

# Glossary

In this Prospectus, the following words or abbreviations shall have the following meaning *unless* otherwise stated:

## Manager

Manager of the Fund

## Trustee

Trustee of the Fund

## DGF

BHLB Pacific  
Double Growth Fund

## ECO

BHLB Pacific Emerging  
Companies Growth Fund

## SF

BHLB Pacific Savings Fund

## HGF

BHLB Pacific  
High Growth Fund

## DALI

BHLB Pacific Dana Al-Ihsan

## BOF

BHLB Pacific Bond Fund

## RM

Ringgit Malaysia

## BPTMB or Company

BHLB Pacific Trust  
Management Berhad

## BAM

BHLB Asset  
Management Sdn Bhd

## ARB

Amanah Raya Berhad

## AMTB

Arab-Malaysian  
Trustee Berhad

## UTMB

Universal Trustee  
(Malaysia) Berhad

## BIRT

BIMB Institute of Research  
and Training Sdn Bhd

## KLSE

Kuala Lumpur  
Stock Exchange

## Business Day

A day on which the KLSE is  
open for normal business.

## Unitholder

The person for the time being  
registered under the provisions  
of the Deed as holder of Units  
and whose name appears in the  
register of Unitholders.

## Auditor

Auditor approved by the Trustee  
for the time being of the Fund  
which is independent of both the  
Trustee and the Manager.

## Trust Deed or Deed

The Trust Deed means an  
instrument having the effect of a  
deed and where applicable  
includes a Supplementary Deed  
entered into between the  
Manager and Trustee for all the  
said Funds

## Net Asset Value (NAV)

NAV is determined by deducting  
the value of the Fund's liabilities  
from the value of the Fund's  
assets at the valuation point.

## Gross Net Asset Value (GNAV)

GNAV is the value of the total  
assets of the Fund less total  
liabilities of the Fund at a  
particular point in time before  
calculation of the trustee and  
management fees.

## Eligible Market

A market which is regulated by a regulatory authority within Malaysia, operated regularly, open to the public and where there is adequate liquidity for the purposes of the Funds. It includes, but is not limited to:

- a stock exchange approved and an exempt stock market declared by the Minister respectively under the Securities Industry Act 1983
- a futures market of a exchange company approved and an exempt futures market declared by the Minister respectively under the Futures Industry Act 1993
- the money market (includes the market for short term money market papers such as Malaysian Government Securities, Treasury Bills, negotiable instruments of deposit, repurchase agreements, Cagamas mortgage bonds, Bank Negara Bills and other similar instruments); and
- the over-the-counter private debt securities market

# Key Data -

## A Quick Glimpse of the Fund



### Investment Objective and Strategy

#### DGF

To achieve capital appreciation over the medium to long term through all types of investments that have the potential for above average growth over time.

To invest up to a maximum of 95% in equities.

#### ECO

To achieve long term high capital growth through investments in emerging companies with market capitalisations of up to RM1,250,000,000 (Ringgit Malaysia One Point Two Five Billion) each.

To invest in securities of emerging companies which are broadly defined as companies in emerging markets with strong potential growth and hands-on management policies but lacking in track records.

#### SF

To seek long term growth in capital and income by investing in all types of investments.

To invest up to a maximum of 60% in equities.

#### HGF

To achieve maximum capital appreciation over the long term through all types of investments.

To invest up to a maximum of 95% in equities.

#### DALI

To achieve a consistent capital growth over the medium to long term.

To invest in permissible investments in accordance with applicable Shariah principles and regulatory policies.

#### BOF

To provide investors with an opportunity to gain higher than average income over the medium to long term.

To invest in a diversified portfolio consisting principally of bonds, certificates of deposit, short-term money market instruments and other permissible investments.

## General Information



### Who is the Manager?

BPTMB

### Who is the Investment Manager?

BAM

### Fund Information

Fund	Type of Fund	Launch Date	Approved Fund Size (Units)	Financial Date	Units In Circulation as at 7 April 2000	Trustee	Designated Fund Manager
<b>DGF</b>	Growth	15 May 1991	550,000,000	30 April	465,115,000	ARB	Lee Chiah Cheang
<b>ECO</b>	Small-cap	10 May 1994	700,000,000	30 June	426,653,525	UTMB	Lee Chiah Cheang
<b>SF</b>	Balanced	10 August 1995	500,000,000	31 August	232,701,635	UTMB	Lee Chiah Cheang
<b>HGF*</b>	Aggressive Growth	28 September 1995	700,000,000	31 October	690,952,800	UTMB	Lee Chiah Cheang
<b>DALI</b>	Islamic Growth	7 May 1998	500,000,000	31 May	210,679,375	AMTB	Zulkifli Bin Ishak
<b>BOF</b>	Income	28 July 1999	200,000,000	31 July	5,289,900	AMTB	Zulkifli Bin Ishak

\* On 29 February 2000, an application had been submitted to the Securities Commission for approval to increase the fund size to one (1) billion units.

### What is the Selling Price per Unit?

The Selling Price of a unit for the above Funds, with the exception of BOF shall be equal to the NAV per Unit determined at the next valuation point (end of the business day) after the Manager has received an application for units plus a sales charge of between 5% to 10%. The rounding up of the Selling Price will be up to 4 decimal points and payable to the Manager.

Since BOF is a no load Fund, the Selling Price of a unit for BOF equals to the NAV computed as above but excluding any sales charge.

*Please refer to page 40 for details.*

### What is the Redemption Price per Unit?

The Redemption Price is equal to the NAV per Unit as at the next valuation point (end of the business day) after a request is received. There is no repurchase charge. The rounding of the Redemption Price will be to 4 decimal points.

The cut off time for accepting redemption and sales is 4.00pm on each Business Day.

*Please refer to page 40 for details.*

## Transactions



4

Key data

What is the minimum initial investment?	<p>DGF RM100</p> <p>DALI RM500</p> <p>ECO, SF, HGF and BOF RM1,000</p>
What is the minimum additional investment?	<p>DALI RM50</p> <p>DGF and SF RM100</p> <p>ECO, HGF and BOF RM500</p>
Is there a minimum redemption amount?	<p>DGF, ECO, SF, HGF and DALI No.</p> <p>BOF Minimum redemption is RM1,000.</p> <p><i>(Please refer to page 52 for further details)</i></p>
Is a Unitholder entitled to a transfer or switch?	<p>Yes.</p> <p><i>(Please refer to page 54 for further details)</i></p>
Is there any restriction on the frequency of redemption?	<p>No.</p>
Is there a minimum holding requirement?	<p>Yes.</p> <p><i>(Please refer to page 52 for further details)</i></p>
What is the period for payment of redemption monies?	<p>Within 10 days upon receipt of the Request to Repurchase from you.</p>
What is the cooling-off period?	<p>Within 6 Business Days of receipt by the Manager of the applications for investment.</p> <p>Cooling-off is not applicable to EPF investments.</p> <p><i>(Please refer to page 41 for further details.)</i></p>

# Fees, Charges and Expenses



5

Key data

## What is Management Expense Ratio (MER)?

MER is the ratio of the sum of the fees and the recovered expenses of the unit trust scheme to the average value of the unit trust scheme calculated on a daily basis.

The MER refers to the fees and expenses that you pay during the time your money is invested in the Fund. The MER is paid directly from the Fund and is made up of 3 components – Manager's Fee, Trustee's Fee and the Fund's Expenses permitted by the Trust Deed – and pays for expenses incurred in the administration and investment of each Fund.

## What was the Management Expense Ratio for the last financial year 1999?

DGF	1.64%
ECO	1.56%
SF	1.60%
HGF	1.53%
DALI	1.62%
BOF	Not applicable (BOF is still in its 1 <sup>st</sup> financial year)

*Please refer to page 41 for further details.*

## What is the Sale Charge?

Between 5% of 10% of the NAV per unit for all equity Funds. *(There is no sales charge for BOF)*

## Is there any repurchase charge?

No.

## What is the Annual Management Fee?

An annual fee of 1.5% is applicable to all equity Funds and 0.95% applies to BOF only. The fee is paid out of each respective Fund calculated daily based on the GNAV of the Fund.

*Please refer to page 39 for further details*

## What is the Trustee Fee?

The Trustee is entitled to an annual fee of a designated percentage of the GNAV of each Fund calculated on daily basis.

*Please refer to page 39 for further details*

## Rebates and Soft Commission

Stockbroking rebates are credited back to the Fund. Soft commissions in the form of research materials, data and quotation services, computer software incidental to investment management of the Fund and investment related publications received from brokers are retained by the Manager or the Investment Manager in consideration of the fact that these goods and services are of demonstrable benefit to unitholders and where dealings are on a best execution basis.

*Your are advised to consider the fees and charges before making an investment decision*

## Would there be regular dividend payment?

This will be consistent with each Fund's objective and distribution where payable will be paid in the form of dividends\* or units split.

\* Reinvestment of Dividends (applicable to DGF, SF, HGF and BOF)

You are advised to present your dividend warrants for payment within 6 months from the date of the dividend warrants. All unclaimed dividends will be automatically reinvested into additional units at the expiry of the warrants based on the Selling Price (less any charges) published on the following day after the expiry date of the dividend warrant.

## Unclaimed Monies

This is applicable to ECO and DALI only.

In accordance to the Unclaimed Moneys Act, 1965, the Manager will declare all unclaimed dividends to the Registrar of Unclaimed Moneys, Accountants General's Department at the end of one year's period after the dividend payment date (date of the dividend warrant). During this period, unitholders are able to claim their dividends from the Manager by providing all the necessary documentation to authenticate their claims.

## What about units split?

Any gain achieved will be distributed in the form of units split at the specified distribution date and as and when it is deemed appropriate for each Fund.

*Please refer to page 42-46 for the financial highlights of the Funds over the last 5 years*

# The Investor Profile

## What is the likely Investor Profile?

<b>DGF</b> Growth Fund	You should be a long-term investor with an investment time horizon of more than 5 years, and seek capital appreciation with dividend income being secondary. You are willing to take moderate risks in pursuit of better returns.
<b>ECO</b> Small-cap Fund	You are an investor who looks for high capital gains through small companies that offer high growth potential. In this instance, you would be willing to take higher risks for higher returns in your investments.
<b>SF</b> Balanced Fund	You look for both capital gains and dividend income. You tend to be more conservative in terms of investment.
<b>HGF</b> Aggressive Growth Fund	You are an investor who looks for maximum capital appreciation and do not expect to receive dividends. You are willing to take higher risks in anticipation of higher returns
<b>DALI</b> Islamic Growth Fund	You are sensitive to the Shariah requirements and seek to achieve long-term capital growth through a portfolio of investments that adhere to the Shariah principles.
<b>BOF</b> Bond Fund	It is recommended to investors who are more cautious about taking higher risks and who seek regular income through investments in a portfolio of fixed-income securities. The Fund is also suitable for investors who seek to diversify their investments across various asset classes.

Past performance, past earnings or distribution record of the Fund are not a guarantee or an indication of the Fund's future performance/earnings/distributions.

Please read this Prospectus carefully and consult your financial or other professional adviser if you are in any doubt about any feature or nature of the Fund.

You are advised to consider fees and charges before investing in the Fund. Unit prices and distributions payable (if any) may go down as well as up.

# What do I need to know about Unit Trust investments?

## The Basics

### Introduction to Unit Trust - What is a Unit Trust?

A unit trust fund is a collective investment scheme which pools the savings of investors with similar investment objectives in a special "trust" fund managed by professional fund managers. The fund will then be invested in a diversified portfolio of equities, fixed income securities and other assets in accordance with the Fund's investment objectives and as permitted by the Trust Deed.

The organisation of a unit trust is a tripartite relationship between the Manager, the Trustee and the Unitholders. The obligations and rights of each of the three parties are specified in the Trust Deed, a legal document drawn up by the Manager and registered with the Securities Commission. The Trust Deed is designed to govern the operations of the trust fund and protect the Unitholders' interests. The Manager is responsible for the management and operations of the trust fund whilst the Trustee holds all the assets of the fund.

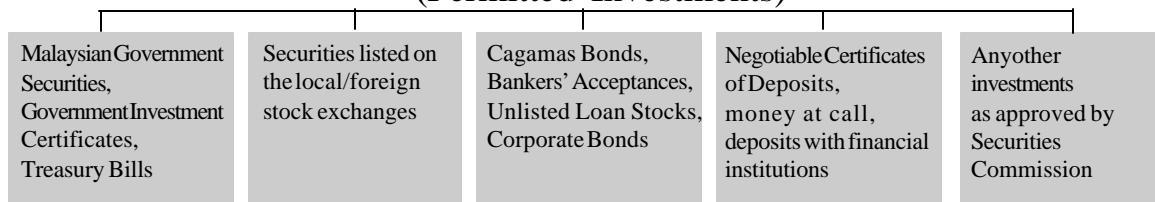
## Mode of Operation

(Governed By Trust Deed)



## Invest

(Permitted Investments)



## Possible Capital Gains & Dividends

## Regulatory Framework

**T**he Securities Commission is responsible for regulating all matters relating to unit trusts. It has, with the approval of the Minister of Finance, issued the Securities Commission (Unit Trust Scheme) Regulations, 1996 (the “Regulations”) and formulated the Guidelines on Unit Trust Funds (the “Guidelines”) to govern the operation and administration of unit trust schemes. The Regulations and the Guidelines have been established with the objective of providing a regulatory environment that would protect

the interests of the investing public and facilitate the orderly development of the unit trust industry. All parties involved in unit trust schemes must comply with the Regulations and Guidelines including all relevant legislation.

The appointment of the Management Company, its Directors, Chief Executive Officer, Investment Committee members, Shariah Adviser and the Trustee must be approved by the Securities Commission.

## The Benefits

How can I benefit from investing in Unit Trust?

**U**nit trusts provide Unitholders a simple, convenient and less time-consuming method of investing in securities compared to investing directly in the stock market. Moreover, Unitholders are able to benefit from the expertise of full-time professional fund managers and accordingly, need not have to worry about

what stocks to buy or when to get in and out of the market. By investing in unit trusts, investors have the opportunity to spread their money over a diversified portfolio of assets which otherwise may not be possible on their own. There are also potential risks involved and these are itemised on page 10-11.





## Why would I want to invest in Unit Trusts?

Listed below are the benefits associated with balanced/equity and non-equity funds:

### Professional Investment Services

1

You have full-time professional fund managers to manage your investments for you. Investment decisions are backed by extensive research, market analysis and vigilant monitoring of the economic and market environments. Investing on your own, you could spend unlimited time on research that professional management would have a better insight on.

### Diversification Opportunities

By investing in unit trust funds, you have the opportunity to spread your money over a diversified portfolio of assets which otherwise may not be possible on your own.

2

### Minimised Risks

3

Unit trust funds provide you with an alternative investment option with lesser risks than investing directly in the stock market.

### Possible Protection against Inflation

It is not how much you earn but how much you save that determines your ability to accumulate wealth. By investing your savings regularly in unit trust funds, you may achieve a measure of protection against inflation through the capital appreciation of your investment, if any.

4

### Affordable

5

As the Minimum Initial Investment amount in most unit trusts is relatively low, they are affordable as compared to direct investment in securities, of which bonds are included.

### Convenience

You can rid yourself of the unnecessary stress and paperwork that comes with managing your own stocks and shares or bonds portfolio, keeping track of your contract notes, share certificates, rights and bonus issues and so on. It is very easy to purchase or sell back your units at any of the Manager's offices or agents offices. On top of this, the Manager will send you the Fund's interim and annual reports to keep you informed on the performance of the Fund.

6

### Liquidity

7

Unlike your investments in fixed assets such as land and properties, you may sell all or part of your unit holdings to the Manager on any Business Day making it easy to withdraw your money.

### Specific Benefits Associated with the BOF :

### Tax-Exemption

Interest income and capital gains accrued by the BOF are tax-exempted. Furthermore, investment instruments such as government and corporate bonds are also tax-exempt. This would effectively mean potentially better returns to you.

1

### Diversification

2

The BOF portfolio will hold bonds from several issuers at any one time. This effectively means the effect of market factors on isolated issuers will only slightly affect you as compared to owners of individual bonds who could lose most or all of their investments.

### Affordable Investment Amounts

Typically, usual minimum amounts for an individual direct bond investment are around RM10,000. BOF enables you to benefit from bonds with a minimal initial investment amount of just RM1,000. Additional investments may be made at any time with a minimum of RM500.

3

### Liquidity

4

You can redeem your BOF investments at any time on any business day whenever you choose as compared to owners of individual bonds who can only trade through a brokerage account.

# The Potential Risks

## What kind of risks am I taking?

*Any investment carries with it an element of risk. The potential risks associated with balanced/equity fund can be analysed as follows:*

**a) Market Risks**

Any purchase of equities must represent a risk investment as unit trust fund principally invests in listed stocks, therefore, as market conditions change, the price of units may fall as well as rise, and income produced by the fund may also fluctuate. Accordingly, the manager cannot guarantee any dividend or investment returns to the unitholders. However, by investing in a wide range of shares, the manager attempts to balance this risk with the investment rewards that can be made.

**b) Particular Stock Risks**

Any irregular fluctuation of a particular stock may affect the unit price. This impact is however minimised because the fund invests in a wide portfolio of investments, thus spreading the element of risk.

**c) Returns Not Guaranteed**

As a result of the above risks, the manager is not able to guarantee the dividends and capital appreciation of the fund.

**d) Loan Financing Risk**

If you obtain a loan to finance your purchase of units, you need to understand that:

- borrowing increases the possibility for gains as well as losses;
- if the value of your investment falls below a certain level, you may be asked by the financial institution to top up the collateral or reduce the outstanding loan amount to the required level;
- your ability to pay your loan instalments may be affected by unforeseen circumstances in the future such as loss of employment

**e) Currency Fluctuation Risk**

If a percentage of the value of the fund is invested overseas, the fund's assets and income will be denominated in a number of different currencies other than Ringgit Malaysia and thus fluctuations in foreign exchange rates which are unpredictable, may have an impact on the income and the variation of the assets of the fund.

**f) Business Risks of Emerging Companies**

Emerging companies may be more volatile and risky compared with mature and well-established companies.

**g) Business Risks of Growth Companies**

Some investments are focused on shares of companies that are still in the growing stages of their business life-cycles. While these companies offer higher potential for growth, the inherent business risks of these less matured companies are also higher, even though these risks are mitigated by diversification and our filtering exercise.

## Managing Risks for the Balanced/Equity Funds

The manager will take reasonable steps to ensure that the above potential risks are managed by:

- a)** Compounding the returns on investments over the long term period and capitalising on the market cycles to manage short term fluctuations;
- b)** Constructing an efficient portfolio of assets as diversification reduces the risk significantly in comparison with investing in one or two counters only.

## Specific Risks Associated with the BOF

- a) **Interest Rate Risk / Market Risk**  
Prices of bonds move in opposite direction with interest rates. When interest rates rise, prices of bond fall. This rise in interest rate would cause the investor to face the risk of capital loss. But when interest rates fall, prices of bond would increase, therefore, investors would see capital gains.
- b) **Credit/Default Risk**  
This refers to the creditworthiness of the bond issuer and its expected ability to repay debt. Default happens when the issuer is not able to make timely payments of interest on the coupon payment date or principal repayment on the maturity date.
- c) **Liquidity Risk**  
Liquidity is the ability to convert an investment portfolio to cash without suffering a noticeable loss in value. The Malaysian bond market is not as liquid as the equity market and this may affect the price of any bond.
- d) **Manager's Risk**  
The performance of any unit trust fund also depends on the experience, knowledge, expertise and investment techniques adopted by the investment manager.
- e) **Inflation/Purchasing Power Risk**  
Inflation can be defined as increases of price level of goods and services and is commonly reported using the Consumer Price Index as a measure. Inflation is one of the major risks to investors over the long term and results in uncertainty over the future value of the investments. Inflation reduces purchasing powers of money. In an inflationary environment, fixed rate securities are exposed to higher inflation risks than inflation linked securities.

## Managing Risks for BOF

The manager will take reasonable steps to ensure that the above potential risks are managed by:

- a) Lengthening or shortening the fund's average maturity (within the Fund's objective) in anticipation of changing interest rates;
- b) Selecting investments that are bank or government guaranteed or secured against assets to mitigate default risk, if the securities carry ratings lower than "BBB";
- c) Diversifying into an array of fixed-income securities to greatly reduce the risk compared to investing in a single class of asset or a single bond;
- d) Channelling profits in excess of the average annual dividend into a reserve account which will be used in times when profits are insufficient to meet the average dividend payment.

The investment manager will seek to reduce all these risks as associated with both the equity and non-equity funds by virtue of its experience, the analytical process adopted by its fund managers and by structuring a broadly diversified investment pool.

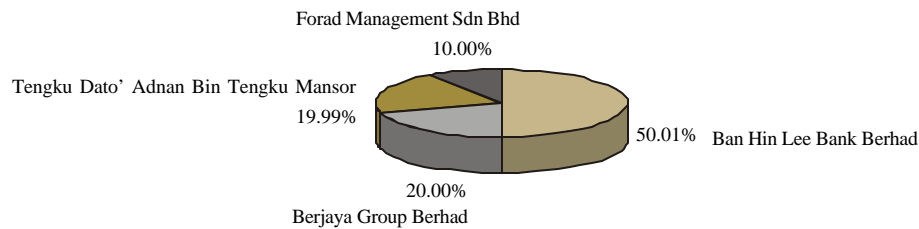
# The Parties Involved

## The Manager

### Who is BHLB Pacific Trust Management Berhad?

BPTMB was incorporated on 17 December 1990 under the Companies Act, 1965. It has an authorised capital of RM3,000,000 divided into 3,000,000 ordinary shares of RM1.00 each of which 2,000,000 ordinary shares are issued and fully paid-up. The shareholding interests in BHLB Pacific Trust Management Berhad are as follows:

### Shareholders and Percentage of Equity



### Summary of Audited Profit / Loss Account And Shareholders' Fund

	Year Ended 31.12.1995 RM	Year Ended 31.12.1996 RM	Year Ended 31.12.1997 RM	Year Ended 31.12.1998 RM	Year Ended 31.12.1999 RM
Paid up capital (RM'000)	2,000	2,000	2,000	2,000	2,000
Profit / Loss Account	26,844,599	26,007,277	29,563,725	30,163,528	38,165,513
Shareholders' Funds	28,844,599	28,007,277	31,563,725	32,163,528	40,165,513
Turnover (RM'000)	24,837	17,670	30,762	22,786	51,114
Pretax profit (RM'000)	11,597	3,807	5,845	1,100	9,002
Profit after tax (RM'000)	7,982	2,662	3,557	600	9,002
Earnings per share (RM)*	3.99	1.33	1.78	0.30	4.50
Net dividend per share (RM)	0.35	1.75	-	-	0.50
Net asset backing per share (RM)	14.93	14.26	16.00	16.31	20.31

\* based on profit after tax; previously based on pre-tax profit

Since its inception, BPTMB has steadily expanded and today, BPTMB employs over 100 staff, with 5 regional offices, 2 branches and 12 sales offices spread throughout the country.

### As Manager, what are BPTMB's main functions?

The Manager is responsible for the day to day management of each and every Fund in accordance with the provisions of each Trust Deed and for the development and implementation of appropriate investment strategies. The main tasks performed by the Manager include:

- \* managing funds received from the investors to be eventually invested by the Investment Manager;
- \* arranging the sale and repurchase of units; and
- \* keeping proper records of the Funds.

### Managing Conflicts of Interest

To the best knowledge of the Manager, transactions undertaken by or on behalf of the Fund(s) are done so in the interests of the Unitholders.

Where a conflict of interest arises due to the investment committee member or director holding substantial shareholding or directorships of public companies, and the Fund(s) invests in that particular share or stock belonging to a public listed company, the said committee member or director shall abstain from any decision making relating to that particular share or stock of the Fund(s).

Any transaction carried out for or on behalf of the Fund(s) are executed on terms that are best available to the Fund(s) and which are no less favourable than arm's length transaction between independent parties.

## Who are the people behind the Company?

### THE BOARD OF DIRECTORS

The Directors, who meet at least once every 2 months, are mainly responsible for the overall management of BPTMB. In exercising their powers, the Directors will act honestly, with diligence and with reasonable skills. Each Director has a fiduciary duty to the company and must not allow his/her personal interests to conflict with that duty. The Directors are guided by the Company Director's Code of Ethics which is formulated to establish standards of ethical conduct for the Directors and to uphold the spirit of social responsibility and accountability in line with the legislation, regulations and guidelines governing the Company. In addition, the Directors have to comply with the statutory duties as defined in the Companies Act, 1965.

### BOARD OF DIRECTORS

**Dato' Goh Eng Toon**, DSPN, DJN, PJK, JP, FIBM, has been in banking since the fifties. In 1973, he joined BHL Bank and initiated its corporate restructuring exercise. Since then, he has been principally involved in the management of BHL Bank. Dato' Goh also serves on the board of several charitable trusts. Besides being on the board of many public service and social organisations, he also sits on the board of several private limited companies having business activities in insurance, medical care, leasing, investments, property development, warehousing, minerals and recreation. He has been the Chief Executive of BHL Bank since 1973 and has assumed the additional role of Chairman in 1990. He has been a Director and Chairman of BPTMB since December 1990.

**Dato' Dr Yeap Leong Huat** is the Director and Deputy Chairman of BHL Bank. He is also a Director of several private limited companies having business activities in property development and investments. His other directorships include Island & Peninsular Berhad, a public listed company. He has been a Director of BHL Bank since September 1980 and a Director of BPTMB since June 1992.

**Ms Suzianna Wong Chee Hie** is the Senior General Manager, Operations of Berjaya Group Berhad. A fellow of the Association of Chartered Certified Accountants, she worked many years in England with multinational companies before returning to Malaysia. She joined Berjaya Group Berhad in 1988 as General Manager, Finance and moved into Operations in 1992. She is currently overseeing numerous companies, both overseas and local, which are involved in franchising, manufacturing and services. She was appointed a director of BPTMB since May 1998.

**Dato' Faruk Bin Othman** is the Executive Chairman of United Merchant Finance Berhad. He graduated in Business Studies from North East Essex College and has a post-graduate degree in Management Studies from Brighton Polytechnic/ University of Sussex, England. He has more than 20 years' experience in the banking industry and prior to joining United Merchant Finance Berhad, he was the Executive Director of Inter-Pacific Securities Sdn Bhd. He also sits on the Board of several private companies including Forad Management Sdn Bhd. He has been a Director of BPTMB since January 1991.

**Ms Lynda Goh Phaik Lynn** is the Assistant General Manager of the Corporate Banking & Investment Division in BHL Bank. She holds an Honours Degree and a Master of Science from The London School of Economics, University of London and has attended courses on International Banking and General Banking in London. She joined the bank in 1983 and was attached to the International & Money Market Department and the Credit Department, Head Office, before she was appointed to head the Corporate Loans Department in January 1986. She was promoted to the position of Senior Manager in July 1990 and later to Assistant General Manager of Corporate Banking & Investment Division in January 1994. She has been a Director of BPTMB since September 1995.

**Dato' Dr Sharom Bin Ahmad**, (*independent director*), is the President and Chief Executive Officer of Disted-Stamford College, Penang. He graduated from the University of Singapore, BROWN University (USA) and London University, specializing in History. He was the Academic Adviser at the Universiti Brunei Darussalam and before that, the Deputy Vice-Chancellor at Universiti Sains Malaysia. He presently sits on the Board of several private limited companies. Dato' Dr Sharom was appointed to the Board of Directors of BPTMB effective May 1997.

**Mr Geh Cheng Hooi**, FCA (England & Wales), CPA, (*independent director*), is a Fellow of the Institute of Chartered Accountants in England & Wales and a Member of the Malaysian Association of Certified Public Accountants. He was the Senior Partner of KPMG until he retired in 1989. Mr Geh was a Council Member of the Malaysian Association of Certified Public Accountants and served on various committees including the Taxation Committee. He was Convenor of the Technical Committee at the time of the introduction of International Accounting Standards as guidelines for the accountancy profession in Malaysia. Mr Geh is presently on the Board of numerous public companies. He has been an Independent Director of BPTMB since November 1992.

#### Temporary Waiver from Securities Commission requirements of one-third independent rule

Following Mr Philip Angers resignation on the 27 January 2000, we currently have seven directors of which two are independent directors. We do not fulfill the one-third independent rule and have obtained from the Securities Commission an extension of time until 30 April 2000 in order to submit a candidate's name.

### THE MANAGEMENT TEAM

**Mr Paul Low Hong Ceong** is the Chief Executive Officer. He was previously the General Manager of BPTMB and has been with BPTMB since July 1998. He holds an MBA degree from McNeese State University, Louisiana, USA. He has been in the financial service circuit for more than 10 years, which includes international experiences in the USA. His previous experiences in sales, marketing, training and development, including agency management, are invaluable to the company. He shall be responsible for the company's performance and shall lead the company in the formulation of its business strategies and future plans.

**Ms Helen Teh Mooi Ee** is the Vice President, Customers & Resources Services Division. She holds a Diploma in Business Studies from the Institute of Commercial Management, UK. In her current capacity, Helen oversees the Customer Service Department, Human Resource Department and Administration Department. Before her present appointment, she was the Senior Manager, Human Resource & Administration and has been with the organisation since 1995. Prior to joining BPTMB, Helen was attached to a financial services company. Helen has more than 10 years management and servicing experience in the education and service industry.

**Ms Jessica Loh Swee Wei** is the Vice President, Systems and Operations Division. She holds an Honours Degree in Economics from the University of Malaya. She is responsible for the Unit Trust Operations, Quality Systems and IT Engineering functions within the company. She has extensive experience in the area of maintaining Quality Systems modeled against Total Quality Management and ISO 9000 and has been overseeing the Unit Trust Operations of the company since 1996.

**Ms Teo Lay Beng** is the Vice President, Finance Division. She holds a Bachelor of Commerce Degree from the University of New South Wales, Australia and is a member of The Australian Society of Certified Practising Accountants and Malaysian Institute of Accountants. She is responsible for the accounting and financial management of the company. She has more than 13 years experience in accounting, treasury, investment & portfolio management reporting and group reporting with a major Fund and Investment Management Institution.

**Mr Chan Kok Hin** is the Vice President, Marketing and Business Development Division. He holds a degree in Bachelor of Social Science (Hons) majoring in Economics, an Associate of Life Office Management – US, as well as a Fellow of Life Underwriter Training Council – US. He has over 14 years of experience in the insurance industry, which includes international experiences in the Asean countries. In his present appointment, he is responsible for the marketing strategies, development, packaging and launching of new products and services, management of corporate agencies as well as business development of the Company.

**Ms Jalaja B Balakrishna** is the Manager, Compliance Division. She holds an Honours Degree in Economics (majored in Business Administration) from the University of Malaya. She is also a legal practitioner (solicitor) of the Supreme Court of NSW, Sydney, Australia and is an Associate Member of the Law Society of New South Wales. She has had varied experience in research, trading and investment in Malaysia and whilst in Australia she worked in the areas of superannuation policy and research, superannuation law and regulatory compliance, the latter in the Insurance and Superannuation Commission. She also served for a short period in a legal firm in Sydney.

## What are the Investment Manager's main functions?

The Investment Manager is responsible to manage, realise, invest, reinvest or howsoever deal in accordance with the investment objectives of each of the Fund. The Investment Manager shall have discretionary authority over the investments of each Fund subject to the Securities Commission's Guidelines on Unit Trust Funds and Regulations. The Investment Manager will report to the Investment Committee of the Fund on a regular basis on the status of the portfolio of the Fund, proposed investment strategy and discuss matters relating to the portfolio.

## Who is the Investment Manager?

BPTMB has appointed BHLB Asset Management Sdn Bhd as the Investment Manager for all Funds with the approval of the Trustee and the Securities Commission.

### BACKGROUND OF BHLB ASSET MANAGEMENT SDN BHD (BAM)

BHLB Asset Management Sdn Bhd (BAM) was incorporated on 2 November 1992 with a paid-up capital of RM3,200,000. Its principal business activity is providing fund management services to institutions, corporates and individuals. BAM currently manages funds in excess of RM1.4 billion. BAM is a bottom-up value manager practising a proactive and research driven style to investment. It adheres to an ethical, prudent and risk adverse approach to investment. BAM currently employs 24 staff of which 6 are fund managers.

## Who are people behind the Company?

### BOARD OF DIRECTORS OF BAM

*Dato' Goh Eng Toon*, as afore-mentioned on page 14.

*Dato' Faruk Bin Othman*, as afore-mentioned on page 14.

*Dato' Dr Yeap Leong Huat*, as afore-mentioned on page 14.

*Ms Lynda Goh Phaik Lynn*, as afore-mentioned on page 14.

*Datin Nik Radiah Nik Hassan* graduated from the University of London's King's College with a degree in Electrical and Electronic Engineering. She began her career in Tenaga Nasional and later ventured into the stock-broking industry. Datin Nik Radiah currently serves on the board of several listed companies. She was appointed as director of BAM in November 1997.

*Encik Abdul Razak Ahmad* is the Vice President, Business Development at BAM. He was previously the Accounts Manager for Corporate Loans in United Merchant Finance Bhd. He graduated in Business Administration from the University of Southwestern Louisiana. Prior to joining United Merchant Finance Bhd, he was attached to a multi-national corporation and a leading local bank. He was appointed as director of BAM since inception in 1994.

### KEY MANAGEMENT STAFF OF BAM

*Mr Lee Chiah Cheang*, B.A. (Hons), M. Com., A.C.A., A.S.I.A., is the Chief Executive Officer. He holds a Master of Commerce Degree from the University of New South Wales, Australia and is an Associate Member of the Institute of Chartered Accountants (for both England and Wales, and Australia) and an Associate Member of the Securities Institute of Australia. He has 15 years professional experience in audit, financial management, broking and investment management in UK, Malaysia and Australia, with the last 9 years in the stockbroking and funds management industry. Prior to joining BAM, he was responsible for research analysis and investment management of the South-East Asian listed equities portfolio for the New South Wales State Superannuation Fund (one of the largest Australian pension funds). Besides Asian equities, he has also covered Australian equities, particularly smaller capitalisation stocks, with an Australian unit trust and traded listed equities options for an Australian broker.



**Ms Shamila K. Kanniah**, LLB (Hons), CLP, is the General Manager and also the Compliance Manager of BAM. Prior to joining the Company, she specialised in trustee work while attached to a trustee company of a financial institution. Her scope of work included drafting of wills and setting up of all types of trusts, as well as being involved in corporate bond issues in the role of a trustee. She has also conducted educational seminars for insurance agents of various companies on the mechanism of wills and trusts. At BAM, she ensures that all regulatory and compliance matters are attended to. Further she conducts generic investment seminars for BHLB Pacific Trust unit trust consultants.

**Mr Lau Yew Sun**, Bachelor of Accountancy (Hons), CPA, PA, is the Senior Finance Manager and is a Certified Public Accountant. He is also registered as a Public Accountant with the Malaysian Institute of Accountants (MIA). He has passed the Level One of the Chartered Financial Analyst (CFA) programme. Prior to joining the company, he was a Supervisory Audit Senior with KPMG Peat Marwick, Kuala Lumpur. Here he was involved in audit, taxation, internal control system reviews, accountancy work and advisory services to various industries. He joined BAM in February 1995, and heads the Finance Department. He is in charge of the timely reporting of the company's financial and management accounting reports, including budgets, monthly cash projections and financial highlights/analysis. Besides ensuring the smooth operation of the scrip administration and money market processing work flow, he is also responsible for implementing an effective funds and management accounting system with efficient management controls.

#### DESIGNATED FUND MANAGER FOR DGF, ECO, SF AND HGF

**Mr Lee Chiah Cheang**, as afore-mentioned.

#### DESIGNATED PERSON FOR MANAGING THE FOREIGN SECURITIES FOR DGF AND ECO

**Mr Thomas Yong Peng Tak**, B. Acc. (Hons), MBA, CPA, CFA, is the Senior Investment Manager. He completed the Chartered Financial Analyst (CFA) programme organised by the Association for Investment Management and Research, US, in 1993. Prior to joining BAM, he was a Supervisory Senior with Price Waterhouse, Singapore. Thomas also holds a Bachelor of Accounting (Honours) degree from the National University of Singapore, a Master of Business Administration degree from the Imperial College, University of London and is a Certified Public Accountant, Singapore.

#### DESIGNATED FUND MANAGER FOR DALI AND BOF

**Encik Zulkifli Bin Ishak**, B.Sc. is BAM's Senior Investment Manager. He graduated from Syracuse University, New York with a Bachelor's degree in Marketing Management. Prior to joining BAM, he was with the Treasury Division of Bank Bumiputra (M) Bhd, for 5 years. He was in the Money Market Department managing the Bank's Ringgit portfolio through the Interbank market as well as the corporate market for 2 years before moving on to trade in G7 foreign currencies particularly USD/YEN and in G7 Government Bonds namely US Treasury, German Bonds, Japanese Government Bonds and French OAT's for the next 3 years. He was also actively trading in the over-the-counter option market for these G7 Government Bonds and has substantial experience in using derivatives to mitigate the Bank's and its clients foreign exchange and interest rate risks. Besides being in charge of the Fixed Interest Department, Zulkifli has also for the one past year been actively managing equity portfolios.

# The Investment Committee

## What are the Investment Committee's main functions?

The Investment Committee's main responsibility is to oversee and draw up broad policies for fund management activities for the Funds. The Committee meets regularly at least once a month to review the performance of the Fund's portfolios and oversees the Investment Manager in ensuring that they comply with the investment guidelines of the funds under management. The performance of the Fund will also be reviewed against benchmarks.

## Who are the Investment Committee members?

**Dato' Dr Sharom Bin Ahmat**, (*independent member*), for DALI only as aforementioned on page 14.

**Dr Lai Mei Ling**, PhD, FCA (England & Wales), (*independent member*), is the Group General Manager of Selangor Properties Berhad. She holds a PhD in Management Information Systems from the Kennedy-Western University (USA). She is a Fellow of the Institute of Chartered Accountant (England & Wales), an associate of the Malaysian Institute of Certified Public Accountants and a member of the Malaysian Institute of Accountants. She presently sits on the Board of several private limited companies.

**Dr Mahani Zainal Abidin**, PhD (*independent member*) is the Professor in the Department of Applied Economics, Faculty of Economics & Administration, University of Malaya. She holds a PhD in Development Economics from the University of London, England. She has served as a lecturer in the University of Malaya since 1979 and has extensive knowledge in the areas of industrial development and policy, international trade and regional groupings and economic structural transformation. She has published her works extensively and has conducted research works for international agencies such as the Asian Development Bank, UNCTAD and the Economic Commission for Latin America and the Caribbean. Dr Mahani is a member of the Working Committee for the National Economic Action Council, a Board Member of the EPF, Associate Research Fellow of the Malaysian Institute of Economic Research (MIER) and Program Associate of the American Committee on Asian Economic Studies.

### Temporary Waiver from Securities Commission requirements of one-third independent rule

Following **Mr Loo Kok Yuen**'s resignation as investment committee member (independent) on 3 August 1999, we, the Manager, had applied to the Securities Commission for a temporary waiver of six (6) months from the requirement to have at least three (3) members in the Investment Committee. We have obtained from the Securities Commission an extension of time until 30 April 2000 in order to submit a candidate's name.

(with reference to DALI)

## What are the Shariah Adviser's Roles and Responsibilities?

1. To advise the Manager on the compliance of the Fund with Shariah laws, including the maintenance of proper accounting system, the selection of halal counters for the Fund;
2. To advise the Manager on the concepts, models and operations of Islamic unit trust products;
3. To advise the Manager on the marketing guidelines and information brochures for the Fund;
4. To reply to questions and queries on matters encountered during the day-to-day business operations.

In fulfilling the above roles, the Shariah Adviser will regularly advise the Manager on the conformance of the investments, operations and marketing aspects of the Fund with the Shariah principles.

## BACKGROUND OF BIMB INSTITUTE OF RESEARCH AND TRAINING SDN BHD (BIRT)

BIMB Institute of Research and Training Sdn Bhd (BIRT) has been appointed as Shariah Adviser of the BHLB Pacific Dana Al-Ihsan (DALI).

BIRT, a member company of BIMB Holdings Berhad, was incorporated on 13 April 1995 and commenced operations on 1 August 1995. It has an authorised share capital of RM5 million and a paid-up capital of RM2 million. BIRT was established to offer a more professional service in disseminating knowledge and technical know-how on Islamic banking and finance and other related subjects.

BIRT's corporate mission is to strive for excellence in disseminating the art and knowledge of Islamic banking and finance to the Malaysian society as well as the world over, with viability and capability to grow and progress.

## Who are the people behind the Company?

### THE BOARD OF DIRECTORS OF BIRT CONSISTS OF :

Dato' Ahmad Tajudin Bin Abdul Raham (Chairman) – Managing Director of BIMB  
En Wan Ismail Wan Yusoh (Director) – Chief Executive Officer of BIRT  
Pn Jasni Othman (Company Secretary) – Manager, Research & Development Department, BIRT  
En Mustapha Hamat (Director) – General Manager, Retail Banking Division, BIMB  
En Nazlan Ozizi Ibrahim (Director) – General Manager, Accounts Division, BIMB  
En Thalip Yasin (Director) – General Manager, Human Resources Division

## THE REPRESENTATIVE MEMBERS OF THE SHARIAH ADVISER

Subject to changes that may occur from time to time, the following shall be the representatives of the Shariah Adviser:

**Encik Wan Ismail Bin Wan Yusoh** is the Chief Executive Officer of BIRT. He holds a Bachelor's degree in Mathematics/Computer Science from Indiana State University (USA) in 1978, a Master's degree in Mathematics from the same university in December 1979 and a Diploma in Islamic studies from Universiti Kebangsaan Malaysia in 1989. From 1980 to 1982, he served as a teacher at MARA Junior Science College. In December 1982, he was seconded as a lecturer to Datapower Sdn Bhd. (MARA's EDP School). He joined Bank Islam Malaysia Berhad in March 1983 and was posted to the Computer Department as a System Analyst. In 1989, he was transferred to Organisation and Methods Department, which primarily involves product, system and manual development of the Bank. He was appointed as Manager and Senior Manager of the department in 1990 and 1992 respectively. He was also involved in conducting consultancy services and organising seminars and giving lectures on Islamic banking practice for the financial and non-financial institutions to implement the Islamic or Interest-Free banking products both locally and abroad.

**Puan Jasni Binti Othman** is the Manager, Research and Development of BIMB Institute of Research and Training Sdn Bhd (BIRT). She graduated from Australia majoring in Accounting, Finance and Systems. She has been in the Islamic banking and finance industry for 14 years. Her field of expertise lies in business reengineering, organisational change and operational manual development. She was also involved in the formation of BIMB Securities in 1994.

**Ustaz Abdul Ghani Bin Endut** is the Shariah Officer with Bank Islam Malaysia Berhad. He has been under the employment of Bank Islam Malaysia for more than 6 years. He holds a Bachelor of Art in Business Studies from the University of East London and a Bachelor of Art in Islamic Jurisprudence and Fiqh from University of Jordan. He is actively involved in Shariah advisory activities for Bank Islam Malaysia Berhad and other external parties.

**Encik Ahmad Sanusi Bin Husain** is the Seminars and Training Coordinator of BIRT. He has industry experience of more than 7 years and is responsible in organising BIRT's national and international seminars, which covers extensive topics within the scope of Islamic banking and finance. He is also a consultant and trainer on Islamic banking subjects to various banks and financial institutions, local and abroad. He holds a Bachelor of Science in Economics from Northern Illinois University, USA.

**Uztaz Mohd Bakir Haji Mansor** is the Shariah Co-ordinator of BIMB. He holds a Senior Cambridge Overseas Certificate and Sijil Tertinggi Kolej Islam Malaya. He served as Assistant Secretary at the National Islamic Affairs Council, Prime Minister's Department for 7 years, Education Planning Officer at the Social Development Department for 2 years and Chief Assistant Director at the Islamic Research Centre, Prime Minister's Department for 4 years. He joined BIMB and was appointed as Public Affairs Manager cum Shariah Co-ordinator of BIMB, the Shariah decision maker to implement Islamic Banking and Finance.

**Encik Afifudin Bin Baharuddin** is the Consultancy and Advisory Coordinator. He is the liaison officer at BIRT for the DALI. He possesses 5 years of experience in Islamic banking and finance. He is responsible for product creation and system development activities. Apart from product and systems development, his expertise is in operational manual writing and project management. He is also a trainer in seminars, conferences and in-house training program organised by BIRT. He holds a Bachelor of Business Administration from the International Islamic University.

## Who are the Trustees?

**Amanah Raya Berhad**.....for DGF

**Universal Trustee (Malaysia) Berhad**.....for ECO, SF and HGF

**Arab-Malaysian Trustee Berhad**.....for DALI and BOF

## What are the Trustee's main Duties & Responsibilities?

The Trustee shall exercise all due diligence and vigilance in carrying out all its functions and duties and in safeguarding the rights and interest of the Unitholders. The Trustee must ensure that the Fund is managed and administered in accordance with the Trust Deed, SC Guidelines, Regulations, securities laws and acceptable and efficacious business practice within the unit trust industry. The Trustee shall keep or cause to be kept proper books of account in relation to investment and properties of the Fund and ensure proper records are kept for all transactions, dividends, interest and income received and distributed in respect of the Fund.

The Trustee must also ensure the Fund's accounts are audited by the approved auditor and send a statement of accounts together with the annual report to each Unitholder.

As a general rule, the Manager must retire in the following situations:

- when a Special Resolution has been passed by Unitholders to effect this removal.
- by providing 12 months or shorter period of notice to the Trustee.
- if required by the Law.

Others will follow the respective Trust Deed of each Fund and may, where applicable include amongst others liquidation of the Manager, cessation of the Manager's business and cessation of approval by the Securities Commission on the Manager's status as an approved unit trust management company.

## Retirement, Removal or Replacement of the Trustee

As a general rule, the Trustee must retire in the following situations:

- when a Special Resolution has been passed by Unitholders to effect this removal.
- by providing 12 months or shorter period of notice to the Manager.
- if required by the Law.

Others will follow the respective Trust Deed of each Fund and may, where applicable include amongst others liquidation of the Trustee, cessation of the Trustee's business and cessation of approval by the Securities Commission on the Trustee's status as an approved Trustee.

## TRUSTEE'S WILLINGNESS TO ACT

The Trustee is willing to assume the position and all the obligations as imposed on the Trustee as stipulated in the Deed, all relevant written laws and rules of law. The Trustee is also willing to provide indemnity to the Manager for the benefit of the Unitholders for any loss incurred as a result of non-performance of the Trustee.

## BACKGROUND OF AMANAH RAYA BERHAD (ARB)

Amanah Raya Berhad is the Trustee for DGF. ARB was incorporated on 29 May 1995 under the Companies Act 1965 and Public Trust Corporation 1995 and commenced its operation on 4 July 1995. It has an authorised capital of RM10,000,000. Its issued and paid-up capital is RM6,000,002 @ RM1.00 each. It recorded a pre-tax profit (unaudited) of RM4,106,108 and the shareholders' funds stands at RM32,433,928 for the year ended 31 July 1999.

ARB was formerly known as Pemegang Amanah Raya (Public Trustee) Malaysia. Its history goes back to 1921 when it was established in Kuala Lumpur and assumed the name of Public Trustee and Official Administrator (Pemegang Amanah Raya dan Pegawai Tadbir Pusaka). Since its inception, Public Trustee offered only two services namely as trustee for ordinary trust and administration of deceased estate. It was only in 1966 the Unit Trust Section was created in conjunction with the introduction of the first unit trust fund in Malaysia. In 1987, it was proposed to the Government that the Public Trustee Department be corporatised. ARB was born in 1995.

The Corporation is wholly owned by the Minister of Finance (Incorporated). The Board of Directors constitutes the following:

- (i) Yg. Bhg. Dato' Mohamed Bin Jamrah
- (ii) Tuan Haji Abdul Halim Shah Bin Abdul Murad
- (iii) Yg. Bhg. Dato' Mohamed Adnan Bin Ali
- (iv) Encik Mohamed Bazain Bin Idris

In terms of Administration, ARB is headed by a Chief Executive Officer and assisted by a General Manager. It has a staff strength of 250 persons nationwide with 26 staff assigned to the Unit Trust Division and operates through a network of 15 local branches. ARB currently has 40 unit trust schemes under its trusteeship.

## THE MANAGEMENT TEAM OF ARB

**Dato' Muraly Daran a/l M.N. Menon**, DPMP, PMP, AMN, is the Chief Executive Officer effective 1 February 2000. He is an accountant by profession and a member of the Association of Certified Accountants (ACCA) London. He is a member of the Malaysian Institute of Accountants (MIA) and British Institute of Management (MBIM). Dato' Muraly Daran has been the Acting Chief Executive Officer of Amanah Raya Berhad since August 1995. Prior to this, he was the Chief Accountant with Jabatan Pemegang Amanah Raya. He has vast experience in the fields of Accounting, Financial Management and Fund Management since he joined the government services since 1974.

**Cik Habsah Bt. Bakar** is the General Manager. She graduated from Universiti Malaya with a degree in Law and Diploma in Shariah and Practice Law. She has vast experience in legal administration since joining Jabatan Peguam Negara in 1985. Presently she is responsible for the overall running of the Legal Department, Unit Trust Department and Branch Operation of ARB.

**Encik Mohd. Ishak Bin Sulaiman** is the Finance and Accounts Manager. He holds a BA in Accounting from Universiti Kebangsaan Malaysia. He has been with ARB since September 1995. He has gained extensive experience in the fields of finance and accounting when he was attached to Jabatan Akauntan Negara.

**Encik Mohd. Ridzuan Bin Taib** is the EDP Manager. He holds a degree in Computer Science from Universiti Malaya and Master in BBA from University of Hull, United Kingdom. He joined ARB since December 1990 and assumed his present position since August 1995 and is responsible for the computer system in Amanah Raya Berhad.

**Cik Wan Numzila Bt. Wan Junuh** is the Company's Solicitor. She graduated from University Islam Antarabangsa Kuala Lumpur with a degree in Law. She joined the Company since July 1997. She is appointed by the Board of Director to exercise the functions of the company secretary.

**Encik Zainudin Suhaimi** is the Manager, Unit Trust Department. He holds a Diploma in Business Studies from (UTM) and joined Amanah Raya Berhad since 1992. He is in charge of the overall operations of the Unit Trust Department.

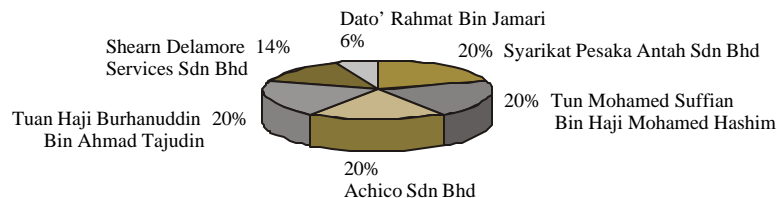
**Puan Nurul Hayati Zawawi** is the Trust Executive. She holds a Degree in Law from Universiti Teknologi Mara (UTM) and has been with Amanah Raya Berhad since 1992. Prior to joining Amanah Raya Berhad, she was a Registrar at the Sessions Court Perlis. She is currently responsible for monitoring the operations of the Unit Trust Department.

**Cik Noraini Wahab** is the Trust Executive. She holds a Degree in Law from Universiti Teknologi Mara (UTM). Prior to joining Amanah Raya Berhad, she was working as a legal assistant in a legal firm. She later joined the Estate and Trust Department of Amanah Raya Berhad and currently is responsible for monitoring the operations of the Unit Trust Department.

## BACKGROUND OF UNIVERSAL TRUSTEE (MALAYSIA) BERHAD (UTMB)

The Trustee for ECO, SF and HGF is Universal Trustee (Malaysia) Berhad (UTMB). UTMB was incorporated on 5 March 1974 under the Companies Act, 1965. It has an authorised capital of RM5,000,000 divided into 500,000 ordinary shares of RM10 each of which 100,000 ordinary shares of RM10 each, are issued and RM5 called and paid-up. Based on the latest audited accounts as at 31 December 1998, the shareholders' funds stands at RM2,352,116 with a pre-tax profit of RM584,151. The shareholding interest in UTMB are as follows:

### Shareholders and Percentage of Shareholding



UTMB is steadily continuing to grow over the years and currently employs 28 staff and has 15 unit trust schemes under its trusteeship.

The Board of Director constitutes the following:

YAM Tunku Nadzaruddin Ibni Tuanku Jaafar  
Tuan Haji Burhanuddin Bin Ahmad Tajuddin  
Tun Mohamed Suffian Bin Haji Mohamed Hashim  
Dato' Rahmat Bin Jamari  
Dato' Francis Huang Chang Hsun

### THE MANAGEMENT TEAM OF UTMB

**Mr Liew Kok Wah** is the General Manager cum Company Secretary. He is a Registered Accountant with the Malaysian Institute of Accountants, a Fellow Member of the Chartered Institute of Management Accountants England and a Corporate Member of the British Institute of Management. Prior to his present appointment with UTMB in 1988, he has held various senior positions of management accounting, finance and administration in corporations in England and with public listed companies in Malaysia. He was the Secretary and is currently a committee member of the Association of Trust Companies in Malaysia.

**Ms Punithamalar d/o Velupillai** is the Assistant Manager. She is an ACCA graduate and prior to joining the company in 1994, she has held various positions in finance and treasury, both with private and public listed companies. She is responsible for supervising both the compliance and accounting functions of the company.

**Ms Low Lai Chee** is the Trust Officer. She is an Associate Member of the Chartered Institute of Secretaries, England. Prior to joining UTMB, she has over ten years of experience in a reputable bank in the areas of custodian and investment administration. She is currently responsible for four of the unit trust schemes and the retirement plans and assists with the compliance functions of the company.

**Ms Agnes Lai Yoke Ping** is the Senior Compliance Officer. She is an Associate Member of the Chartered Institute of Management Accountants, England. Prior to her present appointment, she has more than ten years experience in finance and administration with the Harpers Group. She has been handling unit trust matters for the last four years and is currently responsible for overall compliance and administrative functions.

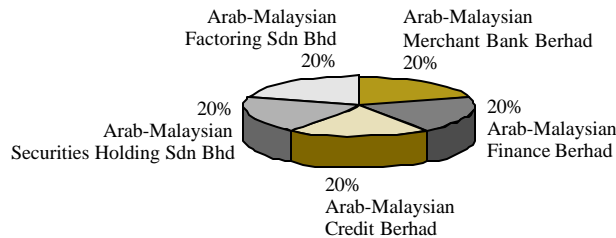
**Mr Alex Woon Kim Yeong** is the Trust Officer. He has been with the company since 1988 and he rose from rank and file to the current position. He is also responsible for three unit trust schemes managed by the company.



## BACKGROUND OF ARAB-MALAYSIAN TRUSTEE BERHAD (AMTB)

The Trustee of DALI and BOF is Arab-Malaysian Trustee Berhad (AMTB) with its registered office at 22nd Floor, Bangunan Arab-Malaysian, Jalan Raja Chulan, 50200 Kuala Lumpur. AMTB was incorporated on 28 July 1987 and commenced its operations in March 1992. AMTB has an authorised share capital of RM1,000,000 and a paid-up share capital of RM500,000 respectively. For the financial year ended 31 March 1999, AMTB recorded a pre-tax profit of RM364,000 and Shareholders' Funds of RM978,000. AMTB currently employs 12 staff (executive: 5 and non-executive: 7 as at today) and currently has in addition to the Funds, 6 other unit trusts funds under its trusteeship.

### Shareholders and Percentage of Shareholding:



The Board of Directors constitutes the following:

- (i) Puan Fauziah Bt. Yacob
- (ii) Ms Amerjeet Kaur a/p Ranjit Singh
- (iii) Dato' Jaspal Singh s/o Sher Singh

## THE MANAGEMENT TEAM OF AMTB

**Dato' Jaspal Singh s/o Sher Singh**, DIMP, is the Chief Executive Officer and a Director of AMTB. He is a Fellow Member of the Chartered Association of Certified Accountants (FCCA) and has been with the Arab-Malaysian Group of Companies since October 1981, having served the Asset Administration, Internal Audit, Treasury Departments, Arab-Malaysian Investment Management Section (AMIM) and Share Registrar Unit. Besides heading AMTB, he currently also heads the Custodian/Nominees Services.

**Ms Simi Dharam** is the Manager. She was a Legal Officer for AMTB for over a year and subsequently the Assistant Manager prior to her present appointment. She has been with AMTB since October 1993.

**Ms Sharon Khaw Cheng Sim** is the Assistant Manager – Marketing. Prior to her appointment at AMTB, she was Head of Share Margin - Trading Unit at United Overseas Bank (M) Bhd and before that, as Assistant Manager – Operations at Inter-Pacific Securities Sdn Bhd. She has also served Arab-Malaysian Merchant Bank as a Marketing Officer.

**Ms Ong Bee Lian** is the Accounts Officer. She has been with AMTB since 1996. Prior to joining AMTB, she was with a unit trust company for 3 years.

**Cik Azlinda Abdul Manaf** is the Trust Officer – Marketing. She holds a Bachelor of Arts with honours in Accounting and Finance from SouthBank University of London. Prior to joining AMTB, she was in Pengkalan Securities for 3 years as Dealer's Representative.



# The Funds In Detail

## Investments



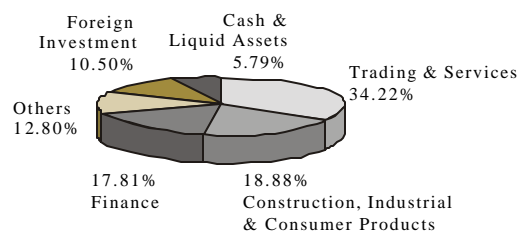
### Double Growth Fund

#### Investment Objective and Strategy of DGF

To achieve capital appreciation over the medium to long term through all types of investments that have the potential for above average growth over time.

To invest up to a maximum of 95% in equities.

#### Portfolio Allocation as at 7 April 2000



<i>Foreign Investment Allocation</i>	
* Listed shares	7.22%
* Liquid assets	3.28%

#### Investment Limits

Up to 95% of the Fund will be invested in equities and at least 5% in liquid assets. The asset allocation will be reviewed periodically depending on the country's economic and stock market outlook.

In a rising market, this 95% limit may be breached, however the Manager will seek to adjust this within a time frame approved by the Trustee.

#### Permitted Investments

The Fund may invest in securities traded on the KLSE, MESDAQ or any other market considered as eligible market, collective investment schemes, unlisted securities, futures contracts and any other investments approved by the Securities Commission from time to time. All investments will be subject to the Guidelines and SC requirements and the objective of the Fund.

The minimum level of liquid assets may be reviewed during the term of this Prospectus by the Investment Committee and subject to approval by Trustee.

## Are there any specific limitations restricting DGF?

The investment limits are subject to the Guidelines, the Regulations and the Trust Deed, except where exemptions or variations have been approved by the Securities Commission.

The investment limits adopted by the Investment Manager are as follows:

Unlisted equities, unlisted warrants and securities that are not traded in under the rules of an eligible market	Must not exceed 10% of the NAV of the Fund
The value of the holdings of any class of security of any single issuer	Must not exceed 10% of the security issued
The value of the holdings of the share capital of any single issuer	Must not exceed 10% of the NAV of the Fund
The value of the holding of securities of and the securities relating to any single issuer	Must not exceed 15% of the NAV of the Fund
The value of the holdings of securities of and relating to any group of companies	Should not exceed 20% of the NAV of the Fund except in the cases where the Manager has received the approval of SC and notified the Trustee
The value of the holdings of collective investment schemes	Must not exceed 10% of the NAV of the Fund
The value of the holdings in futures contracts	Must not exceed 10% of the NAV of the Fund
Securities not listed for trading in approved stock market or exempt stock market but approved for listing and offered directly to the Fund by issuer	No limit but subject to restrictions mentioned above relating to single issuer and group of companies
Securities issued or guaranteed by the Malaysian Government or Bank Negara Malaysia	No limit

A 5% allowance in excess of any limit or restriction may be permitted where the limit or restriction is breached through the appreciation in the value of the Fund's investments/instruments.

Currently the Manager invests up to 10% of the NAV of the Fund in foreign securities having obtained the necessary approvals from Bank Negara Malaysia and the Securities Commission. The Manager may invest beyond this limit provided approvals are obtained from the above two mentioned parties and this increase will be reflected in the Master Prospectus (or supplemental if deemed necessary).

## Emerging Companies Growth Fund

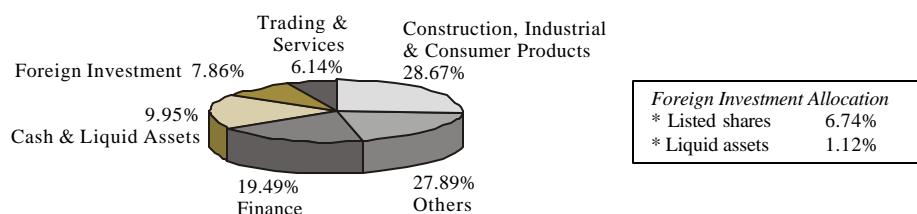
### Investment Objective and Strategy of ECO

To achieve long term high capital growth through investments in emerging companies with market capitalisations of up to RM1,250,000,000 (Ringgit Malaysia One Point Two Five Billion) each. \*

ECO shall invest in securities of emerging companies which are broadly defined as companies in emerging markets with strong potential growth and hands-on management policies but lacking in track records.

(\*The fulfilment of the market capitalisation is to be taken at the point of purchase or acquisition)

### Portfolio Allocation as at 7 April 2000



### Investment Limits

Up to 95% of the Fund will be invested in securities and other permitted investments and at least 5% in liquid assets. The asset allocation will be reviewed periodically depending on the country's economic and stock market outlook.

In a rising market, this 95% limit may be breached, however the Manager will seek to adjust this within a time frame approved by the Trustee.

### Permitted Investment

The Fund may invest in securities traded on the KLSE, MESDAQ or any other market considered as eligible market, collective investment schemes, unlisted securities, futures contracts and any other investments approved by the Securities Commission from time to time. All investments will be subject to the Guidelines and SC requirements and the objective of ECO.

The minimum level of liquid assets may be reviewed during the term of this Prospectus by the Investment Committee and subject to approval by Trustee.

## Are there any specific limitations restricting ECO?

The investment limits are subject to the Guidelines, the Regulations and the Trust Deed, except where exemptions or variations have been approved by the Securities Commission.

The investment limits adopted by the Investment Manager are as follows:

Unlisted equities, unlisted warrants and securities that are not traded in under the rules of an eligible market	Must not exceed 10% of the NAV of the Fund
The value of the holdings of any class of security of any single issuer	Must not exceed 10% of the security issued
The value of the holdings of the share capital of any single issuer	Must not exceed 10% of the NAV of the Fund
The value of the holding of securities of and the securities relating to any single issuer	Must not exceed 15% of the NAV of the Fund
The value of the holdings of securities of and relating to any group of companies.	Should not exceed 20% of the NAV of the Fund except in cases where the Manager has obtained the approval of SC and notified the Trustee
The value of the holdings of collective investment schemes	Must not exceed 10% of the NAV of the Fund
The value of the holdings in futures contracts	Must not exceed 10% of the NAV of the Fund
Securities not listed for trading in approved stock market or exempt stock market but approved for listing and offered directly to the Fund by issuer	Shall not exceed 10% of the NAV of the Fund
Securities issued or guaranteed by the Malaysian Government or Bank Negara Malaysia	No limit

A 5% allowance in excess of any limit or restriction may be permitted where the limit or restriction is breached through the appreciation in the value of the Fund's investments/instruments.

Currently the Manager invests up to 10% of the NAV of the Fund in foreign securities having obtained the necessary approvals from Bank Negara Malaysia and the Securities Commission. The Manager may invest beyond this limit provided approvals are obtained from the above two mentioned parties and this increase will be reflected in the Master Prospectus (or supplemental if deemed necessary).

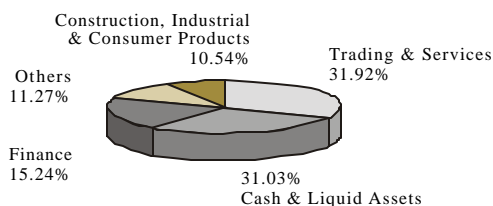
## Savings Fund

### Investment Objective and Strategy of SF

To seek long term growth in capital and income by investing in all types of investments.

The investment strategy of the Fund will be to invest up to a maximum of 60% in equities.

### Portfolio Allocation as at 7 April 2000



### Investment Limits

Up to 60% of the Fund will be invested in equities and about 40% in liquid assets and bonds, of which at least 5% is in liquid assets. The asset allocation will be reviewed periodically depending on the country's economic and stock market outlook.

In a rising market, this 60% limit may be breached, however the Manager will seek to adjust this within a time frame approved by the Trustee.

### Permitted Investment

The Fund may also invest in securities traded on the KLSE, MESDAQ or any other market considered as eligible market, collective investment schemes, unlisted securities, futures contracts and any other investments approved by the Securities Commission from time to time. All investments will be subject to the Guidelines and SC requirements and the objective of the Fund.

The minimum level of liquid assets may be reviewed during the term of this Prospectus by the Investment Committee and subject to approval by Trustee.

## Are there any specific limitations restricting SF?

The investment limits are subject to the Guidelines, the Regulations and the Trust Deed, except where exemptions or variations have been approved by the Securities Commission.

The investment limits adopted by the Investment Manager are as follows:

Unlisted equities, unlisted warrants and securities that are not traded in under the rules of an eligible market	Must not exceed 10% of the NAV of the Fund
The value of the holdings of any class of security of any single issuer	Must not exceed 10% of the security issued
The value of the holdings of the share capital of any single issuer	Must not exceed 10% of the NAV of the Fund
The value of the holding of securities of and the securities relating to any single issuer	Must not exceed 15% of the NAV of the Fund
The value of the holdings of securities of and relating to any group of companies	Should not exceed 20% of the NAV of the Fund except in the cases where the Manager has received the approval of SC and notified the Trustee
The value of the holdings of collective investment schemes	Must not exceed 10% of the NAV of the Fund
The value of the holdings in futures contracts	Must not exceed 10% of the NAV of the Fund
Securities not listed for trading in approved stock market or exempt stock market but approved for listing and offered directly to the Fund by issuer	No limit but subject to restrictions mentioned above relating to single issuer and group of companies
Securities issued or guaranteed by the Malaysian Government or Bank Negara Malaysia	No limit

A 5% allowance in excess of any limit or restriction may be permitted where the limit or restriction is breached through the appreciation in the value of the Fund's investments/instruments.

From time to time during the term of this Prospectus, the Investment Manager may consider to invest assets of the SF mentioned above in foreign securities provided the relevant approvals are obtained from Bank Negara Malaysia and the Securities Commission.

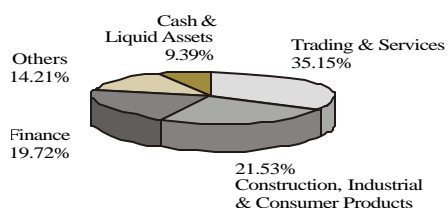
## High Growth Fund

### Investment Objective and Strategy of HGF

To achieve maximum capital appreciation over the long term through all types of investments.

The investment strategy of HGF is to invest up to a maximum of 95% in equities.

### Portfolio Allocation as at 7 April 2000



### Investment Limits

Up to 95% of the Fund will be invested in equities and at least 5% in liquid assets. The asset allocation will be reviewed periodically depending on the country's economic and stock market outlook.

In a rising market, this 95% limit may be breached, however, the Manager will seek to adjust this within a time frame approved by the Trustee.

### Permitted Investments

HGF may invest in securities traded on the KLSE, MESDAQ and other market considered as eligible market, collective investment schemes, unlisted securities, futures contracts and any other investments approved by the Securities Commission from time to time. All investments will be subject to the Guidelines and SC requirements and the objective of the Fund.

The minimum level of liquid assets may be reviewed during the term of this Prospectus by the Investment Committee and subject to approval by Trustee.

## Are there any specific limitations restricting HGF?

The investment limits are subject to the Guidelines, the Regulations and the Trust Deed, except where exemptions or variations have been approved by the Securities Commission.

The investment limits adopted by the Investment Manager are as follows:

Unlisted equities, unlisted warrants and securities that are not traded in under the rules of an eligible market	Must not exceed 10% of the NAV of the Fund
The value of the holdings of any class of security of any single issuer	Must not exceed 10% of the security issued
The value of the holdings of the share capital of any single issuer	Must not exceed 10% of the NAV of the Fund
The value of the holding of securities of and the securities relating to any single issuer	Must not exceed 15% of the NAV of the Fund
The value of the holdings of securities of and relating to any group of companies	Should not exceed 20% of the NAV of the Fund except in cases where the Manager has obtained the approval of SC and notified the Trustee
The value of the holdings of collective investment schemes	Must not exceed 10% of the NAV of the Fund
The value of the holdings in futures contracts	Must not exceed 10% of the NAV of the Fund
Securities not listed for trading in approved stock market or exempt stock market but approved for listing and offered directly to the Fund by issuer	No limit but subject to restrictions mentioned above relating to single issuer and group of companies
Securities issued or guaranteed by the Malaysian Government or Bank Negara Malaysia	No limit

A 5% allowance in excess of any limit or restriction may be permitted where the limit or restriction is breached through the appreciation in the value of the scheme's investments/instruments.

From time to time during the term of this Prospectus, the Investment Manager may consider to invest assets of the SF mentioned above in foreign securities provided the relevant approvals are obtained from Bank Negara Malaysia and the Securities Commission.

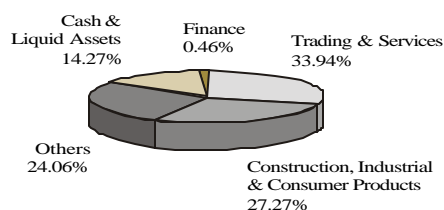


## Investment Objective and Strategy of DALI

To achieve a consistent capital growth over the medium to long term.

DALI shall invest in companies that are permissible under the Shariah principles, undervalued but offer good growth potential.

## Portfolio Allocation as at 7 April 2000



## Investment Limits

Up to 95% of the Fund will be invested in securities and other permissible investments and at least 5% in liquid assets. The asset allocation will be reviewed periodically depending on the country's economic and stock market outlook.

In a rising market, the 95% limit may be breached, however the Manager will seek to adjust this within a time frame as approved by the Trustee.

## Permitted Investments

The Fund may invest in securities traded on the KLSE(Shariah Index), MESDAQ or any other market considered as eligible market, collective investment schemes, unlisted securities, and any other investments approved by the Securities Commission from time to time and provided they are designated as 'halal'.

All investments will be subject to the Guidelines and SC requirements and the DALI's objective.

The minimum level of liquid assets may be reviewed during the term of this Prospectus by the Investment Committee and subject to approval by Trustee.

## Are there any specific limitations restricting DALI ?

The investment limits are subject to the Guidelines, the Regulations and the Trust Deed, except where exemptions or variations have been approved by the Securities Commission.

The investment limits adopted by the Investment Manager are as follows:

Unlisted equities, unlisted warrants and securities that are not traded in under the rules of an eligible market	Must not exceed 10% of the NAV of the Fund
The value of the holdings of any class of security of any single issuer	Must not exceed 10% of the security issued
The value of the holdings of the share capital of any single issuer	Must not exceed 10% of the NAV of the Fund
The value of the holdings of securities of and the securities relating to any single issuer	Must not exceed 15% of the NAV of the Fund
The value of the holdings of securities of and relating to any group of companies	Should not exceed 20% of the NAV of the Fund except in cases where the Manager has obtained the approval of SC and notified the Trustee
The value of the holdings of collective investment schemes (which invests in shariah funds)	Must not exceed 10% of the NAV of the Fund
Securities not listed for trading in approved stock market or exempt stock market but approved for listing and offered directly to the Fund by issuer	No limit but subject to restrictions mentioned above relating to single issuer and group of companies
Securities issued or guaranteed by the Malaysian Government or Bank Negara Malaysia	No limit
<b>Futures contracts</b>	<b>Prohibited</b>

A 5% allowance in excess of any limit or restriction may be permitted where the limit or restriction is breached through the appreciation in the value of the Fund's investments/instruments.

From time to time during the term of this Prospectus, the Investment Manager may consider to invest assets of the DALI in foreign securities approved under Shariah provided the relevant approvals are obtained from Bank Negara Malaysia and the Securities Commission.

## Bond Fund

### Investment Objective and Strategy of BOF

To provide investors with an opportunity to gain higher than average income over the medium to long term by investing in a diversified portfolio consisting principally of bonds, certificates of deposit, short term money market instruments and other permissible investments.

### Portfolio Allocation as at 7 April 2000



### Investment Limits

The Fund is allowed under the terms of the Trust Deed to invest up to 95% of the Fund's Net Asset Value in fixed-income securities and at least 5% in liquid assets.

### Permitted Investments

BOF may also invest in fixed-income securities traded on the KLSE or any other market considered as eligible market, collective investment schemes, unlisted fixed-income securities (with ratings up to B for long term PDS and P3 for short term PDS designated by the Rating Agency of Malaysia or an equivalent rating agency), unlisted fixed-income securities issued by Bank Negara Malaysia, government and government related agencies (such as Danamodal, Danaharta, Khazanah, Cagamas) and any other investments approved by the Securities Commission from time to time.

(Please refer to Appendix II-V for details of description on the ratings by the respective rating agencies)

All investments will be subject to the Guidelines and SC requirements and the investments will accord with the objective of the Fund.

The minimum level of liquid assets may be reviewed during the term of this Prospectus by the Investment Committee and subject to approval by Trustee.

### Are there any specific limitations restricting BOF?

The investment limits are subject to the Guidelines, Regulations and the Trust Deed, except where exemptions or variations have been approved by the Securities Commission.

The investment limits adopted by the Manager are as follows:

Investments in unlisted fixed-income securities traded in or under the rules of the eligible market	No limit but subject to restrictions mentioned below relating to single issuer and group of companies
Securities issued or guaranteed by the Malaysian Government or Bank Negara Malaysia	No restrictions or limit
The value of the holdings of any class of fixed-income security of any single issuer	Must not exceed 20% of the security issued
The value of the holdings of the share capital of any single issuer	Must not exceed 10% of the NAV of the Fund
The value of the holdings of fixed-income securities of and the fixed-income securities relating to any single issuer	Must not exceed 20% of the NAV of the Fund
The value of the holdings of fixed-income securities of and fixed-income securities relating to any group of companies	Should not exceed 30% of the NAV of the Fund except in cases where the Manager has received approval from the SC and notified Trustee
The value of the holdings of collective investment schemes (which invests in bonds and fixed income securities)	Must not exceed 10% of the NAV of the Fund
The value of the holdings in futures contracts	Must not exceed 10% of the NAV of the Fund

A 5% allowance in excess of any limit or restriction may be permitted where the limit or restriction is breached through the appreciation in the value of the Fund's investments/instruments.

From time to time during the term of this Prospectus, the Manager may consider investing the assets of the Fund in foreign fixed-income provided the relevant approvals are obtained from Bank Negara Malaysia and the Securities Commission.

## Investment Strategy For Specific Category For All Funds

### Futures

Investment in futures is meant as a hedging mechanism in order to cushion funds from extreme market volatility and not for speculative purposes. Hedging transactions are made to reduce the risk of price fluctuations.

In relation to the BOF, the investment manager is currently licensed to invest in futures traded on the KLOFFE only. The investment manager is considering submitting an application to the Securities Commission to extend its futures fund manager's license to cover investing into futures traded on COMEX. Only upon such extension being approved will the investment manager be participating in futures contracts on behalf of the Fund.

### Collective Investment Schemes

Investment in other collective investment schemes must share relevant and consistent objectives as the investing Fund. The collective investment scheme can be open-ended or closed-ended, listed or non-listed.

### Unlisted Securities

The Fund Manager may adopt the same investment process for both the investments in securities that are not traded in or under the rules of an eligible market and listed securities. Before investing in an unlisted security, the Manager will carry out extensive research and analysis in valuing the stock's fundamental and financial performance with guidance from the stock's prospectus.

In determining the investment into unlisted fixed-income securities, the Fund Manager will make a bottom-up assessment focusing on the individual security's liquidity and volatility, and also the timeliness of the issuer's ability to meet its debt obligations.

With reference to BOF, ratings on the issue would be a guide to assist the Fund Manager in his decision-making. The Fund Manager will be biased towards investing in unlisted fixed-income securities which carry a long-term debt rating of "BBB" and upward, or a short-term debt rating of "P2" and upward.

However there may be occasions where an unlisted security has obtained ratings below "BBB" or "P2". In such circumstances should the Fund Manager consider the issue worth investing into, he will ensure that due consideration is given to the qualitative and quantitative aspects of the issue such as the credibility of the issuer's management as well as its past and future earnings. Extenuating circumstances beyond the issuer's control such as the economic crisis as in mid 1997 to 1998 or a global event impacting bonds, may also have to be taken into consideration as these factors may affect the issue's initial rating which may be reviewed once the event was no longer relevant.

## Overall Investment Strategy

In order to achieve the Funds' objectives, the Investment Manager's investment philosophy is based on a top-down and bottom-up approach. The Manager will seek to identify stocks which have deviated from their fair value and thereon make decisions to buy stock which the Manager believes are below their fair value and to sell stocks with prices at a premium to their fair value.

The Investment Manager will try to achieve the Fund's objective through a disciplined, research intensive approach that combines macroeconomic fundamentals with individual security analysis. This means at a macro level, attention will be paid to market risk, relative values and capital flows. For individual securities, a bottom-up analysis focusing on liquidity and volatility will be adopted.

The actual asset allocation for each of the equities fund will be determined through the following criteria:

- a) Review on the outlook of the overall economic and financial markets, intended chiefly to identify the primary driving forces that are impacting individual company profit trends and stock prices performance to take advantage of the varying economics cycles.
- b) Filtering exercise to identify and select stocks to invest in by using the following benchmarks –
  - i) Price Earnings Ratio
  - ii) Earning Yields
  - iii) Debt Servicing Ratio
  - iv) Gearing Ratio
  - v) Return on Equity
  - vi) Dividend Yield
  - vii) Strength of Management

Pertaining to non-equity fund, the Investment Manager concentrates on diversification and will invest into securities with varying coupon payments and maturity periods. Due consideration is also given to the qualitative and quantitative aspects of a company, where issues such as the credibility of its management and past earnings is pertinent in assessing the quality of the security held. From a technical perspective, consideration is given to the capital market as a whole where analysis on the market's performance, trends and liquidity will assist the Investment Manager in his decision making. Where the Investment Manager foresees a change in interest rate trends, the average maturity period of the portfolio may be extended if interest rates are expected to fall, and may be shortened if interest rates are expected to rise. The duration is a measure of interest rate sensitivity.

As a balanced fund, SF intends to invest in a diversified combination of equity and non-equity securities, the investment strategy would encompass both these strategies mentioned above to maximise income and capital growth potential.

## Valuation for all Funds

Listed equity securities(whether it is local or foreign) will be valued based on the last done market price on the KLSE (or other such recognised exchanges) while unlisted securities shall be valued at cost less provision for any permanent diminution in value. The basis of valuation of investments for unlisted securities will be verified by the auditors and approved by the Trustee.

Where no market price is available including in the event of suspension in the quotation of securities for a period exceeding 14 days or such shorter period as agreed by the Trustee, then the securities should be valued at fair value, as determined in good faith by the Manager, verified by the auditor of the fund and specifically approved by the Trustee.

## Investment Risk

Despite of the prudent investment strategy adopted by the Fund Manager for the Funds, all investments carry with it certain element of risk. Please refer to page 10 and 11 on the risks of investing in unit trust funds. Accordingly, these risk factors may affect your total investments and we cannot guarantee that by following the investment strategies, the Funds will achieve their desired objectives respectively.

# Fees & Charges



## What are the Fees and Charges incurred for each Fund?

### Annual Management Fee

An annual fee of 1.5% and 0.95 of the GNAV of the Fund calculated on a daily basis for all Funds and BOF respectively.

### Fees Payable to the Sub-Custodian

Out of the Fund, HSBC International Trustee(s) Ltd receives a custodian fee of 0.125% of the NAV of the Fund (for DGF and ECO's foreign portfolio), charged monthly in arrears and subject to a minimum of SGD1800 per month; SGD30 per transaction as in transaction fee and out of pocket expenses.

### Fees Payable to Trustee

DGF Amanah Raya Berhad is entitled to an annual fee of 0.08% of the NAV of the Fund calculated on a daily basis.

DALI and BOF\* Arab-Malaysian Trustee Berhad is entitled to an annual fee of 0.08% of the GNAV of each respective Fund calculated on a daily basis.

BOF\* - This is subject to a minimum of RM30,000 per annum

ECO, HGF and SF Aside from an annual custodian fee of RM20,000, Universal Trustee (Malaysia) Berhad is entitled to the following fees which are paid out of the Fund:

Size of the Fund	Rate per annum of the NAV of the Fund
First RM20 million	0.06%
Next RM20 million	0.05%
Next RM20 million	0.04%
Next RM20 million	0.03%
Next RM20 million	0.02%
Any amount in excess of RM100 million	0.01%

The Trustee fee is accrued daily by dividing the NAV of the Fund by the number of days in the year multiplied by the rates given above.

### Sales Charge

Between 5% to 10% of the Net Asset Value per unit for each respective Fund. There is no sales charge for BOF.

### Repurchase Charge

All Funds do not charge an exit fee.

### Transfer Fee

You are entitled to transfer (either fully or partially) the units registered in your name to another person in the form as approved by the Manager.

However, you are required to maintain a minimum of 100 units (applicable to DGF only) and 500 units (for all other Funds) respectively in order to maintain an account with the Manager.

For each transfer, a fee of RM3.00 is charged by the Manager.

### Fund's Expenses

Only the expenses that are directly related and necessary to the business of the Fund are payable or reimbursable out of the assets. This would include all expenses allowed under the trust deed for each applicable fund and would amongst others cover fees for valuation, auditor, sale, purchase and other dealing with assets, preparation and audit of tax returns and accounts.

## What are the Fees and Charges incurred by the Manager?

### Fees Payable to the Investment Manager

Other than the remuneration provided for in the Trust Deed, the Manager pays the Investment Manager a fee based on the month-end portfolio valuation. The fee is borne by the Manager.

Please refer to the Accountant's Report for the details of the expenses incurred by each Fund over the past five financial years.

### Sales Commission Payable to Agents

All commission payments to agents are incurred by the Manager. In relation to balanced/equity funds administered by the Manager, agents are allocated a sales commission of not more than 4.2% of the Selling Price. There is no sales commission for the BOF, however agents are entitled to a trailer commission.

## Sale & Repurchase of Units



### What is the Selling Price?

The Selling Price of each Unit shall be the Net Asset Value per unit of each Fund as at the next valuation point after the Manager received (or is taken to have received) the application for units plus a sales charge of between 5% to 10% (there is no sales charge for BOF). As the basis of calculation is forward pricing, the Selling Price on any Business Day will be the published Selling Price on the following day.

Assuming that the NAV of the Fund at the end of the business day on 28 April 2000 for HGF is RM732,925,272.97, units in issue on 28 April 2000 amounts to 627,361,800 units and the sales charge is 6.5%, the Selling Price per Unit published on 29 April 2000 is as illustrated below:

NAV per unit	=	$\frac{\text{NAV}}{\text{Units in issue}}$
	=	$\frac{732,925,272.97}{627,361,800}$
	=	RM1.1683
Selling Price per Unit	=	(NAV per Unit + sales charge)
	=	(RM1.1683 + 6.50 %) + rounding to 4 decimal points
	=	RM1.2443

### What about the Redemption Price?

The Redemption Price per Unit is the NAV per unit of each Fund and there is no repurchase charge. As the basis of calculation is forward pricing, the Redemption Price on any business day on which the request to repurchase is received by the Manager will be the published Redemption Price on the following day.

As illustrated below:

The Redemption Price per Unit for HGF published on 29 April 2000 is RM1.1683 and the request to repurchase received by the Manager is 1000 units. The Redemption Price per Unit for HGF is the NAV per unit of Fund. There will be no repurchase charge imposed on any request to repurchase the units.

NAV per Unit	=	RM1.1683
Repurchase Charge	=	RM0.00
Redemption Price per unit	=	NAV per unit
	=	RM1.1683



### What is the Cooling-off Period?

There will be six (6) Business Days for Unitholders to exercise the withdrawal of investment. On the day the cooling-off right is exercised, Unitholder will receive the higher of the Net Asset Value per unit or the Repurchase Price per unit. Additionally, the sales charge or fee paid by Unitholder on his original investment will be refunded.

The Cooling-off Period does not apply to EPF investors based on Clause 3 of EPF 9F (AHL) Form which states that “An EPF investor is not permitted to cancel his/her application.”

Units can be purchased at the following offices referred to on pages 77 - 79.

### What is the Portfolio Turnover Ratio (PTR)?

PTR is the ratio of the average of the acquisitions and disposals of the unit trust scheme for the year calculated on a daily basis.

It tells an investor the average of acquisitions and disposals of securities of each Fund. For example, a portfolio turnover of 200% or two times per annum means that the Fund has been turned over twice for that particular period.

$$\text{PTR} = \frac{(\text{Total acquisitions} + \text{Total disposals}) / 2}{\text{Average Fund Size}}$$

### Management Expense Ratio (MER)

#### What is the MER?

MER is the ratio of the sum of the fees and the recovered expenses of the unit trust scheme to the average value of the unit trust scheme calculated on a daily basis.

The MER is the fees and expenses that you pay during the time your money is invested in the Fund and is paid directly from the Fund. The MER is made up of 3 components – Manager’s Fee, Trustee’s Fee and the Fund expenses – and pays for expenses incurred in the administration and investment of each Fund.

The MER is calculated in accordance with the following formula:

$$\text{MER} = \frac{(\text{Fees} + \text{Recoverable Expenses})}{\text{Average Fund Size}} \times 100$$

Illustration:

The total expenses incurred by ECO for the year ended 31 October 1999 was RM4,661,235 and its average fund size is RM304,179,203. The MER is calculated as follows:

$$\begin{aligned} \text{MER} &= \frac{\text{RM4,661,235}}{\text{RM304,179,203}} \times 100 \\ &= 1.53\% \end{aligned}$$

# Highlights of the Funds

What are the Financial Highlights of the Fund over the last 5 years?

## Double Growth Fund

Financial highlights of **DGF** are as follows:



### Distribution of Dividends

<i>The distribution was made of:</i>	Date of distribution	Gross Dividend	NAV before distribution (NAV per unit)	NAV after distribution (NAV per unit)
<div>5.48%</div> <div>3.93%</div> <div>90.59%</div>	28 April 1995	6 sen per unit	RM346,477,580 (RM0.77)	RM319,531,580 (RM0.71)
<div>21.73%</div> <div>17.19%</div> <div>61.08%</div>	30 April 1996	5 sen per unit	RM386,906,236 (RM0.83)	RM363,706,236 (RM0.78)
<div>16.55%</div> <div>14.55%</div> <div>68.90%</div>	31 October 1996	3 sen per unit	RM386,225,523 (RM0.81)	RM371,954,523 (RM0.78)
<div>6.54%</div> <div>4.19%</div> <div>89.27%</div>	30 April 1997	6 sen per unit	RM375,732,810 (RM0.75)	RM345,732,810 (RM0.69)

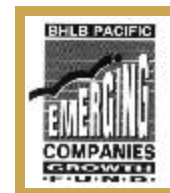
from interest income
from dividend income
from capital gains

### Distribution of units split

No units split for the past five (5) financial years.

	For The Year Ended				
	30/4/99	30/4/98	30/4/97	30/4/96	30/4/95
Actual Management Fee (RM)	3,299,574	4,244,456	5,636,381	5,339,633	4,520,588
Actual Trustee Fee (RM)	189,426	296,416	453,979	711,951	602,745
Fees/Commission paid to brokers (RM)	1,713,929	2,595,235	6,248,280	7,794,041	8,835,057
Total expenses of the Fund (RM)	3,660,742	4,709,103	6,693,970	6,443,174	5,687,798
Net Asset Value per unit (RM)	0.55	0.44	0.68	0.78	0.70
Portfolio Turnover of the Fund (times)	0.44	0.57	1.12	1.48	1.23
Management Expense Ratio (%)	1.64	1.68	1.69	1.78	1.78

## Emerging Companies Growth Fund



Financial highlights of **ECO** are as follows:

### Distribution of Dividends

<i>The distribution was made of:</i>	Date of distribution	Gross Dividend	NAV before distribution (NAV per unit)	NAV after distribution (NAV per unit)
<div>15.72%</div> <div>5.88%</div> <div>78.40%</div>	31 January 1996	5 sen per unit	RM275,518,898 (RM0.83)	RM259,015,398 (RM0.78)
<div>48.32%</div> <div>18.52%</div> <div>33.16%</div>	31 July 1996	3 sen per unit	RM310,889,564 (RM0.90)	RM300,689,564 (RM0.87)
<div>15.68%</div> <div>5.08%</div> <div>79.24%</div>	31 January 1997	6 sen per unit	RM337,444,449 (RM0.95)	RM316,204,449 (RM0.89)

from interest income
  from dividend income
  from capital gains

### Distribution of units split

Date of units split	Units Split	NAV before units split (NAV per unit)	NAV after units split (NAV per unit)
30 June 1995	1:10	RM240,951,620 (RM0.94)	RM240,951,620 (RM0.86)
30 June 1996	1:50	RM309,120,760 (RM0.92)	RM309,120,760 (RM0.87)
22 July 1999	15:100	RM412,946,995 (RM1.07)	RM412,946,995 (RM0.94)

	For The Year Ended				Period from 10/5/94 to 30/6/95
	30/6/99	30/6/98	30/6/97	30/6/96	
Actual Management Fee (RM)	3,916,447	3,627,956	4,818,706	4,175,668	2,356,450
Actual Trustee Fee (RM)	56,196	54,302	61,795	58,006	47,833
Custodian Fee (RM)	20,000	20,000	31,388	76,000	-
Fees/Commission paid to brokers (RM)	2,324,264	479,665	1,724,047	2,516,321	4,263,240
Total expenses of the Fund (RM)	4,087,588	3,768,051	5,030,977	4,713,246	2,531,818
Net Asset Value per unit (RM)	1.03	0.53	0.85	0.86	0.85
Portfolio Turnover of the Fund (times)	0.51	0.14	0.36	0.74	1.54
Management Expense Ratio (%)	1.56	1.60	1.55	1.69	1.73

## Savings Fund



Financial highlights of **SF** are as follows:

### Distribution of Dividend

<i>The distribution was made of:</i>	Date of distribution	Gross Dividend	NAV before distribution (NAV per unit)	NAV after distribution (NAV per unit)
83.9%	16 October 1998	3.5 sen per unit	RM71,007,329 (RM0.62)	RM67,009,524 (RM0.59)
16.1%				
NIL				

from interest income

from dividend income

from capital gains

### Distribution of units split

Date of units split	Units Split	NAV before units split (NAV per unit)	NAV after units split (NAV per unit)
12 August 1996	13:100	RM4,013,502 (RM1.06)	RM4,013,502 (RM0.94)
21 March 1997	6:50	RM15,151,649 (RM1.04)	RM15,151,649 (RM0.93)
25 June 1999	15:100	RM186,776,157 (RM1.02)	RM186,776,157 (RM0.89)

	For The Year Ended			Period from
	31/8/99	31/8/98	31/8/97	4/8/95 to 31/8/96
Actual Management Fee (RM)	1,868,185	835,197	231,166	40,698
Actual Trustee Fee (RM)	41,805	28,059	9,306	1,628
Custodian Fee (RM)	20,000	21,670	24,330	38,000
Fees/Commission paid to brokers (RM)	1,919,982	377,890	324,173	83,530
Total expenses of the Fund (RM)	1,992,777	937,738	314,059	126,665
Net Asset Value per unit (RM)	0.88	0.58	0.74	0.93
Portfolio Turnover of the Fund (times)	0.96	0.54	1.03	1.76
Management Expense Ratio (%)	1.60	1.63	1.76	4.73

## High Growth Fund



Financial highlights of **HGF** are as follows:

### Distribution of Dividends

<i>The distribution was made of:</i>	Date of distribution	Gross Dividend	NAV before distribution (NAV per unit)	NAV after distribution (NAV per unit)
89.13%	6 June 1997	5 sen per unit	RM83,644,347 (RM0.93)	RM79,169,347 (RM0.88)
1.63%				
9.24%				

from interest income
  from dividend income
  from capital gains

### Distribution of units split

Date of units split	Units Split	NAV before units split (NAV per unit)	NAV after units split (NAV per unit)
30 April 1996	1 : 10	RM19,825,245 (RM1.04)	RM19,825,245 (RM0.95)
31 October 1996	1 : 20	RM28,664,650 (RM0.97)	RM28,664,650 (RM0.93)
19 August 1999	1:5	RM402,147,775 (RM1.00)	RM402,147,775 (RM0.83)

	← For the Year Ended →			Period from
	31/10/99	31/10/98	31/10/97	25/9/95 to 31/10/96
Actual Management Fee (RM)	4,514,789	1,832,527	925,437	297,587
Actual Trustee Fee (RM)	60,020	42,031	28,413	11,728
Custodian Fee (RM)	20,000	20,000	23,000	38,000
Fees/Commission paid to brokers (RM)	4,459,447	1,761,933	1,360,770	307,739
Total expenses of the Fund (RM)	4,661,235	1,946,500	1,067,875	390,576
Net Asset Value per unit (RM)	0.82	0.58	0.67	0.93
Portfolio Turnover of the Fund (times)	0.96	0.61	1.23	1.14
Management Expense Ratio (%)	1.53	1.58	1.66	1.96

Financial highlights of **DALI** are as follows:

### Distribution of units split

Date of units split	Units Split	NAV before units split (NAV per unit)	NAV after units split (NAV per unit)
26 January 1999	1:4	RM28,086,392 (RM1.31)	RM28,086,392 (RM1.05)
15 June 1999	1:4	RM91,868,809 (RM1.28)	RM91,868,809 (RM1.02)

	Period from 7/5/98 to 31/5/99
Actual Management Fee (RM)	362,832
Actual Trustee Fee (RM)	17,431
Fees/Commission paid to brokers (RM)	558,949
Total expenses of the Fund (RM)	371,655
Net Asset Value per unit (RM)	1.21
Portfolio Turnover of the Fund (times)	1.59
Management Expense Ratio (%)	1.62

### **Bond Fund**



Financial highlights of **BOF** are as follows:

	Unaudited Period from 20/7/1999 to 31/1/2000
Actual Management Fee (RM)	11,170
Actual Trustee Fee (RM)	894
Total expenses of the Fund (RM)	21,307
Net Asset Value per unit (RM)	0.9992
Management Expense Ratio (%)	1.25

## What about the Funds' Investments?

### Investment Highlights of DGF

**For the year ended 30 April 1999, the top 5 local investments, top 3 foreign investments and unlisted securities of the Fund are as follows:**

<i>Local Investments</i>	<i>Foreign Investments</i>	<i>Unlisted Securities</i>
Telekom Malaysia Bhd	Hutchison Whampoa Limited - Hong Kong	Bolton Properties Bhd -Bond
Tenaga Nasional Bhd	HSBC Holdings Plc	Integrated Logistics Bhd -Bond
Public Bank Bhd	Cheung Kong Holdings Ltd	Renong Bhd -Bond
Sime Darby Bhd		
Berjaya Sports Toto Bhd		

**For the year ended 30 April 1998, the top 5 local investments, top 3 foreign investments and unlisted securities of the Fund are as follows:**

<i>Local Investments</i>	<i>Foreign Investments</i>	<i>Unlisted Securities</i>
Telekom Malaysia Bhd	Taiwan Semiconductor Mfg - ADR	Bolton Properties Bhd -Bond
Tenaga Nasional Bhd	HSBC Holdings Plc	Renong Bhd -Bond
Malakoff Bhd	China Telekom Infrastructure Ltd.	Integrated Logistics Bhd -Bond
Magnum Corporation Bhd		
Berjaya Sports Toto Bhd		

**For the year ended 30 April 1997, the top 5 local investments, top 3 foreign investments and unlisted securities of the Fund are as follows:**

<i>Local Investments</i>	<i>Foreign Investments</i>	<i>Unlisted Securities</i>
Cahaya Mata Sarawak Bhd	Sun Hung Kai Properties - Hong Kong	Bolton Properties Bhd -Bond
Malayan Banking Bhd	ROC Taiwan Fund - Taiwan	Renong Bhd -Bond
Telekom Malaysia Bhd	Hutchison Whampoa Limited - Hong Kong	Integrated Logistics Bhd -Bond
Gamuda Bhd		
Perusahaan Otomobil Nasional Bhd		

**For the year ended 30 April 1996, the top 5 local investments, top 3 foreign investments and unlisted securities of the Fund are as follows:**

<i>Local Investments</i>	<i>Foreign Investments</i>	<i>Unlisted Securities</i>
Genting Bhd	Hutchison Whampoa Limited - Hong Kong	Integrated Logistic Bhd -Bond
Telekom Malaysia Bhd	Hang Seng Bank Limited - Hong Kong	Celcom Sdn Bhd -Bond
Malayan Banking Bhd	Cheung Kong Holdings Limited - Hong Kong	Hicom Holding Bhd -Bond
Tenaga Nasional Bhd		
Metacorp Bhd		

**For the year ended 30 April 1995, the top 5 local investments and top 3 foreign investments of the Fund are as follows:**

<i>Local Investments</i>	<i>Foreign Investments</i>
Resorts World Bhd	Thai Farmers Bank - Thailand
Tenaga Nasional Bhd	Hutchison Whampoa Limited - Hong Kong
Land & General Bhd	China Light & Power Company - Hong Kong
YTL Corporation Bhd	
Telekom Malaysia Bhd	

Please note that the Fund started investing in foreign securities since 1995 and unlisted securities since 1996 respectively.

## Investment Highlights of ECO

**For the year ended 30 June 1999, the top 5 local investments, top 3 foreign investments and unlisted securities of the Fund are as follows:**

<i>Local Investments</i>	<i>Foreign Investments</i>	<i>Unlisted Securities</i>
Commerce Asset Holding Bhd	Land & House (F) - Thailand	Renong Bhd -Bond
Hong Leong Bank Bhd	Orchard Parade Holdings - Singapore	Celcom Sdn Bhd -Bond
Affin Holdings Bhd	Giordano International Ltd - Hong Kong	Country Heights Bhd -Bond
IOI Corporation Bhd		
Public Finance Bhd		

**For the year ended 30 June 1998, the top 5 local investments, top 3 foreign investments and unlisted securities of the Fund are as follows:**

<i>Local Investments</i>	<i>Foreign Investments</i>	<i>Unlisted Securities</i>
Gamuda Bhd	National Mutual Asia Ltd - Hong Kong	Celcom Sdn Bhd -Bond
Southern Acid Bhd	Dovechew Terminals Holdings - Singapore	Renong Bhd -Bond
Matsushita Electric Co (M) Bhd	Varitronix International Ltd - Hong Kong	Country Heights Bhd -Bond
Hong Leong Industries Bhd		
Bintai Kanden Corporations Bhd		

**For the year ended 30 June 1997, the top 5 local investments, top 3 foreign investments and top 3 unlisted securities of the Fund are as follows:**

<i>Local Investments</i>	<i>Foreign Investments</i>	<i>Unlisted Securities</i>
Gamuda Bhd	National Mutual Asia Ltd - Hong Kong	Celcom Sdn Bhd -Bond
ACP Industries Bhd	FHTK Holdings Ltd - Singapore	Renong Bhd -Bond
Sunway Building Technology Bhd	Chinney Investment - Hong Kong	Country Heights Bhd -Bond
Hong Leong Industries Bhd		
Diperdana Corporation Bhd		

**For the year ended 30 June 1996, the top 5 local investments, top 3 foreign investments and unlisted securities of the Fund are as follows:**

<i>Local Investments</i>	<i>Foreign Investments</i>	<i>Unlisted Securities</i>
Gamuda Bhd	Serm Suk Ltd - Thailand	Renong Bhd -Bond
Malaysian Pacific Industries Bhd	Four Seas Merchantile Holding - Hong Kong	Country Heights Bhd -Bond
Maruichi Malaysia Steel Tube Bhd	Darya Varia Laboratoria - Indonesia	
Matsushita Electric Co (M) Bhd		
Hong Leong Industries Bhd		

**For the year ended 30 June 1995, the top 5 local investments and top 3 foreign investments of the Fund are as follows:**

<i>Local Investments</i>	<i>Foreign Investments</i>
Pacific Chemicals Bhd	Dusit Thani Corporation Ltd - Thailand
Westmont Bhd	Serm Suk Limited - Thailand
Peladang Kimia Bhd	Term Fat Hing Fung - Hong Kong
Sarawak Concrete Industries Bhd	
Sapura Telecommunications Bhd	

Please note that the Fund started investing in foreign securities since 1995 and unlisted securities since 1996 respectively.



## Investment Highlights of SF

For the year ended 31 August 1999, the top 5 investments of the Fund are as follows:

---

### *Local Investments*

Telekom Malaysia Bhd  
Tenaga Nasional Bhd  
Malayan Banking Bhd  
United Engineers (M) Bhd  
Malaysian Airlines System Bhd

For the year ended 31 August 1998, the top 5 investments of the Fund are as follows:

---

### *Local Investments*

Telekom Malaysia Bhd  
AIC Corporation Bhd  
Tenaga Nasional Bhd  
Hap Seng Consolidated Bhd  
Berjaya Sports Toto Bhd

For the year ended 31 August 1997, the top 5 investments of the Fund are as follows:

---

### *Local Investments*

Malayan Banking Bhd  
United Engineers (M) Bhd  
Tenaga Nasional Bhd  
Resorts World Bhd  
Kuala Lumpur Kepong Bhd

For the year ended 31 August 1996, the top 5 investments of the Fund are as follows:

---

### *Local Investments*

Malayan Banking Bhd  
Cement Manufacturers Sarawak Bhd  
Petronas Gas Bhd  
Rothmans of Pall Mall (Malaysia) Bhd  
Malaysian Oxygen Bhd

## Investment Highlights of HGF

For the year ended 31 October 1999, the top 5 investments and unlisted securities of the Fund are as follows:

---

### *Local Investments*

Telekom Malaysia Bhd  
Tenaga Nasional Bhd  
Malayan Banking Bhd  
United Engineers (M) Bhd  
Resorts World Bhd

### *Unlisted Securities*

Hong Leong Credit -Bond

For the year ended 31 October 1998, the top 5 investments and unlisted securities of the Fund are as follows:

---

### *Local Investments*

Telekom Malaysia Bhd  
Tenaga Nasional Bhd  
Malayan Banking Bhd  
Sime Darby Bhd  
Rothmans of Pall Mall (M) Bhd

### *Unlisted Securities*

Hong Leong Credit -Bond

**For the year ended 31 October 1997, the top 5 investments and unlisted securities of the Fund are as follows:**

---

*Local Investments*

United Engineers (M) Bhd  
Tenaga Nasional Bhd  
Malayan Banking Bhd  
Resorts World Bhd  
Malaysian Assurance Alliance Bhd

*Unlisted Securities*

Hong Leong Credit -Bond

**For the year ended 31 October 1996, the top 5 investments of the Fund are as follows:**

---

*Local Investments*

Malayan Banking Bhd  
Cahaya Mata Sarawak Bhd  
Tenaga Nasional Bhd  
Genting Bhd  
Petronas Gas Bhd

*Please note that the Fund started investing in unlisted securities since 1997.*

## **Investment Highlights of DALI**

**For the period from 7 May 1998 to 31 May 1999, the top 5 investments and unlisted securities of the Fund are as follows:**

---

*Local Investments*

Telekom Malaysia Bhd  
Tenaga Nasional Bhd  
Petronas Gas Bhd  
IOI Corporation Bhd  
Malakoff Bhd

*Unlisted Securities*

Tenaga Nasional Bhd -Bond

## **Investment Highlights of BOF**

**For the period from 28 July 1999 to 31 January 2000, the top 2 unlisted securities of the Fund are as follows:**

---

*Unlisted Securities*

Tenaga Nasional Bhd  
Malaysian Pacific Industri

# How Do I start An Investment?

## The Basics

### Is there a minimum initial investment?

You can start off with an investment of minimum RM1,000 (Ringgit Malaysia One Thousand) only for all Funds except for DGF and DALI where the minimum initial investments are RM100 (Ringgit Malaysia One Hundred) and RM500 (Ringgit Malaysia Five Hundred) respectively.

You may choose to invest the units through lump sum cash plan or EPF funds or even utilise the loan facility available to you. However the availability of such facility is still subject to the approval of the end financier. You are advised to read and understand the Risk Disclosure Statement for loan financing as investing through the loan financing scheme is more risky than investing with your own savings.

*(Please refer to Appendix 1 for the Unit Trust Loan Financing Risk Disclosure Statement)*

### What about subsequent investments?

If you are an existing investor of any of the following Funds, you can make additional investments at any one time with the minimum amount as follows or you can opt to participate in the Regular Investment Plan (RIP). There is no maximum limit to the number of units or amount you can invest.

DGF	ECO, HGF or BOF	SF*	DALI
RM100	RM500	RM100	RM50

RIP is a facility offered by the Manager to all unitholders of all Funds. For your convenience, you can invest regularly using the Autodebit or Standing Instruction arrangements we have made for you with selected banks throughout Malaysia.

\* The SF is tailored for you to participate in the Regular Investment Plan by investing a fixed monthly amount of at least RM100 for a period of five (5) years. For the first five (5) years after your initial investment, the Manager shall not be bound to comply with your request to repurchase part of your units if the effect thereof would result in you holding less than your initial investment. Please note that this is only applicable to SF with RIP.

Illustration:

Assuming you make an application to invest RM1,000 in the Fund.

The published Selling Price per Unit on the following day after your application is received by the Manager is RM1.00.

Therefore, the units credited to your account is:

$$\frac{\text{Amount Invested}}{\text{Selling Price per Unit}} = \frac{\text{RM1,000}}{\text{RM1.0000}} = 1,000 \text{ units}$$

You are required to complete an application form which is available at any of the Manager's offices or BHL Bank branches (please refer to the list of the Manager's offices and BHL Bank branches on pages 77 - 79).

### Term of the Fund

The duration of each Fund is indefinite. However, the Deed provides for a number of circumstances under which the Trustee may terminate the Fund.

## Recognition as Unitholder

You will be recognised as an Unitholder upon being registered and registration will take effect only after application form and monies are received.

## Can I use my EPF funds to invest with BPTMB?

Yes.

## How can I redeem my investment?

You may redeem your units at any time by simply completing the Redemption Form and return it to any of the Manager's offices or BHL Bank branches on any Business Day.

If you are an unitholder of DGF, ECO or HGF and still hold the Fund certificate, you may redeem by completing the Form of Request to Repurchase on the reverse side of the Fund certificate or the Redemption Form and return it to any of the Manager's offices or BHL Bank branches on any Business Day for further processing.

On receiving your request, the Manager will repurchase the units at the Redemption Price which is quoted in the major daily newspapers on the following Business Day.

*Illustration:*

Assuming that you have requested the Manager to repurchase One Thousand (1,000) units of your investment. The Redemption Price per Unit quoted on the following business day upon receipt of your request was RM 1.0000.

$$\begin{aligned}\text{Redemption proceeds} &= \text{Redemption Price per Unit} \times \text{Number of units redeemed} \\ &= \text{RM1.0000} \times 1,000 \text{ units} \\ &= \text{RM1,000}\end{aligned}$$

The Manager shall remit the redemption proceeds to the unitholder within ten (10) days from the date the repurchase request is received by the Manager.

The Trustee has the right to suspend the repurchase of units by the Manager in a situation where it is impractical for the Manager to calculate the Net Asset Value and provided the Trustee considers it to be in the interest of Unitholders to do so. In canceling units subject to a repurchase request, the Trustee may consider it contrary to the interests of Unitholders for investments of the Fund to be sold or where investments cannot be liquidated at an appropriate price or terms. Accordingly, the Trustee should suspend the repurchase of units and call for a Unitholders' meeting.

## How much can I redeem?

### **DGF**

You may redeem any amount of units. However, the Manager shall not be bound to comply with any request to partially repurchase units if the effect thereof would be that you hold less than one hundred (100) units.

### **ECO, SF, HGF and DALI**

You may redeem any amount of units. However, the Manager shall not be bound to comply with any request to partially repurchase units if the effect thereof would be that you hold less than five hundred (500) units.

### **BOF**

The minimum redemption amount is RM1,000 per transaction. However, the Manager shall not be bound to comply with any request to partially repurchase units if the effect thereof would be that you hold less than five hundred (500) units.

## Is there a restriction on the frequency for redemption?

No.

# Communication With Investors

## Confirmation Advice Slips

Each time you purchase units for any of the Funds, a Confirmation Advice Slip is sent out to you by ordinary post.

## Statements of Account

A statement summarising all transactions effected within each calendar year ending 31 December will be generated and sent to you.

## Financial Reports

You will be informed of the Fund's performance through an audited annual report for the financial year end of the Fund and an unaudited interim report (applies to a six-month period). The reports will be sent to you within 2 months of the two stated periods.

## Newspaper

The Manager publishes the Fund's Selling/Redemption Prices of units and the Net Asset Value per unit daily in at least one national Bahasa Melayu and one national English newspaper.

## Newsletter

You will receive a half-yearly newsletter, Investment Touch (inTOUCH) which keeps you informed of your investment's progress and updates you on the economy and the share market performance.

## Who do I contact for clarification or further information?

You can seek the assistance of our Customer Service personnel at 03-77262088 ext.7 on fund related issues at the Head Office, regional offices and branches (Mondays to Fridays from 9.00 a.m. to 5.30 p.m) or alternatively, you can e-mail us via [csd@pacifictrust.com.my](mailto:csd@pacifictrust.com.my) for any clarification or visit our homepage at [www.bhlbunittrust.com.my](http://www.bhlbunittrust.com.my).

### What is Fund Switching?

Switching is a facility offered by the Manager to existing Unitholders. This facility enables you to convert units of one Fund to units of another unit trust fund managed by the Manager.

You are entitled for a first free switch out of a Fund. After which the Manager will charge RM100 for every subsequent switch.

Please refer to the switching illustration:

Types of Funds		Pricing		Switching Fee
Existing Fund	Intended Fund	Units Redeemed at	Units Acquired at	
Balanced/Equity	Balanced/Equity	NAV	NAV	RM100
Balanced/Equity	Non-equity (BOF)	NAV	NAV	RM100
Non-equity (BOF)	Balanced/Equity	NAV	Selling Price	Nil

If you switch from the BOF into the balanced fund or any of the equity funds managed by the Manager, units will be redeemed at the NAV per unit and the proceeds will be used to acquire units of the intended equity/balanced fund at the Manager's Selling Price per unit. There will be no switching fee involved.

For switching from the balanced fund or any of the equity fund managed by the Manager into the BOF, units will be redeemed at the NAV per unit and the proceeds will be used to acquire units of the intended BOF at the NAV per unit. There will be an additional switching fee of RM100 per transaction.

#### Exception

Switching out of DALI into a non shariah fund (in this instance, applies to balanced/all equity and non-equity fund(s) managed by the Manager) is not permissible under the Shariah principle.

### Are there any charges for Switching?

RM100 per transaction if you switch from an equity/balanced fund into the BOF. However, the Manager will waive the switching fee for unitholders exercising their first switch out of a Fund.

### What is Transfer?

You are entitled to transfer the units registered in your name to another person in the form as approved by the Manager.

### Does the Manager allow Regular Withdrawals?

Yes.

### Regular Withdrawal Plan

Regular Withdrawal Plan (RWP) is a facility offered by the Manager to Unitholders. This facility permits you to make a choice as to whether you require an automatic redemption of units on a half-yearly or yearly basis. This may be exercised on the 15th of the month. Once exercised, you will receive your redemption proceeds from your total unitholdings at the Redemption Price published on the 15th (if this is not a Business Day then the Redemption Price will be based on the next Business Day after the 15th).

In order to activate the first RWP withdrawal, the minimum amount in your account has to be at least RM10,000 and the minimum amount per withdrawal is RM500. All dividend distributions due from the Fund will be re-invested into your account.

You are required to complete the RWP application form to join this facility. The RWP application form is available at any of the Manager's offices or BHL Bank branches.

# Unitholders'

## Rights and Liabilities

### What are my rights as a Unitholder?

When you invest in a Fund, you have certain rights, which amongst others, include the rights to the benefits from owning the units and the right to attend and vote at Unitholders' Meetings. Each unit held in a Fund confers an equal undivided beneficial interest in the assets of the Fund. However, the unit does not give you an interest in any particular part of the Fund or right to be involved in the management or operation of the Fund, (other than through Unitholders' Meetings).

#### A Unitholder must not:

- interfere with any rights or powers of the Manager or Trustee under the Trust Deed;
- exercise a right in respect of an asset or lodge a caveat or other notice affecting an asset or otherwise claim any interests in an asset;
- require an asset to be transferred to the Unitholder.

#### As Unitholder you have the right to:

- receive distributions of income;
- receive interim and annual reports;
- participate in any increase in the value of the units and such rights and privileges as provided for under the Deed for the Fund;
- exercise your cooling-off right for all your investments.\*

\* This is not applicable to EPF investments.

# Tax Adviser's Letter

## On Taxation of The Trust And Unitholders

(Prepared for inclusion in this Prospectus)

29 March 2000

**PricewaterhouseCoopers Taxation Services Sdn Bhd**  
11th Floor  
Wisma Sime Darby  
Jalan Raja Laut  
P.O.Box 10192  
50706 Kuala Lumpur

**The Board of Directors**  
BHLB Pacific Trust Management Berhad  
52 & 54, Jalan SS21/39  
Damansara Utama  
47400 Petaling Jaya  
Selangor Darul Ehsan

Dear Sirs

### **TAXATION OF THE 5 FUNDS<sup>1</sup> ("THE TRUST") AND UNITHOLDERS**

This letter has been prepared for inclusion in the Master Prospectus to be dated 29 April 2000 in connection with the offer of units in the 5 funds.

The taxation of income for both the Trusts and the Unitholders are subject to the provisions of the Malaysian Income Tax Act 1967 ('the Act'). The applicable provisions are contained in Section 61 of the Act which deals specifically with the taxation of trust bodies in Malaysia.

The Trusts will be regarded as resident for Malaysian tax purposes since the Trustees of the Trusts are resident in Malaysia.

The income of the Trusts consisting of dividends, profit<sup>2</sup> or interest (other than interest which is exempt from tax) and other investment income derived from or accruing in Malaysia after deducting tax allowable expenses, is liable to Malaysian income tax at the rate of 28 per cent.

Dividends received by the Trusts would have suffered tax deducted at source at 28 per cent, unless specific exemptions apply eg pioneer company dividend. There is no further tax that will be payable by the Trusts on the dividends. However, such tax or part thereof will be refundable to the Trusts if the total tax so deducted at source exceeds the tax liability of the Trusts.

Income of the Trusts in respect of dividends received from overseas investments is exempt from tax and distributions from such income will be tax exempt in the hands of the unitholders.



Interest income from the following investments is exempt from tax:

- (a) Securities or bonds issued by the Government;
- (b) Bonds, other than convertible loan stock, issued by public companies listed on the Kuala Lumpur Stock Exchange;
- (c) Bonds, other than convertible loan stock, issued by a company rated by Rating Agency Malaysia Berhad and Malaysian Rating Corporation Berhad;
- (d) Bon Simpanan Malaysia issued by the Central Bank of Malaysia; and
- (e) Interest paid or credited by any bank or financial institution licensed under the Banking and Financial Act 1989 or the Islamic Banking Act 1983.

The interest income exempted from tax at the unit trust level will also be exempted from tax when it is distributed to the unit holders.

Deductions in respect of Managers' remuneration, maintenance of register of Unitholders, share registration expenses, secretarial, audit and accounting fees, telephone charges, printing and stationery costs and postage are allowed based on a formula subject to a minimum of 10 per cent and a maximum of 25 per cent of the expenses.

Profits on disposal of investments by the Trusts will not be subject to income tax but where the investments represent shares in real property companies, such profits will be subject to real property gains tax (RPGT). A real property company is a controlled company which owns or acquires real property or shares in real property companies with a market value of not less than 75 per cent of its total tangible assets. A controlled company is a company which does not have more than 50 members and is controlled by not more than 5 persons. The rates of RPGT applicable on such gains are as follows:

<b>Category of disposal</b>	<b>Rate of RPGT</b>
Disposal within 2 years after date of acquisition	30%
Disposal in 3rd year after date of acquisition	20%
Disposal in 4th year after date of acquisition	15%
Disposal in 5th year after date of acquisition	5%
Disposal in 6th year after date of acquisition and thereafter	Nil

Unitholders will be taxed on an amount equivalent to their share of the total taxable income of the Trusts to the extent of the distributions received from the Trusts. The income distribution from the Trusts will carry a tax credit in respect of the tax paid by the Trusts. Unitholders will be entitled to utilise the tax credit against the tax payable on the income distribution received by them. No additional withholding tax will be imposed on the income distribution from the Trusts.

Corporate Unitholders, resident and non-resident, will be liable to income tax at 28 per cent on distributions of income received from the Trusts. The tax credits attributable to the distribution of income will be utilised against the tax liabilities of these Unitholders.

Individuals and other non-corporate Unitholders who are resident in Malaysia will be subject to income tax at graduated rates ranging from 2 percent to 30 per cent (reduced to 29 per cent with effective from year of assessment 2000 (current year)). Individuals and other non-corporate Unitholders who are not resident in Malaysia will be subject to income tax at 30 per cent (reduced to 29 per cent with effective from year of assessment 2000 (current year)). The tax credits attributable to the distribution of income will be utilised against the tax liabilities of these Unitholders. Non-resident unitholders may also be subject to tax in their respective jurisdictions and depending on the provisions of the relevant tax legislation and any double tax treaties with Malaysia, the Malaysian tax suffered may be creditable in the foreign tax jurisdictions.

The distribution of gains arising from the disposal of investments of the Trusts will be exempted from tax in the hands of the Unitholders.

Any gains realised by Unitholders (other than dealers in securities, insurance companies or financial institutions) on the sale or redemption of the units are treated as capital gains and will not be subject to income tax.

Unitholders electing to receive their income distribution by way of investment in the form of new units will be regarded as having purchased the new units out of their income distribution after tax.

We hereby confirm that the statements made in this report correctly reflect our understanding of the tax position under current Malaysian tax legislation.

Yours faithfully

for and on behalf of

**PRICEWATERHOUSECOOPERS TAXATION SERVICES SDN BHD**

**Kang Beng Hoe**

**Executive Director**

PricewaterhouseCoopers Taxation Services Sdn Bhd have given their written consent to the inclusion of their report as Tax Advisers in the form and context in which it appears in this Prospectus and have not withdrawn such consent prior to the delivery of a copy of this Prospectus for approval.

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<sup>1</sup> The 5 funds are:-

BHLB Pacific Double Growth Fund  
BHLB Pacific Emerging Companies Growth Fund  
BHLB Pacific Savings Fund  
BHLB Pacific High Growth Fund  
BHLB Pacific Dana Al-Ihsan

<sup>2</sup> For the BHLB Pacific Dana Al-Ihsan in which is conducted in accordance with the Principles of Shariah, income will also include gains or profits in lieu of interest which will be treated as interest for purposes of taxation.

29 March 2000

The Board of Trustees / Directors  
BHLB Pacific Trust Management Berhad  
52 & 54, Jalan SS21/39  
Damansara Utama  
47400 Petaling Jaya  
Selangor Darul Ehsan

Dear Sirs

**Re: BHLB PACIFIC BOND FUND  
TAXATION OF THE TRUST AND UNITHOLDERS**

**Taxation of the Unit Trust Fund**

The Fund and Unitholders are subject to the provisions of the Malaysian Income Tax Act, 1967, and in particular Section 61 thereof which deals specifically with the taxation of trust bodies established in Malaysia.

**Tax Position of the Fund**

The income of the Fund in respect of dividends from Malaysian companies and interest income from deposits is liable to Malaysian income tax at the rate of twenty eight percent (28%) with effect from Year of Assessment 1998.

Deductions in respect of the Management Company's remuneration, secretarial, audit and accounting fees, telephone charges, printing and stationery costs and postage are allowed based on a formula subject to a minimum of ten per centum (10%) and a maximum of twenty five percent (25%) of the expenses.

Profit on the disposal of investments by the Fund is not subject to income tax. Similarly, interest income earned from securities or bonds issued by the Government, or bonds, other than convertible loan stocks, issued by public companies listed on the Kuala Lumpur Stock Exchange (KLSE) or by a company rated by Rating Agency Malaysia Berhad or Malaysian Rating Corporation Berhad or Bon Simpanan Malaysia issued by Bank Negara Malaysia are exempted from income tax. With effect from Year of Assessment 1999, interest income of the Fund derived from Malaysia and paid or credited by any bank or financial institution licensed under the Banking Financial Institutions Act 1989 or the Islamic Banking Act 1983, will also be exempt from tax.

With effect from Year of Assessment 1998, income received by the Fund from sources outside Malaysia is exempt from tax.

With the gazetting of the Income Tax (Amendment) Act 1999 on 8 July 1999, income derived in 1999, i.e. the basis period for Year of Assessment 2000 (preceding year basis), other than dividend income paid out of prior years income, shall be waived from income tax. The tax payable on dividend income would however be sheltered by the corresponding Section 110 credit.

**Tax Position of the Unitholders**

Unitholders are taxed on an amount equivalent to their share of the total taxable income of the Fund, to the extent that this is distributed to them. The income distribution from the Fund will carry with it a tax credit in respect of the tax paid by the Fund. Unitholders are entitled to utilise the tax credit as a set off against the tax chargeable on the income distribution received by them. No additional withholding tax will be imposed on the income distribution from the Fund.

Corporate Unitholders, resident or non-resident in Malaysia, are liable to income tax at twenty eight percent (28%) with effect from Year of Assessment 1998 on distribution of income from the Fund to the extent of an amount equivalent to their share of the total taxable income of the Fund.

Individuals and other non-corporate Unitholders who are resident in Malaysia will be subject to income tax at graduated rates. Individuals and other non-corporate Unitholders who are not resident in Malaysia, for tax purposes, are subject to income tax at thirty percent (30%). [It was proposed in the 2000 Budget that the rate will be reduced to twenty nine percent (29%) with effect from Year of Assessment 2000 (current year basis). However, the relevant Finance Bill has yet to be gazetted at the date of the issuance of this letter].

The distribution of gains arising from the disposal of investments of the Fund and other exempt income earned by the Fund are exempt from tax in the hands of Unitholders. With effect from Year of Assessment 1998, distributions of exempt foreign income are also similarly exempt in the hands of the Unitholders. In the case of corporate Unitholders, distribution from foreign exempt income can also be further paid out to its shareholders and is also exempt in their hands.

Any gains realised by Unitholders (other than dealers in securities, insurance companies or financial institutions) on the transfers or redemptions of the Units are treated as capital gains and not subject to Malaysian taxes.

Unit split issued by the Fund are exempt from tax in the hands of the Unitholders.

With the gazetting of the Income Tax (Amendment) Act 1999 on 8 July 1999, income derived in 1999, i.e. the basis period for Year of Assessment 2000 (preceding year basis), other than dividend income paid out of prior years income, shall be waived from income tax. The tax payable on dividend income would however be sheltered by the corresponding Section 110 credit.

The tax position is based on the Malaysian tax laws and provisions as they stand at present. Unitholders are advised to seek professional advice on their respective tax positions.

Yours faithfully

**Chew Theam Hock**  
**Director**

# ACCOUNTANT'S REPORT

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Accountant's report

29 March 2000

The Board of Directors  
BHLB Pacific Trust Management Berhad  
52 & 54, Jalan SS21/39  
Damansara Utama  
47400 Petaling Jaya  
Selangor Darul Ehsan

Dear Sirs,

## INTRODUCTION

- 1 We, as Reporting Accountants of BHLB Pacific Double Growth Fund, BHLB Pacific Emerging Companies Growth Fund, BHLB Pacific Savings Fund, BHLB Pacific High Growth Fund, BHLB Pacific Dana Al-Ihsan and BHLB Pacific Trust Management Berhad ('the Company'), have prepared this Report for inclusion in the Prospectus to be dated 29 April 2000 in connection with the offer of units in these Funds. We are the Reporting Accountants and auditors of the Company and the funds managed by the Company except for BHLB Pacific Bond Fund, which is audited and reported by KPMG.
- 2 The Funds currently managed by the Company are as follows:
  - (i) BHLB Pacific Double Growth Fund ('DGF') was established under a Trust Deed dated 12 April 1991 as amended by Supplemental Trust Deeds dated 13 August 1991, 11 January 1992, 3 November 1993, 3 May 1994, 30 July 1998 and 5 October 1999.
  - (ii) BHLB Pacific Emerging Companies Growth Fund ('ECO') was established under a Trust Deed dated 5 May 1994 as amended by Supplemental Trust Deed dated 13 May 1998.
  - (iii) BHLB Pacific Savings Fund ('SF') was established under a Trust Deed dated 4 August 1995 as amended by Supplemental Trust Deeds dated 30 July 1998 and 5 October 1999.
  - (iv) BHLB Pacific High Growth Fund ('HGF') was established under a Trust Deed dated 25 September 1995 as amended by Supplemental Trust Deeds dated 30 July 1998 and 5 October 1999.
  - (v) BHLB Pacific Dana Al-Ihsan ('DALI') was established under a Trust Deed dated 30 April 1998.
  - (vi) BHLB Pacific Bond Fund ('BOF') was established under a Trust Deed dated 9 July 1999.

## 3 PRICES OF UNIT AND NET ASSET VALUE PER UNIT

At the date of this report, the latest published buying and selling prices of units and net asset value per unit in DGF, ECO, SF, HGF and DALI on 29 March 2000 being the last practical date prior to the date of this Report were as follows:

Fund	Buying price per unit RM	Selling price per unit RM	Net asset value per unit RM
DGF	0.92	0.97	0.92
ECO	1.27	1.35	1.27
SF	1.13	1.20	1.13
HGF	1.15	1.22	1.15
DALI	1.44	1.53	1.44

## 4 DISTRIBUTION

Details of income distribution together with the buying and selling prices at the date of distribution made by DGF, ECO, SF, HGF and DALI for the past five financial years are set out below:

Date of distribution	Gross dividend per unit Sen	Amount of distribution (Gross) RM	Buying price per unit (xd) RM	Selling price per unit (xd) RM
<b>DGF</b>				
28 April 1995	6.00	26,946,000	0.74	0.79
30 April 1996	5.00	23,200,000	0.82	0.87
31 October 1996	3.00	14,271,000	0.82	0.87
30 April 1997	6.00	30,000,000	0.72	0.77
<b>ECO</b>				
29 December 1995	5.00	16,503,500	0.82	0.87
28 June 1996	3.00	10,200,000	0.91	0.96
31 December 1996	6.00	21,240,000	0.94	0.99
<b>SF</b>				
18 September 1998	3.50	3,997,805	0.59	0.64
<b>HGF</b>				
6 June 1997	5.00	4,475,000	0.93	0.98
<b>DALI</b>				
There has been no income distribution made by DALI since its establishment.				

## 5 UNITS SPLIT

Details of units split made by DGF, ECO, SF, HGF and DALI for the past five financial years are set below.

Date of units split	Rate of units split
<b>DGF</b>	
No units split for the past five financial years.	
<b>ECO</b>	
30 June 1995	1 : 10
30 June 1996	1 : 50
22 July 1999	15 : 100
<b>SF</b>	
12 August 1996	13 : 100
21 March 1997	6 : 50
25 June 1999	15 : 100
<b>HGF</b>	
30 April 1996	1 : 10
31 October 1996	1 : 20
19 August 1999	1 : 5
<b>DALI</b>	
26 January 1999	1 : 4
15 June 1999	1 : 4

## INFORMATION ON THE FUNDS

### 6 BHLB Pacific Double Growth Fund

#### (a) Audited accounts

The accounts of DGF for the financial years ended 30 April 1995, 30 April 1996, 30 April 1997, 30 April 1998 and 30 April 1999 were audited and reported on by us without any qualification.

#### (b) Statements of income and expenditure

The extract of the financial results of DGF based on audited accounts for the financial years ended 30 April are as follows:

	Note	1995 RM'000	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000
Investment income/(loss)	(i)	20,966	(11,451)	48,932	(58,229)	(19,700)
Expenses	(ii)	(5,688)	(6,443)	(6,694)	(4,709)	(3,661)
Net income/(loss) before taxation		15,278	(17,894)	42,238	(62,938)	(23,361)
Taxation		(1,354)	(2,054)	(2,047)	(3,872)	364
Net income/(loss) after taxation		13,924	(19,948)	40,191	(66,810)	(22,997)
Dividend equalisation		37,930	1,797	1,868	(749)	-
Undistributed net income/ (accumulated losses)		51,854	(18,151)	42,059	(67,559)	(22,997)
Undistributed net income brought forward		39,991	43,106	4,883	4,532	(63,027)
Prior year adjustments	(iii)	-	1,074	-	-	-
Net distribution for the year		(48,739)	(21,146)	(42,410)	-	-
Undistributed net income/ (accumulated losses) carried forward		43,106	4,883	4,532	(63,027)	(86,024)
<i>Note:</i>						
(i)	Investment income/(loss) consists of:					
	Gross dividends	1,917	3,996	3,584	4,808	2,557
	Interest income	3,264	5,414	5,752	8,038	6,313
	Net profit/(loss) on sale of investments	15,785	(21,024)	39,596	(73,039)	(30,012)
	Other income	-	163	-	1,964	1,442
		20,966	(11,451)	48,932	(58,229)	(19,700)
(ii)	Expenses consist of:					
	Trustee's fees	603	712	454	296	189
	Manager's fees	4,521	5,340	5,636	4,245	3,300
	Audit fee	5	5	6	7	7
	Unrealised foreign exchange loss	223	-	215	-	-
	Other expenses	336	386	383	161	165
		5,688	6,443	6,694	4,709	3,661
(iii)	The prior year adjustments for the year ended 30 April 1996, are in respect of the following:					
					RM'000	
	Change in brokerage rebate rates with effect from September 1994				851	
	Foreign exchange differences on foreign investments				223	
					1,074	

(c) **Statements of assets and liabilities**

The extract of the statements of assets and liabilities of DGF based on audited accounts as at 30 April are as follows:

	1995 RM'000	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000
<b>ASSETS</b>					
Quoted investments	291,136	279,760	271,250	133,452	259,168
Unquoted investments	-	12,241	33,308	20,842	19,101
Liquid assets	54,814	90,519	59,274	91,709	9,482
Other assets	2,081	7,761	15,282	2,425	10,789
<b>Total assets</b>	<b>348,031</b>	<b>390,281</b>	<b>379,114</b>	<b>248,428</b>	<b>298,540</b>
<b>LIABILITIES</b>					
Creditors and accruals	6,455	7,693	9,903	10,046	7,636
Dividend payable	26,329	21,146	29,220	-	-
<b>Total liabilities</b>	<b>32,784</b>	<b>28,839</b>	<b>39,123</b>	<b>10,046</b>	<b>7,636</b>
<b>Unitholders' fund</b>	<b>315,247</b>	<b>361,442</b>	<b>339,991</b>	<b>238,382</b>	<b>290,904</b>
<b>Units in circulation ('000)</b>	<b>449,100</b>	<b>464,000</b>	<b>500,000</b>	<b>546,559</b>	<b>531,874</b>
<b>Net asset value per unit (RM)</b>	<b>0.70</b>	<b>0.78</b>	<b>0.68</b>	<b>0.44</b>	<b>0.55</b>
<b>Brokerage fees paid to brokers</b>	<b>8,835</b>	<b>7,794</b>	<b>6,248</b>	<b>2,595</b>	<b>1,714</b>



## 7 BHLB Pacific Emerging Companies Growth Fund

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Accountant's report

### (a) Audited accounts

The accounts of ECO for the financial period from 10 May 1994 (date of establishment) to 30 June 1995 and financial years ended 30 June 1996, 30 June 1997, 30 June 1998 and 30 June 1999 were audited and reported on by us without any qualification.

### (b) Statements of income and expenditure

The extract of the financial results of ECO based on audited accounts for the financial period ending and financial years ended 30 June are as follows:

	Note	1995 RM'000	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000
Investment income/(loss)	(i)	14,643	9,806	32,200	(18,330)	(5,488)
Expenses	(ii)	(2,209)	(4,566)	(5,031)	(3,768)	(4,088)
Net income/(loss) before taxation		12,434	5,240	27,169	(22,098)	(9,576)
Taxation		(788)	(2,501)	(2,391)	(3,817)	109
Net income/(loss) after taxation		11,646	2,739	24,778	(25,915)	(9,467)
Dividend equalisation		13,495	4,165	1,042	135	-
Undistributed net income/ (accumulated losses)		25,141	6,904	25,820	(25,780)	(9,467)
Undistributed net income brought forward		-	25,141	7,925	13,691	(12,089)
Prior year adjustments	(iii)	-	82	-	-	-
Net distribution for the period/year		-	(24,202)	(20,054)	-	-
Undistributed net income/ (accumulated losses) carried forward		25,141	7,925	13,691	(12,089)	(21,556)
<i>Note:</i>						
(i)	Investment income/(loss) consists of:					
	Gross dividends	579	2,903	2,372	2,972	4,367
	Interest income	2,245	7,537	8,860	13,333	7,364
	Net profit/(loss) on sale of investments	11,819	(650)	20,968	(36,291)	(17,946)
	Other income	-	16	-	1,656	727
		14,643	9,806	32,200	(18,330)	(5,488)
(ii)	Expenses consist of:					
	Trustee's fees	48	58	62	55	56
	Manager's fees	2,356	4,176	4,819	3,628	3,916
	Audit fee	4	10	5	8	8
	Unrealised foreign exchange gain	(323)	-	-	-	-
	Other expenses	124	322	145	77	108
		2,209	4,566	5,031	3,768	4,088
(iii)	This includes prior year adjustments for the year ended 30 June 1996, in respect of the following:					
					RM'000	
	Change in brokerage rebate rates				405	
	Foreign exchange differences on foreign investments				(323)	
					82	

(c) **Statements of assets and liabilities**

The extract of the statements of assets and liabilities of ECO based on its audited accounts as at 30 June are as follows:

	1995 RM'000	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000
<b>ASSETS</b>					
Quoted investments	143,329	175,265	195,745	53,129	343,271
Unquoted investments	-	20,470	44,072	18,918	27,282
Liquid assets	82,424	113,598	82,425	134,306	19,282
Other assets	25,415	8,477	3,279	3,554	14,445
Total assets	251,168	317,810	325,521	209,907	404,280
<b>LIABILITIES</b>					
Creditors and accruals	7,187	9,750	7,567	7,256	14,411
Distribution payable	-	8,588	-	-	-
	7,187	18,338	7,567	7,256	14,411
Unitholders' fund	243,981	299,472	317,954	202,651	389,869
Units in circulation ('000)	287,815	346,800	372,500	385,048	383,093
Net asset value per unit (RM)	0.85	0.86	0.85	0.53	1.03
Brokerage fees paid to brokers	4,263	2,516	1,724	480	2,229

## 8 BHLB Pacific Savings Fund

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Accountant's report

### (a) Audited accounts

The accounts of SF for the financial period from 4 August 1995 (date of establishment) to 31 August 1996, the financial years ended 31 August 1997, 31 August 1998 and 31 August 1999 were audited and reported on by us without any qualification.

### (b) Statements of income and expenditure

The extract of the financial results of SF based on audited accounts for the financial period ending and the financial years ended 31 August are as follows:

	Note	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000
Investment income/(loss)	(i)	218	568	(1,173)	17,638
Expenses	(ii)	(127)	(314)	(938)	(1,993)
Net income/(loss) before taxation		91	254	(2,111)	15,645
Taxation		(24)	(101)	(1,113)	486
Net income/(loss) after taxation		67	153	(3,224)	16,131
Dividend equalisation		96	3,786	3,287	3,452
Undistributed net income		163	3,939	63	19,583
Undistributed net income brought forward		-	163	4,102	4,165
Undistributed net income carried forward		163	4,102	4,165	23,748
<b>Note:</b>					
(i)	Investment income/(loss) consists of:				
	Gross dividends	17	154	451	1,482
	Interest income	77	424	3,658	2,618
	Net profit/(loss) on sale of investments	124	(10)	(5,314)	13,298
	Other income	-	-	32	240
		218	568	(1,173)	17,638
(ii)	Expenses consist of:				
	Trustee's fee	2	9	29	42
	Manager's fee	41	231	835	1,868
	Audit fee	2	3	11	8
	Other expenses	82	71	63	75
		127	314	938	1,993

### (c) Statements of assets and liabilities

The extract of the statements of assets and liabilities of SF based on audited accounts as at 31 August are as follows:

	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000
<b>ASSETS</b>				
Quoted investments	2,520	17,111	13,577	140,572
Unquoted investments	-	386	-	13,207
Liquid assets	1,933	15,458	51,576	30,446
Other assets	580	8,772	2,872	10,951
Total assets	5,033	41,727	68,025	195,176
<b>LIABILITIES</b>				
Creditors and accruals	393	1,331	2,236	4,054
Unitholders' fund	4,640	40,396	65,789	191,122
Units in circulation ('000)	5,000	54,300	113,537	216,552
Net asset value per unit (RM)	0.93	0.74	0.58	0.89
Brokerage fees paid to brokers	83	324	378	1,920

## 9 BHLB Pacific High Growth Fund

### (a) Audited accounts

The accounts of HGF for the financial period from 28 September 1995 (date of establishment) to 31 October 1996, the financial years ended 31 October 1997, 31 October 1998 and 31 October 1999 were audited and reported on by us without any qualification.

### (b) Statements of income and expenditure

The extract of the financial results of HGF based on audited accounts for the financial period ending and the financial years ended 31 October are as follows:

	Note	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000
Investment income/(loss)	(i)	1,201	(1,496)	(6,390)	34,747
Expenses	(ii)	(390)	(1,068)	(1,946)	(4,661)
Net income/(loss) before taxation		811	(2,564)	(8,336)	30,086
Taxation		(204)	(418)	(462)	(1,248)
Net income/(loss) after taxation		607	(2,982)	(8,798)	28,838
Dividend equalisation		557	6,936	46	5,766
Undistributed net income/ (accumulated losses)		1,164	3,954	(8,752)	34,604
Undistributed net income/ (accumulated losses) brought forward		-	1,164	775	(7,977)
Net distribution for the year		-	(4,343)	-	-
Undistributed net income/ (accumulated losses) carried forward		1,164	775	(7,977)	26,627
<i>Note:</i>					
(i)	Investment income/(loss) consists of:				
	Gross dividends	119	704	1,111	3,561
	Interest income	652	1,607	7,986	3,177
	Profit/(loss) on sale of investments	429	(4,057)	(15,849)	27,499
	Other income	1	250	362	510
		1,201	(1,496)	(6,390)	34,747
(ii)	Expenses consist of:				
	Trustee's fees	12	28	42	60
	Manager's fees	297	926	1,832	4,515
	Audit fee	4	6	7	7
	Other expenses	77	108	65	79
		390	1,068	1,946	4,661

### (c) Statements of assets and liabilities

The extract of the statements of assets and liabilities of HGF based on audited accounts as at 31 October are as follows:

	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000
<b>ASSETS</b>				
Quoted investments	18,950	45,579	88,555	384,723
Unquoted investments	-	6,365	3,449	12,140
Liquid assets	9,006	46,901	58,177	37,957
Other assets	3,191	6,646	5,509	17,585
Total assets	31,147	105,491	155,690	452,405
<b>LIABILITIES</b>				
Creditors and accruals	1,642	3,530	5,254	7,734
Unitholders' fund	29,505	101,961	150,436	444,671
Units in circulation ('000)	31,815	152,227	257,034	547,846
Net asset value per unit (RM)	0.93	0.67	0.58	0.82
Brokerage fees paid to brokers	308	1,361	1,762	4,393

## 10 BHLB Pacific Dana Al-Ihsan

### (a) Audited accounts

The accounts of DALI for the financial period from 7 May 1998 (date of establishment) to 31 May 1999 was audited and reported on by us without any qualification.

### (b) Statements of income and expenditure

The extract of the financial results of DALI based on audited accounts for the financial period ending 31 May is as follows:

	Note	1999 RM'000
Investment income	(i)	2,769
Expenses	(ii)	(372)
Net income before taxation		2,397
Taxation		(61)
Net income after taxation		2,336
Dividend equalisation		1,867
Undistributed net income		4,203
Undistributed net income brought forward		-
Net distribution for the year		-
Undistributed net income carried forward		4,203
<i>Note:</i>		
(i)	Investment income consists of:	
	Gross dividends	268
	Profit from short term investments	497
	Profit on sale of quoted investments	1,998
	Profit on sale of unquoted investments	5
	Other income	1
		2,769
(ii)	Expenses consist of:	
	Trustee's fees	17
	Manager's fees	327
	Audit fee	6
	Other expenses	22
		372

### (c) Statements of assets and liabilities

The extract of the statements of assets and liabilities of DALI based on audited accounts as at 31 May is as follows:

	1999 RM'000
<b>ASSETS</b>	
Quoted investments	50,977
Unquoted investments	4,470
Liquid assets	7,733
Other assets	3,865
Total assets	67,045
<b>LIABILITIES</b>	
Creditors and accruals	2,732
Unitholders' fund	64,313
Units in circulation ('000)	53,637
Net asset value per unit (RM)	1.21
Brokerage fees paid to brokers	532

## 11 Summary of significant accounting policies of the Funds

(a) **Basis of accounting**

The accounts have been prepared under the historical cost convention in accordance with the applicable approved accounting standards in Malaysia modified by the revaluation of investments in accordance with the Securities Commission Guidelines on Unit Trust Funds.

(b) **Investments**

Quoted investments were valued at the last dealt price quoted on The Kuala Lumpur Stock Exchange at the date of the statement of assets and liabilities, in accordance with the Deed of Trust. Surplus or deficit on revaluation is transferred to the Investment Fluctuation Reserve.

Unquoted Private Debt Securities issued by Malaysian Corporations and rated by the Rating Agency of Malaysia are valued at cost adjusted for amortisation of any premium or accretion of discount over their par values at the time of acquisition. The premium or discount is amortised or accreted on a straight line basis over the remaining term of the security from the date of acquisition.

In circumstances where the market rate of return changes significantly, the value of the security is adjusted to reflect its fair value using the Net Present Value method.

Surplus or deficit on revaluation is transferred to the Investment Fluctuation Reserve.

(c) **Dividend income**

Dividend income is recognised on the ex-dividend date.

(d) **Interest income**

Interest income is recognised on the accruals basis.

(e) **Profit/(loss) on sale of investments**

Sales proceeds are set off against cost and the resulting profit or loss is taken up in the Statement of Income and Expenditure.

(f) **Manager's and Trustee's fees**

The Manager's and Trustee's fees are calculated in accordance with the provisions of the Trust Deed.

(g) **Cash and cash equivalents**

Cash and cash equivalents include cash and bank balances and deposits on call with original maturity of three months or less.

(h) **Dividend equalisation**

Dividend equalisation is accounted for at the date of creation and release. It represents the average amount of distributable income included in the creation and release price of units.

(i) **Currency translation**

Translations in foreign currencies during a financial year are converted to Ringgit Malaysia at the rate of exchange ruling at transaction dates. Assets and liabilities denominated in foreign currencies at date of statement of assets and liabilities are translated into Ringgit Malaysia at rates of exchange approximating to those ruling on that date. Gains or losses on foreign exchange transactions are taken up in the income and expenditure account.

## INFORMATION ON THE COMPANY

### 12 BHLB Pacific Trust Management Berhad

BHLB Pacific Trust Management Berhad was incorporated on 17 December 1990. The principal activities of the Company consist of the establishment and management of unit trust funds.

#### (a) Audited accounts

The accounts of the Company for the financial years ended 31 December 1995, 31 December 1996, 31 December 1997, 31 December 1998 and 31 December 1999 were audited and reported on by us without any qualification.

#### (b) Profit and loss accounts

The condensed financial results of BPTMB based on audited accounts for the financial years ended 31 December are as follows:

	Note	1995 RM'000	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000
Operating income	H	24,836	17,670	30,762	22,786	51,114
Profit before taxation		11,597	3,807	5,845	1,100	9,002
Taxation		(3,615)	(1,145)	(2,288)	(500)	-
Profit after taxation		7,982	2,662	3,557	600	9,002
Retained profits brought forward		19,563	26,845	26,007	29,564	30,164
Dividends		(700)	(3,500)	-	-	(1,000)
Retained profits carried forward		26,845	26,007	29,564	30,164	38,166

#### (c) Balance sheets

The condensed balance sheets of the Company based on audited accounts as at 31 December are as follows:

	Note	1995 RM'000	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000
<b>CURRENT ASSETS</b>						
Managers' stocks	I	3,193	2,544	152	1,156	882
Trade debtors		6,317	6,236	14,744	16,188	40,493
Other debtors		3,312	12,023	1,972	2,394	2,282
Amount due from related companies	J	-	-	158	170	5
Short term deposits		25,500	10,977	10,652	7,264	-
Cash and bank balances		1,171	4,207	4,090	3,894	6,510
		39,493	35,987	31,768	31,066	50,172
<b>CURRENT LIABILITIES</b>						
Trade creditors		11,976	14,783	5,388	3,334	14,076
Other creditors and accruals		3,021	2,995	2,882	4,272	4,211
Provision for taxation		3,500	1,100	2,113	1,554	382
Proposed dividend		700	-	-	-	-
Amount due to a related company	J	117	290	316	439	2,037
Amount due to holding company	J	15	1	2	74	-
		19,329	19,169	10,701	9,673	20,706
<b>NET CURRENT ASSETS</b>		20,164	16,818	21,067	21,393	29,466
<b>FIXED ASSETS</b>	K	9,691	11,695	10,944	11,218	11,147
<b>DEFERRED EXPENDITURE</b>		45	-	-	-	-
		29,900	28,513	32,011	32,611	40,613
<b>Represented by:</b>						
<b>SHARECAPITAL</b>	L	2,000	2,000	2,000	2,000	2,000
<b>RETAINED PROFITS</b>		26,845	26,007	29,564	30,164	38,166
<b>SHAREHOLDERS' FUNDS</b>		28,845	28,007	31,564	32,164	40,166
<b>RETIREMENT BENEFITS</b>		967	248	-	-	-
<b>DEFERRED TAXATION</b>		88	258	447	447	447
		29,900	28,513	32,011	32,611	40,613

**(d) Significant accounting policies**

- A.** The principal activities of the Company consist of the establishment and management of unit trust funds. There has been no significant change in these activities during the financial year.

The unit trust funds managed by the Company during the financial year were the BHLB Pacific Double Growth Fund, BHLB Pacific Emerging Companies Growth Fund, BHLB Pacific Savings Fund, BHLB Pacific High Growth Fund, BHLB Pacific Dana Al-Ihsan and BHLB Pacific Bond Fund.

**B. Basis of accounting**

The accounts are prepared under the historical cost convention in accordance with the applicable approved Accounting Standards in Malaysia.

**C. Depreciation**

Fixed assets are depreciated on a straight line basis to write off the cost of each asset over its estimated useful life. The annual principal rates of depreciation are:

Building	2%
Office equipment	10% - 20%
Furniture, fittings and office renovations	7.5%
Motor vehicles	20%

**D. Manager's stocks**

Manager's stocks are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost basis.

**E. Deferred taxation**

Deferred taxation based on the timing differences between taxable and reported profits, is accounted for using the liability method except where it is thought probable that the tax effects of such timing differences are not expected to reverse in the foreseeable future. The tax effects of timing differences which would give rise to a net future tax benefit are recognised on actual realisation.

**F. Investments**

Long term investments are stated at cost and provision for permanent diminution in value of investments is only made when the directors consider that there has been a permanent impairment in their values. Short term investments are stated at the lower of cost and net realisable value.

**G. Cash and cash equivalents**

Cash and cash equivalents include cash and bank balances and deposits on call with an original maturity of three months or less.

- H.** Operating income represents income from initial service fees and management fees in accordance with the provisions of the Trust Deeds for the unit trust funds managed by the Company.

**I. Manager's stocks**

Manager's stocks represent units in the BHLB Pacific Double Growth Fund, BHLB Pacific Emerging Companies Growth Fund, BHLB Pacific Savings Fund, BHLB Pacific High Growth Fund, BHLB Pacific Dana Al-Ihsan and BHLB Pacific Bond Fund which are managed by the Company.

31.12.1999

RM'000

Cost	882
Market value	897

**J. Holding company, amount due to and due from related companies**

The Company is a 50.01% subsidiary of Ban Hin Lee Bank Berhad, a public company incorporated in Malaysia and listed on the Main Board of the Kuala Lumpur Stock Exchange. Southern Bank Berhad, a public company incorporated in Malaysia and listed on the Main Board of the Kuala Lumpur Stock Exchange is the ultimate holding company.

The amount due to the holding company arose mainly from sales commission payable by the Company.

The amounts due to and from related companies arose mainly from investment advisory and consultancy services.

The amounts due to and from related companies are unsecured, interest free and have no fixed terms of repayment.



**K. Fixed assets**

31.12.1999	Building RM'000	Office equipment RM'000	Furniture, fittings and office renovations RM'000	Motor vehicles RM'000	Total RM'000
Cost	6,250	5,212	3,904	720	16,086
Less: Accumulated depreciation	551	2,920	1,004	464	4,939
Net book value	5,699	2,292	2,900	256	11,147

**L. Share capital**31.12.1999

RM'000

Ordinary shares of RM1 each:

Authorised:

3,000,000 ordinary shares of RM1 each

3,000

Issued and fully paid:

2,000,000 ordinary shares of RM1 each

2,000

**M. Capital commitments**

Capital expenditure not provided for in the accounts:

Approved but not contracted for

6,031

- 13 No audited accounts of BHLB Pacific Double Growth Fund, BHLB Pacific Emerging Companies Growth Fund, BHLB Pacific Savings Fund, BHLB Pacific High Growth Fund, BHLB Pacific Dana Al-Ihsan and the Company have been made up in respect of any period subsequent to 30 April 1999, 30 June 1999, 31 August 1999, 31 October 1999, 31 May 1999 and 31 December 1999.

Yours faithfully

**PRICEWATERHOUSECOOPERS**

(No. AF: 1146)

Public Accountants

**AHMAD JOHAN BIN MOHAMMAD RASLAN**

(No. 1867/9/00 (J))

Partner of the firm

29 March 2000

The Board Of Directors  
BHLB Pacific Trust Management Berhad  
52 & 54, Jalan SS21/39  
Damansara Utama  
47400 Petaling Jaya  
Selangor Darul Ehsan

Dear Sirs

### Introduction

1. The following report has been prepared for inclusion in the Master Prospectus to be dated 29 April 2000 to be issued by BHLB Pacific Trust Management Berhad ("BPTMB") in connection with the renewal of the maiden Master Prospectus dated 29 April 1999 .

### Information on the BHLB Pacific Bond Fund ("BOF" or "the Fund")

2. BOF was established under a Trust Deed dated 9 July 1999 made between BPTMB and Arab-Malaysian Trustee Berhad. The trustee of the Fund is Arab-Malaysian Trustee Berhad and this is the sixth fund managed by BPTMB. The Fund commenced operations on 28 July 1999.
3. The objective of the Fund is to provide investors with an opportunity to gain higher than average income over the medium to long term by investing in diversified portfolio consisting principally of bonds, certificates of deposit, short term money market instruments and other permissible investments as prescribed in the prospectus.

### Audited Accounts

4. As at the date of this report, no audited accounts of the Fund are available for inclusion in this report.

### Distribution

5. As at the date of this report, there was no distribution from BOF since its commencement of operations.

### Prices of Unit and Net Asset Value Per Unit

6. As at the date of this report, the latest published buying and selling prices of units and net asset value per unit in BOF on 29 March 2000, being the last practical date prior to the date of this report are as follows:-

	RM
i. Selling price per unit	1.0152
ii. Buying price per unit	1.0152
iii. Net asset value per unit	1.0152

Yours faithfully

KPMG  
No. AF 0758  
Public Accountants

NG KIM TUCK  
No. 1150/3/00 (J/PH)  
Partner

# Statement of Consent

- (a) The consent of the Trustee, Banker and Investment Manager to the inclusion in this Prospectus of their names in the manner and context in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.
- (b) The consent of the Auditors and Reporting Accountants to the inclusion in this Prospectus of their names and Accountants' Report in the manner and form in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn. The Reporting Accountants' responsibility with regards to the Prospectus does not extend beyond the Accountants' Report, and that, apart from the said Report, the Reporting Accountants have had no involvement in the preparation of the Prospectus.
- (c) The consent of the Tax Adviser and Tax Agent to the inclusion in this Prospectus of their names and Tax Adviser's letter in the manner and form in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

*This Prospectus is prepared by the Manager*

## Directors' Declaration

This Prospectus has been seen and approved by the Directors of the Company and they collectively and individually accept full responsibility for the accuracy of the information given and confirmed after having made all the reasonable enquiries that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

**Directors:**

***DATO' GOH ENG TOON***

***DATO' DR YEAP LEONG HUAT***

***SUZIANNA WONG CHEE HIE***

***DATO' FARUK BIN OTHMAN***

***LYNDA GOH PHAIK LYNN***

***DATO' DR SHAROM BIN AHMAT***

***GEH CHENG HOOI***

<b>MANAGER</b>	BHLB PACIFIC TRUST MANAGEMENT BERHAD (209627-H)
Registered Office	Level 17, Menara Shahzan Insas, 30 Jalan Sultan Ismail, 50250 Kuala Lumpur.
Business Office And Registrar	52 & 54, Jalan SS21/39, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan.
<b>TRUSTEE FOR DGF</b>	AMANAH RAYA BERHAD (344986-V)
Business Office	(Jabatan Amanah Saham), Tingkat 9, Wisma Amanah Raya Bhd, No 15, Jalan Sri Semantan 1 Off Jalan Semantan, 50490 Kuala Lumpur.
<b>TRUSTEE FOR ECO, SF AND HGF</b>	UNIVERSAL TRUSTEE (MALAYSIA) BERHAD (17540-D)
Business Office	1, Jalan Ampang (3rd Floor), 50450 Kuala Lumpur.
<b>TRUSTEE FOR DALI AND BOF</b>	ARAB-MALAYSIAN TRUSTEE BERHAD (163032-V)
Registered Office	22nd Floor, Bangunan Arab-Malaysian, Jalan Raja Chulan, 50200 Kuala Lumpur.
Business Office	21st Floor, Bangunan Arab-Malaysian, Jalan Raja Chulan, 50200 Kuala Lumpur.
<b>SHARIAH ADVISER</b>	BIMB INSTITUTE OF RESEARCH AND TRAINING SDN BHD (340040-M)
Business Office	Tingkat 21, Menara Tun Razak, Jalan Raja Laut, 50350 Kuala Lumpur.
<b>INVESTMENT MANAGER</b>	BHLB ASSET MANAGEMENT SDN BHD (251889-M)
Registered Office	Aras 29, Menara BHL Bank, 51 Jalan Sultan Ahmad Shah, 10050 Pulau Pinang.
Business Office	10-05 AMODA, 22 Jalan Imbi, 55100 Kuala Lumpur.

## Secretary

Su Swee Hong  
(MAICSA No.0776729)  
113 Persiaran Zaaba  
Taman Tun Dr Ismail  
60000 Kuala Lumpur

## Tax Adviser

PricewaterhouseCoopers Taxation  
Services Sdn Bhd (464731-M)  
11th Floor Wisma Sime Darby  
Jalan Raja Laut  
50350 Kuala Lumpur

## Tax Adviser For BOF

KPMG Tax Services Sdn Bhd  
Wisma KPMG Jalan Dungun  
Damansara Heights  
50490 Kuala Lumpur

## Banker

Malayan Banking Berhad (3813K)  
Kuala Lumpur Main Office  
Menara Maybank  
100 Jalan Tun Perak  
50050 Kuala Lumpur

## Auditors and Reporting Accountants

PricewaterhouseCoopers (AF-1146)  
11th Floor Wisma Sime Darby  
Jalan Raja Laut  
50350 Kuala Lumpur

## Auditors And Reporting Accountants For BOF

KPMG Wisma KPMG  
Jalan Dungun Damansara Heights  
50490 Kuala Lumpur

# List of Offices

(Including BHL Bank Branches)

## BHLB PACIFIC TRUST OFFICES

### Head Office

BHLB Pacific Trust Management Berhad  
52 & 54 Jalan SS21/39, Damansara Utama,  
47400 Petaling Jaya, Selangor Darul Ehsan.

Telephone : 03-77262088  
Fax : 03-77265088  
Website : [www.bhlbunitrust.com.my](http://www.bhlbunitrust.com.my)

### Regional Offices

59 Plaza Damansara,  
Jalan Medan Setia 1, Bukit Damansara,  
50490 Kuala Lumpur.

03-2556188

20th Floor (Office Block),  
The Sheraton Penang,  
3, Jalan Larut, 10050 Penang.

04-2284030  
04-2284031

26A Jalan Abiad 1,  
Taman Pelangi,  
80400 Johor Bahru.

07-3341748

5B Block 414 Section 10,  
KTLD Jalan Rubber,  
93400 Kuching.

082-259777

No.1, Jalan Pasar Baru,  
Kampung Air,  
88300 Kota Kinabalu.

088-239951  
088-239952

### Branches

U7-3, 7th Floor Menara Perbadanan,  
Jalan Tengku Petra Semarak,  
15000 Kota Bharu.

09-7471172  
09-7471190

No.946, 2nd Floor,  
Jalan Parry,  
98000 Miri, Sarawak.

085-432525

### Sales Offices

11A-3A Mayang Plaza,  
Jalan SS26/4, Taman Mayang Jaya,  
47301 Petaling Jaya.

03-7033718

19-3 Blok A,  
Jalan Hujan Rahmat 2, OUG,  
58200 Kuala Lumpur.

03-77833623

32-3, 3rd Floor, Jalan 1/27F,  
KL Satellite Center (KLSC),  
Wangsa Maju, Section 5,  
53300 Kuala Lumpur.

03-41422911

603B&C Jalan Samudra Utara 1,  
Taman Samudra,  
68100 Batu Caves.

03-6899720

Lot 415 Wisma Ganda,  
Jalan Raja Omar,  
32000 Sitiawan.

05-6918861  
05-6917761

Room 101-103 & 108, 1st Floor,  
Complex Chevron, Main Road,  
Kulai Besar, 81000 Kulai.

07-6621686

A-11 Tingkat Bawah,  
Lorong Sekilau 22,  
Bukit Sekilau, 25200 Kuantan.

09-5134827

Lot 47 & 48 Ground Floor Block D,  
Bandar Baru Phase II,  
91000 Tawau.

089-777568  
089-778077

20 Tenom New Township Extension,  
P.O. Box 12, 89907 Tenom.

087-735101

472, Lot 2 Block O,  
Bandar Sabindo, 91013 Tawau.

089-772808

Room 806, Lai Piang Kee Building,  
90731 Sandakan.

089-220515

1st Floor Lot 52 Block F,  
Jati Commercial Centre,  
87007 Labuan Federal Territory.

087-417643

# BHL BANK BRANCHES

PULAU PINANG		Telephone	Telephone
Menara BHL Bank, 51 Jalan Sultan Ahmad Shah, 10050 Pulau Pinang.	04-2261822	43, Lebuhr Pantai, 10300 Pulau Pinang.	04-2628331
21, Jalan Ayer Itam, 11400 Ayer Itam, Pulau Pinang.	04-8284433	403 Jalan Burmah, 10350 Pulau Pinang.	04-2282131
70 Jalan Stesen, 14000 Bukit Mertajam.	04-5395446	450 Jalan Dato Kramat, 10460 Pulau Pinang.	04-2292813
49, Arked Penang Satu, Komtar, 10000 Penang.	04-2620020	72 Jalan Besar, 11000 Balik Pulau, Pulau Pinang.	04-8667988
90 Jalan Mayang Pasir, Bandar Bayan Baru 11950 Bayan Lepas, Pulau Pinang.	04-6432532	1308 Jalan Besar, Sg. Bakap 14200 Seberang Perai Selatan, Pulau Pinang.	04-5824384
7087 Jalan Kampung Gajah, 12200 Butterworth, Pulau Pinang.	04-3312982	1284 Jalan Bahru, 13700 Prai, Pulau Pinang.	04-3901211
1-G-2B, Medan Batu Lanchang, 11600 Pulau Pinang,	04-6562566	1228T, Jalan Paya Terubong, 11060 Pulau Pinang,	04-8275244
125-B Desa Tanjung, Jalan Tanjung Tokong, 10470 Pulau Pinang,	04-8990720	38, Lebuhr Nangka Dua, 14000 Bukit Mertajam, Pulau Pinang,	04-5305862
2, Jalan Sungai Emas, 11100 Batu Feringgi, Pulau Pinang	04-8813472		
PERLIS			
69, Jalan Besar, 02000 Kuala Perlis.	04-9855298		
KEDAH			
1571 Jalan Kota, 05000 Alor Setar.	04-7339255	106-A Seberang Jalan Putera, Mergong 05150 Alor Setar.	04-7339124
201-A Jalan Tunku Putra, 09000 Kulim.	04-4905444	24-A Jalan Kampung Baru, 08000 Sungai Petani.	04-4229325
18-A Jalan Raya, 08300 Gurun.	04-4689644		
PERAK			
Ground Floor, Plaza Teh Teng Seng 227 Jalan Kampar, 30250 Ipoh.	05-2555451	194 Jalan Bercham, 31400 Ipoh.	05-5453223
51 Jalan Taiping Utara, 34600 Kamunting.	05-8058560		

**KUALA LUMPUR**34 Jalan Tun Perak, P.O.Box 1121,  
50736 Kuala Lumpur.

03-2305511

Wisma Idris, 17 Jalan Sultan Ismail,  
50520 Kuala Lumpur.

03-2066882

**SELANGOR**3 Jalan Barat,  
46200 Petaling Jaya.

03-7550768

101 Block B, Jalan PJS 11/2,  
Subang Indah, 46000 Petaling Jaya.

03-7312380

5227 Persiaran Raja Muda Musa,  
42000 Port Klang.

03-3670997

21 Jalan S10/2, Section 10,  
Jalan Bukit, 43000 Kajang.

03-8374233

17 Jalan TK1/11A, Plaza Kinrara,  
47100 Puchong.

03-5757566

14 Jalan Tengku Zabedah D 9/D,  
Seksyen 9, 40100 Shah Alam.

03-5527882

**NEGERI SEMBILAN**45 Jalan Cempaka, Bandar  
Baru Ampangan, 70400 Seremban.

06-7622843

Jalan BBN1/1F, Bandar Baru Nilai,  
71800 Nilai

06-8500152

9-G, Arab Malaysian Business Centre  
Jalan Tuanku Munawir, 70000 Seremban.

06-7617509

**JOHOR**75 Jalan Kuning Dua,  
Taman Pelangi, 80400 Johor Bahru.

07-3312088

Ground Floor, 1 Kompleks Penggaram  
Jalan Abdul Rahman, 83000 Batu Pahat.

07-4328200

2 Jalan Haji Manan,  
86000 Kluang.

07-7716677

382 Jalan Simbang, Taman Perling,  
81200 Johor Bahru.

07-2386912

**MELAKA**128 Kompleks Munshi Abdullah,  
Jalan Munshi Abdullah, 75100 Melaka.

06-2841420

**PAHANG**B-338 Jalan Beserah,  
25300 Kuantan.

09-5662384

**KELANTAN**681-J Jalan Che Su,  
15000 Kota Bharu.

09-7448788

**TERENGGANU**K3757 Jalan Sulaimani,  
24000 Kemaman.

09-8593232

**SARAWAK**

282 Jalan Rubber, 93400 Kuching.

082-238072

**SABAH**Block C, Lot 24, Jalan Kampung Air 4  
88000 Kota Kinabalu.

088-249688

945 Jalan Parry, 98000 Miri.

085-437729

## APPENDIX I

### 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 doubt in respect of any aspect of the Risk Disclosure Statement or the terms of the loan financing, you should consult the institution offering the loan.

*Manager*  
**BHLB PACIFIC TRUST MANAGEMENT BERHAD**

---

TO: BHLB PACIFIC TRUST MANAGEMENT BERHAD

#### ACKNOWLEDGEMENT OF RECEIPT OF RISK DISCLOSURE STATEMENT

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

Fund's Name : \_\_\_\_\_ Signature : \_\_\_\_\_  
Fund's Application : \_\_\_\_\_ Full Name : \_\_\_\_\_  
Form No : \_\_\_\_\_  
Date : \_\_\_\_\_



## APPENDIX II

### RATING TABLE BY RATING AGENCY MALAYSIA

#### Long – Term Ratings

AAA	Issues rated AAA are judged to be of the best quality and offer highest safety of timely payment of interest and principal.
AA	High safety of timely payment of interest and principal.
A	Adequate safety of timely payment of interest and principal. More susceptible to changes in circumstances and economic conditions than debt in higher rated categories.
BBB	Moderate safety of timely payment of interest and principal. Lacking in certain protective elements. Changes in circumstances are more likely to lead to weakened capacity to pay interest and principal than debt in higher rated categories.
BB	Inadequate safety of timely payment of interest and principal. Future cannot be considered as well-assured.
B	High risk on interest and principal payments. Adverse business or economic conditions would lead to lack of ability on part of issuer to pay interest or principal.
C	Very high risk of default. Factors present that make them vulnerable to default. Timely payment of interest and principal possible only if favourable circumstances continue.
D	Payment of interest and/or repayment of principal is in arrears. Already in default.

#### Short – Term Ratings

P1	Very strong safety with regards to timely payment on the instrument.
P2	Strong ability to repay debt obligations.
P3	Adequate safety on repayment of debt obligations. Instrument is more vulnerable to the effects of changing circumstances than the P1 and P2 categories.
NP	Indicates that the instrument is expected to be in default on maturity.

## APPENDIX III

### RATING AGENCY MALAYSIA ISLAMIC DEBT RATINGS

#### LONG TERM RATINGS

AAA	Issues rated in this category are judged to be of the best quality and offer highest safety for timely payment of financial commitments under the Islamic instruments.
AA	High safety for timely payment of financial commitments under the Islamic instruments.
A	Adequate safety for timely payment of financial commitments under the Islamic instruments. More susceptible to changes in circumstances and economic conditions than Islamic instruments in higher rated categories.
BBB	Moderate safety for timely payment of financial commitments under the Islamic instruments. Lacking in certain protective elements. Changes in circumstances are more likely to lead to weakened capacity for timely payment of financial commitments under the Islamic instruments than those in higher rated categories.
BB	Inadequate safety for timely payment of financial commitments under the Islamic instruments. Future cannot be considered as well-assured.
B	High risk as to timely payment of financial commitments under the Islamic instruments. Adverse business or economic conditions would lead to lack of ability on part of issuer to timely meet the financial commitments under the Islamic instruments.
C	Very high risk of default. Factors present that make the Islamic instruments vulnerable to default. Timely payment of financial commitments under the Islamic instruments possible only if favourable circumstances continue.
D	Payment of financial commitments under the Islamic instruments is in arrears. Already in default.

#### SHORT TERM RATINGS

P1	Very strong safety for timely payment of financial commitments under the Islamic instruments.
P2	Strong safety for timely payment of financial commitments under the Islamic instruments.
P3	Adequate safety for timely payment of financial commitments under the Islamic instruments. Timely payment of financial commitments is more vulnerable to the effects of changing circumstances than the P1 and P2 categories.
NP	Obligations in this category have doubtful capacity for timely payment unless significant external support is made available.

## APPENDIX IV

### MALAYSIA RATING CORPORATION CORPORATE DEBT ISSUE RATING

#### LONG TERM RATINGS

MARC's Long-Term Ratings apply to debt issues with maturities of more than one year. These debt ratings specifically assess the likelihood of timely repayment of principal and payment of interest over the term to maturity of such debts.

##### Investment Grade

AAA	Indicates that the ability to repay principal and pay interest on a timely basis is extremely high.
AA	Indicates a very strong ability to repay principal and pay interest on a timely basis, with limited incremental risk compared to issues rated in the highest category.
A	Indicates the ability to repay principal and pay interest is strong. These issues could be more vulnerable to adverse developments, both internal and external, than obligations with higher ratings.
BBB	The lowest investment grade category; indicates an adequate capacity to repay principal and pay interest. More vulnerable to adverse developments, both internal and external, than obligations with higher ratings.

##### Non-Investment Grade

BB	While not investment grade, this rating suggests that likelihood of default is considerably less than for lower-rated issues. However, there are significant uncertainties that could affect the ability to adequately service debt obligations.
B	Indicates a higher degree of uncertainty, and therefore, greater likelihood of default. Adverse developments could negatively affect repayment of principal and payment of interest on a timely basis.
C	High likelihood of default, with little capacity to address further adverse changes in financial circumstances.
D	Payment in default.

Note : Long-Term Ratings from AA to B may be modified by the addition of a plus (+) or minus (-) suffix to show relative standing within the major rating categories. Bank-guaranteed issues will carry a suffix (bg), corporate-guaranteed a (cg) and all other supports an (s) when such guarantees or supports give favourable effect to the assigned rating.

#### SHORT TERM RATINGS

MARC's Short-Term Ratings are assigned to specific debt instruments with original maturities of one year or less, and are intended to assess the likelihood of timely repayment of principal and payment of interest.

##### Investment Grade

MARC-1	The highest category; indicates a very high likelihood that principal and interest will be paid on a timely basis.
MARC-2	While the degree of safety regarding timely repayment of principal and payment of interest is strong, the relative degree of safety is not as high as issues rated MARC-1.
MARC-3	The lowest investment grade category; indicates that while the obligation is more susceptible to adverse developments, both internal and external, the capacity to service principal and interest on a timely basis is considered adequate.

##### Non-Investment Grade

MARC-4	The lowest category; regarded as non-investment grade and therefore speculative in terms of capacity to service principal and interest.
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Note : Short-Term Ratings will also carry a suffix (bg) for bank-guaranteed issues, (cg) for corporate-guaranteed issues and (s) for all other supports when such guarantees or supports give favourable effect to the assigned rating.

## APPENDIX V

### ISLAMIC CAPITAL MARKET INSTRUMENT RATINGS

#### LONG TERM RATINGS

MARC's Long-Term Ratings are assigned to Islamic capital market instruments with maturities of more than one year. These ratings specifically assess the likelihood of timely payment of the instrument issued under the various Islamic financing contract(s). The rating symbols carry a subscript "ID" to denote Islamic Private Debt Securities.

##### Investment Grade

AAA <sub>ID</sub>	Extremely strong ability to make payment on the instrument issued under the Islamic financing contract(s).
AA <sub>ID</sub>	Very strong ability to make payment on the instrument issued under the Islamic financing contract(s). Risk is slight with degree of certainty for timely payment marginally lower than for instruments accorded the highest rating.
A <sub>ID</sub>	Strong ability to make payment on the instrument issued under the Islamic financing contract(s). However, risks are greater in periods of business and economic stress than for instruments with higher ratings.
BBB <sub>ID</sub>	Adequate ability to make payment on the instrument issued under the Islamic financing contract(s). Vulnerable to moderately adverse developments, both internal and external.

##### Non-Investment Grade

BB <sub>ID</sub>	Uncertainties exist that could affect the ability of the issuer to make payment on the instrument issued under the Islamic financing contract(s).
B <sub>ID</sub>	Significant uncertainty exists as to timely payment on the instrument issued under the Islamic financing contract(s). Slight adverse developments could impair issuer's ability to fulfil such obligation.
C <sub>ID</sub>	Possesses a substantial risk of default, with little capacity to address further negative changes in financial circumstances.
D <sub>ID</sub>	Failed to make scheduled payment on the instrument issued under the Islamic financing contract(s).

Note : Long-Term Ratings from AA to B may be modified by the addition of a plus (+) or minus (-) suffix to show relative standing within the major rating categories. Bank-guaranteed issues will carry a suffix (bg), corporate-guaranteed a suffix (cg) and for all other supports a suffix (s) when such guarantees or supports give favourable effect to the assigned rating.

#### SHORT TERM RATINGS

MARC's Short-Term Ratings are assigned to Islamic capital market instruments with original maturities of one year or less, and are intended to assess the likelihood of timely payment of the instrument issued under the various Islamic financing contract(s).

##### Investment Grade

MARC-1 <sub>D</sub>	Extremely strong ability to make timely payment on the instrument issued under the Islamic financing contract(s).
MARC-2 <sub>D</sub>	Strong capacity to make timely payment on the instrument issued under the Islamic financing contract(s). Timeliness of payment is slightly susceptible to adverse changes in operating circumstances and economic conditions.
MARC-3 <sub>D</sub>	Adequate ability to make payment on the instrument issued under the Islamic financing contract(s). Moderately adverse changes in operating environment and economic conditions may weaken financial capacity to fulfil such obligations.

##### Non-Investment Grade

MARC-4 <sub>D</sub>	Vulnerable to non-payment of instrument issued under the Islamic financing contract(s). Capacity to make payment on the instrument is dependent upon favourable business, financial and economic conditions.
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Note: Short-Term Ratings will also carry a suffix (bg) for bank-guaranteed issues, (cg) for corporate-guaranteed issues and an (s) for all other supports when such guarantees or supports give favourable effect to the assigned rating.