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Master Prospectus

Name of the Funds

Date of Constitution

RHB Equity Trust	24 July 1996
RHB Small Cap Opportunity Unit Trust	14 April 1998
RHB KidSave Trust	1 April 1999
RHB KLCI Tracker Fund	24 March 2000
RHB Dana Islam	11 September 2001
RHB Income Fund 2	13 February 2003
RHB Emerging Opportunity Unit Trust	27 April 2004
RHB Growth and Income Focus Trust	8 June 2004
RHB Thematic Growth Fund	16 August 2007
RHB Malaysia Dividend Fund	22 November 2007
RHB Cash Management Fund 2	30 June 2008
RHB Deposits Fund	26 August 2010
RHB Dana Hazeem	24 September 2012

This master prospectus is dated 3 August 2017.

Manager

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

Trustee

HSBC (Malaysia) Trustee Berhad (1281-T)
(A member of the HSBC Group)

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 73.

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 the 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 Dana Islam and RHB Dana Hazeem have been certified as Shariah-compliant by the Shariah Adviser appointed for the Funds, i.e. RHB Islamic Bank Berhad.

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DEFINITIONS

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 Bursa Malaysia Securities Berhad.

Business Day A day (other than Saturdays, Sundays and public holidays) in which Bursa Malaysia is open for trading.

Deed

RHB Equity Trust

Principal deed dated 24 July 1996 (as amended via its first supplemental deed dated 18 March 1998, supplemental master deed dated 1 June 2009, second supplemental master deed dated 4 September 2013, third supplemental master deed dated 2 March 2015 and fourth supplemental master deed dated 25 May 2015) and any other supplemental deeds as may be registered with the Securities Commission from time to time.

RHB Small Cap Opportunity Unit Trust

Deed dated 14 April 1998 (as amended via its supplemental master deed dated 1 June 2009, second supplemental master deed dated 4 September 2013, third supplemental master deed dated 2 March 2015 and fourth supplemental master deed dated 25 May 2015) and any other supplemental deeds as may be registered with the Securities Commission from time to time.

RHB KidSave Trust

Deed dated 1 April 1999 (as amended via its first supplemental deed dated 24 December 2007, supplemental master deed dated 1 June 2009, second supplemental master deed dated 4 September 2013, third supplemental master deed dated 2 March 2015 and fourth supplemental master deed dated 25 May 2015) and any other supplemental deeds as may be registered with the Securities Commission from time to time.

RHB KLCI Tracker Fund

Deed dated 24 March 2000 (as amended via its supplemental master deed dated 1 June 2009, second supplemental master deed dated 4 September 2013, third supplemental master deed dated 2 March 2015 and fourth supplemental master deed dated 25 May 2015) and any other supplemental deeds as may be registered with the Securities Commission from time to time.

RHB Dana Islam

Deed dated 11 September 2001 (as amended via its first supplemental deed dated 24 December 2007, supplemental master deed dated 1 June 2009, second supplemental master deed dated 4 September 2013, third supplemental master deed dated 2 March 2015 and fourth supplemental master deed dated 25 May 2015) and any other supplemental deeds as may be registered with the Securities Commission from time to time.

RHB Income Fund 2

Deed dated 13 February 2003 (as amended via its first supplemental deed dated 24 December 2007, supplemental master deed dated 1 June 2009, second supplemental master deed dated 4 September 2013, third supplemental master deed dated 2 March 2015 and fourth supplemental

master deed dated 25 May 2015) and any other supplemental deeds as may be registered with the Securities Commission from time to time.

RHB Emerging Opportunity Unit Trust and RHB Growth and Income Focus Trust

Master deed dated 27 April 2004 (as modified via its first supplemental master deed dated 8 June 2004, second supplemental master deed dated 19 October 2005, third supplemental master deed dated 8 December 2005, fourth supplemental master deed dated 28 February 2006, fifth supplemental master deed dated 9 March 2006, sixth supplemental master deed dated 22 September 2006, seventh supplemental master deed dated 15 December 2006, eighth supplemental master deed dated 30 January 2007, ninth supplemental master deed dated 9 April 2007, tenth supplemental master deed dated 14 May 2007, eleventh supplemental master deed dated 15 May 2007, twelfth supplemental master deed dated 27 June 2007, thirteenth supplemental master deed dated 24 December 2007, fourteenth supplemental master deed dated 28 February 2013, fifteenth supplemental master deed dated 4 September 2013, sixteenth supplemental master deed dated 2 March 2015, seventeenth supplemental master deed dated 8 May 2015 and eighteenth supplemental master deed dated 25 May 2015) and any other supplemental deeds as may be registered with the Securities Commission from time to time.

RHB Thematic Growth Fund

Deed dated 16 August 2007 (as amended via its first supplemental deed dated 4 September 2013, second supplemental deed dated 16 February 2015 and third supplemental deed dated 25 May 2015) and any other supplemental deeds as may be registered with the Securities Commission from time to time.

RHB Malaysia Dividend Fund

Deed dated 22 November 2007 (as amended via its first supplemental deed dated 4 September 2013, second supplemental deed dated 16 February 2015 and third supplemental deed dated 25 May 2015) and any other supplemental deeds as may be registered with the Securities Commission from time to time.

RHB Cash Management Fund 2

Deed dated 30 June 2008 (as amended via its first supplemental deed dated 4 September 2013, second supplemental deed dated 16 February 2015 and third supplemental deed dated 25 May 2015) and any other supplemental deeds as may be registered with the Securities Commission from time to time.

RHB Deposits Fund

Deed dated 26 August 2010 (as amended via its first supplemental deed dated 4 September 2013, second supplemental deed dated 24 February 2015 and third supplemental deed dated 25 May 2015) and any other supplemental deeds as may be registered with the Securities Commission from time to time.

RHB Dana Hazeem

Deed dated 24 September 2012 (as amended via its first supplemental deed dated 4 September 2013, second supplemental deed dated 26 February 2015, third supplemental deed dated 25 May 2015 and fourth

	supplemental deed dated 13 January 2016) and any other supplemental deeds as may be registered with the Securities Commission from time to time.
Eligible Market	A market which is regulated by a regulatory authority, operates regularly, is open to the public and has adequate liquidity for the purposes of the Fund(s). A non-exhaustive list of Eligible Markets includes stock exchanges, derivative exchanges, over-the-counter debt securities markets and money markets.
EPF	Employees Provident Fund.
EPF Members' Investment	The investment schemes approved by the Minister charged with the Scheme responsibility for matters relating to the Employees Provident Fund Board, subject to such terms and conditions as it 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.
External Investment Manager	RHB Islamic International Asset Management Berhad, as the investment manager with the responsibility of managing the investment of Dana Islam as delegated to it by the Manager/Management Company.
FBM Fledgling Index	FTSE Bursa Malaysia Fledgling Index.
FBM KLCI	FTSE Bursa Malaysia Kuala Lumpur Composite Index.
FBM Second Board Index	FTSE Bursa Malaysia Second Board Index.
FBM Small Cap Index	FTSE Bursa Malaysia Small Cap Index.
FIMM	Federation of Investment Managers Malaysia.
Fund (respectively) or Funds (collectively)	RHB Equity Trust (" Equity Trust "); or RHB Small Cap Opportunity Unit Trust (" SCOUT "); or RHB KidSave Trust (" KidSave "); or RHB KLCI Tracker Fund (" Tracker "); or RHB Dana Islam (" Dana Islam "); or RHB Income Fund 2 (" Income Fund "); or RHB Emerging Opportunity Unit Trust (" EOUT "); or RHB Growth and Income Focus Trust (" GIFT "); or RHB Thematic Growth Fund (" TGF "); or RHB Malaysia Dividend Fund (" MDIV "); or RHB Cash Management Fund 2 (" CASH "); or RHB Deposits Fund (" Deposits "); or RHB Dana Hazeem (" Dana Hazeem ").
GST	Goods and services tax.
KLIBOR	Kuala Lumpur Interbank Offered Rate.
Latest Practicable Date	31 May 2017.
Manager/Management Company	RHB Asset Management Sdn Bhd.

MSCI AC Asia Ex Japan	Morgan Stanley Capital International All Country Asia Ex-Japan.
Net Asset Value (NAV)	The Net Asset Value of the respective Funds is determined by deducting the value of all the respective Funds' liabilities from the value of all the respective Funds' assets, at the valuation point.
Net Asset Value per Unit	The Net Asset Value of the respective Funds divided by the total number of units in circulation at that valuation point.
Non-Equity Shariah-Compliant Investments	Non-equity Shariah-compliant investments which are defensive in nature comprising sukuk, Islamic money market instruments and Islamic deposits with financial institutions.
Repurchase Price	<p>In relation to Equity Trust, SCOUT, KidSave, Tracker, Dana Islam, Income Fund, EOUI, GIFT, TGF, MDIV, Deposits and Dana Hazeem:</p> <p>The price (before deducting any repurchase charge) payable by the Manager to a Unit Holder of a Fund pursuant to the repurchase of a Unit. The Repurchase Price shall be the Net Asset Value per Unit as at the next valuation point of the Fund's relevant Business Day ("forward pricing") after the repurchase request is received by the Manager. A repurchase charge, if any, will be computed separately based on the withdrawal amount/repurchase amount. The implementation of GST is effective from 1 April 2015 at the rate of 6% and the repurchase charge payable (if any) is exclusive of GST.</p> <p>In relation to CASH:</p> <p>The price (before deducting any repurchase charge) payable by the Manager to a Unit Holder of the Fund pursuant to the repurchase of a Unit. The Repurchase Price shall be the Net Asset Value per Unit as at the valuation point immediately preceding the Fund's relevant Business Day when the request for repurchase is received by the Manager ("historical pricing"). A repurchase charge, if any, will be computed separately based on the withdrawal amount/repurchase amount. The implementation of GST is effective from 1 April 2015 at the rate of 6% and the repurchase charge payable (if any) is exclusive of GST.</p>
RM or Ringgit Malaysia	The lawful currency of Malaysia.
SACSC	Shariah Advisory Council of the Securities Commission.
Securities Commission ("SC")	Securities Commission Malaysia.
Selling Price	<p>In relation to Equity Trust, SCOUT, KidSave, Tracker, Dana Islam, Income Fund, EOUI, GIFT, TGF, MDIV, Deposits and Dana Hazeem:</p> <p>The price (before adding any sales charge) payable by an investor or a Unit Holder for the purchase of a Unit. The Selling Price shall be the Net Asset Value per Unit as at the next valuation point of the Fund's relevant Business Day ("forward pricing") after the application for Units is received by the Manager. A sales charge, where applicable, will be computed separately based on the investment amount/purchase amount, net of bank charges (if any). The implementation of GST is effective from 1 April 2015 at the rate of 6% and the sales charge payable (if any) is exclusive of GST.</p>

In relation to CASH:

The price (before adding any sales charge) payable by an investor or a Unit Holder for the purchase of a Unit. The Selling Price shall be the Net Asset Value per Unit as at the valuation point immediately preceding the Fund's relevant Business Day when the application for Units of **CASH** is received by the Manager ("historical pricing"). A sales charge may be computed separately based on the investment amount/purchase amount, net of bank charges (if any). The implementation of GST is effective from 1 April 2015 at the rate of 6% and the sales charge payable (if any) is exclusive of GST.

Shariah	Islamic law comprising the whole body of rulings pertaining to human conducts derived from the sources of the Shariah. The primary sources are the <i>Quran</i> and the <i>Sunnah</i> , while the secondary ones are those established sources such as <i>Ijma'</i> (consensus), <i>Qiyas</i> (analogy), <i>Maslahah</i> (beneficial), <i>Istihsan</i> (juristic preference), <i>Istishab</i> (presumption of continuity), <i>'Uruf</i> (custom) and <i>Sadd Zara'ie</i> (blocking the mean).
Shariah Adviser	RHB Islamic Bank Berhad (appointed for Dana Islam and Dana Hazeem).
Shariah requirements	Phrase or expression which generally means making sure that any human conduct must not involve any prohibition and that in performing that conduct all the essential elements that make up the conduct must be present and each essential element must meet all the necessary conditions required by the Shariah for that element.
Sukuk	Refers to certificates of equal value which evidence undivided ownership or investment in the assets using Shariah principles and concepts approved by the SACSC or in the case of foreign sukuk, endorsed by the respective Shariah advisers or Shariah board of the issuer.
TSR	Transferable Subscription Rights.
Trustee	HSBC (Malaysia) Trustee Berhad.
Unit(s)	Means unit(s) of the Fund and includes fractions of a unit of the Fund.
Unit Holder(s)	The person(s) for the time being registered under the provisions of the Deed as the holder(s) of units of the respective Funds and person(s) jointly so registered and where applicable, includes the Manager.

CORPORATE DIRECTORY

MANAGER

RHB Asset Management Sdn Bhd

REGISTERED & PRINCIPAL OFFICE

Level 8, Tower 2 & 3

RHB Centre, Jalan Tun Razak

50400 Kuala Lumpur

Tel: 03-9205 8000

Fax: 03-9205 8100

E-mail: rhbam@rhbgroup.com

Website: www.rhbgroup.com

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 **Dana Islam**:

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: rhbiim.enquiry@rhbgroup.com

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

1. FUND INFORMATION

1.1 RHB Equity Trust

1.1.1 Fund Category

Equity fund.

1.1.2 Financial Year End

31 December.

1.1.3 Name of Trustee

HSBC (Malaysia) Trustee Berhad.

1.1.4 Investment Objective

This Fund aims to provide investors with capital growth through investments in stocks with high growth potential over a medium to long term* period.

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

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

1.1.5 Investment Strategy

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

90% - 98% of Net Asset Value

- Investments in securities of companies that have good growth potential. In managing these investments, the Fund may invest up to 50% of the Net Asset Value in Asia ex-Japan markets.

2% - 10% of Net Asset Value

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

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

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

The risk management strategies and techniques employed by the Manager include diversification of the Fund's investments in terms of its exposure to various industries, sectors, countries and asset classes and/or type of investments (i.e. equity, fixed income, money market instruments). Financial derivatives may also be used for hedging purposes where appropriate. Generally, the assets of the Fund will be invested over a medium to long term period with disposal of the investments when necessary to control risk as well as to optimise capital gains. This is especially so when the full

growth potential of an investment is deemed to have been reduced over a prolonged rise in equity value and other available equity investments may present cheaper valuations and potential higher returns. The Fund also complies with the permitted investments and restrictions imposed by the Securities Commission. Adherence to these permitted investments and restrictions also helps the Manager to risk-manage the Fund's portfolio in terms of diversification. Moreover, the Manager in making its investment decisions shall at all times comply with the investment restrictions of the Fund and requirements as set out in the Deed.

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 the Fund's equity investments into other asset classes such as fixed income securities, money market instruments and deposits with any financial institutions, which are defensive in nature. These are deposits that are not embedded with or linked to financial derivative instruments (structured deposits) and (where applicable) these are current accounts, short term money market deposits and short term deposits with financial institutions. In its reallocation, the level of equity investments would normally not be below 20% of the Net Asset Value.

The performance of this Fund cannot be compared directly with any specific publicly available benchmark such as the FBM KLCI or the MSCI AC Asia Ex-Japan Index as the Fund may invest up to 50% of its Net Asset Value in securities of foreign markets. As such, a benchmark comprising 70% of the performance of the FBM KLCI and 30% of the MSCI AC Asia Ex-Japan Index is used for comparative purposes as it best reflects the Fund's underlying investments. For ease of reference, investors may refer to local newspapers, Bloomberg L.P or the MSCI website (www.msci.com) for these indicators. 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.

1.1.6 Investment in Unlisted Securities

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

- (a) Equities not listed for trading in a stock market of a stock exchange but have been approved for such listing and offered directly to the Fund by the issuer;
- (b) Debentures traded on an organised over-the-counter ("OTC") market; and
- (c) Structured products.

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

1.1.7 Collective Investment Schemes

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

1.1.8 Financial Derivatives

The Manager may participate in futures contracts and other financial derivatives, when appropriate. The category of financial derivatives to be participated in shall be stock index futures contracts,

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

1.1.9 Structured Products

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

1.1.10 Foreign Securities

The Fund may invest up to 50% (or such other percentage as may be permitted by the relevant authorities from time to time) of the Net Asset Value in securities of foreign markets where its regulatory authority is a member of the International Organization of Securities Commissions ("IOSCO").

The Fund will invest in securities/instruments listed on or traded in Asia ex Japan markets (such as Singapore, South Korea, Hong Kong, Thailand, Taiwan, Indonesia, China and India) including securities/instruments of Asia ex Japan companies that are listed on or traded in non-Asian markets (such as the New York Stock Exchange and the London Stock Exchange).

When investing in foreign markets which require prior permission or approval such as in the form of an investment licence or investor code or investor registration, the Fund has/will obtain such necessary permission or approval in order to invest in such markets.

In undertaking these foreign investments, the Manager may invest directly in equities and/or bonds, and/or may invest through other collective investment schemes (provided the investment mandate of the scheme complements the Fund's investment objective and other conditions as set out in section 1.1.7), where appropriate.

1.1.11 Liquid Assets

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

This Fund shall not borrow in connection with its activities or lend any of its cash or investments unless permitted by the relevant laws pertaining to unit trust funds. However, the Fund may borrow cash on a temporary basis (i.e. not more than one month) from financial institutions to meet

redemption requests. Such borrowing shall not exceed ten (10) per cent of the Net Asset Value at the time the borrowing is incurred.

1.1.12 Distribution Policy

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

1.1.13 Permitted Investments and Restrictions

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

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

- a) The value of the Fund's investments in unlisted securities must not exceed ten (10) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.
- b) The value of the Fund's investments in ordinary shares issued by any single issuer must not exceed ten (10) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.
- c) The value of the Fund's investments in transferable securities (i.e. equities, debentures and warrants) and money market instruments issued by any single issuer must not exceed fifteen (15) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.
- d) The value of the Fund's placement in deposits with any single financial institution must not exceed twenty (20) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.
- e) The value of the Fund's investments in transferable securities and money market instruments issued by any group of companies must not exceed twenty (20) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.
- f) The aggregate value of the Fund's investments in transferable securities, money market instruments, deposits, over-the-counter ("OTC") financial derivatives and structured products issued by or placed with, as the case may be any single issuer/institution must not exceed twenty five (25) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.
- g) The value of the Fund's investments in units/shares of any collective investment scheme must not exceed twenty (20) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.
- h) The value of the Fund's investments in structured products issued by any single counter-party must not exceed fifteen (15) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time. This single counter-party limit may be exceeded if the counter-party has a minimum long-term rating that indicates very strong capacity for timely payment of financial obligations provided by any domestic or

global rating agency and the structured product has a capital protection feature. When this applies, the calculation of the aggregate value to determine compliance with item (f) should exclude the value of investments 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 position must not exceed the Net Asset Value.
- j) The Fund's investments in transferable securities (other than debentures) must not exceed ten (10) per cent of the securities issued by any single issuer, or any other limit as may be prescribed by the Securities Commission from time to time.
- k) The Fund's investments in debentures must not exceed twenty (20) per cent of the debentures issued by any single issuer, or any other limit as may be prescribed by the Securities Commission from time to time.
- l) The Fund's investments in money market instruments must not exceed ten (10) per cent of the instruments issued by any single issuer, or any other limit as may be prescribed by the Securities Commission from time to time. Such limit does not apply to money market instruments that do not have a pre-determined issue size.
- m) The Fund's investments in collective investment schemes must not exceed twenty five (25) per cent of the units/shares in any one collective investment scheme, or any other limit as may be prescribed by the Securities Commission from time to time.

The limits and restrictions mentioned herein must be complied with at all times based on the most up-to-date value of the Fund's investments. However, a 5% allowance in excess of the limits or restrictions is permitted where the limits or restrictions 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 securities / instruments that are issued or guaranteed by the Malaysian government or Bank Negara Malaysia.

In addition to the limits and restrictions mentioned above which apply to this particular Fund, the Manager has further imposed an internal restriction on certain Funds under its management whereby the total holding by those Funds of any class of security of any single issuer should not exceed in aggregate ten (10) per cent of the security issued. This Fund is subject to the said internal restriction. Any increase beyond this percentage requires the approval of the members of the Fund's investment committee.

1.2 RHB Small Cap Opportunity Unit Trust

1.2.1 Fund Category

Equity fund (Small-cap fund).

1.2.2 Financial Year End

31 December.

1.2.3 Name of Trustee

HSBC (Malaysia) Trustee Berhad.

1.2.4 Investment Objective

This Fund aims to achieve long term* capital appreciation through investments in companies with market capitalisation of not more than RM750 million.

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

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

1.2.5 Investment Strategy

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

95% - 98% of Net Asset Value

- Investments in securities of companies with market capitalisation of not more than RM750 million.

2% - 5% of Net Asset Value

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

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

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

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

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

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 the Fund's equity investments into other asset classes such as fixed income securities, money market instruments and deposits with any financial institutions, which are defensive in nature. These are deposits that are not embedded with or linked to financial derivative instruments (structured deposits) and (where applicable) these are current accounts, short term money market deposits and short term deposits with financial institutions. In its reallocation, the level of equity investments would normally not be below 20% of the Net Asset Value.

The performance of this Fund is benchmarked against the FBM Fledgling Index or such other equivalent index as may be substituted by Bursa Malaysia Securities Berhad which is reflective of the Fund's underlying investments. For ease of reference, investors may refer to major newspapers for this indicator. Investor should note that the risk profile of the Fund is different from the risk profile of the benchmark.

1.2.6 Investment in Unlisted Securities

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

- (a) Equities not listed for trading in a stock market of a stock exchange but have been approved for such listing and offered directly to the Fund by the issuer;
- (b) Debentures traded on an organised over-the-counter ("OTC") market; and
- (c) Structured products.

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

1.2.7 Collective Investment Schemes

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

1.2.8 Financial Derivatives

The Manager may participate in futures contracts and other financial derivatives, when appropriate. The category of financial derivatives to be participated in shall be stock index futures contracts, stock index options contracts, single stock futures contracts, forwards and swaps, or any other categories and/or types of futures contracts or financial derivatives that may be allowable by the relevant authorities from time to time. The Fund's participation in financial derivatives is basically to hedge the portfolio from any unexpected price movement in the underlying market and also the portfolio's exposure to foreign currency as well as to hedge against any opportunity loss arising from its uninvested cash. The benefit of any upside of price movement in the underlying market or

currency movement is limited as the primary interest is to protect the value of the portfolio and to manage risks in relation to the benchmark. Nonetheless, the Fund may also invest in financial derivatives for investment purpose to enhance the returns of the Fund. If the Fund were to invest in over-the-counter (“OTC”) derivatives, the Manager will monitor the credit rating of the counterparty issuing the derivatives and dispose off the derivatives should the rating of the said derivative counterparty fall below the credit rating of A by RAM Rating Services Berhad or its equivalent rating by a reputable rating establishment. If the Fund does invest in derivatives, there may be a likelihood that the NAV per unit of the Fund may be subject to high volatility. The Fund’s investments in financial derivatives (if any) shall always be subject to the restrictions stipulated in section 1.2.13 (f) and (i).

1.2.9 Structured Products

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

1.2.10 Foreign Securities

The Manager may invest up to 30% of the Net Asset Value in securities of foreign markets where its regulatory authority is a member of the International Organization of Securities Commissions (“IOSCO”).

The Fund will invest in securities/instruments listed on or traded in Asia Pacific ex Japan markets (such as Australia, China, Hong Kong SAR, India, Indonesia, New Zealand, Philippines, Singapore, Vietnam, South Korea, Sri Lanka, Taiwan and Thailand) including securities/instruments of Asia Pacific ex Japan companies that are listed on or traded in non-Asia Pacific ex Japan markets (such as the New York Stock Exchange and the London Stock Exchange) and/or securities/instruments issued and/or guaranteed by governments or quasi-government agencies.

When investing in foreign markets which require prior permission or approval such as in the form of an investment licence or investor code or investor registration, the Fund has/will obtain such necessary permission or approval in order to invest in such markets.

In undertaking these foreign investments, the Manager may invest directly in equities and/or fixed income securities, and/or may invest through other collective investment schemes (provided the investment mandate of the scheme complements the Fund’s investment objective and other conditions as set out in section 1.2.7), where appropriate.

1.2.11 Liquid Assets

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

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

1.2.12 Distribution Policy

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

1.2.13 Permitted Investments and Restrictions

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

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

- a) The value of the Fund's investments in unlisted securities must not exceed ten (10) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.
- b) The value of the Fund's investments in ordinary shares issued by any single issuer must not exceed ten (10) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.
- c) The value of the Fund's investments in transferable securities (i.e. equities, debentures and warrants) and money market instruments issued by any single issuer must not exceed fifteen (15) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.
- d) The value of the Fund's placement in deposits with any single financial institution must not exceed twenty (20) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.
- e) The value of the Fund's investments in transferable securities and money market instruments issued by any group of companies must not exceed twenty (20) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.
- f) The aggregate value of the Fund's investments in transferable securities, money market instruments, deposits, over-the-counter ("OTC") financial derivatives and structured products issued by or placed with, as the case may be any single issuer/institution must not exceed twenty five (25) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.
- g) The value of the Fund's investments in units/shares of any collective investment scheme must not exceed twenty (20) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.
- h) The value of the Fund's investments in structured products issued by any single counter-party must not exceed fifteen (15) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time. This single counter-party limit may be exceeded if the counter-party has a minimum long-term rating that indicates very strong capacity for timely payment of financial obligations provided by any domestic or global rating agency and the structured product has a capital protection feature. When this applies, the calculation of the aggregate value to determine compliance with item (f) should exclude the value of investments in structured products.

- i) The value of the Fund's OTC financial derivatives transactions with any single counter-party must not exceed ten (10) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time; and the Fund's exposure to the underlying assets (vide the derivatives) must not exceed the Fund's investment spread limits as stipulated in (b), (c), (d), (e), (f), (g) and (h) above. In addition, the Fund's net market exposure owing to its financial derivatives position must not exceed the Net Asset Value.
- j) The Fund's investments in transferable securities (other than debentures) must not exceed ten (10) per cent of the securities issued by any single issuer, or any other limit as may be prescribed by the Securities Commission from time to time.
- k) The Fund's investments in debentures must not exceed twenty (20) per cent of the debentures issued by any single issuer, or any other limit as may be prescribed by the Securities Commission from time to time.
- l) The Fund's investments in money market instruments must not exceed ten (10) per cent of the instruments issued by any single issuer, or any other limit as may be prescribed by the Securities Commission from time to time. Such limit does not apply to money market instruments that do not have a pre-determined issue size.
- m) The Fund's investments in collective investment schemes must not exceed twenty five (25) per cent of the units/shares in any one collective investment scheme, or any other limit as may be prescribed by the Securities Commission from time to time.

The limits and restrictions mentioned herein must be complied with at all times based on the most up-to-date value of the Fund's investments. However, a 5% allowance in excess of the limits or restrictions is permitted where the limits or restrictions 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 securities/instruments that are issued or guaranteed by the Malaysian government or Bank Negara Malaysia.

In addition to the limits and restrictions mentioned above which apply to this particular Fund, the Manager has further imposed an internal restriction on certain Funds under its management whereby the total holding by those Funds of any class of security of any single issuer should not exceed in aggregate ten (10) per cent of the security issued. This Fund is subject to the said internal restriction. Any increase beyond this percentage requires the approval of the members of the Fund's investment committee.

1.3 RHB KidSave Trust

1.3.1 Fund Category

Balanced fund.

1.3.2 Financial Year End

31 March.

1.3.3 Name of Trustee

HSBC (Malaysia) Trustee Berhad.

1.3.4 Investment Objective

This Fund aims to maximise total returns through a combination of long term* growth of capital and current income^ consistent with the preservation of capital#.

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

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

^ The income is in the form of units. Please refer to the Fund's distribution mode.

Although the Fund aims to preserve its value, the Fund is not a capital guaranteed fund or a capital protected fund.

1.3.5 Investment Strategy

This Fund seeks to achieve its investment objective through a policy of diversified investment in equities and fixed income securities (comprising amongst others of convertible debt securities, redeemable debt securities, bonds/securities that are issued and/or guaranteed by the government or quasi-government agencies, corporate bonds carrying at least BBB ratings by RAM Rating Services Berhad or its equivalent rating by any other rating establishment and fixed income collective investment schemes), money market instruments, cash and deposits with financial institutions. Specific risks associated with such securities and investments are as elaborated in section 2.2.

This Fund will generally adopt a 50% equities and 50% fixed income securities asset allocation strategy. Given this balanced asset mix, the fixed income portion of the Fund's portfolio could provide a buffer to mitigate the adverse effect on the Fund's portfolio arising from volatile price movements in the stock market whilst the equity portion of the Fund would enable the Fund to enjoy part of the appreciation from growth in the stock market. However, the actual percentage of assets invested in equities and fixed income securities will vary from time to time, depending on the judgement of the Manager as to the general market and economic conditions, trends and yields, interest rates and changes in fiscal and monetary policies. In reviewing this asset allocation strategy, the Fund's asset mix would normally range from 40% to 60% in equities and from 40% to 60% in fixed income securities to reflect the market conditions but subject always to a minimum allocation of 40% in equities and 40% in fixed income securities. Although the Fund is actively managed, how active or the frequency of its trading strategy will very much depend on market opportunities.

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

The risk management strategies and techniques employed by the Manager include diversification of the Fund's investments in terms of its exposure to various industries, sectors and asset classes and/or

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

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 the Fund's equity investments into other asset classes such as fixed income securities, money market instruments and deposits with any financial institutions, which are defensive in nature. These are deposits that are not embedded with or linked to financial derivative instruments (structured deposits) and (where applicable) these are current accounts, short term money market deposits and short term deposits with financial institutions. In its reallocation, the level of equity investments would not fall below 20% of the Net Asset Value.

The performance of this Fund cannot be compared directly with any specific publicly available benchmark such as the FBM KLCI, the FTSE Bursa Malaysia EMAS Index nor the Kuala Lumpur Interbank Offered Rate (KLIBOR) as the Fund is a balanced fund where investment in equities and fixed income securities are each restricted to a maximum of 60%. As such, a benchmark comprising 50% of the performance of the FBM KLCI and 50% of the 12-month KLIBOR is used for comparative purpose which is reflective of the Fund's underlying investments. For ease of reference, investors may refer to local newspapers for these indicators. 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.

1.3.6 Investment in Unlisted Securities

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

- (a) Equities not listed for trading in a stock market of a stock exchange but have been approved for such listing and offered directly to the Fund by the issuer;
- (b) Debentures traded on an organised over-the-counter ("OTC") market; and
- (c) Structured products.

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

1.3.7 Collective Investment Schemes

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

1.3.8 Financial Derivatives

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

1.3.9 Structured Products

The Manager may also invest in structured products where the Manager expects those investments to complement the objective and enhance the performance of this Fund. The Fund's investment in structured products (if any) shall always be subject to the restrictions stipulated in section 1.3.13 (f) and (h).

1.3.10 Foreign Securities

The Manager may invest up to 30% of the Net Asset Value in securities of foreign markets where its regulatory authority is a member of the International Organization of Securities Commissions ("IOSCO").

The Fund will invest in securities / instruments listed on or traded in Asia Pacific ex Japan markets (such as Australia, China, Hong Kong SAR, India, Indonesia, New Zealand, Philippines, Singapore, Vietnam, South Korea, Sri Lanka, Taiwan and Thailand) including securities / instruments of Asia Pacific ex Japan companies that are listed on or traded in non-Asia Pacific ex Japan markets (such as the New York Stock Exchange and the London Stock Exchange) and/or securities / instruments issued and/or guaranteed by governments or quasi-government agencies.

When investing in foreign markets which require prior permission or approval such as in the form of an investment licence or investor code or investor registration, the Fund has/will obtain such necessary permission or approval in order to invest in such markets.

In undertaking these foreign investments, the Manager may invest directly in equities and/or fixed income securities, and/or may invest through other collective investment schemes (provided the investment mandate of the scheme complements the Fund's investment objective and other conditions as set out in section 1.3.7), where appropriate.

1.3.11 Liquid Assets

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

liquid assets level from the stipulated level to allow the Manager to react to the prevailing market conditions and to manage investment risks when circumstances warrant it.

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

1.3.12 Distribution Policy

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

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

[^]The income is in the form of units. Please refer to the Fund's distribution mode.

1.3.13 Permitted Investments and Restrictions

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

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

- a) The value of the Fund's investments in unlisted securities must not exceed ten (10) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.
- b) The value of the Fund's investments in ordinary shares issued by any single issuer must not exceed ten (10) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.
- c) The value of the Fund's investments in transferable securities (i.e. equities, debentures and warrants) and money market instruments issued by any single issuer must not exceed fifteen (15) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.
- d) The value of the Fund's placement in deposits with any single financial institution must not exceed twenty (20) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.
- e) The value of the Fund's investments in transferable securities and money market instruments issued by any group of companies must not exceed twenty (20) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.
- f) The aggregate value of the Fund's investments in transferable securities, money market instruments, deposits, over-the-counter ("OTC") financial derivatives and structured products issued by or placed with, as the case may be any single issuer/institution must not exceed twenty five (25) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.

- g) The value of the Fund's investments in units/shares of any collective investment scheme must not exceed twenty (20) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.
- h) The value of the Fund's investments in structured products issued by any single counter-party must not exceed fifteen (15) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time. This single counter-party limit may be exceeded if the counter-party has a minimum long-term rating that indicates very strong capacity for timely payment of financial obligations provided by any domestic or global rating agency and the structured product has a capital protection feature. When this applies, the calculation of the aggregate value to determine compliance with item (f) should exclude the value of investments in structured products.
- i) The value of the Fund's OTC financial derivatives transactions with any single counter-party must not exceed ten (10) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time; and the Fund's exposure to the underlying assets (vide the derivatives) must not exceed the Fund's investment spread limits as stipulated in (b), (c), (d), (e), (f), (g) and (h) above. In addition, the Fund's net market exposure owing to its financial derivatives position must not exceed the Net Asset Value.
- j) The Fund's investments in transferable securities (other than debentures) must not exceed ten (10) per cent of the securities issued by any single issuer, or any other limit as may be prescribed by the Securities Commission from time to time.
- k) The Fund's investments in debentures must not exceed twenty (20) per cent of the debentures issued by any single issuer, or any other limit as may be prescribed by the Securities Commission from time to time.
- l) The Fund's investments in money market instruments must not exceed ten (10) per cent of the instruments issued by any single issuer, or any other limit as may be prescribed by the Securities Commission from time to time. Such limit does not apply to money market instruments that do not have a pre-determined issue size.
- m) The Fund's investments in collective investment schemes must not exceed twenty five (25) per cent of the units/shares in any one collective investment scheme, or any other limit as may be prescribed by the Securities Commission from time to time.

The limits and restrictions mentioned herein must be complied with at all times based on the most up-to-date value of the Fund's investments. However, a 5% allowance in excess of the limits or restrictions is permitted where the limits or restrictions 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 securities/instruments that are issued or guaranteed by the Malaysian government or Bank Negara Malaysia.

In addition to the limits and restrictions mentioned above which apply to this particular Fund, the Manager has further imposed an internal restriction on certain Funds under its management whereby the total holding by those Funds of any class of security of any single issuer should not exceed in aggregate ten (10) per cent of the security issued. This Fund is subject to the said internal restriction. Any increase beyond this percentage requires the approval of the members of the Fund's investment committee.

1.4 RHB KLCI Tracker Fund

1.4.1 Fund Category

Equity / Index Tracking fund.

1.4.2 Financial Year End

31 March.

1.4.3 Name of Trustee

HSBC (Malaysia) Trustee Berhad.

1.4.4 Investment Objective

This Fund aims to provide investment results that closely correspond to the performance of the Kuala Lumpur Composite Index or such other index as may be replaced by Bursa Malaysia Securities Berhad.

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

Note: Effective 6 July 2009, Bursa Malaysia Securities Berhad replaced the KLCI with the FBM KLCI.

1.4.5 Investment Strategy

This Fund seeks to achieve its investment objective by investing all or substantially all of the Fund's assets in the FBM KLCI component stocks in substantially the same weightings as they appear in the FBM KLCI.

The FBM KLCI is an index that provides a performance benchmark for the Malaysian equity market by reflecting the performance of listed companies that are representative of the major sectors in the Malaysian economy. The FBM KLCI is an index of the thirty (30) largest companies listed on the Main Market by full market capitalisation that meet the eligibility requirements of the FTSE Bursa Malaysia Ground Rules. The FBM KLCI index is calculated by FTSE based on its own specific calculation methodology and rules. Therefore, any error or non-adherence to these calculation methodology and rules may affect the accuracy and/or completeness of the FBM KLCI Index computation. Investors may obtain more information about the FBM KLCI's calculation methodology and rules from Bursa Malaysia's website: www.bursamalaysia.com.

Generally, the Fund will invest in all of the thirty (30) component stocks of the FBM KLCI. To the extent consistent with achieving its investment objective, the Fund may also participate in FBM KLCI futures. Although this Fund is passively managed, the investments in the Fund will be rebalanced from time to time to reflect any changes to the composition of or the weightings of shares in the FBM KLCI. Accordingly, a daily analysis of the portfolio is conducted to ensure that:

- Tracking errors are within expectations;
- Stocks continue to be within the perimeters of the FBM KLCI component stocks;
- Investment weightings are within the tolerance limit, otherwise rebalancing of the portfolio is required; and
- Cash is properly hedged.

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

90% - 99.5% of Net Asset Value

- Investments in the FBM KLCI component stocks.

0% - 10% of Net Asset Value

- Participation in financial derivatives.

0.5% - 10% of Net Asset Value

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

Specific risks associated with such securities and investments are as elaborated in section 2.2.

Tracking errors against the benchmark FBM KLCI may occur due to the necessity of the Fund to set aside some liquid funds which would otherwise be invested to achieve 100% weightage. Another contributing factor to the tracking errors are the fees and expenses payable by the Fund and transaction costs incurred in rebalancing the portfolio. As such, the risk management strategies and techniques employed by the Manager include the use of financial derivatives to replicate the benchmark FBM KLCI and the constant rebalancing of the portfolio. The Fund also complies with the permitted investments and restrictions imposed by the Securities Commission. Moreover, the Manager in making its investment decisions shall at all times comply with the investment restrictions of the Fund and requirements as set out in the Deed.

The performance of this Fund is therefore benchmarked against the FBM KLCI which the Fund seeks to track. For ease of reference, investors may refer to local newspapers for this indicator.

1.4.6 Collective Investment Schemes

The Manager will only make such investments where the Manager expects those investments to complement the objective and enhance the performance of this Fund. In addition, the Manager will only make such investments if the target fund is registered/authorised/approved by the relevant regulatory authority in its home jurisdiction as the case may be and which operates within the general investment principles of the Guidelines on Unit Trust Funds issued by the Securities Commission. The Fund's investments in collective investment schemes (if any) shall always be subject to the restrictions stipulated in section 1.4.12 (e) and (f).

1.4.7 Financial Derivatives

The Manager intends to participate in futures contracts and other financial derivatives, when appropriate. The category of financial derivatives to be participated in shall be stock index futures contracts, stock index options contracts, single stock futures contracts, or any other categories and/or types of futures contracts or financial derivatives that may be allowable by the relevant authorities from time to time. The Fund's participation in financial derivatives will be used to replicate the benchmark FBM KLCI and also to minimise potential tracking error against the benchmark due to the necessity of the Fund to set aside some liquid funds which would otherwise be invested to achieve 100% weightage. The primary interest is to enhance correlation with the benchmark FBM KLCI. The Fund's net market exposure owing to its financial derivatives position must not exceed the Net Asset Value.

1.4.8 Foreign Securities

The Manager will not invest in foreign securities as it is inconsistent with the objective of this Fund.

1.4.9 Liquid Assets

The Manager in structuring this Fund's portfolio will maintain a minimum liquid assets level of 0.5% of the Net Asset Value for the purpose of meeting redemptions and to enable the proper and efficient management of the Fund. However, this does not preclude the Manager from lowering or raising the liquid assets level from the stipulated level to allow the Manager to react to the prevailing market conditions and to manage investment risks when circumstances warrant it.

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

1.4.10 Weightings of the Top 10 Component Stocks of the FBM KLCI

Weightings of the Top 10 Component Stocks as at 31 May 2017:

		FBM KLCI Weightage (%)	Tracker Weightage (%)
1.	Public Bank Bhd	11.90	12.40
2.	Tenaga Nasional Bhd	9.30	9.60
3.	Malayan Banking Bhd	10.10	9.07
4.	Sime Darby Bhd	6.30	5.60
5.	CIMB Group Holdings Bhd	6.90	5.40
6.	Axiata Group Berhad	4.40	4.30
7.	Petronas Chemicals Group Bhd	4.00	3.90
8.	Genting Bhd	4.20	3.80
9.	IHH Healthcare Bhd	3.10	3.40
10.	Petronas Gas Bhd	2.80	3.20

There is no guarantee or assurance of exact or identical replication at any time of the performance of the FBM KLCI. The FBM KLCI composition may change and component securities of the FBM KLCI may be delisted and (where applicable) the investment of the Fund may be concentrated in securities of a single issuer or several issuers.

1.4.11 Distribution Policy

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

1.4.12 Permitted Investments and Restrictions

This Fund may invest in securities traded on the Bursa Malaysia, money market instruments, cash and deposits with any financial institutions, collective investment schemes, financial derivatives, participate in the lending of securities, and any other investments permitted by the Securities Commission from time to time.

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

- a) The value of the Fund's investments in the share capital of the component stocks of the FBM KLCI shall be limited to the prevailing weightage in the FBM KLCI, 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 the share capital of the component stocks of the FBM KLCI issued by any group of companies may 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 provided that the investment in any component securities does not exceed its respective weightings in the underlying index.
- c) The value of the Fund's investments in the ordinary share capital of the component stocks of the FBM KLCI issued by any single issuer may 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 provided that the investment in any component securities does not exceed its respective weightings in the underlying index.
- d) The value of the Fund's placement in deposits with any single financial institution must not exceed twenty (20) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.
- e) The value of the Fund's investments in 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.
- f) 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.

1.5 RHB Dana Islam**1.5.1 Fund Category**

Equity fund (Shariah-compliant).

1.5.2 Financial Year End

31 March.

1.5.3 Name of External Investment Manager

RHB Islamic International Asset Management Berhad.

1.5.4 Name of Trustee

HSBC (Malaysia) Trustee Berhad.

1.5.5 Investment Objective

This Fund aims to provide investors with above average capital growth over a medium to long term period* by investing in a carefully selected portfolio of stocks which complies with the Shariah principles.

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

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

1.5.6 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, as well as the internal policies and procedures of the Manager.

1.5.7 Investment Strategy

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

90% - 98% of Net Asset Value

- Investments in Shariah-compliant equity and equity related securities of companies that have good growth potential.

2% - 10% of Net Asset Value

- Investments in Shariah-compliant liquid assets comprising of cash and Islamic deposits with financial institutions, Islamic accepted bills, sukuk, cagamas sukuk, Government Investment Issues and any other Shariah-compliant instrument capable of being converted into cash within seven (7) days.

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

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

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

The External Investment 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. However, any position if taken, will always comply with Shariah requirements. In such circumstances, the External Investment Manager may reallocate the Fund's Shariah-compliant equity investments into other asset classes such as sukuk, Islamic money market instruments and Islamic deposits with any financial institutions[^], which are defensive in nature and comply with Shariah requirements. In its reallocation, the level of Shariah-compliant equity investments would normally not be below 20% of the Net Asset Value.

[^] These are Islamic deposits that are not embedded with or linked to financial derivative instruments (structured deposits) and (where applicable) these are current accounts, short term Islamic money market deposits and short term Islamic deposits with financial institutions.

The performance of this Fund is benchmarked against the FTSE Bursa Malaysia EMAS Shariah Index which reflects the Fund's Shariah-compliant investments and also the broad Shariah-compliant equities mandate. For ease of reference, investors may refer to the local newspapers for this indicator. Investor should note that the risk profile of the Fund is different from the risk profile of the benchmark.

1.5.8 Investment in Unlisted Shariah-compliant Securities

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

- (a) Shariah-compliant equities not listed for trading in a stock market of a stock exchange but have been approved for such listing and offered directly to the Fund by the issuer;
- (b) sukuk traded on an organised over-the-counter ("OTC") market; and
- (c) Islamic structured products.

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

1.5.9 Islamic Collective Investment Schemes

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

1.5.10 Islamic Financial Derivatives

The External Investment Manager may participate in Shariah-compliant currency forwards, swaps and other Islamic financial derivatives, when appropriate. The Fund's participation in Islamic financial derivatives is basically to hedge the portfolio from any unexpected price movement in the underlying market and also the portfolio's exposure to foreign currency. Such participation in Islamic financial derivatives shall commence only if the underlying financial instrument complies with Shariah requirements. The benefit of any upside of price movement in the underlying market or currency movement is limited as the primary interest is to protect the value of the portfolio. If the Fund were to participate in over-the-counter ("OTC") Islamic financial derivatives, the External Investment Manager will monitor the credit rating of the counterparty issuing the Islamic financial derivatives and dispose off the Islamic financial derivatives should the rating of the said Islamic financial derivative counterparty fall below the credit rating of A by RAM Rating Services Berhad or its equivalent rating by a reputable rating establishment. The Fund's participation in Islamic financial derivatives (if any) shall always be subject to the restriction stipulated in section 1.5.14 (f) and (i).

1.5.11 Foreign Shariah-compliant Securities

The External Investment Manager may invest up to 30% of the Net Asset Value in Shariah-compliant securities of foreign markets provided the securities are reviewed and designated as Shariah-compliant by the Shariah Adviser and the foreign market to be invested in is a foreign market where its regulatory authority is a member of the International Organization of Securities Commissions ("IOSCO") and/or securities / instruments issued and/or guaranteed by governments or quasi-government agencies.

The Fund will invest in Shariah-compliant securities / instruments listed on or traded in Asia Pacific ex Japan markets (such as Australia, China, Hong Kong SAR, India, Indonesia, New Zealand, Philippines, Singapore, Vietnam, South Korea, Sri Lanka, Taiwan and Thailand) including Shariah-compliant securities / instruments of Asia Pacific ex Japan companies that are listed on or traded in non-Asia Pacific ex Japan markets (such as the New York Stock Exchange and the London Stock Exchange) and/or Shariah-compliant securities / instruments issued and/or guaranteed by governments or quasi government agencies.

When investing in foreign markets which require prior permission or approval such as in the form of an investment license or investor code or investor registration, the Fund has/will obtain such necessary permission or approval in order to invest in such markets.

In undertaking these foreign investments, the External Investment Manager may invest directly in Shariah-compliant equities and/or sukuk, and/or may invest through other Islamic collective investment schemes (provided the investment mandate of the scheme complements the Fund's investment objective and other conditions as set out in section 1.5.9), where appropriate.

1.5.12 Shariah-compliant Liquid Assets

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

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

1.5.13 Distribution Policy

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

1.5.14 Permitted Investments and Restrictions

This Fund may invest or participate in Shariah-compliant securities traded on the Bursa Malaysia or any other market considered as an Eligible Market, unlisted Shariah-compliant securities, Islamic collective investment schemes, Islamic financial derivatives, Islamic structured products, Shariah-compliant liquid assets (including Islamic money market instruments and Islamic deposits with any financial institutions), participate in the lending of Shariah-compliant securities that complies with Shariah requirements, and any other Shariah-compliant investments permitted by the SACSC and/or the Shariah Adviser from time to time. Consequently, all investments for this Fund are to be designated as Shariah-compliant and in this regard, the Shariah Adviser will advise on the selection of investments to ensure compliance with Shariah requirements.

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 investments 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 any single counter-party must not exceed fifteen (15) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time. This single counter-party limit may be exceeded if the counter-party has a minimum long-term rating that indicates very strong capacity for timely payment of financial obligations provided by any domestic or global rating agency and the 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 investments 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 financial derivatives) must not exceed the Fund's investment spread limits as stipulated in (b), (c), (d), (e), (f), (g) and (h) above. In addition, the Fund's net market exposure owing to its Islamic financial derivatives position 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 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 Shariah-compliant investments, or as a result of repurchase of units of the Fund 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 and sukuk that are issued or guaranteed by the Malaysian government or Bank Negara Malaysia.

In addition to the limits and restrictions mentioned above which apply to this particular Fund, the External Investment Manager has further imposed an internal restriction on certain Funds under its management whereby the total holding by those Funds of any class of security of any single issuer should not exceed in aggregate ten (10) per cent of the security issued. This Fund is subject to the said internal restriction. Any increase beyond this percentage requires the approval of the members of the Fund's investment committee.

1.6 RHB Income Fund 2**1.6.1 Fund Category**

Bond fund.

1.6.2 Financial Year End

31 March.

1.6.3 Name of Trustee

HSBC (Malaysia) Trustee Berhad.

1.6.4 Investment Objective

This Fund aims to provide investors with higher than average income[^] returns compared to fixed deposits over a medium to long term* period through investments in a portfolio of predominantly quality fixed income securities with minimum risk to capital invested.

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

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

[^] The income is in the form of units. Please refer to the Fund's distribution mode.

1.6.5 Investment Strategy

This Fund seeks to achieve its investment objective by investing substantially all of its assets in fixed income securities (comprising amongst others of convertible debt securities, redeemable debt securities, bonds/securities that are issued and/or guaranteed by the government or quasi-government agencies, corporate bonds carrying at least BBB ratings by RAM Rating Services Berhad or its equivalent rating by any other rating establishment and fixed income collective investments schemes), money market instruments, cash and deposits with any financial institutions. At least 60% of Net Asset Value will be invested in bonds. Although the Fund is actively managed, how active or the frequency of its trading strategy will very much depend on market opportunities. Specific risks associated with such securities and investments are as elaborated in section 2.2.

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

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

The performance of this Fund is benchmarked against the 12-month fixed deposit rate published by Maybank. The benchmark selected is reflective of the Fund's investment objective. For ease of

reference, investors may refer to Maybank's website, www.maybank2u.com.my for this indicator. It should be noted that the risk of investing in this Fund is different from the risk of investing in a bank's fixed deposit account. In addition, investors of the Fund assume higher risk compared to a depositor of the Maybank's 12-month fixed deposit.

1.6.6 Collective Investment Schemes

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

1.6.7 Financial Derivatives

The Manager may participate in futures contracts and other financial derivatives, when appropriate. The category of financial derivatives to be participated in shall be interest rates futures contracts and bonds futures contracts or any other categories and/or types of futures contracts or financial derivatives that may be allowable by the relevant authorities from time to time. The Fund's participation in financial derivatives is basically to hedge the portfolio from any unexpected interest rate movement in the underlying fixed income market and also the portfolio's exposure to foreign currency as well as to hedge against any opportunity loss arising from its uninvested cash. The benefit of any upside of interest rate movement in the underlying fixed income market or currency movement is limited as the primary interest is to protect the value of the portfolio. Nonetheless, the Fund may also invest in financial derivatives for investment purposes to enhance the returns of the Fund. If the Fund were to invest in over-the-counter ("OTC") derivatives, the Manager will monitor the credit rating of the counterparty issuing the derivatives and dispose off the derivatives should the rating of the said derivative counterparty fall below the credit rating of A by RAM Rating Services Berhad or its equivalent rating by a reputable rating establishment. If the Fund does invest in derivatives, there may be a likelihood that the NAV per unit of the Fund may be subject to high volatility. The Fund's investments in financial derivatives (if any) shall always be subject to the restrictions stipulated in section 1.6.12 (f) and (j).

1.6.8 Structured Products

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

1.6.9 Foreign Debentures/Instruments

The Manager may invest up to 30% of the Net Asset Value in fixed income securities of foreign markets where its regulatory authority is a member of the International Organization of Securities Commissions ("IOSCO").

The Fund will invest in fixed income securities / instruments listed on or traded in Asia Pacific ex Japan markets (such as Australia, China, Hong Kong SAR, India, Indonesia, New Zealand, Philippines, Singapore, Vietnam, South Korea, Sri Lanka, Taiwan and Thailand) including fixed income securities / instruments of Asia Pacific ex Japan companies that are listed on or traded in non-Asia Pacific ex Japan markets (such as the New York Stock Exchange and the London Stock Exchange) and/or fixed income securities / instruments issued and/or guaranteed by governments or quasi-government agencies.

When investing in foreign markets which require prior permission or approval such as in the form of an investment licence or investor code or investor registration, the Fund has/will obtain such necessary permission or approval in order to invest in such markets.

In undertaking these foreign investments, the Manager may invest directly in fixed income securities and/or may invest through other collective investment schemes (provided the investment mandate of the scheme complements the Fund's investment objective and other conditions as set out in section 1.6.6), where appropriate.

1.6.10 Liquid Assets

The Manager in structuring this Fund's portfolio will maintain a minimum liquid assets level of 1% of the Net Asset Value for the purpose of meeting redemptions and to enable the proper and efficient management of the Fund. However, this does not preclude the Manager from lowering or raising the liquid assets level from the stipulated level to allow the Manager to react to the prevailing market conditions and to manage investment risks when circumstances warrant it.

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

1.6.11 Distribution Policy

Consistent with the Fund's objective to provide investors with higher than average income[^] returns compared to fixed deposits, the Fund will distribute a substantial portion of its returns to Unit Holders. Distributions, if any, after deduction of taxation and expenses, are generally declared annually and will be reinvested.

[^]Note: The income is in the form of units. Please refer to the Fund's distribution mode.

1.6.12 Permitted Investments and Restrictions

This Fund may invest in debentures / instruments traded on the Bursa Malaysia or any other market considered as an Eligible Market, collective investment schemes, financial derivatives, structured products, 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 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 Net Asset Value (whether as a result of an appreciation or depreciation of the investments, or as a result of repurchase of units of the Fund or payment made from the Fund). The Manager will not make any further acquisitions to which the relevant limit is breached, and the Manager will within a reasonable period of not more than three (3) months from the date of the breach take all necessary steps and actions to rectify the breach. Such limits and restrictions however, do not apply to securities / instruments that are issued or guaranteed by the Malaysian government or Bank Negara Malaysia.

1.7 RHB Emerging Opportunity Unit Trust**1.7.1 Fund Category**

Equity fund.

1.7.2 Financial Year End

31 March.

1.7.3 Name of Trustee

HSBC (Malaysia) Trustee Berhad.

1.7.4 Investment Objective

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

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

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

1.7.5 Investment Strategy

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

95% - 98 % of Net Asset Value

- Investments in securities of companies with market capitalisation of not more than RM1.50 billion.

2% - 5% of Net Asset Value

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

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

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

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

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

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 the Fund's equity investments into other asset classes such as fixed income securities, money market instruments and deposits with any financial institutions, which are defensive in nature. These are deposits that are not embedded with or linked to financial derivative instruments (structured deposits) and (where applicable) these are current accounts, short term money market deposits and short term deposits with financial institutions. In its reallocation, the level of equity investments would normally not be below 20% of the Net Asset Value.

The performance of this Fund is benchmarked against the FBM Small Cap Index. The benchmark selected is reflective of the Fund's underlying investments. For ease of reference, investors may refer to local newspapers for this indicator. Investor should note that the risk profile of the Fund is different from the risk profile of the benchmark.

1.7.6 Investment in Unlisted Securities

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

- (a) Equities not listed for trading in a stock market of a stock exchange but have been approved for such listing and offered directly to the Fund by the issuer;
- (b) Debentures traded on an organised over-the-counter (OTC) market; and
- (c) Structured products.

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

1.7.7 Collective Investment Schemes

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

1.7.8 Financial Derivatives

The Manager may participate in futures contracts and other financial derivatives, when appropriate. The category of financial derivatives to be participated in shall be stock index futures contracts, stock index options contracts, single stock futures contracts or any other categories and/or types of futures contracts or financial derivatives that may be allowable by the relevant authorities from time to time. The Fund's participation in financial derivatives is basically to hedge the portfolio from any unexpected price movement in the underlying market and also the portfolio's exposure to foreign currency as well as to hedge against any opportunity loss arising from its uninvested cash. The benefit of any upside of price movement in the underlying market or currency movement is limited as the primary interest is to protect the value of the portfolio and to manage risks in relation to the

benchmark. Nonetheless, the Fund may also invest in financial derivatives for investment purpose to enhance the returns of the Fund. If the Fund were to invest in over-the-counter (“OTC”) derivatives, the Manager will monitor the credit rating of the counterparty issuing the derivatives and dispose off the derivatives should the rating of the said derivative counterparty fall below the credit rating of A by RAM Rating Services Berhad or its equivalent rating by a reputable rating establishment. If the Fund does invest in derivatives, there may be a likelihood that the NAV per unit of the Fund may be subject to high volatility. The Fund’s investments in financial derivatives (if any) shall always be subject to the restrictions stipulated in section 1.7.13 (f) and (i).

1.7.9 Structured Products

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

1.7.10 Foreign Securities

The Manager may invest up to 30% of the Net Asset Value in securities of foreign markets where its regulatory authority is a member of the International Organization of Securities Commissions (“IOSCO”).

The Fund will invest in securities / instruments listed on or traded in Asia Pacific ex Japan markets (such as Australia, China, Hong Kong SAR, India, Indonesia, New Zealand, Philippines, Singapore, Vietnam, South Korea, Sri Lanka, Taiwan and Thailand) including securities / instruments of Asia Pacific ex Japan companies that are listed on or traded in non-Asia Pacific ex Japan markets (such as the New York Stock Exchange and the London Stock Exchange) and/or securities / instruments issued and/or guaranteed by governments or quasi-government agencies.

When investing in foreign markets which require prior permission or approval such as in the form of an investment licence or investor code or investor registration, the Fund has/will obtain such necessary permission or approval in order to invest in such markets.

In undertaking these foreign investments, the Manager may invest directly in equities and/or fixed income securities, and/or may invest through other collective investment schemes (provided the investment mandate of the scheme complements the Fund's investment objective and other conditions as set out in section 1.7.7), where appropriate.

1.7.11 Liquid Assets

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

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

1.7.12 Distribution Policy

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

1.7.13 Permitted Investments and Restrictions

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

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

- a) The value of the Fund's investments in unlisted securities must not exceed ten (10) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.
- b) The value of the Fund's investments in ordinary shares issued by any single issuer must not exceed ten (10) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.
- c) The value of the Fund's investments in transferable securities (i.e. equities, debentures and warrants) and money market instruments issued by any single issuer must not exceed fifteen (15) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.
- d) The value of the Fund's placement in deposits with any single financial institution must not exceed twenty (20) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.
- e) The value of the Fund's 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 any single counter-party must not exceed fifteen (15) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time. This single counter-party limit may be exceeded if the counter-party has a minimum long-term rating that indicates very strong capacity for timely payment of financial obligations provided by any domestic or global rating agency and the structured product has a capital protection feature. When this applies, the calculation of the aggregate value to determine compliance with item (f) should exclude the value of investment in structured products.

- i) The value of the Fund's OTC financial derivatives transactions with any single counter-party must not exceed ten (10) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time; and the Fund's exposure to the underlying assets (vide the 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 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 securities / instruments that are issued or guaranteed by the Malaysian government or Bank Negara Malaysia.

In addition to the limits and restrictions mentioned above which apply to this particular Fund, the Manager has further imposed an internal restriction on certain Funds under its management whereby the total holding by those Funds of any class of security of any single issuer should not exceed in aggregate ten (10) per cent of the security issued. This Fund is subject to the said internal restriction. Any increase beyond this percentage requires the approval of the members of the Fund's investment committee.

1.8 RHB Growth and Income Focus Trust**1.8.1 Fund Category**

Mixed asset fund.

1.8.2 Financial Year End

31 December.

1.8.3 Name of Trustee

HSBC (Malaysia) Trustee Berhad.

1.8.4 Investment Objective

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

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

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

^ The income is in the form of units. Please refer to the Fund's distribution mode.

1.8.5 Investment Strategy

This Fund seeks to achieve its investment objective through a policy of diversified investment in equities and quality fixed income securities. Specific risks associated with securities and investments are as elaborated in section 2.2.

This Fund's portfolio will comprise a blend of carefully selected investments in securities of companies with market capitalization of not more than RM750 million ("small cap securities"), quality fixed income securities (comprising amongst others of convertible debt securities, redeemable debt securities, bonds/securities that are issued and/or guaranteed by the government or quasi-government agencies, corporate bonds carrying at least BBB ratings by RAM Rating Services Berhad or its equivalent rating by any other rating establishment and fixed income collective investment schemes), money market instruments, cash and deposits with financial institutions, but subject always to a minimum allocation of 30% in small cap securities and 30% in fixed income securities, money market instruments, cash and deposits with financial institutions.

In reviewing this asset allocation strategy, the Fund's asset mix would normally range from 30% - 70% in small cap securities and 30% - 70% in fixed income securities, money market instruments, cash and deposits with financial institutions. Accordingly, this Fund will be able to have a maximum exposure to the equities market of up to 70% through investments in small cap securities whilst maintaining a minimum of 30% in fixed income securities to provide stability through diversification of the asset class. Similarly, this Fund can also invest up to 70% of its investments in fixed income securities whilst maintaining the minimum of 30% in small cap securities to diversify the portfolio and to provide capital growth. The restriction on market capitalisation mentioned above is determined at the point of purchase.

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

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

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

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 the Fund's equity investments into other asset classes such as fixed income securities, money market instruments and deposits with any financial institutions, which are defensive in nature. These are deposits that are not embedded with or linked to financial derivative instruments (structured deposits) and (where applicable) these are current accounts, short term money market deposits and short term deposits with financial institutions. In its reallocation, the level of equity investments would not fall below 10% of the Net Asset Value.

The performance of this Fund cannot be compared directly with any specific publicly available benchmark such as the FBM Fledgling Index nor the 12-month fixed deposit rate offered by financial institutions as the Fund's investments in equities and fixed income securities are restricted to a maximum of 70% each. As such, a benchmark comprising 50% of the performance of the FBM Fledgling Index and 50% of the 12-month fixed deposit rate published by Maybank is used for comparative purposes. The composite benchmark selected best reflects the Fund's underlying investments. For ease of reference, investors may refer to local newspapers or the Bursa Malaysia website at www.bursamalaysia.com for the index indicator and the Maybank website at www.maybank2u.com.my for the fixed deposits rates. Investor should note that the risk profile of the Fund is different from the risk profile of the benchmark. Unit Holders can obtain information on the composite benchmark from the Manager upon request.

1.8.6 Investment in Unlisted Securities

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

- (a) Equities not listed for trading in a stock market of a stock exchange but have been approved for such listing and offered directly to the Fund by the issuer;
- (b) Debentures traded on an organised over-the-counter ("OTC") market; and
- (c) Structured products.

The Fund's investments in unlisted securities (if any) shall always be subject to the restriction stipulated in section 1.8.13 (a).

1.8.7 Collective Investment Schemes

The Manager will only make such investments where the Manager expects those investments to complement the objective and enhance the performance of this Fund. In addition, the Manager will only make such investments if the target fund is registered/authorised/approved by the relevant regulatory authority in its home jurisdiction as the case may be and which operates within the general investment principles of the Guidelines on Unit Trust Funds issued by the Securities Commission. The Fund's investments in collective investment schemes (if any) shall always be subject to the restrictions stipulated in section 1.8.13 (g) and (m).

1.8.8 Financial Derivatives

The Manager may participate in futures contracts and other financial derivatives, when appropriate. The category of financial derivatives to be participated in shall be stock index futures contracts, stock index options contracts, interest rates futures contracts, bonds futures contracts or any other categories and/or types of futures contracts or financial derivatives that may be allowable by the relevant authorities from time to time. The Fund's participation in financial derivatives is basically to hedge the portfolio from any unexpected price or interest rate movement in the underlying market and also the portfolio's exposure to foreign currency as well as to hedge against any opportunity loss arising from its uninvested cash. The benefit of any upside of price or interest rate movement in the underlying market or currency movement is limited as the primary interest is to protect the value of the portfolio and to manage risks in relation to the benchmark. Nonetheless, the Fund may also invest in financial derivatives for investment purpose to enhance the returns of the Fund. If the Fund were to invest in over-the-counter ("OTC") derivatives, the Manager will monitor the credit rating of the counterparty issuing the derivatives and dispose off the derivatives should the rating of the said derivative counterparty fall below the credit rating of A by RAM Rating Services Berhad or its equivalent rating by a reputable rating establishment. If the Fund does invest in derivatives, there may be a likelihood that the NAV per unit of the Fund may be subject to high volatility. The Fund's investments in financial derivatives (if any) shall always be subject to the restrictions stipulated in section 1.8.13 (f) and (i).

1.8.9 Structured Products

The Manager may also invest in structured products where the Manager expects those investments to complement the objective and enhance the performance of this Fund. The Fund's investments in structured products (if any) shall always be subject to the restrictions stipulated in section 1.8.13 (f) and (h).

1.8.10 Foreign Securities

The Manager may invest up to 30% of the Net Asset Value in securities of foreign markets where its regulatory authority is a member of the International Organization of Securities Commissions ("IOSCO").

The Fund will invest in securities / instruments listed on or traded in Asia Pacific ex Japan markets (such as Australia, China, Hong Kong SAR, India, Indonesia, New Zealand, Philippines, Singapore, Vietnam, South Korea, Sri Lanka, Taiwan and Thailand) including securities / instruments of Asia Pacific ex Japan companies that are listed on or traded in non-Asia Pacific ex Japan markets (such as the New York Stock Exchange and the London Stock Exchange) and/or securities / instruments issued and/or guaranteed by governments or quasi-government agencies.

When investing in foreign markets which require prior permission or approval such as in the form of an investment licence or investor code or investor registration, the Fund has/will obtain such necessary permission or approval in order to invest in such markets.

In undertaking these foreign investments, the Manager may invest directly in equities and/or fixed income securities, and/or may invest through other collective investment schemes (provided the investment mandate of the scheme complements the Fund's investment objective and other conditions as set out in section 1.8.7), where appropriate.

1.8.11 Liquid Assets

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

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

1.8.12 Distribution Policy

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

[^]Note: The income is in the form of units. Please refer to the Fund's distribution mode.

1.8.13 Permitted Investments and Restrictions

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

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

- a) The value of the Fund's investments in unlisted securities must not exceed ten (10) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.
- b) The value of the Fund's investments in ordinary shares issued by any single issuer must not exceed ten (10) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.
- c) The value of the Fund's investments in transferable securities (i.e. equities, debentures and warrants) and money market instruments issued by any single issuer must not exceed fifteen (15) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.
- d) The value of the Fund's placement in deposits with any single financial institution must not exceed twenty (20) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.
- e) The value of the Fund's investments in transferable securities and money market instruments issued by any group of companies must not exceed twenty (20) per cent of the Net Asset

Value, or any other limit as may be prescribed by the Securities Commission from time to time.

- f) The aggregate value of the Fund's investments in transferable securities, money market instruments, deposits, over-the-counter ("OTC") financial derivatives and structured products issued by or placed with, as the case may be any single issuer/institution must not exceed twenty five (25) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.
- g) The value of the Fund's investments in units/shares of any collective investment scheme must not exceed twenty (20) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.
- h) The value of the Fund's investments in structured products issued by any single counter-party must not exceed fifteen (15) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time. This single counter-party limit may be exceeded if the counter-party has a minimum long-term rating that indicates very strong capacity for timely payment of financial obligations provided by any domestic or global rating agency and the structured product has a capital protection feature. When this applies, the calculation of the aggregate value to determine compliance with item (f) should exclude the value of investments in structured products.
- i) The value of the Fund's OTC financial derivatives transactions with any single counter-party must not exceed ten (10) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time; and the Fund's exposure to the underlying assets (vide the derivatives) must not exceed the Fund's investment spread limits as stipulated in (b), (c), (d), (e), (f), (g) and (h) above. In addition, the Fund's net market exposure owing to its financial derivatives positions must not exceed the Net Asset Value.
- j) The Fund's investments in transferable securities (other than debentures) must not exceed ten (10) per cent of the securities issued by any single issuer, or any other limit as may be prescribed by the Securities Commission from time to time.
- k) The Fund's investments in debentures must not exceed twenty (20) per cent of the debentures issued by any single issuer, or any other limit as may be prescribed by the Securities Commission from time to time.
- l) The Fund's investments in money market instrument must not exceed ten (10) per cent of the instruments issued by any single issuer, or any other limit as may be prescribed by the Securities Commission from time to time. Such limit does not apply to money market instruments that do not have a pre-determined issue size.
- m) The Fund's investments in collective investment schemes must not exceed twenty five (25) per cent of the units/shares in any one collective investment scheme, or any other limit as may be prescribed by the Securities Commission from time to time.

The limits and restrictions mentioned herein must be complied with at all times based on the most up-to-date value of the Fund's investments. However, a 5% allowance in excess of the limits or restrictions is permitted where the limits or restrictions 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 securities / instruments that are issued or guaranteed by the Malaysian government or Bank Negara Malaysia.

In addition to the limits and restrictions mentioned above which apply to this particular Fund, the Manager has further imposed an internal restriction on certain Funds under its management whereby the total holding by those Funds of any class of security of any single issuer should not exceed in aggregate ten (10) per cent of the security issued. This Fund is subject to the said internal restriction. Any increase beyond this percentage requires the approval of the members of the Fund's investment committee.

1.9 RHB Thematic Growth Fund**1.9.1 Fund Category**

Mixed asset fund.

1.9.2 Financial Year End

31 December.

1.9.3 Name of Trustee

HSBC (Malaysia) Trustee Berhad.

1.9.4 Investment Objective

This Fund aims to provide investors with medium to long term* capital appreciation through investments in securities of Malaysian companies that will benefit from evolving domestic and/or global trends.

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

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

1.9.5 Investment Strategy

This Fund will focus on a minimum of three (3) themes from the evolving domestic and/or global trends identified by the Manager as having strong potential to outperform the benchmark return of 8.00% growth per annum in Net Asset Value of a unit. Hence, the name "Thematic Growth".

The Manager views Malaysia as dynamic, with a high-growth and rapidly expanding economy, undergoing long term structural changes. Depending on which stage of the economic cycle we are in, the Manager will look for the appropriate themes which the Manager will seek to take advantage of. For example, during periods of economic slowdown, the Manager will look for defensive themes such as high dividend yielding stocks and companies with sustainable earnings growth. Other themes would also include counter-cyclical sectors as well as mergers & acquisitions. Conversely, during economic up-cycles, the Manager will look for growth stocks, possibly in export oriented sectors (e.g., manufacturing, technology and electronics) as well as consumer discretionary like properties, automobiles and other luxury goods. The Manager's strategy is to identify the said themes in its early phase to capitalise on its growth. After identifying the most promising themes, the Manager will proceed to select companies with strong fundamentals and attractive valuations. Undervalued securities are uncovered through intensive and independent fundamental research.

Within a theme, the focus is generally on companies with

- a) sustainable business model;
- b) ability to expand locally and/or regionally;
- c) ability to deliver above average growth;
- d) consistently strong underlying profitability;
- e) reasonable valuations; and
- f) strong balance sheet.

The Manager will rebalance the asset allocation and stock selection and reposition the Fund accordingly to reap the benefits of the change in market dynamics, economic cycle and specific factors influencing each sector.

This Fund's portfolio will be structured as follows:

Up to 98% of Net Asset Value

- Investments in equity and equity-related securities of Malaysian companies that will benefit from evolving domestic and/or global trends.

2% - 100% of Net Asset Value

- Investments in fixed income securities, money market instruments, cash and deposits with financial institutions.

Hence, the Fund will generally have an equity exposure of up to 98% of its Net Asset Value to generate returns to the Fund. However, the Manager may lower the equity exposure of the Fund in favour of fixed income securities such as government bonds and corporate debt securities which include money market instruments in order to help achieve the benchmark return and/or to help preserve capital[#]. Accordingly, the Fund's exposure to fixed income securities may increase up to 100% of the Net Asset Value.

Note: [#]Although the Fund aims to preserve its value, the Fund is not a capital guaranteed fund or a capital protected fund.

Although the Fund is actively managed, how active or the frequency of its trading strategy will depend on market opportunities. Specific risks associated with such securities and investments are as elaborated in section 2.2.

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

The performance of this Fund is benchmarked against the targeted 8.00% growth per annum in Net Asset Value of a unit over the medium to long term. An absolute return benchmark is chosen as there is no suitable benchmark which can fairly reflect the Fund's investment strategy.

This is not a guaranteed return and is only a measurement of the Fund's performance. The Fund may not achieve the aforesaid 8% per annum growth rate in any particular financial year but targets to achieve this growth over the medium to long term.

1.9.6 Investment in Unlisted Securities

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

- (a) Equities not listed for trading in a stock market of a stock exchange but have been approved for such listing and offered directly to the Fund by the issuer;
- (b) Debentures traded on an organised over-the-counter (OTC) market; and
- (c) Structured products.

The Fund's investments in unlisted securities (if any) shall always be subject to the restriction stipulated in section 1.9.13 (a).

1.9.7 Collective Investment Schemes

The Manager will only make such investments where the Manager expects those investments to complement the objective and enhance the performance of this Fund. In addition, the Manager will only make such investments if the target fund is registered/authorised/approved by the relevant regulatory authority in its home jurisdiction as the case may be and which operates within the general investment principles of the Guidelines on Unit Trust Funds issued by the Securities Commission. The Fund's investments in collective investment schemes (if any) shall always be subject to the restrictions stipulated in section 1.9.13 (g) and (m).

1.9.8 Financial Derivatives

The Manager may participate in futures contracts and other financial derivatives, when appropriate. The category of financial derivatives to be participated in shall be stock index futures contracts, stock index options contracts, single stock futures contracts, interest rate futures contracts, bond futures contracts or any other categories and/or types of futures contracts or financial derivatives that may be allowable by the relevant authorities from time to time. The Fund's participation in financial derivatives is basically to hedge the portfolio from any unexpected price or interest rate movement in the underlying market as well as to hedge against any opportunity loss arising from its uninvested cash. The benefit of any upside of price or interest rate movement in the underlying market is limited as the primary interest is to protect the value of the portfolio and to manage risks in relation to the benchmark. Nonetheless, the Fund may also invest in financial derivatives for investment purpose to enhance the returns of the Fund. If the Fund were to invest in over-the-counter ("OTC") derivatives, the Manager will monitor the credit rating of the counterparty issuing the derivatives and dispose of the derivatives should the rating of the said derivative counterparty fall below the credit rating of A by RAM Rating Services Berhad or its equivalent rating by a reputable rating establishment. If the Fund does invest in derivatives, there may be a likelihood that the NAV per unit of the Fund may be subject to high volatility. The Fund's investments in financial derivatives (if any) shall always be subject to the restrictions stipulated in section 1.9.13 (f) and (i).

1.9.9 Structured Products

The Manager may also invest in structured products where the Manager expects those investments to complement the objective and enhance the performance of this Fund. The Fund's investments in structured products (if any) shall always be subject to the restrictions stipulated in section 1.9.13 (f) and (h).

1.9.10 Foreign Securities

This Fund will not invest in foreign securities as the Fund seeks to achieve its investment objective through investing in domestic securities.

1.9.11 Liquid Assets

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

This Fund shall not borrow in connection with its activities or lend any of its cash or investments unless permitted by the relevant laws pertaining to unit trust funds. However, the Fund may borrow cash on a temporary basis (i.e. not more than one month) from financial institutions to meet

redemption requests. Such borrowing shall not exceed ten (10) per cent of the Net Asset Value at the time the borrowing is incurred.

1.9.12 Distribution Policy

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

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

1.9.13 Permitted Investments and Restrictions

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

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

- a) The value of the Fund's investments in unlisted securities must not exceed ten (10) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.
- b) The value of the Fund's investments in ordinary shares issued by any single issuer must not exceed ten (10) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.
- c) The value of the Fund's investments in transferable securities (i.e. equities, debentures and warrants) and money market instruments issued by any single issuer must not exceed fifteen (15) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.
- d) The value of the Fund's placement in deposits with any single financial institution must not exceed twenty (20) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.
- e) The value of the Fund's investments in transferable securities and money market instruments issued by any group of companies must not exceed twenty (20) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.
- f) The aggregate value of the Fund's investment 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 any single counter-party must not exceed fifteen (15) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time. This single counter-party limit may be exceeded if the counter-party has a minimum long-term rating that indicates

very strong capacity for timely payment of financial obligations provided by any domestic or global rating agency and the structured product has a capital protection feature. When this applies, the calculation of the aggregate value to determine compliance with item (f) should exclude the value of investments in structured products.

- i) The value of the Fund's OTC financial derivatives transactions with any single counter-party must not exceed ten (10) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time; and the Fund's exposure to the underlying assets (vide the derivatives) must not exceed the Fund's investment spread limits as stipulated in (b), (c), (d), (e), (f), (g) and (h) above. In addition, the Fund's net market exposure owing to its financial derivatives position must not exceed the Net Asset Value.
- j) The Fund's investments in transferable securities (other than debentures) must not exceed ten (10) per cent of the securities issued by any single issuer, or any other limit as may be prescribed by the Securities Commission from time to time.
- k) The Fund's investment 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 investment in money market instrument must not exceed ten (10) per cent of the instruments issued by any single issuer, or any other limit as may be prescribed by the Securities Commission from time to time. Such limit does not apply to money market instruments that do not have a pre-determined issue size.
- m) The Fund's investments in collective investment schemes must not exceed twenty five (25) per cent of the units/shares in any one collective investment scheme, or any other limit as may be prescribed by the Securities Commission from time to time.

The limits and restrictions mentioned herein must be complied with at all times based on the most up-to-date value of the Fund's investments. However, a 5% allowance in excess of the limits or restrictions is permitted where the limits or restrictions 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 securities/instruments that are issued or guaranteed by the Malaysian government or Bank Negara Malaysia.

1.10 RHB Malaysia Dividend Fund

1.10.1 Fund Category

Equity fund.

1.10.2 Financial Year End

31 March.

1.10.3 Name of Trustee

HSBC (Malaysia) Trustee Berhad.

1.10.4 Investment Objective

This Fund aims to provide investors with capital growth and recurring income[^] in the medium to long term* through investments in securities of and securities relating to Malaysian companies which offer attractive yields and sustainable dividend payments.

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

Note: [^] The income is in the form of units. Please refer to the Fund's distribution mode.

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

1.10.5 Investment Strategy

The Fund aims to achieve its objective through investments in companies that focus on shareholder value in the form of sustainable dividend returns or have the potential to offer dividend yields combined with the prospect for growth.

Hence, the Manager's strategy is to identify companies that offer or have the potential to offer dividend yields and whose cash flow generated by business and management activities are expected to support such dividend payment. The Manager may also invest in growth or recovery stocks which have the potential to adopt a strong dividend payout policy.

The Fund will also invest in fixed income securities where the potential returns from these securities are favourable as compared to equities. The Fund's investment in fixed income securities will be that of debt securities issued by corporations, financial institutions and government (comprising amongst others of convertible debt securities, redeemable debt securities, bonds / securities that are issued and/or guaranteed by the government or quasi-government agencies, corporate bonds carrying at least BBB ratings by RAM Rating Services Berhad or its equivalent rating by any other rating establishment) as well as fixed income collective investment scheme, money market instruments, cash and deposits with financial institutions.

The Manager employs fundamental and bottom-up valuation analysis as an integral part of their investment process. This includes evaluation of company management, products & services, competitive positioning, operating outlook, earnings prospects, risk factors and corporate governance standards, looking at discounted cashflow models, comparative multiples (eg. price earnings ratio, price to book value) and profitability measures (eg. returns on equity).

This Fund's portfolio will be structured as follows:

70% to 98% of Net Asset Value

- Investment in equity and equity-related securities of Malaysian companies which offer attractive yields[#] and sustainable dividend payments.

2% - 30% of Net Asset Value

- Investment in liquid assets, fixed income securities, money market instruments and deposits with financial institutions.

[#] Note: This refers to Malaysian companies that have the potential to offer dividend yields combined with the prospect for growth.

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

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

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 FTSE Bursa Malaysia Emas Index which best reflects the Fund's investment universe i.e. the Main Market of Bursa Malaysia and which complements its investment strategy. For ease of reference, investors may refer to local newspapers for this indicator. Investor should note that the risk profile of the Fund is different from the risk profile of the benchmark.

1.10.6 Investment in Unlisted Securities

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

- (a) Equities not listed for trading in a stock market of a stock exchange but have been approved for such listing and offered directly to the Fund by the issuer;
- (b) Debentures traded on an organised over-the-counter ("OTC") market; and
- (c) Structured products.

The Fund's investments in unlisted securities (if any) shall always be subject to the restriction stipulated in section 1.10.13 (a).

1.10.7 Collective Investment Schemes

The Manager will only make such investments where the Manager expects those investments to complement the objective and enhance the performance of this Fund. In addition, the Manager will only make such investments if the target fund is registered/authorised/approved by the relevant regulatory authority in its home jurisdiction as the case may be and which operates within the general investment principles of the Guidelines on Unit Trust Funds issued by the Securities Commission. The Fund's investments in collective investment schemes (if any) shall always be subject to the restrictions stipulated in section 1.10.13 (g) and (m).

1.10.8 Financial Derivatives

The Manager may participate in futures contracts and other financial derivatives, when appropriate. The category of financial derivatives to be participated in shall be stock index futures contracts, stock index options contracts, single stock futures contracts, interest rate futures contracts, bond futures contracts or any other categories and/or types of futures contracts or financial derivatives that may be allowable by the relevant authorities from time to time. The Fund's participation in financial derivatives is basically to hedge the portfolio from any unexpected price or interest rate movement in the underlying market as well as to hedge against any opportunity loss arising from its uninvested cash. The benefit of any upside of price or interest rate movement in the underlying market is limited as the primary interest is to protect the value of the portfolio and to manage risks in relation to the benchmark. Nonetheless, the Fund may also invest in financial derivatives for investment purpose to enhance the returns of the Fund. If the Fund were to invest in over-the-counter ("OTC") derivatives, the Manager will monitor the credit rating of the counterparty issuing the derivatives and dispose off the derivatives should the rating of the said derivative counterparty fall below the credit rating of A by RAM Rating Services Berhad or its equivalent rating by a reputable rating establishment. If the Fund does invest in derivatives, there may be a likelihood that the NAV per unit of the Fund may be subject to high volatility. The Fund's investments in financial derivatives (if any) shall always be subject to the restrictions stipulated in section 1.10.13 (f) and (i).

1.10.9 Structured Products

The Manager may also invest in structured products where the Manager expects those investments to complement the objective and enhance the performance of this Fund. The Fund's investments in structured products (if any) shall always be subject to the restrictions stipulated in section 1.10.13 (f) and (h).

1.10.10 Foreign Securities

This Fund will not invest in foreign securities as the Fund is established to invest only in domestic securities.

1.10.11 Liquid Assets

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

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

1.10.12 Distribution Policy

Consistent with the Fund's objective to provide medium to long term* capital growth and recurring income^, the Fund will distribute a substantial portion of its returns to the Unit Holders. Distributions, if any, will be declared annually and will be reinvested after deduction of taxation and expenses.

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

^ The income is in the form of units. Please refer to the Fund's distribution mode.

1.10.13 Permitted Investments and Restrictions

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

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

- a) The value of the Fund's investments in unlisted securities must not exceed ten (10) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.
- b) The value of the Fund's investments in ordinary shares issued by any single issuer must not exceed ten (10) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.
- c) The value of the Fund's investments in transferable securities (i.e. equities, debentures and warrants) and money market instruments issued by any single issuer must not exceed fifteen (15) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.
- d) The value of the Fund's placement in deposits with any single financial institution must not exceed twenty (20) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.
- e) The value of the Fund's investments in transferable securities and money market instruments issued by any group of companies must not exceed twenty (20) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.
- f) The aggregate value of the Fund's investments in transferable securities, money market instruments, deposits, over-the-counter ("OTC") financial derivatives and structured products issued by or placed with, as the case may be any single issuer/institution must not exceed twenty five (25) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.
- g) The value of the Fund's investments in units/shares of any collective investment scheme must not exceed twenty (20) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time.
- h) The value of the Fund's investments in structured products issued by any single counter-party must not exceed fifteen (15) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time. This single counter-party limit may be exceeded if the counter-party has a minimum long-term rating that indicates

very strong capacity for timely payment of financial obligations provided by any domestic or global rating agency and the structured product has a capital protection feature. When this applies, the calculation of the aggregate value to determine compliance with item (f) should exclude the value of investments in structured products.

- i) The value of the Fund's OTC financial derivatives transactions with any single counter-party must not exceed ten (10) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time; and the Fund's exposure to the underlying assets (vide the derivatives) must not exceed the Fund's investment spread limits as stipulated in (b), (c), (d), (e), (f), (g) and (h) above. In addition, the Fund's net market exposure owing to its financial derivatives position must not exceed the Net Asset Value.
- j) The Fund's investments in transferable securities (other than debentures) must not exceed ten (10) per cent of the securities issued by any single issuer, or any other limit as may be prescribed by the Securities Commission from time to time.
- k) The Fund's investments in debentures must not exceed twenty (20) per cent of the debentures issued by any single issuer, or any other limit as may be prescribed by the Securities Commission from time to time.
- l) The Fund's investments in money market instruments must not exceed ten (10) per cent of the instruments issued by any single issuer, or any other limit as may be prescribed by the Securities Commission from time to time. Such limit does not apply to money market instruments that do not have a pre-determined issue size.
- m) The Fund's investments in collective investment schemes must not exceed twenty five (25) per cent of the units/shares in any one collective investment scheme, or any other limit as may be prescribed by the Securities Commission from time to time.

The limits and restrictions mentioned herein must be complied with at all times based on the most up-to-date value of the Fund's investments. However, a 5% allowance in excess of the limits or restrictions is permitted where the limits or restrictions 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 securities that are issued or guaranteed by the Malaysian government or Bank Negara Malaysia.

1.11 RHB Cash Management Fund 2**1.11.1 Fund Category**

Money market fund.

1.11.2 Financial Year End

31 March.

1.11.3 Name of Trustee

HSBC (Malaysia) Trustee Berhad.

1.11.4 Investment Objective

The Fund aims to provide investors a high level of liquidity[^] while providing reasonable returns by predominantly investing its assets in Malaysian Ringgit deposits with financial institutions in Malaysia.

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

[^]Note: Redemption monies of this Fund will generally be paid the next business day (a working day when the Manager is open for business) after receipt by the Manager of the request to repurchase.

1.11.5 Investment Strategy

This Fund will invest in a portfolio of Malaysian Ringgit deposits with financial institutions in Malaysia.

This Fund's portfolio will be structured as follows:

At least 98% of Net Asset Value

- Investments in deposits with financial institutions which have a remaining maturity period of not more than 365 days.

Up to 2% of Net Asset Value

- Maintained in cash.

Although the Fund is actively managed, its fund management strategy will depend on the interest rate environment and the anticipated redemption requests by the Unit Holders.

In managing the risks of the Fund's investments, the Manager will only place deposits with financial institutions. The Manager will continuously monitor closely the financial health of these financial institutions.

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

The performance of this Fund is benchmarked against Maybank – Savings Account Rate as published by Maybank. The benchmark selected is reflective of the Fund's underlying investments and also the high level of liquidity offered to the investors. For ease of reference, investors may refer

to Maybank's website, www.maybank2u.com.my for this indicator. Investor should note that the risk profile of the Fund is different from the risk profile of the benchmark.

1.11.6 Liquid Assets

This Fund shall not borrow in connection with its activities or lend any of its cash or investments unless permitted by the relevant laws pertaining to unit trust funds.

However, the Fund may borrow cash on a temporary basis (i.e. not more than one month) from financial institutions to meet redemption requests. Such borrowing shall not exceed ten (10) per cent of the Net Asset Value at the time the borrowing is incurred.

Investment in this Fund is not the same as placement 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.

1.11.7 Distribution Policy

Consistent with the Fund's objective which aims to provide investors a high level of liquidity while providing reasonable returns via higher NAV per unit, there will be no distribution of returns to the Unit Holders.

1.11.8 Permitted Investments and Restrictions

This Fund may only invest in or place deposits with financial institutions with a maturity period of not more than 365 days.

The acquisition of such permitted investment is subject to the following restriction:

- a) 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.

The limit and restriction 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 of the Fund or payment made from the Fund). The Manager will not make any further placements to which the 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.

1.12 RHB Deposits Fund**1.12.1 Fund Category**

Money market fund.

1.12.2 Financial Year End

31 October.

1.12.3 Name of Trustee

HSBC (Malaysia) Trustee Berhad.

1.12.4 Investment Objective

The Fund aims to provide investors with a high level of liquidity* while providing reasonable returns by predominantly investing its assets in Malaysian Ringgit deposits placed with financial institutions in Malaysia.

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

*Note: Redemption monies of this Fund will generally be paid by the next business day (a working day when the Manager is open for business) after receipt by the Manager of the request to repurchase.

1.12.5 Investment Strategy

The Fund will invest in a portfolio of Malaysian Ringgit deposits placed with financial institutions.

The Fund's portfolio will be structured as follows:

At least 98% of Net Asset Value

- Investments in deposits placed with financial institutions which have a remaining maturity period of not more than 365 days.

Up to 2% of Net Asset Value

- Maintained in cash.

Although the Fund is actively managed, its fund management strategy will depend on the interest rate environment and the anticipated redemption requests by the Unit Holders.

In managing the risks of the Fund's investments, the Manager will only place deposits with established financial institutions. The Manager will continuously monitor closely the financial health of these financial institutions. The Fund also complies with the permitted investments and restrictions imposed by the Securities Commission. Adherence to the permitted investments and restrictions also helps the Manager to risk-manage the Fund's portfolio (in terms of diversification and exposure). Moreover, the Manager in making its investment decisions shall at all times comply with the investment restrictions of the Fund and requirements as set out in the Deed.

The performance of this Fund is benchmarked against Maybank – Basic Savings Account Rate as published by Maybank. The benchmark selected is reflective of the Fund's investments and the relative ease of purchase and disposal of units of the Fund by investors. For ease of reference, investors may refer to Maybank's website, www.maybank2u.com.my for this indicator. Investor should note that the risk profile of the Fund is different from the risk profile of the benchmark.

1.12.6 Liquid Assets

This Fund shall not borrow in connection with its activities or lend any of its cash unless permitted by the relevant laws pertaining to unit trust funds.

However, the Fund may borrow cash on a temporary basis (i.e. not more than one month) from financial institutions to meet redemption requests. Such borrowing shall not exceed ten (10) per cent of the Net Asset Value at the time the borrowing is incurred.

Investment in this Fund is not the same as placement 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.

1.12.7 Distribution Policy

Consistent with the Fund's objective to provide reasonable returns, the Fund will distribute a substantial portion of its returns to the Unit Holders. Distributions, if any, after deduction of taxation, if any and expenses are generally declared annually. However, this does not preclude the Manager from increasing the frequency of distribution, if deemed appropriate to do so.

1.12.8 Permitted Investments and Restrictions

This Fund may only invest in or place deposits with financial institutions with a maturity period of not more than 365 days.

The acquisition of such permitted investment is subject to the following restriction:

- a) 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.

The limit and restriction 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 of the Fund or payment made from the Fund). The Manager will not make any further placements to which the 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.

1.13 RHB Dana Hazeem**1.13.1 Fund Category**

Balanced fund (Shariah-compliant).

1.13.2 Financial Year End

28 or 29 February.

1.13.3 Name of Trustee

HSBC (Malaysia) Trustee Berhad.

1.13.4 Investment Objective

The Fund aims to maximise total returns through a combination of long term* growth of capital and current income^ consistent with the preservation of capital#.

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

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

^ The income is in the form of units. Please refer to the Fund's distribution mode.

Although the Fund aims to preserve its value, the Fund is not a capital guaranteed fund or a capital protected fund.

1.13.5 Investment Strategy

This Fund seeks to achieve its investment objective through a diversified portfolio of Shariah-compliant investments comprising Shariah-compliant equities, sukuk, Islamic money market instruments, Islamic deposits with financial institutions and Islamic collective investment schemes.

This Fund will generally adopt a balanced asset allocation strategy of 50% in Shariah-compliant equities and 50% in non-equity Shariah-compliant investments which are defensive in nature comprising sukuk, Islamic money market instruments and Islamic deposits with financial institutions (collectively known as "Non-Equity Shariah-Compliant Investments"). Investments in Shariah-compliant equities and Non-Equity Shariah-Compliant Investments may also be made via Islamic collective investment schemes.

Given this balanced asset mix, the Fund will be cushioned from wild swings in the equity market while still able to enjoy part of the appreciation from growth in the equity investments of the Fund. However, the actual percentage of assets invested in Shariah-compliant equities and Non-Equity Shariah-Compliant Investments will vary from time to time, depending on the judgement of the Manager as to the general market and economic conditions, trends and yields, interest rates and changes in fiscal and monetary policies. In reviewing this asset allocation strategy, the Fund's asset mix would normally range from 40% to 60% in Shariah-compliant equities and from 40% to 60% in Non-Equity Shariah-Compliant Investments to reflect the market conditions but subject always to a minimum allocation of 40% in Shariah-compliant equities and 40% in Non-Equity Shariah-Compliant Investments. Although the Fund is expected to be actively managed, the frequency of its trading strategy will very much depend on market opportunities.

When making investments, the Manager may invest up to 30% of the Net Asset Value in foreign markets. The Fund will invest in Shariah-compliant securities / instruments listed on or traded in Asia Pacific ex Japan markets (such as Australia, China, Hong Kong SAR, India, Indonesia, New Zealand, Philippines, Singapore, Vietnam, South Korea, Sri Lanka, Taiwan and Thailand) including Shariah-compliant securities / instruments of Asia Pacific ex Japan companies that are listed on or

traded in non-Asia Pacific ex Japan markets (such as the New York Stock Exchange and the London Stock Exchange).

The Fund's investments in Shariah-compliant equities comprise of equity and equity related securities of companies listed on the local and/or foreign markets which, in the Manager's opinion, will have good growth potential and/or the ability to provide good dividend yield over a long term period. In seeking investments in companies of good growth potential, the Fund will look to companies with sales or earnings growth that are stronger than the industry average and/or the country's Gross Domestic Product (GDP) growth, whereas "good dividend yield" refers to yield that is above the average industry dividend yield in the country of investment, and "long term" refers to a period of between 5 - 7 years.

The Fund's investments in sukuk may comprise of sukuk issued by corporations, financial institutions, supra-nationals, local or foreign governments and their agencies. Sukuk issued by Malaysian incorporated companies must carry a rating of at least BBB at the point of purchase by RAM Rating Services Berhad or its equivalent rating by any other reputable rating establishment. Foreign sukuk issued by corporations and financial institutions must carry a rating of BB or higher at the point of purchase by Standard & Poor's or its equivalent rating by any other reputable rating establishment whereas sukuk issued by supra-nationals, governments and their agencies need not be rated.

The Fund's investments in Islamic money market instruments may comprise of Islamic money market instruments issued by the government which amongst others comprise of Government Investment Issues (GII), Islamic accepted bills, Bank Negara monetary notes-i, Islamic negotiable instruments, cagamas sukuk and other government Islamic papers whereas Islamic money market instruments issued by Malaysian incorporated companies are those issued by such companies which carry a rating of at least P3 by RAM Rating Services Berhad or its equivalent rating by any other reputable rating establishment at the point of purchase.

Placements of Islamic deposits with any financial institution are placements such as in General Investment Account (GIA) or Islamic fixed deposits.

The Fund's investments may also comprise of Islamic collective investment schemes which are consistent with the underlying investments of the Fund.

The Fund's portfolio will be structured as follows:

40% - 60% of Net Asset Value

- Investments in Shariah-compliant equity and equity related securities of companies that have dividend and/or growth potential.

40% - 60% of Net Asset Value

- Investments in Non-Equity Shariah-Compliant Investments.

The actual asset allocation will be reviewed from time to time depending on economic and market conditions.

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

The risk management strategies and techniques employed by the Manager include diversification of the Fund's investments in terms of its exposure to various industries, sectors and countries. Further, as the Fund is a balanced fund with minimum investment of 40% of NAV in Shariah-compliant equities and 40% of NAV in Non-Equity Shariah-Compliant Investments, the Fund is able to

alleviate the risks associated with single asset class investments such as an all Shariah-compliant equities investment or an investment wholly invested in Non-Equity Shariah-Compliant Investments such as a sukuk fund. This therefore reduces the risk associated or peculiar to a particular asset class. Generally, the assets of the Fund will be invested over the long term with disposal of the Shariah-compliant investments where necessary to control risk as well as to optimise capital gains. This is especially so when the full growth potential of an investment is deemed to have been reduced over a prolonged rise in market value and other available Shariah-compliant investments may present cheaper valuations and potential higher returns. The Fund also complies with the permitted investments and restrictions imposed by the Securities Commission. Adherence to these permitted investments and restrictions also helps the Manager to risk-manage the Fund's portfolio in terms of diversification. Moreover, the Manager in making its investment decisions shall at all times comply with the investment restrictions of the Fund and requirements as set out in the Deed.

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 the Fund's Shariah-compliant equities investments into other asset classes which are defensive in nature such as sukuk, Islamic money market instruments and non-equity Islamic collective investment schemes or just make placements in Islamic deposits with any financial institutions. In its reallocation, the level of Shariah-compliant equities investments would not fall below 20% of the Net Asset Value.

The performance of this Fund cannot be compared directly with any specific publicly available benchmark such as the FTSE Bursa Malaysia EMAS Shariah Index or the Maybank Islamic Berhad 12-month Islamic fixed deposit as the Fund is a balanced fund where investment in Shariah-compliant equities and Non-Equity Shariah-Compliant Investments are each restricted to a maximum of 60% of Net Asset Value. As such, a benchmark comprising 50% of the performance of the FTSE Bursa Malaysia EMAS Shariah Index and 50% of the Maybank Islamic Berhad 12-month Islamic fixed deposit is used for comparative purposes. For ease of reference, investors may refer to local newspapers or the Bursa Malaysia website at www.bursamalaysia.com for the index indicator and the Maybank Islamic Berhad's website at www.maybank2u.com.my for the Islamic fixed deposits rates. Investor should note that the risk profile of the Fund is different from the risk profile of the benchmark. Unit Holders can obtain information on the composite benchmark from the Manager upon request.

1.13.6 Investment in Unlisted Shariah-compliant Securities

The Manager will only make such investments where the Manager expects those investments to complement the objective and enhance the performance of this Fund. The Fund's investments in unlisted Shariah-compliant securities (if any) shall always be subject to the restriction stipulated in section 1.13.13 (a). However, the exposure to investments in unlisted Shariah-compliant securities shall not include:

- (a) Shariah-compliant equities not listed for trading in a stock market of a stock exchange but have been approved for such listing and offered directly to the Fund by the issuer;
- (b) Sukuk traded on an organised over-the-counter ("OTC") market; and
- (c) Islamic structured products.

1.13.7 Islamic Collective Investment Schemes

The Manager will only make such investments where the Manager expects those investments to complement the objective and enhance the performance of this Fund. In addition, the Manager will only make such investments if the target fund is registered/authorised/approved by the relevant regulatory authority in its home jurisdiction as the case may be and which operates within the general investment principles of the Guidelines on Unit Trust Funds issued by the Securities Commission. The Fund's investments in Islamic collective investment schemes (if any) shall always be made subject to the restrictions stipulated in section 1.13.13 (g) and (m).

1.13.8 Islamic Financial Derivatives

The Manager may participate in Shariah-compliant futures contracts and other Islamic financial derivatives, when appropriate. The category of Islamic financial derivatives to be participated in shall be the stock index futures contracts, the stock index options contracts, the single stock futures contracts, the sukuk futures contracts, or any other categories and/or types of Shariah-compliant futures contracts or Islamic financial derivatives that may be allowable by the relevant authorities from time to time. The Fund's participation in Islamic financial derivatives is basically to hedge the portfolio from any unexpected price or interest rate movement in the underlying market and also the portfolio's exposure to foreign currency volatility. Such participation in Islamic financial derivatives shall commence only if the underlying financial instrument complies with Shariah requirements. The benefit of any upside of price or interest rate movement in the underlying market or currency movement is limited. The purpose is to protect the value of the portfolio. When participating in such instruments, the Manager will monitor the derivative valuation and credit ratings of the financial institutions as counterparty to the instruments, where applicable and take appropriate actions to mitigate any risk associated with such instruments. This may extend to unwinding of derivative instruments in the event where there is a need to terminate current position due to reversal in market movement, redemption in units or upon downgrade of the credit ratings of the financial institutions. The Fund's participation in Islamic financial derivatives (if any) shall always be subject to the restrictions stipulated in section 1.13.13 (f) and (i).

1.13.9 Islamic Structured Products

The Manager may invest in Islamic structured products where the Manager expects those investments to complement the objective and enhance the performance of this Fund. The Fund's investments in Islamic structured products (if any) shall always be subject to the restriction stipulated in section 1.13.13 (f) and (h).

1.13.10 Foreign Shariah-compliant Securities

The Manager may invest up to 30% of the Net Asset Value in securities of foreign markets provided the securities are reviewed and designated as Shariah-compliant by the Shariah Adviser. The Fund will invest in Shariah-compliant securities/instruments listed on or traded in Asia Pacific ex Japan markets (such as Australia, China, Hong Kong SAR, India, Indonesia, New Zealand, Philippines, Singapore, Vietnam, South Korea, Sri Lanka, Taiwan and Thailand) including Shariah-compliant securities/instruments of Asia Pacific ex Japan companies that are listed on or traded in non-Asia Pacific ex Japan markets (such as the New York Stock Exchange and the London Stock Exchange) and/or securities / instruments issued and/or guaranteed by governments or quasi-government agencies.

When investing in foreign markets which require prior permission or approval such as in the form of an investment licence or investor code or investor registration, the Fund has/will obtain such necessary permission or approval in order to invest in such markets.

In undertaking these foreign investments, the Manager may invest directly in Shariah-compliant equities and/or sukuk, and/or may invest through other Islamic collective investment schemes (provided the investment mandate of the scheme complements the Fund's investment objective and other conditions as set out in section 1.13.7), where appropriate.

1.13.11 Shariah-compliant Liquid Assets

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

Manager to react to the prevailing market conditions and to manage investment risks when circumstances warrant it.

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

1.13.12 Distribution Policy

The Fund will declare distributions, if any, to Unit Holders depending on the level of income generated at each relevant period. Distributions, if any, after deduction of taxation and expenses (i.e. net distributions) are declared annually.

1.13.13 Permitted Investments and Restrictions

This Fund may invest or participate in Shariah-compliant securities of and securities relating to companies whose business activities comply with Shariah requirements listed on the Bursa Malaysia or any other market considered as an Eligible Market (including foreign market), sukuk / instruments of companies whose business activities comply with Shariah requirements listed on Bursa Malaysia or traded in / listed on any other market considered as an Eligible Market (including foreign market); Government Investment Issues (GII), Islamic accepted bills, Bank Negara monetary notes-i, Islamic negotiable instruments, cagamas sukuk, other obligations issued or guaranteed by the Malaysian government, Bank Negara Malaysia and other government-related agencies that comply with Shariah requirements, Islamic collective investment schemes, Islamic financial derivatives, Islamic structured products, Islamic money market instruments and Islamic deposits with any financial institutions, participate in the lending of Shariah-compliant securities that complies with Shariah requirements, and any other investments permitted by the SACSC and/or the Shariah Adviser from time to time. Consequently, all investments for this Fund are to be designated as Shariah-compliant and in this regard, the Shariah Adviser will advise on the selection of investments to ensure compliance with Shariah requirements.

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 investments 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 participations 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 any single counter-party must not exceed fifteen (15) per cent of the Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time. This single counter-party limit may be exceeded if the counter-party has a minimum long-term rating that indicates very strong capacity for timely payment of financial obligations provided by any domestic or global rating agency and the 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 investments 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 financial derivatives) must not exceed the Fund's investment spread limits as stipulated in (b), (c), (d), (e), (f), (g) and (h) above. In addition, the Fund's net market exposure owing to its 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 Shariah-compliant 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 instrument must not exceed ten (10) per cent of the instruments issued by any single issuer, or any other limit as may be prescribed by the Securities Commission from time to time. Such limit does not apply to 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 limits 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 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 securities and sukuk that are issued or guaranteed by the Malaysian government or Bank Negara Malaysia.

1.14 Investment Philosophy

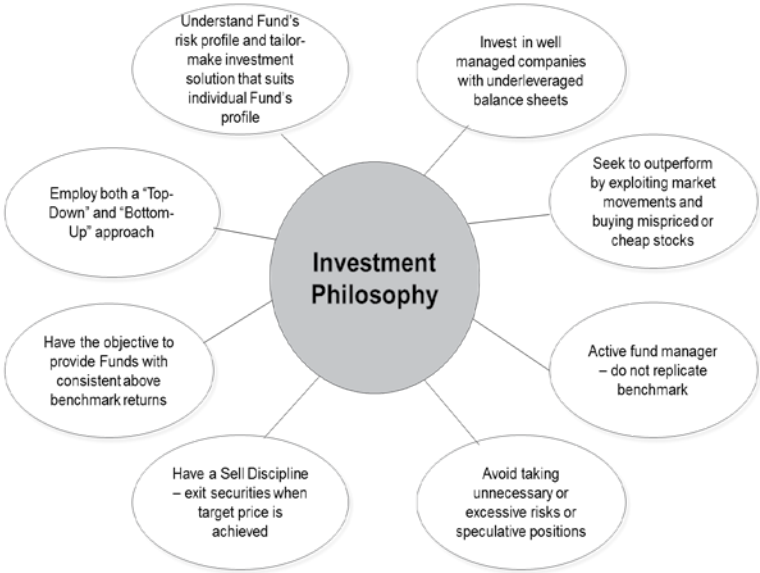
Equity Trust
Dana Islam
TGF

SCOUT
Income Fund
MDIV

KidSave
EOUT
Dana Hazeem

Tracker
GIFT

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.



CASH

Deposits

The Manager will form a strategy based on the interest rate outlook derived from economic aggregates such as inflation, economic growth and general monetary policies. Further, the Manager’s investment strategy will follow its views on the anticipated changes in the yield curve.

1.15 Investment Approach

(a) Manager

**Equity Trust
Income Fund
MDIV**

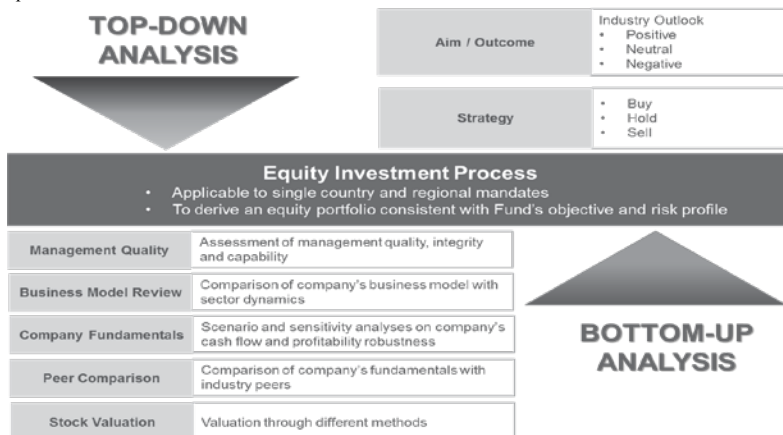
**SCOUT
EOUT
Dana Hazeem**

**KidSave
GIFT**

**Dana Islam
TGF**

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

Equities



Fixed Income Securities (including sukuk)



Tracker

In the case of RHB KLCI Tracker Fund its equity investments are to mirror the FBM KLCI component stocks.

CASH

Deposits

The Manager's investment approach when making investments in debentures, money market instruments and placements of deposits with financial institutions will evolve around the following principles:-

- 1) Interest Rate Anticipation – Forecast changes in interest rates and yield curve shapes.
- 2) Relative Return Analysis – Best risk-return trade-off within the financial institutions of same credit rating.

(b) Islamic Funds

Dana Islam

Dana Hazeem

In addition to the investment approach stated above, the Funds' investments in Shariah-compliant stocks and sukuk are also screened to ensure they meet 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 Funds' 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 securities 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 adopted 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 benchmark 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) interest income from conventional accounts and instruments (including dividends from investment in Shariah non-compliant instruments and interest income awarded arising from a judgment by a court or arbitrator);
 - (ix) tobacco and tobacco-related activities; and
 - (x) other activities deemed non-compliant according to Shariah.

For the abovementioned 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 abovementioned 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 benchmark 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 companies.

- (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) Pornography;
 - (f) Weaponry;
 - (g) Entertainment activities that are not permitted by the Shariah; and
 - (h) 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 income;
 - (b) Total 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 divided by total assets; and
 - (d) Total account receivables including trade receivables divided by total assets.

* These benchmarks 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.

- (3) The Shariah Adviser may also consider adopting foreign stocks listed on other Islamic indices recognised by the Shariah Adviser as Shariah-compliant stocks or Shariah-compliant stocks screened using methodologies accepted by the Shariah Adviser.

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

3. Divestment of Shariah non-compliant Securities

- (a) Wrong investment

This refers to Shariah non-compliant investments made by the Manager. The said investment will be disposed or withdrawn within one month upon becoming aware of the status of the investments. In the event the investment results in 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 Funds' investment

Where a security is reclassified as Shariah non-compliant by the SACSC, the Shariah Adviser or the Shariah boards of the relevant Islamic Indices, such security will be disposed as soon as 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 original investment cost. For re-classified securities where the market price is below the original investment cost, these securities can still be kept by the Funds but it 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 Funds. 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 general risks involved in investing in the Funds:

General Risks

- a) **Management Risk**
Inadequate expertise of a management company in dealing with the day-to-day management of a Fund will jeopardize the investment of Unit Holders through the risk of reduced returns and in some cases the Unit Holders may also lose the capital invested in the Fund.
- b) **Inflation/Purchasing Power Risk**
The purchasing power of Unit Holders' money may not keep pace with inflation. Inflation reduces the purchasing power of money. There is a risk that the value of Unit Holders' money invested in the Fund and the value of any returns thereof will be reduced by inflation.
- c) **Redemption Risk**
The ability of a Fund to honour requests for redemption in a timely manner is subject to the Fund's holding of adequate liquid assets and/or its ability to borrow on a temporary basis as permitted by the relevant laws. For Shariah-compliant Funds, the Fund may seek an Islamic financing facility to honour such redemption requests.
- d) **Loan Financing Risk**
Investors should assess the inherent risk of investing with borrowed money or through financing facility which should include the following:
 - i) 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; and
 - ii) (in a case where units of the Funds are used as collateral to the loan or financing) the ability to provide additional collateral should the unit prices of the respective Funds fall beyond a certain level.

Shariah-compliant unit trust fund's investors are advised to seek Islamic financing to finance their acquisition.

[Please see Unit Trust Loan Financing Risk Disclosure Statement in the application form]
- e) **Risk of Non-Compliance**
The risk arises should the Manager not follow the provisions set out in the respective Deeds or the law that governs the Fund or its own internal procedures, whether by oversight or by omission, or if the Manager acts fraudulently or dishonestly. Such non-compliance may result in the Fund being mismanaged and may affect the Unit Holders' investment.
- f) **Returns are not Guaranteed**
There is no guarantee on the investment returns to Unit Holders. Unlike fixed deposits which carry a specific rate of return, the Fund does not provide a fixed rate of return.

Investments Risks

- a) **Counterparty Risk**
The Funds' placements of cash or deposits or Islamic deposits with financial institutions are subject to the risk of the counterparty. Counterparty risk refers to the possibility that the financial institutions where cash placements or deposits placements or Islamic deposits placements are made will not be able to make timely payments of interest or profit and/or principal repayment on demand or prior to the maturity date. This may lead to a default in the payment of principal and/or interest or profit and ultimately a reduction in the value of a Fund.
- b) **Fund Management Risk**
The selection of securities of a Fund or placement of cash or deposits or Islamic deposits which make up the assets of the Fund is a subjective process and depends on the expertise of the fund manager in carrying out the investment management function of the Fund. The securities selected or deposits or Islamic deposits placed by the Manager may perform better or worse than the overall market, or as compared to similar portfolios managed by our competitors.
- c) **Liquidity Risk***
This refers to the ease with which a security can be sold at or near its fair value depending on the volume traded on the market. Should a security become illiquid, it may be sold at a discount to its fair value, thus lowering the value of the Fund's investments and subsequently the value of Unit Holders' investments.

* This risk will apply to fixed income securities, sukuk and equities.

For Funds with foreign market exposure:

- a) **Currency Risk**
Where a percentage of the value of the Fund is invested in foreign currency or assets denominated in a foreign currency, the Fund may be exposed to currency risk. Fluctuation in foreign exchange rates will affect the value of the Fund's foreign investments when converted into local currency and subsequently the value of Unit Holders' investments. This risk can be mitigated through investing in a wide range of foreign currency denominated asset thus diversifying the risk of single currency exposure. Hedging may be applied to mitigate the currency risk, if necessary.
- b) **Country Risk**
In addition to currency risk, the Fund is also subject to country risk, for example, the value of the assets of the Fund may also be affected by the economic and political climate, restriction on currency repatriation or other developments in the law or regulations of the countries in which the Fund may invest. Further, when investing in foreign markets, there are countries which may require prior approvals before investment can take place. For example, if and when the Fund invests in countries such as China, Taiwan, South Korea, India and Vietnam, such countries require the application of an investment licence or registration of an investor code before any investment can be made in these countries. As such, if investments in such countries are undertaken, there may be a risk that such registration or license may be revoked or not renewed by the relevant authority and the Fund's investments in these countries may be affected. The effect on the Fund's investments will depend on the regulatory requirements of the respective countries. For example, if a foreign market requires the Fund to obtain an investment licence which is subject to renewal and if such investment licence is not renewed in a timely manner, this may result in the Fund's investment account in that country being frozen by the regulator resulting in investment activities for the Fund in that country being suspended. To mitigate this, the Manager will monitor closely the adherence of investment regulatory requirements in such countries.

For Funds participating or investing in derivatives:

a) **Derivative Risk**

If a Fund participates in financial derivative or Islamic financial derivative instruments as an investment or for hedging purposes, it will be subject to risks associated with such investments or hedging position. As hedging activities are meant to protect a Fund from currency, interest rate and price volatility, hence the benefit of any upside of currency or interest rate or securities' price movement is limited. Whilst participation in Islamic financial derivatives shall commence only for the purpose of hedging and only if the structure of the Islamic financial derivatives as well as the underlying financial instruments comply with Shariah requirements, investments or participation in financial derivative or Islamic 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 or hedging positions. If no provision is made for the required margin within the prescribed time, the Fund's investments or hedging position may be liquidated at a loss. Therefore, it is essential that such investments or participations in financial derivative or Islamic financial derivative instruments are monitored closely. If and when the Manager invests in financial derivative or participates in Islamic financial derivative, the Manager will monitor the financial derivative or Islamic financial derivative positions for the Fund. In addition, investment in financial derivative or participation in Islamic financial derivative is also subject to the possibility that the counterparty to the financial derivative or Islamic financial derivative may fail or default in its obligations under the financial derivative or Islamic financial derivative contract. Such failure or default by the counterparty whether in the payment of principal and/or interest or profit or any gain from the financial derivative or Islamic financial derivative transaction may ultimately lead to a reduction in the value of the Fund. Investing in financial derivatives may also result in a likelihood of high volatility of the NAV per unit of the Fund.

2.2 Specific Risks when Investing in the Funds

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

Equity Trust

As this Fund may invest up to 50% of its Net Asset Value in foreign markets, it may be subject to further risks, such as currency risk and country risk [see section 2.1 (Investments Risks)], when compared to a portfolio which concentrates its holdings in a single market or economy. Furthermore, share investments are susceptible to the movements of share prices which can rise or fall for a number of reasons, such as industry trends, economic factors, changes in a company's operations, management and financial performance as well as market perception of that particular company. Other risks associated with investments in equities are as follows:

a) **Market Risk**

Market risk is a risk that arises when the prices of investments in the marketplace are affected by circumstances such as political or economic events. These circumstances, which may be a local or global event can affect the markets where the Fund is invested in or global markets and subsequently the value of the Fund's investments.

b) **Particular Securities Risk**

The fluctuation in the performance of each individual security that the Fund invests in will affect the price of the units of the Fund. Not all companies issuing these securities are successful. The success or failure of the companies will cause its securities value to rise or fall. Valued collectively, the performance of individual securities will cause the Fund's unit price to rise or fall accordingly.

SCOUT

As this Fund invests only in small to medium sized companies, it may therefore be subject to a higher level of risk than a portfolio diversifying its holdings to include larger sized companies. Moreover, the acquisition or disposal of securities of small to medium size companies may require a longer time period as there are generally less ready buyers or sellers as compared to the securities of larger, more established companies. Hence there is a risk that securities may not be sold at or near fair value depending on the volume traded on the market. Furthermore, as the size of the Fund grows larger, there may be insufficient securities of small to medium sized companies as a larger number of these securities is required to be acquired or disposed before there is any impact on the Fund. Other risks associated with investments in equities are as follows:

a) Market Risk

Market risk is a risk that arises when the prices of investments in the marketplace are affected by circumstances such as political or economic events. These circumstances, which may be a local or global event can affect the markets where the Fund is invested in or global markets and subsequently the value of the Fund's investments.

b) Particular Securities Risk

The fluctuation in the performance of each individual security that the Fund invests in will affect the price of the units of the Fund. Not all companies issuing these securities are successful. The success or failure of the companies will cause its securities value to rise or fall. Valued collectively, the performance of individual securities will cause the Fund's unit price to rise or fall accordingly.

KIDSAVE

a) Market Risk

Market risk is a risk that arises when the prices of investments in the marketplace are affected by circumstances such as political or economic events. These circumstances, which may be a local or global event can affect the markets where the Fund is invested in or global markets and subsequently the value of the Fund's investments.

b) Particular Securities Risk

The fluctuation in the performance of each individual security that the Fund invests in will affect the price of the units of the Fund. Not all companies issuing these securities are successful. The success or failure of the companies will cause its securities value to rise or fall. Valued collectively, the performance of individual securities will cause the Fund's unit price to rise or fall accordingly.

c) Interest Rate Risk

Prices of fixed income securities and debentures generally move in opposite direction with interest rates. When interest rates rise, prices of fixed income securities and debentures will generally fall. This rise in interest rates will cause the investor to face the risk of capital loss. However, when interest rates fall, prices of fixed income securities and debentures will generally increase, thus investors will see capital gains.

d) Credit/Default Risk

This refers to the creditworthiness of the fixed income securities and debentures issuer and its expected ability to repay debt. Default happens when the issuer is not able to make timely coupon payments and/or repay or pay the principal in a timely manner thus lowering the value of the Fund's investments and subsequently the value of Unit Holders' investments.

Tracker

As this Fund tracks the performance of the FBM KLCI, it may be subject to the Bursa Malaysia market volatility and therefore pose a higher level of risk than a portfolio diversifying its holdings across several markets and economies. Changes in the Net Asset Value are unlikely to exactly replicate changes in the FBM KLCI. This amongst others, is due to the fees and expenses payable by the Fund and transaction costs incurred in adjusting the composition of or the weighting of the Fund's investments because of changes in the FBM KLCI. Other risks associated with investments in equities are as follows:

a) Market Risk

Market risk is a risk that arises when the prices of investments in the marketplace are affected by circumstances such as political or economic events. These circumstances, which may be a local or global event can affect the markets where the Fund is invested in or global markets and subsequently the value of the Fund's investments.

b) Particular Securities Risk

The fluctuation in the performance of each individual security that the Fund invests in will affect the price of the units of the Fund. Not all companies issuing these securities are successful. The success or failure of the companies will cause its securities value to rise or fall. Valued collectively, the performance of individual securities will cause the Fund's unit price to rise or fall accordingly.

In addition, as the Manager will participate in financial derivatives for the purpose of achieving the Fund's investment objective, there are certain tracking risks involved. Such risks may include an imperfect correlation between price movements of the financial derivatives with price movements of the Fund's investments.

Further, the risk of loss in trading financial derivatives is potentially great, due to both low margin deposits required, and the extremely high degree of leverage involved in futures derivatives pricing. As a result, a relatively small price movement in a financial derivative may result in immediate and substantial loss (or gain) to the Fund.

Dana Islam

As this Fund invests only in securities of companies whose principal activities comply with Shariah requirements, it may be subject to a higher level of risk than a portfolio diversifying its holdings across several markets and economies. Furthermore, there is an inherent risk, the reclassification of Shariah status risk, where the currently held Shariah-compliant securities in the Fund may be re-designated to be Shariah non-compliant securities in the periodic review of the securities by the SACSC, the Shariah Adviser, or the Shariah boards of the relevant Islamic indices. If this occurs, the value of the Fund may be adversely affected where the Manager will take the necessary steps to dispose of such securities. Any capital gains arising from the disposal of the Shariah non-compliant securities 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 at the market price that is higher than the closing price on the announcement day should be channelled to baitulmal or charitable bodies as advised by the Shariah Adviser. Other risks associated with investments in Shariah-compliant equity are as follows:

a) Market Risk

Market risk is a risk that arises when the prices of investments in the marketplace are affected by circumstances such as political or economic events. These circumstances, which may be a local or global event can affect the markets where the Fund is invested in or global markets and subsequently the value of the Fund's investments.

b) Particular Securities Risk

The fluctuation in the performance of each individual security that the Fund invests in will affect

the price of the units of the Fund. Not all companies issuing these securities are successful. The success or failure of the companies will cause its securities value to rise or fall. Valued collectively, the performance of individual securities will cause the Fund's unit price to rise or fall accordingly.

Income Fund

As this Fund invests primarily in fixed income securities, certain risks are therefore peculiar to this Fund. They are:

a) Interest Rate Risk

Prices of fixed income securities and debentures generally move in opposite direction with interest rates. When interest rates rise, prices of fixed income securities and debentures will generally fall. This rise in interest rate would cause the investor to face the risk of capital loss. But when interest rates fall, prices of fixed income securities and debentures would generally increase, therefore, investors would see capital gains.

b) Credit/Default Risk

This refers to the creditworthiness of the fixed income securities and debentures issuer and its expected ability to repay debt. Default happens when the issuer is not able to make timely coupon payments and/or repay or pay the principal in a timely manner thus lowering the value of the Fund's investments and subsequently the value of Unit Holders' investments.

c) Liquidity Risk

Liquidity is the ability to convert an investment portfolio to cash without suffering a noticeable loss in value. The Malaysian fixed income securities and debentures market is not as liquid as the equity market and this may affect the price of any fixed income securities and debentures.

d) Inflation/Purchasing Power Risk

Inflation can be defined as increases of the 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 and results in uncertainty over the future value of the investments. Inflation reduces purchasing power of money. In an inflationary environment, fixed income securities are exposed to higher inflation risks than equities due to its fixed returns nature as compared to equities whose returns are variable.

EOUT

As this Fund invests only in small to medium size companies, it may therefore be subject to a higher level of risk than a portfolio diversifying its holdings to include larger sized companies. Moreover, the acquisition or disposal of securities of small to medium size companies may require a longer time period as there are generally less ready buyers or sellers as compared to the securities of larger, more established companies. Hence there is a risk that securities may not be sold at or near fair value depending on the volume traded on the market. Furthermore, as the size of the Fund grows larger, there may be insufficient securities of small to medium sized companies as a larger number of these securities is required to be acquired or disposed before there is any impact on the Fund. Other risks associated with investments in equities are as follows:

a) Market Risk

Market risk is a risk that arises when the prices of investments in the marketplace are affected by circumstances such as political or economic events. These circumstances, which may be a local or global event can affect the markets where the Fund is invested in or global markets and subsequently the value of the Fund's investments.

b) Particular Securities Risk

The fluctuation in the performance of each individual security that the Fund invests in will affect the price of the units of the Fund. Not all companies issuing these securities are successful. The

success or failure of the companies will cause its securities value to rise or fall. Valued collectively, the performance of individual securities will cause the Fund's unit price to rise or fall accordingly.

GIFT

As this Fund will have an asset mix of securities of companies with market capitalisation of not more than RM750 million ("small cap securities") and fixed income securities, money market instruments, cash and deposits with financial institutions, certain risks peculiar to the Fund are:

a) Liquidity Risk of Underlying Investments

Liquidity is the ability to convert an investment portfolio to cash without suffering a noticeable loss in value. The Malaysian fixed income securities and debentures market is not as liquid as the equity market and this may affect the price of any fixed income securities and debentures. Likewise, when investing in small to medium size companies, the acquisition or disposal of securities of these companies may require a longer time period as there are generally less ready buyers or sellers as compared to the securities of larger, more established companies.

b) Interest Rate Risk

Prices of fixed income securities and debentures generally move in opposite direction with interest rates. When interest rates rise, prices of fixed income securities and debentures will generally fall. This rise in interest rates will cause the investor to face the risk of capital loss. However, when interest rates fall, prices of fixed income securities and debentures will generally increase, thus investors will see capital gains.

c) Credit/Default Risk

This refers to the creditworthiness of the fixed income securities and debentures issuer and its expected ability to repay debt. Default happens when the issuer is not able to make timely coupon payments and/or repay or pay the principal in a timely manner thus lowering the value of the Fund's investments and subsequently the value of Unit Holders' investments.

d) Inflation/Purchasing Power Risk

Inflation can be defined as increases in the 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 and results in uncertainty over the future value of the investments. Inflation reduces purchasing power of money. In an inflationary environment, fixed income securities are exposed to higher inflation risks than equities due to its fixed returns nature as compared to equities whose returns are variable.

Other risks associated with investments in equities are as follows:

a) Market Risk

Market risk is a risk that arises when the prices of investments in the marketplace are affected by circumstances such as political or economic events. These circumstances, which may be a local or global event can affect the markets where the Fund is invested in or global markets and subsequently the value of the Fund's investments.

b) Particular Securities Risk

The fluctuation in the performance of each individual security that the Fund invests in will affect the price of the units of the Fund. Not all companies issuing these securities are successful. The success or failure of the companies will cause its securities value to rise or fall. Valued collectively, the performance of individual securities will cause the Fund's unit price to rise or fall accordingly.

TGF

As this Fund's dynamic mandate allows it to generally have an equity exposure of up to 98% of its Net Asset Value or an exposure to fixed income securities of up to 100% of its Net Asset Value, the risks peculiar to this Fund are:

a) Market Risk

Market risk is a risk that arises when the prices of investments in the marketplace are affected by circumstances such as political or economic events. These circumstances, which may be a local or global event can affect the markets where the Fund is invested in or global markets and subsequently the value of the Fund's investments.

b) Particular Securities Risk

The fluctuation in the performance of each individual security that the Fund invests in will affect the price of the units of the Fund. Not all companies issuing these securities are successful. The success or failure of the companies will cause its securities value to rise or fall. Valued collectively, the performance of individual securities comprising the Fund's portfolio will cause the unit price of the Fund to rise or fall accordingly.

c) Interest Rate Risk

Prices of fixed income securities and debentures generally move in opposite direction with interest rates. When interest rates rise, prices of fixed income securities and debentures will generally fall. This rise in interest rates will cause the investor to face the risk of capital loss. However, when interest rates fall, prices of fixed income securities and debentures will generally increase, thus investors will see capital gains.

d) Credit/Default Risk

This refers to the creditworthiness of the fixed income securities and debentures issuer and its expected ability to repay debt. Default happens when the issuer is not able to make timely coupon payments and/or repay or pay the principal in a timely manner thus lowering the value of the Fund's investments and subsequently the value of Unit Holders' investments.

MDIV

As this Fund invests in a portfolio mix mainly of equity and equity-related securities which offer attractive yields and sustainable dividend payments and fixed income securities, money market instruments and deposits with financial institutions or liquid assets, certain specific risks peculiar to this Fund are:

a) Market Risk

Market risk is a risk that arises when the prices of investments in the marketplace are affected by circumstances such as political or economic events. These circumstances, which may be a local or global event can affect the markets where the Fund is invested in or global markets and subsequently the value of the Fund's investments.

b) Particular Securities Risk

The fluctuation in the performance of each individual security that the Fund invests in will affect the price of the units of the Fund. Not all companies issuing these securities are successful. The success or failure of the companies will cause its securities value to rise or fall. Valued collectively, the performance of individual securities comprising the Fund's portfolio will cause the unit price of the Fund to rise or fall accordingly.

c) Interest Rate Risk

Prices of fixed income securities and debentures generally move in opposite direction with interest rates. When interest rates rise, prices of fixed income securities and debentures will generally fall. This rise in interest rates will cause the investor to face the risk of capital loss. However, when interest rates fall, prices of fixed income securities and debentures will generally increase, thus

investors will see capital gains.

d) Credit/Default Risk

This refers to the creditworthiness of the fixed income securities and debentures issuer and its expected ability to repay debt. Default happens when the issuer is not able to make timely coupon payments and/or repay or pay the principal in a timely manner thus lowering the value of the Fund's investments and subsequently the value of Unit Holders' investments.

CASH

As this Fund invests its assets in a portfolio of deposits with financial institutions, certain risks are therefore peculiar to this Fund. They are:

a) Credit/Default Risk

This refers to the creditworthiness of the financial institutions and its expected ability to make timely payment of interest and principal. Default happens when the financial institutions are not able to make timely payments of interest and principal.

b) Inflation/Purchasing Power Risk

Inflation can be defined as increases in the 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 and results in uncertainty over the future value of the investments. Inflation reduces purchasing power of money. In an inflationary environment, fixed rate deposits are exposed to higher inflation risks than equities due to its fixed returns nature as compared to equities whose return are variable.

c) Interest Rate Risk

Interest rate risk is crucial in this Fund since deposits portfolio management depends on forecasting interest rate movements. Interest rate changes could affect the Fund's potential returns from future placements in deposits if the strategy taken by the fund manager differs from the actual outlook of the interest rates market. In an environment of falling interest rates, the Fund's future placement in deposits would be reinvested at lower interest rates which in turn will reduce the potential returns of the Fund. This risk will be mitigated via shorter or longer tenured deposits depending on the Manager's view of the future interest rate trend, which is based on its continuous fundamental research and analysis.

DEPOSITS

As the Fund will invest its assets in a portfolio of deposits placed with financial institutions, certain risks are therefore peculiar to this Fund. They are:

a) Credit/Default Risk

This refers to the creditworthiness of the financial institutions and its expected ability to make timely payment of interest and principal. Default happens when the financial institutions are not able to make timely payments of interest and/or repay or pay the principal in a timely manner thus lowering the value of the Fund's investments and subsequently the value of Unit Holders' investment.

b) Inflation/Purchasing Power Risk

Inflation can be defined as increases of the 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 and results in uncertainty over the future value of the investments. Inflation reduces purchasing power of money. In an inflationary environment, fixed rate deposits are exposed to higher inflation risks than equities due to its fixed returns nature as compared to equities whose returns are variable.

c) Interest Rate Risk

Interest rate risk is crucial in this Fund since deposits portfolio management depends on forecasting interest rate movements. Interest rate changes could affect the Fund's potential returns from future placements in deposits if the strategy taken by the fund manager differs from the actual outlook of the interest rates market. In an environment of falling interest rates, the Fund's future placement in deposits would be reinvested at lower interest rates which in turn will reduce the potential returns of the Fund. This risk will be mitigated via shorter or longer tenured deposits depending on the Manager's view of the future interest rate trend, which is based on its continuous fundamental research and analysis.

Dana Hazeem

As this Fund generally invests 50% of Net Asset Value in Shariah-compliant equities and 50% of Net Asset Value in Non-Equity Shariah-Compliant Investments, it will therefore be subject to the following risks:

a) Market Risk

Market risk is a risk that arises when the prices of investments in the marketplace are affected by circumstances such as political or economic events. These circumstances, which may be a local or global event can affect the markets where the Fund is invested in or global markets and subsequently the value of the Fund's investments.

b) Particular Security Risk

The Fund's portfolio may comprise of Shariah-compliant equities, sukuk, Islamic money market instruments, Islamic deposits placed with financial institutions and Islamic collective investment schemes. The fluctuation in the performance of each individual Shariah-compliant security that the Fund invests in will affect the price of the units of the Fund. Valued collectively, the performance of individual Shariah-compliant securities comprising the Fund's portfolio will cause the unit price of the Fund to rise or fall accordingly.

c) Reclassification of Shariah Status Risk

This risk refers to the risk that the currently held Shariah-compliant securities in the Fund may be reclassified to be Shariah non-compliant in the periodic review of the securities by the SACSC, the Shariah Adviser or the Shariah boards of the relevant Islamic indices.

If this occurs, the External Investment Manager will take the necessary steps to dispose such securities in accordance with the Shariah Guidelines stipulated by the Shariah Adviser. The value of the Fund may be adversely affected as there may be opportunity loss to the Fund due to the Fund not being allowed to retain all or part of the excess capital gains derived from the disposal of the Shariah non-compliant securities. Please see Shariah Investment Guidelines adopted by the Shariah Adviser, section 1.16 (b) on the reclassification of Shariah status of the Funds' investment.

d) Interest Rate Risk

This Fund is also subject to interest rate risk. It does not in any way suggest that the Fund will invest in conventional financial instruments. All the investments carried out for the Fund are in accordance with Shariah requirements. This risk refers to the effect of interest rate changes on the market value of the sukuk portion of the portfolio. In the event of rising interest rates, demand for sukuk will generally decrease and vice versa. Meanwhile, sukuk with longer maturities and lower profit rates are more sensitive to interest rate changes.

e) Credit/Default Risk

This refers to the creditworthiness of the sukuk issuer and its expected ability to pay the principal and/or profit due. Default happens when the issuer is not able to make timely profit payments and/or pay the principal in a timely manner thus affecting the value of the Fund's investments and subsequently the value of Unit Holders' investments.

3. VALUATION OF ASSETS

Equity Trust*	SCOUT*	KidSave*	Tracker
Dana Islam*	Income Fund*	EOUT*	GIFT*
TGF	MDIV	CASH	Deposits
Dana Hazeem*			

*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, with the exception of **CASH**, whose price shall be the Net Asset Value per unit as at the valuation point of the Fund immediately preceding the Fund's relevant Business Day when the request for units of the Fund is received by the Manager ("historical pricing"). [Please refer section 5.2 (Computation of Purchase of Units – **CASH**)].

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 of the Fund for a particular Business Day will not be published in the local 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 9 August 2017 (Wednesday), the valuation date will be the next day in which the Manager is open for business, that is, 10 August 2017 (Thursday). Thus, the local newspapers publication date for the price as at 9 August 2017 (Wednesday) will be on 11 August 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 5.5 (g) (Availability of Information on Investment)].

In undertaking any of the Fund's investments, the Manager will ensure that all the assets of the respective Funds will be valued appropriately, that is, at market value, failing which, such assets will be valued at fair value and at all times in compliance with the relevant laws including approved accounting standards.

Accordingly, where applicable:

(i) Listed local and foreign securities

Listed local and foreign securities will be valued daily based on the last done market price or such other basis as may be prescribed by the relevant laws from time to time including approved accounting standards.

However, if:-

- (a) a valuation based on the market price does not represent the fair value of the securities, for example during abnormal market conditions; or

- (b) no market price is available, including in the event of a suspension in the quotation of securities for a period exceeding fourteen (14) days, or such shorter period as agreed by the Trustee,

then the securities 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 fixed income securities / sukuk denominated in Ringgit Malaysia will be valued on a daily basis by reference to the fair value price quoted by a bond pricing agency ("BPA") registered by the Securities Commission. However, where quotations are not available, such fixed income securities / sukuk will generally be valued on a weekly basis 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 dealing in fixed income securities / sukuk.

Investments in foreign unlisted fixed income securities / sukuk are valued daily using the Bloomberg Generic Price (BGN) provided by Bloomberg. Where BGN prices are not available on any business day, these securities will be valued by reference to the average indicative yield quoted by three independent and reputable financial institutions.

In a case where the Manager is of the view that the market yield for a specific unlisted fixed income security / sukuk differs by more than 20 basis points from the price quoted by BPA or BGN, the Manager may use its own view of the market yield for a specific unlisted fixed income security/sukuk, provided that the Manager records its basis for using a non BPA price or non BGN price, obtains necessary internal approvals to use the non BPA price or non BGN price and keeps an audit trail of all decisions and basis for adopting its own view of the market yield.

However, when the Manager, after taking all reasonable efforts, is unable to obtain quotations from BPA or any BGN price 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 / sukuk 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

Investment in unlisted securities will be valued at the cost price of each investments until the securities of the investee companies are successfully listed on a recognised stock exchange, upon which quoted prices will be available and valuation will be based on the last done market price or such other basis as may be prescribed by the relevant laws from time to time including approved accounting standards.

(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. When investing in unlisted collective investment schemes, the value shall be determined by reference to that manager's last published repurchase price of a unit for that unlisted collective investment scheme.

(v) Financial derivatives

Exchange traded financial derivatives / Islamic financial derivatives positions will be “marked to market” at the close of each trading day. In respect of OTC derivatives, the Manager has access to the resources of specialists to verify the reasonableness of the prices quoted by the issuer whenever the Manager considers it necessary to do so.

(vi) Cash and deposits

Cash and deposits / Islamic deposits placed with financial institutions will be valued each day by reference to the principal value of such investments and the interest / profits accrued thereon for the relevant period.

(vii) Money market instruments

Money market instruments / Islamic 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 relevant laws.

4. FEES, CHARGES AND EXPENSES

The cost to the investor of investing in a Fund is as follows:

4.1 Charges

The charges directly incurred by an investor when purchasing or redeeming units of the respective Funds are as follows:

(a) Sales Charge

Where applicable an investor can expect differing sales charge or transaction fee to be levied when buying units of the Fund from the various distribution channels and within each distribution channel, subject to the maximum sales charge or transaction fee stipulated herein. This is due to the different levels of services provided by each distribution channel and/or the size of the investment undertaken.

From the sales charge or transaction fee received from investors for each of the respective Funds, the Manager pays no more than the entire sales charge or transaction fee as mentioned above as selling commission to its distributors for that particular Fund.

**Equity Trust
Dana Hazeem**

SCOUT

KidSave

Dana Islam

The Manager will impose a sales charge which can be levied on an investor's investment amount/purchase amount, net of bank chargers (if any) by the Manager's various distributors as follows:

Distributor	% of investment amount
Institutional Unit Trust Adviser (IUTA)	Up to 6.38%

Distributor	% of investment amount
Tied (Retail) Agent	Up to 6.38%
Direct Sales (Direct Investment with the Manager)	Up to 6.38%

Note: Investor who invests via the EPF Members' Investment Scheme will be levied a sales charge of up to 3.00% of the investment amount (or such other rate that may be determined by the EPF from time to time).

Illustration (based on **Equity Trust**)

Say, an investor makes an investment of RM10,000.00 at the Selling Price of RM0.4277 and the distributor levies a sales charge of 6.38%, the investor will pay a total of RM10,676.28 as follows:

Investment amount	=	RM	10,000.00
Add:			
Sales charge levied by the distributor @ 6.38%	=	RM	638.00
GST ¹ (6% of RM638.00)	=	RM	38.28
Total amount paid by the investor	=	RM	<u>10,676.28</u>

The investor will be allotted with 23,380.87 units calculated as follows:

$$\text{Units allotted is calculated as } \frac{\text{RM10,000.00}}{\text{RM0.4277*}} = 23,380.87 \text{ units**}$$

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

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

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

Tracker

The Manager will impose a transaction fee which can be levied on an investor's investment amount/purchase amount, net of bank chargers (if any) by the Manager's various distributors as follows:

Distributor	% of investment amount
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%

Note: Investor who invests via the EPF Members' Investment Scheme will be levied a sales charge of up to 3.00% of the investment amount (or such other rate that may be determined by the EPF from time to time).

Illustration

Say, an investor makes an investment of RM10,000.00 at the Selling Price of RM0.9473 and the distributor levies a transaction fee of 1.00%, the investor will pay a total of RM10,106.00 as follows:

Investment amount	=	RM	10,000.00
Add:			
Transaction fee levied by the distributor @ 1.00%	=	RM	100.00
GST ¹ (6% of RM100.00)	=	RM	6.00
Total amount paid by the investor	=	RM	<u>10,106.00</u>

The investor will be allotted with 10,556.32 units calculated as follows:

$$\text{Units allotted is calculated as } \frac{\text{RM}10,000.00}{\text{RM}0.9473^*} = 10,556.32 \text{ units}^{**}$$

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

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

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

EOUT GIFT

The Manager will impose a sales charge which can be levied on an investor's investment amount/purchase amount, net of bank chargers (if any) by the Manager's various distributors as follows:

Distributor	% of investment amount
Institutional Unit Trust Adviser (IUTA)	Up to 5.26%
Tied (Retail) Agent	Up to 5.26%
Direct Sales (Direct Investment with the Manager)	Up to 5.26%

Note: Investor who invests via the EPF Members' Investment Scheme will be levied a sales charge of up to 3.00% of the investment amount (or such other rate that may be determined by the EPF from time to time).

Illustration (based on EOUT)

Say, an investor makes an investment of RM10,000.00 at the Selling Price of RM0.6484 and the distributor levies a sales charge of 5.26%, the investor will pay a total of RM10,557.56 as follows:

Investment amount	=	RM	10,000.00
Add:			
Sales charge levied by the distributor @ 5.26%	=	RM	526.00
GST ¹ (6% of RM526.00)	=	RM	31.56
Total amount paid by the investor	=	RM	<u>10,557.56</u>

The investor will be allotted with 15,422.58 units calculated as follows:

$$\text{Units allotted is calculated as } \frac{\text{RM}10,000.00}{\text{RM}0.6484^*} = 15,422.58 \text{ units}^{**}$$

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

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

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

TGF

The Manager will impose a sales charge which can be levied on an investor's investment amount/purchase amount, net of bank chargers (if any) by the Manager's various distributors as follows:

Distributor	% of investment amount
Institutional Unit Trust Adviser (IUTA)	Up to 5.00%
Tied (Retail) Agent	Up to 5.00%
Direct Sales (Direct investment with the Manager)	Up to 5.00%

Note: Investor who invests via the EPF Members' Investment Scheme will be levied a sales charge of up to 3.00% of the investment amount (or such other rate that may be determined by the EPF from time to time).

Illustration

Say, an investor makes an investment of RM10,000.00 at the Selling Price of RM0.2292 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 ¹ (6% of RM500.00)	=	RM	30.00
Total amount paid by the investor	=	RM	<u>10,530.00</u>

The investor will be allotted with 43,630.02 units calculated as follows:

$$\text{Units allotted is calculated as } \frac{\text{RM10,000.00}}{\text{RM0.2292}^*} = 43,630.02 \text{ units}^{**}$$

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

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

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

MDIV

The Manager will impose a sales charge which can be levied on an investor's investment amount/purchase amount, net of bank chargers (if any) by the Manager's various distributors as follows:

Distributor	% of investment amount
Institutional Unit Trust Adviser (IUTA)	Up to 5.50%
Tied (Retail) Agent	Up to 5.50%
Direct Sales (Direct Investment with the Manager)	Up to 5.50%

Note: Investor who invests via the EPF Members' Investment Scheme will be levied a sales charge of up to 3.00% of the investment amount (or such other rate that may be determined by the EPF from time to time).

Illustration

Say, an investor makes an investment of RM10,000.00 at the Selling Price of RM0.2960 and the distributor levies a sales charge of 5.50%, the investor will pay a total of RM10,583.00 as follows:

Investment amount	=	RM	10,000.00
Add:			
Sales charge levied by the distributor @ 5.50%	=	RM	550.00
GST ¹ (6% of RM550.00)	=	RM	33.00
Total amount paid by the investor	=	RM	<u>10,583.00</u>

The investor will be allotted with 33,783.78 units calculated as follows:

$$\text{Units allotted is calculated as } \frac{\text{RM10,000.00}}{\text{RM0.2960*}} = 33,783.78 \text{ units**}$$

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

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

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

Income Fund

The Manager will impose a sales charge which can be levied on an investor's investment amount/purchase amount, net of bank chargers (if any) by the Manager's various distributors as follows:

Distributor	% of investment amount
Institutional Unit Trust Adviser (IUTA)	Up to 2.00%
Tied (Retail) Agent	Up to 2.00%
Direct Sales (Direct Investment with the Manager)	Up to 2.00%

Note: Investor who invests via the EPF Members' Investment Scheme will be levied a sales charge of up to 3.00% of the investment amount (or such other rate that may be determined by the EPF from time to time).

Illustration

Say, an investor makes an investment of RM10,000.00 at the Selling Price of RM1.4039 and the distributor levies a sales charge of 2.00%, the investor will pay a total of RM10,212.00 as follows:

Investment amount	=	RM	10,000.00
Add:			
Sales charge levied by the distributor @ 2.00%	=	RM	200.00
GST ¹ (6% of RM200.00)	=	RM	12.00
Total amount paid by the investor	=	RM	<u>10,212.00</u>

The investor will be allotted with 7,123.01 units calculated as follows:

$$\text{Units allotted is calculated as } \frac{\text{RM10,000.00}}{\text{RM1.4039}^*} = 7,123.01 \text{ units}^{**}$$

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

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

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

CASH Deposits

The Manager will not impose any sales charge on an investor's investment amount/purchase amount, net of bank charges (if any).

Illustration

Say, an investor makes an investment of RM10,000.00 at the Selling Price of RM1.0000 and there is no sales charge, the investor will pay a total of RM10,000.00 as follows:

Investment amount	=	RM	10,000.00
Add: sales charge	=	RM	NIL
Total amount paid by the investor	=	RM	<u>10,000.00</u>

The investor will be allotted with 10,000.00 units calculated as follows:

$$\text{Units allotted is calculated as } \frac{\text{RM10,000.00}}{\text{RM1.0000}^*} = 10,000.00 \text{ units}^{**}$$

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

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

(b) Repurchase Charge

Equity Trust	SCOUT	KidSave	Dana Islam
Income Fund	EOUT	GIFT	TGF
MDIV	CASH	Deposits	Dana Hazeem

The Manager will not impose any repurchase charge on investors redeeming their investments.

Illustration (based on Equity Trust)

Say, an investor redeems 23,380.87 units of the Fund at the Repurchase Price of RM 0.4277 (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 (23,380.87 units x RM0.4277)	=	RM	10,000.00
Less: repurchase charge	=	RM	(NIL)
Net amount payable to the investor	=	RM	<u>10,000.00</u>

Tracker

The Manager will impose a transaction fee which will be levied on an investor's redemption amount/redemption amount by the Manager's various distributors as follows:

Distributor	% of redemption amount
Institutional Unit Trust Adviser (IUTA)	1.00%
Tied (Retail) Agent	1.00%
Direct Sales (Direct Investment with the Manager)	1.00%

Illustration

Say, an investor redeems 10,556.32 units of the Fund at the Repurchase Price of RM 0.9473 (which is the Net Asset Value per Unit as at the next valuation point), he would receive proceeds of redemption of RM9,894.00 as follows:

Redemption amount (10,556.32 units x RM 0.9473)	=	RM	10,000.00
Less:			
Transaction fee of 1.00%	=	RM	(100.00)
GST ^{1a} (6% of RM100.00)	=	RM	(6.00)
Net amount payable to the investor	=	RM	<u>9,894.00</u>

^{1a} The implementation of GST is effective 1 April 2015 at the rate of 6% and the fees and charges payable are exclusive of GST. For avoidance of doubt, the transaction fee on redemption of **Tracker** is not a penalty in nature and is therefore subject to GST.

(c) Other Charges

(i) Switching of units

Equity Trust	SCOUT	KidSave	Tracker
Dana Islam	Income Fund	EOUT	GIFT
TGF	MDIV	Deposits	Dana Hazeem

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 fee¹ of RM25.00 will be imposed and deducted from the redemption amount of the units to be switched for a switch between funds that impose a similar sales charge or a switch to a fund that impose a lower sales charge. Unit Holders switching to a fund that imposes a higher sales charge will pay the difference in sales charge which is deductible from the redemption amount of the units to be switched.

The Manager however, reserves the right to vary this fee or to vary the terms of the switching facility. Units of the Fund to be switched into shall be purchased at the Net Asset Value per Unit of that Fund as at the next valuation point of the Fund's relevant Business Day after the form of request to switch is received by the Manager ("forward pricing").

Illustration (based on **Equity Trust** and **KidSave**)

If a Unit Holder switches 5,000 units in **Equity Trust** at the Repurchase Price of RM0.4277 and wishes to invest in **KidSave** at the Selling Price of RM0.5215 (where both Funds have the sales charge of 6.38%).

Proceeds from switch (Equity Trust) (5,000 units x RM0.4277)	=	RM	2,138.50
Less:			
Switching fee RM25.00	=	RM	(25.00)
GST ¹ (6% of RM25.00)	=	RM	(1.50)
Net proceed from switch:	=	RM	<u>2,112.00</u>
Proceeds from Equity Trust invested in KidSave :			<u>RM2,112.00</u> <u>RM0.5215</u>
	=		4049.86 units**

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

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

Switching from a Shariah-compliant fund to a conventional fund is discouraged especially for Muslim Unit Holders.

CASH

No switching fee is applicable for this Fund.

(ii) Transfer of units

Equity Trust	SCOUT	KidSave	Tracker
Income Fund	Dana Islam	EOUT	GIFT
TGF	MDIV	CASH	Deposits
Dana Hazeem			

The Manager charges a transfer fee¹ of RM5.00 for each transfer.

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

4.2 Fees and Expenses

The fees and expenses indirectly incurred by an investor when investing in a Fund are as follows:

(a) Manager's Fees

Equity Trust	SCOUT	KidSave	Tracker
Dana Islam	EOUT	GIFT	TGF
MDIV	Dana Hazeem		

The Manager is entitled to a management fee¹ of one point five per cent (1.50%) per annum of the Net Asset Value calculated on a daily basis before deducting the Manager's and Trustee's fees for that particular day.

Income Fund

The Manager is entitled to a management fee¹ of 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.

CASH Deposits

The Manager is entitled to a management fee¹ of zero point four per cent (0.40%) per annum of the Net Asset Value calculated on a daily basis before deducting the Manager's fees for that particular day.

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

Illustration: Calculation of annual management fee

Assuming that the Net Asset Value (before deducting the Manager's fee and Trustee's fee) of a Fund for a particular day is RM105,000,000.00 and assuming the annual management fee is at the rate of one point five per cent (1.50%) per annum¹, the calculation of the management fee of the Fund for that particular day is as follows:

$\frac{\text{RM105,000,000.00} \times 1.50\%^1}{365 \text{ days}^*}$	=	RM4,315.07
Add: GST (6% of RM4,315.07)	=	RM258.90
Total management fee payable for that particular day	=	RM4,573.97

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

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

(b) Trustee's Fees

Equity Trust Dana Islam	SCOUT Income Fund	KidSave EOU	Tracker GIFT
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The Trustee is entitled to a trustee fee¹ of up to 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.

TGF	MDIV	CASH	Deposits
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The Trustee is entitled to a trustee fee¹ of up to 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.

However, the trustee fee for **CASH** and **Deposits** will be paid by the Manager out of the management fee received and will not be separately charged to the Fund.

Dana Hazeem

The Trustee is entitled to a trustee fee¹ of up to zero point zero eight per cent (0.08%) per annum of the Net Asset Value calculated on a daily basis (excluding foreign custodian fees and charges) before deducting the Manager's and Trustee's fees for that particular day.

Illustration: Calculation of annual trustee fee

Assuming that the Net Asset Value (before deducting the Manager's fee and Trustee's fee) of a Fund for a particular day is RM105,000,000.00 and assuming the trustee fee is at the rate of zero point zero seven per cent (0.07%) per annum¹, the calculation of the trustee fee of the Fund for that particular day is as follows:

$\frac{\text{RM105,000,000.00} \times 0.07\%^1}{365 \text{ days}^*}$	=	RM201.37
Add: GST (6% of RM201.37)	=	RM12.08
Total trustee fee payable for that particular day	=	RM213.45

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

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

(c) Other Expenses Directly Related to the Fund

Equity Trust	SCOUT	KidSave	Tracker
Dana Islam	Income Fund	EOUT	GIFT
TGF	MDIV	Dana Hazeem	

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 its respective Deeds, such as commissions paid to brokers, other transaction costs and taxes, if any, that are also paid out of the respective Funds.

CASH Deposits

In administering the Funds, there are expenses directly related to these 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 and other notices to Unit Holders. These expenses will be paid by the Manager out of the management fee received and will not be separately charged to the Funds.

However, all fees and charges which are out of the ordinary course of business of the Funds and directly related and necessary in administering the Funds, such as taxation of the Funds, if any, and expenses incurred in terminating the Funds will be charged to the Funds.

All expenses pursuant to the issue of this master prospectus will be borne by the Manager.

4.3 Reduction or Waiver of Fees and Charges

Equity Trust	SCOUT	KidSave	Tracker
Dana Islam	Income Fund	EOUT	GIFT
TGF	MDIV	CASH	Deposits
Dana Hazeem			

The Manager may, for any reason at any time, waive or reduce the amount of its management fee only or all charges directly payable by the Unit Holder and/or investor in respect of any Fund, either generally (for all Unit Holders and/or investors) or specifically (for any particular Unit Holder and/or investor) and for any period or periods of time at its absolute discretion.

4.4 Policy on Rebates and Soft Commissions

Equity Trust	SCOUT	KidSave	Tracker
Dana Islam	Income Fund	EOUT	GIFT
TGF	MDIV	CASH	Deposits
Dana Hazeem			

It is the Manager's policy to credit all rebates to the account of the respective Funds.

However, goods and services ("soft commissions") provided by any broker or dealer may be retained by the Manager or the fund manager only if the goods and services are of demonstrable benefit to the Unit Holders and in the form of research and advisory services that assist in the decision making process relating to the Funds' investments, such as research materials and computer software, which are incidental to the investment management activities of the Funds and any dealing with the broker or dealer is executed on terms which are the most favourable for the Funds.

4.5 Goods and Services Tax ("GST")

Equity Trust	SCOUT	KidSave	Tracker
Dana Islam	Income Fund	EOUT	GIFT
TGF	MDIV	CASH	Deposits
Dana Hazeem			

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 or other authorities 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

Equity Trust	SCOUT	KidSave	Dana Islam
Income Fund	EOUT	GIFT	TGF
MDIV	Dana Hazeem		

The Selling Price shall be the Net Asset Value per Unit as at the next valuation point of the Fund's relevant Business Day after the request for units of a Fund is received by the Manager ("forward pricing"). A sales charge will be computed separately based on the investment amount/purchase amount, net of bank charges (if any).

Illustration (based on Equity Trust)

Daily Net Asset Value	RM83,363,203.60
Units in circulation	198,884,000
Net Asset Value per Unit	<u>RM83,363,203.60</u>
	198,884,000
= RM0.4192*	

*Rounded to the nearest 4 decimal places.

Say, an investor makes an investment of RM10,000.00 at the Selling Price of RM0.4192 (which is the Net Asset Value per Unit as at the next valuation point) and the distributor levies a sales charge of 6.38%, the investor will pay a total of RM10,676.28 as follows:

Investment amount	=	RM	10,000.00
Add:			
Sales charge levied by the distributor @ 6.38%	=	RM	638.00
GST ¹ (6% of RM638.00)	=	RM	38.28
Total amount paid by the investor	=	RM	<u>10,676.28</u>

The investor will be allotted with 23,854.96 units calculated as follows:

Units allotted is calculated as	<u>RM10,000.00</u>	= 23,854.96 units**
	RM0.4192*	

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

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

Tracker

The Selling Price shall be the Net Asset Value per Unit as at the next valuation point of the Fund's relevant Business Day after the request for units of the Fund is received by the Manager ("forward

pricing”). A transaction fee will be computed separately based on the investment amount/purchase amount, net of bank charges (if any).

Illustration

Daily Net Asset Value	RM13,450,322.70
Units in circulation	14,199,000
Net Asset Value per Unit	$\frac{RM13,450,322.70}{14,199,000}$
	= RM0.9473*

*Rounded to the nearest 4 decimal places.

Say, an investor makes an investment of RM10,000.00 at the Selling Price of RM 0.9473 (which is the Net Asset Value per Unit as at the next valuation point) and the distributor levies a transaction fee of 1.00%, the investor will pay a total of RM10,106.00 as follows:

Investment amount	=	RM	10,000.00
Add:			
Transaction fee levied by the distributor @ 1.00%	=	RM	100.00
GST ¹ (6% of RM100.00)	=	RM	6.00
Total amount paid by the investor	=	RM	<u>10,106.00</u>

The investor will be allotted with 10,556.32 units calculated as follows:

$$\text{Units allotted is calculated as } \frac{RM10,000.00}{RM0.9473*} = 10,556.32 \text{ units**}$$

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

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

Deposits

The Selling Price shall be the Net Asset Value per Unit as at the next valuation point of the Fund's relevant Business Day after the request for units of a Fund is received by the Manager ("forward pricing"). The Manager will not impose any sales charge on the investment amount/purchase amount.

Illustration

Daily Net Asset Value	RM 154,394,296.81
Units in circulation	149,719,000
Net Asset Value per Unit	$\frac{RM 154,394,296.81}{149,719,000}$
	= RM 1.0312*

*Rounded to the nearest 4 decimal places.

Say, an investor makes an investment of RM10,000.00 at the Selling Price of RM 1.0312 (which is the Net Asset Value per Unit as at the next valuation point) and as there is no sales charge, the investor will pay a total of RM10,000.00 as follows:

Investment amount	=	RM	10,000.00
Add: sales charge	=	RM	NIL
Total amount paid by the investor	=	RM	<u>10,000.00</u>

The investor will be allotted with 9,697.44 units calculated as follows:

$$\text{Units allotted is calculated as } \frac{\text{RM10,000.00}}{\text{RM 1.0312}^*} = 9,697.44 \text{ units}^{**}$$

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

CASH

The Selling Price shall be the Net Asset Value per Unit as at the valuation point of the Fund immediately preceding the Fund's relevant Business Day when the request for units of the Fund is received by the Manager ("historical pricing")[^]. The Manager will not impose any sales charge on the investment amount/purchase amount.

[^] The Manager will reprice the units of the Fund if the Net Asset Value per Unit, if revalued, differs by more than five (5) per cent from the last valuation point in the event of any material market movement.

Illustration

Daily Net Asset Value	RM381,804,704.66
Units in circulation	305,675,075.21
Net Asset Value per Unit	<u>RM381,804,704.66</u>
	<u>305,675,075.21</u>
	= RM1.2491*

*Rounded to the nearest 4 decimal places.

If an investor makes an investment of RM10,000.00 on 10 August 2017, the Selling Price will be RM1.2491 which is the Net Asset Value per Unit as at the valuation point immediately preceding the business day on which the request for units of the Fund is received by the Manager ("historical pricing") and as there is no sales charge, the investor will pay a total of RM10,000.00 as follows:

Investment amount	=	RM	10,000.00
Add: sales charge	=	RM	NIL
Total amount paid by investor	=	RM	<u>10,000.00</u>

The investor will be allotted with 8,005.76 units calculated as follows:

$$\text{Units allotted is calculated as } \frac{\text{RM10,000.00}}{\text{RM1.2491}^*} = 8,005.76 \text{ units}^{**}$$

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

5.3 Computation of Redemption of Units

Equity Trust	SCOUT	KidSave	Dana Islam
Income Fund	EOUT	GIFT	TGF
MDIV	Deposits	Dana Hazeem	

The Repurchase Price shall be the Net Asset Value per Unit as at the next valuation point of the Fund's relevant Business Day after the request for repurchase is received by the Manager ("forward pricing"). The Manager will not impose any repurchase charge on the redemption amount.

Illustration (based on Equity Trust)

Daily Net Asset Value	RM83,363,203.60
Units in circulation	198,884,000.00
Net Asset Value per Unit	<u>RM83,363,203.60</u>
	198,884,000.00

= RM 0.4277*

*Rounded to the nearest 4 decimal places.

Say, an investor redeems 23,380.87 units at the Repurchase Price of RM 0.4277 (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 (23,380.87 units x RM0.4277)	=	RM	10,000.00
Less: repurchase charge	=	RM	NIL
Net amount payable to the investor	=	RM	<u>10,000.00</u>

Tracker

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"). A transaction fee of 1.00% will be computed separately based on the redemption amount.

Illustration

Daily Net Asset Value	RM13,450,322.70
Units in circulation	14,199,000
Net Asset Value per Unit	<u>RM13,450,322.70</u>
	14,199,000

= RM0.9473*

*Rounded to the nearest 4 decimal places.

Say, an investor redeems 10,556.32 units at the Repurchase Price of RM 0.9473 (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 (10,556.32 units x RM 0.9473)	=	RM	10,000.00
Less: transaction fee of 1.00%	=	RM	(100.00)
GST ¹ (6% of RM100.00)	=	RM	(6.00)
Net amount payable to the investor	=	RM	<u>9,894.00</u>

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

CASH

The Repurchase Price shall be the Net Asset Value per Unit as at the valuation point of the Fund immediately preceding the Fund's relevant Business Day when the request for repurchase is received by the Manager ("historical pricing")[^]. No repurchase charge will be levied.

[^] **The Manager will reprice the units of the Fund if the Net Asset Value per Unit, if revalued, differs by more than five (5) per cent from the last valuation point in the event of any material market movement.**

Illustration

Daily Net Asset Value	RM 381,804,704.66
Units in circulation	305,675,075.21
Net Asset Value per Unit	<div style="border-top: 1px solid black; display: inline-block; width: 100%;">RM 381,804,704.66</div>
	305,675,075.21
=	RM1.2491*

*Rounded to the nearest 4 decimal places.

Say, an investor redeems 8,005.76 units on 10 August 2017, the Repurchase Price shall be RM1.2491 (which is the Net Asset Value per Unit as at the valuation point immediately preceding the Business Day on which the request for repurchase is received by the Manager ("historical pricing")). He would receive proceeds of redemption of RM10,000.00 as follows:

Redemption amount (8,005.76 units x RM 1.2491)	=	RM	10,000.00
Less: repurchase charge	=	RM	NIL
Net amount payable to the investor	=	RM	<div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block; width: 100%;">10,000.00</div>

5.4 Pricing Error Policy

Equity Trust	SCOUT	KidSave	Tracker
Dana Islam	Income Fund	EOUT	GIFT
TGF	MDIV	CASH	Deposits
Dana Hazeem			

The Manager shall ensure that the Funds and the units of the Funds are correctly valued and priced according to the respective Deeds and all relevant laws. Where there is an error in the valuation of the Funds, any incorrect pricing of units which is deemed to be significant will involve the reimbursement of money in the following manner:

- a) by the Manager to the respective 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 Transaction Details

(a) How to Purchase and Redeem units

Equity Trust	SCOUT	KidSave	Tracker
Dana Islam	Income Fund	EOUT	GIFT
TGF	MDIV	Dana Hazeem	

When purchasing units of a Fund, 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. Please refer to our Directory of Outlets for Purchase and Sale of units at the end of this master prospectus.

The minimum initial investment and the minimum additional investment of the Funds are as follows:

Funds	Minimum initial investment	Minimum additional investment
Equity Trust	RM1,000.00	RM100.00
SCOUT	RM200.00	Any amount.
KidSave	RM100.00	Any amount.
Tracker	RM1,000.00	RM100.00
Dana Islam	RM100.00	Any amount.
Income Fund	RM1,000.00	RM1,000.00
EOUT	RM200.00	Any amount.
GIFT	RM200.00	Any amount.
TGF	RM1,000.00	RM100.00
MDIV	RM1,000.00	RM100.00
Dana Hazeem	RM1,000.00	RM100.00

However, the Manager may from time to time accept such other amount as it deems fit and appropriate.

Similarly, units of a Fund 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 participating IUTAs or to any other authorised distributors before their respective cut-off times. All redemption requests will be processed in accordance with the redemption conditions for the Funds. Redemption monies will be paid within ten (10) days after receipt by the Manager of the request to repurchase.

For partial redemption, the balance of units of a Fund after the redemption must be at least one hundred (100) units or such other lower quantity as the Manager may from time to time decide (the “minimum investment balance”). There are no restrictions on the number of units a Unit Holder can redeem out of 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 the minimum investment balance.

Deposits

When purchasing units of a Fund, investors must forward the following:

- 1) completed application form (account application form and purchase/switch form);
- 2) necessary remittance advice/deposit slip* (**all payments shall be drawn to “RHB Asset Management Sdn Bhd – Money Market” and deposited into RHB Bank Berhad, A/C No.: 21423100039055**); and

*Generally, cleared funds will be deemed to have been received as follows:

Payment by	Deemed receipt
Telegraphic Transfer	Same Business Day.
Local Cheque	Third (3 rd) Business Day after receipt of cheque on a Business Day (T + 3).
Outstation Cheque	Business Day when cheque is cleared.

- 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 the Fund is RM50,000.00 and the minimum additional investment is RM10,000.00 (or such other amount as the Manager may from time to time accept).

Similarly, units of a Fund 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.

The redemption monies of the Fund will be paid by the next business day[#] after receipt by the Manager of the request to repurchase units of the Fund. In the event of any technical difficulties beyond the Manager’s control or should the redemption request result in the sale of assets which cannot be liquidated at an appropriate price or on adequate terms and is as such not in the interest of existing Unit Holders, redemption monies may be paid at any time not later than ten (10) days after receipt by the Manager of the request to repurchase units or such other period as may be permitted by the relevant authorities from time to time.

[#]These are the working days when the Manager is open for business.

Illustration

Say a Unit Holder decides to redeem 5,000 units in **Deposits** on 10 August 2017, he will receive the proceeds of redemption on 11 August 2017.

For redemptions of **Deposits** (only) should be of at least ten thousand (10,000) units or such other lower quantity as the Manager may from time to time decide. There are no restrictions on 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 ten thousand (10,000) units or such other lower quantity as the Manager may from time to time decide (the minimum investment balance) for **Deposits**.

CASH

When purchasing units of the Fund, investors must forward the following:

- 1) completed application form (account application form and purchase/switch form);
- 2) necessary remittance advice/deposit slip* (**all payments shall be drawn to “RHB Asset Management Sdn Bhd – Money Market” and deposited into RHB Bank Berhad, A/C No.: 21423100039055**); and

* Generally, cleared funds will be deemed to have been received as follows:

Payment by	Deemed receipt
Telegraphic Transfer	Same Business Day
Local Cheque	Third (3 rd) Business Day after receipt of cheque on a Business Day (T + 3).
Outstation Cheque	Business Day when cheque is cleared.

- 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 participating Institutional Unit Trust Advisers (IUTAs) or to any other authorised distributors before their respective cut-off times.

The minimum initial investment of the Fund is RM500.00 and the minimum additional investment is RM100.00 (or such other amount as the Manager may from time to time accept).

Similarly, units of the Fund can be redeemed by forwarding the completed form of request to repurchase to the Manager's participating IUTAs or to any other authorised distributors before their respective cut-off times.

Redemption monies will be paid by the next business day[#] after receipt by the Manager of the request to repurchase units of the Fund. In the event of any technical difficulties beyond the Manager's control or should the redemption request result in the sale of assets which cannot be liquidated at an appropriate price or on adequate terms and is as such not in the interest of existing Unit Holders, redemption monies may be paid at any time not later than ten (10) days after receipt by the Manager of the request to repurchase units of the Fund or such other period as may be permitted by the relevant authorities from time to time.

[#]These are the working days when the Manager is open for business.

Illustration

Say a Unit Holder decides to redeem 5,000 units in **CASH** on 10 August 2017, he will receive the proceeds of redemption on 11 August 2017.

Redemptions for **CASH** (only) should be of at least one hundred (100) units or such other lower quantity as the Manager may from time to time decide. There are no restrictions on 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 five hundred (500) units or such other lower quantity as the Manager from time to time decide (the minimum investment balance).

(b) Cooling-off Period

Equity Trust	SCOUT	KidSave	Tracker
Dana Islam	Income Fund	EOU	GIFT
TGF	MDIV	CASH	Deposits
Dana Hazeem			

The cooling-off right refers to the right of an individual investor to obtain a refund of the investor's investment if the investor so requests within the cooling-off period. The cooling-off right is only given to an individual investor, other than those listed below, who is investing in any unit trust funds managed by the Manager for the first time:

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

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

- (a) the Net Asset Value per Unit of the Funds on the day the units were purchased; and
- (b) the sales charge or transaction fee originally imposed on the day the units of the Funds were purchased.

The cooling-off period shall be within six (6) business days[#] which shall be effective from the date of receipt of the application by the Manager. Where applicable, for investors contributing from their EPF accounts, the cooling-off period shall be subject to EPF's terms and conditions.

[#]These are the working days when the Manager is open for business.

The cooling-off right allows investors the opportunity to reverse an investment decision which could have been unduly influenced by certain external elements or factors.

Withdrawal proceeds will only be paid to the investors once the Manager has received cleared funds for the original investment. For investors who paid by cheque, the refund will be made upon clearance of the cheque. 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**

Equity Trust	SCOUT	KidSave	Tracker
Dana Islam	Income Fund	EOUT	GIFT
TGF	MDIV	Deposits	Dana Hazeem

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 Institutional Unit Trust Advisers (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. or email your enquiries to rhhbam@rhhbgroup.com or visit our website, www.rhhbgroup.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 Funds (except for **CASH**) 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 Institutional Unit Trust Advisers (IUTAs) before their respective cut-off times. The minimum amount for a switch to another fund is RM1,000.00. There are no restrictions as to the number of switches a Unit Holder may perform or the frequency of switching. The Manager however, reserves the right to vary these terms.

(e) **How to Transfer Ownership of Units**

Investors may transfer their holdings of units to another investor by forwarding the completed form of transfer to the Manager's registered/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.

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).

However, the Manager may decline to register any partial transfer of units if the registration would result in the transferor or the transferee holding less than one hundred (100) units; or for **CASH** Unit Holders, less than five hundred (500) units; or for **Deposits** Unit Holders, less than ten thousand (10,000) units. The Manager may also refuse an entry of transfer during the fourteen (14) days preceding a distribution date.

(f) **Unclaimed Monies**

All money payable to a Unit Holder may be paid by cheques. In the event any of the cheques is not presented for payment by the date which falls six (6) months from the date of the cheque, the Unit Holder may request the Manager to arrange for the monies to be paid by a replacement cheque to the Unit Holder. However, after the lapse of one (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 in any of the Funds, 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 of the **Tracker** can also obtain the latest information and other important news on the FBM KLCI from any of the local newspapers or from the website, **www.bursamalaysia.com**.

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 a 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**.

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.

5.6 Mode of Distribution

Equity Trust	SCOUT	KidSave	Tracker
Dana Islam	Income Fund	EOUT	GIFT
TGF	MDIV	Deposits	Dana Hazeem

Distribution, if any, after deduction of taxation and expenses (i.e. net distribution), will be reinvested to purchase additional units of the Funds based on the Net Asset Value per Unit as at the first Business Day when units in the Funds are quoted ex-entitlement. Allotment of such units shall be within two (2) weeks thereafter.

No sales charge/transaction fee will be imposed for any reinvestment of distribution into the respective Funds.

CASH

No distribution will be made. All returns achieved by the Fund will be reflected in the Net Asset Value of the units of the Fund.

Unit price and distributions payable, if any, may go down as well as up.

6. SALIENT TERMS OF THE DEED

As at the Latest Practicable Date, the respective principal deeds and supplemental deeds of each Fund is as listed below:

Name of Fund	Master Deed / Deed	Supplemental Deed
RHB Equity Trust	24 July 1996	18 March 1998 1 June 2009 4 September 2013 2 March 2015 25 May 2015
RHB Small Cap Opportunity Unit Trust	14 April 1998	1 June 2009 4 September 2013 2 March 2015 25 May 2015
RHB KidSave Trust	1 April 1999	24 December 2007 1 June 2009 4 September 2013 2 March 2015 25 May 2015
RHB KLCI Tracker Fund	24 March 2000	1 June 2009 4 September 2013 2 March 2015 25 May 2015
RHB Dana Islam	11 September 2001	24 December 2007 1 June 2009 4 September 2013 2 March 2015 25 May 2015
RHB Income Fund 2	13 February 2003	24 December 2007 1 June 2009 4 September 2013 2 March 2015 25 May 2015
RHB Emerging Opportunity Unit Trust	27 April 2004	8 June 2004 19 October 2005
RHB Growth and Income Focus Trust		8 December 2005 28 February 2006

Name of Fund	Master Deed / Deed	Supplemental Deed
		9 March 2006 22 September 2006 15 December 2006 30 January 2007 9 April 2007 14 May 2007 15 May 2007 27 June 2007 24 December 2007 28 February 2013 4 September 2013 2 March 2015 8 May 2015 25 May 2015
RHB Thematic Growth Fund	16 August 2007	4 September 2013 16 February 2015 25 May 2015
RHB Malaysia Dividend Fund	22 November 2007	4 September 2013 16 February 2015 25 May 2015
RHB Cash Management Fund 2	30 June 2008	4 September 2013 16 February 2015 25 May 2015
RHB Deposits Fund	26 August 2010	4 September 2013 24 February 2015 25 May 2015
RHB Dana Hazeem	24 September 2012	4 September 2013 26 February 2015 25 May 2015 13 January 2016

6.1 Rights and Liabilities of Unit Holders

6.1.1 Recognition of Unit Holders

An investor is only recognised as a Unit Holder when his / her name appears in the register as a Unit Holder of units in the Funds in which he/she has invested.

Accordingly, only investors whose applications for units in the Funds are successfully processed are recognised as Unit Holders.

6.1.2 Rights of Unit Holders

Unit Holders shall have the right in respect of the Funds in which they hold units, amongst others, to the following:

- to receive distributions of the Funds, participate in any increase in the capital value of the units and to other rights and privileges as set out in the Deeds;
- to call for Unit Holders' meetings, and to vote for the removal of the Trustee or the Manager through a special resolution as provided for in the Deeds;
- to exercise the cooling-off right, if applicable; and
- to receive annual reports, interim reports or any other reports of the Funds.

No Unit Holder shall be entitled to require the transfer to him of any assets comprised in the Funds or be entitled to interfere with or question the exercise by the Trustee or the Manager on his behalf of the rights of the Trustee as owner of such assets.

6.1.3 Liabilities of Unit Holders

The liability of Unit Holders shall be limited to their investment participation in the Funds. Unit Holders shall not be liable to indemnify the Trustee or the Manager against any liabilities whatsoever arising in respect of their duties and obligations as the trustee and the manager of the Funds which exceed the value of the assets of the Funds. Any claims against the Funds shall be entirely restricted to the Funds.

6.2 Fees, Charges, and Expenses Permitted by the Deed

6.2.1 Sales Charge, Repurchase Charge and Transaction Fee

The Manager may impose a sales charge, repurchase charge and a transaction fee for the sale and repurchase of units of the Funds according to such rates and conditions disclosed in this master prospectus. The Manager is entitled to retain these charges. The maximum charges allowable by the respective Deeds and the actual charges paid by Unit Holders are as follows:-

Sales Charge / Transaction Fee:		
Fund	Maximum Allowable Rate (% of investment / purchase amount, net of bank charges (if any))	Actual Rate Charged (% of investment / purchase amount, net of bank charges (if any))
Equity Trust	10.00	6.38
SCOUT	10.00	6.38
KidSave	10.00	6.38
Tracker	3.00	1.00
Dana Islam	10.00	6.38
Income Fund	10.00	2.00
EOUT	10.00	5.26
GIFT	10.00	5.26
TGF	10.00	5.00
MDIV	10.00	5.50
CASH	5.00	None
Deposits	5.00	None
Dana Hazeem	10.00	6.38

Repurchase Charge / Transaction Fee:		
Fund	Maximum Allowable Rate	Actual Rate Charged
Equity Trust	Nil	None
SCOUT	5 sen	None
KidSave	5 sen	None
Tracker	3.00% of withdrawal amount / repurchase amount	1.00% of withdrawal amount / repurchase amount
Dana Islam	5.00% of withdrawal amount / repurchase amount	None

Repurchase Charge / Transaction Fee:		
Fund	Maximum Allowable Rate	Actual Rate Charged
Income Fund	5.00% of withdrawal amount / repurchase amount	None
EOUT	10.00% of withdrawal amount / repurchase amount	None
GIFT	10.00% of withdrawal amount / repurchase amount	None
TGF	5.00% of withdrawal amount / repurchase amount	None
MDIV	5.00% of withdrawal amount / repurchase amount	None
CASH	2.50% of withdrawal amount / repurchase amount	None
Deposits	2.50% of withdrawal amount / repurchase amount	None
Dana Hazeem	5.00% of withdrawal amount / repurchase amount	1.00% of the withdrawal amount / repurchase amount is payable by a Unit Holder if he redeems his investments within the six (6) months period commencing from the last day of the Fund's initial offer period i.e. 10 March 2013. After the six (6) months period, no repurchase charge will be levied.

6.2.2 Maximum Annual Management Fee

The maximum annual management fee the Manager is permitted to charge each Fund is at the rate below:

Fund	Maximum Allowable Rate (% of the Net Asset Value)
Equity Trust	1.50
SCOUT	2.00
KidSave	2.00
Tracker	2.00
Dana Islam	2.00
Income Fund	2.00
EOUT	2.00
GIFT	2.00
TGF	2.50
MDIV	2.50
CASH	1.00
Deposits	1.00
Dana Hazeem	2.50

The Trustee shall ensure that the annual management fee charged is reasonable having regard to:

- (a) the nature, quality and extent of the services provided by the Manager;
- (b) the amount of the management fee in relation to the size and composition of the investments of the Funds;
- (c) the success of the Manager in meeting the objective of that Funds;
- (d) the investment performance of the Funds in question; and
- (e) the maximum allowable rate.

6.2.3 Maximum Annual Trustee Fee

The maximum annual trustee fee the Trustee is permitted to charge each Fund is at the rate below:

Fund	Maximum Allowable Rate
Equity Trust	0.10% per annum of the Net Asset Value
SCOUT	0.15% per annum of the Net Asset Value (local investments) or 0.20% per annum of the Net Asset Value (local and foreign investments)
KidSave	0.15% per annum of the Net Asset Value (local investments) or 0.20% per annum of the Net Asset Value (local and foreign investments)
Tracker	0.15% per annum of the Net Asset Value subject to a minimum of RM30,000
Dana Islam	0.15% per annum of the Net Asset Value (local investments) or 0.20% per annum of the Net Asset Value (local and foreign investments) subject to a minimum of RM30,000
Income Fund	0.07% per annum of the Net Asset Value subject to a minimum of RM18,000
EOUT	0.15% per annum of the Net Asset Value subject to a minimum of RM18,000
GIFT	0.15% per annum of the Net Asset Value subject to a minimum of RM18,000
TGF	0.15% per annum of the Net Asset Value subject to a minimum of RM18,000 per annum (excluding foreign custodian fees and charges)
MDIV	0.15% per annum of the Net Asset Value subject to a minimum of RM18,000
CASH	0.15% per annum of the Net Asset Value subject to a minimum of RM18,000
Deposits	0.15% per annum of the Net Asset Value subject to a minimum of RM18,000
Dana Hazeem	0.15% per annum of the Net Asset Value subject to a minimum of RM18,000 (excluding foreign custodian fees and charges)

In addition to the annual trustee fee, the Trustee may be paid by the Funds for any expenses properly incurred by the Trustee in the performance of its duties and responsibilities and for taking into custody any assets or investments of the Funds. Such custodian fee is determined in consultation with the Manager and shall not exceed the relevant prevailing market rate.

In respect of **CASH** and **Deposits**, any remuneration to the Trustee will be paid by the Manager to the Trustee.

6.2.4 Increase in Fees and Charges

Equity Trust	SCOUT	KidSave	Tracker
Dana Islam	Income Fund	EOUT	GIFT
TGF	MDIV	CASH	

Any increase in the fees and charges (i.e. sales charge, repurchase charge, annual management and annual trustee fees) above the level disclosed in this master prospectus (but below the maximum rate prescribed in the respective Deeds) can be made by way of a supplementary prospectus. However, any increase in the sales charge, annual management and annual trustee fees above the maximum rate prescribed in the respective Deeds can only be made by way of a supplemental deed which will require Unit Holders' approval before the issuance of a supplemental deed and a supplementary prospectus.

Deposits Dana Hazeem

Any increase in the actual sales charge, actual repurchase charge, annual management and annual trustee fees above the level disclosed in this master prospectus (but below the maximum rate prescribe in the respective Deeds) can be made by way of a supplementary prospectus. However, any increase in the sales charge, repurchase charge, annual management and annual trustee fees above the maximum rate prescribed in the respective Deeds can only be made by way of a supplemental deed which will require Unit Holders' approval before the issuance of a supplemental deed and a supplementary prospectus.

6.2.5 Other Permitted Expenses of the Fund

Equity Trust	SCOUT	KidSave	Tracker
Dana Islam	Income Fund	EOUT	GIFT
TGF	MDIV	Dana Hazeem	

Only the expenses which are authorised by the respective Deeds and/or allowed under any relevant laws as disclosed in the master prospectus may be charged to the Funds, except for **CASH** and **Deposits**.

The expenses directly incurred by and charged to the Funds (except for **CASH** and **Deposits**) include but are not limited to the list of expenses disclosed in this master prospectus (section 4.2 (c) Other Expenses Directly Related to the Fund).

Expenses associated with the management and administration of the Funds, such as general overheads and cost for services which are expected to be provided by the Manager shall not be charged to the Funds.

Expenses relating to the issuance of this master prospectus may not be charged to the Funds, where the Manager imposes a sales charge. Accordingly, the Manager has borne all costs relating to the issuance of this master prospectus.

CASH Deposits

All expenses which are directly related in the ordinary course of business of the Funds will be borne by the Manager (section 4.2 (c) Other Expenses Directly Related to the Fund).

However, all expenses which are out of the ordinary course of business of the Funds and directly related and necessary in administering the Funds, such as taxation of the Funds, if any, and expenses incurred in terminating the Funds will be charged to the Funds.

6.3 Removal, Replacement, and Retirement of the Manager and Trustee

6.3.1 Removal or Replacement of the Manager

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

- (i) has gone into liquidation, except for the purpose of amalgamation or reconstruction or some similar purpose; or
- (ii) has had a receiver appointed; or
- (iii) has ceased to carry on business; or
- (iv) is in breach of any of its obligations or duties under the respective Deeds or the relevant laws; or
- (v) has ceased to be eligible to be a management company under the relevant laws; or
- (vi) has failed or neglected to carry out its duties to the satisfaction of the Trustee and the Trustee considers that it would be in the interests of Unit Holders for the Trustee to remove or replace the Manager after the Trustee has been given notice to the Manager of that opinion and the reasons for that opinion, has considered any representations made by the Manager in respect of that opinion, and after consultation with the relevant authorities and with the approval of the Unit Holders by way of a special resolution.

The Manager may also be removed or be required to retire by the Unit Holders if a special resolution is passed at a meeting of the Unit Holders.

6.3.2 Retirement of the Manager

The Manager may retire in favour of some other corporation upon giving the Trustee twelve (12) months written notice of the Manager's intent to do so or such shorter time as the Manager and the Trustee may agree upon, provided such retirement is carried out in accordance with the relevant laws and terms and conditions under the respective Deeds.

6.3.3 Removal and Replacement of the Trustee

The Trustee may be removed by the Manager if:

- (i) the Trustee has ceased to exist; or
- (ii) the Trustee has not been validly appointed; or
- (iii) the Trustee was not eligible to be appointed or to act as trustee under any relevant law; or
- (iv) the Trustee has failed or refused to act as trustee in accordance with the provisions or covenants of the respective Deeds or any relevant law; or
- (v) a receiver has been appointed over the whole or a substantial part of the assets or undertaking of the Trustee and has not ceased to act under that appointment; or
- (vi) a petition has been presented for the winding up of the Trustee (other than for the purpose of and followed by a reconstruction, unless during or following such reconstruction the Trustee becomes or is declared insolvent); or
- (vii) the Trustee is under investigation for conduct that contravenes the Trust Companies Act 1949, the Trustee Act 1949, the Companies Act 2016 or any relevant law; or
- (viii) a special resolution is duly passed in accordance with the provisions of the respective Deeds that the Trustee be removed in a meeting of Unit Holders.

6.3.4 Retirement of the Trustee

The Trustee may retire by giving twelve (12) months' written notice to the Manager of the Trustee's intent to do so, or such shorter time as the Manager and the Trustee may agree upon, and appoint in its stead another trustee for the Funds who is approved by the Securities Commission.

6.4 Termination of the Funds

The Funds are of unlimited duration and shall continue until terminated:

- (a) By the Manager at any time in its absolute discretion subject to compliance with the relevant laws, which may include but is not limited to the following situations:
 - (i) Where authorization for the respective Funds' establishment is revoked by the Securities Commission at any time.
 - (ii) Where an approved transfer scheme as defined under the relevant laws has resulted in the Funds being left with not asset.
- (b) By the Trustee if a Unit Holders meeting is summoned by the Trustee to pass a special resolution in order to terminate and wind-up the Funds and thereafter the Trustee must obtain an order from the court to confirm the said special resolution.
- (c) By the Unit Holders if a Unit Holders meeting is summoned by the Unit Holders to pass a special resolution to terminate and wind-up the Funds.

6.5 Unit Holders Meeting ("Meeting")

A Meeting may be summoned by the Unit Holders, the Trustee or the Manager in accordance with the provisions of the respective Deeds and any relevant laws. Any such Meeting will be conducted in accordance with the provisions of the Funds' respective Deeds and any relevant laws.

6.5.1 Quorum

The quorum required for a Meeting is five (5) Unit Holders of the respective Funds whether present in person or by proxy. However if the purpose of the Meeting is to pass a special resolution such as to remove the Manager and/or the Trustee, then the quorum must be five (5) Unit Holders whether present in person or by proxy who must hold in aggregate at least 25% of the units in circulation at the time of the Meeting.

Where the Fund has only five (5) or less Unit Holders, the quorum required for a meeting is two (2) Unit Holders whether present in person or by proxy. If the Meeting is convened to pass a special resolution such as to remove the Manager and / or the Trustee then the two (2) Unit Holders whether present in person or by proxy must hold in aggregate at least 25% of the units in circulation at the time of the Meeting.

6.5.2 Manner of Voting and Resolution

Every Unit Holder entitled to attend the Meeting and to vote, may do so personally or by proxy. At a Meeting, every resolution of the Meeting shall be decided by a show of hands unless a poll is demanded or if the meeting is to determine on a matter of special resolution, in which case a poll should be taken. On a show of hands every Unit Holder who is present in person or by proxy shall have one vote.

A poll may be demanded on any resolution. If a poll is taken or demanded, every Unit Holder who is present in person or by proxy has one vote for every unit held by the Unit Holder. The Manager may attend any Meeting but must not exercise the voting rights for the units it or its nominees hold in any Unit Holders' Meeting, regardless of the party who requested for the Meeting and the matters that are laid before the Meeting.

A poll may be demanded by the chairman of the Meeting, the Trustee, the Manager or by Unit Holders holding (or representing by proxy) between them not less than one-tenth (1/10) of the total number of units then in issue.

Unless a poll is so demanded, a declaration by the chairman of the Meeting of the result of the resolution shall be conclusive evidence of the fact whether in favour of or against such resolution.

All resolutions presented at the Meeting shall be passed by a simple majority except for special resolutions which require majority representing at least three-fourths (3/4) of the value of units held by the Unit Holders present at the Meeting whether present in person or by proxy. Resolutions passed at the Meeting shall bind all Unit Holders whether or not they were present at the Meeting.

7. THE MANAGEMENT AND ADMINISTRATION OF THE FUNDS

Equity Trust	SCOUT	KidSave	Tracker
Dana Islam	Income Fund	EOUT	GIFT
TGF	MDIV	CASH	Deposits
Dana Hazeem			

7.1 The Manager

The Manager, RHB Asset Management Sdn Bhd (“RHBAM”), is a wholly-owned subsidiary of RHB Investment Bank Berhad (“RHBIB”). The Manager is a holder of a Capital Markets Services License issued under the Capital Markets and Services Act 2007. The Manager has been in operation since 1989.

7.2 Board of Directors

The board of directors of the Manager takes an active part in the affairs of the Manager and the unit trust funds under its management. The board of directors of the Manager meets at least once every three (3) months to receive recommendations and reports on investment activities from the investment committee, set policies and guidelines of the Manager and to review performance, financial and audit reports of the Manager. Additional meetings shall also be convened, should the need arises.

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.

Equity Trust	SCOUT	KidSave	Tracker	Dana Islam
EOU	GIFT	TGF	MDIV	Dana Hazeem

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.

Income Fund	CASH	Deposits
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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 Funds 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

Dana Islam

Dana Hazeem

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 a recognised Shariah Adviser by the 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 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 Kulliyah 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 Kulliyah 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), Siyasah Syar'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, Siyasah 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 Siyasah 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 Aseambankers (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

Dana Islam

The Manager has appointed RHB Islamic International Asset Management Berhad as the External Investment Manager to manage the Fund. 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 Fund 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 Fund:

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 and investment committee of the Funds, External Investment Manager and Shariah Adviser is provided on our website, www.rhbgroup.com.

8. THE TRUSTEE OF THE FUNDS

Equity Trust	SCOUT	Kidsave	Tracker
Dana Islam	Income Fund	EOUT	GIFT
TGF	MDIV	CASH	Deposits
Dana Hazeem			

The Trustee is HSBC (Malaysia) Trustee Berhad (Company No. 1281-T), a company incorporated in Malaysia since 1937 and registered as a trust company under the Trust Companies Act 1949, with its registered address at 13th Floor, Bangunan HSBC, South Tower, No. 2, Leboh Ampang, 50100 Kuala Lumpur.

8.1 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 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 of the Funds. 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 respective Deeds, 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.

8.3 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 respective Deeds, 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 relevant 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 respective Deeds.

8.4 Trustee's Disclosure of Material Litigation

As at 31 May 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.

8.5 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 any 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

8.6 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.

8.7 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.

8.8 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 Deeds, 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.

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.

HSBC (Malaysia) Trustee Berhad

As Trustee for the Funds, there may be related party transaction involving or in connection with the Funds 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 Fund 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.

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

31 May 2017

Dear Sirs

Re: MASTER PROSPECTUS RELATING TO:

- 1. RHB EQUITY TRUST**
- 2. RHB SMALL CAP OPPORTUNITY UNIT TRUST**
- 3. RHB KIDSAVE TRUST**
- 4. RHB KLCI TRACKER FUND**
- 5. RHB DANA ISLAM**
- 6. RHB INCOME FUND 2**
- 7. RHB EMERGING OPPORTUNITY UNIT TRUST**
- 8. RHB GROWTH AND INCOME FOCUS TRUST**
- 9. RHB THEMATIC GROWTH FUND**
- 10. RHB MALAYSIA DIVIDEND FUND**
- 11. RHB CASH MANAGEMENT FUND 2**
- 12. RHB DEPOSITS FUND**
- 13. RHB DANA HAZEEM**

(“FUNDS”) DATED 3 AUGUST 2017 (“MASTER PROSPECTUS”)

This letter has been prepared for inclusion in the master prospectus dated 3 August 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 is 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.

Interest income or gains / 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 2013¹; or
- any development financial institution regulated under the Development Financial Institutions Act 2002¹; 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 Authority²; or
- 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.

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 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 1 Malaysia 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% (will be reduced to 18% from YA 2017) on chargeable income of up to RM500,000. For chargeable income in excess of RM500,000, the tax rate of 24% (effective from YA 2016) is still applicable. However, the said tax rate of 19% on chargeable income of up to RM500,000 will not apply if more than 50% of the paid up capital in respect of ordinary shares of that company is directly or indirectly owned by a related company which has a paid up capital exceeding RM2.5 million in respect of ordinary shares, or vice versa, or more than 50% of the paid up capital in respect of ordinary shares of both companies are directly or indirectly owned by another company.

Pursuant to Income Tax (Exemption) (No. 2) Order 2017 [P.U.(A) 117], a tax exemption equivalent to a reduction in the corporate tax rate from 1% to 4% will be effectively given for YA 2017 and YA 2018 based on percentage of increase in the chargeable business income for the relevant YA as compared to the immediately preceding YA, subject to meeting the stipulated conditions.

Individuals and other non-corporate unit holders who are resident in Malaysia are generally subject to income tax at scaled rates. The scaled tax rates range from 0% to 28% with effect from YA 2016.

Individuals and other non-corporate unit holders who are not resident in Malaysia, for tax purposes, will be subject to Malaysian income tax at the rate of 28% with effect from YA 2016. Non resident unit holders may also be subject to tax in their respective jurisdictions and depending on the provisions of the relevant tax legislation and any double tax treaties with Malaysia, the Malaysian tax suffered may be creditable in the foreign tax jurisdictions.

The distribution of single-tier dividends and other tax exempt income by the Funds will be exempted from tax in the hands of the unit holders in Malaysia. Distribution of foreign income will also be exempted from tax in the hands of the unit holders.

Units split by the Funds will be exempted from tax in Malaysia in the hands of the unit holders.

Any gains realised by the unit holders (other than financial institutions, insurance companies and those dealing in securities) from the transfers or redemptions of the units are generally treated as capital gains which are not subject to income tax in Malaysia. However, certain unit holders may be subject to income tax in Malaysia on such gains, due to specific circumstances of the unit holders.

The following gains or income received by the unit holders are not subject to GST:-

- the distribution of income from the Funds to the unit holders which may comprise of dividends, interest income and gain from realisation of investments;
- distribution of foreign income from the Funds;
- unit split by the Funds and reinvestment of distribution; and
- gain made from selling or redemption of units.

However, the following expenses incurred by the unit holders should be subject to GST if the supplier is GST registered:-

- any fee based charges in relation to buying of the units such as sales charge; and
- switching and transfer charges for switching or transferring the units.

The tax position is based on our understanding and interpretation of the Malaysian tax laws and proposals as they stand at present. All prospective investors should not treat the contents of this letter as advice relating to taxation matters and are advised to consult their own professional advisers concerning their respective investments.

Yours faithfully



Ong Guan Heng
Executive Director

11. EXPERTS' REPORT

EQUITY	SCOUT	KidSave	Tracker
Dana Islam	Income Fund	EOUT	GIFT
TGF	MDIV	CASH	Deposits
Dana Hazeem			

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

EQUITY	SCOUT	KidSave	Tracker
Dana Islam	Income Fund	EOUT	GIFT
TGF	MDIV	CASH	Deposits
Dana Hazeem			

There are no waivers or exemptions necessary or granted by the Securities Commission for the Funds as none have been sought for or is considered necessary.

There are no other approvals required, sought or pending from any relevant authorities in respect of the Funds.

KidSave	Income Fund	GIFT
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In a letter dated 20 July 2012, the Securities Commission approved these Funds' variation to comply with Schedule B (valuation of other unlisted bonds) of the Guidelines on Unit Trust Funds. This variation allows the Funds' investment in unlisted bonds that are not denominated in Ringgit Malaysia to be valued using Bloomberg Generic Price (BGN Price) quotations subject to these conditions:

- the Manager is to keep abreast of the development of Bloomberg's pricing methodology; and
- the Manager is to continuously keep track on the acceptability of Bloomberg's prices in the market place.

13. DOCUMENTS AVAILABLE FOR INSPECTION

EQUITY	SCOUT	KidSave	Tracker
Dana Islam	Income Fund	EOUT	GIFT
TGF	MDIV	CASH	Deposits
Dana Hazeem			

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 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 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.)

Or investors may call our help-desk at Toll-Free-Phone number: 1-800-88-3175 at any time during our office hours: Mondays through Fridays from 9.00 a.m. – 5.00 p.m. or e-mail your enquiries to **rhbam@rhbgroup.com** or visit our website, **www.rhbgroup.com**.

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/ 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/ 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 abovenamed authorised signatories and representatives for the Company, do declare and represent that as at the date hereof, no petition for winding-up has been filed against the Company nor any receiver has been appointed over any of its assets.

DECLARATION FOR PERSONAL DATA PROTECTION ACT 2010 (Applicable for Individual/Corporate Applicant)

- I/We shall fully comply with the provisions of the Personal Data Protection Act 2010 ("the Act") applicable to the processing of personal data as defined in the Act and specifically, that all necessary consents have been obtained from individuals whose personal data may be disclosed to RHBAM or its representatives ("Disclosed Data") in respect of such disclosure to and processing by RHBAM and its representatives and that I/We will always furnish RHBAM or its representatives with up-to-date Disclosed Data.
- I/We shall procure any third party that processes Disclosed Data for or on behalf of me/us to agree in writing to the same terms that I/We agree in line with the Act and in this declaration.
- I/We shall immediately notify RHBAM in the event of any claim or complaint from any data subject of Disclosed Data and/or where there has been an event of non-compliance with the Act by me/us, whether discovered by me/us or forming the subject of an investigation and/or action by the relevant authorities.
- I/We shall indemnify RHB Banking Group against all proceedings, costs, expenses, liabilities or damages arising from my/our failure to comply with the Act with respect to Disclosed Data and the terms of this declaration. The remedies available to RHBAM contained in this clause are without prejudice to and in addition to any warranties, indemnities, remedy or other rights provided by law or any prior agreement.
- Based on the above declaration, I/We undertake that this declaration shall not be assigned without RHBAM's prior written consent; will be binding upon my/our servants, agents, personal representatives, assigns and successor-at-law; will inure to the benefit of RHBAM and its successors and assigns; and shall supersede all prior representations, negotiations, arrangements, understandings or agreements and all other communications between RHBAM and me/us in connection with the processing and disclosure of Disclosed Data to RHBAM.

No delay or omission by RHBAM in exercising any right under this declaration will operate as a waiver of that or any other right. The covenants set out in this declaration are separate and severable and enforceable accordingly and whilst the restrictions are considered by the parties to be reasonable in all the circumstances as at the date hereof, it is acknowledged that restrictions of such a nature may be invalid because of a change in circumstances or other unforeseen reasons and accordingly, if any restrictions shall be adjudged to be void or ineffective for whatever reason but would be adjudged to be valid and effective if part of the wording thereof were deleted or the periods thereof reduced, such modifications shall be applied as may be necessary to make them valid and effective.

ACCOUNT DETAILS FOR INCOME DISTRIBUTION / REDEMPTION

For MYR Currency

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.

RHB Asset Management

RHB ASSET MANAGEMENT SDN BHD 174588-X

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

Tel:603-9205 8000 Fax:603-9205 8100

Toll Free No:1-800-88-3175 Website:www.rhbgroup.com

PURCHASE / SWITCH FORM

Account No. _____

(for existing unit holders only)

Please tick (✓) if this is staff purchase

☐ Purchase ☐ Switch ☐ Staff Application

In compliance with the Capital Markets and Services Act 2007, this form should not be circulated unless accompanied by the relevant master prospectus(es)/ prospectus(es) and supplementary(ies) (if any). Investor(s) should read and understand the contents of the relevant master prospectus(es)/ prospectus(es) and its supplementary(ies) if any before completing this form. **Please complete in BLOCK LETTERS only, and tick(✓) where applicable. For 1st time investors, please fill up the application form to be submitted with this form.**

INDIVIDUAL APPLICANT

Name of Individual Applicant _____

NRIC No. (new) _____

NRIC No.(old)/ Passport No. _____

Tel No. _____

☐ Update (complete where applicable) ☐ Remain as previous application

Occupation/Designation _____

Education Level ☐ Primary ☐ Secondary ☐ STPM / Diploma /PreU ☐ Degree ☐ Post Graduate ☐ Others _____

Annual Income ☐ Up to RM18,000 ☐ RM18,001 - RM36,000 ☐ RM36,001 - RM50,000 ☐ RM50,001 - RM96,000

☐ RM96,001 - RM180,000 ☐ RM180,001 - RM240,000 ☐ RM240,001 and above

Source of Income ☐ Employed (Permanent/Contract) ☐ Own business ☐ Savings / Inheritance ☐ Others (please specify) _____

Employer's/Company's Name _____

Employer's/Company's Tel No. _____

Employer's/Company's Office ☐ In Malaysia ☐ Outside Malaysia (please specify) _____

Nature of Business of Applicant/ Applicant's Employer ☐ Financial/Banking/Investment ☐ Legal/Tax ☐ Telecommunications ☐ Hotel/ Restaurant ☐ Consultancy ☐ Government/ Government related

☐ Medical/Health/Science ☐ Education ☐ Real Estate/ Property ☐ Manufacturing ☐ Construction ☐ Others (please specify) _____

JOINT INDIVIDUAL APPLICANT (not applicable for EPF)

Name as in NRIC/Passport _____

NRIC No. (new) : _____

NRIC No.(old)/ Passport No. _____

Tel No. _____

CORPORATE APPLICANT (not applicable for EPF)

☐ Update on Corporation's documents ☐ Remain as previous application

Name of Company _____

Company Registration No _____

Name of Contact Person(s) _____

Tel No: _____

ext _____

Fax No. _____

INVESTMENT OBJECTIVE & EXPERIENCE

Investment Objective

☐ Capital Growth ☐ Regular Income ☐ Capital Protection ☐ Retirement

☐ Education ☐ Wealth Accumulation

Investment Experience

☐ Unit Trust _____ year(s) ☐ Trading on Bursa Malaysia _____ year(s)

☐ Futures / Options _____ year(s) ☐ Others _____ year(s)

☐ No experience

Investment Time Frame

☐ Long Term (> 5 years) ☐ Medium (3-5 years) ☐ Short Term (< 3 years)

DETAILS OF INVESTMENT APPLICATION

Note: Select a Distribution Instruction only if this is an initial investment in the relevant Fund(s) of RHB Asset Management Sdn Bhd ('RHBAM') and only if applicable. Depending on the Fund invested and subject to each respective Fund's Master Prospectus(es)/ Prospectus(es), income distribution will either be reinvested into further units in the relevant fund or be paid out.

Fund Name	***Plan Type	** Currency	Amount	***No. of years 1 - 5	Investment Type	*Distribution Instruction (not applicable for EPF)
					<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
TOTAL						

* Account Details for income distribution to be credited:

** specify the currency acronym eg. RM etc

*** Note:

C - Cash Plan

S - Savings Plan

E - EPF Plan

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

Payment Mode for investment :

☐ Cheque/Bank Draft (Bank _____ No. _____) (Payable to "RHB Asset Management Sdn Bhd")

☐ EPF Investment Scheme ("EPF")

☐ Cash Deposit, kindly indicate the bank account which you banked into:

Fund Name	Bank	Account No.
1 <input type="checkbox"/> All Funds except for items 4 to 9 below	RHB	2-14129-00200777
2 <input type="checkbox"/> All Funds except for items 4 to 9 below	Maybank	514011-592181
3 <input type="checkbox"/> All Funds except for items 4 to 9 below	RHB Multi Currency (for foreign currencies)	6-14129-00007029
4 <input type="checkbox"/> RHB Cash Management Fund 1	RHB	2-14129-0021227-9
5 <input type="checkbox"/> RHB Islamic Cash Management Fund	RHB	2-64317-0000042-5
6 <input type="checkbox"/> RHB Money Market Fund	RHB	2-14231-00039055
7 <input type="checkbox"/> RHB Institutional Islamic Money Market Fund	RHB	2-14231-00039055
8 <input type="checkbox"/> RHB Deposits Fund	RHB	2-14231-00039055
9 <input type="checkbox"/> RHB Cash Management Fund 2	RHB	2-14231-00039055

☐ 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 (RM/relevant currency) _____

Trans Price Date _____

DETAILS OF SWITCHING APPLICATION

Please ensure you maintain the minimum amount required in the original Fund as stated in the relevant Master Prospectus(es)/ Prospectus(es) and its Supplementary(ies).

SWITCH FROM

Fund Name	No. of Units
1.	
2.	
3.	
4.	
5.	

SWITCH TO

Fund Name	*Distribution Instruction (not applicable for EPF)		
1.	<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

<div>Applicant / Authorised Signatory (ies) Date</div>	<div>Joint Applicant / Authorised Signatory (ies) Date</div>	<div>Company Stamp / Common Seal</div>
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