

# Master Prospectus

**RHB** ♦ Asset Management

	Name of the Funds	Date of Constitution
<b>Local Conventional:</b>	RHB Dynamic Fund	15 September 1992
	RHB Capital Fund	12 April 1995
	RHB Bond Fund	10 October 1997
	RHB Malaysia DIVA Fund	3 May 1999
	RHB Cash Management Fund 1	23 August 2007
<b>Shariah:</b>	RHB Mudharabah Fund	9 May 1996
	RHB Islamic Bond Fund	25 August 2000
	RHB Islamic Cash Management Fund	30 June 2008
<b>Foreign:</b>	RHB Dividend Valued Equity Fund	13 July 2005
	RHB Asian Total Return Fund	26 February 2007
	RHB-GS US Equity Fund	18 May 2011

This master prospectus is dated 15 July 2017.

#### Manager

RHB Asset Management Sdn Bhd (174588-X)

#### Trustees

CIMB Islamic Trustee Berhad (167913-M)  
 HSBC (Malaysia) Trustee Berhad (1281-T)  
 Maybank Trustees Berhad (5004-P)  
 TMF Trustees Malaysia Berhad (610812-W)

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 78.

 RHB Group
  @RHBGroup
  RHB Group
  RHBGroup

MASTER PROSPECTUS

#### Head Office

Level 8, Tower 2 & 3,  
 RHB Centre, Jalan Tun Razak,  
 50400 Kuala Lumpur, Malaysia

**Tel:** +603 9205 8000

**Fax:** +603 9205 8100

**www.rhbgroup.com**

### **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.

The RHB Mudharabah Fund, RHB Islamic Bond Fund and RHB Islamic Cash Management Fund have been certified as Shariah-compliant by the Shariah Adviser appointed for the Funds, i.e. RHB Islamic Bank Berhad.

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

Bursa Malaysia The stock exchange managed and operated by the Bursa Malaysia Securities Berhad.

**Business Day** A day on which either Bursa Malaysia is open for trading or banks in Kuala Lumpur are open for business. The Manager may declare certain business days to be a non-business day although Bursa Malaysia and/or the banks in Kuala Lumpur are open for business, if some foreign markets in which the Funds are invested in are closed for business.

Deed

**DF, CF, BF, MDF, DVEF, ATRF, CMF and USEF**

Master deed (conventional funds) dated 12 June 2008 (as amended via its supplemental master deed (conventional funds) dated 25 August 2008, second supplemental master deed (conventional funds) dated 12 December 2008, third supplemental master deed (conventional funds) dated 19 June 2009, fifth supplemental master deed (conventional funds) dated 26 April 2010, sixth supplemental master deed (conventional funds) dated 28 June 2010, ninth supplemental master deed (conventional funds) dated 7 March 2012, tenth supplemental master deed (conventional funds) dated 13 April 2012, fifteenth supplemental master deed (conventional funds) dated 30 April 2013, sixteenth supplemental master deed (conventional funds) dated 24 September 2013, seventeenth supplemental master deed (conventional funds) dated 2 March 2015, eighteenth supplemental master deed (conventional funds) dated 20 May 2015) and nineteenth supplemental master deed (conventional funds) dated 3 August 2015 and any other supplemental deeds as may be registered with the Securities Commission Malaysia from time to time.

Master deed (Shariah funds) dated 12 June 2008 (as amended via its first supplemental master deed (Shariah funds) dated 19 June 2009, second supplemental master deed (Shariah funds) dated 18 November 2009, third supplemental master deed (Shariah funds) dated 23 November 2009, fourth supplemental master deed (Shariah funds) dated 13 April 2012, fifth supplemental master deed (Shariah funds) dated 28 May 2012, seventh supplemental master deed (Shariah funds) dated 30 April 2013, eighth supplemental master deed (Shariah funds) dated 24 September 2013, ninth supplemental master deed (Shariah funds) dated 2 March 2015 and tenth supplemental master deed (Shariah funds) dated 20 May 2015) and any other supplemental deeds as may be registered with the Securities Commission Malaysia from time to time.

Deposits Unless stated otherwise, deposits refer to any deposit with a financial institution which are not embedded or linked to financial derivative instruments.



Employees Provident Fund Board	Malaysian Employees Provident Fund Board established under section 3 of the Employees Provident Fund Act 1991.
EPF or KWSP	Malaysian Employees Provident Fund set up under section 24 of the Employees Provident Fund Act 1991 or Kumpulan Wang Simpanan Pekerja.
EPF Members' Investment Scheme	The investment schemes approved by the Minister charged with responsibility for matters relating to the Employees Provident Fund Board, subject to such terms and conditions as he thinks fit, which the Employees Provident Fund Board may, subject to any regulations and rules made under the Employees Provident Fund Act 1991, authorize an application for investment, made by a member of the EPF, partly any amount standing to the credit of such member of the EPF.
ERISA	The Employee Retirement Income Security Act of 1974, as amended from time to time.
External Investment Manager	RHB Islamic International Asset Management Berhad, as the investment manager with the responsibility of managing the investments of <b>MF</b> and <b>ICMF</b> as delegated to it by the Manager/Management Company.
FBM KLCI	FTSE Bursa Malaysia Kuala Lumpur Composite Index.
Fund (respectively) / Funds (collectively)	RHB Dynamic Fund (“ <b>DF</b> ”); or RHB Capital Fund (“ <b>CF</b> ”); or RHB Bond Fund (“ <b>BF</b> ”); or RHB Malaysia DIVA Fund (“ <b>MDF</b> ”); or RHB Cash Management Fund 1 (“ <b>CMF</b> ”); or RHB Mudharabah Fund (“ <b>MF</b> ”); or RHB Islamic Bond Fund (“ <b>IBF</b> ”); or RHB Islamic Cash Management Fund (“ <b>ICMF</b> ”); or RHB Dividend Valued Equity Fund (“ <b>DVEF</b> ”); or RHB Asian Total Return Fund (“ <b>ATRF</b> ”); or RHB-GS US Equity Fund (“ <b>USEF</b> ”).
GST	Goods and services tax.
IFD-i	Maybank Islamic Berhad’s Islamic Fixed Deposit-i.
Latest Practicable Date	30 April 2017.
Law of 17 December 2010	Luxembourg Law of 17 December 2010 on undertakings for collective investment, as amended.
Long term	5 years and above.

Luxembourg Supervisory Authority	Luxembourg Commission de Surveillance du Secteur Financier.
Manager/Management Company	RHB Asset Management Sdn Bhd.
Medium term	3 to 5 years.
MSCI	Morgan Stanley Capital International Inc., a provider of equity (international and United States of America), fixed income and hedge fund indices.
MSCI World (Net)	MSCI index of world or global stocks maintained by MSCI and a common benchmark for world or global stock funds.
Net Asset Value (NAV)	The net asset value of the respective Fund is determined by deducting the value of all of a Fund's liabilities from the value of all of that Fund's assets, at the valuation point.
Net Asset Value per Unit	The NAV of the Fund at a particular valuation point divided by the number of Units in circulation at the same valuation point.
Performance Benchmark	The benchmark against which the performance of a Fund can be measured.
RAM	RAM Rating Services Berhad.
Repurchase Charge	The fee payable by an investor for his/her redemption of Units. It is represented as a percentage of the NAV per Unit.
RM or Ringgit Malaysia	The lawful currency of Malaysia.
Sales Charge	The fee payable by an investor for his/her purchase of units. It is represented as a percentage of the NAV per Unit.
SACSC	Shariah Advisory Council of the Securities Commission.
Securities Commission ("SC")	Securities Commission Malaysia.
Securities Laws	The Capital Markets and Services Act 2007 and unless expressly stated otherwise, include any regulations, orders, notifications or other subsidiary legislation made under those laws.
SGD	Singapore dollar, the lawful currency of Singapore.
Shariah Adviser	RHB Islamic Bank Berhad (appointed for <b>MF</b> , <b>IBF</b> and <b>ICMF</b> ).
Short term	Less than 3 years.

Trustee	<p>CIMB Islamic Trustee Berhad in respect of <b>MDF</b>, <b>MF</b> and <b>IBF</b>.</p> <p>HSBC (Malaysia) Trustee Berhad in respect of <b>BF</b>, <b>CMF</b>, <b>ICMF</b>, <b>DVEF</b> and <b>ATRF</b>.</p> <p>Maybank Trustees Berhad in respect of <b>DF</b> and <b>CF</b>.</p> <p>TMF Trustees Malaysia Berhad in respect of <b>USEF</b>.</p>
Unit(s)	Means unit(s) of the Fund and includes fractions of a unit of the Fund.
Unit Holder(s)	In relation to a Fund, the person(s) registered as the holder(s) of a unit (including persons who are jointly registered) in that Fund.
USD	United States dollar, the lawful currency of United States of America.

## **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](mailto:rhbam@rhbgroup.com)

Website: [www.rhbgroup.com](http://www.rhbgroup.com)

### **SHARIAH ADVISER**

RHB Islamic Bank Berhad

Registered Office

Level 9, Tower One

RHB Centre, Jalan Tun Razak

50400 Kuala Lumpur

Tel: 03-9287 8888 Fax: 03-9280 6507

Business Office

Level 11, Menara Yayasan Tun Razak

200, Jalan Bukit Bintang

55100 Kuala Lumpur

Tel: 03-2171 5000 Fax: 03-2171 5001

In respect of **MF** and **ICMF**:

### **EXTERNAL INVESTMENT MANAGER**

RHB Islamic International Asset Management Berhad

Level 8, Tower 2 & 3, RHB Centre, Jalan Tun Razak

50400 Kuala Lumpur

Tel: 03-9205 8000 Fax: 03-9205 8107

E-mail: [rhbiiam.enquiry@rhbgroup.com](mailto:rhbiiam.enquiry@rhbgroup.com)

In respect of **MDF**, **MF** and **IBF**:

### **TRUSTEE**

CIMB Islamic Trustee Berhad

Registered Office

Level 13, Menara CIMB

Jalan Stesen Sentral 2, Kuala Lumpur Sentral

50470 Kuala Lumpur

Tel: 03-2261 8888 Fax: 03-2261 0099

Website: [www.cimb.com](http://www.cimb.com)

Business Office

Level 21, Menara CIMB

Jalan Stesen Sentral 2, Kuala Lumpur Sentral

50470 Kuala Lumpur

Tel: 03-2261 8888 Fax: 03-2261 9889

In respect of **BF**, **CMF**, **ICMF**, **DVEF** and **ATRF**:

### **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 **DF** and **CF**:

**TRUSTEE**

Maybank Trustees Berhad  
8<sup>th</sup> Floor, Menara Maybank  
100, Jalan Tun Perak  
50050 Kuala Lumpur  
Tel: 03-2074 8580 / 2074 8952 Fax: 03-2070 9387  
Email: [mtb.ut@maybank.com.my](mailto:mtb.ut@maybank.com.my)

In respect of **USEF**:

**TRUSTEE**

TMF Trustees Malaysia Berhad  
10<sup>th</sup> Floor, Menara Hap Seng  
No. 1 & 3, Jalan P. Ramlee  
50250 Kuala Lumpur  
Tel: 03-2382 4288 Fax: 03-2026 1451

**1. FUND INFORMATION**

**1.1 RHB Dynamic Fund**

**1.1.1 Fund Category**

Equity fund.

**1.1.2 Financial Year End**

31 December.

**1.1.3 Name of Trustee**

Maybank Trustees Berhad.

**1.1.4 Investment Objective**

To provide investors with regular income and capital gain at an acceptable level of risk by investing primarily in Malaysian public listed companies with steady and good growth potential.

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

**1.1.5 Investment Strategy**

The Fund seeks to achieve its investment objective by structuring a portfolio as follows:

- Minimum of 50% and up to 95% of NAV will be invested in equities.
- Minimum of 5% of NAV will be invested in fixed income securities and/or liquid assets.

Although the Fund is actively managed, how active or the frequency of its trading strategy will very much depend on market opportunities.

The Fund seeks regular income and capital gain. To pursue this goal, the Fund invests primarily in Malaysian public listed companies with steady income and good growth potential. In analyzing companies, the Manager looks for businesses that demonstrate leadership in their respective sector with strong growth potential coupled with consistent dividend policy.

The Manager uses fundamental valuation parameters, focusing on several key numbers with respect to the company's historical price levels and relative value to its peer universe. These numbers include price and earnings multiple of the company, earnings growth rates, relative price earnings to growth, dividend yield, cashflow, balance sheet strength, quality of management, return on assets and return on investments, among others. Quarterly earnings expectations and results are carefully followed. Subject to the range stipulated above, the Fund's asset allocation and stock selection could differ if key macro and micro factors materially changes.

In addition to those described above, the Fund may invest in fixed income securities to preserve the value<sup>#</sup> of the Fund.

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 FBM KLCI. To obtain the latest information on the FBM KLCI, investors can refer to Bursa Malaysia's website, [www.bursamalaysia.com](http://www.bursamalaysia.com). Investor should note that the risk profile of the Fund is different from the risk profile of the benchmark.

Note: <sup>#</sup>Although the Fund aims to preserve its value, the Fund is not a capital guaranteed fund or a capital protected fund.

#### **1.1.6 Distribution Policy**

Income, if any, will be distributed during the financial year.

#### **1.1.7 Permitted Investments and Restrictions**

The Fund may invest in securities of companies listed on Bursa Malaysia; unlisted securities including securities not listed or quoted on a stock exchange but have been approved by the relevant regulatory authority for such listing or quotation and are offered directly to the Fund by the issuer; financial derivatives; collective investment schemes; structured products and warrants that carry the right in respect of a security traded in or under the rules of an eligible market; Malaysian government securities, cagamas bonds, Bank Negara Malaysia certificates, Malaysian treasury bills, bankers' acceptance and Government Investment Issue (GII); Malaysian currency balances in hand, Malaysian currency deposits with commercial banks, finance companies and Bank Islam Malaysia Berhad including negotiable certificates of deposit, banker's acceptances and placements of money at call with discount houses; foreign investments traded in or under the rules of a foreign market approved by Securities Commission; unlisted fixed income or debt securities; liquid assets (including money market instruments and deposits with any financial institution); 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/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 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 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 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 limit or restriction is breached through an appreciation or depreciation of the NAV (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.



### **1.2 RHB Capital Fund**

#### **1.2.1 Fund Category**

Equity fund.

#### **1.2.2 Financial Year End**

30 April.

#### **1.2.3 Name of Trustee**

Maybank Trustees Berhad.

#### **1.2.4 Investment Objective**

To achieve long term growth through capital appreciation with all income including profits on realisation of investments being automatically reinvested for its compounding effect.

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

#### **1.2.5 Investment Strategy**

This Fund seeks to achieve its investment objective by structuring a portfolio as follows:

- Minimum of 60% and up to 95% of NAV will be invested in equities.
- Minimum of 5% of NAV will be invested in fixed income securities and/or liquid assets.

Although the Fund is actively managed, how active or the frequency of its trading strategy will very much depend on market opportunities.

The Fund seeks long term capital appreciation. To pursue this goal, the Fund invests primarily in Malaysian public listed companies with strong growth potential. The Manager utilises a strategy that seeks attractively priced companies in undervalued sectors, or in sectors that have strong upward stock price momentum which demonstrate strong increases in earnings per share and continue to strengthen their fundamental capabilities and competitive positions, amongst others.

The Manager uses fundamental valuation parameters to determine the relative value of the company compared to its peer universe. These numbers include price/earnings multiple of the company, earnings growth rates, relative price earnings to growth, cashflow, balance sheet strength, quality of management, relative positioning of the company in the industry in which it operates, return on equity, return on assets and return on investments, among others. Quarterly earnings expectations and results are carefully followed. Subject to the range stipulated above, the Fund's asset allocation and stock selection could differ if any of the key macro and micro factors materially changes.

In addition to those described above, the Fund may invest in fixed income securities to preserve the value<sup>#</sup> of the Fund.

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 FBM KLCI. To obtain the latest information on the FBM KLCI, investors can refer to Bursa Malaysia's website, [www.bursamalaysia.com](http://www.bursamalaysia.com). Investor should note that the risk profile of the Fund is different from the risk profile of the benchmark.

Note: <sup>#</sup>Although the Fund aims to preserve its value, the Fund is not a capital guaranteed fund or a capital protected fund.

### **1.2.6 Distribution Policy**

Distribution is incidental, subject to the availability of income at the end of the financial year.

### **1.2.7 Permitted Investments and Restrictions**

The Fund may invest in securities of companies listed on Bursa Malaysia; unlisted securities including securities not listed or quoted on a stock exchange but have been approved by the relevant regulatory authority for such listing or quotation and are offered directly to the Fund by the issuer; financial derivatives; collective investment schemes; structured products and warrants that carry the right in respect of a security traded in or under the rules of an eligible market; Malaysian government securities, cagamas bonds, Bank Negara Malaysia certificates, Malaysian treasury bills, bankers' acceptance and Government Investment Issue (GII); Malaysian currency balances in hand, Malaysian currency deposits with commercial banks, finance companies and Bank Islam Malaysia Berhad including negotiable certificates of deposit, banker's acceptances and placements of money at call with discount houses; foreign investments traded in or under the rules of a foreign market approved by Securities Commission; unlisted fixed income or debt securities; liquid assets (including money market instruments and deposits with any financial institution); 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/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 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 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 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 limit or restriction is breached through an appreciation or depreciation of the NAV (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.

**1.3 RHB Bond Fund****1.3.1 Fund Category**

Bond fund.

**1.3.2 Financial Year End**

30 September.

**1.3.3 Name of Trustee**

HSBC (Malaysia) Trustee Berhad.

**1.3.4 Investment Objective**

To provide investors with higher than average income returns compared to fixed deposits over the medium to long term through investments in bonds and other fixed income securities with minimum risk to capital invested.

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

**1.3.5 Investment Strategy**

This Fund seeks to achieve its investment objective by structuring a portfolio as follows:

- Up to 95% of NAV will be invested in bonds and other fixed income securities, of which at least 60% of NAV will be invested in bonds.
- Minimum of 5% of NAV will be invested in liquid assets.

Although the Fund is actively managed, how active or the frequency of its trading strategy will very much depend on market opportunities.

The Fund will invest in quality fixed income securities which carry a minimum long term credit rating of BBB and above assigned by RAM or its equivalent. To contain credit risk, the Manager will ensure that the diversification of credit rating (and duration standing) in the bond portfolio mitigate the overall risk position of the portfolio.

The Manager may also take temporary defensive measures that may be inconsistent with the Fund's principal strategy in attempting to respond to adverse market conditions, economics, political or any other conditions which the Manager deem detrimental to the Fund. The defensive measures that the Manager may undertake are in no way to be deviated from the mandates or breaching any laws and regulations. The Fund's strategies in yield enhancement for the portfolio will also be balanced with other investment needs of the Fund, such as liquidity and risk management. On liquidity management, the Fund will maintain sufficient amount of portfolio in liquid bond to accommodate redemption. As for risk management, the portfolio duration is kept at optimal level where yield enhancement can be optimised on risk adjusted basis, and at the same time, balanced with the need for containing portfolio's volatility.

Hence, during the temporary defensive period, the Manager may choose to increase the asset allocation by allocating more investment into risk free investments which are money market instruments and deposit in adverse market condition.

The performance of this Fund is benchmarked against Maybank's 12 months fixed deposit rate. Unit Holders may log on to the Maybank's website, [www.maybank2u.com.my](http://www.maybank2u.com.my), to obtain the latest

information on the Maybank's fixed deposit rate. Investor should note that the risk profile of the Fund is different from the risk profile of the benchmark.

### **1.3.6 Distribution Policy**

Income, if any, will be distributed during the financial year.

### **1.3.7 Permitted Investments and Restrictions**

This Fund may invest in debentures traded in or under the rules of an eligible market; warrants that carry the right in respect of a security traded in or under the rules of an eligible market; unlisted securities including securities not listed or quoted on a stock exchange but have been approved by the relevant regulatory authority for such listing or quotation and are offered directly to the Fund by issuer; deposits with any financial institutions and market instruments; financial derivatives; collective investment schemes, structured products; and any other investments permitted by the Securities Commission from time to time.

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

- a) The value of the Fund's investments in debentures issued by any single issuer 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.
- b) The value of the Fund's investments in debentures issued by any single issuer may exceed twenty (20) per cent but must not exceed thirty (30) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time, if the debentures are rated by any global or domestic rating agency to be of the best quality and offer the highest safety for timely payment of interest and principal.
- c) The value of the Fund's investments in the debentures issued by any group of companies must not exceed thirty (30) 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 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.
- e) 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.
- f) The aggregate value of the Fund's investments in debentures, 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. Where the single issuer limit of the Fund's investment in debentures is increased to thirty (30) per cent of the Net Asset Value or any other limit as may be prescribed by the Securities Commission pursuant to paragraph (b), the aggregate value of the Fund's investment must not exceed thirty (30) per cent of the Net Asset Value, or such other limit as may be prescribed by the Securities Commission.
- 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 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.
- i) 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 products.
- j) 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 (a), (b), (c), (e), (f), (g) and (i). In addition, the Fund's net market exposure owing to its financial derivatives positions must not exceed the Net Asset Value.

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 is breached through an appreciation or depreciation of the NAV (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.

**1.4 RHB Malaysia DIVA Fund****1.4.1 Fund Category**

Equity fund.

**1.4.2 Financial Year End**

31 March.

**1.4.3 Name of Trustee**

CIMB Islamic Trustee Berhad.

**1.4.4 Investment Objective**

To provide total returns primarily through investment in equity and equity related securities of companies which offer potentially high dividend yields and sustainable dividend payments.

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

**1.4.5 Investment Strategy**

This Fund seeks to achieve its investment objective by structuring a portfolio as follows:

- Up to 100% of NAV can be invested in equities and/or fixed income securities or liquid assets, of which at least 50% of NAV will be invested in equities.

Although the Fund is actively managed, how active or the frequency of its trading strategy will very much depend on market opportunities.

The Fund seeks to provide total returns by reference to the Fund's benchmark. The Fund will invest primarily in equity and equity related securities of companies that offer higher than expected dividend yields compared to other companies in the market and whose cash-flow generated by business and management activities are expected to support such dividend payments. The Fund therefore seeks to identify and invest in companies that focus on shareholder value in the form of sustainable dividend returns combined with the prospect for capital growth.

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 50% FBM KLCI and 50% Maybank's 12 months fixed deposit rate. This benchmark is selected to reflect the objective and strategy of the Fund to provide total returns to the investors. To obtain the latest information on the FBM KLCI, investors can refer to Bursa Malaysia website, [www.bursamalaysia.com](http://www.bursamalaysia.com). Unit Holders may log on to the Maybank's website, [www.maybank2u.com.my](http://www.maybank2u.com.my), to obtain the latest information on the Maybank's fixed deposit rate. Unit Holders can obtain information on the composite benchmark from the Manager upon request. Investor should note that the risk profile of the Fund is different from the risk profile of the benchmark.

**1.4.6 Distribution Policy**

Income, if any, will be distributed during the financial year.

**1.4.7 Permitted Investments and Restrictions**

The Fund may invest in securities of companies listed on Bursa Malaysia; unlisted securities including securities not listed or quoted on a stock exchange but have been approved by the relevant regulatory authority for such listing or quotation and are offered directly to the Fund by the issuer; financial derivatives; collective investment schemes; structured products and warrants that carry the right in respect of a security traded in or under the rules of an eligible market; Malaysian government securities, cagamas bonds, Bank Negara Malaysia certificates, Malaysian treasury bills, bankers' acceptance and Government Investment Issue (GII); Malaysian currency balances in hand, Malaysian currency deposits with commercial banks, finance companies and Bank Islam Malaysia Berhad including negotiable certificates of deposit, banker's acceptances and placements of money at call with discount houses; unlisted fixed income/debt securities; liquid assets (including money market instruments and deposits with any financial institution); Danamodal, Danaharta and Khazanah bonds; 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/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 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 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 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 limit or restriction is breached through an appreciation or depreciation of the NAV (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 government or Bank Negara Malaysia.

### 1.5 RHB Cash Management Fund 1

#### 1.5.1 Fund Category

Money market fund.

#### 1.5.2 Financial Year End

31 July.

#### 1.5.3 Name of Trustee

HSBC (Malaysia) Trustee Berhad.

#### 1.5.4 Investment Objective

To provide liquidity and regular income for investors through investments primarily in the money market.

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

#### 1.5.5 Investment Strategy

This Fund seeks to achieve its investment objective by structuring a portfolio as follows:

- Up to 100% of NAV will be invested in money market instruments and/or liquid assets.

The investment strategy is to invest in a diversified portfolio of short term money market instruments, depending on the interest rate environment and the anticipated redemption requests by the Unit Holders.

The risk management strategies and technique employed by the Manager include diversification of the Fund's assets allocation in terms of its exposure to various classes and/or type of investment. The permitted investments and restrictions imposed by the Securities Commission also provide a risk management framework. Moreover, the Manager in making its investment decisions shall at all times comply with the investment restrictions and requirements as set out in the Deed.

The minimum credit rating for the rated instruments to be invested by the Fund will be BBB3 or P3 by RAM or equivalent rating by any other similar rating agencies. In the event of a credit downgrade of a particular instrument below the minimum stipulated, the Manager will endeavour to take the necessary steps to divest that instrument within a time frame deemed reasonable by the Manager. However, in order to best protect the interests of the Fund, the Manager has the discretion to take into consideration all relevant factors that affect the value of the investment before deciding on the manner and time frame of its liquidation.

The performance of this Fund is benchmarked against Maybank's basic savings rate. Unit Holders may log on to the Maybank's website ([www.maybank2u.com.my](http://www.maybank2u.com.my)) to obtain the latest information on the Maybank's basic savings rate. Investor should note that the risk profile of the Fund is different from the risk profile of the benchmark.

***Investment in this Fund is not the same as placing funds in a deposit with a financial institution. There are risks involved and investors should rely on their own evaluation to assess the merits and risks when investing in this Fund.***

**1.5.6 Distribution Policy**

Income is paid monthly, depending on the level of income (if any) the Fund generates.

**1.5.7 Permitted Investments and Restrictions**

This Fund may invest in debentures, money market instruments and placement of deposits; 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 permitted investments which have a remaining maturity period of not more than 365 days must not be less than ninety (90) 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 permitted investments which have a remaining maturity period of more than 365 days but fewer than 732 days 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 debentures and money market instruments issued by any single issuer 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.
- (d) The value of the Fund's investments in debentures and money market instruments issued by any single issuer may exceed twenty (20) per cent but must not exceed thirty (30) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time, provided the debentures are rated by any domestic or global rating agency to be of the best quality and offer highest safety for timely payment of interest and principal.
- (e) 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.
- (f) The value of the Fund's investments in debentures and money market instruments issued by any group of companies must not exceed thirty (30) 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 aggregate value of the Fund's investments in debentures, money market instrument and deposits 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.
- (h) 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.
- (i) The Fund's investments in debentures must not exceed twenty (20) 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.
- (j) The Fund's investments in money market instruments must not exceed twenty (20) 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 collective investment schemes must not exceed twenty five (25) per cent of the units/shares in any 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 is 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.

**1.6 RHB Mudharabah Fund****1.6.1 Fund Category**

Balanced (Shariah-compliant) fund.

**1.6.2 Financial Year End**

28 or 29 February.

**1.6.3 Name of External Investment Manager**

RHB Islamic International Asset Management Berhad.

**1.6.4 Name of Trustee**

CIMB Islamic Trustee Berhad.

**1.6.5 Investment Objective**

To provide a balanced mix of income and potential for capital growth by investing in stocks listed on the Bursa Malaysia or on any other stock exchanges, unlisted stocks and Islamic debt securities and other non-interest bearing assets acceptable under principles of Shariah. The Fund's activities shall be conducted strictly in accordance with the requirement of the Shariah principles and shall be monitored by the Shariah Adviser of the Fund.

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

**1.6.6 External Investment Manager**

In managing this Fund, the Manager has delegated the investment management function of the Fund to RHB Islamic International Asset Management Berhad who will manage the assets of this Fund in accordance with the investment objective of the Fund, the Deed, subject to the Capital Markets and Services Act 2007 and the Guidelines on Unit Trust Funds issued and updated from time to time by the Securities Commission, the Fund's Shariah Investment Guidelines as well as the internal policies and procedures of the Manager.

**1.6.7 Investment Strategy**

This Fund seeks to achieve its investment objective by structuring a portfolio as follows:

- Up to 60% of NAV will be invested in Shariah-compliant equities.
- Minimum of 40% of NAV will be invested in Islamic debt securities ("sukuk"), Islamic money market instruments and/or liquid assets acceptable under Shariah principles.

Although the Fund is actively managed, how active or the frequency of its trading strategy will very much depend on market opportunities.

The Fund is geared towards investors who look for Shariah based investments that provide a mixture of income and capital appreciation. The Fund's objective is to achieve returns from sukuk's income stream, the dividend income stream, as well as capital appreciation. The adjustments of asset allocation between equity and sukuk are formulated based on the economic analysis and valuations of securities.

Equity investments of the Fund are limited to those in the list of Shariah-compliant securities as determined by the SACSC which is updated and published twice a year. These investments generally focus on companies that have healthy prospective earnings growth, reasonable valuations and preferably yielding dividend that are superior to the fixed deposit rates.

For sukuk, the Fund seeks investments amongst the Shariah principled sukuk that are of investment grade. The investments will be a duration led strategy depending on the yield curve movement.

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 Shariah-compliant equity investments into other asset classes such as sukuk, Islamic money market instruments, cash and Islamic deposits with financial institutions, which are defensive in nature and comply with Shariah requirements.

The performance of this Fund is benchmarked against a weighted average of FTSE Bursa Malaysia Emas Shariah Index (50%) and Maybank Islamic Berhad's 12 months IFD-i rate (50%). This benchmark is selected to reflect the neutral strategy of the Fund which aims to provide investors with a balanced mix of income and potential capital growth by investing in listed and non-listed Shariah compliance stocks on Bursa Malaysia, sukuk and other non-interest bearing assets. The FTSE Bursa Malaysia Emas Shariah Index (50%) represents the equities portion and Maybank Islamic Berhad's 12 months IFD-i rate (50%) represents the fixed income portion. The equally weighted benchmark is a reflection of the investment strategy to provide income, capital appreciation and a moderate risk profile. The FTSE Bursa Malaysia Emas Shariah Index is publicly available from major newspaper publications. To obtain the latest information on the FTSE Bursa Malaysia Emas Shariah Index, investors can refer to Bursa Malaysia website ([www.bursamalaysia.com](http://www.bursamalaysia.com)). Unit Holders may also log on to the Maybank's website ([www.maybank2u.com.my](http://www.maybank2u.com.my)) to obtain the latest information on the Maybank Islamic Berhad's 12 months IFD-i rate. Unit Holders can obtain information on the composite benchmark from the Manager upon request. Investor should note that the risk profile of the Fund is different from the risk profile of the benchmark.

#### **1.6.8 Distribution Policy**

Income, if any, will be distributed during the financial year.

#### **1.6.9 Permitted Investments and Restrictions**

The Fund may invest or participate in Shariah-compliant securities traded on eligible markets and/or which are listed on Bursa Malaysia; Shariah-compliant warrants that carry the right in respect of a security traded in or under the rules of an eligible market; Shariah-compliant unlisted securities including securities not listed or quoted on a stock exchange but have been approved by the relevant regulatory authority for such listing or quotation and are offered directly to the Fund by the issuer; Shariah-compliant financial derivatives; Islamic collective investment schemes; Islamic structured products; Government Investment Issue (GII); Malaysian currency balances in hand, Malaysian currency deposits with Bank Islam Malaysia Berhad including investment certificates; Shariah-compliant securities listed on foreign exchanges; Islamic accepted bills, bond mudharabah cagamas, sukuk; 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 Shariah-compliant investments in unlisted Shariah-compliant 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 Shariah-compliant investments in Shariah-compliant 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 Shariah-compliant investments in transferable Shariah-compliant securities (i.e. Shariah-compliant equities, sukuk and Shariah-compliant warrants) and Islamic 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 Islamic 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 Shariah-compliant investment in transferable Shariah-compliant securities and Islamic 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 Shariah-compliant investments or participation in transferable Shariah-compliant securities, Islamic money market instruments, Islamic deposits, over-the-counter ("OTC") Islamic financial derivatives and Islamic 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 Shariah-compliant investments in units/shares of any Islamic 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 Shariah-compliant investments in Islamic 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 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 Islamic 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 Islamic structured products.
- (i) The value of the Fund's OTC Islamic 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 Islamic 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 Islamic financial derivatives positions must not exceed the Net Asset Value.
- (j) The Fund's Shariah-compliant investments in transferable Shariah-compliant securities (other than sukuk) 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 Shariah-compliant investments in sukuk must not exceed twenty (20) per cent of the sukuk 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 Shariah-compliant investments in Islamic 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 Islamic money market instruments that do not have a pre-determined issue size.

- (m) The Fund's Shariah-compliant investments in Islamic collective investment schemes must not exceed twenty five (25) per cent of the units/shares in any one Islamic 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 Shariah-compliant investments. However, a 5% allowance in excess of the limits or restrictions is permitted where the limit or restriction is breached through an appreciation or depreciation of the Net Asset Value (whether as a result of an appreciation or depreciation of the Shariah-compliant investments or as a result of repurchase of Units or payment made from the Fund). The External Investment Manager will not make any further acquisitions to which the relevant limit is breached, and the External Investment 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 Shariah-compliant securities that are issued or guaranteed by the Malaysian government or Bank Negara Malaysia.



**1.7 RHB Islamic Bond Fund****1.7.1 Fund Category**

Bond (Shariah-compliant) fund.

**1.7.2 Financial Year End**

30 September.

**1.7.3 Name of Trustee**

CIMB Islamic Trustee Berhad.

**1.7.4 Investment Objective**

To provide regular income to investors through investments in Islamic debt securities and bonds which are acceptable investment under the principles of Shariah.

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

**1.7.5 Investment Strategy**

This Fund seeks to achieve its investment objective by structuring a portfolio as follows:

- Minimum of 60% and up to 95% of NAV will be invested in Islamic debt securities and bonds (collectively referred to as "sukuk").
- Minimum of 5% of NAV will be invested in liquid assets acceptable under Shariah principle.

Although the Fund is actively managed, how active or the frequency of its trading strategy will very much depend on market opportunities.

The Fund will invest in sukuk. Investments must carry a minimum long term credit rating of BBB and above or a minimum short term rating of P3 as assigned by RAM or its equivalent. To contain credit risk, the Manager will ensure that the diversification of credit rating (and duration standing) in the sukuk portfolio mitigate the overall risk position of the portfolio.

The Manager may also take temporary defensive measures that may be inconsistent with the Fund's principal strategy in attempting to respond to adverse market conditions, economics, political or any other conditions which the Manager deem detrimental to the Fund. The defensive measures that the Manager may undertake are in no way to be deviated from the mandates or breaching any laws and regulations. The Fund's strategies in yield enhancement for the portfolio will also be balanced with other investment needs of the Fund, such as liquidity and risk management. On liquidity management, the Fund will maintain sufficient amount of portfolio in liquid sukuk to accommodate redemption. As for risk management, the portfolio duration is kept at optimal level where yield enhancement can be optimised on risk adjusted basis, and at the same time, balanced with the need for containing portfolio's volatility.

Hence, during the temporary defensive period, the Manager may choose to increase the asset allocation by allocating more investment into risk free investments which are Islamic money market instruments and Islamic deposit in adverse market condition.

The performance of this Fund is benchmarked against Maybank Islamic Berhad's 12 months IFD-i rate. Unit Holders may log on to the Maybank's website ([www.maybank2u.com.my](http://www.maybank2u.com.my)) to obtain the

latest information on the Maybank Islamic Berhad's 12 months IFD-i rate. Investor should note that the risk profile of the Fund is different from the risk profile of the benchmark.

### **1.7.6 Distribution Policy**

Income, if any, will be distributed during the financial year.

### **1.7.7 Permitted Investments and Restrictions**

The Fund may invest or participate in sukuk traded on eligible markets and/or which are listed on Bursa Malaysia; Shariah-compliant warrants that carry the right in respect of a security traded in or under the rules of an eligible market; Shariah-compliant unlisted securities including securities not listed or quoted on a stock exchange but have been approved by the relevant regulatory authority for such listing or quotation and are offered directly to the Fund by the issuer; Shariah-compliant financial derivatives; Islamic collective investment schemes and Islamic structured products; Government Investment Issues (GII), Islamic accepted bills, Bank Negara Malaysia negotiable notes, cagamas mudharabah bonds and any other Malaysian government approved/guaranteed Islamic issues; sukuk generally in the form of corporate sukuk or Islamic commercial papers issued by private companies or public listed corporations that are traded in eligible markets; 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.

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

- a) The value of the Fund's Shariah-compliant investments in sukuk issued by any single issuer 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.
- b) The value of the Fund's Shariah-compliant investments in sukuk issued by any single issuer may exceed twenty (20) per cent but must not exceed thirty (30) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time, if the debentures are rated by any global or domestic rating agency to be of the best quality and offer the highest safety for timely payment of interest and principal.
- c) The value of the Fund's Shariah-compliant investments in the sukuk issued by any group of companies must not exceed thirty (30) 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 Fund's Shariah-compliant investments in sukuk 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.
- e) The value of the Fund's placement in Islamic 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.
- f) The aggregate value of the Fund's Shariah-compliant investments or participation in sukuk, Islamic money market instruments, Islamic deposits, over-the-counter ("OTC") Islamic financial derivatives and Islamic 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. Where the single issuer limit of the Fund's investment in debentures is increased to thirty (30) per cent of the Net Asset Value or any other limit as may be prescribed by the Securities Commission pursuant to paragraph (b), the aggregate value of the Fund's investment must not exceed thirty (30) per cent of the Net Asset Value, or such other limit as may be prescribed by the Securities Commission.

- g) The value of the Fund's Shariah-compliant investments in units/shares of any Islamic 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 Fund's Shariah-compliant investments in Islamic collective investment schemes must not exceed twenty five (25) per cent of the units/shares in any one Islamic collective investment scheme or any other limit as may be prescribed by the Securities Commission from time to time.
- i) The value of the Fund's Shariah-compliant investments in Islamic 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 products.
- j) The value of the Fund's OTC Islamic 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 Islamic derivatives) must not exceed the Fund's investment spread limits as stipulated in (a), (b), (c), (e), (f), (g) and (i). In addition, the Fund's net market exposure owing to its Islamic financial derivatives positions must not exceed the Net Asset Value.

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 Shariah-compliant investments. However, a 5% allowance in excess of the limits or restrictions is permitted where the limits or restrictions is 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 Shariah-compliant securities that are issued or guaranteed by the Malaysian government or Bank Negara Malaysia.

### **1.8 RHB Islamic Cash Management Fund**

#### **1.8.1 Fund Category**

Money market (Shariah-compliant) fund.

#### **1.8.2 Financial Year End**

30 November.

#### **1.8.3 Name of External Investment Manager**

RHB Islamic International Asset Management Berhad.

#### **1.8.4 Name of Trustee**

HSBC (Malaysia) Trustee Berhad.

#### **1.8.5 Investment Objective**

Aims to provide liquidity and a regular stream of income by investing in Shariah-compliant money market instruments.

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

#### **1.8.6 External Investment Manager**

In managing this Fund, the Manager has delegated the investment management function of the Fund to RHB Islamic International Asset Management Berhad who will manage the assets of this Fund in accordance with the investment objective of the Fund, the Deed, subject to the Capital Markets and Services Act 2007 and the Guidelines on Unit Trust Funds issued and updated from time to time by the Securities Commission, the Fund's Shariah Investment Guidelines as well as the internal policies and procedures of the Manager.

#### **1.8.7 Investment Strategy**

This Fund seeks to achieve its investment objective by structuring a portfolio as follows:

- At least 90% of NAV invested into Islamic money market instruments and Islamic deposits with licensed financial institutions that are not more than 365 days maturity.
- Up to 10% of NAV invested in Islamic money market instruments and Islamic deposits with licensed financial institutions that is more than 365 days but fewer than 732 days maturity.

The Fund is an Islamic money market fund whose investment strategy is to invest in a diversified portfolio of short term Islamic money market instruments and Islamic deposits with financial institutions. Although the Fund is actively managed, any such trading strategy will depend on the market opportunities and the anticipated redemption requests by the Unit Holders.

The minimum credit rating for the rated instruments to be invested by the Fund will be "A" by Malaysian Rating Corporation Berhad or equivalent rating by any other similar rating agencies. In the event of a credit downgrade of a particular instrument below the minimum stipulated, the External Investment Manager will endeavour to take the necessary steps to divest that instrument within a time frame deemed reasonable by the External Investment Manager. However, in order to best protect the interests of the Fund, the External Investment Manager has the discretion to take into consideration all relevant factors that affect the value of the investment before deciding on the manner and time frame of its liquidation.

The risk management strategies and techniques employed by the External Investment Manager include diversification of the Fund's assets allocation in terms of its exposure to various classes and/or type of investment. The permitted investments and restrictions imposed by the Securities Commission also provide a risk management framework. Moreover, the External Investment Manager in making its investment decisions shall at all times comply with the investment restrictions, requirements as set out in the Deed and the principles of the Shariah. The Fund's investment strategy takes into consideration the direct correlation between risk and return for any investment alternative. The Fund's investment strategy requires the investment committee to:

- employ strategies for maximum capital protection<sup>#</sup> through diversification and risk acceptance strategies for optimal return on investment;
- oversee the asset allocation between various forms of investments made to meet the investment objectives of the Fund; and
- review the investment results on a monthly basis against the performance of benchmark indices.

Note: <sup>#</sup> Although the Fund's investment strategy requires the investment committee to employ strategies for maximum capital protection, the Fund is not a capital guaranteed fund or a capital protected fund.

Results will be evaluated on a total rate of return basis. The investment committee also evaluates the Fund for compliance with its investment objective.

The above investment strategy of the Fund may be varied by the fund manager with the approval of the investment committee of the Fund from time to time with the knowledge of the Trustee. Such variation in investment strategy may be short term in nature and shall be regularized within three (3) months. The reason for such variation may be due to large redemptions or adverse mark-to-market valuation on the money market instruments. Depending on the prevailing circumstances, the Fund will adopt a suitable level of activeness and frequency in trading for the purpose of meeting the Fund's objective.

To mitigate the risks confronting the Fund, the External Investment Manager will, amongst other things:

- constantly monitor market liquidity and pricing;
- adhere to the Fund's objectives and investment restrictions and limits; and
- constantly liaise with the investment committee of the Fund and follow the advice from the investment committee of the Fund.

The performance of this Fund is benchmarked against Maybank Islamic Berhad's 1 month IFD-i rate. Unit Holders may log on to the Maybank's website ([www.maybank2u.com.my](http://www.maybank2u.com.my)) to obtain the latest information on the Maybank Islamic Berhad's 1 month IFD-i rate. Investor should note that the risk profile of the Fund is different from the risk profile of the benchmark.

***Investment in this Fund is not the same as placing funds in a deposit with a financial institution. There are risks involved and investors should rely on their own evaluation to assess the merits and risks when investing in this Fund.***

### **1.8.8 Distribution Policy**

Income is paid monthly, depending on the level of income (if any) the Fund generates.

**1.8.9 Permitted Investments and Restrictions**

This Fund may invest in sukuk, Islamic money market instruments and placement of Islamic deposits; 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 Shariah-compliant investments in permitted investments which have a remaining maturity period of not more than 365 days must not be less than ninety (90) 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 Shariah-compliant investments in permitted investments which have a remaining maturity period of more than 365 days but fewer than 732 days 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 Shariah-compliant investments in sukuk and Islamic money market instruments issued by any single issuer 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.
- (d) The value of the Fund's Shariah-compliant investments in sukuk and Islamic money market instruments issued by any single issuer may exceed twenty (20) per cent but must not exceed thirty (30) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time, provided the sukuk are rated by any domestic or global rating agency to be of the best quality and offer highest safety for timely payment of interest and principal.
- (e) The value of the Fund's placement in Islamic 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.
- (f) The value of the Fund's Shariah-compliant investments in sukuk and Islamic money market instruments issued by any group of companies must not exceed thirty (30) 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 aggregate value of the Fund's Shariah-compliant investments in sukuk, Islamic money market instrument and Islamic deposits 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.
- (h) The value of the Fund's Shariah-compliant investments in units/shares of any Islamic 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.
- (i) The Fund's Shariah-compliant investments in sukuk must not exceed twenty (20) 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.
- (j) The Fund's Shariah-compliant investments in Islamic money market instruments must not exceed twenty (20) per cent of the Islamic 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 Islamic collective investment schemes must not exceed twenty five (25) per cent of the units/shares in any Islamic 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 Shariah-compliant investments. However, a 5% allowance in excess of the limits or restrictions is permitted where the limits or restrictions is 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 Shariah-compliant investments that are issued or guaranteed by the Malaysian government or Bank Negara Malaysia.

**1.9 RHB Dividend Valued Equity Fund****1.9.1 Fund Category**

Equity fund.

**1.9.2 Financial Year End**

31 May.

**1.9.3 Name of Trustee**

HSBC (Malaysia) Trustee Berhad.

**1.9.4 Investment Objective**

To provide investors with total returns primarily through investment in equity and equity related securities of companies which offer attractive yields and sustainable dividend payments.

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

**1.9.5 Investment Strategy**

This Fund seeks to achieve its investment objective by structuring a portfolio as follows:

- Minimum of 70% and up to 98% of NAV will be invested in equities.
- Minimum of 2% and up to 30% of NAV will be invested in fixed income securities and/or liquid assets.

Although the Fund is actively managed, how active or the frequency of its trading strategy will very much depend on market opportunities.

The Manager will invest in companies that offer higher expected dividend yields compared to other companies in the market and whose cash-flow generated by business and management activities are expected to support such dividend payments. The Manager therefore seeks to identify and invest in companies that focus on shareholder value in the form of sustainable dividend returns combined with the prospect for capital growth.

The Fund will invest abroad following the liberalisation of Bank Negara Malaysia's regulations on investments abroad. Any foreign investments made by the Fund will be in line with the Fund's objective and in foreign markets where the regulatory authorities are members of the International Organization of Securities Commissions (IOSCO). The Fund's foreign investment will primarily be in equity and equity related securities listed on established stock exchanges in countries within Asia and other regions, namely China, Hong Kong, India, Indonesia, South Korea, Philippines, Singapore, Taiwan, Thailand, Australia and such other countries which are deemed fit by the Manager. There is no target industry or sector. On top of that, the Fund has the option to invest in stocks whether or not listed on the stock exchange of the regions stated above but with assets in and revenues derived from these regions. Subject to the investment restrictions of the Fund, the Deed and the relevant laws, the Fund targets to invest up to 98% of its NAV abroad. For the avoidance of doubt, the Fund has the discretion to invest in the local market depending on the conditions of the local and foreign markets.

The Manager employs rigorous research to determine the securities to be included in the investment portfolio. The Manager believes long term investment performance can be achieved by employing a rigorous research process that enables it to identify companies that generate superior cash flows as well as companies that are undervalued.



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 Morgan Stanley Capital International Asia Pacific Free ex Japan Index (MSCI). Unit Holders can obtain information on the Morgan Stanley Capital International Asia Pacific Free ex Japan Index (MSCI) from the Manager upon request. Investor should note that the risk profile of the Fund is different from the risk profile of the benchmark.

#### **1.9.6 Distribution Policy**

Income, if any, will be distributed during the financial year.

#### **1.9.7 Permitted Investments and Restrictions**

The Fund may invest in securities listed on Bursa Malaysia; unlisted securities including securities not listed or quoted on a stock exchange but have been approved by the relevant regulatory authority for such listing or quotation and are offered directly to the Fund by the issuer; financial derivatives; collective investment schemes; structured products and warrants that carry the right in respect of a security traded in or under the rules of an eligible market; money market and over the counter private debt securities; Malaysian government securities, cagamas bonds, Malaysian treasury bills, Bank Negara Malaysia certificates, bankers' acceptances, Government Investment Issue (GII) and negotiable certificates of deposit; foreign investment traded in or under the rules of a foreign market approved by Securities Commission; 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/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 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 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 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 limit or restriction is 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 government or Bank Negara Malaysia.

**1.10 RHB Asian Total Return Fund****1.10.1 Fund Category**

Feeder fund.

**1.10.2 Financial Year End**

31 December.

**1.10.3 Name of Trustee**

HSBC (Malaysia) Trustee Berhad.

**1.10.4 Investment Objective**

To provide stable current income and capital appreciation by investing in debt securities issued by Asian corporations, financial institutions, governments and their agencies (including money market instruments)<sup>1</sup>. The Asian countries include but are not limited to Singapore, Malaysia, Thailand, Indonesia, Philippines, Hong Kong SAR, South Korea, Taiwan, China, Australia, New Zealand and Japan.

<sup>1</sup> *The Fund is a feeder fund that will invest principally in the United Asian Bond Fund, which is a collective investment scheme domiciled in Singapore investing in debt securities issued by Asian corporations, Asian financial institutions, Asian government and their agencies (including money market instruments) by generally maintaining an exposure of at least 70% and above in such debt securities.*

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

**1.10.5 Investment Strategy**

This Fund seeks to achieve its investment objective by structuring a portfolio as follows:

- At least 95% of NAV will be invested in a target fund i.e. the United Asian Bond Fund.
- Up to 5% of NAV will be invested in liquid assets to provide for liquidity purpose.

The Fund is a feeder fund that will invest principally in a target fund i.e. the United Asian Bond Fund launched on 8 March 2000 (SGD class). The United Asian Bond Fund is a collective investment scheme domiciled in Singapore investing in debt securities issued by Asian corporations, Asian financial institutions, Asian government and their agencies (including money market instruments) by generally maintaining an exposure of at least 70% and above in such debt securities.

The Manager may take temporary defensive positions that may be inconsistent with Fund's principal strategy in attempt 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 money market instruments, cash and deposits with licensed financial institutions, which are defensive in nature. In the event that the Manager reallocate up to 100% of the Fund's investments into other asset classes such as money market instruments, cash and deposits with licensed financial institutions, the Fund will no longer be able to track the performance of the United Asian Bond Fund, as the Fund is not invested into the United Asian Bond Fund.

As such, there would be a risk of underperformance of the Fund, should the United Asian Bond Fund outperform the market during the period where the Fund is not invested into the United Asian Bond Fund.

In addition, the Manager may take foreign exchange hedge positions in order to mitigate currency exposure that may erode the Fund's returns.

Notwithstanding the above, the Manager may, in consultation with the Trustee, replace the United Asian Bond Fund with another collective investment scheme with a similar objective if, in the Manager's opinion, the United Asian Bond Fund no longer meets the Fund's investment objective, or when acting in the interest of the Unit Holders. However, Unit Holders' approval must be obtained.

The Manager adopts the following forms of risk management strategies to mitigate the risk inherent to the Fund:

- Temporary defensive measures  
These can be undertaken upon consultation with the investment committee of the Fund and may include holding a high level of cash over investments in the United Asian Bond Fund.

The Manager also reserves the right to seek other collective investment scheme if the United Asian Bond Fund is inconsistent with the objective of the Fund, with approval of the Unit Holders.

The performance of this Fund is benchmarked against JP Morgan Asia Credit Index Total Return Composite. Unit Holders can obtain information on the JP Morgan Asia Credit Index Total Return Composite from the Manager upon request. Investor should note that the risk profile of the Fund is different from the risk profile of the benchmark.

#### **1.10.6 Distribution Policy**

Annual distribution, subject to the availability of income at the end of the financial year.

#### **1.10.7 Permitted Investments and Restrictions**

The Fund may invest in local or foreign collective investment schemes (including exchange traded funds), financial derivatives, liquid assets 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.

#### **1.10.8 Information on United Asian Bond Fund**

##### **(a) About United Asian Bond Fund**

The United Asian Bond Fund launched in April 2000, is constituted in Singapore and is an authorised scheme under the Securities and Futures Act (Chapter 289) of Singapore by the Monetary Authority of Singapore. The United Asian Bond Fund is a sub-fund under an umbrella fund, the United Choice Portfolios. The United Asian Bond Fund is currently offered as a stand-alone open ended non specialised unit trust established under the umbrella fund known as United Choice Portfolios and has no fixed duration.

##### **(b) About the Manager of United Asian Bond Fund**

The manager of the United Asian Bond Fund is UOB Asset Management Ltd ("UOBAM"), whose registered office is at 80 Raffles Place, UOB Plaza, Singapore 048624. 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. 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 30 April 2017, UOBAM manages 59 unit trusts in Singapore. UOBAM is one of the largest unit trust managers in Singapore in terms of assets under management.

As at 30 April 2017, UOBAM and its subsidiaries in the region have a staff strength of over 300 including about 50 investment professionals in Singapore.

**(c) Investment Objective**

The United Asian Bond Fund seeks to provide stable current income and capital appreciation by investing primarily in debt securities issued by Asian corporations, financial institutions, governments and their agencies (including money markets instruments). The Asian countries which the United Asian Bond Fund will invest in include but are not limited to Singapore, Malaysia, Thailand, Indonesia, Philippines, Hong Kong SAR, South Korea, Taiwan, China, Australia, New Zealand and Japan.

**(d) Investment Focus and Approach**

The United Asian Bond Fund is actively managed with a focus on yield at an acceptable risk premium. There is no bias towards sovereign or corporate bonds. The emphasis is on the credit spread as the main source of incremental returns. Credit analysis and credit diversification by the manager of the United Asian Bond Fund are important as a source of added value and to reduce unsystematic risks inherent in such investment respectively.

The investment style of the manager of the United Asian Bond Fund is based on the probability of credit upgrades and the extent to which the pricing has been reflected in the credit in question. The United Asian Bond Fund's portfolio of investments will be reviewed regularly so as to enable the United Asian Bond Fund to switch out of overvalued securities to undervalued securities. A long term view is taken when assessing an investment opportunity. At the same time, the manager of the United Asian Bond Fund recognises that Asian markets are subject to greater volatility than developed markets and may therefore require a greater level of trading than originally envisaged. The policy of the manager of the United Asian Bond Fund generally is to have the United Asian Bond Fund fully invested save where there is overwhelming evidence to suggest that markets are excessively overvalued.

**(e) Limit of Repurchase and Suspension of Dealings of the United Asian Bond Fund**

The manager of the United Asian Bond Fund may, with the approval of the United Asian Bond Fund's trustee and subject to the provisions of the United Asian Bond Fund's deed, limit the total number of units of the United Asian Bond Fund to be realized by the Fund or cancelled by the manager of the United Asian Bond Fund on any dealing day of the United Asian Bond Fund up to 10% of the total number of units of the United Asian Bond Fund then in issue. Such limitation will be applied pro rata to the manager of the United Asian Bond Fund and all unit holders of the United Asian Bond Fund who have validly requested realisation on such dealing day of the United Asian Bond Fund.

The United Asian Bond Fund's manager may at any time, with the prior written approval of the United Asian Bond Fund's trustee, suspend the right of unit holders to the issuance and realisation of units of the United Asian Bond Fund:

- (i) during any period when any recognised stock exchange for any material proportion of the investments for the time being constituting the deposited property of the United Asian Bond Fund is closed (otherwise than for ordinary holidays); or
- (ii) during any period when dealings on any such recognised stock exchange are restricted or suspended; or
- (iii) during any period when, in the opinion of the United Asian Bond Fund's manager, there exists any state of affairs as a result of which withdrawal of deposits held for the account of the United Asian Bond Fund or the realisation of any material proportion (where the proportion of the investments which when sold would in the opinion of the United Asian Bond Fund's manager in consultation with its trustee cause the value of the deposited property to be significantly reduced) of the investments for the time being constituting the deposited property of the United Asian Bond Fund cannot be effected normally or without seriously prejudicing the interests of unit holders as a whole; or
- (iv) during any period when in the opinion of the United Asian Bond Fund's manager, there is a breakdown in the means of communication normally employed in determining the value of any of the investments or the amount of any cash for the time being comprised in the deposited property of the United Asian Bond Fund or the amount of any liability of the United Asian Bond Fund's trustee for account of the United Asian Bond Fund or when for any other reason the value of any such investments or the amount of any such cash or liability cannot be promptly and accurately ascertained (including any period when the fair value of a material portion of the authorised investments of the United Asian Bond Fund cannot be determined); or
- (v) during any period when, in the opinion of the United Asian Bond Fund's manager, the transfer of funds which will or may be involved in the realisation of any material proportion of the investments for the time being constituting the deposited property of the United Asian Bond Fund cannot be effected promptly at normal rates of exchange; or
- (vi) if during any particular day the requests for realisation of units exceed 10% of the units of the United Asian Bond Fund in issue and deemed to be in issue; or
- (vii) during any 48 hour period (or such longer period as may be agreed between the United Asian Bond Fund's manager and the United Asian Bond Fund's trustee) prior to the date of any meeting of unit holders of the United Asian Bond Fund (or any adjourned meeting thereof); or
- (viii) during any period when the dealing of units of the United Asian Bond Fund is suspended pursuant to any order or direction issued by the relevant authority; or
- (ix) during any period when the business operations of the manager of the United Asian Bond Fund or the United Asian Bond Fund's trustee in relation to the operations of the United Asian Bond Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God; or
- (x) such circumstances as may be required under the provisions of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore ("Code").

Any payment for any units of United Asian Bond Fund realised before the commencement of any such suspension which has not been paid before the commencement thereof may, if the United Asian Bond Fund's manager and the United Asian Bond Fund's trustee agree, be deferred until immediately after the end of such suspension.

**(f) Authorised Investments of United Asian Bond Fund**

The authorised investments of United Asian Bond Fund are subject to the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore (“Code”). The Code was issued on 23 May 2002 and last revised on 14 July 2015.

**1 Permissible Investments**

1.1 The United Asian Bond Fund’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 an 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, United Asian Bond Fund'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 United Asian Bond Fund's manager is of the view that it is appropriate.*

Requirements on investments in other schemes

1.4 The United Asian Bond Fund may invest in other schemes only if the underlying scheme is:

- a) an authorised or recognised scheme;

Note

*Notwithstanding paragraph 1.4(a), United Asian Bond Fund 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 investment guidelines under the Code; and
  - iii) has a manager that is reputable and supervised by an acceptable financial supervisory authority; or
- 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) and, for the purposes of this paragraph, the units in the scheme are listed for quotation and traded on an organised exchange.

Note

*Restricted schemes may be acceptable as underlying investments if they can meet the conditions in paragraph 1.4 (b) or (c).*



- 1.5 United Asian Bond Fund 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 should meet the following requirements:
- a) the underlying consists of instruments referred to in paragraph 1.1, commodities, indices which meets 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 should be settled in cash at all times. The United Asian Bond Fund's manager should also undertake in the trust deed of United Asian Bond Fund to settle such transactions in cash and disclose the fact in the United Asian Bond Fund'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 should not result in the delivery of investments other than those described in paragraph 1.1(a) to (f).

*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 United Asian Bond Fund'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 United Asian Bond Fund's manager should not be based solely on a valuation provided by the counterparty to the transaction.

Note

*The party who carries out the verification should be independent of the counterparty as well as the party responsible for the fund management function of the United Asian Bond Fund.*

**(g) Investment limits and restrictions of United Asian Bond Fund**

The investment limits and restrictions of United Asian Bond Fund subject to the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore ("Code"). The Code was issued on 23 May 2002 and last revised on 14 July 2015.

**1 Spread of Investments**

Single entity limit and group limit

- 1.1 United Asian Bond Fund 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 United Asian Bond Fund'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 United Asian Bond Fund'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.

Note

*Investments in transferable securities and money market instruments issued by a trust should be included in the single entity limit and group limit.*

*The group of entities referred to in the group limit also applies to aggregate investments in, or exposures to, special purpose vehicle (SPVs) where the substance of the relationship between a sponsor and its SPV, determined in accordance with the Interpretation of Financial Reporting Standard 12, indicates that the SPV is controlled by that sponsor.*

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 United Asian Bond Fund; or
  - b) liquidation of investments prior to the termination or maturity of United Asian Bond Fund, 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 United Asian Bond Fund'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 Ratings, Baa by Moody's Investors Service or BBB by Standard and Poor's Ratings Services (including such sub-categories or gradations therein); and

- b) not more than 20% of United Asian Bond Fund'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 Ratings, Aa by Moody's Investors Service or AA by Standard and Poor's Ratings Services (including such sub-categories or gradations therein); and
  - b) not more than 20% of United Asian Bond Fund'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 United Asian Bond Fund'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 Ratings, Baa by Moody's Investors Service or BBB by Standard and Poor's Ratings Services (including such sub-categories or gradations therein).
- 1.8 Notwithstanding paragraph 1.7 (a), United Asian Bond Fund'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 United Asian Bond Fund's manager has satisfied United Asian Bond Fund's trustee that its internal rating is comparable to a rating issued by Fitch Ratings, Moody's Investors Service or Standard & Poor's Ratings Services.

Commodity-backed debt securities

- 1.9 United Asian Bond Fund 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.

Investment in other schemes

*Requirements on investments in other schemes*

- 1.10 United Asian Bond Fund may invest in other schemes only if the underlying scheme is:

- a) an authorised or recognised scheme;

Note

*United Asian Bond Fund 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; 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 United Asian Bond Fund) and, 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 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 United Asian Bond Fund'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.

Alternative exposure limit

- 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 United Asian Bond Fund's net asset value.

Concentration limit

1.13 United Asian Bond Fund 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 United Asian Bond Fund to financial derivatives or embedded financial derivatives should not exceed 100% of its net asset value at all times.

2.2 United Asian Bond Fund's manager should calculate the global exposure of United Asian Bond Fund's 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 Monetary Authority of Singapore ("Authority").

Commitment Approach

2.3 The global exposure of United Asian Bond Fund 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 United Asian Bond Fund's exposure to financial derivatives.

2.5 United Asian Bond Fund 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 United Asian Bond Fund'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 United Asian Bond Fund's exposure to financial derivatives.
- 2.8 For the purposes of the above paragraphs 2.6 and 2.7, the hedging arrangement should:
  - a) not be aimed at generating a return;
  - b) result in an overall verifiable reduction of the risk of United Asian Bond Fund;
  - 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 If United Asian Bond Fund 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, it should include in its global exposure calculations the cash amount reinvested.

VaR Approach or its variants

- 2.11 United Asian Bond Fund's manager may apply to the Authority to use the VaR Approach or its variants to calculate the global exposure of United Asian Bond Fund instead of the commitment approach (paragraph 2.3).
- 2.12 The global exposure of United Asian Bond Fund should also take into account exposures arising from the reinvestment of cash collateral.
- 2.13 United Asian Bond Fund's manager should 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 United Asian Bond Fund, commodities\*, indices which meets 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: United Asian Bond Fund does not participate or invest in derivatives with underlying comprising 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 United Asian Bond Fund'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 United Asian Bond Fund's manager should not be based solely on a valuation provided by the counterparty to the transaction.

#### Spread of underlying assets

- 3.1 The exposure of United Asian Bond Fund 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 United Asian Bond Fund, 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 fulfils 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 United Asian Bond Fund, 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 United Asian Bond Fund should be covered as follows:
- a) in the case of financial derivatives which will, or may at the option of United Asian Bond Fund, be cash settled, United Asian Bond Fund 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, United Asian Bond Fund should hold the underlying assets in sufficient quantities to meet the delivery obligation at all times. If United Asian Bond Fund's manager deems the underlying assets to be sufficiently liquid, United Asian Bond Fund 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 United Asian Bond Fund 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 United Asian Bond Fund's net asset value; or
  - b) in any other case, 5% of United Asian Bond Fund'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 Ratings, A by Moody's Investors Service or A by Standard and Poor's Ratings Services (including sub-categories or gradations therein). Alternatively, where the financial institution is not rated, United Asian Bond



Fund 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 United Asian Bond Fund 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 United Asian Bond Fund. 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 United Asian Bond Fund'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 Ratings, Aaa by Moody's Investors Service or AAA by Standard and Poor's Ratings Services (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 United Asian Bond Fund'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 United Asian Bond Fund 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 United Asian Bond Fund 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) United Asian Bond Fund's manager is reasonably satisfied that any investment of cash collateral by the United Asian Bond Fund will enable United Asian Bond Fund 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 United Asian Bond Fund may not be reinvested.

Recognition of netting

- 4.14 United Asian Bond Fund may net its OTC financial derivative positions with the same counterparty through bilateral contracts for novation or other bilateral agreements between United Asian Bond Fund 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) United Asian Bond Fund 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, United Asian Bond Fund 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) United Asian Bond Fund's manager obtains written and reasoned legal opinions to the effect that, the netting arrangement is legally enforceable by United Asian Bond Fund against its counterparty, and in particular, in the event of a legal challenge, the relevant courts and administrative authorities would find that United Asian Bond Fund'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) United Asian Bond Fund'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) United Asian Bond Fund's manager is reasonably satisfied that the netting arrangement is legally valid under the law of each of the relevant jurisdictions.

## **5 Efficient Portfolio Management ("EPM") Techniques**

### Securities lending and repurchase transactions

- 5.1 United Asian Bond Fund may carry out the following activities for the sole purpose of EPM:
  - a) securities lending; and
  - b) repurchase transactions.
- 5.2 United Asian Bond Fund 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 Investors Service, A by Standard and Poor's Ratings Services or A by Fitch Ratings (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 United Asian Bond Fund against losses suffered as a result of the counterparty's failure.

- 5.5 Where United Asian Bond Fund's manager engages in securities lending and repurchase transactions with any of its related corporations, United Asian Bond Fund's manager should have effective arrangements in place to manage potential conflicts of interest.
- 5.6 The agreement between United Asian Bond Fund and the counterparty, either directly or through its agent, should require the counterparty to provide additional collateral to United Asian Bond Fund 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 United Asian Bond Fund'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 Ratings, A by Moody's Investors Service or A by Standard and Poor's Ratings Service (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 United Asian Bond Fund 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 United Asian Bond Fund 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 United Asian Bond Fund 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) United Asian Bond Fund's manager is reasonably satisfied that any investment of cash collateral by United Asian Bond Fund or its agent, will enable United Asian Bond Fund 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 United Asian Bond Fund or its agent may not be reinvested.

Liquidity

- 5.16 United Asian Bond Fund's manager should ensure that:
- a) the volume of securities lending or repurchase transactions is kept at an appropriate level; and

- b) United Asian Bond Fund 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 United Asian Bond Fund to meet its redemption obligations and other payment commitments.

**6 Borrowings**

- 6.1 United Asian Bond Fund may borrow, on a temporary basis, for the purposes of meeting redemptions and bridging requirements.
- 6.2 United Asian Bond Fund 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 United Asian Bond Fund's net asset value at the time the borrowing is incurred.

**(h) Risk management procedures of the manager of United Asian Bond Fund relating to the use of financial derivative instruments**

- (a) United Asian Bond Fund may use or invest in financial derivative instruments for the purposes of hedging existing positions in a portfolio, for efficient portfolio management or a combination of both purposes. Where such instruments are financial derivative instruments on commodities, such transactions shall be settled in cash at all times.
- (b) The manager of United Asian Bond Fund will ensure that the global exposure of United Asian Bond Fund to financial derivative instruments or embedded financial derivatives instruments will not exceed 100% of the net asset value of the United Asian Bond Fund at all times. Such exposure will be calculated using the commitment approach as described in, and in accordance with the provisions of, the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore ("Code"), as amended from time to time. United Asian Bond Fund 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 United Asian Bond Fund will obtain, or have obtained (as applicable) the legal opinions as stipulated in the Code.
- (c) Description of risk management and compliance procedures and controls adopted by the manager of United Asian Bond Fund:
  - (i) The manager of United Asian Bond Fund will implement various procedures and controls to manage the risk of the assets of United Asian Bond Fund. The decision to invest in any particular security or instrument on behalf of United Asian Bond Fund will be based on the judgment of the manager of United Asian Bond Fund of the benefit of such transactions to the United Asian Bond Fund and will be consistent with the United Asian Bond Fund's investment objective in terms of risk and return.
  - (ii) *Execution of trades.* Prior to each trade, the manager of United Asian Bond Fund will ensure that the intended trade will comply with the stated investment objective, focus, approach and restrictions (if any) of United Asian Bond Fund,

and that best execution and fair allocation of trades are done. The middle office department of the manager of United Asian Bond Fund will conduct periodic checks to ensure compliance with the investment objective, focus, approach and restrictions (if any) of United Asian Bond Fund. If there is any non-compliance, the middle office of the manager of United Asian Bond Fund 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.* If there are any unexpectedly large redemption of units of the United Asian Bond Fund, it is possible that the assets of the United Asian Bond Fund 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 United Asian Bond Fund will ensure that a sufficient portion of United Asian Bond Fund will be in liquid assets such as cash and cash equivalents to meet expected redemptions, net of new subscriptions.
- (iv) *Counterparty exposure.* United Asian Bond Fund may have credit exposure to counterparties by virtue of positions in financial instruments (including financial derivative instruments) held by the United Asian Bond Fund. To the extent that a counterparty defaults on its obligations and United Asian Bond Fund 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 United Asian Bond Fund will restrict their dealings with counterparties that have a minimum long-term issuer credit rating of above BB+ by Standard and Poor's Ratings Services, an individual rating of above C or viability ratings of above bbb by Fitch Ratings, a baseline credit assessment of the above a3 by Moody's Investors Service, or equivalent rating from any other reputable rating agency. If any approved counterparty fails this criterion subsequently, the manager of United Asian Bond Fund will take steps to unwind the United Asian Bond Fund's position with that counterparty as soon as practicable.
- (v) *Volatility.* To the extent that United Asian Bond Fund has exposure to financial derivative instruments 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 the United Asian Bond Fund's assets will have a higher degree of volatility. United Asian Bond Fund may use financial derivative instruments for hedging purposes for reducing the overall volatility of the value of its assets. At the same time, the manager of United Asian Bond Fund will ensure that the total exposure of United Asian Bond Fund to derivative positions will not exceed the net asset value of the United Asian Bond Fund, as stated in paragraph (b) above.
- (vi) *Valuation.* United Asian Bond Fund may have exposure to over-the-counter financial derivative instruments that are difficult to value accurately, particularly if there are complex positions involved. The manager of United Asian Bond Fund will ensure that independent means of verifying the fair value of such instruments are available, and will conduct such verification at an appropriate frequency.
- (vii) *Foreign exchange/currency risk.* United Asian Bond Fund may have exposure, either directly or indirectly to a wide range of currencies, some of which may be restricted in terms of convertibility. The manager of United Asian Bond Fund may hedge the exposure to these currencies to the SGD (or the base currency of United Asian Bond Fund), possibly leading to a reduced overall gain or greater loss on currency swap transactions entered into by the United Asian Bond Fund. United Asian Bond Fund may also employ strategies to invest in certain

currencies while borrowing in other currencies, and may result in losses if the net movements of the various currencies pairs move in unfavourable directions. The manager of United Asian Bond Fund will select transactions in currencies that are likely to yield favourable returns to United Asian Bond Fund based on their historical trends.

- (d) The manager of United Asian Bond Fund will ensure that the risk management and compliance procedures and controls adopted are adequate and have been or will be implemented and that they have the necessary expertise to control and manage the risks relating to the use of financial derivative instruments. The manager of United Asian Bond Fund may modify the risk management and compliance procedures and controls as they deem fit and in the interests of United Asian Bond Fund, but subject always to the requirements under the Code.

**(i) Performance of United Asian Bond Fund as at 30 April 2017**

<b>Performance</b>	<b>NAV of United Asian Bond Fund (%)</b>	<b>Benchmark (%)</b>
1 month	0.73	0.54
3 months	1.74	1.37
6 months	0.01	1.20
1 year	7.91	8.70
3 years	7.30	9.35
5 years	6.52	8.06
10 years	5.95	5.61
Since inception of United Asian Bond Fund	6.46	6.58

Benchmark: Apr 00 – Jul 03: JP Morgan Emerging Markets Bond Index Global Constrained Asia;  
Aug 03 – Dec 06: JP Morgan Asia Bond Total Return Composite;  
Jan 07 – Present: JP Morgan Asia Credit Index Total Return Composite.

Source: Lipper, a Thomson Reuters Company.

Performance of Class SGD as at 30 April 2017, SGD basis, with dividends and distributions reinvested, if any. Performance figures for 1 month till 1 year show the percentage change, while those exceeding 1 year show the average annual compounded return



**1.11 RHB-GS US Equity Fund****1.11.1 Fund Category**

Feeder fund.

**1.11.2 Financial Year End**

30 June.

**1.11.3 Name of Trustee**

TMF Trustees Malaysia Berhad.

**1.11.4 Investment Objective**

The Fund's objective is to seek to achieve long term capital appreciation through investment in a collective investment scheme, which invests primarily in securities of United States of America companies.

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

**1.11.5 Investment Strategy**

This Fund seeks to achieve its investment objective by structuring a portfolio as follows:

- At least 95% of NAV will be invested in a target fund i.e. the Goldman Sachs US Equity Portfolio.
- Up to 5% of NAV will be in cash and cash equivalents.

The Fund will invest at least 95% of NAV in a target fund i.e. the Goldman Sachs US Equity Portfolio, which invests primarily in a diversified portfolio of equities and equity-related securities of companies domiciled in the United States of America, including companies that derive the majority (i.e. more than 50%) proportion of their revenues or profits from the United States of America.

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 attempt to cushion the portfolio's downside by reducing its exposure to the Goldman Sachs US Equity Portfolio and increasing its exposure into risk free assets i.e. mainly cash. It follows therefore that there is a risk that the Fund may not track the performance of the Goldman Sachs US Equity Portfolio.

If, in the opinion of the Manager, the Goldman Sachs US Equity Portfolio no longer meets the Fund's investment objective, and/or in acting in the best interests of Unit Holders, the Manager may replace the Goldman Sachs US Equity Portfolio with that of another collective investment scheme that is consistent with the objective of this Fund, subject always to the approval of the Unit Holders.

The replacement of the Goldman Sachs US Equity Portfolio with another collective investment scheme may be performed on a staggered basis to facilitate a smooth transition or where the Goldman Sachs US Equity Portfolio imposes any conditions to the redemption of units or if the manager of the newly identified target fund imposes any Anti Dilution Levy\* in relation to applications for units. In such an event, the time required to perform the replacement will depend on such conditions, if any, imposed by the Goldman Sachs US Equity Portfolio in addition to any conditions associated with the Anti Dilution Levy that may be charged by the newly identified target

fund. Hence during such transition period, the Fund's investment may differ from the stipulated investment strategies.

\* Anti Dilution Levy is an allowance for fiscal and other charges that is added to the net asset value per unit/share to reflect the costs of investing application monies in underlying assets of the target fund. The levy is intended to be used to ensure that all investors in the target fund are treated equitably by allocating transaction costs to the investors whose transactions give rise to those costs.

As the Fund is a feeder fund, the risk management strategies and techniques employed will be at the Goldman Sachs US Equity Portfolio level whereby the Goldman Sachs US Equity Portfolio has access to 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 Goldman Sachs US Equity Portfolio.

The performance of this Fund is benchmarked against S&P 500 Index. Unit Holders can obtain information on the S&P 500 Index from the Manager upon request. Investor should note that the risk profile of the Fund is different from the risk profile of the benchmark.

#### **1.11.6 Distribution Policy**

The Fund is not expected to make any distribution.

#### **1.11.7 Permitted Investments and Restrictions**

The Fund may invest in one collective investment scheme, liquid assets 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.

#### **1.11.8 Information on Goldman Sachs US Equity Portfolio**

The description of the Goldman Sachs US Equity Portfolio in this section is qualified in its entirety by reference to the Goldman Sachs US Equity Portfolio prospectus. For a more complete description of the Goldman Sachs US Equity Portfolio, investors should refer to the Goldman Sachs US Equity Portfolio prospectus, which is available for inspection at the Manager's and the Trustee's business office.

##### **(a) About Goldman Sachs US Equity Portfolio**

The Goldman Sachs US Equity Portfolio, launched in February 2006, is one of several portfolios of an umbrella fund, the Goldman Sachs Funds which is domiciled in Luxembourg. The Goldman Sachs Funds is a public limited company ("société anonyme") qualifying as an investment company organised with variable share capital within the meaning of the Law of 17 December 2010. The Goldman Sachs Funds has appointed Goldman Sachs Asset Management Global Services Limited, which is an indirect subsidiary of The Goldman Sachs Group, Inc. ("GSAMGS") to be the Goldman Sachs Funds' designated management company. GSAMGS is authorised by the United Kingdom Financial Conduct Authority to act as management company in accordance with the United Kingdom Financial Services and Markets Act 2000, as amended. The Goldman Sachs Funds' registered office is at 49, avenue J-F Kennedy, L-1855 Luxembourg.

The Goldman Sachs Funds is registered pursuant to part I of the Law of 17 December 2010 and qualifies as an undertaking for collective investment in transferable securities ("UCITS") under the European Union UCITS directive. The Goldman Sachs Funds is authorised by the Luxembourg Supervisory Authority.

The currency of the Goldman Sachs US Equity Portfolio is USD.

The Goldman Sachs US Equity Portfolio currently offers variety classes of shares (“Classes”). The classes may differ in terms of the fees structure, currency of denomination or other specific feature. The Fund invests in Class IO (Accumulation) shares of the Goldman Sachs US Equity Portfolio.

**(b) About Investment Adviser of Goldman Sachs US Equity Portfolio**

GSAMGS has delegated certain management functions of Goldman Sachs US Equity Portfolio to the investment adviser, Goldman Sachs Asset Management International (“GSAMI”). Notwithstanding any delegation, GSAMGS shall remain liable to the Goldman Sachs US Equity Portfolio for the proper performance of its duties. GSAMI will be responsible to GSAMGS in respect of the management of the investment of assets of Goldman Sachs US Equity Portfolio in accordance with Goldman Sachs US Equity Portfolio’s investment objective and policy subject always to the supervision and discretion of GSAMGS.

As of 30 April 2017, GSAMI and its advisory affiliates acted as investment adviser in respect of approximately USD1,170 billion in assets. GSAMI and its advisory affiliates, with financial centres around the globe, have a worldwide staff of over 1,000 investment management professionals.

GSAMI is authorised and regulated in the United Kingdom by the Financial Conduct Authority and is a registered investment adviser under the United States Investment Advisers Act of 1940.

**(c) Investment Objective of Goldman Sachs US Equity Portfolio**

The investment objective of the Goldman Sachs US Equity Portfolio is long-term capital appreciation through investing in any permitted investments.

The Goldman Sachs US Equity Portfolio will mostly invest in shares or similar instruments relating to United States of America companies.

**(d) Investment Strategy of Goldman Sachs US Equity Portfolio**

The Goldman Sachs US Equity Portfolio, will, under normal market conditions, invest at least two thirds of its net assets in equity and/or equity related transferable securities, which includes common stock, preferred stock, warrants and other rights to acquire stock, American Depositary Receipts (“ADRs”), European Depositary Receipts (“EDRs”) and Global Depositary Advisory (“GDRs”) and not more than one third of its net assets in convertible securities, bonds (with or without warrants), money market instruments and non-equity related collective investment schemes. Under normal market conditions, the Goldman Sachs US Equity Portfolio will invest its net assets primarily in the securities of issuers domiciled in the United States of America. **Accordingly, investors should be aware that the Goldman Sachs US Equity Portfolio may not invest all of its assets in issuers domiciled in the United States of America.** Securities of issuers domiciled in the United States of America include those issuers deriving the predominant proportion of their revenues or profits from the United States of America.

The Goldman Sachs US Equity Portfolio may, subject to its investment restrictions, engage in transactions in financial derivative instruments, including, amongst others, contracts for difference and total return swaps, as part of its general investment policy and/or for hedging purposes.

As part of the Goldman Sachs US Equity Portfolio’s overall investment policy, and as part of the range of permitted investments which may be utilised to generate exposure to equity markets, the Goldman Sachs US Equity Portfolio may invest in units or shares of certain equity related collective investment schemes, including collective investment schemes

managed by Goldman Sachs; however, the Goldman Sachs US Equity Portfolio will not invest more than 10% of its net assets in collective investment schemes.

*There can be no assurance or guarantee that the Goldman Sachs US Equity Portfolio's investments will be successful or its investment objective will be achieved.*

**(e) Limit of Redemption**

If on any given date requests for redemption of the Goldman Sachs US Equity Portfolio shares received by the Goldman Sachs US Equity Portfolio relate to more than 10% of the shares in the Goldman Sachs US Equity Portfolio, and either the Goldman Sachs US Equity Portfolio's available cash, together with amounts the Goldman Sachs US Equity Portfolio is permitted to borrow, is insufficient to meet such requests or the board of directors of the Goldman Sachs US Equity Portfolio's umbrella fund, the Goldman Sachs Funds or GSAMGS on behalf of the Goldman Sachs Funds, determines that it is not advisable to apply such cash and borrowings to meet such requests, then the aforesaid board of directors or GSAMGS may decide that part or all of such requests for redemption will be deferred for such period as the aforesaid board of directors or GSAMGS considers to be in the best interests of the Goldman Sachs US Equity Portfolio provided that any such deferral period would not normally exceed ten business days of the Goldman Sachs US Equity Portfolio. On the next business day of the Goldman Sachs US Equity Portfolio following such period of deferral, redemption requests so deferred will be given priority over requests subsequently received.

**(f) Permitted Investments of Goldman Sachs US Equity Portfolio**

Transferable securities, money market instruments, units in permitted funds, deposits, financial derivative instruments and other investments into which the Goldman Sachs US Equity Portfolio may invest pursuant to the Law of 17 December 2010, and the Goldman Sachs US Equity Portfolio's investment objective and policy.

The following definitions are applicable to Goldman Sachs US Equity Portfolio:

"Transferable securities" means:

1. shares and other securities equivalent to shares ("equities");
2. debentures, bonds and other debt instruments ("bonds"); or
3. warrants or any other negotiable securities, which carry the right to acquire any such transferable securities by subscription or exchange

excluding those techniques and instruments referred to in 8) of section 3.19.4(g).

"Money market instruments" means instruments normally dealt with on the money markets which are liquid and have a value which can be accurately determined at any time.

**(g) Investment Restrictions of Goldman Sachs US Equity Portfolio**

In making its investments, the Goldman Sachs US Equity Portfolio is subject to the investment restrictions described below. The following restrictions have been adopted by the board of directors of the Goldman Sachs Funds in compliance with Luxembourg law, although they may be amended by the board of directors of Goldman Sachs Funds without a vote of the shareholders.

In order to achieve the Goldman Sachs Funds investment objectives and the investment objective and policy of the Goldman Sachs US Equity Portfolio, the following investment powers and restrictions shall apply to all investments by the Goldman Sachs US Equity Portfolio.

- 1) Investments of the Goldman Sachs US Equity Portfolio shall consist of:
  - a) Transferable securities and money market instruments admitted to or dealt on a regulated market;
  - b) Transferable securities and money market instruments dealt in on another regulated market in a member state of the European Union which operates regularly and is recognised and open to the public;
  - c) Transferable securities and money market instruments admitted to official listing on a stock exchange in a non-member state of the European Union or dealt in on another regulated market in a non-member state of the European Union which operates regularly and is recognised and open to the public;
  - d) 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 to another regulated market referred to under a) to c) above; and
    - ii) such admission is secured within one year of the issue.
  - e) In so far as the articles of incorporation of the Goldman Sachs Funds provide therefore, shares or units of an undertaking for collective investment in transferable securities ("UCITS") authorised according to the UCITS Directive 2009/65/EC, as amended and/or other undertaking for collective investment ("UCI") within the meaning of article 1(2) of the UCITS Directive 2009/65/EC, as amended, including shares or units of a master fund qualifying as a UCITS should they be situated in a member state of the European Union or not, provided that:
    - i) such other UCIs are authorised under laws which provide that they are subject to supervision considered by the Luxembourg Supervisory Authority to be equivalent to that laid down in European Community law and that cooperation between authorities is sufficiently ensured;
    - ii) the level of protection for share- or unit-holders in such other UCIs is equivalent to that provided for share- or unit-holders 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 the UCITS Directive 2009/65/EC, as amended;
    - iii) the business of the other UCI 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;
    - iv) no more than 10% of the UCITS or the other UCI assets, whose acquisition is contemplated, can be, according to its instruments of incorporation, invested in aggregate in shares or units of other UCITS or other UCIs. This restriction does not apply where Goldman Sachs US Equity Portfolio is investing in shares or units of a master fund qualifying as a UCITS.

For the purposes of this subparagraph e), each portfolio of a UCI with several portfolios within the meaning of article 181 of the Law of 17 December 2010

must be considered as a separate issuer, provided that each portfolio may be held severally liable for its own debts and obligations.

- f) 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 member state of the European Union or if the registered office of the credit institution is situated in a non-member state of the European Union, provided that it is subject to prudential rules considered by the Luxembourg Supervisory Authority as equivalent to those laid down in European Community law.
- g) Financial derivative instruments, including equivalent cash settled instruments, dealt in on a regulated market referred to under in a), b) and c) above, and/or financial derivative instruments dealt in over-the-counter derivatives (“OTC derivatives”), provided that:
  - i) the underlying consist of instruments covered by section 1, financial indices, interest rates, foreign exchange rates or currencies, in which the Goldman Sachs US Equity Portfolio may invest in accordance with its investment objectives as stated in articles of incorporation of the Goldman Sachs Funds and in the prospectus of Goldman Sachs US Equity Portfolio;
  - ii) the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the Luxembourg Supervisory Authority; and
  - iii) 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 market value at the Goldman Sachs US Equity Portfolio’s initiative.
- h) Money market instruments other than those dealt in on regulated markets, if the issue or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that they are:
  - i) issued or guaranteed by a central, regional or local authority, a central bank of a member state of European Union, the European Central Bank, the European Union or the European Investment Bank, a non-member state of European Union 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 of European Union belong; or
  - ii) issued by an undertaking any securities of which are dealt in on regulated markets referred to under a), b) or c) above; or
  - iii) issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by European Community law, or by an establishment which is subject to and complies with prudential rules considered by the Luxembourg Supervisory Authority as equivalent to those laid down in European Community law; or
  - iv) issued by other bodies belonging to the categories approved by the Luxembourg Supervisory Authority provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, second and third indent of this section (h), and provided that the issuer (i) is a company whose capital and reserves amount at least to ten million Euro (EUR10,000,000) and (ii) which presents and publishes its

annual accounts in accordance with European Union Directive 2013/34/EU, (iii) 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 (iv) is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

- i) In so far as the articles of the Goldman Sachs Funds provide therefore, shares or units of a master fund qualifying as UCITS
- 2) Moreover the Goldman Sachs US Equity Portfolio may:
  - a) invest up to 10% of its assets in transferable securities and money market instruments other than those referred to under section 1 above;
  - b) hold ancillary liquid assets (which restriction may exceptionally and temporarily be exceeded if the board of directors of the Goldman Sachs Funds consider this to be in the best interests of the shareholders);
  - c) borrow the equivalent of up to 10% of its assets provided that the borrowing is on a temporary basis; and
  - d) acquire foreign currencies by means of back-to-back loans.
  - e) invest up to 10% of its assets in loan participations and/or loan assignments provided such instruments are consistent with money market instruments normally dealt in the money market (within the meaning of article 1 item 23 of the Law of 17 December 2010 and articles 3 and 4 of the Grand-Ducal Regulation of 8 February 2008 relating to certain definitions of the Law of 17 December 2010), are liquid, have a value that may be accurately determined at any time and where they fulfil at least one of the following criteria:
    - i) a maturity at issuance of up to and including 397 days;
    - ii) a residual maturity of up to and including 397 days; or
    - iii) are structured in a way that allows for regular, at least 397 days, yield adjustments in line with a reference interest rate.
- 3) Moreover, the following investment restrictions shall be observed by the Goldman Sachs US Equity Portfolio in respect of each issuer:

**(a) Rules for risk spreading**

For the calculation of the limits defined in paragraph (1) to (5) and (8) below, companies belonging to the same group of companies shall be treated as a single issuer.

**- Transferable securities and money market instruments**

- (1) The Goldman Sachs US Equity Portfolio may not invest more than 10% of its assets in transferable securities or money market instruments issued by the same body.

The total value of the transferable securities and money market instruments held by Goldman Sachs US Equity Portfolio in the issuing bodies in each of which it invests more than 5% of its assets must not exceed 40% of the value of its assets. This restriction does not apply to deposits with financial institutions that are

governed by prudential regulations or to transactions in OTC derivative instruments with these institutions.

For the purposes of this section 3)(a)(1), the Goldman Sachs US Equity Portfolio will treat each mortgage-backed or asset-backed portfolio as a separate issue of a separate issuer, although such portfolios may be part of the same master trust, sponsored by the same sponsor, or serviced by the same service provider.

- (2) The 10% limit laid down in paragraph (1) is raised to 20% in the case of transferable securities and money market instruments issued by the same group of companies.
- (3) The 10% limit laid down in paragraph (1) is raised to a maximum of 35% if the transferable securities or money market instruments are issued or guaranteed by a member state of the European Union, by its local authorities, by a non-member state of the European Union or by public international bodies to which one or more member states of the European Union are members.
- (4) The 10% limit laid down in paragraph (1) is raised to 25% for certain debt securities issued by a credit institution whose registered office is in a member state of the European Union and which is subject by law to special public supervision designed to protect the holders of debt securities. In particular, sums deriving from the issue of such debt securities must be invested pursuant to the law in assets which, during the whole period of validity of the debt securities, are capable of covering claims attaching to the debt securities and which, in event of bankruptcy of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of accrued interest. To the extent that the Goldman Sachs US Equity Portfolio invests more than 5% of its assets in such debt securities, issued by the same issuer, the total value of such investments may not exceed 80% of the value of the Goldman Sachs US Equity Portfolio's assets.
- (5) The transferable securities and money market instruments referred to in paragraphs (3) and (4) above are not taken into account for the purpose of applying the 40% limit referred to under paragraph (1) above.
- (6) Notwithstanding the limits indicated above, and in accordance with the principle of risk-spreading, the Goldman Sachs US Equity Portfolio is authorised to invest up to 100% of its assets in transferable securities and money market instruments issued or guaranteed by a member state of the European Union, its local authorities, a member state of the organisation for economic co-operation and development ("OECD") or public international bodies of which one or more member states of the European Union are members, provided that (i) the securities of the whole Goldman Sachs US Equity Portfolio consist of at least six different issues and (ii) securities from any one issue may not account for more than 30% of the Goldman Sachs US Equity Portfolio's assets. The provisions of this paragraph (6) shall also apply in respect of the Goldman Sachs US Equity Portfolio investing in securities issued by certain U.S. Government Agency Issuers, namely the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association and the Federal Home Loan Banks.
- (7) Without prejudice to the limits laid down in (b) below, the limits laid down in (1) above are raised to maximum 20% for investment in shares and/or debt securities issued by the same body and when the Goldman Sachs US Equity Portfolio's investment policy is aimed at duplicating the composition of a certain share or debt securities index, which is recognised by the Luxembourg Supervisory Authority and meets the following criteria:



- (i) the index's composition is sufficiently diversified;
- (ii) the index represents an adequate benchmark for the market to which it refers;
- (iii) the index is published in an appropriate manner.

The 20% limit is increased to 35% where that proves to be justified by exceptional 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 one single issuer.

- **Bank deposits**

- (8) The Goldman Sachs US Equity Portfolio may not invest more than 20% of its assets in deposits made with the same body.

- **Derivatives**

- (9) The risk exposure to a counterparty of the Goldman Sachs US Equity Portfolio in an OTC derivative transaction may not exceed 10% of Goldman Sachs US Equity Portfolio's assets when the counterparty is a credit institution referred to in f) in section 1 above, or 5% of its assets in the other cases.
- (10) The Goldman Sachs US Equity Portfolio may invest in financial derivative instruments provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in paragraph (1) to (5), (8), (9), (16) and (17). When the Goldman Sachs US Equity Portfolio invests in index based financial derivative instruments, these investments do not have to be combined to the limits laid down in paragraph (1) to (5), (8), (9), (16) and (17).
- (11) When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when applying the provisions laid down in paragraph (10) and (12) and when determining the risks arising on transactions in derivative instruments.
- (12) With regard to derivative instruments, the Goldman Sachs Funds, for the Goldman Sachs US Equity Portfolio, will ensure that its overall risk exposure relating to financial derivative instruments does not exceed the total net assets of the Goldman Sachs US Equity Portfolio. As a general rule, the Goldman Sachs US Equity Portfolio cannot have a global exposure greater than its net asset value and as a consequence there is a limit to the Goldman Sachs US Equity Portfolio's exposure of 100% of its net asset value. The total risk exposure may therefore not be greater than 210% of the net asset value, including the 10% of the net asset value that the Goldman Sachs US Equity Portfolio may borrow on a temporary basis.

The risks 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.

- **Shares or units in open-ended funds**

- (13) The Goldman Sachs US Equity Portfolio may not invest more than 20% of its net assets in shares or units of a single UCITS or other UCI referred to in section 1) e) above.

- (14) Furthermore, investments made in UCIs other than UCITS, may not exceed, in aggregate, 30% of the assets of the Goldman Sachs US Equity Portfolio.
- (15) To the extent that a UCITS or UCI is composed of several sub-funds and provided that the principle of segregation of commitments of the different sub-funds is ensured in relation to third parties, each sub-fund shall be considered as a separate entity for the application of the limit laid down in paragraph (13) here above.

**- Combined limits**

- (16) Notwithstanding the individual limits laid down in paragraph (1), (8) and (9), the Goldman Sachs US Equity Portfolio may not combine:
  - (i) investments in transferable securities or money market instruments issued by;
  - (ii) deposits made with; and/or
  - (iii) exposures arising from OTC derivatives transactions and efficient portfolio management techniques undertaken with;a single body, in excess of 20% of its assets.
- (17) The limits set out in paragraph (1) to (5), (8) and (9) cannot be combined. Thus, investments by the Goldman Sachs US Equity Portfolio in transferable securities or money market instruments issued by the same body or in deposits or derivative instruments made with this body in accordance with paragraph (1) to (5), (8) and (9) may not exceed a total of 35% of the net assets of Goldman Sachs US Equity Portfolio.

**(b) Restrictions with regard to control**

- (18) The Goldman Sachs US Equity Portfolio may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
- (19) The Goldman Sachs US Equity Portfolio may acquire no more than:
  - (i) 10% of the outstanding non-voting shares of the same issuer;
  - (ii) 10% of the outstanding debt securities of the same issuer;
  - (iii) 25% of the shares or units of the same UCITS and/or other UCI;
  - (iv) 10% of the money market instruments of the same issuer.

The limits set in points (ii) to (iv) may be disregarded at the time of acquisition if at that time the gross amount of debt securities or money market instruments, or the net amount of the securities in issue, cannot be calculated.

- (20) The limits laid down in paragraph (18) and (19) are waived as regards:
  - (i) Transferable securities and money market instruments issued or guaranteed by a member state of the European Union or its local authorities;

- (ii) Transferable securities and money market instruments issued or guaranteed by a non-member state of the European Union;
  - (iii) Transferable securities and money market instruments issued by public international bodies of which one or more member states of the European Union are members;
  - (iv) Shares held in the capital of a company incorporated in a non-member state of the European Union which invests its assets mainly in 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 the Goldman Sachs Funds, for the Goldman Sachs US Equity Portfolio, can invest in the securities of issuing bodies of that state and provided that the investment policy of the company complies with regulations governing risk diversification and restrictions with regard to control laid down herein;
  - (v) Shares held in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country/state where the subsidiary is located, in regard to the repurchase of the shares at the shareholders request exclusively on its or their behalf.
- 4) Furthermore, the following restrictions will have to be complied with:
  - (1) The Goldman Sachs US Equity Portfolio may not acquire either precious metals or certificates representing them.
  - (2) The Goldman Sachs US Equity Portfolio may not acquire real estate, except when such acquisition is essential for the direct pursuit of its business.
  - (3) The Goldman Sachs US Equity Portfolio may not issue warrants or other instruments giving holders the right to purchase shares in the Goldman Sachs US Equity Portfolio.
  - (4) Without prejudice to the possibility of the Goldman Sachs US Equity Portfolio to acquire debt securities and to hold bank deposits, the Goldman Sachs US Equity Portfolio may not grant loans or act as guarantor on behalf of third parties. This restriction does not prohibit Goldman Sachs US Equity Portfolio from acquiring transferable securities, money market instruments or other financial instruments referred to in paragraph 1) e), g) and h) that are not fully paid-up.
  - (5) The Goldman Sachs US Equity Portfolio may not carry out uncovered sales of transferable securities, money market instruments or other financial instruments referred to in section 1) e), g) and h).
- 5) Notwithstanding the above provisions:
  - (1) The Goldman Sachs US Equity Portfolio need not necessarily comply with the limits referred to herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of its assets;
  - (2) If the limits referred to above are exceeded for reasons beyond the control of the Goldman Sachs US Equity Portfolio or the Goldman Sachs Funds or as a result of the exercise of subscription rights, the Goldman Sachs US Equity Portfolio must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its shareholders.

- 6) GSAMGS employs 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 Goldman Sachs US Equity Portfolio. GSAMGS employs a process allowing for accurate and independent assessment of the value of the OTC derivative instruments.
- 7) Information relating to the quantitative limits that apply in the risk management of the Goldman Sachs Funds, to the methods chosen to this end and to the recent evolution of the main instrument categories' risks and yields may be provided to investors upon request.
- 8) The Goldman Sachs Funds may employ techniques and instruments in respect of transferable securities and money market instruments subject always to the parameters published by the Luxembourg Supervisory Authority provided always that such techniques and instruments are employed for the purpose of efficient portfolio management for hedging and investment purposes. Where such operations concern the use of financial derivative instruments, these parameters shall conform to the Law of 17 December 2010. Under no circumstances shall these operations cause the Goldman Sachs Funds to diverge from its investment objectives as laid down in the prospectus of Goldman Sachs US Equity Portfolio, the supplements, and key investor information document, the articles of incorporation of the Goldman Sachs Funds and in the investment advisory agreement.
- 9) Where specifically allowed by the articles of the Goldman Sachs Funds, the Goldman Sachs US Equity Portfolio may subscribe, acquire and/or hold shares of one or more portfolios of the Goldman Sachs Funds (the "Target Portfolio(s)"), without it 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 provided that:
  - the Target Portfolio does not, in turn, invest in the Goldman Sachs US Equity Portfolio invested in such Target Portfolio; and
  - no more than 10% of the net assets of the Target Portfolios whose acquisition is contemplated may, pursuant to the articles of incorporation of the Goldman Sachs Funds, be invested in aggregate in units of other UCIs; and
  - voting rights, if any, attaching to the relevant shares of the Target Portfolio(s) are suspended for as long as they are held by the Goldman Sachs US Equity Portfolio concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and
  - in any event, for as long as these shares of the Target Portfolio(s) are held by the Goldman Sachs Fund, their value will not be taken into consideration for the calculation of the net assets of the Goldman Sachs Fund d for the purposes of verifying the minimum threshold of the net assets of the Goldman Sachs Funds as imposed by law.

**(h) Performance of Goldman Sachs US Equity Portfolio as at 30 April 2017**

<b>Performance</b>	<b>Goldman Sachs US Equity Portfolio (%)</b>	<b>S&amp;P 500 Index (%)</b>
Since launch	104.60	121.74
1 month	1.89	0.99
3 months	6.78	5.00
Year-to-date	8.66	6.96
1 year (Annualised)	17.72	17.17
3 years (Annualised)	6.38	9.77
5 years (Annualised)	10.42	12.94

Goldman Sachs US Equity Portfolio returns are shown net of applicable ongoing fees within Goldman Sachs US Equity Portfolio, with dividends re-invested using the ex-dividend net asset value. These returns are for comparison of performance against specified index. As the investor may be liable to other fees, charges and taxes, they are not meant to provide a measure of actual return to investors. The performance data do not take account of the commissions and costs incurred on the issue and redemption of shares.

Source: Investment adviser of Goldman Sachs US Equity Portfolio, as at 30 April 2017.

## 1.12 Investment Philosophy

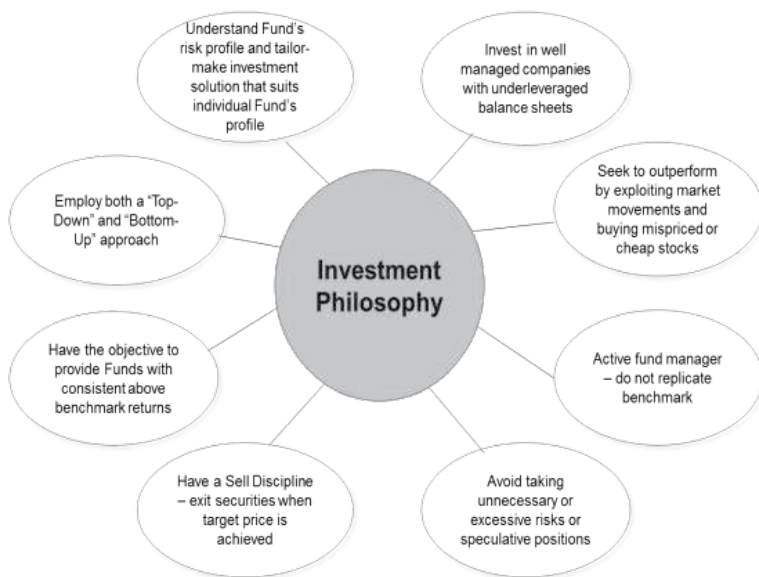
**DF**  
**CMF**  
**DVEF**

**CF**  
**MF**  
**ATRF**

**BF**  
**IBF**  
**USEF**

**MDF**  
**ICMF**

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 nor 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, they would then exit positions when our 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

**DF**  
**CMF**  
**DVEF**

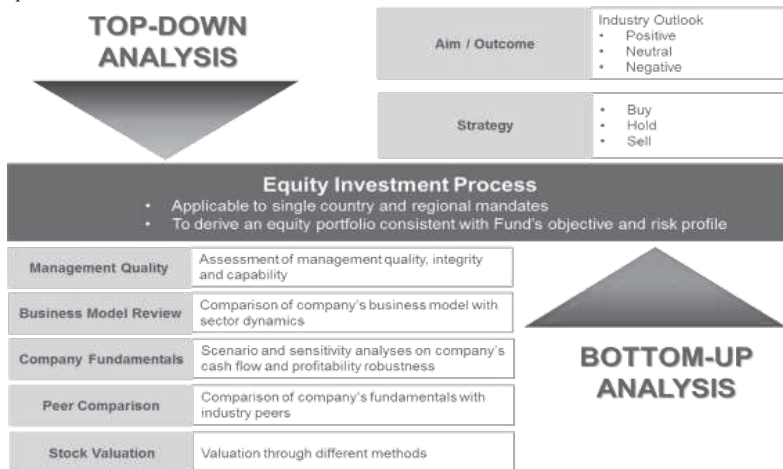
**CF**  
**MF**  
**ATRF**

**BF**  
**IBF**  
**USEF**

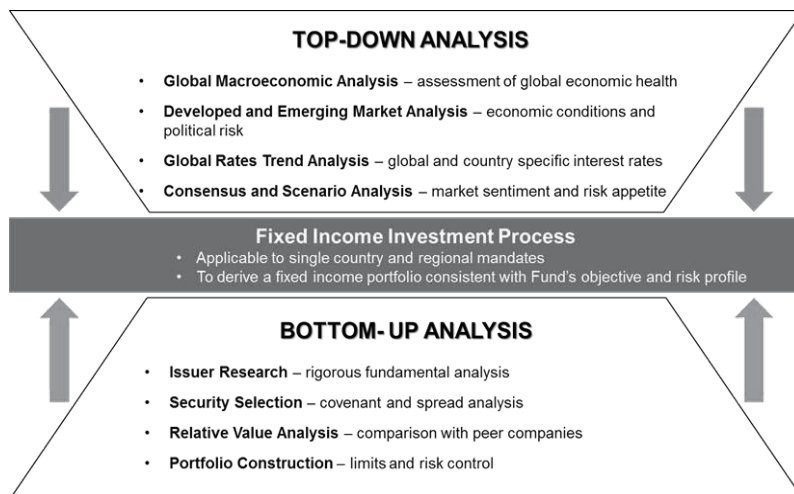
**MDF**  
**ICMF**

Whenever the Funds invest in equities or Shariah-compliant equities and fixed income / debt securities or sukuk, the Manager's investment approach will evolve around the following principles:-

#### Equities



#### Fixed Income Securities



## Deposits

- 1) Interest Rate Anticipation – Forecast changes in interest rates and yield curve shapes.
- 2) Market Timing – Time market entry to enhance yield.
- 3) Relative Return Analysis – Best risk-return trade-off within the financial institutions of same credit ratings.

To ensure compliance with Shariah requirements, the Shariah-compliant Fund is prohibited from investing in non-Islamic deposits with financial institution.

### **1.14 Risk Management Strategies**

The Manager adopts the following forms of risk management strategies to mitigate the risks inherent in the respective Funds:

- Adhering to the Fund's investment objectives and investment restrictions and limits;
- Reporting investment matters to the investment committee of the Funds;
- Diversification across asset classes;
- Imposing limits on exposure to single company/group;
- Duration management of the fixed income portfolio;
- Liquidity management;
- In-depth study of issuer (credit/bond structure/security);
- Hedging against market risk through the use of derivative instruments such as options and futures, where applicable;
- Hedging against currency risks at point of transaction especially for transactions involving fixed income securities; and
- Hedging against credit/default risks by limiting the purchase of bonds to either bank guaranteed bonds or approved investment grade bonds rated by RAM or any other approved rating agencies.

For Shariah Funds, the Manager and the External Investment Manager adopt the following forms of risks management strategies:

- Adhering to the Fund's investment objectives and investment restrictions and limits;
- Diversification across asset classes;
- Imposing limits on exposure to single company/group;
- Duration management of the sukuk portfolio;
- Liquidity management;
- In-depth study of issuer (credit/sukuk/security);
- Hedging against credit/default risks by limiting the purchase of sukuk to either bank guaranteed sukuk or approved investment grade sukuk rated by RAM or any other approved rating agencies.

### **1.15 Policy on Gearing and Assets of the Fund**

<b>DF</b>	<b>CF</b>	<b>BF</b>	<b>MDF</b>
<b>CMF</b>	<b>MF</b>	<b>IBF</b>	<b>ICMF</b>
<b>DVEF</b>	<b>ATRF</b>	<b>USEF</b>	

The Fund is prohibited from borrowing other assets (including borrowing of securities within the meaning of Guidelines on Securities Borrowing and Lending) in connection with its activities. Notwithstanding the above, the Fund may borrow cash for the purpose of meeting repurchase request for Units and for short term bridging requirements. For the said purposes, the Manager should ensure that: (a) the Fund's cash borrowing is only on a temporary basis and that borrowings are not



persistent; (b) the borrowing period should not exceed one month; (c) the aggregate borrowings of the Fund should not exceed 10% of Net Asset Value at the time the borrowing is incurred; and (d) the Fund may only borrow from financial institutions.

Shariah-compliant Funds may only utilize Shariah-compliant financing facility for the said purpose.

## **1.16 Shariah Methodology and Shariah Investment Guidelines**

**MF**

**IBF**

**ICMF**

All the Fund's investments in equities, fixed income or money market instruments have to comply with Shariah requirements. In general, investment in equities are selected from companies that meet certain stipulated financial filters and are not involved in activities prohibited under Shariah. The prohibited core activities that must be avoided includes:

- (a) financial services based on riba (interest);
- (b) gambling and gaming activities;
- (c) production, processing and sale of alcoholic beverages and non-halal food or related products;
- (d) conventional insurance activities;
- (e) entertainment activities that are non-permissible according to Shariah;
- (f) manufacture or sale of tobacco-based products or related products;
- (g) stockbroking or share trading in Shariah non-compliant securities; and/or
- (h) any further restriction as determined from time to time by the SACSC and/or the Shariah Adviser for Malaysian investments, and as determined from time to time by the Shariah Adviser for investments in foreign markets.

Investments in sukuk or Islamic money market instruments are selected from issuances that are structured based on Shariah principles.

The Fund's investments shall be guided by the Shariah Investment Guidelines as described below. Upon monthly review of the portfolio by the Shariah Adviser, any investments that do not comply with the requirements of the guidelines shall be divested in accordance with what has been prescribed below.

### **Shariah Investment Guidelines adopted by the Shariah Adviser**

The following matters are adopted by the Shariah Adviser in determining the Shariah status of equity investments of the Fund.

#### **1. Investment in Malaysia**

##### **Equity:**

Reference for investment in local securities is based on the list of Shariah-compliant equities issued by the SACSC twice yearly on the last Friday of May and November which is readily available at the Securities Commission's website.

However, for the Shariah status of Initial Public Offering ("IPO") companies that have yet to be determined by the SACSC, the Shariah Adviser will adopt the following analysis in determining the Shariah status of these companies. The status determined by the Shariah Adviser is taken on a temporary basis until the Shariah status of that particular IPO company is determined in the subsequent release of the List of Shariah-compliant Securities issued by SACSC.

### Quantitative Analysis

The Shariah Adviser adopts a two-tier quantitative approach which applies the business activity benchmark and the financial ratio benchmark in determining the Shariah status of the securities. Hence, the securities will be classified as Shariah-compliant if they are within the business activity benchmark and the financial ratio benchmark. If any of these benchmarks are exceeded, the Shariah Adviser will not accord a Shariah-compliant status for such equities.

#### Business activities benchmark

The contribution of Shariah non-compliant activities to the overall revenue and profit before taxation of the company will be computed and compared against the relevant business activities benchmarks as follows:

- a) The 5% benchmark would be applicable to the following businesses or activities:
  - (i) conventional banking;
  - (ii) conventional insurance;
  - (iii) gambling;
  - (iv) liquor and liquor-related activities;
  - (v) pork and pork-related activities;
  - (vi) non-halal food and beverages;
  - (vii) Shariah non-compliant entertainment;
  - (viii) tobacco and tobacco-related activities;
  - (ix) interest income from conventional accounts and instruments (including dividends from investment in Shariah non-compliant instruments and interest income awarded arising from a judgement by a court or arbitrator); and
  - (x) other activities deemed non-compliant according to Shariah.

For the above-mentioned businesses or activities, the contribution of Shariah non-compliant businesses or activities to the overall revenue or profit before taxation of the company must be less than 5%.

- b) The 20% benchmark would be applicable to the following activities:
  - (i) share trading;
  - (ii) stockbroking business;
  - (iii) rental received from Shariah non-compliant activities; and
  - (iv) other activities deemed non-compliant according to Shariah.

For the above-mentioned businesses or activities, the contribution of Shariah non-compliant businesses or activities to the overall revenue or profit before taxation of the company must be less than 20%.

#### Financial ratio benchmark

For the financial ratios benchmark, the Shariah Adviser takes into account the following:

- a) Cash over total assets must be lower than 33%  
Cash will only include cash placed in conventional accounts and instruments, whereas cash placed in Islamic accounts and instruments will be excluded from the calculation.
- b) Debt over total assets must be lower than 33%  
Debt will only include interest-bearing debt whereas financing or sukuk will be excluded from the calculation.

Generally, determination of the financial ratio benchmarks is based on available information of the company.

#### Qualitative Analysis

Companies which have passed the above quantitative test will be further subjected to qualitative screening before the equities of such companies can be classified as Shariah-compliant. In this secondary analysis, the Shariah Adviser will look into aspects of the general public perception of the respective companies' image, core businesses which are considered important and *maslahah* (beneficial) to the Muslim *ummah* (nation) and the country, the non-permissible elements are very small and involve matters such as *umum balwa* (common plight and difficult to avoid), '*uruf*' (custom) and rights of the non-Muslim community which are accepted by the Shariah.

#### **Sukuk and Islamic money market instruments:**

The selection of these instruments for investments will be based on the instruments' lists readily available at the website of Securities Commission and/or Bank Negara Malaysia.

## **2. Investment in foreign markets:**

### **Equity:**

#### Quantitative Analysis

The Shariah Adviser takes into account the following parameters in determining the Shariah status of the listed securities.

- 1) Shariah non-compliant income of the companies arising from the following business activities must not exceed certain designated benchmarks\*:
  - a) Conventional financial services;
  - b) Gambling and gaming;
  - c) Manufacture or sale of non-halal products or related products (e.g. pork and liquor);
  - d) Manufacture or sale of tobacco-based products or related products;
  - e) Weaponry;
  - f) Entertainment activities that are not permitted by the Shariah; and
  - g) Other activities deemed non-permissible according to the Shariah.
- 2) The financial ratios of the following must not exceed certain benchmarks\*:
  - a) Interest income over total revenue;
  - b) Total interest-bearing debts including all interest-bearing loans/debentures and their respective payables such as short term/long term debts, short term/long term debentures and all debentures payables divided by total assets;
  - c) Total sum of company's cash and cash equivalent placed or invested in non-Shariah compliant deposits or instruments divided by total assets; and
  - d) Total account receivables including trade receivables divided by total assets.

\*These benchmarks and financial ratios may vary in accordance with the development of Islamic finance and the jurisdiction of respective screening authorities or the Islamic indices that are being referred to. Should any of the deductions fail to satisfy the benchmarks, the Shariah Adviser will not accord a Shariah-compliant status for such equities.

### Qualitative Analysis

Companies which have passed the above quantitative test will be further subjected to qualitative screening before the equities of such companies can be classified as Shariah-compliant. In this secondary analysis, the Shariah Adviser will look into aspects of the general public perception of the respective companies' image, core businesses which are considered important and *maslahah* (beneficial) to the Muslim *ummah* (nation) and the country, the non-permissible elements are very small and involve matters such as *umum balwa* (common plight and difficult to avoid), '*uruf*' (custom) and rights of the non-Muslim community which are accepted by the Shariah.

#### **Foreign sukuk:**

For foreign sukuk, the Shariah Adviser would accept resolutions/rulings as decided by the respective Shariah advisors for the instruments. Prospectus or information memorandum of the sukuk and resolutions/rulings/pronouncements by the respective Shariah advisors for the instruments must be presented to the Shariah Adviser for notification and due diligence.

### **3. Shariah non-compliant investment**

#### **a) Wrong investment**

Refers to Shariah non-compliant investment made by the Manager. The said investment will be disposed of / withdrawn within one month of knowing the status of the securities. In the event the investment results in a gain (through capital gain and/or dividend), the gain is to be channelled to *baitulmal* or any other charitable bodies as advised by the Shariah Adviser. If the disposal of the investment results in a loss to the Fund, the loss is to be borne by the Manager.

#### **b) Reclassification of Shariah status of the Fund's investment**

A security which is reclassified as Shariah non-compliant by the SACSC, the Shariah Adviser or the Shariah boards of the relevant Islamic Indices will be disposed as soon as is practicable, i.e. in the event that on the announcement date or on an effective review date determined by the Shariah Adviser, the market price of the securities exceed or is equal to the investment cost. On the other hand, the Fund is allowed to hold its investment in these Shariah non-compliant securities if on the announcement date or on an effective review date determined by the Shariah Adviser, the market price is below the investment cost. These securities must be disposed once the total amount of dividends received and the market value of that security is equal to the original investment costs.

Any capital gains arising from the disposal of the Shariah non-compliant security made at the time of the announcement can be kept by the Fund. However, any excess capital gains derived from the disposal after the announcement day or after the effective review date at a market price that is higher than the closing price on the announcement day or on the effective review date is to be channelled to *baitulmal* and/or any charitable bodies as advised by the Shariah Adviser.

### **4. Zakat for the Fund**

The Funds do not pay *zakat* on behalf of Muslim individuals and Islamic legal entities who are investors of the Funds. Thus, investors are advised to pay *zakat* on their own.

## 2. RISK FACTORS

### 2.1 General Risks of Investing in Unit Trusts

The following are risks involved in investing in the respective Funds:

#### General Risks

##### a) Loan/Financing Risk

Investors should assess the inherent risk of investing with borrowed money or financing facility, which should include the following:

- The ability to service the loan repayments or financing instalments and the effect of increase in interest rates or profit rates on the loan repayments or financing instalments;
- If Units are used as collateral, investors may be required to provide additional collateral should the Fund's prices fall below a certain level; and
- The cost of investing with borrowed money or a financing facility may be greater than the return on investment in a Fund.

[Please see Unit Trust Loan Financing Risk Disclosure Statement in the application form. Should Muslim investors wish to finance the acquisitions of Islamic unit trust funds, they are advised to obtain one that is Shariah-compliant in nature.]

##### b) Management Risk

Poor management of the Fund may jeopardise the investment of each Unit Holder. Therefore, it is important for the Manager to set the investment policies and appropriate strategies to be in line with the investment objective before any investment activities can be considered. However, there can be no guarantee that these measures will produce the desired results.

##### c) Non-compliance Risk

This is the risk of the Manager not complying with the internal policies, the Deed, all applicable laws or guidelines issued by the regulators. This may occur as a result of system failure or the inadvertence of the Manager. The magnitude of such risk and its impact on the Fund and/or Unit Holders are dependent on the nature and severity of the non-compliance. Non-compliance may adversely affect a Fund especially if the investment of the Fund has to be disposed at a lower price to rectify the non-compliance.

**Investors are reminded that the above list of risks may not be exhaustive and if necessary, they should consult their adviser(s), e.g. their bankers, lawyers or stockbrokers for a better understanding of the risks.**

### 2.2 Specific Risks when Investing in the Funds

The following are specific risks involved in investing in the Funds:

#### **DF**

##### a) Stock Market Risk

Securities may decline in value due to factors affecting securities markets generally or particular industries represented in the securities markets. The value of a security may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investors' sentiment generally. They may also decline due to factors that affect a particular industry or industries, such as labour shortages or increased production costs and competitive conditions within an industry. Equity securities generally have greater price volatility than fixed income securities. The market price of securities owned by the Fund might go down or up, sometimes rapidly or unpredictably.

**b) Liquidity Risk**

Liquidity risk exists when particular investments are difficult to sell, possibly preventing the Fund from selling such illiquid securities at a favourable price. The Fund's principal investment strategies that involve securities or securities with substantial market and/or credit risk tend to have greater exposure to liquidity risk. As part of its risk management, the Manager will attempt to manage the liquidity of the Fund through asset allocation and diversification strategies within the portfolio. The Manager will also conduct constant fundamental research and analysis to forecast future liquidity of its investments.

**c) Individual Stock Risk**

The performance of each individual stock that the Fund invests in is dependent upon the management quality of the particular company and its growth potential. Hence, this would have an impact on the Fund's prices and its dividend income. The Manager aims to reduce all these risks by using diversification that is expected to reduce the volatility as well as the risk for the Fund's portfolio. In addition, the Manager will also perform continuous fundamental research and analysis to aid its active asset allocation management especially in its stock selection process.

**d) Issuer Risk**

The value of each individual fixed income securities that the Fund invests in may decline for a number of reasons which is directly related to the issuer, such as, the management performance, financial leverage and reduced demand for the issuer's goods or services. The Manager aims to reduce all these risks by using diversification that is expected to reduce the volatility as well as the risk for the Fund's portfolio.

**CF**

**a) Stock Market Risk**

Securities may decline in value due to factors affecting securities markets generally or particular industries represented in the securities markets. The value of a security may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investors' sentiment generally. They may also decline due to factors that affect a particular industry or industries, such as labour shortages or increased production costs and competitive conditions within an industry. Equity securities generally have greater price volatility than fixed income securities. The market price of securities owned by the Fund might go down or up, sometimes rapidly or unpredictably.

**b) Liquidity Risk**

Liquidity risk exists when particular investments are difficult to sell, possibly preventing the Fund from selling such illiquid securities at a favourable price. The Fund's principal investment strategies that involve securities or securities with substantial market and/or credit risk tend to have greater exposure to liquidity risk. As part of its risk management, The Manager will attempt to manage the liquidity of the Fund through asset allocation and diversification strategies within the portfolio. The Manager will also conduct constant fundamental research and analysis to forecast future liquidity of its investments.

**c) Individual Stock Risk**

The performance of each individual stock that the Fund invests in is dependent upon the management quality of the particular company and its growth potential. Hence, this would have an impact on the Fund's prices and its dividend income. The Manager aims to reduce all these risks by using diversification that is expected to reduce the volatility as well as the risk for the Fund's portfolio. In addition, the Manager will also perform continuous fundamental research and analysis to aid its active asset allocation management especially in its stock selection process.

**d) Issuer Risk**

The value of each individual fixed income securities that the Fund invests in may decline for a number of reasons which is directly related to the issuer, such as, the management performance,

financial leverage and reduced demand for the issuer's goods or services. The Manager aims to reduce all these risks by using diversification that is expected to reduce the volatility as well as the risk for the Fund's portfolio.

## **BF**

### **a) Interest Rate Risk**

Generally, bond prices move in the opposite direction of interest rates; a rise in interest rates will generally cause a fall in bond prices and vice versa. The Fund will experience a capital loss or capital gain should the bond be sold before maturity. In order to mitigate interest rates exposure of the Fund, the Manager will manage the duration of the portfolio via shorter or longer tenured assets depending on the view of the future interest rate trend of the Manager, which is based on its continuous fundamental research and analysis.

### **b) Credit and Default Risk**

This refers to the likelihood that the company issuing the bonds and/or financial institution where liquid assets of the Fund are deposited may default. Securities are subject to varying degrees of credit risk, which are often reflected in credit ratings. Municipal bonds are subject to the risk that litigation, legislation or other political events, local business or economic conditions, or the bankruptcy of an issuer could have a significant effect on the issuer's ability to make payments of principal and/or interest. The Fund could lose money if the issuer or guarantor of a fixed income security, or the counterpart to a derivatives contract, repurchase agreement or a loan of portfolio securities or a financial institution, is unable or unwilling to make timely principal and/or interest payments, or to otherwise honour its obligations. Credit risk can be managed by performing continuous fundamental credit research and analysis to ascertain the creditworthiness of its issuer and/or financial institution. This risk refers to the possibility that the issuer of an instrument and/or financial institution will not be able to make timely payments of interest or principal repayment on the maturity date, where applicable. This may lead to a default in the payment of principal and interest and ultimately a reduction in the value of the Fund.

### **c) Liquidity Risk**

Liquidity risk exists when particular investments are difficult to sell, possibly preventing the Fund from selling such illiquid securities at a favourable price. The Fund's principal investment strategies that involve securities or securities with substantial market and/or credit risk tend to have greater exposure to liquidity risk. As part of its risk management, the Manager will attempt to manage the liquidity of the Fund through asset allocation and diversification strategies within the portfolio. The Manager will also conduct constant fundamental research and analysis to forecast future liquidity of its investments.

### **d) Issuer Risk**

The value of each individual fixed income securities that the Fund invests in may decline for a number of reasons which is directly related to the issuer, such as, the management performance, financial leverage and reduced demand for the issuer's goods or services. The Manager aims to reduce all these risks by using diversification that is expected to reduce the volatility as well as the risk for the Fund's portfolio.

## **MDF**

### **a) Stock Market Risk**

Securities may decline in value due to factors affecting securities markets generally or particular industries represented in the securities markets. The value of a security may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investors' sentiment generally. They may also decline due to factors that affect a particular industry or industries, such as labour shortages or increased production costs and competitive conditions within an industry. Equity securities

generally have greater price volatility than fixed income securities. The market price of securities owned by the Fund might go down or up, sometimes rapidly or unpredictably.

**b) Liquidity Risk**

Liquidity risk exists when particular investments are difficult to sell, possibly preventing the Fund from selling such illiquid securities at a favourable price. The Fund's principal investment strategies that involve securities with substantial market and/or credit risk tend to have greater exposure to liquidity risk. As part of its risk management, the Manager will attempt to manage the liquidity of the Fund through asset allocation and diversification strategies within the portfolio. The Manager will also conduct constant fundamental research and analysis to forecast future liquidity of its investments.

**c) Individual Stock Risk**

The performance of each individual stock that the Fund invests in is dependent upon the management quality of the particular company and its growth potential. Hence, this would have an impact on the unit trust fund's prices and its dividend income. The Manager aims to reduce all these risks by using diversification that is expected to reduce the volatility as well as the risk for the Fund's portfolio. In addition, the Manager will also perform continuous fundamental research and analysis to aid its active asset allocation management especially in its stock selection process.

**d) Interest Rate Risk**

Generally, bond prices move in the opposite direction of interest rates; a rise in interest rates will generally cause a fall in bond prices and vice versa. The Fund will experience a capital loss or capital gain should the bond be sold before maturity. In order to mitigate interest rates exposure of the Fund, the Manager will manage the duration of the portfolio via shorter or longer tenured assets depending on the view of the future interest rate trend of the Manager, which is based on its continuous fundamental research and analysis.

**e) Credit and Default Risk**

This refers to the likelihood that the company issuing the bonds and/or financial institution where liquid assets of the Fund are deposited may default. Securities are subject to varying degrees of credit risk, which are often reflected in credit ratings. Municipal bonds are subject to the risk that litigation, legislation or other political events, local business or economic conditions, or the bankruptcy of an issuer could have a significant effect on the issuer's ability to make payments of principal and/or interest. The Fund could lose money if the issuer or guarantor of a fixed income security, or the counterpart to a derivatives contract, repurchase agreement or a loan of portfolio securities or a financial institution, is unable or unwilling to make timely principal and/or interest payments, or to otherwise honour its obligations. Credit risk can be managed by performing continuous fundamental credit research and analysis to ascertain the creditworthiness of its issuer and/or financial institution. This risk refers to the possibility that the issuer of an instrument and/or financial institution will not be able to make timely payments of interest or principal repayment on the maturity date, where applicable. This may lead to a default in the payment of principal and interest and ultimately a reduction in the value of the Fund.

**f) Issuer Risk**

The value of each individual fixed income securities that the Fund invests in may decline for a number of reasons which is directly related to the issuer, such as, the management performance, financial leverage and reduced demand for the issuer's goods or services. The Manager aims to reduce all these risks by using diversification that is expected to reduce the volatility as well as the risk for the Fund's portfolio.

**CMF**

**a) Interest Rate Risk**

Interest rate risk is crucial in this Fund since money market instruments and deposits portfolio management depends on forecasting interest rate movements. Interest rate changes could affect the Fund's portfolio adversely if the strategy taken by the portfolio manager differs from the



actual outlook of the interest rates market. In order to mitigate interest rates exposure of the Fund, the Manager will manage the duration of the portfolio via shorter or longer tenured money market instruments and deposits depending on the view of the future interest rate trend of the Manager, which is based on its continuous fundamental research and analysis.

**b) Inflation Risk**

Inflation reduces the purchasing power of money. Therefore in an inflationary environment, there is a possibility that income from money market instruments and deposits may not be able to keep up with inflation. This would reduce investors' purchasing power even though the value of the investment in monetary terms has increased.

**MF**

**a) Stock Market Risk**

Securities may decline in value due to factors affecting securities markets generally or particular industries represented in the securities markets. The value of a security may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investors' sentiment generally. They may also decline due to factors that affect a particular industry or industries, such as labour shortages or increased production costs and competitive conditions within an industry. Equity securities generally have greater price volatility than fixed income securities. The market price of securities owned by the Fund might go down or up, sometimes rapidly or unpredictably.

**b) Individual Stock Risk**

The performance of each individual stock that the Fund invests in is dependent upon the management quality of the particular company and its growth potential. Hence, this would have an impact on the Fund's prices and its dividend income. The Manager aims to reduce all these risks by using diversification that is expected to reduce the volatility as well as the risk for the Fund's portfolio. In addition, the Manager will also perform continuous fundamental research and analysis to aid its active asset allocation management especially in its stock selection process.

**c) Liquidity Risk**

Liquidity risk exists when particular investments are difficult to sell, possibly preventing the Fund from selling such illiquid securities at a favourable price. The Fund's principal investment strategies that involve derivatives or securities with substantial market and/or credit risk tend to have greater exposure to liquidity risk. As part of its risk management, the Manager will attempt to manage the liquidity of the Fund through asset allocation and diversification strategies within the portfolio. The Manager will also conduct constant fundamental research and analysis to forecast future liquidity of its investments.

**d) Issuer Risk**

The value of each individual sukuk that the Fund invests in may decline for a number of reasons which is directly related to the issuer, such as, the management performance, financial leverage and reduced demand for the issuer's goods or services. The Manager aims to reduce all these risks by using diversification that is expected to reduce the volatility as well as the risk for the Fund's portfolio.

**e) Interest Rate Risk**

Generally, sukuk prices move in the opposite direction of interest rates; a rise in interest rates will generally cause a fall in sukuk prices and vice versa. The Fund will experience a capital loss or capital gain should the sukuk be sold before maturity. The interest rate risk here refers to the general interest rate risk of the country which may affect the value of the Fund's investments even if the Fund does not invest in interest bearing instruments.

The sukuk indicative rate is influenced by the yield curve of the conventional interest rates. Thus, any movement in the conventional interest rates may be reflected in the indicative rates of sukuk

as well.

However, this does not in any way suggest that the Fund will invest in conventional fixed income securities where interest rates apply. All the investments carried out for the Fund will be in accordance with Shariah principles. In order to mitigate interest rates exposure of the Fund, the Manager will manage the duration of the portfolio via shorter or longer tenured assets depending on the view of the future interest rate trend of the Manager, which is based on its continuous fundamental research and analysis.

**f) Credit and Default Risk**

This refers to the likelihood that the company issuing the sukuk and/or financial institution where liquid assets of the Fund are deposited may default. Securities are subject to varying degrees of credit risk, which are often reflected in credit ratings. Shariah-compliant municipal sukuk are subject to the risk that litigation, legislation or other political events, local business or economic conditions, or the bankruptcy of an issuer could have a significant effect on the issuer's ability to make payments of principal and/or profit. The Fund could lose money if the issuer or guarantor of a sukuk, or the counterpart to a derivatives contract, repurchase agreement or a financial institution, is unable or unwilling to make timely principal and/or profit payments, or to otherwise honour its obligations. Credit risk can be managed by performing continuous fundamental credit research and analysis to ascertain the creditworthiness of its issuer and/or financial institution. This risk refers to the possibility that the issuer of an instrument and/or financial institution will not be able to make timely payments of profit or principal repayment on the maturity date, where applicable. This may lead to a default in the payment of principal and profit and ultimately a reduction in the value of the Fund.

**g) Shariah Specific Risk**

The risk that the investments do not conform to the principle of Shariah may result in those investments being not Shariah-compliant. Should the situation arise, the Manager will need to take the necessary steps to dispose of such investments in accordance with the rules of divestment of non Shariah-compliant investments. If this occurs, the Fund could suffer losses from the disposal and thus, adversely affecting the value of the Fund.

**IBF**

**a) Credit and Default Risk**

This refers to the likelihood that the company issuing the sukuk and/or financial institution where liquid assets of the Fund are deposited may default. Securities are subject to varying degrees of credit risk, which are often reflected in credit ratings. Shariah-compliant municipal sukuk are subject to the risk that litigation, legislation or other political events, local business or economic conditions, or the bankruptcy of an issuer could have a significant effect on the issuer's ability to make payments of principal and/or profit. The Fund could lose money if the issuer or guarantor of a sukuk, or the counterpart to a derivatives contract, repurchase agreement or a financial institution, is unable or unwilling to make timely principal and/or profit payments, or to otherwise honour its obligations. Credit risk can be managed by performing continuous fundamental credit research and analysis to ascertain the creditworthiness of its issuer and/or financial institution. This risk refers to the possibility that the issuer of an instrument and/or financial institution will not be able to make timely payments of profit or principal repayment on the maturity date, where applicable. This may lead to a default in the payment of principal and profit and ultimately a reduction in the value of the Fund.

**b) Issuer Risk**

The value of each individual sukuk that the Fund invests in may decline for a number of reasons which is directly related to the issuer, such as, the management performance, financial leverage and reduced demand for the issuer's goods or services. The Manager aims to reduce all these risks by using diversification that is expected to reduce the volatility as well as the risk for the Fund's portfolio.

c) Interest Rate Risk

Generally, sukuk prices move in the opposite direction of interest rates; a rise in interest rates will generally cause a fall in sukuk prices and vice versa. The Fund will experience a capital loss or capital gain should the sukuk be sold before maturity. The interest rate risk here refers to the general interest rate risk of the country which may affect the value of the Fund's investments even if the Fund does not invest in interest bearing instruments.

The sukuk indicative rate is influenced by the yield curve of the conventional interest rates. Thus, any movement in the conventional interest rates may be reflected in the indicative rates of sukuk as well.

However, this does not in any way suggest that the Fund will invest in conventional fixed income securities where interest rates apply. All the investments carried out for the Fund will be in accordance with Shariah principles. In order to mitigate interest rates exposure of the Fund, the Manager will manage the duration of the portfolio via shorter or longer tenured assets depending on the view of the future interest rate trend of the Manager, which is based on its continuous fundamental research and analysis.

d) Liquidity Risk

Liquidity risk exists when particular investments are difficult to sell, possibly preventing the Fund from selling such illiquid securities at a favourable price. The Fund's principal investment strategies that involve derivatives or securities with substantial market and/or credit risk tend to have greater exposure to liquidity risk. As part of its risk management, the Manager will attempt to manage the liquidity of the Fund through asset allocation and diversification strategies within the portfolio. The Manager will also conduct constant fundamental research and analysis to forecast future liquidity of its investments.

e) Shariah Specific Risk

The risk that the investments do not conform to the principle of Shariah may result in those investments being not Shariah-compliant. Should the situation arise, the Manager will need to take the necessary steps to dispose of such investments in accordance with the rules of divestment of non Shariah-compliant investments. If this occurs, the Fund could suffer losses from the disposal and thus, adversely affecting the value of the Fund.

## **ICMF**

a) Interest Rate Risk

Interest rate risk is crucial in this Fund since Islamic money market instruments and Islamic deposits portfolio management depends on forecasting interest rate movements. Interest rate changes could affect the Fund's portfolio adversely if the strategy taken by the portfolio manager differs from the actual outlook of the interest rates market. This risk will be mitigated via shorter or longer tenured Islamic money market instruments and Islamic deposits depending on the Manager's forward looking view of the interest rate trend. Even though the Fund does not invest in interest bearing instruments, the interest rate referred herein is to the general interest rate of the country which may affect the value of the investment of the Fund. The interest rate risk here refers to the general interest rate risk of the country which may affect the value of investment even if the Fund does not invest in interest bearing instruments.

b) Credit and Default Risk

This risk refers to the possibility that the issuer of a particular investment will not be able to make timely or full payments of principal or income due on that investment. In the case of the Fund, the Manager will endeavour to mitigate this risk by selecting only issuers with prescribed and acceptable credit ratings. The minimum credit rating for rated instruments to be invested by the Fund shall be "A" by Malaysian Rating Corporation Berhad or equivalent rating by any other similar rating agencies. In the event of a credit downgrade of a particular instrument below the minimum stipulated, the Manager will endeavour to take the necessary steps to divest that instrument within a time frame deemed reasonable by the Manager. However, in order to best

protect the interests of the Fund, the Manager has the discretion to take into consideration all relevant factors that affect the value of the investment before deciding on the manner and time frame of its liquidation.

**c) Inflation Risk**

Inflation reduces the purchasing power of money. Therefore in an inflationary environment, there is a possibility that income from Islamic money market and Islamic deposits may not be able to keep up with inflation. This would reduce investors' purchasing power even though the value of the investment in monetary terms has increased.

**d) Shariah Specific Risk**

The risk that the investments do not conform to the principle of Shariah may result in those investments being not Shariah-compliant. Should the situation arise, the Manager will need to take the necessary steps to dispose of such investments in accordance with the rules of divestment of non Shariah-compliant investments. If this occurs, the Fund could suffer losses from the disposal and thus, adversely affecting the value of the Fund.

**DVEF**

**a) Stock Market Risk**

Securities may decline in value due to factors affecting securities markets generally or particular industries represented in the securities markets. The value of a security may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investors' sentiment generally. They may also decline due to factors that affect a particular industry or industries, such as labour shortages or increased production costs and competitive conditions within an industry. Equity securities generally have greater price volatility than fixed income securities. The market price of securities owned by the Fund might go down or up, sometimes rapidly or unpredictably.

**b) Currency Risk**

As the Fund invests overseas, fluctuations in the denominated currencies of the foreign shares and fixed income securities/debentures it invests in may affect the price of the units. The Manager could utilise two pronged approaches in order to mitigate the currency risk. Firstly by spreading the investments across differing currencies (i.e. diversification) and secondly by hedging the currencies when it is deemed necessary.

**c) Country Risk**

The stock prices may be affected by the political and economic conditions of the country in which the stocks are listed. To mitigate these risks, the Manager will select securities that spread across countries within its portfolio in an attempt to avoid such events. Decision on diversification will be based on its constant fundamental research and analysis on the global markets.

**d) Liquidity Risk**

Liquidity risk exists when particular investments are difficult to sell, possibly preventing the Fund from selling such illiquid securities at a favourable price. The Fund's principal investment strategies that involve foreign securities, derivatives or securities with substantial market and/or credit risk tend to have greater exposure to liquidity risk. As part of its risk management, the Manager will attempt to manage the liquidity of the Fund through asset allocation and diversification strategies within the portfolio. The Manager will also conduct constant fundamental research and analysis to forecast future liquidity of its investments.

**e) Sector Risk**

Securities may decline in value due to factors affecting the securities markets generally. The value of a security in a particular sector may decline due to general market conditions, such as real or perceived adverse economic conditions, cyclical or seasonal changes in the industry,

technological changes within the industry, changes in the general outlook of the industry, corporate earnings, or adverse investors' sentiment generally. The Manager will endeavour to mitigate such risks by investing in a portfolio that diversifies the Fund's assets within that sector. This is expected to reduce the volatility as well as the risk for the Fund's portfolio.

**f) Interest Rate Risk**

Generally, bond prices move in the opposite direction of interest rates; a rise in interest rates will generally cause a fall in bond prices and vice versa. The Fund will experience a capital loss or capital gain should the bond be sold before maturity. In order to mitigate interest rates exposure of the Fund, the Manager will manage the duration of the portfolio via shorter or longer tenured assets depending on the view of the future interest rate trend of the Manager, which is based on its continuous fundamental research and analysis.

**g) Credit and Default Risk**

This refers to the likelihood that the company issuing the bonds and/or financial institution where liquid assets of the Fund are deposited may default. Securities are subject to varying degrees of credit risk, which are often reflected in credit ratings. Municipal bonds are subject to the risk that litigation, legislation or other political events, local business or economic conditions, or the bankruptcy of an issuer could have a significant effect on the issuer's ability to make payments of principal and/or interest. The Fund could lose money if the issuer or guarantor of a fixed income security, or the counterpart to a derivatives contract, repurchase agreement or a loan of portfolio securities or a financial institution, is unable or unwilling to make timely principal and/or interest payments, or to otherwise honour its obligations. Credit risk can be managed by performing continuous fundamental credit research and analysis to ascertain the creditworthiness of its issuer and/or financial institution. This risk refers to the possibility that the issuer of an instrument and/or financial institution will not be able to make timely payments of interest or principal repayment on the maturity date, where applicable. This may lead to a default in the payment of principal and interest and ultimately a reduction in the value of the Fund.

**h) Issuer Risk**

The value of each individual fixed income securities that the Fund invests in may decline for a number of reasons which is directly related to the issuer, such as, the management performance, financial leverage and reduced demand for the issuer's goods or services. The Manager aims to reduce all these risks by using diversification that is expected to reduce the volatility as well as the risk for the Fund's portfolio.

**i) Inflation / Purchasing Power Risk**

Inflation can be defined as increases of price level of goods and services and is commonly reported using the consumer price index as a measure. Inflation is one of the major risks to investors over the long term and results in uncertainty over the future value of the investments. Inflation reduces purchasing power of money. In an inflationary environment, fixed rate securities are exposed to higher inflation risks than inflation-linked securities. This risk can be minimised by investing in securities that can provide positive real rate of return.

**j) Regulatory Risk**

Any changes in national policies and regulations may have an effect on the capital markets in which the Fund is investing. If this occurs there is a possibility that the Unit price of the Fund may be adversely affected.

**ATRF**

As the Fund may invest up to 100% of its NAV in a target fund, i.e. United Asian Bond Fund, it is subject to the management risk of the investment manager of United Asian Bond Fund. Poor management of the United Asian Bond Fund will jeopardize the investment of the Fund in the United Asian Bond Fund and in turn, the Unit Holders' investment through the loss of capital invested in the Fund.

a) Currency Risk

The Fund invests at least 95% of its NAV in a target fund, i.e. the United Asian Bond Fund, which is denominated in SGD. Fluctuations in foreign exchange rate between SGD and Ringgit Malaysia will affect the value of the Fund's foreign investments when converted to local currency and subsequently the value of Unit Holders' investment.

As such, the performance of the Fund will also be affected by the movements in the exchange rate between SGD and Ringgit Malaysia.

b) Liquidity Risk

The Fund invests at least 95% of its NAV in a target fund, i.e. the United Asian Bond Fund. The liquidity risk that exists at the Fund level is associated with the inability of the United Asian Bond Fund to meet large redemption requests in a timely manner. This is related to the risk of substantial redemptions.

c) Income Distribution Risk

Income distribution from the Fund is not guaranteed, it is subject to the income distribution of the United Asian Bond Fund. Furthermore, as per the Guidelines on Unit Trust Funds, distribution of income of the Fund should only be made from realised gains or realised income of the Fund. Under the circumstances where there are no realised gains or realised income of the United Asian Bond Fund, the Fund may not be able to distribute income. As such, it should be noted that the distribution of income is not guaranteed.

d) Risk of Substantial Redemptions

The Fund invests at least 95% of its NAV in a target fund, i.e. the United Asian Bond Fund. The redemption requests made by the investors of the Fund will also be requested by the Fund to the United Asian Bond Fund.

The United Asian Bond Fund imposes a 10% limit of realisation on any particular day when requests for redemption of units exceed 10% of the total number of units that has been issued on the United Asian Bond Fund (10% limit of realisation). As such, any substantial requests from the Fund may trigger this 10% limit of realisation.

When this 10% limit of realisation has been triggered, this may lead to investors of the Fund not being able to receive their redemption proceeds within 10 days from the date of their redemption requests. For more details, please refer to the explanation below on the suspension of NAV calculation or limitation of redemption payments.

e) Suspension of NAV Calculation or Limitation of Redemption Payments

As further described in the prospectus of the United Asian Bond Fund, the United Asian Bond Fund may in certain circumstances impose a limit of realisation on any particular day when requests for redemption of units exceed 10% of the total number of units that has been issued on the United Asian Bond Fund. Once the requests for redemption of units exceed 10% of the total number of units that has been issued on the United Asian Bond Fund (10% limit of realisation), any redemption requests received by the United Asian Bond Fund will be pro-rated accordingly to all unit holders who are redeeming their units in the United Asian Bond Fund. This pro-rated action will continue until the 10% limit of realisation is no longer breached.

As a result, part or all of such requests for redemption may be deferred for a period typically not exceeding ten (10) business day of the United Asian Bond Fund beginning from the day the 10% limit of realisation is imposed by the United Asian Bond Fund. If such circumstances arise on any Business Day upon notification from the investment manager of the United Asian Bond Fund, the Manager may not be able to redeem its investments in the United Asian Bond Fund in order to meet any repurchase of Units requests from the Unit Holders within ten (10) days of receiving the redemption requests.

### **Illustration: Application of the 10% limit on redemption/repurchase of units**

Hypothetical figures are used for the purposes of this illustration.

#### **30<sup>th</sup> of September**

Assuming that there was a substantial amount of redemption requests made by several investors of the United Asian Bond Fund. The fund manager of the United Asian Bond Fund may limit the number of units which can be redeemed to 10% of the total number of units then in issue in the United Asian Bond Fund on that business day of the United Asian Bond Fund (10% limit of realisation).

As such, if the 10% limit of realisation has been imposed by the United Asian Bond Fund i.e. when the requests for redemption of units of the United Asian Bond Fund exceed 10% of the total number of units that has been issued on the United Asian Bond Fund, any redemption requests received by the United Asian Bond Fund will be pro-rated accordingly to all unit holders of the United Asian Bond Fund who are redeeming their units in the United Asian Bond Fund. This pro-rated action will continue until the 10% limit of realisation is no longer breached. As a result, the United Asian Bond Fund will have to stagger its redemption proceeds with redemptions to be calculated based on several valuation points ("Deferred Redemption Requests").

#### **1<sup>st</sup> of October**

On 1<sup>st</sup> October, Investor A placed a redemption request for 900,000 Units of the Fund and Investor B placed a redemption request for 100,000 Units (which sums up to 1,000,000 units of the United Asian Bond Fund).

The Manager will submit redemption request of the 1,000,000 units to the United Asian Bond Fund (i.e. redemption requests from Investor A and B).

In view of the Deferred Redemption Requests which has been lined up before the redemption request of the Fund to the United Asian Bond Fund (i.e. for the redemption requests for Investor A and B) and with the imposition of the 10% limit on redemption requests, the Deferred Redemption Requests would be given priority over requests subsequently received from Investor A and Investor B.

#### **10<sup>th</sup> of October**

Assuming that the Deferred Redemption Requests could only be fully fulfilled on 9<sup>th</sup> of October. As such, the redemption requests made by Investor A and B, that was submitted to the Fund and where the Fund also submitted the redemption requests to the United Asian Bond Fund on 1<sup>st</sup> October, will only be processed the following business day of the United Asian Bond Fund (i.e. 10<sup>th</sup> of October), subject to the 10% limit of realisation.

Let us assume that the RM equivalent of the net asset value per unit of the United Asian Bond Fund is RM0.5000.

Based on the above, the requested redemption amount is	=	Units redeemed x net asset value per unit
	=	1,000,000 units x RM0.5000
	=	RM500,000

Let us assume that the RM equivalent of the net asset value of the United Asian Bond Fund is RM4,000,000. At the time of these redemption requests, the redemption requests as a percentage of the net asset value of the United Asian Bond Fund works out to be:

=	RM500,000
	RM4,000,000

$$= 12.5\%$$

Since the redemption request from Investor A and B are above 10% of the United Asian Bond Fund's net assets value, the fund manager of the United Asian Bond Fund may limit the number of units which can be redeemed to 10% of the United Asian Bond Fund's net asset value on that business day of the United Asian Bond Fund, which works out to be:

$$\begin{aligned} &= \text{RM}4,000,000 \times 10\% &= \text{RM}400,000 \\ &= \frac{\text{RM}400,000}{\text{RM}0.5000} &= 800,000 \text{ units} \end{aligned}$$

If the manager of the United Asian Bond Fund decide to impose such 10% limit on that business day of the United Asian Bond Fund, then on 10<sup>th</sup> of October, a portion of the redemption requests received from Investor A and B will be executed for an aggregate amount of 800,000 units, i.e. 720,000 units redeemed for Investor A and 80,000 units redeemed for Investor B. The proceeds from 800,000 units redeemed will be paid within fifteen (15) Business Days from the Manager's receipt of the redemption request:

$$\begin{aligned} &= \text{Amount redeemed from the Fund} - \text{Repurchase Charge incurred} \\ &= \text{RM}400,000 - \text{RM}0 \\ &= \text{RM}400,000 \end{aligned}$$

### 11<sup>th</sup> of October

Assuming that no other investors of the United Asian Bond Fund placed a redemption request on that business day of the United Asian Bond Fund. So for that day, there is only the outstanding redemption request of 200,000 units of the United Asian Bond Fund (180,000 units redemption request carried over for Investor A and 20,000 units carried over for Investor B).

And let us assume that the RM equivalent of the net asset value per unit of the United Asian Bond Fund has remained unchanged from the previous day (i.e. RM equivalent of RM0.5000).

$$\begin{aligned} \text{Based on the above, the total outstanding redemption request is} &= \text{Units redeemed} \times \text{net asset value per unit} \\ &= 200,000 \text{ units} \times \text{RM}0.5000 \\ &= \text{RM}100,000 \end{aligned}$$

The RM equivalent of the net asset value of the United Asian Bond Fund as at 11<sup>th</sup> of October is RM3,600,000, after deducting the redemption from the previous day. The redemption requests received on 11<sup>th</sup> of October as a percentage of the net asset value of the United Asian Bond Fund works out to be:

$$\begin{aligned} &= \frac{\text{RM}100,000}{\text{RM}3,600,000} \\ &= 0.03\% \end{aligned}$$

As Investor A and Investor B have redemption requests carried over from the previous business day of the United Asian Bond Fund and the total outstanding redemption requests are less than 10% of the United Asian Bond Fund, their outstanding redemption requests will be executed and fulfilled in full. As such, 180,000 units will be redeemed for Investor A and 20,000 units for Investor B. The proceeds from 200,000 units redeemed will be paid within fifteen (15) Business Days from the Managers' receipt of the redemption request. However, should the United Asian Bond Fund extend the period of the payment of the redemption proceeds beyond ten (10) business days, the Manager will pay the investors five (5) Business Days after obtaining the redemption proceeds from the United Asian Bond Fund.



Note: This is an illustration on how redemption proceeds can be staggered and disbursed. The United Asian Bond Fund may choose to disburse the redemption proceeds in staggered basis. Investor's redemption request may be staggered over several Business Days should there be other successive large redemption requests placed at the same time (which the aggregate exceed 10% of the United Asian Bond Fund's net asset value). In such situation, redemption orders may be accepted on a pro-rata basis and that deferred redemption request will be given priority over requests subsequently received.

Furthermore, investments of United Asian Bond Fund are subject to the following risks:

i) Market Risk

Investors will be exposed to market risk in the Asian bond markets. 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 the securities which in turn may cause the prices of units in the United Asian Bond Fund to rise or fall.

ii) Foreign Exchange and Currency Risk

The United Asian Bond Fund which is denominated in SGD may have exposure, either directly or indirectly, to a wide range of currencies. Where the United Asian Bond Fund makes investments which are denominated in a foreign currency, fluctuations in the exchange rates of other currencies against the SGD may affect the value of units of United Asian Bond Fund. In the management of the United Asian Bond Fund, the manager of the United Asian Bond Fund adopts an active currency management approach. However, the foreign currency exposure of the United Asian Bond Fund may not be fully hedged depending on the circumstances of each case. Such considerations shall include but are not limited to the outlook on the relevant currency, the costs of hedging and the market liquidity of the relevant currency.

Additionally, the United Asian Bond Fund has classes of units that are denominated in currencies other than the base currency of the United Asian Bond Fund. Changes in the exchange rate between the base currency of the United Asian Bond Fund and the denominated currency of another class may lead to an appreciation or depreciation of the value of the units of the class, as expressed in the denominated currency of the class and depending on the movement in exchange rates between the base currency and the denominated currency of the other class. Where a class of units is designated in a currency other than the base currency of the United Asian Bond Fund, the manager of the United Asian Bond Fund may or may not mitigate the exchange rate risk by hedging such foreign currency exposure to the extent of the net asset value attributed to such class.

Although the financial instrument used to mitigate the risk is not in relation to the other classes of units (if any) within the United Asian Bond Fund, the financial instrument will comprise the assets (or liabilities) of the United Asian Bond Fund as a whole. The gains (or losses) on and the costs of the relevant financial instruments will, however, accrue solely to the relevant class of units of the United Asian Bond Fund.

*Note: The risks relating to classes of units of United Asian Bond Fund that are denominated in currencies other than SGD, the base currency of the United Asian Bond Fund are not applicable to the Fund. This is because the Fund invests in SGD class of the United Asian Bond Fund.*

iii) Political Risk

The United Asian Bond Fund's investments 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.

iv) Derivatives Risk

The United Asian Bond Fund which use or invest in financial derivative instruments will be subject to risks associated with such investments. These financial derivative instruments include

but are not limited to foreign exchange forward contracts. An investment 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 the required margin is not provided in time, the investment may be liquidated at a loss. Therefore, it is essential that such investments in financial derivative instruments are monitored closely. The manager of the United Asian Bond Fund has the controls for investments in financial derivative instruments and has in place systems to monitor the derivatives positions of the United Asian Bond Fund.

v) Liquidity Risk

Investments by the United Asian Bond Fund 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 markets.

vi) Small and Medium Capitalisation Companies Risk

Investments in companies with small or medium capitalisation generally carry greater risk than is customarily associated with companies with larger capitalisation. Examples of such risks are less public information, more limited financial resources and product lines, greater volatility, higher risk of failure than larger companies and less liquidity. This may result in greater volatility in the share prices of such companies. Investors should be aware that investments in single country, sector or regional funds which may present greater opportunities and potential for capital appreciation may be subject to higher risks as they may be less diversified than a global portfolio.

vii) Debt Securities Risk

The United Asian Bond Fund will invest in non-investment grade fixed income securities as well as fixed income securities which are of investment grade as rated by Standard and Poor's Ratings Services, Moody's Investors Service or Fitch Ratings, or an equivalent reputable rating agency. Non-investment grade fixed income securities would include those securities having a long term credit rating of below "BBB-" by Standard and Poor's Ratings Services, "Baa3" by Moody's Investors Service, "BBB-" by Fitch Ratings, or their equivalent.

Investments in bonds and other debt securities are subject to interest rate fluctuations and credit risks, such as risk of default by issuers.

Interest rate risks will arise from unexpected changes in the term structure of interest rates, which are in turn dependent on general economic conditions. In general, the prices of debt securities are subject to interest rate fluctuations, and the prices of debt securities may go up or down in response to such fluctuations in interest rates. In addition, such investments are subject to the specific ability of the issuers of such securities to meet their debt obligations and are hence dependent on the financial health of the issuers, which may change adversely over time due to their specific business conditions and general market conditions. Thereby, adverse changes in the financial condition of the issuer of the debt securities which the United Asian Bond Fund is invested in, or in general economic conditions, or both, or an unanticipated rise in interest rates, may increase the potential for default.

viii) Regional Risk

The United Asian Bond Fund may present greater opportunities and potential for capital appreciation, but may be subject to higher risks as it may be less diversified than a multi-regional portfolio.

ix) Counterparty Risk

Where the United Asian Bond Fund enters into over-the-counter transactions, United Asian Bond Fund is exposed to the risk that a counterparty may default on its obligations to perform under the relevant contract. If a counterparty becomes bankrupt or insolvent, the United Asian Bond Fund

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 the United Asian Bond Fund seeks to enforce its rights. The United Asian Bond Fund 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 risk that the contracts may be terminated earlier due to, for instance, bankruptcy, supervening illegality or change in the tax or accounting laws relative to those laws existing at the time the contracts were entered into.

x) Broker Risk

The manager of United Asian Bond Fund may engage the services of third party securities brokers and dealers to acquire or dispose the investments of the United Asian Bond Fund 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 United Asian Bond Fund considers, amongst other things, the range and quality of the professional services provided by such brokers and dealers and its credit standing and the licensing or regulated status.

It is possible that the brokers or dealers engaged for the United Asian Bond Fund may encounter financial difficulties that may impair the operational capabilities of United Asian Bond Fund. If a broker or dealer fails or becomes insolvent, there is a risk that the United Asian Bond Fund's orders may not be transmitted or executed and its outstanding trades made through the broker or dealer may not settle.

xi) Risk of Use of Rating Agencies and Other Third Parties

Credit ratings of instruments invested into by the United Asian Bond Fund represent the United Asian Bond Fund's manager's and/or rating agencies' opinion regarding the credit quality of the instruments or the issuers and are not a guarantee of quality. Rating methodologies generally rely on historical data, which may not be predictive of future trends and adjustments to credit ratings in response to subsequent change of circumstances may take time.

The manager of United Asian Bond Fund is entitled to rely, without independent investigation, upon pricing information and valuations furnished to the United Asian Bond Fund by third parties, including pricing services providers and independent brokers/dealers. Their accuracy depends on these parties' methodology, due diligence and timely response to changing conditions. The manager of United Asian Bond Fund cannot be held responsible for any failures by such parties in their valuations.

xii) Risk Relating to Distributions

The United Asian Bond Fund may from time to time make distributions to unit holders. Such distributions are at the absolute discretion of the manager of United Asian Bond Fund and are not guaranteed. Distributions may be made from dividend/interest income and capital gains derived from the investments of the United Asian Bond Fund. Dividend/interest income may be adversely affected by events such as (but not limited to) investee entities suffering unexpected losses and/or paying lower than expected dividends, and adverse currency exchange rate fluctuations. In the event that distributable income and/or capital gains are insufficient, distributions may be made out of the capital of the United Asian Bond Fund. The declaration and/or payment of distributions (whether out of income, capital gains, capital or otherwise) may have the effect of lowering the net asset value of the United Asian Bond Fund. Moreover, distributions out of the capital of the United Asian Bond Fund may amount to a reduction of part of the unit holder's original investment. Distributions may also result in reduced future returns to the unit holders.

xiii) Investment Management Risk

Investment performance depends on the portfolio management team and the team's investment strategies. If the investment strategies do not perform as expected, if opportunities to implement those strategies do not arise, or if the team does not implement its investment strategies successfully, an investment portfolio may underperform or suffer significant losses.

**The above is not an exhaustive list of the risks which investors should consider before investing in the Fund that invests principally in the United Asian Bond Fund. Investments in the United Asian Bond Fund may be exposed to other risks of an exceptional nature from time to time.**

The risk management strategies and techniques employed by the Fund will be at the target fund level, United Asian Bond Fund as elaborated in section 1.10.8 (h).

#### **USEF**

Since a large portion of the NAV is invested in the Goldman Sachs US Equity Portfolio, investment into the Fund assumes the risks inherent in the Goldman Sachs US Equity Portfolio.

The specific risks to investors when investing in the Fund include the following:

**a) Investment Manager Risk**

As this Fund invests at least 95% of its NAV in the Goldman Sachs US Equity Portfolio, it is subject to risk associated with the investment manager of the Goldman Sachs US Equity Portfolio. This is the risk associated with the following:-

- (i) The risk that the investment manager may under-perform the target or the benchmark of the Goldman Sachs US Equity Portfolio due to the investment manager making poor forecasts of the performances of securities, asset classes or markets;
- (ii) The risk of non-adherence to the investment objectives, strategy and policies of the Goldman Sachs US Equity Portfolio, which may occur due to system failure or the inadvertence of the investment manager; and
- (iii) The risk of direct or indirect losses resulting from inadequate or failed operational and administrative processes, systems and people.

The Manager has no control over the investment manager's investment strategy, techniques and capabilities, operational controls and management of the Goldman Sachs US Equity Portfolio. Any mismanagement of the Goldman Sachs US Equity Portfolio may negatively affect the NAV of the Fund. In the event of such occurrence, the Manager would seek an alternative investment manager and/or other target fund that is consistent with the objective of the Fund.

**b) Market Risk**

The value of the instruments in which the Goldman Sachs US Equity Portfolio invests, may go up or down in response to the prospects of individual companies and/or prevailing economic conditions. Movement of overseas markets may also have an impact on the local markets.

**c) Currency Risk**

The Fund invests at least 95% of its NAV in the Goldman Sachs US Equity Portfolio denominated in USD. 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. When USD moves unfavourably against the Ringgit, these investments will suffer currency losses. This is in addition to any capital gains or losses in the investment (please note that capital gains or losses in the Fund's investment in the Goldman Sachs US Equity Portfolio is also exposed to currency gains or losses resulting from fluctuations in the foreign exchange rates between USD and the other currencies which the Goldman Sachs US Equity Portfolio may be exposed to). The Manager may utilise the hedging of currencies to mitigate this risk.

**d) Liquidity Risk**

The liquidity risk that exists at the Fund level is associated with the inability of the Goldman Sachs US Equity Portfolio to meet large redemption in a timely manner. In the event of large redemption request that would result in the total redemption shares in the Goldman Sachs US Equity Portfolio to be more than 10% of the shares in the Goldman Sachs US Equity Portfolio or a particular share class of the Goldman Sachs US Equity Portfolio, part or all of such requests for

redemption may be deferred for a period typically not exceeding ten business days of the Goldman Sachs US Equity Portfolio. However, should the Goldman Sachs US Equity Portfolio extend the period of the payment of the redemption proceeds beyond ten (10) business days, the Manager will pay the investors five (5) Business Days after obtaining the redemption proceeds from the Goldman Sachs US Equity Portfolio.

**e) Regulatory Risk**

Any changes in national policies and regulations may have an effect on the capital markets in which the Goldman Sachs US Equity Portfolio is investing. If this occurs, there is a possibility that the unit price of the Fund may be adversely affected.

**f) Risk of Substantial Redemptions**

Substantial redemptions of shares within a limited period of time could require the Goldman Sachs US Equity Portfolio to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the value of the shares of the Goldman Sachs US Equity Portfolio. This risk may be exacerbated where an investment with a fixed life or where investments utilizing hedging techniques is made by the Goldman Sachs US Equity Portfolio.

**g) Suspension of NAV Calculation / Limitation of Redemption Payments**

The umbrella fund of the Goldman Sachs US Equity Portfolio may in certain circumstances temporarily suspend the determination of the net asset value per share of the Goldman Sachs US Equity Portfolio or a specific share class of the Goldman Sachs US Equity Portfolio and the issue, redemption or exchange of shares or a particular share class in the Goldman Sachs US Equity Portfolio.

As further described in the prospectus of the Goldman Sachs US Equity Portfolio, if on any given date requests for redemption of shares relate to more than 10% of the shares in the Goldman Sachs US Equity Portfolio or a particular share class of the Goldman Sachs US Equity Portfolio, part or all of such requests for redemption may be deferred for a period typically not exceeding ten (10) business days of the Goldman Sachs US Equity Portfolio.

**Illustration: Application of the 10% limit on redemption / repurchase of shares of the Goldman Sachs US Equity Portfolio**

Hypothetical figures are used for the purposes of this illustration.

**30<sup>th</sup> of September**

Let us assume that there was a substantial amount of redemption requests made by several investors in the Goldman Sachs US Equity Portfolio. The board of directors of the umbrella fund of the Goldman Sachs US Equity Portfolio may limit the number of shares which can be redeemed to 10% of the Goldman Sachs US Equity Portfolio's net asset value on that business day of the Goldman Sachs US Equity Portfolio.

As such, if total redemption requests are in excess of the 10% limit, these orders may be accepted on a pro-rata basis in order to limit the total redemptions to 10%. The remaining of these redemption requests will be deferred and executed on the following business day of the Goldman Sachs US Equity Portfolio to the extent they represent no greater than 10% of the net asset value of the Goldman Sachs US Equity Portfolio ("Deferred Redemption Requests").

**1<sup>st</sup> of October**

Assuming Investor A placed a redemption request for 900,000 Units and Investor B placed a

redemption request for 100,000 Units (which sums up to 1,000,000 units of the Goldman Sachs US Equity Portfolio). Due to the Deferred Redemption Requests lined up before Investor A and B and the 10% limit on redemption requests imposed, no redemption proceeds were paid to Investor A and B as the Deferred Redemption Requests would be given priority over requests subsequently received (from Investor A and Investor B).

### **10<sup>th</sup> of October**

Assuming the Deferred Redemption Requests could only be completely paid out by the 9<sup>th</sup> of October. Therefore, redemption requests made by Investor A and B will only be processed on the following business day of the Goldman Sachs US Equity Portfolio (i.e. the 10<sup>th</sup> of October), again, to the extent possible.

Let us assume that the RM equivalent of the net asset value per unit of the Goldman Sachs US Equity Portfolio is RM0.5000.

$$\begin{aligned}
 \text{Based on the above, the requested redemption amount is} &= \text{Units redeemed} \times \text{NAV per unit} \\
 &= 1,000,000 \text{ units} \times \text{RM0.5000} \\
 &= \text{RM500,000}
 \end{aligned}$$

Let us assume that the RM equivalent of the net asset value of the Goldman Sachs US Equity Portfolio is RM4,000,000 at the time of these redemption requests so the percentage of the Goldman Sachs US Equity Portfolio for which redemption requests have been received is:

$$\begin{aligned}
 &= \frac{\text{RM500,000}}{\text{RM4,000,000}} \\
 &= 12.5\%
 \end{aligned}$$

Therefore, the redemption request from Investor A and B are above 10% of the Goldman Sachs US Equity Portfolio's net assets value. The board of directors of the umbrella fund of the Goldman Sachs US Equity Portfolio may limit the number of shares which can be redeemed to 10% of the Goldman Sachs US Equity Portfolio's net asset value on that business day of Goldman Sachs US Equity Portfolio, which is:

$$\begin{aligned}
 &= \text{RM4,000,000} \times 10\% &= \text{RM400,000} \\
 &= \frac{\text{RM400,000}}{\text{RM0.5000}} &= 800,000 \text{ units}
 \end{aligned}$$

If the board of directors of the umbrella fund of the Goldman Sachs US Equity Portfolio decide to impose such 10% limit on that business day of the Goldman Sachs US Equity Portfolio, then on the 10<sup>th</sup> of October, a portion of the redemption requests received from Investor A and B will be executed for an aggregate amount of 800,000 units, i.e. 720,000 units redeemed for Investor A and 80,000 units redeemed for Investor B. The proceeds from the 800,000 units redeemed will be paid within fifteen (15) Goldman Sachs US Equity Portfolio's business days from the Manager's receipt of the redemption request:

$$\begin{aligned}
 &= \text{Amount redeemed from the Fund} - \text{Repurchase Charge incurred} \\
 &= \text{RM400,000} - \text{RM0} \\
 &= \text{RM400,000}
 \end{aligned}$$

### **11<sup>th</sup> of October**

Let us assume that no other investors placed a redemption request. So for that day, there is an outstanding redemption request for 200,000 units of the Goldman Sachs US Equity Portfolio (180,000 units redemption request carried over for Investor A, 20,000 units carried over for

Investor B).

And let us assume that the RM equivalent of the net asset value per unit of the Goldman Sachs US Equity Portfolio has remained unchanged from the previous day (i.e. RM equivalent of RM0.5000).

$$\begin{aligned}\text{Based on the above, the total outstanding} &= \text{Units redeemed} \times \text{NAV per unit} \\ \text{redemption request is} &= 200,000 \text{ units} \times \text{RM0.5000} \\ &= \text{RM100,000}\end{aligned}$$

The RM equivalent of the net asset value of the Goldman Sachs US Equity Portfolio as at 11<sup>th</sup> of October is RM3,600,000, after deducting the redemption from the previous day. The percentage of the Fund for which redemption requests have been received on the 11<sup>th</sup> of October is:

$$\begin{aligned}&= \frac{\text{RM100,000}}{\text{RM3,600,000}} \\ &= 0.03\%\end{aligned}$$

As Investor A and Investor B both have redemption requests carried over from the previous business day of the Goldman Sachs US Equity Portfolio and the total outstanding redemption requests are less than 10% of the Goldman Sachs US Equity Portfolio, their outstanding redemption requests will be executed and met in full. As such, 180,000 units will be redeemed for Investor A and 20,000 units for Investor B. The proceeds from 200,000 units redeemed will be paid within fifteen (15) of the Goldman Sachs US Equity Portfolio's business days beginning from the Manager's receipt of the redemption request. However, should the Goldman Sachs US Equity Portfolio extend the period of the payment of the redemption proceeds beyond ten (10) business days, the Manager will pay the investors five (5) Business Days after obtaining the redemption proceeds from the Goldman Sachs US Equity Portfolio.

Note: This is an example of how redemption proceeds can be staggered and disbursed. The Goldman Sachs US Equity Portfolio may choose to disburse the redemption proceeds in different proportions. Investor's redemption request may be staggered over several business days should there be other successive large redemption requests placed at the same time (which in aggregate exceed 10% of the Goldman Sachs US Equity Portfolio's net asset value). In this situation, redemption orders may be accepted on a pro-rata basis and that deferred redemption request will be given priority over requests subsequently received.

Furthermore, investments of Goldman Sachs US Equity Portfolio are subject to the following risks:

i) Currency Risk

While the Goldman Sachs US Equity Portfolio is denominated in USD, the underlying securities may be quoted in other currencies and thus may be subject to fluctuation in foreign exchange and certain exchange control mechanism. As such, any unfavourable currency fluctuations or adverse exchange control mechanism will result in currency losses. This is in addition to any capital gains or losses in the Goldman Sachs US Equity Portfolio's investments. The Goldman Sachs US Equity Portfolio may or may not seek to hedge all or any portion of its foreign currency exposure. However, even if the Goldman Sachs US Equity Portfolio attempts such hedging techniques, it is not possible to hedge fully or perfectly against currency fluctuations.

ii) Concentration Risk

As the Goldman Sachs US Equity Portfolio invests in a diversified portfolio of equities and equity-related securities of companies domiciled in the United States of America, this means that the Goldman Sachs US Equity Portfolio may be more greatly impacted by adverse social, political

or economic events which may occur in the country.

This concentration does not allow the same scope of diversification of risks across different markets as would be possible if investments were not as concentrated in that country.

### iii) Corporate Action and Voting Rights

From time to time, the issuer of a security held in the Goldman Sachs US Equity Portfolio may initiate a corporate action relating to that security, including an offer to purchase new shares, or to tender existing shares, of that security at a certain price. Certain corporate actions are voluntary, meaning that the Goldman Sachs Funds may only participate in the corporate action if it elects to do so in a timely fashion. If the Goldman Sachs Funds, the management company or the investment adviser of the Goldman Sachs US Equity Portfolio does not receive sufficient advance notice of a voluntary corporate action, the Goldman Sachs Funds, the management company or the investment adviser of the Goldman Sachs US Equity Portfolio may not be able to timely elect to participate in that corporate action. Participation or lack of participation in a voluntary corporate action may result in a negative impact on the value of the Goldman Sachs US Equity Portfolio.

The Goldman Sachs US Equity Portfolio may also in its discretion exercise or procure the exercise of all voting or other rights which may be exercisable in relation to its investments.

### iv) Derivatives and Structured Products Risk

The Goldman Sachs US Equity Portfolio may from time to time invest in derivatives, which are financial contracts whose value depends on, or is derived from, the value of an underlying asset, reference rate or index. Such assets, rates and indices may include shares, interest rates, currency exchange rates and stock indices. Derivatives may be used for investment or hedging purposes.

The Goldman Sachs US Equity Portfolio may also invest in structured products, which are investment products backed by, or representing interests in, underlying assets which have been purchased by the issuer of the structured products. The cash flow from the underlying asset may be apportioned among the newly issued structured products to create securities with different investment characteristics such as varying maturities, payment priorities or interest rate provisions, and the extent of the payments made with respect to structured investments depends on the amount of the cash flow from the underlying investments. Structured products may entail the risk of loss of principal and/or interest payments as a result of movements in the underlying market or security.

Both derivatives and structured products are still subject to the risks associated with its underlying assets, which may include counterparty and credit risk, market risk and liquidity risk. Moreover, these financial instruments allow the use of leverage/gearing which may cause the price movements to be much more volatile as compared to price movements of its underlying assets. As an example, for a derivative/structured product tied to a debt security as its underlying asset, changes in the market's interest rate may have a much greater effect on the price of the derivative/structured product than the price of the debt security itself. As such, investing into derivatives and structured products may result in higher volatility of the Goldman Sachs US Equity Portfolio's net asset value, as compared to investing directly into the underlying assets or securities.

### v) Uncertain Tax Positions

Due to uncertain tax regulations, the net asset value of the Goldman Sachs US Equity Portfolio on any dealing day may not accurately reflect tax liabilities, including on any historical realized or unrealized gains (including those tax liabilities that are imposed with retrospective effect). In addition, the net asset value of the Goldman Sachs US Equity Portfolio on any dealing day may reflect an accrual for tax liabilities, including estimates for such tax liabilities, that may subsequently not be paid, or that may be less than what is ultimately required to be paid. Accounting standards may also change, creating an obligation for the Goldman Sachs US Equity Portfolio to accrue for a tax liability that was not previously required to be accrued or in situations where the Goldman Sachs US Equity Portfolio does not expect to be ultimately to be subject to



such tax liability.

Due to uncertain tax regulations or accounting standards, the net asset value of the Goldman Sachs US Equity Portfolio could be affected, which may be detrimental to the Goldman Sachs US Equity Portfolio.

vi) Certain ERISA Considerations

If the assets of the Goldman Sachs US Equity Portfolio were to be treated as “plan assets” for purposes of certain United States federal pension regulations, the Goldman Sachs US Equity Portfolio could, among other things, be subject to certain restrictions on its ability to carry out certain of its activities, including, without limitation, that the Goldman Sachs US Equity Portfolio may be prohibited from trading with and through Goldman Sachs in respect of its investments.

Although the Goldman Sachs US Equity Portfolio expects that its assets will not be treated as “plan assets”, there is no assurance that this will be the case.

vii) Securities Risk

This is the risk of security prices falling. In general, the value of securities fluctuates in response to activities of individual companies, external factors that affect the specific companies and market conditions. In particular, investors should be aware that equity and equity-related investments are subordinate in the right of payment to other corporate securities, including debt securities.

Accordingly, the value of securities that a Goldman Sachs US Equity Portfolio holds may decline over short or extended periods. This decline in the value of securities means that the net asset value of the Goldman Sachs US Equity Portfolio will decrease.

viii) Inclusion of Shares in an Index

The “inclusion of shares in an index” pertains to the inclusion of shares of the Goldman Sachs US Equity Portfolio in an index. This risk disclosure is applicable when the Goldman Sachs US Equity Portfolio itself is part of an index constituent. When the shares of the Goldman Sachs US Equity Portfolio are included in an index (or excluded from the index having previously been included in it), this will affect the price of the relevant shares.

The inclusion/exclusion of shares in an index may trigger large inflows into or outflows from the Goldman Sachs US Equity Portfolio and this may cause an adverse impact on the underlying costs (including transaction costs in relation to purchases and sales of securities and/or instruments as a result of large inflows and large outflows respectively) of the Goldman Sachs US Equity Portfolio. The adverse impact on the underlying cost will be detrimental to the Goldman Sachs US Equity Portfolio.

ix) Investments in ADRs, EDRs and GDRs

Some securities in which the Goldman Sachs US Equity Portfolio may invest are represented by American Depositary Receipts (“ADRs”), European Depositary Receipts (“EDRs”) and Global Depositary Receipts (“GDRs”). ADRs are denominated in US Dollars and are sponsored and issued by U.S. banks. ADRs represent the right to receive securities of non-U.S. issuers deposited in a U.S. bank or a correspondent bank outside the United States. The Goldman Sachs US Equity Portfolio may also invest in EDRs, which are receipts evidencing an arrangement with a European bank similar to that for ADRs and are designed for use in the European securities markets. In addition, the Goldman Sachs US Equity Portfolio may invest in GDRs, which are receipts issued by a U.S., European or other international financial institution evidencing arrangements similar to both ADRs and EDRs. ADRs, EDRs and GDRs are not necessarily denominated in the currency of the underlying security and as such these investments may suffer currency losses in addition to capital gains/losses.

x) Cross-contamination between Portfolios and Share Classes

Legislation in Luxembourg is in place which is intended to eliminate the risk of cross-contamination between the Goldman Sachs US Equity Portfolio and other portfolios of the

Goldman Sachs Funds i.e. the risk of the assets of one portfolio being used to meet the liabilities of another. Therefore, as a matter of Luxembourg law, each portfolio of the Goldman Sachs Funds, including the Goldman Sachs US Equity Portfolio, is “ring-fenced” and considered to constitute a single pool of assets and liabilities, so that the rights of shareholders and creditors in relation to each portfolio should be limited to the assets of that portfolio. However, there can be no categorical assurance that, should an action be brought against the Goldman Sachs Funds in the courts of another jurisdiction, the segregated nature of the Goldman Sachs Funds and the Goldman Sachs Funds’ portfolios will necessarily be upheld.

There is no legal segregation between the assets and liabilities attributable to the various share classes of the Goldman Sachs US Equity Portfolio.

xi) Materiality Policy for Correcting Valuation Errors

In accordance with applicable law and regulation, a materiality policy may be applied to errors committed in calculating the net asset value of the Goldman Sachs US Equity Portfolio, which means that those errors which are deemed by the policy to be immaterial will not lead to a reissued and corrected net asset value for the Goldman Sachs US Equity Portfolio.

xii) “Fair Value” Prices

Investors should be aware that in certain circumstances the valuer may be required to provide “fair value” prices for certain assets and that in such circumstances the valuer’s “fair value” may diverge significantly from the next available market price of assets.

xiii) Debt Securities, Interest Rate Risk

The Goldman Sachs US Equity Portfolio may invest in debt securities, including convertible securities. No minimum rating is required and the Goldman Sachs US Equity Portfolio may invest in non-investment grade securities. Debt securities are subject to interest rate changes. If the markets’ interest rates change, the price of these securities may be deeply affected and this applies to a greater degree if the securities have high correlation to the interest rates.

xiv) Real Estate Companies

The Goldman Sachs US Equity Portfolio may, invest in transferable securities of companies principally\* engaged in the real estate industry which carries special risks including: the cyclical nature of real estate values, risks related to general and local economic conditions, overbuilding and increased competition, increases in property taxes and operating expenses, demographic trends and variations in rental income, changes in zoning laws, casualty or condemnations losses, environmental risks, regulatory limitations on rents, changes in neighbourhood values, related party risks, changes in the appeal of properties to tenants, increases in interest rates and other real estate capital market influences.

\*principally here refers to companies where their main source of income is based on activities that relates to real estate.

xv) Illiquid Assets

Redemption requests by investors in the Goldman Sachs US Equity Portfolio that require it to liquidate underlying positions may lead to:

- the Goldman Sachs US Equity Portfolio realising a greater portion of more liquid securities resulting in the Goldman Sachs US Equity Portfolio then holding a greater concentration of such relatively less liquid interests than was previously the case and the Goldman Sachs US Equity Portfolio’s investment mix may thereby become more biased towards relatively less liquid securities which could increase the risk for remaining investors; and/or
- the Goldman Sachs US Equity Portfolio realising less liquid assets at an unfavourable time and/or unfavourable conditions which may adversely impact the value that is realised

for those assets and/or the Goldman Sachs US Equity Portfolio's ability to settle redemption requests on its normal settlement cycle.

xvi) Risk of Changes in Borrowing Rates

The Goldman Sachs US Equity Portfolio is authorised to borrow on a temporary basis within the limits set forth in its investment restrictions. The Goldman Sachs US Equity Portfolio may choose to only borrow from a single entity which may be an affiliate of the depository, and the borrowing rate imposed by the custodian may change due to market conditions. As a consequence thereof, the borrowing rates imposed by the custodian may not be the most competitive.

Borrowing may in particular occur in connection with investments in markets which have different settlement cycles from that of the Goldman Sachs US Equity Portfolio or a requirement to pre-pay settlement proceeds or post margin.

xvii) Legal, Tax and Regulatory Risk

As the Goldman Sachs Funds invests into the Goldman Sachs US Equity Portfolio, investors should be aware that the regulatory, legal and tax factors affecting the Goldman Sachs US Equity Portfolio, which are described in detail in the Goldman Sachs US Equity Portfolio Prospectus, may impact the Goldman Sachs Funds. This includes the risk of legislative frameworks having an effect on the markets and funds investing in those markets. Any changes in national or economic policies or regulations may hinder the Goldman Sachs Funds from its ability to continuously invest into the Goldman Sachs US Equity Portfolio and this may impact the investments of the Goldman Sachs Funds. To minimise the impact, the manager of Goldman Sachs US Equity Portfolio will seek to keep abreast of regulatory developments that may affect the Goldman Sachs Funds's ability to invest into the Goldman Sachs US Equity Portfolio while attempting to preempt any regulatory changes that may adversely impact the Goldman Sachs Funds's investment in the Goldman Sachs US Equity Portfolio.

**The above risk factors are a summary of the particular risks associated with investments in Goldman Sachs US Equity Portfolio, which investors are encouraged to discuss with their adviser(s), e.g. their bankers, lawyers, stockbrokers or independent financial advisers. It does not purport to be a comprehensive summary of all the risks associated with an investment in the Goldman Sachs US Equity Portfolio. Please refer to the Goldman Sachs US Equity Portfolio prospectus for a more complete description of the risk considerations associated with investing in the Goldman Sachs US Equity Portfolio.**

### 3. VALUATION OF ASSETS

DF	CF	BF	MDF	CMF	MF
IBF	ICMF	DVEF*	ATRF*	USEF*	

\* Funds with mandates investing in foreign markets.

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, for Funds investing solely in the local market, the valuation of the respective Funds for a Business Day will be conducted at the close of Bursa Malaysia for that Business Day. Thus, the daily price of the Fund for a particular Business Day will be published in the major newspapers on the next day.

For Funds which have investments in foreign markets, the valuation of the respective Funds for a Business Day will be conducted before 5.00 pm 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 for a particular Business Day, of the Funds with investments in foreign markets will not be published in the major newspapers on the next day but will instead be published the next following day (i.e. price will be two (2) days old). This will be specifically indicated in the major newspapers.

Illustration (for Funds investing in foreign markets)

For the market close of 19 July 2017 (Wednesday), the valuation date will be the next day in which the Manager is open for business, that is, 20 July 2017 (Thursday). Thus, the major newspaper publication date for the prices as at 19 July 2017 (Wednesday) will be on 21 July 2017 (Friday).

Investors may however obtain the most current computed prices by contacting the Manager directly or visiting our website, **www.rhbgroup.com** [please refer to section 5.6 (g) (Availability of Information on Investment)].

In undertaking any of the Funds' investments, the Manager will ensure that all the assets of the respective Funds under its management will be valued appropriately, that is, at fair market value and at all times in compliance with the Securities Laws including approved accounting standards.

Accordingly, where applicable:

(i) Listed local and foreign securities

Listed local and foreign securities will be valued daily based on the last done market price of the respective exchanges.

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 14 days, or such shorter period as agreed by the Trustee,

then the securities should 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) Unlisted fixed income securities

Investments in unlisted Ringgit Malaysia denominated bonds or fixed income securities will be valued daily using fair value prices quoted by a bond pricing agency ("BPA") registered by the SC. However, where quotations are not available, such unlisted bonds or fixed income securities will be valued weekly or as and when appropriate, by reference to the average indicative yield quoted by three independent and reputable financial institutions in over-the-counter market at the close of trading. These institutions include investment banks and commercial banks which deal in fixed income securities.

Generally, investments in foreign unlisted bonds or fixed income securities will be valued daily using the average indicative yield quoted by three independent and reputable financial institutions in over-the-counter markets at the close of trading. These institutions include

investment banks and commercial banks which deal in fixed income securities. The Manager may also value such investment on any other basis as may be permitted by the Securities Commission from time to time.

In a case where the Manager is of the view that the price quoted by BPA for a specific unlisted debt instrument differs from the market price (i.e. the Manager's view of the market yield) by more than 20 basis points, the Manager may use the market price, provided that the Manager records its basis for using a non BPA price, obtains necessary internal approvals to use the non BPA price and keeps an audit trail of all decisions and basis for adopting the market price.

However, when the Manager is unable to obtain quotations from BPA or quotations from three independent and reputable financial institutions due to circumstances such as extreme market conditions, such local and foreign unlisted 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 auditor of the Fund and the Trustee.

(iii) Unlisted securities

Investments in unlisted securities will be valued at the cost price of each investment 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 market price or such other basis as may be prescribed by the relevant laws from time to time including approved accounting standards.

(iv) Collective investment schemes

Collective investment schemes which are quoted on an approved exchange shall be valued in the same manner as listed securities as described above. Unlisted collective investment schemes, shall be valued by reference to its last published repurchase price of a unit for that unlisted collective investment scheme.

(v) Futures contracts

Futures contracts positions will be "marked to market" at the close of each trading day.

(vi) Bank deposits and deposits

Bank deposits and deposits placed with financial institutions will be valued each day by reference to the principal value of such investments. Interest/profit receivables will be accrued each day based on the rate of interest/profit attached to the deposits.

(vii) Money market instruments

Money market instruments will be valued each day based on the accretion of discount or amortisation of premium on a yield to maturity basis.

(viii) Foreign exchange translation

Foreign exchange translation into RM for a particular Business Day is determined based on the bid rate quoted by Bloomberg or Reuters at 4.00 p.m. (United Kingdom time) or such other time as may be prescribed from time to time by the relevant governing bodies or authorities.

#### 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

**DF**                      **CF**                      **MDF**                      **MF**

The Manager will impose a Sales Charge which can be levied on an investor, net of bank charges (if any) by the Manager's various distributors as follows:

<b>Distributor</b>	<b>% of NAV per Unit</b>
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%

Note: Investor who invests via the EPF Members' Investment Scheme will be levied a Sales Charge of up to 3.00% of Net Asset Value per Unit (or such other rate that may be determined by the EPF from time to time).

###### **ATRF**

The Manager will impose a Sales Charge which can be levied on an investor, net of bank charges (if any) by the Manager's various distributors as follows:

<b>Distributor</b>	<b>% of Net Asset Value per Unit</b>
Institutional Unit Trust Adviser (IUTA)	Up to 5.25%
Tied (Retail) Agent	Up to 5.25%
Direct Sales (Direct Investment with the Manager)	Up to 5.25%

In respect of **ATRF**:

**The target fund to which ATRF invests in do not charge any sales charge.**

**DVEF**                      **USEF**

The Manager will impose a Sales Charge which can be levied on an investor, net of bank charges (if any) by the Manager's various distributors as follows:

<b>Distributor</b>	<b>% of Net Asset Value per Unit</b>
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%

Note: Investor who invests via the EPF Members' Investment Scheme will be levied a Sales Charge of up to 3.00% of Net Asset Value per Unit (or such other rate that may be determined by the EPF from time to time).

In respect of USEF:

**The target fund to which USEF invests in do not charge any sales charge.**

<b>BF</b>	<b>CMF</b>	<b>IBF</b>	<b>ICMF</b>
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No Sales Charge will be levied.

Note: Investors may negotiate for a lower Sales Charge. All Sales Charge will be rounded up to two (2) decimal places and will be retained by the Manager.

#### Illustration

Say, an investor makes an investment of RM10,000.00 at the selling price of RM0.2523 and the distributor levies a sales charge of 5.00%, the investor will pay a total of RM10,530.00 as follows:

Investment amount	=	RM 10,000.00
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Add:

Sales charge levied by the distributor @ 5.00%	=	RM 500.00
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GST <sup>1</sup> (6% of RM500.00)	=	RM 30.00
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Total amount paid by the investor	=	<u>RM 10,530.00</u>
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The investor will be allotted with 39,635.35 units calculated as follows:

Units allotted is calculated as	$\frac{\text{RM10,000.00}}{\text{RM0.2523}^*} = 39,635.35 \text{ units}^{**}$
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\*Unit price is rounded to the nearest 4 decimal places.

\*\*Units computed are rounded to the nearest 2 decimal places.

<sup>1</sup>The implementation of GST is effective 1 April 2015 at the rate of 6% and the fees and charges payable are exclusive of GST.

#### **(b) Repurchase Charge**

<b>DF</b>	<b>CF</b>	<b>MDF</b>
<b>CMF</b>	<b>MF</b>	<b>ICMF</b>
<b>DVEF</b>	<b>ATRF</b>	<b>USEF</b>

The Manager will not impose any Repurchase Charge on investors redeeming their investments.

#### Illustration

Say, an investor redeems of 7,654.62 units of the Fund at the repurchase price of RM1.3064 (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 amount (7,654.62 units x RM1.3064)	=	RM 10,000.00
Less: repurchase charge	=	RM (NIL)
Net amount payable to the investor	=	<u>RM 10,000.00</u>

## **BF IBF**

The Manager will impose a Repurchase Charge on investors redeeming their investments as follows:

<b>Distributor</b>	<b>% of Net Asset Value per Unit</b>
Institutional Unit Trust Adviser (IUTA)	Up to 1.00%
Tied (Retail) Agent	Up to 1.00%
Direct Sales (Direct Investment with the Manager)	Up to 1.00%

The Repurchase Charge of up to 1.00% of Net Asset Value per Unit is payable by a Unit Holder if he redeems his investments on or before the first year of investment. After one year period, no Repurchase Charge will be levied.

Investors may negotiate for a lower Repurchase Charge. All Repurchase Charge will be rounded up to two (2) decimal places and will be retained by the Manager.

### Illustration

Say, an investor redeems of 9,842.52 units of the Fund at the repurchase price of RM1.0160 (which is the Net Asset Value per Unit as at the next valuation point), he would receive proceeds of redemption of RM9,900.00 as follows:

Redemption amount (9,842.52 units x RM1.0160)	=	RM 10,000.00
Less:		
Repurchase charge of 1.00%	=	RM (100.00)
GST <sup>1a</sup>	=	Nil
Net amount payable to the investor	=	<u>RM 9,900.00</u>

\*Unit price is rounded to the nearest 4 decimal places.

\*\*Units computed are rounded to the nearest 2 decimal places.

<sup>1a</sup> The implementation of GST is effective 1 April 2015 at the rate of 6% and the fees and charges payable are exclusive of GST. The repurchase charge herein is a penalty in nature and is not subject to GST. However, the Manager reserves the right to charge GST without prior notification to investor when directed to do so by the Royal Malaysian Customs or when there is a change in the interpretation of the nature of the repurchase charge by the Royal Malaysian Customs.

## **(c) Other Charges**

### **(i) Switching of Units**

<b>DF</b>	<b>CF</b>	<b>BF</b>	<b>MDF</b>
<b>CMF</b>	<b>MF</b>	<b>IBF</b>	<b>ICMF</b>
<b>DVEF</b>	<b>ATRF</b>	<b>USEF</b>	



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<sup>1</sup> 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. The Manager may reject any switching request:

- (i) that it regards as disruptive to efficient portfolio management; or
- (ii) if deemed by the Manager to be contrary to the best interest of the Fund.

**Illustration** (based on **DF** and **MDF**)

If a Unit Holder switches 10,000 Units in **RHB Dynamic Fund** at the repurchase price of RM1.3064 and wishes to invest in **RHB Malaysia DIVA Fund** at the selling price of RM0.5272 (where both Funds have the Sales Charge of 6.00% of NAV per Unit).

Proceeds from switch ( <b>RHB Dynamic Fund</b> ) (10,000 Units x RM1.3064)	RM13,064.00
Less:	
Switching fee RM25.00	RM (25.00)
GST <sup>1</sup> (6% of RM25.00)	RM (1.50)
Net proceeds from switch	<u>RM13,037.50</u>
Proceeds from <b>RHB Dynamic Fund</b> invested in <b>RHB Malaysia DIVA Fund</b> :	<u>RM13,037.50</u> RM0.5272
	= 24,729.70 Units**

\*\*Units computed are rounded to the nearest 2 decimal places.

<sup>1</sup>The implementation of GST is effective 1 April 2015 at the rate of 6% and the fees and charges payable are exclusive of GST.

**(ii) Transfer of Units**

<b>DF</b>	<b>CF</b>	<b>BF</b>	<b>MDF</b>
<b>CMF</b>	<b>MF</b>	<b>IBF</b>	<b>ICMF</b>
<b>DVEF</b>	<b>ATRF</b>	<b>USEF</b>	

No transfer fee is applicable.

## 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

#### DF

#### CF

#### MDF

#### MF

The Manager is entitled to a management fee<sup>1</sup> of up to 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.

#### BF

The Manager is entitled to a management fee<sup>1</sup> of up to one per cent (1.00%) 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.

#### ATRF

The Manager is entitled to a management fee<sup>1</sup> of up to one point two five per cent (1.25%) 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 **ATRF**, a portion of this fee is paid to UOB Asset Management Ltd. As this Fund invests in units of United Asian Bond Fund, any management fee charged to United Asian Bond Fund by the United Asian Bond Fund's manager in relation to the Fund's investments in United Asian Bond Fund 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. up to one point two five per cent (1.25%) per annum of the Net Asset Value.

#### CMF

#### ICMF

The Manager is entitled to a management fee<sup>1</sup> of up to zero point three per cent (0.30%) 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.

#### IBF

Profit sharing scheme between the Manager and the Fund in the ratio of 15:85 respectively based on the net investment income, which is the income of the Fund less of the Trustee's fee and all permitted or allowable expenses under the Deed.

#### DVEF

The Manager is entitled to a management fee<sup>1</sup> of up to 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.

#### USEF

The Manager is entitled to a management fee<sup>1</sup> of up to one point eight five per cent (1.85%) 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 **USEF**, a portion of this fee is paid to Goldman Sachs Asset Management International. As this Fund invests in units of Goldman Sachs US Equity Portfolio, any management fee charged to Goldman Sachs US Equity Portfolio by the Goldman Sachs US Equity Portfolio's manager in relation to the Fund's investments in Goldman Sachs US Equity Portfolio 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. up to one point eight five per cent (1.85%) per annum of the Net Asset Value.

However, up to 10% of the Goldman Sachs US Equity Portfolio may be invested in other funds which may themselves charge a management or advisory fee to the Goldman Sachs US Equity Portfolio. Such management or advisory fee would therefore be indirectly borne by the Fund.



**Management fee charged  
by the Manager**

x% out of the management fee paid to the  
Goldman Sachs US Equity Portfolio

**Management fee charged by the target fund will be paid out of the  
management fee charged by the Manager**

**THERE IS NO DOUBLE CHARGING OF MANAGEMENT FEES**

Illustration: Computation 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, the calculation of the management fee of the Fund for that particular day is as follows:

$$\frac{\text{RM } 105,000,000.00 \times 1.50\%}{365 \text{ days}^*} = \text{RM } 4,315.07$$

$$\text{Add: GST}^1 (6\% \text{ of RM}4,315.07) = \text{RM}258.90$$

$$\text{Total management fee payable for that particular day} = \text{RM}4,573.97$$

\*Note: In the event of a leap year, the annual management fee will be divided by 366 days.

<sup>1</sup>The implementation of GST is effective 1 April 2015 at the rate of 6% and the fees and charges payable are exclusive of GST.

**(b) Trustee's Fees**

**DF**

The Trustee is entitled to a trustee fee<sup>1</sup> of zero point zero seven per cent (0.07%) 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.

## **CF**

The Trustee is entitled to a trustee fee<sup>1</sup> of zero point zero six per cent (0.06%) 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.

## **BF**

The Trustee is entitled to a trustee fee<sup>1</sup> of zero point zero eight per cent (0.08%) 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.

## **MDF**

The Trustee is entitled to a trustee fee<sup>1</sup> 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.

## **CMF**

## **ICMF**

The Trustee is entitled to a trustee fee<sup>1</sup> of zero point zero two five per cent (0.025%) 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.

## **MF**

The Trustee is entitled to a trustee fee<sup>1</sup> of zero point zero nine per cent (0.09%) 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.

## **IBF**

The Trustee is entitled to a trustee fee<sup>1</sup> of zero point one per cent (0.10%) per annum of the Net Asset Value calculated on a daily basis, subject to a minimum of RM35,000 per annum before deducting the Manager's and Trustee's fees for that particular day.

## **DVEF**

## **ATRF**

The Trustee is entitled to a trustee fee<sup>1</sup> of zero point zero six per cent (0.06%) per annum of the Net Asset Value calculated on a daily basis (excluding foreign custodian fees and charges) before deducting the Manager's and Trustee's fees for that particular day.

## **USEF**

The Trustee is entitled to a trustee fee<sup>1</sup> 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 (excluding foreign custodian fees and charges) before deducting the Manager's and Trustee's fees for that particular day.

### Illustration: Computation 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 eight per cent (0.08%) per annum, the calculation of the trustee fee of the Fund for that particular day is as follows:

$$\frac{\text{RM } 105,000,000.00 \times 0.08\%}{365 \text{ days}^*} = \text{RM}230.14$$

$$\text{Add: GST}^1 (6\% \text{ of RM}230.14) = \text{RM}13.80$$

$$\text{Total management fee payable for that particular day} = \text{RM}243.94$$

\*Note: In the event of a leap year, the annual trustee fee will be divided by 366 days.

<sup>1</sup>The implementation of GST is effective 1 April 2015 at the rate of 6% and the fees and charges payable are exclusive of GST.

**(c) Other Indirect Fees**

**ATRF USEF**

In respect of **ATRF**, since the Manager will invest in unit/shares of its target fund, there are other fees and charges indirectly incurred by that target fund such as the subscription fee, realisation charge, switching fee, annual trustee fee, annual custodian fees, annual valuation and accounting fee, annual registrar fee and transaction fees which are incurred at that target fund's level.

In respect of **USEF**, since the Manager will invest in unit/shares of the target fund, there are other fees and charges indirectly incurred by the target fund such as the annual custodian fees and transaction fees which are incurred at that target fund's level.

The rates for these fees will vary according to the country of investment and, in some cases, according to asset class. Thus the custody cost to a target fund will depend on its asset allocation at any time. As such, Unit Holders will indirectly bear the custodian fee and transaction fees charged at that target fund's level.

Other fees borne by a target fund include operating and related expenses including but not limited to, stamp duties, taxes, commissions and other dealing costs, foreign exchange costs, bank charges, registration fees in relation to investments, insurance and security costs, fees and expenses of the auditor, the remuneration and expenses of its directors and officers, all expenses incurred in the collection of income and certain other expenses incurred in the administration of that target fund and in the acquisition, holding and disposal of investments. A target fund will also be responsible for the costs of preparing, translating, printing and distributing all its respective rating agencies, statements, notices, accounts, prospectuses and reports.

These fees and charges are imputed into the calculation of each of the target fund's net asset value. As such, Unit Holders are indirectly bearing the above fees and expenses charged at the target fund level.

*Investors should note the above higher fees arising from the layered investment structure of the Fund.*

**(d) Other Expenses Directly Related to the Fund**

<b>DF</b>	<b>CF</b>	<b>BF</b>	<b>MDF</b>
<b>CMF</b>	<b>MF</b>	<b>IBF</b>	<b>ICMF</b>
<b>DVEF</b>	<b>ATRF</b>	<b>USEF</b>	

In administering the respective Funds, there are expenses directly related to the Funds. 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 or distribution cheques (where applicable) and other notices to Unit Holders. In addition, there are expenses that are directly related and necessary to the business of the Funds as set out in the respective Deeds, 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 issuance of this master prospectus will be borne by the Manager.

#### **4.3 Policy on Rebates and Soft Commissions**

<b>DF</b>	<b>CF</b>	<b>BF</b>	<b>MDF</b>
<b>CMF</b>	<b>MF</b>	<b>IBF</b>	<b>ICMF</b>
<b>DVEF</b>	<b>ATRF</b>	<b>USEF</b>	

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.

#### **4.4 Goods and Services Tax ("GST")**

<b>DF</b>	<b>CF</b>	<b>BF</b>	<b>MDF</b>
<b>CMF</b>	<b>MF</b>	<b>IBF</b>	<b>ICMF</b>
<b>DVEF</b>	<b>ATRF</b>	<b>USEF</b>	

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 the Funds.*

## 5. TRANSACTION INFORMATION

### 5.1 Pricing Policy

The Manager adopts a 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

<b>DF</b>	<b>CF</b>	<b>BF</b>	<b>MDF</b>
<b>CMF</b>	<b>MF</b>	<b>IBF</b>	<b>ICMF</b>
<b>DVEF</b>	<b>ATRF</b>	<b>USEF</b>	

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 is received by the Manager ("forward pricing"). A Sales Charge will be calculated and charged separately.

#### Illustration: Computation of selling price

The following is an illustration using hypothetical figures:

Daily Net Asset Value	RM44,097,264.66
Units in circulation	33,756,000
Net Asset Value per Unit	<u>RM44,097,264.66</u> <u>33,756,000</u>
	= RM1.3064*

Say, an investor makes an investment of RM10,000.00 at the selling price of RM1.3064 and the distributor levies a sales charge of 5.00%, the investor will pay a total of RM10,530.00 as follows:

Investment amount	=	RM 10,000.00
Add:		
Sales charge levied by the distributor @ 5.00%	=	RM 500.00
GST <sup>1</sup> (6% of RM500.00)	=	RM 30.00
Total amount paid by the investor	=	<u>RM 10,530.00</u>

The investor will be allotted with 7,654.62 units calculated as follows:

$$\text{Units allotted is calculated as } \frac{\text{RM10,000.00}}{\text{RM1.3064}^*} = 7,654.62 \text{ units}^{**}$$

\*Unit price is rounded to the nearest 4 decimal places.

\*\*Units computed are rounded to the nearest 2 decimal places.

<sup>1</sup>The implementation of GST is effective 1 April 2015 at the rate of 6% and the fees and charges payable are exclusive of GST.

### 5.3 Computation of Redemption of Units

<b>DF</b>	<b>CF</b>	<b>BF</b>	<b>MDF</b>
<b>CMF</b>	<b>MF</b>	<b>IBF</b>	<b>ICMF</b>
<b>DVEF</b>	<b>ATRF</b>	<b>USEF</b>	

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 except for **BF** and **IBF**. For **BF** and **IBF**, a Repurchase Charge of up to 1.00% of the NAV per Unit will be levied if a Unit Holder redeems his investments on or before the first year of investment. Thereafter, no Repurchase Charge will be imposed.

#### Illustration: Computation of repurchase price

The following is an illustration using hypothetical figures:

Daily Net Asset Value	RM47,992,019.47
Units in circulation	47,238,000
Net Asset Value per Unit	<u>RM47,992,019.47</u> 47,238,000
	= RM1.0160*

Say, an investor redeems of 9,842.52 units of the Fund at the repurchase price of RM1.0160 (which is the Net Asset Value per Unit as at the next valuation point), he would receive proceeds of redemption of RM9,900.00 as follows:

Redemption amount (9,842.52 units x RM1.0160)	=	RM 10,000.00
Less:		
Repurchase charge of 1.00%	=	RM (100.00)
GST <sup>1a</sup>	=	Nil
Net amount payable to the investor	=	<u>RM 9,900.00</u>

\*Unit price is rounded to the nearest 4 decimal places.

<sup>1a</sup> The implementation of GST is effective 1 April 2015 at the rate of 6% and the fees and charges payable are exclusive of GST. The repurchase charge herein is a penalty in nature and is not subject to GST. However, the Manager reserves the right to charge GST without prior notification to investor when directed to do so by the Royal Malaysian Customs or when there is a change in the interpretation of the nature of the repurchase charge by the Royal Malaysian Customs.

### 5.4 Pricing Error Policy

<b>DF</b>	<b>CF</b>	<b>BF</b>	<b>MDF</b>
<b>CMF</b>	<b>MF</b>	<b>IBF</b>	<b>ICMF</b>
<b>DVEF</b>	<b>ATRF</b>	<b>USEF</b>	

The Manager shall ensure that the Funds and the Units 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 Funds, and/or to the Unit Holders and/or to the former Unit Holders; or
- (b) by the respective Funds 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 equivalent to RM10.00 or more.

## 5.5 Selling and Repurchase Price of Transaction

<b>DF</b>	<b>CF</b>	<b>BF</b>	<b>MDF</b>	<b>MF</b>
<b>IBF</b>	<b>DVEF</b>	<b>ATRF</b>	<b>USEF</b>	

A transaction of Units by an investor or Unit Holder is considered as carried out on a particular Business Day only if the payment together with completed application form and relevant supporting documents are received by the Manager not later than 4:00 p.m. (or such other time as the Manager may deem fit in its discretion) on that same Business Day. In the event the same is only received by the Manager after 4:00 p.m. (or such other time as the Manager may deem fit in its discretion), the transaction is considered as carried out on the immediate following Business Day. Any payment made on a non-Business Day shall be treated as payment made on the following Business Day.

Applications for redemption must be submitted to the Manager on a Business Day no later than 4:00 p.m. Such redemption requests are deemed received only if all documents and forms received by the Manager are duly and correctly completed. Any documents and forms received by the Manager after 4:00 p.m. on a Business Day shall be treated as having been received by the Manager on the immediate following Business Day.

Notwithstanding the preceding paragraphs above, the business hours, payment cut-off time and payment system of the IUTAs are subject to the internal policies of the respective IUTAs.

### **CMF            ICMF**

A transaction of Units by an investor or Unit Holder is considered as carried out on a particular Business Day only if the payment (in cleared funds) together with completed application form and relevant supporting documents are received by the Manager not later than 12:00 p.m. (or such other time as the Manager may deem fit in its discretion) on that same Business Day. In the event the same is only received by the Manager after 12:00 p.m. (or such other time as the Manager may deem fit in its discretion), the transaction is considered as carried out on the immediate following Business Day. Any payment (in cleared funds) made on a non-Business Day shall be treated as payment made on the following Business Day.

Applications for redemption must be submitted to the Manager on a Business Day no later than 12:00 p.m. Such redemption requests are deemed received only if all documents and forms received by the Manager are duly and correctly completed. Any documents and forms received by the Manager after 12:00 p.m. on a Business Day shall be treated as having been received by the Manager on the immediate following Business Day.

Notwithstanding the preceding paragraphs above, the business hours, payment cut-off time and payment system of the IUTAs are subject to the internal policies of the respective IUTAs.

## 5.6 Transaction Details

### **(a) How to Purchase and Redeem Units**

<b>DF</b>	<b>CF</b>	<b>BF</b>	<b>MDF</b>	<b>MF</b>
<b>IBF</b>	<b>DVEF</b>	<b>ATRF</b>	<b>USEF</b>	

When purchasing Units, investors must forward the following:

- 1) completed application form (account application form and purchase/switch 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/principal 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.

The minimum initial investment of each Fund is RM1,000.00 and the minimum additional investment is RM100.00 (or such other lower amount as the Manager may from time to time accept).

Please refer to our Directory of Outlets for Purchase and Sale of Units at the end of this master prospectus.

Similarly, Units can be redeemed by forwarding the completed form of request to repurchase to the Manager's registered/principal office or any of its branch offices, or to any of its authorised sales agents or participating IUTAs before their respective cut-off times.

There are no restrictions on the number of Units a Unit Holder can redeem out of his 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 one thousand (1,000) Units or such other lower quantity as the Manager may from time to time decide (the minimum investment balance) for **DF**, **CF**, **MDF**, **BF**, **IBF** and **MF** or less than two thousand (2,000) Units or such other lower quantity as the Manager may from time to time decide (the minimum investment balance) for **DVEF**, **ATRF** and **USEF**. For the avoidance of doubt, the Manager will deem an automatic request for a full repurchase of Units to have been made by the Unit Holder should a request for partial redemption leave the balance of Units held after the redemption less than the applicable minimum holding.

For **USEF** and **ATRF**, all repurchase of Units may be subject to such limit on the number of Units which can be repurchased by a Unit Holder on a Business Day. In the event that the respective target fund imposes a suspension of or limit on the number of units which can be redeemed from it, this would result in several repurchase prices being computed. Each Unit Holder will therefore be paid on a staggered basis based on the repurchase prices calculated at each valuation point when the staggered payment request is met by the respective target fund until the full redemption amount so requested by such Unit Holder can be completed. As such, the full redemption proceeds will be paid to the Unit Holder within fifteen (15) Business Days after the request for repurchase of Units is received by the Manager or after five (5) Business Days of such other extended period as may be imposed by the respective target fund.

If such a suspension is imposed by the respective target fund, the Manager will inform the affected Unit Holders within two (2) Business Days after the date of the Manager being notified in writing of such suspension and/or such extension in the suspension period imposed by the target fund.

**CMF****ICMF**

When purchasing Units, investors must forward the following:

- 1) completed application form (account application form and purchase/switch 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/principal office or any of its branches, or to any of its authorised sales agents or participating Institutional Unit Trust Advisers (IUTAs) before their respective cut-off times.

The minimum initial investment of each Fund is RM100,000.00 for institutional investors and RM50,000.00 for retail investors or multiples thereof and the minimum additional investment is RM50,000.00 for institutional investors and RM25,000.00 for retail investors or multiples thereof (or such other lower amount as the Manager may from time to time accept).

Please refer to our Directory of Outlets for Purchase and Sale of Units at the end of this master prospectus.

Similarly, Units can be redeemed by forwarding the completed form of request to repurchase to the Manager's registered/principal office or any of its branch offices, or to any its authorised sales agents or participating IUTAs before their respective cut-off times.

Redemption monies will be paid by the following Business Day after receipt by the Manager of the request to repurchase Units.

There are no restrictions on the number of Units a Unit Holder can redeem out of his 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 one hundred thousand (100,000) Units for an institutional investor or less than fifty thousand (50,000) Units for a retail investor or such other lower quantity as the Manager may from time to time decide (the minimum investment balance). For the avoidance of doubt, the Manager will deem an automatic request for a full repurchase of Units to have been made by the Unit Holder should a request for partial redemption leave the balance of Units held after the redemption less than the applicable minimum holding.

**(b) Cooling-off Period**

<b>DF</b>	<b>CF</b>	<b>BF</b>	<b>MDF</b>
<b>CMF</b>	<b>MF</b>	<b>IBF</b>	<b>ICMF</b>
<b>DVEF</b>	<b>ATRF</b>	<b>USEF</b>	

The cooling-off right refers to the right of an individual investor to obtain a refund of 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 fund managed by the Manager for the first time:

- (i) a staff of the Manager; or
- (ii) a person registered with a body approved by the SC to deal in unit trust funds.

The refund to the investor pursuant to the exercise of investor's cooling-off right shall not be less than the sum of:

- a) the Net Asset Value per Unit on the day the Units were purchased; and
- b) the Sales Charge originally imposed on the day the Units were purchased.

The cooling-off period shall be within six (6) Business Days<sup>#</sup> which shall be effective from the date of receipt of the application by the Manager. During this cooling-off period, should a Unit Holder change his mind about the investment, he may exercise his cooling-off right via a letter and shall be paid within ten (10) days of the receipt of the cooling-off notice 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.

<sup>#</sup>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. Where applicable, for EPF investors, the refund will be credited back into their respective EPF accounts only after funds have been received from the EPF.

**(c) Where Units can be Purchased or Redeemed**

Units can be purchased or redeemed at the Manager's registered/principal office or any of its branch offices, or from any of its authorised sales agents or participating IUTAs. For further information, please call our help-desk Toll-Free Hotline number: 1-800-88-3175 at any time during our office hours: Mondays through Fridays from 9.00 a.m. – 5.00 p.m. Alternatively, investors may email their enquiries to [rhbam@rhbgroup.com](mailto:rhbam@rhbgroup.com) or visit our website, [www.rhbgroup.com](http://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 master prospectus are also available from these distributors.

**(d) How to Switch between Funds**

Investors may switch between unit trust funds under the management of the Manager that allow switching of units by forwarding the completed form of request to switch to the Manager's registered/principal office or any of its branch offices, or to any of its authorised sales agents or participating IUTAs before their respective cut-off times. There are no restrictions as to the number of switches a Unit Holder may perform or the frequency of switching. Following a switch transaction, if the quantity of holdings of a Unit Holder in a Fund falls below its minimum holding, the Manager can withdraw the entire investment and forward the proceeds to the Unit Holder. 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/principal 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, he must also forward the following:

- 1) completed application form; and
- 2) relevant supporting documents such as a photocopy of his 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).

Following a transfer transaction, if the quantity of holdings of a Unit Holder in a Fund falls below its minimum holding, the Manager can withdraw the entire investment and forward the proceeds to the Unit Holder.

**(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 (1) year from the date of the cheque, the Manager shall file and pay the unrepresented 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, the value of the investment 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 press for publication. The Manager, however, will not be held liable for any error or omission in the 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**.

Alternatively, investors may make enquiries on their investments via our E-Services at **www.rhbgroup.com**. Pre-registration for the E-Services is required and the registration form is available from the website.

Investors may also refer to FIMM for any queries/concerns regarding their investments in unit trust funds.

***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 that complete applications for the Funds are received before the next valuation point.

**5.7 Mode of Distribution**

<b>DF</b>	<b>CF</b>	<b>BF</b>	<b>MDF</b>
<b>MF</b>	<b>IBF</b>	<b>DVEF</b>	<b>ATRF</b>

Distribution (if any) which is less than or equal to the amount of RM300.00, will be automatically reinvested into the Fund based on the Net Asset Value per Unit seven (7) Business Days after the ex-dividend date. No Sales Charge or costs shall be incurred or payable by the Unit Holders for the reinvestment.

Distribution (if any) which is more than the amount of RM300.00, will be automatically paid out to the Unit Holders via cheque, unless the Unit Holder specifically requests for the distribution to be reinvested into the Fund by selecting the appropriate option in the application form. Unit Holders who opt for their distribution to be reinvested into the Fund will have their distribution reinvested into the Fund based on the Net Asset Value per Unit seven (7) Business Days after the ex-dividend date. No Sales Charge or costs shall be incurred or payable by the Unit Holders for the reinvestment.

In the absence of the Unit Holder's written instructions, income distribution from the Fund will be automatically paid out to the Unit Holders via cheque.

A Unit Holder must notify the Manager in writing seven (7) Business Days prior to each date fixed for the distribution of any change in his distribution instructions.

**CMF ICMF**

Distribution (if any) will be automatically paid out to the Unit Holders via cheque, unless the Unit Holder specifically requests for the distribution to be reinvested into the Fund by selecting the appropriate option in the application form. Unit Holders who opt for their distribution to be reinvested into the Fund will have their distribution reinvested into the Fund based on the Net Asset Value per Unit of the Business Day on which the distribution is declared. No Sales Charge or costs shall be incurred or payable by the Unit Holders for the reinvestment.

Note: Distribution (if any) which is less than or equal to the amount of RM1.00, will be automatically reinvested into the Fund based on the Net Asset Value per Unit seven (7) Business Days after the ex-dividend date. No Sales Charge or costs shall be incurred or payable by the Unit Holders for the reinvestment.

**USEF**

The Fund is not expected to make any distribution.

All unclaimed distributions will be automatically reinvested into additional Units at the expiry of the validity period of the cheques based on the prevailing Net Asset Value per Unit seven (7) Business Days after the expiry of validity period of the cheques.

<i>Unit price and distributions payable, if any, may go down as well as up.</i>
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## **6. SALIENT TERMS OF THE DEED**

### **6.1 Rights and Liabilities of Unit Holders**

#### **6.1.1 Recognition of Unit Holders**

Money invested by an investor in the Funds will purchase a number of Units, which represents the Unit Holder's interest in the Funds. Each Unit held in the Funds represents an equal undivided beneficial interest in the assets of the Funds. However, the Unit does not give a Unit Holder an interest in any particular part of the Funds or a right to participate in the management or operation of the Funds (other than through Unit Holders' meetings).

A Unit Holder will be recognised as a registered Unit Holder in the Funds on the Business Day his or her details are entered onto the register of Unit Holders.

#### **6.1.2 Rights of Unit Holders**

A Unit Holder has the right, among others, to the following:

- To inspect the register of Unit Holders, free of charge, at any time at the registered office of the Manager, and obtain such information pertaining to its Units as permitted under the relevant Deed and the Guidelines on Unit Trust Funds ("Guidelines");
- To receive the distribution of the Funds (if any), participate in any increase in the value of the Units and to other rights and privileges as set out in the relevant Deed;
- To call for Unit Holders' meetings;
- To vote for the removal of the Trustee or the Manager through a special resolution;
- To receive annual reports, interim reports or any other reports of the Fund; and
- To exercise cooling-off for qualified investors.

Unit Holders' rights may be varied by changes to the Deed, the Guidelines or judicial decisions or interpretation.

#### **6.1.3 Liabilities and Limitations of Unit Holders**

##### **Liabilities**

- (i) The liability of a Unit Holder is limited to the purchase price per Unit and the application fee paid or agreed to be paid for a Unit. A Unit Holder need not indemnify the Trustee or the Manager if there is a deficiency in the assets of the Fund to meet the claim of any creditor of the Trustee or Manager in respect of the Fund.
- (ii) The recourse of the Trustee, the Manager and any creditor is limited to the assets of the Fund.

##### **Limitations**

A Unit Holder cannot:

- (i) interfere with any rights or powers of the Manager and/or Trustee under the relevant Deed;
- (ii) exercise a right in respect of an asset of the Fund or lodge a caveat or other notice affecting the asset of the Fund or otherwise claim any interest in the asset of the Fund; or
- (iii) require the asset of the Fund to be transferred to the Unit Holder.

For full details of the rights of a Unit Holder, please refer to the relevant Deeds.

## 6.2 Fees, Charges, and Expenses Permitted by the Deed

### 6.2.1 Maximum Fees and Charges Permitted by the Deed

<b>Fund</b>	<b>Management Fee</b>	<b>Trustee Fee</b>	<b>Sales Charge</b>	<b>Repurchase Charge</b>	<b>Switching Fee</b>
<b>DF</b>	Up to 1.50% per annum, calculated daily on NAV.	Up to 0.10% per annum subject to a minimum of 0.07% per annum of NAV prior to any deduction for management fees and trustee fees for the particular day.	Up to 6.00% of the NAV per Unit.	Up to RM0.05 per Unit.	Up to 7.00% of NAV per Unit. An administrative fee in relation to switching may be charged as set out in the master prospectus.
<b>CF</b>	Up to 1.50% per annum, calculated daily on NAV.	Up to 0.10% per annum subject to a minimum of 0.06% per annum of NAV prior to any deduction for management fees and trustee fees for the particular day (excluding foreign custodian fees and charges).	Up to 6.00% of NAV per Unit.	Up to RM0.05 per Unit.	Up to 7.00% of NAV per Unit. An administrative fee in relation to switching may be charged as set out in the master prospectus.
<b>BF</b>	Up to 1.50% per annum, calculated daily on NAV.	Up to 0.10% per annum subject to a minimum of 0.08% per annum of NAV prior to any deduction for management fees and trustee fees for the particular day.	Nil.	Up to 2.00% of NAV per Unit.	Up to 7.00% of NAV per Unit. An administrative fee in relation to switching may be charged as set out in the master prospectus.
<b>MDF</b>	Up to 1.50% per annum, calculated	Up to 0.08% per annum, calculated	Up to 10.00% of NAV per Unit.	Up to 10.00% of NAV per Unit.	Up to 7.00% of NAV per Unit. An



<b>Fund</b>	<b>Management Fee</b>	<b>Trustee Fee</b>	<b>Sales Charge</b>	<b>Repurchase Charge</b>	<b>Switching Fee</b>
	daily on NAV.	daily on NAV, but subject to a minimum fee of RM18,000.00 per annum.			administrative fee in relation to switching may be charged as set out in the master prospectus.
<b>CMF</b>	Up to 1.00% per annum, calculated daily on NAV.	Up to 0.10% per annum of NAV prior to any deduction for management fees and trustee fees for the particular day (excluding foreign custodian fees and charges).	Nil.	Nil.	Up to 7.00% of NAV per Unit. An administrative fee in relation to switching may be charged as set out in the master prospectus.
<b>MF</b>	Up to 1.50% per annum, calculated daily on NAV.	Up to 0.10% per annum of NAV prior to any deduction for management fees and trustee fees for the particular day.	Up to 6.00% of NAV per Unit.	Nil.	Up to 7.00% of NAV per Unit. An administrative fee in relation to switching may be charged as set out in the master prospectus.
<b>IBF</b>	Profit sharing scheme with the Manager and the Fund in the ratio of 15:85 respectively based on the net investment income, which is the income of the Fund less the trustee fee and all permitted or allowable expenses under the Deed.	Up to 0.10% per annum of NAV prior to any deduction for management fees and trustee fees for the particular day subject to a minimum of RM35,000.00 only per annum.	Nil.	Up to 1.00% of NAV per Unit.	Up to 7.00% of NAV per Unit. An administrative fee in relation to switching may be charged as set out in the master prospectus.
<b>ICMF</b>	Up to 3.00% per annum, calculated	Up to 0.20% per annum of NAV prior to	Up to 7.00% of NAV per Unit.	Up to 5.00% of NAV per Unit.	Up to 7.00% of NAV per Unit. An

<b>Fund</b>	<b>Management Fee</b>	<b>Trustee Fee</b>	<b>Sales Charge</b>	<b>Repurchase Charge</b>	<b>Switching Fee</b>
	daily on NAV prior to any deduction for management fees and trustee fees for the particular day.	any deduction for management fees and trustee fees for the particular day.			Administrative fee in relation to switching may be charged as set out in the master prospectus.
<b>DVEF</b>	Up to 2.00% per annum, calculated daily on NAV.	The rate is up to 0.07% per annum of NAV attributed to investments in Malaysia and up to 0.10% per annum of NAV attributed to investments abroad.	Up to 10.00% of NAV per Unit.	Up to 5.00% of NAV per Unit.	Up to 7.00% of NAV per Unit. An administrative fee in relation to switching may be charged as set out in the master prospectus.
<b>ATRF</b>	Up to 2.00% per annum, calculated daily on NAV.	Up to 0.10% per annum of NAV prior to any deduction for management fees and trustee fees for the particular day (excluding foreign custodian fees and charges).	Up to 10.00% of NAV per Unit.	Up to 5.00% of NAV per Unit.	Up to 7.00% of NAV per Unit. An administrative fee in relation to switching may be charged as set out in the master prospectus.
<b>USEF</b>	Up to 3.00% per annum, calculated daily on NAV.	Up to 0.20% per annum, calculated daily on NAV, but subject to a minimum fee of RM18,000 per annum (excluding foreign custodian fees and charges).	Up to 7.00% of NAV per Unit.	Up to 5.00% of NAV per Unit.	Up to 7.00% of NAV per Unit. An administrative fee in relation to switching may be charged as set out in the master prospectus.

A lower fee and/or charges than what is stated in the relevant Deed may be charged, all current fees and/or charges are disclosed in this Master Prospectus.

### **6.2.2 Increase in Fees and Charges**

Any increase of the fees and/or charges above that stated in the master prospectus may be made provided that a supplementary master prospectus is issued and the maximum stated in the relevant Deed shall not be breached.

Any increase of the fees and/or charges above the maximum stated in the relevant Deed shall require Unit Holders' approval.

### **6.2.3 Expenses Permitted by the Deed**

The relevant Deed also provides for payment of other expenses. The major expenses recoverable directly from the respective Funds include:

- commissions or fees paid to brokers or dealers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes or difference accounts;
- (where the custodial function is delegated by the Trustee), charges or fees paid to the sub-custodian;
- tax and other duties charged on the Fund by the Government and other authorities if any and bank fees;
- the fees and other expenses properly incurred by the auditor of the Fund;
- remuneration and out of pocket expenses of the independent members of the investment committee and/or members of the Shariah committee or advisers (if any) of the Fund, unless the Manager decides to bear the same;
- fees for valuation of any investment of the Fund by independent valuers for the benefit of the Fund;
- costs incurred for the modification of the relevant Deed otherwise than for the benefit of the Manager or Trustee;
- costs incurred for any meeting of Unit Holders other than those convened by, or for the benefit of the Manager or Trustee;
- the sale, purchase, insurance, custody and any other dealings of investments including commissions or fees paid to brokers;
- costs involved with external specialists approved by the Trustee in investigating and evaluating any proposed investment;
- the engagement of valuers, advisers and contractors of all kinds;
- preparation and audit of the taxation returns and accounts of the Fund;
- termination of the Fund and the retirement or removal of the Trustee or Manager and the appointment of a new trustee or manager;
- any proceedings, arbitration or other dispute concerning the Fund or any asset of the Fund, including proceedings against the Trustee or the Manager by the other of them for the benefit of the Fund (except to the extent that legal costs incurred for the defense of either of them are not ordered by the court to be reimbursed out of the Fund); and
- costs of obtaining experts opinion by the Trustee and the Manager for the benefit of the Fund.

The Manager and the Trustee are required to ensure that any fees or charges payable are reasonable and in accordance with the Deed which stipulates the maximum rate in percentage terms that can be charged.

### **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 by the Trustee under certain circumstances outlined in the relevant Deed. These include:

- (a) if the Manager shall have gone into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or cease to carry on business or if a receiver shall be appointed for the undertaking or assets of the Manager or if any encumbrances shall take possession of any of its assets;
- (b) if a special resolution is duly passed by the Unit Holders that the Manager be removed;
- (c) if the Manager is in breach of any of its obligations under the relevant Deed; or
- (d) if the Manager 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 the Unit Holders for it to do so, after the Trustee has given notice to it of that 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 SC and with the approval of the Unit Holders.

The Manager may be replaced by another corporation appointed as the manager by special resolution of the Unit Holders at a Unit Holder's meeting convened in accordance with the relevant Deed either by the Trustee or the Unit Holders.

#### **6.3.2 Retirement of the Manager**

The Manager may retire upon giving twelve (12) months' notice to the Trustee of its desire to do so, or such lesser time as the Manager and Trustee may agree, in favour of another corporation.

#### **6.3.3 Removal or Replacement of the Trustee**

The Trustee may be removed and another trustee may be appointed by special resolution of the Unit Holders at a Unit Holders' meeting convened in accordance with the relevant Deed.

The Manager shall take all reasonable steps to replace the Trustee as soon as practicable after becoming aware that:

- (a) The Trustee has ceased to exist;
- (b) The Trustee has not been validly appointed;
- (c) The Trustee is not eligible to be appointed or to act as trustee under the Capital Markets and Services Act 2007;
- (d) The Trustee has failed or refused to act as trustee in accordance with the provisions or covenants of the relevant Deed or the provisions of the Capital Markets and Services Act 2007;
- (e) A receiver is appointed over the whole or a substantial part of the assets or undertaking of the existing Trustee and has not ceased to act under the appointment, or a petition is presented for the winding up of the existing Trustee (other than for the purpose of and followed by a

reconstruction, unless during or following such reconstruction the existing Trustee becomes or is declared to be insolvent); or

- (f) The Trustee is under investigation for conduct that contravenes the Trust Companies Act 1949, the Trustee Act 1949, the Companies Act 2016 or any securities law.

The Trustee may be removed and another trustee may be appointed by special resolution of the Unit Holders at a Unit Holders' meeting convened in accordance with the relevant Deed or as stipulated in the Capital Markets and Services Act 2007.

#### **6.3.4 Retirement of the Trustee**

The Trustee may retire upon giving twelve (12) months' notice to the Manager of its desire to do so, or such shorter period as the Manager and the Trustee may agree, and may by relevant Deed appoint in its stead a new trustee approved by the Securities Commission.

#### **6.3.5 Power of the Trustee to Remove or Replace the Manager**

The Manager may be removed by the Trustee on the grounds that:

- (a) the Manager goes into liquidation (except for the purpose of amalgamation or reconstruction or some other purpose approved by the relevant authorities); or has had a receiver appointed; or has ceased to carry on business; or is in breach of its obligations under the relevant Deed, the Capital Markets and Services Act 2007 or the Guidelines; or
- (b) the Manager 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 that opinion and the reasons for that opinion, and after consultation with the Securities Commission and with the approval of the Unit Holders by way of a special resolution.

#### **6.4 Termination of the Funds**

The Funds may be terminated or wound-up upon the occurrence of any of the following events:-

- (a) the Securities Commission's authorization is revoked under Section 256(E) of the Capital Markets and Services Act 2007;
- (b) a special resolution is passed at a Unit Holders' meeting to terminate or wind-up the Funds, following the occurrence of events stipulated under Section 301(1) of the Capital Markets and Services Act 2007 and the court has confirmed the resolution, as required under Section 301(2) of the Capital Markets and Services Act 2007;
- (c) a special resolution is passed at a Unit Holders' meeting to terminate or wind-up the Funds;
- (d) on reaching its maturity date (if any); or
- (e) the effective date of an approved transfer scheme, as defined under the Guidelines, has resulted in the Funds, which is the subject of the transfer scheme, being left with no asset/property.

#### **6.5 Unit Holders Meeting ("Meeting")**

A Unit Holders' meeting may be called by the Manager, Trustee and/or Unit Holders. As such meeting must be convened in accordance with the relevant Deed and/or the Guidelines.

### **6.5.1 Quorum**

The quorum for a meeting of Unit Holders is five (5) Unit Holders present in person or by proxy, provided that for a meeting which requires a special resolution the quorum for that meeting shall be five (5) Unit Holders, whether present in person or by proxy, holding in aggregate at least twenty five per centum (25%) of the Units in issue for the Fund at the time of the meeting. If the Fund have five (5) or less Unit Holders, the quorum required shall be two (2) Unit Holders, whether present or by proxy and if the meeting requires a special resolution the quorum for that meeting shall be two (2) Unit Holders, whether present in person or by proxy, holding in aggregate at least twenty five per centum (25%) of the Units in issue for the Fund at the time of the meeting.

### **6.5.2 Manner of Voting and Resolution**

Voting is by a show of hands, unless a poll is duly demanded or the resolution proposed is required by this deed or by law to be decided by a percentage of all Units. Each Unit Holder present in person or by proxy has one vote on a show of hands. On a poll, each Unit Holder present in person or by proxy has one vote for each whole fully paid Unit held. In the case of joint Unit Holders, only the person whose name appears first in the register may vote. Units held by the Manager or its nominees shall have no voting rights in any Unit Holders' meeting of the Funds. In respect of the termination or winding-up of the Funds, voting shall only be carried out by poll.

## **7. THE MANAGEMENT AND ADMINISTRATION OF THE FUNDS**

<b>DF</b>	<b>CF</b>	<b>BF</b>	<b>MDF</b>
<b>CMF</b>	<b>MF</b>	<b>IBF</b>	<b>ICMF</b>
<b>DVEF</b>	<b>ATRF</b>	<b>USEF</b>	

### **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 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.

<b>DF</b>	<b>CF</b>	<b>MDF</b>
<b>DVEF</b>	<b>MF</b>	

**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.

<b>BF</b>	<b>CMF</b>	<b>IBF</b>
<b>ICMF</b>	<b>ATRF</b>	<b>USEF</b>

**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 The Shariah Adviser

MF

IBF

ICMF

### Background Information

RHB Islamic Bank Berhad ("RHB Islamic Bank") is the Shariah Adviser to the Funds. RHB Islamic Bank, a wholly-owned subsidiary of RHB Bank Berhad, was incorporated on 2 February 2005 and officially commenced its operations on March 2005. RHB Banking Group was the first commercial banking group to have a full-fledged Islamic bank in Malaysia that was transformed from an Islamic banking window when it first commenced its operations.

RHB Islamic Bank focuses on customising innovative Shariah compliant products and services to meet each client's requirements. Products and services are offered to both Muslims and non-Muslims for personal banking and businesses. These include savings and current accounts, investment accounts, treasury - trade/guarantee products and services, capital market products and electronic payment/gateway solutions. RHB Islamic Bank also offers customised financing solutions and capital markets advisory services.

Being a bank licensed under the Islamic Financial Services Act 2013, RHB Islamic Bank is also an approved Shariah Adviser by the Securities Commission Malaysia ("Securities Commission") to advice on sukuk issuance, Islamic investment funds and all other approved Islamic capital market instruments.

### Roles and Responsibilities of the Shariah Adviser

The Shariah Adviser conducts monthly review of the Funds' property to ensure compliance with Shariah principles and will hold a meeting at least once in every two (2) months or more to discuss any Shariah issue that may arise from the operation of the Funds.

In line with the Securities Commission's guidelines, the roles and responsibilities of the Shariah Adviser are:

- (a) To ensure that the Funds are managed and administered in accordance with Shariah principles;
- (b) To provide expertise and guidance in all matters relating to Shariah principles including on the Funds' deed and master prospectus, its structure and investment process, and other operational and administrative matters;
- (c) To consult with Securities Commission where there is any ambiguity or uncertainty as to an investment, instrument, system, procedure and/or process;
- (d) To act with due care, skill and diligence in carrying out its duties and responsibilities;
- (e) To review the Funds' compliance reports as provided by compliance officer, and investment transaction reports provided by, or duly approved by, the Trustee to ensure that the Funds' investments are in line with Shariah principles;
- (f) To prepare a report to be included in the Funds' interim and annual reports certifying whether the Funds have been managed and administered in accordance with Shariah principles for the respective periods concerned.

## **Members of RHB Islamic Bank's Shariah Committee**

The members of RHB Islamic Bank's Shariah committee are the designated persons responsible for the Shariah matters of the Funds.

### **1) Dr. Ghazali Jaapar (Chairman)**

Dr. Ghazali Jaapar ("Dr Ghazali") is currently serving as assistant professor of Ahmad Ibrahim Kuliyah of Laws, International Islamic University Malaysia (IIUM). Prior to that, he was the director of Harun M. Hashim Law Centre, IIUM.

Dr. Ghazali started his career as a lecturer in 2007 at Ahmad Ibrahim Kuliyah of Laws, IIUM and is still attached with the university, teaching several subjects such as Islamic Legal System and Usul al-Fiqh for LLB course (Undergraduate), Siyasa Shar'iyah for LLM (Administration of Islamic Law) students and Islamic Legal Maxims for Certificate in Islamic law (Bank Negara and Standard & Chartered).

His areas of expertise are Islamic legal system, principles of Islamic jurisprudence (Usul al-Fiqh), Islamic legal maxims, Siyasa Shar'iyah (Shariah-oriented policy). He had written numerous journals and articles and presented papers in various forums and seminars.

### **2) Assoc. Prof. Dr. Amir Shaharuddin**

Assoc. Prof. Dr. Amir Shaharuddin ("Assoc. Prof. Dr. Amir") is currently dean faculty of Economic & Muamalat, Islamic Science University of Malaysia (USIM) since December 2013. He was the first recipient of Scholar of Residence in Islamic Finance award, jointly initiated by Securities Commission Malaysia and Oxford Centre for Islamic Studies (OCIS).

Assoc. Prof. Dr. Amir started his career as a tutor in 2003 at Faculty of Economic & Muamalat, USIM, Negeri Sembilan and is still attached with the university as a senior lecturer, teaching several subjects such as Islamic Financial Institutions and Markets, Principles and Practice of Islamic Banking, Halaqah Studies, Credit Management, Qawaid Fiqhiyyah and Islamic Capital Market.

He has published numerous articles in refereed journals including Journal of Muamalat and Islamic Finance Research (JMIFR), Jurnal Syariah and International Shariah Research Academy (ISRA) International Journal of Islamic Finance. He has written various journals and articles in Islamic banking & finance, zakat, Islamic law principles of Islamic jurisprudence (Usul al-Fiqh), Islamic legal maxims and Siyasa Shar'iyah (Shariah-oriented policy) for forums and seminars. He has also presented academic papers in various international seminars such as in Indonesia, Bahrain, United Kingdom and Italy.

### **3) Encik Wan Abdul Rahim Kamil Wan Mohamed Ali**

Encik Wan Abdul Rahim Kamil Wan Mohamed Ali ("Encik Wan Abdul Rahim") possesses extensive experience in Islamic banking and has been actively involved in various areas of operations including corporate financing and syndication, debt capital market and corporate advisory.

Encik Wan Abdul Rahim started his career in Corporate Finance Department with Aseanbankers (Malaysia) Berhad in 1977 before moving to Bank Islam Malaysia Berhad in 1983 under various capacities. He was the chief executive officer of ABRAR Discounts Berhad from 1994 to 2006. Since then he has been an Islamic capital market consultant and trainer to various bodies. He is a regular trainer and speaker for various seminars and in-house training workshops organized by Bank Negara Malaysia (BNM), Securities Industries

Development Corporation (SIDC), Islamic Banking and Finance Institute Malaysia (IBFIM) and other event organizers, both locally and internationally.

He pioneered the development of the Islamic capital market in Malaysia and has innovated the development of several benchmark capital market securities through securitization of Islamic contracts. He has been awarded as “Outstanding Leadership in Islamic Finance” by London Sukuk 2011 organized by ICG Events and UK Trade and Industry Ministry in London, United Kingdom.

Encik Wan Abdul Rahim has been a member of the following:

- 1) Task Force on Islamic Banking and Takaful for Labuan Offshore Financial Services Authority (LOFSA) Malaysia;
- 2) Islamic Capital Markets Working Group (ICMWG) – Securities Commission Malaysia;
- 3) Market and Product Development Committee under the International Islamic Financial Market (IIFM), Bahrain representing LOFSA;
- 4) Private Debt Securities Task Force of the Islamic Banking & Finance Institute Malaysia (IBFIM), a body under BNM;
- 5) Islamic Banking Committee, Majlis Tindakan Ekonomi Negara (MTEN) under the Prime Minister’s Department.

He has also written various articles and presentations on the subjects of sukuk, corporate governance in Shariah, rating of Islamic financial institutions, Islamic factoring, Islamic asset backed securities, Islamic gold dinar and securitization.

**4) Encik Mohd Fadhly Md Yusoff**

Encik Mohd Fadhly Md Yusoff (“Encik Mohd Fadhly”) has more than 13 years of experience in Islamic capital market during his tenure as a manager at Islamic capital market department of Securities Commission Malaysia from 1995 to 2008, where he involved in Shariah compliance supervision in relation to submissions for the issuances of sukuk, structured products, collective investment schemes and Islamic Real Estate Investment Trusts (REITs). In addition, he has also undertaken in-depth research for the development of new Islamic capital market instruments as well as providing technical inputs for the preparation of various guidelines issued by Securities Commission Malaysia.

Currently, Encik Mohd Fadhly also serves as Shariah committee member of Sun Life Malaysia Takaful Bhd, Opus Asset Management Sdn Bhd, Apex Investment Services Berhad, National Farmers Organization (NAFAS) and an external Shariah adviser for University Tenaga Nasional.

He has actively participated in various industry development initiatives namely the International Organization of Securities Commission (IOSCO) Task Force on Islamic Capital Market, Islamic Financial Services Board’s (IFSB) Governance of Islamic Investment Funds Working Group, technical member for the publication of *Resolutions of the Securities Commission Shariah Advisory Council* and Islamic Capital Market educational and promotional programs.

**5) Puan Shabnam Mohamad Mokhtar**

Puan Shabnam Mohamad Mokhtar (“Puan Shabnam”) is presently the vice president of SHAPE® Knowledge Services; an Islamic finance consulting firm based in Kuwait. Puan Shabnam spearheads research and development activities including financial analysis, strategic & business plan formulation, design and implementation of customized survey, research and training for different clients at SHAPE®. Formerly, she was heading the capital

markets research for the International Shariah Research Academy (ISRA), an institution established by the Central Bank of Malaysia.

She has conducted various training programs on Islamic banking, sukuk & Islamic capital market products, risk management and financial reporting for clients in ASEAN region, Gulf Cooperation Council (GCC) and European market.

She has also contributed chapters in Housing the Nation (Cagamas 2013), Managing Fund Flows, Risks and Derivatives: Applications in Islamic Institutions (Sweet & Maxwell 2012), Islamic Financial System: Principles & Operations Market (ISRA, 2011), Sukuk (Sweet & Maxwell 2009), and Partnership Accounting, Principles and Practice (McGraw Hill). She served as a member of the Shariah Board of Malaysian Ratings Corporation (MARC) from 2010 to 2014.

## **7.8 The External Investment Manager**

### **MF**

### **ICMF**

The Manager has appointed RHB Islamic International Asset Management Berhad as the External Investment Manager to manage the Funds. The role and responsibilities of the External Investment Manager includes management of the investment portfolio in accordance with the investment objective and subject to the Capital Markets and Services Act 2007 and the Guidelines on Unit Trust Funds as well as the terms and conditions of the investment management agreement.

RHB Islamic International Asset Management Berhad, a wholly-owned subsidiary of the Manager, is a holder of a Capital Markets Services Licence to carry out Islamic fund management activities and a Restricted Dealing Licence to deal in unit trusts issued under the Capital Markets and Services Act 2007. The Manager, which in turn is a wholly-owned subsidiary of RHB Investment Bank Berhad, a holder of a Capital Markets Services Licence to carry out fund management activities and a Restricted Dealing Licence to deal in unit trusts issued under the Capital Markets and Services Act 2007. The External Investment Manager was incorporated on 17 November 2009.

The Manager delegated its power to manage the Funds to the External Investment Manager pursuant to a mandate between them, as may be varied from time to time. In conformity with the mandate, the External Investment Manager will be paid its management fee by the Manager from its annual management fee remuneration.

As at 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 / financial position of the External Investment Manager.

The following is the designated personnel at the External Investment Manager for the Funds:

#### **Chief Investment Officer**

#### **Encik Nik Hazim Bin Nik Mohamed**

Encik Nik Hazim Bin Nik Mohamed (“Encik Nik”) joined the External Investment Manager on 12 October 2015 as the head of equity carrying 22 years of investment experience and was appointed as chief investment officer on 12 July 2016.

He holds a Capital Markets and Services Representative license specializing in fund management. Encik Nik was previously the head of investment at Kenanga Islamic Investors Berhad (“Kenanga”) and he was with Kenanga for almost 7 years. He was trusted to manage and oversee investments in unit trust funds and private mandate portfolios. Prior to this, Encik Nik was with Permodalan Nasional Berhad (“PNB”) for 14 years and was involved in various aspects of PNB’s fund management operations. During his stint in PNB, he was also the head of fund management at PNB’s Singapore Unit Trust Limited and he managed geographically diverse funds for proprietary

accounts and later on, unit trust funds quoted in Singapore. Encik Nik also managed Malaysian-centric unit trust funds for PNB and had two years of experience as head of product development for Amanah Mutual Berhad (“AMB”). AMB is a fully-owned subsidiary of PNB.

## **7.9 Other Information**

Further information on the Manager, investment committee of the Funds, External Investment Manager and Shariah Adviser is provided on our website, **[www.rhbgroup.com](http://www.rhbgroup.com)**.

## **8. THE TRUSTEE OF THE FUNDS**

### **8.1 Maybank Trustees Berhad**

**DF**

**CF**

Maybank Trustees Berhad (5004-P) is the trustee of the Funds 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.

#### **8.1.1 Experience in Trustee Business**

Maybank Trustees Berhad has acquired experience in the administration of unit trust funds/schemes since 1991.

#### **8.1.2 Duties and Responsibilities of the Trustee**

The Trustee’s role is mainly to act as custodian of the Funds 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 Funds’ 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.

#### **8.1.3 Trustee’s Disclosure of Material Litigation**

As at 10 March 2017, save for the suit(s) 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 is yet to fix a date 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 and 20 April 2017. The Aldwich Bondholders’ Suit will not materially affect the business or financial position of the Trustee.

#### **8.1.4 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 Funds 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 Funds against Trustee's instructions, etc.

The custodian acts only in accordance with instructions from the Trustee.

## **8.2 HSBC (Malaysia) Trustee Berhad**

**BF  
DVEF**

**CMF  
ATRF**

**ICMF**

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 13<sup>th</sup> Floor, Bangunan HSBC, South Tower, No. 2, Leboh Ampang, 50100 Kuala Lumpur.

### **8.2.1 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.

### **8.2.2 Duties and Responsibilities of the Trustee**

The Trustee's main functions are to act as trustee and custodian of the assets of the Funds and to safeguard the interests of Unit Holders. 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 Funds' 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 Funds and in respect of redemption, the Trustee's responsibility is discharged once it has paid the redemption amount to the Manager.

### **8.2.3 Trustee's Statement of Responsibility**

The Trustee has given its willingness to assume the position as trustee of the Funds 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 Funds against all losses, damages or expenses incurred by the Trustee in performing any of its duties or exercising any of its powers under the Deed in relation to the respective Funds. 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.

## **8.2.4 Trustee's Disclosure of Material Litigation**

As at 30 April 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.

## **8.2.5 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 Funds. For quoted and unquoted local investments of the Funds, 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 Funds 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

## **8.2.6 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.

## **8.2.7 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.



### 8.2.8 Consent to Disclosure

The Trustee shall be entitled to process, transfer, release and disclose from time to time any information relating to the Funds, 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.

### 8.3 CIMB Islamic Trustee Berhad

#### MDF

#### MF

#### IBF

CIMB Islamic Trustee Berhad was incorporated on 19 January 1988 and registered as a trust company under the Trust Companies Act, 1949 and having its registered office at Level 13, Menara CIMB, Jalan Stesen Sentral 2, Kuala Lumpur Sentral 50470, Kuala Lumpur, Malaysia. The Trustee is qualified to act as a trustee for collective investment schemes approved under the Capital Markets and Services Act 2007.

#### 8.3.1 Experience as Trustee to Unit Trust Funds

CIMB Islamic Trustee Berhad has been involved in unit trust industry as trustee since 1990. It acts as Trustee to various unit trust funds, real estate investment trust fund, wholesale funds and private retirement schemes.

#### 8.3.2 Duties and Responsibilities of the Trustee

The Trustee's functions, duties and responsibilities are set out in the Deed. The general functions, duties and responsibilities of the Trustee include, but are not limited to, the following:

- (a) Take into custody the investments of the Funds and hold the investments in trust for the Unit Holders;
- (b) Ensure that the Manager, operates and administers the Funds in accordance with the provisions of the Deed, the Securities Commission's Guidelines on Unit Trust Funds ("Guidelines") and acceptable business practice within the unit trust industry;
- (c) As soon as practicable, notify the Securities Commission of any irregularity or breach of the provisions of the Deed, Guidelines and any other matters which in the Trustee's opinion, may indicate that the interests of Unit Holders are not served;
- (d) Exercise reasonable diligence in carrying out its functions and duties, actively monitoring the operations and management of the Funds by the Manager to safeguard the interests of Unit Holders;
- (e) Maintain, or cause the Manager to maintain, proper accounting records and other records as are necessary to enable a complete and accurate view of the Funds to be formed and to ensure that the Funds are operated and managed in accordance with the Deed, prospectus, the Guidelines and securities law; and
- (f) Require that the accounts be audited at least annually.

The Trustee has covenanted in the Deed that it will exercise all due diligence and vigilance in carrying out its functions and duties, and in safeguarding the rights and interests of Unit Holders.

#### **8.3.3 Trustee's Disclosure of Material Litigation**

As at Latest Practicable Date, CIMB Islamic Trustee Berhad 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 or any of its delegates.

#### **8.3.4 Trustee's Delegate**

CIMB Islamic Trustee Berhad has delegated its custodian function to CIMB Bank Berhad ("CIMB Bank"). CIMB Bank's ultimate holding company is CIMB Group Holdings Berhad, a listed company in Bursa Malaysia and currently the second largest financial services provider in Malaysia. CIMB Bank provides full fledged custodial services, typically clearing settlement and safekeeping of all types of investment assets and classes, to a cross section of investors and intermediaries client base, both locally and overseas.

For the local Ringgit assets, they are held through its wholly owned nominee subsidiary "CIMB Group Nominees (Tempatan) Sdn Bhd". For foreign non-Ringgit assets, CIMB Bank appoints global custodian as its agent bank to clear, settle and safekeep on its behalf and to its order.

All investments are automatically registered in the name of the custodian to the order of the Trustee. CIMB Bank acts only in accordance with instructions from the Trustee.

### **8.4 TMF Trustees Malaysia Berhad**

#### **USEF**

TMF Trustees Malaysia Berhad (610812-W) was incorporated in Malaysia on 1 April 2003 under the Companies Act 1965 and registered as a trust company under the Trust Companies Act 1949 on 9 October 2003. It's registered and business address is at 10<sup>th</sup> Floor, Menara Hap Seng, No. 1 & 3, Jalan P. Ramlee, 50250 Kuala Lumpur, Malaysia.

The Trustee is part of TMF Group, an independent global service provider in the trust and fiduciary sector. TMF Trustees started in Malaysia in 1992 with its first office in Labuan International Business Financial Centre ("IBFC"), providing trust and fiduciary services. The Kuala Lumpur office was established in 2003 to support the Labuan office in servicing Malaysian clients and to undertake domestic trust business.

#### **8.4.1 Experience in Trustee Business**

The Trustee provides various types of trustee services, such as security trustee for private debt securities (PDS), corporate administrator to asset-backed securities (ABS), trustee for unit trust funds & private trust and custodian for private fund mandate. The TMF group provides a more comprehensive range of corporate secretarial services, financial accounting, human resource administrative and payroll outsourcing services.

#### **8.4.2 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. In carrying out these functions and duties, the Trustee has to exercise due care, skills, diligence and vigilance and is required to act in accordance with the provisions of the Deed, all relevant laws 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, all relevant laws and the Guidelines.

#### **8.4.3 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 the Guidelines.

#### **8.4.4 Trustee's Disclosure of Material Litigation**

As at 30 April 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 and adversely affect the financial position or business of the Trustee.

#### **8.4.5 Trustee's Delegate**

The Trustee has appointed Standard Chartered Bank Malaysia Berhad ("SCBM") as the custodian of the quoted and unquoted investments of the Fund. SCBM was incorporated in Malaysia on 29 February 1984 under the Companies Act 2016 as a public limited company and is a subsidiary of Standard Chartered PLC (the holding company of a global banking group). SCBM was granted a license on 1 July 1994 under the Financial Services Act 2013.

SCBM is responsible for the Fund's assets settlement and custodising the Fund's asset. The assets are held in the name of the Fund through the custodian's wholly owned subsidiary and nominee company, Cartaban Nominees (Tempatan) Sdn Bhd. All investments are automatically registered into the name of the Fund. The custodian acts only in accordance with the 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 Trustee (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, Trustee 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 respect to **BF, CMF, ICMF, DVEF** and **ATRF**:

### **HSBC (Malaysia) Trustee Berhad**

As trustee for the Funds, there may be related party transaction involving or in connection with the Fund in the following events:-

- 1) Where the Funds invest in instruments offered by the related party of the Trustee (e.g placement of monies, structured products, etc);
- 2) Where the Funds are being distributed by the related party of the Trustee as Institutional Unit Trust Adviser (IUTA);

- 3) Where the assets of the Funds are being custodised by the related party of the Trustee both as sub-custodian and/or global custodian of the Funds (Trustee's delegate); and
- 4) Where the Funds obtain 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 Funds' 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 Funds and which are not less favourable to the Funds than an arm's 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 Funds or any Unit Holder or enter into any contract or transaction with each other, the Funds 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.

In respect to **MDF, MF and IBF**:

#### **CIMB Islamic Trustee Berhad**

The Trustee is independent of the Manager. The Trustee will carry out transactions on an arm's length basis and on terms which are best available for the Funds, as well as act at all times in the best interest of the Unit Holders. The Trustee also has adequate procedures and processes in place to prevent or control conflicts of interest.

In respect to **DF and CF**:

#### **Maybank Trustees Berhad**

The Trustee is independent of the Manager. The Trustee will carry out transactions on an arm's length basis and on terms which are best available for the Funds, as well as act at all times in the best interest of the Unit Holders. The Trustee also has adequate procedures and processes in place to prevent or control conflicts of interest.

The board of directors of the Trustee declare that the requirements of the guidelines on allowing a person to be appointed or to act as trustee under subsection 290(1) of the Capital Markets and Services Act 2007 have been complied with at the appointment of application.

In relation to **USEF**:

#### **TMF Trustees Malaysia Berhad**

The Trustee is independent of the Manager. The Trustee will carry out transactions on an arm's length basis and on terms which are best available for the Fund, as well as act at all times in the best interest of the Unit Holders. The Trustee also has adequate procedures and processes in place to prevent or control conflicts of interest.

The Trustee's board of directors declare that the requirements of the guidelines on allowing a person to be appointed or to act as trustee under subsection 290(1) of the Capital Markets and Services Act 2007 have been complied with at the point of application.

**Other confirmations**

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.

## **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 April 2017

Dear Sirs

**Re: Master Prospectus relating to:**

- 1. RHB DYNAMIC FUND**
- 2. RHB CAPITAL FUND**
- 3. RHB BOND FUND**
- 4. RHB MALAYSIA DIVA FUND**
- 5. RHB CASH MANAGEMENT FUND 1**
- 6. RHB MUDHARABAH FUND**
- 7. RHB ISLAMIC BOND FUND**
- 8. RHB ISLAMIC CASH MANAGEMENT FUND**
- 9. RHB DIVIDEND VALUED EQUITY FUND**
- 10. RHB ASIAN TOTAL RETURN FUND**
- 11. RHB-GS US EQUITY FUND**

**(“FUNDS”) DATED 15 JULY 2017 (“MASTER PROSPECTUS”)**

This letter has been prepared for inclusion in the master prospectus dated 15 July 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 a unit trust for Malaysian tax purposes. The taxation of the Funds are therefore governed principally by Sections 61 and 63B of the Malaysian Income Tax Act, 1967 (“the Act”).

Any reference to interest in the Act shall apply, mutatis mutandis, to gains or profits received and expenses incurred, in lieu of interest, in transactions conducted in accordance with the principles of Shariah. The effect of this is that any gains or profits received and expenses incurred, in lieu of interest, in transactions conducted in accordance with the principles of Shariah, will be accorded the same tax treatment as if they were interest.

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.

Any income received by the Funds from a Sukuk Issue which has been issued by the Malaysia Global Sukuk Inc will be exempt from tax.

Any income received by the Funds from a Sukuk Ijarah, other than convertible loan stock, issued in any currency by 1Malaysia Sukuk Global Berhad will be exempt from tax.

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.

Gains or profits 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<sup>1</sup>; or
- any development financial institution regulated under the Development Financial Institutions Act 2002<sup>1</sup>; 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<sup>2</sup>; or

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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.



- A Sukuk Wakala, other than a convertible loan stock, issued in any currency by Wakala Global Sukuk Berhad; or
- A Sukuk Wakala issued in accordance with the principle of Wakala Bil Istithmar with the nominal value of up to one billion and five hundred million United States Dollars, other than a convertible loan stock, issued by the Malaysia Sovereign Sukuk Berhad.
- A Sukuk Wakala issued in accordance with the principle of Wakala with the nominal value up to one billion and five hundred million United States Dollars, other than convertible loan stock, issued by the Malaysia Sukuk Global Berhad (formerly known as 1Malaysia Sukuk Global Berhad).

### ***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 subjected 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.

### ***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 such 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% (effective from YA 2016) 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% (will be reduced to 18% with effect from YA 2017) 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

A handwritten signature in black ink, appearing to be 'Ong Guan Heng'.

Ong Guan Heng  
Executive Director

## 11. EXPERTS' REPORT

<b>DF</b>	<b>CF</b>	<b>BF</b>	<b>MDF</b>
<b>CMF</b>	<b>MF</b>	<b>IBF</b>	<b>ICMF</b>
<b>DVEF</b>	<b>ATRF</b>	<b>USEF</b>	

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

<b>DF</b>	<b>CF</b>	<b>MDF</b>	<b>CMF</b>
<b>MF</b>	<b>IBF</b>	<b>ICMF</b>	<b>DVEF</b>

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.

### **BF**

The Manager has received a variation to Securities Commission's investment restrictions on 8 May 1998 and is allowed to hold securities that are not traded in or under the rules of an eligible market up to a maximum of 50% of the Net Asset Value. The normal restriction is 10% of the Net Asset Value.

### **USEF**

In relation to the limit of repurchase imposed by the investment manager at target fund level, i.e. Goldman Sachs US Equity Portfolio, the Manager has obtained approval from the Securities Commission for variation to Clause 10.17 (a) of the Guidelines which allows the Manager to pay Unit Holders within fifteen (15) Business Days after the request for redemption of Units is received by the Manager instead of the required ten (10) days.

Should the Fund's target fund, i.e. Goldman Sachs US Equity Portfolio extend the period of the payment of their redemption proceeds beyond ten (10) days, the Manager will only pay Unit Holders their redemption proceeds five (5) Business Days of such other extended period as may be imposed by Goldman Sachs US Equity Portfolio, when the total redemption of shares in Goldman Sachs US Equity Portfolio is more than 10% of the shares in the that target fund or a particular share class of that target fund. Clause 10.17 (a) of the Guidelines states that a management company should pay the Unit Holder in cash the proceeds of the repurchase of Units as soon as possible, at most within ten (10) days of receiving the repurchase request.

In respect of the limit of repurchase imposed by the investment manager at Goldman Sachs US Equity Portfolio, the Manager has obtained approval from the Securities Commission for variation to Clause 10.38 of the Guidelines which allows the Manager to calculate the redemption based on several valuation points on which the staggered payment request is met by Goldman Sachs US Equity Portfolio (instead of at the next valuation point after the request for repurchase of units is received by the management company), when the total redemption of shares in Goldman Sachs US Equity Portfolio is more than 10% of the shares in that target fund or a particular share class of that target fund. Clause 10.38 of the Guidelines states that any dealing in units of the fund should be at a price that is the NAV per unit of the fund as at the next valuation point after the request for sale or repurchase of units is received by the management company (forward price).

## ATRF

In relation to the limit of repurchase imposed by the investment manager at its target fund level, i.e. the United Asian Bond Fund, the Manager has obtained approval from the Securities Commission for variation to Clause 10.17 (a) and Clause 10.38 of the Guidelines, whereby Clause 10.17 (a) of the Guidelines states that a management company should pay the Unit Holder in cash the proceeds of the repurchase of Units as soon as possible, at most within ten (10) days of receiving the repurchase request and Clause 10.38 of the Guidelines states that any dealing in units of the fund should be at a price that is the NAV per unit of the fund as at the next valuation point after the request for sale or repurchase of units is received by the management company (forward price).

The approved variation is subject to the following terms and conditions:

### Variation to Clause 10.17 (a) of the Guidelines

- (i) In the event the United Asian Bond Fund imposes a limit of realisation on any particular day when requests for redemption of its units exceed 10% of the total number of units in issue in the United Asian Bond Fund ("10% limit") and the payment of the redemption request is received by the Manager from the United Asian Bond Fund within 10 business days of the United Asian Bond Fund, the Manager is to pay the Unit Holders within fifteen (15) Business Days upon the receipt of the redemption requests from the Unit Holders of the Fund; or
- (ii) In the event the United Asian Bond Fund imposes 10% limit or triggers suspension upon receipt of the redemption request from the Manager and/or payment has yet to be made to the Manager before the suspension is triggered, and the payment of the redemption request is received by the Manager from the United Asian Bond Fund after 10 business days from the day that the redemption request is received by the United Asian Bond Fund, the Manager is to pay the Unit Holders five (5) Business Days after obtaining the redemption proceeds from the United Asian Bond Fund.

### Variation to Clause 10.38

- (iii) In the event the United Asian Bond Fund imposes the 10% limit, the Manager is to calculate the redemption request based on several valuation points until the full redemption amount is completed by the United Asian Bond Fund.

### 13. DOCUMENTS AVAILABLE FOR INSPECTION

<b>DF</b>	<b>CF</b>	<b>BF</b>	<b>MDF</b>
<b>CMF</b>	<b>MF</b>	<b>IBF</b>	<b>ICMF</b>
<b>DVEF</b>	<b>ATRF</b>	<b>USEF</b>	

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;
- (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 disclosed in the 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 Funds have 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 the 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 the 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](mailto:rhbam@rhbgroup.com)** or visit our website, **[www.rhbgroup.com](http://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

Office

ext

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/ I/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.

### 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/ I/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 director(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 abovementioned 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

Bank Name : \_\_\_\_\_  
Account Holder Name : \_\_\_\_\_  
Account No. : \_\_\_\_\_  
Account Type : ☐ Savings ☐ Current  
Account Ownership : ☐ Single ☐ Joint

### For Foreign Currency

Bank Name : \_\_\_\_\_  
Account Holder Name : \_\_\_\_\_  
Account No. : \_\_\_\_\_  
Account Type : ☐ Savings ☐ Current  
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 wilful 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.

## 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.**

## Name of Individual Applicant

[illegible]

☐ Update (complete where applicable) ☐ Remain as previous application

Occupation/Designation										
Education Level	<input type="checkbox"/> Primary	<input type="checkbox"/> Secondary	<input type="checkbox"/> STPM / Diploma /PreU	<input type="checkbox"/> Degree	<input type="checkbox"/> Post Graduate	<input type="checkbox"/> Others				
Annual Income	<input type="checkbox"/> Up to RM18,000	<input type="checkbox"/> RM18,001 - RM36,000	<input type="checkbox"/> RM36,001 - RM50,000	<input type="checkbox"/> RM50,001 - RM96,000						
	<input type="checkbox"/> RM96,001 - RM180,000	<input type="checkbox"/> RM180,001 - RM240,000	<input type="checkbox"/> RM240,001 and above							
Source of Income	<input type="checkbox"/> Employed (Permanent/Contract)	<input type="checkbox"/> Own business	<input type="checkbox"/> Savings / Inheritance	<input type="checkbox"/> Others (please specify)						
Employer's/Company's Name										
Employer's/Company's Tel No.					Employer's/Company's Office	<input type="checkbox"/> In Malaysia	<input type="checkbox"/> Outside Malaysia (please specify)			
Nature of Business of Applicant/ Applicant's Employer	<input type="checkbox"/> Financial/Banking/Investment	<input type="checkbox"/> Legal/Tax	<input type="checkbox"/> Telecommunications	<input type="checkbox"/> Hotel/ Restaurant	<input type="checkbox"/> Consultancy	<input type="checkbox"/> Government/ Government related				
	<input type="checkbox"/> Medical/Health/Science	<input type="checkbox"/> Education	<input type="checkbox"/> Real Estate/ Property	<input type="checkbox"/> Manufacturing	<input type="checkbox"/> Construction	<input type="checkbox"/> Others (please specify)				

## Name as in NRIC/Passport

[illegible]

Update on Corporation's documents

☐ Remain as previous application[illegible]

## Investment Objective

<input type="checkbox"/> Capital Growth	<input type="checkbox"/> Regular Income	<input type="checkbox"/> Capital Protection	<input type="checkbox"/> Retirement	<input type="checkbox"/> Unit Trust _____ year(s)	<input type="checkbox"/> Trading on Bursa Malaysia _____ year(s)
<input type="checkbox"/> Education	<input type="checkbox"/> Wealth Accumulation			<input type="checkbox"/> Futures / Options _____ year(s)	<input type="checkbox"/> Others _____ year(s)
Investment Time Frame			<input type="checkbox"/> No experience		
<input type="checkbox"/> Long Term (> 5 years)	<input type="checkbox"/> Medium (3-5 years)	<input type="checkbox"/> Short Term (< 3 years)			

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)		
					<input type="checkbox"/> Initial	<input type="checkbox"/> Additional	<input type="checkbox"/> Standing Instruction	<input type="checkbox"/> Reinvest	<input type="checkbox"/> Pay by cheque	<input type="checkbox"/> *Credit into bank account
					<input type="checkbox"/> Initial	<input type="checkbox"/> Additional	<input type="checkbox"/> Standing Instruction	<input type="checkbox"/> Reinvest	<input type="checkbox"/> Pay by cheque	<input type="checkbox"/> *Credit into bank account
					<input type="checkbox"/> Initial	<input type="checkbox"/> Additional	<input type="checkbox"/> Standing Instruction	<input type="checkbox"/> Reinvest	<input type="checkbox"/> Pay by cheque	<input type="checkbox"/> *Credit into bank account
					<input type="checkbox"/> Initial	<input type="checkbox"/> Additional	<input type="checkbox"/> Standing Instruction	<input type="checkbox"/> Reinvest	<input type="checkbox"/> Pay by cheque	<input type="checkbox"/> *Credit into bank account
					<input type="checkbox"/> Initial	<input type="checkbox"/> Additional	<input type="checkbox"/> Standing Instruction	<input type="checkbox"/> Reinvest	<input type="checkbox"/> Pay by cheque	<input type="checkbox"/> *Credit into bank account
					<input type="checkbox"/> Initial	<input type="checkbox"/> Additional	<input type="checkbox"/> Standing Instruction	<input type="checkbox"/> Reinvest	<input type="checkbox"/> Pay by cheque	<input type="checkbox"/> *Credit into bank account
<b>TOTAL</b>										

\* 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

<u>For MYR Currency</u>		<u>For Foreign Currency</u>	
Bank Name	:	Bank Name	:
Account Holder Name	:	Account Holder Name	:
Account No.	:	Account No.	:
Account Type	:	Account Type	:
Account Ownership	:	Account Ownership	:

Payment Mode for investment :	
Cheque/Bank Draft (Bank	No. ) (Payable to "RHB Asset Management Sdn Bhd")

Cheque/Bank Draft (Bank \_\_\_\_\_) No. \_\_\_\_\_  
 EPF Investment Scheme ("EPF")  
 Cash Deposit, kindly indicate the bank account which you banked into:

	<u>Fund Name</u>	<u>Bank</u>
1	All Funds except for items 4 to 9 below	RHB
2	All Funds except for items 4 to 9 below	Maybank
3	All Funds except for items 4 to 9 below	RHB Multi Currency (for foreign currencies)
4	RHB Cash Management Fund 1	RHB
5	RHB Islamic Cash Management Fund	RHB
6	RHB Money Market Fund	RHB
7	RHB Institutional Islamic Money Market Fund	RHB
8	RHB Deposits Fund	RHB
9	RHB Cash Management Fund 2	RHB

☐ Others

**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.

**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 \_\_\_\_\_ Trans Price Date \_\_\_\_\_  
 (RM/relevant currency)

## 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.	<input type="checkbox"/> Reinvest	<input type="checkbox"/> Pay by cheque	<input type="checkbox"/> *Credit into bank account
2.	<input type="checkbox"/> Reinvest	<input type="checkbox"/> Pay by cheque	<input type="checkbox"/> *Credit into bank account
3.	<input type="checkbox"/> Reinvest	<input type="checkbox"/> Pay by cheque	<input type="checkbox"/> *Credit into bank account
4.	<input type="checkbox"/> Reinvest	<input type="checkbox"/> Pay by cheque	<input type="checkbox"/> *Credit into bank account
5.	<input type="checkbox"/> Reinvest	<input type="checkbox"/> Pay by cheque	<input type="checkbox"/> *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

Bank Name : \_\_\_\_\_  
 Account Holder Name : \_\_\_\_\_  
 Account No. : \_\_\_\_\_  
 Account Type : ☐ Savings ☐ Current  
 Account Ownership : ☐ Single ☐ Joint

#### For Foreign Currency

Bank Name : \_\_\_\_\_  
 Account Holder Name : \_\_\_\_\_  
 Account No. : \_\_\_\_\_  
 Account Type : ☐ Savings ☐ Current  
 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:-

- 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.
- 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.
- 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.

- 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