

**RHB INDONESIA
EQUITY GROWTH FUND**

ANNUAL REPORT 2017

**Incorporating The Audited
Financial Statements**

For the financial year ended 31 May 2017

RHB◆Asset Management

RHB Asset Management Sdn Bhd (174588-X)

Head Office
Level 8, Tower 2 & 3, RHB Centre
Jalan Tun Razak
50400 Kuala Lumpur, Malaysia
Tel : +603 9205 8000
Fax : +603 9205 8100
www.rhbgroup.com

www.rhbgroup.com

 RHB Group  @RHBGroup  RHB Group  RHBGroup

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GENERAL INFORMATION ABOUT THE FUND

Commencement Date

RHB Indonesia Equity Growth Fund (“the Fund”) commenced operations on 4 April 2011.

Fund Category and Type

Fund Category - Equity fund

Fund Type - Growth fund

Investment Objective, Policy and Strategy

Objective of the Fund

This Fund aims to achieve medium to long term* capital appreciation through investments in securities of companies with high growth potential that are listed on the Indonesia Stock Exchange and/or companies listed on other exchanges whose business are substantially in Indonesia.

* Note: “medium to long term” in this context refers to a period of between 3 - 7 years.

Strategy

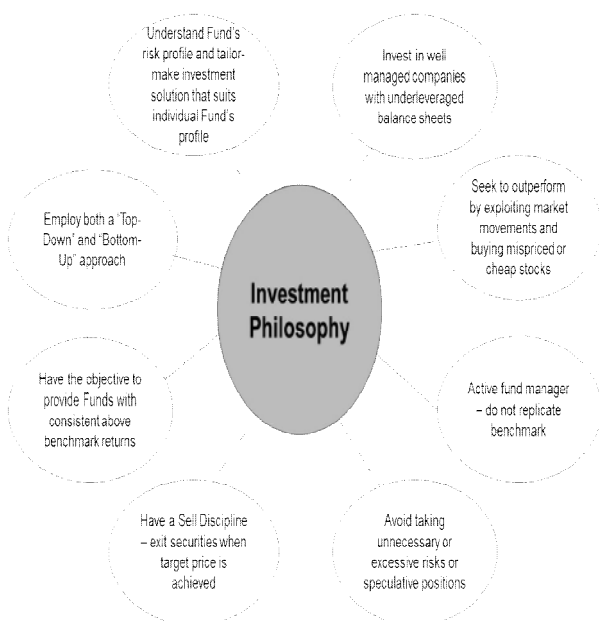
The Fund will seek to achieve its investment objective through a diversified portfolio of equities and equity - linked securities issued by companies listed on the Indonesia Stock Exchange. The Fund may also invest in companies listed on other markets such as Singapore and the United States if such companies have at least 50% of its business operations (current or potential as determined by the Manager based on criteria such as revenue or assets) located in Indonesia. In addition, the Fund’s investments may include collective investment schemes domiciled in countries such as Singapore, Luxembourg and Japan investing primarily in the Indonesian market. In seeking investments in companies of high growth potential, the Fund will look to companies with sales or earnings growth that are stronger than the industry average and/or the country’s Gross Domestic Product growth.

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

- | | |
|----------------------------------|--|
| 90% to 98% of
Net Asset Value | - Investments in equities and equity - linked securities issued by companies that are listed on the Indonesia Stock Exchange and/or companies listed on other exchanges whose business are substantially in Indonesia. |
| 2% to 10% of
Net Asset Value | - Investments in liquid assets including money market instruments and deposits with financial institutions. |

Investment Philosophy

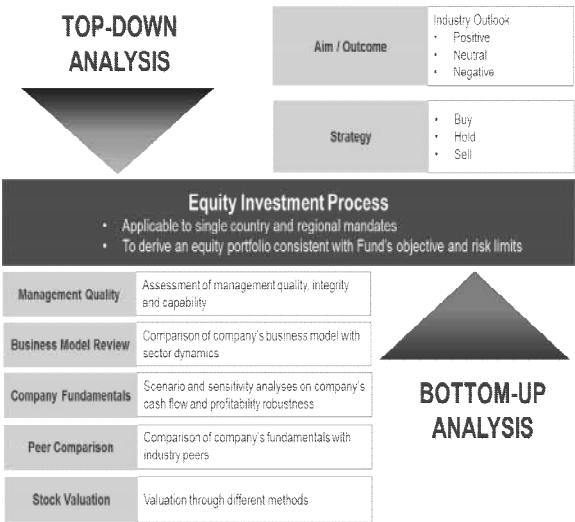
Our investment philosophy describes the approach that the investment team will adhere to when constructing an equity or fixed income portfolio. The portfolio managers invest in well-managed companies with strong balance sheets that possess competitive advantages that should enable them to outperform 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.



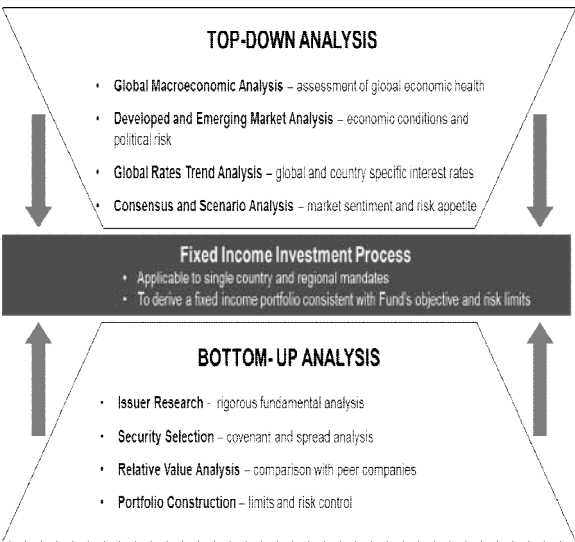
Investment Approach

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

Equities



Fixed Income Securities



Performance Benchmark

Jakarta Composite Index (RM)

Investment Policies and Restrictions

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

Fund Distribution Policy

Consistent with the Fund's objective which aims to achieve medium to long term capital appreciation, distributions will therefore be of secondary importance. Net distributions, if any, will be reinvested.

MANAGER'S REPORT

MARKET REVIEW

The financial year under review beginning 1 June 2016 to 31 May 2017 was a period of recovery in the Indonesian equity market, with the Jakarta Composite Index ("JCI") recording gains in nine out of the prior twelve months and increased 19.6% in local currency terms. The first three months of the period under review was characterised by strong foreign inflows of US Dollar ("USD") 2.6 billion triggered by the Brexit vote (23 June 2016) in the United Kingdom and the announcement of Indonesia's Tax Amnesty programme which ran from 1 July 2016 until 31 March 2017. Around half of the flows (USD 1.3 billion) was pulled from the market in the subsequent three months, exacerbated by Donald Trump's win in the US Presidential Elections on 8 November 2016. The JCI continued to gain again in year 2017 with the return of foreign net buying in the equity market in March 2017 and April 2017 totalling USD 1.8 billion. The rise in the market coincided with strong inflows into emerging markets in general with the local market experiencing a pick-up in foreign inflows after the US Federal Open Market Committee ("FOMC") hiked its policy rate range by 25 basis points ("bps") to 0.75% - 1.0% on 16 March 2017.

The JCI reached a new all-time high closing level of 5,792 points on 19 May 2017 when Standard & Poor's ("S&P") Global Ratings raised Indonesia's sovereign credit rating to investment grade, from BB+ to BBB- with a stable outlook. S&P cited reduced risks from financial metrics due to realistic budgeting which lowers the risk of a widening budget deficit, and expects net debt to Gross Domestic Product ("GDP") to remain below 30%. However, interest burden to revenue is high for the country despite the low debt stock because Indonesia has the second lowest general government revenue to GDP of all 67 investment grade sovereigns. It further pointed to effective policymaking, a political coalition with parliamentary majority, appointment of competent individuals to key economic ministerial positions, and an independent central bank, as supporting factors for the upgrade. With S&P joining Fitch and Moody's in rating Indonesia's sovereign risk as investment grade, there are some estimates that inflows of USD 3 to USD 5 billion into the country's bonds could happen over one year.

The bond market had been reacting positively to expectations for an upgrade by S&P, with the yield on the 5-year USD sovereign bond declining 41 bps to 3.20% on a year-to-18 May 2017 basis and the yield on the 10-year IDR government bond declining 69 bps to 7.05% over the same period, whilst the Rupiah ("Rp") was relatively stable, strengthening 0.9%. Whilst market yields had declined leading up to the upgrade, there is room for Indonesia's yields to narrow in the medium term because both Fitch and Moody's have assigned a positive outlook, and the economy is on a stronger footing than in the period from year 2013 to year 2016.

ECONOMIC REVIEW AND OUTLOOK

Indonesia's nine-month tax amnesty programme was completed in first quarter of year 2017 and received Rp 4,866 trillion (USD 366 billion) of assets declared, of which Rp 3,687 trillion (USD 277 billion) were onshore assets, Rp 1,032 trillion (USD 78 billion) would remain offshore, and Rp 147 trillion (USD 11 billion) would be repatriated. The Rp 135 trillion (USD 10 billion) in tax revenue collected was however, lower than the government's early predictions in year 2016. The completion of this programme is expected to lift the overhang on spending by middle and high income households which had received increase scrutiny by tax authorities during the nine months.

Real GDP growth forecast for 2017 is around 5.2%, which is a mild acceleration compared to the 5.0% rate achieved in year 2016. The trajectory of real GDP growth is suggesting an L-shaped economic recovery rather than a quick rebound in growth. In first quarter of year 2017, real GDP growth was again 5.0% as the domestic economy slowed but export of commodities picked up. However, we remain optimistic and point out that nominal GDP growth in first quarter of year 2017 improved to 10.1% year-on-year ("YoY"), which is the highest rate of growth since third quarter of year 2014 (+10.3% YoY). Nominal GDP growth was 9.1% in year 2015 and 7.6% in year 2016.

We generally expect a better second quarter of year 2017 which is also Indonesia's seasonal peak consumption period due to the Lebaran or Idul Fitri celebrations at the end of June 2017. Early indication of pickup in activity across the Purchasing Managers Index ("PMI") at 50.6 in May 2017, improvement in selective retail sales, and disbursement of government spending and food subsidies at the end of first quarter of year 2017 support this optimism. By second half of year 2017, more signs of private sector investment in the form of foreign direct investment ("FDI") and capital expenditure or capacity expansion plans by the large private Indonesian companies are needed to keep growth on track. With an improvement in economic activity, bank loan growth should accelerate from around 9% in first quarter of year 2017 to more than 12% by second half of year 2017 due to businesses drawing down working capital and investment loans.

Bank Indonesia ("BI") cut interest rates by 150 bps in year 2016, nearly reversing the 175 bps of rate hikes done in year 2013 but this monetary easing has not materialised in the growth of loans or monetary aggregates. BI will likely hold its policy interest rate throughout year 2017 because it wants to maintain a conservative position because the FOMC is in the midst of an interest rate hike cycle and further plans to run down its holdings of US Treasuries ("UST") and mortgage backed securities ("MBS") by the end of year 2017. Domestically, inflation is expected around 4.4%, which is well within the upper limit of BI's tolerance (5%) and is expected to decline in year 2018. This eases the pressure on BI to hike because real Rupiah interest rates are relatively high.

REVIEW OF FUND PERFORMANCE DURING THE PERIOD

For the period under review, the Fund net asset value increased 16.73% compared to the benchmark which rose 27.16%. The Fund underperformed its benchmark because of positions in the materials, property & construction, and transportation sectors. The Fund generally reduced exposure in these holdings and increased its holdings in large cap banks and consumer discretionary during the period on the expectation that improvements in the growth environment will initially benefit these sectors.

MARKET OUTLOOK AND STRATEGY

We expect tailwinds from monetary policy easing since year 2016 to carry into year 2017 and resumption of government expenditure on the back of improved tax collection in year 2017 to lend support to the economy and corporate earnings. The overhang from the tax amnesty programme should also lift after the first quarter of year 2017. This increases our confidence that the Indonesian economy is on a recovery path with GDP growth above 5% per annum.

We have increased equity holdings in banks and consumer discretionary sectors on the expectation of better economic growth. We continue to hold on to positions in the telecommunications sector due to rising usage and spending on mobile data, and maintain exposures to companies benefiting from coal prices sustaining above USD 65 per metric tonne. Exposures in the property and construction sectors lagged in the prior 12-months and we are assessing the catalysts before increasing holdings. Overall we maintain a value-bias and look for investment opportunities where expectations are low because we think that it presents better risk-reward for long term capital appreciation.

We expect earnings growth to be on a firmer footing in year 2017, which coupled with improving GDP growth will sustain the market price-earnings multiple and lead to higher equity prices over 6 to 12 months. With a 2 to 3 year investment horizon, we think that equities will outperform other Rupiah-based asset classes and are seeing early evidence of a strengthening of the earnings cycle.

PERFORMANCE REVIEW

For the financial year under review, the Fund registered a total return of 16.73%* compared to its benchmark return of 27.16%*. The Fund has met its investment objective during the financial year under review.

* Source: *Lipper Investment Management ("Lipper IM")*, 14 June 2017

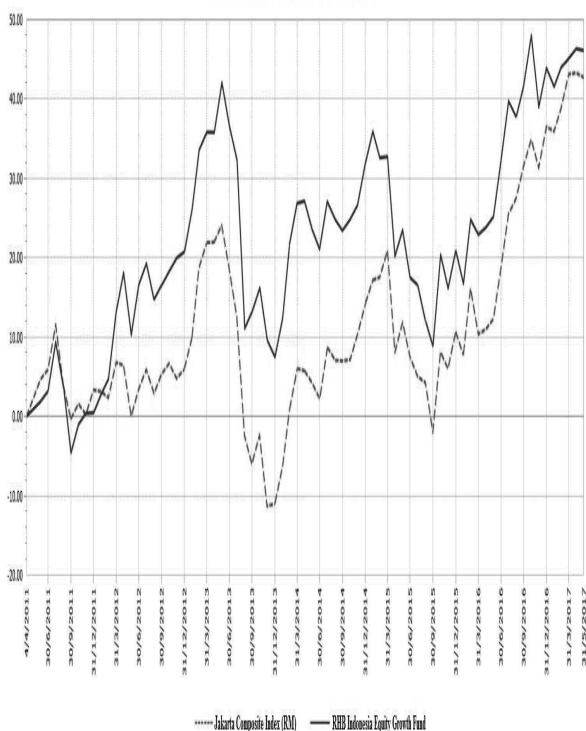
PERFORMANCE DATA

	Total Return				
	1-month %	3-month %	6-month %	9-month %	12-month %
RHB Indonesia Equity Growth Fund	(0.16)	1.52	5.16	6.09	16.73
Jakarta Composite Index (RM)	(0.42)	2.81	8.67	11.97	27.16

	Average Annual Return			
	1 Year (31.05.2015- 31.05.2017) %	3 Years (31.05.2013- 31.05.2017) %	5 Years (31.05.2012- 31.05.2017) %	Since Launch (04.04.2011 - 31.05.2017) %
RHB Indonesia Equity Growth Fund	16.73	5.73	5.78	6.34
Jakarta Composite Index (RM)	27.16	11.03	7.35	5.93

	Annual Total Return for the financial year ended 31 May				
	2017 %	2016 %	2015 %	2014 %	2013 %
RHB Indonesia Equity Growth Fund					
- Capital Return	16.73	1.34	(0.06)	(20.24)	18.64
- Income Return	-	-	-	7.24	8.54
- Total Return	16.73	1.34	(0.06)	(13.00)	28.77
Jakarta Composite Index (RM)	27.16	0.27	7.37	(15.79)	24.72

**Performance of RHB Indonesia Equity Growth Fund
for the period from 4 April 2011 to 31 May 2017
Cumulative Return Over The Period (%)**



Source: Lipper

Source: Lipper IM, 14 June 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 31 May		
	2017	2016	2015
Net Asset Value (RM million)	5.17	6.31	6.94
Units In Circulation (million)	8.99	12.81	14.27
Net Asset Value Per Unit (RM)	0.5750	0.4926	0.4860

Historical Data	Financial Year Ended 31 May		
	2017	2016	2015
Unit Prices			
NAV Price - Highest (RM)	0.5862	0.5118	0.5392
- Lowest (RM)	0.4992	0.4215	0.4651
Distribution and Unit Split	-	-	-
Others			
Management Expense Ratio (MER) (%) #	4.31	3.64	2.28
Portfolio Turnover Ratio (PTR) (times) ##	1.39	1.22	0.64

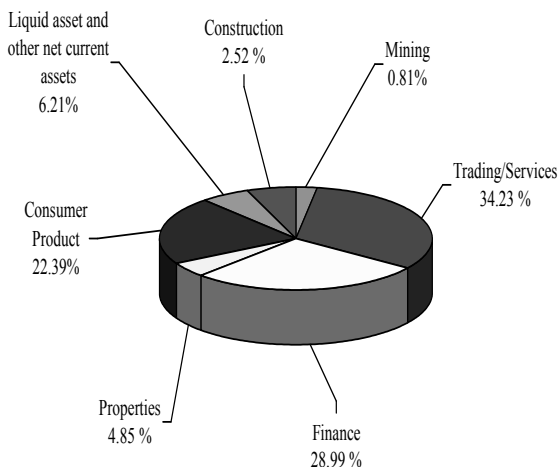
The MER for the financial year was higher compared with previous financial year due to lower average net asset value for the financial year under review (refer to Note 11).

The PTR for the financial year was higher compared with previous financial year due to lower average net asset value for the financial year under review (refer to Note 12).

DISTRIBUTION

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

PORTFOLIO STRUCTURE AS AT 31 MAY 2017



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

Sectors	As at 31 May		
	2017 %	2016 %	2015 %
Equities			
Construction	2.52	4.90	6.34
Consumer Products	22.39	20.88	23.16
Finance	28.99	21.77	18.14
Industrial Products	-	3.11	5.60
Mining	0.81	0.92	-
Plantations	-	-	5.18
Properties	4.85	7.81	2.81
Trading/Services	34.23	25.86	28.41
	93.79	85.25	89.64
Liquid assets and other net current assets	6.21	14.75	10.36
	100.00	100.00	100.00

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

FUND SIZE AND PROFILE OF UNIT HOLDINGS BY SIZE

As at 31 May 2017, the Fund's units in circulation stood at 8.99 million units with a total of 106 accounts.

Size of Holdings	Account Holders		No. Of Units Held*	
	No.	%	('000)	%
5,000 and below	27	25.47	87	0.97
5,001 to 10,000	15	14.15	111	1.24
10,001 to 50,000	34	32.08	765	8.51
50,001 to 500,000	28	26.41	3,728	41.49
500,001 and above	2	1.89	4,294	47.79
Total	106	100.00	8,985	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 year under review, the soft commission received from the brokers had been retained by the Manager as the goods and services provided are of demonstrable benefit to the unitholders.

RHB INDONESIA EQUITY GROWTH FUND
STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2017

	<u>Note</u>	<u>2017</u> <u>RM</u>	<u>2016</u> <u>RM</u>
ASSETS			
Financial assets at fair value			
through profit or loss ("FVTPL")	5	4,848,781	5,376,021
Bank balances		335,617	859,737
Amount due from stockbrokers		-	194,732
Dividend receivable		15,344	6,353
Tax recoverable		2,108	-
TOTAL ASSETS		<u>5,201,850</u>	<u>6,436,843</u>
LIABILITIES			
Amount due to stockbrokers		-	103,133
Amount due to Manager		9,147	-
Accrued management fee		8,611	10,138
Amount due to Trustee		287	338
Other payables and accruals	6	13,815	14,307
TOTAL LIABILITIES		<u>31,860</u>	<u>127,916</u>
NET ASSET VALUE		<u>5,169,990</u>	<u>6,308,927</u>
UNITHOLDERS' FUNDS			
Unitholders' capital		3,461,519	5,535,234
Retained earnings		1,708,471	773,693
		<u>5,169,990</u>	<u>6,308,927</u>
UNITS IN CIRCULATION (UNITS)	7	<u>8,991,000</u>	<u>12,807,000</u>
NET ASSET VALUE PER UNIT (RM)		<u>0.5750</u>	<u>0.4926</u>

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

RHB INDONESIA EQUITY GROWTH FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED AS AT 31 MAY 2017

	<u>Note</u>	<u>2017</u> RM	<u>2016</u> RM
INVESTMENT INCOME			
Dividend income		111,459	116,975
Interest income from deposits with licensed financial institutions		3,522	8,818
Net gain on financial assets at ("FVTPL")	5	1,113,595	192,199
Net gain on foreign currency exchange		27,941	77,557
		<u>1,256,517</u>	<u>395,549</u>
EXPENSES			
Management fee	8	(94,674)	(116,624)
Trustee's fee	9	(3,156)	(3,887)
Audit fee		(3,350)	(5,000)
Tax agent's fee		(3,000)	(3,200)
Transaction costs		(71,903)	(64,284)
Other expenses		(125,400)	(109,556)
		<u>(301,483)</u>	<u>(302,551)</u>
Profit before taxation		955,034	92,998
Taxation	10	<u>(20,256)</u>	<u>(23,852)</u>
Profit after taxation and total comprehensive income for the financial year		<u>934,778</u>	<u>69,146</u>
Profit after taxation is made up of the following:			
Realised amount		704,681	(141,957)
Unrealised amount		230,097	211,103
		<u>934,778</u>	<u>69,146</u>

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

RHB INDONESIA EQUITY GROWTH FUND
STATEMENT OF CHANGES IN NET ASSET VALUE
FOR THE FINANCIAL YEAR ENDED 31 MAY 2017

	Unitholders' <u>capital</u> RM	Retained <u>earnings</u> RM	Total net <u>asset value</u> RM
Balance as at 1 June 2015	6,230,753	704,547	6,935,300
Movement in net asset value:			
Total comprehensive income for the financial year	-	69,146	69,146
Creation of units arising from applications	2,351,833	-	2,351,833
Cancellation of units	(3,047,352)	-	(3,047,352)
Balance as at 31 May 2016	<u>5,535,234</u>	<u>773,693</u>	<u>6,308,927</u>
Balance as at 1 June 2016	5,535,234	773,693	6,308,927
Movement in net asset value:			
Total comprehensive income for the financial year	-	934,778	934,778
Creation of units arising from applications	2,790,098	-	2,790,098
Cancellation of units	(4,863,813)	-	(4,863,813)
Balance as at 31 May 2017	<u>3,461,519</u>	<u>1,708,471</u>	<u>5,169,990</u>

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

RHB INDONESIA EQUITY GROWTH FUND
STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MAY 2017

	<u>2017</u> RM	<u>2016</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sale of investments	8,736,957	8,514,772
Purchase of investments	(7,078,236)	(7,480,521)
Dividends received	80,158	103,775
Interest received from deposits with licensed financial institutions	3,522	8,818
Management fee paid	(96,201)	(117,952)
Trustee's fee paid	(3,207)	(3,931)
Payment for other fees and expenses	(132,239)	(118,637)
Net realised foreign currency exchange gain	-	13,657
	<hr/>	<hr/>
Net cash generated in operating activities	1,510,754	919,981
	<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	2,790,098	2,351,833
Payment for cancellation of units	(4,854,666)	(3,153,017)
	<hr/>	<hr/>
Net cash used in financing activities	(2,064,568)	(801,184)
	<hr/>	<hr/>
Net (decrease)/increase in cash and cash equivalents	(553,814)	118,797
Cash and cash equivalents at the beginning of the financial year	859,737	677,040
Foreign currency translation differences	29,694	63,900
	<hr/>	<hr/>
Cash and cash equivalents at the end of the financial year	335,617	859,737
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Cash and cash equivalents comprise:		
Bank balances	335,617	859,737
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The accompanying notes are an integral part of the financial statements.

**RHB INDONESIA EQUITY GROWTH FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MAY 2017**

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

The RHB Indonesia Equity Growth Fund (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of a Deed dated 10 January 2011 as amended via its First Supplemental Deed dated 4 September 2013, Second Supplemental Deed dated 24 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 4 April 2011 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.

All investments will be subject to the Securities Commission Malaysia’s (“SC”) Guidelines on Unit Trust Funds, SC requirements, the Deed, 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 medium to long term capital appreciation through investments in securities of companies with high growth potential that are listed on the Indonesia Stock Exchange and/or companies listed on other exchanges whose business are substantially in Indonesia.

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 21 July 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 year. It also requires the Manager to exercise its judgement in the process of applying the Fund’s accounting policies. Although these estimates and judgement are based on the Manager’s best knowledge of current events and actions, actual results may differ.

(a) The Fund has applied the following amendments for the first time for the financial year beginning on 1 June 2016:

- Amendments to MFRS 101 “Presentation of Financial Statements Disclosure Initiative” (effective from 1 January 2016)
- Annual Improvements to MFRS 2012 – 2014 Cycle (effective from 1 January 2016)

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

(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 year beginning on/after 1 June 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 year beginning on/after 1 June 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 year beginning on/after 1 June 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 investments in quoted investments 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 dividend receivable, cash and cash equivalents and amount due from stockbrokers 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 recognized 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 profit or loss 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 profit or loss within net gain or loss on financial assets at fair value through profit or loss in the financial year which they arise.

Quoted investments are initially recognised at fair value and subsequently re-measured at fair value based on the market price quoted on the relevant stock exchanges at the close of the business on the valuation day, where the close price falls within the bid-ask spread. In circumstances where the close 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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Financial assets (continued)

Recognition and measurement (continued)

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

Impairment of financial assets

For assets carried at amortised cost, the Fund assesses at the end of the financial year 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 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 year, 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 stockbrokers, 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 the 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 to be classified as equity 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 year 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 is 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.

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 year.

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 which is subject to an insignificant risk of changes in value.

2.8 Amount due from/to stockbrokers

Amounts due from and to stockbrokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the date of the statement of financial position respectively.

These amounts are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less impairment for amounts due from stockbrokers. See Note 2.2 on impairment of financial assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Presentation and functional currency

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

2.10 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

2.11 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 interest rate risk, management risk, stock market risk, price risk, currency risk, interest rate risk, liquidity risk, credit risk, individual stock risk, inflation risk, country 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.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

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 market price of securities owned by a unit trust fund might go down or up, sometimes rapidly or unpredictably.

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).

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

	<u>2017</u>	<u>2016</u>
	RM	RM
Financial asset at fair value through profit or loss	<u>4,848,781</u>	<u>5,376,021</u>

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Price risk (continued)

The table below summarises the sensitivity of the Fund's net asset value and profit after taxation 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> RM	<u>Impact on profit after taxation and net asset value</u> RM
<u>2017</u>			
	-5	4,606,342	(242,439)
	0	4,848,781	-
	+5	5,091,220	242,439
<u>2016</u>			
	-5	5,107,220	(268,801)
	0	5,376,021	-
	+5	5,644,822	268,801

Currency risk

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

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Currency risk (continued)

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.

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

	Financial assets at fair value through profit or loss RM	Cash and cash equivalents RM	Dividend receivable RM	Amount due from/(to) stockbrokers RM	Total RM
<u>2017</u>					
IDR	4,848,781	273,750	15,344	-	5,137,875
SGD	-	16,817	-	-	16,817
	<u>4,848,781</u>	<u>290,567</u>	<u>15,344</u>	<u>-</u>	<u>5,154,692</u>
<u>2016</u>					
IDR	5,376,021	792,834	6,353	91,599	6,266,807
SGD	-	13,709	-	-	13,709
	<u>5,376,021</u>	<u>806,543</u>	<u>6,353</u>	<u>91,599</u>	<u>6,280,561</u>

The table below summarises the sensitivity of the Fund's profit after taxation 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.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Currency risk (continued)

	Change in foreign <u>exchange rate</u> %	Impact on profit after taxation and net asset value	
		<u>2017</u> RM	<u>2016</u> RM
IDR	5	256,894	313,340
SGD	5	841	685
		<u>257,735</u>	<u>314,025</u>

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.

Liquidity risk

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

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

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (continued)

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

	Less than 1 month RM	Between 1 month to 1 year RM
<u>2017</u>		
Amount due to Manager	9,147	-
Accrued management fee	8,611	-
Amount due to Trustee	287	-
Other payables and accruals	-	13,815
	<u>18,045</u>	<u>13,815</u>
	<u><u>18,045</u></u>	<u><u>13,815</u></u>
<u>2016</u>		
Amount due to stockbrokers	103,133	-
Accrued management fee	10,138	-
Amount due to Trustee	338	-
Other payables and accruals	-	14,307
	<u>113,609</u>	<u>14,307</u>
	<u><u>113,609</u></u>	<u><u>14,307</u></u>

Credit risk

Credit risk refers to the possibility that the issuer of a particular investment will not be able to make timely or full payments of principal or income due on that investment. The credit risk arising from placements of deposits in licensed financial institutions is managed by ensuring that the Fund will only place deposits in reputable licensed financial institutions. For amount due from stockbrokers, the settlement terms are governed by the relevant rules and regulations as prescribed by Indonesia Stock Exchange. The settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the SC Guidelines on Unit Trust Funds.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (continued)

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

	Cash and cash equivalents	Other financial assets*	Total
	RM	RM	RM
<u>2017</u>			
Financial Institutions:			
AAA	335,617	-	335,617
Others	-	15,344	15,344
	<u>335,617</u>	<u>15,344</u>	<u>350,961</u>
<u>2016</u>			
Financial Institutions:			
AAA	859,737	-	964,643
Others	-	201,085	96,179
	<u>859,737</u>	<u>201,085</u>	<u>1,060,822</u>

* Comprise amount due from stockbrokers and dividend receivable

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

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.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Inflation risk

Inflation reduces purchasing power of money. In an inflationary environment, fixed rate securities are exposed to higher inflation risks than inflation-linked securities. This risk can be minimised by investing in securities that can provide positive real rate of return.

Country risk

In addition to currency risk, the Fund is also subject to country risk, for example, the value of the assets of the Fund may also be affected by the economic and political climate, restriction on currency repatriation or other developments in the law or regulations of the countries in which the Fund may invest. Further, when investing in foreign markets, there are countries which may require prior approvals before investment can take place. The effect on the Fund's investments will depend on the regulatory requirements of the respective countries. To mitigate this, the Manager will monitor closely the adherence of investment regulatory requirements in such countries.

Non-compliance risk

This is the risk of the Manager not complying with the internal policies, the Deeds 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 unitholders' capital and retained earnings. 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 year 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 year end date. Valuation techniques used for non-standardised financial instruments such as options, currency swaps and other over-the-counter derivatives, include the use of comparable recent transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

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 year. 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 balances, 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> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<u>2017</u>				
Financial assets at fair value through profit or loss:				
- Quoted investments - foreign	4,848,781	-	-	4,848,781
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>2016</u>				
Financial assets at fair value through profit or loss:				
- Quoted investments - foreign	5,376,021	-	-	5,376,021
	<u> </u>	<u> </u>	<u> </u>	<u> </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.

5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2017</u> RM	<u>2016</u> RM
Financial assets designated as FVTPL:		
- Quoted investments - foreign	4,848,781	5,376,021
	<u> </u>	<u> </u>
	<u>2017</u> RM	<u>2016</u> RM
Net gain on financial assets at FVTPL comprised:		
- Net realised gain on sales of financial assets at FVTPL	913,193	44,996
- Net unrealised gain on changes in fair values	200,402	147,203
	<u>1,113,595</u>	<u>192,199</u>

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

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

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair value</u> as at 31.05.2017 RM	<u>Fair value as at 31.05.2017 expressed as a percentage of value of the Fund</u> %
QUOTED INVESTMENT - FOREIGN				
INDONESIA				
Construction				
Pembangunan Perumahan Persero PT	74,000	90,150	74,350	1.44
Waskita Beton Precast Tbk PT	345,000	63,555	55,926	1.08
		153,705	130,276	2.52
Consumer Products				
Ace Hardware Indonesia PT	140,000	39,511	47,412	0.92
Gudang Garam Tbk PT	13,000	259,093	308,593	5.97
Indofood Sukses Makmur Tbk PT	47,000	112,771	132,011	2.55
Mitra Adiperkasa Tbk PT	43,300	70,744	87,218	1.69
Telekomunikasi Indonesia PT	310,000	311,344	432,869	8.37
Ultrajaya Milk Industry Tbk PT	61,000	58,140	99,863	1.93
Tiga Pilar Sejahtera Food Tbk	70,200	46,422	49,575	0.96
		898,025	1,157,541	22.39
Finance				
Bank Central Asia	70,000	333,121	385,360	7.45
Bank Mandiri Tbk PT	106,000	374,226	428,728	8.29
Bank Negara Indonesia Persero Tbk PT	112,500	210,997	236,537	4.58

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

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

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair value as at 31.05.2017</u> RM	<u>Fair value as at 31.05.2017 expressed as a percentage of value of the Fund</u> %
QUOTED INVESTMENT - FOREIGN (CONTINUED)				
INDONESIA (CONTINUED)				
Finance (continued)				
Bank Rakyat Indonesia PT	96,500	374,025	448,385	8.67
		1,292,369	1,499,010	28.99
Mining				
Tambang Batubara Bukit Asam Tbk PT	12,000	42,333	41,987	0.81
Properties				
Bumi Serpong Damai PT	231,000	137,018	134,213	2.60
Ciputra Surya Tbk PT	324,143	110,072	116,536	2.25
		247,090	250,749	4.85
Trading & Services				
Astra International Tbk PT	169,000	428,311	474,679	9.18
Cardig Aero Services Tbk PT	7,700	1,311	1,977	0.04
Cikarang Listrindo Tbk PT	95,500	44,947	36,327	0.70
Indocement Tunggal Prakarsa Tbk PT	10,000	55,161	59,385	1.15
Indofood Cbp Sukses Makmur Tbk PT	82,000	222,341	229,001	4.43
Indosat Tbk PT	45,900	85,611	99,822	1.93
Jasa Marga (Persero) Tbk PT	65,000	106,024	109,541	2.12
Perusahaan Gas Negara PT	110,000	101,925	84,744	1.64

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

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

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	Fair value as at 31.05.2017 RM	Fair value as at 31.05.2017 expressed as a percentage of value of the Fund %
QUOTED INVESTMENT – FOREIGN (CONTINUED)				
INDONESIA (CONTINUED)				
Trading & Services				
Puradelta Lestari Tbk PT	1,570,000	113,871	110,873	2.15
Ramayana Lestari Sentosa Tbk PT	310,000	130,317	129,363	2.50
Surya Citra Media Tbk PT	161,300	149,514	150,672	2.92
United Tractors Tbk	20,000	147,380	178,316	3.45
XL Axiata Tbk PT	110,000	109,772	104,518	2.02
		<u>1,696,485</u>	<u>1,769,218</u>	<u>34.23</u>
TOTAL INDONESIA		<u>4,330,007</u>	<u>4,848,781</u>	<u>93.79</u>
TOTAL QUOTED INVESTMENT - FOREIGN		<u>4,330,007</u>	<u>4,848,781</u>	<u>93.79</u>
ACCUMULATED UNREALISED GAIN		<u>518,774</u>		
TOTAL FINANCIAL ASSETS AT FVTPL		<u>4,848,781</u>		

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

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

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair value</u> as at 31.05.2016 RM	<u>Fair value as at 31.05.2016 expressed as a percentage of value of the Fund</u> %
QUOTED INVESTMENT - FOREIGN				
INDONESIA				
Construction				
Acset Indonusa Tbk PT	35,000	50,210	39,109	0.62
Pembangunan Perumahan Persero PT	180,000	193,750	201,132	3.19
Waskita Karya Persero Tbk PT	91,000	47,975	68,980	1.09
		291,935	309,221	4.90
Consumer Products				
Gudang Garam Tbk PT	13,000	204,569	271,679	4.31
Indofood Sukses Makmur Tbk PT	99,000	213,894	207,044	3.28
Telekomunikasi Indonesia PT	505,000	343,464	564,287	8.94
Ultrajaya Milk Industry Tbk PT	227,700	217,024	274,374	4.35
		978,951	1,317,384	20.88
Finance				
Bank Central Asia	60,000	243,735	235,560	3.73
Bank Mandiri Tbk PT	36,000	109,765	98,120	1.56
Bank Negara Indonesia Persero Tbk PT	110,000	149,279	159,456	2.53
Bank Pembangunan Daerah Jawa Barat	520,000	135,380	148,403	2.35
Bank Rakyat Indonesia PT	145,500	462,232	454,789	7.21
Bank Tabungan Negara Tbk PT	342,000	148,346	176,099	2.79

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

Financial assets designated as FVTPL as at 31 May 2016 are as follows:
(continued)

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair value</u> as at 31.05.2016 RM	<u>Fair value as at 31.05.2016 expressed as a percentage of value of the Fund</u> %
QUOTED INVESTMENT - FOREIGN (CONTINUED)				
INDONESIA (CONTINUED)				
Finance (continued)				
Panin Financial Tbk PT	1,830,000	153,145	101,137	1.60
		1,401,882	1,373,564	21.77
Industrial Products				
Lippo Cikarang Tbk PT	60,000	180,311	130,917	2.08
Semen Indonesia (Persero) Tbk PT	24,000	84,440	65,232	1.03
		264,751	196,149	3.11
Mining				
Tambang Batubara Bukit Asam Tbk PT	30,000	63,359	57,758	0.92
Properties				
Bumi Serpong Damai PT	340,000	185,397	187,904	2.98
Ciputra Development Tbk PT	440,000	180,619	183,374	2.91
Ciputra Surya Tbk PT	193,500	131,982	120,965	1.92
		497,998	492,243	7.81

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

Financial assets designated as FVTPL as at 31 May 2016 are as follows:
(continued)

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair value</u> as at 31.05.2016 RM	<u>Fair value as</u> at 31.05.2016 expressed as a percentage of value of the Fund %
QUOTED INVESTMENT – FOREIGN (CONTINUED)				
INDONESIA (CONTINUED)				
Trading & Services				
Adhi Karya Persero Tbk PT	155,000	125,298	120,302	1.91
Astra International Tbk PT	101,000	203,619	201,313	3.19
Cardig Aero Services Tbk PT	407,500	69,367	123,065	1.95
Indofood Cbp Sukses Makmur Tbk PT	55,000	237,028	269,082	4.27
Indosat Tbk PT	40,900	74,012	81,213	1.29
Japfa Comfeed Indonesia Tbk PT	250,000	66,042	67,195	1.07
Kalbe Farma Tbk PT	285,000	126,564	123,080	1.95
Link Net Tbk PT	115,000	186,580	146,213	2.32
Media Nusantara Citra Tbk PT	324,000	178,157	205,481	3.26
Perusahaan Gas Negara PT	90,000	70,686	67,406	1.07
Puradelta Lestari Tbk PT	1,200,000	76,310	76,104	1.21
XL Axiata Tbk PT	140,000	145,110	149,248	2.37
		1,558,773	1,629,702	25.86
TOTAL INDONESIA		5,057,649	5,376,021	85.25

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

Financial assets designated as FVTPL as at 31 May 2016 are as follows:
(continued)

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair value</u> as at 31.05.2016 RM	<u>Fair value as</u> at 31.05.2016 expressed as a percentage of value of the Fund %
TOTAL QUOTED INVESTMENT - FOREIGN		5,057,649	<u>5,376,021</u>	85.25
ACCUMULATED UNREALISED GAIN		<u>318,372</u>		
TOTAL FINANCIAL ASSETS AT FVTPL		<u>5,376,021</u>		

6. OTHER PAYABLES AND ACCRUALS

	<u>2017</u> RM	<u>2016</u> RM
Audit fee payable	7,850	8,500
Tax agent's fee payable	3,200	3,200
Sundry payables and accruals	2,765	2,607
	<u>13,815</u>	<u>14,307</u>

7. UNITS IN CIRCULATION

	<u>2017</u> Units	<u>2016</u> Units
At the beginning of the financial year	12,807,000	14,269,000
Creation of units arising from applications during the financial year	4,921,000	4,961,000
Cancellation of units during the financial year	(8,737,000)	(6,423,000)
At the end of the financial year	<u>8,991,000</u>	<u>12,807,000</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.

The management fee provided in the financial statements is 1.80% (2016: 1.80%) per annum based on the net asset value of the Fund, calculated on a daily basis for the financial year.

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 Deeds, 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% (2016: 0.06%) per annum based on the net asset value of the Fund, calculated on a daily basis for the financial year.

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 year

	<u>2017</u> <u>RM</u>	<u>2016</u> <u>RM</u>
Current taxation- foreign	20,256	23,852

(b) Numerical reconciliation of income tax expense

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

	<u>2017</u> <u>RM</u>	<u>2016</u> <u>RM</u>
Profit before taxation	955,034	92,998
Tax calculated at a tax rate of 24%	229,208	22,320
Tax effects of:		
- Investment income not subject to tax	(301,564)	(94,932)
- Expenses not deductible for tax purposes	47,063	42,678
- Restriction on tax deductible expenses for unit trust funds	25,293	29,934
Foreign tax in other countries	20,256	23,852
Tax expense	20,256	23,852

11. MANAGEMENT EXPENSE RATIO (“MER”)

	<u>2017</u> %	<u>2016</u> %
MER	4.31	3.64

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 year, calculated on a daily basis

The average net asset value of the Fund for the financial year, calculated on a daily basis is RM5,259,388 (2016: RM6,479,120).

12. PORTFOLIO TURNOVER RATIO (“PTR”)

	<u>2017</u>	<u>2016</u>
The portfolio turnover ratio for the financial year (times)	1.39	1.22

The portfolio turnover ratio is derived from the following calculation:

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

where:

$$\begin{aligned} \text{total acquisition for the financial year} &= \text{RM6,927,573 (2016: RM7,435,008)} \\ \text{total disposal for the financial year} &= \text{RM7,655,215 (2016: RM8,423,288)} \end{aligned}$$

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
PT RHB Securitاس Indonesia (formerly known as PT RHB Securities Indonesia)	Related 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>2017</u>		<u>2016</u>	
	<u>Units</u>	<u>RM</u>	<u>Units</u>	<u>RM</u>
The Manager	5,618	3,230	10,856	5,348
	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></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 year ended 31 May 2017 are as follows:

<u>Brokers/ financial institutions</u>	<u>Value of trades RM</u>	<u>Percentage of total trades %</u>	<u>Brokerage fees RM</u>	<u>Percentage of total brokerage fees %</u>
RHB Securities Hong Kong Ltd*	5,106,428	30.48	7,302	15.18
CIMB Investment Bank Bhd	4,991,725	29.80	25,010	52.00
Affin Hwang Investment Bank Bhd	1,636,819	9.77	4,092	8.51
CIMB Bank Bhd	1,289,000	7.70	-	-
PT Mandiri Sekuritas	903,123	5.39	2,709	5.63
Macquarie Capital Securities Ltd	745,684	4.45	2,237	4.65
Citigroup Global Markets Asia Ltd	535,088	3.20	1,605	3.34
Credit Suisse (HK) Ltd	415,893	2.48	1,248	2.60
Instinet Singapore Services Pte Ltd	362,907	2.17	1,089	2.26
CLSA Ltd	273,383	1.63	820	1.71
Others	491,616	2.93	1,981	4.12
	<u>16,751,666</u>	<u>100.00</u>	<u>48,093</u>	<u>100.00</u>

14. TRANSACTIONS BY THE FUND (CONTINUED)

Details of transactions by the Fund for the financial year ended 31 May 2016 are as follows:

<u>Brokers/ financial institutions</u>	<u>Value of trades RM</u>	<u>Percentage of total trades %</u>	<u>Brokerage fees RM</u>	<u>Percentage of total brokerage fees %</u>
PT RHB Securities Indonesia*	5,695,857	29.24	5,178	12.21
CIMB Investment Bank Bhd	4,420,732	22.70	22,104	52.13
PT Mandiri Sekuritas	2,562,125	13.15	7,686	18.13
Affin Bank Bhd	1,442,000	7.40	-	-
CIMB Bank Bhd	1,389,000	7.13	-	-
RHB Securities Hong Kong Ltd*	1,273,931	6.54	1,834	4.33
RHB Investment Bank Bhd*	760,000	3.90	-	-
Instinet Singapore Services Pte Ltd	652,784	3.35	1,958	4.62
Citigroup Global Markets Asia Ltd	458,598	2.35	1,376	3.24
J.P. Morgan Securities (S) Pte Ltd	417,458	2.14	1,252	2.95
Others	406,030	2.10	1,016	2.39
	<u>19,478,515</u>	<u>100.00</u>	<u>42,404</u>	<u>100.00</u>

- * Included in transactions by the Fund are trades with the holding company of the Manager, RHB Investment Bank Bhd, related companies of the Manager, PT RHB Sekuritas Indonesia (formerly known as PT RHB Securities Indonesia) and RHB Securities Hong Kong Ltd. The Manager is of the opinion that all transactions with the related companies 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 from both geographic and investment perspective. Geographically, the Committee considers the performance of investment in Indonesia.

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 dividend income and gains on the appreciation in the value of investments, which is derived from Malaysia and Indonesia.

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

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 financial statements set out on pages 13 to 49 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 May 2017 and of its financial performance and cash flows for the financial year 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
21 July 2017

TRUSTEE'S REPORT

We have acted as Trustee of RHB Indonesia Equity Growth Fund (“the Fund”) for the financial year ended 31 May 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 Malaysia’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
21 July 2017

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF RHB INDONESIA EQUITY GROWTH FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of RHB Indonesia Equity Growth Fund (“the Fund”) give a true and fair view of the financial position of the Fund as at 31 May 2017 and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 31 May 2017, and the statement of comprehensive income, statement of changes in net asset value and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 13 to 49.

Basis for opinion

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

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

Independence and other ethical responsibilities

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

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF RHB INDONESIA EQUITY GROWTH FUND (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Manager for the financial statements

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

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

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF RHB INDONESIA EQUITY GROWTH FUND (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

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

- (a) Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Fund's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF RHB INDONESIA EQUITY GROWTH FUND (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS

(No. AF: 1146)

Chartered Accountants

Kuala Lumpur

21 July 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*)

Ms Ong Yin Suen (*Managing Director*)

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

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

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

(*Appointed on 3 July 2017*)

INVESTMENT COMMITTEE MEMBERS

YBhg Dato' Khairussaleh Ramli (*Chairman*)

Mr Patrick Chin Yoke Chung

Mr Ong Seng Pheow

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

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	Areca Capital Sdn Bhd Hong Leong Bank Bhd iFast Capital Sdn Bhd Kenanga Investment Bank Bhd RHB Investment Bank Bhd