RHB Asset Management

RHB GOLD AND GENERAL FUND

INTERIM REPORT 2016

Incorporating The Unaudited Financial Statements

For the six-month financial period ended 31 December 2016

RHB Asset Management

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GENERAL INFORMATION ABOUT THE FUND

Commencement Date

RHB Gold and General Fund ("the Fund") commenced operations on 21 July 2009.

Fund Category and Type

Fund Category	-	Feeder fund
Fund type	-	Growth fund

Investment Objective, Policy and Strategy

Objective of the Fund

This Fund aims to achieve returns on investment mainly in securities of corporations (whether or not listed on any stock exchange, and in any part of the world) whose business (in any part of the world) is or is substantially in the mining or extraction of gold, silver or precious metals (e.g. platinum, palladium, rhodium etc.), bulk commodities (e.g. coal, iron ore, steel etc.), base metals of all kinds (e.g. copper, aluminium, nickel, zinc, lead tin etc.), and other commodities (e.g. industrial minerals, titanium dioxide, borates etc.) and it includes the mining or extraction of oil, gas, coal and alternative energy or other commodities or other minerals.

Strategy

The Fund will invest principally in one of the funds managed by UOB Asset Management Limited, Singapore ("UOBAM") that is the United Gold and General Fund ("UGGF"). UGGF ("Target Fund"), launched in June 1995 is a collective investment scheme domiciled in Singapore and is regulated by the Monetary Authority of Singapore. UGGF invests in companies involved in the mining and exploration of precious metals, energy and base metals.

The asset allocation of the Fund will be as follows:

At least 95% of Net Asset Value	-	Investments in the units of United Gold and General Fund
2% - 5% of Net Asset Value	-	Investments in liquid assets including money market instruments and deposits with financial institutions

Performance Benchmark

The performance of the Fund is benchmarked against the Gold and General Index which is a composite benchmark comprising 70% FTSE Gold Mines Index (RM) and 30% Euromoney Global Mining Index (formerly known as HSBC Global Mining Index (RM) ("Gold and General Index").

Investment Policies and Restrictions

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

Fund Distribution Policy

Consistent with the Fund's objective to achieve long term capital appreciation, distributions will therefore be of secondary importance. Distributions, if any, will be reinvested after deduction of income tax expense and expenses.

MANAGER'S REPORT

ECONOMIC AND MARKET REVIEW

Physical gold began the reporting period in buoyant mood, as a safe-haven asset after the Brexit vote in June 2016 pushed gold prices to a high of United States Dollar ("USD") 1,365/ounce ("oz") in early August 2016. The gold price then levelled off following positive remarks on United States ("US") economic growth made at the Jackson Hole summit of central bankers in late-August 2016. The gold price drifted lower into October 2016, drifting to the USD1,250/oz level as Federal Reserve ("Fed") officials continued to talk up a potential December 2016 rate increase. Gold was also impacted by the poor performance from Donald Trump in the US Presidential debates, indicating an expected victory for Hillary Clinton, the Democrat party candidate. The perceived preference for a Clinton presidency was based on the expected continuation of the free trade policies that had been pursued by the Obama administration.

The surprise victory of Donald Trump on 8 November 2016 initially saw the gold price spiking to USD1,330/oz on election night. However, the gold price then fell sharply throughout November 2016, to USD1,175/oz by month-end. Investors then adopted a "risk-on" attitude since the Republican party gained control of the Presidency, the US Senate and the US House of Representatives. This meant there should be few hurdles facing Trump's policy platform of pro-growth, expansionary stimulus for domestic investment in the US economy. Such policy action would be supportive of the USD, which has been negatively correlated to the gold price in recent years.

Gold then bottomed at US$1,130/oz on 16 December 2016, the day following the decision by the Federal Market Open Committee ("FOMC") to raise US interest rates by 25 basis points. The announcement had relatively little impact on the gold price, given that the FOMC decision had been widely anticipated. The gold price ended the reporting period at US$1,152.27/oz.

Gold exchange traded fund ("ETF") holdings decreased slightly over the reporting period due to selling in November 2016 and December 2016. Aggregate holdings declined from 2,104 tonnes to 2,027 tonnes in the second half of year 2016, a 3.7% reduction. However, central banks remained aggregate net buyers, with the People's Bank of China and the Russian Central Bank making regular monthly official gold purchases throughout the reporting period.

REVIEW OF TARGET FUND PERFORMANCE DURING THE PERIOD

During the financial period under review, the FT Gold Mines Index decreased by 15.3% compared with a 23.7% gain in the Euromoney Global Mining Index. Physical gold fell by 3.0% in Malaysian Ringgit terms over the same period. The Fund maintained a moderately overweight position in gold equities for most of the reporting period.

The main factors influencing the physical gold price were political events (namely, Brexit and the US Presidential election) and market expectations of US monetary policy and interest rates. While political factors generated the loudest media headlines, the actions of the US Fed and the expected level of US real interest rates have had a longer lasting impact on the gold price. Improving real rates are negative for physical gold, which does not pay interest. With the Fed increasing the Federal Funds rate in December 2016, attention is focused on the timing of further US interest rates increases in year 2017.

Commodities generally benefited in the reporting period from improved demand growth in China, as well as policy missteps by the Chinese government. For example, such missteps created an artificial supply squeeze for bulk commodities, thus bolstering prices. The Chinese housing market saw stronger sales growth, which also supported demand. Although Chinese authorities subsequently announced cooling measures for Tier 1 and Tier 2 cities, the National Development and Reform Commission accelerated infrastructure approvals in the fourth quarter of the year, ensuring that Chinese fixed asset investment growth will grow strongly into year 2017.

US economic data was generally positive in the reporting period, prompting the Fed to increase interest rates in December 2016. This encouraged the buying of USD given the continued negative interest rates and easy monetary policies in Japan and the European Union. USD strength remained a headwind for gold prices given the predominantly negative correlation in recent years.

The overall share price performances of listed gold companies suffered from a de-rating in the valuation multiples that investors placed on operating cash flow and reserves & resources. Gold equities continue to trade at decade-low multiples across a range of valuation metrics. Yet the most recent quarterly reports show that the majority of gold companies continue to improve their operational performances, with non-US producers helped by lower costs in local currencies. The aggregate industry “all-in sustaining costs” metric adopted by the World Gold Council remains at or below the USD1,000/oz level.

The Fund benefited from positive share price performances from companies that controlled operating costs and delivered on production growth targets. These included B2Gold, Evolution Mining, Hecla Mining and Torex Gold. The Fund saw good performances from gold companies that retained exposure to base metal production, such as Compania de Minas Buenaventura and Independence Group. While Australian and Canadian producers such as Endeavour Mining, Newcrest Mining and Regis Resources continued to report highly competitive cash production costs, their share prices were unable to overcome negative sentiments stemming from the lower gold prices.

Investors were unforgiving towards companies facing heightened political risk, such as Centerra Gold in the Kyrgyz Republic, Eldorado Gold in Greece or Kinross Gold in Mauritania. There were also negative performances caused by uncertainty surrounding corporate restructurings at Goldcorp and Yamana Gold.

The Euromoney Global Mining Index strengthened during the reporting period, helped by stronger demand from China and anticipation of increased infrastructure spending in the US under the incoming Trump administration. Improved sentiment towards the commodity sector boosted commodity prices and saw generalist funds returning to the commodity space. The Fund benefited from positive contributions from companies such as BHP Billiton, Glencore and Rio Tinto (diversified mining), Lundin Mining and Sandfire (copper) and Western Areas (nickel).

As at 31 December 2016, the target fund held 46.2% in gold equities, 47.5% in basic material equities, 4.3% in energy equities and held 2% cash.

In terms of country allocation, the target fund was invested 39.4% in Canada, 20.7% in the United States, 26.3% in Australia, 5.7% in the United Kingdom, 3% in South Africa and 2.9% in other countries.

MARKET OUTLOOK AND STRATEGY GOING FORWARD

The most important factors influencing the direction of the gold price remains both the timing of further rate increases by the FOMC and the underlying US inflation rate. At the current time, market expectations are for robust US economic growth and for at least two further rate increases in year 2017. Any rate increases will be positive for the USD, given the contrast between US monetary tightening and continued loose monetary policies in Europe and Japan.

However, a stronger USD also depends on higher real US interest rates, with the FOMC raising US interest rates at a faster rate than any increase in the US inflation rate. The Fund believes the US economy may continue to generate mixed data, with contradictory performance delaying FOMC action, even if inflation data continues to strengthen. Disappointing growth data would result in a slower timetable for rate increases and a resulting stagnation in US real interest rates. This could cause USD weakness and provide the conditions for a healthy gold price rally over the next twelve months.

Global currency markets remain volatile. Currencies of leading economies such as Europe and Japan remain weak due to continued monetary easing. The British Pounds has fallen to a 30-year low against the US Dollar following the Brexit vote. The Mexican Peso and other emerging market currencies continue to weaken in anticipation of an “America First” legislation from the incoming US administration. Gold-related assets are likely to appear as a relative safe haven to investors in emerging market countries if there is continued heightened levels of currency volatility. In addition, the potential for geopolitical unrest involving China or Russia is likely to be supportive for gold given its traditional status as a safe haven asset and as a store of value that exists independently of any individual monetary system.

Current valuation levels for gold companies remain at decade level lows, despite the general improvement in operational performances and stronger balance sheets. The Fund expects to maintain a moderately overweight position relative to benchmark given these attractive valuations and the still unknown potential for increased trade protectionism. We expect to maintain a relatively high weighting in listed Australian and Canadian producers given local currency cost advantages. The Fund will remain in low-cost gold producers, based on an all-in sustaining cash cost that includes mining costs, general operating costs necessary capital expenditure. Potential gold price volatility makes it important to invest in companies with strong balance sheets and that do not require financial market help to fund capital expenditure. The Fund may also position itself in special situations in order to benefit from continuing mergers & acquisition activity.

The outlook for general commodities will depend on Chinese domestic demand, potential US domestic stimulus, and avoiding damaging trade disputes. While prospects for the Chinese domestic economy appear robust given recent strong housing sales and continuing growth in domestic fixed asset investment, Chinese exports have suffered in the face of weaker competitor currencies and sporadic trade disputes. Negative trade disputes between China and the incoming US administration could prove damaging to commodity demand. President Trump has indicated that he will boost US infrastructure spending, but investors are still waiting for exact details, and there are concerns that any increase in US demand may not occur until year 2018. The Fund expects to have a moderately underweight positioning for general commodities relative to benchmark.

The recent performances of gold-backed assets – and of commodities generally – have been volatile, with sharp rallies and corrections linked to US monetary policy announcements, currency volatility and the relative strength of the USD. Investors should expect such volatility to continue, but such corrections can be viewed as good buying opportunities given our expectation of a recovery in the gold price. We believe that gold – and commodities in general – should feature in an investors' asset allocation strategy as a hedge against deflation and inflation, and against financial market volatility.

PERFORMANCE REVIEW

For the financial period under review, the Fund registered a loss of 6.85%* whilst the benchmark recorded a loss of 4.21%*. The Fund has not met its investment objective during the financial period under review.

** Source: Lipper Investment Management ("Lipper IM")*

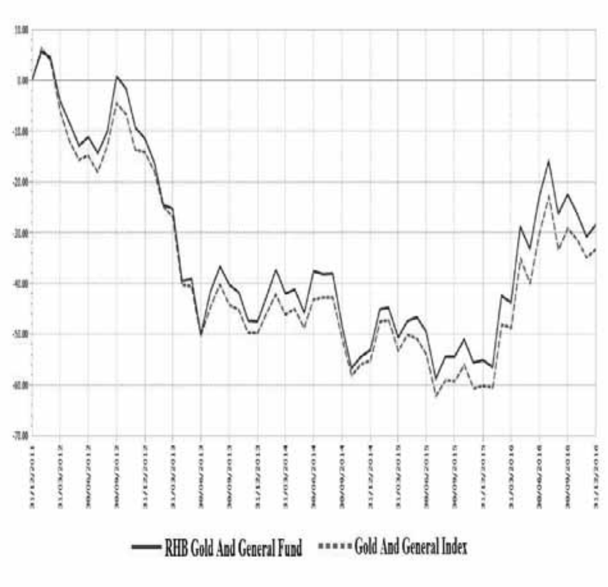
PERFORMANCE DATA

	Total Return		
	1-Month %	3-Month %	6-Month %
RHB Gold and General Fund	3.50	(7.68)	(6.85)
Gold and General Index	2.61	(5.75)	(4.21)

	Average Annual Return		
	1 Year (31.12.2015-31.12.2016) %	3 Years (31.12.2013-31.12.2016) %	5 Years (31.12.2011-31.12.2016) %
RHB Gold and General Fund	59.18	10.86	(6.44)
Gold and General Index	67.88	9.98	(7.78)

	Annual Total Return Financial Year Ended 30 June				
	2016 %	2015 %	2014 %	2013 %	2012 %
RHB Gold and General Fund					
- Capital Return	52.55	(19.19)	25.04	(43.78)	(27.57)
- Income Return	-	-	-	-	6.86
- Total Returns	52.55	(19.19)	25.04	(43.78)	(22.61)
Gold and General Index	51.72	(19.19)	14.56	(41.80)	(21.35)

Performance of RHB Gold and General Fund
for the period from 31 December 2011 to 31 December 2016
Cumulative Return Over The Period (%)



Source: Lipper IM

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

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

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

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

Fund Size	As at 31.12.2016	As at 30 June 2016	2015	2014
Net Asset Value (RM million)	189.74	156.07	123.89	191.53
Units In Circulation (million)	655.25	501.96	607.88	759.59
Net Asset Value Per Unit (RM)	0.2896	0.3109	0.2038	0.2522

Historical Data	01.07.2016-31.12.2016	Financial Year Ended 30 June 2016	2015	2014
Unit Prices				
NAV Price – Highest (RM)	0.3436	0.3109	0.2607	0.2723
– Lowest (RM)	0.2578	0.1622	0.1674	0.2002
Distribution and Unit Split	-	-	-	-
Others				
Management Expense Ratio (MER) (%) #	0.29	0.52	0.40	0.41
Portfolio Turnover Ratio (PTR) (times) ##	0.13	0.46	0.28	0.37

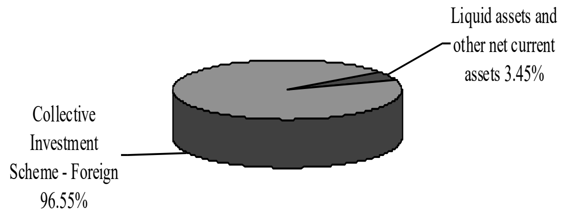
\# The MER for the financial period was slightly higher compared with previous financial period due to higher expenses incurred during the financial period under review (refer to Note 13).

\## The PTR for the financial period was slightly lower compared with previous financial period due to higher average net asset value during the financial period under review (refer to Note 14).

DISTRIBUTION

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

PORTFOLIO STRUCTURE AS AT 31 DECEMBER 2016



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

	As at 31.12.2016 %	As at 30 June 2016 %	2015 %	2014 %
Sectors				
Collective investment scheme - foreign	96.55	96.94	98.17	98.02
Liquid assets and other net current assets	3.45	3.06	1.83	1.98
	100.00	100.00	100.00	100.00

The asset allocations have been structured to meet the Fund's intended objective.

FUND SIZE AND PROFILE OF UNIT HOLDINGS BY SIZE

As at 31 December 2016, the Fund's units in circulation stood at 655.25 million units with a total of 585 accounts.

	Account Holders		No. Of Units Held*	
Size of Holdings	**No.**	**%**	**('000)**	**%**
5,000 and below	109	18.64	349	0.05
5,001 to 10,000	79	13.50	576	0.09
10,001 to 50,000	214	36.58	5,218	0.80
50,001 to 500,000	152	25.98	22,863	3.49
500,001 and above	31	5.30	626,220	95.57
Total	585	100.00	655,226	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 Manager did not received or utilised any soft commission from brokers/dealers in consideration for directing dealings in the investment of the Fund. However, in the event the Manager were to receive any soft commission in the future, these will only be retained by the Manager if they are in the form of goods and services which are of demonstrable benefit to the unitholders.

RHB GOLD AND GENERAL FUND
UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	31.12.2016	30.06.2016
		RM	RM
ASSETS			
Financial assets at fair value through profit or loss ("FVTPL")	5	183,190,589	151,291,771
Amount due from Manager		690,175	3,121,469
Deposits with a licensed financial institution	6	5,631,234	1,701,657
Bank balance	6	381,573	39,198
Other receivable	7	194,863	171,985
TOTAL ASSETS		190,088,434	156,326,080
LIABILITIES			
Amount due to Manager		41,978	-
Accrued management fee		287,553	231,618
Amount due to Trustee		9,585	7,721
Other payables and accruals	8	13,750	18,000
TOTAL LIABILITIES		352,866	257,339
NET ASSET VALUE		189,735,568	156,068,741
UNITHOLDERS' FUND			
Unitholders' capital		370,862,122	320,966,407
Accumulated losses		(181,126,554)	(164,897,666)
		189,735,568	156,068,741
UNITS IN CIRCULATION	9	655,254,000	501,960,000
NET ASSET VALUE PER UNIT		0.2896	0.3109

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

RHB GOLD AND GENERAL FUND
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTH FINANCIAL PERIOD ENDED 31 DECEMBER 2016

	Note	01.07.2016 to 31.12.2016 RM	01.07.2015 to 31.12.2015 RM
INVESTMENT LOSS			
Interest income from deposits with licensed financial institutions		101,829	35,153
Net loss on financial assets at FVTPL	5	(15,576,717)	(10,767,192)
Net realised foreign currency exchange loss		(215,747)	(18,255)
		(15,690,635)	(10,750,294)
EXPENSES			
Management fee	10	(365,576)	(210,572)
Trustee's fee	11	(56,433)	(35,019)
Audit fee		(3,000)	(2,750)
Tax agent's fee		(1,350)	(1,250)
Other expenses		(111,894)	(72,078)
		(538,253)	(321,669)
Loss before taxation		(16,228,888)	(11,071,963)
Taxation	12	-	-
Loss after taxation and total comprehensive loss for the financial period		(16,228,888)	(11,071,963)
Loss after taxation is made up of the following:			
Realised amount		31,805,605	(17,277,672)
Unrealised amount		(15,576,717)	6,205,709
		16,228,888	(11,071,963)

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

RHB GOLD AND GENERAL FUND
UNAUDITED STATEMENT OF CHANGES IN NET ASSET VALUE
FOR THE SIX MONTH FINANCIAL PERIOD ENDED 31 DECEMBER 2016

	Unitholders' capital RM	Accumulated losses RM	Total net asset value RM
Balance as at 1 July 2015	349,769,101	(225,879,882)	123,889,219
Movement in net asset value:			
Total comprehensive loss for the financial period	-	(11,071,963)	(11,071,963)
Creation of units arising from applications	23,115,767	-	23,115,767
Cancellation of units	(24,681,166)	-	(24,681,166)
Balance as at 31 December 2015	348,203,702	(236,951,845)	111,251,857
Balance as at 1 July 2016	320,966,407	(164,897,666)	156,068,741
Movement in net asset value:			
Total comprehensive loss for the financial period	-	(16,228,888)	(16,228,888)
Creation of units arising from applications	70,453,260	-	70,453,260
Cancellation of units	(20,557,545)	-	(20,557,545)
Balance as at 31 December 2016	370,862,122	(181,126,554)	189,735,568

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

RHB GOLD AND GENERAL FUND
UNAUDITED STATEMENT OF CASH FLOWS
FOR THE SIX MONTH FINANCIAL PERIOD ENDED 31 DECEMBER 2016

	01.07.2016 to 31.12.2016 RM	01.07.2015 to 31.12.2015 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sale of investments	-	18,923,195
Purchase of investments	(47,475,535)	(13,627,432)
Interest received from deposits with licensed financial institutions	101,829	35,153
Management fee paid	(332,519)	(206,933)
Trustee's fee paid	(54,569)	(35,888)
Payment for other fees and expenses	(120,494)	(80,078)
Net realised foreign currency exchange loss	(215,747)	(18,255)
Net cash (used in)/generated from operating Activities	(48,097,035)	4,989,762
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	72,884,554	22,156,983
Payment for cancellation of units	(20,515,567)	(24,889,891)
Net cash generated from/(used in) in financing activities	52,368,987	(2,732,908)
Net increase in cash and cash equivalents	4,271,952	2,256,854
Cash and cash equivalents at the beginning of the financial period	1,740,855	2,454,494
Cash and cash equivalents at the end of the financial period	6,012,807	4,711,348
Cash and cash equivalents comprise:		
Deposit with a licensed financial institution	381,573	1,937,874
Bank balances	5,631,234	2,773,474
	6,012,807	4,711,348

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

1 THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

The RHB Gold and General Fund (hereinafter referred to as "the Fund") was constituted pursuant to the execution of a Deed dated 15 February 2008 as amended via its first supplemental deed dated 4 September 2013, second supplemental deed dated 16 February 2015 and third supplemental deed dated 3 August 2015 (collectively referred to as "the Deeds") between RHB Asset Management Sdn Bhd ("the Manager") and HSBC (Malaysia) Trustee Berhad ("the Trustee").

The Fund was launched on 21 July 2009 and will continue its operations until terminated according to the conditions provided under Part 12 of the Deed. The principal activity of the Fund is to invest in 'Permitted Investments' as defined under Part 7 of the Deed. The Fund is a feeder fund that invests in the United Gold and General Fund ("UGGF"), a collective investment scheme launched in June 1995 that is domiciled in Singapore and is managed by UOB Asset Management Limited, Singapore.

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 achieve returns on investment mainly in securities of corporations (whether or not listed on any stock exchange, and in any part of the world) whose business (in any part of the world) is or is substantially in the mining or extraction of gold, silver or precious metals (e.g. platinum, palladium, rhodium etc.), bulk commodities (e.g. coal, iron ore, steel etc.), base metals of all kinds (e.g. copper, aluminium, nickel, zinc, lead tin etc.), and other commodities (e.g. industrial minerals, titanium dioxide, borates etc.) and it includes the mining or extraction of oil, gas, coal and alternative energy or other commodities or other minerals.

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 February 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 January 2016:

- Amendments to MFRS 101 "Presentation of Financial Statements Disclosure Initiative"
- Annual Improvements to MFRS 2012 – 2014 Cycle

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 periods.

(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 January 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.

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)

(ii) Financial period beginning on/after 1 January 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.

  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.

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)

(ii) Financial period beginning on/after 1 January 2018 (continued)

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 income statement, unless this creates an accounting mismatch.

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 are evaluated on a fair value basis.

The Fund designates its investment in collective investment scheme 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, amount due from Manager 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.

Financial assets are de-recognised 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' category including the effects of currency translation are recognised in profit or loss in the financial period in which they arise.

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

Deposits with licensed financial institutions are stated at cost plus accrued interest calculated on the effective interest method over the period from the date of placement to the date of maturity of the respective deposits, which is a reasonable estimate of fair value due to the short-term nature of the 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 asset's carrying amount is reduced and the amount of the loss is recognised in profit or loss. 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 in 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Financial liabilities

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

Financial liabilities, within the scope of MFRS 139 "Financial Instruments: 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.

The Fund's financial liabilities which include amount due to Manager, accrued management fee, amount due to Trustee and 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 profit or loss when the liabilities are de-recognised, and through the amortisation process.

2.4 Unitholders' 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 financial 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

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

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

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 collective investment scheme 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 balance and deposits with a licensed financial institution which are subject to an insignificant risk of changes in value.

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, 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 profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, market risk in the global markets, price risk, interest rate risk, currency risk, country risk, credit risk, liquidity 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

As the Fund invests at least 95% of its Net Asset Value in United Gold and General Fund ("UGGF"), it is subject to the management risk of the management company and investment manager of UGGF. Poor management of UGGF will jeopardise the investment of the Fund in UGGF and in turn, the unitholders' investment.

Market risk in the global markets

Investors in UGGF should consider and satisfy themselves as to the usual risks of investing and participating in publicly traded securities. Prices of securities may go up or down in response to changes in economic conditions, interest rates and market's perception of securities which in turn may cause the price of units of UGGF to rise or fall.

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:

	31.12.2016 RM	30.06.2016 RM
Financial asset at fair value through profit or loss	183,190,589	151,291,771

The table below summarises the sensitivity of the Fund's loss after tax 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.

	Changes in price of investments %	Market value RM	Impact on loss after tax and net asset value RM
31.12.2016			
	-5	174,031,060	(9,159,529)
	0	183,190,589	-
	+5	192,350,118	9,159,529
30.06.2016			
	-5	143,727,182	(7,564,589)
	0	151,291,771	-
	+5	158,856,360	7,564,589

Interest rate risk

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

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Currency risk

UGGF is denominated in Singapore Dollar ("SGD"). Where investments are made by UGGF in the form of foreign currency denominations, fluctuations of the exchange rates of other foreign currencies against the SGD may affect the value of the units of UGGF. In the management of UGGF, UGGF's managers adopt an active currency management approach. However, the foreign currency exposure of UGGF may not be fully hedged depending on the circumstances of each case. Such considerations shall include but are not limited to the outlook on the relevant currency, the costs of hedging and the market liquidity of the relevant currency.

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

	Financial assets at fair value through profit or loss
	RM
31.12.2016	
SGD	183,190,589
30.06.2016	
SGD	151,291,771

The table below summarises the sensitivity of the Fund's loss after tax and net asset value to changes in foreign exchange movements. The analysis is based on the assumption that the foreign exchange rate changes by 5%, with all other variables remaining constant. Any increase/decrease in foreign exchange rate will result in a corresponding decrease/increase in the net assets attributable to unitholders by approximately 5%. Disclosures below are shown in absolute terms, changes and impact could be positive or negative.

	Change in foreign exchange rate		**Impact on loss after tax/ net asset value**
		31.12.2016	**30.06.2016**
	%	**RM**	**RM**
SGD	5	9,159,529	7,564,589

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Country 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 invests.

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Fund by failing to discharge an obligation. The Fund is exposed to the risk of credit related losses that can occur as a result of a counterparty or issuer being unable or unwilling to honour its contractual obligations to make timely repayments of interest, principal and proceeds from realisation of investments. These credit exposures exist within financing relationships, derivatives and other transactions. The Manager manages the Fund's credit risk by undertaking credit evaluation and close monitoring of any changes to the issuer/counterparty's credit profile to minimise such risk. It is the Fund's policy to enter into financial instruments with reputable counterparties (e.g. brokers, custodian, banks, etc.) by viewing their credit rating and credit profile on a regular basis.

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

	Cash and cash equivalents RM	Other financial assets* RM	Total RM
31.12.2016			
Financial institution:			
- AAA	6,012,807	-	6,012,807
Others	-	885,038	885,038
	6,012,807	885,038	6,897,845
30.06.2016			
Financial institution:			
- AAA	1,740,855	-	1,740,855
Others	-	3,293,454	3,293,454
	1,740,855	3,293,454	5,034,309

dishonestly. Such non-compliance may result in the Fund being mismanaged and may affect the unitholders' investment.

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.

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.

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

	Less than 1 month RM	Between 1 month to 1 year RM
31.12.2016		
Amount due to Manager	41,978	-
Accrued management fee	287,553	-
Amount due to Trustee	9,585	-
Other payables and accruals	-	13,750
	339,116	13,750
30.06.2016		
Accrued management fee	231,618	-
Amount due to Trustee	7,721	-
Other payables and accruals	-	18,000
	239,339	18,000

Non-compliance risk

The risk arises should the Manager not follow the provisions set out in the respective Deeds or the law that governs the Fund or its own internal procedures, whether by oversight or by omission, or if the Manager acts fraudulently or dishonestly. Such non-compliance may result in the Fund being mismanaged and may affect the unitholders' investment.

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Capital risk

The capital of the Fund is represented by equity consisting of unitholders' capital and accumulated losses. 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 financial 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.

4 FAIR VALUE ESTIMATION (CONTINUED)

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.

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

(i) For bank balances, 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.

<u>Fair value hierarchy</u>

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)

4 FAIR VALUE ESTIMATION (CONTINUED)

Fair value hierarchy (continued)

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.

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
31.12.2016				
Financial assets at fair value through profit or loss:				
- Collective investment scheme - foreign	183,190,589	-	-	183,190,589
30.06.2016				
Financial assets at fair value through profit or loss:				
- Collective investment Scheme - foreign	151,291,771	-	-	151,291,771

Investment in collective investment scheme, i.e. unit trust fund whose values are based on published prices in active markets is 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.

5 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31.12.2016 RM	30.06.2016 RM
Financial assets designated as FVTPL:		
- collective investment scheme - foreign	183,190,589	151,291,771

	01.07.2016 to 31.12.2016 RM	01.07.2015 to 31.12.2015 RM
Net loss on financial assets at FVTPL comprised:		
- net realised loss on sale of financial assets at FVTPL	-	(16,972,901)
- unrealised (loss)/gain on change in fair value	(15,576,717)	6,205,709
	(15,576,717)	(10,767,192)

Financial assets designated as FVTPL as at 31 December 2016 are as follows:

Name of Counter	Quantity	Cost RM	Fair value as at 31.12.2016 RM	Fair value as at 31.12.2016 expressed as a percentage of value of the Fund %
COLLECTIVE INVESTMENT SCHEME – FOREIGN				
SINGAPORE				
UOB United Gold and General Fund	54,414,466	217,734,922	183,190,589	96.55
ACCUMULATED UNREALISED LOSS		(34,544,333)		
TOTAL FINANCIAL ASSETS AT FVTPL		183,190,589		

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

Financial assets designated as FVTPL as at 30 June 2016 are as follows:

Name of Counter	Quantity	Cost	Fair value as at 30.06.2016	Fair value as at 30.06.2016 expressed as a percentage of value of the Fund
		RM	RM	%
COLLECTIVE INVESTMENT SCHEME - FOREIGN				
SINGAPORE				
UOB United Gold and General Fund	41,856,003	170,259,387	151,291,771	96.94
ACCUMULATED UNREALISED LOSS		(18,967,616)		
TOTAL FINANCIAL ASSETS AT FVTPL		151,291,771		

6 CASH AND CASH EQUIVALENTS

	31.12.2016 RM	30.06.2016 RM
Deposits with a licensed financial institution	5,631,234	1,701,657
Bank balance	381,573	39,198
	6,012,807	1,740,855

Deposits with a licensed financial institution include interest receivable of RM1,234 (30.06.2016: RM149).

	31.12.2016	30.06.2016
Weighted average effective interest rate	4.00%	3.20%
Average maturity	3 days	1 day

7 OTHER RECEIVABLE

Other receivable is the rebate on management fee receivable from collective investment schemes in which the Fund invests.

8 OTHER PAYABLES AND ACCRUALS

	31.12.2016 RM	30.06.2016 RM
Audit fee payable	3,000	6,000
Tax agent's fee payable	5,550	4,200
Sundry payables and accruals	5,200	7,800
	13,750	18,000

9 UNITS IN CIRCULATION

	31.12.2016 Units	30.06.2016 Units
At the beginning of the financial period/year	501,960,000	607,879,000
Creation of units arising from applications during the financial period/year	220,292,000	216,058,000
Cancellation of units during the financial period/year	(66,998,000)	(321,977,000)
At the end of the financial period/year	655,254,000	501,960,000

10 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.

The management fee provided in the financial statements is 1.80% (01.07.2015 - 31.12.2015: 1.80%) per annum based on the net asset value of the Fund, calculated on a daily basis for the financial period. As the Fund invests in UGGF, the management fee charged by UGGF is fully refunded in cash. In accordance with the SC Guidelines on Unit Trust Funds, there is no double charging of management fee to the Fund.

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

11 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.

The Trustee's fee provided in the financial statements is 0.06% (01.07.2015 - 31.12.2015: 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.

12 TAXATION

(a) Tax charge for the financial period

	01.07.2016 to 31.12.2016 RM	01.07.2015 to 31.12.2015 RM
Current taxation	-	-

(b) Numerical reconciliation of income tax expense

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

	01.07.2016 to 31.12.2016 RM	01.07.2015 to 31.12.2015 RM
Loss before taxation	(16,228,888)	(11,071,963)
Tax calculated at a tax rate of 24% (2015: 25%)	(3,894,933)	(2,767,991)
Tax effects of:		
- Losses not deductible for tax purposes	3,765,752	2,687,574
- Expenses not deductible for tax purposes	39,430	25,794
- Restriction on tax deductible expenses for unit trust funds	89,751	54,623
Tax expense	-	-

13 MANAGEMENT EXPENSE RATIO ("MER")

	01.07.2016 to 31.12.2016 %	01.07.2015 to 31.12.2015 %
MER	0.29	0.28

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

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

A = Management fee
B = Trustee's fee
C = Audit fee
D = Tax agent's fee
E = Other expenses
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 RM186,566,426 (01.07.2015 - 31.12.2015: RM116,113,742).

14 PORTFOLIO TURNOVER RATIO ("PTR")

	01.07.2016 to 31.12.2016	01.07.2015 to 31.12.2015
The portfolio turnover ratio for the financial period (times)	0.13	0.14

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:
total acquisition for the financial period = RM47,475,535 (01.07.2015 - 31.12.2015: RM13,627,432)
total disposal for the financial period = Nil (01.07.2015 - 31.12.2015: RM18,923,195)

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

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

Related parties	Relationship
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

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

	31.12.2016		30.06.2016	
	Units	RM	Units	RM
The Manager	28,307	8,198	287,496	89,383

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.

16 TRANSACTIONS BY THE FUND

Details of transactions by the Fund for the financial period ended 31 December 2016 are as follows:

Fund Manager/ financial institution	Value of trades	Percentage of total trades	Brokerage fees	Percentage of total brokerage fees
	RM	%	RM	%
CIMB Bank Bhd	57,713,613	45.74	-	-
UOB Asset Management Ltd	47,475,534	37.63	-	-
Public Bank Bhd	20,977,452	16.63	-	-
	126,166,599	100.00	-	-

Details of transactions by the Fund for the financial year ended 30 June 2016 are as follows:

Fund Manager/ financial institution	Value of trades	Percentage of total trades	Brokerage fees	Percentage of total brokerage fees
	RM	%	RM	%
UOB Asset Management Ltd	79,039,636	63.29	-	-
CIMB Bank Bhd	45,840,189	36.71	-	-
	124,879,825	100.00	-	-

17 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 gains on the appreciation in the value of investments, which is derived from the collective investment scheme domiciled in Singapore.

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 13 to 41 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 31 December 2016 and of its financial performance and cash flows for the financial period then 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 February 2017

TRUSTEE'S REPORT

We have acted as Trustee of RHB Gold and General Fund ("the Fund") for the financial period ended 31 December 2016. 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 February 2017

CORPORATE INFORMATION

MANAGER
RHB Asset Management Sdn Bhd

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BUSINESS OFFICE
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BOARD OF DIRECTORS
Mr Patrick Chin Yoke Chung (*Independent Non-Executive Chairman*)
Encik Abdul Aziz Peru Mohamed (*Senior Independent Non-Executive Director)*
Ms Ong Yin Suen (*Managing Director*)
Mr Chin Yoong Kheong (*Independent Non-Executive Director*)
Dr. Ngo Get Ping *(Independent Non-Executive Director)*
(Appointed on 11 May 2016)

INVESTMENT COMMITTEE MEMBERS
YBhg Dato' Khairussaleh Ramli (*Chairman*) *(Appointed on 11 May 2016)*
Mr Patrick Chin Yoke Chung *(Appointed on 11 May 2016)*
Mr Ong Seng Pheow *(Appointed on 11 May 2016)*
YBhg Datuk Haji Faisal Siraj *(Appointed on 30 September 2016)*

CHIEF EXECUTIVE OFFICER
Mr Ho Seng Yee

SECRETARY
Encik Azman Shah Md Yaman (LS No. 0006901)

BRANCH OFFICE

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Penang Office	64-D, Level 5, Lebuh Bishop 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	4th 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: 088-628 686/692 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

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