

RHB GOLD AND GENERAL FUND

ANNUAL REPORT 2021

For the financial year ended 30 June 2021

GENERAL INFORMATION ABOUT THE FUND

Name, Category and Type

Fund Name - RHB Gold and General Fund

Fund Category - Feeder Fund

Fund Type - Growth Fund

Investment Objective, Policy and Strategy

Objective of the Fund

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

Strategy

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

The asset allocation of the Fund will be as follows:

At least 95% of - Investments in the units of United Gold and General Fund
Net Asset Value

2% - 5% of - Investments in liquid assets including money market
Net Asset Value instruments and deposits with financial institutions

Performance Benchmark

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

Permitted Investments

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

Distribution Policy

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

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

MANAGER’S REPORT

ECONOMIC REVIEW AND OUTLOOK

The Target Fund Manager commented that the gold price was little changed over the 12 months to the end of June 2021, declining by less than 1% to close the period at about United States Dollar (“USD”)1,770. However, that result masked considerable volatility. The precious metal performed strongly for much of year 2020 – gaining about 24% in the year overall, its largest annual appreciation for a decade, and at one point touching a record high of USD2,067 – with investors seeking perceived havens as the coronavirus brought trade and travel almost to a standstill. Gold’s strong run reversed in November 2020, as vaccine breakthroughs led to some investors in the asset class switching back to risk assets. The metal recovered some of those losses in December 2020, supported by a weakening of the USD, continued macro uncertainty and higher inflation expectations as markets weighed the potential impacts of the vast government spending to support economies through the pandemic.

The Target Fund Manager said that as a new year began, sentiment in the gold market changed again. In percentage terms, the first three months of year 2021 marked gold’s worst start to a year for about four decades, with the metal declining about 10% in first quarter (“1Q”), finishing the period at about USD1,708/troy ounce, 17% below its peak in August 2020. A partial recovery in second quarter “(2Q)” saw the precious metal end the period under review approximately back to where it had been 12 months earlier.

The Target Fund Manager stated that base metals & bulks gained significantly over the 12 months. These commodity markets began a strong run following the successful development of viable COVID-19 vaccines in the final months of year 2020, and continued it through the first half of 2021 (“1H21”) as major economies bounced back from their pandemic slumps (above all, China) and as governments committed to substantial stimulus spending. The price of iron ore more than doubled in the period as Chinese steel mills cranked up production and amid constrained supply from some key producing countries. Copper and aluminium each gained over 55%, and zinc and nickel rose 45% and 42%, respectively.

OUTLOOK AND STRATEGY GOING FORWARD

The Target Fund Manager viewed that gold prices still remain below the peak of USD2,063/oz reached in early August last year. It has been a challenging period as US dollar strength, a rise in bond yields, and concerns over inflation and what that will mean for policy have all weighed on the gold price. Looking forward, monetary policy moving from the aggressive loosening that took place last year to a tightening stance, together with the possibility that inflation will moderate towards the end of the year as base effects wash out, are expected to be headwinds for the gold price. That being said, both policy and inflation are adjusting from extremely high and

unprecedented levels, which in turn creates uncertainty – an environment that gold normally performs well in given its association as a ‘safe-haven’ asset. As such, at present it is most probable to us that gold trades around its current levels.

The Target Fund Manager mentioned that gold equities are enjoying their best margins in real terms for nearly 40 years, and recent results showed that with record cash flows for a number of companies. This was enhanced by many companies increasing or initiating dividends as well as buybacks. Dividend yields for the sector are forecast to be above 2% on average this year, almost double levels a year ago, despite the share-price rises. They expect gold companies’ cash generation to remain strong. The longer-term trend for gold companies to pay dividends and return cash to shareholders remains intact, in their view. They will continue to maintain close to 100% exposure to gold and silver companies in the Target Fund portfolio, and remain comforted by the strength of balance sheets.

After the strong gains in gold and gold equities over the past two years, it is natural for investors to be more cautious about future performance. However, Target Fund Manager will retain conviction in their view that, the future being inherently uncertain, gold and gold equities remain a valuable hedge over the long-term, with the latter paying an increasingly attractive income.

For industrial metals, Target Fund Manager mentioned that they generally see demand remaining strong for the remainder of the year, although they are aware that temporary slowdowns and destocking cycles could occur. The Chinese government has been trying hard to limit speculation in commodities such as steel, iron ore and copper. Most of these attempts have had limited success and prices rebounded in the days and weeks after measures were introduced. At the same time, demand in Europe and the United States (“US”) for the likes of steel and aluminium has been exceptional. While they think ‘construction demand’ will soon need to take over from ‘consumption demand’, which may ease, they don’t expect significant corrections in key commodities if the construction piece, which will be linked to government-sponsored infrastructure projects, takes longer to commence. Overall, many investments and buying decisions have been postponed in the last six months, simply because customers could not get their hands on material. So, if Target Fund Manager do see looser markets and better availability of commodities, there may be pent-up demand ready to take advantage of that, which in turn will support prices. On a slightly longer-term view, they may currently be in a classic restocking cycle. But as the energy transition begins to pick up pace with its vast infrastructure needs, precedents are hard to come by and prices could well settle at much higher real levels than recent history would suggest.

REVIEW OF THE FUND PERFORMANCE DURING THE FINANCIAL YEAR

For the financial year under review, the Fund registered a negative return of 0.49%* whilst its benchmark recorded a negative return of 1.68%* in Malaysian Ringgit (“RM”) terms. The Fund has achieved its objective for the financial year under review.

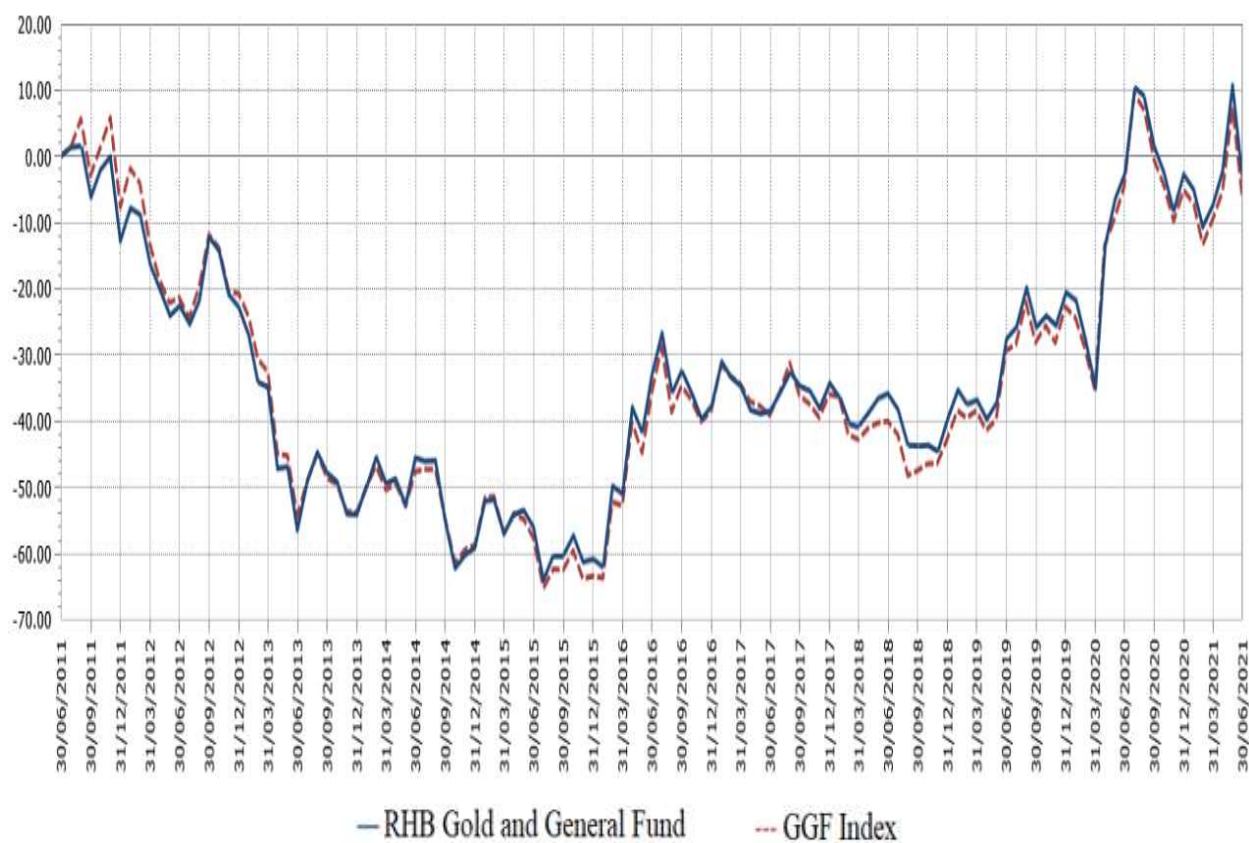
* *Source: Lipper Investment Management (“Lipper IM”), 9 July 2021*

PERFORMANCE DATA

	Annual Total Returns				
	Financial Year Ended 30 June				
	2021	2020	2019	2018	2017
	%	%	%	%	%
RHB Gold and General Fund					
- Capital Return	(0.49)	34.40	12.83	4.24	(8.11)
- Income Return	-	-	-	-	-
- Total Return	(0.49)	34.40	12.83	4.24	(8.11)
Gold and General Index	(1.68)	35.11	17.71	(1.48)	(5.22)

	Average Annual Returns			
	1 Year	3 Years	5 Years	10 Years
	30.06.2020-	30.06.2018-	30.06.2016-	30.06.2011-
	30.06.2021	30.06.2021	30.06.2021	30.06.2021
	%	%	%	%
RHB Gold and General Fund	(0.49)	14.69	7.64	(0.31)
Gold and General Index	(1.68)	16.05	7.86	(0.63)

**Performance of RHB Gold and General Fund
for the period from 30 June 2011 to 30 June 2021
Cumulative Return Over The Period (%)**



Source: Lipper IM, 9 July 2021

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

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

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

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

Fund Size	As at 30 June		
	2021	2020	2019
Net Asset Value (RM million)	237.16	203.42	167.85
Units In Circulation (million)	527.77	450.40	499.63
Net Asset Value Per Unit (RM)	0.4494	0.4516	0.3359

Historical Data	Financial Year Ended 30 June		
	2021	2020	2019
Unit Prices			
NAV – Highest (RM)	0.5370	0.4584	0.3360
– Lowest (RM)	0.4143	0.2728	0.2513
Distribution and Unit Split	-	-	-
Others			
Management Expense Ratio (MER) (%) #	0.41	0.43	0.42
Portfolio Turnover Ratio (PTR) (times) ##	0.54	0.40	0.24

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

The PTR for the financial year was higher compared with previous financial year due to more investing activities for the financial year under review.

DISTRIBUTION

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

PORTFOLIO STRUCTURE

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

	As at 30 June		
	2021 %	2020 %	2019 %
Sectors			
Collective investment scheme - foreign	95.82	97.60	97.82
Liquid assets and other net current assets	4.18	2.40	2.18
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

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

BREAKDOWN OF UNIT HOLDINGS BY SIZE

Size of Holdings	Account Holders		No. Of Units Held*	
	No.	%	('000)	%
5,000 and below	83	23.58	245	0.05
5,001 to 10,000	56	15.91	404	0.08
10,001 to 50,000	121	34.38	2,906	0.55
50,001 to 500,000	74	21.02	10,585	2.00
500,001 and above	18	5.11	513,618	97.32
Total	352	100.00	527,758	100.00

* Excluding Manager's stock

SOFT COMMISSION

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

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

**RHB GOLD AND GENERAL FUND
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021**

	<u>Note</u>	<u>2021</u> RM	<u>2020</u> RM
ASSETS			
Bank balances	5	50,987	59,298
Deposits with licensed financial institutions	5	7,601,528	5,842,937
Investments	6	227,252,132	198,525,789
Amount due from Fund Manager of collective investment scheme		-	2,058,739
Amount due from Manager		2,352,605	545,916
Other receivables		284,863	122,734
TOTAL ASSETS		<u>237,542,115</u>	<u>207,155,413</u>
LIABILITIES			
Amount due to Manager		-	3,438,141
Amount due to Trustee		12,156	9,412
Accrued management fee		364,649	282,344
Other payables and accruals		8,850	8,214
TOTAL LIABILITIES		<u>385,655</u>	<u>3,738,111</u>
NET ASSET VALUE		<u>237,156,460</u>	<u>203,417,302</u>
EQUITY			
Unitholders' capital		334,583,973	291,612,048
Accumulated losses		(97,427,513)	(88,194,746)
		<u>237,156,460</u>	<u>203,417,302</u>
UNITS IN CIRCULATION (UNITS)	7	<u>527,768,000</u>	<u>450,404,000</u>
NET ASSET VALUE PER UNIT (RM)		<u>0.4494</u>	<u>0.4516</u>

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

RHB GOLD AND GENERAL FUND
STATEMENT OF INCOME AND EXPENSES
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	<u>Note</u>	<u>2021</u> RM	<u>2020</u> RM
(LOSS)/INCOME			
Interest income from deposits with licensed financial institutions		160,457	134,027
Net (loss)/gain on investments	6	(7,798,786)	58,999,068
Net realised foreign currency exchange loss		(319,549)	(366,851)
Net gain on forward contract		-	147,752
		<u>(7,957,878)</u>	<u>58,913,996</u>
EXPENSES			
Management fee	8	(1,073,093)	(671,039)
Trustee's fee	9	(186,575)	(112,182)
Audit fee		(6,350)	(6,377)
Tax agent's fee – Current financial year		(3,135)	(2,500)
Tax agent's fee – Under provision in prior financial year		-	(1,800)
Other expenses		(5,736)	(5,054)
		<u>(1,274,889)</u>	<u>(798,952)</u>
Net (loss)/income before taxation		(9,232,767)	58,115,044
Taxation	10	-	-
Net (loss)/income after taxation		<u>(9,232,767)</u>	<u>58,115,044</u>
Net (loss)/income after taxation is made up of the following:			
Realised amount		22,359,131	13,302,898
Unrealised amount		(31,591,898)	44,812,146
		<u>(9,232,767)</u>	<u>58,115,044</u>

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

RHB GOLD AND GENERAL FUND
STATEMENT OF CHANGES IN NET ASSET VALUE
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	<u>Unitholders’ capital</u> RM	<u>Accumulated losses</u> RM	<u>Total net asset value</u> RM
Balance as at 1 July 2019	314,157,853	(146,309,790)	167,848,063
Movement in net asset value:			
Net income after taxation	-	58,115,044	58,115,044
Creation of units arising from applications	104,282,203	-	104,282,203
Cancellation of units	(126,828,008)	-	(126,828,008)
Balance as at 30 June 2020	<u>291,612,048</u>	<u>(88,194,746)</u>	<u>203,417,302</u>
Balance as at 1 July 2020	291,612,048	(88,194,746)	203,417,302
Movement in net asset value:			
Net loss after taxation	-	(9,232,767)	(9,232,767)
Creation of units arising from applications	266,509,141	-	266,509,141
Cancellation of units	(223,537,216)	-	(223,537,216)
Balance as at 30 June 2021	<u>334,583,973</u>	<u>(97,427,513)</u>	<u>237,156,460</u>

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

**RHB GOLD AND GENERAL FUND
STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021**

	<u>Note</u>	<u>2021</u> RM	<u>2020</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of investments		163,777,589	103,822,168
Purchase of investments		(198,606,872)	(69,159,724)
Interest received from deposits with licensed financial institutions		160,457	134,027
Management fee paid		(1,109,573)	(644,863)
Trustee's fee paid		(183,831)	(111,570)
Payment for other fees and expenses		(14,585)	(19,799)
Net realised gain on foreign currency forward contract		-	147,752
Net cash (used in)/generated from operating activities		<u>(35,976,815)</u>	<u>34,167,991</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		264,702,452	103,736,287
Cash paid for units cancelled		(226,975,357)	(137,901,389)
Net cash generated from/(used in) financing activities		<u>37,727,095</u>	<u>(34,165,102)</u>
Net increase in cash and cash equivalents		1,750,280	2,889
Cash and cash equivalents at the beginning of the financial year		<u>5,902,235</u>	<u>5,899,346</u>
Cash and cash equivalents at the end of the financial year	5	<u>7,652,515</u>	<u>5,902,235</u>

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

**RHB GOLD AND GENERAL FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021**

1 THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

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

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

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

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

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

These financial statements were authorised for issue by the Manager on 23 August 2021.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of the financial statements

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

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

(a) The Fund has applied the following amendments and interpretations for the first time for the financial year beginning on 1 July 2020:

- The Conceptual Framework for Financial Reporting (“Framework”) (effective 1 January 2020)

The Framework was revised with the primary purpose to assist the International Accounting Standards Board (“IASB”) to develop IFRS that are based on consistent concepts and enable preparers to develop consistent accounting policies where an issue is not addressed by an IFRS.

Key changes include:

- increasing the prominence of stewardship in the objective of financial reporting
- reinstating prudence as a component of neutrality
- defining a reporting entity, which may be a legal entity, or a portion of an entity
- revising the definitions of an asset and a liability
- removing the probability threshold for recognition and adding guidance on derecognition
- adding guidance on different measurement basis, and
- stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation of the financial statements (continued)

(a) The Fund has applied the following amendments and interpretations for the first time for the financial year beginning on 1 July 2020: (continued)

- The Conceptual Framework for Financial Reporting (“Framework”) (effective 1 January 2020) (continued)

No changes are made to any of the current accounting standards. However, entities that rely on the Framework in determining their accounting policies for transactions, events or conditions that are not otherwise dealt with under the accounting standards have to apply the revised Framework from 1 July 2020.

- Amendments to MFRS 101 and MFRS 108 ‘Definition of Material’ (effective 1 January 2020) clarify the definition of materiality and use a consistent definition throughout MFRSs and the Conceptual Framework for Financial Reporting.

The revised Framework and adoption of the amendments to published standards did not have any impact on the current year or any prior period and is not likely to affect future periods.

(b) A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2020, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

2.2 Financial assets

Classification

The Fund classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss (“FVTPL”), and
- those to be measured at amortised cost.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Financial assets (continued)

Classification (continued)

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the Fund's debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

The Fund classifies cash and cash equivalents, amount due from Fund Manager of collective investment scheme, amount due from Manager and other receivables as financial assets measured at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the asset. Financial assets at fair value through profit or loss are initially recognised at fair value.

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

Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in statement of income and expenses within net gain or losses on investments in the year in which they arise.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Financial assets (continued)

Recognition and measurement (continued)

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

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

Financial assets at amortised cost are subsequently carried at amortised cost using the effective interest method.

Impairment of financial assets

The Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward-looking information in determining any expected credit loss. Management considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on the 12-month expected credit losses as any such impairment would be wholly insignificant to the Fund.

Significant increase in credit risk

A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due or a counterparty credit rating which has fallen below BBB/Baa.

Definition of default and credit-impaired financial assets

Any contractual payment which is more than 90 days past due is considered credit impaired.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Financial assets (continued)

Write-off

The Fund writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on the unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Fund may write off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains. There are no write-offs/recoveries during the financial year.

2.3 Financial liabilities

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

Financial liabilities, within the scope of MFRS 9, are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Unitholders' capital

The unitholders' contributions to the Fund meet the criteria of the definition of puttable instruments to be classified as equity instruments under MFRS 132 "Financial Instruments: Presentation". These criteria include:

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

The outstanding units are carried at the redemption amount that is payable at each financial year if the unitholders exercise the right to put the units back to the Fund.

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

2.5 Income recognition

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

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial assets (after deduction of the loss allowance).

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

Net income or loss is the total of income less expenses.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Taxation

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

2.7 Cash and cash equivalents

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

2.8 Amount due from/to Fund Manager of collective investment scheme

Amount due from/to Fund Manager of collective investment scheme represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the date of the statement of financial position respectively. The amount due from fund manager of collective investment scheme balance is held for collection.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from Fund Manager of collective investment scheme at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the Fund Manager of collective investment scheme, probability that the Fund Manager of collective investment scheme will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Presentation and functional currency

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

Due to mixed factors in determining the functional currency of the Fund, the Manager has used its judgement to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions and have determined the functional currency to be in RM primarily due to the following factors:

- The Fund’s cash is denominated in RM for the purpose of making settlement of the creation and cancellation.
- The Fund’s units are denominated in RM.
- The Fund’s significant expenses are denominated in RM.

2.10 Foreign currency translation

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

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to a variety of risks, which include market risk, price risk, interest rate risk, currency risk, credit risk, liquidity risk and capital risk.

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

Market risk

Market risk is a risk that arises when the prices of investments in the market place are affected by circumstances, which may be a local or global event, can affect a local market where the Target Fund is invested in or global markets and subsequently, the value of the Target Fund's investments.

Price risk

Price risk is the risk that the fair value of the investments of the Fund will fluctuate because of changes in market prices.

The Fund is exposed to collective investment scheme price risk for its investments of RM227,252,132 (2020: RM198,525,789) in collective investment scheme.

The sensitivity analysis is based on the assumption that the price of the collective investment scheme fluctuate by +/- 5% with all other variables held constant, the impact on the statement of income and expenses and net asset value is +/- RM11,362,607 (2020: RM9,926,289).

Interest rate risk

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

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Currency risk

Currency risk is associated with financial instruments that are quoted and/or priced in foreign currency denomination. Malaysian based investor should be aware that if the Ringgit Malaysia appreciates against the currencies in which the portfolio of the investment is denominated, this will have an adverse effect on the net asset value of the Fund and vice versa. The Fund did not have any significant financial liabilities denominated in foreign currencies as at the financial year end date.

The Manager or its fund management delegate could utilise two pronged approaches in order to mitigate the currency risk; firstly by spreading the investments across different currencies (i.e. diversification) and secondly, by hedging the currencies when it deemed necessary.

The analysis is based on the assumption that the foreign exchange rate fluctuates by +/- 5%, with all other variables remain constants, the impact on statement of income and expenses and net asset value is +/- RM11,376,850 (2020: RM10,035,363).

The following tables sets out the currency risk concentration of the Fund:

	<u>Investments</u> RM	<u>Receivables</u> RM	<u>Total</u> RM
<u>2021</u>			
Singapore Dollar	227,252,132	284,863	227,536,995

	<u>Investments</u> RM	<u>Receivables</u> RM	<u>Total</u> RM
<u>2020</u>			
Singapore Dollar	198,525,789	2,181,473	200,707,262

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligation resulting in financial loss to the Fund. The credit risk arising from cash and cash equivalent is managed by ensuring that the Fund will only maintain cash balances and place deposits with reputable licensed financial institutions. The settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the SC Malaysia Guidelines on Unit Trust Funds.

For amount due from Fund Manager of collective investment scheme, the settlement terms are governed by the relevant rules and regulations as prescribed by the relevant regulatory authority in its home jurisdiction.

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

	Cash and cash equivalents	Other financial assets*	Total
	RM	RM	RM
<u>2021</u>			
Financial institutions:			
AAA	7,652,515	-	7,652,515
Others	-	2,637,468	2,637,468
	<u>7,652,515</u>	<u>2,637,468</u>	<u>10,289,983</u>
<u>2020</u>			
Financial institutions:			
AAA	5,902,235	-	5,902,235
Others	-	2,727,389	2,727,389
	<u>5,902,235</u>	<u>2,727,389</u>	<u>8,629,624</u>

* Comprise amount due from Fund Manager of collective investment scheme, amount due from Manager and other receivables.

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk

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

Liquidity risk exists when particular investments are difficult to sell, possibly preventing a unit trust fund from selling such illiquid securities at an advantageous time or price. As part of its risk management, the Manager will attempt to manage the liquidity of the Fund through asset allocation and diversification strategies within the portfolio. The Manager will also conduct constant fundamental research and analysis to forecast future liquidity of its investments.

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

	Less than <u>1 month</u> RM	Between <u>1 month</u> to 1 year RM
<u>2021</u>		
Amount due to Trustee	12,156	-
Accrued management fee	364,649	-
Other payables and accruals	-	8,850
	<u>376,805</u>	<u>8,850</u>
<u>2020</u>		
Amount due to Manager	3,438,141	-
Amount due to Trustee	9,412	-
Accrued management fee	282,344	-
Other payables and accruals	-	8,214
	<u>3,729,897</u>	<u>8,214</u>

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Capital risk

The capital of the Fund is represented by equity consisting of unitholders' capital of RM334,583,973 (2020: RM291,612,048) and accumulated losses of RM97,427,513 (2020: RM88,194,746). The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unitholders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

4 FAIR VALUE ESTIMATION

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

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

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

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

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

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

4 FAIR VALUE ESTIMATION (CONTINUED)

Fair value hierarchy

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

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

The following table analyses within the fair value hierarchy the Fund’s financial assets at fair value through profit or loss (by class) measured at fair value:

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<u>2021</u>				
Investments:				
- Collective investment scheme - foreign	227,252,132	-	-	227,252,132
<u>2020</u>				
Investments:				
- Collective investment scheme - foreign	198,525,789	-	-	198,525,789

Investment in collective investment scheme, i.e. unit trust fund whose values are based on published prices in active markets is classified within Level 1. The Fund does not adjust the quoted prices for these instruments. The Fund’s policies on valuation of these financial assets are stated in Note 2.2.

5 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise:

	<u>2021</u> RM	<u>2020</u> RM
Bank balances	50,987	59,298
Deposits with licensed financial institutions	7,601,528	5,842,937
	<u>7,652,515</u>	<u>5,902,235</u>

6 INVESTMENTS

	<u>2021</u> RM	<u>2020</u> RM
Investments:		
- Collective investment scheme - foreign	<u>227,252,132</u>	<u>198,525,789</u>
	<u>2021</u> RM	<u>2020</u> RM
Net (loss)/gain on investments comprised:		
- Net realised gain on sale of investments	23,793,112	14,212,581
- Unrealised (loss)/gain on change in fair value	<u>(31,591,898)</u>	<u>44,786,487</u>
	<u>(7,798,786)</u>	<u>58,999,068</u>

Investments as at 30 June 2021 are as follows:

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair Value</u> RM	<u>% of</u> <u>Net Asset</u> <u>Value</u> %
COLLECTIVE INVESTMENT SCHEME - FOREIGN				
<u>SINGAPORE</u>				
UOB United Gold and General Fund	42,044,057	<u>203,719,579</u>	<u>227,252,132</u>	<u>95.82</u>

6 INVESTMENTS (CONTINUED)

Investments as at 30 June 2020 are as follows:

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair Value</u> RM	<u>% of</u> <u>Net Asset</u> <u>Value</u> %
COLLECTIVE INVESTMENT SCHEME - FOREIGN				
<u>SINGAPORE</u>				
UOB United Gold and General Fund	36,643,689	<u>143,401,338</u>	<u>198,525,789</u>	<u>97.60</u>

7 UNITS IN CIRCULATION

	<u>2021</u> Units	<u>2020</u> Units
At the beginning of the financial year	450,404,000	499,626,000
Creation of units arising from applications during the financial year	553,758,000	289,962,000
Cancellation of units during the financial year	<u>(476,394,000)</u>	<u>(339,184,000)</u>
At the end of the financial year	<u>527,768,000</u>	<u>450,404,000</u>

8 MANAGEMENT FEE

In accordance with the Prospectus, the management fee provided in the financial statements is 1.80% (2020: 1.80%) per annum based on the net asset value of the Fund, calculated on a daily basis for the financial year. As the Fund invests in the Target Fund, the management fee charged by the Target Fund is fully refunded to this Fund. There is no double charging of management fee to the Fund.

9 TRUSTEE'S FEE

In accordance with the Prospectus, the Trustee's fee provided in the financial statements is 0.06% (2020: 0.06%) per annum based on the net asset value of the Fund, calculated on a daily basis for the financial year.

10 TAXATION

(a) Tax charge for the financial year

	<u>2021</u> RM	<u>2020</u> RM
Current taxation	-	-

(b) Numerical reconciliation of income tax expense

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

	<u>2021</u> Units	<u>2020</u> Units
Net (loss)/income before taxation	<u>(9,232,767)</u>	<u>58,115,044</u>
Tax calculated at a statutory income tax rate of 24%	(2,215,864)	13,947,611
Tax effects of:		
- Loss not deductible for tax purposes/(income not subject to tax)	1,909,891	(14,139,359)
- Expenses not deductible for tax purposes	46,390	28,911
- Restriction on tax deductible expenses	<u>259,583</u>	<u>162,837</u>
Tax expense	<u>-</u>	<u>-</u>

11 MANAGEMENT EXPENSE RATIO (“MER”)

	<u>2021</u> %	<u>2020</u> %
MER	<u>0.41</u>	<u>0.43</u>

The MER ratio is calculated based on total expenses of the Fund to the average net asset value of the Fund calculated on a daily basis.

12 PORTFOLIO TURNOVER RATIO (“PTR”)

	<u>2021</u>	<u>2020</u>
PTR	<u>0.54</u>	<u>0.40</u>

The PTR ratio is calculated based on average of acquisition and disposals of the Fund for the financial year to the average net asset value of the Fund calculated on a daily basis.

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

The number of units held by the Manager and related party are as follows:

	<u>2021</u>		<u>2020</u>	
	Units	RM	Units	RM
The Manager	10,039	4,512	10,170	4,593
RHB Capital Nominees (Tempatan) Sdn Bhd	<u>51,468,830</u>	<u>23,130,092</u>	<u>39,280,014</u>	<u>17,738,854</u>

The units are held beneficially by the Manager for booking purposes. The Manager is of the opinion that all transactions with the related parties have been entered into in the normal course of business at agreed terms between the related parties.

The units held by RHB Capital Nominees (Tempatan) Sdn Bhd, a wholly owned subsidiary of ultimate holding company of the Manager, are under the nominees structure.

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

The holding company and the ultimate holding company of the Manager is RHB Investment Bank Berhad and RHB Bank Berhad respectively. The Manager treats RHB Bank Berhad group of companies including RHB Investment Bank Berhad and its subsidiaries as related parties.

14 TRANSACTIONS BY THE FUND

Details of transactions by the Fund for the financial year ended 30 June 2021 is as follows:

<u>Fund Manager</u>	<u>Value of trades</u> RM	<u>Percentage of total trades</u> %	<u>Brokerage fees</u> RM	<u>Percentage of total brokerage fees</u> %
UOB Asset Management Ltd	<u>360,243,249</u>	<u>100.00</u>	<u>-</u>	<u>-</u>

Details of transactions by the Fund for the financial year ended 30 June 2020 is as follows:

<u>Fund Manager</u>	<u>Value of trades</u> RM	<u>Percentage of total trades</u> %	<u>Brokerage fees</u> RM	<u>Percentage of total brokerage fees</u> %
UOB Asset Management Ltd	<u>162,822,039</u>	<u>100.00</u>	<u>-</u>	<u>-</u>

15 FINANCIAL INSTRUMENTS BY CATEGORIES

	<u>2021</u> RM	<u>2020</u> RM
Financial assets		
Financial assets at fair value through profit or loss ('FVTPL')		
• Collective investment scheme	<u>227,252,132</u>	<u>198,525,789</u>
Financial assets at amortised cost		
• Bank balances	50,987	59,298
• Deposits with licensed financial institutions	7,601,528	5,842,937
• Amount due from Fund Manager of collective investment scheme	-	2,058,739
• Amount due from Manager	2,352,605	545,916
• Other receivables	284,863	122,734
	<u>10,289,983</u>	<u>8,629,624</u>
Financial liabilities		
Financial liabilities at amortised cost		
• Amount due to Manager	-	3,438,141
• Amount due to Trustee	12,156	9,412
• Accrued management fee	364,649	282,344
• Other payables and accruals	8,850	8,214
	<u>385,655</u>	<u>3,738,111</u>

16 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The worsening of the macro-economic outlook as a result of Covid-19, both domestically and globally, has impacted the Fund's performance during the financial year.

The Manager is monitoring the situation closely and will be managing the portfolio to achieve the Fund's objective.

**STATEMENT BY MANAGER
RHB GOLD AND GENERAL FUND**

We, Dato' Darawati Hussain and Datuk Seri Dr Govindan A/L Kunchambo, two of the Directors of RHB Asset Management Sdn Bhd, do hereby state that in the opinion of the Directors of the Manager, the accompanying statement of financial position, statement of income and expenses, statement of changes in net asset value, statement of cash flows and the accompanying notes, are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of the Fund as at 30 June 2021 and of its financial performance and cash flows for the financial year then ended and comply with the provisions of the Deeds.

On behalf of the Manager,

Dato' Darawati Hussain
Director

Datuk Seri Dr Govindan A/L Kunchambo
Director

23 August 2021

TRUSTEE'S REPORT TO THE UNITHOLDERS OF RHB GOLD AND GENERAL FUND

We have acted as Trustee of RHB Gold and General Fund (“the Fund”) for the financial year ended 30 June 2021. To the best of our knowledge, RHB Asset Management Sdn Bhd (“the Management Company”), has operated and managed the Fund in accordance with the following:-

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

For HSBC (Malaysia) Trustee Berhad

Yap Lay Guat
Manager, Investment Compliance Monitoring

Kuala Lumpur
23 August 2021

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF RHB GOLD AND GENERAL FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of RHB Gold and General Fund (“the Fund”) give a true and fair view of the financial position of the Fund as at 30 June 2021 and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 30 June 2021, and the statement of income and expenses, statement of changes in net asset value and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 10 to 34.

Basis for opinion

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

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

Independence and other ethical responsibilities

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

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF RHB GOLD AND GENERAL FUND (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Manager for the financial statements

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

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

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF RHB GOLD AND GENERAL FUND (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF RHB GOLD AND GENERAL FUND (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS PLT
(LLP0014401-LCA & AF 1146)
Chartered Accountants

Kuala Lumpur
23 August 2021

CORPORATE INFORMATION

MANAGER

RHB Asset Management Sdn Bhd

REGISTERED OFFICE

Level 10, Tower One, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur

PRINCIPAL AND BUSINESS OFFICE

Level 8, Tower Two & Three, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur

Email address: rhbam@rhbgroup.com

Tel: 03-9205 8000

Fax: 03-9205 8100

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

BOARD OF DIRECTORS

Mr Yap Chee Meng (*Independent Non-Executive Chairman*)

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

Ms Ong Yin Suen (*Managing Director / Chief Executive Officer*)

YBhg Dato' Darawati Hussain (*Independent Non-Executive Director*)

YBhg Datuk Seri Dr Govindan A/L Kunchambo

(*Independent Non-Executive Director*)

Encik Mohd Rashid Bin Mohamad (*Non-Independent Non-Executive Director*)

(*Appointed with effect from 11 August 2021*)

INVESTMENT COMMITTEE MEMBERS

Mr Yap Chee Meng (*Independent Chairman*)

YBhg Dato' Darawati Hussain

Puan Sharifatu Laila Syed Ali

CHIEF EXECUTIVE OFFICER

Ms Ong Yin Suen

SECRETARIES

Encik Azman Shah Md Yaman (LS No. 0006901)

Cik Hasnita Sulaiman (MAICSA No. 7060582)

BRANCH OFFICE

Kuala Lumpur Office	B-9-6, Megan Avenue 1 No. 189, Jalan Tun Razak 50400 Kuala Lumpur Tel: 03-2171 2755/ 03-2166 7011 Fax: 03-2770 0022
Shah Alam Office	B-3-1, 1st Floor Jalan Serai Wangi G16/G, Alam Avenue Persiaran Selangor, Section 16 40200 Shah Alam Tel: 03-5523 1909 Fax: 03-5524 3471
Sri Petaling Office	Level 1 & 2, No 53 Jalan Radin Tengah Bandar Baru Seri Petaling 57000 Kuala Lumpur Tel: 03-9054 2470 Fax: 03-9054 0934
Batu Pahat Office	53, 53-A and 53-B Jalan Sultanah 83000 Batu Pahat, Johor Tel: 07-438 0271/ 07-438 0988 Fax: 07-438 0277
Ipoh Office	No.7A, Persiaran Greentown 9 Pusat Perdagangan Greentown 30450 Ipoh, Perak Tel: 05-242 4311 Fax: 05-242 4312
Johor Bahru Office	No 34 Jalan Kebun Teh 1 Pusat Perdagangan Kebun Teh 80250 Johor Bahru, Johor Tel: 07-221 0129 Fax: 07-221 0291 2nd Floor, 21 & 23 Jalan Molek 1/30, Taman Molek 81100 Johor Bahru, Johor Tel: 07-358 3587 Fax: 07-358 3581
Kuantan Office	1st Floor, Lot 10, Jalan Putra Square 1 Putra Square 25300 Kuantan, Pahang Tel: 09-517 3611/ 09-517 3612/ 09-531 6213 Fax: 09-517 3615

Kuching Office
Lot 133, Section 20, Sublot 2 & 3
1st Floor, Jalan Tun Ahmad Zaidi Adruce
93200 Kuching, Sarawak
Tel: 082-550 838 Fax: 082-550 508

Yung Kong Abell, Units 1-10
2nd Floor Lot 365
Section 50 Jalan Abell
93100 Kuching, Sarawak
Tel: 082-245 611 Fax: 082-230 326

Kota Bharu Office
Ground Floor, No 3486-G
Jalan Sultan Ibrahim
15050 Kota Bharu, Kelantan
Tel: 09-740 6891 Fax: 09-740 6890

Kota Kinabalu Office
Lot No. C-02-04, 2nd Floor
Block C, Warisan Square
Jalan Tun Fuad Stephens
88000 Kota Kinabalu
Sabah
Tel: 088-528 686/088-528 692
Fax: 088-528 685

Melaka Office
581B, Taman Melaka Raya
75000 Melaka
Tel: 06-284 4211/06-281 4110
Fax: 06-292 2212

Miri Office
Lot 1268 & 1269, Second Floor
Centre Point Commercial Centre
Jalan Melayu
98000 Miri, Sarawak
Tel: 085-422 788 Fax: 085- 415 243

Penang Office
3rd Floor, 44 Lebuhr Pantai
Georgetown, 10300 Penang
Tel: 04-264 5639 Fax: 04-264 5640

Prai Office
No 38, First Floor
Jalan Todak 2
Seberang Jaya
13700 Perai, Penang
Tel: 04-386 6670 Fax: 04-386 6528

TRUSTEE	HSBC (Malaysia) Trustee Berhad
BANKER	RHB Bank Berhad
AUDITORS	PricewaterhouseCoopers PLT
TAX ADVISER	PricewaterhouseCoopers Taxation Services Sdn Bhd
DISTRIBUTORS	RHB Asset Management Sdn Bhd RHB Bank Bhd RHB Investment Bank Bhd Affin Bank Bhd Alliance Bank Bhd AmBank (M) Bhd AmInvestment Bank Bhd Areca Capital Sdn Bhd CIMB Bank Bhd CIMB Wealth Advisors Bhd Genexus Advisory Sdn Bhd Hong Leong Bank Bhd HSBC Bank (Malaysia) Bhd iFast Capital Sdn Bhd Kenanga Investors Bank Bhd Manulife Asset Management Services Bhd Phillip Mutual Bhd Standard Financial Adviser Sdn Bhd United Overseas Bank (Malaysia) Bhd UOB Kay Hian Securities (M) Sdn Bhd

RHB  **Asset Management**

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