These are deposits that are not embedded with or linked to financial derivative instruments (structured deposits) and (where applicable) these are current accounts, short term money market deposits and short term deposits with financial institutions.

The performance of this Fund is benchmarked against a composite benchmark comprising:
50% MSCI Golden Dragon Index (RM);
50% RAM qs MGS 3-7 (medium).

The composite benchmark chosen best represents the Fund's underlying investments and the geographical location/investment universe of its investments.

For ease of reference, investors may refer to Bloomberg L.P. or the MSCI website (**www.msci.com**) for these indicators. Investor should note that the risk profile of the Fund is different from the risk profile of the benchmark.

1.6.6 Investment in Unlisted Securities

The Manager will only make such investments where the Manager expects those investments to complement the objective and enhance the performance of this Fund. Such investments shall not include:

a) Equities not listed for trading in a stock market of a stock exchange but have been approved for such listing and offered directly to the Fund by the issuer;

b) Debentures traded on an organised over-the-counter market; and

c) Structured product.

The Fund's investments in unlisted securities (if any) shall always be subject to the restriction stipulated in Section 1.6.12 (a).

1.6.7 Collective Investment Schemes

The Manager will only make such investments where the Manager expects those investments to complement the objective and enhance the performance of this Fund. In addition, the Manager will only make such investments if the target fund is registered/authorised/approved by the relevant regulatory authority in its home jurisdiction as the case may be and which operates within the general investment principles of the Guidelines on Unit Trust Funds issued by the Securities Commission. The Fund's investments in collective investment schemes (if any) shall always be subject to the restrictions stipulated in Section 1.6.12 (g) and (m).

1.6.8 Financial Derivatives

The Manager may participate in futures contracts and other financial derivatives, when appropriate. The category of financial derivatives to be participated in shall be the stock index futures contracts, the stock index options contracts, single stock futures contracts, forwards and swaps, interest rates futures contracts, bonds futures contracts or any categories and/or types of futures contracts or financial derivatives that may be allowable by the relevant authorities from time to time. The Fund's participation in financial derivatives is basically to hedge the portfolio from any unexpected price or interest rate movements in the underlying market and also the portfolio's exposure to foreign currency as well as to hedge against any opportunity loss arising from its uninvested cash. The benefit of any upside of price or interest rate movement in the underlying market or currency movement is limited as the primary interest is to protect the value of the portfolio and manage risks in relation to the benchmark. Nonetheless, the Fund may also invest in financial derivatives for investment purpose to enhance the returns of the Fund. If the Fund were to invest in over-the-counter

("OTC") derivatives, the Manager will monitor the credit rating of the counterparty issuing the derivatives and dispose off the derivatives should the rating of the said derivative counterparty fall below the credit rating of A by RAM Rating Services Berhad or its equivalent rating by a reputable rating establishment. If the Fund does invest in derivatives, there may be a likelihood that the NAV per unit of the Fund may be subject to high volatility. The Fund's investments in financial derivatives (if any) shall always be subject to the restriction stipulated in Section 1.6.12 (f) and (i).

1.6.9 Structured Products

The Manager may also invest in structured products where the Manager expects those investments to complement the objective and enhance the performance of this Fund. The Fund's investments in structured products (if any) shall always be subject to the restrictions stipulated in Section 1.6.12 (f) and (h).

1.6.10 Foreign Securities

The Manager may invest up to 70% of the Net Asset Value in securities (issued by companies whose businesses are in the Greater China i.e. the People's Republic of China, Hong Kong SAR and Taiwan) listed on foreign markets and may include non-Greater China markets where the regulatory authority is a member of the International Organisation of Securities Commission (IOSCO). As such, the Fund will invest in securities/instruments listed on or traded in foreign markets such as China, Hong Kong SAR, Taiwan, Singapore, Luxembourg, United Kingdom and United States of America.

To date, the Fund has obtained the required investor registration certificate and code (Taiwan) and investor code (China) from the relevant regulatory authority which continues uninterrupted for its investments in these markets.

In undertaking these foreign investments, the Manager will invest directly in the equities markets and may also invest through other collective investment schemes where appropriate, subject to the restriction stipulated in Section 1.6.6.

1.6.11 Liquid Assets

The Manager in structuring the Fund's portfolio will maintain a minimum liquid assets level of 2% of the Net Asset Value for the purpose of meeting redemptions and to enable the proper and efficient management of the Fund. However, this does not preclude the Manager from lowering or raising the liquid assets level from the stipulated level to allow the Manager to react to the prevailing market conditions and to manage investment risks when circumstances warrant it.

This Fund shall not borrow in connection with its activities or lend any of its cash or investments unless permitted by the relevant laws pertaining to unit trust funds. The Fund may participate in the lending of securities provided always that such activity complies with all relevant guidelines, laws and/or regulations. However, the Fund may borrow cash on a temporary basis (i.e. not more than one (1) month) from financial institutions to meet redemption requests. Such borrowing shall not exceed ten (10) per cent of the Net Asset Value at the time the borrowing is incurred.

1.6.12 Distribution Policy

Consistent with the Fund's objective to maximize total returns through a combination of long term* growth of capital and current income, the Fund will distribute a portion of its returns to Unit Holders. Distributions, if any, after deduction of taxation and expenses are generally declared annually.

1.6.13 Permitted Investments and Restrictions

This Fund may invest in securities traded on the BMSB or any other market considered as an Eligible Market, unlisted securities, collective investment schemes, securities/instruments in foreign markets, financial derivatives, structured products, liquid assets (including money market instruments and deposits with any financial institutions), participate in the lending of securities, and any other investments permitted by the Securities Commission from time to time.

The acquisition of such permitted investments is subject to the following restrictions:

a) The value of the Fund's investments in unlisted securities must not exceed ten (10) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.

b) The value of the Fund's investments in ordinary shares issued by any single issuer must not exceed ten (10) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.

c) The value of the Fund's investments in transferable securities (i.e. equities, debentures and warrants) and money market instruments issued by any single issuer must not exceed fifteen (15) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.

d) The value of the Fund's placement in deposits with any single financial institution must not exceed twenty (20) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.

e) The value of the Fund's investments in transferable securities and money market instruments issued by any group of companies must not exceed twenty (20) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.

f) The aggregate value of the Fund's investments in transferable securities, money market instruments, deposits, over-the-counter ("OTC") financial derivatives and structured products issued by or placed with, as the case may be, any single issuer/financial institution must not exceed twenty five (25) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.

g) The value of the Fund's investments in units/shares of any collective investment scheme must not exceed twenty (20) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.

h) The value of the Fund's investments in structured products issued by any single counter-party must not exceed fifteen (15) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time. This single counter-party limit may be exceeded if the counter-party has a minimum long-term rating that indicates very strong capacity for timely payment of financial obligations provided by any domestic or global rating agency and the structured product has a capital protection feature. When this applies, the calculation of the aggregate value to determine compliance with item (f) should exclude the value of investment in structured products.

i) The value of the Fund's OTC financial derivatives transactions with any single counter-party must not exceed ten (10) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time; and the Fund's exposure to the underlying assets (vide the financial derivatives) must not exceed the Fund's investment spread limits as stipulated in (b), (c), (d), (e), (f), (g) and (h) above. In addition, the Fund's net market exposure owing to its financial derivatives position must not exceed the Net Asset Value.

j) The Fund's investments in transferable securities (other than debentures) must not exceed ten (10) per cent of the securities issued by any single issuer, or any other limit as may be prescribed by the Securities Commission from time to time.

k) The Fund's investments in debentures must not exceed twenty (20) per cent of the debentures issued by any single issuer, or any other limit as may be prescribed by the Securities Commission from time to time.

l) The Fund's investments in money market instruments must not exceed ten (10) per cent of the instruments issued by any single issuer, or any other limit as may be prescribed by the Securities Commission from time to time. Such limit does not apply to money market instruments that do not have a pre-determined issue size.

m) The Fund's investments in collective investment schemes must not exceed twenty five (25) per cent of the units/shares in any one collective investment scheme, or any other limit as may be prescribed by the Securities Commission from time to time.

The limits and restrictions mentioned herein must be complied with at all times based on the most up-to-date value of the Fund's investments. However, a 5% allowance in excess of the limits or restrictions is permitted where the limits or restrictions are breached through an appreciation or depreciation of the Net Asset Value (whether as a result of an appreciation or depreciation of the investments or as a result of repurchase of units of the Fund or payment made from the Fund). The Manager will not make any further acquisitions to which the relevant limit is breached, and the Manager will within a reasonable period of not more than three (3) months from the date of the breach take all necessary steps and actions to rectify the breach. Such limits and restrictions however, do not apply to securities/instruments that are issued or guaranteed by the Malaysian government or Bank Negara Malaysia.

1.7 RHB Big Cap China Enterprise Fund

1.7.1 Fund Category

Equity fund.

1.7.2 Financial Year End

31 December.

1.7.3 Name of Trustee

HSBC (Malaysia) Trustee Berhad.

1.7.4 Investment Objective

This Fund aims to achieve long term* capital appreciation through investments in securities of companies with high growth potential.

Any material change to the investment objective of this Fund requires the Unit Holders' approval.

*Note: "long term" in this context refers to a period of between 5 - 7 years.

1.7.5 Investment Strategy

This Fund will seek to achieve its investment objective through a diversified portfolio of equities and equity-linked securities issued by companies whose businesses are in the People's Republic of China ("PRC").

The Fund's direct investments in China are those of companies whose securities are listed on the Hong Kong, Shanghai and Shenzhen Stock Exchanges, including China companies that are listed in other non-China markets such as the US, London and Singapore Stock Exchanges. These are companies that have at least 50% of its business operations located in China and/or have at least 50% of its revenues derived from China. The Fund's investments will also include collective investment schemes domiciled in Singapore, Luxembourg, Hong Kong, United Kingdom and US investing primarily in the China markets.

The Fund's direct investment in the equities and equity-linked securities issued by companies whose businesses are in China are those companies with a market capitalisation of at least USD 1 billion. Hence the Fund's name 'Big Cap'. The restriction on the market capitalisation is determined at the point of purchase.

The Fund's direct investments are not sector specific and can invest in a broad range of sectors and industries. It seeks to add value by investing in a selective range of opportunities identified by the Manager as having a strong attraction based on company fundamentals.

In managing the Fund, the Manager will employ a multi-step investment process, combining a bottom-up investment process that involves rigorous company research with a top-down process to review asset allocation at the sector levels. Sector allocation is derived after analysing macro economic trends and country dynamics. Sector exposure limits are in place to mitigate the risks of the investments. The Manager believe long-term investment performance can be achieved by employing a rigorous research process that enables them to identify sound and profitable companies that generate superior returns as well as by identifying companies that are undervalued.

This Fund's portfolio will be structured as follows:

Up to 98% of Net Asset Value
- Investments in equities and equity-linked securities issued by companies whose businesses are in China and are listed on the China markets and/or other markets.

2% - 5% of Net Asset Value
- Investments in liquid assets including money market instruments and deposits with financial institutions.

Subject to the range stipulated above, the asset allocation will be reviewed from time to time depending on the judgment of the Manager as to the general market and economic conditions. Although the Fund is actively managed, how active or the frequency of its trading strategy will very much depend on market opportunities.

The risk management strategies and techniques employed by the Manager include diversification of the Fund's investments in terms of its exposure to various industries, sectors and asset classes and/or type of investments (i.e. equity, fixed income securities and money market instruments). Financial derivatives may also be used for hedging purposes where appropriate. Generally, the assets of the Fund will be invested over a medium to long term period with disposal of the investments when necessary to control risk as well as to optimise capital gains. This is especially so when the full growth potential of the investment is deemed to have been reduced over a prolonged rise in equity values and the other available investments may present cheaper valuations and potential higher returns. The Fund also complies with the permitted investments and restrictions imposed by the Securities Commission. Adherence to the permitted investment and restrictions also helps the Manager to risk-manage the Fund's portfolio in terms of diversification. Moreover, the Manager and in making their investment decisions shall at all times comply with the investment restrictions of the Fund and requirements as set out in the Deed.

For investments in foreign markets, the Manager in managing the principal risks such as country risk and currency risk will always take into consideration its evaluation of the historical developments and its prior experience in such markets. Such practice will be managed through active management and constant review, drawing on its resources and infrastructure as an established global fund manager. Investments will ultimately be made based on risk-reward.

The Manager may take temporary defensive positions that may be inconsistent with the Fund's principal strategy in attempting to respond to adverse economic, political or any other market conditions. In such circumstances, the Manager may reallocate up to 100% of the Fund's equity investments into other asset classes such as fixed income securities, money market instruments and deposits with financial institutions, which are defensive in nature. These are deposits that are not embedded with or linked to financial derivative instruments (structured deposits) and (where applicable) these are current accounts, short term money market deposits and short term deposits with financial institutions.

The performance of this Fund is benchmarked against the MSCI China Index (RM). The benchmark chosen best represents the Fund's investment geographical/investment universe.

For ease of reference, investors may refer to Bloomberg L.P. or to the Manager for the indicator. Investor should note that the risk profile of the Fund is different from the risk profile of the benchmark.

1.7.6 Investment in Unlisted Securities

The Manager will only make such investments where the Manager expects those investments to complement the objective and enhance the performance of this Fund. Such investments shall not include:

(a) Equities not listed for trading in a stock market of a stock exchange but have been approved for such listing and offered directly to the Fund by the issuer;

(b) Debentures traded on an organised over-the-counter market; and

(c) Structured product.

The Fund's investments in unlisted securities (if any) shall always be subject to the restriction stipulated in Section 1.7.13 (a).

1.7.7 Collective Investment Schemes

The Manager will only make such investments where Manager expects those investments to complement the objective and enhance the performance of this Fund. In addition, the Manager will only make such investments if the target fund is registered/authorised/approved by the relevant regulatory authority in its home jurisdiction as the case may be and which operates within the general investment principles of the Guidelines on Unit Trust Funds issued by the Securities Commission. The Fund's investments in collective investment schemes (if any) shall always be subject to the restrictions stipulated in Section 1.7.13 (g) and (m).

1.7.8 Financial Derivatives

The Manager may participate in futures contracts and other financial derivatives, when appropriate. The category of financial derivatives to be participated in shall be the stock index futures contracts, the stock index options contracts, single stock futures contracts, forwards and swaps or any other categories and/or types of futures contracts or financial derivatives that may be allowable by the relevant authorities from time to time. The Fund's participation in financial derivatives is basically to hedge the portfolio from any unexpected price movement in the underlying market and also the portfolio's exposure to foreign currency as well as to hedge against any opportunity loss arising from its uninvested cash. The benefit of any upside of price movement in the underlying market or currency movement is limited as the primary interest is to protect the value of the portfolio and to manage risks in relation to the benchmark. Nonetheless, the Fund may also invest in financial derivatives for investment purpose to enhance the returns of the Fund. If the Fund were to invest in over-the-counter ("OTC") derivatives, the Manager will monitor the credit rating of the counterparty issuing the derivatives and dispose off the derivatives should the rating of the said derivative counterparty fall below the credit rating of A by RAM Rating Services Berhad or its equivalent rating by a reputable rating establishment. If the Fund does invest in derivatives, there may be a likelihood that the NAV per unit of the Fund may be subject to high volatility. The Fund's investments in financial derivatives (if any) shall always be subject to the restriction stipulated in Section 1.7.13 (f) and (i).

1.7.9 Structured Products

The Manager may also invest in structured products where the Manager expects those investments to complement the objective and enhance the performance of this Fund. The Fund's investments in structured products (if any) shall always be subject to the restrictions stipulated in Section 1.7.13 (f) and (h).

1.7.10 Foreign Securities

The Manager may invest up to 98% of the Net Asset Value in equities and equity-linked securities issued by companies whose businesses are in China and whose securities are listed on the Hong Kong, Shanghai and Shenzhen Stock Exchanges, including China companies that are listed in other non China markets where the regulatory authority is a member of the International Organisation of Securities Commission (IOSCO). As such the Fund may invest in securities of China companies listed or traded in countries such as Singapore, United Kingdom and US when investing in other non China markets.

To date, the Fund has obtained the required investor code (China) from the relevant regulatory authority which continues uninterrupted for its investments in this market.

In undertaking these foreign investments, the Manager will invest directly in the equities markets and may also invest through other collective investment schemes where appropriate, subject to the restriction stipulated in Section 1.7.7.

1.7.11 Liquid Assets

The Manager in structuring the Fund's portfolio will maintain a minimum liquid assets level of 2% of the Net Asset Value for the purpose of meeting redemptions and to enable the proper and efficient management of the Fund. However, this does not preclude the Manager from lowering or raising the liquid assets level from the stipulated level to allow the Manager to react to the prevailing market conditions and to manage investment risks when circumstances warrant it.

This Fund shall not borrow in connection with its activities or lend any of its cash or investments unless permitted by the relevant laws pertaining to unit trust funds. The Fund may participate in the lending of securities provided always that such activity complies with all relevant guidelines, laws and/or regulations. However, the Fund may borrow cash on a temporary basis (i.e. not more than one (1) month) from financial institutions to meet redemption requests. Such borrowing shall not exceed ten (10) per cent of the Net Asset Value at the time the borrowing is incurred.

1.7.12 Distribution Policy

Consistent with the Fund's objective which aims to achieve long term* capital appreciation, distributions will therefore be of secondary importance. Distributions, if any, after deduction of taxation and expenses will be reinvested.

1.7.13 Permitted Investments and Restrictions

This Fund may invest in securities traded on the BMSB or any other market considered as an Eligible Market, unlisted securities, collective investment schemes, securities/instruments in foreign markets, financial derivatives, structured products, liquid assets (including money market instruments and deposits with any financial institutions), participate in the lending of securities, and any other investments permitted by the Securities Commission from time to time.

The acquisition of such permitted investments is subject to the following restrictions:

a) The value of the Fund's investments in unlisted securities must not exceed ten (10) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.

b) The value of the Fund's investments in ordinary shares issued by any single issuer must not exceed ten (10) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.

c) The value of the Fund's investments in transferable securities (i.e. equities, debentures and warrants) and money market instruments issued by any single issuer must not exceed fifteen (15) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.

d) The value of the Fund's placement in deposits with any single financial institution must not exceed twenty (20) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.

e) The value of the Fund's investments in transferable securities and money market instruments issued by any group of companies must not exceed twenty (20) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.

f) The aggregate value of the Fund's investments in transferable securities, money market instruments, deposits, over-the-counter ("OTC") financial derivatives and structured products issued by or placed with (as the case may be) any single issuer/financial institution must not exceed twenty five (25) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.

g) The value of the Fund's investments in units/shares of any collective investment scheme must not exceed twenty (20) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.

h) The value of the Fund's investments in structured products issued by any single counter-party must not exceed fifteen (15) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time. This single counter-party limit may be exceeded if the counter-party has a minimum long-term rating that indicates very strong capacity for timely payment of financial obligations provided by any domestic or global rating agency and the structured product has a capital protection feature. When this applies, the calculation of the aggregate value to determine compliance with item (f) should exclude the value of investment in structured products.

i) The value of the Fund's OTC financial derivatives transactions with any single counter-party must not exceed ten (10) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time; and the Fund's exposure to the underlying assets (vide the financial derivatives) must not exceed the Fund's investment spread limits as stipulated in (b), (c), (d), (e), (f), (g) and (h) above. In addition, the Fund's net market exposure owing to its financial derivatives position must not exceed the Net Asset Value.

j) The Fund's investments in transferable securities (other than debentures) must not exceed ten (10) per cent of the securities issued by any single issuer, or any other limit as may be prescribed by the Securities Commission from time to time.

k) The Fund's investments in debentures must not exceed twenty (20) per cent of the debentures issued by any single issuer, or any other limit as may be prescribed by the Securities Commission from time to time.

l) The Fund's investments in money market instruments must not exceed ten (10) per cent of the instruments issued by any single issuer, or any other limit as may be prescribed by the Securities Commission from time to time. Such limit does not apply to money market instruments that do not have a pre-determined issue size.

m) The Fund's investments in collective investment schemes must not exceed twenty five (25) per cent of the units/shares in any one collective investment scheme, or any other limit as may be prescribed by the Securities Commission from time to time.

The limits and restrictions mentioned herein must be complied with at all times based on the most up-to-date value of the Fund's investments. However, a 5% allowance in excess of the limits or restrictions is permitted where the limits or restrictions are breached through an appreciation or depreciation of the Net Asset Value (whether as a result of an appreciation or depreciation of the investments or as a result of repurchase of units of the Fund or payment made from the Fund). The Manager will not make any further acquisitions to which the relevant limit is breached, and the Manager will within a reasonable period of not more than three (3) months from the date of the breach take all necessary steps and actions to rectify the breach. Such limits and restrictions however, do not apply to securities/instruments that are issued or guaranteed by the Malaysian government or Bank Negara Malaysia.

1.8 RHB Asian Growth Opportunities Fund

1.8.1 Fund Category

Feeder fund.

1.8.2 Financial Year End

31 December.

1.8.3 Name of Trustee

HSBC (Malaysia) Trustee Berhad.

1.8.4 Investment Objective

This Fund aims to achieve long term* capital growth by investing primarily in small capitalisation stocks and stock-related securities issued by corporations in the Asia Pacific region (excluding Japan).

Any material change to the investment objective of this Fund requires the Unit Holders' approval. For more information, investors should also refer to the target fund's investment objective and investment strategy (under Section 1.8.12).

Note: * "long term" in this context refers to a period of between 5 - 7 years.

1.8.5 Investment Strategy

The Fund seeks to achieve its investment objective by investing in a target fund. The Fund will invest principally in one of the funds managed by UOB Asset Management Ltd, Singapore ("UOBAM") that is the United Asian Growth Opportunities Fund ("UAGOF"). UAGOF launched on 15 June 2004 is a collective investment scheme constituted in Singapore. Both UOBAM and UAGOF are regulated by the Monetary Authority of Singapore under the Securities and Futures Act (Chapter 289), Singapore. UAGOF invests a large part of its assets in companies whose market capitalisation is lower than the market capitalisation of the 50th percentile constituent company of a recognised Asia Pacific ex Japan index ("Index") which may or may not be constituent stocks of the Index. Investors should note that the Index used may be different from the benchmark against which the performance of the target fund, UAGOF is measured, namely, the MSCI AC Asia Pacific ex Japan Mid Cap Index. Currently the Index used by the target fund, UAGOF is the MSCI AC Asia Pacific ex Japan Small Cap Index.

The 50th percentile market capitalisation was set to ensure UAGOF invests in small capitalisation stocks. Currently, the indicative limit (50th percentile market capitalisation) is between US$6 billion and US$7 billion (as at 15 October 2015), hence UAGOF can purchase any stock with market capitalisation below this limit. Such market capitalisation limit which is subject to change will only be observed at the time of investment in a company. The 50th percentile market capitalisation is used instead of an absolute number to determine the limit so as to allow for the effect of asset inflation on the prices of stocks over time. In managing UAGOF's mandate there are restrictions on purchases of core benchmark component stocks unlike other types of growth funds where there are no restrictions. UAGOF cannot purchase key benchmark stocks due to the market cap limit, hence the benchmark is used as a guide.

Thus, this Fund's portfolio will be structured as follows:

At least 95% of Net Asset Value
- Investments in the units of UAGOF.

2% - 5% of Net Asset Value

- Investments in liquid assets including money market instruments and deposits with financial institutions.

Although the Fund is passively managed, the investments in the Fund will be rebalanced from time to time to meet sales and redemptions and to enable the proper and efficient management of the Fund. Specific risks associated with the Fund and the target fund, UAGOF are as elaborated in Section 2.2.

The Manager does not adopt a temporary defensive position for the Fund in response to adverse market, economic, political, or any other conditions as such defensive strategies are expected to be implemented at the target fund level, i.e. UAGOF when deemed necessary by UAGOF's manager. The Manager does not adopt any temporary defensive position for the Fund as this will allow the Fund to best track the performance of UAGOF. It also follows that if UAGOF fails to adopt a successful defensive position in response to adverse market and economic conditions, there is a risk that the Fund will mirror UAGOF's negative performance, if any. Also, investors should note that at all times the Fund is always subject to currency risk (which is elaborated under Section 2.1 and 2.2).

This Fund is a feeder fund that invests at least 95% of its Net Asset Value in UAGOF. The risk management strategies and techniques employed will be at the UAGOF level with its investment strategy that involves diversification among its asset allocation of small capitalisation stocks as well as diversification across the Asian markets (excluding Japan), as elaborated in Section 1.8.12.

Notwithstanding the above, the Manager may, in consultation with the Trustee and with the Unit Holders approval, replace UAGOF with another fund of a similar objective if, in the Manager's opinion, UAGOF no longer meets this Fund's investment objective, or when acting in the interest of the Unit Holders.

The performance of this Fund is benchmarked against the MSCI AC Asia Pacific ex Japan Mid Cap Index (RM). The benchmark chosen for the Fund is consistent and corresponding to the target fund, UAGOF except that it is the Ringgit Malaysia equivalent of UAGOF's benchmark to allow for similar comparison with the performance of the RM denominated Fund.

For ease of reference, investors may refer to Bloomberg L.P. and/or the Manager for this indicator. Investor should note that the risk profile of the Fund is different from the risk profile of the benchmark.

1.8.6 Collective Investment Schemes

As this Fund is a feeder fund, it will invest predominantly in one collective investment scheme i.e. UAGOF.

1.8.7 Financial Derivatives

As UAGOF is denominated in Singapore Dollars, the Manager may trade in financial derivatives, which include but is not limited to forwards and swaps, for the purpose of hedging this Fund's exposure to foreign currency. The benefit of any upside of currency movement is limited as the primary interest is to protect the value of the portfolio. The Fund's net market exposure owing to its financial derivatives positions must not exceed the Net Asset Value.

1.8.8 Foreign Securities

The Manager invests at least 95% of the Net Asset Value in units of UAGOF, a collective investment scheme constituted in Singapore.

1.8.9 Liquid Assets

The Manager in structuring the Fund's portfolio will maintain a minimum liquid assets level of 2% of the Net Asset Value for the purpose of meeting redemptions and to enable the proper and efficient management of the Fund. However, this does not preclude the Manager from lowering or raising the liquid assets level from the stipulated level for purposes of accepting sales or to meet redemption payments and to enable proper and efficient management of the Fund.

This Fund shall not borrow in connection with its activities or lend any of its cash or investments unless permitted by the relevant laws pertaining to unit trust funds. However, the Fund may also borrow cash on a temporary basis (i.e. not more than one month) from financial institutions to meet redemption requests. Such borrowing shall not exceed ten (10) per cent of the Net Asset Value at the time the borrowing is incurred.

1.8.10 Distribution Policy

Consistent with the Fund's objective to achieve long term* capital appreciation, distributions will therefore be of secondary importance. Distributions, if any, after deduction of taxation and expenses, will be reinvested.

*Note: "long term" in this context refers to a period of between 5 - 7 years.

1.8.11 Permitted Investments and Restrictions

This Fund may invest in one collective investment scheme i.e. UAGOF, securities/instruments in foreign markets, financial derivatives, liquid assets (including money market instruments and deposits with any financial institutions) and any other investments permitted by the Securities Commission from time to time.

In undertaking the Fund's investments, the Fund must not invest in a fund-of-funds, a feeder fund, or any sub-fund of an umbrella scheme which is a fund-of-funds or a feeder fund.

1.8.12 Information on United Asian Growth Opportunities Fund

(a) About United Asian Growth Opportunities Fund

UAGOF is a Singapore-constituted stand-alone open-ended non-specialised unit trust and has no fixed duration. It was established and launched on 15 June 2004. The manager of UAGOF is UOB Asset Management Ltd, Singapore and the trustee of UAGOF is HSBC Institutional Trust Services (Singapore) Limited. UAGOF is regulated by the Monetary Authority of Singapore and the applicable legislation under the Securities and Futures Act (Chapter 289), Singapore.

(b) About UAGOF's manager

UOB Asset Management Ltd, Singapore ("UOBAM") is a wholly-owned subsidiary of United Overseas Bank Limited ("UOB Ltd"). Established in 1986, UOBAM has been managing collective investment schemes and discretionary funds in Singapore for over 30 years. UOBAM is licensed and regulated by the Monetary Authority of Singapore under the Securities and Futures Act (Chapter 289), Singapore. UOBAM has an extensive presence in Asia with regional business and investment offices in Malaysia, Thailand, Brunei, Taiwan and Japan. UOBAM has two joint ventures: Ping An UOB Fund Management Company Ltd and UOB-SM Asset Management Pte Ltd. In addition, UOBAM also has a strategic alliance with UTI International (Singapore) Private Limited.

Through its network of offices, UOBAM offers global investment management expertise to institutions, corporations and individuals through customised portfolio management services and unit trusts. As at the Latest Practicable Date, UOBAM manages 57 unit trusts in Singapore.

As at the Latest Practicable Date, UOBAM and its subsidiaries in the region have a staff strength of over 300 including about 50 investment professionals in Singapore.

(c) Investment Objective

UAGOF aims to achieve long-term capital growth by investing primarily in small capitalisation stocks and stock-related securities issued by corporations in the Asia Pacific region (excluding Japan). UAGOF may also invest in securities such as American depository receipts issued by corporations in the Asia Pacific region (excluding Japan).

(d) Investment Strategy

The investment strategy of UAGOF is to invest a large part of its assets in companies:

i. with a market capitalisation lower than the market capitalisation of the 50th percentile constituent company (the "Cap"*) of a recognised Asia Pacific ex Japan index ("Index"^); and

ii. which may be constituent or non-constituent stocks of the Index.

**Investors should note that the UAGOF will only observe the Cap at the time of investment in a company. If UAGOF invests in a company and the market capitalisation of the company is subsequently higher than the current Cap, UAGOF may continue to hold stock in the company.*

^Investors should note that the Index used may be different from the benchmark against which the performance of UAGOF is measured, namely, the MSCI AC Asia Pacific ex Japan Mid Cap Index.

^The MSCI AC Asia Pacific ex Japan Index has been adopted as the Index since the inception of UAGOF.

(e) Authorised Investments of UAGOF

The authorised investments of UAGOF are in accordance with the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore ("Code").

1 Permissible Investments

1.1 The UAGOF's underlying investments may only consist of the following permissible investments:

a) transferable securities;

b) money market instruments;

c) eligible deposits;

d) units in other schemes;

e) financial derivatives; and

f) shares or securities equivalent to shares that are not listed for quotation or quoted and have not been approved for listing for quotation or quotation on an organised exchange.

"organised exchange" refers to an exchange that is and organised market;

"organised market" refers to an exchange, over-the-counter market or government securities market:

(i) that is of good repute;

(ii) that is open to the public or a substantial number of market participants; and

(iii) on which financial instruments are regularly traded.

1.2 For the purpose of paragraph 1.1,

a) "transferable securities" refer to:

i) shares or securities equivalent to shares; and

ii) bonds or other securitised debt instruments,

that meet the requirements of paragraph 1.3 but do not include:

A) money market instruments; or

B) any security the title to which cannot be transferred or can be transferred only with the consent of a third party.

b) "eligible deposits" refer to deposits with banks licensed under Singapore's Banking Act (Cap. 19), finance companies licensed under Singapore's Finance Companies Act (Cap. 108), merchant banks approved as financial institutions under section 28 of the Monetary Authority of Singapore Act (Cap. 186) or any other deposit-taking institution licensed under an equivalent law in a foreign jurisdiction.

Requirements of transferable securities

1.3 Transferable securities shall meet the following requirements:

a) the maximum potential loss which may be incurred as a result of the investment is limited to the amount paid for it;

b) the investment is liquid;

c) the investment is subject to reliable and verifiable valuation on a daily basis; and

d) there is appropriate information available to the market on the investment or, where relevant, on the portfolio.

Note
In determining whether information on a transferable security is appropriate, UAGOF's manager should consider if the information available on the market is

regular and accurate, as well as sufficient to analyse the investment. For example, reliance on annual or financial reports is acceptable if the UAGOF's manager is of the view that it is appropriate.

Requirements on investments in other schemes

1.4 The UAGOF may invest in other schemes only if the underlying scheme is:

a) an authorised or recognised scheme;

Note
Notwithstanding paragraph 1.4(a), UAGOF should not invest in an underlying scheme which is a hedge fund or fund-of-hedge funds even if the underlying scheme complies with the Code's Investments Guidelines for Hedge Funds.

b) a scheme which:

i) is constituted and regulated in a jurisdiction where the laws and practices afford to participants in Singapore protection at least equivalent to that afforded to participants of schemes which are wholly managed in Singapore;

ii) adheres to investment and borrowing guidelines which are substantially similar to those set out in the relevant investment guidelines under the Code; and

iii) has a manager that is reputable and supervised by an acceptable financial supervisory authority;

c) a scheme which is invested in permissible investments, commodities or real estate, meets the requirements set out in paragraph 1.3(a) to (d), for the purposes of this paragraph, the units in the scheme are listed for quotation and traded on an organised exchange.

Note
Restricted schemes, i.e. schemes whose offer of units are only available to relevant persons defined in Section 305(5) of Singapore's Securities & Futures Act (Chapter 289) may be acceptable as underlying investments if they can meet the conditions in paragraph 1.4 (b) or (c).

1.5 UAGOF may feed substantially into an underlying fund-of-funds but the underlying fund-of-funds should invest in other schemes directly and not through another fund-of-funds.

Requirements of financial derivatives

1.6 Financial derivatives shall meet the following requirements:

a) the underlying consists of instruments referred to in paragraph 1.1, commodities*, indices which meet the requirements in the Code pertaining to index funds, interest rates, foreign exchange rates or currencies. In the case of financial derivatives on commodities*, such transactions shall be settled in cash at all times. UAGOF's manager shall also undertake in the trust deed of UAGOF to settle such transactions in cash and disclose that fact in the UAGOF's prospectus;

b) the financial derivatives are liquid;

c) the financial derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value; and

d) the financial derivatives shall not result in the delivery of investments other than those described in paragraph 1.1(a) to (f).

**Note: UAGOF does not participate or invest in derivatives with underlying composite commodities*

Over-the-Counter (OTC) financial derivatives

1.7 In the case of OTC financial derivatives, reliable and verifiable valuation stated in paragraph 1.6 (c) refers to:

a) a valuation made by the UAGOF's manager based on a current market value; or

b) where such value is not available, a fair value based on an appropriate valuation model which is checked at an appropriate frequency by an independent party.

The valuation by the UAGOF's manager shall not be based solely on a valuation provided by the counterparty to the transaction.

Note
The party who carries out the verification shall be independent of the counterparty as well as the party responsible for the fund management function of UAGOF.

(f) Investment limits and restrictions of UAGOF

The investment limits and restrictions of UAGOF are in accordance with the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore ("Code").

1 Spread of Investments

Single entity limit and group limit

1.1 UAGOF should comply with the following limits:

a) Investments in:

i) transferable securities; or

ii) money market instruments

issued by a single entity should not exceed 10% of UAGOF's net asset value ("single entity limit").

b) Aggregate investments in, or exposures to, a group of entities through:

i) transferable securities;

ii) money market instruments;

iii) eligible deposits; and

iv) counterparty risk exposures arising from the use of over-the-counter ("OTC") financial derivatives

should not exceed 20% of UAGOF's net asset value ("group limit"). For the purposes of this paragraph, a group of entities refers to an entity, its subsidiaries, fellow subsidiaries and its holding company.

Short-term deposits

1.2 The group limit does not apply to placements of eligible deposits arising from:

a) subscription monies received at any point in time pending the commencement of investment by UAGOF; or

b) liquidation of investments prior to the termination or maturity of UAGOF, where the placing of these monies with various institutions would not be in the interests of participants.

Government and other public debt securities/money market instruments

1.3 The single entity limit of 10% may be raised to 35% of UAGOF's net asset value where:

a) the issuing entity or trust is, or the issue is guaranteed by, either a government, government agency or supranational, that has a minimum long-term rating of BBB by Fitch, Baa by Moody's or BBB by Standard and Poor's (including such sub-categories or gradations therein); and

b) not more than 20% of UAGOF's net asset value may be invested in any single issue of transferable securities or money market instruments by the same entity or trust.

1.4 If there is a downgrade in rating to that below the minimum rating as stated in paragraph 1.3 (a), or if the rating agencies no longer rate the entity or the guarantor, the single entity limit should revert to 10%.

1.5 The single entity limit of 10% does not apply where:

a) the issuing entity or trust is, or the issue is guaranteed by, either a government, government agency or supranational, that has a minimum long-term rating of AA by Fitch, Aa by Moody's or AA by Standard and Poor's (including such sub-categories or gradations therein); and

b) not more than 20% of UAGOF's net asset value may be invested in any single issue of transferable securities or money market instruments by the same entity or trust.

1.6 If there is a downgrade in rating to that below the minimum rating as stated in paragraph 1.5 (a), or if the rating agencies no longer rate the entity or the guarantor, the single entity limit as specified in paragraph 1.1 (a) or 1.3, as the case may be, should apply accordingly.

Unrated and non-investment grade corporate debt securities

1.7 The single entity limit of 10% in paragraph 1.1 (a) for bonds and other securitised debt instruments is lowered to 5% of UAGOF's net asset value if the issuing entity or trust:

a) is not rated; or

b) has a long-term rating below that of BBB by Fitch, Baa by Moody's or BBB by Standard and Poor's (including such sub-categories or gradations therein).

1.8 Notwithstanding paragraph 1.7 (a), UAGOF's manager may rely on:

a) the rating of an unrated issuer's parent company provided that an explicit guarantee by the parent company for the issuer is in place; or

b) its internal rating of an unrated issuer if UAGOF's manager has satisfied UAGOF's trustee that its internal rating is comparable to a rating issued by Fitch, Moody's or Standard & Poor's.

<u>Commodity-backed debt securities</u>

1.9 UAGOF may invest in debt securities that are undated, secured by physical commodities, listed for quotation and traded on an organised exchange, subject to the limit in paragraph 1.12.

<u>Investment in other schemes</u>

Requirements on investments in other schemes

1.10 UAGOF may invest in other schemes only if the underlying scheme is:

a) an authorised or recognised scheme;

<u>Note</u>
UAGOF shall not invest in an underlying scheme which is a hedge fund or fund-of-hedge funds even if the underlying scheme complies with the Code's Investments Guidelines for Hedge Funds.

b) a scheme which:

i) is constituted and regulated in a jurisdiction where the laws and practices afford to participants in Singapore protection at least equivalent to that afforded to participants of schemes which are wholly managed in Singapore;

ii) adheres to investment and borrowing guidelines which are substantially similar to those set out in the relevant appendices under the code on Collective Investment Scheme ("Code") issued by the Monetary Authority of Singapore ("Authority"); and

iii) has a manager that is reputable and supervised by an acceptable financial supervisory authority;

c) a scheme which is invested in permissible investments, commodities or real estate, meets the Code's requirements of transferable securities (see paragraph 1.3 of the Authorised Investments of UAGOF) and, for the purposes of this paragraph, the units in the scheme are listed for quotation and traded on an organised exchange.

<u>Note</u>
Restricted schemes, i.e. schemes whose offer of units are only available to relevant

persons defined in Section 305(5) of Singapore's Securities & Futures Act (Chapter 289) may be acceptable as underlying investments if they can meet the conditions in the above paragraph b) and c).

1.11 Investments in an underlying scheme which does not satisfy paragraph 1.10 (a) or (b) but satisfies:

a) paragraph 1.10 (c) and is invested in permissible investments or real estate should not exceed 10% of the UAGOF's net asset value; or

b) paragraph 1.10 (c) and is invested directly in commodities is subject to the limit in paragraph 1.12.

<u>Alternative exposure limit</u>

1.12 Investments in:

a) shares or securities equivalent to shares that are not listed for quotation or quoted, and have not been approved for listing for quotation or quotation, on an organised exchange;

b) debt securities which are undated, secured by physical commodities, listed for quotation and traded on an organised exchange; and

c) underlying schemes which do not satisfy paragraph 1.10 (a) or (b) but satisfy paragraph 1.10 (c) and are invested directly in commodities,

are subject to an aggregate limit of 10% of UAGOF's net asset value.

<u>Concentration limit</u>

1.13 UAGOF should not invest in more than:

a) 10% of the total outstanding shares, or securities equivalent to shares, of any single entity or trust;

b) 10% of each individual issuance of debt securities of any single issuing entity or trust, where such issuance is not part of a debt issuance programme; or where debt securities are issued under a debt issuance programme, 20% of each tranche, subject to a limit of 10% of the overall programme size; and

c) 10% of the money market instruments of a single issuing entity or trust.

2 Global Exposure

2.1 The global exposure of UAGOF to financial derivatives or embedded financial derivatives should not exceed 100% of its net asset value at all times.

2.2 UAGOF's manager should calculate the global exposure of UAGOF based on the:

a) Commitment approach under the Code; or

b) Value at risk (VaR) Approach (including any other variants of the VaR Approach) under the Code, subject to prior consultation with the Authority.

<u>Commitment Approach</u>

2.3 The global exposure of UAGOF is calculated as the sum of:

a) the absolute value of the exposure of each individual financial derivative not involved in netting or hedging arrangements;

b) the absolute value of the net exposure of each individual financial derivative after netting or hedging arrangements; and

c) the sum of the values of cash collateral received pursuant to:

i) the reduction of exposure to counterparties of OTC financial derivatives; and

ii) efficient portfolio management techniques relating to securities lending and repurchase transactions,

and that are reinvested.

Netting arrangements

2.4 Netting arrangements may be taken into account to reduce UAGOF's exposure to financial derivatives.

2.5 UAGOF may net positions between:

a) financial derivatives on the same underlying assets, even if the maturity dates are different; or

b) financial derivatives and the same corresponding underlying asset, if those underlying assets are transferable securities, money market instruments or units in other schemes.

Hedging arrangements

2.6 Hedging arrangements may be taken into account to reduce UAGOF's exposure to financial derivatives.

2.7 The marked-to-market value of transferable securities, money market instruments or units in schemes involved in hedging arrangements may be taken into account to reduce UAGOF's exposure to financial derivatives.

2.8 For the purposes of the above paragraphs 2.6 and 2.7, the hedging arrangement shall:

a) not be aimed at generating a return;

b) result in an overall verifiable reduction of the risk of UAGOF;

c) offset the general and specific risks linked to the underlying being hedged;

d) relate to the same asset class being hedged; and

e) be able to meet its hedging objective in all market conditions.

2.9 Notwithstanding paragraph 2.8, financial derivatives used for the purposes of hedging currency exposure may be netted when calculating the global exposure.

Exposure arising from reinvestment of cash collateral

2.10 UAGOF which reinvests cash collateral received from counterparties of OTC financial derivatives, securities lending or repurchase transactions to generate a return in excess of high quality 3-month government bonds should include in its global exposure calculations the cash amount reinvested.

VaR Approach or its variants

2.11 UAGOF's manager may apply to the Authority to use the VaR Approach or its variants to calculate the global exposure of UAGOF instead of the commitment approach (paragraph 2.3).

2.12 The global exposure of UAGOF should also take into account exposures arising from the reinvestment of cash collateral.

2.13 UAGOF's manager shall comply with the guidelines in the Code on alternative approach for calculating global exposure – VaR Approach.

3 Use of Financial Derivatives

Requirements of financial derivatives

Financial derivatives shall meet the following requirements:

a) the underlying consists of instruments referred to in paragraph 1.1 of the Authorised Investments of UAGOF, commodities, indices which meet the requirements in the Code pertaining to index funds, interest rates, foreign exchange rates or currencies. In the case of financial derivatives on commodities*, such transactions shall be settled in cash at all times.*

b) the financial derivatives are liquid;

c) the financial derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value; and

d) the financial derivatives shall not result in the delivery of investments other than permissible investments under the Code.

**Note: UAGOF does not participate or invest in derivatives with underlying composite commodities.*

Over-the-Counter (OTC) financial derivatives

In the case of OTC financial derivatives, reliable and verifiable valuation stated in the above paragraph (c) refers to:

a) a valuation made by UAGOF's manager based on a current market value; or

b) where such value is not available, a fair value based on an appropriate valuation model which is checked at an appropriate frequency by an independent party.

The valuation by UAGOF's manager shall not be based solely on a valuation provided by the counterparty to the transaction.

Spread of underlying assets

3.1 The exposure of UAGOF to the underlying assets of financial derivatives should be sufficiently diversified on a portfolio basis.

3.2 In the case where the underlying assets are transferable securities, money market instruments, eligible deposits or units in other schemes, the limits in the paragraphs under item 1 stated herein, except for the concentration limits, apply on a portfolio basis.

Embedded financial derivatives

3.3 Where a transferable security or money market instrument embeds a financial derivative, the requirements in the paragraphs under item 2 and 3 stated herein apply to the embedded financial derivative.

3.4 Where the counterparty risk of the embedded derivative is or may be transferred to UAGOF, the requirements in the paragraphs under item 4 stated herein also apply to the embedded financial derivative.

3.5 A transferable security or money market instrument is considered to be embedding a financial derivative if it contains a component which fulfills the following criteria:

a) the component results in some or all of the cash flows that otherwise would be required by the transferable security or money market instrument which functions as host contract to be modified according to a variable including but not limited to a specified interest rate, price of a financial instrument, foreign exchange rate, index of prices or rates, credit rating or credit index, and therefore vary in a way similar to a stand-alone financial derivative;

b) the component's economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and

c) the component has a significant impact on the risk profile and pricing of the transferable security or money market instrument.

3.6 A transferable security or a money market instrument should not be regarded as embedding a financial derivative where it contains a component which is contractually transferable independently of the transferable security or the money market instrument. Such a component should be deemed to be a separate financial instrument.

3.7 Where an instrument is structured as an alternative to an OTC financial derivative or tailor-made to meet the specific needs of UAGOF, the instrument should be deemed as embedding a financial derivative.

Cover

3.8 A transaction in financial derivatives which gives rise, or may give rise, to a future commitment on behalf of UAGOF should be covered as follows:

a) in the case of financial derivatives which will, or may at the option of UAGOF, be cash settled, UAGOF should hold, at all times, liquid assets sufficient to cover the exposure;

b) in the case of financial derivatives which will, or may at the option of the counterparty, require physical delivery of the underlying assets, UAGOF should hold the underlying assets in sufficient quantities to meet the delivery obligation at all times. If UAGOF's manager deems the underlying assets to be sufficiently liquid, UAGOF may hold as coverage other liquid assets in sufficient quantities, provided that such alternative assets may be readily converted into the underlying asset at any time to meet the delivery obligation.

4 Counterparty of Financial Derivatives

OTC financial derivatives

4.1 The counterparty of an OTC financial derivative should be subject to prudential supervision by a financial supervisory authority in its home jurisdiction.

4.2 Subject to the group limit in paragraph 1.1, the maximum exposure of UAGOF to the counterparty of an OTC financial derivative may not exceed:

a) in the case of an eligible financial institution described in paragraph 4.3, 10% of UAGOF's net asset value; or

b) in any other case, 5% of UAGOF's net asset value

("counterparty limits").

4.3 For the purpose of paragraph 4.2, an eligible financial institution should have a minimum long-term rating of A by Fitch, A by Moody's or A by Standard and Poor's (including sub-categories or gradations therein). Alternatively, where the financial institution is not rated, UAGOF should have the benefit of a guarantee by an entity which has a long-term rating of A (including sub-categories or gradations therein).

4.4 The exposure to a counterparty of an OTC financial derivative should be measured based on the maximum potential loss that may be incurred by UAGOF if the counterparty defaults and not on the basis of the notional value of the OTC financial derivative.

Recognition of collateral

4.5 The exposure to a counterparty may be construed as being lower if collateral is tendered to UAGOF. The collateral should meet the following requirements:

a) it is marked-to-market daily;

b) it is liquid;

c) it is taken into account, on a portfolio basis, for the purposes of the requirements on spread of investments in the paragraphs under item 1 stated herein;

d) it is not issued by the counterparty or its related corporations;

e) it is held by a custodian which is:

i) a financial institution subject to prudential supervision by a financial supervisory authority in its home jurisdiction; and
ii) independent of the counterparty;

f) it is legally secured from the consequences of the failure of the custodian, counterparty and their related corporations;

g) it can be fully enforced by UAGOF's trustee at any time;

h) it is free from all prior encumbrances; and

i) it cannot be sold or given as security interests.

4.6 Collateral may only consist of:

a) cash;

b) money market instruments; or

c) bonds.

4.7 For the purpose of paragraph 4.6, money market instruments and bonds should be issued by, or have the benefit of a guarantee from, a government, government agency or supranational, that has a long-term rating of AAA by Fitch, Aaa by Moody's or AAA by Standard and Poor's (including sub-categories or gradations therein).

4.8 Notwithstanding paragraph 4.6, securitised debt instruments as well as money market instruments or bonds with embedded financial derivatives are not eligible as collateral.

4.9 UAGOF's manager should ensure that it has the appropriate legal expertise to put in place proper collateral arrangements, as well as appropriate systems and operational capabilities for proper collateral management.

4.10 Additional collateral should be provided to UAGOF no later than the close of the next business day if the current value of the collateral tendered is insufficient to satisfy the counterparty limits in paragraph 4.2.

Reinvestment of collateral

4.11 Collateral obtained in the form of cash by UAGOF may be reinvested subject to the following requirements:

a) it is invested in financial instruments consistent with paragraphs 4.6 and 4.7;

b) the investments are taken into account, on a portfolio basis, for the purposes of the requirements on spread of investments in the paragraphs under item 1 stated herein;

c) the investments are held by a custodian which is:

i) a financial institution subject to prudential supervision by a financial supervisory authority in its home jurisdiction; and

ii) independent of the counterparty;

d) the investments are legally secured from the consequences of the failure of the custodian, counterparty and their related corporations;

e) the investments cannot be sold or given as security interests; and

f) the UAGOF's manager is reasonably satisfied that any investment of cash collateral by UAGOF will enable UAGOF to meet its redemption obligations and other payment commitments.

4.12 Notwithstanding paragraph 4.11, the cash collateral obtained should not be invested in transferable securities issued by, or placed on deposit with, the counterparty or its related corporations.

4.13 Non-cash collateral obtained by UAGOF may not be reinvested.

Recognition of netting

4.14 UAGOF may net its OTC financial derivative positions with the same counterparty through bilateral contracts for novation or other bilateral agreements between UAGOF and its counterparty provided that such netting arrangements satisfy the following conditions:

a) in the case of a bilateral contract for novation, mutual claims and obligations are automatically amalgamated in such a way that this novation fixes one single net amount each time novation applies and thus creates a legally binding, single new contract extinguishing former contracts;

b) UAGOF has a netting arrangement with its counterparty which creates a single legal obligation, covering all included transactions, such that, in the event of the counterparty's failure to perform owing to default, bankruptcy, liquidation or any other similar circumstance, UAGOF would have a claim to receive or an obligation to pay only the net sum of the positive and negative mark-to-market values of the individual included transactions;

c) UAGOF's manager obtains written and reasoned legal opinions to the effect that, the netting arrangement is legally enforceable by UAGOF against its counterparty, and in particular, in the event of a legal challenge, the relevant courts and administrative authorities would find that UAGOF's claims and obligations would be limited to the net sum, as described in the above paragraph 4.14 (b), under:

i) the law of the jurisdiction in which the counterparty is incorporated and, if a foreign branch of an entity is involved, also under the law of the jurisdiction in which the branch is located;

ii) the law that governs the individual included transactions; and

iii) the law that governs the netting agreement;

d) UAGOF's manager has procedures in place to ensure that the legal validity of the netting arrangement is kept under review in the light of possible changes in the relevant laws; and

e) UAGOF's manager is reasonably satisfied that the netting arrangement is legally valid under the law of each of the relevant jurisdictions.

Exchange-traded financial derivatives

4.15 Financial derivatives which:

a) are transacted on an exchange where the clearing house performs a central counterparty role; and

b) have trades which are characterised by a daily marked-to-market valuation of the financial derivative positions and subject to at least daily margining,

would not be subject to the counterparty limits in paragraph 4.2.

Margins

4.16 Any exposure arising from initial margin posted and the variation margin receivable from a counterparty relating to OTC or exchange-traded financial derivatives, which is not protected against insolvency of the counterparty, is to be included in the counterparty limit.

5 Efficient Portfolio Management ("EPM") Techniques

Securities lending and repurchase transactions

5.1 UAGOF may carry out the following activities for the sole purpose of EPM:

a) securities lending; and

b) repurchase transactions.

5.2 UAGOF may lend transferable securities and money market instruments:

a) directly;

b) through a standardised lending system facilitated by a clearing house which performs a central counterparty role; or

c) through securities lending agents, who are recognised as specialists in securities lending.

5.3 Securities lending and repurchase transactions should be effected in accordance with good market practice.

Counterparty

5.4 The counterparty to a securities lending agreement or repurchase transaction should:

a) be a financial institution subject to prudential supervision by a financial supervisory authority in its home jurisdiction; and

b) have a minimum long-term rating of A by Moody's, A by Standard and Poor's or A by Fitch (including sub-categories or gradations therein). Alternatively, where the counterparty is not rated, it is acceptable if an entity which has and maintains a rating as stated above indemnifies UAGOF against losses suffered as a result of the counterparty's failure.

5.5 Where UAGOF's manager engages in securities lending and repurchase transactions with any of its related corporations, the UAGOF's manager should have effective arrangements in place to manage potential conflicts of interest.

5.6 The agreement between UAGOF and the counterparty, either directly or through its agent, should require the counterparty to provide additional collateral to UAGOF or its agent no later than the close of the next business day if the current value of the eligible collateral tendered is insufficient.

Recognition of collateral

5.7 The collateral should meet the following requirements:

a) it is marked-to-market daily;

b) it is liquid;

c) it exceeds the value of the transferable securities or money market instruments transferred;

d) it is taken into account, on a portfolio basis, for the purposes of the requirements on spread of investments in the paragraphs under item 1 stated herein;

e) it is not issued by the counterparty or its related corporations;

f) it is held by a custodian or agent which is:

i) a financial institution subject to prudential supervision by a financial supervisory authority in its home jurisdiction; and

ii) independent of the counterparty;

g) it is legally secured from the consequences of the failure of the custodian, counterparty or agent and their related corporations;

h) it can be fully enforced by UAGOF's trustee at any time;

i) it is free from all prior encumbrances; and

j) it cannot be sold or given as security interests.

5.8 For the purposes of securities lending and repurchase transactions, collateral may only consist of:

a) cash;

b) money market instruments; or

c) bonds.

5.9 For the purpose of paragraph 5.8, money market instruments and bonds should be issued by, or have the benefit of a guarantee from, an entity or trust that has a minimum long-term rating of A by Fitch, A by Moody's or A by Standard and Poor's (including sub-categories or gradations therein) (collectively, "eligible collateral").

5.10 Notwithstanding paragraph 5.8, securitised debt instruments as well as money market instruments or bonds with embedded financial derivatives are not eligible as collateral.

Settlement

5.11 UAGOF or its agent should receive eligible collateral before, or simultaneously with, the transfer of ownership of the transferable securities lent.

5.12 Upon termination of the securities lending or repurchase transaction, the eligible collateral may be remitted by UAGOF or its agent after, or simultaneously with the restitution of the transferable securities lent.

Reinvestment of collateral

5.13 Collateral obtained in the form of cash by UAGOF or its agent may be reinvested subject to the following requirements:

a) it is invested in financial instruments consistent with paragraphs 5.8 and 5.9;

b) the investments are taken into account, on a portfolio basis, for the purposes of the requirements on spread of investments in the paragraphs under item 1 stated herein;

c) the investments are held by a custodian which is:

i) a financial institution subject to prudential supervision by a financial supervisory authority in its home jurisdiction; and

ii) independent of the counterparty;

d) the investments are legally secured from the consequences of the failure of the custodian, counterparty or agent and their related corporations;

e) the investments cannot be sold or given as security interests; and

f) UAGOF's manager is reasonably satisfied that any investment of cash collateral by UAGOF or its agent, will enable UAGOF to meet its redemption obligations and other payment commitments.

5.14 Notwithstanding paragraph 5.13, the cash collateral obtained should not be invested in transferable securities issued by, or placed on deposit with, the counterparty or its related corporations.

5.15 Non-cash collateral obtained by UAGOF or its agent may not be reinvested.

Liquidity

5.16 UAGOF's manager should ensure that:

a) the volume of securities lending or repurchase transactions is kept at an appropriate level; and

b) UAGOF or its agent is entitled to terminate the securities lending or repurchase transaction and request the immediate return of its transferable securities lent without penalty, in a manner which enables UAGOF to meet its redemption obligations and other payment commitments.

6 Borrowings

6.1 UAGOF may borrow, on a temporary basis, for the purposes of meeting redemptions and bridging requirements.

6.2 UAGOF may only borrow from banks licensed under Singapore's Banking Act (Cap. 19), finance companies licensed under Singapore's Finance Companies Act (Cap. 108), merchant banks approved as financial institutions under section 28 of the

Monetary Authority of Singapore Act (Cap. 186) or any other deposit-taking institution licensed under an equivalent law in a foreign jurisdiction.

6.3 The borrowing period should not exceed one month.

6.4 Aggregate borrowings for the purposes of paragraph 6.1 should not exceed 10% of UAGOF's net asset value at the time the borrowing is incurred.

(g) Risk Management Procedures of the manager of UAGOF Relating to the Use of Financial Derivative Instruments ("FDIs")

(a) The UAGOF may use or invest in FDIs for the purposes of hedging existing positions in a portfolio, efficient portfolio management, or a combination of both purposes.

(b) The manager of UAGOF will ensure that the global exposure of UAGOF to FDIs or embedded FDIs will not at any time exceed 100% of the net asset value of UAGOF. The manager of UAGOF will apply a commitment approach to determine UAGOF's global exposure to FDIs by converting the positions in the FDIs into equivalent positions in the underlying assets of those FDIs and will calculate such exposure in accordance with the methods described in the Code.

(c) Description of risk management and compliance procedures and controls adopted by the manager of UAGOF:

(i) The manager of UAGOF will implement various procedures and controls to manage the risk of the assets of UAGOF. The decision to invest in any particular security or instrument on behalf of UAGOF will reflect the judgment of the manager of UAGOF of the benefit of such transactions to UAGOF and will be consistent with UAGOF's investment objectives in terms of risk and return.

(ii) *Execution of trades*. Prior to each trade, the manager of UAGOF will ensure that the intended trade will comply with the stated investment objective, focus, approach and restrictions of UAGOF, and that best execution and fair allocation of trades are done. The middle office department of the manager of UAGOF will conduct periodic checks to ensure compliance with the investment objective, focus, approach and restrictions (if any) of UAGOF. In the event of any non-compliance, the middle office of the manager of UAGOF is empowered to instruct the relevant officers to rectify the same. Any non-compliance will be reported to higher management and monitored for rectification.

(iii) *Liquidity*. In the event there are unexpectedly large realisations of units of UAGOF, there may be a possibility that the assets of UAGOF may be forced to be liquidated at below their fair and expected value, especially in illiquid public exchanges or over-the-counter markets. The manager of UAGOF will ensure that a sufficient portion of UAGOF will be in liquid assets such as cash and cash-equivalents to meet expected realisations, net of new subscriptions.

(iv) *Counterparty exposure*. UAGOF may have credit exposure to counterparties by virtue of the positions in FDIs and other financial instruments held by UAGOF. To the extent that a counterparty defaults on its obligations and UAGOF is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its assets, its income stream and incur extra costs associated with the exercise of its financial rights. Subject to the provisions of the Code, the manager of

UAGOF will restrict their dealings with counterparties to entities that have a minimum long-term issuer credit rating of above BB+ by Standard and Poor's, an individual rating of above C by Fitch Inc., a financial strength rating of above C by Moody's Investors Service, or an equivalent rating from any other reputable rating agency. If any approved counterparty fails this criterion subsequently, the manager of UAGOF will take steps to unwind UAGOF's position with that counterparty as soon as practicable.

(v) *Volatility*. To the extent that UAGOF has exposure to FDIs that allow a larger amount of exposure to a security for no or a smaller initial payment than the case when the investment is made directly into the underlying security, the value of UAGOF's assets will have a higher degree of volatility. UAGOF may use FDIs for hedging purposes for reducing the overall volatility of the value of its assets. At the same time, the manager of UAGOF will ensure that the global exposure of UAGOF to FDIs and embedded FDIs will not exceed the value of the assets of UAGOF, as stated in paragraph (b) above.

(vi) *Valuation*. UAGOF may have exposure to over-the-counter FDIs that are difficult to value accurately, particularly if there are complex positions involved. The manager of UAGOF will ensure that independent means of verifying the fair value of such instruments are available, and will conduct such verification at an appropriate frequency.

(d) The manager of UAGOF will ensure that the risk management and compliance procedures and controls adopted by them are adequate and will be or have been implemented, and that they have the necessary expertise to control and manage the risks relating to the use of FDIs. The manager of UAGOF may modify the risk management and compliance procedures and controls as they deem fit and in the interest of UAGOF, but subject always to the requirements under the Code.

(e) UAGOF may net its over-the-counter financial derivative positions with a counterparty through bilateral contracts for novation or other bilateral agreements with the counterparty, provided that such netting arrangements satisfy the relevant conditions described in the Code, and the manager of UAGOF will obtain, or has obtained (as applicable), the required legal opinions as stipulated in the Code.

(f) Where UAGOF uses or invests in financial derivatives on commodities, all such transactions will be settled in cash at all times.

The prospectus of UAGOF is publicly available from UOBAM's website: **www.uobam.com.sg**.

1.9 RHB ASEAN Fund

1.9.1 Fund Category

Equity fund.

1.9.2 Financial Year End

30 April.

1.9.3 Name of Trustee

HSBC (Malaysia) Trustee Berhad.

1.9.4 Investment Objective

This Fund aims to achieve medium to long term* capital appreciation through investments in securities of companies with high growth potential.

Any material change to the investment objective of this Fund requires the Unit Holders' approval.

*Note: "medium to long term" in this context refers to a period of between 3 - 7 years.

1.9.5 Investment Strategy

The Fund seeks to achieve its investment objective by investing primarily^ in the securities of companies that are expected to benefit from the on-going development and growth of the ASEAN region (i.e. Malaysia, Singapore, Thailand, Philippines, Indonesia, Vietnam, Myanmar, Cambodia, Laos and Brunei) and opportunistically^ from the on-going development and growth in Asia (i.e. India, China, Hong Kong, Korea, Taiwan and Japan). In managing the Fund, the Manager will seek out companies that are exposed to the key development and growth trends that the Manager identifies as drivers of business and security markets performance.

The Manager expects that security market investment themes will evolve over time influenced by the on-going growth and development cycles and investor sentiment for the ASEAN region and in Asia. The Manager will use proprietary and/or secondary, fundamental research to identify the main economic and social trends expected to drive company profitability and security markets performance over the next 2 – 3 year time horizon and will invest in a diversified portfolio of the securities of such companies that are expected to benefit most from those themes and trends.

Over time, the main themes that influence the performance of ASEAN and Asian capital markets will likely change, reflecting the dynamic underlying economic and social development across the region and within individual countries. Themes may vary based on underlying economic development such as energy, transportation and communication infrastructure investment and intra-regional trade; social development such as rising middle class consumption and private savings accumulation and investment; capital market development such as privatisation; and investor themes such as high yield corporate bonds.

The Manager will use proprietary and/or secondary research and in-house regional expertise to identify the development of these themes. The Manager will actively manage the securities in the portfolio and the portfolio construction will be based on the themes identified to maximise the benefit for the portfolio. By adopting an active management approach to security selection and portfolio construction, whereby the portfolio underlying stocks, sector and country exposures will change depending on the themes that the Manager thinks are relevant, the portfolio is expected to be "evergreen" benefiting over time from multiple investment themes.

The Fund will focus on a minimum of three (3) themes at any one time from the evolving ASEAN and Asian trends identified by the Manager as having strong potential to outperform the benchmark, MSCI South East Asia Index (RM).

In managing the Fund, the Manager will employ a multi-step investment process, combining a bottom-up investment process that involves rigorous company research with a top-down process to review asset allocation at both the regional/country and sector levels. Asset allocation and geographical weightings are derived after analysing macroeconomic trends and country dynamics. Country and portfolio exposure limits are in place to mitigate the risks of the investments. The Manager believes long term investment performance can be achieved by employing a rigorous research process that enables them to identify companies that have the potential to generate returns that are above the country's or sector's average returns as well as by identifying companies that are undervalued.

In constructing the Fund's portfolio, the Manager will invest in securities issued by companies listed on or traded in the ASEAN and Asian markets such as Malaysia, Singapore, Thailand, Philippines, Indonesia, Vietnam, India, China, Hong Kong, South Korea, Taiwan and Japan. From time to time the Manager may also invest in securities of ASEAN and Asian companies that are listed on or traded in the markets of other countries (i.e. US, United Kingdom and Australia) where the Manager believes those companies will benefit from the main investment themes that have been identified in the course of its proprietary and/or secondary research and investment analysis. The Fund's investments in the companies that are listed on or traded in these other countries will be limited to companies that have at least 50% of its revenues derived from countries in ASEAN and Asia and/or have at least 50% of its business operations located in these countries as determined at the point of purchase of such securities. The Fund's investments will also include collective investment schemes investing primarily in the ASEAN and Asia countries.

The Fund will generally have an exposure of 70% to 98% of Net Asset Value in equity and equity related securities (such as warrants) to generate returns to the Fund. However, the Manager may lower the equity exposure of the Fund in favour of fixed income securities such as government and semi-government bonds, corporate debt securities and money market instruments in order to help reduce the risk of loss to capital. Accordingly, the Fund's exposure to fixed income securities may increase up to 30% of Net Asset Value. The Fund's investment in fixed income securities are those with a minimum rating of BBB (for long term fixed income securities) or P1 (for short term fixed income securities) by RAM Rating Services Berhad ("RAM") or the equivalent rating by a global rating agency such as Standard & Poor's, Fitch Ratings or Moody's Investors Service. The Fund may also invest in fixed income securities which are unrated. However, when investing in such unrated fixed income securities, the Manager will rely greatly on its own credit analysis of the issuer and/or the securities.

This Fund's portfolio will be structured as follows:

70% to 98% of Net Asset Value
- Investments in equities and equity related securities (such as warrants).

Up to 30% of Net Asset Value
- Investments in fixed income securities such as government and semi-government bonds, corporate debt securities and money market instruments.

2% - 5% of Net Asset Value
- Investments in liquid assets including money market instruments and deposits with financial institutions.

Subject to the range stipulated above, the asset allocation will be reviewed from time to time depending on the judgment of the Manager as to the general market and economic conditions. Although the Fund is actively managed, how active or the frequency of its trading strategy will very much depend on market opportunities.

The risk management strategies and techniques employed by the Manager include diversification of the Fund's investments in terms of its exposure to various industries, sectors, countries and asset classes and/or type of investments (i.e. equity, fixed income securities and money market instruments). Financial derivatives may also be used for hedging purposes where appropriate. Generally, the assets of the Fund will be invested over a medium to long term* period with disposal of the investments when necessary to control risk as well as to optimise capital gains. This is especially so when the full growth potential of an investment is deemed to have been reduced over a prolonged rise in equity values and the other available investments may present cheaper valuations and potential higher returns. The Fund also complies with the permitted investments and restrictions imposed by the Securities Commission. Adherence to the permitted investments and restrictions also helps the Manager to risk-manage the Fund's portfolio in terms of diversification. Moreover, the Manager in making its investment decisions shall at all times comply with the investment restrictions of the Fund and requirements as set out in the Deed.

*Note: "medium to long term" in this context refers to a period of between 3 – 7 years.

For investments in foreign markets, the Manager in managing the principal risks such as country risk and currency risk will always take into consideration the reference benchmark as well as its evaluation of the historical developments and its prior experience in such markets. Such practice will be managed through active management and constant review of the economic and political developments of the countries invested. Investments will ultimately be made based on risk-reward.

The Manager may take temporary defensive positions that may be inconsistent with the Fund's principal strategy in attempting to respond to adverse economic, political or any other market conditions. In such circumstances, the Manager may reallocate up to 100% of the Fund's equity investments into other asset classes such as fixed income securities, money market instruments and deposits with financial institutions, which are defensive in nature. These are deposits that are not embedded with or linked to financial derivative instruments (structured deposits) and (where applicable) these are current accounts, short term money market deposits and short term deposits with financial institutions.

The performance of this Fund is benchmarked against the MSCI South East Asia Index (RM). The benchmark chosen best represents the Fund's underlying investments and the geographical location of its investments. For ease of reference, investors may refer to Bloomberg L.P. or the MSCI website (**www.msci.com**) for this indicator. Investor should note that the risk profile of the Fund is different from the risk profile of the benchmark.

Explanatory notes:
^ "primarily" refers to at least 70% of Net Asset Value and "opportunistically" means investing up to 30% of Net Asset Value in the securities of companies which are exposed to the investment themes identified by the Manager that influence the performance of the Asian capital markets.

1.9.6 Investment in Unlisted Securities

The Manager will only make such investments where the Manager expects those investments to complement the objective and enhance the performance of this Fund. Such investments shall not include:

(a) Equities not listed for trading in a stock market of a stock exchange but have been approved for such listing and are offered directly to the Fund by the issuer;

(b) Debentures traded on an organised over-the-counter market; and

(c) Structured products.

The Fund's investment holding in unlisted securities (if any) shall always be subject to the restriction stipulated in Section 1.9.12 (a).

1.9.7 Collective Investment Schemes

The Manager will only make such investments where the Manager expects those investments to complement the objective and enhance the performance of this Fund. In addition, the Manager will only make such investments if the target fund is registered/authorised/approved by the relevant regulatory authority in its home jurisdiction as the case may be and which operates within the general investment principles of the Guidelines on Unit Trust Funds issued by the Securities Commission. The Fund's investments in collective investment schemes (if any) shall always be made subject to the restrictions stipulated in Section 1.9.12 (g) and (m).

1.9.8 Financial Derivatives

The Manager may participate in financial derivatives, when appropriate. The category of financial derivatives to be participated in shall be currency futures contracts, currency forwards and currency swaps, or any other categories and/or types of financial derivatives that may be allowable by the relevant authorities from time to time. The Fund's participation in financial derivatives is basically to hedge the portfolio's exposure to foreign currency. The benefit of any upside from currency movement is limited as the primary interest is to protect the value of the portfolio. When participating in such instruments, the Manager will monitor the derivative valuation and credit ratings of the financial institutions as counterparty to the instruments, where applicable and take appropriate actions to mitigate any risk associated with such instruments. This may extend to unwinding of derivative instruments in the event where there is a need to terminate current position due to reversal in market movement, redemptions in units or upon downgrade of the credit ratings of the financial institutions. The Fund's investments in financial derivatives (if any) shall always be subject to the restrictions stipulated in Section 1.9.12 (f) and (i).

1.9.9 Foreign Securities

The Manager may invest a minimum of 70% and up to 98% of this Fund's Net Asset Value in securities listed on or traded in foreign markets under the supervision of regulatory authorities who are ordinary or associate members of the International Organisation of Securities Commissions (IOSCO). The Fund will invest in companies whose businesses are in ASEAN and Asian countries and whose securities are listed on or traded in ASEAN and Asian markets namely Singapore, Thailand, Philippines, Indonesia, Vietnam, India, China, Hong Kong, South Korea, Taiwan and Japan. The Fund's investments in foreign securities also include securities issued by companies with businesses in ASEAN and Asian countries that are not listed on or traded in ASEAN and Asian markets, such as US, United Kingdom and Australia.

When investing in foreign markets which require prior permission or approval such as in the form of an investment licence or investor code or investor registration, the Fund has/will obtain such necessary permission or approval in order to invest in such markets. To date, the Fund has obtained the required investor securities trading code (Vietnam) from the relevant regulatory authority which continues uninterrupted for its investments in this market.

In undertaking these foreign investments, the Manager will invest directly in the equities markets and may also invest through other collective investment schemes, (provided the investment mandate of the scheme complements this Fund's investment objective as set out in Section 1.9.7) where appropriate.

1.9.10 Liquid Assets

The Manager in structuring the Fund's portfolio will maintain a minimum liquid assets level of 2% of the Net Asset Value for the purpose of meeting redemptions and to enable the proper and efficient management of the Fund. However, this does not preclude the Manager from lowering or raising the liquid assets level from the stipulated level to allow the Manager to react to the prevailing market conditions and to manage investment risks when circumstances warrant it.

This Fund shall not borrow in connection with its activities or lend any of its cash or investments unless permitted by the relevant laws pertaining to unit trust funds. The Fund may participate in the lending of securities provided always that such activity complies with all relevant guidelines, laws and/or regulations. The Fund may borrow cash on a temporary basis (i.e. not more than one (1) month) from financial institutions to meet redemption requests. Such borrowing shall not exceed ten (10) per cent of the Net Asset Value at the time the borrowing is incurred.

1.9.11 Distribution Policy

Consistent with the Fund's objective which aims to achieve medium to long term* capital appreciation, distributions will therefore be of secondary importance. Distributions, if any, will be reinvested after deduction of taxation, if any, and expenses.

1.9.12 Permitted Investments and Restrictions

This Fund may invest in securities traded on the Bursa Malaysia or any other market considered as an Eligible Market, securities not listed in or traded under the rules of an Eligible Market ("unlisted securities"), collective investment schemes, securities/instruments in foreign markets, structured products, liquid assets (including money market instruments and deposits with any financial institutions), participate in the lending of securities, and any other investments permitted by the Securities Commission from time to time.

The acquisition of such permitted investments is subject to the following restrictions:

a) The value of the Fund's investments in unlisted securities must not exceed ten (10) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.

b) The value of the Fund's investments in ordinary shares issued by any single issuer must not exceed ten (10) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.

c) The value of the Fund's investments in transferable securities (i.e. equities, debentures and warrants) and money market instruments issued by any single issuer must not exceed fifteen (15) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.

d) The value of the Fund's placement in deposits with any single financial institution must not exceed twenty (20) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.

e) The value of the Fund's investment in transferable securities and money market instruments issued by any group of companies must not exceed twenty (20) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.

f) The aggregate value of the Fund's investments in transferable securities, money market instruments, deposits, over-the-counter ("OTC") financial derivatives and structured products issued by or placed with, as the case may be, any single issuer/financial institution must not exceed twenty five (25) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.

g) The value of the Fund’s investments in units/shares of any collective investment scheme must not exceed twenty (20) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.

h) The value of the Fund’s investments in structured products issued by a single counter-party must not exceed fifteen (15) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time. This single counter-party limit may be exceeded if the counter-party has a minimum long-term rating that indicates very strong capacity for timely payment of financial obligations provided by any domestic or global rating agency and the structured product has a capital protection feature. When this applies, the calculation of the aggregate value to determine compliance with item (f) should exclude the value of investment in structured product.

i) The value of the Fund’s OTC financial derivatives transactions with any single counter-party must not exceed ten (10) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time; and the Fund’s exposure to the underlying assets (vide the derivatives) must not exceed the Fund’s investment spread limits as stipulated in (b), (c), (d), (e), (f), (g), and (h) above. In addition, the Fund’s net market exposure owing to its financial derivatives positions must not exceed the Net Asset Value.

j) The Fund’s investments in transferable securities (other than debentures) must not exceed ten (10) per cent of the securities issued by any single issuer, or any other limit as may be prescribed by the Securities Commission from time to time.

k) The Fund’s investments in debentures must not exceed twenty (20) per cent of the debentures issued by any single issuer, or any other limit as may be prescribed by the Securities Commission from time to time.

l) The Fund’s investments in money market instrument must not exceed ten (10) per cent of the instruments issued by any single issuer, or any other limit as may be prescribed by the Securities Commission from time to time. Such limit does not apply to money market instruments that do not have a pre-determined issue size.

m) The Fund’s investments in collective investment schemes must not exceed twenty five (25) per cent of the units/shares in any one collective investment scheme, or any other limit as may be prescribed by the Securities Commission from time to time.

The limits and restrictions mentioned herein must be complied with at all times based on the most up-to-date value of the Fund’s investments. However, a 5% allowance in excess of the limits or restrictions is permitted where the limits or restrictions are breached through an appreciation or depreciation of the Net Asset Value (whether as a result of an appreciation or depreciation of the investments or as a result of repurchase of units of the Fund or payment made from the Fund). The Manager will not make any further acquisitions to which the relevant limit is breached, and the Manager will within a reasonable period of not more than three (3) months from the date of the breach take all necessary steps and actions to rectify the breach. Such limits and restrictions however, do not apply to securities/instruments that are issued or guaranteed by the Malaysian government or Bank Negara Malaysia.

1.10 RHB US Focus Equity Fund

1.10.1 Fund Category

Feeder fund.

1.10.2 Financial Year End

31 October.

1.10.3 Name of Trustee

HSBC (Malaysia) Trustee Berhad.

1.10.4 Investment Objective

The Fund will invest in a target fund which aims to provide capital growth primarily through investment in equity securities of smaller and medium-sized US companies. Smaller and medium-sized US companies are considered companies which, at the time of purchase, form the bottom 40% by market capitalisation of the US market.

Any material change to the investment objective of this Fund requires the Unit Holders' approval. For more information, investors should also refer to the target fund's investment objective, investment focus and approach (under Section 1.10.12).

1.10.5 Investment Strategy

The Fund will invest principally in one of the funds under the Schroder International Selection Fund ("Schroder ISF") that is, the Schroder International Selection Fund US Small & Mid-Cap Equity ("Schroder ISF USSME"), which is managed by the management company, Schroder Investment Management (Luxembourg) S.A. and whose investment manager is Schroder Investment Management North America Inc. Schroder Investment Management North America Inc. is regulated by the Securities Exchange Commission, USA under the Investment Company Act of 1940. The Fund will invest into the Schroder ISF USSME - X Accumulation Share Class (denominated in US Dollars). Schroder ISF USSME, launched on 10 December 2004 is a collective investment scheme domiciled in Luxembourg and is regulated by the Commission de Surveillance du Secteur Financier (Luxembourg Financial Sector Supervising Authority) under the Luxembourg Law on Undertakings for Collective Investment dated 17 December 2010. Schroder ISF USSME invests primarily in equity securities of smaller and medium-sized US companies. These are US companies which, at the time of purchase, form the bottom 40% by market capitalisation of the US market.

Its asset allocation is as follows:

At least 95% of Net Asset Value
- Investments in the X Accumulation Shares of Schroder ISF USSME.

2% - 5% of Net Asset Value
- Investments in liquid assets including money market instruments and deposits with financial institutions.

Since the Fund's commencement date on 15 October 2010, the Fund has invested into the A Share Class of the target fund, i.e. Schroder ISF USSME – A Accumulation Share Class (denominated in US Dollars). However, effective 31 March 2011, the management company of Schroder ISF USSME has closed off the subscription of the A Share Class of Schroder ISF USSME as it had reached its optimum size. Prior to the closure and as of 25 March 2011, the management company of Schroder ISF USSME has established the X Share Class of Schroder ISF USSME, i.e. the Schroder

ISF USSME – X Accumulation Share Class, to co-exist alongside the A Share Class and to allow the Fund to continue to invest in Schroder ISF USSME. This X Share Class has all the same features as that of the A Share Class of Schroder ISF USSME (i.e. the Schroder ISF USSME – A Accumulation Share Class) except for the difference in the management fee of Schroder ISF USSME. This difference however does not prejudice nor affect the interests of all Unit Holders as any management fee charged to Schroder ISF USSME is fully refunded to the Fund, which means that **there is no double charging of management fee and the Unit Holder will incur only one management fee and only at the Fund's level.**

Although the Fund is passively managed, the investments in the Fund will be rebalanced from time to time to meet sales and redemptions transactions and to enable the proper and efficient management of the Fund. Specific risks associated with the Fund and the target fund, Schroder ISF USSME are as elaborated in Section 2.2.

The Manager does not adopt a temporary defensive position for the Fund in response to adverse market, economic, political, or any other conditions as such defensive strategies are expected to be implemented at the target fund level, i.e. Schroder ISF USSME when deemed necessary by Schroder ISF USSME's manager. This will allow the Fund to best track the performance of Schroder ISF USSME. It also follows that if Schroder ISF USSME fails to adopt a successful defensive position in response to adverse market and economic conditions, there is a risk that the Fund will mirror the Schroder ISF USSME's negative performance, if any. Also, investors should note that at all times the Fund is always subject to currency risk (which is elaborated under Section 2.2).

This Fund is a feeder fund that invests at least 95% of its Net Asset Value in Schroder ISF USSME. The risk management strategies and techniques employed will be at the Schroder ISF USSME level as elaborated in Section 1.10.12.

Notwithstanding anything stated herein, the Manager may, in consultation with the Trustee and with the Unit Holders' approval, replace Schroder ISF USSME with another fund of a similar objective if, in the Manager's opinion, Schroder ISF USSME no longer meets this Fund's investment objective, or when acting in the interest of the Unit Holders.

The performance of this Fund is benchmarked against Russell 2500 TR Lagged (RM). Consistent and corresponding to the target fund, the benchmark chosen for the Fund is the Ringgit Malaysia equivalent of Schroder ISF USSME's benchmark. The Russell 2500 Total Return Index measures the performance of the 2,500 smallest companies in the Russell 3000 Index. For ease of reference, investors may refer to Bloomberg L.P. or the Manager for this indicator. Investor should note that the risk profile of the Fund is different from the risk profile of the benchmark.

1.10.6 Collective Investment Schemes

As this Fund is a feeder fund, it will invest predominantly in one collective investment scheme i.e. Schroder ISF USSME.

1.10.7 Financial Derivatives

As Schroder ISF USSME is denominated in US Dollars, the Manager may trade in financial derivatives, which include but is not limited to forwards and swaps, for the purpose of hedging this Fund's exposure to foreign currency. The benefit of any upside of currency movement is limited as the primary interest is to protect the value of the portfolio. The Fund's net market exposure to financial derivative instruments will not at any time exceed the Net Asset Value.

1.10.8 Foreign Securities

The Manager invests at least 95% of the Net Asset Value in the shares of Schroder ISF USSME, a collective investment scheme domiciled in Luxembourg.

1.10.9 Liquid Assets

The Manager in structuring the Fund’s portfolio will maintain a minimum liquid assets level of 2% of the Net Asset Value for the purpose of meeting redemptions and to enable the proper and efficient management of the Fund. However, this does not preclude the Manager from lowering or raising the liquid assets level from the stipulated level for purposes of accepting sales or to meet redemption payments and to enable proper and efficient management of the Fund.

This Fund shall not borrow in connection with its activities or lend any of its cash or investments unless permitted by the relevant law pertaining to unit trust funds. However, the Fund may borrow cash on a temporary basis (i.e. not more than one month) from financial institutions to meet redemption requests. Such borrowing shall not exceed ten (10) per cent of the Net Asset Value at the time the borrowing is incurred.

1.10.10 Distribution Policy

Consistent with the Fund’s objective to achieve capital growth, distribution will therefore be of secondary importance. Distribution, if any, after deduction of taxation and expenses, will be reinvested.

1.10.11 Permitted Investments and Restrictions

This Fund may invest in one collective investment scheme i.e. Schroder ISF USSME, financial derivatives, liquid assets (including money market instruments and deposits with any financial institutions) and any other investment permitted by the Securities Commission from time to time.

In undertaking the Fund’s investments, the Fund must not invest in a fund-of-funds, a feeder fund, or any sub-fund of an umbrella scheme which is a fund-of-funds or a feeder fund.

1.10.12 Information on Schroder ISF USSME

(a) About Schroder International Selection Fund and Schroder ISF USSME

Schroder International Selection Fund, is an umbrella structured open-ended investment company with limited liability, organised as a "société anonyme" under the laws of the Grand Duchy of Luxembourg and qualifies as a Société d’Investissement à Capital Variable ("SICAV") under Part I of the Law of 17 December 2010. Schroder International Selection Fund was incorporated on 5 December 1968 and is managed by the management company, Schroder Investment Management (Luxembourg) S.A. The custodian for Schroder International Selection Fund is J.P. Morgan Bank Luxembourg S.A.

Schroder International Selection Fund operates separate funds, each of which is represented by one or more share classes. The funds are distinguished by their specific investment policy or any other specific features. Schroder International Selection Fund constitutes a single legal entity, but the assets of each fund under its umbrella shall be invested for the exclusive benefit of the shareholders of the corresponding fund and the assets of a specific fund are solely accountable for the liabilities, commitments and obligations of that fund.

Schroder ISF USSME is one of the funds under the umbrella of Schroder International Selection Fund and was launched on 10 December 2004. As of the Latest Practicable Date, it has a fund size of USD 2,323.0 million. Schroder ISF USSME is regulated by the Commission de Surveillance du Secteur Financier (Luxembourg Financial Sector Supervisory Authority) under the Luxembourg Law on Undertakings for Collective Investment dated 17 December 2010. Its investment manager, Schroder Investment Management North America Inc. is however regulated by the Securities Exchange Commission (SEC), USA under the Investment Company Act of 1940.

(b) About Schroder Investment Management (Luxembourg) S.A. and Schroder Investment Management North America Inc.

Schroder Investment Management (Luxembourg) S.A. (“SIM”) was incorporated as a "société anonyme" in Luxembourg on 23 August 1991 and has an issued and fully paid up share capital of EUR 12,867,092.98. SIM has been authorised as a management company under chapter 15 of the Law of 17 December 2010 and, as such, provides collective portfolio management services to ‘undertaking for collective investments’.

Schroder Investment Management North America Inc. (“SIMNA”) is an indirect wholly-owned subsidiary of Schroders plc (“Schroders”). As of the Latest Practicable Date, Schroders has US$506.5 billion in client assets under management worldwide, over 4,000 staff including more than 515 investment professionals (portfolio managers and analysts), and offices in 27 countries. As of the Latest Practicable Date, SIMNA (along with its affiliated entity Schroder Investment Management North America Ltd.) managed over US$75 billion in assets and is a fully resourced, fully integrated component of our global investment management services.

(c) Investment Objective

Schroder ISF USSME aims to provide capital growth by investing in equity and equity related securities of small and medium-sized US companies.

(d) Investment Policy

Schroder ISF USSME may invest at least two-thirds of its assets in equity and equity related securities of small and mid-sized US companies. These are companies which, at the time of purchase, are considered to be in the bottom 40% by market capitalisation of the US equities market.

Schroder ISF USSME invests in a broad range of small and mid-sized US companies. The investment approach focuses on three types of US companies: companies that the manager of Schroder ISF USSME believe demonstrate strong growth trends and improving levels of cash; companies which the manager of Schroder ISF USSME believes generate dependable earnings and revenues; and companies that the manager of Schroder ISF USSME believes are undergoing positive change that is not being recognised by the market. By doing so, the manager of Schroder ISF USSME believes that they can reduce overall risk and improve returns for the investors of Schroder ISF USSME over the medium to long term.

Schroder ISF USSME may use derivatives with aim of reducing risk or managing Schroder ISF USSME more efficiently. The Fund may also invest in money market instruments and hold cash.

(e) Authorised Investments of Schroder ISF USSME

The following investment restrictions imposed by Luxembourg law must be complied with by Schroder ISF USSME and where applicable to Schroder International Selection Fund.

The following abbreviations in this section have the following meaning:

CSSF	Commission de Surveillance du Secteur Financier (Luxembourg Financial Sector Supervisory Authority).
Eligible State	includes any member state of the European Union ("EU"), any member state of the Organisation for Economic Co-operation and Development ("OECD"), and any other state which the directors of the Schroder International Selection Fund deem appropriate.

EMU	Economic and Monetary Union.
EU	European Union.
Law	the law on undertakings for collective investment dated 17 December 2010, as amended.
Regulations	the Law as well as any present or future related Luxembourg laws or implementing regulations, circulars and CSSF's positions.
Regulated Market	a market within the meaning of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments or another regulated market, which operates regularly and is recognised and open to the public in an Eligible State.
UCITS	an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the UCITS Directive.
UCI	an "undertaking for collective investment" within the meaning of points a) and b) of Article 1(2) of the UCITS Directive.
UCITS Directive	Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

1. <u>Investments in transferable securities and liquid assets</u>

(A) Schroder International Selection Fund will invest in:

(1) transferable securities and money market instruments admitted to or dealt in on a Regulated Market; and/or

(2) transferable securities and money market instruments dealt in on another market in a member state of the EU which is regulated, operated regularly and is recognised and open to the public; and/or

(3) transferable securities and money market instruments added to official listing on a stock exchange in a non-member state of the EU, which is regulated, operated regularly and is recognised and open to the public; and/or

(4) recently issued transferable securities and money market instruments, provided that
(I) the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or on another Regulated Market which operates regularly, is recognised and open to the public and

(II) such admission is secured within one year of the issue; and/or

(5) units of UCITS and/or of other UCI whether situated in an EU member state or not, provided that:

(I) such other UCIs have been authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in EU Law, and that cooperation between authorities is sufficiently ensured,

(II) the level of protection for shareholders of Schroder ISF USSME in such other UCIs is equivalent to that provided for shareholders of Schroder ISF USSME in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of UCITS Directive,

(III) the business of such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period,

(IV) no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of other UCITS or other UCIs; and/or

(6) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a country which is an EU member state or, if the registered office of the credit institution is situated in a non-EU member state, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU Law; and/or

(7) derivatives, including equivalent cash-settled instruments, dealt on a Regulated Market, and/or derivatives dealt over-the-counter ("OTC"), provided that:

(I) the underlying consists of securities covered by this section 1(A), financial indices, interest rates, foreign exchange rates or currencies, in which Schroder ISF USSME may invest according to its investment objective;

(II) the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF;

(III) the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Schroder International Selection Fund's initiative.

and/or

(8) money market instruments other than those dealt in on a Regulated Market, if the issue or the issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and provided that such instruments are:

(I) issued or guaranteed by a central, regional or local authority or by a central bank of an EU member state, the European Central Bank, the EU or the European Investment Bank, a non-EU member state or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more EU member states belong; or

(II) issued by an undertaking any securities of which are dealt in on Regulated Markets; or

(III) issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined in EU Law; or

(IV) issued by other bodies belonging to categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least EUR 10,000,000 and which presents and publishes its annual accounts in accordance with the Directive 2013/34/EU, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

(9) In addition, the Schroder International Selection Fund may invest a maximum of 10% of the net asset value of Schroder ISF USSME in transferable securities or money market instruments other than those referred to under (A)(1) to (A)(4) and (A)(8) above.

(10) Under the conditions and within the limits laid down by the Law, Schroder International Selection Fund may, to the widest extent permitted by the Luxembourg laws and regulations (i) create any fund qualifying either as a feeder UCITS or as a master UCITS, (ii) convert any existing fund into a feeder UCITS, or (iii) change the master UCITS of any of its feeder UCITS.

A feeder UCITS shall invest at least 85% of its assets in the units of another master UCITS. A feeder UCITS may hold up to 15% of its assets in one or more of the following:

– ancillary liquid assets in accordance with paragraph B below;

– derivatives, which may be used only for hedging purposes;

For the purposes of compliance with section 3 below, the feeder UCITS shall calculate its global exposure related to derivatives by combining its own direct exposure under the above paragraph, (b) with either:

– the master UCITS actual exposure to derivatives in proportion to the feeder UCITS investment into the master UCITS; or

– the master UCITS potential maximum global exposure to derivatives provided for in the master UCITS management regulations or instruments of incorporation in proportion to the feeder UCITS investment into the master UCITS.

(B) Schroder ISF USSME may hold ancillary liquid assets. Liquid assets used to back-up derivatives exposure are not considered as ancillary liquid assets.

(C) (1) Schroder ISF USSME may invest no more than 10% of its net asset value in transferable securities or money market instruments issued by the same issuing body (and in the case of structured financial instruments embedding derivatives, both the issuer of the structured financial instruments and the issuer of the underlying securities). Schroder ISF USSME may not invest more than 20% of its net assets in deposits made with the same body. The risk exposure to a counterparty by Schroder ISF USSME in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in paragraph 1(A)(6) above or 5% of its net assets in other cases.

(2) Furthermore, where Schroder ISF USSME holds investments in transferable securities and money market instruments of any issuing body which individually exceed 5% of the net asset value of Schroder ISF USSME, the total value of all such investments must not account for more than 40% of the net asset value of Schroder ISF USSME.

This limitation does not apply to deposits and OTC derivatives transactions made with financial institutions subject to prudential supervision.

Notwithstanding the individual limits laid down in paragraph (C)(1), Schroder ISF USSME may not combine:

– investments in transferable securities or money market instruments issued by;

– deposits made with; and/or

– exposures arising from OTC derivative transactions undertaken with

a single body in excess of 20% of its net assets.

(3) The limit of 10% laid down in paragraph (C)(1) above shall be 35% in respect of transferable securities or money market instruments which are issued or guaranteed by an EU member state, its local authorities or by an Eligible State or by public international bodies of which one or more EU member states are members.

(4) The limit of 10% laid down in paragraph (C)(1) above shall be 25% in respect of debt securities which are issued by highly rated credit institutions having their registered office in an EU member state and which are subject by law to a special public supervision for the purpose of protecting the holders of such debt securities, provided that the amount resulting from the issue of such debt securities are invested, pursuant to applicable provisions of the law, in assets which are sufficient to cover the liabilities arising from such debt securities during the whole period of validity thereof and which are assigned to the preferential repayment of capital and accrued interest in the case of a default by such issuer.

If Schroder ISF USSME invests more than 5% of its assets in the debt securities referred to in the sub-paragraph above and issued by one issuer, the total value of such investments may not exceed 80% of the value of the assets of Schroder ISF USSME.

(5) The transferable securities and money market instruments referred to in paragraphs (C)(3) and (C)(4) are not included in the calculation of the limit of 40% referred to in paragraph (C)(2).

The limits set out in paragraphs (C)(1), (C)(2), (C)(3) and (C)(4) above may not be aggregated and, accordingly, the value of investments in transferable securities and money market instruments issued by the same body, in deposits or derivatives made with this body, effected in accordance with paragraphs (C)(1), (C)(2), (C)(3) and (C)(4) may not, in any event, exceed a total of 35% of Schroder ISF USSME's net asset value.

Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 2013/34/EU or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in this paragraph (C).

Schroder ISF USSME may cumulatively invest up to 20% of its net assets in transferable securities and money market instruments within the same group.

(6) Without prejudice to the limits laid down in paragraph (D), the limits laid down in this paragraph (C) shall be 20% for investments in shares and/or bonds issued by the same body when the aim of Schroder ISF USSME's investment policy is to replicate the composition of a certain stock or bond index which is recognised by the CSSF, provided:

– the composition of the index is sufficiently diversified,

– the index represents an adequate benchmark for the market to which it refers,

– it is published in an appropriate manner.

The limit laid down in the sub-paragraph above is raised to 35% where it proves to be justified by exceptional market conditions in particular in Regulated Markets where certain transferable securities or money market instruments are highly dominant provided that investment up to 35% is only permitted for a single issuer.

(7) Where Schroder ISF USSME has invested in accordance with the principle of risk spreading in transferable securities or money market instruments issued or guaranteed by an EU member state, by its local authorities or by an Eligible State or by public international bodies of which one or more EU member states are members, Schroder International Selection Fund may invest 100% of the net asset value of Schroder ISF USSME in such securities provided that Schroder ISF USSME must hold securities from at least six different issues and the value of securities from any one issue must not account for more than 30% of the net asset value of Schroder ISF USSME.

Subject to having due regard to the principle of risk spreading, Schroder ISF USSME need not comply with the limits set out in this paragraph (C) for a period of 6 months following the date of its launch.

(D) (1) Schroder International Selection Fund may not normally acquire shares carrying voting rights which would enable the Schroder International Selection Fund to exercise significant influence over the management of the issuing body.

(2) Schroder ISF USSME may acquire no more than (a) 10% of the non-voting shares of any single issuing body, (b) 10% of the value of debt securities of any single issuing body, (c) 10% of the money market instruments of the same issuing body. However, the limits laid down in (b) and (c) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments or the net amount of securities in issue cannot be calculated.

The limits set out in paragraph (D)(1) and (2) above shall not apply to:

(1) transferable securities and money market instruments issued or guaranteed by an EU member state or its local authorities;

(2) transferable securities and money market instruments issued or guaranteed by any other Eligible State;

(3) transferable securities and money market instruments issued by public international bodies of which one or more EU member states are members; or

(4) shares held in the capital of a company incorporated in a non-EU member state which invests its assets mainly in the securities of issuing bodies having their registered office in that state where, under the legislation of that state, such holding represents the only way in which Schroder ISF USSME's assets may invest in the securities of the issuing bodies of that state, provided, however, that such company in its investment policy complies with the limits laid down in Articles 43, 46 and 48 (1) and (2) of the Law.

(E) Schroder ISF USSME may not invest more than 10% of its net assets in units of UCITS or other UCIs. In addition, the following limits shall apply:

(1) If Schroder ISF USSME is allowed to invest more than 10% of its net assets in units of UCITS and/or UCIs, Schroder ISF USSME may not invest more than 20% of its net assets in units of a single UCITS or other UCI. Investments made in units of UCIs other than UCITS may not, in aggregate, exceed 30% of the net assets of Schroder ISF USSME.

(2) When Schroder ISF USSME invests in the units of other UCITS and/or other UCIs linked to Schroder International Selection Fund by common management or control, or by a direct or indirect holding of more than 10% of the capital or the voting rights, or managed by a management company linked to the investment manager, no subscription or redemption fees may be charged to Schroder International Selection Fund on account of its investment in the units of such other UCITS and/or UCIs. In respect of Schroder ISF USSME's investments in UCITS and other UCIs linked to Schroder International Selection Fund as described in the preceding paragraph, there shall be no management fee charged to that portion of the assets of Schroder ISF USSME. Schroder International Selection Fund will indicate in its annual report the total management fees

charged both to Schroder ISF USSME and to the UCITS and other UCIs in which Schroder ISF USSME has invested during the relevant period.

(3) Schroder International Selection Fund may acquire no more than 25% of the units of the same UCITS and/or other UCI. This limit may be disregarded at the time of acquisition if at that time the gross amount of the units in issue cannot be calculated. In case of a UCITS or other UCI with multiple sub-funds, this restriction is applicable by reference to all units issued by the UCITS/UCI concerned, all sub-funds combined.

(4) The underlying investments held by the UCITS or other UCIs in which Schroder ISF USSME invest do not have to be considered for the purpose of the investment restrictions set forth under section 1(C) above.

(F) Schroder ISF USSME may subscribe, acquire and/or hold securities to be issued or issued by one or more funds (each, a "Target Fund") without the Schroder International Selection Fund being subject to the requirements of the law of 10 August 1915 on commercial companies, as amended, with respect to the subscription, acquisition and/or the holding by a company of its own shares, under the condition however that:

(1) the Target Fund(s) do(es) not, in turn, invest in Schroder ISF USSME invested in this (these) Target Fund(s); and

(2) no more than 10% of the assets that the Target Fund (s) whose acquisition is contemplated may be invested in units of other Target Funds; and

(3) voting rights, if any, attaching to the shares of the Target Fund(s) are suspended for as long as they are held by Schroder ISF USSME concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and

(4) in any event, for as long as these securities are held by Schroder ISF USSME, their value will not be taken into consideration for the calculation of the net assets of Schroder International Selection Fund for the purposes of verifying the minimum threshold of the net assets imposed by the Law.

2. Investment in other assets

(A) Schroder International Selection Fund will neither make investments in precious metals, commodities or certificates representing these. In addition, Schroder International Selection Fund will not enter into derivatives on precious metals or commodities. This does not prevent Schroder International Selection Fund from gaining exposure to precious metals or commodities by investing into financial instruments backed by precious metals or commodities or financial instruments whose performance is linked to precious metals or commodities.

(B) Schroder International Selection Fund will not purchase or sell real estate or any option, right or interest therein, provided Schroder International Selection Fund may invest in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.

(C) Schroder International Selection Fund may not carry out uncovered sales of transferable securities, money market instruments or other financial instruments referred to in sections 1(A)(5), (7) and (8).

(D) Schroder International Selection Fund may not borrow for the account of

Schroder ISF USSME, other than amounts which do not in aggregate exceed 10% of the net asset value of Schroder ISF USSME, and then only as a temporary measure. For the purpose of this restriction back to back loans are not considered to be borrowings.

(E) Schroder International Selection Fund will not mortgage, pledge, hypothecate or otherwise encumber as security for indebtedness any securities held for the account of Schroder ISF USSME, except as may be necessary in connection with the borrowings mentioned in paragraph (D) above, and then such mortgaging, pledging, or hypothecating may not exceed 10% of the net asset value of Schroder ISF USSME. In connection with swap transactions, option and forward exchange or futures transactions the deposit of securities or other assets in a separate account shall not be considered a mortgage, pledge or hypothecation for this purpose.

(F) Schroder International Selection Fund may acquire securities in which it is permitted to invest in pursuit of its investment objective and policy through underwriting or sub-underwriting.

(G) Schroder International Selection Fund will on a fund by fund basis comply with such further restrictions as may be required by the regulatory authorities in any country in which the shares of its funds (including shares of Schroder ISF USSME) are marketed.

3. <u>Derivatives</u>

As specified in section 1(A)(7) above, Schroder International Selection Fund may in respect of Schroder ISF USSME invest in derivatives.

Schroder International Selection Fund shall ensure that the global exposure of Schroder ISF USSME relating to derivatives does not exceed the total net assets of Schroder ISF USSME. Schroder ISF USSME's overall risk exposure shall consequently not exceed 200% of its total net assets. In addition, this overall risk exposure may not be increased by more than 10% by means of temporary borrowings (as referred to in section 2(D) above) so that it may not exceed 210% of Schroder ISF USSME's total net assets under any circumstances.

The global exposure relating to derivatives is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions. This shall also apply to the following sub-paragraphs.

Schroder ISF USSME may invest, as a part of its investment policy and within the limits laid down in section 1(A)(7) and section 1(C)(5), in derivatives provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in sections 1(C)(1) to (7).

When Schroder ISF USSME invests in index-based derivatives compliant with the provisions of sections 1(C)(1) to (7), these investments do not have to be combined with the limits laid down in section 1(C). The frequency of the review and rebalancing of the composition of the underlying index of such derivatives varies per index and could be daily, weekly, monthly, quarterly or annually. The rebalancing frequency will have no impact in terms of costs in the context of the performance of the investment objective of Schroder ISF USSME.

When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of these restrictions. Transferable securities or money market instruments backed by other assets are not deemed to embed a derivative.

Schroder ISF USSME may use derivatives for investment purposes and for hedging purposes, within the limits of the regulations applicable to the Schroder ISF USSME. Under no circumstances shall the use of these instruments and techniques cause Schroder ISF USSME to diverge from its investment policy or objective. The risks against which Schroder ISF USSME could be hedged may be, for instance, market risk, foreign exchange risk, interest rates risk, credit risk, volatility or inflation risks.

Schroder ISF USSME may invest in financial derivative instruments that are traded OTC including, without limitation, total return swaps, contracts for difference or other financial derivative instruments with similar characteristics and the investment objective and policy of Schroder ISF USSME. Such OTC derivatives shall, to the extent capable of being held in custody, be safekept by the depositary (J.P. Morgan Bank Luxembourg S.A., acting as depositary bank and fund administrator).

A total return swap is an agreement in which one party (total return payer) transfers the total economic performance of a reference obligation to the other party (total return receiver). Total economic performance includes income from interest and fees, gains or losses from market movements, and credit losses.

Total return swaps entered into by Schroder ISF USSME may be in the form of funded and/or unfunded swaps. An unfunded swap means a swap where no upfront payment is made by the total return receiver at inception. A funded swap means a swap where the total return receiver pays an upfront amount in return for the total return of the reference asset and can therefore be costlier due to the upfront payment requirement.

All revenue arising from total return swaps, net of direct and indirect operational costs and fees, will be returned to Schroder ISF USSME.

(f) Risk Management Process of the Schroder ISF USSME's manager

Schroder International Selection Fund will employ a risk management process which enables it with the investment manager to monitor and measure at any time the risk of the positions, the use of efficient portfolio management techniques, the management of collateral and their contribution to the overall risk profile of Schroder ISF USSME. Schroder International Selection Fund or the investment manager will employ, if applicable, a process for accurate and independent assessment of the value of any OTC derivative instruments.

1.11 RHB Asian Real Estate Fund

1.11.1 Fund Category

Equity fund.

1.11.2 Financial Year End

31 March.

1.11.3 Name of Trustee

Maybank Trustees Berhad.

1.11.4 Investment Objective

This Fund aims to achieve long term^ capital appreciation through investments in the real estate market.

Any material change to the investment objective of this Fund requires the Unit Holders' approval.

^Note: "long term" in this context refers to a period of between 5 – 7 years.

1.11.5 Investment Strategy

The Fund seeks to achieve its investment objective through a diversified portfolio of primarily Asian real estate securities and listed Real Estate Investment Trusts (REITS). Specific risks associated with securities and investments are as elaborated in Section 2.2.

The Fund's investments in Asian real estates are those of REITS and of companies* whose securities (including equity and equity related securities, preferred shares, Senior Securities and debt securities) are listed on the Asian markets (except Japan and Vietnam) such as China, Hong Kong, India, Indonesia, Korea, Malaysia, Philippines, Thailand, Singapore and Taiwan Stock Exchanges. These are REITS/companies* that have at least 50% of its business operations in, or which derive at least 50% of its revenue from, or have at least 50% of its assets located in, the Asian region (except Japan and Vietnam). Although, Japan and Vietnam are part of Asia, these countries have been excluded to reflect the benchmark selected for the Fund.

*These companies include property investment companies that derive revenue from rental income and/or capital appreciation from real estate, property development companies as well as companies investing in REITS.

The Fund may also invest opportunistically in REITS and the securities of companies* listed in Australia, New Zealand, Japan and Vietnam Stock Exchanges to capitalise on the potential of the Asian real estate markets including those of Australia, New Zealand, Japan and Vietnam. These are REITS/companies* that have at least 50% of its business operations in, or which derive at least 50% of its revenue from, or have at least 50% of its assets located in, the Asian region including Australia, New Zealand, Japan and Vietnam. However, the Fund's investment in these exchanges shall not in aggregate exceed 30% of the Net Asset Value.

In managing the Fund, the Manager will employ a multi-step investment process, combining a bottom-up investment process that involves rigorous company research with a top-down process to review the asset allocation at both the regional/country and sector levels. Asset allocation and geographical weightings are derived after analysing macroeconomic trends and country dynamics. Country and portfolio exposure limits are in place to mitigate the risks of the investments. The Manager believes that long-term^ investment performance can be achieved by employing a rigorous research process that enables them to identify the companies*/REITS that generate superior returns as well as by identifying companies* that are undervalued.

^Note: "long term" in this context refers to a period of between 5-7 years.

Thus, this Fund's portfolio will be structured as follows:

Up to 98% of Net Asset Value (with at least 70% of Net Asset Value in equity)
- Investments in primarily Asian real estate securities and listed Real Estate Investment Trusts (REITS).

2% - 5% of Net Asset Value
- Investments in liquid assets including money market instruments and deposits with financial institutions.

Subject to the range stipulated above, the asset allocation will be reviewed from time to time depending on the judgment of the Manager as to the general market and economic conditions. Although the Fund is actively managed, how active or the frequency of its trading strategy will very much depend on market opportunities.

The risk management strategies and techniques employed by the Manager includes diversification of the Fund's investments in terms of its exposure to various industries / sectors, countries and asset classes and/or type of investments (i.e. equity, REITS, money market instruments). Financial derivatives may also be used for hedging purposes where appropriate. Generally, the assets of the Fund will be invested over a medium to long term period with disposal of the investments when necessary to control risk as well as to optimise capital gains. This is especially so when the full growth potential of an investment is deemed to have been reduced over a prolonged rise in equity values and the available alternative investments may present cheaper valuations and potential higher returns. The Fund also complies with the permitted investments and restriction imposed by the Securities Commission. Adherence to these permitted investments and restrictions also helps the Manager to risk-manage the Fund's portfolio in terms of diversification. Moreover, the Manager in making its investment decisions shall at all times comply with the investment restrictions of the Fund and requirements as set out in the Deed.

For investments in foreign markets, the Manager in managing the principal risks such as country risk and currency risk will always take into consideration the reference benchmark as well as its evaluation of the historical developments and its prior experience in such markets. Such practice will be managed through active management and constant review of the economic and political developments of the countries invested. Investments will ultimately be made based on the risk-reward.

The Manager may take temporary defensive positions that may be inconsistent with the Fund's principal strategy in attempting to respond to the adverse economic, political or any other market conditions. In such circumstances, the Manager may reallocate up to 100% of the Fund's equity investments into other asset classes such as debt securities, money market instruments and deposits with any financial institutions, which are defensive in nature. These are deposits that are not embedded with or linked to financial derivative instruments (structured deposits) and (where applicable) these are current accounts, short term money market deposits and short term deposits with financial institutions.

The performance of this Fund is benchmarked against the MSCI AC Asia ex-Japan Real Estate Index (RM). The benchmark chosen best represents the Fund's underlying investments and the geographical location of its investments. For ease of reference, investors may refer to Bloomberg L.P. or the MSCI website (www.msci.com) for this indicator. The MSCI AC Asia ex-Japan Real Estate Index is translated to RM for similar comparison with the performance of the RM denominated Fund. Investor should note that the risk profile of the Fund is different from the risk profile of the benchmark.

1.11.6 Investment in Unlisted Securities

The Manager will only make such investments where the Manager expects those investments to complement the objective and enhance the performance of this Fund. Such investments shall not include:

(a) Equities not listed for trading in a stock market of a stock exchange but have been approved for such listing and are offered directly to the Fund by the issuer;

(b) Debentures traded on an organised over-the-counter market; and

(c) Structured products.

The Fund's investment holding in unlisted securities (if any) shall always be subject to the restriction stipulated in Section 1.11.13 (a).

1.11.7 Collective Investment Schemes

The Manager will only make such investments where the Manager expects those investments to complement the objective and enhance the performance of this Fund. In addition, the Manager will only make such investments if the target fund is registered/ authorised/ approved by the relevant regulatory authority in its home jurisdiction as the case may be and which operates within the general investment principles of the Guidelines on Unit Trust Funds issued by the Securities Commission. The Fund's investments in collective investment schemes (if any) shall always be made subject to the restrictions stipulated in Section 1.11.13 (g) and (m).

1.11.8 Financial Derivatives

The Manager may participate in financial derivatives, when appropriate. The category of financial derivatives to be participated in shall be the stock index futures contracts, the stock index options contracts, single stock futures contracts, forwards and swaps, or any other categories and/or types of futures contracts or financial derivatives that may be allowable by the relevant authorities from time to time. The Fund's participation in financial derivatives is basically to hedge the portfolio from any unexpected price movement in the underlying market and also the portfolio's exposure to foreign currency, as well as to hedge against any opportunity loss arising from its uninvested cash. The benefit of any upside of price movement in the underlying market or currency movement is limited as the primary interest is to protect the value of the portfolio and to manage risks in relation to the benchmark. Nonetheless, the Fund may also invest in financial derivatives for investment purpose to enhance the return of the Fund. If the Fund were to invest in over-the-counter ("OTC") derivatives, the Manager will monitor the credit rating of the counterparty issuing the derivatives and dispose of the derivatives should the rating of the said derivative counterparty fall below the credit rating of A by RAM Rating Services Berhad or its equivalent rating by a reputable rating establishment. If the Fund does invest in derivatives, there may be a likelihood that the NAV per Unit may be subject to high volatility. The Fund's investment in financial derivatives (if any) shall always be subject to the restrictions stipulated in Section 1.11.13 (f) and (i).

1.11.9 Structured Products

The Manager may invest in structured products where the Manager expects those investments to complement the objective and enhance the performance of this Fund. The Fund's investment in structured products (if any) shall always be subject to the restrictions stipulated in Section 1.11.13 (f) and (h).

1.11.10 Foreign Securities

The Manager may invest up to 98% of the Net Asset Value in securities of property companies and REITS listed on the foreign markets where its regulatory authority is a member of the International Organisation of Securities Commissions (IOSCO). As such, the Fund will invest in securities of property companies/REITS listed on foreign markets such as China, Hong Kong, India, Indonesia, Philippines, Singapore, South Korea, Taiwan, Thailand and opportunistically in those listed in Australia, New Zealand, Japan and Vietnam.

When investing in foreign markets which require prior permission or approval such as in the form of an investment licence or investor code or investor registration, the Fund has/will obtain such necessary permission or approval in order to invest in such markets.

In undertaking these foreign investments, the Manager will invest directly in the equities markets and may also invest through other collective investment schemes, (provided the investment mandate of the scheme complements this Fund's investment objective and other conditions as set out in Section 1.11.7), where appropriate.

1.11.11 Liquid Assets

The Manager in structuring the Fund's portfolio will maintain a minimum liquid assets level of 2% of the Net Asset Value for the purpose of meeting redemptions and to enable the proper and efficient management of the Fund. However, this does not preclude the Manager from lowering or raising the liquid assets level from the stipulated level to allow the Manager to react to the prevailing market conditions and to manage investment risk when circumstances warrant it.

This Fund shall not borrow in connection with its activities or lend any of its cash or investments unless permitted by the relevant laws pertaining to unit trusts. However, the Fund may borrow cash on a temporary basis (i.e. not more than one (1) month) from financial institutions to meet redemption requests. Such borrowing shall not exceed ten (10) per cent of the Net Asset Value at the time the borrowing is incurred.

1.11.12 Distribution Policy

Consistent with the Fund's objective which aims to achieve capital growth, distributions will therefore be of secondary importance. Distributions, if any, after deduction of taxation and expenses, are generally declared annually.

1.11.13 Permitted Investments and Restrictions

This Fund may invest in securities traded on the Bursa Malaysia or any other market considered as an Eligible Market, unlisted securities, collective investment schemes, securities/instruments in foreign markets, financial derivatives, structured products, liquid assets (including money market instruments and deposits with any financial institutions), participate in the lending of securities, and any other investments permitted by the Securities Commission from time to time.

The acquisition of such permitted investments is subject to the following restrictions:

a) The value of the Fund's investments in unlisted securities must not exceed ten (10) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.

b) The value of the Fund's investments in ordinary shares issued by any single issuer must not exceed ten (10) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.

c) The value of the Fund’s investments in transferable securities (i.e equities, debentures and warrants) and money market instruments issued by any single issuer must not exceed fifteen (15) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.

d) The value of the Fund’s placement in deposits with any single financial institution must not exceed twenty (20) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.

e) The value of the Fund’s investments in transferable securities and money market instruments issued by any group of companies must not exceed twenty (20) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.

f) The aggregate value of the Fund’s investments in transferable securities, money market instruments, deposits, over-the-counter ("OTC") financial derivatives and structured products issued by or placed with, as the case may be, any single issuer/institution must not exceed twenty five (25) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.

g) The value of the Fund’s investments in units/shares of any collective investment scheme must not exceed twenty (20) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.

h) The value of the Fund’s investments in structured products issued by a single counterparty must not exceed fifteen (15) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time. This single counterparty limit may be exceeded if the counterparty has a minimum long-term rating that indicates very strong capacity for timely payment of financial obligations provided by any domestic or global rating agency and the structured product has a capital protection feature. When this applies, the calculation of the aggregate value to determine compliance with item (f) should exclude the value of investments in structured products.

i) The value of the Fund’s OTC financial derivatives transactions with any single counterparty must not exceed ten (10) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time; and the Fund’s exposure to the underlying assets (vide the derivatives) must not exceed the Fund’s investment spread limits as stipulated in (b), (c), (d), (e), (f), (g), and (h) above. In addition, the Fund’s net market exposure owing to its financial derivatives positions must not exceed the Net Asset Value.

j) The Fund’s investments in transferable securities (other than debentures) must not exceed ten (10) per cent of the securities issued by any single issuer, or any other limit as may be prescribed by the Securities Commission from time to time.

k) The Fund’s investments in debentures must not exceed twenty (20) per cent of the debentures issued by any single issuer, or any other limit as may be prescribed by the Securities Commission from time to time.

l) The Fund’s investments in money market instrument must not exceed ten (10) per cent of the instruments issued by any single issuer, or any other limit as may be prescribed by the Securities Commission from time to time. Such limit does not apply to money market instruments that do not have a pre-determined issue size.

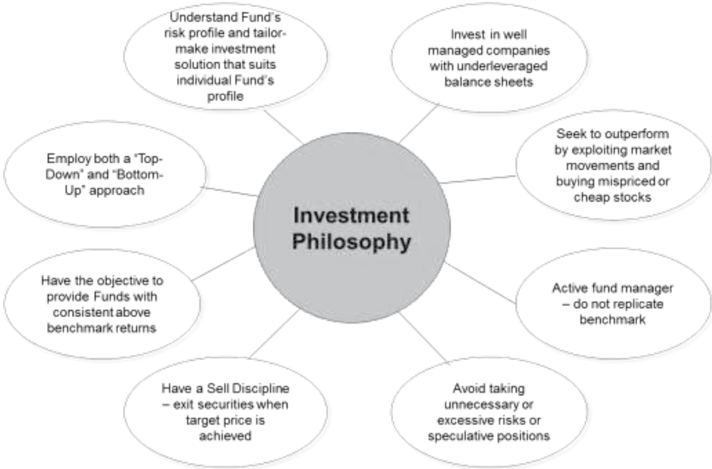
m) The Fund’s investments in collective investment schemes must not exceed twenty five (25) per cent of the units/shares in any one collective investment scheme, or any other limit as may be prescribed by the Securities Commission from time to time.

The limits and restrictions mentioned herein must be complied with at all times based on the most up-to-date value of the Fund's investments. However, a 5% allowance in excess of the limits or restrictions is permitted where the limits and restrictions are breached through an appreciation or depreciation of the Net Asset Value (whether as a result of an appreciation or depreciation of the investments, or as a result of repurchase of Units or payment made from the Fund). The Manager will not make any further acquisitions to which the relevant limit is breached, and the Manager will within a reasonable period of not more than three (3) months from the date of the breach take all necessary steps and actions to rectify the breach. Such limits and restrictions however, do not apply to securities/instruments that are issued or guaranteed by the Malaysian government or Bank Negara Malaysia.

1.12 Investment Philosophy

GEY	**ASPAC**	**RESO**	**GNS**
DRAGON	**ASEAN**	**AREF**	**BIGCAP**

Our investment philosophy describes the approach that the investment team will adhere to when constructing an equity or fixed income portfolio. The fund managers invest in well-managed companies with strong balance sheets that possess competitive advantages that should enable them to outperform their peers over economic cycles. The fund managers are active investors that make high conviction security selection decisions, but at the same time do not take unnecessary or excessive risks or take speculative positions. The fund managers seek to outperform their peers and beat their benchmark by buying mispriced or cheap securities. Following our disciplined sell strategy, the fund managers would then exit positions when the target price is reached. Concurrently, the fund managers understand the Funds' risk profile and act within each individual Fund's mandate.



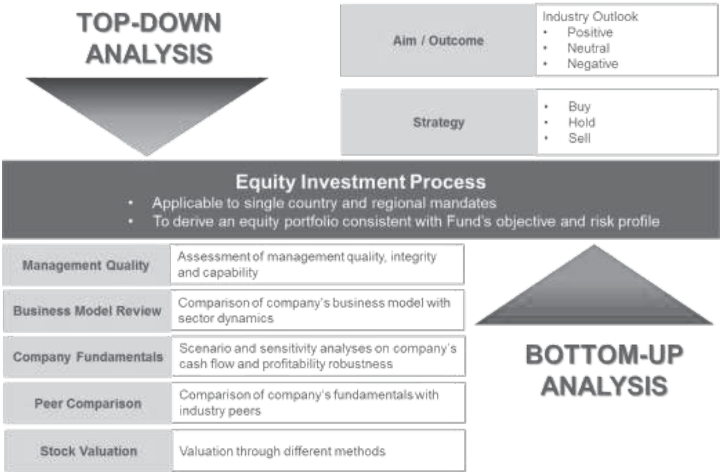
1.13 Investment Approach

(i) General

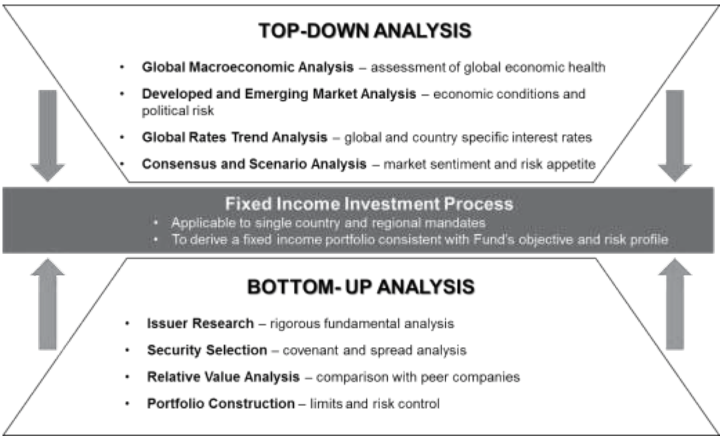
GEY	**ASPAC**	**RESO**	**GNS**
DRAGON	**ASEAN**	**AREF**	**BIGCAP**

Whenever the Fund invests in equities and/or fixed income securities, the Manager's investment approach will evolve around the following principles:-

Equities



Fixed Income Securities



(ii) GNS (only)

The Manager believes that the IPO market is unique in the sense that companies going for listing on a stock exchange generally:

- have shorter track records;
- are not well-researched by the investment community;
- and hence difficult to ascertain fair value.

The Manager maintains a team of investments professionals with specializations in various geographical markets (Asia, Australasia, Japan, Europe and US) and industry sectors (such as banks & financials, real estate, commodities & resources, technology, telecommunication, consumer, industrial etc). This offers a tremendous amount of value-add as it provides a strong foundation of knowledge for evaluating the prospects of an IPO company. Besides analysing the company's prospectus and financial statements, the team would also engage in primary and qualitative research where possible. This may include visiting the company, interviewing management and talking to its customers, suppliers, competitors or other industry players.

Given its close dealings with various stock brokerages and investment banks, the Manager would generally also have better access to IPO shares which may not be easily available to the general public.

1.14 Fund Business Day

GEY	**ASPAC**	**RESO**	**DRAGON**
BIGCAP	**GNS**	**AREF**	**ASEAN**

As **GEY**, **ASPAC**, **RESO**, **BIGCAP**, **GNS**, **AREF**, and **ASEAN** may respectively invest up to 98% of its Net Asset Value and **DRAGON** up to 70% of its Net Asset Value in securities of foreign markets, it is envisaged that although BMSB is open for business, the Manager may declare (after consultation with the Trustee) certain days to be a non-Business Day. This is so when the foreign markets in which investments of the respective Fund have in aggregate values amounting to at least 50% of the Net Asset Value invested therein, are closed for business. This is to ensure that the valuation of a Fund for a particular Business Day will represent the valuation of the majority of assets comprised in the portfolio of a Fund on that Business Day. Investors will thus be given a fair valuation of the respective Fund at all times, be it when buying or redeeming units of the Fund.

GAF

As the target fund into which **GAF** invests (i.e. BGF-GAF) is a Luxembourg-based fund which observes its own business day policy, it is envisaged that although BMSB is open for business, the Manager may declare (after consultation with the Trustee) certain days to be a non-Business Day. This is so when it is a non-business day in Hong Kong (i.e. Saturdays, Sundays and public holidays) and/or it is a non-business day in Luxembourg for banks and the Luxembourg stock exchange (including such other days as the directors of BGF may decide). This is to ensure that the valuation of the Fund for a particular Business Day will represent the valuation of BGF-GAF for that Business Day. Investors will thus be given a fair valuation of the Fund at all times, be it when buying or redeeming units of the Fund.

AGO

As the target fund into which **AGO** invests (i.e. UAGOF) is domiciled in Singapore which has its own business day policy, it is envisaged that although BMSB is open for business, the Manager may declare (after consultation with the Trustee) certain days to be a non-Business Day. This is so when it is a non-business day in Singapore (i.e. Saturdays, Sundays and public holidays) and/or a day which is a non-dealing day as defined in the prevailing prospectus of UAGOF. This is to ensure that the valuation of the Fund for a particular Business Day will represent the valuation of UAGOF for that Business Day. Investors will thus be given a fair valuation of the Fund at all times, be it when buying or redeeming units of the Fund.

USFOCUS

As the target fund into which the Fund invests (i.e. Schroder ISF USSME) is domiciled in Luxembourg which has its own business day policy, it is envisaged that although Bursa Malaysia is open for business, the Manager may declare certain days to be a non-Business Day. This is so when it is a non-business day in New York and/or Luxembourg (i.e. Saturdays, Sundays and public holidays) and/or a day which is determined to be a non-business day by the manager of Schroder ISF USSME. This is to ensure that the valuation of the Fund for a particular Business Day will represent the valuation of Schroder ISF USSME for that Business Day. Investors will thus be given a fair valuation of the Fund at all times, be it when buying or redeeming units of the Fund.

2. RISK FACTORS

2.1 General Risks of Investing in Unit Trust Funds

The following are general risks involved in investing in the respective Funds:

General Risks

a) *Management Risk*

Inadequate expertise of a management company in dealing with the day-to-day management of managing a Fund will jeopardise the investment of Unit Holders through the risk of reduced returns and in some cases the Unit Holders may also lose the capital invested in the Fund.

The selection of securities of a Fund or placement of cash or deposits which make up the assets of the Fund is a subjective process and depends on the expertise of a fund manager in carrying out the investment management function of a Fund. The securities selected or deposits placed by the Manager or management company may perform better or worse than the overall market, or as compared to portfolios of a similar mandate managed by our competitors.

b) *Inflation/Purchasing Power Risk*

This is the risk that investors' investment in the unit trust fund may not grow or generate income at a rate that keeps pace with inflation. This would reduce investors' purchasing power even though the value of the investment in monetary terms has increased. There is a risk that the value of Unit Holders' money invested in a Fund and the value of any returns thereof may be reduced by inflation.

c) *Redemption Risk*

The ability of a Fund to honour requests for redemption in a timely manner is subject to the Fund's holding of adequate liquid assets and/or its ability to borrow on a temporary basis as permitted by the relevant laws.

d) *Loan Financing Risk*

Investors should assess the inherent risk of investing with borrowed money which would include the following:

i) the ability to service the loan repayments and the effect of increase in interest rates on the loan repayments; and

ii) (in a case where units of the Funds are used as collateral to the loan) the ability to provide additional collateral should the unit prices of the respective Fund fall beyond a certain level.

[Please see Unit Trust Loan Financing Risk Disclosure Statement in the application form]

e) *Risk of Non-Compliance*

The risk arises should the Manager not follow the provisions set out in the respective Deed or the law that governs the Fund or its own internal procedures, whether by oversight or by omission, or if the Manager acts fraudulently or dishonestly. Such non-compliance may result in the Fund being mismanaged and may affect the Unit Holders' investment.

f) *Returns are not Guaranteed*

There is no guarantee on the investment returns to Unit Holders. Unlike fixed deposits which carry a specific rate of return, the Fund does not provide a fixed rate of return.

Investments Risks

a) *Counterparty Risk*

The Funds' placements of cash or deposits with financial institutions is subject to the risk of the counterparty. Counterparty risk refers to the possibility that the financial institution where the cash or deposit placements are made will not be able to make timely payments of interest and/or principal repayment on demand when it becomes due. This may lead to a default in the payment of principal and/or interest and ultimately a reduction in the value of a Fund.

For Funds investing in fixed income securities:

a) *Interest Rate Risk**

This risk refers to the effect of interest rate changes on the market value of a fixed income portfolio. In the event of rising interest rates, prices of debt securities will generally decrease and vice versa. Meanwhile, debt securities with longer maturities and lower coupon or profit rates are more sensitive to interest rate changes. This risk will be mitigated via the management of the duration structure of the fixed income portfolio. In respect of equities, this risk refers to the impact of interest rate changes to companies in general. Any increase in interest rate would generally increase a company's cost of financing which may impact their profitability which in turn may impact a company's share price.

b) *Credit and Default Risk*

This risk refers to the possibility that the issuer of a fixed income security or debenture will be unable to make coupon or profit payments and/or repay or pay the principal in a timely manner thus lowering the value of the Fund's investments and subsequently the value of Unit Holders' investments.

* This risk will apply to both fixed income securities and equities.

For Funds investing in equities and equity related securities:

a) *Market Risk*

Market risk is a risk that arises when the prices of investments in the marketplace are affected by circumstances such as political or economic events. These circumstances, which may be a local or global event can affect the markets where the Fund is invested in and subsequently the value of the Fund's investments.

b) *Particular Security Risk*

The fluctuation in the performance of each individual security that the Fund invests in will affect the price of the units of the Fund. Not all companies issuing these securities are successful. The success or failure of the companies will cause its securities value to rise or fall. Valued collectively, the performance of individual securities comprising the Fund's portfolio will cause the unit price of the Fund to rise or fall accordingly.

c) *Equity Related Securities Risk*

The Fund may also invest in equity related securities such as warrants. As warrants are linked to the particular equity securities from which they are derived, the warrants inherit the risks linked to that underlying equity such as market risk, currency risk, country risk, industry risk and liquidity risk. A movement in the prices of the underlying equity securities of the warrants will generally result in a larger movement in the prices of the warrants, thus the higher volatility of investments in warrants. In the event of a decline in the market, warrants can lose a substantial amount of their values, far more than equity securities and vice versa. Warrants also have a limited life and if they are not exercised at the maturity, they will expire and become worthless causing the value of the Fund's investments to fall. Like any other investment, the fall in the value of the Fund's investments will ultimately lower the NAV.

d) *Liquidity Risk**

This risk refers to the ease with which a security can be sold at or near its fair value depending on the volume traded on the market. Should a security become illiquid, it may be sold at a discount to its fair value, thus lowering the value of the Fund's investments and subsequently the value of Unit Holders' investments.

* This risk will apply to both fixed income securities and equities.

Foreign investment risks:

a) *Currency Risk*

Where a percentage of the value of the Fund is invested in foreign currency or assets denominated in a foreign currency, the Fund may be exposed to currency risk. Fluctuation in foreign exchange rates will affect the value of the Fund's foreign investments when converted into local currency and subsequently the value of Unit Holders' investments. This risk can be mitigated by investing in a wide range of foreign currency denominated asset thus diversifying the risk of single currency exposure. Hedging may be applied to mitigate the currency risk, if necessary.

b) *Country Risk*

In addition to currency risk, the Fund is also subject to country risk. The value of the assets of the Fund may also be affected by the economic and political climate, restriction on currency repatriation or other developments in the law or regulations of the countries in which the Fund may invest. Further, when investing in foreign markets, there are countries which may require prior approvals before investments can take place. For example, if and when the Fund invests in countries such as China, Taiwan, South Korea, India and Vietnam, such countries require the application of an investment licence or registration of an investor code before any investment can be made in these countries. As such, if investments in such countries are undertaken, there may be a risk that such registration or licence may be revoked or not renewed by the relevant authority and the Fund's investment in these countries may be affected. The effect on the Fund's investments will depend on the regulatory requirements of the respective countries. For example, if a foreign market requires the Fund to obtain an investment licence which is subject to renewal and if such investment licence is not renewed in a timely manner, this may result in the Fund's investment account in that country being frozen by the regulator resulting in investment activities for the Fund in that country being suspended. To mitigate this, the Manager will monitor closely the adherence of investment regulatory requirements in such countries.

For Funds participating or investing in derivatives:

a) *Derivative Risk*

If a Fund participates in financial derivative instruments for hedging purposes or as an investment, it will be subject to risks associated with such investments. As hedging activities are meant to protect a Fund from currency, interest rate and price volatility, hence the benefit of any upside of currency or interest rate or securities' price movement is limited. Investments in financial derivative instruments may require the deposit of initial margin and additional deposit of margin on short notice if the market moves against the investment positions. If no provision is made for the required margin within the prescribed time, the Fund's investments may be liquidated at a loss. Therefore, it is essential that such investments in financial derivative instruments are monitored closely. If and when the Manager participates or invests in financial derivatives, the Manager will monitor the financial derivative positions for the Fund. In addition, participation or investment in financial derivatives is also subject to the possibility that the counterparty to the financial derivative may fail or default in its obligations under the financial derivative contract. Such failure or default by the counterparty whether in the payment of principal and/or interest or any gain from the financial derivative transaction may ultimately lead to a reduction in the value of the Fund. Investing in financial derivatives may also result in a likelihood of high volatility of the NAV per unit of the Fund.

2.2 Specific Risks when Investing in the Funds

The following are specific risks involved in investing in the Funds:

GEY **ASPAC**

As this Fund may invest up to 98% of its Net Asset Value in foreign markets, it may be subject to further risks, such as currency risk and country risk [see Section 2.1 (Investments Risks)], when compared to a portfolio which concentrates its holdings in a single market or economy. Furthermore, share investments are susceptible to the movements of share prices which can rise or fall for a number of reasons such as industry trends, economic factors, changes in a company's operations, management and financial performance as well as market perception of that particular company.

Other risks associated with investments in equities are as set out in section 2.1 (Investments Risks). You may refer to Section 1.1.5 and 1.2.5 for information on the risk management strategies and techniques employed by the Manager.

RESO

As this Fund focuses on securities of companies whose businesses are in or are substantially related to the natural resources sectors, investors should note that this Fund carries greater risks of adverse developments than a fund that invests in a wider variety of industries. The securities of companies in the natural resources sector may experience more price volatility than securities of companies in other industries. Some of the commodities used as raw materials or produced by these companies are subject to broad price fluctuations as a result of industry wide supply and demand factors. As a result, companies in the natural resources sector often have limited pricing power over supplies or for the products they sell which can affect their profitability.

The Fund's concentration in the securities of companies with substantial natural resource assets will expose the Fund to the price movements of natural resources to a greater extent than a more broadly diversified unit trust fund. Because the Fund invests primarily in this economic sector, there is the risk that the Fund will perform poorly during an economic downturn or a slump in demand for natural resources.

The value of this Fund's units is also vulnerable to factors affecting the natural resources industry such as increasing regulation of the environment by governments. Increased environmental regulations may, among other things, increase compliance costs and affect business opportunities for the companies in which this Fund invests. Other factors affecting the natural resources industry include changes in laws relating to mining or production or sales as well as increased labour or other costs in mining.

In addition, as this Fund may invest up to 98% of its Net Asset Value in foreign markets, it may be subject to further risks, such as currency risk and country risk [see Section 2.1 (Investments Risks)], when compared to a portfolio which concentrates its holdings in a single market or economy. Furthermore, share investments are susceptible to the movements of share prices which can rise or fall for a number of reasons such as industry trends, economic factors, changes in a company's operations, management and financial performance as well as market perception of that particular company.

Other risks associated with investments in equities are as set out in section 2.1 (Investments Risks). You may refer to Sec,tion 1.3.5 for information on the risk management strategies and techniques employed by the Manager.

GAF

As this Fund invests at least 95% of its Net Asset Value in the target fund, BGF-GAF, it is subject to the management risk of the management company and investment manager of BGF-GAF. Poor management of BGF-GAF will jeopardize the investment of this Fund in BGF-GAF and in turn, the Unit Holders' investment through the loss of capital invested in this Fund as elaborated under management risk set out in Section 2.1.

In addition, as BGF-GAF is denominated in US Dollars and is domiciled in Luxembourg, this Fund may be subject to currency and country risk. Changes in rates of exchange between currencies may cause the value of this Fund's investment in BGF-GAF to diminish or increase which in turn will affect the value of Unit Holders' investments.

The Fund's investments in BGF-GAF may be adversely affected by political instability as well as exchange controls, changes in taxation, foreign investment policies, restrictions on repatriation of investments and other restrictions and controls which may be imposed by the relevant authorities in Luxembourg. Investors may also refer to currency risk and country risk elaborated under Section 2.1.

Furthermore, investments of BGF-GAF are subject to the following risks:

- *Fixed income transferable securities*

  Debt securities are subject to both actual and perceived measures of creditworthiness. The "downgrading" of a rated debt security or adverse publicity and investor perception, which may not be based on fundamental analysis, could decrease the value and liquidity of the security, particularly in a thinly traded market. In certain market environments this may lead to investments in such securities becoming less liquid, making it difficult to dispose of them.

  BGF-GAF may be affected by changes in prevailing interest rates and by credit quality considerations. Changes in market rates of interest will generally affect BGF-GAF's asset values as the prices of fixed rate securities generally increase when interest rates decline and decrease when interest rates rise. Prices of shorter-term securities generally fluctuate less in response to interest rate changes than do longer-term securities.

  An economic recession may adversely affect an issuer's financial condition and the market value of high yield debt securities issued by such entity. The issuer's ability to service its debt obligations may be adversely affected by specific issuer developments, or the issuer's inability to meet specific projected business forecasts, or the unavailability of additional financing. In the event of bankruptcy of an issuer, BGF-GAF may experience losses and incur costs.

Issuers of non-investment grade debt may be highly leveraged and carry a greater risk of default. In addition, non-investment grade securities tend to be more volatile than higher rated fixed income securities, so that adverse economic events may have a greater impact on the prices of non-investment grade debt securities than on higher rated fixed-income securities.

- *Distressed securities*

  Investment in a security issued by a company that is either in default or in high risk of default ("Distressed Securities") involves significant risk. Such investments will only be made when the investment adviser of BGF-GAF believes either that the security trades at a materially different level from the BGF-GAF investment adviser's perception of fair value or that it is reasonably likely that the issuer of the securities will make an exchange offer or will be the subject of a plan of reorganisation; however, there can be no assurance that such an exchange offer will be made or that such a plan of reorganisation will be adopted or that any securities or other assets received in connection with such an exchange offer or plan of reorganisation will not have a lower value or income potential than anticipated when the investment was made. In addition, a significant period of time may pass between the time at which the investment in Distressed Securities is made and the time that any such exchange, offer or plan of reorganisation is completed. During this period, it is unlikely that any interest payments on the Distressed Securities will be received, there will be significant uncertainty as to whether fair value will be achieved or not and the exchange offer or plan of reorganisation will be completed, and there may be a requirement to bear certain expenses to protect BGF-GAF's interest in the course of negotiations surrounding any potential exchange or plan of reorganisation. Furthermore, constraints on investment decisions and actions with respect to Distressed Securities due to tax considerations may affect the return realised on the Distressed Securities.

  BGF-GAF may invest in securities of issuers that are encountering a variety of financial or earnings problems and represent distinct types of risks. BGF-GAF's investments in equity or fixed income transferable securities of companies or institutions in weak financial condition may include issuers with substantial capital needs or negative net worth or issuers that are, have been or may become, involved in bankruptcy or reorganisation proceedings.

- *Smaller capitalisation companies*

  The securities of smaller companies may be subject to more abrupt or erratic market movements than larger, more established companies or the market average in general. These companies may have limited product lines, markets or financial resources, or they may be dependent on a limited management group. Full development of those companies takes time. In addition, many small company stocks trade less frequently and in smaller volume, and may be subject to more abrupt or erratic price movements than stocks of large companies. The securities of small companies may also be more sensitive to market changes than the securities of large companies. These factors may result in above-average fluctuations in the net asset value of BGF-GAF's shares.

- *Equity risks*

  The values of equities fluctuate daily and a fund investing in equities could incur significant losses. The price of equities can be influenced by many factors at the individual company level, as well as by broader economic and political developments, including trends in economic growth, inflation and interest rates, corporate earnings reports, demographic trends and catastrophic events.

- *Emerging markets*

  Emerging markets are typically those of poorer or less developed countries which exhibit lower levels of economic and/or capital market development, and higher levels of share price and currency volatility. Amongst these, those which exhibit the lowest levels of economic and/or capital market development may be referred to as frontier markets, and the below mentioned risks may be amplified for these markets.

  Some emerging markets governments exercise substantial influence over the private economic sector and the political and social uncertainties that exist for many developing countries are particularly significant. Another risk common to most such countries is that the economy is heavily export oriented and, accordingly, is dependent upon international trade. The existence of overburdened infrastructures and inadequate financial systems also presents risks in certain countries, as do environmental problems.

  In adverse social and political circumstances, governments have been involved in policies of expropriation, confiscatory taxation, nationalisation, intervention in the securities market and trade settlement, and imposition of foreign investment restrictions and exchange controls, and these could be repeated in the future. In addition to withholding taxes on investment income, some emerging markets may impose capital gains taxes on foreign investors.

  Generally accepted accounting, auditing and financial reporting practices in emerging markets may be significantly different from those in developed markets. Compared to mature markets, some emerging markets may have a low level of regulation, enforcement of regulations and monitoring of investors' activities. Those activities may include practices such as trading on material non-public information by certain categories of investor.

  The securities markets of developing countries are not as large as the more established securities markets and have substantially less trading volume, resulting in a lack of liquidity and high price volatility. There may be a high concentration of market capitalisation and trading volume in a small number of issuers representing a limited number of industries as well as a high concentration of investors and financial intermediaries. These factors may adversely affect the timing and pricing of BGF-GAF's acquisition or disposal of securities.

  Practices in relation to the settlement of securities transactions in emerging markets involve higher risks than those in developed markets, in part because BlackRock Global Funds will need to use brokers and counterparties which are less well capitalised, and custody and registration of assets in some countries may be unreliable. Delays in settlement could result in investment opportunities being missed if BGF-GAF is unable to acquire or dispose of a security. The custodian of BGF-GAF is responsible for the proper selection and supervision of its correspondent banks in all relevant markets in accordance with Luxembourg law and regulation.

  In certain emerging markets, registrars are not subject to effective government supervision nor are they always independent from issuers. Investors should therefore be aware that BGF-GAF could suffer loss arising from these registration problems.

- *Sovereign debt*

  Sovereign debt refers to debt obligations issued or guaranteed by governments or their agencies and instrumentalities (each a "governmental entity"). Investments in sovereign debt may involve a degree of risk. The governmental entity that controls the repayment of sovereign debt may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. A governmental entity's willingness or ability to repay principal and interest due in a timely manner may be affected by, among other factors, its cash flow situation, the extent of its foreign reserves, the availability of sufficient foreign exchange on the date a payment is due, the relative size of the debt service burden to the economy as a whole, the governmental entity's policy towards the international monetary bodies, any constraints placed on it by inclusion in a common monetary policy, or any other constraints to which a governmental entity might be subject. Governmental entities may also be dependent on expected disbursements from foreign governments, multilateral agencies and other foreign entities to reduce principal and interest arrears on their debt. The commitment on the part of these governments, agencies and others to make such disbursements may be conditioned on a governmental entity's implementation of economic reforms and/or economic performance and the timely service of such debtor's obligations. Failure to implement such reforms, achieve such levels of economic performance or repay principal or interest when due may result in the cancellation of such third parties' commitments to lend funds to the governmental entity, which may further impair such debtor's ability or willingness to service its debt on a timely basis. Consequently, governmental entities may default on their sovereign debt. Holders of sovereign debt, including BGF-GAF, may be requested to participate in the rescheduling of such debt and to extend further loans to governmental entities.

Sovereign debt holders may also be affected by additional constraints relating to sovereign issuers which may include (i) the restructuring of such debt (including the reduction of outstanding principal and interest and or rescheduling of repayment terms) without the consent of BGF-GAF (e.g. pursuant to legislative actions unilaterally taken by the sovereign issuer and/or decisions made by a qualified majority of the lenders); and (ii) the limited legal recourses available against the sovereign issuer in case of failure of or delay in repayment (for example there may be no bankruptcy proceedings available by which sovereign debt on which a government entity has defaulted may be recovered).

- *Bond downgrade risk*

  BGF-GAF may invest in highly rated or investment grade bonds, however, where a bond is subsequently downgraded it may continue to be held in order to avoid a distressed sale. To the extent that BGF-GAF does hold such downgraded bonds, there will be an increased risk of default on repayment, which in turn translates into a risk that the capital value of BGF-GAF will be affected. Investors should be aware that the yield or the capital value of BGF-GAF (or both) could fluctuate.

- *Restrictions on foreign investment*

  Some countries prohibit or impose substantial restrictions on investments by foreign entities such as BGF-GAF. As illustrations, certain countries require governmental approval prior to investments by foreign persons, or limit the amount of investment by foreign persons in a particular company, or limit the investment by foreign persons in a company to only a specific class of securities which may have less advantageous terms than securities of the company available for purchase by nationals. Certain countries may restrict investment opportunities in issuers or industries deemed important to national interests. The manner in which foreign investors may invest in companies in certain countries, as well as limitations on such investments, may have an adverse impact on the operations of BGF-GAF. For example, BGF-GAF may be required in certain of such countries to invest initially through a local broker or other entity and then have the share purchases re-registered in the name of BGF-GAF. Re-registration may in some instances not be able to occur on a timely basis, resulting in a delay during which BGF-GAF may be denied certain of its rights as an investor, including rights as to dividends or to be made aware of certain corporate actions. There also may be instances where BGF-GAF places a purchase order but is subsequently informed, at the time of re-registration, that the permissible allocation to foreign investors has been filled, depriving the BGF-GAF of the ability to make its desired investment at the time. Substantial limitations may exist in certain countries with respect to BGF-GAF's ability to repatriate investment income, capital or the proceeds of sales of securities by foreign investors. BGF-GAF could be adversely affected by delays in, or a refusal to grant any required governmental approval for repatriation of capital, as well as by the application to BGF-GAF of any restriction on investments. A number of countries have authorised the formation of closed-end investment companies to facilitate indirect foreign investment in their capital markets. Shares of certain closed-end investment companies may at times be acquired only at market prices representing premiums to their net asset values. If BGF-GAF acquires shares in closed-end investment companies, shareholders would bear both their proportionate share of expenses in BGF-GAF (including management fees) and, indirectly, the expenses of such closed end investment companies. In addition, certain countries such as India and the PRC implement quota restrictions on foreign ownership of certain onshore investments. These investments may at times be acquired only at market prices representing premiums to their net asset values and such premiums may ultimately be borne by BGF-GAF. BGF-GAF may also seek, at its own cost, to create its own investment entities under the laws of certain countries.

- *Derivatives*

  BGF-GAF may use derivatives to hedge market, interest rate and currency risk, and for the purposes of efficient portfolio management.

  The use of derivatives may expose BGF-GAF to a higher degree of risk. In particular, derivative contracts can be highly volatile, and the amount of initial margin is generally small relative to the size of the contract so that transactions may be leveraged in terms of market exposure. A relatively small market movement may have a potentially larger impact on derivatives than on standard bonds or equities. Leveraged derivative positions can therefore increase the BGF-GAF volatility. Whilst the BGF-GAF will not borrow money to leverage, BGF-GAF may for example take synthetic short positions through derivatives to adjust BGF-GAF's exposure, always within the BGF restrictions. BGF-GAF may enter into long positions executed using derivatives (synthetic long positions) such as futures positions including currency forwards.

  Where derivative instruments are used in this manner, the overall risk profile of BGF-GAF may be increased. Accordingly, BlackRock Global Funds will employ a risk-management process which enables the management company of BGF-GAF to monitor and measure at any time the risk of the positions and the contribution of the derivative instruments to the overall risk profile of BGF-GAF.

  BGF-GAF may use derivatives for investment purposes or for the purpose of efficient portfolio management and for hedging in accordance with their respective investment objective and policies. In particular this may involve (on a non-exhaustive basis):

- using swap contracts to adjust interest rate risk;
- using currency derivatives to buy or sell currency risk;
- writing covered call options;
- using credit default swaps to buy or sell credit risk;
- using volatility derivatives to adjust volatility risk;
- buying and selling options;
- using swap contracts to gain exposure to one or more indices;
- using synthetic short positions to take advantage of any negative investment views; and
- using synthetic long positions to gain market exposure.

Specific Risks Applicable to investing via the Stock Connect:

Quota Limitation
BGF-GAF may invest in PRC via Stock Connect. The Stock Connect is subject to quota limitations, further details of which are set out in the "Investment Scope and Limits" section in BGF-GAF. In particular, once the remaining balance of the relevant quota drops

to zero or the daily quota is exceeded, buy orders will be rejected (although investors will be permitted to sell their cross-boundary securities regardless of the quota balance). Therefore, quota limitations may restrict BGF-GAF's ability to invest in China A Shares through the Stock Connect on a timely basis, and BGF-GAF may not be able to effectively pursue its investment strategy.

Taxation Risk
The PRC tax authorities announced on 14 November 2014 that gains derived by foreign investors, including Renminbi Qualified Foreign Institutional Investor ("RQFII") investors, from China A Shares traded through the Shanghai Hong Kong Stock Connect would be temporarily exempted from PRC taxation effective from 17 November 2014. This temporary exemption applies to China A Shares generally, including shares in PRC 'land-rich' companies, however, please note that the temporary exemption does not apply to China onshore bonds. The duration of the period of temporary exemption has not been stated and is subject to termination by the PRC tax authorities with or without notice and worst case, retrospectively. In addition the PRC tax authorities may implement other tax rules with retrospective effect which may adversely affect BGF-GAF. If the temporary exemption is withdrawn a foreign investor would be subject to PRC taxation in respect of gains on China A Shares and the resultant tax liability would be payable by BGF-GAF, and thus borne by its investors including the Fund. However, this liability may be mitigated under the terms of an applicable tax treaty, and if so, any such benefits will be passed to investors including the Fund.

Legal / Beneficial Ownership
The SSE shares in respect of BGF-GAF will be held by the custodian/ sub-custodian in accounts in the Hong Kong Central Clearing and Settlement System ("CCASS ") maintained by the Hong Kong Securities Clearing Company Limited ("HKSCC") as central securities depositary in Hong Kong. HKSCC in turn holds the SSE shares, as the nominee holder, through an omnibus securities account in its name registered with ChinaClear. The precise nature and rights of the BGF-GAF as the beneficial owners of the SSE shares through HKSCC as nominee is not well defined under PRC law. There is lack of a clear definition of, and distinction between, "legal ownership" and "beneficial ownership" under PRC law and there have been few cases involving a nominee account structure in the PRC courts. Therefore the exact nature and methods of enforcement of the rights and interests of the BGF-GAF under PRC law is uncertain. Because of this uncertainty, in the unlikely event that HKSCC becomes subject to winding up proceedings in Hong Kong it is not clear if the SSE shares will be regarded as held for the beneficial ownership of the BGF-GAF or as part of the general assets of HKSCC available for general distribution to its creditors.

Clearing and Settlement Risk
HKSCC and ChinaClear have established the clearing links and each has become a participant of the other to facilitate clearing and settlement of cross-boundary trades. For cross boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

As the national central counterparty of the PRC's securities market, ChinaClear operates a comprehensive network of clearing, settlement and stock holding infrastructure. ChinaClear has established a risk management framework and measures that are approved and supervised by the CSRC. The chances of ChinaClear default are considered to be remote. In the remote event of a ChinaClear default, HKSCC's liabilities in SSE Shares under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. HKSCC should in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, BGF-GAF may suffer delay in the recovery process or may not fully recover its losses from ChinaClear.

Suspension Risk

Each of the Stock Exchange of Hong Kong ("SEHK") and SSE reserves the right to suspend trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension is effected, BGF-GAF's ability to access the PRC market will be adversely affected.

Differences in Trading Day

The Stock Connect only operates on days when both the PRC and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the PRC market but BGF-GAF cannot carry out any China A Shares trading via the Stock Connect. BGF-GAF may be subject to a risk of price fluctuations in China A Shares during the time when the Stock Connect is not trading as a result.

Restrictions on Selling Imposed by Front-End Monitoring

PRC regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise the SSE will reject the sell order concerned. SEHK will carry out pre-trade checking on China A Share sell orders of its participants (i.e. the stock brokers) to ensure there is no over-selling.

If BGF-GAF intends to sell certain China A Shares it holds, it must transfer those China A Shares to the respective accounts of its broker(s) before the market opens on the day of selling ("trading day"). If it fails to meet this deadline, it will not be able to sell those shares on the trading day. Because of this requirement, BGF-GAF may not be able to dispose of its holdings of China A Shares in a timely manner.

Operational Risk

The Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are permitted to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house.

The securities regimes and legal systems of the two markets differ significantly and market participants may need to address issues arising from the differences on an on-going basis. There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems fail to function properly, trading in both markets through the program could be disrupted. BGF-GAF's ability to access the China A Share market (and hence to pursue its investment strategy) may be adversely affected.

Regulatory Risk

The Stock Connect is a novel concept. The current regulations are untested and there is no certainty as to how they will be applied. In addition, the current regulations are subject to change and there can be no assurance that the Stock Connect will not be abolished.

New regulations may be issued from time to time by the regulators / stock exchanges in the PRC and Hong Kong in connection with operations, legal enforcement and cross-border trades under the Stock Connect. BGF-GAF may be adversely affected as a result of such changes.

Recalling of Eligible Stocks

When a stock is recalled from the scope of eligible stocks for trading via the Stock Connect, the stock can only be sold but restricted from being bought. This may affect the investment portfolio or strategies of BGF-GAF, for example, if the investment adviser of BGF-GAF wishes to purchase a stock which is recalled from the scope of eligible stocks.

No Protection by Investor Compensation Fund

Investment in SSE Shares via the Stock Connect is conducted through brokers, and is subject to the risks of default by such brokers' in their obligations. Investments of BGF-GAF are not covered by the Hong Kong's Investor Compensation Fund, which has been established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. Since default matters in respect of SSE Shares via Stock Connect do not involve products listed or traded in SEHK or Hong Kong Futures Exchange Limited, they will not be covered by the Investor Compensation Fund. Therefore the BGF-GAF is exposed to the risks of default of the broker(s) it engages in its trading in China A Shares through the Stock Connect.

The risk management strategies and techniques employed by the Fund will be at the BGF GAF level whereby BlackRock Global Funds employs a risk management process in connection with financial techniques and instruments which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the BGF-GAF portfolio.

GNS

The prices of Initial Public Offerings and pre-IPO securities are often subject to greater and more unpredictable price changes than more established securities due to factors such as the absence of a prior public market, unseasoned trading, the limited number of shares available for trading and limited information about the issuer.

The performance of the pre-IPO securities is dependent on the Manager's ability to make the right investment decisions and to invest in investee companies which are able to provide satisfactory returns within acceptable timeframes. However, as all investment decisions are a matter of qualitative and quantitative judgement, there is no assurance that the Manager will be able to make the right investments in a timely manner all or most of the time.

The Manager's ability to secure favourable investments for the Fund may be materially affected by conditions in the financial markets as well as economic conditions globally. Unfavourable financial or economic conditions would likely reduce the available number of new IPO private placement, corporate finance or private equity transactions for investment by the Fund, which may adversely affect the performance of the Fund.

As this Fund may invest up to 98% of its Net Asset Value in foreign markets, it may be subject to further risks, such as currency risk and country risk [see Section 2.1 (Investments Risks)], when compared to a portfolio which concentrates its holdings in a single market or economy. Furthermore, share investments are susceptible to the movements of share prices which can rise or fall for a number of reasons such as industry trends, economic factors, changes in a company's operations, management and financial performance as well as market perception of that particular company.

Other risks associated with investments in equities are as set out in Section 2.1 (Investments Risks). You may refer to Section 1.5.5 for information on the risk management strategies and techniques employed by the Manager.

DRAGON

As this Fund's equities investments will focus on securities issued by companies whose business are in the Greater China (i.e. the People's Republic of China, Hong Kong SAR and Taiwan), it may be subject to a higher level of risk than an equities portfolio which is not restricted to a particular geographical market. Thus, there is a risk that the Fund will perform poorly during an economic downturn or in the event of adverse news affecting the said Greater China markets.

Further when investing in the China and Taiwan markets, prior approvals are required before investments can be undertaken in these countries. As such, the Fund has obtained from the relevant regulatory authority, the registration certificate and code for investments in Taiwan and an investor code for investments in the China markets.

This Fund is also subject to interest rate risk. As prices of debentures generally move in opposite direction with interest rates, when interest rates rise, prices of debentures will generally fall. This rise in interest rate would cause the investor to face the risk of capital loss. But when interest rates fall, prices of debentures will generally increase, therefore, investors will see capital gains.

In addition, this Fund is subject to credit and default risk. This risk refers to the creditworthiness of the debenture issuer and its expected ability to pay debt. Default happens when the issuer is not able to make timely payments of interest or profit on the interest or profit payment date and/or principal payment on the maturity date.

As this Fund may invest up to 70% of its Net Asset Value in securities of foreign markets, it may be subject to further risks, such as currency risk and country risk [see Section 2.1 (Investments Risks)], when compared to a portfolio which concentrates its holdings in a single market or economy. Furthermore, share investments are susceptible to the movements of share prices which can rise or fall for a number of reasons such as industry trends, economic factors, and changes in a company's operations, management and financial performance as well as market perception of that particular company.

Other risks associated with investments in equities are as set out in Section 2.1 (Investments Risks). You may refer to Section 1.6.5 for information on the risk management strategies and techniques employed by the Manager.

BIGCAP

As this Fund's equities investments will focus on securities issued by companies whose business are in China, it may be subject to a higher level of risk than an equities portfolio which is not restricted to a particular geographical market. Thus, there is a risk that the Fund will perform poorly during an economic downturn or in the event of adverse news affecting the said market.

Further when investing in the China markets, prior approvals are required before investments can be undertaken in these countries. As such, the Fund has obtained from the relevant regulatory authority an investor code for investments in the China markets.

As this Fund may invest up to 98% of its Net Asset Value in foreign markets, it may be subject to further risks, such as currency risk and country risk. Furthermore, share investments are susceptible to the movements of share prices which can rise or fall for a number of reasons such as industry trends, economic factors, changes in a company's operations, management and financial performance as well as market perception of that particular company.

Other risks associated with investments in equities are as set out in Section 2.1 (Investments Risks). You may refer to Section 1.7.5 for information on the risk management strategies and techniques employed by the Manager.

AGO

As this Fund invests at least 95% of its Net Asset Value in the target fund, UAGOF, it is subject to the management risk of the management company and investment manager of UAGOF. Poor management of UAGOF will jeopardize the investment of this Fund in UAGOF and in turn, the Unit Holders' investment through the loss of capital invested in this Fund as elaborated under management risk set out in Section 2.1.

In addition, as UAGOF is denominated in Singapore Dollars and is domiciled in Singapore, this Fund may be subject to currency and country risk. Changes in rates of exchange between currencies may cause the value of this Fund's investment in UAGOF to diminish or increase which in turn will affect the value of Unit Holders' investments.

The Fund's investments in UAGOF may be adversely affected by political instability as well as exchange controls, changes in taxation, foreign investment policies, restrictions on repatriation of investments and other restrictions and controls which may be imposed by the relevant authorities in Singapore. Investors may also refer to currency risk and country risk elaborated under Section 2.1.

Furthermore, investments of UAGOF are subject to the following risks:

- *Market risk*

Investors should consider and satisfy themselves as to the usual risks of investing and participating in publicly traded securities. Prices of securities may go up or down in response to changes in economic conditions, interest rates and the market's perception of securities which in turn may cause the price of the units of UAGOF to rise or fall.

- *Foreign exchange risk*

UAGOF is denominated in Singapore Dollars. Where investments are made by UAGOF in the form of foreign currency denominations, fluctuations in the exchange rates of other currencies against the base currency of UAGOF may affect the value of the units of UAGOF. In the management of UAGOF, the manager of UAGOF may hedge the foreign currency exposure of UAGOF and may adopt an active currency management approach. However, the foreign currency exposure of UAGOF may not be fully hedged depending on circumstances of each case. Such circumstances include but are not limited to the outlook on the relevant currency, the costs of hedging and the market liquidity of the relevant currency.

- *Political risk*

The investments in UAGOF may be adversely affected by political instability as well as exchange controls, changes in taxation, foreign investment policies, restrictions on repatriation of investments and other restrictions and controls which may be imposed by the relevant authorities in the other countries.

- *Derivatives risk*

As UAGOF may use or invest in financial derivative instruments ("FDIs" or "derivatives"), it will be subject to risks associated with such FDIs. These FDIs include foreign exchange forward contracts and equity index future contracts. An investment in a FDI may require the deposit of an initial margin and additional deposit of margin on short notice if the market moves against the investment positions. If the required margin is not provided in time, UAGOF's investments may be liquidated at a loss. Therefore, it is essential that such investments in FDIs are monitored closely. The manager of UAGOF has controls for investments in FDIs and has in place systems to monitor the FDI positions for UAGOF.

- *Liquidity risk*

Investments by UAGOF in some Asian and/or emerging markets often involve a greater degree of risk due to the nature of such markets which do not have fully developed services such as custodian and settlement services often taken for granted in more developed markets. There may be a greater degree of volatility in such markets because of the speculative element, significant retail participation and the lack of liquidity which are inherent characteristics of these Asian and/or emerging markets.

- *Small capitalisation companies risk*

Investments in small capitalisation companies generally carry greater risk than is customarily associated with larger capitalisation companies, which may include, for example, less public information, more limited financial resources and product lines, greater volatility, higher risk of failure than larger companies and less liquidity. The result may be greater volatility in the share prices of such companies.

- *Single country, sector and regional risk*

While investments in single country, single sector or regional funds may present greater opportunities and potential for capital appreciation, they may be subject to higher risks as they may be less diversified than a global portfolio.

- *Financial institution risk*

In comparison to the overall stock market, the value of shares of financial institutions is more likely to be adversely affected by falling interest rates and/or deteriorating economic conditions. Also, financial institutions are subject to greater regulation than other industries in the overall stock market. For example, industries like banking and insurance are subject to special regulatory schemes not shared by other industries. Additionally, tighter government regulation and potential government intervention of financial institutions in which the UAGOF invests may adversely affect UAGOF by preventing the UAGOF's holdings from realising their growth potential.

- *Equity risk*

UAGOF invests in stocks and other equity securities which are subject to market risks that historically have resulted in greater price volatility than experienced by bonds and other fixed income securities. This in turn may affect the value or volatility of UAGOF.

- *Exceptional market conditions risk*

Under certain market conditions such as during volatile markets or crisis situations or where trading on the relevant stock exchange is suspended, restricted or otherwise impaired, it may be difficult or impossible to liquidate or rebalance positions. During such times, UAGOF may be unable to dispose of certain assets due to thin trading or lack of a market or buyers. Placing a stop-loss order may not necessarily limit the UAGOF's losses to intended amounts as market conditions may make it impossible to execute such an order at the ideal price. In addition, such circumstances may force UAGOF to dispose of assets at reduced prices, thereby adversely affecting the UAGOF's performance. Further, such investments may be difficult to value with any degree of accuracy or certainty. The dumping of securities in the market could further deflate prices. If UAGOF incurs substantial trading losses, the need for liquidity could rise sharply at the same time that access to liquidity is impaired. Further, in a market downturn, the UAGOF's counterparties' financial conditions could be weakened, thereby increasing the UAGOF's credit risk to them.

- *Actions of institutional investors*

UAGOF may accept subscriptions from institutional investors and such subscriptions may constitute a large portion of the total investments in UAGOF. Whilst these institutional investors will not have any control over investment decisions for UAGOF, the actions of such investors may have a material effect on UAGOF. For example, substantial realisations of units of UAGOF by an institutional investor over a short period of time could necessitate the liquidation of the UAGOF's assets at a time and in a manner which does not provide the most economic advantage to UAGOF and which could therefore adversely affect the value of the UAGOF's assets.

- *Broker risk*

The manager of UAGOF may engage the services of third party securities brokers and dealers to acquire or dispose the investments of UAGOF and to clear and settle its exchange traded securities trades. In selecting brokers and dealers and in negotiating any commission involved in its transactions, the manager of UAGOF considers, amongst other things, the range and quality of the professional services provided by such brokers and dealers, their credit standing, and licensing or regulated status.

It is possible that the brokers or dealers for UAGOF may encounter financial difficulties that may impair the operational capabilities of UAGOF. If a broker or dealer fails or become insolvent, there is a risk that the UAGOF's orders may not be transmitted or executed and its outstanding trades made through the broker or dealer may not settle.

- *Counterparty risk*

UAGOF is exposed to the risk that a counterparty may default on its obligations to perform under a particular contract. If a counterparty becomes bankrupt or insolvent, UAGOF could experience delays in liquidating an investment and may therefore incur significant losses, including losses resulting from a decline in the value of the investment during the period in which UAGOF seeks to enforce its rights. UAGOF may also be unable to realise any gains on the investment during such period and may incur fees and expenses to enforce its rights. There is also a possibility that the contracts may be terminated due to, for instance, bankruptcy, supervening illegality or change in the tax or accounting laws relative to those laws existing at the time the agreement was entered into.

Other investment risks are as set out in Section 2.1 (Investments Risks). The risk management strategies and techniques employed will be at the UAGOF level with its investment strategy that involves diversification among its asset allocation of small capitalisation stocks as well as diversification across the Asian markets (excluding Japan), as elaborated in Section 1.8.12.

ASEAN

As this Fund's investments will focus on securities issued by companies whose businesses are in ASEAN countries, it may be subject to a higher level of risk than an equities portfolio which is not restricted to a particular geographical region/market. Thus, there is a risk that the Fund will perform poorly during an economic downturn or in the event of adverse news affecting the said region/market.

As this Fund may invest up to 98% of its Net Asset Value in foreign markets, it may be subject to further risks, such as currency risk and country risk. Furthermore, share investments are susceptible to the movements of share prices which can rise or fall for a number of reasons such as industry trends, economic factors, changes in a company's operations, management and financial performance as well as market perception of that particular company. Investors may also refer to currency risk and country risk elaborated under Section 2.1.

Other risks associated with investments in equities and equity related securities (i.e. warrants) are as set out in Section 2.1 (Investments Risks).

USFOCUS

As this Fund invests at least 95% of its Net Asset Value in the target fund, Schroder ISF USSME, it is subject to the management risk of the management company and investment manager of Schroder ISF USSME. Poor management of Schroder ISF USSME will jeopardise the investment of this Fund in Schroder ISF USSME and in turn, the Unit Holders' investment through the loss of capital invested in this Fund as elaborated under management risk set out in Section 2.1.

In addition, as Schroder ISF USSME is domiciled in Luxembourg and denominated in US Dollars, this Fund may be subject to currency and country risk. Changes in rates of exchange between currencies may cause the value of this Fund's investment in Schroder ISF USSME to diminish or increase which in turn will affect the value of Unit Holders' investments.

The Fund's investments in Schroder ISF USSME may be adversely affected by political instability as well as exchange controls, changes in taxation, foreign investment policies, restrictions on repatriation of investments and other restrictions and controls which may be imposed by the relevant authorities in Luxembourg. Investors may also refer to currency risk and country risk elaborated under Section 2.1.

Furthermore, investments of Schroder ISF USSME are subject to the following risks:

▪ *General risks*

Past performance is not a guide to future performance and investment in the shares of Schroder ISF USSME should be regarded as a medium to long-term investment. The value of investments and the income generated by Schroder ISF USSME may go down as well as up and shareholders of Schroder ISF USSME, i.e. the Fund, may not get back the amount originally invested. Where the currency of Schroder ISF USSME varies from the Fund's home currency, or where the currency of Schroder ISF USSME varies from the currencies of the markets in which Schroder ISF USSME invests, there is the prospect of additional loss (or the prospect of additional gain) to the Fund greater than the usual risks of investment.

▪ *Investment objective risk*

Investment objectives express an intended result but there is no guarantee that such a result will be achieved. Depending on market conditions and the macro economic environment, investment objectives may become more difficult or even impossible to achieve. There is no express or implied assurance as to the likelihood of achieving the investment objective for the target fund, Schroder ISF USSME.

▪ *Regulatory risk*

The umbrella of the target fund, Schroder ISF USSME, i.e. Schroder International Selection Fund, is domiciled in Luxembourg and investors of Schroder ISF USSME should note that all the regulatory protections provided by their local regulatory authorities may not apply. Additionally Schroder ISF USSME will be registered in non-European Union jurisdictions. As a result of such registrations, the target fund, Schroder ISF USSME may be subject, without any notice to the Fund, to more restrictive regulatory regimes. In such cases the target fund, Schroder ISF USSME will abide by these more restrictive requirements. This may prevent the target fund, Schroder ISF USSME from making the fullest possible use of the investment limits.

▪ *Risk of suspension of share dealings*

In certain circumstances the right to redeem shares of Schroder ISF USSME may be suspended:

(a) The umbrella of the target fund, Schroder ISF USSME, i.e. Schroder International Selection Fund, reserves the right not to accept instructions to redeem on any one dealing day of the target fund, Schroder ISF USSME more than 10% of the total value of the shares in issue of the target fund, Schroder ISF USSME. In these circumstances, the directors of Schroder International Selection Fund may declare that the redemption of part or all of Schroder ISF USSME's shares in excess of 10% for which a redemption has been requested will be deferred until the next dealing day of Schroder ISF USSME and will be valued at the net asset value per share of Schroder ISF USSME prevailing on that Schroder ISF USSME dealing day. On such Schroder ISF USSME dealing day, deferred requests will be dealt with in priority to later requests and in the order that requests were initially received by Schroder ISF USSME's management company, Schroder Investment Management (Luxembourg) S.A.

(b) Schroder International Selection Fund reserves the right to extend the period of payment of redemption proceeds to such period, not exceeding thirty (30) business days (as determined by the Schroder ISF USSME), as shall be necessary to repatriate proceeds of the sale of investments in the event of impediments due to exchange control regulations or similar constraints in the markets in which a substantial part of the assets of Schroder ISF USSME are invested or in exceptional circumstances where the liquidity of Schroder ISF USSME is not sufficient to meet the redemption requests.

(c) Schroder International Selection Fund may suspend or defer the calculation of the net asset value per share of any share class in Schroder ISF USSME and the issue and redemption of any shares in Schroder ISF USSME:

(i) during any period when any of the principal stock exchanges or any other regulated market determined by Schroder ISF USSME on which any substantial portion of the investments of the relevant share class of the Schroder International Selection Fund for the time being are quoted, is closed, or during which dealings are restricted or suspended; or

(ii) during any period when the determination of the net asset value per share of and/or the redemptions in the underlying undertaking for a collective investment in transferable securities (UCITS) or other undertaking for collective investment (UIC) representing a material part of the assets of Schroder ISF USSME is suspended; or

(iii) during the existence of any state of affairs which constitutes an emergency as a result of which disposal or valuation of investments of Schroder ISF USSME by the Schroder International Selection Fund is impracticable; or

(iv) during any breakdown in the means of communication normally employed in determining the price or value of any of the investments of Schroder International Selection Fund or the current prices or values on any market or stock exchange; or

(v) during any period when Schroder International Selection Fund is unable to repatriate funds for the purpose of making payments on the redemption of Schroder ISF USSME shares or during any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of Schroder ISF USSME shares cannot in the opinion of the directors of Schroder International Selection Fund be effected at normal rates of exchange; or

(vi) if Schroder International Selection Fund is being or may be wound-up on or following the date on which notice is given of the meeting of shareholders of the Schroder International Selection Fund (i.e. all investors of funds under the Schroder International Selection Fund including investors of Schroder ISF USSME) at which a resolution to wind up Schroder International Selection Fund is proposed; or

(vii) if the directors of Schroder International Selection Fund have determined that there has been a material change in the valuations of a substantial proportion of the investments of Schroder International Selection Fund attributable to a particular share class of Schroder ISF USSME under the umbrella fund, Schroder International Selection Fund in the preparation or use of a valuation or the carrying out of a later or subsequent valuation; or

(viii) during any other circumstance or circumstances where a failure to do so might result in Schroder International Selection Fund or its shareholders (i.e. all investors of funds under the Schroder International Selection Fund including investors of Schroder ISF USSME) incurring any liability to taxation or suffering other pecuniary disadvantages or other detriment.

(d) The suspension of the calculation of the net asset value per share of any fund under the umbrella of Schroder International Selection Fund or share class shall not affect the valuation of other funds under the umbrella of Schroder International Selection Fund or share classes, unless these funds or share classes are also affected.

(e) During a period of suspension or deferral, a shareholder (i.e. all investors of funds under the Schroder International Selection Fund including investors of Schroder ISF USSME) may withdraw his request in respect of any shares not redeemed by notice in writing received by the management company of Schroder ISF USSME, before the end of such period.

The Fund will be informed of any suspension or deferral as appropriate. Likewise, Unit Holders will be informed of such an occurrence.

- *Liquidity risk*

Liquidity risk exists when particular investments are difficult to purchase or sell. Schroder ISF USSME's investment in illiquid securities may reduce the returns of Schroder ISF USSME because it may be unable to sell the illiquid securities at an advantageous time or price. Investments in foreign securities, derivatives or securities with substantial market and/or credit risk tend to have the greatest exposure to liquidity risk. Illiquid securities may be highly volatile and difficult to value.

- *Derivatives risk*

As Schroder ISF USSME may use derivatives to meet its specific investment objective, there is no guarantee that the performance of the financial derivative instruments will result in a positive effect for Schroder ISF USSME and its shareholders, i.e. the Fund.

Schroder ISF USSME may incur costs and fees in connection with total return swaps, contracts for difference or other derivatives with similar characteristics, upon entering into these instruments and/or any increase or decrease of their notional amount. The amount of these fees may be fixed or variable. Information on costs and fees incurred by Schroder ISF USSME in this respect, as well as the identity of the recipients and any affiliation they may have with the custodian, the investment manager or the management company of Schroder ISF USSME, if applicable, may be available in the annual report of Schroder ISF USSME.

- *Warrants risk*

When Schroder ISF USSME invests in warrants, the price, performance and liquidity of such warrants are typically linked to the underlying stock. However, the price, performance and liquidity of such warrants will generally fluctuate more than the underlying securities because of the greater volatility of the warrants market. In addition to the market risk related to the volatility of warrants, a fund such as Schroder ISF USSME, investing in synthetic warrants, where the issuer of the synthetic warrant is different to that of the underlying stock, is subject to the risk that the issuer of the synthetic warrant will not perform its obligations under the transactions which may result in Schroder ISF USSME, and ultimately its shareholders, i.e. the Fund suffering a loss.

- *Counterparty risk*

Schroder International Selection Fund conducts transactions through or with brokers, clearing houses, market counterparties and other agents. Schroder International Selection Fund will be subject to the risk of the inability of any such counterparty to perform its obligations, whether due to insolvency, bankruptcy or other causes.

Schroder ISF USSME may invest into instruments such as notes, bonds or warrants the performance of which is linked to a market or investment to which Schroder ISF USSME seeks to be exposed. Such instruments are issued by a range of counterparties and through its investment Schroder ISF USSME will be subject to the counterparty risk of the issuer, in addition to the investment exposure it seeks.

Schroder ISF USSME will only enter into over-the-counter derivatives transactions, including swap agreements, with first class institutions which are subject to prudential supervision and specialising in these types of transactions. In principle, the counterparty risk for such derivatives transactions entered into with first class institutions should not exceed 10% of Schroder ISF USSME's net assets when the counterparty is a credit institution or 5% of its net assets in other cases. However, if a counterparty defaults, the actual losses may exceed these limitations.

- *Custody risk*

Assets of the umbrella fund, Schroder International Selection Fund are safe kept by the custodian of Schroder International Selection Fund and investors of Schroder ISF USSME are exposed to the risk of the custodian of Schroder International Selection Fund not being able to fully meet its obligation to restitute in a short time frame all of the assets of Schroder International Selection Fund in the case of bankruptcy of the custodian of Schroder International Selection Fund. The assets of Schroder International Selection Fund will be identified in the Schroder International Selection Fund custodian's books as belonging to Schroder International Selection Fund. Securities held by the custodian of Schroder International Selection Fund will be segregated from other assets of the said custodian which mitigates but does not exclude the risk of non restitution in case of bankruptcy. However, no such segregation applies to cash which increases the risk of non restitution in case of bankruptcy. The custodian of Schroder International Selection Fund does not keep all the assets of the Schroder International Selection Fund itself but uses a network of sub-custodians which are not part of the same group of companies as the custodian of Schroder International Selection Fund. Investors of Schroder ISF USSME are exposed to the risk of bankruptcy of the sub-custodians in the same manner as they are to the risk of bankruptcy of the custodian of Schroder International Selection Fund.

Schroder ISF USSME may invest in markets where custodial and/or settlement systems are not fully developed. The assets of Schroder ISF USSME that are traded in such markets and which have been entrusted to such sub-custodians may be exposed to risk in circumstances where the custodian will have no liability.

- *Smaller companies risk*

Schroder ISF USSME which invests in smaller companies may fluctuate in value more than other funds under the umbrella of Schroder International Selection Fund. Smaller companies may offer greater opportunities for capital appreciation than larger companies, but may also involve certain special risks. They are more likely than larger companies to have limited product lines, markets or financial resources, or to depend on a small, inexperienced management group. Securities of smaller companies may, especially during periods where markets are falling, become less liquid and experience short-term price volatility and wide spreads between dealing prices. They may also trade in the over-the-counter market or on a regional exchange, or may otherwise have limited liquidity. Consequently investments in smaller companies may be more vulnerable to adverse developments than those in larger companies and Schroder ISF USSME may have more difficulty establishing or closing out its securities positions in smaller companies at prevailing market prices. Also, there may be less publicly available information about smaller companies or less market interest in the securities, and it may take longer for the prices of the securities to reflect the full value of the issuers' earning potential or assets.

- *Initial public offerings risk*

Schroder ISF USSME may invest in initial public offerings, which frequently are smaller companies. Such securities have no trading history, and information about these companies may only be available for limited periods. The prices of securities involved in initial public offerings may be subject to greater price volatility than more established securities.

- *Emerging and less developed markets securities risk*

Investing in emerging markets and less developed markets securities poses risks different from, and/or greater than, risks of investing in the securities of developed countries. These risks include; smaller market-capitalisation of securities markets, which may suffer periods of relative illiquidity; significant price volatility; restrictions on foreign investment; and possible repatriation of investment income and capital. In addition, foreign subscribers of the shares of any Schroder International Selection Fund may be required to register the proceeds of sales, and future economic or political crisis could lead to price controls, forced mergers, expropriation or confiscatory taxation, seizure, nationalisation or the creation of government monopolies. Inflation and rapid fluctuations in inflation rates have had, and may continue to have, negative effects on the economies and securities markets of certain emerging and less developed countries.

Although many of the emerging and less developed market securities in which the Schroder ISF USSME may invest are traded on securities exchanges, they may trade in limited volume and may encounter settlement systems that are less well organised than those of developed markets. Supervisory authorities may also be unable to apply standards that are comparable with those in developed markets. Thus, there may be risks that settlement may be delayed and that cash or securities belonging to Schroder ISF USSME may be in jeopardy because of failures of or defects in the systems or because of defects in the administrative operations of counterparties. Such counterparties may lack the substance or financial resources of similar counterparties in a developed market. There may also be a danger that competing claims may arise in respect of securities held by or to be transferred to Schroder ISF USSME and compensation schemes may be non-existent or limited or inadequate to meet the Schroder ISF USSME's claims in any of these events.

Additional risks of emerging market securities may include: greater social, economic and political uncertainty and instability; more substantial governmental involvement in the economy; less governmental supervision and regulation; unavailability of currency hedging techniques; companies that are newly organised and small; differences in auditing and financial reporting standards, which may result in unavailability of material information about issuers; and less developed legal systems. In addition taxation of interest and capital gains received by non-residents varies among emerging and less developed markets and, in some cases may be comparatively high. There may also be less well-defined tax laws and procedures and such laws may permit retroactive taxation so that Schroder ISF USSME could in the future become subject to local tax liabilities that had not been anticipated in conducting investment activities or valuing assets.

- *Specific risks linked to securities lending and repurchase transactions*

Securities lending and repurchase transactions involve certain risks. There is no assurance that Schroder ISF USSME will achieve the objective for which it entered into a transaction.

Repurchase transactions might expose Schroder ISF USSME to risks similar to those associated with optional or forward derivative financial instruments. Securities loans may, in the event of a counterparty default or an operational difficulty, be recovered late and only in part, which might restrict Schroder ISF USSME's ability to complete the sale of securities or to meet redemption requests.

Schroder ISF USSME's exposure to its counterparty will be mitigated by the fact that the counterparty will forfeit its collateral if it defaults on the transaction. If the collateral is in the form of securities, there is a risk that when it is sold it will realise insufficient cash to settle the counterparty's debt to Schroder ISF USSME or to purchase replacements for the securities that were lent to the counterparty. In the latter case, Schroder ISF USSME's tri-party lending agent will indemnify Schroder ISF USSME against a shortfall of cash available to purchase replacement securities but there is a risk that the indemnity might be insufficient or otherwise unreliable.

In the event that Schroder ISF USSME reinvests cash collateral in one or more of the permitted types of investment that are described above, there is a risk that the investment will earn less than the interest that is due to the counterparty in respect of that cash and that it will return less than the amount of cash that was invested. There is also a risk that the investment will become illiquid, which would restrict Schroder ISF USSME's ability to recover its securities on loan, which might restrict Schroder ISF USSME's ability to complete the sale of securities or to meet redemption requests.

- *Potential conflicts of interest*

The investment manager, i.e. Schroder Investment Management North America Inc. and Schroders (the Schroder ISF USSME's management company's ultimate holding company and its subsidiaries and affiliates worldwide) may effect transactions in which the investment manager or Schroders have, directly or indirectly, an interest which may involve a potential conflict with the investment manager's duty to Schroder International Selection Fund. Neither the investment manager nor Schroders shall be liable to account to Schroder International Selection Fund for any profit, commission or remuneration made or received from or by reason of such transactions or any connected transactions nor will the fees of the investment manager, unless otherwise provided, be abated.

The investment manager will ensure that such transactions are effected on terms which are not less favourable to Schroder International Selection Fund than if the potential conflict had not existed.

Such potential conflicting interests or duties may arise because the investment manager or Schroders may have invested directly or indirectly in Schroder International Selection Fund.

The risk management strategies and techniques employed will be at the target fund level, as elaborated in Section 1.10.12.

AREF

The real estate investments of the real estate trusts or companies which the Fund invests in are subject to varying degrees of risk. The yields available from investments in real estate depend on the amount of income and capital appreciation generated by the related properties. Income and real estate values may also be adversely affected by such factors as applicable laws, interest rate levels, and the availability of financing. If the properties do not generate sufficient income to meet operating expenses, including, where applicable, debt service, ground lease payments, tenant improvements, third-party leasing commissions and other capital expenditures, the income and ability of the real estate company to make payments of any interest and principal on its debt securities or dividends on its equity securities will be adversely affected. In addition, real property may be subject to the terms of credit extended to borrowers and defaults by borrowers and tenants.

The economic performance of the countries in which the real estate portfolio owned by the company affects the occupancy, market rental rates and expenses and, consequently, has an impact on the income from such properties and their underlying values. In addition, real estate investments are relatively illiquid and, therefore, the ability of real estate companies to vary their portfolios promptly in response to changes in the economic or other conditions is limited. A real estate company may also have joint venture investments in certain of its properties, and consequently, its ability to control decisions relating to such properties may be limited. Real estate companies may also be subject to the local and international economic climate and, in particular, conditions in the real estate market which may reflect an oversupply of, or reduced demand for, that particular piece of real estate, changes in market rental rates, operating expenses, increases in property taxes on the property, changes in zoning laws, environmental risks and property depreciation over time.

As this Fund may invest up to 98% of its Net Asset Value in securities of foreign markets, it may be subject to further risks, such as currency risk and country risk, when compared to a portfolio which concentrates its holdings in a single market or economy. Furthermore, share investments are susceptible to the movements of share prices which can rise or fall for a number of reasons such as industry trends, economic factors, changes in a company's operations, management and financial performance as well as market perception of that particular company. The risk management strategies of the Fund are elaborated in Section 1.11.5 (Strategy).

Other risks associated with investments in equities and equity related securities are set out in Section 2.1 (Investment Risks).

3. VALUATION OF ASSETS

GEY	**ASPAC**	**RESO**	**GAF**
GNS	**DRAGON**	**BIGCAP**	**AGO**
AREF	**ASEAN**	**USFOCUS**	

The Fund must be valued at least once every Business Day. However, certain foreign markets in which the Fund may invest in have different time zones from that of Malaysia.

Accordingly, the valuation of the respective Fund for a Business Day will be conducted before 5.00 p.m. on the following day in which the Manager is open for business, when the closing prices of the foreign markets for that Business Day would be available.

As such, the daily price of the Fund for a particular Business Day will not be published in the newspapers on the next day but will instead be published the next following day (i.e. the price will be two (2) days old). This will be specifically indicated in the newspapers.

Illustration
For the market close of 17 July 2017 (Monday) the valuation date will be the next day in which the Manager is open for business, that is, 18 July 2017 (Tuesday). Thus, the newspaper publication date for the prices as at 17 July 2017 (Monday) will be on 19 July 2017 (Wednesday).

Investors may however obtain the most current computed price by contacting the Manager directly or visiting our website, **www.rhbgroup.com** [please refer to Section 5.5 (g) (Availability of Information on Investment)].

In undertaking any of the Fund's investments, the Manager will ensure that all the assets of the respective Fund will be valued appropriately, that is, at market value, failing which, such assets will be valued at fair value and at all times in compliance with the relevant laws including approved accounting standards.

Accordingly:

(i) Listed local and foreign securities will be valued daily based on the last done market price or such other basis as may be prescribed by the relevant laws from time to time including approved accounting standards.

However, if:-

(a) a valuation based on the market price does not represent the fair value of the securities, for example during abnormal market conditions; or

(b) no market price is available, including in the event of a suspension in the quotation of securities for a period exceeding fourteen (14) days, or such shorter period as agreed by the Trustee,

then the securities would be valued at fair value, as determined in good faith by the Manager based on the methods or bases approved by the Trustee after appropriate technical consultation.

(ii) Investments in unlisted bond or fixed income securities denominated in Ringgit Malaysia will be valued on a daily basis by reference to the fair value prices quoted by a bond pricing agency (BPA) registered with the Securities Commission. However, where quotations are not available, such unlisted bonds or fixed income securities will generally be valued on a weekly basis or as and when appropriate, by reference to the average indicative yield quoted by three reputable financial institutions in over-the-counter market at the close of trading. These institutions include investment banks and commercial banks dealing in bonds or fixed income securities.

Investments in foreign unlisted bonds or fixed income securities are valued by reference to the average indicative yield quoted by three independent and reputable financial institutions.

In a case where the Manager is of the view that the market yield for a specific unlisted bonds or fixed income security differs by more than 20 basis points from the price quoted by BPA, the Manager may use its own view of the market yield for a specific unlisted bonds or fixed income security, provided that the Manager records its basis for using a non BPA price, obtains necessary internal approvals to use the non BPA price and keeps an audit trail of all decisions and basis for adopting its own view of the market yield.

However, when the Manager, after taking all reasonable efforts, is unable to obtain quotations from BPA price or quotations from three independent and reputable financial institutions due to circumstances such as extreme market conditions, such local and foreign bond or fixed income securities will be valued according to an alternative method determined in good faith by the Manager, which has been verified by the auditor of the Fund and approved by the Trustee provided that the Manager records its basis for using the alternative method having obtained necessary internal approvals to use the alternative method and the Manager keeps an audit trail of all decisions and basis for adopting the alternative method. Any alternative method shall be consistently applied unless advised otherwise by the auditors of the Fund and the Trustee.

(ii) Investments in unlisted securities will be valued at the cost price of each investments until the securities of the investee companies are successfully listed on a recognised stock exchange, upon which quoted prices will be available and valuation will be based on the last done market price or such other basis as may be prescribed by the relevant laws from time to time including approved accounting standards.

(iii) Collective investment schemes which are quoted on an approved exchange shall be valued in the same manner as listed securities as described above. When investing in unlisted collective investment schemes, the value shall be determined by reference to that manager's last published repurchase price per unit for that unlisted collective investment scheme.

(v) Financial derivatives positions will be 'marked-to-market' at the close of each trading day.

(vi) Cash and deposits placed with financial institutions will be valued each day by reference to the principal value of such investments and the interest or profits accrued thereon for the relevant period.

(vii) Money market instruments will be valued based on the accretion of discount or amortisation of premium on a yield to maturity basis.

(viii) Foreign exchange translation into RM for a particular Business Day is determined based on bid rate quoted by Bloomberg at 4.00 p.m. (United Kingdom time) or such other time as may be prescribed from time to time by the relevant laws.

4. FEES, CHARGES AND EXPENSES

The cost to the investor of investing in a Fund is as follows:

4.1 Charges

The charges directly incurred by an investor when purchasing or redeeming units of the respective Funds are as follows:

(a) Sales Charge

GEY ASPAC RESO DRAGON

The Manager will impose a sales charge which can be levied on an investor's investment amount/purchase amount, net of bank charges (if any) by the Manager's various distributors as follows:

Distributor	% of investment amount
Institutional Unit Trust Adviser (IUTA)	Up to 5.26%
Tied (retail) agent	Up to 5.26%
Direct sales (Direct investment with the Manager)	Up to 5.26%

Illustration

Say, an investor makes an investment of RM10,000.00 at the Selling Price of RM0.4750 and the distributor levies a sales charge of 5.26%, the investor will pay a total of RM10,557.56 as follows:

Amount invested	=	RM	10,000.00
Add: sales charge levied by the distributor @ 5.26%	=	RM	526.00
GST[1] (6% of RM526.00)	=	RM	31.56
Total amount paid by the investor	=	RM	10,557.56

The investor will be allotted with 21,052.63 units calculated as follows:

$$\text{Units allotted is calculated as} \quad \frac{\text{RM10,000.00}}{\text{RM0.4750*}} = \text{21,052.63 units**}$$

* Unit price is rounded to the nearest 4 decimal places.
** Units computed are rounded to the nearest 2 decimal places.

[1]The implementation of GST is effective from 1 April 2015 at the rate of 6% and the fees or charges payable are exclusive of GST.

GAF

The Manager will impose a sales charge which can be levied on an investor's investment amount/purchase amount, net of bank charges (if any) by the Manager's various distributors as follows:

Distributor	% of investment amount
Institutional Unit Trust Adviser (IUTA)	Up to 3.63%
Tied (retail) agent	Not applicable*
Direct sales (Direct investment with the Manager)	Not applicable*

* Currently units are only available for purchase via the Manager's authorised Institutional Unit Trust Advisers (IUTAs).

Please note that this Fund's investments in BGF-GAF will be at its net asset value. The initial charge for investing in BGF-GAF will be waived by the management company of BGF-GAF.

Illustration

Say, an investor makes an investment of RM10,000.00 at the Selling Price of RM0.5476 and the distributor levies a sales charge of 3.63%, the investor will pay a total of RM10,384.78 as follows:

Amount invested	=	RM	10,000.00
Add: sales charge levied by the distributor @ 3.63%	=	RM	363.00
GST[1] (6% of RM363.00)	=	RM	21.78
Total amount paid by the investor	=	RM	10,384.78

The investor will be allotted with 18,261.50 units calculated as follows:

Units allotted is calculated as $\frac{\text{RM10,000.00}}{\text{RM0.5476*}}$ = 18,261.50 units**

* Unit price is rounded to the nearest 4 decimal places.
** Units computed are rounded to the nearest 2 decimal places.

[1]The implementation of GST is effective from 1 April 2015 at the rate of 6% and the fees or charges payable are exclusive of GST.

GNS

The Manager will impose a sales charge which can be levied on an investor's investment amount/purchase amount, net of bank charges (if any) by the Manager's various distributors as follows:

Distributor	% of investment amount
Institutional Unit Trust Adviser (IUTA)	Up to 6.00%
Tied (retail) agent	Up to 6.00%
Direct sales (Direct investment with the Manager)	Up to 6.00%

Illustration

Say, an investor makes an investment of RM10,000.00 at the Selling Price of RM0.2398 and the distributor levies a sales charge of 6.00%, the investor will pay a total of RM10,636.00 as follows:

Amount invested	=	RM	10,000.00
Add: sales charge levied by the distributor @ 6.00%	=	RM	600.00
GST[1] (6% of RM600.00)	=	RM	36.00
Total amount paid by the investor	=	RM	10,636.00

The investor will be allotted with 41,701.42 units calculated as follows:

Units allotted is calculated as $\frac{\text{RM10,000.00}}{\text{RM0.2398*}}$ = 41,701.42 units**

* Unit price is rounded to the nearest 4 decimal places.
** Units computed are rounded to the nearest 2 decimal places.

[1]The implementation of GST is effective from 1 April 2015 at the rate of 6% and the fees or charges payable are exclusive of GST.

AGO **AREF**

The Manager will impose a sales charge which can be levied on an investor's investment amount/purchase amount, net of bank charges (if any) by the Manager's various distributors as follows:

Distributor	% of investment amount
Institutional Unit Trust Adviser (IUTA)	Up to 5.00%
Tied (retail) agent	Up to 5.00%
Direct sales (Direct investment with the Manager)	Up to 5.00%

In respect of **AGO: Please note that this Fund's investments in UAGOF will be at its net asset value per unit. The sales charge for investing in UAGOF will be waived by the manager of UAGOF.**

Illustration

Say, an investor makes an investment of RM10,000.00 at the Selling Price of RM0.5558 and the distributor levies a sales charge of 5.00%, the investor will pay a total of RM10,530.00 as follows:

Amount invested	=	RM	10,000.00
Add: sales charge levied by the distributor @ 5.00%	=	RM	500.00
GST[1] (6% of RM500.00)	=	RM	30.00
Total amount paid by the investor	=	RM	10,530.00

The investor will be allotted with 17,992.08 units calculated as follows:

Units allotted is calculated as $\frac{\text{RM10,000.00}}{\text{RM0.5558*}}$ = 17,992.08 units**

* Unit price is rounded to the nearest 4 decimal places.
** Units computed are rounded to the nearest 2 decimal places.

[1] The implementation of GST is effective from 1 April 2015 at the rate of 6% and the fees or charges payable are exclusive of GST.

BIGCAP ASEAN USFOCUS

The Manager will impose a sales charge which can be levied on an investor's investment amount/purchase amount, net of bank charges (if any) by the Manager's various distributors as follows:

Distributor	% of investment amount
Institutional Unit Trust Adviser (IUTA)	Up to 5.50%
Tied (retail) agent	Up to 5.50%
Direct sales (Direct investment with the Manager)	Up to 5.50%

In respect of **USFOCUS: Please note that this Fund's investments in Schroder ISF USSME will be at its net asset value per unit. The sales charge for investing in Schroder ISF USSME will be waived by the management company of Schroder ISF USSME.**

Illustration

Say, an investor makes an investment of RM10,000.00 at the Selling Price of RM0.5399 and the distributor levies a sales charge of 5.50%, the investor will pay a total of RM10,583.00 as follows:

Amount invested	=	RM	10,000.00
Add: sales charge levied by the distributor @ 5.50%	=	RM	550.00
GST[1] (6% of RM550.00)	=	RM	33.00
Total amount paid by the investor	=	RM	10,583.00

The investor will be allotted with 18,521.95 units calculated as follows:

Units allotted is calculated as $\frac{\text{RM10,000.00}}{\text{RM0.5399*}}$ = 18,521.95 units**

* Unit price is rounded to the nearest 4 decimal places.
** Units computed are rounded to the nearest 2 decimal places.

[1] The implementation of GST is effective from 1 April 2015 at the rate of 6% and the fees or charges payable are exclusive of GST.

Investor who invests via the EPF Members' Investment Scheme, where applicable will be levied a sales charge of up to 3.00% of the investment amount (or such other rate that may be determined by the EPF from time to time).

An investor can expect differing sales charge to be levied when buying units of the respective Fund from the various distribution channels and within each distribution channel, subject to the maximum sales charge of the respective Funds. This is due to the different levels of services provided by each distribution channel and/or the size of the investment undertaken.

From the sales charge received from investors for each respective Fund, the Manager pays no more than the entire sales charge as mentioned above as selling commission to its distributors for that particular Fund.

(b) Repurchase Charge

GEY	**ASPAC**	**RESO**	**GAF**
GNS	**DRAGON**	**BIGCAP**	**AGO**
ASEAN	**USFOCUS**	**AREF**	

The Manager will not impose any repurchase charge on investors redeeming their investments.

Illustration

Say, an investor redeems 21,052.63 units of the Fund at the Repurchase Price of RM0.4750 (which is the Net Asset Value per unit as at the next valuation point), the investor would receive proceeds of redemption of RM10,000.00 as follows:

Redemption amount (21,052.63 units x RM0.4750)	=	RM	10,000.00
Less : repurchase charge	=	RM	(NIL)
Net amount payable to the investor	=	RM	10,000.00

(c) Other Charges

GEY	**ASPAC**	**RESO**	**GAF**
GNS	**DRAGON**	**BIGCAP**	**AGO**
ASEAN	**USFOCUS**	**AREF**	

(i) Switching of units

This is considered as a withdrawal of investment from one Fund and an investment into any of the unit trust funds under the management of the Manager that allows switching of units. A switching fee will be imposed on Unit Holders switching between funds under management (that allow switching). A switching fee of RM25.00 will be imposed and deducted from the redemption amount of the units to be switched for a switch between funds that impose a similar sales charge or a switch to a fund that impose a lower sales charge. Unit Holders switching to a fund that imposes a higher sales charge will pay the difference in sales charge which is deductible from the redemption amount of the units to be switched.

The Manager however, reserves the right to vary this fee or to vary the terms of the switching facility. Units of the Fund to be switched into shall be purchased at the Net Asset Value per unit of that Fund as at the next valuation point of the Fund's relevant business day after the form of request to switch is received by the Manager ("forward pricing").

Illustration (Based on **AREF** and **AGO**)

If a Unit Holder switches 5,000 units in **AREF** at the Repurchase Price of RM0.5558 and wishes to invest in **AGO** at the Selling Price of RM0.5829 (where both Funds have the sales charge of 5.00%).

Proceeds from Switch (**AREF**) (5,000 units x RM0.5558)	=	RM	2,779.00
Less : switching fee	=	RM	(25.00)
GST[1] (6% of RM25.00)	=	RM	(1.50)
Net proceeds from switch:	=	RM	2,752.50

Unit allotted to investor (in **AGO**) $\dfrac{\text{RM}2{,}752.50}{\text{RM}0.5829}$

= 4,722.08 units**

** Units computed are rounded to the nearest 2 decimal places.

[1]The implementation of GST is effective from 1 April 2015 at the rate of 6% and the fees or charges payable are exclusive of GST.

(ii) Transfer of units

GEY	**ASPAC**	**RESO**	**GAF**
GNS	**DRAGON**	**BIGCAP**	**AGO**
ASEAN	**USFOCUS**	**AREF**	

The Manager charges a transfer fee of RM5.00 for each transfer.

[1]The implementation of GST is effective from 1 April 2015 at the rate of 6% and the fees or charges payable are exclusive of GST.

4.2 Fees and Expenses

The fees and expenses indirectly incurred by an investor when investing in a Fund are as follows:

(a) Manager's Fees

GEY **ASPAC** **RESO**

The Manager is entitled to a management fee[1] of one point five per cent (1.50%) per annum of the Net Asset Value calculated on a daily basis before deducting the Manager's and Trustee's fees for that particular day.

GAF	**GNS**	**DRAGON**	**BIGCAP**
AGO	**ASEAN**	**USFOCUS**	**AREF**

The Manager is entitled to a management fee[1] of one point eight per cent (1.80%) per annum of the Net Asset Value calculated on a daily basis before deducting the Manager's and Trustee's fees for that particular day.

In respect of **GAF**, a portion of this fee is paid to BlackRock (Channel Islands) Limited. As **GAF** invests in units of BGF-GAF, any management fee charged to BGF-GAF by the BGF-GAF manager in relation to the Fund's investments in BGF-GAF will be fully refunded to this Fund. Accordingly, there is **NO DOUBLE CHARGING OF MANAGEMENT FEE**. This means that the Unit Holder will incur **ONLY ONE MANAGEMENT FEE and ONLY AT THE FUND'S LEVEL** i.e. one point eight per cent (1.80%) per annum of the Net Asset Value.

In respect of **AGO**, a portion of this fee is paid to UOB Asset Management Ltd., Singapore. As **AGO** invests in units of UAGOF, any management fee charged to UAGOF by the UAGOF manager in relation to the Fund's investments in UAGOF will be fully refunded to this Fund. Accordingly, there is **NO DOUBLE CHARGING OF MANAGEMENT FEE**. This means that the Unit Holder will incur **ONLY ONE MANAGEMENT FEE and ONLY AT THE FUND'S LEVEL** i.e. one point eight per cent (1.80%) per annum of the Net Asset Value.

In respect of **USFOCUS**, a portion of this fee is paid to Schroder Investment Management (Luxembourg) S.A. As **USFOCUS** invests in the shares of Schroder ISF USSME, any management fee charged to Schroder ISF USSME by the Schroder ISF USSME manager in relation to the Fund's investments in Schroder ISF USSME will be fully refunded to this Fund. Accordingly, there is **NO DOUBLE CHARGING OF MANAGEMENT FEE**. This means that the Unit Holder will incur **ONLY ONE MANAGEMENT FEE and ONLY AT THE FUND'S LEVEL** i.e. one point eight per cent (1.80%) per annum of the Net Asset Value.

[1]The implementation of GST is effective from 1 April 2015 at the rate of 6% and the fees or charges payable are exclusive of GST.

Illustration: Calculation of annual management fee

Assuming that the Net Asset Value (before deducting the Manager's fee and Trustee's fee) of a Fund for a particular day is RM105,000,000.00 and assuming the annual management fee is at the rate of one point five per cent (1.50%) per annum[1], the calculation of the management fee of the Fund for that particular day is as follows:

$$\frac{\text{RM105,000,000.00} \times 1.50\%^{1}}{\text{365 days*}} = \text{RM4,315.07}$$

Add: GST (6% of RM 4,315.07)	=	RM258.90
Total management fee payable for that particular day	=	RM4,573.97

*Note: In the event of a leap year, the annual management fee will be divided by 366 days.

[1]The implementation of GST is effective from 1 April 2015 at the rate of 6% and the fees or charges payable are exclusive of GST.

(b) Trustee's Fees

GEY **ASPAC** **RESO** **GAF**
GNS

The Trustee is entitled to a trustee fee[1] of up to zero point zero seven per cent (0.07%) per annum of the Net Asset Value calculated on a daily basis (excluding foreign custodian fee and charges) before deducting the Manager's and Trustee's fees for that particular day.

DRAGON BIGCAP AGO ASEAN USFOCUS

The Trustee is entitled to a trustee fee[1] of up to zero point zero eight per cent (0.08%) per annum of the Net Asset Value calculated on a daily basis (excluding foreign custodian fee and charges) before deducting the Manager's and Trustee's fees for that particular day.

AREF

The Trustee is entitled to a trustee fee[1] of zero point zero eight per cent (0.08%) per annum of the Net Asset Value calculated on a daily basis subject to a minimum of RM18,000 per annum before deducting the Manager's and Trustee's fees for that particular day.

Illustration: Calculation of annual trustee fee

Assuming that the Net Asset Value (before deducting the Manager's fee and Trustee's fee) of a Fund for a particular day is RM105,000,000.00 and assuming the trustee fee is at the rate of zero point zero seven per cent (0.07%) per annum[1], the calculation of the trustee fee of the Fund for that particular day is as follows:

RM105,000,000.00 x 0.07%[1] / 365 days*	=	RM201.37
Add: GST (6% of RM 201.37)	=	RM12.08
Total trustee fee payable for that particular day	=	RM213.45

*Note: In the event of a leap year, the annual trustee fee will be divided by 366 days.

[1]The implementation of GST is effective from 1 April 2015 at the rate of 6% and the fees or charges payable are exclusive of GST.

(c) Other Indirect Fees

GAF

As **GAF** will invest in units of BGF-GAF, there are also other fees indirectly incurred by this Fund which are incurred at the BGF-GAF level such as the taxes (0.05% per annum), the administration fees (up to 0.25% per annum), the annual custody safekeeping fees range from 0.0024% to 0.45% per annum and transaction fees range from US$5.5 to US$124 per transaction. The rates for the annual custody safekeeping fees and transaction fees will vary according to the country of investment and, in some cases, according to asset class. Investments in bonds and developed equity markets will be at the lower end of these ranges, while some investments in emerging or developing markets will be at the upper end. Thus the custody cost to BGF-GAF will depend on its asset allocation at any time. As such, unit holders of **GAF** are indirectly bearing these expenses charged at the BGF-GAF level.

Investors should note the above higher fees arising from the layered investment structure of this Fund.

AGO

As **AGO** will invest in units of UAGOF, there are also other fees indirectly incurred by UAGOF such as annual trustee remuneration, audit fee and custodian fee (payable to the auditors and custodian of UAGOF) and other fees and charges which are incurred at UAGOF level. Details are as follows:

Annual trustee remuneration[1]	Currently not more than 0.05% per annum (subject to a minimum of S$5,000 per annum); maximum 0.25% per annum.
Audit fee[2], custodian fee[3], transaction costs[4] and other fees and charges[5]	Subject to agreement with the relevant parties. Each fee or charge may amount to or exceed 0.1% per annum, depending on the proportion that each fee or charge bears to the net asset value of UAGOF.

[1] The annual trustee remuneration of UAGOF is subject always to a minimum of S$15,000.00 per annum or such other lower sum as may be agreed from time to time between the trustee and the manager of UAGOF. Currently, the agreed minimum is S$5,000 per annum.

[2] The audit fee of UAGOF payable is subject to agreement with the auditors of UAGOF for the relevant financial year.

[3] The custodian fee of UAGOF payable is subject to agreement with the custodian of UAGOF.

[4] Transaction costs (which do not include the transaction fees mentioned below) include all expenses relating to the purchase and sale of financial instruments.

[5] Other fees and charges include transaction fees payable to the custodian (the amount of which will depend on the number of transactions carried out and the place at which such transactions are effected), printing and stationery costs, legal and professional fees, goods and services tax ("GST") and other out-of-pocket expenses.

As such, Unit Holders of **AGO** are indirectly bearing these expenses charged at the UAGOF level.

Investors should note the above higher fees arising from the layered investment structure of this Fund.

USFOCUS

As the Fund will invest in the shares of Schroder ISF USSME, there are also other fees indirectly incurred by this Fund at the Schroder ISF USSME level such as fiduciary fees, custody safekeeping and transaction fees together with fund accounting and valuation fees which are incurred at the Schroder ISF USSME level.

The custodian may receive fiduciary fees which is set at a rate of up to 0.005% per annum of the net asset value of the umbrella fund of the target fund, i.e. Schroder International Selection Fund. The custody safekeeping services and the transactions fees are paid on a monthly basis and calculated and accrued on each business day of Schroder ISF USSME. The percentage rate of the safekeeping fee and the level of transaction fees vary according to the country in which the relevant activities take place, up to a maximum of 0.3% per annum and USD 150 per transaction respectively. Fees relating to core fund accounting and valuation fees are calculated and accrued on each business day of Schroder ISF USSME at an annual rate of up to 0.015% of the net asset value of Schroder ISF USSME. Additional fees may be due for additional services such as non-standard valuations; additional accounting services, for example performance fee calculations and for tax reporting services. Fiduciary fees, custody safekeeping and transaction fees, together with fund accounting and valuation fees, may be subject to review by the custodian and Schroder International Selection Fund from time to time. In addition, the custodian is entitled to any reasonable expenses properly incurred in carrying out its duties. As such, Unit Holders of **USFOCUS** are indirectly bearing these expenses charged at the Schroder ISF USSME level.

Investors should note the above higher fees arising from the layered investment structure of this Fund.

(d) Other Expenses Directly Related to the Fund

GEY	**ASPAC**	**RESO**	**GAF**
GNS	**DRAGON**	**BIGCAP**	**AGO**
ASEAN	**USFOCUS**	**AREF**	

In administering a Fund, there are expenses directly related to the Fund. These expenses include the cost of the auditors' fees and other relevant professional fees, custodial charges, cost of distribution of interim and annual reports, tax certificates, reinvestment statements and other notices to Unit Holders. In addition, there are expenses that are directly related and necessary to the business of the Fund as set out in its respective Deed, such as commissions paid to brokers, other transaction costs and taxes, if any, that are also paid out of the respective Funds.

All expenses pursuant to the issue of this master prospectus will be borne by the Manager.

4.3 Reduction or Waiver of Fees and Charges

GEY	**ASPAC**	**RESO**	**GAF**
GNS	**DRAGON**	**BIGCAP**	**AGO**
ASEAN	**USFOCUS**	**AREF**	

The Manager may, for any reason at any time, waive or reduce the amount of its management fee only or all charges directly payable by the Unit Holder and/or investor in respect of any Fund, either generally (for all Unit Holders and/or investors) or specifically (for any particular Unit Holder and/or investor) and for any period or periods of time at its absolute discretion.

4.4 Policy on Rebates and Soft Commissions

GEY	**ASPAC**	**RESO**	**GAF**
GNS	**DRAGON**	**BIGCAP**	**AGO**
ASEAN	**USFOCUS**	**AREF**	

It is the Manager's policy to credit all rebates to the account of the respective Funds.

However, goods and services ("soft commissions") provided by any broker or dealer may be retained by the Manager or the fund manager only if the goods and services are of demonstrable benefit to the Unit Holders and in the form of research and advisory services that assist in the decision making process relating to the Funds' investments, such as research materials and computer software, which are incidental to the investment management activities of the Funds and any dealing with the broker or dealer is executed on terms which are the most favourable for the Funds.

4.5 Goods and Services Tax ("GST")

All fees and charges payable to the Manager and the Trustee are subject to any applicable taxes and/or duties (including but not limited to GST) as may be imposed by the government from time to time.

There are fees and charges involved and investors are advised to consider them before investing in any of the Funds.

5. TRANSACTION INFORMATION

5.1 Pricing Policy

The Manager adopts the single pricing policy, i.e. the Selling Price and the Repurchase Price is the Net Asset Value per unit.

5.2 Computation of Purchase of Units

GEY	**ASPAC**	**RESO**	**GAF**
GNS	**DRAGON**	**BIGCAP**	**AGO**
ASEAN	**USFOCUS**	**AREF**	

The Selling Price shall be the Net Asset Value per unit as at the next valuation point of the Fund's relevant Business Day after the request for units of a Fund is received by the Manager ("forward pricing"). A sales charge will be computed separately based on the investment amount/purchase amount, net of bank charges (if any).

Illustration

Daily Net Asset Value		RM18,577,421.14
Units in circulation		39,107,000.00
Net Asset Value per unit		RM18,577,421.14 / 39,107,000.00
	=	RM0.4750*

* Unit price is rounded to the nearest 4 decimal places.

Say, an investor makes an investment of RM10,000.00 at the Selling Price of RM0.4750 (which is the Net Asset Value per unit as at the next valuation point) and the distributor levies a sales charge of 5.26%, the investor will pay a total of RM10,557.56 as follows:

Investment amount	=	RM	10,000.00
Add: sales charge levied by the distributor @ 5.26%	=	RM	526.00
GST[1] (6% of RM526.00)	=	RM	31.56
Total amount paid by the investor	=	RM	10,557.56

The investor will be allotted with 21,052.63 units calculated as follows:

$$\text{Units allotted is calculated as} \quad \frac{\text{RM10,000.00}}{\text{RM0.4750}} = 21{,}052.63 \text{ units**}$$

** Units computed are rounded to the nearest 2 decimal places.

[1]The implementation of GST is effective from 1 April 2015 at the rate of 6% and the fees or charges payable are exclusive of GST.

5.3 Computation of Redemption of Units

GEY	**ASPAC**	**RESO**	**GAF**
GNS	**DRAGON**	**BIGCAP**	**AGO**
ASEAN	**USFOCUS**	**AREF**	

The Repurchase Price shall be the Net Asset Value per unit as at the next valuation point of the Fund's relevant Business Day after the request for repurchase is received by the Manager ("forward pricing"). The Manager will not impose any repurchase charge on the redemption amount.

Illustration

Daily Net Asset Value		RM18,577,421.14
Units in circulation		39,107,000.00
Net Asset Value per unit		RM18,577,421.14 / 39,107,000.00
	=	RM0.4750*

* Unit price is rounded to the nearest 4 decimal places.

Say, an investor redeems 21,052.63 units at the Repurchase Price of RM0.4750 (which is the Net Asset Value per unit as at the next valuation point), he would receive proceeds of redemption of RM10,000.00 as follows:

Redemption proceeds (21,052.63 units x RM0.4750)	=	RM	10,000.00
Less: repurchase charge %	=	RM	NIL
Net amount payable to the investor	=	RM	10,000.00

5.4 Pricing Error Policy

GEY	**ASPAC**	**RESO**	**GAF**
GNS	**DRAGON**	**BIGCAP**	**AGO**
ASEAN	**USFOCUS**	**AREF**	

The Manager shall ensure that the Funds and the units of the Funds are correctly valued and priced according to the respective deeds and all relevant laws. Where there is an error in the valuation of the Funds, any incorrect pricing of units which is deemed to be significant will involve the reimbursement of money in the following manner:

a) by the Manager to the respective Fund and/or to the Unit Holders and/or to the former Unit Holders; or
b) by the respective Fund to the Manager.

However, reimbursement of money shall only apply if the error is at or above the significant threshold of 0.5% of the Net Asset Value per unit and the amount to be reimbursed is RM10.00 or more.

5.5 Transaction Details

GEY	**ASPAC**	**RESO**	**GAF**
GNS	**DRAGON**	**BIGCAP**	**AGO**
ASEAN	**USFOCUS**	**AREF**	

(a) How to Purchase and Redeem units

When purchasing units of a Fund, investors must forward the following:

1) completed application form;
2) necessary remittance; and
3) relevant supporting documents such as a photocopy of their identity card (for an individual applicant) or certified true copies of the certificate of incorporation or registration, memorandum and articles of association or constitution or by-laws, and relevant resolutions (for a corporate applicant)

to the Manager's registered office or any of its branch offices, or to any of its authorised sales agents or participating Institutional Unit Trust Advisers (IUTAs), before their respective cut-off times. Please refer to the Directory of Outlets for Purchase and Sale of units at the end of this master prospectus.

The minimum initial investment of the respective Fund is RM1,000.00 and the minimum additional investment is RM100.00 (or such other amount as the Manager may from time to time accept).

Similarly, units of the Fund can be redeemed by forwarding the completed form of request to repurchase to the Manager's registered office or any of its branch offices, or to any of its authorised sales agents or participating IUTAs, before their respective cut-off times.

Redemption monies will be paid within ten (10) days after receipt by the Manager of the request to repurchase. For EPF Unit Holders, the redemption monies will be remitted to EPF by crediting into the members' provident account.

For partial redemption, the balance of units of the Fund after the redemption must be at least one hundred (100) units or such other lower quantity as the Manager may from time to time decide (the "minimum investment balance"). There are no restrictions on the number of units a Unit Holder can redeem out of the Unit Holder's investments or the frequency of redemptions in a year. However, the Manager shall not be bound to comply with any request for redemption of units if the balance of units held after the redemption is less than the minimum investment balance.

(b) Cooling-off Period

The cooling-off right refers to the right of an individual investor to obtain a refund of the investor's investment if the investor so requests within the cooling-off period. The cooling-off right is only given to an individual investor, other than those listed below, who is investing in any unit trust funds managed by the Manager for the first time:

(i) a staff of the Manager; or

(ii) a person registered with a body approved by SC to deal in unit trust funds.

The refund to the investor pursuant to the exercise of his cooling-off right shall not be less than the sum of:

a) the Net Asset Value per unit of the Fund on the day the Units were purchased; and
b) the sales charge originally imposed on the day the units of the Fund were purchased.

The cooling-off period shall be within six (6) business days[#] which shall be effective from the date of receipt of the application by the Manager. Where applicable, for investors contributing from their EPF accounts, the cooling-off period shall be subject to EPF's terms and conditions.

#These are the working days when the Manager is open for business.

The cooling-off right allows investors the opportunity to reverse an investment decision which could have been unduly influenced by certain external elements or factors.

Withdrawal proceeds will only be paid to the investors once the Manager has received cleared funds for the original investment. For investors who paid by cheque, the refund will be made upon clearance of the cheque.

(c) Where Units can be Purchased or Redeemed

Units can be purchased or redeemed at the Manager's registered office or at any of its branch offices convenient to you, or from any of its authorised sales agents or participating IUTAs. For further information, please call our help-desk Toll-Free-Phone number: 1-800-88-3175 at any time during our office hours: Mondays through Fridays from 9.00 a.m. – 5.00 p.m. or e-mail your enquiries to **rhbam@rhbgroup.com** or visit our website, **www.rhbgroup.com**.

Please refer to our Directory of Outlets for Purchase and Sale of Units at the end of this master prospectus. Application forms, redemption forms and prospectuses are also available from these distributors.

(d) How to Switch between Funds

Investors may switch between Funds under the management of the Manager that allow switching of units of the Funds by forwarding the completed form of request to switch to the Manager's registered office or any of its branch offices, or to any of its authorised sales agents or participating IUTAs, before their respective cut-off times. The minimum amount for a switch into another Fund is RM1,000.00. There are no restrictions as to the number of switches a Unit Holder may perform or the frequency of switching. The Manager however, reserves the right to vary these terms.

(e) How to Transfer Ownership of Units

Investors may transfer their holdings of units to another investor by forwarding the completed form of transfer to the Manager's registered office or any of its branch offices, or to any of its authorised sales agents or participating IUTAs, before their respective cut-off times.

If the transferee is a new investor, the transferee must also forward the following:

1) completed application form; and
2) relevant supporting documents such as a photocopy of the transferee's identity card (for an individual applicant) or certified true copies of the certificate of incorporation or registration, memorandum and articles of association or constitution or by-laws, and relevant resolutions (for a corporate applicant).

However, the Manager may decline to register any partial transfer of units if the registration would result in the transferor or the transferee holding less than minimum investment balance of one hundred (100) units or such other lower quantity as the Manager from time to time decide. The Manager may also refuse an entry of transfer during the fourteen (14) days preceding a distribution date.

(f) Unclaimed Monies

All money payable to a Unit Holder may be paid by cheques. In the event any of the cheques is not presented for payment by the date which falls six (6) months from the date of the cheque, the Unit Holder may request the Manager to arrange for the monies to be paid by a replacement cheque to the Unit Holder. However, after the lapse of one year from the date of the cheque, the Manager shall file and pay the unpresented payments to the Registrar of Unclaimed Moneys and Unit Holders will have to liaise directly with the Registrar of Unclaimed Moneys to claim their monies.

(g) Availability of Information on Investment

After purchasing units in any of the Funds, the value of the investments can be monitored easily as the unit price of the respective Funds are published daily in the major newspapers and at our website, **www.rhbgroup.com**. The Manager will ensure the accuracy of the price of the respective Funds to the major newspapers for publication. The Manager, however, will not be held liable for any error or omission in price published as this is beyond the Manager's control. In the event of any conflict between the price published and the price computed by the Manager, the Manager's computed price shall prevail.

Unit Holders will receive, in respect of the Funds in which they hold units, an unaudited half year report and an audited annual report of the Fund from the Manager within two (2) months after the end of the financial period/financial year end that the report covers. The Manager may also issue updates either quarterly or semi-annually, on the performance of the Funds as and when appropriate.

In addition, the Manager has a help-desk service specially set-up to assist customers and investors in their enquiries pertaining to their investments. Customers or investors may call our help-desk Toll-Free-Phone number: 1-800-88-3175 at any time during our office hours: Mondays through Fridays from 9.00 a.m. – 5.00 p.m. or e-mail their enquiries to **rhbam@rhbgroup.com** or visit our website, **www.rhbgroup.com**.

Investors may also refer to FIMM for any queries and/or concerns regarding their investments in unit trusts funds. The contact details of FIMM are listed in the corporate directory of this master prospectus.

Investors must not make payment in cash to any individual agent when purchasing units of a Fund.

The Funds' annual reports are available upon request.

(h) Dealing Hours

9:00 a.m. to 4:00 p.m. (Malaysia time) on any Business Day or such later time as the Manager may determine provided always complete applications for the Fund are received before the next valuation point.

5.6 Mode of Distribution

GEY	**ASPAC**	**RESO**	**GAF**
GNS	**DRAGON**	**BIGCAP**	**AGO**
ASEAN	**USFOCUS**	**AREF**	

Distribution, if any, after deduction of taxation and expenses (i.e. net distribution), will be reinvested to purchase additional units of the Fund based on the Net Asset Value per unit as at the first Business Day when units in the Fund are quoted ex-entitlement. Allotment of such units shall be within two (2) weeks thereafter.

No sales charge will be imposed for any reinvestment of distribution into the respective Funds.

Unit price and distributions payable, if any, may go down as well as up.

6. SALIENT TERMS OF THE DEED

As at the Latest Practicable Date, the respective principal deed and supplemental deed (if any) for each Fund is as listed below:

Name of Fund	Master Deed/Deed	Supplemental Deed
RHB Global Equity Yield Fund RHB Asia Pacific Fund RHB Resources Fund RHB Global Allocation Fund RHB Global New Stars Fund RHB Golden Dragon Fund	27 April 2004	8 June 2004 19 October 2005 8 December 2005 28 February 2006 9 March 2006 22 September 2006 15 December 2006 30 January 2007 9 April 2007 14 May 2007 15 May 2007 27 June 2007 24 December 2007 28 February 2013 4 September 2013 2 March 2015 8 May 2015 25 May 2015 3 June 2015
RHB Big Cap China Enterprise Fund	16 October 2007	4 September 2013 16 February 2015 3 June 2015
RHB Asian Growth Opportunities Fund	20 July 2007	4 September 2013 16 February 2015 3 June 2015
RHB ASEAN Fund	19 December 2007	4 September 2013 24 February 2015 3 June 2015
RHB US Focus Equity Fund	14 July 2010	4 September 2013 24 February 2015 3 June 2015
RHB Asian Real Estate Fund	14 June 2007	4 September 2013 3 March 2015 3 June 2015

6.1 Rights and Liabilities of Unit Holders

6.1.1 Recognition of Unit Holders

An investor is only recognised as a Unit Holder when his/her name appears in the register as a Unit Holder of units in the Fund in which he/she has invested.

Accordingly, only investors whose applications for units in the Fund are successfully processed are recognised as Unit Holders.

6.1.2 Rights of Unit Holders

Unit Holders shall have the right in respect of the Funds in which they hold units, amongst others, to the following:

(a) to receive distributions of the Fund, participate in any increase in the capital value of the units and to other rights and privileges as set out in the Deed;

(b) to call for Unit Holders' meetings, and to vote for the removal of the Trustee or the Manager through a special resolution as provided for in the Deed;

(c) to exercise the cooling-off right, if applicable; and

(d) to receive annual reports, interim reports or any other reports of the Fund.

No Unit Holder shall be entitled to require the transfer to him of any assets comprised in the Fund or be entitled to interfere with or question the exercise by the Trustee or the Manager on his behalf of the rights of the Trustee as owner of such assets.

6.1.3 Liabilities of Unit Holders

The liability of Unit Holders shall be limited to their investment participation in the Fund. Unit Holders shall not be liable to indemnify the Trustee or the Manager against any liabilities whatsoever arising in respect of their duties and obligations as trustee and manager of the Fund which exceed the value of the assets of the Fund. Any claims against the Fund shall be entirely restricted to the Fund.

6.2 Fees, Charges, and Expenses Permitted by the Deed

6.2.1 Sales Charge, Repurchase Charge and Transaction Fee

The Manager may impose a sales charge and a repurchase charge for the sale and repurchase of units of the Funds according to such rates and conditions disclosed in this master prospectus. The Manager is entitled to retain these charges. The maximum charges allowable by the respective Deed and the actual charges paid by Unit Holders are as follows:-

Sales charge:		
Fund	Maximum Allowable Rate (% of investment/purchase amount, net of bank charges (if any))	Actual Rate Charged (% of investment/purchase amount, net of bank charges (if any))
GEY	10.00	5.26
ASPAC	10.00	5.26
RESO	10.00	5.26
GAF	10.00	3.63
GNS	10.00	6.00
DRAGON	10.00	5.26

BIGCAP	10.00	5.50
AGO	10.00	5.00
ASEAN	10.00	5.50
USFOCUS	10.00	5.50
AREF	10.00	5.00

Repurchase charge:		
Fund	Maximum Allowable Rate (% of withdrawal amount/ repurchase amount)	Actual Rate Charged (% of withdrawal amount/ repurchase amount)
GEY	10.00	None
ASPAC	10.00	None
RESO	10.00	None
GAF	10.00	None
GNS	10.00	None
DRAGON	10.00	None
BIGCAP	5.00	None
AGO	5.00	None
ASEAN	5.00	None
USFOCUS	5.00	None
AREF	5.00	None

6.2.2 Maximum Annual Management Fee

The maximum annual management fee that the Manager is permitted to charge to each of the Funds is at the rate below:

Fund	Maximum Allowable Rate (% per annum of the Net Asset Value)
GEY	2.00
ASPAC	2.00
RESO	2.00
GAF	2.50
GNS	2.50
DRAGON	2.50
BIGCAP	2.50
AGO	2.50
ASEAN	2.50

USFOCUS	2.50
AREF	2.50

The Trustee shall ensure that the annual management fee charged is reasonable having regard to:

(a) the nature, quality and extent of the services provided by the Manager;

(b) the size and composition of the investments of the Fund;

(c) the success of the Manager in meeting the objective of that Fund;

(d) the investment performance of the Fund in question; and

(e) the maximum allowable rate.

6.2.3 Maximum Annual Trustee Fee

The maximum annual trustee fee that the Trustee is permitted to charge to each of the Funds is at the rate below:

Fund	Maximum Allowable Rate
GEY	0.15% of the Net Asset Value subject to a minimum of RM18,000
ASPAC	0.15% of the Net Asset Value subject to a minimum of RM18,000
RESO	0.15% of the Net Asset Value subject to a minimum of RM18,000
GAF	0.15% of the Net Asset Value subject to a minimum of RM18,000
GNS	0.15% of the Net Asset Value subject to a minimum of RM18,000
DRAGON	0.15% of the Net Asset Value subject to a minimum of RM18,000
BIGCAP	0.15% of the Net Asset Value subject to a minimum of RM18,000 per annum (excluding foreign custodian fees and charges).
AGO	0.15% of the Net Asset Value subject to a minimum of RM18,000 per annum (excluding foreign custodian fees and charges).
ASEAN	0.15% of the Net Asset Value subject to a minimum of RM18,000 per annum (excluding foreign custodian fee and charges).
USFOCUS	0.15% per annum of Net Asset Value subject to a minimum of RM18,000 per annum (excluding foreign custodian fees and charges).
AREF	0.15% of the Net Asset Value subject to a minimum of RM18,000 per annum.

In addition to the annual trustee fee, the Trustee may be paid by the Funds for any expense properly incurred by the Trustee in the performance of its duties and responsibilities and for taking into custody any assets or investments of the Funds. Such custodian fee is determined in consultation with the Manager and shall not exceed the relevant prevailing market rate.

6.2.4 Increase in Fees and Charges

GEY	**ASPAC**	**RESO**
GAF	**GNS**	**DRAGON**
ASEAN	**AREF**	

Any increase in the fees and charges (i.e. the sales charge, the repurchase charge, the annual management fee and the annual trustee fee) above the level disclosed in this master prospectus (but below the maximum rate prescribed in the respective Deed for these Funds) can be made by way of a supplementary prospectus. However, any increase in the sales charge, annual management and annual trustee fees above the maximum rate prescribed in the respective Deed for these Funds will require Unit Holders' prior consent and the issuance of a supplemental deed and a supplementary prospectus. In relation to the repurchase charge, any increase above the maximum allowable rate prescribed in the respective Deed can be made by way of a supplemental deed and supplementary prospectus.

BIGCAP	**AGO**	**USFOCUS**

Any increase in the fees and charges (i.e. the sales charge, the repurchase charge, the annual management fee and the annual trustee fee) above the level disclosed in this master prospectus (but below the maximum rate prescribed in the respective Deed) can be made by way of a supplementary prospectus. However, any increase in the fees and charges above the maximum rate prescribed in the respective Deed will require Unit Holders' prior consent and the issuance of a supplemental deed and a supplementary prospectus.

6.2.5 Other Permitted Expenses of the Fund

Only the expenses which are authorised by the respective Deed and/or allowed under any relevant laws as disclosed in this master prospectus may be charged to the Funds.

The expenses directly incurred by and charged to the Funds include but are not limited to the list of expenses disclosed in this master prospectus. (Section 4.2 (d) Other Expenses Directly Related to the Fund).

Expenses associated with the management and administration of the Funds, such as general overheads and cost for services expected to be provided by the Manager shall not be charged to the Funds.

Expenses relating to the issue of this master prospectus may not be charged to the Funds, where the Manager imposes a sales charge. Accordingly, the Manager has borne all costs relating to the issuance of this master prospectus.

6.3 Removal, Replacement, and Retirement of the Manager and Trustee

6.3.1 Removal or Replacement of the Manager

The Manager may be removed and replaced by the Trustee on the grounds that the Manager:

(i) has gone into liquidation, except for the purpose of amalgamation or reconstruction or some similar purpose; or

(ii) has had a receiver appointed; or

(iii) has ceased to carry on business; or

(iv) is in breach of any of its obligations or duties under the respective Deed or the relevant laws; or

(v) has ceased to be eligible to be a management company under the relevant laws; or

(vi) has failed or neglected to carry out its duties to the satisfaction of the Trustee and the Trustee considers that it would be in the interests of Unit Holders for it to do so after the Trustee has given notice to the Manager of the Trustee's opinion and the reasons for that opinion, and has considered any representations made by the Manager in respect of that opinion, and after consultation with the relevant authorities and with the approval of the Unit Holders by way of a special resolution.

The Manager may also be removed or be required to retire by the Unit Holders if a special resolution is passed at a meeting of the Unit Holders.

6.3.2 Retirement of the Manager

The Manager may retire in favour of some other corporation upon giving the Trustee twelve (12) months written notice of the Manager's intent to do so, or such shorter time as the Manager and the Trustee may agree upon, provided such retirement is approved by the Securities Commission and the retirement is in accordance with the terms and conditions under the respective Deed.

6.3.3 Removal and Replacement of the Trustee

The Trustee may be removed by the Manager if:

(a) the Trustee has ceased to exist; or

(b) the Trustee has not been validly appointed; or

(c) the Trustee was not eligible to be appointed or to act as trustee under any relevant law; or

(d) the Trustee has failed or refused to act as trustee in accordance with the provisions or covenants of the respective Deed or any relevant law; or

(e) a receiver has been appointed over the whole or a substantial part of the assets or undertaking of the Trustee and has not ceased to act under that appointment; or

(f) a petition has been presented for the winding up of the Trustee (other than for the purpose of and followed by a reconstruction, unless during or following such reconstruction the Trustee becomes or is declared insolvent); or

(g) the Trustee is under investigation for conduct that contravenes the Trust Companies Act 1949, the Trustee Act 1949, the Companies Act 2016 or any relevant law; or

(h) a special resolution is duly passed in accordance with the provisions of the respective Deed that the Trustee be removed in a meeting of Unit Holders.

6.3.4 Retirement of the Trustee

The Trustee may retire by giving at least a twelve (12) months written notice to the Manager of the Trustee's intent to do so, or such shorter time as the Manager and the Trustee may agree upon, and appoint in its stead another trustee for the Fund who is approved by the Securities Commission.

6.4 Termination of the Funds

The Funds are of unlimited duration and shall continue until terminated:

(a) By the Manager at any time in its absolute discretion subject to compliance with the relevant laws, which may include but is not limited to the following situations:

- Where authorization for the respective Fund's establishment is revoked by the Securities Commission at any time.
- Where an approved transfer scheme as defined under the relevant laws has resulted in any of the Funds being left with no asset.

(b) By the Trustee if a Unit Holders meeting is summoned by the trustee to pass a special resolution in order to terminate and wind-up any of the Funds and thereafter the Trustee must obtain an order from the court to confirm the said special resolution.

(c) By the Unit Holders if a Unit Holders meeting is summoned by the Unit Holders to pass a special resolution to terminate and wind-up the specific Fund.

6.5 Unit Holders Meeting ("Meeting")

A Meeting may be summoned by the Unit Holders, the Trustee or the Manager in accordance with the provisions of the respective Deed and any relevant laws. Any such Meeting will be conducted in accordance with the provisions of the Funds' respective Deed and any relevant laws.

6.5.1 Quorum

The quorum required for a Meeting is five (5) Unit Holders of the respective Fund whether present in person or by proxy. However if the purpose of the Meeting is to pass a special resolution such as to remove the Manager and/or the Trustee, then the quorum must be five (5) Unit Holders whether present in person or by proxy who must hold in aggregate at least 25% of the units in circulation at the time of the Meeting.

Where the Fund has only five (5) or less Unit Holders, the quorum required for a meeting is two (2) Unit Holders whether present in person or by proxy. But if the Meeting is convened to pass a special resolution such as to remove the Manager and/or the Trustee then the two (2) Unit Holders whether present in person or by proxy must hold in aggregate at least 25% of the units in circulation at the time of the Meeting.

6.5.2 Manner of Voting and Resolution

Every Unit Holder entitled to attend the Meeting and to vote, may do so personally or by proxy. At a Meeting, every resolution of the Meeting shall be decided by a show of hands unless a poll is demanded or if the Meeting is to determine on a matter of special resolution, in which case a poll should be taken. On a show of hands every Unit Holder who is present in person or by proxy shall have one vote.

A poll may be demanded on any resolution. If a poll is taken or demanded, every Unit Holder who is present in person or by proxy has one vote for every unit held by the Unit Holder. The Manager may attend any Meeting but must not exercise the voting rights for the units it or its nominees hold in any Unit Holders' Meeting, regardless of the party who requested for the Meeting and the matters that are laid before the Meeting.

A poll may be demanded by the chairman of the Meeting, the Trustee, the Manager or by Unit Holders holding (or representing by proxy) between them not less than one-tenth (1/10) of the total number of Units then in issue.

Unless a poll is so demanded, a declaration by the chairman of the Meeting of the result of the resolution shall be conclusive evidence of the fact whether in favour of or against such resolution.

All resolutions presented at the Meeting shall be passed by a simple majority except for special resolutions which require majority representing at least three-fourths (3/4) of the value of units held by the Unit Holders present at the Meeting whether present in person or by proxy. Resolutions passed at the Meeting shall bind all Unit Holders whether or not they were present at the Meeting.

7. THE MANAGEMENT AND ADMINISTRATION OF THE FUNDS

GEY	**ASPAC**	**RESO**	**GAF**
GNS	**DRAGON**	**BIGCAP**	**AGO**
ASEAN	**USFOCUS**	**AREF**	

7.1 The Manager

The Manager, RHB Asset Management Sdn Bhd ("RHBAM"), is a wholly-owned subsidiary of RHB Investment Bank Berhad ("RHBIB"). The Manager is a holder of a Capital Markets Services License issued under the Capital Markets and Services Act 2007. The Manager has been in operation since 1989.

7.2 Board of Directors

The board of directors of the Manager takes an active part in the affairs of the Manager and the unit trust funds under its management. The board of directors of the Manager meets at least once every three (3) months to receive recommendations and reports on investment activities from the investment committee, set policies and guidelines of the Manager and to review performance, financial and audit reports of the Manager. Additional meetings shall also be convened, should the need arises.

As at 3 July 2017, the board of directors of the Manager are as follows:

1. Mr Patrick Chin Yoke Chung (Non-independent non-executive chairman)
2. Encik Abdul Aziz Peru Mohamed (Senior independent non-executive director)
3. Ms Ong Yin Suen (Non-independent non-executive director / managing director)
4. Mr Chin Yoong Kheong (Independent non-executive director)
5. Dr. Ngo Get Ping (Independent non-executive director)
6. Ms Choo Shan (Independent non-executive director)

7.3 Functions of the Manager

The Manager is responsible for the day-to-day administration of the Funds in accordance with the provisions of the respective Deeds. The main responsibilities of the Manager include:

- Selecting and managing investments of the Funds;
- Executing, supervising and valuing investments of the Funds;
- Arrangement of sale and repurchase of units;
- Keeping proper records of the Funds;
- Issuing the Funds interim and annual reports to Unit Holders;
- Distribution of income to Unit Holders (if any); and
- Marketing the Funds to potential investors.

The Manager is a member of FIMM. It maintains a tied sales agency force which is duly registered with FIMM which markets and distributes its proprietary unit trust funds to prospective investors. It also has an IUTA arrangement with RHB Bank Berhad and/or such other approved distributors as may be appointed by the Manager from time to time.

7.4 The Investment Committee

Functions of the Investment Committee

The investment committee is responsible for formulation of the investment policies and investment strategy for the respective Funds. It has broad discretionary authority over the investments of the respective Funds. The investment committee also oversees the activities of the fund manager who is responsible for research, securities recommendation and asset allocation.

The investment committee meets at least once every three (3) months and has the responsibility to decide and approve the following:-

- Asset allocation;
- Schedule of securities for purchase and disposal;
- Risk exposure, e.g. country and specific market risks; and
- Schedule of income distribution to Unit Holders.

The fund manager will fine tune the asset allocation in response to periodic changes in the prevailing market condition, particularly interest rates movements and sales operations.

7.5 The Investment Team

The investment team is jointly responsible for the overall investment decisions made on behalf of the Funds.

GEY	**ASPAC**	**RESO**	**GNS**
DRAGON	**BIGCAP**	**ASEAN**	**AREF**

The designated fund manager is Mohd Fauzi bin Mohd Tahir.

Mohd Fauzi bin Mohd Tahir ("Mohd Fauzi") is the chief investment officer for equity in RHB Asset Management Sdn Bhd ("RHBAM"). Mohd Fauzi has a total of 24 years of working experience in managing life, private, government linked funds as well as portfolios for retail and high net worth individuals. In his previous employment, Mohd Fauzi was the executive director and head of equities for AmFunds Management Berhad. He was responsible for the investment of all conventional and Islamic equity funds. His duties included managing insurance funds as well as researching of companies listed on Bursa Malaysia and also unlisted companies.

Mohd Fauzi holds a Capital Market Services Representative's License for the regulated activity of fund management.

GAF	**AGO**	**USFOCUS**

The designated fund manager is Michael Chang Wai Sing.

Michael Chang Wai Sing ("Mr. Chang") is the chief investment officer for fixed income in RHB Asset Management Sdn Bhd ("RHBAM"). He has more than 17 years of fund management experience, specializing in fixed income investments for insurers and asset management companies. Prior to joining RHBAM, he was with MCIS Insurance Bhd for 8 years managing both life and general insurance portfolios.

His strong investment acumen is recognized by the market. He was awarded the "Most Astute Investor in Asian Local Currency Bonds" for Malaysia by Asset Benchmark Research, where he ranked no. 1 in the "top ten astute investors in Malaysia" for three consecutive years in 2014, 2015 and 2016.

Mr. Chang is a national member of the ACI-Malaysia – The Financial Markets Association ("PPKM"). Prior to gaining his membership, he was a distinction and award recipient for the Pasaran Kewangan Malaysia Certificate ("PKMC").

The designated fund manager is supported by our investment team comprising of a team of experienced fund managers who are responsible to actively manage the Funds in accordance with the investment objective of the respective Fund and the provision of the relevant Deed. The investment team shall have discretionary authority over the investments of the Funds subject to the rules and guidelines issued by the relevant authorities.

7.6 Manager's Disclosure of Material Litigation

As at the Latest Practicable Date, there is no material litigation and arbitration, including those pending or threatened, and any facts likely to give rise to any proceedings which might materially and adversely affect the business and/or financial position of the Manager.

7.7 Other Information

Further information on the Manager and investment committee of the Funds is provided on our website, **www.rhbgroup.com**.

8. THE TRUSTEE OF THE FUNDS

8.1 HSBC (Malaysia) Trustee Berhad

GEY	**ASPAC**	**RESO**	**GAF**
GNS	**DRAGON**	**BIGCAP**	**AGO**
ASEAN	**USFOCUS**		

The Trustee is HSBC (Malaysia) Trustee Berhad (Company No. 1281-T), a company incorporated in Malaysia since 1937 and registered as a trust company under the Trust Companies Act 1949, with its registered address at 13th Floor, Bangunan HSBC, South Tower, No. 2, Leboh Ampang, 50100 Kuala Lumpur.

8.1.1 Experience in Trustee Business

Since 1993, the Trustee has acquired experience in the administration of trusts and has been appointed as trustee for unit trust funds, exchange traded funds, wholesale funds and funds under private retirement scheme.

8.1.2 Duties and Responsibilities of the Trustee

The Trustee's main functions are to act as trustee and custodian of the assets of the Fund and to safeguard the interests of Unit Holders of the Fund. In performing these functions, the Trustee has to exercise all due care, diligence and vigilance and is required to act in accordance with the provisions of the Deed, Capital Markets and Services Act 2007 and the Securities Commission's Guidelines on Unit Trust Funds ("Guidelines"). Apart from being the legal owner of the Fund's assets, the Trustee is also responsible for ensuring that the Manager performs its duties and obligations in accordance with the provisions of the Deed, Capital Markets and Services Act 2007 and the Guidelines. In respect of monies paid by an investor for the application of units, the Trustee's responsibility arises when the monies are received in the relevant account of the Trustee for the Fund and in respect of redemption, the Trustee's responsibility is discharged once it has paid the redemption amount to the Manager.

8.1.3 Trustee's Statement of Responsibility

The Trustee has given its willingness to assume the position as trustee of the Fund and all the obligations in accordance with the Deed, all relevant laws and rules of law. The Trustee shall be entitled to be indemnified out of the Fund against all losses, damages or expenses incurred by the Trustee in performing any of its duties or exercising any of its powers under this Deed in relation to the Fund. The right to indemnity shall not extend to loss occasioned by breach of trust, wilful default, negligence, fraud or failure to show the degree of care and diligence required of the Trustee having regard to the provisions of the Deed.

8.1.4 Trustee's Disclosure of Material Litigation

As at 30 June 2017, the Trustee is not engaged in any material litigation and arbitration, including those pending or threatened, and is not aware of any facts likely to give rise to any proceedings which might materially affect the business/financial position of the Trustee and any of its delegates.

8.1.5 Trustee's Delegate

The Trustee has appointed the Hongkong and Shanghai Banking Corporation Ltd as the custodian of both the local and foreign assets of the Fund. For quoted and unquoted local investments of the Fund, the assets are held through their nominee company, HSBC Nominees (Tempatan) Sdn Bhd. The Hongkong and Shanghai Banking Corporation Ltd is a wholly owned subsidiary of HSBC Holdings Plc, the holding company of the HSBC Group. The custodian's comprehensive custody and clearing services cover traditional settlement processing and safekeeping as well as corporate related services including cash and security reporting, income collection and corporate events processing. All investments are registered in the name of the Trustee or to the order of the Trustee. The custodian acts only in accordance with instructions from the Trustee.

The Trustee shall be responsible for the acts and omissions of its delegate as though they were its own acts and omissions.

However, the Trustee is not liable for the acts, omissions or failure of third party depository such as central securities depositories, or clearing and/or settlement systems and/or authorised depository institutions, where the law or regulation of the relevant jurisdiction requires the Trustee to deal or hold any asset of the Fund through such third parties.

Particulars of the Trustee's Delegate

For foreign asset:
The Hongkong And Shanghai Banking Corporation Limited
6/F, Tower 1,
HSBC Centre,
1 Sham Mong Road, Hong Kong.
Telephone No: (852)2288 6111

For local asset:
The Hongkong And Shanghai Banking Corporation Limited (As Custodian) and assets held through HSBC Nominees (Tempatan) Sdn Bhd (Co. No. 258854-D)
No 2 Leboh Ampang
50100 Kuala Lumpur
Telephone No: (603)2075 3000 Fax No: (603)2179 6488

8.1.6 Anti-Money Laundering and Anti-Terrorism Financing Provisions

The Trustee has in place policies and procedures across the HSBC Group, which may exceed local regulations. Subject to any local regulations, the Trustee shall not be liable for any loss resulting from compliance of such policies, except in the case of negligence, willful default or fraud of the Trustee.

8.1.7 Statement of Disclaimer

The Trustee is not liable for doing or failing to do any act for the purpose of complying with law, regulation or court orders.

8.1.8 Consent to Disclosure

The Trustee shall be entitled to process, transfer, release and disclose from time to time any information relating to the Fund, Manager and Unit Holders for purposes of performing its duties and obligations in accordance to the Deed, the Capital Markets and Services Act 2007, Guidelines and any other legal and/or regulatory obligations such as conducting financial crime risk management, to the Trustee's parent company, subsidiaries, associate companies, affiliates, delegates, service providers, agents and any governing or regulatory authority, whether within or outside Malaysia (who may also subsequently process, transfer, release and disclose such information for any of the above mentioned purposes) on the basis that the recipients shall continue to maintain the confidentiality of information disclosed, as required by law, regulation or directive, or in relation to any legal action, or to any court, regulatory agency, government body or authority.

8.2 Maybank Trustees Berhad

AREF

Maybank Trustees Berhad (5004-P) is the trustee of the Fund with its registered office at 8th Floor, Menara Maybank, 100 Jalan Tun Perak, 50050 Kuala Lumpur.

Maybank Trustees Berhad ("MTB") was incorporated on 12 April 1963 and registered as a trust company under the Trust Companies Act 1949 on 11 November 1963. It was one of the first local trust companies to provide trustee services with the objective of meeting the financial needs of both individual and corporate clients.

8.2.1 Experience in Trustee Business

Maybank Trustees Berhad has acquired experience in the administration of unit trust funds/ schemes since 1991.

8.2.2 Duties and Responsibilities of the Trustee

The Trustee's role is mainly to act as custodian of the Fund and to exercise all due diligence and vigilance in carrying out its functions and duties and to safeguard the rights and interests of the Unit Holders. Apart from being the legal owner of the Fund's assets, the Trustee is responsible for ensuring that the Manager performs its obligations in accordance with the provisions of the Deed and the relevant laws.

8.2.3 Trustee's Disclosure of Material Litigation

As at 30 June 2017, save for the suit mentioned herein below, the Trustee is not engaged in any material litigation as plaintiff or defendant and the Trustee is not aware of any proceedings, pending or threatened or of any facts likely to give rise to any proceedings which might materially and adversely affect its financial position or business.

Several holders of the bonds ("Bondholders") issued by Aldwich Berhad [In Receivership] ("Aldwich") have sued Aldwich for its failure to settle its indebtedness to the Bondholders following the default of the said bonds in 2010 and cited the Trustee as one of 6 co-defendants under Kuala Lumpur High Court Civil Suit No. D-22NCC-1622-11/2012 ("Aldwich Bondholders' Suit"). The claim against the Trustee is for the sum of RM177,248,747.31 or any other sum that the Court deems fit. The other defendants are the holding company of Aldwich, the Chief Executive Officer of the holding company of Aldwich, the Security Agent and the Reporting Accountant. The Trustee does not admit liability to the Aldwich Bondholders' Suit and has defended it. Trial has concluded. The High Court has fixed 21 July 2017 for delivery of its decision on the Aldwich Bondholders' Suit after adjourning the earlier dates of 30 December 2016, 20 January 2017, 23 January 2017, 28 February 2017, 3 March 2017, 9 March 2017, 5 April 2017, 11 April 2017, 20 April 2017 and 23 June 2017. The Aldwich Bondholders' Suit will not materially affect the business or financial position of the Trustee.

8.2.4 Trustee's Delegate

MTB has delegated its custodian function to Malayan Banking Berhad. The custodian function is run under Maybank Securities Services ("MSS"), a unit within Malayan Banking Berhad. Maybank Securities Services provides a comprehensive end to end clearing and custody services for global and domestic equities and fixed income securities. MSS provides a complete suite of corporate outsourcing solutions with a proven track record in servicing international institutional clients: Sub custodian for major foreign banks and global custodians. MSS also provides global custody services in more than 100 different markets via a special arrangement with their reputable partners. They have also consistently been awarded in the Global Custodian Awards for Excellence as well as other major publications.

The roles and duties of the trustee's delegate, MSS, are as follows:

- Safekeep, reconcile and maintain assets holdings records of Fund against Trustee's instructions;
- Act as settlement agent for shares and monies to counterparties against Trustee's instructions;
- Act as agents for money market placement where applicable against Trustee's instructions;
- Disseminate listed companies' announcements to and follow through for corporate actions instructions from Trustee;
- Compile, prepare and submit holdings report to Trustee and beneficial owners where relevant; and
- Other ad-hoc payments for work done for the Fund against Trustee's instructions, etc.

The custodian acts only in accordance with instructions from the Trustee.

9. RELATED-PARTY TRANSACTION AND CONFLICT OF INTEREST

The directors and officers of the Manager, and members of the investment committee should avoid any conflict of interest arising, and if any conflict arises, should ensure that the Funds are not disadvantaged by the transaction concerned. Any transaction carried out by or on behalf of the Funds should be executed on terms which are the best available for the Funds and which are no less favourable to the Funds than an arm's length transaction between independent parties. In the event the interest of any directors and employees of the Manager, and members of the investment committee is directly or indirectly involved, he or she would abstain from being involved with any decision making process of the said transaction.

No fees other than the ones set out in this master prospectus have been paid to any promoter of the Funds, or the Trustees (either to become a trustee or for other services in connection with the Funds), or the Manager for any purpose or as allowed by regulations or approved by the authorities.

Interests in the Funds and employees' securities dealings

Subject to the paragraph below and any legal and regulatory requirement, any officers or directors of the Manager, Trustees or any of their respective related corporations, may invest in the Funds. Such officers or directors will receive no payments from the Funds other than usual income distributions that they may receive as a result of investment in the Funds.

The Manager has in place a policy contained in its rules of business conduct, which regulates its employees' securities dealings. A monthly declaration of securities trading is required of all employees to ensure that there is no potential conflict of interest between the employees' securities trading and the execution of the employees' duties to the Manager and customers of the Manager.

The Funds may also invest in related companies and/or instruments issued by related companies of the Manager and/or deposit money in financial institutions related to the Manager. All related party transaction will be transacted at arm's length and are established on terms and conditions that are stipulated in the applicable regulations of the respective stock exchanges and/or other applicable laws and market convention.

Cross trades

The Funds may conduct cross trades with another fund under the management of the Manager provided that:

1) the sale and purchase decisions are in the best interest of both funds;
2) transactions are executed on arm's length and fair value basis;
3) reason for such transactions is documented prior to execution; and
4) transaction is executed through a dealer or financial institution.

Cross trades between staff personal account and the Funds' account(s), and cross trades between proprietary accounts and the Funds' account(s) are prohibited.

In relation to **GEY, ASPAC, RESO, GAF, GNS, DRAGON, BIGCAP, AGO, ASEAN** and **USFOCUS**

HSBC (Malaysia) Trustee Berhad

As Trustee for the Fund, there may be related party transaction involving or in connection with the Fund in the following events:-

1) Where the Fund invests in instruments offered by the related party of the Trustee (e.g placement of monies, structured products, etc);
2) Where the Fund is being distributed by the related party of the Trustee as Institutional Unit Trust Adviser (IUTA);
3) Where the assets of the Fund are being custodised by the related party of the Trustee both as sub-custodian and/or global custodian of the Fund (Trustee's delegate); and
4) Where the Fund obtains financing as permitted under the Securities Commission's Guidelines on Unit Trust Funds, from the related party of the Trustee.

The Trustee has in place policies and procedures to deal with conflict of interest, if any. The Trustee will not make improper use of its position as the owner of the Fund's assets to gain, directly or indirectly, any advantage or cause detriment to the interests of Unit Holders. Any related party transaction is to be made on terms which are best available to the Fund and which are not less favourable to the Fund than an arms-length transaction between independent parties.

Subject to the above and any local regulations, the Trustee and/or its related group of companies may deal with each other, the Fund or any Unit Holder or enter into any contract or transaction with each other, the Fund or any Unit Holder or retain for its own benefit any profits or benefits derived from any such contract or transaction or act in the same or similar capacity in relation to any other scheme.

Other Declarations

Wei Chien & Partners has given its confirmation that there are no existing or potential conflicts of interest in its capacity as the solicitors for the Manager.

KPMG Tax Services Sdn Bhd has given its confirmation that there are no existing or potential conflicts of interest in its capacity as the tax adviser for the Funds.

Maybank Trustees Berhad has given its confirmation that there are no existing or potential conflicts of interest in its capacity as the trustee for **AREF**.

10. TAX ADVISER'S LETTER ON THE TAXATION OF THE FUNDS AND UNIT HOLDERS

(Prepared for inclusion in this master prospectus)

Private and confidential

KPMG Tax Services Sdn. Bhd.
Level 10, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan, Malaysia

The Board of Directors
RHB Asset Management Sdn Bhd
Level 8, Tower 2 & 3
RHB Centre, Jalan Tun Razak
50400 Kuala Lumpur

30 June 2017

Dear Sirs

Re: Master Prospectus relating to:

1. **RHB Global Equity Yield Fund**
2. **RHB Asia Pacific Fund**
3. **RHB Resources Fund**
4. **RHB Global Allocation Fund**
5. **RHB Global New Stars Fund**
6. **RHB Golden Dragon Fund**
7. **RHB Big Cap China Enterprise Fund**
8. **RHB Asian Growth Opportunities Fund**
9. **RHB ASEAN Fund**
10. **RHB US Focus Equity Fund**
11. **RHB Asian Real Estate Fund**

("FUNDS") DATED 3 SEPTEMBER 2017 ("MASTER PROSPECTUS")

This letter has been prepared for inclusion in the master prospectus dated 3 September 2017 in connection with the offer of units in the above unit trust funds ("the Funds"):-

Taxation of the Funds

Income Tax

The Funds are treated as unit trusts for Malaysian tax purposes. The taxation of the Funds is therefore governed principally by Sections 61 and 63B of the Malaysian Income Tax Act, 1967 ("the Act").

Subject to certain exemptions, the income of the Funds in respect of investment income derived from or accruing in Malaysia after deducting tax allowable expenses, is liable to Malaysian income tax at the rate of 24% with effect from Year of Assessment ("YA") 2016.

Investment income derived from sources outside Malaysia and received in Malaysia by a resident unit trust is exempt from Malaysian income tax. However, such income may be subject to tax in the country from which it is derived.

Gains from the realisation of investments (whether local or foreign) by the Funds will not be subject to tax in Malaysia.

Discounts earned by the Funds from the following are also exempt from tax:-

- securities or bonds issued or guaranteed by the Government of Malaysia; or
- debentures or sukuks, other than convertible loan stock, approved or authorized by, or lodged with, the Securities Commission; or
- Bon Simpanan Malaysia issued by the Central Bank of Malaysia.

Deductions in respect of the Funds' expenses such as manager's remuneration, maintenance of a register of unit holders, share registration expenses, secretarial, audit and accounting fees, telephone charges, printing and stationery costs and postage are generally allowed based on a prescribed formula subject to a minimum of 10 percent and a maximum of 25 percent of the total of these expenses.

Single-tier Malaysian dividends received by the Funds are exempted from tax and expenses incurred by the Funds in relation to dividend income (which is paid or credited under the single-tier system) are disregarded.

Interest income earned by the Funds from the following are exempt from tax:-

- any savings certificates issued by the Government of Malaysia; or
- securities or bonds issued or guaranteed by the Government of Malaysia; or
- debentures or sukuks, other than convertible loan stock, approved or authorised by, or lodged with, the Securities Commission; or
- Bon Simpanan Malaysia issued by the Central Bank of Malaysia; or
- a bank or financial institution licensed under the Financial Services Act 2013 or Islamic Financial Services Act 2013[1]; or
- any development financial institution regulated under the Development Financial Institutions Act 2002[1]; or
- Sukuks originating from Malaysia, other than convertible loan stock, issued in any currency other than Ringgit and approved or authorised by, or lodged with, the Securities Commission ("SC") or approved by the Labuan Financial Services Authority[2].

Real Property Gains Tax ("RPGT")

Gains on disposal of investments by the Funds will generally not be subject to income tax in Malaysia. However, such gains may be subject to RPGT in Malaysia, if the gains are derived from the sale of Malaysian real properties or shares in Malaysian real property companies (as defined). The gains on the disposal of the chargeable assets would be subject to RPGT at the applicable rate depending on the holding period of the chargeable assets.

Note 1: Effective from YA 2017, in the case of a wholesale fund which is a money market fund, the exemption shall only apply to a wholesale fund which complies with criteria as set out in the relevant guidelines of the Securities Commission.
Note 2: With effect from YA 2017, the income tax exemption shall not apply to interest paid or credited to a company in the same group, licensed banks and prescribed development financial institutions.

Goods and Services Tax ("GST")

GST has been implemented in Malaysia with effect from 1 April 2015, at a standard rate of 6%. It replaced the Sales Tax and Service Tax.

The issue, holding or redemption of any unit under a trust fund is regarded as an exempt supply. The investment activities of the Funds such as buying and selling of securities are exempt supplies and thus not subject to GST. Thus, if the Funds are only making exempt supplies, it is not required to be registered for GST.

However, certain expenses incurred by the Funds such as fund manager's fees, trustee fees and professional fees will be subject to GST if the service providers are GST registered. If the Funds are only making exempt supplies (and thus not GST registered), any input tax incurred by the Funds for the aforementioned expenses are not claimable.

Taxation of Unit Holders

Unit holders are taxed on an amount equivalent to their share of the total taxable income of the Funds, to the extent that this is distributed to them. The income distribution from the Funds may carry with it applicable tax credits proportionate to each unit holder's share of the total taxable income in respect of the tax paid by the Funds. Unit holders will be entitled to utilise the tax credit as a set-off against the tax payable by them. Any excess over their tax liability will be refunded to the unit holders. No other withholding taxes will be imposed on the income distribution of the Funds.

With effect from YA 2016, corporate unit holders (resident or non resident in Malaysia), will be taxed at the corporate tax rate of 24%, on distributions of income from the Funds to the extent of an amount equivalent to their share of the total taxable income of the Funds.

Resident corporate unit holders whose paid-up capital in the form of ordinary shares does not exceed RM2.5 million will be subject to a tax rate of 19% (will be reduced to 18% from YA 2017) on chargeable income of up to RM500,000. For chargeable income in excess of RM500,000, the tax rate of 24% (effective from YA 2016) is still applicable. However, the said tax rate of 19% on chargeable income of up to RM500,000 will not apply if more than 50% of the paid up capital in respect of ordinary shares of that company is directly or indirectly owned by a related company which has a paid up capital exceeding RM2.5 million in respect of ordinary shares, or vice versa, or more than 50% of the paid up capital in respect of ordinary shares of both companies are directly or indirectly owned by another company.

Pursuant to Income Tax (Exemption) (No. 2) Order 2017 [P.U.(A) 117], a tax exemption equivalent to a reduction in the corporate tax rate from 1% to 4% will be effectively given for YA 2017 and YA 2018 based on percentage of increase in the chargeable business income for the relevant YA as compared to the immediately preceding YA, subject to meeting the stipulated conditions.

Individuals and other non-corporate unit holders who are resident in Malaysia are generally subject to income tax at scaled rates. The scaled tax rates range from 0% to 28% with effect from YA 2016.

Individuals and other non-corporate unit holders who are not resident in Malaysia, for tax purposes, will be subject to Malaysian income tax at the rate of 28% with effect from YA 2016. Non resident unit holders may also be subject to tax in their respective jurisdictions and depending on the provisions of the relevant tax legislation and any double tax treaties with Malaysia, the Malaysian tax suffered may be creditable in the foreign tax jurisdictions.

The distribution of single-tier dividends and other tax exempt income by the Funds will be exempted from tax in the hands of the unit holders in Malaysia. Distribution of foreign income will also be exempted from tax in the hands of the unit holders.

Units split by the Funds will be exempted from tax in Malaysia in the hands of the unit holders.

Any gains realised by the unit holders (other than financial institutions, insurance companies and those dealing in securities) from the transfers or redemptions of the units are generally treated as capital gains which are not subject to income tax in Malaysia. However, certain unit holders may be subject to income tax in Malaysia on such gains, due to specific circumstances of the unit holders.

The following gains or income received by the unit holders are not subject to GST:-

- the distribution of income from the Funds to the unit holders which may comprise of dividends, interest income and gain from realisation of investments;
- distribution of foreign income from the Funds;
- unit split by the Funds and reinvestment of distribution; and
- gain made from selling or redemption of units.

However, the following expenses incurred by the unit holders should be subject to GST if the supplier is GST registered:-

- any fee based charges in relation to buying of the units such as sales charge; and
- switching and transfer charges for switching or transferring the units.

The tax position is based on our understanding and interpretation of the Malaysian tax laws and proposals as they stand at present. All prospective investors should not treat the contents of this letter as advice relating to taxation matters and are advised to consult their own professional advisers concerning their respective investments.

Yours faithfully

Ong Guan Heng
Executive Director

11. EXPERTS' REPORT

GEY	**ASPAC**	**RESO**	**GAF**
GNS	**DRAGON**	**BIGCAP**	**AGO**
ASEAN	**USFOCUS**	**AREF**	

There are no experts' reports in respect of the Funds as no experts (i.e. any party providing advice to the Manager) apart from the tax adviser were appointed for the Funds.

12. APPROVAL AND CONDITIONS

GEY	**ASPAC**	**RESO**	**GAF**
GNS	**DRAGON**	**BIGCAP**	**AGO**
ASEAN	**USFOCUS**	**AREF**	

There are no other approvals required, sought or pending from any relevant authorities in respect of the Funds.

There are no waivers or exemptions granted by the Securities Commission for the Funds as none has been sought for.

13. DOCUMENTS AVAILABLE FOR INSPECTION

GEY	**ASPAC**	**RESO**	**GAF**
GNS	**DRAGON**	**BIGCAP**	**AGO**
ASEAN	**USFOCUS**	**AREF**	

The following documents or copies thereof, where applicable, may be inspected by Unit Holders without charge at the registered/principal office of the Manager or such other place as the Securities Commission may determine:

(a) the Deed and supplementary deed, if any;

(b) the master prospectus and supplementary or replacement master prospectus, if any;

(c) the latest annual and interim reports of the Funds;

(d) each material contract referred to in this master prospectus and, in the case of a contract not reduced into writing, a memorandum which gives full particulars of the contract;

(e) where applicable, the audited financial statements of the Manager and the Funds for the current financial year and for the last three (3) financial years or if the Fund has been established for a period of less than three (3) years, from the date of incorporation or commencement;

(f) all reports, letters or other documents, valuations and statements by any expert, any part of which is extracted or referred to in this master prospectus (if any). Where a summary expert's report is included in the master prospectus, the corresponding full expert's report shall be made available for inspection;

(g) writ and relevant cause papers for all material litigation and arbitration disclosed in this master prospectus ; and

(h) all consents given by experts disclosed in this master prospectus.

DIRECTORY OF OUTLETS FOR PURCHASE AND SALE OF UNITS

For information on the participating distributors, please contact:

RHB Asset Management Sdn Bhd's Registered/Principal Office:
(Kindly refer to the Corporate Directory for details.)

Investors may call our help-desk at Toll-Free-Phone number: 1-800-88-3175 at any time during our office hours: Mondays through Fridays from 9.00 a.m. – 5.00 p.m. or e-mail your enquiries to **rhbam@rhbgroup.com** or visit our website, **www.rhbgroup.com**.

RHB Asset Management

RHB ASSET MANAGEMENT SDN BHD 174588-X
Level 8 Tower 2 & 3, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur
Tel:603-9205 8000 Fax: 603-9205 8100
Toll Free No:1-800-88-3175 Website: www.rhbgroup.com

ACCOUNT APPLICATION FORM
Individual / Corporate

☐ *Individual* ☐ *Joint* ☐ *Corporate* ☐ *Staff Application*

In compliance with the Capital Markets and Services Act 2007, this form should not be circulated unless accompanied by the relevant master prospectus(es)/ prospectus(es) and its supplementary(ies) (if any). Investor(s) should read and understand the contents of the relevant master prospectus(es)/ prospectus(es) and its supplementary(ies) if any before completing this form. **Please complete in BLOCK LETTERS only, and tick(√) where applicable. For 1st time Investor(s), this form is required to be completed.**

PARTICULARS OF INDIVIDUAL APPLICANT / CORPORATE APPLICANT

You MUST be 18 years old and above as at the date of this application. Please provide a copy of your NRIC or Passport.

Name of Individual/ Corporate Applicant
(as in NRIC/Passport No./Certificate of Incorporation)

NRIC No.(old)/Passport No./Company Registration No. NRIC No. (new) - -

(To be completed if Individual Applicant)

Date of Birth (DD/MM/YYYY) - - Country of Birth

Source of Income ☐ Employed (Permanent/Contract) ☐ Own business ☐ Savings/ Inheritance ☐ Others(*please specify*)

Employer's/Company's Name

Employer's/Company's Tel No. Occupation/ Designation

Employer's/Company's Office ☐ In Malaysia ☐ Outside Malaysia (*please specify*)

Nature of Business of Applicant/ Applicant's Employer ☐ Financial/Banking/Investment ☐ Legal/Tax ☐ Telecommunications ☐ Hotel/ Restaurant ☐ Consultancy ☐ Government/ Government related ☐ Medical/Health/Science ☐ Education ☐ Real Estate/ Property ☐ Manufacturing ☐ Construction ☐ Others (*please specify*)

Marital Status ☐ Single ☐ Married ☐ Widowed ☐ Divorced No. of Dependants (*please indicate if any*)

Nationality ☐ Malaysian ☐ Others (*please specify*) Sex ☐ Male ☐ Female

Bumiputera Status ☐ Yes ☐ No Race ☐ Malay ☐ Chinese ☐ Indian ☐ Others

Education Level ☐ Primary ☐ Secondary ☐ STPM / Diploma /PreU ☐ Degree ☐ Post Graduate ☐ Others

Annual Income ☐ Up to RM18,000 ☐ RM18,001 - RM36,000 ☐ RM36,001 - RM50,000 ☐ RM50,001 - RM96,000 ☐ RM96,001 - RM180,000 ☐ RM180,001 - RM240,000 ☐ RM240,001 and above

Mother's Maiden Name

Individual Applicant Email Address

By providing your email address to RHB Asset Management Sdn Bhd ("RHBAM"), you have consented to receive communications and/or information from RHBAM relating to your investment via email. Notices delivered via email to applicant are deemed sent and received on the date such email is sent.

(To be completed if Corporate Applicant)

Date of Incorporation (DD/MM/YYYY) - - Country of Incorporation

Nature of Business of Applicant/Applicant's Employer ☐ Financial/Banking/Investment ☐ Legal/Tax ☐ Telecommunications ☐ Hotel/ Restaurant ☐ Consultancy ☐ Government/ Government related ☐ Medical/Health/Science ☐ Education ☐ Real Estate/ Property ☐ Manufacturing ☐ Construction ☐ Others (*please specify*)

Company Status ☐ Bumiputra Controlled ☐ Non-Bumiputra Controlled ☐ Non-Malaysian Controlled

Company Source of Income ☐ Disposal of non-core business/asset/investments ☐ Fund raising exercise such as right issue ☐ Cash in hand/surplus funds/working capital

Contact Person (1)

Designation Department

Tel No. ext Fax No.

Office Email Address

Contact Person (2)

Designation Department

Tel No. ext Fax No.

Office Email Address

Please refer to clause 4 of the Terms and Conditions to ascertain the documents required to be submitted with this application.

PARTICULARS OF JOINT INDIVIDUAL APPLICANT (not applicable for EPF Investment Scheme"EPF")

Name as in NRIC/Passport

NRIC No.(old)/Passport No./Birth Certificate No. NRIC No. (new) - -

Date of Birth (DD/MM/YYYY) - - Country of birth Sex ☐ Male ☐ Female

Nationality : ☐ Malaysian ☐ Others (*please specify*) Bumiputera Status : ☐ Yes ☐ No

Occupation Relationship to Individual Applicant ☐ Parent ☐ Spouse ☐ Child ☐ Sibling ☐ Others

Nature of Business of Applicant/Applicant's Employer ☐ Financial/Banking/Investment ☐ Legal/Tax ☐ Telecommunications ☐ Hotel/ Restaurant ☐ Consultancy ☐ Government/ Government related ☐ Medical/Health/Science ☐ Education ☐ Real Estate/ Property ☐ Manufacturing ☐ Construction ☐ Others (*please specify*)

APPLICANT'S CONTACT DETAILS

Permanent Address
(as in NRIC/Passport No./Certificate of Incorporation)

Post Code Town / City

State Country

Correspondence/ Mailing Address
(complete if different)

Post Code Town / City

State Country

Tel No. -
Country Code Area Code Residence / House Mobile

ext
Office Fax No.

FOR UTC/DISTRIBUTOR USE ONLY

RHBAM/Distributor Branch Code/ Stamp

Name of Staff/ UTC/Distributor Staff/UTC Code

Signature of Staff/ UTC/Distributor FiMM Code

FOR OFFICE USE ONLY

Account No.

Trans. Sequence No.

Price of Transaction (RM/relevant currency)

INVESTMENT OBJECTIVE & EXPERIENCE

Investment Objective

☐ Capital Growth ☐ Regular Income ☐ Capital Protection ☐ Retirement

☐ Education ☐ Wealth Accumulation

Investment Time Frame

☐ Long Term (> 5 years) ☐ Medium (3-5 years) ☐ Short Term (< 3 years)

Investment Experience

☐ Unit Trust ______ year(s) ☐ Trading on Bursa Malaysia _____ year(s)

☐ Futures / Options ______ year(s) ☐ Others ________ year(s)

☐ No experience

EXCHANGE CONTROL DECLARATION BY NON-MALAYSIAN RESIDENT(S)/REGISTERED ORGANISATION(S)

☐ I/We declare that I am/ we are non-Malaysian resident(s) and I am/ we are permanent resident(s) of ____________________ (Country)

☐ We declare that we are a non-Malaysian organisation and our organisation is incorporated in ____________________ (Country)

PARTICULARS OF INSURANCE (RHB EQUITY TRUST FUND ONLY)

Name of Beneficiary
(as in NRIC/Passport/Birth Certificate)

NRIC No.(old)/Passport No./Birth Certificate No.

NRIC No. (new) - -

Relation to Applicant

DECLARATIONS AND SIGNATURES

INDIVIDUAL APPLICANT

- I/We acknowledge that I/We have received, read and understood the relevant Master Prospectus(es)/ Prospectus(es) for the Fund(s) to be invested in, the Terms and Conditions of this Form and I/We undertake to be bound by them for my/our initial and subsequent transactions with RHB Asset Management Sdn. Bhd. ("RHBAM").
- I/We acknowledge that I/We are aware of the fees and charges that I/We will incur directly or indirectly when investing in the Fund(s).
- I/We undertake to be bound by the provisions of the documents constituting the Fund(s) subscribed to as if I was/ We were a party thereto.
- I am/ We are 18 years old and above as at the date of this application. Copy/Copies of my/our NRIC/ Passport is/are enclosed.
- I/We do declare and represent that as at the date hereof, I/We am/are not an undischarged bankrupt nor has any petition for bankruptcy been filed against me/us.
- I/We declare that I am/ We are neither engaged in any unlawful activity nor are my/our monies obtained from any illegal source or related to any illegal activity.
- I/We declare that I am/ We are in compliance and undertake that I/We will comply with all applicable laws and regulations.
- I/We undertake to provide RHBAM with all information as it may require for the purpose of and in connection with completing the Account Application Form, including but not limited to, my/our information on financial position, condition or prospect.
- I/We acknowledge that I/We shall keep RHBAM informed of any change of my/our particulars as stated in this Account Application Form and/or of any material facts that will, direct or indirectly, affect my/our financial position(s), condition(s) or prospect(s).
- I/We undertake to provide such information and documents that RHBAM may reasonably require for the purpose of due diligence/ enhanced due diligence as required under the Anti-Money Laundering and Counter Financing Terrorism Act 2001 ("AMLCFTA").
- (For joint application only) In the absence of written explicit instructions, I/We acknowledge that instructions must be given by both of us.
- (Distribution Instruction as per Purchase/ Switch Form) Depending on the Fund invested and subject to each respective Fund's Master Prospectus(es)/ Prospectus(es), income distribution will either be reinvested into further units in the relevant fund or be paid out.
- I/We hereby declare and acknowledge that I/We have sole legal and proprietary right over all monies accompanying this application.
- I/We hereby agree to indemnify RHBAM against all actions, suits, proceedings, claims, damages and losses which may be suffered by RHBAM as a result of any inaccuracy of the declarations herein.

CORPORATE APPLICANT

- I/We acknowledge that I/We have received, read and understood the relevant Master Prospectus(es)/ Prospectus(es) for the Fund(s) to be invested in, the Terms and Conditions of this Form and I/We undertake to be bound by them for my/our initial and subsequent transactions with RHB Asset Management Sdn. Bhd. ("RHBAM").
- I/We acknowledge that I/We are aware of the fees and charges that I/We will incur directly or indirectly when investing in the Fund(s).
- I/We undertake to be bound by the provisions of the documents constituting the Fund(s) subscribed to as if I was/ We were a party thereto.
- I/We do declare and represent that as at the date hereof, I/We am/are not an undischarged bankrupt nor has any petition for bankruptcy been filed against me/us.
- I am/ We are duly authorised officer(s) of the Corporation, and warrant that the Corporation has the power and capacity to enter into this agreement and undertake transactions involving the Fund(s). Attached is a certified true copy of the Corporation's list of authorised signatories.
- I/We, as directors(s) of the Corporation do hereby declare that the Corporation is a legally incorporated Corporation. Copy of my/our Certificate of Incorporation is enclosed.
- I/We, hereby declare and represent that as at this date, the Corporation is not wound up nor has there been any winding-up petition presented to the Corporation.
- I/We declare that I am/ We are neither engaged in any unlawful activity nor are my/our monies obtained from any illegal source or related to any illegal activity.
- I/We undertake to provide RHBAM with all information as it may require for the purpose of and in connection with completing the Account Application Form, including but not limited to, the Corporation and its group of companies' information on financial position, condition, operation, business or prospect.
- I/We acknowledge that I/We shall keep RHBAM informed of any change of the information stated in this Account Application Form and/or of any material facts that will, direct or indirectly, affect the Corporation and its group of companies' financial position, condition, operation, business or prospect.
- I/We undertake to provide such information and documents that RHBAM may reasonably require for the purpose of due diligence/ enhanced due diligence as required under the AMLCFTA.
- (Distribution Instruction as per Purchase/ Switch Form) Depending on the Fund invested and subject to each respective Fund's Master Prospectus(es)/ Prospectus(es), income distribution will either be reinvested into further units in the relevant fund or be paid out.
- I/We hereby declare and acknowledge that I/We have sole legal and proprietary right over all monies accompanying this application.
- I/We hereby agree to indemnify RHBAM against all actions, suits, proceedings, claims, damages and losses which may be suffered by RHBAM as a result of any inaccuracy of the declarations herein.
- We, the abovenamed authorised signatories and representatives for the Company, do declare and represent that as at the date hereof , no petition for winding-up has been filed against the Company nor any receiver has been appointed over any of its assets.

DECLARATION FOR PERSONAL DATA PROTECTION ACT 2010 (Applicable for Individual/Corporate Applicant)

- I/We shall fully comply with the provisions of the Personal Data Protection Act 2010 ("the Act") applicable to the processing of personal data as defined in the Act and specifically, that all necessary consents have been obtained from individuals whose personal data may be disclosed to RHBAM or its representatives ("Disclosed Data") in respect of such disclosure to and processing by RHBAM and its representatives and that I/We will always furnish RHBAM or its representatives with up-to-date Disclosed Data.
- I/We shall procure any third party that processes Disclosed Data for or on behalf of me/us to agree in writing to the same terms that I/We agree in line with the Act and in this declaration.
- I/We shall immediately notify RHBAM in the event of any claim or complaint from any data subject of Disclosed Data and/or where there has been an event of non-compliance with the Act by me/us, whether discovered by me/us or forming the subject of an investigation and/or action by the relevant authorities.
- I/We shall indemnify RHB Banking Group against all proceedings, costs, expenses, liabilities or damages arising from my/our failure to comply with the Act with respect to Disclosed Data and the terms of this declaration. The remedies available to RHBAM contained in this clause are without prejudice to and in addition to any warranties, indemnities, remedy or other rights provided by law or any prior agreement.
- Based on the above declaration, I/we undertake that this declaration shall not be assigned without RHBAM's prior written consent; will be binding upon my/our servants, agents, personal representatives, assigns and successor-at-law; will inure to the benefit of RHBAM and its successors and assigns; and shall supersede all prior representations, negotiations, arrangements, understandings or agreements and all other communications between RHBAM and me/us in connection with the processing and disclosure of Disclosed Data to RHBAM.

No delay or omission by RHBAM in exercising any right under this declaration will operate as a waiver of that or any other right. The covenants set out in this declaration are separate and severable and enforceable accordingly and whilst the restrictions are considered by the parties to be reasonable in all the circumstances as at the date hereof, it is acknowledged that restrictions of such a nature may be invalid because of a change in circumstances or other unforeseen reasons and accordingly, if any restrictions shall be adjudged to be void or ineffective for whatever reason but would be adjudged to be valid and effective if part of the wording thereof were deleted or the periods thereof reduced, such modifications shall be applied as may be necessary to make them valid and effective.

ACCOUNT DETAILS FOR INCOME DISTRIBUTION / REDEMPTION

For MYR Currency		For Foreign Currency	
Bank Name	:	Bank Name	:
Account Holder Name	:	Account Holder Name	:
Account No.	:	Account No.	:
Account Type	: ☐ Savings ☐ Current	Account Type	: ☐ Savings ☐ Current
Account Ownership	: ☐ Single ☐ Joint	Account Ownership	: ☐ Single ☐ Joint

ALL APPLICANTS MUST SIGN THIS FORM

Applicant / Authorised Signatory (ies) Date	Joint Applicant / Authorised Signatory (ies) Date	Company Stamp / Common Seal	For **Joint Application**, please tick (√) account operating mode for future transactions ☐ Applicant Only ☐ Joint Applicant Only ☐ Either Applicant to sign ☐ Both Applicants to sign

TERMS AND CONDITIONS

You are advised to read and understand the relevant Master Prospectus(es)/ Prospectus(es) and deed(s) which shall be made available upon request before investing in the fund(s).

1. MINIMUM INVESTMENT

- Initial and subsequent investment must be for a minimum amount stated in the relevant Master Prospectus(es)/ Prospectus(es).

2. INDIVIDUAL APPLICANT

- Applicant must be 18 years old and above.
- Please enclose a photocopy of your identity card or passport.

3. JOINT INDIVIDUAL APPLICANT

- Please enclose a photocopy of your identity card or passport.
- If aged 18 years old and above, he/she is also required to sign the application form.
- In the case of death of a joint-holder, the surviving holder will be the only person recognised by the Manager and the Trustee as having any title to or interest in the units held.
- In the absence of written explicit instructions, I/we acknowledge that instructions must be given by both of us.

4. CORPORATE APPLICANT

- Please enclose a copy of the Memorandum and Articles of Association, Company's latest audited accounts, list of Authorised Signatories and Specimen Signatures.
- For a corporation, the Common Seal or the Company stamp will have to be affixed. If the Company stamp is used, an Authorised Officer must sign and state his/her representative capacity.
- Certified True Copy (by company secretary, if applicable) of the Board Resolution, Form 11, Form 9, Form 13 (if applicable), Form 24, Form 44, Form 49 and latest Annual Return.

5. RIGHTS OF THE MANAGER

The Manager reserves the right to accept or reject any application in whole or in part thereof and reject any Fund Application Form which is not completed in full and supported by the requested documents and payments.

6. CUSTOMER CARE

If you require further information or clarification, please contact our Customer Service for assistance.

All notices and other communications sent by or to the applicant shall be sent at the risk of the applicant. Unless due to willful default or negligence of the Manager, the Manager shall not be responsible for any inaccuracy, interruption, error, delay or failure in transmission or delivery of any notices via whatever means, or for any equipment failure or malfunction. The Manager shall not be liable for any direct or indirect consequential losses arising from the foregoing.

The information that you have provided will be used strictly for our own purpose and shall not be shared with any other parties unless as required by law.

RHB Asset Management

RHB ASSET MANAGEMENT SDN BHD 174588-X
Level 8 Tower 2 & 3, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur
Tel:603-9205 8000 Fax:603-9205 8100
Toll Free No:1-800-88-3175 Website:www.rhbgroup.com

PURCHASE / SWITCH FORM

Account No. ____________
(for existing unit holders only)

Please tick (√) if this is staff purchase

☐ **Purchase** ☐ **Switch** ☐ **Staff Application**

In compliance with the Capital Markets and Services Act 2007, this form should not be circulated unless accompanied by the relevant master prospectus(es)/ prospectus(es) and supplementary(ies) (if any). Investor(s) should read and understand the contents of the relevant master prospectus(es)/ prospectus(es) and its supplementary(ies) if any before completing this form. **Please complete in BLOCK LETTERS only, and tick(√) where applicable. For 1st time investors, please fill up the application form to be submitted with this form**.

INDIVIDUAL APPLICANT

Name of Individual Applicant

NRIC No. (new) ____ - ____ - ____ NRIC No.(old)/ Passport No.

Tel No.

☐ Update (complete where applicable) ☐ Remain as previous application

Occupation/Designation

Education Level ☐ Primary ☐ Secondary ☐ STPM / Diploma /PreU ☐ Degree ☐ Post Graduate ☐ Others ____

Annual Income ☐ Up to RM18,000 ☐ RM18,001 - RM36,000 ☐ RM36,001 - RM50,000 ☐ RM50,001 - RM96,000 ☐ RM96,001 - RM180,000 ☐ RM180,001 - RM240,000 ☐ RM240,001 and above

Source of Income ☐ Employed (Permanent/Contract) ☐ Own business ☐ Savings / Inheritance ☐ Others *(please specify)* ____

Employer's/Company's Name

Employer's/Company's Tel No. Employer's/Company's Office ☐ In Malaysia ☐ Outside Malaysia*(please specify)* ____

Nature of Business of Applicant/ Applicant's Employer ☐ Financial/Banking/Investment ☐ Legal/Tax ☐ Telecommunications ☐ Hotel/ Restaurant ☐ Consultancy ☐ Government/ Government related ☐ Medical/Health/Science ☐ Education ☐ Real Estate/ Property ☐ Manufacturing ☐ Construction ☐ Others *(please specify)* ____

JOINT INDIVIDUAL APPLICANT (not applicable for EPF)

Name as in NRIC/Passport

NRIC No. (new) : ____ - ____ - ____ NRIC No.(old)/ Passport No.

Tel No.

CORPORATE APPLICANT (not applicable for EPF)

☐ Update on Corporation's documents ____ ☐ Remain as previous application

Name of Company

Company Registration No

Name of Contact Person(s)

Tel No: ____ ext ____ Fax No.

INVESTMENT OBJECTIVE & EXPERIENCE

Investment Objective

☐ Capital Growth ☐ Regular Income ☐ Capital Protection ☐ Retirement ☐ Education ☐ Wealth Accumulation

Investment Time Frame

☐ Long Term (> 5 years) ☐ Medium (3-5 years) ☐ Short Term (< 3 years)

Investment Experience

☐ Unit Trust ______ year(s) ☐ Trading on Bursa Malaysia _______ year(s) ☐ Futures / Options ______ year(s) ☐ Others ______ year(s) ☐ No experience

DETAILS OF INVESTMENT APPLICATION

Note: Select a Distribution Instruction only if this is an initial investment in the relevant Fund(s) of RHB Asset Management Sdn Bhd ('RHBAM') and only if applicable. Depending on the Fund invested and subject to each respective Fund's Master Prospectus(es)/ Prospectus(es), income distribution will either be reinvested into further units in the relevant fund or be paid out.

Fund Name	***Plan Type	** Currency	Amount	****No.of years 1 - 5	Investment Type	*Distribution Instruction (not applicable for EPF)
					☐ Initial ☐ Additional ☐ Standing Instruction	☐ Reinvest ☐ Pay by cheque ☐ *Credit into bank account
					☐ Initial ☐ Additional ☐ Standing Instruction	☐ Reinvest ☐ Pay by cheque ☐ *Credit into bank account
					☐ Initial ☐ Additional ☐ Standing Instruction	☐ Reinvest ☐ Pay by cheque ☐ *Credit into bank account
					☐ Initial ☐ Additional ☐ Standing Instruction	☐ Reinvest ☐ Pay by cheque ☐ *Credit into bank account
					☐ Initial ☐ Additional ☐ Standing Instruction	☐ Reinvest ☐ Pay by cheque ☐ *Credit into bank account
		TOTAL				

* Account Details for income distribution to be credited:
** specify the currency acronym eg. RM etc
*** Note: C - Cash Plan, S - Savings Plan, E - EPF Plan
**** Applicable for Regular Savings Plan

For MYR Currency		For Foreign Currency	
Bank Name	:	Bank Name	:
Account Holder Name	:	Account Holder Name	:
Account No.	:	Account No.	:
Account Type	: ☐ Savings ☐ Current	Account Type	: ☐ Savings ☐ Current
Account Ownership	: ☐ Single ☐ Joint	Account Ownership	: ☐ Single ☐ Joint

Notes to be read before completing this section:

- Cheque/bank draft should be crossed and made payable to **"RHB ASSET MANAGEMENT SDN BHD"** for all funds. You should write your full name and NRIC No. on the back of each cheque. The cheque(s)/ bank draft(s) must be attached with this Form.
- You may bank-in cash or arrange for a bank transfer into one of the accounts as stated herein. Please attach the bank-in slip or a copy of the Direct Transfer form with this Form. It must clearly state your name, NRIC No, amount remitted and the name of the Fund(s) you are investing into.
- If you are investing via Standing Instruction, kindly fill up the Standing Instruction Form of the relevant bank and attach it with this Form.

Payment Mode for investment :

☐ Cheque/Bank Draft (Bank __________________________ No. ___________________) *(Payable to "RHB Asset Management Sdn Bhd")*
☐ EPF Investment Scheme ("EPF")
☐ Cash Deposit, kindly indicate the bank account which you banked into:

	Fund Name	Bank	Account No.
1 ☐	All Funds except for items 4 to 9 below	RHB	2-14129-00200777
2 ☐	All Funds except for items 4 to 9 below	Maybank	514011-592181
3 ☐	All Funds except for items 4 to 9 below	RHB Multi Currency (for foreign currencies)	6-14129-00007029
4 ☐	RHB Cash Management Fund 1	RHB	2-14129-0021227-9
5 ☐	RHB Islamic Cash Management Fund	RHB	2-64317-0000042-5
6 ☐	RHB Money Market Fund	RHB	2-14231-00039055
7 ☐	RHB Institutional Islamic Money Market Fund	RHB	2-14231-00039055
8 ☐	RHB Deposits Fund	RHB	2-14231-00039055
9 ☐	RHB Cash Management Fund 2	RHB	2-14231-00039055

☐ Others ____________

FOR UTC / DISTRIBUTOR USE ONLY

RHBAM/ Distributor Branch Code/ Stamp ____
Name of Staff/ UTC/ Distributor ____
Signature of Staff/ UTC/ Distributor ____
Staff/UTC Code ____
FIMM Code ____

FOR OFFICE USE ONLY

Account No. ____ Trans. Sequence No ____ Price of Transaction (RM/relevant currency) ____ Trans Price Date ____

DETAILS OF SWITCHING APPLICATION

Please ensure you maintain the minimum amount required in the original Fund as stated in the relevant Master Prospectus(es)/ Prospectus(es) and its Supplementary(ies).

SWITCH FROM

Fund Name	No. of Units
1.	
2.	
3.	
4.	
5.	

SWITCH TO

Fund Name	*Distribution Instruction (not applicable for EPF)		
1.	☐ Reinvest	☐ Pay by cheque	☐ *Credit into bank account
2.	☐ Reinvest	☐ Pay by cheque	☐ *Credit into bank account
3.	☐ Reinvest	☐ Pay by cheque	☐ *Credit into bank account
4.	☐ Reinvest	☐ Pay by cheque	☐ *Credit into bank account
5.	☐ Reinvest	☐ Pay by cheque	☐ *Credit into bank account

*Account Details for income distribution to be credited:

Change of Bank Details *(Please provide latest Bank Details (Leave blank if there is no changes.))*

For MYR Currency	For Foreign Currency
Bank Name :	Bank Name :
Account Holder Name :	Account Holder Name :
Account No. :	Account No. :
Account Type : ☐ Savings ☐ Current	Account Type : ☐ Savings ☐ Current
Account Ownership : ☐ Single ☐ Joint	Account Ownership : ☐ Single ☐ Joint

LOAN FINANCING RISK DISCLOSURE STATEMENT

Investing in a unit trust fund with borrowed money is more risky than investing with your own savings. You should assess if loan financing is suitable for you in light of your objectives, attitude to risk and financing circumstances. You should be aware of the risk, which would include the following:-

(i) The higher the margin of financing (that is, the amount of money you borrow for every Ringgit of your own money that you put in as deposit or down payment) the greater the loss or gain on your investment.

(ii) You should assess whether you have the ability to service the repayments on the proposed loan. If your loan is a variable rate loan, and if interest rates rise, your total repayment amount will be increased.

(iii) If unit prices fall beyond a certain level, you may be asked to provide additional acceptable collateral (where units are used as collateral) or pay additional amounts on top of your normal instalments. If you fail to comply within the prescribed time, your units may be sold towards the settlement of your loan.

(iv) Returns on unit trusts are not guaranteed and may not be earned evenly over time. This means that there may be some years where returns are high and other years where losses are incurred instead. Whether you eventually realise a gain or incur loss may be affected by the timing of the sale of your units. The value of units may fall just when you want your money back even though the investment may have done well in the past.

This brief statement cannot disclose all the risks and other aspects of loan financing. You should therefore carefully study the terms and conditions before you decide to take the loan. If you have doubts in respect of any aspect of this Risk Disclosure Statement or the terms of the loan financing, you should consult the institution offering the loan.

I / We acknowledge that I / We have read and understood the contents of the investment Loan Financing Risk Disclosure Statement. I /We do declare and represent that as at the date hereof, I / We am / are not an undischarged bankrupt nor has any petition for bankruptcy been filed against me/us. With the completion of this form, it constitutes that I have read, understood and agreed to be bound by the notes, terms and conditions stated in this form. I also accept and acknowledge that RHB Asset Management Sdn Bhd has absolute discretion to reply on facsimile confirmation from me and undertake to indemnify and hold harmless RHB Asset Management Sdn Bhd, its employees and agents at all costs, expenses, loss of liabilities, claims and demands arising out of this confirmation.

DECLARATIONS AND SIGNATURES

- I / We acknowledge that I / We have received, read and understood the relevant Master Prospectus(es)/ Prospectus for the Fund(s) to be invested in, the Terms and Conditions of this Form and I/We undertake to be bound by them for my / our initial and subsequent transactions with RHB Asset Management Sdn Bhd ("RHBAM").
- I/We undertake to be bound by the provisions of the documents constituting the Fund(s) subscribed to as if I was/We were a party thereto.
- I/We acknowledge that I/We are aware of the fees and charges that I/We will incur directly or indirectly when investing in the Fund(s).
- I/We hereby declare and acknowledge that I/We have sole legal and proprietary right over all monies accompanying this application.
- I/We hereby agree to indemnify RHBAM against all actions, suits, proceedings, claims, damages and losses which may be suffered by RHBAM as a result of any inaccuracy of the declarations herein.

ALL APPLICANTS MUST SIGN THIS FORM

Applicant / Authorised Signatory (ies) Date	Joint Applicant / Authorised Signatory (ies) Date	Company Stamp / Common Seal