RHB Asset Management

RHB US FOCUS EQUITY FUND

ANNUAL REPORT 2023

For the financial year ended 31 October 2023

RHB Group

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GENERAL INFORMATION ABOUT THE FUND

Name, Category and Type

Fund Name	-	RHB US Focus Equity Fund
Fund Category	-	Feeder Fund
Fund Type	-	Growth

Investment Objective, Policy and Strategy

Objective of the Fund

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

Note: For more information, investors should also refer to the target fund's investment objective, investment focus and approach.

Strategy

The Fund will invest at least 95% of its Net Asset Value in the Target Fund (Schroder International Selection Fund US Small & Mid-Cap Equity). The Target Fund is managed by the Management Company, Schroder Investment Management (Europe) S.A. and whose investment manager is Schroder Investment Management North America Inc. The Investment Manager is regulated by the Securities Exchange Commission, US under the Investment Company Act of 1940. The Fund will invest into the X Accumulation Share Class (denominated in USD). The Target Fund, launched on 10 December 2004 is a collective investment scheme domiciled in Luxembourg and is regulated by the Commission de Surveillance du Secteur Financier (Luxembourg Financial Sector Supervising Authority) under the Luxembourg Law on Undertakings for Collective Investment dated 17 December 2010. The Target Fund invests primarily in equity and equity-related securities of small and medium-sized US companies. These are companies which, at the time of purchase, are considered to be in the bottom 40% by market capitalisation of the US equities market.

The asset allocation of the Fund will be as follows:

- At least 95% of the Fund's Net Asset Value - Investments in the X Accumulation Share Class of the Target Fund.

- The balance of the Fund's Net Asset Value shall be invested in money market instruments that are dealt in or under the rules of an Eligible Market, and whose residual maturity does not exceed 12 months and short term Deposits, and in derivatives for hedging purposes.

Since the Fund's commencement date on 15 October 2010, the Fund has invested into the A Accumulation Share Class of the Target Fund (denominated in USD). However, effective 31 March 2011, the Management Company has closed off the subscription of the A Accumulation Share Class of the Target Fund as it had reached its optimum size. Prior to the closure and as of 25 March 2011, the Management Company has established the X Accumulation Share Class of the Target Fund to co-exist alongside the A Accumulation Share Class and to allow the Fund to continue to invest in the Target Fund. The X Accumulation Share Class has all the same features as that of the A Accumulation Share Class of the Target Fund except for the difference in the management fee of the Target Fund. This difference however does not prejudice nor affect the interests of all Unit Holders as any management fee charged to the Target Fund is fully refunded to the Fund, which means that there is no double charging of management fee and the Unit Holder will incur only one management fee and only at the Fund's level.

Although the Fund is passively managed, the investments in the Fund will be rebalanced from time to time to meet sales and redemptions transactions and to enable the proper and efficient management of the Fund.

The Manager does not adopt a temporary defensive position for the Fund in response to adverse market, economic, political, or any other conditions as such defensive strategies are expected to be implemented at the Target Fund level when deemed necessary by the Management Company. This will allow the Fund to best track the performance of the Target Fund. It also follows that if the Target Fund fails to adopt a successful defensive position in response to adverse market and economic conditions, there is a risk that the Fund will mirror the Target Fund's negative performance, if any.

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

Performance Benchmark

The performance of the Fund is benchmarked against the Russell 2500 Lagged (Net TR).

Permitted Investments and Restrictions

The Fund may invest in one collective investment scheme i.e. the Target Fund, financial derivatives, money market instruments and Deposits and any other investment permitted by the Securities Commission Malaysia from time to time.

Distribution Policy

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

Notification of Changes

In addition to the changes mentioned in the letter dated 30 August 2023, below are the remaining changes: -

General Amendments

(a) All references to "**Funds**" and "**Funds'**", wherever they appear in the Master Prospectus, are hereby amended to "**Fund**" and "**Fund's**" respectively.

(b) All references to "**Master Prospectus**" and "**master prospectus**", wherever they appear in the Master Prospectus, are hereby amended to "**Prospectus**" and "**prospectus**" respectively.

(c) All references to "**Deeds**", wherever they appear in the Master Prospectus, are hereby amended to "**Deed**".

(d) All references to "**Trustees**", wherever they appear in the Master Prospectus, are hereby amended to "**Trustee**".

(e) All references to "**Schroder ISF USSME**", wherever they appear in the Master Prospectus, are hereby amended to "**Target Fund**".

(f) All references to "**interim**", wherever they appear in the Master Prospectus, are hereby amended to "**semi-annual**".

"DEFINITIONS"

BMSB	Deleted
Bursa Malaysia	The stock exchange managed and operated by the Bursa Malaysia Securities Berhad.
Business Day	A day on which Bursa Malaysia is open for trading and a day which is a business day in New York and Luxembourg (i.e. a day other than Saturdays, Sundays, public holidays and any day determined to be a non-business day by the Management Company.
Deposits	Unless stated otherwise in this prospectus, deposits refer to any deposits with a financial institution which are not embedded or linked to financial derivatives and where applicable these are current accounts, short term money market deposits and short term deposits with financial institutions.
Eligible Market	An exchange, government securities market or an over-the-counter market that is regulated by a regulatory authority of that jurisdiction; that is open to the public or to a substantial number of market participants; and on which financial instruments are regularly traded.
EPF-MIS	Employees Provident Fund – Members' Investment Scheme.
EUR	Euro.
financial institution(s)	(a) If the institution is in Malaysia –

	(i) licensed bank or licensed investment bank as defined under the Financial Services Act 2013; or (ii) licensed Islamic bank as defined under the Islamic Financial Services Act 2013; or (b) If the institution is outside Malaysia, any institution that is licensed, registered, approved or authorised by the relevant banking regulator to provide financial services.
GST	Deleted.
Guidelines	Guidelines on Unit Trust Funds issued by the Securities Commission including all amendments and/or revision thereto issued by the Securities Commission and any other relevant guidelines issued by the Securities Commission.
Investment Manager	Schroder Investment Management North America Inc.
IUTA(s)	Institutional unit trust scheme adviser(s).
Latest Practicable Date	31 May 2023.
Manager	RHB Asset Management Sdn Bhd.
Management Company	Schroder Investment Management (Europe) S.A.
Net Asset Value per Unit	The Net Asset Value of the Fund divided by the total number of Units in circulation of the Fund at the valuation point.
OTC	Over-the-counter.
Repurchase Price	The price (before deducting any repurchase charge) payable by the Manager to a Unit Holder 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 complete repurchase request is received by the Manager. A repurchase charge, if any, will be computed separately based on the withdrawal amount/repurchase amount, net of bank charges (if any).
Selling Price	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, if any, will be computed separately based on the investment amount/purchase amount, net of bank charges (if any).
Unit(s)	Unit(s) of the Fund and includes fractions of a unit of the Fund.
US .	The United States of America
USD	United States Dollar.
US Person	A US Person as defined in Section 7701(a) (30) of the Internal Revenue Code and includes an individual who is a citizen or resident of the United States of America.

"SECTION 1 - FUND INFORMATION", Section 1.1 Basic Information

The name of trustee under above section is hereby deleted.

"SECTION 1 - FUND INFORMATION", Section 1.1 Basic Information

1.1.5 Investor Profile

The Fund is suitable for investors who:

(i) seek investment opportunities in the US market;
(ii) have medium to high risk appetite; and
(iii) seek capital growth.

"SECTION 1 - FUND INFORMATION", Section 1.1.6 Investment Objective

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

Any material change to the investment objective of the Fund would require the Unit Holders' approval. For more information, investors should also refer to the target fund's investment objective, investment focus and approach (under Section 1.2).

"SECTION 1 - FUND INFORMATION", Section 1.1.9 Permitted Investments and Restrictions

The Fund may invest in one collective investment scheme i.e. the Target Fund, financial derivatives, money market instruments and Deposits and any other investment permitted by the Securities Commission from time to time.

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

b) The Fund must invest at least 95% of the Fund's Net Asset Value in units or shares of a single collective investment scheme, provided that the collective investment scheme complies with the relevant requirements as stipulated in the Guidelines, or any other limit as may be prescribed by the Securities Commission from time to time.

c) The Fund may invest up to five (5) per cent of the Fund's Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time, in the following permitted investments:
   (i) money market instruments that are dealt in or under the rules of an Eligible Market, and whose residual maturity does not exceed twelve (12) months;
   (ii) placement in short-term Deposits; and
   (iii) derivatives for the sole purpose of hedging arrangement.

d) 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. This limit does not apply to money market instruments that do not have a pre-determined issue size.

e) The counterparty of an OTC financial derivative must be a financial institution with a minimum long-term credit rating of investment grade (including gradation and subcategories). Subject to the aggregate limit as stipulated in the Guidelines, the maximum exposure of the Fund to the counterparty must not exceed ten (10) per cent of the Fund's Net Asset Value, or any other limit as may be prescribed by the Securities Commission from time to time based on the maximum potential loss that may be incurred by the Fund if the counterparty defaults and not on the basis of the notional value of the OTC financial derivative. The total exposure to a single counterparty is calculated by summing the exposure arising from all OTC financial derivative transactions entered into with the same counterparty.

f) The Fund's exposure to the underlying assets (vide the financial derivatives) must not exceed the investment limits and restrictions applicable to such underlying assets as stipulated in the Guidelines, or any other limit as may be prescribed by the Securities Commission from time to time.

g) The Fund's global exposure from its financial derivatives positions must not exceed the Fund's Net Asset Value at all times, 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. The Manager must notify the Securities Commission, within seven (7) Business Days, of any breach of investment limits and restrictions with the steps taken to rectify and prevent such breach from recurring. However, any breach as a result of (a) appreciation or depreciation in value of the Fund's investments; (b) repurchase of Units or payment made from the Fund; (c) change in capital of a corporation in which the Fund has invested in; or (d) downgrade in or cessation of a credit rating, need not be reported to the Securities Commission but must be rectified as soon as practicable within three (3) months from the date of the breach unless otherwise specified in the Guidelines. The three (3) -month period may be extended if it is in the best interest of the Unit Holders and the Trustee's consent is obtained. Such extension must be subject to at least a monthly review by the Trustee. The limits and restrictions in this Section 1.1.9, however, do not apply to securities or instruments that are issued or guaranteed by the Malaysian government or Bank Negara Malaysia.

Note: If the Fund is eligible to be invested via the EPF-MIS and you transfer your moneys from your EPF account to invest in the Fund, the investments made by the Fund as well as your investment in the Fund from your EPF account will be subject to the EPF's requirements. Please refer to the website at http://www.kwsp.gov.my for updated information.

"SECTION 1 - FUND INFORMATION", Section 1.1.11 Financial Derivatives

As the Target Fund is denominated in USD, the Manager may trade in financial derivatives, which include but is not limited to forwards and swaps, for the purpose of hedging the Fund's exposure to foreign currency. The benefit of any upside of currency movement is limited as the primary interest is to protect the value of the portfolio. When participating in such financial derivatives, the Manager will monitor the financial derivatives' valuation and credit ratings of the financial institutions as counterparty to the financial derivatives, where applicable and take appropriate actions to mitigate any risk associated with such financial derivatives. This may extend to unwinding of the financial derivatives 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 net market exposure to financial derivatives will not at any time exceed the Fund's Net Asset Value. Commitment approach is used to calculate the Fund's net market exposure. It is calculated as the sum of the (a) absolute value of the exposure of each individual financial derivative not involved in netting or hedging arrangements; (b) absolute value of the net exposure of each individual financial derivative after netting or hedging arrangements; and (c) the values of cash collateral received pursuant to the reduction of exposure to counterparties of OTC financial derivatives. The Fund's holding in financial derivatives (if any) shall always be subject to the restrictions stipulated in Sections 1.1.9 (e), (f) and (g).

"SECTION 1 - FUND INFORMATION", Section 1.10.8 Foreign Securities

The section above is hereby deleted alongside with the information under it.

"SECTION 1 - FUND INFORMATION", Section 1.1.12 Liquid Assets

The Manager in structuring the Fund's portfolio will maintain a reasonable level of liquid assets for the purpose of meeting redemptions and to enable the proper and efficient management of the Fund.

This Fund shall not borrow in connection with its activities or lend any of its cash or investments unless practicable and permitted by the Guidelines and any practice notes issued by the Securities Commission from time to time or other relevant laws or regulations pertaining to unit trust funds. Nonetheless, 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 Fund's Net Asset Value at the time the borrowing is incurred.

"SECTION 1 - FUND INFORMATION", Section 1.2 Information on the Target Fund, (a) About Schroder International Selection Fund and the Target Fund

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

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

The Target Fund is one of the funds under the umbrella of Schroder International Selection Fund and was launched on 10 December 2004. As of 31 May 2023, it has a fund size of USD 674.24 million. The Target Fund is regulated by the Commission de Surveillance du Secteur Financier (Luxembourg Financial Sector Supervisory Authority) under the Luxembourg Law on Undertakings for Collective Investment dated 17 December 2010. The Investment Manager is, however, regulated by the Securities Exchange Commission (SEC), US under the Investment Company Act of 1940.

"SECTION 1 - FUND INFORMATION", Section 1.2 Information on the Target Fund, (b) About the Management Company and the Investment Manager

The Management Company was incorporated as a "société anonyme" in Luxembourg on 23 August 1991 and has an issued and fully paid up share capital of EUR 12,867,092.98. The Management Company has been authorised as a management company under chapter 15 of the Law of 17 December 2010 and, as such, provides collective portfolio management services to undertaking for collective investments.

The Investment Manager is an indirect wholly-owned subsidiary of Schroders plc ("Schroders"). As of 31 December 2022, the total assets under management including joint ventures and associates of Schroders were USD 887.2 billion, with over 6,000 permanent staff including more than 800 investment professionals (portfolio managers and analysts), and offices in 38 locations. As of 31 December 2022, the Investment Manager (along with its affiliated entity Schroder Investment Management North America Ltd.) managed over USD 89 billion in assets and is a fully resourced, fully integrated component of our global investment management services**.**

"SECTION 1 - FUND INFORMATION", Section 1.2 Information on the Target Fund, (c) Investment Objective

The Target Fund aims to provide capital growth in excess of the Russell 2500 Lagged (Net TR) index after fees have been deducted over a 3-5 year period by investing in equity and equity-related securities of small and medium-sized US companies.

"SECTION 1 - FUND INFORMATION", Section 1.2 Information on the Target Fund, (e) Authorised Investments of the Target Fund

Law	the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

"SECTION 1 - FUND INFORMATION", Section 1.2 Information on the Target Fund, (e) Authorised Investments of the Target Fund

Regulated Market	a market within the meaning of Article 4(1)(21) of the Directive 2014/65/EC of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments or another regulated market, which operates regularly and is recognised and open to the public in an Eligible State.

"SECTION 1 - FUND INFORMATION", Section 1.2 Information on the Target Fund, (e) Authorised Investments of the Target Fund

UCI	an "undertaking for collective investment" within the meaning Article 2(2) of the Law.

"SECTION 1 - FUND INFORMATION", Section 1.2 Information on the Target Fund, (e) Authorised Investments of the Target Fund, 1. Investments in transferable securities and liquid assets

(A) Schroder International Selection Fund will invest in:

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

(2) recently issued transferable securities and money market instruments, provided that:

(I) the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or on another Regulated Market which operates regularly, is recognised and open to the public; and

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

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

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

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

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

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

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

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

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

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

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

and/or

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

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

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

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

(IV) issued by other bodies belonging to categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third

indent and provided that the issuer is a company whose capital and reserves amount to at least EUR 10,000,000 and which presents and publishes its annual accounts in accordance with the Directive 2013/34/EU, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

In addition, the Schroder International Selection Fund may invest a maximum of 10% of the net asset value of the Target Fund in transferable securities or money market instruments other than those referred to under (A)(1), (A)(2) and (A)(6) above.

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

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

- ancillary liquid assets in accordance with paragraph B below;
- derivatives, which may be used only for hedging purposes;

For the purposes of compliance with section 3 below, the feeder UCITS shall calculate its global exposure related to derivatives by combining its own direct exposure under the above second bullet point of paragraph (7) with either:

- the master UCITS actual exposure to derivatives in proportion to the feeder UCITS investment into the master UCITS; or
- the master UCITS potential maximum global exposure to derivatives provided for in the master UCITS management regulations or instruments of incorporation in proportion to the feeder UCITS investment into the master UCITS.

(B) The Target Fund may hold ancillary liquid assets. Liquid assets used to back-up derivatives exposure are not considered as ancillary liquid assets. The Target Fund will not invest more than 20% of its net assets in cash and deposits at sight (such as cash held in current accounts) for ancillary liquidity purposes in normal market conditions. Under exceptional unfavourable market conditions (such as the September 11 attacks or the bankruptcy of Lehman Brothers in 2008) and on a temporary basis, this limit may be breached, if justified in the interest of the investors of the Target Fund.

(C) (1) The Target Fund may invest no more than 10% of its net asset value in transferable securities or money market instruments issued by the same issuing body (and in the case of structured financial instruments embedding derivatives, both the issuer of the structured financial instruments and the issuer of the underlying securities). The Target Fund may not invest more than 20% of its net assets in deposits made with the same body. The risk exposure to a counterparty of the Target Fund in an OTC derivatives transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in paragraph 1(A)(4) above or 5% of its net assets in other cases.

(2) Furthermore, where the Target Fund holds investments in transferable securities and money market instruments of any issuing body which individually exceed 5% of the net asset value of the Target Fund, the total value of all such investments must not account for more than 40% of the net asset value of the Target Fund.

This limitation does not apply to deposits and OTC derivatives transactions made with financial institutions subject to prudential supervision.

Notwithstanding the individual limits laid down in paragraph (C)(1), the Target Fund may not combine:

- investments in transferable securities or money market instruments issued by;
- deposits made with; and/or
- exposures arising from OTC derivative transactions undertaken with

a single body in excess of 20% of its net assets.

(3) The limit of 10% laid down in paragraph (C)(1) above shall be 35% in respect of transferable securities or money market instruments which are issued or guaranteed by an EU member state, its local authorities or by an Eligible State or by public international bodies of which one or more EU member states are members.

(4) The limit of 10% laid down in paragraph (C)(1) above shall be 25% in respect of covered bonds as defined under article 3, point 1 of Directive (EU) 2019/2162 of the European Parliament and of the Council of 27 November 2019 on the issue of covered bonds and covered bond public supervision and amending Directives 2009/65/EC and 2014/59/EU, and for certain debt securities which are issued before 8 July 2022 by highly rated credit institutions having their registered office in an EU member state and which are subject by law to a special public supervision for the purpose of protecting the holders of such debt securities, provided that the amount resulting from the issue of such debt securities issued before 8 July 2022 are invested, pursuant to applicable provisions of the law, in assets which are sufficient to cover the liabilities arising from such debt securities during the whole period of validity thereof and which are assigned to the preferential repayment of capital and accrued interest in the case of a default by such issuer.

(5) If the Target Fund invests more than 5% of its assets in the debt securities referred to in the sub-paragraph above and issued by one issuer, the total value of such investments may not exceed 80% of the value of the assets of the Target Fund.

(6) The transferable securities and money market instruments referred to in paragraphs (C)(3) and (C)(4) are not included in the calculation of the limit of 40% referred to in paragraph (C)(2).

The limits set out in paragraphs (C)(1), (C)(2), (C)(3) and (C)(4) above may not be aggregated and, accordingly, the value of investments in transferable securities and money market instruments issued by the same body, in deposits or derivatives made with this body, effected in accordance with paragraphs (C)(1), (C)(2), (C)(3) and (C)(4) may not, in any event, exceed a total of 35% of the Target Fund's net asset value.

Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 2013/34/EU or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in this paragraph (C).

The Target Fund may cumulatively invest up to 20% of its net assets in transferable securities and money market instruments within the same group.

(7) Without prejudice to the limits laid down in paragraph (D), the limits laid down in this paragraph (C) shall be 20% for investments in shares and/or bonds issued by the same body when the aim of the Target Fund's investment policy is to replicate the composition of a certain stock or bond index which is recognised by the CSSF, provided:

- the composition of the index is sufficiently diversified,
- the index represents an adequate benchmark for the market to which it refers,
- it is published in an appropriate manner.

The limit laid down in the sub-paragraph above is raised to 35% where it proves to be justified by exceptional market conditions in particular in Regulated Markets where certain transferable securities or money market instruments are highly dominant or in the case of one commodity where the commodity is a dominant component of a diversified commodity index, provided in each case that investment up to 35% is only permitted for a single issuer.

(8) Where the Target Fund has invested in accordance with the principle of risk spreading in transferable securities or money market instruments issued or guaranteed by an EU member state, by its local authorities or by an Eligible State or by public international bodies of which one or more EU member states are members, Schroder International Selection Fund may invest 100% of the net asset value of the Target Fund in such securities provided that the Target Fund must hold securities from at least six different issues and the value of securities from any one issue must not account for more than 30% of the net asset value of the Target Fund.

Subject to having due regard to the principle of risk spreading, the Target Fund need not comply with the limits set out in this paragraph (C) for a period of 6 months following the date of its launch.

(D) (1) Schroder International Selection Fund may not normally acquire shares carrying voting rights which would enable the Schroder International Selection Fund to exercise significant influence over the management of the issuing body.

(2) The Target Fund may acquire no more than (a) 10% of the non-voting shares of any single issuing body, (b) 10% of the value of debt securities of any single issuing body, (c) 10% of the money market instruments of the same issuing body. However, the limits laid down in (b) and (c) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments or the net amount of securities in issue cannot be calculated.

The limits set out in paragraph (D)(1) and (2) above shall not apply to:

(1) transferable securities and money market instruments issued or guaranteed by an EU member state or its local authorities;

(2) transferable securities and money market instruments issued or guaranteed by any other Eligible State;

(3) transferable securities and money market instruments issued by public international bodies of which one or more EU member states are members; or

(4) shares held in the capital of a company incorporated in a non-EU member state which invests its assets mainly in the securities of issuing bodies having their registered office in that state where, under the legislation of that state, such holding represents the only way in which the Target Fund's assets may invest in the securities of the issuing bodies of that state, provided, however, that such company in its investment policy complies with the limits laid down in Articles 43, 46 and 48 (1) and (2) of the Law.

(E) The Target Fund may not invest more than 10% of its net assets in units of UCITS or other UCIs. In addition, the following limits shall apply:

(1) If the Target Fund is allowed to invest more than 10% of its net assets in units of UCITS and/or UCIs, the Target Fund may not invest more than 20% of its net assets in units of a single UCITS or other UCI. Investments made in units of UCIs other than UCITS may not, in aggregate, exceed 30% of the net assets of the Target Fund.

(2) When the Target Fund invests in the units of other UCITS and/or other UCIs linked to Schroder International Selection Fund by common management or control, or by a direct or indirect holding of more than 10% of the capital or the voting rights, or managed by a management company linked to the Investment Manager, no subscription or redemption fees may be charged to Schroder International Selection Fund on account of its investment in the units of such other UCITS and/or UCIs. In respect of the Target Fund's investments in UCITS and other UCIs linked to Schroder International Selection Fund as described in the preceding paragraph, there shall be no annual management fee charged to that portion of the assets of the Target Fund. Schroder International Selection Fund will indicate in its annual report the total annual management fees charged both to the Target Fund and to the UCITS and other UCIs in which the Target Fund has invested during the relevant period.

(3) The Target Fund may acquire no more than 25% of the units or shares of the same UCITS and/or other UCI. This limit may be disregarded at the time of acquisition if at that time the gross amount of the units or shares in issue cannot be calculated. In case of a UCITS or other UCI with multiple sub-funds, this restriction is applicable by reference to all units or shares issued by the UCITS/UCI concerned, all sub-funds combined.

(4) The underlying investments held by the UCITS or other UCIs in which the Target Fund invest do not have to be considered for the purpose of the investment restrictions set forth under section 1(C) above.

(F) The Target Fund may subscribe, acquire and/or hold securities to be issued or issued by one or more funds (each, a "Subscribed Fund") without the Schroder International Selection Fund being subject to the requirements of the law of 10 August 1915 on commercial companies, as amended, with respect to the subscription, acquisition and/or the holding by a company of its own shares, under the condition however that:

(1) the Subscribed Fund(s) do(es) not, in turn, invest in the Target Fund invested in this (these) Subscribed Fund(s); and

(2) no more than 10% of the assets that the Subscribed Fund(s) whose acquisition is contemplated may be invested in units of other funds of the Schroder International Selection Fund; and

(3) voting rights, if any, attaching to the shares of the Subscribed Fund(s) are suspended for as long as they are held by the Target Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and

(4) in any event, for as long as these securities are held by the Target Fund, their value will not be taken into consideration for the calculation of the net assets of Schroder International Selection Fund for the purposes of verifying the minimum threshold of the net assets imposed by the Law.

"SECTION 1 - FUND INFORMATION", Section 1.2 Information on the Target Fund, (e) Authorised Investments of the Target Fund, 3. Derivatives

As specified in section 1(A)(5) above, Schroder International Selection Fund may in respect of the Target Fund invest in derivatives.

Schroder International Selection Fund shall ensure that the global exposure of the Target Fund relating to derivatives does not exceed the total net assets of the Target Fund. The Target Fund's overall risk exposure shall consequently not exceed 200% of its total net assets. In addition, this overall risk exposure may not be increased by more than 10% by means of temporary borrowings (as referred to in section 2(D) above) so that it may not exceed 210% of the Target Fund's total net assets under any circumstances.

The global exposure relating to derivatives is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions. This shall also apply to the following sub-paragraphs.

The Target Fund may invest, as a part of its investment policy and within the limits laid down in section 1(A)(7) and section 1(C)(5), in derivatives provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in sections 1(C)(1) to (7).
When the Target Fund invests in index-based derivatives compliant with the provisions of sections 1(C)(1) to (7), these investments do not have to be combined with the limits laid down in section 1(C). The frequency of the review and rebalancing of the composition of the underlying index of such derivatives varies per index and could be daily, weekly, monthly, quarterly or annually. The rebalancing frequency will have no impact in terms of costs in the context of the performance of the investment objective of the Target Fund.

When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of these restrictions. Transferable securities or money market instruments backed by other assets are not deemed to embed a derivative.

The Target Fund may use derivatives for investment purposes and for hedging purposes, within the limits of the Regulations. Under no circumstances shall the use of these instruments and techniques cause the Target Fund to diverge from its investment policy or objective. The risks against which the Target Fund could be hedged may be, for instance, market risk, foreign exchange risk, interest rates risk, credit risk, volatility or inflation risks.

The Target Fund may invest in financial derivative instruments that are traded OTC including, without limitation, total return swaps, contracts for difference or other financial derivative instruments with similar characteristics and the investment objective and policy of the Target Fund. Such OTC derivatives shall, to the extent capable of being held in custody, be safekept by the depositary of Schroder International Selection Fund (J.P. Morgan Bank Luxembourg S.A., acting as depositary bank and fund administrator).

A total return swap is an agreement in which one party (total return payer) transfers the total economic performance of a reference obligation to the other party (total return receiver). Total economic performance includes income from interest and fees, gains or losses from market movements, and credit losses.

Total return swaps entered into by the Target Fund may be in the form of funded and/or unfunded swaps. An unfunded swap means a swap where no upfront payment is made by the total return receiver at inception. A funded swap means a swap where the total return receiver pays an upfront amount in return for the total return of the reference asset and can therefore be costlier due to the upfront payment requirement.

All revenue arising from total return swaps, net of direct and indirect operational costs and fees, will be returned to Target Fund and are not subject to return sharing agreements. The costs attributed to total return swaps held are included in the spread.

"SECTION 1 - FUND INFORMATION", Section 1.2 Information on the Target Fund

(f) Additional Restrictions Applicable to the Target Fund

1) The Target Fund must not use leverage for investments.

2) The Target Fund will, for the time being, not engage in securities lending transaction, repurchase or reverse repurchase transactions.

3) The counterparty of OTC derivatives must be a financial institution that at trade inception, either be rated BBB/Baa2 or above or have been approved by the Schroders' Group Agency Credit Risk Committee, and the risk exposure to a counterparty must not exceed 10% of the Target Fund's net asset value.

4) The global exposure of the Target Fund's investment in derivatives is calculated using the commitment approach methodology.

5) Where the Target Fund has invested in a collective investment scheme operated by the Management Company or its related corporation:
   (a) all initial charges on the collective investment scheme is waived; and
   (b) the management fee must only be charged once, either at the Target Fund or the collective investment scheme.

6) While the Target Fund may from time to time invest in a collective investment scheme operated by the Management Company or its related corporation (the "Destination Fund"), as of the date of this prospectus, no Destination Fund has in turn invested into the Target Fund.

7) For the purpose of borrowing:
   (a) the Target Fund may borrow cash for the purpose of settlement issues and meeting large redemptions;
   (b) the Target Fund's cash borrowing is only on a temporary basis;
   (c) the aggregate borrowings of the Target Fund should not exceed 10% of the Target Fund's net asset value at the time the borrowing is incurred;

(d) the borrowing period should not exceed one month; and
(e) the Target Fund only borrows from financial institutions.

"SECTION 1 - FUND INFORMATION", Section 1.2 Information on the Target Fund

(h) Redemption of Shares

Redemption instructions accepted by the transfer agent for any dealing day of the Target Fund before 13.00, unless otherwise specified in the prospectus of the Target Fund, or such other time at the directors of Schroder International Selection Fund's discretion, will normally be executed at the relevant net asset value per share calculated on the dealing day of the Target Fund (less any applicable redemption charge). Instructions accepted by the transfer agent after 13.00 will normally be executed on the following dealing day of the Target Fund.

Redemption proceeds are normally paid by bank transfer or electronic transfer, within three (3) business days from the relevant dealing day of the Target Fund and will be instructed to be made at no cost to the shareholder, provided the Schroder International Selection Fund is in receipt of all documents required. Any non-dealing days for the Target Fund falling within the settlement period are excluded from the calculation of the settlement date. If, on the settlement date, banks are not open for business in the country of the currency of settlement, then settlement will be on the next business day on which those banks are open. Schroder International Selection Fund, Management Company or transfer agent are not responsible for any delays or charges incurred at any receiving bank or settlement system, nor are they responsible for delays in settlement which may occur due to the timeline for local processing of payments within some countries or by certain banks. Redemption proceeds will normally be paid in the currency of the relevant share class. However, at the request of the shareholder, a currency exchange service for redemptions is provided to the shareholder by the transfer agent acting on behalf of the Management Company. The cost of currency conversion and other related expenses will be borne by the relevant investor of the Target Fund.

If, in exceptional circumstances and for whatever reason, redemption proceeds cannot be paid within three (3) business days from the relevant dealing day of the Target Fund, for example when the liquidity of the Target Fund does not permit, then payment will be made as soon as reasonably practicable thereafter (not exceeding, however, thirty (30) days) at the net asset value per share calculated on the relevant dealing day of the Target Fund.

"SECTION 1 - FUND INFORMATION", Section 1.2 Information on the Target Fund

(i) Suspension / Deferral of the Target Fund

If the aggregate value of switch or redemption instructions on any one dealing day of the Target Fund is more than 10% of the total value of shares in issue of the Target Fund, the directors of Schroder International Selection Fund may declare that the redemption of part or all shares in excess of 10% for which a redemption or switch has been requested will be deferred until the next dealing day of the Target Fund. Such deferred instructions will be valued at the net asset value per share prevailing on that dealing day of the Target Fund. On such dealing day, deferred requests will be dealt with in priority to later requests and in the order that requests were initially received by the transfer agent of Schroder International Selection Fund.

Schroder International Selection Fund reserves the right to extend the period of payment of redemption proceeds to such period, not exceeding 30 days, as shall be necessary to repatriate proceeds of the sale of investments in the event of impediments due to exchange control regulations or similar constraints in the markets in which a substantial part of the assets of the Target Fund are invested or in exceptional circumstances where the liquidity of the Target Fund is not sufficient to meet the redemption requests.

Schroder International Selection Fund may suspend or defer the calculation of the net asset value per share of any share class in the Target Fund and the issue and redemption of any shares in such Target Fund, as well as the right to switch shares of any share class in the Target Fund into shares of a different share class of the Target Fund or any other fund within Schroder International Selection Fund:

(1) during any period when any of the principal stock exchanges or any other regulated market on which any substantial portion of Schroder International Selection Fund's investments of the Target Fund for the time being are quoted, is closed, or during which dealings are restricted or suspended; or

(2) during any period when the determination of the net asset value per share of and/or the redemptions in the underlying investment funds representing a material part of the assets of the Target Fund is suspended; or

(3) during the existence of any state of affairs which constitutes an emergency as a result of which disposal or valuation of investments of the Target Fund by Schroder International Selection Fund is impracticable; or

(4) during any breakdown in the means of communication normally employed in determining the price or value of any of Schroder International Selection Fund's investments or the current prices or values on any market or stock exchange; or

(5) during any period when Schroder International Selection Fund is unable to repatriate funds for the purpose of making payments on the redemption of such shares or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of such shares cannot in the opinion of the directors of Schroder International Selection Fund be effected at normal rates of exchange; or

(6) if Schroder International Selection Fund or the Target Fund is being or may be wound-up on or following the date on which notice is given of the meeting of shareholders at which a resolution to wind up Schroder International Selection Fund or the Target Fund is proposed; or

(7) if the directors of Schroder International Selection Fund have determined that there has been a material change in the valuations of a substantial proportion of the investments of Schroder International Selection Fund attributable to the Target Fund in the preparation or use of a valuation or the carrying out of a later or subsequent valuation; or

(8) during any other circumstance or circumstances where a failure to do so might result in Schroder International Selection Fund or its shareholders incurring any liability to taxation or suffering other pecuniary disadvantages or any other detriment, which Schroder International Selection Fund or its shareholders might so otherwise have suffered; or

(9) during any period where circumstances exist that would justify the suspension for the protection of shareholders of the Target Fund in accordance with the law.

The suspension of the calculation of the net asset value per share of the Target Fund or share class shall not affect the valuation of other funds within Schroder International Selection Fund or share classes, unless the funds or share classes are also affected.

During a period of suspension or deferral, a shareholder of the Target Fund (including the Fund) may withdraw his request in respect of any shares not redeemed or switched, by notice in writing received by the transfer agent of Schroder International Selection Fund before the end of such period.

Moreover, in accordance with the provisions on mergers of the Law of 17 December 2010, Schroder International Selection Fund may temporarily suspend the subscription, the redemption or the repurchase of its shares, provided that any such suspension is justified for the protection of shareholders of the Target Fund.

Shareholders of the Target Fund will be informed of any suspension or deferral as appropriate.

"SECTION 1 - FUND INFORMATION", Section 1.3 Fund Business Day

As the Target Fund is domiciled in Luxembourg which has its own business day policy, it is envisaged that although Bursa Malaysia is open for business, the Manager may declare certain days to be a non-Business Day. This is so when it is a non-business day in New York and/or Luxembourg (i.e. Saturdays, Sundays and public holidays) and/or a day which is determined to be a non-business day by the Management Company. This is to ensure that the valuation of the Fund for a particular Business Day will represent the valuation of the Target Fund for that Business Day. Investors will thus be given a fair valuation of the Fund at all times, be it when buying or redeeming Units.

"SECTION 2 - RISK FACTORS", Section 2.1 General Risks of Investing in the Fund, General Risks

a) Management Risk

Inadequate expertise of the Manager in dealing with the day-to-day management of the Fund will jeopardise the investment of Unit Holders through the risk of reduced returns and in some cases the Unit Holders may also lose the capital invested in the Fund.

The selection of securities of the Fund or placement of Deposits which make up the assets of the Fund is a subjective process and depends on the expertise of a fund manager in carrying out the investment management function of the Fund. The securities selected or Deposits placed by the Manager may perform better or worse than the overall market, or as compared to portfolios of a similar mandate managed by our competitors.

"SECTION 2 - RISK FACTORS", Section 2.1 General Risks of Investing in the Fund, General Risks

c) Liquidity Risk

The ability of the 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. Should there be inadequate liquid assets held, the Fund may not be able to honour requests for redemption or to pay Unit Holders' redemption proceeds in a timely manner and may be forced to dispose the Fund's investments at a discount to its fair value, thus lowering the value of the Fund's investments and subsequently the value of the Unit Holders' investments.

"SECTION 2 - RISK FACTORS", Section 2.1 General Risks of Investing in the Fund, General Risks

d) Loan / Financing Risk

Investors should assess the inherent risk of investing with borrowed money or through financing facility which would 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 are used as collateral to the loan or financing facility) the ability to provide additional collateral should the Unit prices of the Fund fall beyond a certain level,

failing which, the investors' Units may be sold off to realise the proceeds towards settlement of the outstanding loan or financing facility taken.

[Please see Unit Trust Loan Financing Risk Disclosure Statement in the application form]

"SECTION 2 - RISK FACTORS", Section 2.1 General Risks of Investing in the Fund, Investment Risks

a) Counterparty Risk

The Fund's placements of Deposits with financial institutions is subject to the risk of the counterparty. Counterparty risk refers to the possibility that the financial institution where the Deposit placements are made will not be able to make timely payments of interest and/or principal repayment on demand when it becomes due. This may lead to a default in the payment of principal and/or interest and ultimately a reduction in the value of the Fund.

"SECTION 2 - RISK FACTORS", Section 2.1 General Risks of Investing in the Fund, Investment Risks

b) Interest Rate Risk

This risk refers to the effect of interest rate changes on the market value of a fixed income portfolio. In the event of rising interest rates, prices of money market instruments will generally decrease and vice versa. Meanwhile, money market instruments with longer maturities and lower coupon or interest rates are more sensitive to interest rate changes. Interest rate movements affect the returns of Deposits as well. Interest rates offered by the financial institutions will fluctuate according to the overnight rate policy determined by Bank Negara Malaysia and this has direct correlation with the Fund's investment in Deposits. In the event of rising interest rates, the Fund's future reinvestment in Deposits will benefit from the higher interest rate and in the event of falling interest rates, the Fund's future investment in Deposits will be reinvested at lower interest rates which in turn will reduce the Fund's potential returns.

"SECTION 2 - RISK FACTORS", Section 2.1 General Risks of Investing in the Fund, Investment Risks

c) Credit and Default Risk

This risk refers to the creditworthiness of the issuer of a money market instrument and/or financial institution where the Deposits are placed with and its expected ability to pay the debt. Default happens when the issuer of a money market instrument and/or financial institution where the Deposits are placed with is unable to make coupon or interest payments and/or repay the principal in a timely manner thus lowering the value of the Fund's investments and subsequently the value of Unit Holders' investments.

"SECTION 2 - RISK FACTORS", Section 2.1 General Risks of Investing in the Fund, Investment Risks

d) Financial Derivative Risk

If the Fund participates in financial derivative for hedging purposes, it will be subject to risks associated with such financial derivative. As hedging activities are meant to protect the Fund from currency volatility, the benefit of any upside of currency movement is limited. The Fund's participation in financial derivative may require the deposit of initial margin and additional deposit of margin on short notice if the market moves against the financial derivative positions. If no provision is made for the required margin within the prescribed time, the Fund's financial derivative may be liquidated at a loss. Therefore, it is essential that such participation in financial derivative are monitored closely. If and when the Manager participates in financial derivatives, the Manager will monitor the financial derivatives' positions for the Fund. In addition, participation in financial derivatives is also subject to the possibility that the counterparty to the financial derivative may fail or default in its obligations under the financial derivative contract. Such failure or default by the counterparty whether in the payment of principal and/or interest or any gain from the financial derivative transaction may ultimately lead to a reduction in the value of the Fund.

"SECTION 2 - RISK FACTORS", Section 2.2 Specific Risks when Investing in the Fund

As the Fund invests at least 95% of its Net Asset Value in the Target Fund, it is subject to the management risk of the Management Company and Investment Manager of the Target Fund. Poor management of the Target Fund will jeopardise the investment of the Fund in the Target Fund and in turn, the Unit Holders' investment through the loss of capital invested in the Fund as elaborated under management risk set out in Section 2.1.

In addition, as the Target Fund is domiciled in Luxembourg and denominated in USD, the Fund may be subject to currency and country risk. Changes in rates of exchange between currencies may cause the value of the Fund's investment in the Target Fund to diminish or increase which in turn will affect the value of Unit Holders' investments.

The Fund's investments in the Target Fund may be adversely affected by political instability as well as exchange controls, changes in taxation, foreign investment policies, restrictions on repatriation of investments and other restrictions and controls which may be imposed by the relevant authorities in Luxembourg.

"SECTION 2 - RISK FACTORS", Section 2.3 Specific Risks of the Target Fund

- *General Risks*

  Past performance is not a guide to future performance and investment in the shares of the Target Fund should be regarded as a medium to long-term investment. The value of investments and the income generated by the Target Fund may go down as well as up and shareholders of the Target Fund, i.e. the Fund, may not get back the amount originally invested. Where the currency of the Target Fund varies from the Fund's base currency, or where the currency of the Target Fund varies from the currencies of the markets in which the Target Fund invests, there is the prospect of additional loss (or the prospect of additional gain) to the Fund greater than the usual risks of investment.

"SECTION 2 - RISK FACTORS", Section 2.3 Specific Risks of the Target Fund

- *Regulatory Risk*

  Schroder International Selection Fund is domiciled in Luxembourg and investors of the Target Fund should note that all the regulatory protections provided by their local regulatory authorities may not apply. Additionally, the Target Fund will be registered in non-EU jurisdictions. As a result of such registrations, the Target Fund may be subject, without any notice to the Fund, to more restrictive regulatory regimes. In such cases the Target Fund will abide by these more restrictive requirements. This may prevent the Target Fund from making the fullest possible use of the investment limits.

"SECTION 2 - RISK FACTORS", Section 2.3 Specific Risks of the Target Fund

- *Risk of Suspension of Share Dealings*

  In certain circumstances the right to redeem shares of the Target Fund may be suspended as detailed in Section 1.2(i) above.

"SECTION 2 - RISK FACTORS", Section 2.3 Specific Risks of the Target Fund

- *Derivatives Risk*

  There is no guarantee that the performance of the derivatives will result in a positive effect for the Target Fund and its shareholders, i.e. the Fund.

  The Target Fund may incur costs and fees in connection with total return swaps, contracts for difference or other derivatives with similar characteristics, upon entering into these instruments and/or any increase or decrease of their notional amount. The amount of these fees may be fixed or variable. Information on costs and fees incurred by the Target Fund in this respect, as well as the identity of the recipients and any affiliation they may have with the depositary of the Target Fund, the Investment Manager or the Management Company, if applicable, may be available in the annual report of the Target Fund.

"SECTION 2 - RISK FACTORS", Section 2.3 Specific Risks of the Target Fund

- *Counterparty Risk*

  Schroder International Selection Fund conducts transactions through or with brokers, clearing houses, market counterparties and other agents. Schroder International Selection Fund will be subject to the risk of the inability of any such counterparty to perform its obligations, whether due to insolvency, bankruptcy or other causes.

  The Target Fund may invest in instruments such as notes, bonds or warrants the performance of which is linked to a market or investment to which the Target Fund seeks to be exposed. Such instruments are issued by a range of counterparties and through its investment the Target Fund will be subject to the counterparty risk of the issuer, in addition to the investment exposure it seeks.

  The Target Fund will only enter into OTC derivatives transactions, including swap agreements, with first class institutions which are subject to prudential supervision and specialising in these types of transactions. In principle, the counterparty risk for such derivatives transactions entered into with first class institutions should not exceed 10% of the Target Fund's net assets when the counterparty is a credit institution. However, if a counterparty defaults, the actual losses may exceed these limitations.

"SECTION 2 - RISK FACTORS", Section 2.3 Specific Risks of the Target Fund

- *Custody Risk*

Assets of Schroder International Selection Fund are safe kept by the depositary of Schroder International Selection Fund and investors of the Target Fund are exposed to the risk of the depositary of Schroder International Selection Fund not being able to fully meet its obligation to restitute in a short time frame all of the assets of Schroder International Selection Fund in the case of bankruptcy of the depositary of Schroder International Selection Fund. The assets of Schroder International Selection Fund will be identified in the Schroder International Selection Fund depositary's books as belonging to Schroder International Selection Fund. Securities held by the depositary of Schroder International Selection Fund will be segregated from other assets of the said depositary which mitigates but does not exclude the risk of non restitution in case of bankruptcy. However, no such segregation applies to cash which increases the risk of non restitution in case of bankruptcy. The depositary of Schroder International Selection Fund does not keep all the assets of the Schroder International Selection Fund itself but uses a network of sub-custodians which are not part of the same group of companies as the depositary of Schroder International Selection Fund. Investors of the Target Fund are exposed to the risk of bankruptcy of the sub-custodians in the same manner as they are to the risk of bankruptcy of the depositary of Schroder International Selection Fund.

The Target Fund may invest in markets where custodial and/or settlement systems are not fully developed. The assets of the Target Fund that are traded in such markets and which have been entrusted to such sub-custodians may be exposed to risk in circumstances where the custodian will have no liability.

"SECTION 2 - RISK FACTORS", Section 2.3 Specific Risks of the Target Fund

- *Smaller Cap Companies Risk*

The Target Fund which invests in smaller cap companies may fluctuate in value more than other funds under the umbrella of Schroder International Selection Fund. Smaller companies may offer greater opportunities for capital appreciation than larger companies, but may also involve certain special risks. They are more likely than larger companies to have limited product lines, markets or financial resources, or to depend on a small, inexperienced management group. Securities of smaller cap companies may, especially during periods where markets are falling, become less liquid and experience short-term price volatility and wide spreads between dealing prices. They may also trade in the OTC market or on a regional exchange, or may otherwise have limited liquidity. Consequently investments in smaller cap companies may be more vulnerable to adverse developments than those in larger companies and the Target Fund may have more difficulty establishing or closing out its securities positions in such companies at prevailing market prices. Also, there may be less publicly available information about smaller cap companies or less market interest in the securities, and it may take longer for the prices of the securities to reflect the full value of the issuers' earning potential or assets.

"SECTION 2 - RISK FACTORS", Section 2.3 Specific Risks of the Target Fund

The paragraph of " *Emerging and less developed markets securities risk"* under above section is hereby deleted.

"SECTION 2 - RISK FACTORS", Section 2.3 Specific Risks of the Target Fund

- *Potential Conflicts of Interest Risk*

The Investment Manager and Schroders may effect transactions, including techniques and instruments such as securities lending, repurchase agreements and reverse repurchase agreements, in which the Investment Manager or Schroders have, directly or indirectly, an interest which may involve a potential conflict with the Investment Manager's duty to Schroder International Selection Fund. Neither the Investment Manager nor Schroders shall be liable to account to Schroder International Selection Fund for any profit, commission or remuneration made or received from or by reason of such transactions or any connected transactions nor will the fees of the Investment Manager, unless otherwise provided, be abated.

The Investment Manager will ensure that such transactions are effected on terms which are not less favourable to Schroder International Selection Fund than if the potential conflict had not existed.
Such potential conflicting interests or duties may arise because the Investment Manager or Schroders may have invested directly or indirectly in Schroder International Selection Fund.

In carrying out its functions, the depositary of Schroder International Selection Fund shall act honestly, fairly, professionally, independently and solely in the interest of Schroder International Selection Fund and the investors of Schroder International Selection Fund. The depositary of Schroder International Selection Fund shall not carry out activities with regard to Schroder International Selection Fund that may create conflicts of interest between Schroder International Selection Fund, the investors in Schroder International Selection Fund, the Management Company and the depositary of Schroder International Selection Fund unless the depositary of Schroder International Selection Fund has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks, and the potential conflicts of interest are properly identified, managed, monitored and disclosed to investors of Schroder International Selection Fund.

"SECTION 2 - RISK FACTORS", after Section 2.3 Specific Risks of the Target Fund

The above should not be construed to be an exhaustive list of the risks which investors should consider before investing in the Fund. Investors should be aware that an investment in the Fund may be exposed to other risks of an exceptional nature from time to time.

"SECTION 3 - VALUATION OF ASSETS"

The Fund must be valued at least once every Business Day. As the Fund invests in foreign markets which may have different time zones from that of Malaysia, the valuation of the Fund for a Business Day will be conducted by 5.00 p.m. (or such other time as may be determined by the Manager from time to time) on the following day on which the Manager is open for business.

Accordingly, the price of the Fund for a particular Business Day will not be published online on the Manager's website on the next day but will instead be published the next following day (i.e. the price will be two (2) days old). This will be specifically indicated on the Manager's website.

Illustration

When markets are closed for trading on 18 April 2023 (Tuesday) the valuation date will be the next day on which the Manager is open for business, that is, 19 April 2023 (Wednesday). Thus, the publication date for the prices as at 18 April 2023 (Tuesday) will be on 20 April 2023 (Thursday) on the Manager's website.

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

In undertaking any of the Fund's investments, the Manager will ensure that all the assets of the Fund will be valued at fair value and at all times in compliance with the relevant laws (including approved accounting standards).

Accordingly, where applicable:

(i) Collective investment schemes which are quoted on an approved exchange shall be valued daily based on the last done market price. Unlisted collective investment schemes shall be valued by reference to the last published repurchase price per unit for that unlisted collective investment scheme.

(ii) Financial derivatives positions will be 'marked-to-market' at the close of each trading day.

(iii) Deposits will be valued each day by reference to the principal value of such investments and the interest accrued thereon for the relevant period.

(iv) Money market instruments that are held for collecting contractual cash flow purpose i.e. money market placements which have a remaining term to maturity of not more than 90 days at the time of acquisition will be measured on an ongoing basis at amortised cost. The risk of using amortised cost accounting is the mismatch between the fair value and book value of a money market instrument. The Manager will monitor closely and consider prompt action to discontinue the use of amortised cost method and adopt the fair value, i.e., the discounted net present value, as the valuation for money market instrument in the event the variance is above 3%.

Money market instruments other than the aforesaid will be valued on a daily basis by reference to the fair value prices quoted by a bond pricing agency registered with the Securities Commission.

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

(vi) Any other investments as may be held by the Fund will be valued based on fair value as determined in good faith by the Manager, on methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.

"SECTION 4 - FEES, CHARGES AND EXPENSES", Section 4.1 Charges, (a) Sales Charge[1]

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

Distributor	% of investment amount
IUTA	Up to 5.50%
Tied (retail) agent	Up to 5.50%
Direct sales (Direct investment with the Manager)	Up to 5.50%

Please note that the Fund's investments in the Target Fund will be at its net asset value per unit. The sales charge for investing in the Target Fund will be waived by the Management Company.

An investor can expect differing sales charge to be levied when buying Units from the various distribution channels and within each distribution channel, subject to the maximum sales charge of the Fund. This is due to the different levels of services provided by each distribution channel and/or the size of the investment undertaken.

From the sales charge received from investors for the Fund, the Manager pays no more than the entire sales charge as mentioned above as selling commission to its distributors for the Fund.

Illustration:

Say, an investor makes an investment of RM10,000.00 at the Selling Price of RM0.5399 and the distributor levies a sales charge of 5.50%, the investor will pay a total of RM10,550.00 which is made up of:

Amount invested	=	RM10,000.00
Add: sales charge levied by the distributor @ 5.50%	=	RM 550.00
Total amount paid by the investor	=	RM10,550.00

The investor will be allotted with Units calculated as follows:

$$\frac{\text{RM10,000.00}}{\text{RM0.5399*}} = \text{18,521.95 Units**}$$

* Unit price is rounded to the nearest 4 decimal places.
** Units computed are rounded to the nearest 2 decimal places.

Note: If the Fund is an EPF-MIS approved fund and you invest via EPF-MIS, you will be levied a sales charge of up to 3.00% of the investment amount or any other rate as may be determined by the EPF from time to time.

"SECTION 4 - FEES, CHARGES AND EXPENSES", Section 4.1 Charges, (c) Other Charges

(i) Switching of Units

Units can only be switched to other unit trust funds under the management of the Manager that are of the same currency units and that allow switching.

A switching fee[1] 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 switching fee or to vary the terms of the switching facility.

For switching into non-money market fund, units of the fund to be switched into shall be purchased at the net asset value per unit 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"). For switching into money market fund, units shall be purchased at the net asset value per unit as at the next valuation point of the fund's relevant business day after money is received by the switch in fund.

Illustration

If a Unit Holder switches 5,000 Units in **RHB US Focus Equity Fund** at the Repurchase Price of RM0.5558 and wishes to invest in another unit trust fund under the management of the Manager (that allows switching and where both funds have the sales charge of 5.50%) at the net asset value per unit of RM0.5829.

Proceeds from switch (5,000 Units x RM0.5558) (**RHB US Focus Equity Fund**)	=	RM2,779.00
Less : switching fee	=	RM (25.00)
Net proceeds from switch:	=	RM2,754.00
Proceeds from **RHB US Focus Equity Fund** invested in another unit trust fund under the management of the Manager:	=	RM2,754.00 / RM0.5829
	=	4,724.65 units**

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

"SECTION 4 - FEES, CHARGES AND EXPENSES", Section 4.1 Charges, (c) Other Charges

(ii) Transfer of Units

The Manager charges a transfer fee[1] of RM5.00 for each transfer.

Please refer to Section 5.6 (e) (How to Transfer Ownership of Units).

"SECTION 4 - FEES, CHARGES AND EXPENSES", Section 4.1 Charges, (c) Other Charges

(iii) Any bank charges imposed by the relevant financial institutions will be borne by the Unit Holders.

"SECTION 4 - FEES, CHARGES AND EXPENSES", after Section 4.1 Charges

Note: [1]All fees and charges payable to the Manager and the Trustee are subject to any applicable taxes and/or duties and at such rate as may be imposed by the Malaysian government from time to time.

"SECTION 4 - FEES, CHARGES AND EXPENSES", Section 4.2 Fees and Expenses, (a) Management Fee[1]

The Manager is entitled to a management fee of one point eight per cent (1.80%) per annum of the Net Asset Value of the Fund calculated on a daily basis before deducting the management fee and Trustee's fee for that particular day.

A portion of this fee is paid to the Management Company. As the Fund invests in the shares of the Target Fund, any management fee charged to the Target Fund by the Management Company in relation to the Fund's investments in the Target Fund will be fully refunded to the Fund. Accordingly, there is **NO DOUBLE CHARGING OF MANAGEMENT FEE**. This means that the Unit Holder will incur **ONLY ONE MANAGEMENT FEE and ONLY AT THE FUND'S LEVEL** i.e. one point eight per cent (1.80%) per annum of the Net Asset Value.

Illustration: Calculation of management fee

Assuming that the Net Asset Value of the Fund (before deducting the management fee and Trustee's fee) for a particular day is RM105,000,000.00 and the annual management fee is at the rate of one point eight per cent (1.80%) per annum, the calculation of the management fee of the Fund for that particular day is as follows:

$$\frac{\text{RM 105,000,000.00 x 1.80\%}}{\text{365 days *}} = \text{RM 5,178.08 per day}$$

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

"SECTION 4 - FEES, CHARGES AND EXPENSES", Section 4.2 Fees and Expenses, (b) Trustee's Fee[1]

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

Illustration: Calculation of Trustee's fee

Assuming that the Net Asset Value of the Fund (before deducting the management fee and Trustee's fee) for a particular day is RM105,000,000.00 and the Trustee's fee is at the rate of zero point zero eight per cent (0.08%) per annum, the calculation of the Trustee's fee of the Fund for that particular day is as follows:

$$\frac{\text{RM 105,000,000.00 x 0.08\%}}{\text{365 days *}} = \text{RM 230.14 per day}$$

*In the event of a leap year, the Trustee's fee will be divided by 366 days.

"SECTION 4 - FEES, CHARGES AND EXPENSES", Section 4.2 Fees and Expenses, (c) Other Indirect Fees

As the Fund will invest in the shares of the Target Fund, there are also other fees indirectly incurred by the Fund at the Target Fund level such as fiduciary fees, custody safekeeping and transaction fees together with fund accounting and valuation fees which are incurred at the Target Fund level.

The custodian may receive fiduciary fees which is set at a rate of up to 0.005% per annum of the net asset value of Schroder International Selection Fund. The custody safekeeping services and the transactions fees are paid on a monthly basis and calculated and accrued on each business day of the Target Fund. The percentage rate of the safekeeping fee and the level of transaction fees

vary according to the country in which the relevant activities take place, up to a maximum of 0.3% per annum and USD 75 per transaction respectively. Fees relating to core fund accounting and valuation fees are calculated and accrued on each business day of the Target Fund at an annual rate of up to 0.0083% of the net asset value of the Target Fund. Additional fees may be due for additional services such as non-standard valuations; additional accounting services, for example performance fee calculations and for tax reporting services. Fiduciary fees, custody safekeeping and transaction fees, together with fund accounting and valuation fees, may be subject to review by the custodian and Schroder International Selection Fund from time to time. In addition, the custodian is entitled to any reasonable expenses properly incurred in carrying out its duties. As such, Unit Holders are indirectly bearing these expenses charged at the Target Fund level.

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

"SECTION 4 - FEES, CHARGES AND EXPENSES", Section 4.2 Fees and Expenses, (d) Other Expenses Directly Related to the Fund

In administering the Fund, there are expenses directly related to the Fund. These expenses include the cost of the auditors' fees and other relevant professional fees, foreign custodial charges, cost of distribution of semi-annual and annual reports, tax certificates, reinvestment statements and other notices to Unit Holders. In addition, there are expenses that are directly related and necessary to the business of the Fund as set out in the Deed, such as commissions paid to brokers, other transaction costs and taxes, if any, that are also paid out of the Fund.

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

"SECTION 4 - FEES, CHARGES AND EXPENSES", after Section 4.2 Fees and Expenses

Note: [1]All fees and charges payable to the Manager and the Trustee are subject to any applicable taxes and/or duties and at such rate as may be imposed by the Malaysian government from time to time.

"SECTION 4 - FEES, CHARGES AND EXPENSES", Section 4.4 Policy on Rebates and Soft Commissions

It is the Manager's policy to credit all rebates to the account of the Fund. However, goods and services ("soft commissions") provided by any broker or dealer may be retained by the Manager or the fund manager only if:

(a) the soft commissions bring direct benefit or advantage to the management of the Fund and may include research and advisory related services;
(b) any dealing with broker or dealer is executed on terms which are the most favourable for the Fund; and
(c) the availability of soft commissions is not the sole or primary purpose to perform or arrange transactions with such broker or dealer, and the Manager or fund manager must not enter into unnecessary trades to achieve a sufficient volume of transactions to qualify for soft commissions.

"SECTION 4 - FEES, CHARGES AND EXPENSES", Section 4.5 Tax

All fees and charges payable to the Manager and the Trustee are subject to any applicable taxes and/or duties and at such rate as may be imposed by the Malaysian government from time to time.

Based on the Finance Act 2021, income derived by the Fund from foreign sources and received in Malaysia from 1 January 2022 onwards will be subject to Malaysian income tax. A transitional tax rate of 3% is accorded on the gross amount of the foreign income received in Malaysia from 1 January 2022 to 30 June 2022. From 1 July 2022 onwards, the prevailing tax rate of 24% will apply to the chargeable income computed in respect of the foreign source income remitted into Malaysia by the Fund.

Where the same foreign income has been taxed in both Malaysia and the foreign country, a tax credit in the form of bilateral relief under a Double Tax Agreement ("DTA") or unilateral relief under the domestic law (if there is no available DTA or a limited DTA which does not provide such relief) may be given in respect of such income, subject to conditions.

"SECTION 5 - TRANSACTION INFORMATION"

5.2 Valuation of Units

The valuation of Units is based on the Net Asset Value and is calculated at the end of a Business Day. In line with the single pricing policy, the Selling Price and the Repurchase Price will be the Net Asset Value per Unit.

Calculation of Net Asset Value per Unit

The valuation of the Fund is conducted at least once every Business Day. The Net Asset Value is determined by deducting the value of all the Fund's liabilities from the value of all the Fund's assets, at the valuation point.

The valuation of the Fund is in the local currency, i.e. RM. The Net Asset Value per Unit will be the Net Asset Value divided by the total number of Units in circulation, at that valuation point.

Illustration of computation of the Net Asset Value per Unit for a particular Business Day

	RM
Gross Net Asset Value before income and expenses	194,455,842.10
Add: income	50,000
Less: expenses	(10,000)
Gross Net Asset Value before management fee & Trustee's fee	194,495,842.10
Less adjustments:	
Management fee (1.80%) per annum	(9,591.58)
Trustee's fee (0.08%) per annum	(426.29)
Total Net Asset Value (RM)	194,485,824.23
Assumption of Units in circulation at valuation point	572,211,000
Net Asset Value per Unit	0.3399*

*****Net Asset Value per Unit is rounded to 4 decimal places.
Please note that the above is for illustration purpose only.

"SECTION 5 - TRANSACTION INFORMATION", Section 5.3 Computation of Selling Price

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 application for Units is received by the Manager ("forward pricing"). A sales charge[1] will be computed separately based on the 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 RM0.4750 (which is the Net Asset Value per Unit as at the next valuation point) and the distributor levies a sales charge[1] of 5.50%, the investor will pay a total of RM10,550.00 which is made up of:

Investment amount	=	RM	10,000.00
Add: sales charge levied by the distributor @ 5.50%	=	RM	550.00
Total amount paid by the investor	=	RM	10,550.00
The investor will be allotted with Units calculated as follows:	=	RM	10,000.00
		RM	0.4750*
	=	21,052.63 Units**	

* Unit price is rounded to the nearest 4 decimal places.
** Units computed are rounded to the nearest 2 decimal places.

Note: [1]All fees and charges payable to the Manager and the Trustee are subject to any applicable taxes and/or duties and at such rate as may be imposed by the Malaysian government from time to time.

"SECTION 5 - TRANSACTION INFORMATION", Section 5.4 Computation of Repurchase Price

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 of Units is received by the Manager ("forward pricing"). The Manager does not charge any repurchase charge for this Fund.

Illustration

Say, an investor redeems 21,052.63 Units at the Repurchase Price of RM0.4750 (which is the Net Asset Value per Unit as at the next valuation point), he would receive proceeds of redemption of RM10,000.00 as follows:

Redemption amount (21,052.63 Units x RM0.4750*)	=	RM	10,000.00
Less: repurchase charge	=	RM	(NIL)
Net amount payable to the Unit Holder	=	RM	10,000.00

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

"SECTION 5 - TRANSACTION INFORMATION", Section 5.5 Pricing Error Policy

The Manager shall ensure that the Fund and the Units are correctly valued and priced according to the Deed and all relevant laws. Where there is an error in the valuation of the Fund, 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 Fund and/or to the Unit Holders and/or to the former Unit Holders; or
b) by the Fund to the Manager.

However, reimbursement of money shall only apply if the error is at or above the significant threshold of 0.5% of the Net Asset Value per Unit and the amount to be reimbursed is equivalent to RM10.00 or more.

"SECTION 5 - TRANSACTION INFORMATION", Section 5.6 Transaction Details, (b) Cooling-off Period

The cooling-off right refers to the right of an individual investor to obtain a refund of his investment if he 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; and/or

(ii) a person registered with a body approved by the Securities Commission to deal in unit trust funds.

The refund to the investor pursuant to the exercise of his cooling-off right must be as follows:

a) the Net Asset Value per Unit at the point of exercise of the cooling-off right ("market price"), if the Net Asset Value per Unit on the day the Units were purchased ("original price") is higher than the market price; or
b) the original price, if the market price is higher than the original price.

If the market price is higher than the original price paid by the investor, the Manager may agree to pay the investor the excess amount, provided that such amount is not paid out of the Fund or the assets of the Fund.

The Manager must also refund the sales charge originally imposed on the day the Units 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, if you have invested via the EPF-MIS, the cooling-off period shall be subject to EPF's terms and conditions.

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. The Manager shall refund the investor in cash within seven (7) Business Days of receiving the cooling-off notice. Where applicable, if you have invested via the EPF-MIS, the refund will be credited back into your EPF accounts.

"SECTION 5 - TRANSACTION INFORMATION", Section 5.6 Transaction Details, (c) Where Units can be Purchased or Redeemed

Units can be purchased or redeemed at the Manager's registered/principal office or any of its branches, or any of its participating IUTAs and any other authorised distributors or channels as the Manager may decide from time to time. For further information, please call us at 03-9205 8000 at any time during our office hours: Mondays through Fridays from 9.00 a.m. – 5.00 p.m. Alternatively, investors may e-mail their enquiries to **rhbam@rhbgroup.com**.

Please refer to our Directory of Outlets for Purchase and Sale of Units at the end of this prospectus. Application forms, redemption forms and this prospectus are also available from these distributors.

"SECTION 5 - TRANSACTION INFORMATION", Section 5.6 Transaction Details, (d) How to Switch between Funds

Unit Holders may switch to units of any unit trust fund under the management of the Manager that are of the same currency and that allows for switching by forwarding the completed form of request to switch to the Manager's registered/principal office or any of its branches, or to any of its participating IUTAs and any other authorised distributors before their respective cut-off times on any Business Day. The minimum amount for a switch into another fund is RM100.00 or such other amount as the Manager may from time to time decide. There is no restriction as to the number of switches a Unit Holder may perform or the frequency of switching. The minimum investment balance must be at least one hundred (100) Units or such other lower quantity as the Manager may from time to time decide after the switch. Following a switching transaction, if the quantity of Units held by a Unit Holder in the Fund falls below its minimum investment balance, the Manager can switch the entire investment and forward the proceeds to the fund that the Unit Holder intends to switch into. The Manager however, reserves the right to vary these terms.

"SECTION 5 - TRANSACTION INFORMATION", Section 5.6 Transaction Details, (e) How to Transfer Ownership of Units

Unit Holders 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 branches, or to any of its participating IUTAs and any other authorised distributors before their respective cut-off times on any Business Day.

If the transferee is a new investor, the transferee must also forward the following:

1) completed application form; and
2) relevant supporting documents such as a photocopy of the transferee's identity card (for an individual applicant) or certified true copies of the certificate of incorporation or registration, memorandum and articles of association or constitution or by-laws, and relevant resolutions (for a corporate applicant).

However, the Manager may refuse to register any partial transfer of Units if the registration would result in the transferor or the transferee holding less than the minimum investment balance of one hundred (100) Units or such other lower quantity as the Manager may from time to time decide. The Manager may also refuse an entry of transfer during the fourteen (14) days preceding an income distribution date.

"SECTION 5 - TRANSACTION INFORMATION", Section 5.6 Transaction Details, (f) Unclaimed Moneys

All money payable to a Unit Holder may be paid by electronic payments or cheques. However, after the lapse of one (1) year from the date of the cheque or any moneys payable to Unit Holders which remain unclaimed for such period of time, the Manager shall file and pay the unpresented payments to the Registrar of Unclaimed Moneys in accordance with the requirements of the Unclaimed Moneys Act 1965. Thereafter, Unit Holders are to claim such monies from the Registrar of Unclaimed Moneys.

SECTION 5 - TRANSACTION INFORMATION", Section 5.6 Transaction Details, (g) Availability of Information on Investment

After purchasing Units, the value of the investment can be monitored easily as the Unit price of the Fund is published online daily on the Manager's website, **www.rhbgroup.com**.

Unit Holders will receive an unaudited semi-annual report and an audited annual report of the Fund from the Manager within two (2) months after the end of the financial period/financial year end that the report covers. The Manager may also issue updates on the performance of the Fund either quarterly or semi-annually, or as and when appropriate.

Customers or investors may call us at 03-9205 8000 at any time during our office hours: Mondays through Fridays from 9.00 a.m. – 5.00 p.m. Alternatively, investors may e-mail their enquiries to **rhbam@rhbgroup.com**.

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

Investors must not make payment in cash to any individual agent when purchasing Units of the Fund.

The Fund's annual report is available upon request.

"SECTION 5 - TRANSACTION INFORMATION", Section 5.6 Transaction Details, (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 Fund are received before the next valuation point. The Manager may also vary the dealing hours as it may deem appropriate. Investors will be notified on the change of dealing hours via email or notification published on the Manager's website.

"SECTION 5 - TRANSACTION INFORMATION", Section 5.7 Mode of Distribution

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

No sales charge will be imposed for any reinvestment of distribution into the Fund.

"SECTION 6 - SALIENT TERMS OF THE DEED", Section 6.1 Rights and Liabilities of Unit Holders

6.1.2 Rights of Unit Holders

Unit Holders shall have the right, amongst others, to the following:

(a) to receive distributions of the Fund (if any), to participate in any increase in the value of the Units and to enjoy such other rights and privileges as set out in the Deed;

(b) to call for Unit Holders' meetings, and to vote for the removal of the Trustee or the Manager through a special resolution as provided for in the Deed;

(c) to exercise the cooling-off right, if applicable; and
(d) to receive annual reports, semi-annual reports or any other reports of the Fund.

No Unit Holder shall be entitled to require the transfer to him of any assets of the Fund or be entitled to interfere with or question the exercise by the Trustee, or the Manager on the Trustee's behalf, of the rights of the Trustee as registered owner of such assets.
Note: If your investments are made through an IUTA which adopts the nominee system of ownership, you would not be deemed to be a Unit Holder under the Deed and as a result, you may not exercise all the rights ordinarily conferred to a Unit Holder (e.g. the right to call for Unit Holders' meetings and the right to vote at a Unit Holders' meeting). Accordingly, the Manager will only recognise the IUTA as a Unit Holder and the IUTA shall be entitled to all the rights conferred to it under the Deed.

"SECTION 6 - SALIENT TERMS OF THE DEED", Section 6.2 Fees, Charges, and Expenses Permitted by the Deed

6.2.1 Sales Charge and Repurchase Charge

The Manager may impose a sales charge and a repurchase charge for the sale and repurchase of Units according to such rates and conditions disclosed in this prospectus. The Manager is entitled to retain these charges. The maximum charges allowable by the Deed and the actual charges paid by Unit Holders are as follows:

Sales Charge	**Maximum Allowable Rate**	10.00% of the investment amount/purchase amount, net of bank charges (if any).
	Actual Rate Charged	Up to 5.50% of the investment amount/purchase amount, net of bank charges (if any).
Repurchase Charge	**Maximum Allowable Rate**	5.00% of the withdrawal amount/ repurchase amount, net of bank charges (if any).
	Actual Rate Charged	None.

"SECTION 6 - SALIENT TERMS OF THE DEED", Section 6.2 Fees, Charges, and Expenses Permitted by the Deed

6.2.2 Maximum Annual Management Fee

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

Maximum Allowable Rate
2.50% per annum of the Net Asset Value of the Fund.

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

(a) the roles, duties and responsibilities of the Manager;
(b) the interests of the Unit Holders;
(c) the nature, quality and extent of the services provided by the Manager;
(d) the size and composition of the investments of the Fund;
(e) the success of the Manager in meeting the objective of the Fund;
(f) the investment performance of the Fund in question; and
(g) the maximum allowable rate (stipulated above).

"SECTION 6 - SALIENT TERMS OF THE DEED", Section 6.2 Fees, Charges, and Expenses Permitted by the Deed

6.2.3 Maximum Annual Trustee's Fee

The maximum annual Trustee's fee that the Trustee is permitted to charge to the Fund is at the rate below:

Maximum Allowable Rate
0.15% per annum of the Net Asset Value of the Fund (including local custodian fees and charges but excluding foreign custodian fees and charges).

In addition to the annual Trustee's fee, the Trustee may be paid by the Fund for any expense properly incurred by the Trustee in the performance of its duties and responsibilities and for taking into custody any foreign assets of the Fund. Such custodian fee, if charged, shall be determined in consultation with the Manager and shall not exceed the relevant prevailing market rate.

"SECTION 6 - SALIENT TERMS OF THE DEED", Section 6.2 Fees, Charges, and Expenses Permitted by the Deed

6.2.4 Increase in Fees and Charges

Any increase in the actual sales charge, the actual repurchase charge, the annual management fee and the annual Trustee's fee above the level disclosed in this prospectus (but below the maximum rate prescribed in the Deed) can be made by way of a supplementary prospectus or replacement prospectus. However, any increase in the sales charge, repurchase charge, annual management fee and annual Trustee's fee above the maximum rate prescribed in the Deed can only be made by way of a supplemental deed which will require approval of Unit Holders before the issuance of a supplemental deed and a supplementary prospectus or replacement prospectus.

"SECTION 6 - SALIENT TERMS OF THE DEED", Section 6.2 Fees, Charges, and Expenses Permitted by the Deed

6.2.5 Other Permitted Expenses of the Fund

Only the expenses which are directly related and necessary to the business of the Fund may be charged to the Fund.

The expenses directly incurred by and charged to the Fund, where applicable, include but are not limited to the list of expenses disclosed in this prospectus. (Section 4.2 (d) Other Expenses Directly Related to the Fund).

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

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

"SECTION 6 – SALIENT TERMS OF THE DEED", Section 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 or 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 Deed or the relevant laws; or
(v) has ceased to be eligible to be a management company under the relevant laws; or
(vi) has failed or neglected to carry out its duties to the satisfaction of the Trustee and the Trustee considers that it would be in the interests of Unit Holders for it to do so after the Trustee has given notice to the Manager of the Trustee's opinion and the reasons for that opinion, and the Trustee 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.

"SECTION 6 - SALIENT TERMS OF THE DEED", Section 6.3 Removal, Replacement and Retirement of the Manager and Trustee

6.3.2 Retirement of the Manager

The Manager may retire in favour of some other corporation and as necessary under any relevant law upon giving the Trustee twelve (12) months written notice of the Manager's intent to do so, or such shorter time as the Manager and the Trustee may agree upon, provided such retirement is approved by the Securities Commission and the retirement is in accordance with the terms and conditions under the Deed.

"SECTION 6 - SALIENT TERMS OF THE DEED", Section 6.3 Removal, Replacement and Retirement of the Manager and Trustee, Section 6.3.3 Removal or Replacement of the Trustee, first paragraph

The Trustee may be removed or replaced by the Manager if:

"SECTION 6 - SALIENT TERMS OF THE DEED", Section 6.3 Removal, Replacement and Retirement of the Manager and Trustee

6.3.4 Retirement of the Trustee

The Trustee may retire by giving at least a twelve (12) months' written notice to the Manager of the Trustee's intent to do so, or such shorter time as the Manager and the Trustee may agree upon, and appoint in its stead a new trustee approved by the relevant authorities and under any relevant law.

"SECTION 6 - SALIENT TERMS OF THE DEED", Section 6.5 Unit Holders Meeting ("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 voting by show of hands, every Unit Holder who is present in person or by proxy shall have one (1) 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 at the Meeting has one (1) 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 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 represented 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 in number representing at least three-fourths (3/4) of the value of Units held by the Unit Holders voting at the Meeting in person or by proxy. Resolutions passed at the Meeting shall bind all Unit Holders whether or not they were present at the Meeting.

"SECTION 7 - THE MANAGEMENT AND ADMINISTRATION OF THE FUND", Section 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 committee undertaking the oversight function of the Fund, 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 list of board of directors are available on the Manager's website, **www.rhbgroup.com.**

"SECTION 7 - THE MANAGEMENT AND ADMINISTRATION OF THE FUND", Section 7.3 Functions of the Manager

The Manager is responsible for the day-to-day administration of the Fund in accordance with the provisions of the Deed. The main roles, duties and responsibilities of the Manager include:

- Selecting and managing investments of the Fund;
- Executing, supervising and valuing investments of the Fund;
- Arrangement of sale and repurchase of Units;
- Keeping proper records of the Fund;
- Issuing the Fund's semi-annual and annual reports to Unit Holders;
- Distribution of income to Unit Holders (if any); and
- Marketing the Fund 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.

"SECTION 7 - THE MANAGEMENT AND ADMINISTRATION OF THE FUND"

The Functions of the Investment Committee under above section is hereby deleted.

"SECTION 7 – THE MANAGEMENT AND ADMINISTRATION OF THE FUND", Section 7.4 The Investment Team

The investment team is jointly responsible for the overall investment decisions made on behalf of the Fund.

The designated fund manager is Michael Chang Wai Sing.

Michael Chang is the chief investment officer ("CIO") for fixed income for RHBAM and has more than 22 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 (formerly known as MCIS Zurich) for eight years managing both life and general insurance portfolios. As the CIO of fixed income, Michael's primary role is to set the strategic direction for the fixed income investment team in Malaysia and RHBAM's regional offices covering both portfolio managers and credit analysts.

His strong investment acumen is recognized by the market and has been awarded as the Most Astute Investors in Asian Local Currency Bonds by the Asset Benchmark Research, Malaysia Rank #1 for four consecutive years from 2014 to 2017. He continued to maintain the Top 10 / Highly Commended ranking for the Most Astute Investors in 2018 and 2019. RHBAM also emerged and maintained its Top 3 ranking from 2017 to 2021 in the Top Fund House for Malaysia by the same research company. In 2022, RHBAM achieved Rank #4 for Top Fund House and also the RHBAM's fixed income portfolio managers were also ranked yearly as highly commended for one of the most astute investors in local currency bonds.

Michael graduated with a bachelor of commerce degree from The University of Western Australia, with double majors in accounting and finance and a minor in business law. He is a Capital Markets Services Representative's License holder for fund management and also a member of ACI-Malaysia – The Financial Markets Association (PPKM). Prior to gaining his PPKM membership, he is a distinction and award recipient of PPKM. Prior to gaining his membership, he was a distinction and award recipient of Pasaran Kewangan Malaysia Certificate (PKMC). He is also a holder of the Capital Market and Financial and Financial Advisory Services to practice fund management in Singapore having successfully completed Module 3 - Rules & Regulations for Fund Management and Representative under the Securities and Futures Act (CAP 289) and/or Financial Advisers Act (CAP 110) licensed by the Monetary Authority of Singapore.

The designated fund manager of the Fund is supported by our investment team comprising of a team of experienced fund managers who are responsible to actively manage the Fund in accordance with the investment objective of the Fund and the provision of the Deed. The investment team shall have discretionary authority over the investments of the Fund subject to the rules and guidelines issued by the relevant authorities.

"SECTION 7 - THE MANAGEMENT AND ADMINISTRATION OF THE FUND", Section 7.5 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 the Manager is not aware of any facts likely to give rise to any proceedings which might materially and adversely affect the business and/or financial position of the Manager.

"SECTION 7 - THE MANAGEMENT AND ADMINISTRATION OF THE FUND", Section 7.6 Other Information

Further information on the Manager is provided on the Manager's website, **www.rhbgroup.com**.

"SECTION 8 - THE TRUSTEE OF THE FUND", Section 8.1 HSBC (Malaysia) Trustee Berhad

The Trustee is HSBC (Malaysia) Trustee Berhad, a company incorporated in Malaysia since 1937 and registered as a trust company under the Trust Companies Act 1949, with its registered address at Level 19, Menara IQ, Lingkaran TRX, 55188 Tun Razak Exchange, Kuala Lumpur.

"SECTION 8 - THE TRUSTEE OF THE FUND", Section 8.5 Trustee's Disclosure of Material Litigation

As at the Latest Practicable Date, 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.

"SECTION 8 - THE TRUSTEE OF THE FUND", Section 8.6 Trustee's Delegates

The Trustee has appointed The Hongkong and Shanghai Banking Corporation Limited as the custodian of both the local and foreign assets of the Fund. For quoted and unquoted local investments of the Fund, the assets are held through their nominee company, HSBC Nominees (Tempatan) Sdn Bhd and/or HSBC Bank Malaysia Berhad. The Hongkong and Shanghai Banking Corporation Limited 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 including central securities depositories or clearing and/or settlement systems and/or authorised depository institutions, where the law or regulations of the relevant jurisdiction requires the Trustee to deal or hold any asset of the Fund through such third parties.

Particulars of the Trustee's Delegate

For foreign assets:
The Hongkong and Shanghai Banking Corporation Limited
6/F, Tower 1,
HSBC Centre,
1 Sham Mong Road, Hong Kong.
Telephone No: (852)2288 1111

For local assets:
The Hongkong and Shanghai Banking Corporation Limited (As Custodian) and assets held through HSBC Nominees (Tempatan) Sdn Bhd (Registration No.: 199301004117(258854-D))
Level 21, Menara IQ
Lingkaran TRX
55188 Tun Razak Exchange
Kuala Lumpur, Malaysia
Telephone No: (603)2075 3000 Fax No: (603) 8894 2588

The Hongkong and Shanghai Banking Corporation Limited (As Custodian) and assets held through HSBC Bank Malaysia Berhad (Registration No.: 198401015221 (127776-V))
Level 21, Menara IQ
Lingkaran TRX
55188 Tun Razak Exchange
Kuala Lumpur, Malaysia
Telephone No: (603)2075 3000 Fax No: (603) 8894 2588

"SECTION 9 - RELATED-PARTY TRANSACTION AND CONFLICT OF INTEREST", first paragraph

The directors and officers of the Manager, and the person(s) or members of a committee undertaking the oversight function of the Fund should avoid any conflict of interest arising, and if any conflict arises, should ensure that the Fund is not disadvantaged by the transaction concerned. Any transaction carried out by or on behalf of the Fund should be executed on terms which are the best available for the Fund and which are no less favourable to the Fund than an arm's length transaction between independent parties. In the event the interest of any directors and employees of the Manager, and the person(s) or members of a committee undertaking the oversight function of the Fund is directly or indirectly involved, he or she would abstain from being involved with any decision making process of the said transaction.

"SECTION 9 - RELATED-PARTY TRANSACTION AND CONFLICT OF INTEREST", HSBC (Malaysia) Trustee Berhad, first paragraph

As the trustee for the Fund, there may be related party transaction involving or in connection with the Fund in the following events:

1) where the Fund invests in instruments offered by the related party of the Trustee (e.g placement of monies, transferable securities, etc);
2) where the Fund is being distributed by the related party of the Trustee as IUTA;
3) where the assets of the Fund are being custodised by the related party of the Trustee both as sub-custodian and/or global custodian of the Fund (Trustee's delegate); and
4) where the Fund obtains financing as permitted under the Guidelines, from the related party of the Trustee.

"SECTION 10 - TAX ADVISER'S LETTER ON THE TAXATION OF THE FUND AND UNIT HOLDERS"

The Tax adviser's letter has been updated.

"SECTION 13 - DOCUMENTS AVAILABLE FOR INSPECTION"

The following documents or copies thereof, where applicable, may be inspected by Unit Holders without charge at the registered/principal office of the Manager or such other place as the Securities Commission may determine:

(a) the Deed and supplementary deed, if any;
(b) the current prospectus and supplementary or replacement prospectus, if any;
(c) the latest annual and semi-annual reports of the Fund;
(d) each material contract disclosed in this prospectus and, in the case of a contract not reduced into writing, a memorandum which gives full particulars of the contract;
(e) the audited financial statements of the Manager and the Fund for the current financial year (where applicable) and for the last three (3) financial years or if the Fund has been established for a period of less than three (3) years, from the date of incorporation or commencement;
(f) all reports, letters or other documents, valuations and statements by any expert, any part of which is extracted or referred to in this prospectus (if any). Where a summary expert's report is included in the 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 prospectus; and
(h) all consents given by experts or persons whose statement appear in this prospectus.

"SECTION 14 - CONSENT"

The Trustee, the Management Company and solicitors have given their consent for the inclusion of their names and statements in the form and context in which they appear in this prospectus and have not withdrawn such consent.

The tax adviser has given its consent for the inclusion of its name and tax adviser's letter in the form and context in which they appear in this prospectus and has not withdrawn such consent.

"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 call us at 03-9205 8000 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.**

MANAGER'S REPORT

MARKET REVIEW

The Target Fund Manager commented that the United States ("US") small-mid capitalization equities, as measured by the Russell 2500 Index, returned 4.63% over the twelve-month period ended 31 October 2023. The year started well with strong performance in November 2023. Softening inflation and early signs of labour market loosening fitted with the hopes for a soft-landing. The US Consumers remained resilient, even if this was perhaps focused in higher-income consumers. There was no Santa Claus rally in December 2023 with markets worried about downwards earnings revisions in year 2023. January 2023 was a strong month for US stocks mainly due to a reversal of the bearish sentiment in December 2023. February saw stocks give back some of these gains as tight labour market data reinforced inflationary concerns together with worries about future earnings. Small cap stocks at this point had continued a trend from year 2022 of outperformance against large caps. Banking sector turmoil then hit the markets in March 2023 causing a flight to safety. Money market funds were by far and away the main recipient both from bank deposits and investment wrappers. Within equities, investors considered mega cap tech stocks as the safest option, retreating from small and mid-caps partly due to a large weighting in this universe to smaller regional banks. This caused the first quarter of year 2023 ("1Q23") underperformance versus ("vs") large caps of small cap stocks for a year 2023.

The Target Fund Manager said that small cap stocks never recovered from the change in sentiment caused by the issues in the banking sector in March 2023 for the rest of the year 2023. From March 2023, the market concurrently switched its attention to pricing in the potential benefits of Artificial Intelligence ("AI") after an upbeat report from Nvidia. This meant a focus on a small number of mega cap companies which led the market from March 2023 up to August 2023 to the detriment of small caps. Markets were especially weak in August 2023, September 2023 and October 2023 which traditionally can be months when risk is taken off the table. Rising Treasury yields and geopolitical risks, following the assault on Israel by Hamas forces, were major concerns for investors and the reason for weakness during these two months.

ECONOMIC REVIEW

The Target Fund Manager said that, as expected, the US Federal Reserve ("Fed") chose not to raise interest rates at its September 2023 meeting and left the Federal funds policy rate at 5.25% to 5.50%. The focus was on the Federal Open Market Committee's ("FOMC") projections for the economy and interest rates, particularly the widely followed "dot plot" of individual members Fed fund projections. As Chair Powell made clear during his press conference, the economy has proven to be stronger than expected as a result of the ongoing strength of the consumer. The FOMC's economic projections now show the median expectation for Gross Domestic Product

("GDP") growth this year at 2.10% (previously 1.10%) and next year at 1.50% (previously 1.00%). As a consequence, the unemployment rate is now projected to be lower at the end of next year at 4.10% compared to a previous expectation of 4.50%. Nonetheless, the inflation rate (as measured by the core personal consumption expenditure ("PCE") deflator) is still expected to fall to 2.60% over this period, no change since the June 2023 projection. Inflation is then expected to fall back to its 2.00% target in year 2025. In this respect the Fed believes the trade-off between growth and inflation has improved and a misery index would show households to be less glum on this combination of unemployment and inflation than before.

The Target Fund Manager mentioned that its less positive, from a market perspective, the expected level of interest rates needed to achieve this outcome is now higher. The median expected Fed funds rate for the end of year 2024 and year 2025 has risen by 50 basis points ("bps") to 5.10% and 3.90% respectively. And a small majority of the committee expects another rate hike before the end of this year. Given the unchanged inflation projections this implies higher real interest rates. It also means there would only be scope for modest rate cuts in year 2024.

A higher than longer interest rate outlook increases risk for leveraged companies including banks. The risks have increased that they will need to refinance their business and sharply elevated costs or in some cases financing might not be available. There is a risk that projects that made economic sense at zero interest rates are increasingly unviable. As active managers, the Target Fund Manager are assessing these risks, avoiding vulnerable companies.

The Target Fund Manager is keeping profit margins in focus as pricing power and volume growth remains challenged. They also notice that companies are holding on to labor and/or inventory even as the economy slows, which is further pressuring margins.

MARKET OUTLOOK AND STRATEGY

The Target Fund Manager is of the view that a good starting point to support US smaller companies is that today's valuations are already pricing in a lot of bad news. Smaller companies have not been so cheap relative to large caps since the technology bubble in year 1999 to year 2001. Indeed, US smaller companies trade at similar valuations to markets outside the US for the first time in years, meaning you can still invest in the US economy without paying a premium.

The Target Fund Manager said that a supporting trend is the rise in capital spending in the US. For example, there is a major initiative underway to re-shore supply chains as globalization starts to retreat. The US government is providing major incentives to promote more domestic manufacturing enshrined in legislation through policy such as the Chips and Science Act and Inflation Reduction Act passed in year 2022. The Infrastructure Bill of year 2021 provides additional tailwinds. A year or more on from the passing of this legislation, companies are starting to take advantage, leading to a

major investment cycle. Construction of new factories is booming in particular in states like Arizona and the Carolinas. Other factors supporting capex are efforts to reduce emissions and the need to spend on automation to mitigate labor shortages. Sales growth of smaller companies is highly correlated to US capex growth. This reflects the largely domestic focus of small cap businesses compared to large caps.

The Target Fund Manager added that small cap stocks are more vulnerable to the business cycle due to their relatively weaker balance sheets and more volatile revenues. Currently, they are trading at a discount driven by recession fears. If a recession does not occur, the discount should dissipate. Despite the risks, the current low valuation of small caps makes them a potentially attractive investment option.

TARGET FUND'S TOP 10 HOLDINGS

The Target Fund's top 10 holdings as at 31 October 2023 are as follows:

No.	Security Name	% of Net Asset Value (%)
1	Assurant INC	2.59
2	Masimo Corp	2.14
3	Liveramp Holdings INC	1.83
4	ASGN INC	1.83
5	Dolby Laboratories INC Class A	1.62
6	Kemper Corp	1.60
7	Hexcel Corp	1.59
8	BWX Technologies INC	1.58
9	Kirby Corp	1.55
10	Renaissancere Holdings LTD	1.55

The Target Fund's top 10 holdings as at 31 October 2022 are as follows:

No.	Security Name	% of Net Asset Value (%)
1	IDEX Corporation	2.09
2	Assurant, INC.	1.91
3	Amdocs Limited	1.83
4	Rentokil Initial plc Sponsored ADR	1.77
5	Darling Ingredients Inc.	1.65
6	Reinsurance Group of America, Incoporated	1.63
7	Haemonetics Corporation	1.61
8	Balchem Corporation	1.61
9	Berry Global Group Inc	1.60
10	Leidos Holdings, Inc.	1.60

REVIEW OF THE FUND PERFORMANCE DURING THE FINANCIAL YEAR

For the financial year under review, the Fund (RM) registered a negative return of 9.64%* whilst its benchmark, Russell 2500 TR Lagged (RM) recorded a negative return of 3.88%*. The Fund (RM) has underperformed the benchmark (RM) for the financial year under review. The Net Asset Value ("NAV") per unit of the Fund was RM1.0001 (31 October 2022: RM1.1068) as at 31 October 2023.

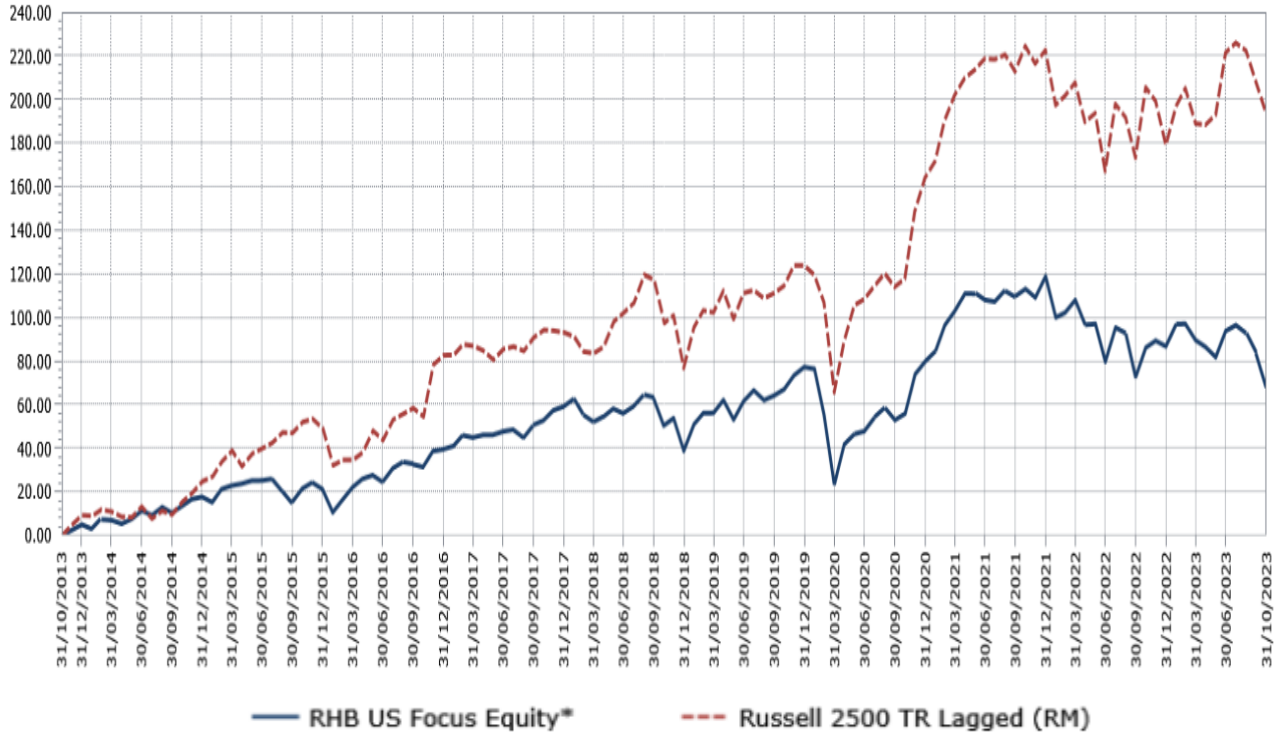
** Source: Lipper Investment Management ("Lipper IM"), 20 November 2023*

PERFORMANCE DATA

	Annual Total Returns Financial Year Ended 31 October				
	2023 %	**2022 %**	**2021 %**	**2020 %**	**2019 %**
RHB US Focus Equity Fund					
- Capital Return	(9.64)	(12.61)	31.20	(6.69)	6.73
- Income Return	-	-	3.92	-	4.05
- Total Return	(9.64)	(12.61)	36.34	(6.69)	11.05
Russell 2500 TR Lagged (RM)	(3.88)	(5.86)	48.43	0.93	8.54

	Average Annual Returns			
	1 Year 31.10.2022–31.10.2023 %	**3 Years 31.10.2020–31.10.2023 %**	**5 Years 31.10.2018–31.10.2023 %**	**10 Years 31.10.2013–31.10.2023 %**
RHB US Focus Equity Fund	(9.64)	2.49	2.21	5.33
Russell 2500 TR Lagged (RM)	(3.88)	10.46	8.25	11.37

Performance of RHB US Focus Equity Fund
for the year from 31 October 2013 to 31 October 2023
Cumulative Return Over The Year (%)



Source: Lipper IM, 20 November 2023

The abovementioned performance figures are indicative returns based on daily Net Asset Value of a unit (as per Lipper Database) since inception.

The calculation of the above returns is based on computation methods of Lipper.

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

The abovementioned performance computations have been adjusted to reflect distribution payments and unit splits wherever applicable.

Fund Size	As at 31 October		
	2023	2022	2021
Net Asset Value (RM million)	34.66	43.81	81.76*
Units In Circulation (million)	34.66	39.59	64.57
Net Asset Value Per Unit (RM)	1.0001	1.1068	1.2663*

Historical Data	Financial Year Ended 31 October		
	2023	2022	2021
Unit Prices			
NAV - Highest (RM)	1.2122	1.3153	1.3394*
- Lowest (RM)	0.9962	1.0102	0.9747*
Distribution and Unit Split			
Gross Distribution Per Unit (sen)	-	-	5.0000
Net Distribution Per Unit (sen)	-	-	5.0000
Distribution Date	-	-	27.10.2021
NAV before distribution (cum)	-	-	1.3394
NAV after distribution (ex)	-	-	1.2773
Unit Split	-	-	-
Others			
Total Expense Ratio (TER) (%) #	0.92	0.89	0.91
Portfolio Turnover Ratio (PTR) (times) ##	0.13	0.28	0.56

* *The figures quoted are ex-distribution*

\# The TER for the financial year was higher compared with previous financial year due to lower average net asset value for the financial year under review.

\## The PTR for the financial year was lower compared with previous financial year due to lesser investment activities for the financial year under review.

DISTRIBUTION

For the financial year under review, no distribution has been proposed by the Fund.

PORTFOLIO STRUCTURE

The asset allocations of the Fund as at reporting date was as follows:

	As at 31 October		
	2023	**2022**	**2021**
	%	**%**	**%**
Sectors			
Foreign collective investment scheme	97.47	101.30	96.62
Forward foreign currency contracts	(0.58)	(7.01)	0.55
Liquid assets and other net current assets	3.11	5.71	2.83
	100.00	100.00	100.00

The asset allocation was reflective of the Manager's stance to risk manage its portfolio in an environment of volatile markets.

SECURITIES FINANCING TRANSACTIONS

The Fund has not undertaken any securities lending or repurchase transactions for the financial year under review.

CROSS TRADE

The Fund has not carried out any cross trade transactions for the financial year under review.

SOFT COMMISSION

There were no soft commissions received by the management company for the financial year under review.

RHB US FOCUS EQUITY FUND
STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2023

	Note	2023 RM	2022 RM
ASSETS			
Bank balances	5	50,546	92,839
Deposits with licensed financial institutions	5	1,439,796	2,515,401
Investments	6	33,784,371	44,381,060
Amount due from Manager		104,832	-
Other receivables		28,679	72,483
Tax Recoverable		41,975	-
Forward foreign currency contracts	7	58,644	-
TOTAL ASSETS		35,508,843	47,061,783
LIABILITIES			
Forward foreign currency contracts	7	258,436	3,072,832
Amount due to Broker		523,765	-
Amount due to Manager		-	79,731
Accrued management fee		54,590	64,708
Amount due to Trustee		1,820	2,157
Other payables and accruals		8,199	10,350
Tax payable		-	18,823
TOTAL LIABILITIES		846,810	3,248,601
NET ASSET VALUE		34,662,033	43,813,182
EQUITY			
Unit holders' capital		973,577	6,717,054
Retained earnings		33,688,456	37,096,128
		34,662,033	43,813,182
UNITS IN CIRCULATION (UNITS)	8	34,659,819	39,585,819
NET ASSET VALUE PER UNIT (RM)		1.0001	1.1068

The accompanying notes are an integral part of the financial statements.

RHB US FOCUS EQUITY FUND
STATEMENT OF INCOME AND EXPENSES
FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023

	Note	2023 RM	2022 RM
LOSS			
Interest income from deposits with licensed financial institutions		33,313	28,376
Net realised gain on disposal		2,197,726	7,695,560
Net unrealised loss on changes in fair value		(3,930,200)	(7,591,667)
Net foreign currency exchange gain		28,007	10,043
Net loss on forward foreign currency contracts	7	(1,407,626)	(6,591,735)
		(3,078,780)	(6,449,423)
EXPENSES			
Management fee	9	(332,963)	(453,970)
Trustee's fee	10	(24,074)	(33,706)
Audit fee		(5,700)	(5,350)
Tax agent's fee		(2,500)	(2,500)
Other expenses		(4,228)	(3,902)
		(369,465)	(499,428)
Net loss before taxation		(3,448,245)	(6,948,851)
Taxation	11	40,573	(40,573)
Net loss after taxation		(3,407,672)	(6,989,424)
Net loss after taxation is made up as follow:			
Realised amount		(2,350,513)	4,126,613
Unrealised amount		(1,057,159)	(11,116,037)
		(3,407,672)	(6,989,424)

The accompanying notes are an integral part of the financial statements.

RHB US FOCUS EQUITY FUND
STATEMENT OF CHANGES IN NET ASSET VALUE
FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023

	Unit holders' capital	Retained earnings	Total net asset value
	RM	RM	RM
Balance as at 1 November 2021	37,676,398	44,085,552	81,761,950
Movement in net asset value:			
Net loss after taxation	-	(6,989,424)	(6,989,424)
Creation of units arising from applications	6,970,462	-	6,970,462
Cancellation of units	(37,929,806)	-	(37,929,806)
Balance as at 31 October 2022	6,717,054	37,096,128	43,813,182
Balance as at 1 November 2022	6,717,054	37,096,128	43,813,182
Movement in net asset value:			
Net loss after taxation	-	(3,407,672)	(3,407,672)
Creation of units arising from applications	8,312,796	-	8,312,796
Cancellation of units	(14,056,273)	-	(14,056,273)
Balance as at 31 October 2023	973,577	33,688,456	34,662,033

The accompanying notes are an integral part of the financial statements.

RHB US FOCUS EQUITY FUND
STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023

	Note	2023 RM	2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of investments		10,892,013	49,561,623
Purchase of investments		(1,478,418)	(2,425,500)
Interest received from deposits with licensed financial institutions		33,313	28,376
Management fee paid		(296,886)	(526,769)
Trustee's fee paid		(24,411)	(36,199)
Payment for other fees and expenses		(14,578)	(11,752)
Net realised loss on forward foreign currency contracts		(4,280,666)	(3,067,366)
Tax paid		(20,225)	(21,750)
Net cash generated from operating activities		4,810,142	43,500,663
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		8,207,964	7,058,596
Cash paid for units cancelled		(14,136,004)	(50,239,689)
Net cash used in financing activities		(5,928,040)	(43,181,093)
Net (decrease)/increase in cash and cash equivalents		(1,117,898)	319,570
Cash and cash equivalents at the beginning of the financial year		2,608,240	2,288,670
Cash and cash equivalents at the end of the financial year	5	1,490,342	2,608,240

The accompanying notes are an integral part of the financial statements.

RHB US FOCUS EQUITY FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

The RHB US Focus Equity Fund (hereinafter referred to as "the Fund") was constituted pursuant to the execution of a Deed dated 14 July 2010 as modified via its First Supplemental Deed dated 4 September 2013, Second Supplemental Deed dated 24 February 2015, Third Supplemental Deed dated 3 June 2015 and Fourth Supplemental Deed dated 22 March 2023 (hereinafter referred to as "the Deeds") between RHB Asset Management Sdn Bhd ("the Manager") and HSBC (Malaysia) Trustee Berhad ("the Trustee").

The Fund was launched on 15 October 2010 and will continue its operations until terminated according to the conditions provided under the Deeds. The principal activities of the Fund is to invest in Permitted Investments as defined under the Deeds.

All investments will be subject to the Securities Commission Malaysia ("SC")'s Guidelines on Unit Trust Funds, SC's requirements, the Deeds, except where exemptions or variations have been approved by the SC, internal policies and procedures and objective of the Fund.

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

The Manager is a company incorporated in Malaysia and is a wholly-owned subsidiary of RHB Investment Bank Berhad, effective 6 January 2003. Its principal activities include rendering of investment management services, management of unit trust funds and private retirement schemes and provision of investment advisory services.

These financial statements were authorised for issue by the Manager on 21 December 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of the financial statements

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss, except those as disclosed in the summary of significant accounting policies, and in accordance with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

The preparation of financial statements in conformity with MFRS and IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the financial year. It also requires the Manager to exercise its judgement in the process of applying the Fund's accounting policies. Although these estimates and judgement are based on the Manager's best knowledge of current events and actions, actual results may differ. There were no areas involving higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements.

(a) Standards and amendments to existing standards effective 1 November 2022

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 November 2022 that have a material effect on the financial statements of the Fund.

(b) New standards, amendments and interpretations effective after 1 November 2022 and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 November 2022, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

- Amendments to MFRS 101 'Classification of liabilities as current or non-current' clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant).

The amendment is effective for the annual financial reporting period beginning on or after 1 November 2024.

The amendment shall be applied retrospectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Financial assets

Classification

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

- those to be measured subsequently at fair value through profit or loss ("FVTPL"), and
- those to be measured at amortised cost.

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Fund has not taken the option to irrevocably designate any equity securities financial assets measured at as fair value through other comprehensive income. The contractual cash flows of the Fund's debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments and derivatives are is measured at fair value through profit or loss.

The Fund classifies cash and cash equivalents, amount due from Manager and other receivables as financial assets measured at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the asset. Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Financial assets (continued)

Recognition and measurement (continued)

Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in statement of income and expenses within net gain or losses on investments in the year in which they arise.

Collective investment scheme is valued based on the last published net asset value per unit or share of such collective investment scheme or, if unavailable, on the average of the last published buying price and the last published selling price of such unit or share (excluding any sales charge included in such selling price).

Deposits with licensed financial institutions are stated at cost plus accrued interest calculated on the effective interest method over the year from the date of placement to the date of the statement of financial position, which is a reasonable estimate of fair value due to the short-term nature of the deposits.

Derivative investments are forward foreign currency contracts. Financial derivative position will be "marked to market" at the close of each valuation day. Foreign exchange gains and losses on the derivative financial instruments are recognised in the statement of income and expenses when settled or at the date of the statement of financial position at which they are included in the measurement of the derivative financial instrument.

Financial assets at amortised cost are subsequently carried at amortised cost using the effective interest method.

Impairment of financial assets

The Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward-looking information in determining any expected credit loss. Management considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on the 12-month expected credit losses as any such impairment would be wholly insignificant to the Fund.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Financial assets (continued)

Significant increase in credit risk

A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due or a counterparty credit rating which has fallen below BBB/Baa.

Definition of default and credit-impaired financial assets

Any contractual payment which is more than 90 days past due is considered credit impaired.

Write-off

The Fund writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on the unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Fund may write off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains. There are no write offs/recoveries during the financial year.

2.3 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of MFRS 9, are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

The Fund's financial liabilities which include amount due to broker, amount due to Manager, accrued management fee, amount due to Trustee, and other payables and accruals are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

The Fund's policies on derivative instruments are stated in Note 2.2 and Note 2.12.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Financial liabilities (continued)

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in statement of income and expenses when the liabilities are derecognised, and through the amortisation process.

2.4 Unit holders' capital

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

- the units entitle the holder to a proportionate share of the Fund's net asset value;
- the units are the most subordinated class and class features are identical;
- there is no contractual obligation to deliver cash or another financial asset other than the obligation on the Fund to repurchase; and
- the total expected cash flows from the units over its life are based substantially on the statement of income and expenses of the Fund.

The outstanding units are carried at the redemption amount that is payable at each financial year if the unit holders exercise the right to put the units back to the Fund.

Units are created and cancelled at prices based on the Fund's net asset value per unit at the time of creation or cancellation. The Fund's net asset value per unit is calculated by dividing the net assets attributable to unit holders with the total number of outstanding units.

2.5 Income recognition

Interest income from short-term deposits with licensed financial institutions is recognised on an accrual basis using the effective interest method.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial assets (after deduction of the loss allowance).

Realised gain or loss on sale of collective investment scheme is arrived at after accounting for cost of investments, determined on the weighted average cost method.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Income recognition (continued)

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

Net income or loss is the total of income less expenses.

2.6 Taxation

Current tax expense is determined according to Malaysian tax laws at the current date and includes all taxes based upon the taxable income earned during the financial year.

2.7 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise bank balances and deposits with short-term licensed financial institutions with original maturities of three months or less that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value.

2.8 Distribution

Distribution to the Fund's unit holders is accounted for as a deduction from realised reserves. A proposed distribution is recognised as a liability in the financial year in which it is approved by the Trustee.

2.10 Presentation and functional currency

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is the Fund's presentation and functional currency.

Due to mixed factors in determining the functional currency of the Fund, the Manager has used its judgement to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions and have determined the functional currency to be in RM primarily due to the following factors:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Presentation and functional currency (continued)

- The Fund's cash is denominated in RM for the purpose of making settlement of the creation and cancellation.
- The Fund's units are denominated in RM.
- The Fund's significant expenses are denominated in RM.

2.11 Foreign currency translation

Foreign currency transactions in the Fund are accounted for at exchange rates prevailing at the transaction dates. Foreign currency monetary assets and liabilities are translated at exchange rates prevailing at the reporting date. Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are recognised in statement of income and expenses.

2.12 Derivative financial instruments

The Fund's derivative financial instruments comprise forward foreign currency contracts. Derivative financial instruments are initially recognised at fair value on the date derivative contracts are entered into and are subsequently re-measured at their fair value.

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

The method of recognising the resulting gain or loss depends on whether the derivative financial instrument is designated as a hedging instrument, and the nature of the item being hedged. Derivative financial instruments that do not qualify for hedge accounting are classified as FVTPL and accounted for in accordance with the accounting policy set out in Note 2.2.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to a variety of risks, which include market risk, price risk, interest rate risk, currency risk, credit risk, liquidity risk and capital risk.

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

Market risk

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

Price risk

Price risk is the risk that the fair value of an investment of the Fund will fluctuate because of changes in market prices.

The Fund is exposed to collective investment scheme price risk (other than those arising from interest rate risk) price risk for its investments of RM33,784,371 (2022: RM44,381,060) in collective investment scheme.

The sensitivity analysis is based on the assumption that the price of the collective investment scheme fluctuate by +/(-) 5% with all other variables held constant, the impact on statement of income and expenses and net asset value is +/(-) RM1,689,219 (2022: RM2,219,053).

Interest rate risk

Interest rate risk is the risk that the cost or the value of the financial instruments will fluctuate due to changes in market interest rates. The Fund's exposure to interest rate risk is mainly from short term placements with licensed financial institutions. The Manager overcomes the exposure by way of maintaining deposits on short term basis. Therefore, exposure to interest rate fluctuation is minimal.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Currency risk

Currency risk is associated with financial instruments that are priced in foreign currency denomination. Malaysian based investor should be aware that if the Ringgit Malaysia appreciates against the currencies in which the portfolio of the investment is denominated, this will have an adverse effect on the net asset value of the Fund and vice versa. Investors should note any gains or losses arising from the movement of foreign currencies against its home currency may therefore increase/decrease the capital gains of the financial instruments. Nevertheless, investors should realise that currency risk is considered as one of the major risks to financial instruments in foreign assets due to the volatile nature of the foreign exchange market.

The sensitivity analysis is based on the assumption that the foreign exchange rate fluctuates by +/(-) 5% with all other variables held constant, the impact on statement of income and expenses and net asset value is (–)RM224,585/+ RM224,585 (2022: +RM2,602,815/+RM3,199,038).

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

	Investments	**Other financial liabilities***	**Forward foreign currency contracts**	**Total**
	RM	**RM**	**RM**	**RM**
2023				
United States Dollar ("USD")	33,784,371	(523,765)	(199,792)	33,060,814
2022				
United States Dollar ("USD")	44,381,060	-	(3,072,832)	41,308,228

* Comprise of amount due to brokers.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk

Credit risk refers to the possibility that the issuer of a particular investment will not be able to make timely or full payments of principal or income due on that investment. The credit risk arising from cash and cash equivalents is managed by ensuring that the Fund will only maintain cash balances and place deposits with reputable licensed financial institutions. The settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the SC Guidelines on Unit Trust Funds.

For amount due from fund manager of collective investment scheme, the settlement terms are governed by the relevant rules and regulations as prescribed by the relevant regulatory authority in its home jurisdiction.

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

	Cash and cash equivalents RM	**Forward foreign currency contracts RM**	**Other financial assets* RM**	**Total RM**
2023				
AAA	1,490,342	58,644	-	1,548,986
Others	-	-	133,511	133,511
	1,490,342	58,644	133,511	1,682,497
2022				
AAA	2,608,240	-	-	2,608,240
Others	-	-	72,483	72,483
	2,608,240	-	72,483	2,680,723

* Comprise of amount due from Manager and other receivables.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations.

Liquidity risk exists when particular investments are difficult to sell. As such, the Fund may not be able to sell such illiquid investments at an advantageous time or price to meet its liquidity requirements. Unit trust funds with principal investment strategies that involve securities or securities with substantial market and/or credit risk tend to have the greater exposure to liquidity risk. As part of its risk management, the Manager will attempt to manage the liquidity of the Fund through asset allocation and diversification strategies within the portfolio. The Manager will also conduct constant fundamental research and analysis to forecast future liquidity of its investments.

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

	Less than 1 month RM	**Between 1 month to 1 year RM**
2023		
Forward foreign currency contracts	-	258,436
Amount due to Brokers	523,765	-
Accrued management fee	54,590	-
Amount due to Trustee	1,820	-
Other payables and accruals	-	8,199
	580,175	266,635
2022		
Forward foreign currency contracts	1,548,827	1,524,005
Amount due to Manager	79,731	-
Accrued management fee	64,708	-
Amount due to Trustee	2,157	-
Other payables and accruals	-	10,350
	1,695,423	1,534,355

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Capital risk

The capital of the Fund is represented by equity consisting of unit holders' capital of RM973,577 (2022: RM6,717,054) and retained earnings of RM33,688,456 (2022: RM37,096,128). The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unit holders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

4. FAIR VALUE ESTIMATION

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

The fair value of financial assets and financial liabilities traded in an active market (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the financial year end date.

An active market is a market in which transactions for the assets or liabilities take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The fair value of financial assets and financial liabilities that are not traded in an active market is determined by using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each financial year end date. Valuation techniques used for non-standardised financial instruments such as options, currency swaps and other over-the-counter derivatives, include the use of comparable recent transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

The fair values are based on the following methodologies and assumptions:

(i) For bank balances and deposits with licensed financial institutions with maturities less than 1 year, the carrying value is a reasonable estimate of fair value.

(ii) The carrying value of receivables and payables are assumed to approximate their fair values due to their short term nature.

4. FAIR VALUE ESTIMATION (CONTINUED)

Fair value hierarchy

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

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

The following table analyses within the fair value hierarchy the Fund's financial assets and financial liabilities at fair value through profit or loss (by class) measured at fair value:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2023				
Financial assets at FVTPL				
- Collective investment scheme - foreign	33,784,371	-	-	33,784,371
- Forward foreign currency contracts	-	58,644	-	58,644
	33,784,371	58,644	-	33,843,015
Financial liabilities at FVTPL				
- Forward foreign currency contracts	-	(258,436)	-	(258,436)
2022				
Financial assets at FVTPL				
- Collective investment scheme - foreign	44,381,060	-	-	44,381,060
Financial liabilities at FVTPL				
- Forward foreign currency contracts	-	(3,072,832)	-	(3,072,832)

4. FAIR VALUE ESTIMATION (CONTINUED)

Fair value hierarchy (continued)

Investments in collective investment scheme, i.e. unit trust fund whose values are based on published prices in active markets are classified within Level 1. The Fund does not adjust the published prices for these instruments.

Financial instruments that trade in markets that are considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. This includes forward foreign currency contracts. As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

The Fund's policies on valuation of these financial assets and financial liabilities are stated in Note 2.2 and Note 2.12.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprised:

	2023	**2022**
	RM	**RM**
Bank balances	50,546	92,839
Deposits with licensed financial institutions	1,439,796	2,515,401
	1,490,342	2,608,240

6. INVESTMENTS

	2023	**2022**
	RM	**RM**
Investments:		
- Collective investment scheme – foreign	33,784,371	44,381,060

6. INVESTMENTS (CONTINUED)

Investments as at 31 October 2023 are as follows:

Name of Counter	Quantity	Cost RM	Fair Value RM	% of Net Asset Value %
COLLECTIVE INVESTMENT SCHEME – FOREIGN				
LUXEMBOURG				
Schroder International Selection Fund US Small & Mid-Cap Equity Class X Accumulation Share Class ("Schroder ISF USSME")	17,148	28,394,276	33,784,371	97.47
TOTAL INVESTMENTS		**28,394,276**	**33,784,371**	**97.47**

Investments as at 31 October 2022 are as follows:

Name of Counter	Quantity	Cost RM	Fair Value RM	% of Net Asset Value %
COLLECTIVE INVESTMENT SCHEME – FOREIGN				
LUXEMBOURG				
Schroder International Selection Fund US Small & Mid-Cap Equity Class X Accumulation Share Class ("Schroder ISF USSME")	21,438	35,060,766	44,381,060	101.30
TOTAL INVESTMENTS		**35,060,766**	**44,381,060**	**101.30**

7. FORWARD FOREIGN CURRENCY CONTRACTS

As at 31 October 2023, there are three (2022: two) forward foreign currency contracts outstanding. The notional principal amount of the outstanding forward foreign currency contracts amounted to RM38,076,290 (2022: RM50,358,283). The forward foreign currency contracts entered into was for hedging against the currency exposure arising from the investments in the collective investment scheme denominated in USD.

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

Net loss on forward foreign currency contracts is as follows:

	2023	**2022**
	RM	**RM**
Net realised loss on forward foreign currency contracts	(4,280,667)	(3,067,366)
Net unrealised gain/(loss) on forward foreign currency contracts	2,873,041	(3,524,369)
	(1,407,626)	(6,591,735)

Forward foreign currency contracts as at 31 October 2023 are as follows:

Counterparties	**Receivables**	**Payables**	**Fair Value**	**% of Net Asset Value**
	RM	**RM**	**RM**	**%**
HSBC Bank Malaysia Berhad	2,988,644	(2,930,000)	58,644	0.17
RHB Bank Berhad	4,891,564	(5,150,000)	(258,436)	(0.75)
TOTAL FORWARD FOREIGN CURRENCY CONTRACTS	**7,880,208**	**8,080,000**	**(199,792)**	**(0.58)**

7. FORWARD FOREIGN CURRENCY CONTRACTS (CONTINUED)

Forward foreign currency contracts as at 31 October 2022 are as follows:

Counterparties	Receivables RM	Payables RM	Fair Value RM	% of Net Asset Value %
HSBC Bank Malaysia Berhad	3,241,173	(4,790,000)	(1,548,827)	(3.53)
RHB Bank Berhad	5,025,995	(6,550,000)	(1,524,005)	(3.48)
TOTAL FORWARD FOREIGN CURRENCY CONTRACTS	**8,267,168**	**(11,340,000)**	**(3,072,832)**	**(7.01)**

As at 31 October 2023, there was one (2022: one) forward foreign currency contracts outstanding with RHB Bank Berhad.

Set out below are the significant related party balances as at year end and transactions during the year.

Related Party Balances

	2023 RM	2022 RM
Forward foreign currency contracts:		
Balances outstanding with RHB Bank Berhad	(258,436)	(1,524,005)

8. UNITS IN CIRCULATION

	2023 Units	2022 Units
At the beginning of the financial year	39,585,819	64,565,819
Creation of units during the financial year:		
Arising from applications	7,457,000	6,137,000
Cancellation of units during the financial year	(12,383,000)	(31,117,000)
At the end of the financial year	34,659,819	39,585,819

9. MANAGEMENT FEE

In accordance with the Prospectus, the management fee provided in the financial statements is 1.80% (2022: 1.80%) per annum based on the net asset value of the Fund, calculated on a daily basis for the financial year.

As the Fund invests in Schroder ISF USSME, the management fee of 1.00% (2022: 1.00%) per annum charged by Schroder ISF USSME will be fully refunded to this Fund. In accordance with the SC Guidelines on Unit Trust Funds, there is no double charging of management fee to the Fund.

10. TRUSTEE'S FEE

In accordance with the Prospectus, the Trustee's fee provided in the financial statements is 0.06% (2022: 0.06%) per annum based on the net asset value of the Fund, calculated on a daily basis for the financial year.

11. TAXATION

(a) Tax charge for the financial year

	2023	**2022**
	RM	**RM**
Current taxation	-	40,573
Overprovision of tax in prior year	(40,573)	-
	(40,573)	40,573

(b) Numerical reconciliation of income tax expense

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

	2023	**2022**
	RM	**RM**
Net loss before taxation	(3,448,245)	(6,948,851)
Tax calculated at statutory income tax rate of 24%	(827,579)	(1,667,724)
Tax effects of:		
- Loss not deductible for tax purpose	738,907	1,472,698
- Expenses not deductible for tax purposes	6,737	8,930
- Restriction on tax deductible expenses	81,935	219,213
- Foreign source of income subject to different tax rate	-	7,456
- Overprovision of tax in prior year	(40,573)	-
Tax expense	(40,573)	40,573

12. TOTAL EXPENSE RATIO ("TER")

	2023	2022
	%	%
TER	0.92	0.89

The TER ratio is calculated based on total expenses of the Fund to the average net asset value of the Fund calculated on a daily basis.

13. PORTFOLIO TURNOVER RATIO ("PTR")

	2023	2022
PTR (times)	0.13	0.28

The PTR ratio is calculated based on average of acquisition and disposals of the Fund for the financial year to the average net asset value of the Fund calculated on a daily basis.

14. UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER

The number of units held by the Manager and related parties are as follows:

	2023		2022	
	Units	RM	Units	RM
The Manager	5,851	5,852	5,763	6,378
RHB Capital Nominees (Tempatan) Sdn Bhd	4,138,811	4,139,225	2,950,239	3,265,325
RHB Nominees (Asing) Sdn Bhd	98,591	98,601	98,591	109,121
RHB Nominees (Tempatan) Sdn Bhd	416,638	416,680	492,637	545,251

The units are held beneficially by the Manager for booking purposes. The Manager is of the opinion that all transactions with the related parties have been entered into in the normal course of business at agreed terms between the related parties.

14. UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER (CONTINUED)

The units held by RHB Capital Nominees (Tempatan) Sdn Bhd, a wholly owned subsidiary of ultimate holding company of the Manager, RHB Nominees (Asing) Sdn Bhd and RHB Nominees (Tempatan) Sdn Bhd, both wholly owned subsidiaries of holding company of the Manager, are under nominees structure.

Other than the above, there were no units held by Directors or parties related to the Manager.

The holding company and the ultimate holding company of the Manager is RHB Investment Bank Berhad and RHB Bank Berhad respectively. The Manager treats RHB Bank Berhad group of companies including RHB Investment Bank Berhad and its subsidiaries as related parties.

15. TRANSACTIONS BY THE FUND

Details of transactions by the Fund for the financial year ended 31 October 2023 is as follow:

Fund Manager	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Schroder Investment Management (Luxembourg) S.A.	12,867,497	100.00	-	-

Details of transactions by the Fund for the financial year ended 31 October 2022 is as follow:

Fund Manager	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
Schroder Investment Management (Luxembourg) S.A.	39,567,769	100.00	-	-

16. FINANCIAL INSTRUMENTS BY CATEGORIES

	2023 RM	2022 RM
Financial assets		
Financial assets at FVTPL		
• Collective investment scheme	33,784,371	44,381,060
• Forward foreign currency contracts	58,644	-
	33,843,015	44,381,060
Financial assets at amortised cost		
• Bank balances	50,546	92,839
• Deposits with licensed financial institutions	1,439,796	2,515,401
• Amount due from Manager	104,832	-
• Other receivables	28,679	72,483
	1,623,853	2,680,723
Financial liabilities		
Financial liabilities at FVTPL		
• Forward foreign currency contracts	258,436	3,072,832
Financial liabilities at amortised cost		
• Amount due to Broker	523,765	-
• Amount due to Manager	-	79,731
• Accrued management fee	54,590	64,708
• Amount due to Trustee	1,820	2,157
• Other payables and accruals	8,199	10,350
	588,374	156,946

STATEMENT BY MANAGER
RHB US FOCUS EQUITY FUND

We, Dato' Darawati Hussain and Mohd Farid Bin Kamarudin, two of the Directors of RHB Asset Management Sdn Bhd, do hereby state that in the opinion of the Directors of the Manager, the accompanying statement of financial position, statement of income and expenses, statement of changes in net asset value, statement of cash flows and the accompanying notes, are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of the Fund as at 31 October 2023 and of its financial performance and cash flows for the financial year then ended and comply with the provisions of the Deeds.

On behalf of the Manager,

Dato' Darawati Hussain
Director

Mohd Farid Bin Kamarudin
Director

21 December 2023

TRUSTEE'S REPORT

To the unit holders of RHB US Focus Equity Fund ("Fund")

We have acted as Trustee of the Fund for the financial year ended 31 October 2023 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, RHB Asset Management Sdn Bhd has operated and managed the Fund during the year covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the Management Company under the Deeds, securities laws and the Guidelines on Unit Trust Funds;

2. Valuation and pricing is carried out in accordance with the Deeds; and

3. Any creation and cancellation of units are carried out in accordance with the Deeds and any regulatory requirement

For HSBC (Malaysia) Trustee Berhad

Yap Lay Guat
Manager, Investment Compliance Monitoring

Kuala Lumpur
21 December 2023

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF RHB US FOCUS EQUITY FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of RHB US Focus Equity Fund ("the Fund") give a true and fair view of the financial position of the Fund as at 31 October 2023 and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 31 October 2023, and the statement of income and expenses, statement of changes in net asset value and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 38 to 64.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

The Manager of the Fund is responsible for the other information. The other information comprises Manager's Report, but does not include the financial statements of the Fund and our auditors' report thereon.

Our opinion on the financial statements of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the financial statements

The Manager of the Fund is responsible for the preparation of the financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to terminate the Fund, or has no realistic alternative but to do so.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

(d) Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

OTHER MATTERS

This report is made solely to the unit holders of the Fund and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
21 December 2023

CORPORATE INFORMATION

MANAGER
RHB Asset Management Sdn Bhd

REGISTERED OFFICE
Level 10, Tower One, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur

PRINCIPAL AND BUSINESS OFFICE
Level 8, Tower Two & Three, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur

Email Address : rhbam@rhbgroup.com
Tel: 03 – 9205 8000
Fax: 03 – 9205 8100
Website: www.rhbgroup.com

BOARD OF DIRECTORS
Mr Yap Chee Meng *(Independent Non-Executive Chairman)*
(Resigned with effect from 22 May 2023)
Mr Chin Yoong Kheong *(Independent Non-Executive Chairman)*
(Redesignated with effect from 22 May 2023)
YBhg Dato' Darawati Hussain *(Senior Independent Non-Executive Director)*
(Redesignated with effect from 22 May 2023)
Tuan Syed Ahmad Taufik Albar *(Non-Independent Non-Executive Director)*
Encik Mohd Farid Bin Kamarudin *(Chief Executive Officer / Managing Director)*
(Appointed with effect from 1 August 2023)
Puan Hijah Arifakh Binti Othman *(Independent Non-Executive Director)*
(Resigned with effect from 1 June 2023)
Puan Sharizad Binti Juma'at *(Independent Non-Executive Director)*
(Appointed with effect from 22 May 2023)

INVESTMENT COMMITTEE MEMBERS
Mr Yap Chee Meng *(Independent Chairman)*
(Resigned with effect from 22 May 2023)
YBhg Dato' Darawati Hussain *(Independent Chairperson)*
(Redesignated with effect from 22 May 2023)
Puan Hijah Arifakh Binti Othman
(Resigned with effect from 1 June 2023)
Mr Chin Yoong Kheong *(Appointed with effect from 22 May 2023)*
Puan Sharizad Binti Juma'at *(Appointed with effect from 22 May 2023)*

CHIEF EXECUTIVE OFFICER / MANAGING DIRECTOR
Encik Mohd Farid Bin Kamarudin *(Appointed with effect from 1 August 2023)*

SECRETARIES
Encik Azman Shah Md Yaman (LS No. 0006901)
Izafaniz Binti Abdullah Kamir (MACS01851)
Filza Zainal Abidin (LS No. 0008413)

BRANCH OFFICE

Shah Alam Office	B-3-1, 1st Floor Jalan Serai Wangi G16/G, Alam Avenue Persiaran Selangor, Section 16 40200 Shah Alam Tel: 03-5523 1909 Fax: 03-5524 3471
Sri Petaling Office	Level 1 & 2, No 53 Jalan Radin Tengah Bandar Baru Seri Petaling 57000 Kuala Lumpur Tel: 03-9054 2470 Fax: 03-9054 0934
Ipoh Office	No.7A, Persiaran Greentown 9 Pusat Perdagangan Greentown 30450 Ipoh, Perak Tel: 05-242 4311 Fax: 05-242 4312
Johor Bahru Office	No 34 Jalan Kebun Teh 1 Pusat Perdagangan Kebun Teh 80250 Johor Bahru, Johor Tel: 07-221 0129 Fax: 07-221 0291
	2nd Floor, 21 & 23 Jalan Molek 1/30, Taman Molek 81100 Johor Bahru, Johor Tel: 07-358 3587 Fax: 07-358 3581
Kuantan Office	1st Floor, Lot 10, Jalan Putra Square 1 Putra Square 25300 Kuantan, Pahang Tel: 09-517 3611/ 09-517 3612/ 09-531 6213 Fax: 09-517 3615
Kuching Office	Lot 133, Section 20, Sublot 2 & 3 1st Floor, Jalan Tun Ahmad Zaidi Adruce 93200 Kuching, Sarawak Tel: 082-550 838 Fax: 082-550 508
	Yung Kong Abell, Units 1-10 2nd Floor Lot 365 Section 50 Jalan Abell 93100 Kuching, Sarawak Tel: 082-245 611 Fax: 082-230 326

Kota Bharu Office	Ground Floor, No 3486-G Jalan Sultan Ibrahim 15050 Kota Bharu, Kelantan Tel: 09-740 6891 Fax: 09-740 6890
Kota Kinabalu Office	Lot No. C-02-04, 2nd Floor Block C, Warisan Square Jalan Tun Fuad Stephens 88000 Kota Kinabalu Sabah Tel: 088-528 686/ 088-528 692 Fax: 088-528 685
Melaka Office	581B, Taman Melaka Raya 75000 Melaka Tel: 06-284 4211/ 06-281 4110 Fax: 06-292 2212
Penang Office	3rd Floor, 44 Lebuh Pantai 10300 Georgetown, Penang Tel: 04-264 5639 Fax: 04-264 5640
Prai Office	No 38, First Floor Jalan Todak 2 Seberang Jaya 13700 Perai, Penang Tel: 04-386 6670 Fax: 04-386 6528

TRUSTEE	HSBC (Malaysia) Trustee Berhad
BANKER	RHB Bank Berhad
AUDITORS	PricewaterhouseCoopers PLT
TAX ADVISER	PricewaterhouseCoopers Taxation Services Sdn Bhd
DISTRIBUTORS	RHB Asset Management Sdn Bhd RHB Bank Berhad RHB Investment Bank Berhad Alliance Bank Malaysia Berhad AmBank (M) Berhad AmInvestment Bank Berhad Areca Capital Sdn Bhd CIMB Bank Berhad CIMB Private Banking Citibank Berhad Genexus Advisory Sdn Bhd Hong Leong Bank Berhad HSBC Bank Malaysia Berhad iFAST Capital Sdn Bhd Kenanga Investors Berhad Malayan Banking Berhad OCBC Bank (Malaysia) Berhad Phillip Mutual Berhad Standard Chartered Bank Malaysia Berhad Standard Financial Adviser Sdn Bhd United Overseas Bank (Malaysia) Berhad UOB Kay Hian Securities (M) Sdn Bhd

RHB Asset Management

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