

RHB ASIAN INCOME FUND



Manager

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

Trustee

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

This prospectus is dated 6 October 2017.

Constitution Date of the Fund : 5 January 2012

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

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 26.

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Responsibility Statement

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

Statements of Disclaimer

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

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

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

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

Additional Statements

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

TABLE OF CONTENTS

	PAGE
DEFINITIONS	1
CORPORATE DIRECTORY	3
1. FUND INFORMATION	4
1.1 Basic Information	4
1.1.1 Name of the Fund	4
1.1.2 Fund Category	4
1.1.3 Financial Year End	4
1.1.4 Name of Trustee	4
1.2 Investment Objective, Strategy and Policies	4
1.2.1 Investment Objective.....	4
1.2.2 Investment Strategy	4
1.2.3 Collective Investment Schemes.....	5
1.2.4 Financial Derivatives.....	5
1.2.5 Foreign Securities.....	6
1.2.6 Liquid Assets.....	6
1.2.7 Distribution Policy	6
1.3 Permitted Investments and Restrictions	6
1.4 Information on Schroder AI	6
1.5 Fund Business Day	25
2. RISK FACTORS	26
2.1 General Risks of Investing in Unit Trust Fund	26
2.2 Specific Risks When Investing in the Fund	27
3. VALUATION OF ASSETS	32
4. FEES, CHARGES AND EXPENSES	33
4.1 Charges	33
4.2 Fees and Expenses	35
4.3 Reduction or Waiver of Fees and Charges	37
4.4 Policy on Rebates and Soft Commissions	37
4.5 Goods and Services Tax (“GST”)	37
5. TRANSACTION INFORMATION	37
5.1 Pricing Policy	37
5.2 Computation of Purchase of Units	37
5.3 Computation of Redemption of Units	38
5.4 Pricing Error Policy	39
5.5 Transaction Details	39

5.6	Mode of Distribution	42
6.	SALIENT TERMS OF THE DEED	42
6.1	Rights and Liabilities of Unit Holders	42
6.1.1	Recognition of Unit Holders	42
6.1.2	Rights of Unit Holders	42
6.1.3	Liabilities of Unit Holders.....	43
6.2	Fees, Charges, and Expenses Permitted by the Deed.....	43
6.2.1	Sales Charge and Repurchase Charge	43
6.2.2	Maximum Annual Management Fee	43
6.2.3	Maximum Annual Trustee Fee.....	43
6.2.4	Increase in Fees and Charges	44
6.2.5	Other Permitted Expenses of the Fund.....	44
6.3	Removal, Replacement, and Retirement of the Manager and Trustee	44
6.3.1	Removal or Replacement of the Manager	44
6.3.2	Retirement of the Manager.....	45
6.3.3	Removal or Replacement of the Trustee	45
6.3.4	Retirement of the Trustee	45
6.4	Termination of the Fund.....	45
6.5	Unit Holders Meeting (“Meeting”)	46
6.5.1	Quorum.....	46
6.5.2	Manner of Voting and Resolution	46
7.	THE MANAGEMENT AND ADMINISTRATION OF THE FUND	46
7.1	The Manager.....	46
7.2	Board of Directors	47
7.3	Functions of the Manager	47
7.4	The Investment Committee	47
7.5	The Investment Team	48
7.6	Manager’s Disclosure of Material Litigation.....	48
7.7	Other Information.....	48
8.	THE TRUSTEE OF THE FUND.....	48
8.1	Experience in Trustee Business.....	48
8.2	Duties and Responsibilities of the Trustee	49
8.3	Trustee’s Statement of Responsibility	49
8.4	Trustee’s Disclosure of Material Litigation	49
8.5	Trustee’s Delegate	49
8.6	Anti-Money Laundering and Anti-Terrorism Financing Provisions	50
8.7	Statement of Disclaimer	50
8.8	Consent to Disclosure.....	50
9.	RELATED-PARTY TRANSACTION AND CONFLICT OF INTEREST	50

10.	TAX ADVISER’S LETTER ON THE TAXATION OF THE FUND AND UNIT HOLDERS.	53
11.	EXPERTS’ REPORT.....	57
12.	APPROVAL AND CONDITIONS	57
13.	DOCUMENTS AVAILABLE FOR INSPECTION	57
	DIRECTORY OF OUTLETS FOR PURCHASE AND SALE OF UNITS	57
	MASTER APPLICATION FORM & UNIT TRUST LOAN FINANCING RISK DISCLOSURE STATEMENT	

DEFINITIONS

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

Bursa Malaysia	The stock exchange managed and operated by Bursa Malaysia Securities Berhad.
Business Day	A day (other than a Saturday or a Sunday or a public holiday) in which Bursa Malaysia is open for trading and on which commercial banks in Singapore are open for business (or such other day as may from time to time be determined by the manager of Schroder Asian Income with the approval of the trustee of Schroder Asian Income).
Deed	Deed dated 5 January 2012 as modified via its first supplemental deed dated 4 September 2013, second supplemental deed dated 26 February 2015, third supplemental deed dated 3 August 2015 and any other supplemental deeds as may be registered with the Securities Commission from time to time.
deposit	Unless stated otherwise in this prospectus, deposits refer to any deposits with a financial institution which are not embedded or linked to financial derivative instruments (structured deposits) and where applicable these are current accounts, short term money market deposits and short term deposits with financial institutions.
EPF	Employees Provident Fund.
EPF Members' Investment Scheme	The investment schemes approved by the Minister charged with responsibility for matters relating to the Employees Provident Fund Board, subject to such terms and conditions as he thinks fit, which the Employees Provident Fund Board may, subject to any regulations and rules made under the Employees Provident Fund Act 1991, authorize an application for investment, made by a member of the EPF, partly any amount standing to the credit of such member of the EPF.
FIMM	Federation of Investment Managers Malaysia.
Fund	RHB Asian Income Fund ("AIF").
GST	Goods and services tax.
IUTA	Institutional Unit Trust Advisers.
Latest Practicable Date	31 July 2017.
Manager/Management Company	RHB Asset Management Sdn Bhd.
Net Asset Value (NAV)	The Net Asset Value of the Fund is determined by deducting the value of all the Fund's liabilities from the value of all the Fund's assets, at the valuation point.
Net Asset Value per unit	The Net Asset Value of the Fund divided by the total number of units in circulation at that valuation point.

REITs	Real Estate Investment Trusts.
Repurchase Price	The price (before deducting any repurchase charge) payable by the Manager to a Unit Holder pursuant to the repurchase of a unit of the Fund. The Repurchase Price shall be the Net Asset Value per unit of the Fund as at the next valuation point of the Fund's relevant Business Day ("forward pricing") after the repurchase request is received by the Manager. A repurchase charge, if any, will be computed separately based on the withdrawal amount/repurchase amount. The implementation of GST is effective from 1 April 2015 at the rate of 6% and the repurchase charge payable (if any) is exclusive of GST.
RM or Ringgit Malaysia	The lawful currency of Malaysia.
Securities Commission	Securities Commission Malaysia.
Schroder AI	Schroder Asian Income.
Schroder Singapore	Schroder Investment Management (Singapore) Ltd.
Selling Price	The price (before adding any sales charge) payable by an investor or a Unit Holder for the purchase of a unit of the Fund. The Selling Price shall be the Net Asset Value per unit as at the next valuation point of the Fund's relevant Business Day ("forward pricing") after the application for units of the Fund is received by the Manager. A sales charge, where applicable, will be computed separately based on the investment amount/purchase amount, net of bank charges (if any). The implementation of GST is effective from 1 April 2015 at the rate of 6% and the sales charge payable (if any) is exclusive of GST.
SGD or Singapore dollars	The lawful currency of Singapore.
Trustee	HSBC (Malaysia) Trustee Berhad.
Unit Holder(s)	The person(s) for the time being registered under the provisions of the Deed as the holder(s) of units of the Fund and person(s) jointly so registered.

CORPORATE DIRECTORY

MANAGER

RHB Asset Management Sdn Bhd

REGISTERED & PRINCIPAL OFFICE

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TRUSTEE

HSBC (Malaysia) Trustee Berhad

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1. FUND INFORMATION

1.1 Basic Information

1.1.1 Name of the Fund

RHB Asian Income Fund.

1.1.2 Fund Category

Feeder fund.

1.1.3 Financial Year End

31 July.

1.1.4 Name of Trustee

HSBC (Malaysia) Trustee Berhad.

1.2 Investment Objective, Strategy and Policies

1.2.1 Investment Objective

The Fund aims to provide income[^] and capital growth over the medium to long term* by investing in one target fund, i.e. the Schroder Asian Income.

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

*"medium to long term" in this context refers to a period of between 3-10 years.

Any material change to the investment objective of this Fund requires the Unit Holders' approval. For more information, investors should also refer to the target fund's investment objective, focus and approach (under Section 1.4).

1.2.2 Investment Strategy

The Fund will invest principally in one of the sub-funds of the Schroder International Opportunities Portfolio, that is, the Schroder AI denominated in Singapore dollars and managed by Schroder Singapore. The Schroder AI is an open-ended collective investment scheme domiciled in Singapore and was launched on 21 October 2011. Schroder Singapore is regulated by the Monetary Authority of Singapore and Schroder AI is authorised under section 286 of the Securities and Futures Act (Chapter 289), Singapore. The investment objective of Schroder AI is to provide income and capital growth over the medium to longer term* by investing primarily in Asian equities (including real estate investment trusts) and Asian fixed income securities.

Since the Fund's launch, the Fund has been investing into the shares of the then single share class of the Schroder AI, i.e. the SGD class denominated in Singapore dollars. When the Fund and Schroder AI were established, only the SGD class was available. However, effective 25 February 2013, Schroder Singapore, the manager of Schroder AI, established another share class, i.e. the X share class so that any reinvestment of units of the Fund from this effective date is invested into this X share class and new investments of the Fund, i.e. subscriptions of Schroder AI is made into this X share class. The features of the X share class are the same as the SGD class so the Fund's investment in Schroder AI continue uninterrupted.

Note: *"medium to longer term" in this context refers to a period of between 3-10 years.

Its asset allocation is as follows:

At least 95% of Net Asset Value

- Investments in the units of Schroder AI.

2% - 5% of Net Asset Value

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

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

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

This Fund is a feeder fund that invests at least 95% of its Net Asset Value in the Schroder AI. The risk management strategies and techniques employed will be at the Schroder AI level together with its investment strategy that involves diversification with its active asset allocation as elaborated in Section 1.4.

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

The performance of this Fund is benchmarked against 50% MSCI AC Asia Pacific ex Japan Net (RM) and 50% JP Morgan Asia Credit Index (SGD Hedged) (RM). The benchmark chosen for the Fund is consistent and corresponding to the target fund, Schroder AI, except that it is the Ringgit Malaysia equivalent of the target fund's benchmark to allow for similar comparison with the performance of the RM denominated Fund. The benchmark of Schroder AI is a reference benchmark only and it is reflective of its investment geographical universe which extends to Australia and New Zealand (the Asia Pacific region) for its equity investments and the Asia region for its investments in fixed income securities. Notwithstanding this, the Schroder AI is at least 70% invested in the Asia region. For ease of reference, investors may refer to Bloomberg L.P. or the Manager for this indicator. Investor should note that the risk profile of the Fund is different from the risk profile of the benchmark.

1.2.3 Collective Investment Schemes

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

1.2.4 Financial Derivatives

As Schroder AI is denominated in Singapore dollars, the Manager may participate in financial derivatives such as currency forwards and currency swaps, or any other categories for the purpose of hedging this Fund's exposure to foreign currency. The benefit of any upside of currency movement

is limited as the primary interest is to protect the value of the portfolio. The Fund's net market exposure to financial derivative instruments will not at any time exceed its Net Asset Value. When participating in such instruments, the Manager will monitor the derivative valuation and credit ratings of the financial institutions as counterparty to the instruments, where applicable and take appropriate actions to mitigate any risk associated with such instruments. This may extend to unwinding of derivative instruments in the event where there is a need to terminate current position due to reversal in market movement, redemptions in units or upon downgrade of the credit ratings of the financial institutions.

1.2.5 Foreign Securities

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

1.2.6 Liquid Assets

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

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

1.2.7 Distribution Policy

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

1.3 Permitted Investments and Restrictions

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

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

1.4 Information on Schroder AI

(a) About Schroder Asian Income ("Schroder AI")

Schroder AI is a Singapore dollars denominated open-ended collective investment scheme domiciled in Singapore. Schroder AI is a sub-fund under the umbrella of the Schroder International Opportunities Portfolio and it was launched on 21 October 2011. The manager of Schroder AI is Schroder Investment Management (Singapore) Ltd. ("Schroder Singapore"). The trustee of Schroder AI is HSBC Institutional Trust Services (Singapore) Limited and the custodian of Schroder AI is The Hongkong and Shanghai Banking Corporation Limited. Schroder AI is regulated by the Monetary Authority of Singapore and is authorised under section 286 of the Securities and Futures Act (Chapter 289), Singapore. With effect from 5 February 2013, Schroder Singapore has appointed Schroder Investment

Management (Japan) Limited to advise Schroder Singapore in their management of Schroder AI.

When the Schroder AI was established, only a single share class, i.e. the SGD class denominated in Singapore dollars, was available. Schroder Singapore may establish different classes of units in Schroder AI at its discretion and effective 25 February 2013, Schroder Singapore, established another share class, i.e. the X share class whose features are the same as the SGD class of Schroder AI.

(b) About Schroder AI's manager

Schroder Singapore was incorporated in Singapore and has been managing collective investment schemes and discretionary funds since 1992. They are part of the Schroder group ("Schroders"). Schroders has been managing collective investment schemes and discretionary funds in Singapore since the 1970s. Schroder Singapore is licensed and regulated by the Monetary Authority of Singapore under the Securities and Futures Act (Chapter 289), Singapore.

Schroders is a global asset management company, whose history dates back over 200 years. The group's holding company, Schroders Plc is and has been listed on the London Stock Exchange since 1959.

Schroders aims to apply its specialist asset management skills in serving the needs of their clients worldwide, through its large network of offices and over 400 portfolio managers and analysts covering the world's investment markets.

(c) Investment Objective, Focus and Approach

The investment objective of the Schroder Asian Income ("Schroder AI") is to provide income and capital growth over the medium to longer term* by investing primarily in Asian equities (including REITS) and Asian fixed income securities. The Schroder AI will seek to achieve the investment objective primarily through investment in a portfolio of equity securities of Asian companies which offer attractive yields^{^^} and sustainable dividend payments^{^^}, and bonds and other fixed or floating rate securities, of investment grade or below investment grade (at the time of or subsequent to acquisition), issued by governments, government agencies, supra-national and corporate issuers in Asia which offer attractive yields. The Schroder AI may substantially^{^^} invest in bonds and debt securities which are below investment grade or unrated. The Schroder AI may, if its manager considers fit and to a limited extent, seek exposure to other asset classes including but not limited to non-Asian securities and commodities (including energy, metals and agricultural commodities) indirectly through exchange traded funds and/or similar instruments. The REITs invested in by the Schroder AI may not necessarily be authorised by the Monetary Authority of Singapore ("Authority") and the distribution policy of the Schroder AI may not reflect the dividend policy of the underlying REITs.

*"medium to longer term" in this context refers to a period of between 3-10 years.

^{^^}Explanatory note on these terms:

"attractive yields" for equity securities are level of yields that are generally above the country / industry norms. Attractive yields for fixed income securities are level of yields that are above the industry norm for that type of fixed income security of the same rating in the country of investment.

"sustainable dividend payments" means consistent % dividend payout by a company over time, for example the target fund manager would prefer a company that has a stable dividend payout ratio rather than a company that has a high payout ratio in one or two years

and zero payout ratio in the next few years.

“substantially” means up to 70% of Schroder AI’s net asset value.

The Schroder AI will actively allocate between Asian equities, Asian fixed income securities, cash and other permissible investments in accordance with the Code on Collective Investment Schemes (“Code”) issued by the Authority to achieve the Schroder AI’s objectives. The Schroder AI will use a cyclical approach to asset allocation where the asset mix will be adjusted according to the four phases of the economic cycle – recovery, expansion, slowdown and recession – based on a combination of fundamental and quantitative factors such as asset class valuation, macroeconomic data and liquidity. Cash will be treated as a separate asset class and will be deployed if necessary to limit downside risk during adverse market conditions. The Schroder AI’s expected asset allocation ranges for each asset class is expected to be the following: -

Asian equities: 30-70%

Asian fixed income: 30-70%

Other permissible investments: 0-20%

Cash: 0-30%

In addition to active asset allocation, the Schroder AI will also perform active security selection for its investments in Asian equities, Asian fixed income and other permissible investments. For the Asian equities portfolio, the Schroder AI intends to focus on companies that are able to create true shareholder value**, have a strong and stable earnings stream** and have a strong sustainable dividend yield**. For the Asian fixed income portfolio, the Schroder AI intends to select securities that deliver attractive yield and capital growth taking into account both fundamental and technical views such as valuation, demand/supply conditions and liquidity. The Schroder AI will also perform duration management based on its manager’s interest rate views. Duration is a measure of the sensitivity of the portfolio value to changes in interest rates. Hence duration management means managing the impact that interest rate movements have on the value of the portfolio. For example, an increase in interest rates usually has a negative impact on the value of bonds, hence the manager of Schroder AI would reduce the duration of the portfolio to reduce the effect from rising interest rates.

The Schroder AI may invest up to 10% of its assets in China A-Shares through the Shanghai-Hong Kong Stock Connect and/or the Shenzhen-Hong Kong Stock Connect.

In extreme market conditions, the Schroder AI may hold more than 10% of its assets in cash.

**Explanatory note on these terms:

“create true shareholder value” are companies that in the judgment of the Schroder AI’s manager, delivers value through its management’s ability to grow earnings, dividends and share price. In other words, it is the sum of all strategic decisions that affect the company’s ability to efficiently increase the amount of free cash flow over time, after considering factors such as the effect of inflation, amongst others.

“strong and stable earnings stream” are companies that in the judgment of the Schroder AI’s manager, can offer consistently growing / increasing corporate earnings with low volatility from one year to the next.

“strong sustainable dividend yield” are companies that in the judgment of the Schroder AI’s manager, can offer increasing dividend payout from one year to the next.

(d) Authorised Investments of Schroder AI

The authorised investments of Schroder AI are in accordance with the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore (“Code”).

1 Permissible Investments

1.1 The Schroder AI’s underlying investments may only consist of the following permissible investments:

- a) transferable securities;
- b) money market instruments;
- c) eligible deposits;
- d) units in other schemes;
- e) financial derivatives; and
- f) shares or securities equivalent to shares that are not listed for quotation or quoted and have not been approved for listing for quotation or quotation on an organised exchange.

“organised exchange” refers to an exchange that is and organised market;

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

- (i) that is of good repute;
- (ii) that is open to the public or a substantial number of market participants; and
- (iii) on which financial instruments are regularly traded.

1.2 For the purpose of paragraph 1.1,

- a) “transferable securities” refer to:
 - i) shares or securities equivalent to shares; and
 - ii) bonds or other securitised debt instruments,that meet the requirements of paragraph 1.3 but do not include:
 - A) money market instruments; or
 - B) any security the title to which cannot be transferred or can be transferred only with the consent of a third party.
- b) “eligible deposits” refer to deposits with banks licensed under Singapore’s Banking Act (Cap. 19), finance companies licensed under Singapore’s Finance Companies Act (Cap. 108), merchant banks approved as financial institutions under section 28 of the Monetary Authority of Singapore Act (Cap. 186) or any other deposit-taking institution licensed under an equivalent law in a foreign jurisdiction.

Requirements of transferable securities

1.3 Transferable securities shall meet the following requirements:

- a) the maximum potential loss which may be incurred as a result of the investment is limited to the amount paid for it;
- b) the investment is liquid;
- c) the investment is subject to reliable and verifiable valuation on a daily basis; and
- d) there is appropriate information available to the market on the investment or, where relevant, on the portfolio.

Note

In determining whether information on a transferable security is appropriate, Schroder AI's manager should consider if the information available on the market is regular and accurate, as well as sufficient to analyse the investment. For example, reliance on annual or financial reports is acceptable if Schroder AI's manager is of the view that it is appropriate.

Requirements on investments in other schemes

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

- a) an authorised or recognised scheme;

Note

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

- b) a scheme which:
 - i) is constituted and regulated in a jurisdiction where the laws and practices afford to participants in Singapore protection at least equivalent to that afforded to participants of schemes which are wholly managed in Singapore;
 - ii) adheres to investment and borrowing guidelines which are substantially similar to those set out in the relevant investment guidelines under the Code; and
 - iii) has a manager that is reputable and supervised by an acceptable financial supervisory authority;
- c) a scheme which is invested in permissible investments, commodities or real estate, meets the requirements set out in paragraph 1.3(a) to (d), for the purposes of this paragraph, the units in the scheme are listed for quotation and traded on an organised exchange.

Note

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

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

Requirements of financial derivatives

1.6 Financial derivatives shall meet the following requirements:

- a) The underlying consists of instruments referred to in paragraph 1.1, commodities*, indices which meets the requirements in the Code pertaining to index funds, interest rates, foreign exchange rates or currencies. In the case of financial derivatives on commodities*, such transactions shall be settled in cash at all times. The Schroder AI's manager shall also undertake in the trust deed of Schroder AI to settle such transactions in cash and disclose that fact in the Schroder AI's prospectus;
- b) the financial derivatives are liquid;
- c) the financial derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value; and
- d) the financial derivatives shall not result in the delivery of investments other than those described in paragraph 1.1(a) to (f).

**Note: Schroder AI does not participate or invest in derivatives with underlying comprising commodities.*

Over-the-Counter (OTC) financial derivatives

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

- a) a valuation made by the Schroder AI's manager based on a current market value; or
- b) where such value is not available, a fair value based on an appropriate valuation model which is checked at an appropriate frequency by an independent party.
- c) The valuation by the Schroder AI's manager shall not be based solely on a valuation provided by the counterparty to the transaction.

Note

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

(e) Investment limits and restrictions of Schroder AI

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

1 Spread of Investments

Single entity limit and group limit

1.1 Schroder AI should comply with the following limits:

- a) Investments in:
 - i) transferable securities; or
 - ii) money market instruments

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

- b) Aggregate investments in, or exposures to, a group of entities through :
 - i) transferable securities;
 - ii) money market instruments;
 - iii) eligible deposits; and
 - iv) counterparty risk exposures arising from the use of over-the-counter (“OTC”) financial derivatives

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

Short-term deposits

- 1.2 The group limit does not apply to placements of eligible deposits arising from:
 - a) subscription monies received at any point in time pending the commencement of investment by Schroder AI; or
 - b) liquidation of investments prior to the termination or maturity of Schroder AI, where the placing of these monies with various institutions would not be in the interests of participants.

Government and other public debt securities / money market instruments

- 1.3 The single entity limit of 10% may be raised to 35% of Schroder AI’s net asset value where:
 - a) the issuing entity or trust is, or the issue is guaranteed by, either a government, government agency or supranational, that has a minimum long-term rating of BBB by Fitch, Baa by Moody’s or BBB by Standard and Poor’s Rating Services (including such sub-categories or gradations therein); and
 - b) not more than 20% of Schroder AI’s net asset value may be invested in any single issue of transferable securities or money market instruments by the same entity or trust.
- 1.4 If there is a downgrade in rating to that below the minimum rating as stated in paragraph 1.3(a), or if the rating agencies no longer rate the entity or the guarantor, the single entity limit should revert to 10%.
- 1.5 The single entity limit of 10% does not apply where:
 - a) the issuing entity or trust is, or the issue is guaranteed by, either a government, government agency or supranational, that has a minimum long-term rating of AA by Fitch, Aa by Moody’s or AA by Standard and Poor’s Ratings Services (including such sub-categories or gradations therein); and
 - b) not more than 20% of Schroder AI’s net asset value may be invested in any single issue of transferable securities or money market instruments by the same entity or trust.
- 1.6 If there is a downgrade in rating to that below the minimum rating as stated in paragraph 1.5(a), or if the rating agencies no longer rate the entity or the guarantor, the single entity limit as specified in paragraph 1.1(a) or 1.3, as the case may be, should apply accordingly.

Unrated and non-investment grade corporate debt securities

- 1.7 The single entity limit of 10% in paragraph 1.1(a) for bonds and other securitised debt instruments is lowered to 5% of Schroder AI's net asset value if the issuing entity or trust:
- a) is not rated; or
 - b) has a long-term rating below that of BBB by Fitch, Baa by Moody's or BBB by Standard and Poor's Rating Services (including such sub-categories or gradations therein).
- 1.8 Notwithstanding paragraph 1.7(a), Schroder AI's manager may rely on:
- a) the rating of an unrated issuer's parent company provided that an explicit guarantee by the parent company for the issuer is in place; or
 - b) its internal rating of an unrated issuer if Schroder AI's manager has satisfied Schroder AI's trustee that its internal rating is comparable to a rating issued by Fitch, Moody's or Standard & Poor's.

Commodity-backed debt securities

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

Investment in other schemes

Requirements on investments in other schemes

- 1.10 Schroder AI may invest in other schemes only if the underlying scheme is:

- a) an authorised or recognised scheme;

Note

Schroder AI shall not invest in an underlying scheme which is a hedge fund or fund-of-hedge funds even if the underlying scheme complies with the Code's Investments Guidelines for Hedge Funds.

- b) a scheme which:
 - i) is constituted and regulated in a jurisdiction where the laws and practices afford to participants in Singapore protection at least equivalent to that afforded to participants of schemes which are wholly managed in Singapore;
 - ii) adheres to investment and borrowing guidelines which are substantially similar to those set out in the relevant appendices under the Code; and
 - iii) has a manager that is reputable and supervised by an acceptable financial supervisory authority;
- c) a scheme which is invested in permissible investments, commodities or real estate, meets the Code's requirements of transferable securities (see paragraph 1.3 of the Authorised Investments of Schroder AI) and, for the purposes of this paragraph, the units in the scheme are listed for quotation and traded on an organised exchange.

Note

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

- 1.11 Investments in an underlying scheme which does not satisfy paragraph 1.10 (a) or (b) but satisfies:
- a) paragraph 1.10 (c) and is invested in permissible investments or real estate should not exceed 10% of the Schroder AI's net asset value; or
 - b) paragraph 1.10 (c) and is invested directly in commodities is subject to the limit in paragraph 1.12.

Alternative exposure limit

- 1.12 Investments in:
- a) shares or securities equivalent to shares that are not listed for quotation or quoted, and have not been approved for listing for quotation or quotation, on an organised exchange;
 - b) debt securities which are undated, secured by physical commodities, listed for quotation and traded on an organised exchange; and
 - c) underlying schemes which do not satisfy paragraph 1.10 (a) or (b) but satisfy paragraph 1.10(c) and are invested directly in commodities,
- are subject to an aggregate limit of 10% of Schroder AI's net asset value.

Concentration limit

- 1.13 Schroder AI should not invest in more than:
- a) 10% of the total outstanding shares, or securities equivalent to shares, of any single entity or trust;
 - b) 10% of each individual issuance of debt securities of any single issuing entity or trust, where such issuance is not part of a debt issuance programme; or where debt securities are issued under a debt issuance programme, 20% of each tranche, subject to a limit of 10% of the overall programme size; and
 - c) 10% of the money market instruments of a single issuing entity or trust.

2 Global Exposure

- 2.1 The global exposure of Schroder AI to financial derivatives or embedded financial derivatives should not exceed 100% of its net asset value at all times.
- 2.2 Schroder AI's manager should calculate the global exposure of Schroder AI based on the:
- a) Commitment approach under the Code; or
 - b) Value at risk (VaR) Approach (including any other variants of the VaR Approach) under the Code, subject to prior consultation with the Monetary Authority of Singapore ("Authority").

Commitment Approach

- 2.3 The global exposure of Schroder AI is calculated as the sum of:
- a) the absolute value of the exposure of each individual financial derivative not involved in netting or hedging arrangements;
 - b) the absolute value of the net exposure of each individual financial derivative after netting or hedging arrangements; and
 - c) the sum of the values of cash collateral received pursuant to:
 - i) the reduction of exposure to counterparties of OTC financial derivatives; and
 - ii) efficient portfolio management techniques relating to securities lending and repurchase transactions,and that are reinvested.

Netting arrangements

- 2.4 Netting arrangements may be taken into account to reduce Schroder AI's exposure to financial derivatives.
- 2.5 Schroder AI may net positions between:
- a) financial derivatives on the same underlying assets, even if the maturity dates are different; or
 - b) financial derivatives and the same corresponding underlying asset, if those underlying assets are transferable securities, money market instruments or units in other schemes.

Hedging arrangements

- 2.6 Hedging arrangements may be taken into account to reduce Schroder AI's exposure to financial derivatives.
- 2.7 The marked-to-market value of transferable securities, money market instruments or units in schemes involved in hedging arrangements may be taken into account to reduce Schroder AI's exposure to financial derivatives.
- 2.8 For the purposes of the above paragraphs 2.6 and 2.7, the hedging arrangement shall:
- a) not be aimed at generating a return;
 - b) result in an overall verifiable reduction of the risk of Schroder AI;
 - c) offset the general and specific risks linked to the underlying being hedged;
 - d) relate to the same asset class being hedged; and
 - e) be able to meet its hedging objective in all market conditions.
- 2.9 Notwithstanding paragraph 2.8, financial derivatives used for the purposes of hedging currency exposure may be netted when calculating the global exposure.

Exposure arising from reinvestment of cash collateral

- 2.10 If Schroder AI reinvests cash collateral received from counterparties of OTC financial derivatives, securities lending or repurchase transactions to generate a

return in excess of high quality 3-month government bonds, it should include in its global exposure calculations the cash amount reinvested.

VaR Approach or its variants

- 2.11 Schroder AI's manager may apply to the Authority to use the VaR Approach or its variants to calculate the global exposure of Schroder AI instead of the commitment approach (paragraph 2.3.).
- 2.12 The global exposure of Schroder AI should also take into account exposures arising from the reinvestment of cash collateral.
- 2.13 Schroder AI's manager shall comply with the guidelines in the Code on alternative approach for calculating global exposure – VaR Approach.

3 Use of Financial Derivatives

Requirements of financial derivatives

Financial derivatives shall meet the following requirements:

- a) *The underlying consists of instruments referred to in paragraph 1.1 of the Authorised Investments of Schroder AI, commodities*, indices which meets the requirements in the Code pertaining to index funds, interest rates, foreign exchange rates or currencies. In the case of financial derivatives on commodities*, such transactions shall be settled in cash at all times;*
- b) *the financial derivatives are liquid;*
- c) *the financial derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value; and*
- d) *the financial derivatives shall not result in the delivery of investments other than permissible investments under the Code.*

**Note: Schroder AI does not participate or invest in derivatives with underlying comprising commodities.*

Over-the-Counter (OTC) financial derivatives

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

- a) *a valuation made by Schroder AI's manager based on a current market value;
or*
- b) *where such value is not available, a fair value based on an appropriate valuation model which is checked at an appropriate frequency by an independent party.*

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

Spread of underlying assets

- 3.1 The exposure of Schroder AI to the underlying assets of financial derivatives should

be sufficiently diversified on a portfolio basis.

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

Embedded financial derivatives

- 3.3 Where a transferable security or money market instrument embeds a financial derivative, the requirements in the paragraphs under item 2 and 3 stated herein apply to the embedded financial derivative.
- 3.4 Where the counterparty risk of the embedded derivative is or may be transferred to Schroder AI, the requirements in the paragraphs under item 4 stated herein also apply to the embedded financial derivative.
- 3.5 A transferable security or money market instrument is considered to be embedding a financial derivative if it contains a component which fulfills the following criteria:
- a) the component results in some or all of the cash flows that otherwise would be required by the transferable security or money market instrument which functions as host contract to be modified according to a variable including but not limited to a specified interest rate, price of a financial instrument, foreign exchange rate, index of prices or rates, credit rating or credit index, and therefore vary in a way similar to a stand-alone financial derivative;
 - b) the component's economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and
 - c) the component has a significant impact on the risk profile and pricing of the transferable security or money market instrument.
- 3.6 A transferable security or a money market instrument should not be regarded as embedding a financial derivative where it contains a component which is contractually transferable independently of the transferable security or the money market instrument. Such a component should be deemed to be a separate financial instrument.
- 3.7 Where an instrument is structured as an alternative to an OTC financial derivative or tailor-made to meet the specific needs of Schroder AI, the instrument should be deemed as embedding a financial derivative.

Cover

- 3.8 A transaction in financial derivatives which gives rise, or may give rise, to a future commitment on behalf of Schroder AI should be covered as follows:
- a) in the case of financial derivatives which will, or may at the option of Schroder AI, be cash settled, Schroder AI should hold, at all times, liquid assets sufficient to cover the exposure;
 - b) in the case of financial derivatives which will, or may at the option of the counterparty, require physical delivery of the underlying assets, Schroder AI should hold the underlying assets in sufficient quantities to meet the delivery obligation at all times. If Schroder AI's manager deems the underlying assets to be sufficiently liquid, Schroder AI may hold as coverage other liquid assets in

sufficient quantities, provided that such alternative assets may be readily converted into the underlying asset at any time to meet the delivery obligation.

4 Counterparty of Financial Derivatives

OTC financial derivatives

- 4.1 The counterparty of an OTC financial derivative should be subject to prudential supervision by a financial supervisory authority in its home jurisdiction.
- 4.2 Subject to the group limit in paragraph 1.1, the maximum exposure of Schroder AI to the counterparty of an OTC financial derivative may not exceed:
- a) in the case of an eligible financial institution described in paragraph 4.3, 10% of Schroder AI's net asset value; or
 - b) in any other case, 5% of Schroder AI's net asset value
- ("counterparty limits").
- 4.3 For the purpose of paragraph 4.2, an eligible financial institution should have a minimum long-term rating of A by Fitch, A by Moody's or A by Standard and Poor's Ratings Services (including sub-categories or gradations therein). Alternatively, where the financial institution is not rated, Schroder AI should have the benefit of a guarantee by an entity which has a long-term rating of A (including sub-categories or gradations therein).
- 4.4 The exposure to a counterparty of an OTC financial derivative should be measured based on the maximum potential loss that may be incurred by Schroder AI if the counterparty defaults and not on the basis of the notional value of the OTC financial derivative.

Recognition of collateral

- 4.5 The exposure to a counterparty may be construed as being lower if collateral is tendered to Schroder AI. The collateral should meet the following requirements:
- a) it is marked-to-market daily;
 - b) it is liquid;
 - c) it is taken into account, on a portfolio basis, for the purposes of the requirements on spread of investments in the paragraphs under item 1 stated herein;
 - d) it is not issued by the counterparty or its related corporations;
 - e) it is held by a custodian which is:
 - i) a financial institution subject to prudential supervision by a financial supervisory authority in its home jurisdiction; and
 - ii) independent of the counterparty;
 - f) it is legally secured from the consequences of the failure of the custodian, counterparty and their related corporations;
 - g) it can be fully enforced by the Schroder AI's trustee at any time;

- h) it is free from all prior encumbrances; and
 - i) it cannot be sold or given as security interests.
- 4.6 Collateral may only consist of:
- a) cash;
 - b) money market instruments; or
 - c) bonds.
- 4.7 For the purpose of paragraph 4.6, money market instruments and bonds should be issued by, or have the benefit of a guarantee from, a government, government agency or supranational, that has a long-term rating of AAA by Fitch, Aaa by Moody's or AAA by Standard and Poor's Ratings Services (including sub-categories or gradations therein).
- 4.8 Notwithstanding paragraph 4.6, securitised debt instruments as well as money market instruments or bonds with embedded financial derivatives are not eligible as collateral.
- 4.9 Schroder AI's manager should ensure that it has the appropriate legal expertise to put in place proper collateral arrangements, as well as appropriate systems and operational capabilities for proper collateral management.
- 4.10 Additional collateral should be provided to Schroder AI no later than the close of the next business day if the current value of the collateral tendered is insufficient to satisfy the counterparty limits in paragraph 4.2.

Reinvestment of collateral

- 4.11 Collateral obtained in the form of cash by Schroder AI may be reinvested subject to the following requirements:
- a) it is invested in financial instruments consistent with paragraphs 4.6 and 4.7;
 - b) the investments are taken into account, on a portfolio basis, for the purposes of the requirements on spread of investments in the paragraphs under item 1 stated herein;
 - c) the investments are held by a custodian which is:
 - i) a financial institution subject to prudential supervision by a financial supervisory authority in its home jurisdiction; and
 - ii) independent of the counterparty;
 - d) the investments are legally secured from the consequences of the failure of the custodian, counterparty and their related corporations;
 - e) the investments cannot be sold or given as security interests; and
 - f) the Schroder AI's manager is reasonably satisfied that any investment of cash collateral by Schroder AI will enable Schroder AI to meet its redemption obligations and other payment commitments.
- 4.12 Notwithstanding paragraph 4.11, the cash collateral obtained should not be invested in transferable securities issued by, or placed on deposit with, the counterparty or its related corporations.

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

Recognition of netting

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

- a) in the case of a bilateral contract for novation, mutual claims and obligations are automatically amalgamated in such a way that this novation fixes one single net amount each time novation applies and thus creates a legally binding, single new contract extinguishing former contracts;
- b) Schroder AI has a netting arrangement with its counterparty which creates a single legal obligation, covering all included transactions, such that, in the event of the counterparty's failure to perform owing to default, bankruptcy, liquidation or any other similar circumstance, Schroder AI would have a claim to receive or an obligation to pay only the net sum of the positive and negative mark-to-market values of the individual included transactions;
- c) Schroder AI's manager obtains written and reasoned legal opinions to the effect that, the netting arrangement is legally enforceable by Schroder AI against its counterparty, and in particular, in the event of a legal challenge, the relevant courts and administrative authorities would find that Schroder AI's claims and obligations would be limited to the net sum, as described in the above paragraph 4.14(b), under:
 - i) the law of the jurisdiction in which the counterparty is incorporated and, if a foreign branch of an entity is involved, also under the law of the jurisdiction in which the branch is located;
 - ii) the law that governs the individual included transactions; and
 - iii) the law that governs the netting agreement;
- d) Schroder AI's manager has procedures in place to ensure that the legal validity of the netting arrangement is kept under review in the light of possible changes in the relevant laws; and
- e) Schroder AI's manager is reasonably satisfied that the netting arrangement is legally valid under the law of each of the relevant jurisdictions.

Exchange-traded financial derivatives

- 4.15 Financial derivatives which:

- a) are transacted on an exchange where the clearing house performs a central counterparty role; and
- b) have trades which are characterised by a daily marked-to-market valuation of the financial derivative positions and subject to at least daily margining,

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

Margins

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

5 Efficient Portfolio Management (“EPM”) Techniques

Securities lending and repurchase transactions

- 5.1 Schroder AI may carry out the following activities for the sole purpose of EPM:
- a) securities lending; and
 - b) repurchase transactions.
- 5.2 Schroder AI may lend transferable securities and money market instruments:
- a) directly;
 - b) through a standardised lending system facilitated by a clearing house which performs a central counterparty role; or
 - c) through securities lending agents, who are recognised as specialists in securities lending.
- 5.3 Securities lending and repurchase transactions should be effected in accordance with good market practice.

Counterparty

- 5.4 The counterparty to a securities lending agreement or repurchase transaction should:
- a) be a financial institution subject to prudential supervision by a financial supervisory authority in its home jurisdiction; and
 - b) have a minimum long-term rating of A by Moody’s, A by Standard and Poor’s Ratings Services or A by Fitch (including sub-categories or gradations therein). Alternatively, where the counterparty is not rated, it is acceptable if an entity which has and maintains a rating as stated above indemnifies Schroder AI against losses suffered as a result of the counterparty’s failure.
- 5.5 Where Schroder AI’s manager engages in securities lending and repurchase transactions with any of its related corporations, the Schroder AI’s manager should have effective arrangements in place to manage potential conflicts of interest.
- 5.6 The agreement between Schroder AI and the counterparty, either directly or through its agent, should require the counterparty to provide additional collateral to Schroder AI or its agent no later than the close of the next business day if the current value of the eligible collateral tendered is insufficient.

Recognition of collateral

- 5.7 The collateral should meet the following requirements:
- a) it is marked-to-market daily;
 - b) it is liquid;

- c) it exceeds the value of the transferable securities or money market instruments transferred;
 - d) it is taken into account, on a portfolio basis, for the purposes of the requirements on spread of investments in the paragraphs under item 1 stated herein;
 - e) it is not issued by the counterparty or its related corporations;
 - f) it is held by a custodian or agent which is:
 - i) a financial institution subject to prudential supervision by a financial supervisory authority in its home jurisdiction; and
 - ii) independent of the counterparty;
 - g) it is legally secured from the consequences of the failure of the custodian, counterparty or agent and their related corporations;
 - h) it can be fully enforced by Schroder AI's trustee at any time;
 - i) it is free from all prior encumbrances; and
 - j) it cannot be sold or given as security interests.
- 5.8 For the purposes of securities lending and repurchase transactions, collateral may only consist of:
- a) cash;
 - b) money market instruments; or
 - c) bonds.
- 5.9 For the purpose of paragraph 5.8, money market instruments and bonds should be issued by, or have the benefit of a guarantee from, an entity or trust that has a minimum long-term rating of A by Fitch, A by Moody's or A by Standard and Poor's Ratings Services (including sub-categories or gradations therein) (collectively, "eligible collateral").
- 5.10 Notwithstanding paragraph 5.8, securitised debt instruments as well as money market instruments or bonds with embedded financial derivatives are not eligible as collateral.

Settlement

- 5.11 Schroder AI or its agent should receive eligible collateral before, or simultaneously with, the transfer of ownership of the transferable securities lent.
- 5.12 Upon termination of the securities lending or repurchase transaction, the eligible collateral may be remitted by Schroder AI or its agent after, or simultaneously with the restitution of the transferable securities lent.

Reinvestment of collateral

- 5.13 Collateral obtained in the form of cash by Schroder AI or its agent may be reinvested subject to the following requirements:
- a) it is invested in financial instruments consistent with paragraphs 5.8 and 5.9;

- b) the investments are taken into account, on a portfolio basis, for the purposes of the requirements on spread of investments in the paragraphs under item 1 stated herein;
 - c) the investments are held by a custodian which is:
 - i) a financial institution subject to prudential supervision by a financial supervisory authority in its home jurisdiction; and
 - ii) independent of the counterparty;
 - d) the investments are legally secured from the consequences of the failure of the custodian, counterparty or agent and their related corporations;
 - e) the investments cannot be sold or given as security interests; and
 - f) Schroder AI's manager is reasonably satisfied that any investment of cash collateral by Schroder AI or its agent, will enable Schroder AI to meet its redemption obligations and other payment commitments.
- 5.14 Notwithstanding paragraph 5.13, the cash collateral obtained should not be invested in transferable securities issued by, or placed on deposit with, the counterparty or its related corporations.
- 5.15 Non-cash collateral obtained by Schroder AI or its agent may not be reinvested.

Liquidity

- 5.16 Schroder AI's manager should ensure that:
- a) the volume of securities lending or repurchase transactions is kept at an appropriate level; and
 - b) Schroder AI or its agent is entitled to terminate the securities lending or repurchase transaction and request the immediate return of its transferable securities lent without penalty, in a manner which enables Schroder AI to meet its redemption obligations and other payment commitments.

6 Borrowings

- 6.1 Schroder AI may borrow, on a temporary basis, for the purposes of meeting redemptions and bridging requirements.
- 6.2 Schroder AI may only borrow from banks licensed under Singapore's Banking Act (Cap. 19), finance companies licensed under Singapore's Finance Companies Act (Cap. 108), merchant banks approved as financial institutions under section 28 of the Monetary Authority of Singapore Act (Cap. 186) or any other deposit-taking institution licensed under an equivalent law in a foreign jurisdiction.
- 6.3 The borrowing period should not exceed one month.
- 6.4 Aggregate borrowings for the purposes of paragraph 6.1 should not exceed 10% of Schroder AI's net asset value at the time the borrowing is incurred.

7 Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect (collectively and individually referred to as the “Stock Connect”)

7.1 The Shanghai-Hong Kong Stock Connect is a securities trading and clearing links program developed by Hong Kong Exchanges and Clearing Limited (“HKEX”), Shanghai Stock Exchange (“SSE”) and China Securities Depository and Clearing Corporation Limited (“ChinaClear”) and the Shenzhen-Hong Kong Stock Connect is a securities trading and clearing links program developed by HKEX, Shenzhen Stock Exchange (“SZSE”) and ChinaClear. The aim of the Stock Connect is to achieve mutual stock market access between mainland China and Hong Kong.

7.2 Shanghai-Hong Kong Stock Connect

The Shanghai-Hong Kong Stock Connect comprises a Northbound Shanghai Trading Link and a Southbound Hong Kong Trading Link. Under the Northbound Shanghai Trading Link, Hong Kong and overseas investors (including Schroder AI), through their Hong Kong brokers and a securities trading service company established by The Stock Exchange of Hong Kong Limited (“SEHK”), may be able to trade eligible China A-Shares listed on the SSE by routing orders to SSE. Under the Southbound Hong Kong Trading Link under the Shanghai-Hong Kong Stock Connect, investors in mainland China will be able to trade certain stocks listed on the SEHK. Under a joint announcement issued by the Securities and Futures Commission (“SFC”) and the China Securities Regulatory Commission (“CSRC”), the Shanghai-Hong Kong Stock Connect commenced trading on 17 November 2014.

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

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

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

The trading is subject to rules and regulations issued from time to time. Trading under the Shanghai-Hong Kong Stock Connect is subject to a daily quota (“Daily Quota”). The Northbound Shanghai Trading Link and the Southbound Hong Kong Trading Link under the Shanghai-Hong Kong Stock Connect will be subject to a separate set of Daily Quota. The Daily Quota limits the maximum net buy value of cross-boundary trades under the Shanghai-Hong Kong Stock Connect each day.

7.3 Shenzhen-Hong Kong Stock Connect

The Shenzhen-Hong Kong Stock Connect comprises a Northbound Shenzhen Trading Link and a Southbound Hong Kong Trading Link. Under the Northbound Shenzhen Trading Link, Hong Kong and overseas investors (including Schroder AI), through their Hong Kong brokers and a securities trading service company established by SEHK, may be able to trade eligible China A-Shares listed on the SZSE by routing orders to SZSE. Under the Southbound Hong Kong Trading Link under the Shenzhen-Hong Kong Stock Connect, investors in mainland China will be able to trade certain stocks listed on the SEHK. Under a joint announcement issued by the SFC and CSRC, the Shenzhen-Hong Kong Stock Connect commenced trading on 5 December 2016.

Under the Shenzhen-Hong Kong Stock Connect, Schroder AI, through their Hong Kong brokers, may trade certain eligible shares listed on the SZSE. These include any constituent stock of the SZSE Component Index and SZSE Small/Mid Cap

Innovation Index which has a market capitalisation of RMB6 billion or above and all SZSE-listed shares of companies which have issued both China A-Shares and H-Shares, except for the following:

- SZSE-listed shares which are not traded in RMB; and
- SZSE-listed shares which are included in the “risk alert board”.

At the initial stage of the Northbound Shenzhen Trading Link, investors eligible to trade shares that are listed on the ChiNext board of SZSE under the Northbound Shenzhen Trading Link will be limited to institutional professional investors as defined in the relevant Hong Kong rules and regulations.

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

The trading is subject to rules and regulations issued from time to time. Trading under the Shenzhen-Hong Kong Stock Connect will be subject to a Daily Quota. The Northbound Shenzhen Trading Link and the Southbound Hong Kong Trading Link under the Shenzhen-Hong Kong Stock Connect will be subject to a separate set of Daily Quota. The Daily Quota limits the maximum net buy value of cross-boundary trades under the Shenzhen-Hong Kong Stock Connect each day.

7.4 Stock Connect

The Hong Kong Securities Clearing Company Limited (“**HKSCC**”), a wholly-owned subsidiary of HKEX, and ChinaClear will be responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by their respective market participants and investors.

China A-Shares traded through the Stock Connect are issued in scripless form, and investors will not hold any physical China A-Shares. Although HKSCC does not claim proprietary interests in the SSE and SZSE securities held in its omnibus stock accounts in ChinaClear, ChinaClear as the share registrar for SSE and SZSE listed companies will still treat HKSCC as one of the shareholders when it handles corporate actions in respect of such SSE and SZSE securities.

SSE-/SZSE-listed companies usually announce information regarding their annual general meetings / extraordinary general meetings about two to three weeks before the meeting date. A poll is called on all resolutions for all votes. HKSCC will advise the Hong Kong Central Clearing and Settlement System (“**CCASS**”) participants of all general meeting details such as meeting date, time, venue and the number of resolutions.

Under the Stock Connect, Hong Kong and overseas investors will be subject to the fees and levies imposed by SSE, SZSE, ChinaClear, HKSCC or the relevant mainland Chinese authority when they trade and settle SSE securities and SZSE securities.

1.5 Fund Business Day

As the target fund into which the Fund invests in, is domiciled in Singapore which has its own business day policy, it is envisaged that although Bursa Malaysia is open for business, the Manager may declare certain days to be a non-Business Day. This is so when it is a non-business day in Singapore (i.e. Saturdays, Sundays and public holidays) and/or a day which is a non-dealing day as defined in the prevailing prospectus of the target fund’s prospectus, or (where applicable) a day which is determined to be a non-business day by the target fund’s manager. This is to ensure that the valuation of the Fund for a particular Business Day will represent the valuation of the target fund, which the Fund invests in for that Business Day. Investors will thus be given a fair valuation of the Fund at all times, be it when buying or redeeming units of the Fund.

2. RISK FACTORS

2.1 General Risks of Investing in Unit Trust Fund

The following are general risks involved in investing in the Fund:

General Risks

a) **Management Risk**

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

This refers to the expertise of a fund manager in carrying out the investment management function of the Fund. The selection of securities which make up the assets of the Fund is a subjective process. Securities selected by the fund manager may perform better or worse than the overall market, or as compared to similar portfolios managed by our competitors.

b) **Inflation / Purchasing Power Risk**

The purchasing power of Unit Holders' money may not keep pace with inflation. Inflation reduces the purchasing power of money. There is a risk that the value of Unit Holders' money invested in the Fund and the value of any returns thereof will be reduced by inflation.

c) **Liquidity Risk**

The ability of the Fund to honour requests for redemption in a timely manner is subject to the Fund's holding of adequate liquid assets and /or its ability to borrow on a temporary basis as permitted by the relevant laws.

d) **Loan Financing Risk**

Investors should assess the inherent risk of investing with borrowed money which would include the following:

i) the ability to service the loan repayments and the effect of increase in interest rates on the loan repayments; and

ii) (in a case where units of the Fund are used as collateral to the loan) the ability to provide additional collateral should the unit prices of the Fund fall beyond a certain level.

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

e) **Risk of Non-Compliance**

The risk arises should the Manager not follow the provisions set out in the Deed or the law that governs the Fund or its own internal procedures, whether due to the Manager's oversight, or if the Manager acts fraudulently or dishonestly. Such non-compliance may result in the Fund being mismanaged and this may affect the Unit Holders' investment.

f) **Returns are not Guaranteed**

There is no guarantee on the investment returns to Unit Holders.

Investments Risks

- a) **Currency Risk**
Where a percentage of the value of the Fund is invested in foreign currency or assets denominated in a foreign currency, the Fund may be exposed to currency risk. Fluctuation in foreign exchange rates will affect the value of the Fund's foreign investments when converted into local currency and subsequently the value of Unit Holders' investments. This risk can be mitigated by investing in a wide range of foreign currency denominated assets thus diversifying the risk of single currency exposure. Hedging may be applied to mitigate the currency risk, if necessary.
- b) **Country Risk**
In addition to currency risk, the value of the assets of the Fund may also be affected by uncertainties such as currency repatriation restrictions or other developments in the law or regulations of the country in which the Fund may invest, i.e. Singapore, the domicile country of the target fund, Schroder AI.
- c) **Market Risk**
Market risk is a risk that arises when the prices of investments in the marketplace are affected by circumstances such as political or economic events. These circumstances may be a local or global event that can affect the global markets as well as the markets where the Fund is invested in and subsequently, the value of the Fund's investments.
- d) **Derivative Risk**
If the Fund participates in financial derivative instruments for hedging purposes or as an investment, it will be subject to risks associated with such investments. As hedging activities are meant to protect a Fund from currency, interest rate and price volatility, hence the benefit of any upside of currency or interest rate or securities' price movement is limited. Investments in financial derivative instruments may require the deposit of initial margin and additional deposit of margin on short notice if the market moves against the investment positions. If no provision is made for the required margin within the prescribed time, the Fund's investments may be liquidated at a loss. Therefore, it is essential that such investments in financial derivative instruments are monitored closely. If and when the Manager participates or invests in financial derivatives, the Manager will monitor the financial derivative positions for the Fund. In addition, participation or investment in financial derivatives is also subject to the possibility that the counterparty to the financial derivative may fail or default in its obligations under the financial derivative contract. Such failure or default by the counterparty whether in the payment of principal and/or interest or any gain from the financial derivative transaction may ultimately lead to a reduction in the value of the Fund. Investing in financial derivatives may also result in a likelihood of high volatility of the NAV per unit of the Fund.

2.2 Specific Risks When Investing in the Fund

As this Fund invests at least 95% of its Net Asset Value in the target fund, Schroder AI, it is subject to the management risk of the management company and investment managers of Schroder AI. Poor management of Schroder AI will jeopardise the investment of this Fund in Schroder AI and in turn, the Unit Holders' investment through the risk of reduced returns and in some cases loss of capital invested in this Fund as elaborated under Management Risk set out in Section 2.1.

The Fund is also exposed to liquidity risks as there is no secondary market for Schroder AI. Investments in Schroder AI can only be liquidated with the manager of Schroder AI or its appointed agents.

In addition, as Schroder AI is domiciled in Singapore and denominated in Singapore dollars, this Fund may be subject to currency and country risk. Changes in rates of exchange between currencies

may cause the value of this Fund's investment in Schroder AI to diminish or increase which in turn will affect the value of Unit Holders' investments.

The Fund's investments in Schroder AI may be adversely affected by political instability as well as exchange controls, changes in taxation, foreign investment policies, restrictions on repatriation of investments and other restrictions and controls which may be imposed by the relevant authorities in Singapore. Investors may also refer to currency risk and country risk elaborated under Section 2.1.

Furthermore, investments of the target fund, Schroder AI are subject to the following risks:

- (a) **Market Risk in Asia**
Schroder AI is exposed to the market risk in the region in which it invests, i.e. Asia. The value of investments by the Schroder AI may go up and down due to changing economic, political or market conditions, or due to an issuer's individual situation.
- (b) **Credit Risk**
The Schroder AI is subject to the risk that some issuers of debt securities and other investments made by the Schroder AI may not make payments on such obligations. Further, an issuer may suffer adverse changes in its financial condition that could lower the credit quality of a security, leading to greater volatility in the price of the security and in the value of the Schroder AI. A change in the quality rating of a security can also affect the security's liquidity and make it more difficult to sell.
- (c) **Investment grade, below investment grade and unrated debt securities risk**
There is a risk that investment grade securities that the Schroder AI invests in may be downgraded due to adverse market conditions. In the event of a down-grading of the credit rating of a security or an issuer relating to a security that the Schroder AI invests in, the value of the Schroder AI may be adversely affected.

The Schroder AI may invest in debt securities below investment grade which are generally accompanied by a higher degree of counterparty risk, credit risk and liquidity risk than higher rated, lower yielding securities. Investors should note that the Schroder AI may substantially invest in bonds and debt securities which are below investment grade or unrated (please refer to Section 1.4 (c)).

Investment in unrated debt securities may be subject to risks similar to those associated with below investment grade debt securities.

- (d) **Risks relating to distributions**
The manager of the target fund, Schroder AI intends to make distributions, at a variable percentage per annum with distributions to be made on a monthly basis at the Schroder AI level. The manager of Schroder AI has the absolute discretion to determine whether a distribution is to be made. The manager of Schroder AI also reserves the right to review and make changes to the distribution policy from time to time. Where the income generated by Schroder AI is insufficient to pay distributions as declared, the manager of Schroder AI may at its discretion make such distributions out of the capital of the Schroder AI. Investors should note that in the circumstances where distributions are paid out of the capital of Schroder AI, its net asset value will be reduced.
- (e) **Emerging markets and frontier risk**
As Schroder AI invests in securities such as Asian bonds and equities in the emerging and less developed markets of Asia (amongst other markets), it may be subject to significant risks not typically associated with investing in securities listed on the major securities markets in developed countries, including but not limited to (a) potential price volatility and reduced liquidity of securities traded in emerging markets, (b) political, economic, market, settlement, legal, regulatory, social instability, execution and counterparty risks, including the risk of nationalisation or expropriation of assets and more substantial

government involvement in the economy and (c) risks arising from less defined tax laws and procedures. As a result, prices of securities traded in the securities markets of the emerging and less developed markets of Asia tend to be volatile, which consequently may impact the value of Schroder AI and in turn the value of the Fund.

Investing in this global market segment may also subject the Schroder AI to other risks such as (a) restrictions on foreign investment and on repatriation of capital invested in emerging markets, (b) currency fluctuations, (c) the cost of converting foreign currency into Singapore dollars and (d) risks arising from inadequate settlement and custody systems in certain countries. As a result, the value of Schroder AI may be affected and in turn, the value of the Fund.

(f) **Derivatives risk**

The use of futures, options, warrants, forwards, swaps or swap options involves increased risks. Schroder AI's ability to use such instruments successfully depends on its manager's ability to accurately predict movements in stock prices, interest rates, currency exchange rates or other economic factors and the availability of liquid markets. If the Schroder AI's manager's predictions are wrong (i.e. the Schroder AI's manager's judgment of the risk-return from the positions under the derivatives or their view of a derivative's underlying reference or asset is wrong), the Schroder AI could suffer greater losses than if the Schroder AI had not used the derivatives. If the Schroder AI invests in over-the-counter derivatives, there is an increased risk that a counterparty may fail to honour its contract. Derivatives transactions will not be used for speculation or leverage. In the event that such instruments are used, the Schroder AI's manager will ensure that the risk management and compliance procedures and controls adopted are adequate and have been or will be implemented and that it has the requisite expertise, experience and quantitative tools to manage and contain such investment risks. Investments in derivatives would normally be monitored and controlled by the Schroder AI's manager with regular mark-to-market valuations, careful research prior to investment and compliance monitoring to ensure careful compliance with the investment restrictions set out in the deed of the Schroder AI with regard to derivatives.

Specific Risks Applicable to investing via the Stock Connect:

Quota limitations

The Stock Connect is subject to quota limitations. In particular, the Stock Connect is subject to a daily quota which does not belong to Schroder AI and can only be utilised on a first-come-first-serve basis. Once the daily quota is exceeded, buy orders will be rejected (although investors will be permitted to sell their cross-boundary securities regardless of the quota balance). Therefore, quota limitations may restrict the Schroder AI's ability to invest in China A-Shares through the Stock Connect on a timely basis.

Differences in trading days

The Stock Connect only operates on days when both mainland China and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the mainland China stock market but Hong Kong investors (such as Schroder AI) cannot carry out any China A-Shares trading through the Stock Connect. Due to the differences in trading days, Schroder AI may be subject to a risk of price fluctuations in China A-Shares during the time when the Stock Connect is not trading as a result.

Suspension risk

Each of the SEHK ("Stock Exchange of Hong Kong Limited"), SSE ("Shanghai Stock Exchange") and SZSE ("Shenzhen Stock Exchange") reserves the right to suspend northbound and/or southbound trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered.

Where a suspension in the northbound trading through the Stock Connect is effected, Schroder AI's ability to access the mainland China market will be adversely affected.

Operational risk

The Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are able to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house. The securities regimes and legal systems of the two markets differ significantly and market participants may need to address issues arising from the differences on an on-going basis. There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. If the relevant systems fail to function properly, trading in both markets through the program could be disrupted. The Schroder AI's ability to access the China A-Shares market will be adversely affected.

Restrictions on selling imposed by front-end monitoring

The mainland China regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise SSE or SZSE will reject the sell order concerned. SEHK will carry out pre-trade checking on China A-Share sell orders of its participants (i.e. the stock brokers) to ensure there is no over-selling. If Schroder AI intends to sell certain China A-Shares it holds, it must transfer those China A-Shares to the respective accounts of its brokers before the market opens on the day of selling ("trading day"). If it fails to meet this deadline, it will not be able to sell those shares on the trading day. Because of this requirement, Schroder AI may not be able to dispose of holdings of China A-Shares in a timely manner.

Recalling of eligible stocks

When a stock is recalled from the scope of eligible stocks for trading via the Stock Connect, the stock can only be sold but restricted from being bought.

Clearing and settlement risk

HKSCC ("Hong Kong Securities Clearing Company Limited") and ChinaClear ("China Securities Depository and Clearing Corporation Limited") have established the clearing links and each has become a participant of the other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfill the clearing and settlement obligations of its clearing participants with the counterparty clearing house. As the national central counterparty of the mainland China securities market, ChinaClear operates a comprehensive network of clearing, settlement and stock holding infrastructure. ChinaClear has established a risk management framework and measures that are approved and supervised by the CSRC ("China Securities Regulatory Commission"). The chances of ChinaClear default are considered to be remote. In the remote event of a ChinaClear default, HKSCC's liabilities in Northbound trades under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. HKSCC should in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, Schroder AI may suffer delay in the recovery process or may not be able to fully recover their losses from ChinaClear.

Currency risk

The base currency of Schroder AI may not be denominated in RMB ("Renminbi") (i.e. the currency in which SSE and SZSE securities are traded and settled). The performance of Schroder AI may be affected by movements in the exchange rate between RMB and their respective base currency. Schroder AI may seek, but are not obliged, to hedge foreign currency risks. However, even if undertaken, such hedging may be ineffective. This may result in Schroder AI suffering from exchange rate fluctuations.

No protection by investor compensation fund

Investment through the Stock Connect is conducted through broker(s), and is subject to the risks of default by such brokers' in their obligations. Investments of Schroder AI are not covered by the Hong Kong's investor compensation fund, which has been established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. Since default matters in respect of China A-Shares via the Stock Connect do not involve products listed or traded in SEHK or Hong Kong Futures Exchange Limited, they will not be covered by the investor compensation fund. Therefore Schroder AI is exposed to the risks of default of the broker(s) they engage in their trading in China A-Shares through the Stock Connect.

Regulatory risk

The current regulations relating to the Stock Connect are untested and there is no certainty as to how they will be applied. In addition, the current regulations are subject to change which may have potential retrospective effects and there can be no assurance that the Stock Connect will not be abolished. New regulations may be issued from time to time by the regulators / stock exchanges in mainland China and Hong Kong in connection with operations, legal enforcement and cross-border trades under the Stock Connect. Schroder AI may be adversely affected as a result of such changes.

Legal / Beneficial ownership

China A-Shares traded through the Stock Connect by Schroder AI is held by the sub-custodian in accounts in the CCASS ("Hong Kong Central Clearing and Settlement System") maintained by the HKSCC as central securities depository in Hong Kong. HKSCC in turn holds the China A-Shares, as the nominee holder, through an omnibus securities account in its name registered with ChinaClear for the Stock Connect. The precise nature and rights of Schroder AI as the beneficial owners of the China A-Shares through HKSCC as nominee is not well defined under the mainland China law. There is lack of a clear definition of, and distinction between, "legal ownership" and "beneficial ownership" under the mainland China law and there have been few cases involving a nominee account structure in the mainland China courts. Therefore the exact nature and methods of enforcement of the rights and interests of Schroder AI under the mainland China law is uncertain. Because of this uncertainty, in the unlikely event that HKSCC becomes subject to winding up proceedings in Hong Kong it is not clear if the China A-Shares will be regarded as held for the beneficial ownership of Schroder AI or as part of the general assets of HKSCC available for general distribution to its creditors.

Risks associated with the Small and Medium Enterprise board and/or ChiNext market

Schroder AI may invest in the Small and Medium Enterprise ("SME") board and/or the ChiNext market of the SZSE via the Shenzhen-Hong Kong Stock Connect. Investments in the SME board and/or ChiNext market may result in significant losses for Schroder AI and its investors. The following additional risks apply:

Higher fluctuation on stock prices - Listed companies on the SME board and/or ChiNext board are usually of emerging nature with smaller operating scale. Hence, they are subject to higher fluctuation in stock prices and liquidity and have higher risks and turnover ratios than companies listed on the main board of the SZSE.

Over-valuation risk - Stocks listed on the SME board and/or ChiNext board may be overvalued and such exceptionally high valuation may not be sustainable. Stock price may be more susceptible to manipulation due to fewer circulating shares.

Differences in regulations - The rules and regulations regarding companies listed on ChiNext board are less stringent in terms of profitability and share capital than those in the main board and SME board.

Delisting risk - It may be more common and faster for companies listed on the SME board and/or ChiNext board to delist. This may have an adverse impact on the Relevant Fund if the companies that it invests in are delisted.

The above should not be construed to be an exhaustive list of the risks which investors should consider before investing in Schroder AI.

The risk management strategies and techniques employed will be at the Schroder AI level. The Schroder AI risk management strategies and techniques form part of its investment strategy that involve diversification with its active asset allocation as elaborated in Section 1.4.

3. VALUATION OF ASSETS

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

Valuation of the Fund for a Business Day will be conducted before 5.00 pm on the following day in which the Manager is open for business, when the closing prices of the foreign markets for that Business Day would be available.

As such, the daily price of the Fund for a particular Business Day will not be published in the major newspapers on the next day in which the Manager is open for business but will instead be published the next following day (i.e. price will be two (2) days old). This will be specifically indicated in the major newspapers.

Illustration

For the market close of 11 October 2017 (Wednesday), the valuation date will be the next day in which the Manager is open for business, that is, 12 October 2017 (Thursday). Thus, the major newspapers' publication date for the price as at 11 October 2017 (Wednesday) will be on 13 October 2017 (Friday).

Investors may however obtain the most current computed prices by contacting the Manager directly or visiting our website, www.rhbgroup.com [please refer to section 5.5 (g) (Availability of Information on Investment)].

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

Accordingly, where applicable:

- (i) Collective investment schemes which are quoted on an approved exchange shall 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. When investing in unlisted collective investment schemes, the value shall be determined by reference to that Manager's last published repurchase price of a unit for that unlisted collective investment scheme.
- (ii) Financial derivatives positions will be "marked to market" at the close of each trading day.
- (iii) Cash and deposits placed with financial institutions will be valued each day by reference to the principal value of such investments and the interests accrued thereon for the relevant period.
- (iv) Money market instruments will be valued each day based on the accretion of discount or amortisation of premium on a yield to maturity basis.

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

4. FEES, CHARGES AND EXPENSES

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

4.1 Charges

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

(a) Sales Charge

The Manager will impose a sales charge¹ which can be levied on an investor's investment amount / purchase amount, net of bank charges (if any) by the Manager's various distributors as follows:

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

Please note that this Fund's investments in Schroder AI will be at its net asset value per unit. The sales charge for investing in Schroder AI will be waived by the manager of Schroder AI.

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

Illustration

Say, an investor makes an investment of RM10,000.00 at the Selling Price of RM0.3399 and the distributor levies a sales charge of 5.50%, the investor will pay a total of RM10,583.00 as follows: -

Investment amount	=	RM10,000.00
Add:		
sales charge levied by the distributor @ 5.50%	=	RM 550.00
GST ¹ (6% of RM550.00)	=	RM 33.00
Total amount paid by the investor	=	<u>RM10,583.00</u>

The investor will be allotted with 29,420.42 units calculated as follows:

$$\text{Units allotted is calculated as } \frac{\text{RM10,000.00}}{\text{RM0.3399}^*} = 29,420.42 \text{ units}^{**}$$

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

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

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

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

¹The implementation of GST is effective from 1 April 2015 at the rate of 6% and the sales charge applicable to the Fund are exclusive of GST.

(b) Repurchase Charge

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

Illustration

Say, an investor redeems 29,420.42 units of the Fund at the Repurchase Price of RM0.3399 (which is the Net Asset Value per unit as at the next valuation point), he would receive proceeds of redemption of RM10,000.00 as follows:

Redemption proceeds (29,420.42 units x RM0.3399)	=	RM10,000.00
Less: repurchase charge	=	(NIL)
Net amount payable to the investor	=	<u><u>RM 10,000.00</u></u>

(c) Other Charges

(i) Switching of Units

This is considered as a withdrawal of investment from the Fund and an investment into any of the unit trust funds under the management of the Manager that allows switching of units. A switching fee¹ will be imposed on Unit Holders switching between funds under management (that allow switching).

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

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

Illustration

If a Unit Holder switches 10,000 units in **RHB Asian Income Fund** at the Repurchase Price of RM0.3399 and wishes to invest in **another unit trust fund**

under the management of the Manager (that allows switching) at the Selling Price of RM0.5499.

Proceeds from switch (RHB Asian Income Fund) (10,000 units x RM0. 3399)	=	RM	3,399.00
Less:			
Switching fee RM25.00	=	RM	(25.00)
GST ¹ (6% of RM25.00)	=	RM	(1.50)
Net proceed from switch:	=	RM	<u>3,372.50</u>
Proceeds from RHB Asian Income Fund invested in another unit trust fund managed by the Manager:			<u>RM3,372.50</u> <u>RM0.5499</u>
	=		6,132.93 units**

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

¹ The implementation of GST is effective 1 April 2015 at the rate of 6% and the switching fee are exclusive of GST.

(ii) Transfer of Units

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

¹ The implementation of GST is effective 1 April 2015 at the rate of 6% and the transfer fee as stated above for the Fund are exclusive of GST.

4.2 Fees and Expenses

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

(a) Manager's Fees

The Manager is entitled to a management fee¹ of one point eight per cent (1.80%) per annum of the Net Asset Value calculated on a daily basis before deducting the Manager's and Trustee's fees for that particular day.

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

Illustration: Calculation of annual management fee

Assuming that the Net Asset Value (before deducting the Manager's fee and Trustee's fee) of the Fund for a particular day is RM105,000,000.00 and assuming the annual management fee is at the rate of one point eight per cent (1.80%) per annum¹, the calculation of the management fee of the Fund for that particular day is as follows:

$\frac{\text{RM105,000,000.00} \times 1.80\%^1}{365 \text{ days}^*}$	=	RM5,178.08
Add: GST (6% of RM5,178.08)	=	RM310.68
Total management fee payable for that particular day	=	RM5,488.76

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

¹The implementation of GST is effective 1 April 2015 at the rate of 6% and the management fee as stated above for the Fund are exclusive of GST.

(b) Trustee's Fees

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

Illustration: Calculation of annual trustee fee

Assuming that the Net Asset Value (before deducting the Manager's fee and Trustee's fee) of the Fund for a particular day is RM105,000,000.00 and assuming the trustee fee is at the rate of zero point zero eight per cent (0.08%) per annum¹, the calculation of the trustee fee of the Fund for that particular day is as follows:

$\frac{\text{RM105,000,000.00} \times 0.08\%^1}{365 \text{ days}^*}$	=	RM230.14
Add: GST (6% of RM230.14)	=	RM13.81
Total trustee fee payable for that particular day	=	RM243.95

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

¹ The implementation of GST is effective 1 April 2015 at the rate of 6% and the trustee fee as stated above for the Fund are exclusive of GST.

(c) Other Indirect Fees

As AIF will invest in the shares of Schroder AI, there are also other fees indirectly incurred by AIF at the Schroder AI level that is the trustee fee which is incurred at the Schroder AI level.

The trustee fee of Schroder AI is currently not more than 0.05% per annum (maximum of 0.25% per annum and subject to a minimum S\$10,000.00).

As such, Unit Holders are indirectly bearing these fees which are charged at the Schroder AI level.

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

(d) Other Expenses Directly Related to the Fund

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

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

4.3 Reduction or Waiver of Fees and Charges

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

4.4 Policy on Rebates and Soft Commissions

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

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

4.5 Goods and Services Tax ("GST")

All fees and charges payable to the Manager and the Trustee are subject to any applicable taxes and/or duties (including but not limited to GST) as may be imposed by the government or other authorities from time to time.

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

5. TRANSACTION INFORMATION

5.1 Pricing Policy

The Manager adopts a single pricing policy, i.e. the Selling Price and the Repurchase Price is the Net Asset Value per unit.

5.2 Computation of Purchase of Units

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

Illustration

Daily Net Asset Value	RM194,489,429.10
Units in circulation	572,211,000
Net Asset Value per unit	$\frac{\text{RM194,489,429.10}}{572,211,000}$
	= RM0.3399*

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

Say, an investor makes an investment of RM10,000.00 at the Selling Price of RM0.3399 (which is the Net Asset Value per unit as at the next valuation point) and the distributor levies a sales charge of 5.50%, the investor will pay a total of RM10,583.00 as follows:

Investment amount	RM 10,000.00
Add:	
sales charge levied by the distributor @ 5.50%	RM 550.00
GST ¹ (6% of RM550.00)	RM 33.00
Total amount paid by the investor	$\underline{\underline{\text{RM 10,583.00}}}$

The investor will be allotted with 29,420.42 units calculated as follows:

$$\text{Units allotted is calculated as } \frac{\text{RM10,000.00}}{\text{RM 0.3399}^*} = 29,420.42 \text{ units}^{**}$$

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

¹The implementation of GST is effective from 1 April 2015 at the rate of 6% and the sales charge applicable to the Fund is exclusive of GST.

5.3 Computation of Redemption of Units

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

Illustration

Daily Net Asset Value	RM 194,489,429.10
Units in circulation	572,211,000
Net Asset Value per unit	$\frac{\text{RM 194,489,429.10}}{572,211,000}$
	= RM0.3399*

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

Say, an investor redeems 29,420.42 units at the Repurchase Price of RM0.3399 (which is the Net Asset Value per unit as at the next valuation point), he would receive proceeds of redemption of RM10,000.00 as follows:

Redemption amount (29,420.42 units x RM0.3399)	=	RM	10,000.00
Less: repurchase charge	=	RM	NIL
Net amount payable to the investor	=	RM	<u>10,000.00</u>

5.4 Pricing Error Policy

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

- a) by the Manager to the Fund, and/or to the Unit Holders and/or to the former Unit Holders; or
- b) by the Fund to the Manager.

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

5.5 Transaction Details

(a) How to Purchase and Redeem Units

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

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

to the Manager's registered/principal office or any of its branch offices, or to any of its authorised sales agents or participating IUTAs before their respective cut-off times.

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

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

Similarly, units of the Fund can be redeemed by forwarding the completed form of request to repurchase to the Manager's registered/principal office or any of its branch offices, or to any of its authorised sales agents or participating IUTAs before their respective cut-off times. Redemption monies will be paid within ten (10) days after receipt by the Manager of the request to repurchase.

For partial redemption, the balance of units after the redemption must be at least one hundred (100) units or such other lower quantity as the Manager may from time to time decide (the minimum investment balance). There are no restrictions on the number of units a Unit Holder can redeem out of his investments or the frequency of redemptions in a year. However, the Manager shall not be bound to comply with any request for redemption of units if the balance of units held after the redemption is less than the minimum investment balance.

(b) Cooling-off Period

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

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

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

- (a) the Net Asset Value per units of the Fund on the day the units were purchased; and
- (b) the sales charge originally imposed on the day the units were purchased.

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

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

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

Withdrawal proceeds will only be paid to the investors once the Manager has received cleared funds for the original investment. For investors who paid by cheque, the refund will be made upon clearance of the cheque. Where applicable, for EPF investors, the refund will be credited back into their respective EPF accounts only after funds have been received from the EPF.

(c) Where Units can be Purchased or Redeemed

Units can be purchased or redeemed at the Manager's registered/principal office or at any of its branch offices, or from any of its authorised sales agents or participating IUTAs. Customers or investors may call our help-desk Toll-Free Hotline number: 1-800-88-3175 at any time during our office hours: Mondays through Fridays from 9.00 a.m. – 5.00 p.m. Alternatively, investors may e-mail their enquiries to rhbam@rhbgroup.com or visit our website, www.rhbgroup.com.

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

Application forms, redemption forms and prospectus are also available from these distributors.

(d) How to Switch between Funds

Investors may switch between unit trust funds under the management of the Manager that allow switching of units by forwarding the completed form of request to switch to the Manager's registered/principal office or any of its branch offices, or to any of its authorised sales agents or participating IUTAs before their respective cut-off times. The minimum amount for a switch into another fund is RM1,000.00. There are no restrictions as to the number of switches a Unit Holder may perform or the frequency of switching. The Manager however, reserves the right to vary these terms.

(e) How to Transfer Ownership of Units

Investors may transfer their holdings of units to another investor by forwarding the completed form of transfer to the Manager's registered/principal office or any of its branch offices or to any of its authorised sales agents or participating IUTAs before their respective cut-off times.

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

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

However, the Manager may decline to register any partial transfer of units if the registration would result in the transferor or the transferee holding less than one hundred (100) units. The Manager may also refuse an entry of transfer during the fourteen (14) days preceding a distribution date.

(f) Unclaimed Monies

All money payable to a Unit Holder may be paid by cheques. In the event any of the cheques is not presented for payment by the date which falls six (6) months from the date of the cheque, the Unit Holder may request the Manager to arrange for the monies to be paid by a replacement cheque to the Unit Holder. However, after the lapse of one (1) year from the date of the cheque, the Manager shall file and pay the unrepresented payments to the Registrar of Unclaimed Moneys and Unit Holders will have to liaise directly with the Registrar of Unclaimed Moneys to claim their monies.

(g) Availability of Information on Investment

After purchasing units of the Fund, the value of the investment can be monitored easily as the unit price of the Fund is published daily in the major newspapers and at our website, **www.rhbgroup.com**. The Manager will ensure the accuracy of the price of the Fund to the press for publication. The Manager, however, will not be held liable for any error or omission in the price published as this is beyond the Manager's control. In the event of any conflict between the price published and the price computed by the Manager, the Manager's computed price shall prevail.

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

In addition, the Manager has a help-desk service specially set-up to assist customers and investors in their enquiries pertaining to their investments. Customers or investors may call our help-desk Toll-Free-Phone number: 1-800-88-3175 at any time during our office hours: Mondays through Fridays from 9.00 a.m. – 5.00 p.m. Alternatively, investors may e-mail their enquiries to **rhbam@rhbgroup.com** or visit our website, **www.rhbgroup.com**.

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

<p style="text-align: center;"><i>Investors must not make payment in cash to any individual agent when purchasing units of the Fund.</i></p> <p style="text-align: center;"><i>The Fund's annual report is available upon request.</i></p>
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(h) Dealing Hours

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

5.6 Mode of Distribution

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

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

<i>Unit price and distributions payable, if any, may go down as well as up.</i>

6. SALIENT TERMS OF THE DEED

As at the Latest Practicable Date, the Deed for the Fund is as listed below:

Name of Fund	Deed
RHB Asian Income Fund	Deed dated 5 January 2012 as modified via its first supplemental deed dated 4 September 2013, second supplemental deed dated 26 February 2015 and third supplemental deed dated 3 August 2015.

6.1 Rights and Liabilities of Unit Holders**6.1.1 Recognition of Unit Holders**

An investor is only recognised as a Unit Holder when his / her name appears in the register as a Unit Holder of the Fund.

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

6.1.2 Rights of Unit Holders

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

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

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

6.1.3 Liabilities of Unit Holders

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

6.2 Fees, Charges, and Expenses Permitted by the Deed

6.2.1 Sales Charge and Repurchase Charge

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

Sales Charge / Transaction Fee:		
Fund	Maximum Allowable Rate (% of investment / purchase amount, net of bank charges (if any))	Actual Rate Charged (% of investment / purchase amount, net of bank charges (if any))
AIF	10.00	5.50

Repurchase Charge:		
Fund	Maximum Allowable Rate (% of withdrawal amount / repurchase amount)	Actual Rate Charged (% of withdrawal amount / repurchase amount)
AIF	5.00	NIL

6.2.2 Maximum Annual Management Fee

According to the Deed, the Manager is permitted to charge to the Fund an annual management fee at the maximum rate below:

Fund	Maximum Allowable Rate (% of the Net Asset Value)
AIF	2.50

The annual management fee charged to the Fund shall be such rate agreed between the Manager and the Trustee, and as disclosed in this prospectus.

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

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

6.2.3 Maximum Annual Trustee Fee

According to the Deed, the Trustee is permitted to charge to the Fund an annual trustee fee at the maximum rate below:

Fund	Maximum Allowable Rate
AIF	0.15% per annum of the Net Asset Value subject to a minimum of RM18,000 (excluding foreign custodian fees and charges).

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

6.2.4 Increase in Fees and Charges

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

6.2.5 Other Permitted Expenses of the Fund

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

The expenses directly incurred by and charged to the Fund include but are not limited to the list of expenses disclosed in this prospectus (section 4.2 Fees and Expenses).

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

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

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

6.3.1 Removal or Replacement of the Manager

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

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

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

6.3.2 Retirement of the Manager

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

6.3.3 Removal or Replacement of the Trustee

The Trustee may be removed by the Manager if:

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

6.3.4 Retirement of the Trustee

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

6.4 Termination of the Fund

The Fund is of unlimited duration and shall continue until terminated:

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

6.5 Unit Holders Meeting (“Meeting”)

A Meeting may be summoned by the Unit Holders, the Trustee or the Manager in accordance with the provisions of the Deed and any relevant laws. Any such Meeting will be conducted in accordance with the provisions of the Fund’s Deed and any relevant laws.

6.5.1 Quorum

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

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

6.5.2 Manner of Voting and Resolution

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

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

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

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

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

7. THE MANAGEMENT AND ADMINISTRATION OF THE FUND

7.1 The Manager

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

7.2 Board of Directors

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

The board of directors of the Manager are as follows:

1. Mr Patrick Chin Yoke Chung (Non-independent non-executive chairman)
2. Encik Abdul Aziz Peru Mohamed (Senior independent non-executive director)
3. Ms Ong Yin Suen (Non-independent non-executive director / managing director)
4. Mr Chin Yoong Kheong (Independent non-executive director)
5. Dr. Ngo Get Ping (Independent non-executive director)
6. Ms Choo Shan (Independent non-executive director)

7.3 Functions of the Manager

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

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

The Manager is a member of FIMM. It maintains a tied sales agency force which is duly registered with FIMM which markets and distributes its proprietary unit trust funds to prospective investors. It also has an IUTA arrangement with RHB Bank Berhad and/or such other approved distributors as may be appointed by the Manager from time to time.

7.4 The Investment Committee**Functions of the Investment Committee**

The investment committee is responsible for formulation of the investment policies and investment strategy for the Fund. It has broad discretionary authority over the investments of the Fund. The investment committee also oversees the activities of the fund manager who is responsible for research, securities recommendation and asset allocation.

The investment committee meets at least once every three (3) months and has the responsibility to decide and approve the following: -

- Asset allocation;
- Schedule of securities for purchase and disposal;
- Risk exposure, e.g. country and specific market risks; and
- Schedule of income distribution to Unit Holders.

The fund manager will fine tune the asset allocation in response to periodic changes in the prevailing market condition, particularly interest rates movements and sales operations.

7.5 The Investment Team

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

The designated fund manager is Michael Chang Wai Sing.

Michael Chang Wai Sing (“Mr. Chang”) is the chief investment officer for fixed income in RHB Asset Management Sdn Bhd (“RHBAM”). He has more than 17 years of fund management experience, specializing in fixed income investments for insurers and asset management companies. Prior to joining RHBAM, he was with MCIS Insurance Bhd for 8 years managing both life and general insurance portfolios.

His strong investment acumen is recognized by the market. He was awarded the “Most Astute Investor in Asian Local Currency Bonds” for Malaysia by Asset Benchmark Research, where he ranked no. 1 in the “top ten astute investors in Malaysia” for three consecutive years in 2014, 2015 and 2016.

Mr. Chang is a national member of the ACI-Malaysia – The Financial Markets Association (“PPKM”). Prior to gaining his membership, he was a distinction and award recipient for the Pasaran Kewangan Malaysia Certificate (“PKMC”). Mr Chang holds a Capital Market Services Representative’s License for the regulated activity of fund management.

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

7.6 Manager’s Disclosure of Material Litigation

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

7.7 Other Information

Further information on the Manager and investment committee of the Fund is provided on our website, www.rhbgroup.com.

8. THE TRUSTEE OF THE FUND

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

8.1 Experience in Trustee Business

Since 1993, the Trustee has acquired experience in the administration of trusts and has been appointed as trustee for unit trust funds, exchange traded funds, wholesale funds and funds under private retirement scheme.

8.2 Duties and Responsibilities of the Trustee

The Trustee's main functions are to act as trustee and custodian of the assets of the Fund and to safeguard the interests of Unit Holders of the Fund. In performing these functions, the Trustee has to exercise all due care, diligence and vigilance and is required to act in accordance with the provisions of the Deed, Capital Markets and Services Act 2007 and the Securities Commission's Guidelines on Unit Trust Funds ("Guidelines"). Apart from being the legal owner of the Fund's assets, the Trustee is also responsible for ensuring that the Manager performs its duties and obligations in accordance with the provisions of the Deed, Capital Markets and Services Act 2007 and the Guidelines. In respect of monies paid by an investor for the application of units, the Trustee's responsibility arises when the monies are received in the relevant account of the Trustee for the Fund and in respect of redemption, the Trustee's responsibility is discharged once it has paid the redemption amount to the Manager.

8.3 Trustee's Statement of Responsibility

The Trustee has given its willingness to assume the position as trustee of the Fund and all the obligations in accordance with the Deed, all relevant laws and rules of law. The Trustee shall be entitled to be indemnified out of the Fund against all losses, damages or expenses incurred by the Trustee in performing any of its duties or exercising any of its powers under this Deed in relation to the Fund. The right to indemnity shall not extend to loss occasioned by breach of trust, wilful default, negligence, fraud or failure to show the degree of care and diligence required of the Trustee having regard to the provisions of the Deed.

8.4 Trustee's Disclosure of Material Litigation

As at 31 July 2017, the Trustee is not engaged in any material litigation and arbitration, including those pending or threatened, and is not aware of any facts likely to give rise to any proceedings which might materially affect the business/financial position of the Trustee and any of its delegates.

8.5 Trustee's Delegate

The Trustee has appointed the Hongkong and Shanghai Banking Corporation Ltd as the custodian of both the local and foreign assets of the Fund. For quoted and unquoted local investments of the Fund, the assets are held through their nominee company, HSBC Nominees (Tempatan) Sdn Bhd. The Hongkong and Shanghai Banking Corporation Ltd is a wholly owned subsidiary of HSBC Holdings Plc, the holding company of the HSBC Group. The custodian's comprehensive custody and clearing services cover traditional settlement processing and safekeeping as well as corporate related services including cash and security reporting, income collection and corporate events processing. All investments are registered in the name of the Trustee or to the order of the Trustee. The custodian acts only in accordance with instructions from the Trustee.

The Trustee shall be responsible for the acts and omissions of its delegate as though they were its own acts and omissions.

However, the Trustee is not liable for the acts, omissions or failure of third party depository such as central securities depositories, or clearing and/or settlement systems and/or authorised depository institutions, where the law or regulation of the relevant jurisdiction requires the Trustee to deal or hold any asset of the Fund through such third parties.

Particulars of the Trustee's Delegate

For foreign asset:

The Hongkong And Shanghai Banking Corporation Limited
6/F, Tower 1,
HSBC Centre,

1 Sham Mong Road, Hong Kong.
Telephone No: (852)2288 6111

For local asset:

The Hongkong And Shanghai Banking Corporation Limited (As Custodian) and assets held through HSBC Nominees (Tempatan) Sdn Bhd (Co. No. 258854-D)

No 2 Leboh Ampang

50100 Kuala Lumpur

Telephone No: (603)2075 3000 Fax No: (603)2179 6488

8.6 Anti-Money Laundering and Anti-Terrorism Financing Provisions

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

8.7 Statement of Disclaimer

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

8.8 Consent to Disclosure

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

9. RELATED-PARTY TRANSACTION AND CONFLICT OF INTEREST

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

No fees other than the ones set out in this prospectus have been paid to any promoter of the Fund, or the Trustee (either to become a trustee or for other services in connection with the Fund), or the Manager for any purpose or as allowed by regulations or approved by the authorities.

Interests in the Fund and employees' securities dealings

Subject to the paragraph below and any legal and regulatory requirement, any officers or directors of the Manager, Trustee or any of their respective related corporations, may invest in the Fund. Such

officers or directors will receive no payments from the Fund other than usual income distributions that they may receive as a result of investment in the Fund.

The Manager has in place a policy contained in its rules of business conduct, which regulates its employees' securities dealings. A monthly declaration of securities trading is required of all employees to ensure that there is no potential conflict of interest between the employees' securities trading and the execution of the employees' duties to the Manager and customers of the Manager.

The Fund may also invest in related companies and/or instruments issued by related companies of the Manager and/or deposit money in financial institutions related to the Manager. All related party transaction will be transacted at arm's length and are established on terms and conditions that are stipulated in the applicable regulations of the respective stock exchanges and/or other applicable laws and market convention.

Cross trades

The Fund may conduct cross trades with another fund under the management of the Manager provided that:

- 1) the sale and purchase decisions are in the best interest of both funds;
- 2) transactions are executed on arm's length and fair value basis;
- 3) reason for such transactions is documented prior to execution; and
- 4) transaction is executed through a dealer/financial institution.

Cross trades between staff personal account and the Fund's account(s), and cross trades between proprietary accounts and the Fund's account(s) are prohibited.

HSBC (Malaysia) Trustee Berhad

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

- 1) Where the Fund invests in instruments offered by the related party of the Trustee (e.g placement of monies, structured products, etc);
- 2) Where the Fund is being distributed by the related party of the Trustee as Institutional Unit Trust Adviser (IUTA);
- 3) Where the assets of the Fund are being custodised by the related party of the Trustee both as sub-custodian and/or global custodian of the Fund (Trustee's delegate); and
- 4) Where the Fund obtains financing as permitted under the Securities Commission's Guidelines on Unit Trust Funds, from the related party of the Trustee.

The Trustee has in place policies and procedures to deal with conflict of interest, if any. The Trustee will not make improper use of its position as the owner of the Fund's assets to gain, directly or indirectly, any advantage or cause detriment to the interests of Unit Holders. Any related party transaction is to be made on terms which are best available to the Fund and which are not less favourable to the Fund than an arm's length transaction between independent parties.

Subject to the above and any local regulations, the Trustee and/or its related group of companies may deal with each other, the Fund or any Unit Holder or enter into any contract or transaction with each other, the Fund or any Unit Holder or retain for its own benefit any profits or benefits derived from any such contract or transaction or act in the same or similar capacity in relation to any other scheme.

Other confirmations

Wei Chien & Partners has given its confirmation that there are no existing or potential conflicts of interest in its capacity as the solicitors for the Manager.

KPMG Tax Services Sdn Bhd has given its confirmation that there are no existing or potential conflicts of interest in its capacity as the tax adviser for the Fund.

10. TAX ADVISER'S LETTER ON THE TAXATION OF THE FUND AND UNIT HOLDERS

(Prepared for inclusion in this prospectus)

Private and confidential

KPMG Tax Services Sdn. Bhd.
Level 10, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan, Malaysia

The Board of Directors
RHB Asset Management Sdn Bhd
Level 8, Tower 2 & 3
RHB Centre, Jalan Tun Razak
50400 Kuala Lumpur

31 July 2017

Dear Sirs

Re: Taxation of the Fund and Unit Holders

This letter has been prepared for inclusion in the prospectus dated 6 October 2017 in connection with the offer of units in the RHB Asian Income Fund ("the Fund"): -

Taxation of the Fund

Income Tax

The Fund is treated as a unit trust for Malaysian tax purposes. The taxation of the Fund is therefore governed principally by Sections 61 and 63B of the Malaysian Income Tax Act, 1967 ("the Act").

Subject to certain exemptions, the income of the Fund in respect of investment income derived from or accruing in Malaysia after deducting tax allowable expenses, is liable to Malaysian income tax at the rate of 24% with effect from Year of Assessment ("YA") 2016.

Investment income derived from sources outside Malaysia and received in Malaysia by a resident unit trust is exempt from Malaysian income tax. However, such income may be subject to tax in the country from which it is derived.

Gains from the realisation of investments (whether local or foreign) by the Fund will not be subject to tax in Malaysia.

Discounts earned by the Fund from the following are also exempt from tax: -

- securities or bonds issued or guaranteed by the Government of Malaysia; or
- debentures or sukuks, other than convertible loan stock, approved or authorized by, or lodged with, the Securities Commission; or
- Bon Simpanan Malaysia issued by the Central Bank of Malaysia.

Deductions in respect of the Fund's expenses such as manager's remuneration, maintenance of a register of Unit Holders, share registration expenses, secretarial, audit and accounting fees, telephone charges, printing and stationery costs and postage are generally allowed based on a prescribed

formula subject to a minimum of 10 percent and a maximum of 25 percent of the total of these expenses.

Single-tier Malaysian dividends received by the Fund are exempted from tax and expenses incurred by the Fund in relation to dividend income (which is paid or credited under the single-tier system) are disregarded.

Interest income earned by the Fund from the following are exempt from tax:-

- any savings certificates issued by the Government of Malaysia; or
- securities or bonds issued or guaranteed by the Government of Malaysia; or
- debentures or sukuks, other than convertible loan stock, approved or authorised by, or lodged with, the Securities Commission; or
- Bon Simpanan Malaysia issued by the Central Bank of Malaysia; or
- a bank or financial institution licensed under the Financial Services Act 2013 or Islamic Financial Services Act 2013¹; or
- any development financial institution regulated under the Development Financial Institutions Act 2002¹; or
- Sukuks originating from Malaysia, other than convertible loan stock, issued in any currency other than Ringgit and approved or authorised by, or lodged with, the Securities Commission (“SC”) or approved by the Labuan Financial Services Authority².

Real Property Gains Tax (“RPGT”)

Gains on disposal of investments by the Fund will generally not be subject to income tax in Malaysia. However, such gains may be subjected to RPGT in Malaysia, if the gains are derived from the sale of Malaysian real properties or shares in Malaysian real property companies (as defined). The gains on the disposal of the chargeable assets would be subject to RPGT at the applicable rate depending on the holding period of the chargeable assets.

Goods and Services Tax (“GST”)

GST has been implemented in Malaysia with effect from 1 April 2015, at a standard rate of 6%. It replaced the Sales Tax and Service Tax.

The issue, holding or redemption of any unit under a trust fund is regarded as an exempt supply. The investment activities of the Fund such as buying and selling of securities are exempt supplies and thus not subject to GST. Thus, if the Fund is only making exempt supplies, it is not required to be registered for GST.

However, certain expenses incurred by the Fund such as fund manager’s fees, trustee fees and professional fees will be subject to GST if the service providers are GST registered. If the Fund is only making exempt supplies (and thus not GST registered), any input tax incurred by the Fund for the aforementioned expenses are not claimable.

Note 1: Effective from YA 2017, in the case of a wholesale fund which is a money market fund, the exemption shall only apply to a wholesale fund which complies with criteria as set out in the relevant guidelines of the Securities Commission.

Note 2: With effect from YA 2017, the income tax exemption shall not apply to interest paid or credited to a company in the same group, licensed banks and prescribed development financial institutions.

Taxation of Unit Holders

Unit Holders are taxed on an amount equivalent to their share of the total taxable income of the Fund, to the extent that this is distributed to them. The income distribution from the Fund may carry with it applicable tax credits proportionate to each Unit Holder's share of the total taxable income in respect of the tax paid by the Fund. Unit Holders will be entitled to utilise the tax credit as a set-off against the tax payable by them. Any excess over their tax liability will be refunded to the Unit Holders. No other withholding taxes will be imposed on the income distribution of the Fund.

With effect from YA 2016, corporate Unit Holders (resident or non resident in Malaysia), will be taxed at the corporate tax rate of 24%, on distributions of income from the Fund to the extent of an amount equivalent to their share of the total taxable income of the Fund.

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

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

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

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

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

Units split by the Fund will be exempted from tax in Malaysia in the hands of the Unit Holders.

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

The following gains or income received by the Unit Holders are not subject to GST: -

- the distribution of income from the Fund to the Unit Holders which may comprise of dividends, interest income and gain from realisation of investments;
- distribution of foreign income from the Fund;

- unit split by the Fund and reinvestment of distribution; and
- gain made from selling or redemption of units.

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

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

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

Yours faithfully



Ong Guan Heng
Executive Director

11. EXPERTS' REPORT

There are no experts' reports in respect of the Fund as no experts (i.e. any party providing advice to the Manager) apart from the tax adviser were appointed for the Fund.

12. APPROVAL AND CONDITIONS

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

There are no waivers or exemptions granted by the Securities Commission for the Fund as none has been sought for.

13. DOCUMENTS AVAILABLE FOR INSPECTION

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

- (a) the Deed;
- (b) this prospectus and supplementary or replacement prospectus, if any;
- (c) the latest annual and interim reports of the Fund;
- (d) each material contract disclosed in this prospectus and, in the case of a contract not reduced into writing, a memorandum which gives full particulars of the contract;
- (e) where applicable, the audited financial statements of the Manager and the Fund for the current financial year and for the last three (3) financial years;
- (f) all reports, letters or other documents, valuations and statements by any expert, any part of which is extracted or referred to in this prospectus (if any). Where a summary expert's report is included in the prospectus, the corresponding full expert's report shall be made available for inspection;
- (g) all consents given by the experts disclosed in this prospectus; and
- (h) writ and relevant cause papers for all material litigation and arbitration disclosed in this prospectus.

DIRECTORY OF OUTLETS FOR PURCHASE AND SALE OF UNITS

For information on the participating distributors, please contact:

RHB Asset Management Sdn Bhd's Registered/Principal Office:
(Kindly refer to the Corporate Directory for details.)

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

RHB ASSET MANAGEMENT SDN BHD 174588-X
Level 8 Tower 2 & 3, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur
Tel:603-9205 8000 Fax: 603-9205 8100
Toll Free No:1-800-88-3175 Website: www.rhbgroup.com

Individual Joint Corporate Staff Application

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

PARTICULARS OF INDIVIDUAL APPLICANT / CORPORATE APPLICANT

You MUST be 18 years old and above as at the date of this application. Please provide a copy of your NRIC or Passport.

Name of Individual/ Corporate Applicant _____
(as in NRIC/Passport No./Certificate of Incorporation)

NRIC No.(old)/Passport No./Company Registration No. _____ NRIC No. (new) _____ - _____ - _____

(To be completed if Individual Applicant)
Date of Birth (DD/MM/YYYY) _____ - _____ - _____ Country of Birth _____

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

Employer's/Company's Name _____

Employer's/Company's Tel No. _____ Occupation/ Designation _____

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

Nature of Business of Applicant/ Applicant's Employer
 Financial/Banking/Investment Legal/Tax Telecommunications Hotel/ Restaurant Consultancy Government/ Government related
 Medical/Health/Science Education Real Estate/ Property Manufacturing Construction Others (please specify) _____

Marital Status Single Married Widowed Divorced No. of Dependents (please indicate if any) _____

Nationality Malaysian Others (please specify) _____ Sex Male Female

Bumiputera Status Yes No Race Malay Chinese Indian Others _____

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

Annual Income Up to RM18,000 RM18,001 - RM36,000 RM36,001 - RM50,000 RM50,001 - RM96,000
 RM96,001 - RM180,000 RM180,001 - RM240,000 RM240,001 and above

Mother's Maiden Name _____

Individual Applicant Email Address _____

By providing your email address to RHB Asset Management Sdn Bhd ("RHBAM"), you have consented to receive communications and/or information from RHBAM relating to your investment via email. Notices delivered via email to applicant are deemed sent and received on the date such email is sent.

(To be completed if Corporate Applicant)
Date of Incorporation (DD/MM/YYYY) _____ - _____ - _____ Country of Incorporation _____

Nature of Business of Applicant/Applicant's Employer
 Financial/Banking/Investment Legal/Tax Telecommunications Hotel/ Restaurant Consultancy Government/ Government related
 Medical/Health/Science Education Real Estate/ Property Manufacturing Construction Others (please specify) _____

Company Status Bumiputra Controlled Non-Bumiputra Controlled Non-Malaysian Controlled

Company Source of Income Disposal of non-core business/asset/investments Fund raising exercise such as right issue Cash in hand/surplus funds/working capital

Contact Person (1) _____

Designation _____ Department _____

Tel No. _____ ext _____ Fax No. _____

Office Email Address _____

Contact Person (2) _____

Designation _____ Department _____

Tel No. _____ ext _____ Fax No. _____

Office Email Address _____

Please refer to clause 4 of the Terms and Conditions to ascertain the documents required to be submitted with this application.

PARTICULARS OF JOINT INDIVIDUAL APPLICANT (not applicable for EPF Investment Scheme"EPF")

Name as in NRIC/Passport _____

NRIC No.(old)/Passport No./Birth Certificate No. _____ NRIC No. (new) _____ - _____ - _____

Date of Birth (DD/MM/YYYY) _____ - _____ - _____ Country of birth _____ Sex Male Female

Nationality : Malaysian Others (please specify) _____ Bumiputera Status : Yes No

Occupation _____ Relationship to Individual Applicant Parent Spouse Child Sibling Others _____

Nature of Business of Applicant/Applicant's Employer
 Financial/Banking/Investment Legal/Tax Telecommunications Hotel/ Restaurant Consultancy Government/ Government related
 Medical/Health/Science Education Real Estate/ Property Manufacturing Construction Others (please specify) _____

APPLICANT'S CONTACT DETAILS

Permanent Address _____

(as in NRIC/Passport No./Certificate of Incorporation)

Post Code _____ Town / City _____

State _____ Country _____

Correspondence/ Mailing Address _____

(complete if different)

Post Code _____ Town / City _____

State _____ Country _____

Tel No. _____

Country Code _____ Area Code _____ Residence / House _____ Mobile _____

Office _____ ext _____ Fax No. _____

FOR UTC/DISTRIBUTOR USE ONLY

RHBAM/Distributor Branch Code/ Stamp _____ Name of Staff/ UTC/Distributor Staff/UTC Code _____ Signature of Staff/ UTC/Distributor FiMM Code _____

FOR OFFICE USE ONLY

Account No. _____ Trans. Sequence No. _____ Price of Transaction (RM/relevant currency) _____

INVESTMENT OBJECTIVE & EXPERIENCE

Investment Objective

- Capital Growth Regular Income Capital Protection Retirement
 Education Wealth Accumulation

Investment Experience

- Unit Trust _____ year(s) Trading on Bursa Malaysia _____ year(s)
 Futures / Options _____ year(s) Others _____ year(s)
 No experience

Investment Time Frame

- Long Term (> 5 years) Medium (3-5 years) Short Term (< 3 years)

EXCHANGE CONTROL DECLARATION BY NON-MALAYSIAN RESIDENT(S)/REGISTERED ORGANISATION(S)

- I/We declare that I am/ we are non-Malaysian resident(s) and I am/ we are permanent resident(s) of _____ (Country)
- We declare that we are a non-Malaysian organisation and our organisation is incorporated in _____ (Country)

PARTICULARS OF INSURANCE (RHB EQUITY TRUST FUND ONLY)

Name of Beneficiary (as in NRIC/Passport/Birth Certificate) _____

NRIC No.(old)/Passport No./Birth Certificate No. _____

NRIC No. (new) _____ - _____ - _____

Relation to Applicant _____

DECLARATIONS AND SIGNATURES

INDIVIDUAL APPLICANT

- I/We acknowledge that I/We have received, read and understood the relevant Master Prospectus(es)/ Prospectus(es) for the Fund(s) to be invested in, the Terms and Conditions of this Form and I/We undertake to be bound by them for my/our initial and subsequent transactions with RHB Asset Management Sdn. Bhd. ("RHBAM").
- I/We acknowledge that I/We are aware of the fees and charges that I/We will incur directly or indirectly when investing in the Fund(s).
- I/We undertake to be bound by the provisions of the documents constituting the Fund(s) subscribed to as if I was/ We were a party thereto.
- I am/ We are 18 years old and above as at the date of this application. Copy/Copies of my/our NRIC/ Passport is/are enclosed.
- I/We do declare and represent that as at the date hereof, I/We am/are not an undischarged bankrupt nor has any petition for bankruptcy been filed against me/us.
- I/We declare that I am/ We are neither engaged in any unlawful activity nor are my/our monies obtained from any illegal source or related to any illegal activity.
- I/We declare that I am/ We are in compliance and undertake that I/We will comply with all applicable laws and regulations.
- I/We undertake to provide RHBAM with all information as it may require for the purpose of and in connection with completing the Account Application Form, including but not limited to, my/our information on financial position, condition or prospect.
- I/We acknowledge that I/We shall keep RHBAM informed of any change of my/our particulars as stated in this Account Application Form and/or of any material facts that will, direct or indirectly, affect my/our financial position(s), condition(s) or prospect(s).
- I/We undertake to provide such information and documents that RHBAM may reasonably require for the purpose of due diligence/enhanced due diligence as required under the Anti-Money Laundering and Counter Financing Terrorism Act 2001 ("AML/CFTA").
- (For joint application only) In the absence of written explicit instructions, I/We acknowledge that instructions must be given by both of us.

CORPORATE APPLICANT

- I/We acknowledge that I/We have received, read and understood the relevant Master Prospectus(es)/ Prospectus(es) for the Fund(s) to be invested in, the Terms and Conditions of this Form and I/We undertake to be bound by them for my/our initial and subsequent transactions with RHB Asset Management Sdn. Bhd. ("RHBAM").
- I/We acknowledge that I/We are aware of the fees and charges that I/We will incur directly or indirectly when investing in the Fund(s).
- I/We undertake to be bound by the provisions of the documents constituting the Fund(s) subscribed to as if I was/ We were a party thereto.
- I/We do declare and represent that as at the date hereof, I/We am/are not an undischarged bankrupt nor has any petition for bankruptcy been filed against me/us.
- I am/ We are duly authorised officer(s) of the Corporation, and warrant that the Corporation has the power and capacity to enter into this agreement and undertake transactions involving the Fund(s). Attached is a certified true copy of the Corporation's list of authorised signatories.
- I/We, as directors(s) of the Corporation do hereby declare that the Corporation is a legally incorporated Corporation. Copy of my/our Certificate of Incorporation is enclosed.
- I/We, hereby declare and represent that as at this date, the Corporation is not wound up nor has there been any winding-up petition presented to the Corporation.
- I/We declare that I am/ We are neither engaged in any unlawful activity nor are my/our monies obtained from any illegal source or related to any illegal activity.
- I/We undertake to provide RHBAM with all information as it may require for the purpose of and in connection with completing the Account Application Form, including but not limited to, the Corporation and its group of companies' information on financial position, condition, operation, business or prospect.
- I/We acknowledge that I/We shall keep RHBAM informed of any change of the information stated in this Account Application Form and/or of any material facts that will, direct or indirectly, affect the Corporation and its group of companies' financial position, condition, operation, business or prospect.
- I/We undertake to provide such information and documents that RHBAM may reasonably require for the purpose of due diligence/enhanced due diligence as required under the AML/CFTA.
- (Distribution Instruction as per Purchase/Switch Form) Depending on the Fund invested and subject to each respective Fund's Master Prospectus(es)/ Prospectus(es), income distribution will either be reinvested into further units in the relevant fund or be paid out.
- I/We hereby declare and acknowledge that I/We have sole legal and proprietary right over all monies accompanying this application.
- I/We hereby agree to indemnify RHBAM against all actions, suits, proceedings, claims, damages and losses which may be suffered by RHBAM as a result of any inaccuracy of the declarations herein.
- We, the abovementioned authorised signatories and representatives for the Company, do declare and represent that as at the date hereof, no petition for winding-up has been filed against the Company nor any receiver has been appointed over any of its assets.

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

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

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

ACCOUNT DETAILS FOR INCOME DISTRIBUTION / REDEMPTION

For MYR Currency	For Foreign Currency
Bank Name : _____	Bank Name : _____
Account Holder Name : _____	Account Holder Name : _____
Account No. : _____	Account No. : _____
Account Type : <input type="checkbox"/> Savings <input type="checkbox"/> Current	Account Type : <input type="checkbox"/> Savings <input type="checkbox"/> Current
Account Ownership : <input type="checkbox"/> Single <input type="checkbox"/> Joint	Account Ownership : <input type="checkbox"/> Single <input type="checkbox"/> Joint

ALL APPLICANTS MUST SIGN THIS FORM

Applicant / Authorised Signatory (ies) Date	Joint Applicant / Authorised Signatory (ies) Date	Company Stamp / Common Seal

For **Joint Application**, please tick (✓) account operating mode for future transactions

Applicant Only
 Joint Applicant Only
 Either Applicant to sign
 Both Applicants to sign

TERMS AND CONDITIONS

- You are advised to read and understand the relevant Master Prospectus(es)/ Prospectus(es) and deed(s) which shall be made available upon request before investing in the fund(s).
- MINIMUM INVESTMENT**
 - Initial and subsequent investment must be for a minimum amount stated in the relevant Master Prospectus(es)/ Prospectus(es).
 - INDIVIDUAL APPLICANT**
 - Applicant must be 18 years old and above.
 - Please enclose a photocopy of your identity card or passport.
 - JOINT INDIVIDUAL APPLICANT**
 - Please enclose a photocopy of your identity card or passport.
 - If aged 18 years old and above, he/she is also required to sign the application form.
 - In the case of death of a joint-holder, the surviving holder will be the only person recognised by the Manager and the Trustee as having any title to or interest in the units held.
 - In the absence of written explicit instructions, I/We acknowledge that instructions must be given by both of us.
 - CORPORATE APPLICANT**
 - Please enclose a copy of the Memorandum and Articles of Association, Company's latest audited accounts, list of Authorised Signatories and Specimen Signatures.
 - For a corporation, the Common Seal or the Company stamp will have to be affixed. If the Company stamp is used, an Authorised Officer must sign and state his/her representative capacity.
 - Certified True Copy (by company secretary, if applicable) of the Board Resolution, Form 11, Form 9, Form 13 (if applicable), Form 24, Form 44, Form 49 and latest Annual Return.
 - RIGHTS OF THE MANAGER**

The Manager reserves the right to accept or reject any application in whole or in part thereof and reject any Fund Application Form which is not completed in full and supported by the requested documents and payments.
 - CUSTOMER CARE**

If you require further information or clarification, please contact our Customer Service for assistance.
- All notices and other communications sent by or to the applicant shall be sent at the risk of the applicant. Unless due to willful default or negligence of the Manager, the Manager shall not be responsible for any inaccuracy, interruption, error, delay or failure in transmission or delivery of any notices via whatever means, or for any equipment failure or malfunction. The Manager shall not be liable for any direct or indirect consequential losses arising from the foregoing.
- The information that you have provided will be used strictly for our own purpose and shall not be shared with any other parties unless as required by law.

PURCHASE / SWITCH FORM

Account No. _____

(for existing unit holders only)

Please tick (✓) if this is staff purchase

Purchase Switch Staff Application

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

INDIVIDUAL APPLICANT

Name of Individual Applicant _____

NRIC No. (new) _____ - _____ - _____

NRIC No.(old)/ Passport No. _____

Tel No. _____

Update (complete where applicable) Remain as previous application

Occupation/Designation _____

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

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

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

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

Employer's/Company's Name _____

Employer's/Company's Tel No. _____

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

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

Medical/Health/Science Education Real Estate/ Property Manufacturing Construction Others (please specify) _____

JOINT INDIVIDUAL APPLICANT (not applicable for EPF)

Name as in NRIC/Passport _____

NRIC No. (new) : _____ - _____ - _____

NRIC No.(old)/ Passport No. _____

Tel No. _____

CORPORATE APPLICANT (not applicable for EPF)

Update on Corporation's documents Remain as previous application

Name of Company _____

Company Registration No _____

Name of Contact Person(s) _____

Tel No: _____

ext _____

Fax No. _____

INVESTMENT OBJECTIVE & EXPERIENCE

Investment Objective

Capital Growth Regular Income Capital Protection Retirement

Education Wealth Accumulation

Investment Time Frame

Long Term (> 5 years) Medium (3-5 years) Short Term (< 3 years)

Investment Experience

Unit Trust _____ year(s) Trading on Bursa Malaysia _____ year(s)

Futures / Options _____ year(s) Others _____ year(s)

No experience

DETAILS OF INVESTMENT APPLICATION

Note: Select a Distribution Instruction only if this is an initial investment in the relevant Fund(s) of RHB Asset Management Sdn Bhd (RHBAM) and only if applicable. Depending on the Fund invested and subject to each respective Fund's Master Prospectus(es)/ Prospectus(es), income distribution will either be reinvested into further units in the relevant fund or be paid out.

Fund Name	***Plan Type	** Currency	Amount	****No. of years 1 - 5	Investment Type			*Distribution Instruction (not applicable for EPF)		
					<input type="checkbox"/> Initial	<input type="checkbox"/> Additional	<input type="checkbox"/> Standing Instruction	<input type="checkbox"/> Reinvest	<input type="checkbox"/> Pay by cheque	<input type="checkbox"/> *Credit into bank account
					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TOTAL					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* Account Details for income distribution to be credited:

** specify the currency acronym eg. RM etc

*** Note: C - Cash Plan
S - Savings Plan
E - EPF Plan

**** Applicable for Regular Savings Plan

For MYR Currency

Bank Name : _____

Account Holder Name : _____

Account No. : _____

Account Type : Savings Current

Account Ownership : Single Joint

For Foreign Currency

Bank Name : _____

Account Holder Name : _____

Account No. : _____

Account Type : Savings Current

Account Ownership : Single Joint

Payment Mode for investment :

Cheque/Bank Draft (Bank _____ No. _____) (Payable to "RHB Asset Management Sdn Bhd")

EPF Investment Scheme ("EPF")

Cash Deposit, kindly indicate the bank account which you banked into:

Fund Name	Bank	Account No.
1 <input type="checkbox"/> All Funds except for items 4 to 9 below	RHB	2-14129-00200777
2 <input type="checkbox"/> All Funds except for items 4 to 9 below	Maybank	514011-592181
3 <input type="checkbox"/> All Funds except for items 4 to 9 below	RHB Multi Currency (for foreign currencies)	6-14129-00007029
4 <input type="checkbox"/> RHB Cash Management Fund 1	RHB	2-14129-0021227-9
5 <input type="checkbox"/> RHB Islamic Cash Management Fund	RHB	2-64317-000042-5
6 <input type="checkbox"/> RHB Money Market Fund	RHB	2-14231-00039055
7 <input type="checkbox"/> RHB Institutional Islamic Money Market Fund	RHB	2-14231-00039055
8 <input type="checkbox"/> RHB Deposits Fund	RHB	2-14231-00039055
9 <input type="checkbox"/> RHB Cash Management Fund 2	RHB	2-14231-00039055
<input type="checkbox"/> Others _____		

Notes to be read before completing this section:

• Cheque/bank draft should be crossed and made payable to "RHB ASSET MANAGEMENT SDN BHD" for all funds. You should write your full name and NRIC No. on the back of each cheque. The cheque(s)/ bank draft(s) must be attached with this Form.

• You may bank-in cash or arrange for a bank transfer into one of the accounts as stated herein. Please attach the bank-in slip or a copy of the Direct Transfer form with this Form. It must clearly state your name, NRIC No, amount remitted and the name of the Fund(s) you are investing into.

• If you are investing via Standing Instruction, kindly fill up the Standing Instruction Form of the relevant bank and attach it with this Form.

FOR UTC / DISTRIBUTOR USE ONLY

RHBAM/ Distributor Branch _____
 Code/ Stamp _____
 Name of Staff/ UTC/ Distributor _____
 Signature of Staff/ UTC/ Distributor _____
 Staff/UTC Code _____
 FIMM Code _____

FOR OFFICE USE ONLY

Account No. _____ Trans. Sequence No _____ Price of Transaction _____ Trans Price Date _____
 (RM/relevant currency)

DETAILS OF SWITCHING APPLICATION

Please ensure you maintain the minimum amount required in the original Fund as stated in the relevant Master Prospectus(es)/ Prospectus(es) and its Supplementary(ies).

SWITCH FROM	
Fund Name	No. of Units
1.	
2.	
3.	
4.	
5.	

SWITCH TO			
Fund Name	*Distribution Instruction (not applicable for EPF)		
1.	<input type="checkbox"/> Reinvest	<input type="checkbox"/> Pay by cheque	<input type="checkbox"/> *Credit into bank account
2.	<input type="checkbox"/> Reinvest	<input type="checkbox"/> Pay by cheque	<input type="checkbox"/> *Credit into bank account
3.	<input type="checkbox"/> Reinvest	<input type="checkbox"/> Pay by cheque	<input type="checkbox"/> *Credit into bank account
4.	<input type="checkbox"/> Reinvest	<input type="checkbox"/> Pay by cheque	<input type="checkbox"/> *Credit into bank account
5.	<input type="checkbox"/> Reinvest	<input type="checkbox"/> Pay by cheque	<input type="checkbox"/> *Credit into bank account

*Account Details for income distribution to be credited:

Change of Bank Details (Please provide latest Bank Details (Leave blank if there is no changes.))

For MYR Currency	For Foreign Currency
Bank Name : _____	Bank Name : _____
Account Holder Name : _____	Account Holder Name : _____
Account No. : _____	Account No. : _____
Account Type : <input type="checkbox"/> Savings <input type="checkbox"/> Current	Account Type : <input type="checkbox"/> Savings <input type="checkbox"/> Current
Account Ownership : <input type="checkbox"/> Single <input type="checkbox"/> Joint	Account Ownership : <input type="checkbox"/> Single <input type="checkbox"/> Joint

LOAN FINANCING RISK DISCLOSURE STATEMENT

Investing in a unit trust fund with borrowed money is more risky than investing with your own savings. You should assess if loan financing is suitable for you in light of your objectives, attitude to risk and financing circumstances. You should be aware of the risk, which would include the following:-

- (i) The higher the margin of financing (that is, the amount of money you borrow for every Ringgit of your own money that you put in as deposit or down payment) the greater the loss or gain on your investment.
- (ii) You should assess whether you have the ability to service the repayments on the proposed loan. If your loan is a variable rate loan, and if interest rates rise, your total repayment amount will be increased.
- (iii) If unit prices fall beyond a certain level, you may be asked to provide additional acceptable collateral (where units are used as collateral) or pay additional amounts on top of your normal instalments. If you fail to comply within the prescribed time, your units may be sold towards the settlement of your loan.

- (iv) Returns on unit trusts are not guaranteed and may not be earned evenly over time. This means that there may be some years where returns are high and other years where losses are incurred instead. Whether you eventually realise a gain or incur loss may be affected by the timing of the sale of your units. The value of units may fall just when you want your money back even though the investment may have done well in the past.

This brief statement cannot disclose all the risks and other aspects of loan financing. You should therefore carefully study the terms and conditions before you decide to take the loan. If you have doubts in respect of any aspect of this Risk Disclosure Statement or the terms of the loan financing, you should consult the institution offering the loan.

I / We acknowledge that I / We have read and understood the contents of the investment Loan Financing Risk Disclosure Statement. I / We do declare and represent that as at the date hereof, I / We am / are not an undischarged bankrupt nor has any petition for bankruptcy been filed against me/us. With the completion of this form, it constitutes that I have read, understood and agreed to be bound by the notes, terms and conditions stated in this form. I also accept and acknowledge that RHB Asset Management Sdn Bhd has absolute discretion to reply on facsimile confirmation from me and undertake to indemnify and hold harmless RHB Asset Management Sdn Bhd, its employees and agents at all costs, expenses, loss of liabilities, claims and demands arising out of this confirmation.

DECLARATIONS AND SIGNATURES

- I / We acknowledge that I / We have received, read and understood the relevant Master Prospectus(es)/ Prospectus for the Fund(s) to be invested in, the Terms and Conditions of this Form and I/We undertake to be bound by them for my / our initial and subsequent transactions with RHB Asset Management Sdn Bhd ("RHBAM").
- I/We undertake to be bound by the provisions of the documents constituting the Fund(s) subscribed to as if I was/We were a party thereto.
- I/We acknowledge that I/We are aware of the fees and charges that I/We will incur directly or indirectly when investing in the Fund(s).
- I/We hereby declare and acknowledge that I/We have sole legal and proprietary right over all monies accompanying this application.
- I/We hereby agree to indemnify RHBAM against all actions, suits, proceedings, claims, damages and losses which may be suffered by RHBAM as a result of any inaccuracy of the declarations herein.

ALL APPLICANTS MUST SIGN THIS FORM

Applicant / Authorised Signatory (ies) Date	Joint Applicant / Authorised Signatory (ies) Date	Company Stamp / Common Seal

RHB **Asset Management**

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