

RHB ISLAMIC CASH MANAGEMENT FUND

ANNUAL REPORT 2023

For the financial year ended 30 November 2023

GENERAL INFORMATION ABOUT THE FUND

Name, Category and Type

Fund Name	-	RHB Islamic Cash Management Fund
Fund Category	-	Money Market (Shariah-compliant)
Fund Type	-	Income

Investment Objective, Policy and Strategy

Objective of the Fund

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

Strategy

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

- At least 90% of the Fund's Net Asset Value will be invested into Islamic money market instruments and Islamic Deposits that are not more than 397 days to maturity.
- Up to 10% of the Fund's Net Asset Value will be invested in Islamic money market instruments and Islamic Deposits that is more than 397 days but fewer than 732 days to maturity.

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

The minimum credit rating for the rated instruments to be invested by the Fund will be **top three credit rating (including gradation and subcategories)** as assigned by any Domestic Rating Agencies. In the event of a credit downgrade of a particular instrument below the minimum stipulated, the External Investment Manager will endeavour to take the necessary steps to divest that instrument within a time frame deemed reasonable by the External Investment Manager. However, in order to best protect the interests of the Fund, the External Investment Manager has the discretion to take into consideration all relevant factors that affect the value of the investment before deciding on the manner and time frame of its liquidation.

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

- ensure that the fund manager employs strategies for maximum capital protection[#] through diversification and risk acceptance strategies for optimal return on investment;
- oversee the asset allocation between various forms of investments made to meet the investment objectives of the Fund; and
- review the investment results on a monthly basis against the performance of benchmark indices.

Note: [#]Although the Fund's investment strategy requires the committee undertaking the oversight function of the Fund to ensure that the fund manager employs strategies for maximum capital protection, the Fund is not a capital guaranteed fund or a capital protected fund.

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

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

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

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

Performance Benchmark

Effective from 30 September 2023, the performance of the Fund is benchmarked against RHB Islamic Bank Berhad's 1-month Commodity Murabahah Deposit-i rate.

Prior to 30 September 2023, the performance of benchmark is Maybank Islamic Berhad's 1-month Islamic Fixed Deposit-i ("IFD-i").

Permitted Investments

This Fund may invest in sukuk, Islamic money market instruments and placement of Islamic Deposits; and any other Shariah-compliant investments permitted by the Securities Commission Malaysia from time to time.

Distribution Policy

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

Notification of Changes

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

General Amendments

All references to “interim report(s)”, wherever they appear in the Master Prospectus, are hereby amended to “semi-annual report(s)”.

Definitions

Business Day	A day (other than a Saturday, Sunday and public holiday) on which Bursa Malaysia is open for trading and/or banks in Kuala Lumpur are open for business; and the markets in which at least 50% of the Fund’s Net Asset Value (in aggregate) is invested therein, are also open for trading.
Deposits	Unless stated otherwise in this master 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.
Domestic Rating Agencies	Local credit assessment institutions that are recognised by the Securities Commission.
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.
FIMM	Federation of Investment Managers Malaysia.
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.
Employees Provident Fund Board	Deleted.
GST	Deleted.
IFD-i	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.
IUTA(s)	Institutional Unit Trust Scheme Adviser(s).
RAM	Deleted.
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.

Chapter 1 – Fund Information, Section 1.8 – RHB Islamic Cash Management Fund, Section 1.8.9 – Permitted Investments and Restrictions

This Fund may invest in sukuk, Islamic money market instruments and placement of Islamic Deposits; and any other Shariah-compliant investments permitted by the Securities Commission from time to time.

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

- a) The Fund must invest at least ninety (90) 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 short-term sukuk, short-term Islamic money market instruments and placement in short-term Islamic Deposits.
- b) The Fund may only invest up to 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, in high quality sukuk which have a remaining maturity period of more than 397 days but fewer than 732 days.
- c) A “short-term” sukuk or Islamic money market instrument must meet the following criteria:
 - (a) it must meet either one of the following requirements:
 - i. it has a legal maturity at issuance of 397 days or less;
 - ii. it has a remaining term of maturity of not more than 397 days; or
 - iii. where a sukuk or an Islamic money market instrument is issued by, or the issue is guaranteed by, either a government, government agency, central bank or supranational, the remaining maturity period must not be more than two (2) years;
 - (b) it must be traded or dealt in under the rules of an Eligible Market; and
 - (c) it must not contain an embedded derivative.

- d) A “high quality” sukuk is one with an issuer credit rating that has minimum top two short-term rating (including gradation and subcategories) or minimum top three long-term rating (including gradation and subcategories), as rated by any Malaysian or global rating agency.
- e) The value of the Fund's investments in sukuk and Islamic money market instruments issued by a single issuer must not exceed twenty (20) per cent of the Fund's Net Asset Value ("single issuer limit"), or any other limit as may be prescribed by the Securities Commission from time to time. The single issuer limit may be increased to thirty (30) per cent of the Fund's Net Asset Value if the sukuk are rated by any Malaysian or global rating agency to have the highest long-term credit rating, or any other limit as may be prescribed by the Securities Commission from time to time.
- f) The value of the Fund's investment in sukuk and Islamic money market instruments issued by any group of companies must not exceed thirty (30) 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.
- g) The Fund's investments in Islamic money market instruments must not exceed twenty (20) 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.
- h) The value of the Fund's placement in Islamic Deposits with any single financial institution must not exceed twenty (20) 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.
- i) The aggregate value of the Fund's investment in, or exposure to, a single issuer through sukuk, Islamic money market instruments and Islamic Deposits must not exceed twenty-five (25) per cent of the Fund's Net Asset Value ("single issuer aggregate limit"), or any other limit as may be prescribed by the Securities Commission from time to time.
- j) The single financial institution limit in paragraph (h) does not apply to placements of Islamic Deposits arising from:
 - i. subscription monies received prior to the commencement of investment by the Fund;
 - ii. liquidation of investments prior to the termination of the Fund, where the placement of Islamic Deposits with various financial institutions would not be in the best interests of Unit Holders; or
 - iii. monies held for the settlement of redemption or other payment obligations, where the placement of Islamic Deposits with various financial institutions would not be in the best interest of Unit Holders.
- k) The Fund's investments in sukuk must not exceed twenty (20) per cent of the sukuk issued by a single issuer, or any other limit as may be prescribed by the Securities Commission from time to time. This limit may be disregarded at the time of acquisition if at the time of acquisition the gross amount of sukuk in issue cannot be determined.

The limits and restrictions mentioned herein must be complied with at all times based on the most up-to-date value of the Fund's Shariah-compliant investments. 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 Shariah-compliant 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 1.8.9, however, do not apply to Shariah-compliant securities or Shariah-compliant 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.

Chapter 2 – Risk Factors, Section 2.1 – General Risks of Investing in Unit Trusts, General Risks

a) 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 Funds 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. Should Muslim investors wish to finance the acquisitions of Islamic unit trust funds, they are advised to obtain one that is Shariah-compliant in nature.]

Chapter 3 – Valuation of Assets

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

*Funds with mandates investing in foreign markets.

The Funds must be valued at least once every Business Day. However, certain foreign markets in which the Funds may invest in have different time zones from that of Malaysia.

Accordingly, for Funds investing solely in the local market, the valuation of the respective Funds for a Business Day will be conducted at the close of Bursa Malaysia for that Business Day. Thus, the price of the Funds for a particular Business Day will be published online on the Manager's website on the next day.

For Funds which have investments in foreign markets, the valuation of the respective Funds for a Business Day will be conducted 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, when the closing prices of the foreign markets for that Business Day would be available.

As such, the price for a particular Business Day, of the Funds with investments in foreign markets 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. price will be two (2) days old). This will be specifically indicated on the Manager's website.

Illustration (for Funds investing in foreign markets)

When markets are closed for trading on 13 June 2023 (Tuesday), the valuation date will be the next day on which the Manager is open for business i.e. 14 June 2023 (Wednesday). Thus, the publication date for the price as at 13 June 2023 (Tuesday) will be on 15 June 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 respective Funds will be valued at fair value and at all times in compliance with the relevant laws (including approved accounting standards).

Accordingly, where applicable:

(i) Listed / Shariah-compliant securities

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

However, if: -

- (a) a valuation based on the market price does not represent the fair value of the listed securities / Shariah-compliant securities, for example during abnormal market conditions; or
- (b) no market price is available, including in the event of a suspension in the quotation of listed securities / Shariah-compliant securities for a period exceeding fourteen (14) days, or such shorter period as agreed by the Trustee,

then the listed securities / Shariah-compliant securities would be valued at fair value, as determined in good faith by the Manager based on the methods or bases approved by the Trustee after appropriate technical consultation.

(ii) Unlisted fixed income securities / sukuk

Unlisted fixed income securities / sukuk denominated in Ringgit Malaysia will be valued on a daily basis by reference to the fair value prices quoted by a bond pricing agency ("BPA") registered with the Securities Commission. However, where quotations are not available, such unlisted fixed income securities / sukuk will be valued at fair value by reference to the average indicative yield quoted by three independent and reputable financial institutions in OTC market at the close of trading. These institutions include investment banks and commercial banks dealing in fixed income securities / sukuk.

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

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

However, when the Manager, after taking all reasonable efforts, is unable to obtain quotations from BPA or any BGN price or quotations from three independent and reputable financial institutions due to circumstances such as extreme market conditions, such unlisted fixed income securities / sukuk (denominated in Ringgit Malaysia and denominated in foreign currencies) will be valued at fair value as determined in good faith by the Manager based on the methods or bases which have been verified by the auditor of the Funds and approved by the Trustee.

(iii) Unlisted equity securities / Shariah-compliant equity securities

Unlisted equity securities / Shariah-compliant equity securities will be valued at fair value as determined in good faith by the Manager based on the methods or bases which have been verified by the auditor of the Funds and approved by the Trustee.

(iv) Collective investment schemes / Islamic collective investment schemes

Collective investment schemes / Islamic 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 / Islamic collective investment schemes shall be valued by reference to the last published repurchase price per unit of that unlisted collective investment scheme / Islamic collective investment schemes.

(v) Financial derivatives / Islamic financial derivatives

Financial derivatives / Islamic financial derivatives positions will be 'marked-to-market' at the close of each trading day.

(vi) Deposits / Islamic Deposits

Deposits / Islamic Deposits will be valued each day by reference to the principal value of such investments and the interest / profits accrued thereon for the relevant period.

(vii) Money market instruments / Islamic money market instruments

Money market instruments / Islamic money market instruments that are held for collecting contractual cash flow purpose i.e. money market placements / Islamic money 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 / an Islamic 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 / Islamic money market instruments in the event the variance is above 3%.

Money market instruments / Islamic money market instruments other than the aforesaid will be valued on a daily basis by reference to the fair value prices quoted by a BPA registered with the Securities Commission.

(viii) Foreign exchange translation

Foreign exchange translation of foreign investments into Ringgit Malaysia 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.

(ix) Any other investments / Shariah-compliant investments

Any other investments / Shariah-compliant investments as may be held by the Funds 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 Funds and approved by the Trustee.

Chapter 4 – Fees, Charges and Expenses, Section 4.1(a) – Sales Charge

The "note" under above section is hereby deleted.

Chapter 4 – Fees, Charges and Expenses, Section 4.1(a) – Sales Charge¹, illustration

Say, an investor makes an investment of RM10,000.00 at the selling price of RM0.2523 and the distributor levies a sales charge¹ of 5.00%, the investor will pay a total of RM10,500.00 as follows:

Investment amount	=	RM	10,000.00
Add: sales charge levied by the distributor @ 5.00%	=	RM	500.00
Total amount paid by the investor	=	RM	<u><u>10,500.00</u></u>

The investor will be allotted with Units calculated as follows:

$$\frac{\text{RM}10,000.00}{\text{RM}0.2523^*} = 39,635.35 \text{ Units}^{**}$$

* 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.

Chapter 4 – Fees, Charges and Expenses, Section 4.1(c) – Other Charges

(i) Switching of Units

DF	CF	BF	MDF
CMF	MF	IBF	ICMF
DVEF	ATRF	USEF	

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

The Manager, however, reserves the right to vary this 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 10,000 Units in **DF** at the repurchase price of RM1.3064 and wishes to invest in **another unit trust fund under the management of the Manager (that allows switching)** at the selling price of RM0.5272 (where both funds have the Sales Charge of 6.00%).

Proceeds from switch (DF) (10,000 Units x RM1.3064)	= RM	13,064.00
Less: switching fee RM25.00	= RM	(25.00)
Net proceeds from switch	= RM	<u>13,039.00</u>
Proceeds from DF invested in another unit trust fund managed by the Manager:		<u>RM13,039.00</u> RM0.5272
	=	24,732.55 units**

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

(ii) Transfer of Units

DF	CF	BF	MDF
CMF	MF	IBF	ICMF
DVEF	ATRF	USEF	

No transfer fee is applicable

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

Note: ¹All 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.

Chapter 4 – Fees, Charges and Expenses, Section 4.2(a) – Management Fee¹, Illustration: Computation of management fee

Assuming that the Net Asset Value of a 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 five per cent (1.50%) per annum, the calculation of the management fee of the Fund for that particular day is as follows:

$$\frac{\text{RM105,000,00.00} \times 1.50\%}{365 \text{ days}^*} = \text{RM4,315.07 per day}$$

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

Note: ¹All 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.

Chapter 4 – Fees, Charges and Expenses, Section 4.2(b) – Trustee’s Fee¹, Illustration: Computation of Trustee’s fee

Assuming that the Net Asset Value of a 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:

$$\frac{\text{RM105,000,00.00} \times 0.08\%}{365 \text{ days}^*} = \text{RM230.14 per day}$$

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

Note: ¹All 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.

Chapter 4 – Fees, Charges and Expenses, Section 4.3 – Policy on Rebates and Soft Commissions

DF	CF	BF	MDF
CMF	MF	IBF	ICMF
DVEF	ATRF	USEF	

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

However, goods and services (“soft commissions”) provided by any broker or dealer may be retained by the Manager or the fund manager if:

- (a) the soft commissions bring direct benefit or advantage to the management of the Funds 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 Funds; 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.

Chapter 4 – Fees, Charges and Expenses, Section 4.4 – Tax

DF	CF	BF	MDF
CMF	MF	IBF	ICMF
DVEF	ATRF	USEF	

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 Funds 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 Funds.

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.

There are fees and charges involved and investors are advised to consider them before investing in the Funds.

Chapter 5 – Transaction Information, Section 5.2 – Computation of Selling Price

DF	CF	BF	MDF
CMF	MF	IBF	ICMF
DVEF	ATRF	USEF	

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 charge¹ will be computed separately based on the investment amount/ purchase amount, net of bank charges (if any).

Illustration

The Net Asset Value per Unit as at the next valuation point of the Fund is computed as follows:-

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

Say, an investor makes an investment of RM10,000.00 at the selling price of RM1.3064 (which is the Net Asset Value per Unit as at the next valuation point) and the distributor levies a sales charge¹ of 5.00%, the investor will pay a total of RM10,500.00 as follows:-

Investment amount	=	RM	10,000.00
Add: sales charge levied by the distributor @5.00%	=	RM	500.00
Total amount paid by the investor	=	RM	<u>10,500.00</u>

The investor will be allotted with Units calculated as follows:

$$\frac{\text{RM10,000.00}}{\text{RM1.3064}^*} = 7,654.62 \text{ Units}^{**}$$

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

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

Note: ¹All 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.

Chapter 5 – Transaction Information, Section 5.3 – Computation of Repurchase Price

DF	CF	BF	MDF
CMF	MF	IBF	ICMF
DVEF	ATRF	USEF	

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 will not impose any Repurchase Charge on the redemption amount except for **BF** and **IBF**. For **BF** and **IBF**, a Repurchase Charge¹ of up to 1.00% of the Net Asset Value per Unit will be levied if a Unit Holder redeems his investments on or before the first year of investment. Thereafter, no Repurchase Charge will be imposed.

Illustration

The Net Asset Value per Unit as at the next valuation point of the Fund is computed as follows:-

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

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

Redemption amount (9,842.52 units x RM1.0160*)	=	RM	10,000.00
Less: repurchase charge of 1.00%	=	RM	(100.00)
Net Amount payable to the investor	=	RM	<u><u>9,900.00</u></u>

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

Note: ¹All 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.

Chapter 5 – Transaction Information, Section 5.6(b) – Cooling-off Period

DF	CF	BF	MDF
CMF	MF	IBF	ICMF
DVEF	ATRF	USEF	

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 Funds or the assets of the Funds.

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.

Chapter 5 – Transaction Information, Section 5.6(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 master prospectus. Application forms, redemption forms and this master prospectus are also available from these distributors.

Chapter 5 – Transaction Information, Section 5.6 (d) – How to Switch between Funds

CMF	ICMF
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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 allow 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. 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 thousand (100,000) Units for an institutional investor or fifty thousand (50,000) Units for a retail investor 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 a 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.

Chapter 5 – Transaction Information, Section 5.6(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, he must also forward the following:

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

However, the Manager may 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 the respective Funds 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.

Chapter 5 – Transaction Information, Section 5.6(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 unrepresented payments to the Registrar of Unclaimed Moneys in accordance with the requirements of the Unclaimed Moneys Act 1965. Thereafter, the Unit Holders are to claim such moneys from the Registrar of Unclaimed Moneys.

In the event of payment of income distribution to Unit Holders is in the form of a cheque, and the cheque is not presented for payment by the date which falls six (6) months from the date of issuance of the said cheque, the Unit Holder shall be deemed to have authorised the Manager to reinvest the moneys in additional Units as at Net Asset Value per Unit at such date as may be determined by the Manager provided always that the Unit Holder still has an active account with the Manager. If the Unit Holder no longer has an account with the Manager, after the lapse of one (1) year from the date of the cheque, the Manager shall file and pay the unrepresented payments to the Registrar of Unclaimed Moneys. Thereafter, the Unit Holders are to claim such moneys from the Registrar of Unclaimed Moneys.

Chapter 5 – Transaction Information, Section 5.6(g) – Availability of Information on Investment

After purchasing Units in any of the Funds, the value of the investment can be monitored easily as the Unit price of the respective Funds are published online daily on the Manager’s website, www.rhbgroup.com.

Unit Holders will receive, in respect of the Funds in which they hold Units, an unaudited semi-annual report and an audited annual report of the Funds 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 Funds 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 trust funds.

*Investors must not make payment in cash to any individual agent when purchasing Units of a Fund.
The Funds’ annual report is available upon request.*

Chapter 5 – Transaction Information, Section 5.6(h) – Dealing Hours

9:00 a.m. to 4:00 p.m. (Malaysia time) on any Business Day or such later time as the Manager may determine provided always that complete applications for the Funds are received before the next valuation point. 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.

Chapter 6 – Salient Terms of the Deed, Section 6.1.2 – Rights of Unit Holders

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

- (a) to inspect the register of Unit Holders, free of charge, at any time at the registered office of the Manager, and to obtain such information pertaining to its Units as permitted under the relevant Deed and the Guidelines;
- (b) to receive distributions of the Funds (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 Deeds;

- (c) to call for Unit Holders' meetings, and to vote for the removal of the Trustee or the Manager through a special resolution as provided for in the Deeds;
- (d) to exercise the cooling-off right, if applicable; and
- (e) to receive annual reports, semi-annual reports or any other reports of the Funds.

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

No Unit Holder shall be entitled to require the transfer to him of any assets of the Funds 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 the 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 Deeds 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 Deeds.

Chapter 6 – Salient Terms of the Deed, Section 6.2.3 – Expenses Permitted by the Deed

Fifth bullet point

remuneration and out of pocket expenses of the person(s) or members of a committee undertaking the oversight function of that Fund and/or the Shariah Advisers, unless the Manager decides to bear the same;

Sixth bullet point

fees for the valuation of any investment of the Fund;

Eleventh bullet point

the engagement of advisers of all kinds for the benefit of the Fund;

Chapter 7 – The Management and Administration of the Funds, 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 Funds, 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 arise.

The list of board of directors are available on the Manager's website, www.rhbgroup.com.

Chapter 7 – The Management and Administration of the Funds, Section 7.4 – The Investment Committee

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

Chapter 7 – The Management and Administration of the Funds, Section 7.5 – The Investment Team

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

BF	CMF	IBF
ICMF	ATRF	USEF

The designated fund manager is Michael Chang Wai Sing.

Michael Chang Wai Sing ("Mr. Chang") is the CIO for fixed income in RHBAM and has more than 22 years of fund management experience, specialising 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 8 years managing both life and general insurance portfolios. As the CIO of fixed income, Mr Chang'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 the "Most Astute Investor in Asian Local Currency Bonds" for Malaysia by Asset Benchmark Research, Malaysia ranked no. 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 no. 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.

Mr Chang 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 Licence 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 holder and award recipient of the 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 Funds is supported by our investment team comprising of a team of experienced fund managers who are responsible to actively manage the Funds in accordance with the investment objective of the respective Fund and the provision of the relevant Deeds. The investment team shall have discretionary authority over the investments of the Funds subject to the rules and guidelines issued by the relevant authorities.

Chapter 7 – The Management and Administration of the Funds, Section 7.7 – The Shariah Adviser, Roles and Responsibilities of the Shariah Adviser and Members of RHB Islamic Bank’s Shariah Committee

Roles and Responsibilities of the Shariah Adviser

The Shariah Adviser is backed by the respective Shariah Committee of RHB Islamic Bank, which comprises eminent Shariah scholars from various jurisdictions. The Shariah Adviser also conducts monthly review of the Funds to ensure compliance with Shariah principle.

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

- 1) To ensure that the Funds are managed and administered in accordance with Shariah principles.
- 2) To provide expertise and advice in all matters relating to Shariah principles, including the Funds’ deed and prospectus, its structure and ensure that all aspects of the Funds are in accordance with Shariah requirement.
- 3) To consult with Securities Commission where there is any ambiguity or uncertainty as to any Shariah matters.
- 4) To ensure that all applicable Shariah rulings, principles and concepts endorsed by the SACSC are complied with.
- 5) To act with due care, skill and diligence in carrying out its duties and responsibilities.
- 6) To review the report of compliance officer or any and investment transaction reports provided by, or duly approved by, the Trustee to ensure that the Funds’ management business and investments activities are Shariah-compliant.
- 7) To prepare a report to be included in the Funds’ semi-annual and annual reports certifying whether the Funds have been managed and administered in accordance with Shariah principles for the respective periods concerned.
- 8) To apply *ijtihad* (intellectual reasoning) to ensure all aspects relating to the Funds are in compliance with Shariah, in the absence of any rulings, principles and concepts endorsed by the Securities Commission.

Members of RHB Islamic Bank’s Shariah Committee

The members of RHB Islamic Bank’s Shariah Committee are the designated persons responsible for the Shariah matters of the Funds. The list of members of RHB Islamic Bank’s Shariah Committee are available on the Manager’s website, www.rhbgroup.com.

7. THE MANAGEMENT AND ADMINISTRATION OF THE FUNDS, Section 7.8 – The External Investment Manager

MF ICMF

The Manager has appointed RHB Islamic International Asset Management Berhad (“RHBIAM”) as the External Investment Manager to manage the Funds. The roles and responsibilities of the External Investment Manager include management of the investment portfolio in accordance with the investment objective of the Funds and the Deed, subject to the Capital Markets and Services Act 2007 and the Guidelines, as well as the terms and conditions of the investment management agreement.

RHBIAM, a wholly-owned subsidiary of the Manager, is a holder of a Capital Markets Services Licence to carry out Islamic fund management activities and a Restricted Dealing Licence to deal in unit trusts issued under the Capital Markets and Services Act 2007. The Manager, which in turn is a wholly-owned subsidiary of RHBIB, a holder of a Capital Markets Services Licence to carry out fund management activities and a Restricted Dealing Licence to deal in unit trusts issued under the Capital Markets and Services Act 2007. The External Investment Manager was incorporated on 17 November 2009.

The Manager has delegated its power to manage the Funds to the External Investment Manager pursuant to a mandate between them, as may be varied from time to time. In conformity with the mandate, the External Investment Manager will be paid its management fee by the Manager from its management fee remuneration.

As at 31 May 2023, there is no material litigation and arbitration, including those pending or threatened, and any facts likely to give rise to any proceedings which might materially and adversely affect the business / financial position of the External Investment Manager.

The following is the designated personnel at the External Investment Manager for the Funds:

ICMF

Sharifah binti Md Sidek

Sharifah Md Sidek joined RHBIAM in February 2014 as the head of sukuk where she is primarily responsible for managing Shariah compliance mandates (for both retail and institutional) in Ringgit Malaysia and non-Ringgit Malaysia sukuk, money market instruments and cash.

She has more than 20 years of experience in treasury and fixed income investments from her experiences in the treasury department of Malaysia Credit Finance Berhad, to heading the money market and fixed income desk at Oriental Bank Berhad and subsequently in the equity desk of EON Bank Berhad. Prior to joining RHBIIAM, she headed the fixed income team at Amanahraya Investment Management Sdn Bhd (“ARIM”) until December 2013. At ARIM, she managed total assets under management of approximately RM6 billion comprising of Ringgit Malaysia and foreign currency denominated bonds, money markets and structured investments.

Sharifah Md Sidek holds a Diploma in Investment Analysis from MARA University of Technology (UiTM). She is also a Capital Markets Services Representative’s License holder for fund management.

Chapter 7 – The Management and Administration of the Funds, Section 7.9 – Other Information

Further information on the Manager, the External Investment Manager and the Shariah Adviser is provided on the Manager’s website, www.rhbgroup.com.

8. THE TRUSTEE OF THE FUNDS, Section 8.2 – HSBC (Malaysia) Trustee Berhad

BF	CMF	ICMF
DVEF	ATRF	

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, Malaysia.

Chapter 8 – The Trustee of the Funds, Section 8.2.5 – Trustee’s Delegate

The Trustee has appointed The Hongkong and Shanghai Banking Corporation Limited as the custodian of both the local and foreign assets of the Funds. For quoted and unquoted local investments of the Funds, the assets are held through their nominee company, HSBC Nominees (Tempatan) Sdn Bhd 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 Funds through such third parties.

Particulars of the Trustee’s Delegate

For foreign asset:

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

For local asset:

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

Chapter 8 – The Trustee of the Funds, Section 8.4 – TMF Trustees Malaysia Berhad

8.4.6 Anti-Money Laundering and Anti-Terrorism Financing Provisions

The Trustee has in place policies and procedures across the TMF Group, which may exceed local regulations. Subject to any local regulations, the Trustee shall not be liable for any loss resulting from compliance of such policies, except in the case of negligence, wilful default or fraud of the Trustee.

8.4.7 Statement of Disclaimer

The Trustee is not liable for doing or failing to do any act for the purpose of complying with law, regulation or court orders.

8.4.8 Consent to Disclosure

The Trustee shall be entitled to process, transfer, release and disclose from time to time any information relating to the Fund, Manager and Unit Holders for purposes of performing its duties and obligations in accordance to the Deeds, the Capital Markets and Services Act 2007, the Guidelines and any other legal and/or regulatory obligations such as conducting financial crime risk management, to the Trustee's parent company, subsidiaries, associate companies, affiliates, delegates, service providers, agents and any governing or regulatory authority, whether within or outside Malaysia (who may also subsequently process, transfer, release and disclose such information for any of the above mentioned purposes) on the basis that the recipients shall continue to maintain the confidentiality of information disclosed, as required by law, regulation or directive, or in relation to any legal action, or to any court, regulatory agency, government body or authority.

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

Chapter 9 – Related-Party Transaction and Conflict of Interest, HSBC (Malaysia) Trustee Berhad, first paragraph

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

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

Chapter 10 – Tax Adviser's Letter on the Taxation of the Funds and Unit Holders

The Tax adviser's letter has been updated.

Chapter 14 – Consent

The Trustees, the External Investment Manager, the Shariah Adviser and the solicitors have given their consent for the inclusion of their names and statements in the form and context in which they appear in the Master Prospectus and this Supplementary Master 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 Supplementary Master 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

In the final quarter of year 2022, local bond yields edged higher in early October 2022 following the unveiling of another expansionary budget and after the dissolution of parliament on 10 October 2022. Domestic sentiment turned cautious amid growing political uncertainty. Demand for Malaysian Government Securities (“MGS”) and Government Investment Issue (“GII”) were pressured in early November 2022 after Bank Negara Malaysia (“BNM”) rate hike and cautious sentiment ahead of 15th General Election. However, demand for domestic bond is back after United States (“US”) Consumer Price Index (“CPI”) printed lower than previous month of October 2022 and tracking a decline in global bond yields. Domestic yields continue trending lower following the appointment of Dato’ Seri Anwar bin Ibrahim as Malaysia’s 10th Prime Minister and improved political stability. Domestic yields trended lower in early December 2022 tracking the falling of US Treasury (“UST”) yields as markets reinforced expectations of a less hawkish Federal Reserve (“Fed”). However, in mid of December 2022, MGS and GII moved higher tracking the rising of global bond yields following the Bank of Japan’s surprise move to tweak its yield curve controls.

The 3-year, 10-year and 30-year MGS finished the year at 3.64%, 4.04% and 4.61%, having increased by 84 basis points (“bps”), 45bps and 42bps. The yield curve generally flattened, mainly driven by geopolitics crisis, high and persistent inflation as well as interest rate hike cycle that kicks off in year 2022.

New year starts with local bonds rallied, in line with the falling of global bonds yields as market expected less hawkish Fed and after US headline inflation for December 2022 fell for the sixth straight month. Local bonds yields rallied strongly following BNM’s surprise decision to maintain the Overnight Policy Rate (“OPR”) at 2.75% on 19 January 2023. BNM stated that the decision was made to assess the cumulative impact of prior rate hikes. In February 2023, domestic bond yields generally moving higher in line with rising global bond yields, particularly after the hotter than expected US inflation print. On local economic front, some data were printed weaker than expected, which are Manufacturing Purchasing Managers’ Index and Industrial Production Index (“IPI”) growth. In early March 2023, local bond yields generally edged higher tracking movement of global yields. However, local bond demand improved as investors sought safety in government bonds, prompted by intense market turbulence following the collapse of Silicon Valley Bank and pressure on Credit Suisse. At the same time, January 2023’s IPI printed weaker mainly driven by slow manufacturing output and poor external demand. Towards end of first quarter of year 2023, local bond yields have trended slightly higher after the release of BNM’s annual report, which signals that it would maintain an accommodative stance at the same time highlighting that domestic inflation remained a concern.

Local bonds generally rallied at the start of second quarter of year 2023, where overall yields trending lower in April 2023. The movement of domestic bond yields in line with UST yields that rallied after the US labor market printed lower than expectations. In May 2023, local bonds saw some pressure leading up to May 2023 Monetary Policy Committee (“MPC”) meeting and yields spiked following its surprise 25bps rate hike by BNM. BNM highlighted a positive economic outlook, supported by domestic demand and China’s stronger than expected recovery and acknowledged that the risks to inflation remained tilted to the upside. However, local bond yields then turned higher, tracking a surge in global bond yields following hawkish comments by US Fed officials and whilst the Bank of England raised its policy rate by another 25bps to 4.50%. Domestic yields continue moving higher pressured by weaker Malaysian Ringgit (“MYR”) and concern of US debt ceiling gridlock. Domestic bond yields increasing again after the US Fed’s reiterates their hawkish outlook, although foreign demand for domestic bonds remained resilient. Towards end of June 2023, domestic bonds were positively affected by lower global bond yields and were further supported by BNM statement of intervention in the foreign exchange market to stabilize the MYR.

Third quarter of year 2023 (“3Q23”) starts with the Malaysian domestic bond market faced pressure in early July 2023 due to higher UST yields, driven by expectations of further Fed rate hikes. However, relief came when the BNM decided to maintain the OPR at 3.00%, signaling the end of its policy normalization cycle. August brought fluctuations in domestic bond yields, influenced by global bond yield changes, central bank rate hikes, and economic data releases. In mid of August 2023, bearish global bond sentiment pushed yields higher with increased trading volume, and the expectation of further increases. In September 2023 local bond market witnessed a modest weakening of MGS, driven by regional risk aversion, causing yields to move higher. Despite this, the primary market remained robust, with healthy demand for government bonds. Towards the end of September 2023, the market faced pressure from a strong US Dollar (“USD”) and rising UST yields, reaching two-decade highs. The 3-year and 10-year MGS remained relatively stable week-on-week but increased by 12bps to 14bps month-on-month, with the 3-year MGS closing at 3.57% and the 10-year MGS at 3.97%, nearing their highest levels in several months.

Throughout October 2023, MGS faced pressure amid the dominance of a strong USD and surging UST yields, hitting two-decade highs. There were fluctuations with the 3-year rising to 3.67% and the 10-year climbing to 4.09% in the second week. The trend reversed as the 10-year MGS dropped to 4.04%, and the 30-year fell to 4.47%, marking gains due to suspected bargain hunting after prior week’s losses, buoyed by the dip in UST yields from multiyear highs. Toward the end of the month, despite the bond market experiencing an increase in certain tenors such as 5-year and 7-year, the 10-year MGS rose only by 1bp to 4.14% as both the USD and UST retreated from their weekly peaks. Meanwhile, the MYR consistently underperformed throughout the month, adding pressure to the situation.

In November 2023, local government bonds start the month with positive sentiment after BNM maintained the OPR at 3.00%, as widely expected together with rally in UST. The 10-year MGS fell to 3.97% post November 2023 MPC meeting. In mid of November 2023, domestic bond market witnessed mixed movements, but previous gains persisted as UST yields remained below 4.40%. There was limited reaction to the final reading of the 3Q23 Malaysia Gross Domestic Product where it printed at 3.30% Year-on-Year (“YoY”) in line with advance estimate. Towards month end, MGS yields holding steady, with support from economic data where Malaysia experienced a 4.40% YoY decline in exports compared to a more significant drop of 13.80% in September 2023, and imports also saw a YoY decrease of 0.20% in contrast to the 11.10% decline in September 2023. October 2023 CPI showed a 1.80% YoY increase, signalling a slight moderation from the 1.90% in the previous month.

At the close the MGS 3-year, 5-year, 7-year, 10-year, 15-year, 20-year and 30-year MGS closed the month at 3.46% (October 2023: 3.65%), 3.61% (3.83%), 3.82% (4.06%), 3.81% (4.09%), 4.01% (4.25%), 4.17% (4.40%) and 4.29% (4.51%) respectively. Similarly, the GII 3-year, 5-year, 7-year, 10-year, 15-year and 20-year GII were reported at 3.55% (October 2023: 3.68%), 3.66% (3.85%), 3.86% (4.06%), 3.86% (4.08%), 4.01% (4.23%), and 4.20% (4.42%) respectively.

REVIEW OF FUND PERFORMANCE DURING THE FINANCIAL YEAR

During the financial year under review, the Fund recorded a return of 3.54%* against its benchmark return of 2.60%*. The Fund has met its objective by providing income. The Net Asset Value per unit of the Fund was RM1.0469 (2022: RM1.0123) as at 30 November 2023.

* *Source: Lipper Investment Management (“Lipper IM”), 12 December 2023*

OUTLOOK AND STRATEGY

The global economy has been remarkable resilience throughout the second half of year 2023 (“2H23”), despite elevated inflation and restrictive monetary policy. A significant contributing factor to this surprising resilience has been the robust performance of the US economy. This strength is propelled by buoyant consumer spending, a low unemployment rate, and heightened activity in the services sector.

In year 2024, several key pillars supporting global growth are anticipated to weaken as high interest rates combined with persistent price pressures will eventually take a toll on economic activity. Although ongoing resilience in the labor market and sustained consumption have mitigated the immediate risk of a recession, the US economy is forecasted to face a notably weakened outlook in year 2024. Factors contributing to this downturn include a deceleration in consumer spending amid persistently high inflation, the prospect of prolonged high-interest rates, a gradually softening labor market, and a generally weakening global economic backdrop.

In contrast, emerging and developing economies are anticipated to sustain stable growth at 4.00% in both year 2023 and year 2024, propelled by accelerating domestic activity and enhanced resilience. While China remains a pivotal contributor to global growth, its economy has struggled to reach its full potential in the 2H23, primarily due to weak consumption and exports. This trend is expected to persist into year 2024, mainly driven by unresolved real estate sector crisis, subdued global demand for manufactured goods, and low levels of business and consumer confidence.

Malaysia is poised for slower growth in year 2023, facing headwinds from external factors and an unfavorable base effect. Malaysia is susceptible to a deceleration in external demand, attributed to delayed impacts from policy tightening, tightened financial conditions, heightened inflation, and weaker than expected growth outlook in China economy. Despite these challenges, inflation is expected to remain subdued as supply driven pressures will further reduce, and demand pull inflation is anticipated to be contained by the prospects of slower economic growth.

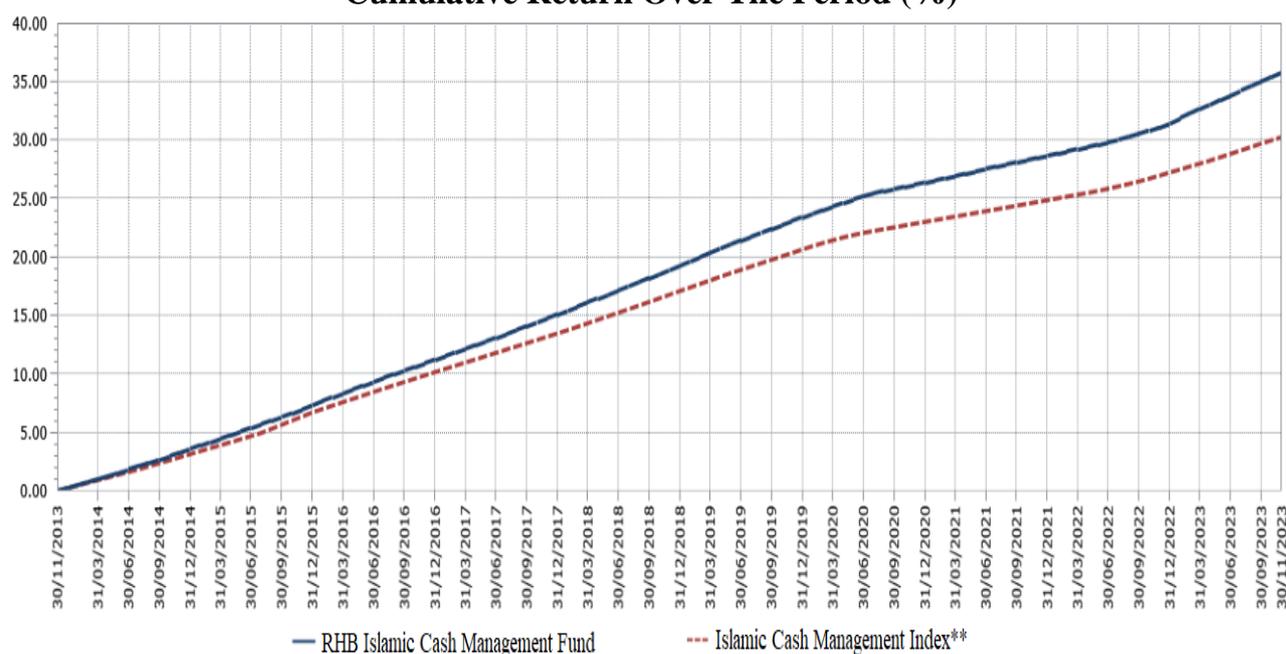
Strategy wise, for RHB Islamic Cash Management Fund, given expectation that BNM has reached the end of its hiking cycle and will leave the OPR at 3.00% for the rest of year 2023 and year 2024, we will gradually increase placement into medium term money market placement at the same time we shall take advantage of attractive deposit rate offers by banks towards year end.

PERFORMANCE DATA

	Annual Total Returns				
	Financial Year Ended 30 November				
	2023	2022	2021	2020	2019
	%	%	%	%	%
RHB Islamic Cash Management Fund					
- Capital Return	3.42	1.23	-	-	-
- Income Return	0.12	0.81	1.80	2.55	3.49
- Total Return	3.54	2.05	1.80	2.55	3.49
Islamic Cash Management Index**	2.60	1.80	1.51	2.08	3.05

	Average Annual Returns			
	1 Year	3 Years	5 Years	10 Years
	30.11.2022-	30.11.2020-	30.11.2018-	30.11.2013-
	30.11.2023	30.11.2023	30.11.2023	30.11.2023
	%	%	%	%
RHB Islamic Cash Management Fund	3.54	2.46	2.68	3.10
Islamic Cash Management Index**	2.60	1.97	2.21	2.67

**Performance of RHB Islamic Cash Management Fund
for the period from 30 November 2013 to 30 November 2023
Cumulative Return Over The Period (%)**



Source: Lipper IM, 12 December 2023

The abovementioned performance figures are indicative returns based on daily Net Asset Value of a unit (as per Lipper Database) since 30 November 2013.

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

** Effective 1 October 2023, the Fund’s composite benchmark (Islamic Cash Management Index) was changed from Maybank Islamic Berhad’s 1-month Islamic Fixed Deposit-i (“IFD-i”) to RHB Islamic Bank Berhad’s 1-month Commodity Murabahah Deposit-i Rate. The Fund’s composite benchmark performance has been adjusted to reflect the new benchmark.

A combination of benchmark/composite benchmark has been used for the performance computation as follows:

From 1 January 2016 to 30 September 2023	Maybank Islamic Berhad’s 1-month Islamic Fixed Deposit-i
1 October 2023 onwards	RHB Islamic Bank Berhad’s 1-month Commodity Murabahah Deposit-i Rate

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 30 November		
	2023	2022	2021
Net Asset Value (RM million)*	2,206.83	1,995.19	3,752.99
Units In Circulation (million)	2,107.91	1,970.91	3,752.98
Net Asset Value Per Unit (RM)*	1.0469	1.0123	1.0000

Historical Data	Financial Year Ended 30 November		
	2023	2022	2021
Unit Prices			
NAV - Highest (RM)*	1.0469	1.0123	1.0000
- Lowest (RM)*	1.0126	1.0000	1.0000
Unit Split	-	-	-
Others			
Total Expense Ratio (TER) (%) #	0.32	0.32	0.32
Portfolio Turnover Ratio (PTR) (%) ##	18.68	12.95	8.75

* *The figures quoted are ex-distribution*

The TER for the financial year was consistent with previous financial year under review.

The PTR for the financial year was higher compared with the previous financial year due to more investment activities during the financial year under review.

Distribution Date	Financial Year Ended 30 November			
	Gross Distribution Per Unit (sen)	Net Distribution Per Unit (sen)	NAV before distribution (cum)	NAV after distribution (ex)
<u>2023</u>				
29.12.2022	0.0100	0.0100	1.0147	1.0147
30.01.2023	0.0100	0.0100	1.0176	1.0178
27.02.2023	0.0100	0.0100	1.0205	1.0207
30.03.2023	0.0100	0.0100	1.0237	1.0237
28.04.2023	0.0100	0.0100	1.0265	1.0265
30.05.2023	0.0100	0.0100	1.0296	1.0296
28.06.2023	0.0100	0.0100	1.0323	1.0323
28.07.2023	0.0100	0.0100	1.0352	1.0352
29.08.2023	0.0100	0.0100	1.0382	1.0382
27.09.2023	0.0100	0.0100	1.0409	1.0409
30.10.2023	0.0100	0.0100	1.0438	1.0440
29.11.2023	0.0100	0.0100	1.0468	1.0468
Total	0.1200	0.1200		
<u>2022</u>				
31.12.2021	0.1506	0.1506	1.0000	1.0000
31.01.2022	0.1496	0.1496	1.0000	1.0000
28.02.2022	0.1355	0.1355	1.0000	1.0000
31.03.2022	0.1522	0.1522	1.0000	1.0000
30.04.2022	0.1516	0.1516	1.0000	1.0000
31.05.2022	0.0100	0.0100	1.0013	1.0014
29.06.2022	0.0100	0.0100	1.0029	1.0028
28.07.2022	0.0100	0.0100	1.0044	1.0044
29.08.2022	0.0100	0.0100	1.0062	1.0061
29.09.2022	0.0100	0.0100	1.0080	1.0080
28.10.2022	0.0100	0.0100	1.0099	1.0099
29.11.2022	0.0100	0.0100	1.0123	1.0122
Total	0.8095	0.8095		

Distribution Date	Financial Year Ended 30 November			
	Gross Distribution Per Unit (sen)	Net Distribution Per Unit (sen)	NAV before distribution (cum)	NAV after distribution (ex)
<u>2021</u>				
31.12.2020	0.1477	0.1477	1.0000	1.0000
31.01.2021	0.1514	0.1514	1.0000	1.0000
28.02.2021	0.1344	0.1344	1.0000	1.0000
31.03.2021	0.1534	0.1534	1.0000	1.0000
30.04.2021	0.1514	0.1514	1.0000	1.0000
31.05.2021	0.1546	0.1546	1.0000	1.0000
30.06.2021	0.1468	0.1468	1.0000	1.0000
31.07.2021	0.1513	0.1513	1.0000	1.0000
31.08.2021	0.1485	0.1485	1.0000	1.0000
30.09.2021	0.1449	0.1449	1.0000	1.0000
31.10.2021	0.1504	0.1504	1.0000	1.0000
30.11.2021	0.1462	0.1462	1.0000	1.0000
Total	1.7810	1.7810		

DISTRIBUTION

For the financial year under review, the Fund has declared a total net distribution of 0.1200 sen per unit, which is equivalent to a net yield of 0.12% based on the compounded monthly distribution rates for the financial year.

PORTFOLIO STRUCTURE

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

	As at 30 November		
	2023	2022	2021
	%	%	%
Sectors			
Islamic deposits with licensed financial institutions	86.10	89.06	99.77
Liquid assets and other net current assets	13.90	10.94	0.23
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

The asset allocation reflects the Fund's strategy to have maximum exposure to the investments. During the financial year under review, the asset allocation was relatively unchanged and was well-invested.

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 ISLAMIC CASH MANAGEMENT FUND
STATEMENT OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2023**

	<u>Note</u>	<u>2023</u> RM	<u>2022</u> RM
ASSETS			
Bank balances		150,968,396	222,651,077
Islamic deposits with licensed financial institutions	5	1,900,121,932	1,776,848,577
Amount due from Manager		156,339,858	-
TOTAL ASSETS		<u>2,207,430,186</u>	<u>1,999,499,654</u>
LIABILITIES			
Amount due to Manager		-	3,730,326
Accrued management fee		507,389	479,321
Amount due to Trustee		33,826	31,955
Distribution payable		49,750	55,126
Other payables and accruals		9,800	13,200
TOTAL LIABILITIES		<u>600,765</u>	<u>4,309,928</u>
NET ASSET VALUE		<u>2,206,829,421</u>	<u>1,995,189,726</u>
EQUITY			
Unit holders' capital		2,120,189,362	1,971,721,156
Retained earnings		86,640,059	23,468,570
		<u>2,206,829,421</u>	<u>1,995,189,726</u>
UNITS IN CIRCULATION (UNITS)	7	<u>2,107,913,906</u>	<u>1,970,907,807</u>
NET ASSET VALUE PER UNIT (EX-DISTRIBUTION) (RM)		<u>1.0469</u>	<u>1.0123</u>

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

**RHB ISLAMIC CASH MANAGEMENT FUND
STATEMENT OF INCOME AND EXPENSES
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023**

	<u>Note</u>	<u>2023</u> RM	<u>2022</u> RM
INCOME			
Profit from Islamic deposits with licensed financial institutions		71,375,206	52,510,959
		<u>71,375,206</u>	<u>52,510,959</u>
EXPENSES			
Management fee	8	(5,652,519)	(6,832,711)
Trustee's fee	9	(376,835)	(455,514)
Audit fee		(6,000)	(5,600)
Tax agent's fee		(3,800)	(3,800)
Other expenses		(3,244)	(2,117)
		<u>(6,042,398)</u>	<u>(7,299,742)</u>
Net profit before taxation		65,332,808	45,211,217
Taxation	10	-	-
Net profit after taxation		<u>65,332,808</u>	<u>45,211,217</u>
Net profit after taxation is made up as follow:			
Realised amount		<u>65,332,808</u>	<u>45,211,217</u>

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

RHB ISLAMIC CASH MANAGEMENT FUND
STATEMENT OF CHANGES IN NET ASSET VALUE
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

	Unit holders’ capital RM	Retained earnings RM	Total net asset value RM
Balance as at 1 December 2021	3,752,987,996	-	3,752,987,996
Movement in net asset value:			
Net profit after taxation	-	45,211,217	45,211,217
Creation of units arising from distributions	16,407,830	-	16,407,830
Creation of units arising from applications	1,818,380,797	-	1,818,380,797
Cancellation of units	(3,616,055,467)	-	(3,616,055,467)
Distributions (Note 11)	-	(21,742,647)	(21,742,647)
Balance as at 30 November 2022	<u>1,971,721,156</u>	<u>23,468,570</u>	<u>1,995,189,726</u>
Balance as at 1 December 2022	1,971,721,156	23,468,570	1,995,189,726
Movement in net asset value:			
Net profit after taxation	-	65,332,808	65,332,808
Creation of units arising from distributions	1,594,710	-	1,594,710
Creation of units arising from applications	2,431,648,294	-	2,431,648,294
Cancellation of units	(2,284,774,798)	-	(2,284,774,798)
Distributions (Note 11)	-	(2,161,319)	(2,161,319)
Balance as at 30 November 2023	<u>2,120,189,362</u>	<u>86,640,059</u>	<u>2,206,829,421</u>

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

RHB ISLAMIC CASH MANAGEMENT FUND
STATEMENT OF CASH FLOW
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

	<u>2023</u> RM	<u>2022</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Placement of Islamic deposits with licensed financial institutions	(35,274,897,727)	(28,474,271,056)
Proceeds from maturity of Islamic deposits with licensed financial institutions	35,156,101,087	30,430,613,360
Profit received from Islamic deposits with licensed financial institutions	66,898,491	63,704,560
Management fee paid	(5,624,451)	(7,273,489)
Trustee's fee paid	(374,964)	(484,899)
Payment for other fees and expenses	(16,444)	(7,887)
Net cash (used in)/generated from operating activities	<u>(57,914,008)</u>	<u>2,012,280,589</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	2,275,308,436	1,828,898,797
Cash paid for units cancelled	(2,288,505,124)	(3,612,325,141)
Cash paid for income distributions	(571,985)	(6,254,041)
Net cash used in financing activities	<u>(13,768,673)</u>	<u>(1,789,680,385)</u>
Net (decrease)/increase in cash and cash equivalents	(71,682,681)	222,600,204
Cash and cash equivalents at the beginning of the financial year	<u>222,651,077</u>	<u>50,873</u>
Cash and cash equivalents at the end of the financial year	<u>150,968,396</u>	<u>222,651,077</u>

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

**RHB ISLAMIC CASH MANAGEMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023**

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

The RHB Islamic Cash Management Fund (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of a Master deed (Shariah funds) dated 12 June 2008 as amended via its first supplemental master deed (Shariah funds) dated 19 June 2009, second supplemental master deed (Shariah funds) dated 18 November 2009, third supplemental master deed (Shariah funds) dated 23 November 2009, fourth supplemental master deed (Shariah funds) dated 13 April 2012, fifth supplemental master deed (Shariah funds) dated 28 May 2012, seventh supplemental master deed (Shariah funds) dated 30 April 2013, eighth supplemental master deed (Shariah funds) dated 24 September 2013, ninth supplemental master deed (Shariah funds) dated 2 March 2015, tenth supplemental master deed (Shariah funds) dated 20 May 2015 and eleventh supplemental master deed (Shariah funds) dated 9 March 2023 (collectively 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 30 June 2008 and will continue its operations until terminated according to the conditions in the Deeds.

The principal activity of the Fund is to invest in Permitted Investments as defined in the Deeds, which comprises Shariah-compliant debentures, Islamic money market instruments and Islamic placement in deposits and any other form of investments as may be approved by the relevant authorities from time to time and acceptable under the Shariah principles.

The Fund’s activities shall be conducted strictly in accordance with the requirement of the Shariah principles and shall be monitored by the Shariah Adviser of the Fund.

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 provide liquidity and regular stream of income by investing in Islamic money market instruments.

The Manager, a company incorporated in Malaysia, 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 23 January 2024.

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 their judgement in the process of applying the Fund’s accounting policies. Although these estimates and judgement are based on the Manager’s best knowledge of current events and actions, actual results may differ. There were no areas involving higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

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

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

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

A number of new standards and amendments to standards and interpretations are effective for the financial year beginning after 1 December 2022. None of these is expected to have a significant effect on the financial statements of the Fund, except the following set out below:

- 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 December 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 as financial assets measured at fair value through other comprehensive income. The contractual cash flows of the Fund’s debt securities are solely principal and profit, however, these instruments 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 Islamic deposits with licensed financial institutions are measured at fair value through profit or loss.

The Fund classifies cash and cash equivalents and amount due from Manager 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 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.

Islamic deposits with licensed financial institutions are stated at fair value. Due to the short term of nature of the deposits, the cost plus accrued profit calculated based on the effective profit method over the period from the date of placement to the date of the statement of financial position is a reasonable estimate of fair value.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Financial assets (continued)

Recognition and measurement (continued)

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

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 profit 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Manager, accrued management fee, amount due to Trustee, distribution payable, and other payables and accruals are recognised initially at fair value and subsequently measured at amortised cost using the effective profit method.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Income recognition

Profit income from Islamic deposits with licensed financial institutions is recognised on an accrual basis using the effective profit rate method.

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

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

2.6 Taxation

Current tax expense is determined according to Malaysian tax laws at the current rate and includes all taxes based upon the taxable profit 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 which is 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 year in which it is approved by the Trustee.

2.9 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.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to a variety of risks, which include profit rate 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.

Profit rate risk

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

Credit risk

Credit risk refers to the possibility that the issuer of a particular investment will not be able to make timely payments of profit or principal repayment on the maturity date. This may lead to a default in the payment of principal and profit and ultimately a reduction in the value of the Fund.

In the case of the Fund, the Manager will endeavour to minimise this risk by selecting only issuers with prescribed and acceptable credit ratings of at least A2/P1 by RAM. In the event of credit downgrade below the minimum stipulated, the Manager will endeavour to take the necessary steps to divest the affected instruments within a time frame deemed reasonable by the Manager.

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

	<u>Cash and cash equivalents</u> RM	<u>Islamic deposits with licensed financial institutions</u> RM	<u>Amount due from Manager</u> RM	<u>Total</u> RM
<u>2023</u>				
AAA	735	777,446,399	-	777,447,134
AA+	-	40,432,877	-	40,432,877
AA1	46,601,933	174,564,767	-	221,166,700
AA2	-	252,390,802	-	252,390,802
AA3	104,365,728	100,018,713	-	204,384,441
A1	-	60,580,339	-	60,580,339
A2	-	494,688,035	-	494,688,035
Non-rated	-	-	156,339,858	156,339,858
	<u>150,968,396</u>	<u>1,900,121,932</u>	<u>156,339,858</u>	<u>2,207,430,186</u>

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (continued)

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

	Cash and cash equivalents	Islamic deposits with licensed financial institutions	Total
	RM	RM	RM
<u>2022</u>			
AAA	865	486,184,418	486,185,283
AA+	-	80,443,555	80,443,555
AA1	121,230,747	266,218,101	387,448,848
AA3	101,419,465	354,092,606	455,512,071
A1	-	226,009,687	226,009,687
A2	-	363,900,210	363,900,210
	<u>222,651,077</u>	<u>1,776,848,577</u>	<u>1,999,499,654</u>

Liquidity risk

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

Liquidity risk exists when a particular instrument is difficult to sell, thus the Fund may not be able to liquidate their investments easily. Money market instruments are considered to be very liquid in nature. As the Fund only invests in Islamic money market instruments, the liquidity risk of the Fund is minimal.

The table below summarises the Fund's financial liabilities into relevant maturity groupings based on the remaining period 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	Between 1 month to 1 year
	RM	RM
<u>2023</u>		
Accrued management fee	507,389	-
Amount due to Trustee	33,826	-
Distribution payable	49,750	-
Other payables and accruals	-	9,800
	<u>590,965</u>	<u>9,800</u>

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (continued)

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

	Less than 1 <u>month</u> RM	Between 1 <u>month to 1 year</u> RM
<u>2022</u>		
Amount due to Manager	3,730,326	-
Accrued management fee	479,321	-
Amount due to Trustee	31,955	-
Distribution payable	55,126	-
Other payables and accruals	-	13,200
	<u>4,296,728</u>	<u>13,200</u>

Capital risk

The capital of the Fund is represented by equity consisting of unit holders' capital of RM2,120,189,362 (2022: RM1,971,721,156) and retained earnings of RM86,640,059 (2022: RM23,468,570). 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 Islamic 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 an 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 liabilities 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 at fair value through profit or loss (by class) measured at fair value:

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<u>2023</u>				
Financial assets at FVTPL:				
Islamic deposits with licensed financial institutions	-	1,900,121,932	-	1,900,121,932
	<hr/>			
<u>2022</u>				
Financial assets at FVTPL:				
Islamic deposits with licensed financial institutions	-	1,776,848,577	-	1,776,848,577
	<hr/>			

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. As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. The Fund’s policies on valuation of these financial assets are stated in Note 2.2.

4. FAIR VALUE ESTIMATION (CONTINUED)

Fair value hierarchy (continued)

The Fund has no other financial assets and liabilities at fair value through profit or loss as at financial year end, except for Islamic deposits with licensed financial institutions of which the carrying value approximates their fair value due to their short-term nature.

5. ISLAMIC DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS

	<u>2023</u> RM	<u>2022</u> RM
Islamic deposits with licensed financial institutions	<u>1,900,121,932</u>	<u>1,776,848,577</u>

* There were Islamic deposits transacted with RHB Islamic Bank Berhad amounted RM174,564,767 (2022: RM266,218,101) during the financial year ended 30 November 2023.

6. SHARIAH INFORMATION OF THE FUND

The following are the Shariah information of the Fund.

(a) Investment Portfolio

The Shariah Adviser has confirmed that investment portfolio of the Fund is Shariah-compliant, which comprises investment or cash placements in Islamic liquid assets in local market, including Islamic money market and Islamic deposits with Islamic financial institutions) which are placed in Shariah-compliant investments and/or instruments.

7. UNITS IN CIRCULATION

	<u>2023</u> Units	<u>2022</u> Units
At the beginning of the financial year	1,970,907,807	3,752,983,218
Creation of units during the financial year:		
Arising from distributions	1,545,844	16,401,710
Arising from applications	2,353,944,255	1,810,725,760
Cancellation of units during the financial year	<u>(2,218,484,000)</u>	<u>(3,609,202,881)</u>
At the end of the financial year	<u>2,107,913,906</u>	<u>1,970,907,807</u>

8. MANAGEMENT FEE

In accordance with the Prospectus, the Management's fee provided in the financial statements is 0.30% (2022: 0.30%) per annum based on the net asset value of the Fund, calculated on a daily basis for the financial year.

9. TRUSTEE'S FEE

In accordance with the Prospectus, the Trustee's fee provided in the financial statement is 0.02% (2022: 0.02%) per annum based on the net asset value of the Fund, calculated on a daily basis for the financial year.

10. TAXATION

(a) Tax charge for the financial year

	<u>2023</u> RM	<u>2022</u> RM
Current taxation	-	-

(b) Numerical reconciliation of income tax expense

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

	<u>2023</u> RM	<u>2022</u> RM
Net profit before taxation	65,332,808	45,211,217
Tax calculated at a statutory income tax rate of 24%	15,679,874	10,850,692
Tax effects of:		
- Income not subject to tax	(17,130,049)	(12,602,630)
- Expenses not deductible for tax purposes	92,047	110,692
- Restriction on tax deductible expense	1,358,128	1,641,246
Tax expense	-	-

11. DISTRIBUTIONS

Distributions to unit holders is derived from the following sources:

	<u>2023</u> RM	<u>2022</u> RM
Profit from Islamic deposits with licensed financial institutions	8,202,397	29,042,389
Less: Expenses	<u>(6,041,078)</u>	<u>(7,299,742)</u>
Net distribution amount	<u>2,161,319</u>	<u>21,742,647</u>

<u>Distributions date</u>	<u>Gross/net</u> <u>sen per unit</u>	<u>Gross/net</u> <u>sen per unit</u>
29 December 2022 / 31 December 2021	0.0100	0.1506
30 January 2023 / 31 January 2022	0.0100	0.1496
27 February 2023 / 28 February 2022	0.0100	0.1355
30 March 2023 / 31 March 2022	0.0100	0.1522
28 April 2023 / 30 April 2022	0.0100	0.1516
30 May 2023 / 31 May 2022	0.0100	0.0100
28 June 2023 / 29 June 2022	0.0100	0.0100
28 July 2023 / 28 July 2022	0.0100	0.0100
29 August 2023 / 29 August 2022	0.0100	0.0100
27 September 2023 / 29 September 2022	0.0100	0.0100
30 October 2023 / 28 October 2022	0.0100	0.0100
29 November 2023 / 29 November 2022	<u>0.0100</u>	<u>0.0100</u>
	<u>0.1200</u>	<u>0.8095</u>

12. TOTAL EXPENSE RATIO (“TER”)

	<u>2023</u> %	<u>2022</u> %
TER	<u>0.32</u>	<u>0.32</u>

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”)

	<u>2023</u>	<u>2022</u>
PTR (times)	<u>18.68</u>	<u>12.95</u>

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 is as follows:

	<u>2023</u>		<u>2022</u>	
	<u>Units</u>	<u>RM</u>	<u>Units</u>	<u>RM</u>
The Manager	1,785	1,868	1,477	1,495
RHB Nominees (Tempatan) Sdn Bhd	<u>917,760</u>	<u>960,803</u>	<u>-</u>	<u>-</u>

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.

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

Other than 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.

Significant related party balances as at reporting date of the Fund is set out below:

	<u>2023</u>	<u>2022</u>
	<u>RM</u>	<u>RM</u>
Bank balance:		
- RHB Bank Berhad	<u>46,601,933</u>	<u>121,230,747</u>
- RHB Islamic Bank Berhad	<u>174,564,767</u>	<u>266,218,101</u>

15. FINANCIAL INSTRUMENTS BY CATEGORIES

	<u>2023</u> RM	<u>2022</u> RM
Financial assets		
Financial assets at FVTPL		
• Islamic deposits with licensed financial institutions	<u>1,900,121,932</u>	<u>1,776,848,577</u>
Financial assets at amortised cost		
• Bank balances	150,968,396	222,651,077
• Amount due from Manager	156,339,858	-
	<u>307,308,254</u>	<u>222,651,077</u>
Financial liabilities		
Financial liabilities at amortised cost		
• Amount due to Manager	-	3,730,326
• Accrued management fee	507,389	479,321
• Amount due to Trustee	33,826	31,955
• Distribution payable	49,750	55,126
• Other payables and accruals	9,800	13,200
	<u>600,765</u>	<u>4,309,928</u>

**STATEMENT BY MANAGER
RHB ISLAMIC CASH MANAGEMENT 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 30 November 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

23 January 2024

TRUSTEE'S REPORT

To the unit holders of RHB Islamic Cash Management Fund (“Fund”),

We have acted as Trustee of the Fund for the financial year ended 30 November 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.

We are of the opinion that the distributions of income by the Fund are appropriate and reflects the investment objective of the Fund.

For HSBC (Malaysia) Trustee Berhad

Yap Lay Guat
Manager, Investment Compliance Monitoring

Kuala Lumpur
23 January 2024

**REPORT OF THE SHARIAH ADVISER
RHB ISLAMIC CASH MANAGEMENT FUND**

To the unit holders of RHB Islamic Cash Management Fund (“the Fund”),

We have acted as the Shariah Adviser of the Fund. Our responsibility is to ensure that the procedures and processes employed by RHB Asset Management Sdn Bhd (“the Manager”) and that the provisions of the Deeds are in accordance with Shariah principles.

To the best of our knowledge, after having made all reasonable enquiries, the Manager has operated and managed the Fund in accordance with Shariah principles and requirement and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters for the financial year ended 30 November 2023.

In addition, we also confirm that the investment portfolio of the Fund comprises instruments which have been classified as Shariah-compliant.

I, Azizi Che Seman, hereby confirm that all members of the Shariah Committee have been consulted and made aware of all the Shariah issues in relation to this report.

For and on behalf of Shariah Committee of RHB Islamic Bank Berhad
(Company No: 200501003283)

Azizi Che Seman
Chairman
Shariah Committee of RHB Islamic Bank Berhad
23 January 2024

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF RHB ISLAMIC CASH MANAGEMENT FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of RHB Islamic Cash Management Fund (“the Fund”) give a true and fair view of the financial position of the Fund as at 30 November 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 30 November 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 27 to 46.

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.

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF RHB ISLAMIC CASH MANAGEMENT FUND (CONTINUED)

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.

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF RHB ISLAMIC CASH MANAGEMENT FUND (CONTINUED)

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.

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF RHB ISLAMIC CASH MANAGEMENT FUND (CONTINUED)

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
23 January 2024

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*)

CORPORATE INFORMATION (CONTINUED)

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: 07-3583581
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 Stephense 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 Lebuhr 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

EXTERNAL INVESTMENT MANAGER	RHB Islamic International Asset Management Berhad
TRUSTEE	HSBC (Malaysia) Trustee Berhad
SHARIAH ADVISER	RHB Islamic Bank Berhad
BANKER	RHB Islamic 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 RHB Islamic Bank Berhad Areca Capital Sdn Bhd Genexus Advisory Sdn Bhd iFAST Capital Sdn Bhd Kenanga Investors Berhad Phillip Mutual Berhad Standard Financial Adviser Sdn Bhd UOB Kay Hian Securities (M) Sdn Bhd

RHB ♦ Asset Management

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