

HwangDBS

# AIIMAN GROWTH FUND

*Date of Constitution: 8 October 2002\**

HwangDBS

# AIIMAN INCOME PLUS FUND

*(Formerly known as HwangDBS AIIMAN Balanced Fund)*

*Date of Constitution: 28 June 2004\**



**Manager :** HwangDBS Investment Management Berhad (429786-T)

**Trustee :** HSBC (Malaysia) Trustee Berhad (1281-T)

This Master Prospectus is dated 8 October 2010 and expires on 7 October 2011.

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS MASTER PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.  
FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE THE "RISK FACTORS" COMMENCING ON PAGE 15.

\*The Constitution dates for the Funds refer to their respective launch dates

## **Responsibility Statement**

This Master Prospectus has been reviewed and approved by the directors of the management company and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable inquiries, they confirm to the best of their knowledge and belief, there are no false or misleading statements, or omission of other facts which would make any statement in the Master Prospectus false or misleading.

## **Statement of Disclaimer**

The Securities Commission has approved the issue of, offer for subscription or purchase, or issue an invitation to subscribe for or purchase units of the unit trust fund and a copy of this Master Prospectus has been registered with the Securities Commission.

The approval, and registration of this Master Prospectus, should not be taken to indicate that the Securities Commission recommends the Funds or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Master Prospectus.

The Securities Commission is not liable for any non-disclosure on the part of the management company who is responsible for the Funds and takes no responsibility for the contents of this Master Prospectus. The Securities Commission makes no representation on the accuracy or completeness of this Master Prospectus, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

**INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, INVESTORS WHO ARE IN DOUBT ON THE ACTION TO BE TAKEN SHOULD CONSULT PROFESSIONAL ADVISERS IMMEDIATELY.**

## **Additional Statement**

***No units will be issued or sold on the basis of this Master Prospectus later than one (1) year after the date of this Master Prospectus.***

Investors are advised to note that recourse for false or misleading statements or acts made in connection with this Master Prospectus is directly available through Sections 248, 249 and 357 of the Capital Markets and Services Act 2007.

The Funds, the subject of this Master Prospectus have been certified as being Shariah-compliant by the Shariah Adviser appointed for the Funds.

This Master Prospectus is not intended to and will not be issued and distributed in any country or jurisdiction other than in Malaysia ("Foreign Jurisdiction"). Consequently, no representation has been and will be made as to its compliance with the laws of any Foreign Jurisdiction. Accordingly, no offer or invitation to subscribe or purchase units in the Funds to which this Master Prospectus relates may be made in any Foreign Jurisdiction or under any circumstances where such action is unauthorised.

## Message from the CEO of HwangDBS Investment Management Berhad

Dear Investors,

In this Master Prospectus, you will find 2 of our Shariah-compliant funds, namely HwangDBS AIIIMAN Growth Fund and HwangDBS AIIIMAN Income Plus Fund (formerly known as HwangDBS AIIIMAN Balanced Fund)

HwangDBS AIIIMAN Growth Fund, or AGF invests primarily in equities with the objective of seeking to achieve consistent capital appreciation over the medium to long term by investing in equities and other approved investments, which harmonise with Islamic philosophy and laws. This Fund is ideal for medium to long-term investors, who are risk tolerant and seek higher returns for their investments that comply with the Shariah requirements.

HwangDBS AIIIMAN Income Plus Fund, or AIPF, was previously known as HwangDBS AIIIMAN Balanced Fund, whose investments were split between equities and fixed income instruments. On 18 March 2010, the Unit Holders passed a resolution to change the objective of the Fund to allow for investments primarily in Sukuk and in so doing, the Unit Holders also passed a resolution to change the name of the to HwangDBS AIIIMAN Income Plus Fund. AIPF now seeks to provide Investors a steady income stream over the medium to long-term period through investments primarily in Shariah-compliant debentures or Sukuk. This Fund is suitable for investors who seek regular income distribution, have a medium to long-term investment horizon; and have a low risk tolerance.

The Funds' investments are not risk free and you are firmly advised to consider the risks associated with investing in the Funds. We consider that the following non-exhaustive risk factors exist: market risk, equity investment risk, and reclassification of Shariah status risk. Additionally, investments in sukuk and / or other Islamic-based debentures would attract credit/default risk, counterparty risk, liquidity risk and interest rate or price risk. For further details on these risk factors, kindly refer to Section 4 of this Master Prospectus, where we have provided you with an explanation on each of these risk factors.

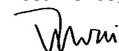
There are fees and charges that may be imposed should you wish to invest in each of the Fund such as:-

- A maximum Sales Charge of 5.50% of the NAV per Unit;
- A Management Fee of 1.50% per annum of the NAV of the Fund; and
- A Trustee Fee of 0.07% per annum (including local custodian fees) of the NAV of the Fund, subject to a minimum of RM18,000 per annum.

We sincerely hope that you will find this Master Prospectus informative, easy to read and useful in helping you make smart investment decisions. If you are interested in purchasing these Funds, have any queries, require further information about this Master Prospectus or would like to know more about investing in these Funds, please feel free to contact our Customer Service personnel at our toll free number 1-800-88-7080 or email your queries to [customercare@hdbsim.com.my](mailto:customercare@hdbsim.com.my). Alternatively, you may contact any of our distributors which may be found in Section 21 of this Master Prospectus.

We look forward to being of service to you.

Best wishes,



**Teng Chee Wai**  
Chief Executive Officer & Executive Director

## TABLE OF CONTENTS

Section	Page
<b>1. CORPORATE DIRECTORY</b>	<b>1</b>
<b>2. GLOSSARY</b>	<b>4</b>
<b>3. KEY DATA</b>	<b>8</b>
<b>4. RISK FACTORS</b>	<b>15</b>
4.1 GENERAL RISKS	15
4.2 SPECIFIC RISKS	16
4.3 SPECIFIC RISK OF INVESTMENTS IN SUKUK / OTHER ISLAMIC-BASED DEBENTURES	17
4.4 RISK MANAGEMENT	17
<b>5. FUND DETAILS</b>	<b>19</b>
<b>5.1. HWANGDBS AILMAN GROWTH FUND (AGF)</b>	<b>19</b>
5.1.1 INVESTMENT OBJECTIVE	19
5.1.2 INVESTORS' PROFILE	19
5.1.3 PERFORMANCE BENCHMARK	19
5.1.4 APPROVED FUND SIZE / UNITS IN CIRCULATION	19
5.1.5 ASSET ALLOCATION	19
5.1.6 INVESTMENT STRATEGY	19
<b>5.2 HWANGDBS AILMAN INCOME PLUS FUND (AIPF)</b>	<b>20</b>
5.2.1 INVESTMENT OBJECTIVE	20
5.2.2 INVESTORS' PROFILE	20
5.2.3 PERFORMANCE BENCHMARK	20
5.2.4 APPROVED FUND SIZE / UNITS IN CIRCULATION	20
5.2.5 ASSET ALLOCATION	21
5.2.6 INVESTMENT STRATEGY	21
<b>5.3 PERMITTED INVESTMENTS &amp; RESTRICTIONS</b>	<b>22</b>
5.3.1 PERMITTED INVESTMENTS FOR AGF & AIPF	22
5.3.2 INVESTMENT LIMITS FOR AGF & AIPF	22
5.3.3 INVESTMENT RESTRICTIONS AND LIMITS APPLICABLE TO AIPF	23
<b>6. ADDITIONAL INFORMATION IN RELATION TO THE FUNDS</b>	<b>25</b>
6.1 VALUATION OF ASSETS	25
6.2 VALUATION POINT FOR THE FUNDS	26
6.3 POLICY ON GEARING AND MINIMUM LIQUID ASSETS REQUIREMENTS	26
6.4 DISTRIBUTION STRATEGY & REINVESTMENT POLICY	26
6.5 ZAKAT FOR THE FUNDS	27
6.6 TERMINATION OF THE FUNDS	27
6.7 EPF INVESTMENTS	27

<b><u>7.</u></b>	<b><u>HISTORICAL PERFORMANCE OF THE FUNDS</u></b>	<b><u>28</u></b>
7.1	<b>HWANGDBS AIIMAN GROWTH FUND (AGF)</b>	<b>28</b>
7.1.1	HISTORICAL PERFORMANCE	28
7.1.2	HISTORICAL FINANCIAL HIGHLIGHTS	33
7.2	<b>HWANGDBS AIIMAN INCOME PLUS FUND (AIPF)</b>	<b>37</b>
7.2.1	HISTORICAL PERFORMANCE	37
7.2.2	HISTORICAL FINANCIAL HIGHLIGHTS	42
<b><u>8</u></b>	<b><u>FEES, CHARGES AND EXPENSES</u></b>	<b><u>46</u></b>
8.1	<b>FEES DIRECTLY INCURRED</b>	<b>46</b>
8.1.1	SALES CHARGE	46
8.1.2	REDEMPTION FEE	46
8.1.3	SWITCHING FEE	47
8.1.4	TRANSFER FEE	47
8.2	<b>MANAGEMENT FEE</b>	<b>47</b>
8.3	<b>TRUSTEE FEE</b>	<b>48</b>
8.4	<b>FUND EXPENSES</b>	<b>48</b>
8.5	<b>POLICY ON STOCKBROKING REBATES AND SOFT COMMISSIONS</b>	<b>49</b>
<b><u>9.</u></b>	<b><u>SALE AND PURCHASE OF UNITS</u></b>	<b><u>50</u></b>
9.1	<b>COMPUTATION OF NAV AND NAV PER UNIT</b>	<b>50</b>
9.2	<b>PRICING OF UNITS</b>	<b>51</b>
9.3	<b>SALE OF UNITS</b>	<b>53</b>
9.4	<b>REPURCHASE OF UNITS</b>	<b>53</b>
9.5	<b>PAYMENT OF REPURCHASE PROCEEDS</b>	<b>53</b>
9.6	<b>REPURCHASE FREQUENCY AND MINIMUM UNITS REPURCHASE</b>	<b>54</b>
9.7	<b>COOLING-OFF PERIOD</b>	<b>54</b>
9.8	<b>SWITCHING FACILITY</b>	<b>54</b>
9.9	<b>TRANSFER FACILITY</b>	<b>55</b>
9.10	<b>REGULAR SAVINGS PLAN</b>	<b>55</b>
9.11	<b>WHERE TO PURCHASE AND REPURCHASE</b>	<b>55</b>
9.12	<b>UNCLAIMED MONIES</b>	<b>55</b>
9.13	<b>ANTI-MONEY LAUNDERING POLICIES AND PROCEDURES</b>	<b>55</b>
<b><u>10.</u></b>	<b><u>SALIENT TERMS OF THE DEEDS AND RIGHTS &amp; LIABILITIES OF UNIT HOLDERS</u></b>	<b><u>57</u></b>
10.1	<b>RIGHTS AND LIABILITIES OF UNIT HOLDERS</b>	<b>57</b>
10.1.1	RIGHTS OF UNIT HOLDERS	57
10.1.2	LIABILITIES OF UNIT HOLDERS	57
10.2	<b>PROVISIONS REGARDING UNIT HOLDERS' MEETINGS</b>	<b>57</b>
10.2.1	QUORUM REQUIRED FOR CONVENING A UNIT HOLDERS' MEETING	57
10.2.2	UNIT HOLDERS' MEETING CONVENED BY THE UNIT HOLDERS	58
10.2.3	UNIT HOLDERS' MEETING CONVENED BY THE MANAGER OR TRUSTEE	58

<b>10.3</b>	<b>TERMINATION OF THE FUNDS</b>	<b>58</b>
10.3.1	CIRCUMSTANCES THAT MAY LEAD TO THE TERMINATION OF THE FUNDS	58
10.3.2	PROCEDURE FOR THE TERMINATION OF THE FUNDS	58
<b>10.4</b>	<b>THE MAXIMUM FEES AND CHARGES THAT MAY BE IMPOSED BY THE MANAGER AND THE STEPS TO BE TAKEN BY THE MANAGER TO INCREASE SUCH FEES AND CHARGES</b>	<b>59</b>
10.4.1	MAXIMUM RATE OF DIRECT FEES AND CHARGES ALLOWABLE BY THE DEED	59
10.4.2	MAXIMUM RATE OF INDIRECT FEES AND CHARGES ALLOWABLE BY THE DEED	60
10.4.3	PROCEDURES TO BE TAKEN TO INCREASE THE DIRECT AND INDIRECT FEES AND CHARGES FROM THE CURRENT AMOUNT STIPULATED BY THE DEED	60
10.4.4	PROCEDURES TO BE TAKEN TO INCREASE THE DIRECT AND INDIRECT FEES AND CHARGES FROM THE CURRENT AMOUNT AS STIPULATED IN THE MASTER PROSPECTUS	60
10.4.5	OTHER EXPENSES PERMITTED UNDER THE DEEDS	61
<b>10.5</b>	<b>CIRCUMSTANCES THAT MAY LEAD TOWARDS THE RETIREMENT, REMOVAL OR REPLACEMENT OF THE MANAGER</b>	<b>62</b>
<b>10.6</b>	<b>POWERS OF THE MANAGER TO REMOVE THE TRUSTEE</b>	<b>63</b>
<b>10.7</b>	<b>RETIREMENT OR REMOVAL OR REPLACEMENT OF THE TRUSTEE</b>	<b>63</b>
<b>10.8</b>	<b>POWER OF TRUSTEE TO REMOVE OR REPLACE THE MANAGER</b>	<b>63</b>
<b>11.</b>	<b><u>CLIENT COMMUNICATION</u></b>	<b>65</b>
<b>12.</b>	<b><u>THE MANAGEMENT COMPANY</u></b>	<b>66</b>
12.1	THE MANAGEMENT COMPANY (THE MANAGER)	66
12.2	ROLE OF THE MANAGER	67
12.3	FINANCIAL POSITION	67
12.4	ROLE OF DIRECTORS	67
12.4.1	BOARD OF DIRECTORS	67
12.5	ROLE OF THE INVESTMENT COMMITTEE	67
12.5.1	THE INVESTMENT COMMITTEE MEMBERS	68
12.6	THE TEAM	69
12.6.1	THE INVESTMENT TEAM	69
12.6.2	KEY PERSONNEL OF THE MANAGEMENT TEAM	71
12.7	MANAGEMENT COMPANY'S DELEGATE	72
12.8	THE MANAGER'S DISCLOSURE ON RELATED PARTY TRANSACTIONS AND POSSIBLE CONFLICTS OF INTEREST	72
12.8.1	RELATED PARTY TRANSACTIONS	72
12.8.2	CONFLICTS OF INTEREST	73
12.9	POLICY ON DEALING WITH CONFLICTS OF INTEREST	74
12.10	MATERIAL LITIGATION	75
<b>13.</b>	<b><u>THE TRUSTEE</u></b>	<b>76</b>
13.1	BACKGROUND INFORMATION	76
13.2	BOARD OF DIRECTORS	76
13.3	FINANCIAL POSITION	76

13.4	EXPERIENCE IN TRUSTEE BUSINESS	76
13.5	PROFILE OF KEY PERSONNEL	77
13.6	DUTIES AND RESPONSIBILITIES OF THE TRUSTEE	78
13.7	TRUSTEE'S STATEMENT OF RESPONSIBILITY	78
13.8	TRUSTEE'S DISCLOSURE OF MATERIAL LITIGATION	78
13.9	TRUSTEE'S DELEGATE	78
13.10	RELATED-PARTY TRANSACTIONS/CONFLICT OF INTEREST	79
<b>14.</b>	<b><u>THE EXTERNAL FUND MANAGER</u></b>	<b>81</b>
14.1	PROFILE OF THE EXTERNAL FUND MANAGER	81
14.2	DUTIES AND RESPONSIBILITIES OF THE EXTERNAL FUND MANAGER	81
14.3	FINANCIAL POSITION	82
14.4	KEY PERSONNEL OF THE MANAGEMENT TEAM	82
14.5	EXISTING RELATED PARTY TRANSACTION AND CONFLICT OF INTEREST	83
14.5.1	RELATED PARTY TRANSACTION	84
14.5.2	CONFLICT OF INTEREST	84
14.5.3	POLICY ON DEALING WITH CONFLICT OF INTEREST	86
14.6	MATERIAL LITIGATION	86
<b>15.</b>	<b><u>THE SHARIAH ADVISER</u></b>	<b>87</b>
15.1	BACKGROUND INFORMATION	87
15.2	SHARIAH ADVISER'S ROLES AND RESPONSIBILITIES	87
15.3	SHARIAH APPROVAL PROCESS	88
15.4	DESIGNATED PERSONS RESPONSIBLE FOR SHARIAH MATTERS OF THE FUNDS	88
<b>16.</b>	<b><u>TAXATION ADVISER'S LETTER IN RESPECT OF THE TAXATION OF THE UNIT TRUST AND THE UNIT HOLDERS</u></b>	<b>90</b>
<b>17.</b>	<b><u>STATEMENT OF CONSENT</u></b>	<b>96</b>
<b>18.</b>	<b><u>DOCUMENTS AVAILABLE FOR INSPECTION</u></b>	<b>97</b>
<b>19.</b>	<b><u>UNIT TRUST LOAN FINANCING RISK DISCLOSURE STATEMENT</u></b>	<b>98</b>
<b>20.</b>	<b><u>DIRECTORS' DECLARATION</u></b>	<b>99</b>
<b>21.</b>	<b><u>DIRECTORY OF SALES OFFICE</u></b>	<b>100</b>

## 1. CORPORATE DIRECTORY

- The Manager** : HwangDBS Investment Management Berhad (429786-T)
- Registered Address** : Level 8, Wisma Sri Pinang,  
60, Green Hall,  
10200 Penang.  
Tel No. : (604) 263 6996  
Fax No. : (604) 263 9597
- Business Office** : Suite 12-03, 12<sup>th</sup> Floor,  
Menara Keck Seng,  
203, Jalan Bukit Bintang,  
55100 Kuala Lumpur.  
Tel No. : (603) 2142 1881  
Fax No. : (603) 2141 1886 / 2143 1881  
Toll free line : 1-800-88-7080  
E-mail : [customercare@hdbsim.com.my](mailto:customercare@hdbsim.com.my)  
Website : [www.hdbsim.com.my](http://www.hdbsim.com.my)
- Board of Directors of the Manager** : Mr. Hwang Lip Teik  
Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar  
Ms. Ho Nyuk Choo Deborah Joanne  
Mr. Teng Chee Wai  
Y.A.M. Tengku Syed Badarudin Jamalullail (Independent Director)  
Mr. Ong Eng Kooi (Independent Director)
- Investment Committee Members** : Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar  
Y.A.M. Tengku Syed Badarudin Jamalullail (Independent member)  
Dr. Neoh Soon Kean (Independent member)  
Mr Wong Ming Tek  
Mr Goh Yin Foo
- Company Secretaries** : Ms Tan Lee Peng (LS 0000882)  
Level 8, Wisma Sri Pinang  
60 Green Hall  
10200 Penang.  
  
Ms Mah Yee Wan (MAICSA 7042003)  
Level 8, Wisma Sri Pinang  
60 Green Hall  
10200 Penang.
- External Fund Manager** : Asian Islamic Investment Management Sdn. Bhd. (256674-T)  
(AIIMAN)
- Registered Address** : Level 8 Wisma Sri Pinang,  
60 Green Hall,  
10200 Penang, Malaysia.  
Tel No. : (604) 263 6996  
Fax No. : (604) 263 9597

- Business Address** Suite 10-03, 10<sup>th</sup> Floor,  
Menara Keck Seng,  
203, Jalan Bukit Bintang,  
55100 Kuala Lumpur.  
Tel No. : (603) 2142 1881  
Fax No. : (603) 2116 6150
- Manager's Delegate  
(Fund Accounting  
and Valuation Agent)** : HSBC (Malaysia) Trustee Berhad (1281-T)
- Registered Address  
& Business Office** Suite 901, 9<sup>th</sup> Floor,  
Wisma Hamzah-Kwong Hing,  
No.1, Leboh Ampang,  
50100 Kuala Lumpur.  
Tel No. : (603) 2074 3200  
Fax No. : (603) 2078 0145
- The Trustee** : HSBC (Malaysia) Trustee Berhad (1281-T)
- Registered Address  
& Business Office** : Suite 901, 9<sup>th</sup> Floor,  
Wisma Hamzah-Kwong Hing,  
No.1, Leboh Ampang,  
50100 Kuala Lumpur.  
Tel No. : (603) 2074 3200  
Fax No. : (603) 2078 0145
- Trustee's Delegate  
(Local Custodian)** : The Hongkong and Shanghai Banking Corporation Limited  
(as Custodian) and assets held through:-
- Registered Address** : HSBC Nominees (Tempatan) Sdn. Bhd. (258854-D)  
Bangunan HSBC,  
No.2, Leboh Ampang,  
50100 Kuala Lumpur.  
Tel No. : (603) 2070 0744  
Fax: No. : (603) 2072 9787
- Shariah Adviser or  
Amanie** : Amanie Business Solutions Sdn Bhd (684050-H)  
Suite 35.01, Level 35  
: Menara Ambank  
No. 8 Jalan Yap Kwan Seng  
50450 Kuala Lumpur,  
Malaysia.  
: Tel No. : (603) 2164 1651  
Fax No. : (603) 2164 1644
- Banker** : HSBC Bank (M) Berhad (127776-V)  
Head Office,  
2, Leboh Ampang  
50100 Kuala Lumpur

- Reporting Accountants and Auditors** : PricewaterhouseCoopers,  
Level 10, 1 Sentral,  
Jalan Travers,  
Kuala Lumpur Sentral,  
P.O. Box 10192,  
50706 Kuala Lumpur.
- Tax Adviser** : Ernst & Young Tax Consultants Sdn. Bhd. (179793k)  
Level 23A, Menara Milenium,  
Jalan Damanlela,  
Pusat Bandar Damansara,  
50490 Kuala Lumpur.
- Solicitor** : Raja, Darryl & Loh  
18th Floor, Wisma Sime Darby  
Jalan Raja Laut  
50350 Kuala Lumpur
- Agents** : Registered Unit Trust Consultants and other Approved Institutional  
Unit Trust Advisers (as and when appointed) of the Manager.
- Others** : Federation of Investment Managers Malaysia  
19-07-3, 7th Floor, PNB Damansara  
19, Lorong Dungun, Damansara Heights,  
50490 Kuala Lumpur  
Tel No. : (603) 2093 2600  
Fax No. : (603) 2093 2700  
Email: [info@fimm.com.my](mailto:info@fimm.com.my)  
Website: [www.fimm.com.my](http://www.fimm.com.my)

## 2. GLOSSARY

<b>AGF</b>	Refers to the HwangDBS AIIMAN Growth Fund
<b>AIPF</b>	Refers to the HwangDBS AIIMAN Income Plus Fund
<b>Assets of the Funds</b>	A unit trust's holdings, which may include Shariah-compliant securities, Sukuk, cash and Shariah-based deposits, other Islamic money market instruments and all amounts due to the respective Funds.
<b>Board</b>	Means the Board of Directors of HwangDBS IM.
<b>Bursa Malaysia</b>	Means the stock exchange managed and operated by the Bursa Malaysia Securities Berhad.
<b>Business Day</b>	A day on which the Bursa Malaysia is open for trading.
<b>CMSA 2007 or the Act</b>	Means the Capital Markets and Services Act 2007 as originally enacted and amended or modified from time to time.
<b>Cooling – off Period</b>	Means no more than six (6) Business Days after the initial application for Units was received by the Manager.
<b>Cooling – off Right</b>	Means the right of the Unit Holder to obtain a refund of his/her investment in the Fund(s), if the Unit Holder so requests within the cooling-off period, save for a Unit Holder who is a corporation or institution, a staff of the Manager or a person registered with a body approved by the SC to deal in unit trusts.
<b>Deed(s)</b>	<p>The following Deeds and Supplemental Deeds relating to the respective Funds was entered into between the Manager and the Trustee:-</p> <p>AGF: The Deed dated 3 October 2002 as modified by a First Supplemental Deed dated 29 December 2005, Second Supplemental Deed dated 18 June 2007, Third Supplemental Deed dated 23 September 2008 and Fourth Supplemental Deed dated 20 November 2008;</p> <p>and/ or</p> <p>AIPF: The Deed dated 5 May 2004, First Supplemental Deed dated 29 December 2005, Second Supplemental Deed dated 18 June 2007, Third Supplemental Deed dated 23 September 2008, Fourth Supplemental Deed dated 20 November 2008 and Fifth Supplemental Deed dated 26 March 2010.</p> <p>'A Deed' or 'Deed' means any one of such Deeds.</p>

<b>External Fund Manager</b>	Asian Islamic Investment Management Sdn. Bhd. (AIIMAN)
<b>FiMM</b>	Refers to the Federation of Investment Managers, Malaysia
<b>Forward Pricing</b>	Means the net asset value per Unit for the Fund valued or calculated after a request for Units or Repurchase for the Units, as the case may be, is received by the Manager (the “next valuation point”). It is used to determine the Selling Price and Repurchase Price, as the case may be.
<b>Funds</b>	Refer to the HwangDBS AIIMAN Growth Fund and HwangDBS AIIMAN Income Plus Fund.  ‘The Fund’ or ‘Fund’ where the context appears, shall refer to any one of such Funds.
<b>Guidelines</b>	<i>Guidelines on Unit Trust Funds</i> issued by the SC and as may be amended from time to time.
<b>Investors</b>	Means the beneficial owners of the Units. Unless a prior arrangement has been reached with the Manager and subject to such arrangement being legal, all Investors must also be Unit Holders.
<b>Latest Practicable Date (LPD)</b>	As at 1 September 2010, being the latest practicable date for the purposes of ascertaining certain information deemed relevant as at the latest practicable date in this Master Prospectus.
<b>Long-term</b>	A period of more than 5 years.
<b>Management Company or The Manager or HwangDBS IM</b>	Refers to HwangDBS Investment Management Berhad.
<b>Master Prospectus</b>	Means the consolidated Master Prospectus for the HwangDBS AIIMAN Growth Fund and HwangDBS AIIMAN Income Plus Fund
<b>MARC</b>	Refers to the Malaysian Rating Corporation Berhad.
<b>Medium-term</b>	A period between 3 to 5 years.
<b>NAV</b>	Means the Net Asset Value of the Fund which is determined by deducting the value of all the Fund’s liabilities from the value of all the Fund’s assets, at the valuation point.  <i>For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund should be</i>

		<i>inclusive of the management fee and the trustee fee for the relevant day.</i>
<b>NAV per Unit</b>		Means the Net Asset Value of the Fund at a particular valuation point divided by the total number of Units in circulation at that point.
<b>RAM Ratings</b>		Refers to RAM Rating Services Berhad.
<b>Register of Unit Holders</b>		Means the register, whether kept in written form or electronically, which documents the Unit Holders' holding of Units in the Funds
<b>Redemption Fee</b>		Means a fee imposed pursuant to a repurchase request.
<b>Repurchase Price per Unit</b>		Means the price payable to a unit holder for a unit in the Fund pursuant to a repurchase request. The repurchase price shall be exclusive of the Redemption Fee.
<b>RM</b>		Means Ringgit Malaysia.
<b>SC</b>		Securities Commission of Malaysia established under the Securities Commission Act 1993.
<b>Selling Price per Unit</b>		Means the price payable by the Unit Holder for the Manager to create a Unit in a Fund.
<b>Single Pricing Regime (SPR)</b>		Means the NAV per Unit based on forward pricing and, is the repurchase price or the selling price, as the case may be.
<b>Shariah</b>		Principles of Islamic law which are embodied in the Qur'an, Sunnah of the Prophet Muhammad as well as the interpretations of the Muslim jurists.
<b>Shariah Adviser</b>		Amanie Business Solutions Sdn Bhd ("Amanie")
<b>Shariah requirements</b>		A phrase or expression which generally means making sure that any human conduct must not involve any prohibition and that in performing that conduct all the essential elements that make up the conduct must be present and each essential element must meet all the necessary conditions as required by the Shariah for that element.
<b>Short-term</b>		A period of less than 3 years.
<b>Special Resolution</b>		Means a resolution passed by a majority of not less than three quarter ( $\frac{3}{4}$ ) of the Unit Holders voting at a Meeting of the Unit Holders.
		For the purpose of terminating or winding up the Fund, a Special Resolution is passed by a majority in number representing at least three quarter ( $\frac{3}{4}$ ) of the value of Units

held by the Unit Holders voting at the Meeting.

**Sukuk**

A document or certificate, documenting the undivided pro-rated ownership of underlying assets. The *sak* (singular of *sukuk*) is freely traded at par, premium or discount. In Malaysia, the term *sukuk* is used for fixed income securities which comply with the Shariah requirements. It is normally used together with the Shariah contracts applied in the structure, such as “*bai bithaman ajil, murabahah and istisna*” for underlying transactions based on indebtedness or *musyarakah* and *mudharabah* for underlying transactions based on partnership.

**The Trustee**

Refers to HSBC (Malaysia) Trustee Berhad.

**Unit or Units**

It is a measurement of the right or interest of a Unit Holder in the Funds and means a Unit (including a fraction of a Unit) of the Funds.

**Units in Circulation**

Means Units created and fully paid for and which has not been cancelled. It is the total number of Units issued at a particular valuation point.

**Unit Holders**

The person / corporation registered as the holder of a Unit or Units including persons jointly registered.

### 3. KEY DATA

**THIS SECTION IS ONLY A SUMMARY OF THE SALIENT INFORMATION ABOUT THE FUNDS. INVESTORS SHOULD READ AND UNDERSTAND THE WHOLE MASTER PROSPECTUS BEFORE MAKING ANY INVESTMENT DECISIONS.**

Funds Information	HwangDBS AAIMAN Growth Fund (AGF)	HwangDBS AAIMAN Income Plus Fund (AIPF)	Page(s)										
Fund Category	Equity	Bond											
Fund Type	Growth	Income											
Approved Fund Size (Units)	300 million	300 million	19 / 20										
Launch Date	8 October 2002	28 June 2004											
Financial Year End	31 August	31 August											
MER as at 31 August 2009	1.63	2.08	31 / 40										
Units in Circulation as at LPD	77,184,000	192,721,000	19 / 20										
Investment Objective	To achieve consistent capital appreciation over a medium to long-term by investing in equities and other approved investments, which harmonise with Islamic philosophy and laws.	To provide a steady income stream over the medium to long-term period through investments primarily in Shariah-compliant debentures or Sukuk.	19 / 20										
Asset Allocation	<table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Asset Class</th> <th>% of NAV</th> </tr> </thead> <tbody> <tr> <td>Equities</td> <td>Maximum 100%</td> </tr> </tbody> </table> <p>Note: The Manager will also maintain a sufficient level of cash and cash equivalents to pay for the Fund's expenses or to satisfy a repurchase request.</p>	Asset Class	% of NAV	Equities	Maximum 100%	<table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Asset Class</th> <th>% of NAV</th> </tr> </thead> <tbody> <tr> <td>Malaysian-issued Sukuk whether issued by the Malaysian Government or private companies</td> <td>Minimum 80%</td> </tr> <tr> <td>Cash and Islamic money market Instruments</td> <td>Maximum 20%</td> </tr> </tbody> </table>	Asset Class	% of NAV	Malaysian-issued Sukuk whether issued by the Malaysian Government or private companies	Minimum 80%	Cash and Islamic money market Instruments	Maximum 20%	19 / 21
Asset Class	% of NAV												
Equities	Maximum 100%												
Asset Class	% of NAV												
Malaysian-issued Sukuk whether issued by the Malaysian Government or private companies	Minimum 80%												
Cash and Islamic money market Instruments	Maximum 20%												

Funds Information	HwangDBS AAIMAN Growth Fund (AGF)	HwangDBS AAIMAN Income Plus Fund (AIPF)	Page(s)		
		<table border="1" data-bbox="617 199 897 263"> <tr> <td data-bbox="617 199 762 263"></td> <td data-bbox="762 199 897 263"></td> </tr> </table> <p data-bbox="617 272 897 397">Note: The cash portion above will be kept as liquid assets to satisfy repurchase request and general expenses of the Fund.</p>			
Performance Benchmark	FTSE Bursa Malaysia Emas Shariah Index (FBMSHA).	12-month Maybank General Investment Account (GIA) rate.	19 / 20		
Investment Strategy	<p data-bbox="333 533 594 608">The Fund will invest mainly in Shariah-compliant equities.</p> <p data-bbox="333 635 594 906">The fundamental investment process will be driven by key investment and sectoral themes prevailing in the market at any point in time. The guiding principle to the selection of investments will be premised on compliance with Shariah requirements.</p>	<p data-bbox="617 523 897 699">To achieve the objective of the Fund, the Fund intends to invest in a multitude of Malaysian-issued Sukuk whether issued by the Malaysian Government or private companies.</p> <p data-bbox="617 719 897 874">These Sukuks are expected to provide profit at intervals which are predetermined. These profits will then be distributed to Unit Holders in the form of income.</p> <p data-bbox="617 895 897 1437">The strategy for Shariah compliant investments in local Sukuk would be driven by the interest rate outlook for the market over the medium to long-term horizon. This will enable the Manager to decide on the maturity structure for the Fund. Relative return analysis will also be conducted between Shariah-compliant securities with the same credit ratings to determine if yields can be enhanced by switching investments. Additionally, the Manager will constantly seek potential credit upgrade issues and avoid potential downgrade issues to maximise returns for Unit Holders.</p>	19-20 / 21		

Funds Information	HwangDBS AIIAMAN Growth Fund (AGF)	HwangDBS AIIAMAN Income Plus Fund (AIPF)	Page(s)																
Investors' Profile	Ideally for medium to long-term investors, who are risk tolerant and seek higher returns for their investments that comply with Shariah requirements.	Suitable for investors who: <ul style="list-style-type: none"> <li>• seek regular income distribution;</li> <li>• have a medium to long-term investment horizon; and</li> <li>• have a low risk tolerance.</li> </ul>	19 / 20																
Specific Risks of Investing in the Funds	<ul style="list-style-type: none"> <li>• Market risk</li> <li>• Equity investment risk</li> <li>• Reclassification of Shariah status risk</li> </ul>	<ul style="list-style-type: none"> <li>• Credit/ default risk</li> <li>• Counterparty risk</li> <li>• Liquidity risk</li> <li>• Interest risk or price risk</li> <li>• Reclassification of Shariah status risk</li> </ul>	16-17																
<b>Fees and Charges</b> <i>These are the charges and fees that you may directly incur when you buy or sell Units of the Funds.</i>																			
Sales Charge per Unit	<table border="1" style="width: 100%;"> <thead> <tr> <th data-bbox="331 740 468 911">Distributors</th> <th data-bbox="471 740 600 911">Maximum Sales Charge on the NAV per Unit of the Fund **</th> <th data-bbox="614 740 751 911">Distributors</th> <th data-bbox="754 740 891 911">Maximum Sales Charge on the NAV per Unit of the Fund **</th> </tr> </thead> <tbody> <tr> <td data-bbox="331 916 468 1015">Institutional Unit Trust Advisers</td> <td data-bbox="471 916 600 1015">5.50%</td> <td data-bbox="614 916 751 1015">Institutional Unit Trust Advisers</td> <td data-bbox="754 916 891 1015">2.00%</td> </tr> <tr> <td data-bbox="331 1019 468 1161">Internal Distribution Channel of the Manager</td> <td data-bbox="471 1019 600 1161">5.50%</td> <td data-bbox="614 1019 751 1161">Internal Distribution Channel of the Manager</td> <td data-bbox="754 1019 891 1161">2.00%</td> </tr> <tr> <td data-bbox="331 1166 468 1241">Unit Trust Consultants</td> <td data-bbox="471 1166 600 1241">5.50%</td> <td data-bbox="614 1166 751 1241">Unit Trust Consultants</td> <td data-bbox="754 1166 891 1241">2.00%</td> </tr> </tbody> </table> <p data-bbox="325 1270 600 1318">** Investors may negotiate for a lower Sales Charge.</p> <p data-bbox="325 1347 600 1455">The Sales Charge shall be limited to a maximum charge of 3% of the NAV per Unit or as determined by EPF for Investors who</p>		Distributors	Maximum Sales Charge on the NAV per Unit of the Fund **	Distributors	Maximum Sales Charge on the NAV per Unit of the Fund **	Institutional Unit Trust Advisers	5.50%	Institutional Unit Trust Advisers	2.00%	Internal Distribution Channel of the Manager	5.50%	Internal Distribution Channel of the Manager	2.00%	Unit Trust Consultants	5.50%	Unit Trust Consultants	2.00%	46
Distributors	Maximum Sales Charge on the NAV per Unit of the Fund **	Distributors	Maximum Sales Charge on the NAV per Unit of the Fund **																
Institutional Unit Trust Advisers	5.50%	Institutional Unit Trust Advisers	2.00%																
Internal Distribution Channel of the Manager	5.50%	Internal Distribution Channel of the Manager	2.00%																
Unit Trust Consultants	5.50%	Unit Trust Consultants	2.00%																

Funds Information	HwangDBS AII MAN Growth Fund (AGF)	HwangDBS AII MAN Income Plus Fund (AIPF)	Page(s)
	purchase Units through the EPF Members' Investment Scheme (EMIS).		
Redemption Fee	The Funds do not impose a Redemption Fee		46
Switching Fee	The Manager retains the discretion to charge a switching fee of up to 1% on the total amount (based on NAV) switched.		47
Transfer Fee	RM5.00 per transfer		47
<b><i>This table describes the fee that you may indirectly incur when you invest in the Funds.</i></b>			
Management Fee	1.50% per annum of the NAV of the Fund	1.00% per annum of the NAV of the Fund	47 - 48
Trustee Fee	0.07% per annum of NAV of the Fund, subject to a minimum of RM 18,000 per annum (excluding foreign custody fees and charges)		48
Fund Expenses	<p>Only direct fees or costs incurred will be paid out of the Funds. These include but not limited to:-</p> <ul style="list-style-type: none"> <li>(a) Commissions/fees paid to brokers/dealers in affecting dealings in the investments of the Funds;</li> <li>(b) Tax and other duties charged on the Funds by the Government and other authorities;</li> <li>(c) The fee and other expenses properly incurred by the Auditor appointed for the Funds;</li> <li>(d) Fees for the valuation of any investments of the Funds by independent Valuers;</li> <li>(e) Cost incurred for the modification of the Deeds of the Funds, other than those for the benefit of the Management Company or Trustee;</li> <li>(f) Cost incurred for any Meeting of the Unit Holders, other than those convened by, or for the benefit of, the Management Company or Trustee; and</li> <li>(i) Other fees/expenses related to the Funds.</li> </ul>		48

Funds Information	HwangDBS AAIMAN Growth Fund (AGF)	HwangDBS AAIMAN Income Plus Fund (AIPF)	Page(s)
<b>Transaction Details</b>			
Minimum Initial Investment	RM1000		53
Minimum Units Held	2,000 Units		54
Minimum Additional Investment	RM100		53
Frequency and Minimum Units Repurchased	<p>There are no restrictions on the frequency of repurchases; however, there is a minimum repurchase of 2,000 Units for each repurchase application. Applications for repurchase must be submitted to the Manager on any Business Day from 9.00 a.m. to 3.30 p.m. Such repurchases requests are deemed received only if all documents and forms received by the Manager are duly and correctly completed.</p> <p>The Manager may, with the consent of the Trustee, reserve the right to defer repurchase requests if such request would adversely affect the Fund or the interest of Unit Holders of any class of the Fund.</p>		54
Period of Payment of Repurchase Proceeds	Within 10 days from the day the repurchase request is received by the Manager.		53
Switching Facility <sup>1</sup>	<p>All Unit Holders, other than those investing through the EPF Members' Investment Scheme (EMIS) are allowed to switch from the Fund to any other funds managed by the Manager (subject to the availability and terms of the intended funds).</p> <p>For investors who invest through the EMIS, they are allowed to switch to any other HwangDBS IM's EPF approved funds (subject to the availability and terms of the intended funds).</p>		54
Transfer Facility	<p>Unit Holders are permitted to transfer their ownerships of investments in the Funds at any point in time by completing the transfer application (Form A) and returning it to the Manager on any Business Day. The transfer must be made in terms of Units and not RM value. There is no specific amount of Units required to be transferred except that the Unit Holder transferring the Units must have at least 2,000</p>		55

<sup>1</sup> If Investors intend to continue investing in Shariah-based funds, then switching out from these Funds are discouraged.

Funds Information	HwangDBS AIIAN Growth Fund (AGF)	HwangDBS AIIAN Income Plus Fund (AIPF)	Page(s)
	Units, after the transfer to remain a Unit Holder of the Funds, and the Unit Holder in receipt of the Units must have a minimum of 2,000 Units to be a Unit Holder of the Funds.		
<b><i>Distribution Strategy &amp; Reinvestment Policy</i></b>			
Distribution Strategy & Reinvestment Policy	As the Fund's objective is to achieve medium to long-term capital appreciation, the Fund is not expected to make regular distribution. However, incidental distribution may be declared whenever is appropriate.	The Fund endeavours to distribute income, if any, on an annual basis.	26
	Distribution, if any, which is less than or equal to the amount of RM300.00 would be automatically reinvested on behalf of the Unit Holders based on the NAV per unit of the respective Funds. Any cash distribution amounting to more than RM300.00 will be paid by cheque or reinvested according to the Unit Holders' choice.		
<b><i>Other Information</i></b>			
The Manager or Management Company or HwangDBS IM	HwangDBS Investment Management Berhad		66 - 75
Designated Representatives of the Manager	David Ng Kong Cheong	Esther Teo Keet Ying	69/ 70
The Trustee	HSBC (Malaysia) Trustee Berhad		76 - 80
The External Fund Manager	Asian Islamic Investment Management Sdn. Bhd. (AIIAN)		81 - 86
Designated Fund Managers for the External Fund Manager	Akmal Hassan	Chan Cheh Shin	83
The Shariah Adviser	Amanie Business Solutions Sdn Bhd (684050-H)		87 - 89

Funds Information	HwangDBS AII MAN Growth Fund (AGF)	HwangDBS AII MAN Income Plus Fund (AIPF)	Page(s)
Deed(s) that govern the Funds	The Deed dated 3 October 2002, as modified by a First Supplemental Deed dated 29 December 2005, Second Supplemental Deed dated 18 June 2007, Third Supplemental Deed dated 23 September 2008 and Fourth Supplemental Deed dated 20 November 2008 relating to the AGF entered into between the Manager and the Trustee.	The Deed dated 5 May 2004, as modified by a First Supplemental Deed dated 29 December 2005, Second Supplemental Deed dated 18 June 2007, Third Supplemental Deed dated 23 September 2008, Fourth Supplemental Deed dated 20 November 2008 and Fifth Supplemental Deed dated 26 March 2010 relating to the AIPF entered into between the Manager and the Trustee.	

***Past performances of the Funds are not an indication of their future performance. Unit prices and distributions payable, if any, may go down as well as up.***

***Investors should read and understand the contents of this Master Prospectus and, if necessary, should consult their adviser(s).***

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

***For information concerning certain risk factors which should be considered by prospective investors, see "Risk Factors" commencing on Page 15.***

## 4. RISK FACTORS

This section of the Master Prospectus provides you with information on the general risks involved when investing in a unit trust fund and the specific risks associated with the Shariah-compliant securities / Shariah-compliant instruments that the Funds will be investing in.

### 4.1 General Risks

#### 4.1.1 *Market risk*

Market risk arises because of factors that affect the entire marketplace. Factors such as economic growth, political stability and social environment are some examples of conditions that have an impact on businesses, whether positive or negative. Market risk cannot be eliminated by diversification. It stems from the fact that there are economy-wide perils which threaten all businesses. Hence, investors will be exposed to market uncertainties and no matter how many Shariah-compliant securities are held, fluctuations in the economic, political and social environment will affect the market price of the Shariah-compliant investments either in a positive or negative way.

#### 4.1.2 *Fund management risk*

The performance of any unit trust fund depends on the experience and expertise of the investment managers. Poor management of the unit trust fund may jeopardize its performance.

#### 4.1.3 *Performance risk*

There is no guarantee in relation to the investment returns or on the distribution to unit holders.

#### 4.1.4 *Inflation risk*

A unit trust fund is subject to the risk of an investor's investment not growing proportionately to the inflation rate making the investor's purchasing power fall over time.

#### 4.1.5 *Liquidity risk*

Liquidity risk refers to two scenarios. The first is where an investment cannot be sold due to unavailability of a buyer for that investment. The second scenario exists where the investment, by its nature, is thinly traded. This will have the effect of causing the investment to be sold at below its actual value.

#### 4.1.6 *Financing risk*

Investors should assess the inherent risk of investing with financed monies which includes risk of an increase in profit rates and/or risk of being unable to provide additional collateral should the unit prices fall.

#### 4.1.7 *Credit / default risk*

Credit risk refers to the possibility that the issuer or financial institution of a Shariah-compliant securities or instruments will not be able to make timely payments of profit or principal payment on the maturity date. This may lead to a default in the payment of principal and profit and ultimately a reduction in the value of unit trust funds.

#### **4.1.8 Interest rate risk**

The level of interest rates has an impact on the value of investments and economic growth of a country. High interest rates dampen investments and aggregate demand leading to an economic slowdown. The value of Sukuk move in the opposite direction of interest rates, any increase in rates will lead to a reduction in the value of Sukuk, thus affecting the NAV of unit trust funds. The interest rate is a general economic indicator that will have an impact to the management of fund, regardless of whether it is a Shariah-based fund or otherwise. It does not in any way suggest that these Funds will invest in conventional financial instruments.

#### **4.1.9 Risk of Non-Compliance**

There is also the risk that unit trust management companies or other parties associated with the Funds would not follow the rules as set out in the Funds' constitution, or the law that governs the Funds, or will act fraudulently or dishonestly. The non-compliance may expose the Funds to higher risks which may result in a reduction in the value of the unit trust funds.

### **4.2 Specific Risks**

There are specific risks associated with the Shariah-compliant securities / Shariah-compliant instruments, in which the Funds will invest. These include the following:-

#### **4.2.1 Market risk**

Market risk arises due to fluctuations in the market values of investments. Such fluctuations occur because of factors that affect the entire market. Market risk cannot be eliminated by diversification. It stems from the fact that there are economy-wide perils, which threaten all businesses. Hence, investors will be exposed to market uncertainties and no matter how many Shariah-compliant securities are held, fluctuations in the economic, political and social environment will affect the market price of the Shariah-compliant investments, either in a positive or negative way.

#### **4.2.2 Equity investment risk**

This is the risk associated with investing in a particular equity. The value of individual equities is mainly determined by its potential growth in earnings, sound management, and treatment of minority shareholders, as well as a myriad of other factors. Failure to achieve these would result in declining investment value which in turn affects the performance of the unit trust. This could be minimised by diversifying a Fund's portfolios.

#### **4.2.3 Reclassification of Shariah status risk**

This risk refers to the risk that the currently held Shariah-compliant securities in the portfolio of Shariah-based funds may be reclassified to be Shariah non-compliant in the periodic review of the securities by the Shariah Advisory Council of Securities Commission Malaysia (SACSC) or the Shariah Adviser for the Funds. If this occurs, then the value of a fund may be adversely affected where the Manager will take the necessary steps to dispose of such securities in accordance with the advice from the SACSC or the Shariah Adviser, as the case maybe.

## 4.3 Specific Risk of Investments in Sukuk / Other Islamic-Based Debentures

### 4.3.1 Credit/default risk

Credit or default risk is a concern for investments in Sukuk. The risk arises when an issuer is unable to service any profit payments or pay the principal amount upon repurchase. In such cases, the Unit Holders may suffer significant capital losses with respect to their capital invested and profit foregone. The management of credit risk is largely accounted for by the Manager's management of issue-specific risk. This refers to the emphasis on credit analysis conducted to determine issuer's or guarantor's ability to service promised payments.

### 4.3.2 Counterparty risk

The risk that the other party in an agreement will default. In general, counterparty risk can be reduced by having an organisation with good credit to act as an intermediary between the two parties.

### 4.3.3 Liquidity risk

Liquidity risk is the risk that the Shariah-compliant security / Shariah-compliant instrument invested in, cannot be readily sold and converted into cash. This can occur when the trading volume for the security is low and/or when there is a lack of demand for the security. In managing the liquidity risk, the Funds will employ liquidity or 'volume-traded' analysis on primary and secondary markets for all security types. Where applicable, the Funds will look into the historical volume transacted for the securities in question. Thereafter, the appropriate asset allocation can be made for each security with regard to reducing the liquidity risk to a comfortable level in relation to that security's risk-return profile. Liquidity risk is also partially limited by the Funds' diversification policies.

### 4.3.4 Interest Risk or Price Risk

Sukuk are subject to interest rate fluctuations. Investments in Sukuk may be affected by the unanticipated rise (or fall) in interest rates. This risk can largely be eliminated by holding the Sukuk until their maturity. The Fund also manages interest rate risk by considering each Sukuk's sensitivity to interest rate changes as measured by its duration. When interest rates are expected to increase, the Fund would then likely seek to switch to Sukuk which have a lower duration and are less sensitive to interest rate changes.

*(Note: Interest rate risk is a general economic indicator that will have an impact on the management of the Fund regardless of whether it is a Shariah-based fund or otherwise. It does not in any way suggest that this Fund will invest in conventional financial instruments).*

## 4.4 Risk Management

Risk Management is an integral part of the Manager's investment management process and is essential to achieving consistent and superior performance in investment management. The Manager's *Risk Management Committee* ("the Committee") comprises at least three board members and is chaired by an independent director and it is authorised by the Board of Directors to oversee the Manager's activities in managing all areas of the business to ensure that the risk management process is in place and functioning. The Committee has tasked the Manager's *Risk Committee* (management level) to identify and evaluate risks as well as formulate internal control measures to minimise the Fund's exposure to these risks within a clearly defined framework and is primarily responsible to ensure that the policies and procedures that have been implemented are reviewed on an on-going basis with periodic assessments.

Measures employed by the Manager include employing active and effective asset allocation strategy as well as adhering to the Fund's investment objective, policies and investment strategies. In ensuring the investment restrictions and limits of the Fund are met, the Manager has in place proper procedures with clear parameters for the investment personnel to abide by.

The Manager also has in place a system that is able to monitor the transactions to ensure compliance with the Fund's limits and restrictions. The Manager undertakes stringent evaluation of movements in market prices and regularly monitor, review and report to the Investment Committee to ensure that the Fund's investment objective is met. Regular portfolio reviews by senior members of the investment team further reduce the risk of implementation inconsistencies and guideline violations.

The Manager engages a stringent screening process by conducting fundamental analysis of economic political and social factors to evaluate their likely effects on the performance of the markets and sectors. Regular meetings are held to discuss investment themes and portfolio decisions taken at the meetings are then implemented according to the investment guidelines. The Manager also practises prudent liquidity management in a timely and cost effective manner to ensure that the Fund is able to meet its short-term expenses.

The Manager also works closely with the Shariah Advisor to ensure continuous compliance with Shariah principles in respect of the treatment of the assets of the Funds.

***It is important to note that events affecting the investments cannot always be foreseen. Therefore, it is not always possible to protect investments against all risks. The various asset classes generally exhibit different levels of risk.***

***The investments of the Funds carries risk and investors are recommended to read the whole Master Prospectus to assess the risks of the Funds.***

***Investors are reminded that the above list of risks may not be exhaustive and if necessary, they should consult their adviser(s), e.g. their bankers, lawyers, stockbrokers or independent financial advisers for a better understanding of the risks.***

## 5. FUND DETAILS

### 5.1. HwangDBS AILMAN Growth Fund (AGF)

#### 5.1.1 Investment Objective

**HwangDBS AILMAN Growth Fund (AGF)** being a capital growth fund, is categorised as an equity fund which seeks to achieve consistent capital appreciation over a medium to long term, by investing in equities and other approved investments, which harmonise with the Islamic philosophy and laws.

In the event that there are **material** changes to the investment objective of the Fund, the approval of Unit Holders would be required.

#### 5.1.2 Investors' Profile

The Fund is ideal for medium to long-term investors, who are risk tolerant and seek higher returns for their investments that comply with the Shariah requirements.

#### 5.1.3 Performance Benchmark

The performance benchmark to be used by the Manager in measuring the performance of the Fund will be the FTSE Bursa Malaysia Emas Shariah Index (FBMSHA), which is obtainable from Bursa Malaysia.

#### 5.1.4 Approved Fund Size / Units in Circulation

Three hundred million (300,000,000) Units. As at the LPD, the number of units in circulation is 77,184,000 Units.

#### 5.1.5 Asset Allocation

The Fund's asset allocation range is as follows:-

Asset Class	% of NAV
Equities	Maximum 100%

Note: The Manager will also maintain a sufficient level of cash and cash equivalents for liquidity purposes. The Manager may use this liquidity to pay for the Fund's expenses or to satisfy a repurchase request.

#### 5.1.6 Investment Strategy

The Fund will invest mainly in Shariah-compliant equities and the balance in cash. The Fund's Shariah-compliant equities exposure is decided after considering the outlook for the stock market over the medium to long-term horizon. This entails studying the relevant economic and business statistics in order to produce forecasts of the economy and the stock market.

In managing the Fund, the Manager believes opportunities to maximise returns exist, irrespective of bull or bear market conditions and will thus employ an active asset allocation strategy to capitalise on such opportunities. This active asset allocation strategy gives the Manager the flexibility to tweak the Fund's equity exposure in accordance to the outlook of the market. Essentially, the flexibility allows the Manager to remain invested during market upturns or to liquidate investments to preserve its capital.

In terms of technique or approach, fundamental analysis will be conducted to determine the attractiveness of specific stock ideas based on sectoral themes. This analysis will take into account information gathered during company visits, key earnings drivers and earnings revision trends for the company, valuation relative to the Manager's estimates of intrinsic value as well as

the competency of its management. Various tools will be used to facilitate the valuation process, including price over earnings ratio, price to book ratio, the discounted cash flow model and enterprise value over earnings before interest, depreciation and taxation.

The Manager also gives consideration to companies that practise good corporate governance, as they generally command higher market valuation and potentially better returns for investors over a medium investment horizon. Investing into small to medium capitalised companies are largely based on merit that they are likely to develop into future industry leaders. Whilst such companies are normally associated with higher risks, the potentially return could also be very rewarding, if the right companies are selected. Whilst the selection of stocks is based on fundamental analysis, the Manager will use technical analysis when it comes into the timing of purchases and sales.

The Fund's trading policy would largely be driven by market forces and opportunistic in nature, including companies that are undergoing corporate exercise, situational counters and liquidity plays.

The Manager may take temporary defensive positions that may be inconsistent with the Fund's principal strategy in attempting to respond to adverse market conditions, economic, political, or any other conditions. Under such situations, a large proportion of the Fund may be temporarily invested in Sukuk, Shariah-based deposits, shorter-term Islamic money market instruments and Shariah-compliant stocks with a sustainable dividend payment and a relatively attractive dividend yield, which has demonstrated relatively stable earnings despite poor economic and market conditions.

## **5.2 HwangDBS AII MAN Income Plus Fund (AIPF)**

### **5.2.1 Investment Objective**

*HwangDBS AII MAN Income Plus Fund* is a Shariah-compliant bond Fund which provides investors a steady income stream over the medium to long-term period through investments primarily in Shariah-compliant debentures or Sukuk

In the event that there are **material** changes to the investment objective of the Fund, the approval of Unit Holders would be required.

### **5.2.2 Investors' Profile**

The Fund is primarily suited for investors who:-

- seek regular income distribution;
- have a medium to long-term investment horizon; and
- have a low risk tolerance

### **5.2.3 Performance Benchmark**

The performance benchmark to be used by the Manager in measuring the performance of the Fund will be 12-month Maybank General Investment Account rate which is readily available at any Maybank branch nationwide.

### **5.2.4 Approved Fund Size / Units in Circulation**

Three hundred million (300,000,000) Units. As at the LPD, the number of units in circulation is 192,721,000 Units.

### 5.2.5 Asset Allocation

The Fund's asset allocation range is as follows:-

Asset Class	% of NAV
Malaysian-issued Sukuk whether issued by the Malaysian Government or private companies	Minimum 80%
Cash and Islamic money market instruments	Maximum 20%

Note: The cash portion above will be kept as liquid assets to satisfy repurchase request and general expenses of the Fund.

### 5.2.6 Investment Strategy

To achieve the objective of the Fund, the Fund intends to invest in a multitude of Malaysian-issued Sukuk whether issued by the Malaysian Government or private companies.

These Sukuks are expected to provide profit at intervals which are predetermined. These profits will then be distributed to Unit Holders in the form of income.

The strategy for Shariah compliant investments in local Sukuk would be driven by the interest rate outlook for the market over the medium to long-term horizon. This will enable the Manager to decide on the maturity structure for the Fund. Relative return analysis will also be conducted between Shariah-compliant securities with the same credit ratings to determine if yields can be enhanced by switching investments. Additionally, the Manager will constantly seek potential credit upgrade issues and avoid potential downgrade issues to maximise returns to Unit Holders.

In selecting individual Sukuk, the following are the more important considerations:-

- Issuer's and/or guarantor's industry and business medium to long-term outlook;
- Issuer's and/or guarantor's financial strength and gearing levels;
- Issuer's and/or guarantor's cash flow quality and volatility;
- Issuer's and/or guarantor's expected future cash flow and ability to pay profit and principal;
- Issuer's and/or guarantor's ratings by RAM or MARC or equivalent;
- Issuer's and/or guarantor's duration and interest rate sensitivity;
- Collateral type and value and claims priority; and
- Price and yield-to-maturity.

While the investment process will be driven by the above considerations, the guiding principle to the selection of investments will be premised on compliance with the Shariah requirements.

The Fund is structured to be actively managed. However, the trading strategy, in terms of its frequency would depend on market conditions and be driven by market outlook.

The Manager may take temporary defensive positions that may be inconsistent with the Fund's principal strategy in attempting to respond to adverse market conditions, economics, political or any other conditions. In this regard, the Fund may hold up to all of its NAV in cash and money market instruments.

## 5.3 Permitted Investments & Restrictions

### 5.3.1 Permitted Investments for AGF & AIPF

The Funds may invest in the following Shariah-compliant investments in Malaysia only subject to the Guidelines, Shariah requirements, the Funds' objectives and as approved by the Shariah Advisory Council of the SC and/or the Shariah Adviser:-

- (a) Shariah-compliant securities of companies listed on the Bursa Malaysia;
- (b) Unlisted Shariah-compliant securities;
- (c) Shariah-compliant warrants;
- (d) Government Investment Issues (GII), Islamic Accepted Bills, Bank Negara Negotiable Notes, Negotiable Islamic Debt Certificate (NIDC), Islamic Negotiable Instrument of Deposits (INID), Cagamas Mudharabah Bonds and any other government Islamic papers;
- (e) Other Shariah-compliant obligations issued or guaranteed by the Malaysian Government, Bank Negara Malaysia, State Governments and Government-related agencies;
- (f) Sukuk;
- (g) Malaysian currency balances in hand, Shariah-based deposits with financial institutions, Bank Islam Malaysia Berhad and placements of money at call with investment banks;
- (h) Islamic money market instruments and sukuk traded in the Islamic capital market;
- (i) Islamic futures contract for hedging purposes only, traded in futures market of an exchange in Malaysia approved under the Capital Markets and Services Act 2007 (Currently, only the crude palm oil and crude palm kernel oil futures are allowed by the Shariah Advisory Council of the Securities Commission for participation that pertains to this Fund);
- (j) Other Shariah-based collective investment schemes;
- (k) Shariah-compliant derivatives; and
- (l) Any other Shariah-compliant investment instruments not prohibited by the Shariah Advisory Council of the SC and/or the Shariah Adviser from time to time.

### 5.3.2 Investment Limits for AGF & AIPF

#### Investment Restrictions and Limits

Unless otherwise prohibited by the relevant authorities or any relevant law and provided always that there are no inconsistencies with the objective of the Funds. The following shall be the Funds investment limits:-

- (a) The value of the Funds' Shariah-compliant investment that is unlisted shall not exceed 10% of the Funds' NAV unless the investments are in:-
  - equities not listed or quoted on a stock exchange but have been approved by the relevant regulatory authority for such listing and quotation, and are offered directly to the fund by the issuer;
  - debentures traded on an organised over-the-counter (OTC) market; and
  - structured products.
- (b) The value of the Funds' Shariah-compliant investment in Shariah-compliant structured products issued by a single counter-party shall not exceed 15% of the Funds' NAV;
- (c) The value of the Funds' investments in ordinary share issued by any single issuer shall not exceed 10% of the Fund's NAV;
- (d) The value of the Funds' placements in Shariah deposits with any single financial institution shall not exceed 20% of the respective Fund's NAV;

- (e) The value of a Fund's investments in transferable securities (equity, debentures, warrant) and money market instruments issued by any single issuer shall not exceed 15% of the Fund's NAV;
- (f) The aggregate value of a Fund's investments in transferable securities, money market instruments, OTC derivatives, structured products and deposits issued or placed with (as the case may be) any single issuer/institution shall not exceed 25% of the Fund's NAV;
- (g) The value of a Fund's investments in transferable securities and money market instruments issued by any group of companies shall not exceed 20% of the Fund's NAV;
- (h) The value of a Fund's investments in units/shares of any collective investment scheme shall not exceed 20% of the Fund's NAV;
- (i) The Fund's investments in equities and warrants shall not exceed 10% of the securities issued by any single issuer;
- (j) The Fund's investment in debentures shall not exceed 20% of the debentures issued by any single issuer;
- (k) The Fund's investment in money market instruments shall not exceed 10% of the instruments issued by any single issuer. This limit does not apply to money market instruments that do not have a pre-determined issue size.
- (l) The Fund's investments in collective investment schemes shall not exceed 25% of the units/ shares in any one collective investment schemes; and
- (m) Any other investments or restrictions imposed by the relevant regulatory authorities or pursuant to the Guidelines, any laws and/ or regulations applicable to the Fund.

All such limits and restrictions, however, do not apply to securities that are issued or guaranteed by the Government or Bank Negara Malaysia.

### 5.3.3 Investment Restrictions and Limits applicable to AIPF

The following shall apply in relation to AIPF in addition to the investment restrictions and limits set out above:-

- (a) The single issuer limit in *Section 5.3.2(e)* and single group limit in *Section 5.3.2(g)* do not apply to a Sukuk/ Shariah-compliant fixed income fund.
- (b) The value of a Sukuk/ Shariah-compliant fixed income fund's investments in debentures issued by any single issuer shall not exceed 20% of the fund's NAV.
- (c) The single issuer limit in *Section 5.3.3(b)* may be increased to 30% if the debentures are rated by any domestic or global rating agency to be of the best quality and offer highest safety for timely payment of interest and principal.
- (d) For the purpose of *Section 5.3.2 (f)*, where the single issuer limit is increased to 30% pursuant to *Section 5.3.3 (c)*, the aggregate value of the fund's investment shall not exceed 30%.
- (e) The value of a Sukuk/ Shariah-compliant fixed income fund's investments in debentures issued by any one group of companies shall not exceed 30% of the fund's NAV.

The above limits and restrictions shall be complied with at all times based on the most up-to-date value of the Fund and value of the Shariah-compliant investments. However, a 5% allowance in excess of any limit or restriction shall be permitted where the limit or restriction is breached through the appreciation or depreciation of the NAV of the Fund. The Manager will not make any further acquisitions to which the relevant limit or restriction is breached and the Manager may within a reasonable period of not more than 3 months from the date of the breach take all necessary steps and actions to rectify the breach.

***Please note that only equity securities are certified by the Shariah Advisory Council (the “SAC”) of the Securities Commission as being Shariah-Compliant. For securities not certified by SAC, the Shariah Advisor for the Funds has determined that such securities are shariah-compliant in accordance to its ruling.***

## 6. ADDITIONAL INFORMATION IN RELATION TO THE FUNDS

### 6.1 Valuation of Assets

In undertaking any of its Shariah-compliant investments, the Manager will ensure that all the assets of the Funds will be valued at fair value and at all times to be in compliance with the Guidelines.

Shariah-compliant investments in listed Shariah-compliant securities, shall be based on the end of the day's closing market price. Where no market value is publicly available or where the use of the quoted market value is not appropriate, including in the event of suspension in the quotation of the Shariah-compliant securities for a period exceeding 14 days or such shorter period as agreed by the Trustee, then the Shariah-compliant investments shall be valued at fair value as determined in good faith by the Manager, verified by the Auditors of the Fund and approved by the Trustee.

For Islamic money market instruments, valuation will be done at least on a weekly basis by reference to the value of such investment as provided by the bank or the financial institution that issues the investment.

OTC Islamic derivatives instruments are marked-to-market on a daily basis.

Cash balances in hand and amounts held in Shariah-based deposits placed with banks or financial institutions are valued each day by reference to the value of such investments and profit accrued thereon for the relevant period.

Shariah-compliant investments in unlisted Shariah-based collective investment schemes shall be valued based on the last published repurchase price.

Investments such as Islamic Accepted Bills, Government investment issues (GII), Bank Negara Negotiable Notes, Cagamas Mudharabah Bonds and any other government Islamic papers and Shariah-based deposits placed with banks or other financial institutions are valued weekly by reference to the value of such investments and the profits accrued thereon for the relevant period.

Investment in Islamic futures contracts traded in futures market in Bursa Malaysia Derivatives will be marked-to-market at the end of each Business Day.

For sukuk or unlisted Islamic securities issued in Malaysia, the valuation will be done on a daily basis using the fair value as quoted by a Bond Pricing Agency ("BPA") registered with the SC. If the Manager is of the view that the price quoted by BPA differs from the market price by more than 20 basis points, then the Manager may use the market price provided it adheres to the SC's requirements. These methods of valuation shall be verified by the Auditors of the Fund and approved by the Trustee.

***Investors are advised that certain types of Shariah-compliant securities are required to be held until such Shariah-compliant securities mature for the "actual value" to be realised. Any sale of such Shariah-compliant securities prior to its maturity may attract costs and penalties that would result in a value which is less than its "actual value". As such, any valuation of such Shariah-compliant securities (prior to its maturity) are merely indicative of what the value might be and does not represent the "actual value" of such Shariah-compliant securities.***

## 6.2 Valuation Point for the Funds

The Funds shall be valued at the end of every Business Day.

The valuation of the Funds shall be carried out in a fair and accurate manner. The Funds adopt a forward pricing basis which means that prices of the Units will be calculated based on the NAV of the Funds at a valuation point in the future, i.e. the next valuation point.

*Note: Valuation point is the particular point in time on a Business Day, as the Manager may decide, at which the NAV of the Funds are calculated.*

## 6.3 Policy on Gearing and Minimum Liquid Assets Requirements

The Funds are not permitted to borrow cash or other assets (including the borrowing of Shariah-compliant securities within the meaning of the Securities Borrowing and Lending Guidelines) in connection with its activities. However, the Funds may borrow cash for the purpose of meeting repurchase requests for Units and such borrowings are subjected to the following:-

- The Funds' cash borrowing is only on a temporary basis and that borrowings are not persistent;
- The borrowing period should not exceed a month;
- The aggregate borrowings of the Fund should not exceed 10% of the Fund's NAV at the time the borrowing is incurred; and
- The Funds may only borrow from financial institutions.
- The instruments for such activity must comply with the Shariah requirements.

Except for securities lending as provided under the Guidelines, none of the cash or investments of the Fund may be lent. Further, the Fund may not assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person.

## 6.4 Distribution Strategy & Reinvestment Policy

### **HwangDBS AII MAN Growth Fund (AGF)**

As the Fund's objective is to achieve medium to long-term capital appreciation, the Fund is not expected to make regular distribution. However, incidental distribution may be declared whenever is appropriate.

### **HwangDBS AII MAN Income Plus Fund (AIPF)**

The Fund endeavours to distribute income, if any, on an annual basis. However, the amount of income available for distribution may fluctuate from year to year.

Distribution, if any, which is less than or equal to the amount of RM300.00 would be automatically reinvested on behalf of the Unit Holders based on the NAV per Unit of the income payment date which is two (2) Business Days after the distribution date. Any cash distribution amounting to more than RM300.00 will be paid by cheque or reinvested according to the Unit Holders' preference. There is no incidental cost if a Unit Holder elects to receive the distribution by way of reinvestment into the Fund. Unit Holders may elect to reinvest automatically by stating this in the application form or inform the Manager prior to the income distribution of their intention to reinvest.

Generally, the income payment and reinvestment would be made on the same day. However, where reinvestment cannot be made on the same day (for instance as a result of insufficient Units) the reinvestment may be made on some other dates but it shall be based on the NAV per Unit of the income payment date.

Cash distribution, regardless of the amount, shall be paid by cheque if on the date of distribution, there are no Units held by the Unit Holder. A cheque which is not presented after 6 months from the date of the issuance will be reinvested on behalf of the Unit Holder at the Manager's buying price immediately after the 6 month period. There is no incidental cost associated with the reinvestment.

For EPF investors, any income distributions paid by the Fund will be considered as EPF savings and automatically reinvested in the form of additional units for the investors.

#### **6.5 Zakat for the Funds**

The Funds does not pay zakat on behalf of Muslim individuals and Islamic legal entities, who are investors of the Funds. Such investors are thus required to pay on their own behalf.

#### **6.6 Termination of the Funds**

The Funds may be terminated in the following events:-

- (a) In accordance with the provision under Section 10.3.1 below.
- (b) Where SC has revoked the approval for the Fund under Section 212(7)(A) of the Act; and
- (c) The effective date of an approved transfer scheme (if any) has resulted in the Funds being with no asset/property.

#### **6.7 EPF Investments**

The Funds are approved by EPF for sale utilising EPF Members' Investment Scheme (EMIS).

## 7. HISTORICAL PERFORMANCE OF THE FUNDS

### 7.1 HwangDBS AIIAMAN Growth Fund (AGF)

#### 7.1.1 Historical Performance

For the period 1 September 2008 to 31 August 2009, the Fund registered a return of 23.21%. The NAV per unit of the Fund as at 31 August 2008 was RM0.5894 while the NAV per unit as at 31 August 2009 was RM0.6962. The Fund has declared a gross income distribution of RM0.03 per unit for the period on 24 August 2009. The Benchmark for the period registered a return of 7.98%. The Fund thus outperformed the Benchmark by 15.23% (See Table 1 for performance of the Fund and Figure 1 for the movement of the Fund versus the Benchmark respectively).

Since its inception to 31 August 2009, the Fund has registered a return of 154.50%. Compared to the benchmark that rose 71.88% for the same period, the Fund outperformed the Benchmark by 82.62%. As such, the Manager believes that the Fund's objective of achieving consistent capital appreciation over the medium to long term has been met.

Figure 1: Movement of the Fund versus the Benchmark



*"This information is prepared by HwangDBS Investment Management Berhad for information purposes only. Past earnings or the Fund's distribution record is not a guarantee or reflection of the Fund's future earnings/future distributions. Investors are advised that unit prices, distributions payable if any and investment returns may go down as well as up."*  
 October 2002 to 31 August 2009 NAV prices & assuming reinvestment of distributions into the Fund, gross investment based in RM.

Table 1: Performance of the Fund

	<b>1 Year (1/9/08-31/8/09)</b>	<b>3 Years (1/9/06- 31/8/09)</b>	<b>5 Years (1/9/04- 31/8/09)</b>	<b>Since Commencement (29/10/02-31/8/09)</b>
<b>Fund</b>	<b>23.21%</b>	<b>48.77%</b>	<b>45.90%</b>	<b>154.50%</b>
<b>Benchmark</b>	<b>7.98%</b>	<b>30.32%</b>	<b>42.32%</b>	<b>71.88%</b>
<b>Outperformance</b>	<b>15.23%</b>	<b>18.45%</b>	<b>3.58%</b>	<b>82.62%</b>

Source of Benchmark: Bursa Malaysia

NAV vs. NAV and assuming reinvestment of distribution into the Fund, gross investment based in RM.

Table 2: Average Total Return

	1 Year (1/9/08-31/8/09)	3 Years (1/9/06-31/8/09)	5 Years (1/9/04-31/8/09)	Since Commencement (29/10/02-31/8/09)
<b>Fund</b>	23.21%	14.14%	7.84%	14.62%
<b>Benchmark</b>	7.98%	9.22%	7.31%	8.23%
<b>Outperformance</b>	15.23%	4.92%	0.53%	6.39%

Source of Benchmark: Bursa Malaysia

NAV vs. NAV and assuming reinvestment of distribution into the Fund, gross investment based in RM.

Table 3: Annual Total Return

	1 <sup>st</sup> Year (29/10/02-31/8/03)	2 <sup>nd</sup> Year (1/9/03-31/8/04)	3 <sup>rd</sup> Year (1/9/04-31/8/05)	4 <sup>th</sup> Year (1/9/05-31/8/06)	5 <sup>th</sup> Year (1/9/06-31/8/07)	6 <sup>th</sup> Year (1/9/07-31/8/08)	7 <sup>th</sup> Year (1/9/08-31/8/09)
<b>Fund</b>	46.44%	19.11%	(3.29%)	1.41%	38.06%	(12.51%)	23.21%
<b>Benchmark</b>	13.46%	8.67%	5.80%	5.47%	39.78%	(14.69%)	7.98%
<b>Outperformance/ (Underperformance)</b>	32.98%	10.44%	(9.09%)	(4.06%)	(1.72%)	2.18%	15.23%

Source of Benchmark: Bursa Malaysia

NAV vs. NAV and assuming reinvestment of distribution into the Fund, gross investment based in RM.

## **AGF - Strategies Employed (1 September 2008 – 31 August 2009)**

The Fund started the period under review with an exposure to Shariah-compliant equities of 95.29% with the balance in cash. The Manager was prudent in deploying monies into the stock market. This was in line with the Manager's cautious view on the market in the first half of the financial year. Hence, cash levels were kept high during the period under review. The Fund's Shariah-compliant equity exposure was focused on companies that were likely to survive through this difficult credit and economic environment. As such, strong balance sheets, viable businesses and management capability are key factors in arriving at our investment decisions. Companies with the ability to pay decent dividend yields also featured strongly within the Shariah-compliant equity portfolio. The Fund continued to reduce its Shariah-compliant equity levels towards the early part of the second half of the financial year in line with our bearish view on the market. During the height of the crisis, we saw the local index barometer hit its lowest in October 2008 and testing it again in March 2009. The Fund was then strategically positioned to hold high level of cash with its Shariah-compliant equity levels were kept below 50%. The Fund, however, aggressively increased its Shariah-compliant equity portion starting from the month of April 2009 after the market rebounded strongly driven largely by liquidity in the market on optimism that the global economic contraction has passed its worst and will gradually head towards recovery in the quarters ahead. The Fund channeled the money back into Shariah-compliant equity by increasing its exposures in Plantation, Construction and Property stocks, among others.

### **AGF – Asset Allocation**

As at 31 August 2009, the Shariah-compliant equities weighting in the portfolio stood at 95.29% of the Fund's NAV, with the balance in cash. For a snapshot of the Fund's asset mix during the period under review and sector allocation as at 31 August 2009, see Figure 2 below.

**Figure 2: Summary of Shariah-compliant Equity Sector Allocation**

<b>Shariah-compliant Equity Sector Allocation</b>	<b>31 Aug 2009</b>	<b>31 Aug 2008</b>	<b>31 Aug 2007</b>
Construction	10.22%	3.60%	-
Consumer Products	12.23%	-	8.15%
Shariah-compliant Foreign Investment	-	-	-
Industrial Products	11.25%	11.98%	28.27%
Infrastructure	6.03%	5.63%	7.97%
Mesdaq	-	-	5.46%
Properties	13.73%	5.32%	9.92%
Plantation	6.93%	0.96%	1.99%
Trading & Services	34.90%	24.80%	23.02%
<b>Shariah-compliant Equity</b>	<b>95.29%</b>	<b>52.29%</b>	<b>84.78%</b>
<b>Cash</b>	<b>4.71%</b>	<b>47.71%</b>	<b>15.22%</b>
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

The Fund's equity weighting was reduced from 84.78% in financial year ended 2007 to 52.29% in financial year 2008 to weather the market's consolidation phase. For the financial year ended 2009, the Fund's equity was increased to 95.29% to capitalise on investment opportunities in the domestic markets.

## Income Distribution

HwangDBS Investment Management Berhad has declared a gross distribution of 3.0 sen per unit for investor of HwangDBS AIIIMAN Growth Fund. All unitholders registered as at 21 August 2009 would be eligible to receive this distribution. The distribution is in the form of cash.

The NAV per unit prior and subsequent to the distribution was as follows:-

Cum Date	Ex-Date	Cum-distribution	Distribution per Unit (RM)	Ex-distribution
29 August 2006	30 August 2006	0.6063	0.040	0.5730
22 August 2007	23 August 2007	0.7755	0.054	0.7347
22 August 2008	25 August 2008	0.6350	0.048	0.5869
21 August 2009	24 August 2009	0.7195	0.029	0.6956

## **Fund Performance Data**

	<u>As at 31 August 2009</u>	<u>As at 31 August 2008</u>	<u>As at 31 August 2007</u>
<u>Source: HSBC Trustee</u>			
Total NAV (RM'million)	37.377	28.617	36.280
NAV per Unit (RM)	0.6962	0.5894	0.7311
Units in Circulation (million)	53.684	48.550	49.626
Highest NAV	0.7388	0.6562	0.8547
Lowest NAV	0.5135	0.5860	0.5680

### Source: Internal Calculation

Return of the Fund (%) <sup>iii</sup>	23.21	-12.51	38.06
- Capital Return (%) <sup>i</sup>	18.12	-19.38	27.59
- Income Return (%) <sup>ii</sup>	4.31	8.52	8.21
Gross Distribution per Unit (sen)	3.00	5.00	6.00
Net Distribution per Unit (sen)	2.90	4.80	5.40
Management Expenses Ratio (%)	1.63	1.65	1.68
Portfolio Turnover Ratio (times) <sup>2</sup>	0.63	1.08	1.37

$$\begin{aligned} \text{Capital Return}^i &= \{ \text{NAV per Unit @ 31/8/09}^* \div \text{NAV per Unit @ 31/8/08}^* - 1 \} \times 100 \\ &= \{ 0.6962 \div 0.5894 - 1 \} \times 100 \\ &= \mathbf{18.12\%} \end{aligned}$$

$$\begin{aligned} \text{Total Income Return}^{ii} &= \{ \text{Income distribution per Unit} \div \text{NAV per unit @ 24/8/09} \} \times 100 \\ &= \{ 0.03 \div 0.6956 \} \times 100 \\ &= \mathbf{4.31\%} \end{aligned}$$

<sup>2</sup> Despite being active in the second half of the period under review, the PTR was lower versus 2008 as the activities were still less active after the manager opted to stay on the sideline most of the time in view of high volatility in the market, particularly, in the first half of the period under review.

$$\begin{aligned}
\text{Return of the Fund}^{\text{iii}} &= [(1 + \text{Capital Return}) \times (1 + \text{Total Income Return}) - 1] \times 100 \\
&= [(1 + 18.12\%) \times (1 + 4.31\%) - 1] \times 100 \\
&= \underline{\underline{23.21\%}}
\end{aligned}$$

\*Source: HSBC Trustee

Note:-

<sup>1</sup>Portfolio turnover ratio (PTR) tells an investor the average of acquisition and disposal of securities of the Fund for the period. The PTR recorded for the period ended 31/8/2009 is 0.63 times. This means that the security of the Fund has actually turned over 0.63 times during that particular period.

PTR is derived from the following calculation:

Illustration:

$$\begin{aligned}
&\frac{(\text{Total acquisition for the financial period} + \text{total disposal for the financial period}) \div 2}{\text{Average net asset value of the Fund for the financial period calculated on a daily basis}} \\
&= \frac{(25,348,887 + 11,381,282) \div 2}{28,935,377} \\
&= 0.63 \text{ times}
\end{aligned}$$

where: total acquisition for the financial year = RM9,248,148

total disposal for the financial year = RM6,067,618

<sup>2</sup>The Management Expense Ratio (MER) indicates the costs that an investor has to bear to enjoy the benefits of investing in a trust fund. The MER is calculated by taking the fees and expenses paid out of the Fund as a percentage of average NAV of the Fund determined on a daily basis over the financial period. The MER is an important ratio that investors can use to compare the cost incurred by the Fund with other funds within the same category. A lower MER indicates the effectiveness of the Manager in managing the cost of the Fund.

MER is derived from the following calculation:

$$\begin{aligned}
\text{MER} &= \frac{(A + B + C + D + E) \times 100}{F} \\
&= \frac{(432,701 + 20,231 + 6,100 + 8,654 + 4,703) \times 100}{28,935,377} \\
&= 1.63
\end{aligned}$$

- A = Management fee
- B = Trustee's and custodian fees
- C = Auditors' remuneration
- D = Tax agent's fee
- E = Administration expenses
- F = Average net asset value of the Fund calculated on a daily basis

***Past performance of the Fund is not an indication of future performance.***

## 7.1.2 Historical Financial Highlights

### Audited Annual Income Statement for the Financial Year from 1 September 2008 to 31 August 2009

	<u>2009</u> RM	<u>2008</u> RM	<u>2007</u> RM
<b>INVESTMENT INCOME</b>			
Gross dividend income	727,068	972,010	1,245,902
Profits from short term Shariah-based deposits	272,468	208,841	96,037
Net realised gain on sale of Shariah-compliant investments	(262,318)	1,214,843	8,279,079
Net foreign exchange losses	-	-	(345,313)
	<hr/> 737,218	<hr/> 2,395,694	<hr/> 9,275,705
<b>EXPENSES</b>			
Management fee	(432,701)	(521,348)	(679,075)
Trustee's fee	(20,231)	(24,330)	(31,690)
Auditors' remuneration	(6,100)	(6,100)	(5,800)
Tax agent's fee	(8,654)	(4,309)	(3,100)
Administration expenses	(4,703)	(13,848)	(39,929)
	<hr/> (472,389)	<hr/> (569,935)	<hr/> (759,594)
<b>NET INCOME BEFORE FINANCE COST AND TAXATION</b>	<hr/> 264,829	<hr/> 1,825,759	<hr/> 8,516,111
<b>FINANCE COST</b>			
Net distribution of 2.9 sen (Gross: 3.0 sen); [2008: 4.8 sen (Gross: 5.00 sen) per unit & [2007: 5.40 sen (Gross: 6.00 sen) per unit]	(1,455,887)	(2,174,496)	(2,665,602)
<b>NET (LOSS)/INCOME BEFORE TAXATION</b>	<hr/> (1,191,058)	<hr/> (348,737)	<hr/> 5,850,509
<b>TAXATION</b>	(84,127)	(135,766)	(215,401)
<b>(DECREASE)/INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>	<hr/> (1,275,185)	<hr/> (484,503)	<hr/> 5,635,108

Net income after finance cost  
and taxation is made up of the  
following:

Realised amount	(1,275,185)	(484,503)	8,588,964
Unrealised amount	-	-	(72,853)

	<hr/>	<hr/>	<hr/>
	(1,275,185)	(484,503)	8,516,111
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**Audited Annual Statement of Assets and Liabilities for the Financial Year from 1 September 2008 to 31 August 2009**

	<u>Note</u>	<u>2009</u> RM	<u>2008</u> RM	<u>2007</u> RM
<b>INVESTMENTS</b>				
Quoted Shariah-compliant investments - local		35,617,343	14,963,672	30,759,125
<b>LIQUID ASSETS</b>				
Short term Shariah-based deposits		1,900,294	13,556,042	7,100,715
Cash and bank balances		82,027	35,059	108,616
		<u>1,982,321</u>	<u>13,591,101</u>	<u>7,209,331</u>
<b>OTHER ASSETS</b>				
Receivables		1,628,913	65,012	862,435
Tax recoverable		60,622	113,662	187,837
		<u>1,689,535</u>	<u>178,674</u>	<u>1,050,272</u>
<b>TOTAL ASSETS</b>		<u>39,289,199</u>	<u>28,733,447</u>	<u>39,018,728</u>
<b>LIABILITIES</b>				
Payables		1,922,256	116,050	72,612
Distribution payable		-	-	2,665,602
		<u>1,922,256</u>	<u>116,050</u>	<u>2,738,214</u>
<b>LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)</b>		<u>1,922,256</u>	<u>116,050</u>	<u>2,738,214</u>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<u>37,366,943</u>	<u>28,617,397</u>	<u>36,280,514</u>
<b>REPRESENTED BY</b>				
Fair value of outstanding units		<u>37,366,943</u>	<u>28,617,397</u>	<u>36,280,514</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>				
		<u>53,684,000</u>	<u>48,550,000</u>	<u>49,626,000</u>
<b>NET ASSET VALUE PER UNIT(EX-DISTRIBUTION)</b>		<u>0.6961</u>	<u>0.5894</u>	<u>0.7311</u>

**Total Annual Expenses**

(incurred by the Fund in the preceding Financial Year End)

Fund	Management Fee		Trustee Fee		Fund Expenses		Total Annual Expenses		MER
	RM	%	RM	%	RM	%	RM	%	%
<b>AGF</b>	432,701	1.50	20,231	0.07	19,457	0.07	472,389	1.63	1.63

Note: The percentage of the expenses mentioned above is reflected as a percentage of average NAV.

**The audited financial statements of the Fund are disclosed in the Fund's annual report.**

**Past performance of the Fund is not an indication of future performance.**

**The Fund's annual report is available upon request.**

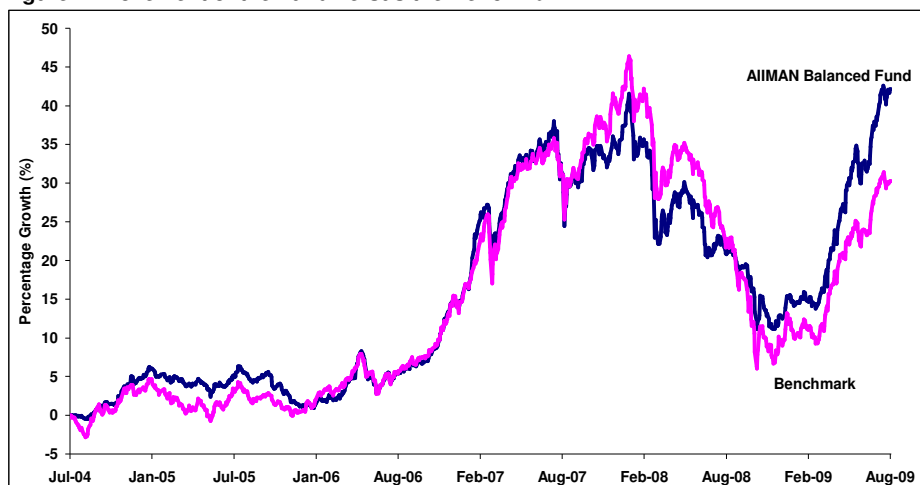
## 7.2 HwangDBS AIIAN Income Plus Fund (AIPF)

### 7.2.1 Historical Performance

For the period 1 September 2008 to 31 August 2009, the Fund has registered a 17.14% return as compared to the benchmark return of 5.95%. The Fund thus outperformed the benchmark by 11.19%. The Net Asset Value (NAV) per unit of the Fund as at 31 August 2008 was RM0.4751 while the NAV per unit as at 31 August 2009 was RM0.5365. The Fund has declared a gross income distribution of RM0.02 per unit for the period on 24 August 2009. (See Table 1 for performance of the Fund and Figure 1 for the movement of the Fund versus the Benchmark respectively).

Since commencement, the Fund has registered a return of 42.15% versus the benchmark of 30.26%. This represents an outperformance of 11.89%. Given the performance during the period under review, we believe the Fund's objective was met and it Fund will continue to be managed in a manner to fulfill its objective.

**Figure 1: Movement of the Fund versus the Benchmark**



*"This information is prepared by HwangDBS Investment Management Berhad (HwangDBS IM) for information purposes only. Past earnings or the Fund's distribution record is not a guarantee or reflection of the Fund's future earnings/future distributions. Investors are advised that unit prices, distributions payable and investment returns may go down as well as up."*  
 July 2004 to 31 August 2009 NAV prices & assuming reinvestment of distributions into the Fund, gross investment based in RM.

**Table 1: Performance of the Fund as at 31 August 2009**

	<b>1 Year (1/9/08-31/8/09)</b>	<b>3 Years (1/9/06-31/8/09)</b>	<b>5 Years (1/9/04-31/8/09)</b>	<b>Since Commencement (19/7/04-31/8/09)</b>
<b>Fund</b>	<b>17.14%</b>	<b>33.40%</b>	<b>42.30%</b>	<b>42.15%</b>
<b>Benchmark</b>	<b>5.95%</b>	<b>21.80%</b>	<b>32.13%</b>	<b>30.26%</b>
<b>Outperformance</b>	<b>11.19%</b>	<b>11.60%</b>	<b>10.17%</b>	<b>11.89%</b>

Source of Benchmark: Bursa Malaysia & Maybank  
 NAV vs. NAV and assuming reinvestment of distribution into the Fund, gross investment based in RM.

Table 2: Average Total Return

	<b>1 Year</b> (1/9/08-31/8/09)	<b>3 Years</b> (1/9/06-31/8/09)	<b>5 Years</b> (1/9/04-31/8/09)	<b>Since Commencement</b> (19/7/04-31/8/09)
<b>Fund</b>	<b>17.14%</b>	<b>10.07%</b>	<b>7.31%</b>	<b>7.10%</b>
<b>Benchmark</b>	<b>5.95%</b>	<b>6.79%</b>	<b>5.73%</b>	<b>5.29%</b>
<b>Outperformance</b>	<b>11.19%</b>	<b>3.28%</b>	<b>1.58%</b>	<b>1.81%</b>

Source of Benchmark: Bursa Malaysia & Maybank

NAV vs. NAV and assuming reinvestment of distribution into the Fund, gross investment based in RM.

Table 3: Annual Total Return

	<b>1<sup>st</sup> Year</b> (19/7/04 - 31/8/05)	<b>2<sup>nd</sup> Year</b> (1/9/05- 31/8/06)	<b>3<sup>rd</sup> Year</b> (1/9/06 - 31/8/07 )	<b>4<sup>th</sup> Year</b> (1/9/07 - 31/8/08 )	<b>5<sup>th</sup> Year</b> (1/9/08- 31/8/09)
<b>Fund</b>	<b>4.73%</b>	<b>1.75%</b>	<b>21.72%</b>	<b>(6.42%)</b>	<b>17.14%</b>
<b>Benchmark</b>	<b>3.56%</b>	<b>3.65%</b>	<b>20.91%</b>	<b>(5.51%)</b>	<b>5.95%</b>
<b>Outperformance/ (Underperformance)</b>	<b>1.17%</b>	<b>(1.90%)</b>	<b>0.81%</b>	<b>(0.91%)</b>	<b>11.19%</b>

Source of Benchmark: Bursa Malaysia & Maybank

NAV vs. NAV and assuming reinvestment of distribution into the Fund, gross investment based in RM.

### **AIPF - Strategies Employed (1 September 2008 to 31 August 2009)**

The Fund began the period under review with an allocation of 55.30% in Shariah-compliant equity investments, 22.05% in Sukuk and the balance in cash. The manager was prudent in deploying monies into the stock market. This was in line with the manager's cautious view on the market in the first half of the financial year. Hence cash levels were kept high during the period under review.

The Fund's Shariah-compliant equity exposure was focused on companies that are likely to survive through this difficult credit and economic environment. As such, strong balance sheets, viable businesses and management capability are key factors in arriving at our investment decisions. Companies with the ability to pay decent dividend yields also feature strongly within the Shariah-compliant equity portfolio. The fund continued to reduce its Shariah-compliant equity levels towards the early part of the second half of financial year in line with our bearish view on the market. During the height of the crisis, we saw the local index barometer hit its lowest in October 2008 and testing it again in March 2009. The fund was then strategically positioned to hold high level of cash with its Shariah-compliant equity levels kept to around 30%. The fund, however, aggressively increased its Shariah-compliant equity portion starting from the month of April after the market rebounded strongly driven largely by liquidity in the market on optimism that the global economic contraction has passed its worst and will gradually head towards recovery in the quarters ahead. The fund channeled the money back into Shariah-compliant equity by increasing its exposures in Plantation, Construction and Property stocks, among others. The portfolio ended the period with 53.64% in Shariah-compliant equity allocation.

The manager was also cautious in the investment into sukuk market given the volatility in the global credit market, coupled with much softer demand and trading liquidity in the local corporate sukuk market during the period under review. The Fund invested in companies which were in defensive and have high cash flows and balance sheet to weather through the tough economic recession. The Fund duration was kept short at about 1.5-2.5 years during the period.

### **AIPF – Asset Allocation**

As at 31 August 2009, the Shariah-compliant equities weighting of the Fund in the portfolio stood at 55.30%, the Sukuk exposure was 22.05% with the balance 22.65% in cash and cash equivalents. For a snapshot of the Fund's asset mix during the period under review and Shariah-compliant equity sector allocation as at 31 August 2009, kindly please refer to Figure 2.

Figure 2: Summary of Shariah Compliant Equity Sector Allocation

<b>Shariah-compliant Equity Sector Allocation</b>	<b>31 Aug 2009</b>	<b>31 Aug 2008</b>	<b>31 Aug 2007</b>
Consumer Products	4.03%	-	2.67%
Shariah-compliant Foreign Investment	-	-	-
Industrial Products	5.23%	6.29%	17.48%
Construction	5.48%	3.30%	-
Infrastructure	3.69%	2.67%	5.85%
Mesdaq	-	-	0.44%
Properties	10.13%	4.06%	6.40%
Plantation	5.02%	0.74%	1.53%
Trading & Services	21.72%	16.27%	15.46%
<b>Shariah-compliant Equity</b>	<b>55.30%</b>	<b>33.33%</b>	<b>49.86%</b>
<b>Sukuk</b>	<b>22.05%</b>	<b>23.87%</b>	<b>33.57%</b>
<b>Cash</b>	<b>22.65%</b>	<b>42.80%</b>	<b>16.57%</b>
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

The Fund reduced its equity weighting from 49.86% in financial year ended 2007 to 33.33% in financial year ended 2008 to market's consolidation phase. For the financial year ended 2009, the Fund's equity weighting was increased to 55.30% as the Fund capitalised on investment opportunities in the domestic markets. The Fund's sukuk weight for the respective financial years ended 2007, 2008 and 2009 ranged between 20% to 30% due\_The manager was also cautious in the investment into sukuk market given the volatility in the global credit market,

## Income Distribution

HwangDBS Investment Management Berhad has declared a gross distribution of 2.0 sen per unit for investors of the HwangDBS AllMAN Income Plus Fund. All unitholders registered as at 21 August 2009 would be eligible to receive this distribution. The distribution is in the form of cash.

The NAV per Unit prior and subsequent to the distribution was as follows:-

Cum Date	Ex-Date	Cum-distribution	Distribution per Unit (RM)	Ex-distribution
29 August 2006	30 August 2006	0.5020	0.020	0.4850
22 August 2007	23 August 2007	0.5849	0.038	0.5530
22 August 2008	25 August 2008	0.5133	0.038	0.4754
21 August 2009	24 August 2009	0.5523	0.019	0.5361

## Financial Highlights

	<u>As at 31 August 2009</u>	<u>As at 31 August 2008</u>	<u>As at 31 August 2007</u>
<u>Source: HSBC Trustee</u>			
Total NAV (RM <sup>1</sup> million)	11.504	7.948	14.933
NAV per Unit (RM)	0.5365	0.4751	0.5505
Units in Circulation (million)	21.442	16.729	27.127
Highest NAV	0.5582	0.5228	0.6280
Lowest NAV	0.4350	0.4742	0.4839

### Source: Internal Calculation

Return of the Fund (%) <sup>iii</sup>	17.14	-6.43	21.75
- Capital Return (%) <sup>i</sup>	12.92	-13.69	13.50
- Income Return (%) <sup>ii</sup>	3.73	8.41	7.27
Gross Distribution per Unit (sen)	2.00	4.00	4.00
Net Distribution per Unit (sen)	1.90	3.80	3.80
Management Expenses Ratio (%)	2.08	1.78	1.76
Portfolio Turnover Ratio (times) <sup>3</sup>	0.97	0.83	1.41

$$\begin{aligned} \text{Capital Return}^i &= \{ \text{NAV per Unit @ 31/8/09}^* \div \text{NAV per Unit @ 31/8/08}^* - 1 \} \times 100 \\ &= \{ 0.5365 \div 0.4751 - 1 \} \times 100 \\ &= \mathbf{12.92\%} \end{aligned}$$

$$\begin{aligned} \text{Total Income Return}^{ii} &= \{ \text{Income distribution per Unit} \div \text{NAV per unit @ 24/8/09} \} \times 100 \\ &= \{ 0.02 \div 0.5361 \} \times 100 \\ &= \mathbf{3.73\%} \end{aligned}$$

$$\begin{aligned} \text{Return of the Fund}^{iii} &= [ \{ (1 + \text{Capital Return}) \times (1 + \text{Total Income Return}) \} - 1 ] \times 100 \\ &= [ \{ (1 + 12.92\%) \times (1 + 3.73\%) \} - 1 ] \times 100 \end{aligned}$$

<sup>3</sup> The PTR was slightly higher against 2008 as the fund was active in the second half of the period under review

= **17.14%**

\*Source: HSBC Trustee

Note:-

<sup>1</sup>Portfolio turnover ratio (PTR) tells an investor the average of acquisition and disposal of securities of the Fund for the period. The PTR recorded for the period ended 31/8/2009 is 0.97 times. This means that the security of the Fund has actually turned over 0.97 times during that particular period.

Illustration:-

PTR is derived from the following calculation:

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

$$= \frac{(9,248,148 + 6,067,618) \div 2}{\text{RM7,929,919}}$$

$$= 0.97 \text{ times}$$

where: total acquisition for the financial year = RM9,248,148

total disposal for the financial year = RM6,067,618

<sup>2</sup>The Management Expense Ratio (MER) indicates the costs that an investor has to bear to enjoy the benefits of investing in a trust fund. The MER is calculated by taking the fees and expenses paid out of the Fund as a percentage of average NAV of the Fund determined on a daily basis over the financial period. The MER is an important ratio that investors can use to compare the cost incurred by the Fund with other funds within the same category. A lower MER indicates the effectiveness of the Manager in managing the cost of the Fund.

Illustration:-

MER is derived from the following calculation:

$$\begin{aligned} \text{MER} &= \frac{(A + B + C + D + E) \times 100}{F} \\ &= \frac{(118,908 + 29,507 + 6,100 + 3,000 + 7,646) \times 100}{7,929,919} \\ &= 2.08 \end{aligned}$$

A = Management fee

B = Trustee's and custodian fees

C = Auditors' remuneration

D = Tax agent's fee

E = Administration expenses

F = Average net asset value of the Fund calculated on a daily basis

***Past performance of the Fund is not an indication of future performance***

## 7.2.2 Historical Financial Highlights

### Audited Annual Income Statement for the Financial Year from 1 September 2008 to 31 August 2009

	<u>2009</u> RM	<u>2008</u> RM	<u>2007</u> RM
<b>INVESTMENT INCOME</b>			
Gross dividend income	118,946	164,959	370,642
Profits from Shariah-compliant investment	206,570	190,893	678,135
Net realised (losses)/ gains on sales of Shariah-compliant investments	(55,515)	322,537	4,554,413
Net accretion of discounts on unquoted Sukuk	1,005	41,862	28,968
Net foreign exchange losses		-	(120,651)
	<u>271,006</u>	<u>720,251</u>	<u>5,511,507</u>
<b>EXPENSES</b>			
Management fee	(118,908)	(140,936)	(392,299)
Trustee's fee	(29,507)	(6,577)	(18,355)
Auditors' remuneration	(6,100)	(6,116)	(5,800)
Tax agent's fee	(3,000)	(3,809)	(3,100)
Administration expenses	(7,646)	(9,170)	(38,959)
Payment to a charitable organisation*	-	-	(7,737)
	<u>(165,161)</u>	<u>(166,608)</u>	<u>(466,250)</u>
<b>NET INCOME BEFORE FINANCE COST AND TAXATION</b>	105,845	553,643	5,045,257
<b>FINANCE COST</b>			
Net distribution of 1.9 sen (Gross 2.0 sen); [2008:3.8 sen (Gross 4.0 sen) per unit] & [2007: 3.8 sen (Gross: 4.0 sen) per unit]	(392,426)	(591,470)	(1,032,802)
<b>NET (LOSS)/ INCOME BEFORE TAXATION</b>	(286,581)	(37,827)	4,012,455
<b>TAXATION</b>	(10,085)	(25,916)	(56,699)
<b>(DECREASE)/ INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>	<u>(296,666)</u>	<u>(63,743)</u>	<u>3,955,756</u>

Net (loss)/ income after taxation is

made up of the following:

Realised amount	(297,691)	(105,831)	5,062,824
Unrealised amount	<u>1,025</u>	<u>42,088</u>	<u>(17,567)</u>
	<u>(296,666)</u>	<u>(63,743)</u>	<u>5,045,257</u>

\* This arises from the disposal of Lingui Development Bhd which was reclassified as Shariah non-compliant security on 5 June 2007. As per the "List of Shariah-compliant securities by the Shariah Advisory Council of the Securities Commission", the capital gain was channelled to a charitable organisation.

**Audited Annual Statement of Assets and Liabilities for the Financial Year from 1 September 2008 to 31 August 2009**

	<u>2009</u> <u>RM</u>	<u>2008</u> <u>RM</u>	<u>2007</u> <u>RM</u>
<b>INVESTMENTS</b>			
Quoted Shariah-compliant investments – local	6,361,015	2,648,122	7,442,180
Unquoted Sukuk	<u>2,536,100</u>	<u>1,897,596</u>	<u>5,011,900</u>
	<u>8,897,115</u>	<u>4,545,718</u>	<u>12,454,080</u>
<b>LIQUID ASSETS</b>			
Short term Shariah-based deposits	2,856,429	3,346,863	2,906,476
Cash and bank balances	<u>23,006</u>	<u>24,037</u>	<u>198,708</u>
	<u>2,879,435</u>	<u>3,370,900</u>	<u>3,105,184</u>
<b>OTHER ASSETS</b>			
Receivables	107,606	35,692	369,126
Tax recoverable	<u>31,461</u>	<u>26,324</u>	<u>75,623</u>
	<u>139,067</u>	<u>62,016</u>	<u>444,749</u>
<b>TOTAL ASSETS</b>	<u>11,915,617</u>	<u>7,978,634</u>	<u>16,004,013</u>
<b>LIABILITIES</b>			
Payables	412,093	30,794	37,900
Distribution payable	-	-	1,032,802
	<u>412,093</u>	<u>30,794</u>	<u>1,070,702</u>
<b>LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)</b>	<u>412,093</u>	<u>30,794</u>	<u>1,070,702</u>
<b>NET ASSET ATTRIBUTABLE TO UNITHOLDERS</b>	<u>11,503,524</u>	<u>7,947,840</u>	<u>14,933,311</u>
<b>REPRESENTED BY</b>			
Fair value of outstanding units	<u>11,503,524</u>	<u>7,947,840</u>	<u>14,933,311</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>	<u>21,442,000</u>	<u>16,729,000</u>	<u>27,127,000</u>
<b>NET ASSET VALUE PER UNIT (EX-DISTRIBUTION)</b>	<u>0.5365</u>	<u>0.4751</u>	<u>0.5505</u>

**Total Annual Expenses**

(incurred by the Fund in the preceding Financial Year End)

Fund	Management Fee		Trustee Fee		Fund Expenses		Total Annual Expenses		MER
	RM	%	RM	%	RM	%	RM	%	%
<b>AIPF</b>	118,908	1.50	29,507	0.37	16,746	0.21	165,161	2.08	2.08

Note: The percentage of the expenses mentioned above is reflected as a percentage of average NAV.

**The audited financial statements of the Fund are disclosed in the Fund's annual report.**

**Past performance of the Fund is not an indication of future performance.**

**The Fund's annual report is available upon request.**

## 8 FEES, CHARGES AND EXPENSES

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

### 8.1 Fees Directly Incurred

The tables shown below described the fees that you may directly incur when you perform transactions in the Funds.

#### 8.1.1 Sales Charge

A Sales Charge shall be imposed on the purchase of Units of the Funds. The Sales Charge shall be a percentage of the NAV per Unit of each Fund. The maximum Sales Charge that each of the distribution channels may impose is as stated below:-

##### A. HwangDBS AIIAN Growth Fund

Distributors	Maximum Sales Charge on NAV per Unit of the Fund **
Institutional Unit Trust Agents	5.50%
Internal Distribution Channel of the Management Company	5.50%
Unit Trust Consultants	5.50%

*\*\* Investors may negotiate for a lower charge.*

*The Sales Charge for AGF shall be limited to a maximum charge of 3% or as determined by EPF for Investors, who purchased the Units through the EPF Members' Investment Scheme.*

##### B. HwangDBS AIIAN Income Plus Fund

Distributors	Maximum Sales Charge on NAV per Unit of the Fund **
Institutional Unit Trust Agents	2.00%
Internal Distribution Channel of the Management Company	2.00%
Unit Trust Consultants	2.00%

*\*\* Investors may negotiate for a lower charge.*

#### 8.1.2 Redemption Fee

There will be no Redemption Fees levied on the repurchase of Units for the Funds.

### 8.1.3 Switching Fee\*

Unit Holders are permitted to switch from any of the Funds listed in this Master Prospectus to any other funds of the Manager whether listed in the Master Prospectus or otherwise, subject to the availability and terms of the intended fund switched to.

The minimum amount for switching is 2,000 Units per transaction. A switching amount of less than 2,000 Units is acceptable where the Unit Holder wishes to close the account from which the units are switched from.

Switching would be at NAV per Unit of the Funds switched from and the proceeds will be used to acquire at the Manager's prevailing Selling Price per unit of the intended fund.

The Manager, however, retains the discretion to charge a switching fee of up to 1% on the total amount (based on NAV) switched.

*\* For investors who invest through the EPF Members' Investment Scheme (EMIS), they are not allowed to switch to any other funds managed by the Manager which are non-EMIS. Therefore, the 1% Switching Fee is not applicable in this instance.*

***If Investors intend to continue investing in Shariah-based funds, then switching out from these Funds are discouraged.***

### 8.1.4 Transfer Fee

A RM5.00 transfer fee will be levied for each transfer.

***Fees payable by the Funds (indirectly incurred by the Unit Holders when investing in the Funds, unless otherwise specified)***

## 8.2 Management Fee

### A. HwangDBS AIIIMAN Growth Fund

The annual management fee is 1.50% per annum of the NAV of AGF (before deducting the management fee and trustee fee). This fee is calculated and accrued daily and payable monthly to the Management Company. For the avoidance of doubt, the fees payable to the External Fund Manager is fully borne by the Manager.

*Please note that the example below is for illustration only:*

Assuming that the total NAV (before deducting the Management Fee and the Trustee Fee) in a Fund is RM 130 million. The calculation of annual management fee based on the total NAV of the Fund is:

$$\frac{\text{RM } 130,000,000 \times 1.50\%}{365 \text{ days}} = \text{RM } 5,342.47 \text{ per day}$$

### B. HwangDBS AIIIMAN Income Plus Fund

The annual management fee is 1.00% per annum of the NAV of AIPF (before deducting the management fee and trustee fee). This fee is calculated and accrued daily and payable monthly to the Management Company. For the avoidance of doubt, the fees payable to the External Fund Manager is fully borne by the Manager.

*Please note that the example below is for illustration only:*

Assuming that the total NAV (before deducting the Management Fee and the Trustee Fee) in a Fund is RM 130 million. The calculation of annual management fee based on the total NAV of the Fund is:

$$\frac{\text{RM } 130,000,000 \times 1.00\%}{365 \text{ days}} = \text{RM } 3,561.64 \text{ per day}$$

### 8.3 Trustee Fee

The Trustee will be entitled to an annual Trustee Fee (including local custodian fee) of 0.07% per annum of the NAV of the Funds, subject to a minimum fee of RM18,000 per annum. In addition to the annual Trustee Fee which includes the transaction fee i.e. the fee incurred for handling purchase/sale of local investments, the Trustee may be reimbursed by the Funds for any expenses properly incurred by it in the performance of its duties and responsibilities. The Trustee Fee is accrued on a daily basis and paid monthly to the Trustee.

Illustration:-

Assuming that the NAV of the Fund is RM130 million for the day, the accrued trustee fee for that day would be:

$$\frac{\text{RM}130,000,000 \times 0.07\%}{365 \text{ days}} = \text{RM } 249.31 \text{ per day}$$

### 8.4 Fund Expenses

Only direct fees or costs incurred will be paid out of the Funds. These include but are not limited to:-

- (a) Commissions/fees paid to brokers/dealers in affecting dealings in the investments of the Funds;
- (b) Tax and other duties charged on the Fund by the Government and other authorities;
- (c) The fee and other expenses properly incurred by the auditor appointed for the Funds;
- (d) Fees for the valuation of any investments of the Funds by independent valuers;
- (e) Cost incurred for the modification of the Deed of the Fund other than those for the benefit of the Management Company or Trustee;
- (f) Cost incurred for any meeting of the Unit Holders other than those convened by, or for the benefit of, the Management Company or Trustee; and
- (g) Other fees/expenses related to the Funds.

Expenses related to the issuance of this Master Prospectus will be borne by the Manager.

***There are fees and charges involved and those Unit Holders are advised to consider them before investing in the Funds.***

## **8.5 Policy on Stockbroking Rebates and Soft Commissions**

The Manager or any delegate thereof shall not retain any rebate from, or otherwise share in any commission with, any broker in consideration for direct dealings in the investments of the Funds. Accordingly, any rebate or shared commission will be directed to the account of the Fund concerned.

However, the Manager or any delegate thereof may retain goods and services ("Soft Commissions") from any broker, only if the goods and services are of demonstrable benefit to the Unit Holders such as research materials and computer software which are incidental to the investment management activities of the Fund.

## 9. SALE AND PURCHASE OF UNITS

### 9.1 Computation of NAV and NAV per Unit

The Net Asset Value of the Funds is determined by deducting the value of the Funds' liabilities from the value of the Funds' assets, at the valuation point. For the purpose of computing the annual Management Fee and annual Trustee Fee, the NAV of the Funds shall be inclusive of the Management Fee and the Trustee Fee for the relevant day.

#### Illustration:-

For illustration purposes, we assume the following for a particular day:-

Investments of the Fund	= RM 110,000,000.00
Other Assets including cash	= RM 50,000,000.00
Liabilities of the Fund	= RM 30,000,000.00
Number of Units in Circulation	= 200,000,000.00
Management Fee	= RM 5,342.46
Trustee Fee	= RM 249.31

The **NAV** of the Funds will be:-

	<b><u>RM</u></b>
Investments	110,000,000.00
<u>Add</u> Other Assets	50,000,000.00
Total Assets	<hr/> 160,000,000.00
<u>Less</u> Liabilities	30,000,000.00
NAV (before deduction of the Management Fee and Trustee Fee for the day)	<hr/> 130,000,000.00
<u>Less</u> Management Fee for the day	5,342.46
Trustee Fee for the day	249.31
<b>NAV</b>	<hr/> <hr/> <b>129,994,408.23</b>

The **NAV per Unit** of the Funds will be:-

$$\begin{aligned} \text{NAV} \div \text{Units in Circulation} &= \text{RM } 129,994,408.23 \div 200,000,000 \\ &= \text{RM0.64997204115} \end{aligned}$$

**RM 0.6500** (rounded to four decimal places for publication purposes)

#### Note:-

The NAV per Unit will be rounded up the NAV per unit for purposes of calculating the sales charge and Redemption Fee payable by investors. NAV per unit will be rounded up to four (4) decimal places for the purposes of publication of the NAV per Unit.

## 9.2 Pricing of Units

The Manager now adopts the **single pricing regime** in calculating a Unit Holder's investment for and repurchase of units. The selling price and the repurchase price now are the NAV per Unit of the Funds. The selling price and repurchase price are based on forward pricing. For any purchase/repurchase application received or deemed to have been received via fax notifications with cleared payments from agents by the Manager at or before 3.30 p.m., the Units would be created on the NAV per Unit as at the end of the Business Day on which the request for Units are received by the Manager. Any application received or deemed to have been received after this cut-off time would be considered as being transacted on the next Business Day.

The Selling Price for Units of Funds created under an EPF members investment scheme shall be based on the NAV per Unit at the end of the Business Day on which the request for such Units complete with payments or other official confirmations from EPF on the approval of such payments are received by the Manager.

### Incorrect Pricing

Subject to any relevant laws, if there is an error in the pricing of the NAV per Unit of the Funds; the Manager will take immediate remedial action to correct the error. Rectification shall, where necessary, extend to the reimbursements of money as follows if the error is at or above the significant threshold of 0.5% of the NAV per Unit:-

- (a) if there is an over pricing in relation to the purchase and creation of Units, the Fund shall reimburse the Unit Holder;
- (b) if there is an over pricing in relation to the repurchase of Units, the Manager shall reimburse the Fund;
- (c) if there is an under pricing in relation to the purchase and creation of Units, the Manager shall reimburse the Fund; and
- (d) if there is an under pricing in relation to the repurchase of Units, the Fund shall reimburse the Unit Holder or former Unit Holder.

The Manager retains the discretion whether or not to reimburse if the error is below 0.5% of the NAV per Unit or where the total impact on an individual account is less than RM10.00 in absolute amount. This is because the reprocessing costs may be greater than the amount of the adjustment.

### Calculation of Selling Price

The Selling Price is the NAV per Unit of the Funds. Any sales charge payable by the Unit Holder would be calculated as a percentage of the Selling Price per Unit of the Funds.

For illustration purposes, we assume the following:-

Amount invested:	RM10,000
Sales Charge:	5.50%
NAV per Unit:	RM0.50 (Selling Price)

The investment amount and sales charge payable by the Unit Holder are as follows:-

Items	Formula	Amount
Amount invested by the Unit Holder	-	RM10,000.00
Sales Charge is 5.50% on the NAV per Unit	Sales Charge x Amount invested* = 5.50% x RM10,000	RM550
Number of Units	Amount invested by Unit Holder/ NAV per Unit = RM10,000/ RM0.50	20,000 Units

\*Amount invested = NAV per Unit x Units allocated

Total amount invested = RM 10,000.00

Add Sales Charge paid @ 5.50% of NAV per Unit = RM 550.00

**Total amount paid by Unit Holder = RM 10,550.00**

### Calculation of Repurchase Price

The repurchase Price is the NAV per Unit of the Funds.

For illustration purposes, we assume the following:-

Total of Units to be repurchased: 20,000 Units

Redemption Fee: Nil

NAV per Unit: RM0.50 (repurchase price)

The net repurchase proceeds payable to the Unit Holders are as follows:-

Items	Formula	Amount
Total of Units repurchased by Unit Holder	-	20,000 units
Amount repurchased by Unit Holder	Total Units repurchased by Unit Holder / NAV per Unit = 20,000 Units / RM0.50	RM 10,000.00
Redemption Fee is Nil on the NAV per Unit	Redemption Fee x Amount repurchased** = Nil x RM10,000	RM0.00

\*\*Amount repurchased = NAV per Unit x Units repurchased

Total amount repurchased = RM 10,000.00

Less Redemption Fee = RM 0.00

**Total amount paid to Unit Holder = RM 10,000.00**

### 9.3 Sale of Units

The minimum initial investment for Units of the Funds is One Thousand Ringgit (RM1,000) and the minimum additional investment for Units of the Funds is One Hundred Ringgit (RM 100).

Investors can obtain the Master Prospectus, account opening form and investment application form from any of the offices listed under **Section 21** or from any of the Manager's authorised agents. The Master Prospectus is also available at the Manager's website at [www.hdbsim.com.my](http://www.hdbsim.com.my). The Fund's application form can be handed directly to any of the said offices, or sent by mail, together with a cheque or bank draft made payable to "HwangDBS Investment Management Berhad". All cheques and bank drafts have to be crossed and drawn on a local bank. Bank charges, where relevant, for outstation cheques will be borne by the investors.

#### For first time investors

Individual or joint-application must be accompanied by a copy of the applicant's identity card or passport or other document of identification. Application by a corporation must be accompanied by a certified true copy of its Memorandum and Articles of Association, Certificate of Incorporation, Form 24, Form 44, Form 49, the latest audited financial statement of the corporation and Board Resolution relating to the investment, a list of their authorised signatories and their respective specimen signatures.

Sale of Units will be honoured upon receipt of completed documents mentioned above and proof of payments.

For EPF Members' Investment Scheme (EMIS), sale of Units will only be created upon the receipt of application to invest.

Trustee's obligation in respect of monies paid by an investor for the application of units arises when the monies are received in the relevant account of the Trustee for the Funds.

### 9.4 Repurchase of Units

Unit Holders may repurchase their investments in the Funds at any point in time by simply completing the repurchase application (Form A) and returning it to the Manager by 3.30 p.m. on any Business Day. Repurchase request must be made in terms of Units and not Ringgit Malaysia (RM) values. The amount to be received by the Unit Holders for the repurchase of Units will be calculated by multiplying the number of Units repurchased with the Manager's buying price.

### 9.5 Payment of Repurchase Proceeds

The Manager may repurchase Units utilising its own funds or request the Trustee to cancel Units of the Funds for the purpose of meeting Unit Holders' repurchase requests. Unit Holders will be paid within 10 days from the day the repurchase request is received by the Manager and provided that all documentations are completed and verifiable. The Trustee's obligation is discharged once it has paid the repurchase proceed to the Manager.

However, if the request to the Trustee to repurchase or cancel the Units results in the sale of assets of the Funds, or sale of assets which cannot be liquidated at an appropriate price or on adequate terms and is as such not in the interest of existing Unit Holders, the Trustee may refuse the said request

For Unit Holders, who invest through the EPF scheme, the Manager shall remit the repurchase proceeds to EPF for crediting back into the investors' EPF accounts respectively. For Unit Holders above the age of 55 years old and who invest through the EPF scheme, the Manager shall remit the repurchase proceeds to the said Unit Holders directly.

## **9.6 Repurchase Frequency and Minimum Units Repurchase**

There are no restrictions on the frequency of repurchases; however, there is a minimum repurchase of 2,000 Units for each repurchase application. Applications for repurchase must be submitted to the Manager on any Business Day from 9.00 a.m. to 3.30 p.m. Such repurchases requests are deemed received only if all documents and forms received by the Manager are duly and correctly completed.

The Manager may, with the consent of the Trustee, reserve the right to defer repurchase requests if such request would adversely affect the Fund or the interest of Unit Holders of any class of the Fund.

## **9.7 Cooling-Off Period**

A cooling-off right refers to the right of the Unit Holders to obtain a refund of his investment in the Funds if he so requests within the cooling-off period.

The cooling-off right is only given to an investor, other than those listed below, who is investing in any unit trust funds managed by that particular management company for the first time:-

- i. A corporation or institution;
- ii. A staff of that management company; and
- iii. Persons registered with a body approved by the SC to deal in unit trusts.

Unit Holders have the right to request for a cancellation of their investments within 6 Business Days from the day the purchase request is received by the Manager. Unit Holders who exercise their cooling-off rights will receive their invested amount based on the NAV per Unit on the day the Units were first purchased and the sales charge per unit originally imposed on the day the Units were purchased. When a cooling-off right is exercised, the money must be refunded to the applicant within 10 days of the receipt of the notice of cooling-off by the Manager.

The 6 Business Days cooling-off period shall begin on the day the application to invest is received by the Manager. The 6 Business Days cooling-off period for investors purchasing units through the EPF member Investment scheme, shall begin on the day the application to invest with payments from EPF or other official confirmations from EPF on the approval of such payments are received by the Manager.

## **9.8 Switching Facility**

All Unit Holders, other than those investing through the EPF Members' Investment Scheme (EMIS) are allowed to switch from the Funds to any other funds managed by the Manager (subject to the availability and terms of the intended fund).

For Unit Holders who invest through the EMIS, they are allowed to switch to any other HwangDBS IM's EPF approved funds (subject to availability and terms of intended funds).

The minimum amount for switching is 2,000 units per transaction. A switching amount of less than 2,000 units is acceptable where the Unit Holder wishes to close the account from which the units are switched from.

Switching will be made at the prevailing NAV per Unit of the Funds to be switched from and the intended fund to be acquired on a Business Day, when the switching request is received or deemed to have been received by the Manager (subject to availability and terms of the intended Fund).

Should the amount of sales charge of the intended fund be more than the sales charge imposed on the Fund being switched from, then the difference in the sales charge between the two (2)

shall be borne by the Unit Holder. Conversely, no sales charge on the intended fund will be imposed on the Unit Holder, should it be less than or equal to the sales charge paid by the Unit Holder on the Fund, being switched from.

However, if the investor subsequently changes his mind and decides to switch back into a fund with a lower sales charge, and then switch again into another fund with a higher sales charge, then the said investor need not pay the difference in the sales charge, if the said sales charge is the same as the maximum which the Unit Holder has paid earlier for a Fund switched into.

Under no circumstances is the Unit Holder entitled to any refund of the sales charge paid on the Fund being switched from, which exceeds that imposed on the intended fund to be acquired.

***Investors are reminded that switching out of either Funds to other funds are not advisable, if the intention is to remain in a Shariah-compliant Fund.***

### **9.9 Transfer Facility**

Unit Holders are permitted to transfer their ownerships of investments in the Funds at any point in time by completing the transfer application (Form A) and returning it to the Manager on any Business Day. The transfer must be made in terms of Units and not RM value. There is no specific amount of Units required to be transferred except that the Unit Holder transferring the Units must have at least 2,000 Units after the transfer to remain a Unit Holder of the Funds and the Unit Holder in receipt of the Units must have a minimum of 2,000 Units to be a Unit Holder of the Funds.

### **9.10 Regular Savings Plan**

Unit Holders, who maintain a current or savings account with the Bankers may place a Standing Instruction to invest on a monthly, quarterly, half yearly or yearly basis in the Funds. Unit Holders wishing to participate in this plan can do so by investing from as little as Ringgit Malaysia One hundred (RM100) regularly.

### **9.11 Where to Purchase and Repurchase**

Units can be purchased or repurchased on any Business Day from Mondays to Fridays between 9:00 a.m. to 5:00 p.m. at any of the locations set out in our Directory of Sales Offices listed under Section 21.

### **9.12 Unclaimed Monies**

Any moneys payable to Unit Holders which remain unclaimed after one year from the date of payment will be handled by the Manager in accordance with the requirements of the Unclaimed Moneys Act, 1965.

### **9.13 Anti-Money Laundering Policies and Procedures**

When establishing or conducting business relations, particularly when opening new accounts and entering into a fiduciary transaction with a client, the Manager identifies and verifies the client through documents such as identity card, passport, birth certificate, driver's licence, constituent documents or any other official documents, whether in the possession of a third party or otherwise. Such documents shall be filed by the Manager in accordance with relevant laws.

Where the Manager suspects that a particular transaction may not be genuine, a Suspicious Transaction Form (STF) shall be completed. The Compliance, Risk & Legal Department shall discuss the contents of the STF together with the CEO of the Manager to ascertain if reasonable

grounds exist for further action. If further action(s) is warranted, a Suspicious Transaction Report (STR) will then be submitted to the Financial Intelligence Unit of Bank Negara Malaysia.

***Prospective Unit Holders should read and understand the contents of the Master Prospectus and, if necessary should consult their adviser(s).***

***Investors are advised not to make payment in cash when purchasing Units of a fund via any institutional/retail agent.***

## **10. SALIENT TERMS OF THE DEEDS AND RIGHTS & LIABILITIES OF UNIT HOLDERS**

**Generally an Investor would also be a registered Unit Holder unless the Units are purchased through an IUTA or using a nominee. In such an instance, the Units may not be registered in the name of the Investor and thus the Investors will not be a registered Unit Holder. Please be advised that the Manager only recognises the rights attached to a registered Unit Holder.**

### **10.1 Rights and Liabilities of Unit Holders**

#### **10.1.1 Rights of Unit Holders**

A Unit Holder has the right, among others, to the following:-

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

However, a Unit Holder would not have the right to require the transfer to the Unit Holder of any of the investments of the Funds. Neither would a Unit Holder have the right to interfere with or question the exercise by the Trustee or the Manager on his behalf, of the rights of the Trustee as trustee of the investments of the Funds.

#### **10.1.2 Liabilities of Unit Holders**

- (a) No Unit Holder is liable for any amount in excess of the purchase price paid for the Units as determined pursuant to the Deed(s) at the time the Units were purchased; and
- (b) Unit Holders shall not be under any obligation to indemnify the Trustee and/or the Manager in the event that the liabilities incurred by the Trustee and the Manager in the name of or on behalf of the Funds pursuant to and/or in the performance of the provisions of the Deed(s) exceed the NAV of the Funds, and any right of indemnity of the Trustee and/or the Manager shall be limited to recourse to the Funds.

### **10.2 Provisions regarding Unit Holders' Meetings**

#### **10.2.1 Quorum required for convening a Unit Holders' Meeting**

- (a) The quorum required for a meeting of the Unit Holders shall be five (5) Unit Holders, whether present in person or by proxy. If the Funds has five (5) or fewer Unit Holders, then the quorum required for a meeting of the Unit Holders shall be two (2) Unit Holders, whether present in person or by proxy.
- (b) If a meeting of the Unit Holders requires a Special Resolution, then the quorum in relation to the Special Resolution shall be five (5) Unit Holders (or two (2) Unit Holders where the Funds have five (5) or fewer Unit Holders), whether present in person or by proxy, holding an aggregate of at least 25% of the Units in issue at the time of the meeting.

### **10.2.2 Unit Holders' Meeting convened by the Unit Holders**

Unless otherwise required or allowed by the relevant laws, the Manager shall, within twenty-one (21) days of receiving an application from not less than fifty (50) or one-tenth (1/10) of all the Unit Holders, whichever is less, summon a meeting of the Unit Holders by:-

- (a) sending by post at least seven (7) days before the date of the proposed meeting, a notice of the proposed meeting to all the Unit Holders; and
- (b) publishing at least fourteen (14) days before the date of the proposed meeting, an advertisement giving notice of the proposed meeting in a national language newspaper published daily and another newspaper approved by the relevant authorities.

The Unit Holders may apply to the Manager to summon a meeting for any purpose including, without limitation, for the purpose of:-

- (a) considering the most recent financial statements of the Fund;
- (b) giving to the Trustee such directions as the meeting thinks proper; or
- (c) considering any matter in relation to the Deeds;

provided always that the Manager shall not be obliged to summon such a meeting unless application has been received from not less than fifty (50) or one-tenth (1/10) of all the Unit Holders, whichever is the lesser number.

### **10.2.3 Unit Holders' Meeting convened by the Manager or Trustee**

Unless otherwise required or allowed by the relevant laws, the Manager or Trustee may convene a Unit Holders' Meeting by giving the Unit Holders' a 14 day written notice specifying the place, time and terms of the resolutions to be proposed.

## **10.3 Termination of the Funds**

### **10.3.1 Circumstances that may lead to the termination of the Funds**

The Funds may be terminated or wound up upon the occurrence of any of the following events:-

- (a) The Manager notifies the trustee that the Funds are to terminate and specifies the date of termination under Clause 3.2(a); and
- (b) Where the Manager is in liquidation, or where the Trustee is of the opinion that the Manager has ceased to carry on business or to the prejudice of the Unit Holders failed to comply with any provisions or covenant of the deed or contravene any provisions of the Act, the Trustee shall summon a Unit Holders meeting and a special resolution may be passed at a Unit Holders' meeting to terminate or wind up the Funds

### **10.3.2 Procedure for the termination of the Funds**

Upon the termination of the Funds, the Trustee shall:-

- (a) sell all the assets of the Funds then remaining in its hands and pay out of the Funds any liabilities of the Funds; such sale and payment shall be carried out and completed in such manner and within such period as the Trustee considers to be in the best interests of the Unit Holders; and

- (b) from time to time distribute to the Unit Holders, in proportion to the number of Units held by them respectively:-
- (1) the net cash proceeds available for the purpose of such distribution and derived from the sale of the investments and assets of the Funds less any payments for liabilities of the Funds; and

provided always that the Trustee shall not be bound, except in the case of final distribution, to distribute any of the moneys for the time being in his hands and provided also that the Trustee shall be entitled to retain out of any such moneys in his hands, full provision for all costs, charges, taxes, expenses, claims and demands incurred, made or anticipated by the Trustee in connection with or arising out of the winding-up of the Funds and, out of the moneys so retained, to be indemnified against any such costs, charges, taxes, expenses, claims and demands; each such distribution shall be made only against the production of such evidence as the Trustee may require of the title of the Unit Holder relating to the Units in respect of which the distribution is made.

In the event of the Funds being terminated, the Trustee shall be at liberty to call upon the Manager to grant the Trustee and the Manager shall so grant, a full and complete release from these Deeds and the Manager shall indemnify the Trustee against any claims arising out of the Trustee's execution of these Deeds provided always that such claims have not been caused by any failure on the part of the Trustee to exercise the degree of care and diligence required of a trustee as contemplated by these Deeds and all relevant laws.

The Trustee shall, as soon as it becomes aware that the Funds are to be terminated and wound-up, inform the relevant authorities of the same.

Where the termination of the Funds and the winding-up of the Funds have been occasioned by any of the events set out herein:-

- (a) if the Manager has gone into liquidation, except for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee and the relevant authorities;
- (b) if, in the opinion of the Trustee, the Manager has ceased to carry on business; or
- (c) if, in the opinion of the Trustee, the Manager has to the prejudice of Unit Holders failed to comply with the provisions of this Deed or contravened any of the provisions of any relevant law;

the Trustee shall summon for a Unit Holders' Meeting to get directions from the Unit Holders.

## **10.4 The maximum fees and charges that may be imposed by the Manager and the steps to be taken by the Manager to increase such fees and charges**

### **10.4.1 Maximum Rate of Direct Fees and Charges allowable by the Deed**

*For HwangDBS AII MAN Growth Fund*

- The maximum Sales Charge allowable by the Deed is 10.00% of the NAV per Unit.
- The Redemption Fee (if any) shall be determined by the Manager and adequately disclosed in the Master Prospectus of the Fund.

*For HwangDBS AII MAN Income Plus Fund*

- The maximum Sales Charge allowable by the Deed is 10.00% of the NAV per Unit.
- The Redemption Fee (if any) shall be determined by the Manager and adequately disclosed in the Master Prospectus of the Fund.

#### **10.4.2 Maximum rate of Indirect Fees and Charges allowable by the Deed**

*For HwangDBS AII MAN Growth Fund*

- The maximum rate of the Annual Management Fee shall be three per centum (**3.00%**) of the NAV of a Fund calculated and accrued daily.
- The maximum rate of the Annual Trustee Fee shall be zero point three per centum (**0.30%**) of the NAV of a Fund subject to a minimum fee of RM35,000 per annum calculated and accrued daily (excluding foreign custodian fees and charges).

*For HwangDBS AII MAN Income Plus Fund*

- The maximum rate of the Annual Management Fee shall be three per centum (**3.00%**) of the NAV of a Fund calculated and accrued daily.
- The maximum rate of the Annual Trustee Fee shall be zero point three per centum (**0.30%**) of the NAV of a Fund subject to a minimum fee of RM18,000 per annum calculated and accrued daily (excluding foreign custodian fees and charges).

#### **10.4.3 Procedures to be taken to increase the Direct and Indirect Fees and Charges from the current amount stipulated by the Deed**

Any increase of any such fees and/or charges from the maximum amount stipulated in the Deed shall require Unit Holder's approval and will be in accordance to the procedure stipulated in Division 19.4 of the Deed of HwangDBS AII MAN Growth Fund and Division 21.1 of the Deed of HwangDBS AII MAN Income Plus Fund.

#### **10.4.4 Procedures to be taken to increase the Direct and Indirect Fees and Charges from the current amount as stipulated in the Master Prospectus**

##### **Sales Charge**

The Manager may not charge a Sales Charge at a rate higher than that disclosed in a Prevailing Master Prospectus unless:

- (a) the Manager has notified the Trustee of the higher rate and the date on which such higher rate is to become effective;
- (b) a supplemental or replacement master prospectus stating the higher rate is issued thereafter; and
- (c) such time as may be prescribed by the relevant law shall have elapsed since the supplemental or replacement master prospectus is issued.

### **Redemption Fee**

The Manager may not charge a Redemption Fee at a rate higher than that disclosed in a Prevailing Master Prospectus unless:

- (a) the Manager has notified the Trustee of the higher rate and the date on which such higher rate is to become effective;
- (b) a supplemental or replacement master prospectus stating the higher rate is issued thereafter; and
- (c) such time as may be prescribed by the relevant law shall have elapsed since the supplemental or replacement master prospectus is issued.

### **Annual Management Fee**

The Manager may not charge an annual Management Fee at a rate higher than that disclosed in a prevailing Master Prospectus unless:-

- (a) the Manager has come to an agreement with the Trustee on the higher rate;
- (b) the Manager has notified the Unit Holders of the higher rate and the date on which such higher rate is to become effective;
- (c) a supplemental or replacement Master Prospectus stating the higher rate is issued thereafter; and
- (d) such time as may be prescribed by any relevant law shall have elapsed since the supplemental or replacement Master Prospectus was issued.

### **Annual Trustee Fee**

The Trustee may not charge an annual Trustee Fee at a rate higher than that disclosed in a prevailing Master Prospectus unless:-

- (a) the Manager has come to an agreement with the Trustee on the higher rate;
- (b) the Manager has notified the Unit Holders of the higher rate and the date on which such higher rate is to become effective;
- (c) a supplemental or replacement Master Prospectus stating the higher rate is issued thereafter, and
- (d) such time as may be prescribed by any relevant law shall have elapsed since the supplemental or replacement Master Prospectus was issued.

#### **10.4.5 Other Expenses permitted under the Deeds**

Only the expenses (or part thereof), which are directly related and necessary to the business of the Funds are payable or reimbursable out of the Assets of the Funds. These would include (but not limited to) the following:-

- (a) commissions/fees paid to brokers in effecting dealings in the investments of the Funds, shown on the contract notes or confirmation notes;
- (b) taxes and other duties charged on the Funds by the Government and other authorities and bank fees;
- (c) fees and other expenses properly incurred by the auditor appointed for the Funds;

- (d) fees for the valuation of any investment of the Funds by independent valuers for the benefit of the Funds;
- (e) costs incurred for the modification of these Deeds otherwise than for the benefit of the Manager;
- (f) costs incurred for any meeting of the Unit Holders other than those convened by or for the benefit of the Manager;
- (g) costs, commissions, fees and expenses of the sale, purchase, insurance and any other dealing with the Assets of the Funds;
- (h) costs involved with external specialists approved by the Trustee in investigating and evaluating any proposed investment of the Funds;
- (i) costs, fees and expenses relating to the engagement of valuers, advisers and contractors of all kinds for the benefit of the Funds;
- (j) all costs, fees and expenses connected with the preparation and audit of the taxation returns and accounts of the Funds;
- (k) all costs, fees and expenses in or in connection with the termination of the Funds and the retirement or removal of the Trustee or Manager and the appointment of a new Trustee or Manager;
- (l) all costs, fees and expenses in relation to any arbitration or other dispute concerning the Funds or any Asset of the Funds, including proceedings against the Trustee or the Manager by the other of them for the benefit of the Funds (except to the extent that legal costs incurred for the defence of either of them are not ordered by the court to be reimbursed out of the Funds);
- (m) expenses incurred by the Trustee in the performance of its duties and responsibilities hereunder;
- (n) remuneration and out of pocket expenses of the independent Members of the Investment Committee of the Funds, unless the Manager decides otherwise;
- (o) all fees and expenses incurred in convening and holding Meetings of the Unit Holders; and
- (p) all fees and expenses deemed by the Manager to have been incurred in connection with any change or compliance with any change or introduction of any law, regulation or requirement (whether or not having the force of law) of any governmental or regulatory authority.

The Trustee must ensure that all expenses charged to the Funds are legitimate and that the quantum of the expense charged is not excessive or beyond standard commercial rates.

#### **10.5 Circumstances that may lead towards the Retirement, Removal or Replacement of the Manager**

Subject to the approval of the relevant authorities, the Manager may retire upon giving 12 months' notice (or such shorter period as the Manager and the Trustee may agree) to the Trustee of its desire to do so, and may by the Deeds, appoint in its stead a new Management Company and assign to such corporation all its rights and duties as the Management Company of the Funds.

The Manager shall be removed or replaced, if so required by the Trustee, on the grounds that:-

- (a) a Special Resolution to that effect has been passed by the Unit Holders at a meeting called for that purpose;
- (b) the Manager has failed or neglected to carry out its duties to the satisfaction of the Trustee and the Trustee considers that it would be in the interests of Unit Holders for it to do so after the Trustee has given notice to it of that opinion and the reason for that opinion, and after consultation with the relevant authorities and with the approval of Unit Holders;
- (c) the Manager has gone into liquidation, except for the purpose of amalgamation or reconstruction or some similar purpose, or has had a receiver appointed or has ceased to carry on business.

#### **10.6 Powers of the Manager to Remove the Trustee**

The Trustee may be removed and another Trustee may be appointed by a Special Resolution of the Unit Holders at a Unit Holders' meeting convened in accordance with the Deeds.

The Manager shall take all reasonable steps to replace the Trustee as soon as practicable after becoming aware that:-

- (a) The Trustee has ceased to exist;
- (b) The Trustee has not been validly appointed;
- (c) The Trustee is not eligible to be appointed or to act as Trustee under Section 290 of the Act;
- (d) The Trustee has failed or refused to act as Trustee in accordance with the provisions or covenants of the Deed or the provisions of the Act;
- (e) A receiver is appointed over the whole or a substantial part of the assets or undertaking of the existing Trustee and has not ceased to act under the appointment, or a petition is presented for the winding up of the existing Trustee (other than for the purpose of and followed by a reconstruction, unless during or following such reconstruction the existing Trustee becomes or is declared to be insolvent); or
- (f) The Trustee is under investigation for conduct that contravenes the Trust Companies Act 1949, the Trustee Act 1949, the Companies Act 1965 or any securities law.

#### **10.7 Retirement or Removal or Replacement of the Trustee**

The Trustee may retire upon giving twelve (12) months' notice to the Manager of its desire to do so, or such shorter period as the Manager and the Trustee may agree, and may by the Deeds, appoint in its stead a new Trustee approved by the Securities Commission.

The Trustee may be removed and another trustee may be appointed by extraordinary resolution of the Registered Holders at a Registered Holders' Meeting convened in accordance with the Deeds or as stipulated in the Act.

#### **10.8 Power of Trustee to Remove or Replace the Manager**

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

- (a) has gone into liquidation, except for the purpose of amalgamation or reconstruction or some similar purpose; or has had a receiver appointed; or has ceased to carry on business; or is in breach of any of its obligations or duties under the Deeds or the relevant laws; or has ceased to be eligible to be a Management Company under the relevant laws; or
- (b) the Manager has failed or neglected to carry out its duties to the satisfaction of the Trustee and the Trustee considers that it would be in the interests of Unit Holders for it to do so after the Trustee has given notice to it of that opinion and the reasons for that opinion, and

has considered any representations made by the Manager in respect of that opinion, and after consultation with the relevant authorities and with the approval of the Unit Holders by way of a Special Resolution.

In any of the above said grounds, the Manager shall upon receipt of a written notice from the Trustee ipso facto cease to be the Management Company of the Funds. The Trustee shall, at the same time, by writing appoint some other corporation approved by the relevant authorities to be the Management Company of the Funds, such corporation shall have entered into such Deed or Deeds as the Trustee may consider to be necessary or desirable to secure the due performance of its duties as the Management Company for the Funds.

## 11. CLIENT COMMUNICATION

Unit Holders will/can receive regular updates on the Funds and on their investments through:-

(i) **Newspapers**

Unit Holders will be able to obtain information pertaining to the Funds from the press. The latest NAV per Unit of the Funds calculated prior to the publication will be quoted in at least two (2) major daily newspapers to enable the Unit Holders to monitor their investments. These prices are based on information available one (1) Business Day prior to the publication.

(ii) **The Manager's Company Website**

Unit Holders will be able to obtain information pertaining to the Fund from the Manager's Company Website at [www.hdbsim.com.my](http://www.hdbsim.com.my). The Fund's daily NAV per Unit will be quoted in the website to enable Unit Holders to monitor their investments. The daily prices may be based on information available one (1) Business Day prior to publication.

(iii) **Financial Reports**

The Manager will provide the Unit Holders with an Annual Report within 2 months of the Funds' financial year-end and an Interim Report within 2 months of the end of the period covered. A Financial Statement audited by the Funds' appointed auditors will be included in the Annual Report. The Trustee will prepare the report to Unit Holders in both the annual and interim reports stating its opinion on the conduct of the Manager, in particular whether the Manager managed the Funds in accordance with the limitation on its investment powers as set out in the Deeds, guidelines on unit trusts, securities laws and other relevant laws.

(iv) **Statement of Accounts**

The Manager will periodic statements to the Unit Holders confirming the current shareholdings and transactions relating to their Units in the Funds.

(v) **Customer Service**

Unit Holders can seek assistance from the Manager's Customer Service personnel at HwangDBS IM's office or at any location listed in Section 21 during the stated office hours. Alternatively, the Unit Holders can communicate via the Manager's toll free number at 1-800-88-7080 or email the Manager at [customercare@hdbsim.com.my](mailto:customercare@hdbsim.com.my)

## 12. THE MANAGEMENT COMPANY

### 12.1 The Management Company (The Manager)

#### **Background**

HwangDBS Investment Management Berhad (“**HwangDBS IM**”) was incorporated in Malaysia on 2 May 1997 under the Companies Act, 1965 and began operations under the name Hwang-DBS Unit Trust (HDBSUT) Berhad in 2001. It is supported by one of Malaysia’s leading integrated financial services group, Hwang-DBS (M) Berhad (HDBS) whose principal subsidiary, HwangDBS Investment Bank Berhad has over 35 years of experience in the securities industry, and DBS Asset Management Ltd. (DBSAM), an award winning fund management company with more than 24 years investment management experience.

HwangDBS IM is a holder of a valid and existing Capital Markets and Services Licence under the CMSA 2007 and has an authorised paid up capital of RM 10 million. Shareholders of HwangDBS IM are HDBS (53%), DBSAM (30%) and Y.A.M. Tunku Dato’ Seri Nadzaruddin Ibni Almarhum Tuanku Ja’afar (17%). HWANGDBS IM distributes its funds through their Institutional Business (IB) and Unit Trust Consultant Business (UTCB) team and via Institutional Unit Trust Advisers (IUTA) and the IUTA’s own internal consultants.

HwangDBS IM’s head office is located in Kuala Lumpur and has a total of 14 main sales offices located in Peninsular and East Malaysia. They are in Penang (2), Bukit Mertajam, Sungai Petani, Taiping, Ipoh, Shah Alam, Taman Tun Dr Ismail, Cheras, Subang Jaya, Seremban, Johor Bharu, Kuching and Kota Kinabalu.

To facilitate its on-going commitment to service and operational excellence, HDBSUT completed the acquisition of the business of its sister company, Hwang-DBS Asset Management (Malaysia) Sdn. Bhd. (HDBSAM) on 1 June 2005. The acquisition encompassed the complete transfer of the business under HDBSAM, the fund management team and all business processes, to HDBSUT. By leveraging the strengths, skills and expertise of both HDBSUT and HDBSAM, the consolidated entity will be able to manage both retail and corporate funds. The entity was then renamed as HwangDBS IM to reflect the underlying business nature.

#### **Milestones**

As at LPD, HwangDBS IM has in its stable a total of 37 unit trust funds, offering a complete and essential range of products, comprising conventional equity, balanced, bond, money market, capital guaranteed, capital protected, global, structured and feeder funds, as well as Islamic equity, money market and balanced funds.

Since 2001, HwangDBS IM has achieved an exponential growth in its total assets under management (AUM). As at LPD, the total AUM, comprising in-house unit trust funds as well as corporate and discretionary portfolios stood at approximately RM 8.71 billion.

As at LPD, HwangDBS IM has a staff force of one hundred and ten (110), of whom, ninety-three (93) are executive staff and seventeen (17) are non-executive staff.

***Past performance of the Fund is not a guarantee or reflection of the future performance of the Fund managed by the Manager.***

## 12.2 Role of the Manager

The Manager is responsible for the investment management and marketing of the Fund; servicing Unit Holders' needs; keeping proper administrative records of Unit Holders and the Fund; ensuring compliance with stringent internal procedures and guidelines of relevant authorities.

## 12.3 Financial Position

	Financial Year Ended		
	31 July 2010 (RM) Audited	31 July 2009 (RM) Audited	31 July 2008 (RM) Audited
Turnover	56,824,372	38,129,514	**59,702,283
Profit Before Tax	10,694,710	8,122,089	13,425,073
Profit After Tax	7,744,098	6,514,207	9,657,679
Issued/Paid-up Capital	10,000,000	10,000,000	10,000,000
Shareholders' Fund	32,427,250	28,683,152	25,918,945

*\*\*Reclassification of exit fee to Turnover from Other Income for 31 July 2008*

## 12.4 Role of Directors

The Board of Directors is responsible for the overall management of HwangDBS IM and its Funds. The Board not only ensures corporate governance is practised but policies and guidelines are adhered to. The Board will sit at least four (4) times every year, or more should the need arise.

### 12.4.1 Board of Directors

Mr Hwang Lip Teik

Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar

Mr Teng Chee Wai

Ms Ho Nyuk Choo Deborah Joanne

Y.A.M. Tengku Syed Badarudin Jamalullail (Independent Director)

Mr Ong Eng Kooi (Independent Director)

## 12.5 Role of the Investment Committee

The Investment Committee formulates, establishes and implements investment strategies and policies. The committee will continually review and monitor the success of these strategies and policies using predetermined benchmarks towards achieving a proper performance for the Fund. The Committee will also ensure investment guidelines and regulations are complied with. The Investment Committee will meet at least once every quarterly or more should the need arise.

## 12.5.1 The Investment Committee Members

### **Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar**

Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Almarhum Tuanku Ja'afar is a Non-Executive Director of both Hwang-DBS (Malaysia) Berhad and Hwang-DBS Investment Bank Berhad. Tunku Nadzaruddin was appointed as a Director of the Manager on 1 July 2002. Tunku Nadzaruddin shall perform his duties as an Investment Committee Member effective from the date of this Master Prospectus. Tunku Nadzaruddin graduated from Middlesex University, United Kingdom with a Bachelor of Science (Honours) in Mathematics. He started his career as a Management Science Consultant with British Telecom in 1982 before joining Esso Production Malaysia Inc. as a System Analyst. He has also previously served as the General Manager of Asia-Pacific Videolab Sdn. Bhd. and as an Executive Director of Antah Holdings Berhad. Tunku currently also sits on the Board of Kian Joo Can Factory Bhd, Box-Pak (Malaysia) Bhd, Nova MSC Berhad, Universal Trustee (Malaysia) Berhad and Khyra Legacy Berhad.

### **Y.A.M. Tengku Syed Badarudin Jamalullail (Independent member)**

Y.A.M. Tengku Syed Badarudin Jamalullail is the independent Chairman of HwangDBS Investment Bank Berhad ("HwangDBS IB") and an independent Non-Executive Director of Hwang-DBS (Malaysia) Berhad. He is also a Member of the Audit Committee of HwangDBS IB and a Member of the Audit Committee, Nomination Committee and Remuneration Committee of Hwang-DBS (Malaysia) Berhad. He shall perform his duties as an Investment Committee Member effective from the date of this Master Prospectus. Tengku graduated from Cambridge University in 1968 with a Master of Arts degree in Law and History. From 1968 –1978, he was employed and held various executive positions in Fraser & Neave (Malaya) Sdn. Bhd. Currently, Tengku is involved in his family businesses and is also the Independent Non-Executive Chairman of Fraser & Neave Holdings Bhd and several of its subsidiaries.

### **Dr. Neoh Soon Kean (Independent member)**

He is the Founder and Executive Chairman of Dynaquest Sdn Bhd, an investment consulting and publication firm. He is a Director of a number of private corporations. Dr. Neoh and Dynaquest Sdn Bhd act as Investment Adviser to a number of private individuals and firms. He shall perform his duties as an Investment Committee Member effective from the date of this Master Prospectus. He has been a lecturer in Universiti Sains Malaysia, a member of the KLSE Committee, the Deputy Chairman of the Advisory Board of Malaysian Central Depository and a member of the Panel of KLSE Compensation Fund. He served two terms as a founder member of the Malaysian Accounting Standards Board. He is currently a member of the Rating Review Committee of Malaysian Rating Corporation. He holds a BSc in Economics from London University, a MBA from Harvard University, USA and a PhD in Finance from Edinburgh University Scotland.

### **Mr Wong Ming Tek**

He is the Executive Director and Head of Research of HwangDBS Vickers Research Sdn Bhd, i.e. a company holding a valid investment adviser's licence issued by the SC. He shall perform his duties as an Investment Committee Member effective from the date of this Master Prospectus. Mr Wong Ming Tek graduated from the University of Rochester, USA with a BA in Economics and Political Science in 1996. He has over 8 years experience as a research analyst. He was a Research Analyst in Phileo Allied Securities Sdn Bhd before joining HwangDBS Investment Bank Berhad in 2000. He later joined HwangDBS Vickers Research Sdn Bhd in 2003. He has experience covering sectors such as construction, concessionaires, aviation, shipping, cement and steel.

## Mr Goh Yin Foo

He is an Executive Director of HwangDBS Vickers Research Sdn Bhd, i.e. a company holding a valid investment adviser's licence issued by SC. Mr Goh is a CFA holder (Chartered Financial Analyst) and graduated from the Nanyang Technological University, Singapore with a Bachelor of Business in 1993. He shall perform his duties as an Investment Committee Member effective from the date of this Master Prospectus. Mr. Goh has over 13 years experience in investment research on the Malaysian stock market. His primary job responsibilities include providing investment advice, writing investment reports and making presentations to in-house dealers/remisiers and investors. He started his career as a Research Analyst with Summit Securities (S) Pte. Ltd. in Singapore from 1993 to 1994. He was with the Kuala Lumpur-based research arm of Prime East Securities (HK) Ltd in 1994 as a Research Analyst before joining HwangDBS Investment Bank Berhad in 1996. He later joined HwangDBS Vickers Research Sdn Bhd (in 2003 and was appointed as an Executive Director in March 2007.

## 12.6 The Team

### 12.6.1 The Investment Team

#### Mr. Teng Chee Wai – Chief Executive Officer /Executive Director

Mr Teng is the Executive Director of the Manager and has also been appointed as Chief Executive Officer of the Manager on 1 June 2005. Mr Teng currently holds a valid and existing Capital Markets and Services Representative's Licence to carry out fund management. He has over 16 years experience in the fund management industry and graduated with a Bachelor of Science from the National University of Singapore and has a Post-Graduate Diploma in Actuarial Studies from City University in London.

Mr Teng began his career with NTUC Income in Singapore as an investment manager investing largely in the equity markets of Malaysia, Singapore, Thailand and Taiwan. He then progressed to the position of Assistant General Manager of Overseas Assurance Corporation (OAC) responsible for the group's investment operations in Singapore and Malaysia with total investment assets exceeding S\$2.5 billion comprising equities, fixed income and other investment assets. At OAC, Mr Teng was responsible for the investment function of the group and managed a team of investment professionals. Mr Teng's role required him to formulate the investment strategy for OAC's investments into treasuries, private debt securities, loans, as well as equities.

#### Mr. David Ng Kong Cheong – Chief Investment Officer

David Ng was appointed as Chief Investment Officer on 1 September 2006, overseeing the operations of the equities, fixed income and the central dealing units. **He is the Manager's designated representative for HwangDBS AILMAN Growth Fund.** David was initially signed on as a Senior Portfolio Manager in HwangDBS IM on 1 June 2005 and has obtained his license from SC since 13 November 2002 to act as a fund manager. He graduated with both Bachelor of Commerce (Accounting) and Bachelor of Law degrees from Monash University in Melbourne, Australia and he has also attained the status of Chartered Financial Analyst. In total, David has over 11 years of equities investment experience in managing both institutional and unit trust funds. Prior to joining HwangDBS IM, he spent 5 years at HLG Asset Management Sdn. Bhd. and 2 years at HDBSAM as a fund manager.

One of the key responsibilities of David at HwangDBS IM is the setting of investment strategy for the assets under management. This necessitates him to keep abreast of global and regional macroeconomic and sector-specific developments.

#### Mr. Peter Chiang - Head of International Equity

Peter is has more than 23 years of investment experience in managing mutual funds in both Asian and global equities. Peter began his career in UOB Group as a trainee officer in May 1984.

He subsequently joined UOB Asset Management Ltd in August 1986 as a fund manager and left in April 2002. During that period, he managed portfolios which had exposure in various major global equities markets including Asian and Singapore markets and headed the global capital section and the Greater China markets.

From 1995 to 2002, he was responsible for the management of the SGX-listed fund “United International Securities Ltd”, a close-ended investment trust investing in global equities and bond markets. He also has a track record of managing several award-winning funds namely the Greater China Fund (1997-2002), the United APEC Equities Fund (1995-2002), United Asia Fund (1990-1993), Unifund (1987-1989) and the United Millennium Trust Funds I, II & III (2000-2002).

Prior to joining HwangDBS Investment Management Berhad as Head of International Equity in August 2009, he worked at DBS Asset Management Limited (DBSAM). At DBSAM, he was responsible for investments in the US, China and Hong Kong markets. He was also responsible for the management of absolute-return mandates, the Shenton Global Opportunity Fund and the Mendaki Global Fund – one of the pioneer Global Islamic Funds.

### **Ms Esther Teo Keet Ying – Head, Fixed Income Investment**

Esther Teo is the Head of Fixed Income Investment and the **Manager’s designated representative for HwangDBS AIIMAN Income Plus Fund**. Prior to joining the Manager, Esther Teo was a portfolio manager with HwangDBS Asset Management Sdn Bhd and responsible for managing fixed income investment of corporate clients and unit trust funds. Prior to this, she was attached with the fixed income division of RHB Asset Management Sdn. Bhd. covering both institutional and unit trust mandates for 3 years. She began her career in KPMG Malaysia in 1999 as a consultant in financial advisory services specializing in corporate debt restructuring and recovery.

Esther graduated from the University of Melbourne, Australia with a Bachelor of Commerce majoring in Accounting and Finance. Esther holds a valid and existing Capital Markets and Services Representative’s Licence to carry out fund management.

### **Mr Gan Eng Peng – Head, Equity**

Gan Eng Peng joined HwangDBS Investment Management Berhad (HwangDBS IM) in April 2008, bringing with him more than 13 years of experience in regional and local equities investment, corporate finance and business management.

Prior to joining HwangDBS IM, Gan was Head of Equities of Investments at Pacific Mutual Fund Berhad where he led a 6 person strong regional fund management team.

Prior to that, he was the General Manager of Business Development at Pacific Mutual, being overall in charge of six departments and driving the business function of the company. His other work experience included investment research at local and foreign research houses, corporate finance and running and owning an independent research house.

Gan graduated with a Bachelor of Science (Industrial and Business Economics) from the London School of Economics, England.

### **Ms Cheryl Kaur Pola – Portfolio Manager**

Cheryl Kaur Pola joined HwangDBS IM in August 2006 bringing with her 7 years of experience in equities investment, research and audit. Prior to joining HwangDBS IM, Cheryl was Deputy Manager of Investments at Prudential Assurance (Malaysia) Berhad where she was responsible for co-managing one of the investment-linked funds. Cheryl also worked as an investment analyst in Amanah SSCM Asset Management for 3 years, specialising in the property, plantation and construction sectors following a short stint as an auditor in KPMG. Cheryl graduated with a Bachelor of Commerce (Accounting & Finance) from Monash University, Clayton, Australia and is

a Chartered Financial Analyst (CFA) Charter holder. Cheryl holds a valid and existing Capital Markets and Services Representative's Licence to carry out fund management.

#### **Mr. Chow Kar Tzen – Senior Analyst (Equities)**

Chow Kar Tzen joined HwangDBS Investment Management Berhad in December 2007 as a Senior Analyst.

Kar Tzen brings with him more than five years experience in consulting and project management garnered during his tenure at TradeOneAsia Pte Ltd, a subsidiary of a publicly listed company in Singapore, Keppel Group Ltd., providing consulting and e-commerce services to companies in Malaysia, Singapore, India, China, Thailand, Philippines and Indonesia. His last role was as Senior Manager responsible for projects in India, Singapore, Malaysia and Thailand. Prior to that, Kar Tzen worked as a Professional Services Associate in ICG Commerce Pte Ltd., a US based e-commerce start-up in Singapore.

Kar Tzen completed a full-time Masters of Business Administration (MBA) with Distinction from Nottingham University in 2007. He graduated with a Bachelor of Arts (Electrical & Information Sciences Engineering) from Cambridge University, United Kingdom.

### **12.6.2 Key Personnel of the Management Team**

#### **Mr. Teng Chee Wai – Chief Executive Officer / Executive Director**

(Please refer to 12.6.1)

#### **Mr. David Ng Kong Cheong – Chief Investment Officer**

(Please refer to 12.6.1)

#### **Ms. Peggy Liew Li Choo**

Peggy Liew was promoted to the role of Acting Chief Operating Officer of HwangDBS Investment Management Berhad (HwangDBS IM) in August 2010. Her responsibilities encompass the overall planning, execution and administration of the company's business, operational and fiscal objectives in major functions relating to, Finance, Operations, Information Technology, Office Management and Corporate Affairs.

Peggy brings with her more than 20 years of work experience in various industries, of which 15 years of her professional experience are in the capital market industry. Prior to joining HwangDBS IM as Head of Operations in July 2008, Peggy spent seven years in Prudential Fund Management Berhad as the Head of Operations and six years in HLB Unit Trust Management where she oversaw fund valuations, sales and office administration as well as the operational activities within the company.

She holds certifications from the Association of Chartered Certified Accountant (ACCA) and Chartered Institute of Marketing (CIM).

#### **Ms Esther Thye Yee Meng – Chief Sales Officer**

Esther Thye was appointed as the Chief Sales Officer on 1 September 2006 and has been with the Manager since January 2005, previously as the Head of Institutional Business. She brings over fifteen years of sales and marketing experience primarily in the financial services industry. She is responsible for securing business from private and institutional clients as well as developing portfolio management solutions for this niche market. Esther is an Associate Financial Practitioner (AFP) who holds an advanced Diploma from the Chartered Institute of Marketing (CIM).

### **Mr Steve Lim Lip Hoong – Chief Product Officer**

Mr Steve Lim Lip Hoong was appointed as the Chief Product Officer of HwangDBS IM on 1 June 2010. He covers the strategic management as well as structuring, developing and positioning of all HwangDBS IM products in their respective client segments.

Steve brings with him 20 years experience in portfolio management, marketing and product development for the fund management, stock-broking, onshore and offshore private banking industries.

Prior to joining HwangDBS IM, Steve was attached to offshore global private banks in Singapore. His offshore experience includes marketing of wealth management services and formulating investment strategies for the high networth individual market segment. Before moving offshore, he also covered various aspects of the capital market as fund manager, institutional sales and product director in several renowned financial groups in Malaysia.

Steve graduated from the University of Hawaii with double major in Finance and Accounting, and is a Chartered Financial Analyst (CFA) holder.

### **Mr Julian Christian Dermawan – Head of Compliance, Risk and Legal**

Julian was appointed as the head of the department in January 2009 and has been with the Manager since 2005, previously as the Head of Legal Unit. Julian holds a Master of Laws from Queensland University of Technology. He also holds a bachelors degree in law. He has more than 5 years experience in compliance and legal work in areas such as unit trust funds and fund management regulations. Prior to joining the Manager, Julian was attached to an engineering firm.

## **12.7 Management Company's Delegate**

The Manager has delegated to HSBC (Malaysia) Trustee Berhad ("HSBC") the fund accounting and valuation function for the Funds. HSBC has invested significantly into information technology to offer accounting and valuation services to its clients. Under the terms of the service agreement, HSBC would maintain proper accounts; carry out daily valuation or pricing and sending the unit prices for publication in the newspapers. All fees and expenses arising out of this appointment are not charged to the Funds and are solely borne by the Manager as required by the Guidelines.

## **12.8 The Manager's Disclosure on Related Party Transactions and Possible Conflicts of Interest**

Save for the transaction disclosed below, as at 15 August 2010, the Manager is not aware of any existing and/or proposed related party transactions or conflict of interest situations or other subsisting contracts of arrangements involving the Fund.

### **12.8.1 Related Party Transactions**

<b>Name of Party Involved in the Transaction</b>	<b>Nature of Transaction</b>	<b>Name of Related Party</b>	<b>Nature of Relationship</b>
AIIMAN	Appointment of Asian Islamic Investment Management Sdn. Bhd. by HwangDBS IM as the External Fund Manager of the Funds and payment of fee by HwangDBS IM in	The Manager	External Fund Manager to the Funds

	connection with the provision of services thereon.		
--	--	--	--

## 12.8.2 Conflicts of Interest

The shareholders have either direct or indirect interest in other corporations carrying on a similar business and this is disclosed below:

<b>Name of Substantial Shareholder</b>	<b>Interest in Other Corporation Carrying on a Similar Business</b>	<b>Nature of Business</b>
Hwang-DBS (Malaysia) Berhad	Hwang-DBS (Malaysia) Berhad, the holding company of the Manager, holds 100% equity interest in HDM Capital Management Sdn. Bhd. ("HDMCM")	HDMCM is a venture capital management company that is registered with the SC and its principal activities are fund management, investment advisory and related consultancy services.
	Hwang-DBS (Malaysia) Berhad also holds 49% equity interest in Asian Islamic Investment Management Sdn. Bhd. ("AIIMAN").	AIIMAN is a Malaysia registered Islamic fund management company that had obtained the Capital Markets and Services Licence from SC.
DBSAM	DBSAM, a substantial shareholder of the Manager, holds 33% equity interest in Changsheng Fund Management Company Limited ("CFMC") after a joint venture transaction agreement was completed on 6 July 2007.	CFMC was founded in March 1999 and operates out of Beijing and Shanghai. It is one of the first ten fund management companies founded in the People's Republic of China ("China"). It is also one of the first groups of fund management companies approved by the Chinese government to manage the National Social Securities Funds in China.
DBSAM	DBSAM, a substantial shareholder of the Manager, holds 100% equity interest in DBS Asset Management (Hong Kong) Limited ("DBSAM HK")	DBSAM HK is a registered fund management company in Hong Kong.
	DBSAM, a substantial shareholder of the Manager, holds 100% equity interest in DBS Asset Management (US) Pte. Ltd. ("DBSAM US")	DBSAM US is a registered fund management company in United States of America.

	DBSAM, a substantial shareholder of the Manager, holds 33% equity interest in Singapore Consortium Investment Management Ltd. ("SiCIM").	SiCIM is a registered fund management company in Singapore.
	DBSAM, a substantial shareholder of the Manager, holds 51% equity interest in Asian Islamic Investment Management Sdn. Bhd. ("AIIMAN").	AIMAN is a Malaysia registered Islamic fund management company that had obtained the Capital Markets and Services Licence from SC.

The directors of the Manager have either direct or indirect interest in other corporations carrying on a similar business and this is disclosed below:

Name of Director	Name of Corporation or Business	Nature of Interest	
		Shareholding (Direct/ Indirect)	Directorship
Ho Nyuk Choo Deborah Joanne	DBS Asset Management	-	Director
	ChangSheng Fund Management Company Ltd	-	Director (Non-executive)
	Asian Islamic Investment Management Sdn. Bhd.	-	Director (Non-executive)
Hwang Lip Teik	Asian Islamic Investment Management Sdn. Bhd.	Indirect interest of 49%	Director
	HDM Management Sdn. Bhd.	Capital Sdn. Indirect interest of 100%	-
Y.A.M. Tengku Syed Badarudin Jamalullail	Asian Islamic Investment Management Sdn. Bhd.		Chairman

## 12.9 Policy on Dealing with Conflicts of Interest

The Manager has in place policies and procedures to deal with any conflict of interest situations. In making an investment transaction for the Fund, the Manager will not make improper use of its position in managing the Fund to gain, directly or indirectly, any advantage or to cause detriment to the interests of Unit Holders. Where Directors or the Investment Committee members' interests

may conflict with that of the Fund, they are to refrain from participating in the decision-making process relating to the matter. Staffs are required to seek prior approval from the Executive Director or the Chief Executive Officer before dealing in any form of securities. All transactions with related parties are to be executed on terms which are best available to the Fund and which are not less favourable to the Fund than an arms-length transaction between independent parties.

#### **12.10 Material Litigation**

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

### 13. THE TRUSTEE

#### 13.1 Background Information

The Trustee is HSBC (Malaysia) Trustee Berhad (Company No. 1281-T), a company incorporated in Malaysia since 1937 and registered as a trust company under the Trust Companies Act 1949, with its registered address at Suite 901, 9<sup>th</sup> Floor, Wisma Hamzah-Kwong Hing, No.1 Lebuah Ampang, 50100 Kuala Lumpur. The Trustee is a member of the HSBC Holdings Plc. group of companies and forms part of the global network of trust companies within HSBC Holdings Plc.

#### 13.2 Board of Directors

Mr Jonathan William Addis  
Ms Lim Liang Hua  
Dato' Ranita Mohd Hussein  
Ms Zainon Baba  
Mr Alastair E Murray  
Mr Tay Shik Heng  
Mr Tay Swee Gim (Alternate to Ms Lim Liang Hua)  
Ms Hew Su Chan (Alternate to Mr Tay Shik Heng)  
Ms Wong Su Kuin (Alternate to Mr Alastair E Murray)

#### 13.3 Financial Position

The Trustee has a paid-up capital of RM500,000.00. As at 31 December 2009, its shareholders' funds totalled RM17.52 million and it achieved a profit before tax of RM10.93 million.

The following is a summary of the past performance of the Trustee based on audited accounts for the last 3 years:

	Year Ended 31 December		
	2007 (RM)	2008 (RM)	2009 (RM)
Paid-up Share Capital	500,000	500,000	500,000
Shareholders' Funds	6,598,539	14,353,116	17,521,023
Turnover	16,911,088	17,843,570	18,006,590
Profit before Tax	9,164,852	10,470,535	10,930,880
Profit after Tax	6,442,083	7,754,577	8,200,407

#### 13.4 Experience in Trustee Business

Since 1993, the Trustee has acquired experience in the administration of unit trusts and as at 1 September 2010 is the Trustee for 193 unit trust funds (including Exchange Traded Funds and Wholesale Funds).

As at 1 September 2010, the Trustee has a workforce of 51 employees consisting of 39 executives and 12 non-executives. A good number of the staff has been with the Trustee for many years. This element of continuity reflects an intrinsic characteristic of trust services. The Trustee also believes in building team and talents by recruiting new members with relevant experiences to replace the long serving retired colleagues.

Each client's account is under the supervision of a trust officer who is able to focus his personal attention on the administration of the account and reports directly to his manager.

The Trustee also has a Compliance Section whose responsibilities is to ensure that the Trustee's business is carried on in accordance with all relevant laws, codes, rules and standards of good market practice.

## **13.5 Profile of Key Personnel**

### **Ms Lim Liang Hua – Managing Director**

She joined HSBC (Malaysia) Trustee Berhad in April 2004 and brings with her over 20 years of legal advisory and problem solving skills in the banking and financial services industry. She holds a Bachelor of Economics and Bachelor of Laws (LLB) from Monash University, Australia. She was admitted to practice as a Barrister & Solicitor in Victoria, Australia in 1984 and was called to the Malaysian Bar in 1985. She was in private practice for three years in the Klang Valley before joining the corporate sector, namely the banking and financial institutions industry. She was the Chief Legal Adviser and Company Secretary for the Phileo Allied Bank Group and the United Overseas Bank Group in Malaysia. Prior to her joining HSBC, she was Chief Executive Officer in an established trust company.

### **Mr Yee Yit Seeng – Chief Operating Officer**

He joined HSBC (Malaysia) Trustee Berhad in July 1984. He holds a Diploma in Banking and Finance and is a Senior Associate of Institut Bank-Bank Malaysia. He has more than 22 years of experience in trust operations including client service, systems/projects & office administration, compliance, internal control & audit, and business development. He was also seconded to the HSBC Back-end Processing Office in Cyberjaya, Malaysia to support the global securities operations.

### **Puan Maziah Yong – Head, Unit Trust**

She joined HSBC (Malaysia) Trustee Berhad in November 2007. She holds an Advanced Diploma In Law from Institut Teknologi MARA. Prior to her joining HSBC, she has more than 15 years working experience in trust administration, especially relating to unit trust schemes.

### **Ms Lim Gim Lee – Head, Fund Administration**

She joined HSBC (Malaysia) Trustee Berhad in December 2008. She holds an Advanced Diploma in Business Administration - Institute of Business Administration and Management (IBAM). She was one of the pioneer staff in setting up two unit trust management companies and has more than 13 years working experience in the unit trust industry.

### **Ms Vimala Mahathevan - Head, Business Support**

She joined HSBC (Malaysia) Trustee Berhad in January 2010. She holds a Diploma in Banking and Finance of Institut Bank-Bank Malaysia and a Diploma in Computer Studies from the National Centre of Computing and Information Technology (NCC). She has 9 years of general banking experience and 16 years of experience in the securities industry which includes overseeing the settlement operations for foreign institutional clients, client servicing, system implementation and being the liaison party with regulatory bodies such as Bursa Malaysia. Prior to joining HSBC Trustee, she was the Head of Settlement, HSBC Securities Services, Sub-Custody and Clearing, in Malaysia.

**Ms Lau Sook Yee – Head, Compliance**

She joined HSBC (Malaysia) Trustee Berhad in September 2005. She has more than 20 years experience in banking and treasury operations in both merchant and commercial banks.

**Ms Janice Chang Hui Ching – Head, Corporate Trust**

She joined HSBC (Malaysia) Trustee Berhad in November 2004. She holds a Bachelor of Business majoring in Economics & Finance from RMIT University, Australia. Prior to her joining HSBC, she has more than 7 years experience in Unit Trust Schemes and Corporate Bonds/Private Debt Securities in an established trust company.

**Mr Yap Fook Meng – Head, System & Admin**

He joined HSBC (Malaysia) Trustee Berhad in August 2007. He holds a Diploma in Banking and Finance and is a Senior Associate of Institut Bank-Bank Malaysia. He has more than 25 years experience in banking operations, including systems implementation and support with HSBC Bank Malaysia Berhad. Besides local banking experience, he had been seconded to other HSBC Group offices in United Kingdom and Brazil for systems implementation and support.

**Ms Tang Su Yin - Head, Due Diligence**

She joined HSBC (Malaysia) Trustee Berhad in July 2010. She holds a LLB (Honours) from University of Hull, United Kingdom and a Master of Finance from Royal Melbourne Institute of Technology, Australia. She has more than 8 years experience in the unit trust industry which include compliance monitoring, legal advisory and product development.

**Ms Ng Pek Wan - Head, Documentation**

She joined HSBC (Malaysia) Trustee Berhad in July 2010. She holds a Bachelor of Laws (LLB) from University of London and was called to the Malaysian Bar in 2000. Prior to joining HSBC, she was in private practice for almost 10 years with experience in commercial litigation and various corporate work.

**13.6 Duties and Responsibilities of the Trustee**

The Trustee's main functions are to act as trustee and custodian of the assets of the Fund and to safeguard the interests of Unit Holders of the Fund. In performing these functions, the Trustee has to exercise all due care, diligence and vigilance and is required to act in accordance with the provisions of the Deed, Capital Markets and Services Act 2007 and the Securities Commission's Guidelines on Unit Trust Funds. Apart from being the legal owner of the Fund's assets, the Trustee is also responsible for ensuring that the Manager performs its duties and obligations in accordance with the provisions of the Deed, Capital Markets and Services Act 2007 and the Guidelines.

**13.7 Trustee's Statement of Responsibility**

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

**13.8 Trustee's Disclosure of Material Litigation**

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

**13.9 Trustee's Delegate**

The Trustee has appointed The Hongkong And Shanghai Banking Corporation Ltd as custodian of the quoted and unquoted local investments of the Fund. The assets of the Fund are held

through their nominee company, HSBC Nominees (Tempatan) Sdn Bhd. If and when the Fund should invest overseas, HSBC Institutional Trust Services (Asia) Limited will be appointed as the custodian of the foreign assets of the Fund. Both The Hongkong And Shanghai Banking Corporation Ltd and HSBC Institutional Trust Services (Asia) Limited are wholly owned subsidiaries of HSBC Holdings Plc, the holding company of the HSBC Group. The custodian's comprehensive custody and clearing services cover traditional settlement processing and safekeeping as well as corporate related services including cash and security reporting, income collection and corporate events processing. All investments are automatically registered into the name of the Fund. The custodian acts only in accordance with instructions from the Trustee.

The Trustee is not liable for central securities depositories or clearing and/or settlement systems in any circumstances.

#### Trustee's Delegates

- 1) The Hongkong And Shanghai Banking Corporation Limited (As Custodian) and assets held through HSBC Nominees (Tempatan) Sdn Bhd (Co. No. 258854-D)  
No 2 Leboh Ampang  
50100 Kuala Lumpur  
Telephone No: (603)20700744 Fax No: (603)20729787
- 2) HSBC Institutional Trust Services (Asia) Limited  
6th Floor, Tower One  
HSBC Centre  
No 1 Sham Mong Road  
Kowloon, Hong Kong  
Telephone No: (852)25336333 Fax No: (852)28696120

### 13.10 Related-Party Transactions/Conflict of Interest

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

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

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

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

**Anti-money laundering provisions**

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

**Statement of Disclaimer**

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

## 14. THE EXTERNAL FUND MANAGER

### 14.1 Profile of the External Fund Manager Asian Islamic Investment Management Sdn. Bhd.

DBS Asset Management Limited (DBSAM) was granted approval by the Securities Commission on 17 October 2008 to establish an Islamic fund management company in Malaysia.

The corporate vehicle to undertake such regulated activities of Islamic fund management is AIIAMAN, which is jointly owned by DBSAM and Hwang-DBS (M) Berhad (HDBS) (51% and 49% ownership respectively). In this joint venture DBSAM will provide portfolio and research expertise, and HDBS will provide the platform to outsource certain back-office functions and technical experience in the setting up and management of Islamic fund activities.

DBSAM, being the holding company of AIIAMAN, was incorporated in Singapore on June 16, 1982 as a wholly owned subsidiary by DBS Bank Ltd, which is 100% owned by DBS Group Holdings Ltd. DBS Group Holdings Ltd and its subsidiaries form one of the largest banking groups in the region in terms of shareholders' funds and total assets as at 31 March 2010, of SGD 26.18 billion and of SGD 262.04 billion respectively. DBSAM holds a Capital Markets Service license (for Fund Management and Dealing In Securities) and is regulated by the Monetary Authority of Singapore. The DBSAM manages SGD 14.17 billion (as of 30 June 2010) in assets in the form of segregated portfolios, restricted and retail funds. As at 31 August 2010, AIIAMAN's total assets under management, comprising corporate and discretionary portfolios stood at approximately RM 1.57 billion.

***Past performance of the Fund is not a guarantee or reflection of the future performance of the Fund managed by the Manager.***

As at LPD, AIIAMAN has a staff force of nine (9) staff force, of whom, eight (8) are executive staff and one (1) are non-executive staff.

### 14.2 Duties and Responsibilities of the External Fund Manager

The Manager has delegated the investment management function of the Fund to the External Fund Manager. Some of the main duties of the External Fund Manager for this delegated role are as follows:-

- (a) to comply with the operations procedures and invest the Fund in accordance with the objectives of the Fund, the Permitted Investments and Investment Restrictions described in Section 5.2.1 and Section 5.2.2 herein and the Guidelines;
- (b) to exercise due care and vigilance in carrying out its function and duties and comply with the relevant laws, directives and guidelines issued by the relevant authorities from time to time;
- (c) to employ an appropriate investment process for the Fund;
- (d) to seek to invest in assets which are in the External Fund Manager's opinion, the most appropriate assets in relation to the Fund's objectives; and
- (e) to report to the Manager on a periodic basis for oversight and monitoring purposes, including to discuss and review the performance of the Fund and its strategies.

### 14.3 Financial Position

	Financial Period for month Ended	Financial Year Ended		
		31 August 2010 (RM) Unaudited	31 December 2008 (RM) Audited	31 July 2007 (RM) Audited
Turnover	1,494,015	-	247,200	206,000
Profit/(Loss) Before Tax	(550,096)	(477,530)	140,243	181,530
Profit/(Loss) After Tax	(553,388)	(477,530)	112,399	26,141
Issued/Paid-up Capital	10,000,000	10,000,000	3,000,000	3,000,000
Shareholders' Fund	6,567,586	9,663,082	3,183,929	3,071,530

### 14.4 Key Personnel of the Management Team

#### Nor Azamin Salleh - Chief Executive Officer /Executive Director

Azamin has 15 years of experience in the financial services industry. During the last several years, he has been focusing on growing the Islamic asset management segment. Throughout years of exposure, he was overseeing equity and fixed- income portfolios (both Shariah and conventional), involved in developing products and managing distribution channels.

Previously, he was the Executive Director of Muamalat Invest Bhd, the first full- fledged Islamic asset management company in Malaysia. He has held the positions of Executive Director of Avenue Invest Berhad and Chief Operating Officer of Commerce Asset Fund Managers Sdn Bhd / Commerce Trust Berhad (now renamed as CIMB-Principal Asset Management Berhad ).

Azamin graduated from Australian National University with a Bachelor Of Commerce Degree and later completed his Master in Business Administration in 2003. He is also a Chartered Accountant (Malaysia), Certified Practising Accountant ( Australia ) and Certified Financial Planner.

#### Mohamed Izaham Abdul Rani - Chief Operating Officer

Izaham multi-faceted exposure to the Islamic finance and capital market industries is due to his experience during his prior attachments with Bank Muamalat Malaysia and Affin Investment Bank. He brings with him more than 17 years of working experience mostly in the areas of corporate finance (debt and equity markets) and was involved in the issuance of Islamic financing facilities. During his tenure with Bank Muamalat Malaysia, he was involved in setting up Islamic investment banking in Saudi Arabia. Izaham graduated from the Australian National University and holds a Bachelor of Commerce Degree in Accountancy. Izaham is a Chartered Accountant (Malaysia) and Certified Practising Accountant (Australia).

### **Chan Cheh Shin – Chief Investment Officer**

Chan is currently the Chief Investment Officer of Asian Islamic Investment Management Sdn. Bhd. (AIIMAN), a subsidiary of DBSAM. Chan has more than 16 years of experience in managing global fixed income mandates, foreign currency strategies etc. During his tenure as Director of APS Komaba Asset Management and Associate Director of DBS Asset Management Limited (DBSAM) for the last 8 years, he headed the quantitative global credit research and investment team and was responsible for the credit research and investment in global high yield and emerging markets instruments. He spent 3 years with ABN Amro Asset Management Singapore Pte Ltd as Portfolio Manager and Market Risk Manager. Prior to that, he had spent some 5 years in Standard Chartered Bank and Nomura Singapore in the areas of FX trading and exchange traded derivatives.

During his tenure at DBSAM and ABN Amro Asset Management, the companies had won numerous awards for mandates that he was involved in. Chan graduated from the National University of Singapore with a Bachelor degree in Chemical Engineering. Chan holds a valid and existing Capital Markets and Services Representative's Licence to carry out fund management. He is the **designated fund manager** for HwangDBS AIIMAN Income Plus Fund.

### **Akmal Hassan - Investment Director**

Akmal has had extensive exposure to the industry, spanning over 12 years covering both the portfolio management functions and investment research. Coming from a Chief Investment Officer post from Muamalat Invest, he brings with him extensive investment management experience.

Prior to Muamalat, Akmal was attached to Pheim Asset Management for 5 years as a fund manager. He was part of a team managing funds for investments in Malaysia as well as Asia ex-Japan markets. His key equity coverage included Malaysia, Indonesia and the Philippines. Akmal began his career in investment management with the AmInvestment Group and was also attached to Jupiter Research as an analyst primarily focusing on construction and property. **Akmal is the designated fund manager** for HwangDBS AIIMAN Growth Fund.

Akmal graduated from Oklahoma State University, USA in Business Administration, majoring in Finance (BSc) and continued to do his MBA at University of the Sunshine Coast, Queensland, Australia.

### **Tan Yoke Ghoo - Head of Compliance and Risk Management**

Yoke Ghoo joined the Manager as the head of the department in March 2009. She began her career in 2001 as an external auditor of a Public Accounting firm. In 2005, she joined the Compliance, Risk and Legal Department of a Unit Trust Management Company. Yoke Ghoo is a Fellow member of Association of Chartered Certified Accountants. She has more than 5 years experience in compliance in areas such as unit trust funds and fund management regulations.

## **14.5 Existing Related Party Transaction and Conflict of Interest**

Save for the transactions as disclosed below, as at LPD, the External Fund Manager is not aware of any existing related party transactions or conflict of interest situations or other subsisting contracts of arrangements involving the Fund:-

### 14.5.1 Related Party Transaction

Name of Party Involved in the Transaction	Nature of Transaction	Name of Related Party	Nature of Relationship
AIIMAN	Proposed appointment of Asian Islamic Investment Management by HwangDBS IM as the External Fund Manager of the Fund and payment of fee by HwangDBS IM in connection with the provision of services thereon.	HwangDBS IM	External Fund Manager to the Fund

### 14.5.2 Conflict of Interest

The shareholders of the External Fund Manager have, either direct or indirect interest in other corporations carrying on a similar business and this is disclosed below:

Name of Substantial Shareholder	Interest in Other Corporation Carrying on a Similar Business	Nature of Business
Hwang-DBS (Malaysia) Berhad	Hwang-DBS (Malaysia) Berhad, the holding company of the AIIMAN, holds 100% equity interest in HDM Capital Management Sdn. Bhd. ("HCM")	HCM is a venture capital management company that is registered with the SC and its principal activities are fund management, investment advisory and related consultancy services.
	Hwang-DBS (Malaysia) Berhad also holds 53% equity interest in HwangDBS Investment Management Sdn. Bhd. ("HwangDBS IM").	HwangDBS IM is a Malaysia registered fund management company that had obtained the Capital Markets and Services Licence from SC.
DBSAM	DBSAM, a substantial shareholder of the AIIMAN, holds 33% equity interest in Changsheng Fund Management Company Limited ("CFMC") after a joint venture transaction agreement was completed on 6 July 2007.	CFMC was founded in March 1999 and operates out of Beijing and Shanghai. It is one of the first ten fund management companies founded in the People's Republic of China ("China"). It is also one of the first groups of fund management companies approved by the Chinese government to manage the National Social

		Securities Funds in China.
	DBSAM holds 100% equity interest in DBS Asset Management (Hong Kong) Limited ("DBSAM HK")	DBSAM HK is a registered fund management company in Hong Kong.
	DBSAM holds 100% equity interest in DBS Asset Management (US) Pte. Ltd. ("DBSAM US")	DBSAM US is a registered fund management company in United States of America.
	DBSAM holds 33% equity interest in Singapore Consortium Investment Management Ltd. ("SiCIM").	SiCIM is a registered fund management company in Singapore.
	DBSAM also holds 30% equity interest in HwangDBS Investment Management Berhad ("HwangDBS IM").	HwangDBS IM is a Malaysia registered fund management company that had obtained the Capital Markets and Services Licence from SC.

The directors of the External Fund Manager have, either direct or indirect interest in other corporations carrying on a similar business and this is disclosed below:

<b>Name of Director</b>	<b>Name of Corporation or Business</b>	<b>Nature of Interest in Shareholding (Direct/ Indirect)</b>	<b>Nature of Interest in Directorship (Direct / Indirect)</b>
Ho Nyuk Choo Deborah Joanne	DBS Asset Management	-	Director
	ChangSheng Fund Management Company Ltd	-	Director (Non-executive)
	HwangDBS IM	-	Director (Non-executive)
Hwang Lip Teik	HwangDBS IM	Indirect interest of 53%	Director
	HDM Capital Management Sdn. Bhd.	Indirect interest of 100%	-
Y.A.M. Tengku Syed Badarudin Jamalullail	HwangDBS IM	-	Independent Director

#### **14.5.3 Policy on Dealing with Conflict of Interest**

The External Fund Manager will conduct all transactions with or for the Fund at arm's length. To the extent that there are overlapping areas, the securities will be allocated on a pro-rata basis among the funds.

#### **14.6 Material Litigation**

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

## **15. THE SHARIAH ADVISER**

### **15.1 Background Information**

Amanie Business Solutions Sdn. Bhd. (ABS) is a Shariah advisory, consultancy, training and research & development boutique for institutional and corporate clientele focusing on Islamic financial services. ABS is a registered Shariah Advisory Company for Islamic unit trust with the Securities Commission Malaysia.

It has been established with the aim of addressing the global needs for experts' and Shariah scholars' pro-active input. This will ultimately allow the players in the industry to manage and achieve their business and financial goals in accordance with the Shariah principles. ABS also focuses on organizational aspect of the development of human capital in Islamic Finance worldwide through providing updated quality learning embracing both local and global issues on Islamic financial products and services.

The company is led by Dr. Mohd Daud Bakar and teamed by an active and established panel of consultants covering every aspect related to the Islamic Banking and Finance industry both in Malaysia and the global market. Currently the team comprises of seven (7) full-time consultants who represent dynamic and experienced professionals with a mixture of corporate finance, accounting, product development, Shariah law and education.

Since 2005, ABS has acquired five (5) years of experience in the advisory role of unit trusts and as at 1 September 2010 there are 20 funds which ABS acts as Shariah Adviser.

### **15.2 Shariah Adviser's Roles and Responsibilities**

- a) To ensure that the Fund is managed and administered in accordance with Shariah principles.
- b) To ensure that the investment portfolio of the Fund comprises securities has been classified as Shariah compliant by the Shariah Advisory Council of the SC.
- c) To provide expertise and guidance in all matters relating to Shariah principles, including on the funds' deed and prospectus, its structure and investment process, and other operational and administrative matters.
- d) To consult with SC where there is any ambiguity or uncertainty as to an investment, instrument, system, procedure and/or process.
- e) To act with due care, skill and diligence in carrying out its duties and responsibilities.
- f) Responsible for scrutinizing the Fund's monthly compliance report as provided by the compliance officer, and monthly investment transaction reports provided by, or duly approved by, the Trustee to ensure that the fund's investments are in line with Shariah principles.
- g) To prepare a report to be included in the Fund's interim and annual reports certifying whether the funds have been managed and administered in accordance with Shariah principles for the period concerned.
- h) Attending the Meeting held quarterly or any ad-hoc meeting should the need arises.

### 15.3 Shariah Approval Process

- Step 1 : Review the concept, structure, features, and modus operandi of the new HwangDBS IM's fund.
- Step 2 : Issue a report endorsing the concept, structure, features, and modus operandi of the fund.
- Step 3 : Scrutinize and review the fund's deed, prospectus, investment process and other operational and administrative matters.
- Step 4 : Issue a report to be included in the Prospectus certifying whether the Fund is structured, managed and administered in accordance with Shari'ah principles.
- Step 5 : Scrutinize the Fund's compliance report and investment transactions monthly reports to ensure the Fund's investments are in line with Shari'ah compliance.
- Step 6 : To issue a report to be included in the semi-annual or annual reports certifying that the investment transaction is in compliance with Shari'ah.

### 15.4 Designated Persons Responsible for Shariah Matters of the Funds

The designated person responsible for Shariah advisory matters of the funds is Dr. Mohd. Daud Bakar as the President/CEO. Other Consultants are:-

- (1) Maya Marissa Malek
- (2) Baiza Bain
- (3) Suhaida Mahpot

#### The Consulting Team

##### **Dr. Mohamed Daud Bakar President / CEO / Shariah Advisor**

Dr. Mohd Daud Bakar is the President/CEO of International Institute of Islamic Finance (IIIF) Inc. (BVI), Amanie Business Solutions Sdn. Bhd., and Amanie Islamic Finance Consultancy and Education LLC (DIFC, Dubai, United Arab Emirates). Prior to joining the private sector, he was the Deputy Rector (Student Affairs and Development) and an Associate Professor at the International Islamic University Malaysia.

He is currently the Chairman of the National Shariah Advisory Council of the Central Bank of Malaysia and the Shariah Advisory Council of the Securities Commission of Malaysia. He is also a member of Shariah board of Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) (Bahrain), Dow Jones Islamic Market Index (New York), Oasis Asset Management (Cape Town, South Africa), Unicorn Investment Bank (Bahrain), Financial Guidance (USA), BNP Paribas (Bahrain), Dubai Bank (Dubai) and in other financial institutions both local and abroad.

He received his first degree in Shariah from University of Kuwait in 1988 and obtained his PhD from University of St. Andrews, United Kingdom in 1993. In 2002, he went on to complete his external Bachelor of Jurisprudence at University of Malaya.

**Maya Marissa Malek  
Consultant**

Maya Marissa graduated with an LL.B (Hons) from the University of Kent at Canterbury, United Kingdom and has 10 years experience mainly in corporate legal matters. She started her career with Edaran Digital Systems Berhad, a player in the ICT industry as an in-house legal counsel for the holding company and its subsidiaries. At Edaran, she was responsible for the legal matters mainly in project management as well as compliance. She was also involved in the Group's exercise for issuance of RM100 million Al-Murabahah Commercial Paper/Medium Term Note and was appointed as Administrator for the Group's Employee Share Trust Scheme and member of the Risk Management Working Committee. She then joined Perbadanan Usahawan Nasional Berhad (PUNB), a national entrepreneur development corporation, which provides integrated support to various sectors through a variety of Islamic financial products and equity investments. At PUNB, she received wide exposure in legal and Shari'ah aspects of PUNB's financing and investments, litigation and general corporate matters including risk management exercise, KPI exercise and implementation of PUNB's SOP. She was also a member of PUNB's Main Shari'ah Committee and Shari'ah Working Committee. Maya Marissa is currently pursuing her Chartered Islamic Finance Professional (CIFP) Programme at the International Centre for Education in Islamic Finance (INCEIF).

**Baiza Bain  
Consultant**

Baiza is a consultant with 9 years experience in various fields within the Islamic Banking industry. He started as a research associate with Islamic Financial Data Services Ltd. (U.K) specialising in Islamic finance and banking data research before joining IslamiQ Ltd. (UK). At IslamiQ, he was part of the team that developed the ScreenIslamiQ, the online service that allowed investors to access information on Shari'ah compliant stocks in the major global stock markets. As member of the IslamiQ advisory team he completed the Shari'ah structuring of a private equity fund focusing on dynamic and undervalued Asian companies.

He was with Guidance Financial Group LLC, an international Islamic financial services company based in Washington D.C. There he was member of the investment team that structured a Musyarakah Muttanaqisah based Islamic home ownership program for consumers in the U.S market, an innovative mortgage based Islamic fixed income security with Freddie Mac and a Pan European Islamic Real Estate fund with ING International. During his tenure with Guidance Financial, he was also seconded to Navis Capital Partners to assist in the day to day running of their Islamic private equity funds. He graduated from Monash University, Australia with a degree in Business Studies double majoring in the field of Accounting and Economics.

**Suhaida Mahpot  
Associate Consultant**

Suhaida Mahpot graduated from International Islamic University Malaysia with a Bachelor of Economics (Islamic Economics & Finance). Her career in banking & financial industry starts as a Trainee under Capital Market Graduated Trainee Scheme organized by Securities Commission. Prior joining Amanie Business Solutions Sdn Bhd, she was working with Affin Investment Bank Bhd since 2006 as an Executive for Debt & Capital Markets Department. She has completed various project financing deals using Private Debt Securities instruments ranging from infrastructure & utilities, real estate, plantation and many others sectors.

16. **TAXATION ADVISER'S LETTER IN RESPECT OF THE TAXATION OF THE UNIT TRUST AND THE UNIT HOLDERS**  
**(PREPARED FOR INCLUSION IN THIS MASTER PROSPECTUS)**

Ernst & Young Tax Consultants Sdn Bhd  
Level 23A, Menara Milenium  
Pusat Bandar Damansara  
50490 Kuala Lumpur

6 September 2010

The Board of Directors  
HwangDBS Investment Management Berhad  
Suite 12-03, 12<sup>th</sup> Floor  
Menara Keck Seng  
203 Jalan Bukit Bintang  
55100 Kuala Lumpur

Dear Sirs

**HwangDBS AIIAMAN Growth Fund**  
**HwangDBS AIIAMAN Income Plus Fund**  
**Taxation of the unit trust and unit holders**

This letter has been prepared for inclusion in this Master Prospectus in connection with the offer of units in the unit trusts known as HwangDBS AIIAMAN Growth Fund and HwangDBS AIIAMAN Income Plus Fund (hereinafter collectively referred to as "the Funds").

The purpose of this letter is to provide prospective unit holders with an overview of the impact of taxation on the Funds and the unit holders.

**Taxation of the funds**

The taxation of the Funds is subject to the provisions of the Malaysian Income Tax Act, 1967 ("MITA"), particularly Sections 61 and 63B.

Under Section 2(7) of the MITA, any reference to interest shall apply, *mutatis mutandis*, to gains or profits received and expenses incurred, in lieu of interest, in transactions conducted in accordance with the principles of *Syariah*.

The effect of this is that any gains or profits received (hereinafter referred to as "profits") and expenses incurred, in lieu of interest, in transactions conducted in accordance with the principles of *Syariah*, will be accorded the same tax treatment as if they were interest.

Subject to certain exemptions, the income of the Funds comprising dividends, profits and other investment income derived from or accruing in Malaysia after deducting tax allowable expenses, is subject to Malaysian income tax, which is currently imposed at the rate of 25%.

Tax allowable expenses would comprise expenses falling under Section 33(1) and Section 63B of the MITA. Section 33(1) permits a deduction for expenses that are wholly and exclusively incurred in the production of gross income. In addition, Section 63B allows unit trusts a deduction for a portion of other expenses (referred to as 'permitted expenses') not directly related to the production of income, as explained below.

'Permitted expenses' refer to the following expenses incurred by the Funds which are not deductible under Section 33(1) of the MITA:

- the manager's remuneration,
- maintenance of the register of unit holders,
- share registration expenses,
- secretarial, audit and accounting fees, telephone charges, printing and stationery costs and postage.

These expenses are given a partial deduction under Section 63B of the MITA, based on the following formula:

$$A \times \frac{B}{4C}$$

where A is the total of the permitted expenses incurred for that basis period;

B is gross income consisting of dividend, interest and rent chargeable to tax for that basis period; and

C is the aggregate of the gross income consisting of dividend (whether exempt or not), interest and rent, and gains made from the realisation of investments (whether chargeable to tax or not) for that basis period,

provided that the amount of deduction to be made shall not be less than 10% of the total permitted expenses incurred for that basis period.

## **Exempt income**

The following income of the Funds is exempt from income tax:

### **• Dividends**

Tax exempt dividends received from investments in companies which had previously enjoyed or are currently enjoying certain tax incentives provided under the relevant legislation. Paragraph 12B, Schedule 6 of MITA states that exempt dividend includes any dividend paid, credited or distributed to any person where the company paying such dividend is not entitled to deduct tax under Section 108 of MITA.

### **• Interest (Profits)**

- (i) interest from securities or bonds issued or guaranteed by the Government of Malaysia;
- (ii) interest from debentures or Islamic securities<sup>4</sup>, (other than convertible loan stock) approved by the Securities Commission;
- (iii) interest from Bon Simpanan Malaysia issued by Bank Negara Malaysia;
- (iv) interest derived from Malaysia and paid or credited by banks or financial institutions licensed under the Banking and Financial Institutions Act 1989 or the Islamic Banking Act 1983;

---

<sup>4</sup> The insertion of 'Islamic securities' was introduced in Finance Act 2010 and is effective from Year of Assessment 2010.

- (v) interest from Islamic securities originating from Malaysia, other than convertible loan stock issued in any currency in Malaysia and approved by Securities Commission or Labuan Offshore Financial Services Authority (LOFSA)<sup>5</sup>;
- (vi) interest received from bonds or securities issued by Pengurusan Danaharta Nasional Berhad; and
- (vii) interest derived from bonds (other than convertible loan stock) paid or credited by any company listed on the Malaysian Exchange of Securities Dealing and Automated Quotation Berhad (MESDAQ)<sup>6</sup>.

- **Discount**

Tax exemption is given on discount paid or credited to any unit trust in respect of investments as specified in items (i), (ii) and (iii) above.

## **Foreign income**

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

## **Gains from the realisation of investments**

Pursuant to Section 61(1)(b) of the MITA, gains from the realisation of investments will not be treated as income of the Funds and hence, are not subject to income tax. Such gains may be subject to real property gains tax ("RPGT") under the Real Property Gains Tax Act 1976 ("RPGT Act"), if the gains are derived from the sale of chargeable assets, as defined in the RPGT Act. Any chargeable gain on the disposal of chargeable assets from 1 January 2010 onwards would be subject to RPGT at the applicable tax rate depending on the holding period. However, under the Real Property Gains Tax (Exemption) (No.2) Order 2009, Funds can enjoy a full exemption from RPGT on disposals of chargeable assets held more than 5 years and an effective tax rate of 5% for all disposals of chargeable assets which are held for 5 years or less.

## **Tax credit**

Tax deducted at source from Malaysian dividends received by the Funds will be available for set-off either wholly or partly against the tax liability of the Funds. Should the tax deducted at source exceed the tax liability of the Funds, the excess is refundable to the Funds<sup>7</sup>.

## **Taxation of unit holders**

For Malaysian income tax purposes, unit holders will be taxed on their share of the distributions received from the Funds.

<sup>5</sup> The insertion of 'LOFSA' was introduced in Finance Act 2010 and is effective from Year of Assessment 2010.

<sup>6</sup> MESDAQ was replaced by FTSE Bursa Malaysia ACE with effect from 3 August 2009, therefore any interest derived from bonds (other than convertible loan stock) paid or credited by any company listed on the MESDAQ should still qualify for an exemption up to 2 August 2009. However, from 3 August 2009 and up to the date of this letter, there is no new gazette order issued to exempt interest derived from bonds paid or credited by a company listed in the new FTSE Bursa Malaysia ACE.

<sup>7</sup> Pursuant to Section 51 of the Finance Act 2007, a person is not entitled for a set-off if the shares are held for less than 90 days or the dividend is not derived from ordinary shares. This prohibition is not applicable for shares in a company listed on the Bursa Malaysia. Further, Section 50 of Finance Act 2009 indicates that a person is not entitled to a set-off if the dividend paid to that person is not in cash.

The income of unit holders from their investment in the Funds broadly falls under the following categories:

1. taxable distributions; and
2. non-taxable and exempt distributions.

In addition, unit holders may also realise a gain from the sale of units.

The tax implications of each of the above categories are explained below:

#### **1. Taxable distributions**

Distributions received from the Funds will have to be grossed up to take into account the underlying tax paid by the Funds and the unit holder will be taxed on the grossed up amount.

Such distributions carry a tax credit, which will be available for set-off against any Malaysian income tax payable by the unit holder. Should the tax deducted at source exceed the tax liability of the unit holder, the excess is refundable to the unit holder.

Distributions received by a non-resident unit holder from income which has been taxed at source at 25% will not be subject to any further income tax in Malaysia.

Please refer to the paragraph below for the income tax rates applicable to the grossed up distributions.

#### **2. Non-taxable and exempt distributions**

Tax exempt distributions made out of gains from the realisation of investments and other exempt income earned by the Funds will not be subject to Malaysian income tax in the hands of the unit holders.

#### **Rates of tax**

The Malaysian income tax chargeable on the unit holders depends on their tax residence status and whether they are individuals, corporations or trust bodies. The income tax rates charged are as follows:

Unit holders	Malaysian income tax rates
<p>Malaysian tax resident:</p> <ul style="list-style-type: none"> <li>Individual and non-corporate unit holders (such as co-operatives, associations and societies)</li> <li>Trust bodies</li> </ul>	<ul style="list-style-type: none"> <li>Progressive tax rates ranging from 0% to 26%<sup>8</sup></li> <li>25%</li> </ul>
<ul style="list-style-type: none"> <li>Corporate unit holders               <ul style="list-style-type: none"> <li>(i) A company with paid up capital in respect of ordinary shares of not more than RM2.5 million (at the beginning of the basis period for the year of assessment)</li> <li>(ii) Companies other than (i) above</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>For every first RM500,000 of chargeable income @ 20%<sup>9</sup></li> <li>Chargeable income in excess of RM500,000 @ 25%</li> <li>25%</li> </ul>
<p>Non-Malaysian tax resident (Note):</p> <ul style="list-style-type: none"> <li>Individual and non-corporate unit holders</li> <li>Corporate unit holders and trust bodies</li> </ul>	<ul style="list-style-type: none"> <li>26%<sup>10</sup></li> <li>25%</li> </ul>

**Note:**

Non-resident unit holders may be subject to tax in their respective countries depending on the provisions of the tax legislation in the respective countries and any existing double taxation arrangements with Malaysia.

**Gains from sale of units**

Gains arising from the realisation of investments will not be subject to income tax in the hands of unit holders unless they are insurance companies, financial institutions or traders/ dealers in securities.

**Unit splits and reinvestment of distributions**

<sup>8</sup> This rate is effective from Year of Assessment 2010, as stated in the Finance Act 2010.

<sup>9</sup> A company would not be eligible for the 20% tax rate on the first RM500,000 of chargeable income if:-

- more than 50% of the paid up capital in respect of the ordinary shares of the company is directly or indirectly owned by a related company which has a paid up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment;
- the company owns directly or indirectly more than 50% of the paid up capital in respect of the ordinary shares of a related company which has a paid up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment;
- more than 50% of the paid up capital in respect of the ordinary shares of the company and a related company which has a paid up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment is directly or indirectly owned by another company.

<sup>10</sup> This rate is effective from Year of Assessment 2010, as stated in the Finance Act 2010.

Unit holders may also receive new units as a result of unit splits or may choose to reinvest their distributions. The income tax implications of these are as follows:

- Unit splits – new units issued by the Funds pursuant to a unit split will not be subject to income tax in the hands of the unit holders.
- Reinvestment of distributions – unit holders may choose to reinvest their income distribution in new units by informing the Manager. In this event, the unit holder will be deemed to have received the distribution and reinvested it with the Funds.

\*\*\*\*\*

We hereby confirm that, as at the date of this letter, the statements made in this report correctly reflect our understanding of the tax position under current Malaysian tax legislation and the related interpretation and practice thereof, all of which are subject to change, possibly on a retrospective basis. We have not been retained (unless specifically instructed hereafter), nor are we obligated to monitor or update the statements for future conditions that may affect these statements.

The statements made in this letter are not intended to be a complete analysis of the tax consequences relating to an investor in the Funds. As the particular circumstances of each investor may differ, we recommend that investors obtain independent advice on the tax issues associated with an investment in the Funds.

Yours faithfully  
**Ernst & Young Tax Consultants Sdn Bhd**

Azhar Lee  
Partner

Ernst & Young Tax Consultants Sdn. Bhd. has given its consent to the inclusion of the Taxation Adviser's Letter in the form and context in which it appears in this Master Prospectus and has not withdrawn such consent prior to the delivery of a copy of this Master Prospectus for approval.

## **17. STATEMENT OF CONSENT**

The Trustee, the Banker, the Solicitor, the Shariah Adviser and the Reporting Accountants have given their consent to the inclusion of their names in the form and context in which their names appear in this Master Prospectus and have not subsequently withdrawn such consent prior to the lodgement of a copy of this Master Prospectus for registration.

The Tax Advisers has given its consent to the inclusion of its names and the Tax Advisers' letter on Taxation of the Fund and Unit Holders in the form and context in which it appears in this Master Prospectus and has not subsequently withdrawn such consent prior to the lodgement of a copy of this Master Prospectus for registration.

## **18. DOCUMENTS AVAILABLE FOR INSPECTION**

Unit Holders may inspect without charge, at the registered offices of the Manager and the Trustee, for a period of not less than 12 months from the date of this Master Prospectus, the following documents or copies thereof, where applicable:-

- (a) The Deeds of the Funds.
- (b) Each material contract or document referred to in the Master Prospectus.
- (c) The latest annual and interim reports of the Funds.
- (d) All reports, letters or other documents, valuations and statements by any expert, any part of which is extracted or referred to in the Master Prospectus.
- (e) The audited financial statements of the Manager and the Funds for the current financial year (where applicable) and the last three financial years or from the date of establishment, if less than 3 years, preceding the date of Master Prospectus.
- (f) Any consent given by experts or persons whose statement appears in the Master Prospectus.

## 19. UNIT TRUST LOAN FINANCING RISK DISCLOSURE STATEMENT

Investing in a unit trust fund with borrowed money is more risky than investing with your own savings.

You should assess if loan financing is suitable for you in light of your objectives, attitudes to risk and financial circumstances. You should be aware of the risks, which would include the following:-

- (i) The higher the margin of financing (that is, the amount of money you borrow for every Ringgit of your own money that you put in as deposit or down payment) the greater the potential for losses as well as gains.
- (ii) You should assess whether you have the ability to service the repayments on the proposed loan. If your loan is a variable rate loan, and if interest rates rise, your total repayment amount will be increased.
- (iii) If unit prices fall beyond a certain level, you may be asked to provide additional acceptable collateral or pay additional amounts on top of your normal instalments. If you fail to comply within the time prescribed, your units may be sold to settle your loan.
- (iv) Returns on unit trusts are not guaranteed and may not be earned evenly over time. This means that there may be some years where returns are high and other years where losses are experienced instead. Whether you eventually realise a gain or loss may be affected by the timing of the sale of your units. The value of units may fall just when you want your money back even though the investment may have done well in the past.

**The brief statement cannot disclose all the risks and other aspects of loan financing. You should therefore carefully study the terms and conditions before you decide to take the loan. If you are in doubts in respect of any of this risk disclosure statement or the terms of the loan financing, you should consult the institution offering the loan.**

### ACKNOWLEDGEMENT OF RECEIPT OF RISK DISCLOSURE STATEMENT

I hereby acknowledge that I have received a copy of this Unit Trust Loan Financing Risk Disclosure Statement and understand its contents.

Signature: \_\_\_\_\_

Full Name: \_\_\_\_\_

Date : \_\_\_\_\_

## 20. DIRECTORS' DECLARATION

This Master Prospectus for the **HwangDBS AIIAN Growth Fund** and the **HwangDBS AIIAN Income Plus Fund** has been reviewed and approved by the directors of the management company and they collectively and individually accept full responsibility for the accuracy of all the information. Having made all reasonable inquiries they confirm to the best of their knowledge and belief, there are no false or misleading statements, omissions, of other facts which would make any statement in the Master Prospectus for the **HwangDBS AIIAN Growth Fund** and **HwangDBS AIIAN Income Plus Fund** false or misleading.

### Directors:-

---

Mr. Hwang Lip Teik

---

Y.A.M.Tunku Dato' Seri  
Nadzaruddin Ibni Almarhum  
Tuanku Ja'afar

---

Mr. Teng Chee Wai

---

Ms. Ho Nyuk Choo Deborah  
Joanne

---

Mr. Ong Eng Kooi

---

Y.A.M. Tengku Syed Badarudin  
Jamalullail

## 21. DIRECTORY OF SALES OFFICE

### HEAD OFFICE

HwangDBS Investment Management Berhad  
Suite 12-03, 12<sup>th</sup> Floor,  
Menara Keck Seng,  
203, Jalan Bukit Bintang,  
55100 Kuala Lumpur.

Tel : 03 - 2142 1881  
Fax : 03 - 2141 1886 / 2143 1881  
Toll Free No : 1-800-88-7080  
Email [customer@hdbsim.com.my](mailto:customer@hdbsim.com.my)

### PENANG

HwangDBS Investment Management Berhad  
4<sup>th</sup> Floor, Mutiara I & P,  
47, Green Hall,  
10200 Penang.

Tel : 04 - 261 5679  
Fax : 04 - 263 1226

HwangDBS Investment Management Berhad  
Level 3, Wisma Sri Pinang,  
60, Green Hall,  
10200 Penang.

Tel : 04 - 263 6996  
Fax : 04 - 263 9597

HwangDBS Investment Management Berhad  
2 & 4, Jalan Perda Barat,  
Bandar Perda,  
14000 Bukit Mertajam,  
Penang.

Tel : 04 - 537 2882  
Fax : 04 - 537 5228

### KEDAH

HwangDBS Investment Management Berhad  
70A, B & C, Jalan Mawar 1,  
Taman Pekan Baru,  
08000 Sungai Petani,  
Kedah.

Tel : 04 - 425 6666  
Fax : 04 - 421 2288

### PERAK

HwangDBS Investment Management Berhad  
21, Jalan Stesen,  
34000 Taiping,  
Perak Darul Ridzuan.

Tel : 05 - 806 6688  
Fax : 05 - 808 9229

HwangDBS Investment Management Berhad  
22, Persiaran Greentown 1,  
Greentown Business Centre,  
30450 Ipoh,  
Perak Darul Ridzuan.

Tel : 05 - 255 9988  
Fax : 05 - 255 0988

### KUALA LUMPUR

HwangDBS Investment Management Berhad  
2<sup>nd</sup> Floor, Bangunan AHP,  
2, Jalan Tun Mohd Fuad 3,  
Taman Tun Dr Ismail,  
60000 Kuala Lumpur.

Tel : 03 - 7710 6688  
Fax : 03 - 7710 6699

HwangDBS Investment Management Berhad  
34-5, 5<sup>th</sup> Floor,  
Cheras Commercial Centre,  
Jalan 5/101C, Off Jalan Kaskas,  
5<sup>th</sup> Mile Cheras,  
56100 Kuala Lumpur.

Tel : 03 - 9130 3399  
Fax : 03 - 9130 2299

#### SELANGOR

HwangDBS Investment Management Berhad  
20<sup>th</sup> Floor, Plaza Masalam,  
2, Jalan Tengku Ampuan Zabedah E9/E,  
Section 9, 40100 Shah Alam,  
Selangor Darul Ehsan.

Tel : 03 - 5513 3288  
Fax : 03 - 5513 8288

HwangDBS Investment Management Berhad  
East Wing & Centre Link,  
Floor 3A, Wisma Consplant 2,  
No.7, Jalan SS16/1,  
47600 Subang Jaya,  
Selangor Darul Ehsan.

Tel : 03 - 5635 6688  
Fax : 03 - 5636 2288

#### NEGERI SEMBILAN

HwangDBS Investment Management Berhad  
1<sup>st</sup> Floor, 105, 107 & 109, Jalan Yam Tuan,  
70000 Seremban,  
Negeri Sembilan.

Tel : 06 - 761 2288  
Fax : 06 - 761 4228

#### JOHOR

HwangDBS Investment Management Berhad  
1st Floor, Lot 93, Jalan Molek 1/29,  
Taman Molek,  
81100 Johor Bahru,  
Johor.

Tel : 07 - 351 5977  
Fax : 07 - 351 5377

#### SARAWAK

HwangDBS Investment Management Berhad  
No.25, Jalan Pertanak,  
Kuching Travilion,  
93100 Kuching,  
Sarawak.

Tel : 082 – 233 336  
Fax : 082 – 233 316

#### SABAH

HwangDBS Investment Management Berhad  
Lot No. B-2-09, 2nd Floor,  
Block B, Warisan Square,  
Jalan Tun Fuad Stephens,  
88000 Kota Kinabalu, Sabah.

Tel : 088 - 252 881  
Fax : 088 - 288 803

**HwangDBS Investment Management Berhad (429786-T)**

Suite 12-03, 12th Floor, Menara Keck Seng,  
203, Jalan Bukit Bintang, 55100 Kuala Lumpur.

Tel: 603-2142 1881 Fax: 603-2141 1886

E-mail: [customercare@hdbsim.com.my](mailto:customercare@hdbsim.com.my)

Website: [www.hdbsim.com.my](http://www.hdbsim.com.my)