

RHB ASIA ACTIVE ALLOCATION FUND

INTERIM REPORT 2017

**Incorporating The Unaudited
Financial Statements**

For the six months financial period ended 30 September 2017

RHB◆Asset Management

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GENERAL INFORMATION ABOUT THE FUND

Commencement Date

RHB Asia Active Allocation Fund (“the Fund”) commenced operations on 23 October 2007.

Fund Category and Type

Fund Category - Equity/Bond fund

Fund Type - Growth and Income fund

Investment Objective, Policy and Strategy

Objective of the Fund

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

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

Strategy

The Fund seeks to achieve its investment objective through a diversified portfolio of primarily Asian core/large companies securities, Asian small companies securities and Asian fixed income securities and money market instruments.

The asset allocation of the Fund will be as follows:-

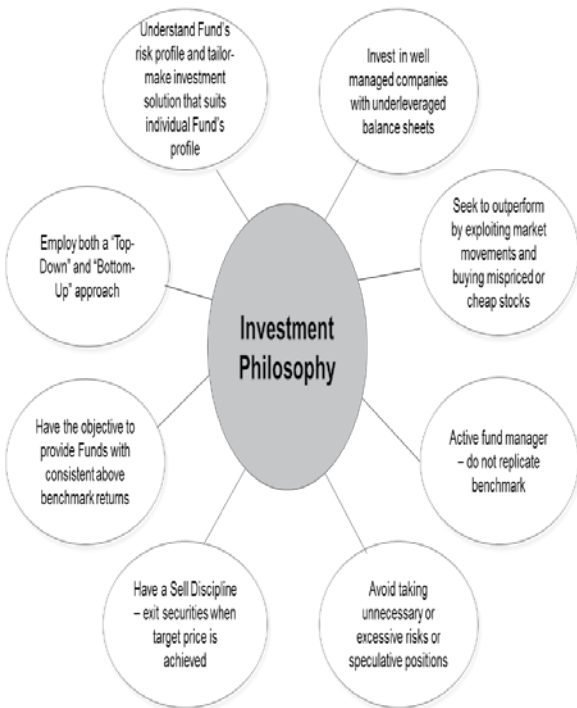
20% - 60% of Net Asset Value - Investments in securities of and securities relating to Asian core/large companies.

Up to 40% of Net Asset Value - Investments in securities of and securities relating to Asian small companies.

20% - 60% of Net Asset Value - Investments in Asian fixed income securities and money market instruments including cash and deposits with financial institutions.

Investment Philosophy

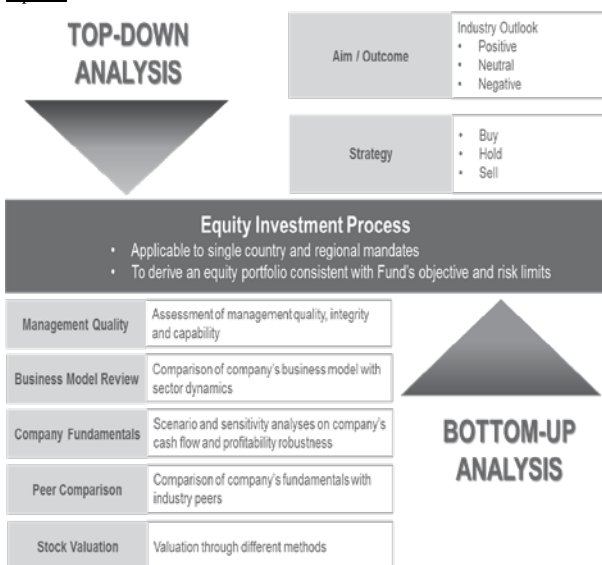
Our investment philosophy describes the approach that the investment team will adhere to when constructing an equity or fixed income portfolio. The portfolio managers invest in well-managed companies with strong balance sheets that possess competitive advantages that should enable them to outperform their peers over economic cycles. The portfolio managers are active investors that make high conviction security selection decisions, but at the same time do not take unnecessary or excessive risks nor take speculative positions. The portfolio managers seek to outperform their peers and beat their benchmark by buying mispriced or cheap securities. Following our disciplined sell strategy, they would then exit positions when our target price is reached. Concurrently, the portfolio managers understand the Fund's risk profile and act within the Fund's mandate.



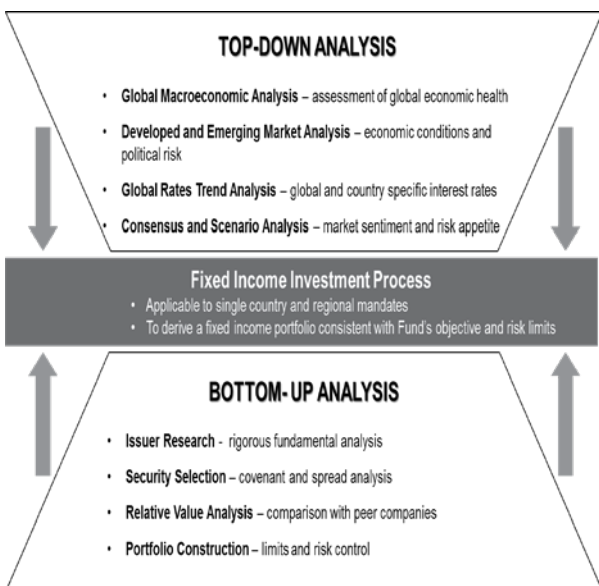
Investment Approach

Whenever the Fund invests in equity and/or fixed income securities, the Manager's investment approach will evolve around the following principles:-

Equities



Fixed Income Securities



Performance Benchmark

Composite benchmark comprising:

40% MSCI AC Far East Ex Japan Index (RM);

20% MSCI AC Asia Pacific ex Japan Mid Cap Index (RM); and

40% JP Morgan Asia Credit Index Total Return (RM)

Investment Policies and Restrictions

This Fund may invest in securities traded on Bursa Malaysia or any other market considered as an Eligible Market, securities not listed in or traded under the rules of an Eligible Market (“Unlisted Securities”), securities/instruments in foreign markets, collective investment schemes, financial derivatives, structured products, liquid assets (including money market instruments and deposits with any financial institutions), participate in the lending of securities and any other investments approved by the Securities Commission from time to time.

Fund Distribution Policy

Consistent with the Fund’s objective to maximise total returns through a combination of long term growth of capital and current income, the Fund will distribute a portion of its returns to Unit Holders. Distributions, if any, are generally declared annually and will be reinvested, after deduction of income tax expense and expenses.

MANAGER'S REPORT

MARKET REVIEW

During the period under review, the capital markets in Asia have performed well with Morgan Stanley Capital International (“MSCI”) Asia Pacific ex Japan Index and MSCI Southeast Asia Index up 7.7% and 4.2% respectively (in Malaysian Ringgit terms). In Asia, the best performing index is the MSCI China Index which rose 21.1% and the worst performing index is the MSCI Australia index with a decrease of 2.9%. Developed markets such as MSCI Korea Index and MSCI Hong Kong Index generated positive returns of 7.9% and 7.5% respectively.

ECONOMIC REVIEW

During the period under review, there was heightened geopolitical tensions in the Korea peninsula with North Korea launching a ballistic missile over Japan. The missile flew over Hokkaido and crashed in the Pacific Ocean. This is the first time North Korea has fired a ballistic weapon over Japan.

In United States (“US”), second quarter of year 2017 real Gross Domestic Product (“GDP”) growth was revised up to 3.1% quarter-over-quarter (“QoQ”), beating consensus expectations of 2.7%. Personal consumption and business fixed investment enjoyed strong growth of 3.3% and 6.9% respectively. Both core Consumer Price Index (“CPI”) and CPI inflation rose 0.11% month-over-month (“MoM”), missing expectations of 0.2%. Weak energy prices and new car prices contributed to the weakness in inflation. In the jobs market, nonfarm payrolls rose by two hundred and nine thousand and the unemployment rate declined to 4.3%. In the September 2017 US Federal Reserve (“Fed”) meeting, the Fed left the funds rate target range unchanged and announced that balance sheet runoff will begin in October 2017. From 1 October 2017, the Fed will let US Dollar (“USD”) 6 billion of Treasury securities and USD 4 billion of mortgage-backed securities run off each month. This will increase by USD 6 billion each quarter for Treasury securities and USD 4 billion for mortgage-backed securities.

In China, the industrial production expanded significantly at 24% year-over-year (“YoY”) with robust profit growth in metal pressing and smelting, as well as chemical material production. The industrial production slowed in South Korea with a 0.4% MoM increase and this was dragged down by weakness in transport equipment. The export growth in Taiwan remained strong and rose 12.7% YoY and this was driven by robust tech exports. Similarly, Malaysia had a sharp 22.6% export growth with machinery & transport equipment the greatest contributor. The Malaysia economy continue to perform strongly with GDP growth of 5.8% YoY in second quarter of year 2017 from 5.6% in first quarter of year 2017. In Australia, retail sales was flat at 0% MoM compared to estimates of 0.2%, as sales at department stores remained weak.

MARKET OUTLOOK AND STRATEGY

The economic growth will likely to moderate in the second half of year 2017 with real GDP growth for Asia ex-Japan expected to be 5.8% in year 2017. The improvement in exports and trade growth are expected to be strong contributors to the economic growth. However, this phase of economic recovery may be in a near-term peak with recent indicators suggesting a retracement as manufacturing Purchasing Manager Index (“PMIs”) continue to moderate.

The equity market is priced for perfection with earnings upgrades likely to lose momentum in second half of year 2017. There also lies several potential risk including ongoing geopolitical tensions in the Korean peninsula, rising US trade protectionism and high leverage in China. In addition, balance sheet tapering will be a key risk in the medium term as a balance sheet normalization will start in October 2017.

Portfolio wise, any upswings in the market will provide opportunity for the Portfolio to take profits from overvalued stocks or stocks that have headwinds in store. On weakness, the Portfolio will always be on the look out to accumulate back fundamentally strong and undervalued stocks.

PERFORMANCE REVIEW

For the financial period under review, the Fund generated a loss of 0.94%* as compared to its benchmark return of 3.64%*. The Fund has not achieved its investment objective for the financial period under review.

* Source: Lipper Investment Management (“Lipper IM”), 12 October 2017

PERFORMANCE DATA

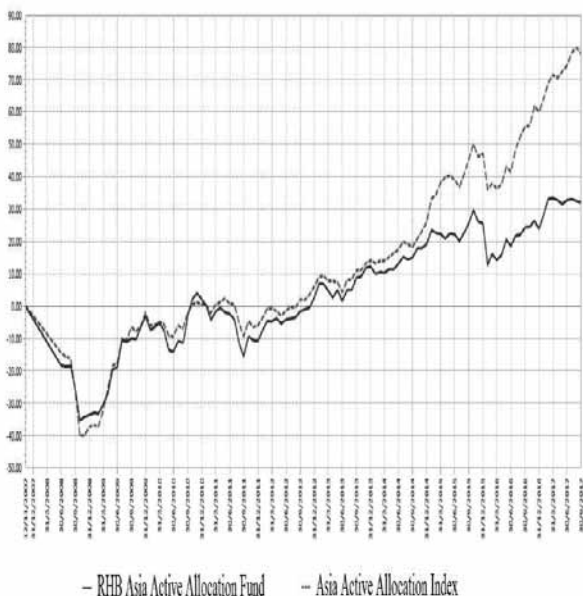
	Total return		
	1-month	3-month	6-month
	31.08.2017 - 30.09.2017 %	30.06.2017 - 30.09.2017 %	31.03.2017 - 30.09.2017 %
RHB Asia Active Allocation Fund	(0.30)	(0.44)	(0.94)
Asia Active Allocation Index	(1.15)	1.98	3.64

	Average Annual Return			
	1 Year	3 Years	5 Years	Since inception
	30.09.2016 - 30.09.2017 %	30.09.2014 - 30.09.2017 %	30.09.2012 - 30.09.2017 %	12.11.2007* - 30.09.2017 %
RHB Asia Active Allocation Fund	6.20	4.75	6.07	2.85
Asia Active Allocation Index	14.32	14.57	11.78	5.99

	Annual Total Return Financial Year Ended 31 March				
	2017	2016	2015	2014	2013
	%	%	%	%	%
RHB Asia Active Allocation Fund					
- Capital Return	16.60	(6.49)	11.02	5.10	10.11
- Income Return	-	-	-	-	-
- Total Return	16.60	(6.49)	11.02	5.10	10.11
Asia Active Allocation Index	25.79	(1.30)	21.35	5.78	8.60

* Being the last day of the Initial Offer Period

**Performance of RHB Asia Active Allocation Fund
for the period from 12 November 2007* to 30 September 2017
Cumulative Return Over The Period (%)**



* Being the last day of the Initial Offer Period

Source: Lipper IM, 12 October 2017

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

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

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

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

Fund Size	As at	As At 31 March		
	30.09.2017	2017	2016	2015
Net Asset Value (RM million)	5.36	6.41	8.01*	12.59
Units In Circulation (million)	8.82	10.45	15.21	20.59
Net Asset Value Per Unit (RM)	0.6081	0.6139	0.5265*	0.6113

Historical Data	01.04.2017-	Financial Year Ended		
	30.09.2017	31 March		
		2017	2016	2015
Unit Prices				
NAV - Highest (RM)	0.6182	0.6152	0.6389*	0.6191
- Lowest (RM)	0.5985	0.5235	0.5100*	0.5506
Distribution and Unit Split				
Gross Distribution Per Unit (sen)	-	-	5.0000	-
Net Distribution Per Unit (sen)	-	-	5.0000	-
Distribution Date	-	-	15.04.2015	-
NAV before distribution (cum)	-	-	0.6317	-
NAV after distribution (ex)	-	-	0.5832	-
Unit Split	-	-	-	-
Others				
Management Expense Ratio (MER) (%) #	1.24	2.77	2.50	2.23
Portfolio Turnover Ratio (PTR) (times) ##	0.32	0.47	1.30	1.34

* The figures quoted are ex-distribution

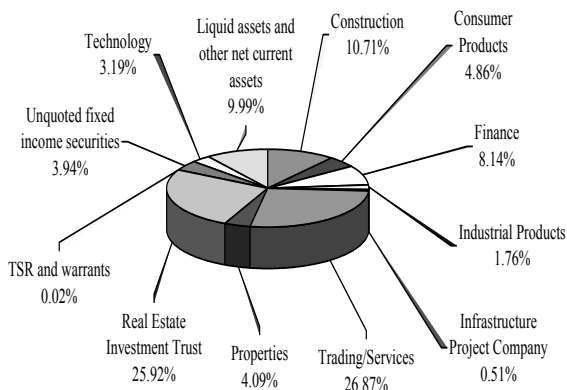
The MER for the financial period was higher compared with previous financial period due to lower average net asset value for the financial period under review (refer to Note 11).

The PTR for the financial period was higher compared with previous financial period due to more investment activities for the financial period under review (refer to Note 12).

DISTRIBUTION

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

PORTFOLIO STRUCTURE AS AT 30 SEPTEMBER 2017



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

Sectors	As at	As at 31 March		
	30.09.2017	2017	2016	2015
Equities	%	%	%	%
Construction	10.71	10.61	8.03	-
Consumer Products	4.86	2.87	4.36	6.59
Finance	8.14	8.04	7.24	10.20
Hotels	-	-	1.58	-
Industrial Products	1.76	2.93	0.95	1.68
Infrastructure Project Companies	0.51	1.50	1.45	-
Properties	4.09	2.26	2.85	7.81
Real Estate Investment Trust	25.92	12.85	-	-
Technology	3.19	1.90	1.57	-
Trading/Services	26.87	20.74	22.08	31.50
TSR and Warrants	0.02	-	-	-
	86.07	63.70	50.11	57.78
Unquoted fixed income securities	3.94	17.42	30.54	30.25
Liquid assets and other net current assets	9.99	18.88	19.35	11.97
	100.00	100.00	100.00	100.00

The asset allocation reflects the Fund's strategy to have maximum exposure to the investments.

FUND SIZE AND PROFILE OF UNIT HOLDINGS BY SIZE

As at 30 September 2017, the Fund's units in circulation stood at 8.82 million units with a total of 3 accounts.

Size of Holdings	Account Holders		No. Of Units Held*	
	No.	%	('000)	%
5,000 and below	-	-	-	-
5,001 to 10,000	-	-	-	-
10,001 to 50,000	-	-	-	-
50,001 to 500,000	1	33.33	102	1.16
500,001 and above	2	66.67	8,712	98.84
Total	3	100.00	8,814	100.00

* Excluding Manager's stock

REBATES AND SOFT COMMISSION

Dealings on investments of the Fund through brokers or dealers will be on terms which are best available for the Fund. Any rebates from brokers or dealers will be directed to the account of the Fund.

The Fund Manager may only receive soft commission in the form of research and advisory services that assist in the decision-making process relating to the Fund's investments.

During the financial period under review, the soft commission received from the brokers had been retained by the Manager as the goods and services provided were of demonstrable benefit to the unitholders.

RHB ASIA ACTIVE ALLOCATION FUND
UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2017

	<u>Note</u>	<u>30.09.2017</u> RM	<u>31.03.2017</u> RM
ASSETS			
Financial assets at fair value			
through profit or loss (“FVTPL”)	5	4,827,033	5,203,161
Bank balance		548,528	1,225,505
Dividend receivable		3,380	9,706
Other receivable		1,408	239
TOTAL ASSETS		<u>5,380,349</u>	<u>6,438,611</u>
LIABILITIES			
Amount due to Manager		-	2,461
Accrued management fee		8,610	10,454
Amount due to Trustee		287	348
Other payables and accruals	6	8,857	10,616
TOTAL LIABILITIES		<u>17,754</u>	<u>21,418</u>
NET ASSET VALUE		<u>5,362,595</u>	<u>6,417,193</u>
UNITHOLDERS’ FUNDS			
Unitholders’ capital		23,283,593	24,278,242
Accumulated losses		(17,920,998)	(17,863,510)
		<u>5,362,595</u>	<u>6,414,732</u>
UNITS IN CIRCULATION (UNITS)	7	<u>8,819,000</u>	<u>10,449,000</u>
NET ASSET VALUE PER UNIT (RM)		<u>0.6081</u>	<u>0.6139</u>

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

RHB ASIA ACTIVE ALLOCATION FUND
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED
30 SEPTEMBER 2017

	<u>Note</u>	<u>01.04.2017</u> <u>to 30.09.2017</u> RM	<u>01.04.2016</u> <u>to 30.09.2016</u> RM
INVESTMENT INCOME			
Dividend Income		154,838	84,054
Interest income from deposits with licensed financial institutions		1,020	2,341
Interest income from unquoted fixed income securities		7,585	51,581
Net (loss)/gain on financial at FVTPL	5	(102,711)	560,645
Net foreign currency exchange (loss)/gain		(30,347)	81,807
		<u>30,385</u>	<u>780,428</u>
EXPENSES			
Management fee	8	(53,131)	(72,567)
Trustee's fee	9	(1,771)	(2,419)
Audit fee		(3,175)	(3,000)
Tax agent's fee		(1,700)	(1,600)
Transaction cost		(10,334)	(7,775)
Other expenses		(13,322)	(11,870)
		<u>(83,433)</u>	<u>(99,231)</u>
(Loss)/profit before taxation		(53,048)	681,197
Taxation	10	(4,440)	(5,550)
(Loss)/profit after taxation and total comprehensive (loss)/income for the financial period		<u>(57,488)</u>	<u>675,647</u>
(Loss)/profit after taxation is made up of the following:			
Realised amount		129,540	54,851
Unrealised amount		(187,028)	620,796
		<u>(57,488)</u>	<u>675,647</u>

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

RHB ASIA ACTIVE ALLOCATION FUND
UNAUDITED STATEMENT OF CHANGES IN NET ASSET VALUE
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED
30 SEPTEMBER 2017

	Unitholders' capital RM	Accumulated losses RM	Total net asset value RM
Balance as at 1 April 2016	27,038,358	(19,029,072)	8,009,286
Movement in net asset value:			
Total comprehensive income for the financial period	-	675,647	675,647
Creation of units arising from applications	20,138	-	20,138
Cancellation of units	(1,054,289)	-	(1,054,289)
Balance as at 30 September 2016	<u>26,004,207</u>	<u>(18,353,425)</u>	<u>7,650,782</u>
Balance as at 1 April 2017	24,278,242	(17,863,510)	6,414,732
Movement in net asset value:			
Total comprehensive loss for the financial period	-	(57,488)	(57,488)
Creation of units arising from applications	12,133	-	12,133
Cancellation of units	(1,006,782)	-	(1,006,782)
Balance as at 30 September 2017	<u>23,283,593</u>	<u>(17,920,998)</u>	<u>5,362,595</u>

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

RHB ASIA ACTIVE ALLOCATION FUND
UNAUDITED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED
30 SEPTEMBER 2017

	01.04.2017	01.04.2016
	<u>to 30.09.2017</u>	<u>to 30.09.2016</u>
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sale of investments	1,991,040	1,702,095
Purchase of investments	(1,728,508)	(909,181)
Dividend received	159,184	79,603
Interest received from deposits with licensed financial institutions	984	2,341
Interest received from unquoted fixed income securities	7,862	52,090
Management fee paid	(54,975)	(73,727)
Trustee's fee paid	(1,832)	(2,458)
Payment for other fees and expenses	(19,956)	(12,072)
Net realised foreign exchange gain	-	1,756
Tax paid	(4,400)	-
Net cash generated from operating activities	<u>349,399</u>	<u>840,447</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	12,133	20,138
Payment for cancellation of units	(1,009,243)	(1,054,289)
Net cash used in financing activities	<u>(997,110)</u>	<u>(1,034,151)</u>
Net decrease in cash and cash equivalents	(647,711)	(193,704)
Foreign currency translation differences	(29,266)	80,051
Cash and cash equivalents at the beginning of the financial period	<u>1,225,505</u>	<u>1,571,357</u>
Cash and cash equivalents at the end of the financial period	<u>548,528</u>	<u>1,457,704</u>
Cash and cash equivalents comprise:		
Deposits with licensed financial institutions	-	236,636
Bank balance	548,528	1,221,068
	<u>548,528</u>	<u>1,457,704</u>

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

**RHB ASIA ACTIVE ALLOCATION FUND
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE SIX MONTHS FINANCIAL PERIOD ENDED
30 SEPTEMBER 2017**

1 THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

The RHB Asia Active Allocation Fund (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of a Deed dated 1 August 2007 as modified via its first supplemental deed dated 4 September 2013, second supplemental deed dated 16 February 2015 and third supplemental deed dated 3 June 2015 (hereinafter referred to as “the Deeds”) between RHB Asset Management Sdn Bhd (“the Manager”) and HSBC (Malaysia) Trustee Berhad (“the Trustee”).

The Fund was launched on 23 October 2007 and will continue its operations until terminated according to the conditions provided in the Deeds. The principal activity of the Fund is to invest in ‘Permitted Investments’ as defined in the Deeds.

The Fund seeks to achieve its investment objective through a diversified portfolio of primarily Asia core/large companies securities, Asian small companies securities and Asian fixed income securities and money market instruments.

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

The main objective of the Fund is to maximise total returns through a combination of long term growth of capital and current income.

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

These financial statements were authorised for issue by the Manager on 20 November 2017.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of the financial statements

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

The preparation of financial statements in conformity with MFRS and IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial period. It also requires the Manager to exercise its judgement in the process of applying the Fund’s accounting policies. Although these estimates and judgement are based on the Manager’s best knowledge of current events and actions, actual results may differ.

- (a) The Fund has applied the following amendments for the first time for the financial period beginning on 1 April 2017:
- Amendments to MFRS 107 “Statement of Cash Flows – Disclosure Initiative” (effective from 1 January 2017) introduce an additional disclosure on changes in liabilities arising from financing activities.

The adoption of these amendments did not have any impact on the current period or any prior period and is not likely to affect future period.

- (b) The new standards and amendments to published standards which are relevant to the Fund but not yet effective and have not been early adopted are as follows:
- (i) Financial period beginning on/after 1 April 2018
- MFRS 15 “Revenue from Contracts with Customers” (effective from 1 January 2018) replaces MFRS 118 “Revenue” and MFRS 111 “Construction Contracts” and related interpretations. The standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity’s contracts with customers.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation of the financial statements (continued)

(b) The new standards and amendments to published standards which are relevant to the Fund but not yet effective and have not been early adopted are as follows: (continued)

(i) Financial period beginning on/after 1 April 2018 (continued)

Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

- MFRS 9 “Financial Instruments” (effective from 1 January 2018) will replace MFRS 139 “Financial Instruments: Recognition and Measurement”.

MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income (“OCI”). The basis of classification depends on the entity’s business model and the cash flow characteristics of the financial asset. Investments in equity instruments are always measured at fair value through profit or loss with an irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading). A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

For liabilities, the standard retains most of the MFRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity’s own credit risk is recorded in other comprehensive income rather than the profit or loss, unless this creates an accounting mismatch.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation of the financial statements (continued)

(b) The new standards and amendments to published standards which are relevant to the Fund but not yet effective and have not been early adopted are as follows: (continued)

(i) Financial period beginning on/after 1 April 2018 (continued)

MFRS 9 introduces an expected credit loss model on impairment that replaces the incurred loss impairment model used in MFRS 139. The expected credit loss model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

The above standards and amendments to published standards are not expected to have a significant impact on the Fund's financial statements.

2.2 Financial assets

Classification

Financial assets are designated as fair value through profit or loss when they are managed and their performance evaluated on a fair value basis.

The Fund designates its investments in quoted investments and unquoted fixed income securities as financial assets at fair value through profit or loss at inception.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and have been included in current assets. The Fund's loans and receivables comprise cash and cash equivalents, dividend receivable and other receivable which are all due within 12 months.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Financial assets (continued)

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade date, the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value. Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value.

Transaction costs are costs incurred to acquire or dispose financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisors, brokers and dealers. Transaction costs, when incurred, are immediately recognised in statement of comprehensive income as expenses.

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

Unrealised gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss, including the effects of currency translation, are presented in statement of comprehensive income within net gain or loss on financial assets at fair value through profit or loss in the financial period which they arise.

Quoted investments in Malaysia are valued at the last done market price quoted on Bursa Malaysia Securities Bhd (“Bursa Securities”) at the date of the statement of financial position.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Financial assets (continued)

Recognition and measurement (continued)

Foreign quoted investments are valued based on quoted market prices at the close of trading of the respective foreign stock exchanges on the financial period end date. The Fund utilises the last traded market price for financial assets where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of the fair value.

If a valuation based on the market price does not represent the fair value of the securities, for example during abnormal market conditions or when no market price is available, including in the event of a suspension in the quotation of the securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the securities are valued as determined in good faith by the Manager, based on the methods or bases approved by the Trustee after appropriate technical consultation.

Unquoted fixed income securities denominated in foreign currencies are valued using the Bloomberg Generic Price (BGN Price) provided by Bloomberg. Where BGN price are not available on a Valuation Day, these securities will be valued by reference to the average indicative yield quoted by three independent and reputable financial institutions. However, if such quotations are not available or should the gaps of the quotations provided by the financial institutions differ by more than 20 basis points, the valuation shall be determined by reference to the value of such debt securities quoted by Bloomberg.

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

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Financial assets (continued)

Impairment of financial assets

For assets carried at amortised cost, the Fund assesses at the end of the financial period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in statement of comprehensive income. If 'loans and receivables' has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Fund may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent financial period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised profit or loss. When an asset is uncollectible, it is written off against the related allowance account. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

2.3 Financial liabilities

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

Financial liabilities, within the scope of MFRS 139 "Financial Instrument: Recognition and Measurement", are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Financial liabilities (continued)

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

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

2.4 Unitholder's capital

The unitholders' contributions to the Fund meet the criteria of the definition of puttable instruments under MFRS 132 "Financial Instruments: Presentation". Those criteria include:

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

The outstanding units are carried at the redemption amount that is payable at each financial period if unitholder exercises the right to put the unit back to the Fund.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Income recognition

Dividend income from quoted investments is recognised when the Fund's right to receive payment is established.

Interest income from deposits with licensed financial institutions and unquoted fixed income securities are recognised on an accrual basis using the effective interest method.

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

Realised gain or loss on disposal of unquoted fixed income securities is accounted for as the difference between the net disposal proceeds and the carrying amount of investments (adjusted for accretion of discount or amortisation of premium).

2.6 Taxation

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

Tax on dividend income from foreign investments is based on the tax regime of the respective countries that the Fund invests in.

2.7 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise bank balances and deposits with licensed financial institutions which are subject to an insignificant risk of changes in value.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Presentation and functional currency

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

2.9 Foreign currency translation

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

2.10 Segmental information

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The operating results are regularly reviewed by the Manager and the Investment Committee. The Investment Committee assumes the role of chief operating decision maker, for performance assessment purposes and to make decisions about resources allocated to the investment segment based on the recommendation by the Investment & Security Selection Committee.

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to a variety of risks, which include management risk, stock market risk, price risk, interest rate risk, issuer risk, currency risk, credit risk, liquidity risk, individual stock risk, inflation risk, non-compliance risk and capital risk.

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

Management risk

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

Stock market risk

Securities may decline in value due to factors affecting securities markets generally or particular industries represented in the securities markets. The value of a security may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in profit or currency rates or adverse investors' sentiment generally. They may also decline due to factors that affect a particular industry or industries, such as labour shortages or increased production costs and competitive conditions within an industry. Equity securities generally have greater price volatility than fixed income securities. The risk is managed through portfolio diversification whereby investments are diversified in a portfolio of securities from different market sectors. The risk is also managed via asset allocation whereby the equity exposure will be reduced in the event of an anticipated weakness in the stock market.

Price risk

Price risk is the risk that the fair value of an investment of the Fund will fluctuate because of changes in market prices (other than those arising from interest rate risk).

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Price risk (continued)

The Fund's overall exposure to price risk was as follows:

	<u>30.09.2017</u>	<u>31.03.2017</u>
	RM	RM
Financial asset at fair value through profit or loss	<u>4,827,033</u> *	<u>5,203,161</u> *

* Includes interest receivable of RM52 (31.03.2017: RM3,414)

The table below summarises the sensitivity of the Fund's profit or loss and net asset value to movements in prices of investments. The analysis is based on the assumption that the price of the investments fluctuates by 5% with all other variables held constant.

	<u>Changes in price of investments</u>	<u>Market value</u>	<u>Impact on profit or loss and net asset value</u>
	%	RM	RM
<u>30.09.2017</u>			
	-5	4,585,632	(241,349)
	0	4,826,981	-
	+5	<u>5,068,330</u>	<u>241,349</u>
<u>31.03.2017</u>			
	-5	4,939,760	(259,987)
	0	5,199,747	-
	+5	<u>5,459,734</u>	<u>259,987</u>

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Interest rate risk

In general, when interest rates rise, fixed income securities prices will tend to fall and vice versa. Therefore, the net asset value (“NAV”) of the Fund may also tend to fall when interest rates rise or are expected to rise. However, investors should be aware that should the Fund hold a fixed income securities till maturity, such price fluctuations would dissipate as it approaches maturity, and thus the growth of the NAV shall not be affected at maturity. In order to mitigate interest rates exposure of the Fund, the Manager will manage the duration of the portfolio via shorter or longer tenured assets depending on the view of the future interest rate trend of the Manager, which is based on its continuous fundamental research and analysis.

This risk is crucial since fixed income securities portfolio management depends on forecasting interest rate movements. Prices of fixed income securities move inversely to interest rate movements, therefore as interest rates rise, the prices of fixed income securities decrease and vice versa. Furthermore, fixed income securities with longer maturity and lower yield coupon rates are more susceptible to interest rate movements.

Investors should note that unquoted investments in fixed income securities and money market instruments are affected by interest rate fluctuations. Such investments may be affected by unanticipated rise in interest rates which may impair the ability of the issuers to make payments of profit income and principal, especially if the issuers are highly leveraged.

The table below summarises the sensitivity of the Fund’s profit or loss and net asset value to movements in prices of unquoted fixed income securities held by the Fund as a result of movement in interest rate. The analysis is based on the assumptions that the interest rate increased and decreased by 1% with all other variables held constant.

% Change in interest rate	Impact on profit or loss and net asset value	
	<u>30.09.2017</u>	<u>31.03.2017</u>
	RM	RM
+1%	(30)	(851)
-1%	30	852

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Interest rate risk (continued)

The Fund's exposure to interest rate risk arising from investment in money market instruments is expected to be minimal as the Fund's investments comprise mainly short term deposits with approved licensed financial institutions.

Issuer risk

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

Currency risk

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

The following table indicates the currencies to which the Fund had significant exposure at the reporting date on its financial assets. The analysis calculates the effect of a reasonably possible movement of each foreign currency rate against Ringgit Malaysia on equity and on income with all other variables held constant.

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Currency risk (continued)

The following table sets out the foreign currency risk concentrations of the Fund:

	Financial assets at fair value through profit or loss	Cash and cash equivalents	Dividend receivable	Total
	RM	RM	RM	RM
<u>30.09.2017</u>				
AUD	66,258	-	-	66,258
HKD	1,236,179	27	1,404	1,237,610
IDR	247,034	220	-	247,254
KRW	268,781	1	55	268,837
PHP	116,475	-	-	116,475
SGD	1,947,862	197,853	-	2,145,715
THB	88,620	-	712	89,332
TWD	123,243	342,296	-	465,539
USD	211,581	-	-	211,581
	4,306,033	540,397	2,171	4,848,601
<u>31.03.2017</u>				
AUD	86,951	-	2,226	89,177
HKD	860,820	-	-	860,820
IDR	443,474	234	-	443,708
KRW	282,541	-	5,321	287,862
PHP	132,590	-	2,159	134,749
SGD	1,428,883	847,186	-	2,276,069
THB	87,609	-	-	87,609
TWD	166,811	252,536	-	419,347
USD	1,116,911	-	-	1,116,911
	4,606,590	1,099,956	9,706	5,716,252

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Currency risk (continued)

The table below summarises the sensitivity of the Fund's profit or loss and net asset value to changes in foreign exchange movements at the end of each reporting date. The analysis is based on the assumption that the foreign exchange rate fluctuates by 5%, with all other variables remain constants. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change in foreign <u>exchange rate</u> %	Impact on profit or loss and net asset value	
		<u>30.09.2017</u> RM	<u>31.03.2017</u> RM
AUD	5	3,313	4,459
HKD	5	61,881	43,041
IDR	5	12,363	22,185
KRW	5	13,442	14,393
PHP	5	5,824	6,737
SGD	5	107,286	113,803
THB	5	4,467	4,380
TWD	5	23,277	20,967
USD	5	10,579	55,846
		<u>242,432</u>	<u>285,811</u>

Credit risk

Credit risk refers to the possibility that the issuer of a security will not be able to make timely payments of interest or principal and interest on that investment. Credit risk arising from unquoted fixed income securities can be managed by performing continuous fundamental credit research and analysis to ascertain the creditworthiness of its issuer. In addition, the Manager imposes a minimum rating requirement as rated by either local and/or foreign rating agencies and manages the duration of the investments in accordance with the objective of the Fund. For amount due from stockbrokers, the settlement terms are governed by the relevant rules and regulations as prescribed by the Bursa Malaysia Securities Berhad ("Bursa Malaysia") and respective foreign stock exchange. The settlement terms of proceeds from the creation of units receivable from the Manager are governed by the SC guidelines on Unit Trust Funds.

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (continued)

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

	Unquoted fixed income securities	Cash and cash equivalents	Other financial assets *	Total
	RM	RM	RM	RM
<u>30.09.2017</u>				
Financial institutions:				
AAA	-	548,528	-	548,528
Baa3	211,581	-	-	211,581
Others	-	-	4,788	4,788
	<u>211,581</u>	<u>548,528</u>	<u>4,788</u>	<u>764,897</u>

31.03.2017

Financial institutions:

AAA	-	1,225,505	-	1,225,505
Baa3	1,116,911	-	-	1,116,911
Others	-	-	9,945	9,945
	<u>1,116,911</u>	<u>1,225,505</u>	<u>9,945</u>	<u>2,352,361</u>

* Comprise dividend receivable and other receivable.

The financial assets of the Fund are neither past due nor impaired.

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk

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

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

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

	Less than <u>1 month</u> RM	Between <u>1 month</u> <u>to 1 year</u> RM
<u>30.09.2017</u>		
Accrued management fee	8,610	-
Amount due to Trustee	287	-
Other payables and accruals	-	8,857
	<u>8,897</u>	<u>8,857</u>
<u>31.03.2017</u>		
Amount due to Manager	2,461	-
Accrued management fee	10,454	-
Amount due to Trustee	348	-
Other payables and accruals	-	10,616
	<u>10,802</u>	<u>10,616</u>

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Individual stock risk

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

Inflation risk

Inflation reduces the purchasing power of money. Therefore in an inflationary environment, there is a possibility that income from the Fund may not be able to keep up with inflation. This happens in the event that the rate of return of the Fund is lower than the inflation rate.

Non-compliance risk

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

Capital risk

The capital of the Fund is represented by equity consisting of of unitholders' capital of RM23,283,593 (31.03.2017: RM24,278,242) and accumulated losses of RM17,920,998 (31.03.2017: RM17,863,510). The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unitholders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

4 FAIR VALUE ESTIMATION

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

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

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

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

For instruments for which there is no active market, the Fund may use internally developed models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. Valuation models are used primarily to value unlisted equities, debt securities and other debt instruments for which market were or have been inactive during the financial period. Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds.

Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risk, liquidity risk and counterparty risk.

4 FAIR VALUE ESTIMATION (CONTINUED)

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

- (i) For bank balance and deposits and placements with financial institutions with maturities less than 1 year, the carrying value is a reasonable estimate of fair value.
- (ii) The carrying value of receivables and payables are assumed to approximate their fair values due to their short term nature.

Fair value hierarchy

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

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

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes ‘observable’ requires significant judgement by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

4 FAIR VALUE ESTIMATION (CONTINUED)

Fair value hierarchy (continued)

The following table analyses within the fair value hierarchy the Fund's financial assets (by class) measured at fair value:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	RM	RM	RM	RM
<u>30.09.2017</u>				
Financial assets at fair value through profit or loss:				
- Quoted investments	4,615,452	-	-	4,615,452
- Unquoted fixed income securities	-	211,581	-	211,581
	<u>4,615,452</u>	<u>211,581</u>	<u>-</u>	<u>4,827,033</u>
<u>31.03.2017</u>				
Financial assets at fair value through profit or loss:				
- Quoted investments	4,086,250	-	-	4,086,250
- Unquoted fixed income securities	-	1,116,911	-	1,116,911
	<u>4,086,250</u>	<u>1,116,911</u>	<u>-</u>	<u>5,203,161</u>

Investments in active listed equities, i.e. quoted investments whose values are based on quoted market prices in active markets are classified within Level 1. The Fund does not adjust the quoted prices for these instruments. The Fund's policies on valuation of these financial assets are stated in Note 2.2.

Financial instruments that trade in markets that are considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. This includes unquoted fixed income securities. As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. The Fund's policies on valuation of these financial assets are stated in Note 2.2.

5 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>30.09.2017</u>	<u>31.03.2017</u>
	RM	RM
Financial assets designated as FVTPL:		
- Quoted investments - local	521,000	596,810
- Quoted investments - foreign	4,094,452	3,489,440
- Unquoted fixed income securities - foreign	211,581	1,116,911
	<u>4,827,033</u>	<u>5,203,161</u>
	<u>01.04.2017</u>	<u>01.04.2016</u>
	<u>to 30.09.2017</u>	<u>to 30.09.2016</u>
	RM	RM
Net (loss)/gain on investments at FVTPL comprised:		
- net realised gain on sales of financial assets at FVTPL	55,051	19,900
- net unrealised (loss)/gain on changes in fair values	(157,762)	540,745
	<u>(102,711)</u>	<u>560,645</u>

5 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Financial assets designated as FVTPL as at 30 September 2017 are as follows:

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair value</u> <u>as at</u> <u>30.09.2017</u> RM	<u>Fair value as</u> <u>at 30.09.2017</u> <u>expressed as a</u> <u>percentage</u> <u>of value</u> <u>of the Fund</u> %
QUOTED INVESTMENTS				
- LOCAL				
<u>MALAYSIA</u>				
Construction				
Gabungan AQRS Bhd	40,000	57,200	68,000	1.27
Muhibbah Engineering (M) Bhd	50,000	113,230	137,500	2.56
		<u>170,430</u>	<u>205,500</u>	<u>3.83</u>
Consumer Products				
Yong Tai Bhd	30,000	42,360	48,900	0.91
Finance				
Tune Ins Holding Bhd	50,000	80,660	57,000	1.06
Real Estate Investment Trust				
KLCC Property Holding Bhd	15,000	117,216	120,000	2.24
MRCB - Quill REIT	70,000	91,000	89,600	1.67
		<u>208,216</u>	<u>209,600</u>	<u>3.91</u>
TOTAL QUOTED				
INVESTMENT - LOCAL		<u>501,666</u>	<u>521,000</u>	<u>9.71</u>
QUOTED INVESTMENTS				
- FOREIGN				
<u>AUSTRALIA</u>				
Finance				
QBE Insurance Group Ltd	2,000	84,693	66,258	1.24
TOTAL AUSTRALIA		<u>84,693</u>	<u>66,258</u>	<u>1.24</u>

5 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Financial assets designated as FVTPL as at 30 September 2017 are as follows:
(continued)

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	Fair value as	Fair value as
			at 30.09.2017	at 30.09.2017
			expressed as a	percentage
			of value	of value
			of the Fund	%
QUOTED INVESTMENTS				
- FOREIGN (CONTINUED)				
<u>HONG KONG</u>				
Consumer Products				
HAIER Electronics Group Co Ltd	3,000	33,849	30,851	0.58
Finance				
China Construction Bank Corp	50,000	149,144	174,992	3.26
Hong Kong Exchanges Clearing Ltd	500	44,965	56,711	1.06
		194,109	231,703	4.32
Industrial Products				
AviChina Industry & Tech Co Ltd	15,000	48,942	38,239	0.71
Tongda Group Holding Ltd	50,000	74,401	56,440	1.06
		123,343	94,679	1.77
Properties				
Cheung Kong Hutchison Holding Ltd	1,000	54,089	53,929	1.01
Trading/Services				
BYD Co Ltd-H	2,500	59,710	97,826	1.82
China Mobile Ltd	4,000	190,261	170,996	3.19
CNOOC Limited	10,000	48,223	54,442	1.02
Cowell E Holding Inc	10,000	14,582	18,147	0.34
HC International Inc	15,000	57,258	51,039	0.95
PetroChina Co Ltd	20,000	53,930	53,470	1.00
Power Assets Holdings Co Ltd	6,000	233,277	219,227	4.08

5 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Financial assets designated as FVTPL as at 30 September 2017 are as follows:
(continued)

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	Fair value	Fair value as at
			as at	30.09.2017
			RM	of the Fund
				%
QUOTED INVESTMENTS				
- FOREIGN (CONTINUED)				
<u>HONG KONG (CONTINUED)</u>				
Trading/Services (continued)				
Sinopharm Medicine Holding Co Ltd	4,000	58,775	74,318	1.38
Wasion Group Holdings Ltd	40,000	81,558	85,552	1.59
		<u>797,574</u>	<u>825,017</u>	<u>15.37</u>
TOTAL HONG KONG		<u>1,202,964</u>	<u>1,236,179</u>	<u>23.05</u>
<u>INDONESIA</u>				
Construction				
PT Acset Indonusa Tbk	80,000	86,556	74,118	1.38
Finance				
Bank Danamon Indonesia	50,000	54,103	81,380	1.52
Properties				
PT Bekasi Fajar Industrial Estate	700,000	70,570	59,595	1.11
Trading/Services				
PT Aneka Gas Industri Tbk	155,800	53,813	31,941	0.60
TOTAL INDONESIA		<u>265,042</u>	<u>247,034</u>	<u>4.61</u>
<u>KOREA</u>				
Consumer Products				
LG Display Co Ltd	400	55,562	45,067	0.84
Technology				
Samsung Electronics Co Ltd	15	77,986	141,840	2.64

5 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Financial assets designated as FVTPL as at 30 September 2017 are as follows:
(continued)

<u>Name of Counter</u>	<u>Quantity</u>	Fair value as at 30.09.2017 expressed as a percentage of value		
		<u>Cost</u> RM	<u>Fair value</u> as at 30.09.2017 RM	<u>of the Fund</u> %
QUOTED INVESTMENTS				
- FOREIGN (CONTINUED)				
<u>KOREA (CONTINUED)</u>				
Trading/Services				
Hyundai Glovis Co. Ltd	150	90,021	81,874	1.53
TOTAL KOREA		223,569	268,781	5.01
<u>PHILIPPINES</u>				
Trading/Services				
Energy Development Corporation	250,000	134,782	116,475	2.17
TOTAL PHILIPPINES		134,782	116,475	2.17
<u>SINGAPORE</u>				
Construction				
ISOTeam Ltd	100,000	90,194	108,745	2.03
NSL Ltd	22,400	119,715	97,436	1.82
		209,909	206,181	3.85
Consumer Products				
Duty Free International Ltd	90,000	111,874	79,695	1.49
Thai Beverage PLC	20,000	57,750	55,926	1.04
		169,624	135,621	2.53
Infrastructure Project Companies				
Hock Lian Seng Holdings Ltd	20,000	24,813	27,342	0.51
Properties				
APAC Realty Ltd	6,000	12,326	14,448	0.27
Hong Kong Land Holdings Ltd	3,000	91,818	91,128	1.70
		104,144	105,576	1.97

5 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Financial assets designated as FVTPL as at 30 September 2017 are as follows:
(continued)

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	Fair value	Fair value as
			as at 30.09.2017 RM	at 30.09.2017 expressed as a percentage of value of the Fund %
QUOTED INVESTMENTS				
- FOREIGN (CONTINUED)				
<u>SINGAPORE (CONTINUED)</u>				
Real Estate Investment Trust				
AIMS AMP Capital Industrial REIT	25,000	107,572	109,522	2.04
Ascendas REIT	21,000	168,500	173,557	3.24
First REIT	30,000	122,318	124,435	2.32
Frasers Centrepoint Trust	22,000	140,875	144,227	2.69
Keppel DC REIT	30,000	110,597	123,503	2.30
Mapletree Commercial Trust	28,000	132,142	132,234	2.46
Parkway Life REIT	15,000	114,408	125,833	2.35
Religare Health Trust	40,000	105,664	106,259	1.98
Viva Industrial Trust	48,000	112,899	140,934	2.63
		<u>1,114,975</u>	<u>1,180,504</u>	<u>22.01</u>
Trading/Services				
SIIC Environment Holdings Ltd	72,200	184,635	120,014	2.24
Singapore Telecommunication Ltd	15,000	174,916	171,506	3.20
		<u>359,551</u>	<u>291,520</u>	<u>5.44</u>
TSR & Warrants				
Duty Free International Ltd				
- Bonus warrant	36,000	-	1,118	0.02
TOTAL SINGAPORE		<u>1,983,016</u>	<u>1,947,862</u>	<u>36.33</u>

5 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Financial assets designated as FVTPL as at 30 September 2017 are as follows:
(continued)

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	Fair value as at	Fair value as at 30.09.2017 expressed as a percentage of value
			<u>30.09.2017</u> RM	<u>of the Fund</u> %
QUOTED INVESTMENTS				
- FOREIGN (CONTINUED)				
<u>TAIWAN</u>				
Technology				
Hon Hai Percision Industry Co Ltd	2,000	32,688	29,190	0.54
Trading/Services				
Cub Electparts Inc	1,898	78,546	94,053	1.75
TOTAL TAIWAN		111,234	123,243	2.29
<u>THAILAND</u>				
Construction				
CH. Karnchang Public Co Ltd	25,000	73,500	88,620	1.65
TOTAL THAILAND		73,500	88,620	1.65

5 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Financial assets designated as FVTPL as at 30 September 2017 are as follows:
(continued)

<u>Name of Counter</u>	<u>Nominal value</u>	<u>Nominal Cost RM</u>	<u>Fair value as at 30.09.2017 RM</u>	<u>Fair value as at 30.09.2017 expressed as a percentage of value of the Fund %</u>
UNQUOTED FIXED INCOME SECURITIES - FOREIGN				
2.95% Bank Rakyat Indo 28/03/2018 Baa3	50,000	214,095	211,581	3.95
TOTAL UNQUOTED FIXED INCOME SECURITIES - FOREIGN		<u>214,095</u>	<u>211,581</u>	<u>3.95</u>
TOTAL INVESTMENTS		4,794,561	<u>4,827,033</u>	<u>90.01</u>
ACCUMULATED UNREALISED GAIN		<u>32,472</u>		
TOTAL FINANCIAL ASSETS AT FVTPL		<u>4,827,033</u>		

5 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Financial assets designated as FVTPL as at 31 March 2017 are as follows:

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	Fair value	Fair value as
			as at 31.03.2017 RM	at 31.03.2017 expressed as a percentage of value of the Fund %
QUOTED INVESTMENTS				
- LOCAL				
<u>MALAYSIA</u>				
Construction				
Muhibbah Engineering (M) Bhd	100,000	226,460	271,000	4.22
Finance				
Tune Ins Holding Bhd	50,000	80,660	70,000	1.09
Industrial Products				
Evergreen Fibreboard Bhd	75,000	77,700	63,750	0.99
Trading/Services				
Genting Bhd	9,000	78,636	86,310	1.35
Heveaboard Bhd	75,000	102,400	105,750	1.65
		181,036	192,060	3.00
TOTAL QUOTED				
INVESTMENT - LOCAL		565,856	596,810	9.30
QUOTED INVESTMENTS				
- FOREIGN				
<u>AUSTRALIA</u>				
Finance				
QBE Insurance Group Ltd	2,000	84,693	86,951	1.36
TOTAL AUSTRALIA		84,693	86,951	1.36

5 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Financial assets designated as FVTPL as at 31 March 2017 are as follows:
(continued)

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	Fair value	Fair value as at 31.03.2017	Fair value as at 31.03.2017 expressed as a percentage of value of the Fund
			as at	31.03.2017	RM
QUOTED INVESTMENTS					
- FOREIGN (CONTINUED)					
<u>HONG KONG</u>					
Finance					
China Construction Bank Corp	50,000	149,144	177,844		2.77
Hong Kong Exchanges Clearing Ltd	500	44,965	55,658		0.87
			<u>194,109</u>	<u>233,502</u>	<u>3.64</u>
Industrial Products					
Avichina Industry & Tech Co. Ltd	15,000	48,942	46,012		0.72
Tongda Group Holdings Ltd	50,000	74,402	77,966		1.22
			<u>123,344</u>	<u>123,978</u>	<u>1.94</u>
Trading/Services					
BYD Co Ltd-H	2,500	59,710	61,320		0.95
China Mobile Ltd	2,000	94,775	96,804		1.51
Cowell E Holding Inc	25,000	42,746	34,715		0.54
HC International Inc	15,000	57,258	59,073		0.92
Power Asset Holdings Ltd	2,000	79,326	76,259		1.19
Sinopharm Medicine Holding Co Ltd	4,000	58,775	82,064		1.28
Wasion Group Holding Ltd	40,000	81,558	93,105		1.45
			<u>474,148</u>	<u>503,340</u>	<u>7.84</u>
TOTAL HONG KONG		<u>791,602</u>	<u>860,820</u>		<u>13.42</u>

5 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Financial assets designated as FVTPL as at 31 March 2017 are as follows:
(continued)

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	Fair value	Fair value as at
			31.03.2017 RM	percentage of value of the Fund %
QUOTED INVESTMENTS				
- FOREIGN (CONTINUED)				
<u>INDONESIA</u>				
Construction				
PT Acset Indonusa Tbk	80,000	86,556	71,978	1.12
Finance				
Bank Danamon Indonesia	80,000	86,565	124,832	1.95
Properties				
PT Bekasi Fajar Industrial Estate	1,400,000	141,139	145,017	2.26
Trading/Services				
PT Aneka Gas Industri Tbk	290,900	100,477	101,408	1.58
TOTAL INDONESIA		414,737	443,234	6.91
<u>KOREA</u>				
Consumer Products				
Kia Motors Corporation	500	108,634	73,229	1.14
Technology				
Samsung Electronics Co Ltd	15	77,986	122,148	1.90
Trading/Services				
Hyundai Glovis Co. Ltd	150	90,020	87,164	1.36
TOTAL KOREA		276,640	282,541	4.40

5 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Financial assets designated as FVTPL as at 31 March 2017 are as follows:
(continued)

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	Fair value	Fair value as at
			31.03.2017 RM	percentage of value of the Fund %
QUOTED INVESTMENTS				
- FOREIGN (CONTINUED)				
<u>PHILIPPINES</u>				
Trading/Services				
Energy Development Corporation	250,000	134,782	132,590	2.07
TOTAL PHILIPPINES		134,782	132,590	2.07
<u>SINGAPORE</u>				
Construction				
Isoteam Ltd	100,000	90,194	125,030	1.95
NSL Ltd	22,400	119,715	125,143	1.95
		209,909	250,173	3.90
Consumer Products				
Duty Free International Ltd	90,000	111,873	111,102	1.73
Infrastructure Project Companies				
Hock Lian Seng Holdings Ltd	50,000	62,033	96,542	1.50
Trading/Services				
SIIC Environment Holdings Ltd	52,200	151,011	91,702	1.43
Trek 2000 International Ltd	94,000	115,318	55,342	0.86
		266,329	147,044	2.29

5 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Financial assets designated as FVTPL as at 31 March 2017 are as follows:
(continued)

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	Fair value	Fair value as at 31.03.2017	Fair value as at 31.03.2017 expressed as a percentage of value of the Fund
			as at	31.03.2017	%
		RM	RM		
QUOTED INVESTMENTS					
- FOREIGN (CONTINUED)					
<u>SINGAPORE (CONTINUED)</u>					
Real Estate Investment Trust					
Frasers Centrepoint Trust	12,000	75,698	80,145		1.25
Keppel DC REIT	30,000	110,597	113,951		1.78
Mapletree Commercial Trust	15,000	70,614	72,643		1.13
Parkway Life REIT	15,000	114,408	119,648		1.86
Religare Health Trust	40,000	105,664	112,685		1.76
Aims Amp Capital Industrial REIT	15,000	63,553	65,759		1.03
Viva Industrial Trust	103,000	230,444	259,191		4.04
		<u>770,978</u>	<u>824,022</u>		<u>12.85</u>
TOTAL SINGAPORE		<u>1,421,122</u>	<u>1,428,883</u>		<u>22.27</u>
<u>TAIWAN</u>					
Trading/Services					
Cub Electparts Inc	4,398	182,006	166,811		2.60
TOTAL TAIWAN		<u>182,006</u>	<u>166,811</u>		<u>2.60</u>
<u>THAILAND</u>					
Construction					
CH. Karnchang Public Co Ltd	25,000	73,500	87,609		1.37
TOTAL THAILAND		<u>73,500</u>	<u>87,609</u>		<u>1.37</u>

5 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Financial assets designated as FVTPL as at 31 March 2017 are as follows:
(continued)

<u>Name of Counter</u>	<u>Nominal value</u>	<u>Nominal Cost</u> RM	<u>Fair value as at 31.03.2017</u> RM	<u>Fair value as at 31.03.2017 expressed as a percentage of value of the Fund</u> %
UNQUOTED FIXED INCOME SECURITIES - FOREIGN				
2.95% Bank Rakyat Indo 28/03/2018 Baa3	50,000	217,558	224,948	3.51
3.125% ICICI BK Ltd Dubai 12/08/20 Baa3	200,000	850,432	891,963	13.91
TOTAL UNQUOTED FIXED INCOME SECURITIES - FOREIGN		1,067,990	1,116,911	17.42
TOTAL INVESTMENTS		5,012,927	5,203,161	81.12
ACCUMULATED UNREALISED GAIN		190,234		
TOTAL FINANCIAL ASSETS AT FVTPL		5,203,161		

6 OTHER PAYABLES AND ACCRUALS

	<u>30.09.2017</u>	<u>31.03.2017</u>
	RM	RM
Audit fee payable	3,175	6,350
Tax agent's fee payable	4,900	3,200
Sundry payables and accruals	782	1,066
	<u>8,857</u>	<u>10,616</u>

7 UNITS IN CIRCULATION

	<u>30.09.2017</u>	<u>31.03.2017</u>
	Units	Units
At the beginning of the financial period/year	10,449,000	15,212,000
Creation of units arising from applications during the financial period/year	20,000	86,000
Cancellation of units during the financial period/year	<u>(1,650,000)</u>	<u>(4,849,000)</u>
At the end of the financial period/year	<u>8,819,000</u>	<u>10,449,000</u>

8 MANAGEMENT FEE

In accordance with the Deed, the Manager shall be entitled to a fee at a rate agreed between the Manager and the Trustee which the rate shall not exceed 2.50% per annum of the net asset value of the Fund, calculated on a daily basis.

The management fee provided in the financial statements is 1.80% (01.04.2016-30.09.2016: 1.80%) per annum based on the net asset value of the Fund, calculated on a daily basis for the financial period.

There will be no further liability to the Manager in respect of management fee other than the amount recognised above.

9 TRUSTEE'S FEE

In accordance with the Deed, the Trustee shall be entitled to a fee at a rate agreed between the Manager and the Trustee which the rate shall not exceed 0.15% per annum of the net asset value of the Fund, calculated on a daily basis.

The Trustee's fee provided in the financial statements is 0.06% (01.04.2016-30.09.2016: 0.06%) per annum based on the net asset value of the Fund, calculated on a daily basis for the financial period.

There will be no further liability to the Trustee in respect of Trustee's fee other than the amount recognised above.

10 TAXATION

(a) Tax charge for the financial period

	01.04.2017 to 30.09.2017 RM	01.04.2016 to 30.09.2016 RM
Current taxation - foreign	<u>4,440</u>	<u>5,550</u>

(b) Numerical reconciliation of income tax expense

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

	01.04.2017 to 30.09.2017 RM	01.04.2016 to 30.09.2016 RM
(Loss)/profit before taxation	<u>(53,048)</u>	<u>681,197</u>
Tax calculated at a tax rate of 24%	(12,732)	163,487
Tax effects of:		
- Income not subject to tax	(7,292)	(177,963)
- Expenses not deductible for tax purposes	3,313	5,494
- Restriction on tax deductible expenses for unit trust funds	16,711	8,982
Foreign tax in other countries	<u>4,440</u>	<u>5,550</u>
Tax expense	<u>4,440</u>	<u>5,550</u>

11 MANAGEMENT EXPENSE RATIO (“MER”)

	01.04.2017 to 30.09.2017	01.04.2016 to 30.09.2016
	%	%
MER	<u>1.24</u>	<u>1.13</u>

Management expense ratio includes management fee, Trustee’s fee, audit fee, tax agent’s fee and other administrative expenses which is calculated as follows:

$$\text{MER} = \frac{(A+B+C+D+E)}{F} \times 100$$

A = Management fee

B = Trustee’s fee

C = Audit fee

D = Tax agent’s fee

E = Other expenses excluding Goods and Services Tax (“GST”) on transaction costs

F = Average net asset value of the Fund for the financial period, calculated on a daily basis

The average net asset value of the Fund for the financial period, calculated on a daily basis is RM5,859,138 (01.04.2016-30.09.2016: RM8,040,537).

12 PORTFOLIO TURNOVER RATIO (“PTR”)

	01.04.2017 to 30.09.2017	01.04.2016 to 30.09.2016
The portfolio turnover ratio for the financial period (times)	<u>0.32</u>	<u>0.16</u>

The portfolio turnover ratio is derived from the following calculation:

$$\frac{(\text{Total acquisition for the financial period} + \text{total disposal for the financial period}) \div 2}{\text{Average net asset value of the Fund for the financial period calculated on a daily basis}}$$

where:

$$\begin{aligned} \text{total acquisition for the financial period} &= \text{RM1,730,067} \\ & \quad (01.04.2016 - 30.09.2016: \text{RM909,204}) \end{aligned}$$

$$\begin{aligned} \text{total disposal for the financial period} &= \text{RM1,993,087} \\ & \quad (01.04.2016 - 30.09.2016: \text{RM1,687,474}) \end{aligned}$$

13 UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER

The related parties and their relationship with the Fund are as follows:

<u>Related parties</u>	<u>Relationship</u>
RHB Asset Management Sdn Bhd	The Manager
RHB Investment Bank Berhad	Holding company of the Manager
RHB Bank Berhad	Ultimate holding company of the Manager
RHB Securities Hong Kong Ltd	Related company of the Manager

The number of units held by the Manager is as follows:

	<u>30.09.2017</u>		<u>31.03.2017</u>	
	<u>Units</u>	<u>RM</u>	<u>Units</u>	<u>RM</u>
The Manager	<u>5,078</u>	<u>3,088</u>	<u>1,685</u>	<u>1,034</u>

The units are held beneficially by the Manager for booking purposes and were transacted at the prevailing market price.

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

14 TRANSACTIONS BY THE FUND

Details of transactions by the Fund for the financial period ended 30 September 2017 are as follows:

<u>Brokers/ financial institutions</u>	<u>Value of trades</u> RM	<u>Percentage of total trades</u> %	<u>Brokerage fees</u> RM	<u>Percentage of total brokerage fees</u> %
DBS Vickers Securities (S) Pte Ltd	1,408,942	37.77	3,716	50.14
Standard Chartered Bank (London)	862,986	23.13	-	-
Citigroup Global Markets Asia Lt	480,758	12.89	1,405	18.95
Instinet Singapore Services Pte Ltd	253,348	6.79	507	6.84
Maybank Investement Bank Berhad	197,550	5.29	593	8.00
BOCI Securities Limited	180,056	4.83	360	4.86
Daiwa-Cathay Capital Markets	168,630	4.52	422	5.69
RHB Securities Hong Kong Ltd*	74,404	1.99	149	2.01
Affin Hwang Investment Bank Bhd	55,562	1.49	139	1.87
Kim Eng Securities (Hong Kong) Ltd	48,538	1.30	121	1.64
	3,730,774	100.00	7,412	100.00

14 TRANSACTIONS BY THE FUND (CONTINUED)

Details of transactions (including money market placements) by the Fund for the financial year ended 31 March 2017 are as follows:

Brokers/ <u>financial institutions</u>	Value of <u>trades</u> RM	Percentage of total <u>trades</u> %	Brokerage <u>fees</u> RM	Percentage of total brokerage <u>fees</u> %
Citigroup Global Markets Asia Ltd	2,668,146	32.36	7,204	59.22
CIMB Bank Bhd	1,820,000	22.08	-	-
Instinet Singapore Services Pte Ltd	1,199,114	14.55	2,653	21.81
DBS Group Holdings Ltd	880,600	10.68	-	-
CIMB Bank (Singapore Branch)	726,495	8.81	-	-
RHB Securities Hong Kong Ltd*	237,318	2.88	501	4.12
Macquarie Capital Securities Ltd	181,097	2.20	453	3.72
Kim Eng Securities (Hong Kong) Ltd	164,622	2.00	541	4.45
Affin Hwang Investment Bank	159,296	1.93	319	2.62
NH Investment & Securities	156,268	1.90	391	3.21
Others	51,058	0.61	102	0.85
	8,244,014	100.00	12,164	100.00

* Included in transactions by the Fund are trades conducted with a related company of the Manager, RHB Securities Hong Kong Ltd. The Manager is of the opinion that all transactions with the related company have been entered into in the normal course of business at agreed terms between the related parties.

15 SEGMENT INFORMATION

The Investment & Security Selection Committee of the Manager recommends strategic resource allocations of the Fund to the Investment Committee of the Manager (collectively referred to as “Committee”). The Investment Committee of the Manager will then endorse the strategic decision recommended by the Investment & Security Selection Committee for adoption on behalf of the Fund. The operating segments are determined based on the recommendation by the Investment & Security Selection Committee and reviewed by the Investment Committee.

The internal reporting provided to the Committee for the Fund’s assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of MFRS. The Committee is responsible for the Fund’s entire portfolio and considers the business to have a single operating segment. The Committee’s asset allocation decisions are based on a single, integrated investment strategy and the Fund’s performance is evaluated on an overall basis.

The reportable operating segments derive their income by seeking investments to achieve targeted returns commensurate with an acceptable level of risk within each portfolio. These returns consist of interest and dividend income earned from investments and gains on the appreciation in the value of investments, which is derived from investment in Asian market.

There were no changes in the reportable segments during the financial period.

STATEMENT BY MANAGER

We, Patrick Chin Yoke Chung and Abdul Aziz Peru Mohamed, two of the Directors of RHB Asset Management Sdn Bhd, do hereby state that in the opinion of the Directors of the Manager, the accompanying unaudited financial statements set out on pages 12 to 59 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as of 30 September 2017 and of its financial performance and cash flows for the financial period ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

On behalf of the Manager

PATRICK CHIN YOKE CHUNG
DIRECTOR

ABDUL AZIZ PERU MOHAMED
DIRECTOR

Kuala Lumpur
20 November 2017

TRUSTEE'S REPORT

We have acted as Trustee of RHB Asia Active Allocation Fund (“the Fund”) for the financial period ended 30 September 2017. To the best of our knowledge, RHB Asset Management Sdn Bhd (“the Management Company”), has operated and managed the Fund in accordance with the following:

- (a) limitations imposed on the investment powers of the Management Company and the Trustee under the Deeds, the Securities Commission’s Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 and other applicable laws;
- (b) valuation/pricing is carried out in accordance with the Deeds and any regulatory requirements; and
- (c) creation and cancellation of units are carried out in accordance with the Deeds and any regulatory requirements.

For HSBC (Malaysia) Trustee Berhad

Tan Bee Nie
Head, Trustee Operations

Kuala Lumpur
20 November 2017

CORPORATE INFORMATION

MANAGER

RHB Asset Management Sdn Bhd

PRINCIPAL AND REGISTERED OFFICE

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

BUSINESS OFFICE

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

Email address: rhbam@rhbgroup.com

Tel: 03-9205 8000

Fax: 03-9205 8100

Website: <http://www.rhbgroup.com>

BOARD OF DIRECTORS

Mr Patrick Chin Yoke Chung (*Non-Independent Non-Executive Chairman*)

Encik Abdul Aziz Peru Mohamed (*Senior Independent Non-Executive Director*)

Mr Chin Yoong Kheong (*Independent Non-Executive Director*)

Ms Ong Yin Suen (*Managing Director*)

Dr. Ngo Get Ping (*Independent Non-Executive Director*)

Ms Choo Shan (*Independent Non-Executive Director*)

(*Appointed on 3 July 2017*)

INVESTMENT COMMITTEE MEMBERS

Mr Patrick Chin Yoke Chung (Chairman) (*Re-designated on 1 November 2017*)

YBhg Datuk Haji Faisal Siraj

Encik Abdul Aziz Peru Mohamed (*Appointed on 1 November 2017*)

Ms Choo Shan (*Appointed on 1 November 2017*)

YBhg Dato' Khairussaleh Ramli (Chairman) (*Resigned on 1 November 2017*)

Mr Ong Seng Pheow (*Resigned on 1 November 2017*)

CHIEF EXECUTIVE OFFICER

Mr Ho Seng Yee

SECRETARY

Encik Azman Shah Md Yaman (LS No. 0006901)

BRANCH OFFICE

Kuala Lumpur Office	B-9-6, Megan Avenue 1 No. 189, Jalan Tun Razak 50400 Kuala Lumpur Tel: 03-2171 2755 Fax: 03-2770 0022
Sri Petaling Office	No. 53-1 & 53-2 Jalan Radin Tengah Bandar Baru Sri Petaling 57000 Kuala Lumpur Tel: 03-9054 2470 Fax: 03-9054 0934
Penang Office	64-D, Level 5, Lebuhraya 10200 Penang Tel: 04-264 5639 / 04-263 4848 Fax: 04-264 5640 / 04-262 8844
Butterworth Office	2677, Jalan Chain Ferry Taman Inderawasih 13600 Prai, Penang Tel: 04-390 0022 Fax: 04-390 0023
Ipoh Office	4 th Floor, 21-25 Jalan Seenivasagam, Greentown 30450 Ipoh, Perak Tel: 05-242 4311 Fax: 05-242 4312
Johor Bahru Office	2nd Floor, 21 & 23 Jalan Molek 1/30, Taman Molek 81100 Johor Bahru, Johor Tel: 07-358 3587 Fax: 07-358 3581
Kuantan Office	B 32-34, 2nd Floor, Lorong Tun Ismail 8 Sri Dagangan II 25000 Kuantan, Pahang Tel: 09-517 3611 Fax: 09-517 3612
Kota Bharu Office	No 3953-H, 1st Floor Jalan Kebun Sultan 15350 Kota Bharu, Kelantan Tel: 09-741 8539 Fax: 09-741 8540

Kota Kinabalu Office	Lot No. C-02-04, 2nd Floor Block C, Warisan Square Jalan Tun Fuad Stephens 88000 Kota Kinabalu, Sabah Tel: 088-528 686/692 Fax: 088-528 685
Melaka Office	581B, Taman Melaka Raya 75000 Melaka Tel: 06-284 4211 Fax: 06-292 2212
Batu Pahat Office	53, 53-A and 53-B Jalan Sultanah 83000 Batu Pahat, Johor Tel: 07-438 0271 Fax: 07-438 0277
Miri Office	Lot 1268, First Floor Centre Point Commercial Centre Jalan Melayu 98000 Miri, Sarawak Tel: 085-422 788 Fax: 085-415 243
Kuching Office	Lot 172, Section 49, K.T.L.D Jalan Chan Chin Ann 93100 Kuching, Sarawak Tel: 082-245 611 Fax: 082-242 712
TRUSTEE	HSBC (Malaysia) Trustee Berhad
BANKER	RHB Bank Berhad
AUDITORS	PricewaterhouseCoopers
TAX ADVISER	PricewaterhouseCoopers Taxation Services Sdn Bhd
DISTRIBUTORS	Hong Leong Bank Berhad iFast Capital Sdn Bhd Kenanga Investment Bank Berhad United Overseas Bank (Malaysia) Berhad