

PROSPECTUS

PUBLIC SINGAPORE EQUITY FUND



INVESTORS ARE ADVISED
TO READ AND
UNDERSTAND THE
CONTENTS OF THE
PROSPECTUS. IF IN
DOUBT, PLEASE CONSULT
A PROFESSIONAL ADVISER.

FOR INFORMATION
CONCERNING CERTAIN
RISK FACTORS WHICH
SHOULD BE CONSIDERED
BY PROSPECTIVE
INVESTORS, SEE "RISK
FACTORS" COMMENCING
ON PAGE 14.

This Prospectus is dated 7 June 2011 and expires on 29 April 2012

Date of Constitution of the Fund: 7 June 2011

Trustee:

AmanahRaya Trustees Berhad (766894-T)

The Manager:



PUBLIC MUTUAL
(2349-A)

WHOLLY-OWNED SUBSIDIARY OF PUBLIC BANK

Responsibility Statement

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

Statements of Disclaimer

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

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

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

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

Additional Statement

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

No units will be issued or sold based on this prospectus after the expiry date of this prospectus.

PREFACE

Public Singapore Equity Fund (PSGEF) seeks to meet its objective of achieving capital growth over the medium- to long-term period by investing in a portfolio of investments primarily in the Singapore market with the balance in the domestic and global markets. The Fund generally maintains equity exposures within a range of 75% to 98% against its NAV. The Fund may also invest in domestic and foreign fixed income securities and money market instruments. Principal risks associated with the Fund include market risk, stock risk, liquidity risk, currency risk and country risk.

PSGEF is suitable for medium term investors with aggressive risk-reward temperament i.e. the investor's risk disposition favouring high capital growth and its corresponding high risk.

A service charge of up to 5.5% of NAV per unit is levied upon the purchase of units of the Fund by investors. There is no repurchase charge levied on the redemption of units of the Fund by investors.

The annual management fee of the Fund is 1.60% per annum of NAV. The annual trustee fee of the Fund is 0.08% per annum of NAV, subject to a minimum of RM18,000 per annum.

You may refer to *pages 9 to 13 of Chapter 1: Key Features of the Fund* for a better understanding of the objective and key strategies of the Fund, risks of investing in the Fund, profile of investors suitable to invest in the Fund and fees and charges payable when investing in the Fund, and to help you to decide if the Fund is compatible with your personal investment temperament and long term financial goals.

Units of the Fund can be bought from our unit trust consultants who are registered with the Federation of Investment Managers Malaysia. Public Mutual branch offices are located throughout the state capitals and major towns of Malaysia to service unitholders who may need to do an enquiry or a transaction with us. Please refer to *pages 60 to 63* for the Directory of Public Mutual Branch and Agency Offices.

Yeoh Kim Hong
Chief Executive Officer

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GLOSSARY OF TERMS/ABBREVIATIONS

ART	AmanahRaya Trustees Berhad (766894-T)
Bursa Malaysia	Bursa Malaysia Berhad
Bursa Securities	Bursa Malaysia Securities Berhad
Business Day(s)	Each weekday in which Bursa Securities is open for dealing. <i>Note: The Manager may declare certain Business Day to be a non-Business Day, although Bursa Securities is open for business, if the foreign markets in which the Fund is invested therein is closed for business. This is to ensure that investors will be given a fair valuation of the Fund at all times, be it when buying or redeeming units of the Fund.</i>
CMSA 2007	Capital Markets and Services Act 2007
Cooling-off Right	The right of a unitholder who is investing with Public Mutual for the first time, to change his mind and cancel an investment within 6 Business Days from the date of receipt of the application form and payment by Public Mutual, and obtain a full refund of the said investment within 10 days of receipt of cooling-off notice by Public Mutual. The cooling-off right, however, does not extend to a corporation or institution, the staff of Public Mutual, and persons registered to deal in its unit trust funds.
Eligible Market	A market that – (a) is regulated by a regulatory authority; (b) operates regularly; (c) is open to the public; and (d) has adequate liquidity for the purposes of the fund in question.
FIMM	The Federation of Investment Managers Malaysia
Forward Pricing	The selling or buying of units is based on the NAV per unit next determined or calculated after the application/repurchase order from unitholder(s) is received by the Manager in proper form.
Management Expense	Management expense is the inherent costs of operating a unit trust fund; it includes management fee, trustee fee and expenses incurred for fund administrative services.
MER	Management Expense Ratio (MER) is the ratio of the sum of the fees and the recovered expenses of the unit trust fund to the average value of the unit trust fund calculated on a daily basis, i.e.: $\frac{\text{(Fees + Recovered expenses) of the unit trust fund}}{\text{Average value of the unit trust fund calculated on a daily basis}} \times 100$
	Where:
	Fees = All ongoing fees deducted/deductible directly from the unit trust fund in respect of the year/period covered by the management expense ratio, expressed as a fixed amount calculated on a daily basis. This would include the annual management fee, the annual trustee fee and any other fees deducted/deductible directly from the unit trust fund.

GLOSSARY OF TERMS/ABBREVIATIONS (CONT'D)

	Recovered expenses	=	All expenses recovered from/charged to the unit trust fund as a result of the expenses incurred by the operation of the unit trust fund, expressed as a fixed amount.
	Average value of the unit trust fund	=	The NAV of the unit trust fund, including net income value of the fund, less expenses on an accrued basis, in respect of the year/period covered by the management expense ratio, calculated on a daily basis.
	This expense ratio is directly comparable with that of other funds (under the same fund category) in determining the fund that is more cost effective, all other things being equal or held constant. The lower the expense ratio of a fund the better, in the universal comparison of the expenses of funds.		
NAV	Net Asset Value ("NAV") of the fund is determined by deducting the value of all the fund's liabilities (include all amounts payable by the fund, accrued expenses and taxes, and any appropriate provisions for contingencies) from the value of the fund's assets, at the valuation point. For the purpose of computing the annual management fee and the annual trustee fee, the NAV of the fund should be inclusive of the management fee and trustee fee for the relevant day.		
NAV per unit	The NAV per unit is the NAV of a fund divided by the number of units in circulation at the valuation point. It forms the basis upon which the prices of units of a fund are calculated.		
PSGEF or the Fund	Public Singapore Equity Fund		
Portfolio Turnover Ratio (PTR)	$\frac{(\text{Total acquisitions of the fund for the year} + \text{total disposals of the fund for the year}) / 2}{\text{Average value of the fund for the year calculated on a daily basis}}$		
	The annual portfolio turnover ratio will indicate whether the fund buys and sells securities frequently or whether it takes a longer term approach to investment management. A portfolio turnover ratio of 1 time means that the fund has been turned over once for that particular year/period.		
Public Bank	Public Bank Berhad (6463-H)		
Public Mutual or the Manager	Public Mutual Berhad (23419-A)		
Public Series of Funds	This series of funds comprises the Public Singapore Equity Fund and thirty six non-Shariah-based unit trust funds namely, Public Savings Fund, Public Growth Fund, Public Index Fund, Public Industry Fund, Public Aggressive Growth Fund, Public Regular Savings Fund, Public Balanced Fund, Public Bond Fund, Public SmallCap Fund, Public Equity Fund, Public Institutional Bond Fund, Public Money Market Fund, Public Focus Select Fund, Public Enhanced Bond Fund, Public Dividend Select Fund, Public Far-East Select Fund, Public Select Bond Fund, Public Regional Sector Fund, Public Global Select Fund, Public Far-East Dividend Fund, Public Far-East Balanced Fund, Public Global Balanced Fund, Public China Select Fund, Public Far-East Property & Resorts Fund, Public South-East Asia Select Fund, Public Sector Select Fund, Public Far-East Consumer Themes Fund, Public China Titans Fund, Public Far-East Telco & Infrastructure Fund, Public Select Alpha-30 Fund, Public Natural Resources Equity Fund, Public Australia Equity Fund, Public Far-East Alpha-30 Fund, Public Optimal Growth Fund, Public Indonesia Select Fund and Public Strategic Bond Fund which are governed by a master prospectus dated 30 April 2011 and expires on 29 April 2012.		

GLOSSARY OF TERMS/ABBREVIATIONS (CONT'D)

Public Series of Shariah-Based Funds	This series of funds comprises twenty two Shariah-based unit trust funds, namely Public Ittikal Fund, Public Islamic Equity Fund, Public Islamic Opportunities Fund, Public Islamic Dividend Fund, Public Asia Ittikal Fund, Public Islamic Asia Dividend Fund, Public Islamic Sector Select Fund, Public China Ittikal Fund, Public Islamic Select Treasures Fund, Public Islamic Optimal Growth Fund, Public Islamic Select Enterprises Fund, Public Islamic Asia Leaders Equity Fund, Public Islamic Alpha-40 Growth Fund, Public Islamic Balanced Fund, Public Islamic Asia Balanced Fund, Public Islamic Bond Fund, Public Islamic Enhanced Bond Fund, Public Islamic Select Bond Fund, Public Islamic Income Fund, Public Islamic Infrastructure Bond Fund, Public Islamic Strategic Bond Fund and Public Islamic Money Market Fund which are governed by a master prospectus dated 30 April 2011 and expires on 29 April 2012.
RM	Ringgit Malaysia
SC	Securities Commission Malaysia
SC Guidelines	Guidelines on Unit Trust Funds issued by SC on 3 March 2008, and shall include any Guidance Notes, Circulars, schedules, appendices and guidelines contained therein or made pursuant thereto.
"The deed"	"The deed" means the Master Deed dated 28 January 1999 and all supplemental deeds entered into between the Trustee and the Manager for the registered holders of the fund.
UIC	Units in circulation ("UIC") refers to the total number of units in issue at a point in time.
Valuation point	<p>Valuation point refers to such a time(s) on a Business Day as may be decided by the Manager wherein the Net Asset Value ("NAV") of the Fund is calculated. Under normal circumstances, only one valuation is conducted on each Business Day.</p> <p>For PSGEF, the valuation of the Fund will be conducted after the close of business of Bursa Securities for the relevant day as certain of the foreign markets in which the Fund may invest in have yet to close due to the different time zones of these countries. As such, the valuation point will thus be after the close of Bursa Securities but not later than 9:00 a.m. (or any other such time as may be permitted by the relevant authorities from time to time) on the following day in which the Manager is open for business.</p>

MANAGER, TRUSTEE AND ADVISERS

MANAGER

Public Mutual Berhad (23419-A)

Registered and business address:

Block B, Sri Damansara Business Park
Persiaran Industri, Bandar Sri Damansara
52200 Kuala Lumpur

Tel: 03-6279 6800 Fax: 03-6277 9800

Hotline: 03-6207 5000

e-mail: customer@publicmutual.com.my

Web: <http://www.publicmutual.com.my>

Board of Directors

Tan Sri Dato' Sri Dr. Teh Hong Piow (*Non-Executive Director/Chairman*)

Tan Sri Datuk Seri Utama Thong Yaw Hong (*Non-Executive Independent Director/Co-Chairman*)

Tan Sri Dato' Sri Tay Ah Lek (*Non-Executive Director*)

Dato' Sri Lee Kong Lam (*Non-Executive Director*)

Dato' (Dr) Haji Mohamed Ishak Bin Haji Mohamed Ariff (*Non-Executive Independent Director*)

Dato' Haji Abdul Aziz Bin Dato' Dr. Omar (*Non-Executive Independent Director*)

Mr. Quah Poh Keat (*Non-Executive Independent Director*)

Ms. Yeoh Kim Hong (*Chief Executive Officer /Executive Director*)

Members of the Investment Committee

Tan Sri Dato' Sri Dr. Teh Hong Piow

Tan Sri Datuk Seri Utama Thong Yaw Hong (*Independent*)

Tan Sri Dato' Sri Tay Ah Lek

Dato' Sri Lee Kong Lam

Dato' (Dr) Haji Mohamed Ishak Bin Haji Mohamed Ariff (*Independent*)

Dato' Haji Abdul Aziz Bin Dato' Dr. Omar (*Independent*)

Mr. Quah Poh Keat (*Independent*)

Ms. Yeoh Kim Hong

Members of the Audit and Compliance Committee

Tan Sri Datuk Seri Utama Thong Yaw Hong

Tan Sri Dato' Sri Tay Ah Lek

Dato' Sri Lee Kong Lam

Dato' (Dr) Haji Mohamed Ishak Bin Haji Mohamed Ariff

Dato' Haji Abdul Aziz Bin Dato' Dr. Omar

Mr. Quah Poh Keat

Company Secretaries

Ms. Tang Pueh Fong (MIA 8078)

c/o Public Mutual Berhad

2nd Floor, Block B, Sri Damansara Business Park

Persiaran Industri, Bandar Sri Damansara

52200 Kuala Lumpur

Ms. Pang Siew Han (MIA 6968)

c/o Public Mutual Berhad

2nd Floor, Block B, Sri Damansara Business Park

Persiaran Industri, Bandar Sri Damansara

52200 Kuala Lumpur

MANAGER, TRUSTEE AND ADVISERS (CONT'D)

TRUSTEE

AmanahRaya Trustees Berhad (766894-T)

Registered address:

Tingkat 11, Wisma AmanahRaya
No. 2, Jalan Ampang
50508 Kuala Lumpur
Tel: 03-2055 7388
Web: <http://www.amanahraya.com.my>

Business address:

Tingkat 2, Wisma TAS
No 21, Jalan Melaka
50100 Kuala Lumpur
Tel: 03-2036 5000 Fax: 03-2072 0322
Web: <http://www.amanahraya.com.my>

Trustee's Delegate

Citibank, NA, Singapore Branch

Registered Address:

3 Temasek Avenue
#12-00 Centennial Tower
Singapore 39190
Tel : 65-6328 5082
Web: <http://www.citibank.com>

Business address:

3 Temasek Avenue
#16-00 Centennial Tower
Singapore 39190
Tel : 65-6328 5082
Web: <http://www.citibank.com>

AUDITORS

Ernst & Young

Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur

TAX AGENT

KPMG Tax Services Sdn Bhd

Level 10, KPMG Tower
8, First Avenue
Bandar Utama
47800 Petaling Jaya
Selangor, Malaysia

LEGAL ADVISER

Soon Gan Dion & Partners

1st Floor, No. 73 Jalan SS 21/1A
Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan

PRINCIPAL BANKER

Public Bank Berhad

Menara Public Bank
No. 146, Jalan Ampang
50450 Kuala Lumpur

MANAGER, TRUSTEE AND ADVISERS (CONT'D)

FEDERATION OF INVESTMENT MANAGERS MALAYSIA

19-07-3, 7th Floor
PNB Damansara
No 19, Lorong Dungun
Damansara Heights
50490 Kuala Lumpur

The Trustee and Delegate, Auditors, Tax Agent, Legal Adviser and Principal Banker have given and have not withdrawn their written consent to the inclusion in this Prospectus of their names and statements in the manner and context in which such names and statements appear.

1 KEY FEATURES OF THE FUND

1.1 SUMMARY OF KEY DATA OF THE FUND

Name of Fund	Public Singapore Equity Fund
Category of Fund	Equity fund
Type of Fund	Capital growth
Launch Date	7 June 2011
Approved Fund Size	1.5 billion units
Financial Year End	30 September
Fund Objective	To achieve capital growth over the medium to long-term period by investing in a portfolio of investments primarily in the Singapore market. <i>Note: Medium to long-term refers to a period of 3 years or more.</i>
Risk Profile of Fund	High risk
Investor Profile	Medium term investors with aggressive risk-reward temperament i.e. the investor's risk disposition favouring high capital growth and its corresponding high risk.
Investment Strategy	PSGEF seeks to achieve its goal of capital growth by investing in a diversified portfolio of blue chips, index stocks and growth stocks listed on the Singapore market with the balance of up to 30% of its NAV in the domestic and global markets. The Fund generally maintains equity exposures within a range of 75% to 98% against its NAV. The Fund may also invest in domestic and foreign fixed income securities and money market instruments.
Benchmark	Straits Times Index
Principal Risks	Market risk, stock risk, liquidity risk, currency risk and country risk.
Manager	Public Mutual Berhad (23419-A)
Trustee	AmanahRaya Trustees Berhad (766894-T)
Designated Fund Managers	Ms. Tan Chee Chin and Mr. Lum Meng Seng
Initial Offer Period	21 days commencing from 7 June 2011 to 27 June 2011
Initial Issue Price	RM0.2500
Service Charge per Unit during Offer Period	Up to 5.5% of the Initial Issue Price of the Fund.

This section is only a summary of the salient information about the Fund and investors should read and understand the whole prospectus before making investment decisions.

The Fund Profile, Fund Type, Investor Profile, Investment Objective, Policy and Strategy of the Fund are tabulated in **Chapter 3: Detailed Information on The Fund**. Reading this chapter will provide you with a better understanding of the characteristics and objective of the Fund, and help you to decide on the Fund that is most compatible with your personal investment temperament and long term financial goals.

The profiles of the designated Fund Managers of PSGEF are set out on *pages 43 and 44* respectively of **Chapter 7: The Manager**. For more information on the Trustee, please refer to **Chapter 8: The Trustee**.

There are risks involved in investing with the Fund. Please refer to **Chapter 3: Detailed Information on The Fund** for more information on risks associated with the Fund.

The Fund is governed by a master deed dated 28 January 1999, a fifth supplemental master deed dated 23 October 2000, a ninth supplemental master deed dated 22 April 2003, a twenty sixth supplemental master deed dated 27 June 2007, a thirty seventh supplemental master deed dated 11 April 2008, a forty seventh supplemental master deed dated 12 November 2009, forty ninth supplemental master deed dated 13 April 2010 and a fifty fifth supplemental master deed dated 1 March 2011.

KEY FEATURES OF THE FUND (CONT'D)

1.2 FEES AND CHARGES

A summary of all fees and charges of the Fund is shown below:

Charges Imposed on Sale or Purchase of Units

This table describes the charges that you may **directly** incur when you buy or redeem units of the Fund.

Charges	% / RM
Service Charge per Unit	Purchase of units through unit trust consultants: Up to 5.5% of NAV per unit. Purchase of units through the Manager: Up to 5.5% of NAV per unit. The Manager may at its discretion charge a lower service charge based on the size of investment and/or other criterion as may be determined from time to time.
Repurchase Charge per Unit	Nil.
Switching Charges	Unit holders may incur charges on their switching transactions. Please refer to <i>page 12</i> for the charges that are involved.
Transfer Charges	An administration fee of RM25 will be charged for each transfer transaction.

Bank charges, courier charges and any other indirect charges incurred as a result of redemptions will be borne by the investor.

Fees Incurred on Investing in The Fund

There are annual operating expenses involved in running a fund such as the management fee, fees for trustee, custodian, audit and other direct administrative costs. These expenses are deducted from the gross income of the fund.

This table describes the fees that you may **indirectly** incur when you invest in the Fund.

Fees	% / RM
Annual Management Fee	1.60% per annum of the NAV.
Annual Trustee Fee	0.08% per annum of NAV, subject to a minimum fee of RM18,000 per annum.
Any other fees payable by an investor	Nil.

For more details on fees, charges and expenses of the Fund, you may refer to **Chapter 5: Transaction Information** and **Chapter 6: Fees, Charges and Expenses**.

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

KEY FEATURES OF THE FUND (CONT'D)

1.3 INFORMATION ON TRANSACTION OF UNITS

Unit Transactions	<p>Units may be bought or sold daily on any Business Day*.</p> <p>Public Mutual buys from and sells units to unitholders during Business Days. This ensures that there will always be a market for the units.</p> <p>There is a single price for the buying and selling of units of the Fund which is at NAV per unit of the Fund. Upon the purchase of units of the Fund by investors, a service charge of up to 5.5% of NAV per unit is levied.</p> <p>The Manager may at its discretion charge a lower service charge based on the size of investment and/or other criterion as may be determined from time to time. The Manager does not impose a repurchase charge on the sale of units of the Fund by investors. <i>(Please refer to pages 29 and 30 for illustrations on purchase and redemption of units by investors).</i></p> <p>Unit prices of the Fund are published daily under the Unit Trusts Column in major newspapers**.</p> <p><i>Note: The Manager may declare certain days to be non Business Days, although Bursa Securities is open for business, if the foreign markets in which the Fund is invested therein are closed for business. This is to ensure that investors will be given a fair valuation of the Fund at all times, be it when buying or redeeming units of the Fund. A notice will be posted on Public Mutual's website to notify investors. (Please refer to page 22 for more information on valuation of investments in such circumstances).</i></p>
Minimum Initial Investment	RM1,000
Minimum Additional Investment	RM100
Minimum Account Balance	1,000 units
Cooling-Off Period	<p>Investors who are investing with Public Mutual for the first time may exercise their cooling-off right within 6 Business Days from the date of receipt of the application form and payment by Public Mutual and receive a full refund of the investment paid within 10 days of receipt of cooling-off notice by the Manager. This cooling-off right, however, shall not extend to a corporation or institution, the staff of Public Mutual, and persons registered to deal in its unit trust funds. <i>(Please refer to page 30 for more information on cooling-off proceeds).</i></p>
Repurchase of Units	<p>Unitholders may redeem units on any Business Day and receive payment of repurchase proceeds within 10 Days. <i>There is no restriction on the frequency of repurchase.</i></p>

Notes:

* *In the event that purchase and repurchase requests are received by the Manager on days which are non-Business Days, then such requests will automatically be carried forward to the first Business Day following therefrom. This elaboration holds particular significance on the issue of entitlement to distribution payable by a fund at the close of its financial year/period.*

** *While the Manager can ensure that the prices forwarded to the press for publication are accurate, it, however, cannot be held liable for any error in prices finally published in the press since that would be beyond its realm of control. Investors may contact the Customer Service or branch to further confirm the unit prices if they so desire.*

KEY FEATURES OF THE FUND (CONT'D)

Minimum Repurchase Units	<p>1,000 units.</p> <p>In the case of partial repurchase, the Manager may elect to repurchase the entire account if the effect thereof would be that the unitholder holds less than 1,000 units in his account with the Fund.</p>
Switching Between Funds	<p>Switching of units is considered a withdrawal/redemption of investment from a unit trust fund and an application to purchase units of another unit trust fund.</p> <p>During the offer period, switching transactions involving the Fund are not allowed other than for switching of low-load units of bond and money market funds under the Public Series of Funds and Public Series of Shariah-Based Funds into PSGEF.</p> <p>After the offer period, unitholders may switch their investments between PSGEF and other funds under the Public Series of Funds and Public Series of Shariah-Based Funds on any Business Day subject to terms and conditions.</p> <p>Minimum transaction per switch is 1,000 units.</p> <p>Switching fee of 0.75% of NAV or a minimum of RM50 will be imposed if units are switched out of PSGEF within 90 days from the date of purchase of units/switching into PSGEF.</p> <p>Switching fee of RM25 will be imposed if units are switched out of PSGEF after 90 days from the date of purchase of units/switching into PSGEF.</p> <p>The Manager reserves the right to reject any switching request that it regards as disruptive to efficient portfolio management of the fund; or if deemed by the Manager to be contrary to the best interest of the fund. Switching requests that are rejected by the Manager would be treated as a redemption of units.</p>
Transfer of Units	<p>A unitholder may fully or partially transfer his units in the Fund to another unitholder. An administration fee of RM25 will be charged for each transaction.</p> <p>The minimum transaction per transfer is 1,000 units.</p>

1.4 DISTRIBUTION POLICY

Consistent with the Fund's objective to achieve capital growth, distributions will therefore be incidental, i.e. the main focus of the Fund will be on securing capital growth.

Income distributions, if any, are declared at the end of each financial year, or for any specified period as may be approved by the Trustee.

If distribution is paid out via distribution cheques, it will be forwarded to the unitholders at their latest address(s) shown in the Register. Unitholders can opt for 'e-distribution' by providing their bank accounts details to the Manager.

Unitholders may, also choose to reinvest the distribution by selecting the appropriate option in the Application Form. Distribution reinvestments will be effected on the first Business Day following the distribution date. Where there are Standing Instructions to reinvest distributions, the distributions will be reinvested at NAV per unit, computed at the close of the first Business Day following the distribution date. No service charge will be imposed on distribution reinvestments.

A unitholder must notify the Manager within 14 Business Days prior to each date fixed for the distribution of any change in his distribution instructions.

KEY FEATURES OF THE FUND (CONT'D)

Auto-Reinvestment of Distribution Amount of Less Than RM100

Payment of distribution, if any, of an amount less than RM100 per account will automatically be reinvested (as deemed uneconomical to pay out) on behalf of the unitholder at NAV per unit, computed at the close of the first Business Day following the distribution date.

Auto-Reinvestment of Distribution Upon Lapse of Six Months Cheque Validity Period

For distribution cheques which are unrepresented by unitholders after expiry of the six months cheque validity period (from the date of the distribution cheque), the Manager shall reinvest the distributions through the purchase of additional units of the Fund on their behalf. The reinvestment will be executed based on the NAV per unit of the Fund on the closing of the fifteenth day of the following month or such earlier date as may be determined by the Manager.

Unclaimed Monies

Any monies payable to unitholders which remain unclaimed after such period (currently being 1 year) will be paid to Register of Unclaimed Monies by the Manager in accordance with the provisions of the Unclaimed Monies Act 1965 and (Amendment) 2002.

Prospective unitholders should read and understand the contents of the Prospectus and, if necessary, consult their adviser(s).

Unit prices and distributions payable, if any, may go down as well as up.

For information concerning certain risk factors which should be considered by prospective investors, see "risk factors" commencing on page 14.

2 ABOUT UNIT TRUST FUNDS

2.1 THE UNIT TRUST FUND

A unit trust fund is a professionally managed, collective investment scheme that pools unitholders' monies and invests it toward a specific goal as declared by the investment objective of the scheme. Such a scheme usually aims to provide above-average returns in the form of income distribution and capital growth with reasonable risks, to medium-to-long term investors through investing in a broadly diversified portfolio of stocks and bonds, or other specialised instruments.

A unit trust scheme may be illustrated as a tripartite relationship between the manager, the trustee and unitholders governed by a legally binding deed registered with the SC. The SC regulates the industry as well as the operations and administration of unit trust schemes through the CMSA 2007 and the Guidelines on Unit Trust Funds.

2.2 BENEFITS OF INVESTING IN UNIT TRUSTS

Besides the potential for capital growth over the long-term period, unit trusts also provides other recognised benefits that makes them attractive relative to other investment avenues. Among them are as follows:

1. **Diversification:** Diversification involves the process of spreading risk over a broad portfolio of stocks and bonds in different companies, sectors, countries or regions. This can only be done with substantial amounts of monies to buy a wide variety of stocks. Unit trusts facilitate the diversification process through providing small investors with an avenue to pool their savings for the purchase of a diversified portfolio of stocks and bonds that will bring returns at lower risks to unitholders compared with investing directly in stock markets.
2. **Professional Management:** Unit trusts either engage or maintain in-house professional fund managers with the expertise and resources to manage the assets of the fund. The investors thus benefit from this professional fund management of their investments in the fund at an affordable (shared) cost.
3. **Liquidity:** Unitholders may redeem all or part of their units on any Business Day and have their proceeds mailed to them within 10 days.
4. **Ease of Transactions:** Unit trusts do not require cumbersome administrative or paperwork or record keeping on the part of unitholder in managing his investments.
5. **Capital Gains:** Through participation in securities, unit trust investments provide the opportunity to reap capital growth as part of the return on a unitholder's investment.

2.3 RISK FACTORS

Any investment carries with it an element of risk. Keeping one's savings in fixed term deposits may probably be the safest on an investment risk-return continuum, but it, nevertheless, carries with it the risk of negative return when the rate of inflation is higher than the rate of interest return received on fixed deposits, leading thus to the loss in purchasing power per Ringgit principal to the saver; otherwise known as the inflation or purchasing power risk. Direct investment in the share market or stocks will subject the investor to the specific risk of falling share prices without reprieve offered by the benefit of portfolio diversification or fund management expertise available under collective investment schemes.

A unit trust fund is exposed to a variety of risks by nature of the investment schemes it is engaged in.

Where the unit trust participates in stock market-related investments, the following risks become key considerations:

1. **Market Risk:** The purchase of equities represents a risk since the prices of stocks underlying the NAV of the fund fluctuate in response to various factors. Stock prices fluctuate in response to the circumstances affecting individual companies as well as general market or economic conditions. Such movements in the underlying prices of the shares of the investment portfolio will cause the fund's NAV or prices of units to fall as well as rise.

ABOUT UNIT TRUST FUNDS (CONT'D)

2. **Specific Security Risk:** Any major price fluctuations of a particular security invested by the fund may affect the NAV and thus impact (adversely or favourably) on the prices of units. This impact can, however, be mitigated through the process of portfolio diversification by the fund managers.
3. **Liquidity Risk:** Liquidity risk is defined as the ease with which a security can be disposed at or near its fair value depending on the volume traded on the market. If the fund has a large portfolio of securities that are less liquid or difficult to dispose, the securities may have to be sold at a discount to fair value, hence affecting the value of the fund. In the event that the fund experiences large redemptions, the fund manager may be required to liquidate the fund's holdings of securities at prevailing prices to meet the redemption requirement. This impact can, however, be mitigated through the process of security selection and portfolio diversification by the fund managers.

The fund's investments in warrants, options, futures and over-the-counter (OTC) options (if any) may result in the following risks:

1. **Derivatives Risk:** Derivatives allow for the use of leverage which may increase the volatility of the fund's NAV during periods of adverse market movements. The use of non-exchange traded or over-the-counter (OTC) derivatives involve counterparty risk arising from counterparty default or a decline in the latter's credit rating. In such circumstances, efforts will be taken to liquidate the derivative position or request another counterparty to assume the underlying position. The use of derivatives also present liquidity risk, whereby an illiquid market could impact the efficient pricing of derivative products or prevent the fund from closing out its derivative position.

Further, investment in bonds brings forth the following specific investment risks:

1. **Interest Rate Risk:** Interest rates movements impact bond valuations with bond prices moving inversely with interest rates. When interest rates rise, bond prices decline and this will lower the market value of a bond fund's investment in bonds. The reverse applies when interest rates fall.
2. **Credit Risk:** Credit risk refers to an issuer's ability to make timely payments of interest and principal. In the event that the issuer of an instrument defaults in the payment of interest and principal, the value of the fund may be adversely affected.

In addition to the above, investors of unit trust funds need also to consider the following:

1. **Manager's Risk:** The risk that investment decisions undertaken by the Manager may adversely affect the performance of the fund.
2. **Loan Financing Risk:** It is considered not advisable for unitholders to finance the purchase of fund units through borrowings. The price/value of units will fluctuate with the underlying fund portfolio and unitholders may find themselves faced with the scenario of being forced to provide additional funds to top up on their loan margins when the market goes down, or suffer the higher cost of financing when interest rates trend upwards; both these events increase the potential for capital loss. In addition, the returns on unit trusts are not guaranteed and may not be earned evenly over time.
3. **Risk of Non-Compliance:** The risk arising from non-conformance with regulations and internal policies and procedures by the manager which may adversely affect the investment of unitholders. However the risk can be mitigated by internal controls put in place by the Manager.
4. **Currency Risk:** Where a percentage of the value of a fund is invested in foreign currency or assets denominated in foreign currency, the fund may be exposed to currency fluctuation risks. Fluctuations in foreign exchange rates will affect the value of the fund's foreign investments upon conversion to local currency and subsequently impact the value of the unitholders' investments.
5. **Country Risk:** Overseas investments of the fund may be affected by changes in the political and economic conditions of the country in which the investments are made. Such political and economic factors may influence the growth and development of business enterprises and impact the financial markets (i.e. equity and/or bond markets).

Please refer to **Chapter 3: Detailed Information on The Fund** for information on the fund specific risks and risk management.

ABOUT UNIT TRUST FUNDS (CONT'D)

2.4 DOLLAR-COST AVERAGING PRINCIPLE

The Principle of Dollar-Cost Averaging involves a disciplined regular investment technique which may be applied to maximum effect in unit trust investing. All that an investor has to do is to invest a regular sum of money with a selected unit trust fund over a period of time. This way, he does not have to worry about market timing, or where shares prices or interest rates are headed. **His regular investment amount will buy him less units when the market is up, and more units when the market is down. He will thus be able to accumulate units at an average cost which is lower than the average NAV per unit over the same period. This represents the dollar-cost averaging effect.**

Let's take a walk through the illustration below and see for yourself the benefits of dollar-cost averaging through regular savings/investments in a unit trust fund called Fund A.

Illustration:

Let us assume that Investor A decided to invest a monthly savings of RM400 with the fund over a period of 24 months.

As shown in the tables below, with monthly investments of RM400, Investor A was able to buy/accumulate more units per investment amount of RM400 per month when the NAV per unit was lower, and less units when the NAV per unit was higher. In the first 12 months (Table 1), Investor A thus managed to accumulate a total of 8,026.47 units at an average cost of RM0.5980 per unit when the market was on the uptrend. **Note that the units have an average cost of RM0.5980 whereas the average NAV per unit over the period was higher at RM0.6008.** During the next 12 months (Table 2), Investor A managed to accumulate a total of 9,270.36 units at an average cost of RM0.5178 per unit when the market was on a downtrend. **Once again, note that the units have an average cost of RM0.5178 which is lower than the average NAV per unit over the period at RM0.5183.**

By regularly investing the same amount of money in the fund irrespective of price fluctuations, the units will be bought at an actual cost which is lower than the average NAV per unit over the same period. This represents the dollar-cost averaging effect of regular investments.

Although the dollar-cost averaging process can work with a series of lump sum investments, it operates better with investments made on a regular basis (ideally monthly) to maximise the advantage of the averaging process.

Table 1 : Upmarket Scenario

Month	NAV Per Unit (RM)	Monthly Investment (RM)	No. of Units Credited	Units Accumulated
1	0.5453	400.00	733.54	733.54
2	0.5461	400.00	732.47	1,466.01
3	0.5553	400.00	720.33	2,186.34
4	0.5615	400.00	712.38	2,898.72
5	0.5695	400.00	702.37	3,601.09
6	0.6115	400.00	654.13	4,255.22
7	0.6225	400.00	642.57	4,897.79
8	0.6248	400.00	640.20	5,537.99
9	0.6315	400.00	633.41	6,171.40
10	0.6338	400.00	631.11	6,802.51
11	0.6415	400.00	623.54	7,426.05
12	0.6662	400.00	600.42	8,026.47

Table 2 : Downmarket Scenario

Month	NAV Per Unit (RM)	Monthly Investment (RM)	No. of Units Credited	Units Accumulated
13	0.5453	400.00	733.54	733.54
14	0.5450	400.00	733.94	1,467.48
15	0.5330	400.00	750.47	2,217.95
16	0.5320	400.00	751.88	2,969.83
17	0.5210	400.00	767.75	3,737.58
18	0.5200	400.00	769.23	4,506.81
19	0.5185	400.00	771.46	5,278.27
20	0.5100	400.00	784.31	6,062.58
21	0.5025	400.00	796.02	6,858.60
22	0.4997	400.00	800.48	7,659.08
23	0.4970	400.00	804.83	8,463.91
24	0.4960	400.00	806.45	9,270.36

First 12 months:

Principal investment (RM400x12)	=	RM4,800
Units accumulated	=	8,026.47
Average cost of units procured	=	RM0.5980
Average NAV per unit over the period	=	RM0.6008

Next 12 months:

Principal investment (RM400x12)	=	RM4,800
Units accumulated	=	9,270.36
Average cost of units procured	=	RM0.5178
Average NAV per unit over the period	=	RM0.5183

3 DETAILED INFORMATION ON THE FUND

The forthcoming paragraphs under this Chapter provides further information on the Fund's profile (*paragraph 3.1*), investment risks (*paragraph 3.2*), authorised investments (*paragraph 3.3*), investment restrictions (*paragraph 3.4*), valuation of authorised investments (*paragraph 3.5*), and policy on gearing (*paragraph 3.6*).

3.1 FUND PROFILE

The following section lays out the investment objective, policy, strategy and other key features of the Fund to assist the investor in making an informed judgement of the distinctive features of the Fund in relation to his/her personal investment and financial goals. Investors are requested to read the profile carefully before making an investment decision.

PUBLIC SINGAPORE EQUITY FUND (PSGEF)

Fund Profile

Category of Fund	Equity fund
Type of Fund	Capital growth
Equity Range of Fund	75% to 98%
Stock Selection Profile of Fund	Blue chips, index stocks and growth stocks
Distribution Policy *	Incidental
Investor's Risk Profile **	Aggressive
Suggested Minimum Investment Period ***	3 years
Designated Fund Managers	Tan Chee Chin and Lum Meng Seng

The Fund Manager may adopt temporary defensive strategies by lowering the equity exposure of the Fund below the above stated range if the investment climate is deemed to be unfavourable and weakness in the equity markets is expected.

Notes:

- * **Incidental distribution** implies that the main focus of the Fund will be on securing capital growth.
- ** **Aggressive** indicates an investor's risk disposition favouring high capital growth and its corresponding high risk.
- *** **Suggested minimum investment period** is a guide only. Investors should review their investment in the Fund on a regular basis to ensure it continues to meet their investment needs or goals.

Fund Objective

To achieve capital growth over the medium to long-term period by investing in a portfolio of investments primarily in the Singapore market.

Note: Any material changes to the investment objective of the Fund would require unitholders' approval.

Investor Profile

- aggressive risk-reward temperament
- medium to long-term investor
- can withstand extended periods of market highs and lows in pursuit of capital growth

Note: Medium to long-term refers to a period of 3 years or more.

Investment Policy

PSGEF will invest primarily in the Singapore market. Up to 30% of the Fund's NAV can be invested in the domestic and global markets. PSGEF will invest in a diversified portfolio of blue chips, index stocks and growth stocks to meet its investment objective. The Fund generally maintains equity exposures within a range of 75% to 98% against its NAV. The Fund may also invest in domestic and foreign fixed income securities and money market instruments.

DETAILED INFORMATION ON THE FUND (CONT'D)

Investment Strategy

PSGEF is actively managed to achieve its goal of achieving capital growth by investing in a diversified portfolio of blue chips, index stocks and growth stocks listed on the Singapore stock market. To achieve increased diversification, the Fund may invest up to 30% of its NAV in the domestic and global markets. The Fund's investment in the domestic and global markets is incidental to its primary focus of investing in the Singapore market. In identifying companies for investment, the Fund Manager relies on fundamental research where the financial health, industry prospects, management quality and past track records of the companies are considered. Although the Fund is actively managed, the frequency of its trading strategy will depend on market opportunities.

The Fund's investments may include listed warrants and options to enhance its returns. The Fund may also consider investments in unlisted equities with attractive potential returns, particularly in companies that are expected to seek listing on the Singapore, domestic and global markets within a timeframe of two years. The Fund may also invest in collective investment schemes with similar investment objectives in the Singapore, domestic and global markets. The Fund may also invest in domestic and foreign fixed income securities such as sovereign bonds, corporate debt and money market instruments to help generate returns.

The Fund's equity exposures may result in the Fund experiencing significant volatilities in times of adverse market movements. To mitigate risks, the Fund may invest in futures contracts and options to hedge against market volatility.

Fund Specific Benefits

The Fund allows the investor the opportunity to participate in the long-term growth potential of a diversified portfolio of blue chips, index stocks and growth stocks in the Singapore, domestic and global markets.

Fund Specific Risk Management

The asset allocation, liquidity management and diversification strategies employed are central to the efforts to manage the risks posed to the Fund. Hence, there may be situations such as when a severe downturn in the equity markets is expected and liquidity risks are high, that the equity exposures are reduced to and below the above stated range. With regards to the bond portfolio of the Fund, it should be noted that the performance of the portfolio might be adversely affected should interest rates rise sharply. The value of bonds may also fluctuate based on the credit quality of the issuer. As such, exposure to bonds in the portfolio are managed to minimise such risks to levels that are commensurate with the potential returns.

Political risks, foreign exchange risks and liquidity risks associated with the Fund's investments in the Singapore market will be monitored on an ongoing basis. To mitigate risks arising from factors which include foreign currency exposure and foreign interest rate movements, the Fund may employ hedging strategies to manage the risks posed to the Fund.

While investments in futures contracts, listed warrants and options (if any) can potentially enhance the Fund's returns, these investments can also increase the volatility of the Fund's returns. As such, the Fund's investments in these instruments will be assessed on an ongoing basis and managed accordingly.

Furthermore, the above investments are subject to limits and restrictions that are precisely spelt out in the sections titled "Authorised Investments" and "Investment Restrictions".

Selected Performance Benchmark for PSGEF

The benchmark of the Fund is the Straits Times Index. The daily closing index for the Straits Times Index is obtainable from Bloomberg L.P. The performance of the Fund and its benchmark is available on Public Mutual's website at www.publicmutual.com.my.

DETAILED INFORMATION ON THE FUND (CONT'D)

3.2 INVESTMENT RISKS

Specific Risks of the Fund

Market risk

The purchase of equities represents a risk since the prices of stocks underlying the NAV of the Fund fluctuate in response to various factors. Stock prices fluctuate in response to the circumstances affecting individual companies as well as general market or economic conditions. Such movements in the underlying prices of the shares of the investment portfolio will cause the Fund's NAV or prices of units to fall as well as rise.

Stock risk

Any major price fluctuations of a particular stock invested by the Fund may affect the NAV and thus impact (adversely or favourably) on the prices of units. This impact can, however, be mitigated through the process of portfolio diversification by the Fund Managers.

Liquidity risk

Liquidity risk is defined as the ease with which a security can be disposed at or near its fair value depending on the volume traded on the market. If the Fund has a large portfolio of securities that are less liquid or difficult to dispose, the securities may have to be sold at a discount to fair value, hence affecting the value of the Fund. In the event that the Fund experiences large redemptions, the Fund Manager may be required to liquidate the Fund's holdings of securities at prevailing prices to meet the redemption requirement. This impact can, however, be mitigated through the process of security selection and portfolio diversification by the Fund Managers.

Derivatives risk

Derivatives (if any) allow for the use of leverage which may increase the volatility of the Fund's NAV during periods of adverse market movements. The use of non-exchange traded or over-the-counter (OTC) derivatives involve counterparty risk arising from counterparty default or a decline in the latter's credit rating. In such circumstances, efforts will be taken to liquidate the derivative position or request another counterparty to assume the underlying position. The use of derivatives also present liquidity risk, whereby an illiquid market could impact the efficient pricing of derivative products or prevent the Fund from closing out its derivative position.

Currency risk

Where a portion of a Fund is invested in foreign currency or assets denominated in foreign currency, the Fund may be exposed to currency fluctuation risks. Fluctuations in foreign exchange rates will affect the value of the Fund's foreign investments upon conversion to local currency and subsequently impact the value of the unitholders' investments.

Country risk

Foreign investments of the Fund may be affected by changes in the political and economic conditions in Singapore. Such political and economic factors may influence the growth and development of business enterprises in Singapore and impact the stock prices of listed companies.

Apart from the above investment risk, there are also other risks of investing in unit trusts which have been described under pages 14 to 15 of this Prospectus.

DETAILED INFORMATION ON THE FUND (CONT'D)

3.3 AUTHORISED INVESTMENTS

The Manager has absolute discretion, subject to the deeds, the investment policy of the Fund and the requirements of the SC and other regulatory body, as to how the assets of the Fund are invested.

The Fund invests in the following investments:

- i. Securities of companies listed in the respective eligible markets;
- ii. Initial Public Offerings (IPOs) of companies seeking a listing in the respective eligible markets;
- iii. Listed fixed income securities traded in the respective eligible markets;
- iv. Unlisted fixed income securities traded in the respective eligible markets;
- v. Sovereign bonds traded in the respective eligible markets;
- vi. Malaysian Government Securities, Treasury Bills, Bank Negara Monetary Notes, Government Investment Issues and other Government approved/guaranteed issues;
- vii. Deposits and money market instruments with licensed financial institutions;
- viii. Units of other collective investment schemes with similar objectives;
- ix. Unlisted securities whether or not approved for listing and quotation in the respective eligible markets, which are offered directly by the company to the funds;
- x. Futures contracts and options traded in the futures and options market of an exchange specified under the CMSA 2007;
- xi. The Fund may participate in lending of securities within the meaning of the Securities Commission Guidelines on Securities Borrowing and Lending when permitted by the SC and other relevant authorities; and
- xii. Any other form of investments as may be agreed upon by the Manager and the Trustee from time to time.

3.4 INVESTMENT RESTRICTIONS

The Fund is subject to the following investment restrictions in the course of execution of its investment policies and strategies:

(i) *Investment Spread Limits*

- (a) The value of the Fund's investments in ordinary shares issued by any single issuer must not exceed 10% of the Fund's NAV;
- (b) The value of the Fund's investments in transferable securities and money market instruments issued by any single issuer must not exceed 15% of the Fund's NAV;
- (c) The value of the Fund's placements in deposits with any single institution must not exceed 20% of the Fund's NAV;
- (d) For investments in derivatives, the exposure to the underlying assets must not exceed the investment spread limits stipulated in this section; and the value of the Fund's over-the-counter (OTC) derivative transaction with any single counter-party must not exceed 10% of the Fund's NAV;
- (e) The value of the Fund's investments in structured products issued by a single counter-party must not exceed 15% of the Fund's NAV;

DETAILED INFORMATION ON THE FUND (CONT'D)

- (f) The aggregate value of the Fund's investments in transferable securities, money market instruments, deposits, OTC derivatives and structured products issued by or placed with any single issuer/institution must not exceed 25% of the Fund's NAV;
- (g) The value of the Fund's investments in units/shares of any collective investment scheme must not exceed 20% of the Fund's NAV; and
- (h) The value of the Fund's investments in transferable securities and money market instruments issued by any group of companies must not exceed 20% of the Fund's NAV.

(ii) Investment Concentration Limits

- (a) The Fund's investments in transferable securities (other than debentures) must not exceed 10% of the securities issued by any single issuer;
- (b) The Fund's investments in debentures must not exceed 20% of the debentures issued by any single issuer;
- (c) The Fund's investments in money market instruments must not exceed 10% of the instruments issued by any single issuer;

Note: The limit in (c) does not apply to money market instruments that do not have pre-determined issue size.

- (d) The Fund's investments in collective investment schemes must not exceed 25% of the units/shares in any one collective investment scheme.

Note: Transferable securities refer to equities, debentures and warrants.

(iii) General

- (a) The value of the Fund's investment in unlisted securities must not exceed 10% of the Fund's NAV. This exposure limit does not apply to:
 - i. equities not listed or quoted on a stock exchange but have been approved by the relevant authority for such listing and quotation, and are offered directly to the Fund by the issuer;
 - ii. debentures traded on an organized over-the-counter (OTC) market; and
 - iii. structured products.
- (b) Holdings of foreign investments of the Fund shall not exceed 98% of the Fund's NAV.
- (c) The Fund's exposure from derivative position must not exceed the NAV of the Fund.

The limits and restrictions stated shall be complied with at all times based on the most up-to-date value of the Fund, and the value of its investments and instruments. However, a 5 per cent allowance in excess of any limits or restrictions may be permitted where the limit or restriction is breached through the appreciation or depreciation in value of the Fund's investment or instruments, or as a result of repurchase of units or payment made from the Fund. The Manager should, within a reasonable period of not more than 3 months from the date of the breach, take all necessary steps and actions to rectify the breach.

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

3.5 VALUATION OF AUTHORISED INVESTMENTS

Listed equities, warrants and options – valuation is based on the last done market price of the respective exchanges.

Unlisted equities - valuation is based on methods deemed to be fair and reasonable that are acceptable to the Manager, verified by the Auditor and approved by the Trustee.

DETAILED INFORMATION ON THE FUND (CONT'D)

Listed and Unlisted fixed income securities – for listed fixed income securities, the last traded prices quoted on a recognised exchange will be used. In the case of unlisted domestic fixed income securities, valuations are carried out on a daily basis using fair value prices quoted by a Bond Pricing Agency (BPA) registered with the SC. If the Manager is of the view that the price quoted by the BPA for a specific bond differs from the 'market price' by more than 20 basis points, the Manager may use the 'market price' provided that the Manager adheres to the requirements stipulated by the SC. Market price for bonds are derived from market quotations obtained from the panel of at least three active financial institutions that are governed by the Banking and Financial Institutions Act (BAFIA). Foreign unlisted fixed income securities are valued daily based on fair value by reference to the average indicative yield quoted by at least three independent and established institutions. Short term money market instruments are also marked to market daily with rates/yields obtainable from the Electronic Trading Platform (ETP) maintained by Bursa Malaysia Berhad, Kuala Lumpur Inter-bank Offered Rate (KLIBOR), benchmark Fixed Deposit rate and the average tender rates of new issues of money market instruments with comparable credit ratings and tenors.

Cash/Fixed deposits - the value of such investments which are deposits placed with banks and other financial institutions and bank bills, shall be determined each day by reference to their nominal values and the accrued interest thereon for the relevant period.

Units in other collective investment schemes - the last published repurchase price per unit or if not available, based on methods deemed to be fair and reasonable as agreed upon by the Manager and Trustee.

Futures – all futures contracts are marked-to-market at the end of each trading day. Any gains or losses are immediately reflected upon marking to market.

Suspended securities - will be valued at their suspended price unless there is conclusive evidence to indicate that the value of such shares have gone below the suspended price, whereupon their value will be ascertained in a manner as agreed upon by the Manager and Trustee.

If no market price is available or valuation based on market price does not represent the fair value of investments, the securities will be based on methods deemed to be fair and reasonable as agreed upon by the Manager and Trustee.

All foreign securities and assets are translated into Ringgit based on the bid exchange rate quoted by Bloomberg at United Kingdom time 4.00 p.m. the same day.

Note:

The valuation of the Fund will be conducted after the close of business of Bursa Securities for the relevant day as certain foreign markets in which the Fund may invest in have yet to close due to the different time zones of these countries. Thus, the valuation point may be after the close of Bursa Securities but not later than 9:00 a.m. (or any other such time as may be permitted by the relevant authorities from time to time) on the following day in which the Manager is open for business. As a result of having a valuation point later than 5:00 p.m., the daily prices of the Fund will not be published on the next Business Day but instead will be published the next following Business Day (i.e. the prices will be 2 days old).

Illustration:

For the market close of 14 June 2011, the valuation date will be next day in which the Manager is open for trading, that is, 15 June 2011. Thus the newspaper publication date for the prices as at 14 June 2011 will be 16 June 2011.

Investors may obtain the latest prices of units of the funds by contacting the Manager directly.

The Manager may declare certain Business Days to be a non-Business Day, although Bursa Securities is open for business, if the foreign markets in which the Fund is invested therein are closed for business. This is to ensure that investors will be given a fair valuation of the Fund at all times, be it when buying or redeeming units of the Fund.

3.6 POLICY ON GEARING

Save and except where permitted or approved by the SC, the Fund is prohibited from gearing or borrowing cash or other assets (including the borrowing of securities) to finance the purchase of investments.

4 GETTING STARTED WITH PUBLIC MUTUAL

4.1 INVESTING WITH PUBLIC MUTUAL

Public Mutual distributes units of the Fund through a network of dedicated unit trust consultants who are registered with the FIMM. Investors have the right to view the authorisation card issued by FIMM to the attending unit trust consultant, permitting him to deal in unit trust products.

Public Mutual branch offices are located throughout the state capitals and major towns of Malaysia to service unitholders who may need to do an enquiry or a transaction with us. Please refer to the Directory of Public Mutual Branch and Agency Offices on pages 60 to 63 of the Prospectus for details of their addresses and telephone numbers.

4.2 HOW TO BUY, SELL OR SWITCH UNITS OF THE FUND

Read and Understand the Prospectus of the Fund

It is important that you should understand fully about unit trust investments, and what investing with the Fund would mean to you in terms of the potential benefits and risks. First ask the unit trust consultant attending to you for information on the Fund, and be sure to request for a copy of the Prospectus. It is important that you read the Prospectus carefully, and seek further clarification on any matter that may concern you.

In reading the Prospectus, do make sure that you understand fully:

- the nature of collective investment schemes;
- the Fund category, objective and its distribution policy;
- the types of Fund transactions available;
- your rights as a unitholder;
- the nature and amount of fees and expenses of the Fund which you would have to bear;
- the reports that you will receive as a unitholder which keeps you fully informed about the performances of the Fund.

To Open an Account

For prospective investors of the Fund, you would need only to complete the Fund Application Form that comes with the Prospectus obtainable free upon request. Your application form, together with the investment amount made out in a cheque in favour of Public Mutual Berhad followed by the new NRIC number of the first holder (e.g. *Public Mutual Berhad (New NRIC No.)*), can then be submitted to any of the Public Bank branches. You are advised to write down your name, new NRIC/Passport Number and telephone number at the back of the cheque. Please retain the bank-in slip issued by the bank for your record and future reference.

If you are a first time investor of Public Mutual, you are also required to complete the New Investor Form.

For non-individual or corporate applicants, the application must be submitted together with the requisite statutory documents. Please refer to the New Investor Form for details of the documents required by the different customer types i.e. a Malaysian company, partnership, sole proprietor or others. Please contact the corporate sales desk at 03-6279 6829 should you need further assistance.

Minimum Initial Investment - Please refer to page 11 of Chapter 1: Key Features of The Fund.

Adding Regularly to Your Account

You may invest regularly into your investment account. This can be easily done through issuing Direct Debit Authorisation with Public Bank. Ask your unit trust consultant about investing regularly and get a head start on the benefits of dollar-cost-averaging that comes with the regular purchase of units.

Alternatively, you may add to your investment account as and when you feel so inclined by depositing your cash/cheque made in favour of Public Mutual Berhad followed by your fund account number, into the collection accounts maintained at Public Bank.

Minimum Additional Investment - Please refer to page 11 of Chapter 1: Key Features of The Fund.

GETTING STARTED WITH PUBLIC MUTUAL (CONT'D)

Under the Deed, the Manager is given the exclusive right to effect the issue of units for the account of the Fund and has absolute discretion to accept or reject in whole or in part any application for units.

It is against our Company's policy to accept cash for the purchase of units in the Fund. As such, investors are advised not to make payment in cash to any of our unit trust consultants when purchasing units of the Fund.

Exercise of Cooling-off Right

For investors who are investing with Public Mutual for the first time, the request to exercise your cooling-off right must be submitted either to the Public Mutual Head Office or to any of its branch offices within 6 Business Days from the date of receipt of the application form and payment by Public Mutual. You will be paid a full refund of your investment principal within 10 days from the date of exercise of this cooling-off right.

Corporates or institutions, staff of the Manager and persons/unit trust consultants registered to deal in its unit trust funds are not entitled to the cooling-off right.

Exercise of Repurchase, Switching and Transfer of Units

Repurchase

Should you later need to partially or fully redeem your units, you would only need to complete and submit the Repurchase Form to your nearest Public Mutual branch office or Public Mutual Head Office. You will be paid the repurchase proceeds within 10 days from our receipt of your repurchase request.

Switching

You may move your investments between various funds in response to changing financial goals or market conditions subject to the fees and conditions for switching laid out on *page 12 of Chapter 1: Key Features of The Fund*. You need only to complete and return the Switching Form to your nearest Public Mutual branch office or Public Mutual Head Office.

Transfer

For transfer of units, you need to complete and submit the Transfer Form. An administration fee of RM25 is charged on each transfer transaction.

You can also execute your repurchase and switching requests using our e-commerce service, Public Mutual Online. Please refer to *page 26* for more information on Public Mutual Online.

Minimum Transaction Amount for Repurchase, Switching and Transfer

The minimum transaction per repurchase, switching or transfer is 1,000 units

Minimum Account Balance

Whatever you may do by way of repurchase, transfer or switching of funds, you must always ensure that you leave a minimum balance of 1,000 units in your account at all times in order to stay invested with the Fund.

In the case of partial repurchase, the Manager may elect to repurchase the entire account if the effect thereof would result in the unitholder holding less than 1,000 units in his/her account with the Fund.

Pledging of Units as Collateral

Units held by you may be pledged as collateral for securing financing with Public Bank under the Unit Trust Flexi-Loan Express (UNIFLEX) Plan. The UNIFLEX Plan has many advantages. For more details on the UNIFLEX Plan, you may call Public Bank Hotline: 1800-22-9999. Investors should be aware of the loan financing risk as stated on *page 15* of this Prospectus and are advised to read and understand the Loan Financing Risk Disclosure Statement that forms part of the Fund Application Form.

GETTING STARTED WITH PUBLIC MUTUAL (CONT'D)

Borrowing to Purchase Units

Unit trusts are considered long term savings vehicles which should, theoretically speaking, return better than bank deposits or bonds through its investments in equities or other market-related securities. But, likewise, unit trusts cannot avoid assuming to a certain extent the market risks inherent in its portfolio investments, and it would be considered unwise for the unitholder to undertake borrowing to purchase his units as it may serve to accentuate any capital loss incurred by him in the event of a prolonged weak (bear) market. Investing in a unit trust fund with borrowed money is more risky than investing with your own savings.

Investors are advised to read and understand fully the Loan Financing Risk Disclosure Statement that forms part of the Fund Application Form before signing off on the form.

It is Our Company's Policy to Discourage the Use of Loan Financing in the Purchase of Units.

4.3 STATEMENTS AND REPORTS

Statements to Confirm and Record Transactions

Computer-generated Statements will be issued to provide you a record of each and every transaction made in your account so that you may confirm the status and accuracy of your transactions, as well as an updated record of your investment account(s) with us.

Annual/Interim Statement of Investment

In addition, you will receive annual and interim Statements of Investment, sent together with the Fund's interim/annual reports, which will provide you with the latest status of your investment account.

For Mutual Gold Elite and Mutual Gold Members, additional Monthly Statement and Quarterly Statement of Accounts respectively will be generated as part of the Manager's Priority Client Service.

Annual and Interim Reports

The investment strategies, performances, portfolio holdings and accounts of the Fund are detailed twice a year in annual and interim reports which are sent to all unitholders within 2 months from the close of each financial year or interim period.

Statement of Distribution of Returns

If distribution of returns is declared by the Fund, you will receive Statements of Distribution of Returns, detailing the nature and amount of returns distributed by the Fund.

You may refer to *page 12, paragraph 1.4 Distribution Policy of Chapter 1: Key Features of The Fund* for more information on the mode of distributions and policies and procedures on unclaimed monies/distributions.

4.4 KEEPING TRACK OF THE DAILY PRICES OF UNITS

Units are valued at their NAV per unit on every Business Day in which the Bursa Securities is open for dealing. Public Mutual buys from and sells units to unitholders during Business Days. Liquidity of your investment is thus assured.

Unitholders may check for the current NAV/price of the Fund by referring to the Unit Trusts Column published daily in major newspapers or by visiting our website at www.publicmutual.com.my. (Please refer to page 28 for Determination of Prices).

Feel free to contact Public Mutual Hotline: 03-6207 5000 for general enquiries or specific assistance regarding your investments with us.

You can also access Public Mutual Online, our e-commerce website for online transactions, account enquiries and e-statements and e-reports.

DEDICATED SERVICES TO UNITHOLDERS OF PUBLIC MUTUAL

FINANCIAL FREEDOM

Public Mutual has a long tradition of promoting sound financial planning among unitholders and investors. Our commitment in this arena is demonstrated by the following financial planning services/tools available to unitholders and investors.

- Financial Freedom FP Advisor – a financial planning software that provides a wide array of financial planning services and enables fund investment analyses to be done 'on the spot'. Developed in-house, the Financial Freedom FP Advisor is available exclusively to Public Mutual's unit trust consultants to enable them to provide unit trust investment planning services to help their unitholders and prospective investors achieve their financial goals in life.
- Financial Freedom Retirement and Education Planning Software – designed as user-friendly, 'Do-it-Yourself' tools to enable you to determine your retirement and children's education funding requirements, all in the comfort of your home.

Call our Financial Planning Centre: 03-2031 6300 for more information on our financial planning services

PUBLIC MUTUAL WEBSITE

For the latest update on the Company's development, please visit Public Mutual website at www.publicmutual.com.my. Our website carries a variety of information on services we provide including information about our funds, updates on fund prices and performances, information on unit trust investment planning, market reports on a daily, weekly, monthly and quarterly basis, and investment or financial planning related articles, all available at the tip of your hands.

Surf our website in the comforts of your home to search for our funds that best suit your investment needs.

PUBLIC MUTUAL ONLINE

Investing has never been easier with Public Mutual Online, a secure and convenient facility which allows investors to conduct transactions via the internet. In addition, investors also enjoy quick access to their account details and e-statements and Fund's e-reports through Public Mutual Online.

Call Public Mutual Hotline: 03-6207 5000 or visit www.publicmutual.com.my for more information

PRIORITY SERVICE

Mutual Gold and Mutual Gold Elite Priority Services are designed to provide value-added, time saving services and benefits to high net worth individual unitholders.

The **exclusive privileges** Mutual Gold and Mutual Gold Elite Members will enjoy include free Will writing, free trust nominations, free Public Bank credit card*, repurchase cheques within two Business Days, numerous free switchings per annum*, free Group Personal Accident with Permanent Disability insurance coverage of up to RM750,000, complimentary magazine, Quarterly Statement of Accounts, invitations to Mutual Gold Seminars and Financial Planning Talks and many more.

Mutual Gold Elite Members also enjoy other special benefits and privileges in addition to the above.

* *subject to terms and conditions*

Call Public Mutual Hotline: 03-6207 5000 for more information on terms and requirements

DEDICATED SERVICES TO UNITHOLDERS OF PUBLIC MUTUAL (CONT'D)

PUBLIC MUTUAL WILL WRITING SERVICES

Unitholders who wish to ensure their estate are passed on to their loved ones effectively and smoothly upon their demise, can write a Will through Public Mutual. The Will Writing Service is offered in collaboration with PB Trustee Services Berhad (PBTSB).

Under the Public Mutual's Will Writing Services, unitholders enjoy competitive rates, including free acceptance and lifetime custodian fees, provided that PBTSB is appointed the executor.

Call Public Mutual Hotline: 03-6207 5000 for more information

PUBLIC MUTUAL TRUST NOMINATION SERVICE

Public Mutual Trust Nomination allows you to name your loved ones as beneficiaries of your unit trust investments by declaring a Trust for their benefit. With trust nomination, your investment is distributed to your loved ones without them having to go through the lengthy process of Probate or Letter of Administration.

Call Public Mutual Hotline : 03-6207 5000 for more information

5 TRANSACTION INFORMATION

5.1 DETERMINATION OF PRICES

Valuation Point

Valuation point refers to such a time(s) on a Business day as may be decided by the Manager wherein the Net Asset Value (“NAV”) of the fund is calculated.

The valuation of PSGEF will be conducted after the close of business of Bursa Securities for the relevant day as certain foreign markets in which the Fund may invest in have yet to close due to the different time zones of these countries. As such, the valuation point will thus be after the close of Bursa Securities but not later than 9:00 a.m. (or any other such time as may be permitted by the relevant authorities from time to time) on the following day in which the Manager is open for business.

NAV per Unit

The NAV per unit is obtained by dividing the NAV of the Fund by the number of units in issue.

Illustration 1: Computation of NAV per unit

The following is a hypothetical example of the valuation carried out for PSGEF for the Business Day of 13 December 2011:

Total NAV (RM)	705,250,000
UIC (units)	1,410,500,000
NAV per unit (RM) (Total NAV/UIC)	0.50000000

Forward Pricing for both Buy and Sell Transactions

Both the buy and sell transactions are traded at prices *next determined*. A transaction issued today by an investor to purchase units of the fund will be carried out at a price next determined i.e. to be *calculated at the next valuation point after the application to purchase units is received and accepted by the Manager*. Similarly, a transaction to redeem units by an investor will be done at the price next determined i.e. at the next valuation point after the repurchase request is received by the Manager.

Investments banked in over the counter through Public Bank branches on any Business Day will be processed based on the price determined for the same Business Day. Investments transacted via electronic channels before or at 4:00 p.m. on any Business Day will be processed based on the price determined for the same Business Day; whilst investments transacted after 4:00 p.m. via these channels will be processed based on the price determined for the next Business Day. Any investment made on a non-Business Day will be treated as investments made on the following Business Day.

In the event of any incorrect pricing of units of the Fund, the Manager shall take immediate remedial action where that incorrect pricing –

- (i) is equal or more than zero point five per centum (0.5%) of the NAV per unit; and
- (ii) results in a sum total of Ringgit Malaysia Ten (RM10.00) or more to be reimbursed to the affected unitholder for each sale or repurchase transaction.

Subject to any regulatory requirements, the Manager shall have the right to amend, vary or revise the abovesaid limits or threshold from time to time.

TRANSACTION INFORMATION (CONT'D)

5.2 COMPUTATION OF PRICES

Buying and selling of units are quoted and transacted at a single price, which is at the NAV per unit of the fund. Service charge and repurchase charge (if any) that are to be levied on the purchase and sale of units by investors will not be incorporated in the quoted prices of the fund. These charges will be computed and charged separately.

Making an Investment

Buying of units by investors is transacted at the NAV per unit of the Fund. Upon the purchase of units of the Fund by investors, a service charge of up to 5.5% of NAV per unit is levied.

Illustration 2: Purchase of Units by Investors

Let us assume that on 13 December 2011, Investor A decides to invest RM10,000 in PSGEF. Following through on illustration 1, the NAV per unit of PSGEF is at RM0.50000000. The service charge levied on the purchase of units in the Fund is 5.5%.

Based on the above, Investor A would have 20,000 units credited into his investment account as shown below:

$$\begin{array}{rcl} \frac{\text{Amount invested}}{\text{NAV per unit}} & = & \frac{\text{RM10,000}}{\text{RM0.50000000}} \quad \frac{\text{Units credited to investor's account}}{20,000 \text{ units}} \\ \\ \text{Service charge per unit} & = & \text{NAV per unit} \times \text{Service Charge (\%)} \\ & = & \text{RM0.50000000} \times 5.5\% \\ & = & \text{RM0.02750000} \\ \\ \text{Total service charge incurred by Investor A} & = & \text{Service Charge per unit} \times \text{Units credited to investor} \\ & = & \text{RM0.02750000} \times 20,000 \text{ units} \\ & = & \text{RM550} \end{array}$$

Following the above, the total amount payable by Investor A:

$$\begin{array}{rcl} = & \text{Amount invested in PSGEF} & + \quad \text{Service charge incurred} \\ = & \text{RM10,000} & + \quad \text{RM550} \\ = & \text{RM10,550} & \end{array}$$

Investors are advised not to make payment in cash to any of our unit trust consultants when purchasing units of the Fund.

Redeeming an Investment

Redemption of units by investors is transacted at the NAV per unit of the Fund. The Manager does not impose a repurchase charge on the redemption of units of the Fund by investors.

Illustration 3: Redemption of Units by Investors

Let us assume that Investor B decides to redeem 20,000 units of PSGEF when the NAV per unit is at RM0.50000000. He submits his Repurchase Form to a branch office of Public Mutual. There is no repurchase charge levied on the sale of units of the Fund by the investor.

TRANSACTION INFORMATION (CONT'D)

$$\begin{aligned} \text{Based on the above, the amount redeemed from PSGEF} &= \text{Units redeemed x NAV per unit} \\ &= 20,000 \text{ units x RM0.50000000} \\ &= \text{RM10,000} \end{aligned}$$

$$\begin{aligned} \text{Repurchase charge per unit} &= \text{NAV per unit x Repurchase Charge (\%)} \\ &= \text{RM0.50000000 x 0\%} \\ &= \text{Nil} \end{aligned}$$

$$\begin{aligned} \text{Total repurchase charge incurred by Investor B} &= \text{Repurchase Charge per unit x Units redeemed} \\ &= \text{RM0 x 20,000 units} \\ &= \text{Nil} \end{aligned}$$

Following the above, the repurchase proceeds received by Investor B within 10 days from the Manager's receipt of his repurchase request:

$$\begin{aligned} &= \text{Amount redeemed from PSGEF} - \text{Repurchase Charge Incurred} \\ &= \text{RM10,000} - \text{RM0} \\ &= \text{RM10,000} \end{aligned}$$

5.3 COMPUTATION OF COOLING-OFF PROCEEDS

A cooling-off period of 6 Business Days is accorded to an investor who is investing with Public Mutual for the first time. During the cooling-off period, the investor, upon changing his mind about the unit trust investment that he has made, may proceed to exercise his cooling-off right by submitting a cooling-off request to any of the Public Mutual branch offices or Public Mutual Head Office.

Under the cooling-off request, the refund for every unit held by the unitholder will be the sum of:

- (a) the price of a unit on the day the units were purchased; and**
- (b) the sales charge imposed on the day the units were purchased.**

Essentially, the investor will receive a full refund of the initial amount paid by him on his purchase of units within 10 days of receipt of cooling-off notice by the Manager.

6 FEES, CHARGES AND EXPENSES

6.1 CHARGES IMPOSED ON SALE AND PURCHASE OF UNITS

Buying and selling of units are quoted and transacted at a single price, which is at the NAV per unit of the fund. Service charge and repurchase charge (if any) that are to be levied on the purchase and sale of units by investors will not be incorporated in the quoted prices of the fund. These charges will be computed and charged separately. For the purpose of calculating service charge and repurchase charge, the computation is based on the NAV per unit of the fund that has not been rounded up.

Service Charge

Service charge levied upon the purchase of units of the PSGEF by investors is as follows:

Purchase of units through unit trust consultants: Up to 5.5% of NAV per unit

Purchase of units through the Manager: Up to 5.5% of NAV per unit

The Manager may at its discretion charge a lower service charge based on the size of investment and/or other criterion as may be determined from time to time.

Illustration 1: Computation of Service Charge

Let us assume that Investor A decides to invest in PSGEF when the NAV per unit of the Fund is at RM0.50000000. The service charge levied on the purchase of units in the Fund is 5.5%.

$$\begin{aligned}\text{Service charge per unit} &= \text{NAV per unit} \times \text{Service Charge (\%)} \\ &= \text{RM0.50000000} \times 5.5\% \\ &= \text{RM0.02750000}\end{aligned}$$

Repurchase Charge

The Manager does not impose a repurchase charge on the sale of units of the Fund by investors.

Illustration 2: Computation of Repurchase Charge

Let us assume that Investor A decides to redeem units of PSGEF when the NAV per unit of the Fund is at RM0.50000000. There is no repurchase charge levied on the sale of units of the Fund by investors.

$$\begin{aligned}\text{Repurchase charge per unit} &= \text{NAV per unit} \times \text{Repurchase Charge (\%)} \\ &= \text{RM0.50000000} \times 0\% \\ &= \text{Nil}\end{aligned}$$

Charges on Switching and Transfer of Units

There are charges involved for switching and transfer transactions. Please refer to *page 12 of Chapter 1: Key Features of The Fund* for more information.

6.2 FEES AND EXPENSES OF THE FUND

Operating a fund involves a variety of expenses for portfolio management, the manager's fee, fees for trustee, custodian, auditors, tax agents, administrative charges such as printing of interim and annual reports, distribution cheques, postage and other services incurred in the administration of the fund. These costs are paid out of the fund's assets.

FEES, CHARGES AND EXPENSES (CONT'D)

Manager's Fee

The Manager is entitled to a management fee of 1.60% per annum of the NAV of the Fund, calculated and accrued daily, and payable monthly to the Manager.

Trustee's Fee

The Trustee is entitled to a fee of 0.08% per annum of the NAV of the Fund subject to a minimum fee of RM18,000; calculated and accrued daily, and payable monthly to the Trustee.

6.3 POLICY ON STOCKBROKING REBATES AND SOFT COMMISSIONS

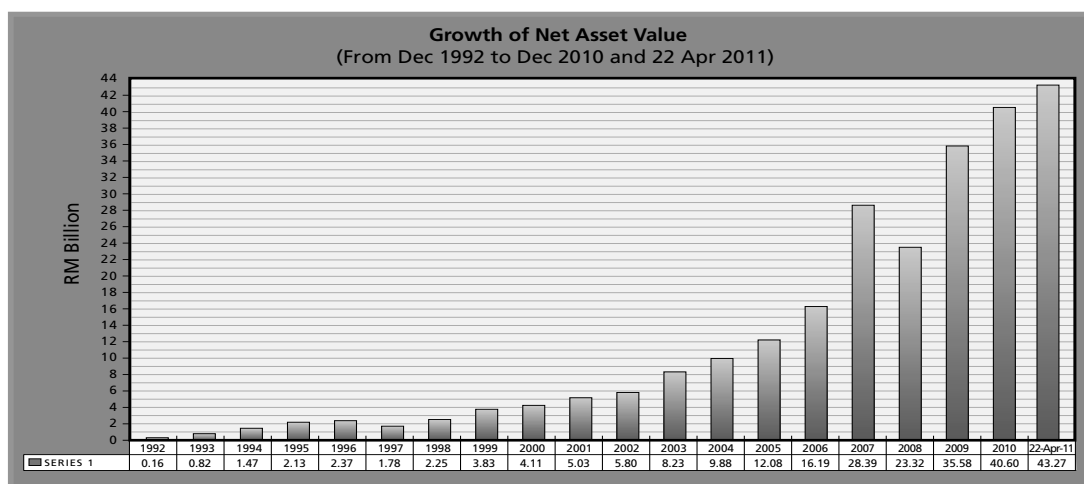
The management company does not receive any form of rebates from any broker/dealer. The management company may receive goods or services which include research materials, data and quotation services and investment related publications by way of soft commissions provided they are of demonstrable benefit to the Fund and unit holders.

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

7 THE MANAGER

7.1 CORPORATE PROFILE OF PUBLIC MUTUAL

PSGEF is managed by Public Mutual, a wholly owned subsidiary of Public Bank Berhad. Public Mutual is a licensed fund manager and is the largest private unit trust manager in terms of NAV. Incorporated on 21 July 1975 under its former name Kuala Lumpur Mutual Fund Berhad, Public Mutual began its operations on 2 July 1980 and was among the early pioneers of the industry. Public Mutual has been managing unit trust funds in Malaysia for over two decades. The graph below shows the rapid growth in net asset value managed by Public Mutual since the early 1990s when the unit trust industry came under the purview of the Securities Commission of Malaysia. Public Mutual currently manages eighty five (85) unit trust funds with a total NAV of over RM43.2 Billion (as at 22 April 2011) from over 2,453,000 account holders. In terms of NAV and market position within the Malaysian private unit trust industry, Public Mutual maintains the largest market share of assets under management¹.



7.2 ORGANISATION OF PUBLIC MUTUAL

Staff Strength

Public Mutual maintains a staff strength of approximately 700 personnel as of 22 April 2011 to manage and administer its unit trust schemes.

Sales Network

Sale of the Public Series of Funds and Public Series of Shariah-Based Funds are conducted through Public Mutual's dedicated direct sales agency force comprising individual unit trust consultants registered with the FIMM. The PB Series of Funds is distributed by Public Mutual's appointed IUTA(s).

Public Mutual has a broad network of branches located in state capitals and major towns to service its unitholders and markets. This comes in addition to a national web of support networks comprising the branches of Public Bank that act as collection centres for the banking-in of investments by unitholders.

Customer Service, Mutual Gold and Public Mutual Online

Customer Service of Public Mutual attends to unitholders' enquiries on the status of their investment transactions, statements, distributions and other matters pertaining to their investments with the funds. Unitholders can also conduct transactions and access to their account details through Public Mutual Online.

Priority clients may access the *exclusive Mutual Gold Service* for value-added, time saving services.

Call our Hotline: 03-6207 5000 for direct access to Customer Service and Mutual Gold.

¹ Source: *The Edge, Lipper Fund Table, 28 February 2011*

THE MANAGER (CONT'D)

7.3 UNIT TRUST FUNDS UNDER PUBLIC MUTUAL

Public Mutual manages 85 unit trust funds spread over various fund categories as shown below:

	Category of Fund	Approved Size of Fund (Billion Units)	Net Asset Value as at 22.4.11 (RM Billion)	Units In Circulation as at 22.4.11 (Billion Units)
Public Series of Funds				
Public Savings Fund	Equity	2.25	1.144	1.717
Public Growth Fund	Equity	4.50	0.961	1.624
Public Index Fund	Equity	2.25	1.034	1.414
Public Industry Fund	Equity	1.00	0.195	0.329
Public Aggressive Growth Fund	Equity	1.00	0.636	0.868
Public Regular Savings Fund	Equity	4.50	2.399	3.856
Public SmallCap Fund	Equity	0.70	0.515	0.526
Public Equity Fund	Equity	5.00	0.763	2.264
Public Focus Select Fund	Equity	1.85	0.309	1.138
Public Dividend Select Fund	Equity	3.00	0.647	2.078
Public Far-East Select Fund	Equity	3.50	0.552	1.618
Public Regional Sector Fund	Equity	3.00	0.379	1.256
Public Global Select Fund	Equity	3.00	0.117	0.550
Public Far-East Dividend Fund	Equity	7.50	0.660	2.425
Public China Select Fund	Equity	15.00	1.443	7.019
Public Far-East Property & Resorts Fund	Equity	3.375	0.438	1.828
Public South-East Asia Select Fund	Equity	7.50	0.658	2.340
Public Sector Select Fund	Equity	3.00	0.604	1.988
Public Far-East Consumer Themes Fund	Equity	1.50	0.194	0.586
Public China Titans Fund	Equity	1.50	0.098	0.399
Public Far-East Telco & Infrastructure Fund	Equity	1.50	0.104	0.265
Public Select Alpha-30 Fund	Equity	1.50	0.084	0.241
Public Natural Resources Equity Fund	Equity	1.50	0.323	1.029
Public Australia Equity Fund	Equity	2.25	0.327	1.098
Public Far-East Alpha-30 Fund	Equity	1.50	0.211	0.722
Public Optimal Growth Fund	Equity	1.50	0.041	0.141
Public Indonesia Select Fund	Equity	1.50	0.091	0.345
Public Balanced Fund	Balanced	1.50	0.428	0.510
Public Far-East Balanced Fund	Balanced	3.80	0.325	1.431
Public Global Balanced Fund	Balanced	1.50	0.069	0.321
Public Bond Fund	Bond	2.50	1.441	1.460
Public Institutional Bond Fund	Bond	3.00	1.640	1.616
Public Enhanced Bond Fund	Bond	1.00	0.304	0.298
Public Select Bond Fund	Bond	2.25	1.140	1.093
Public Strategic Bond Fund	Bond	0.50	0.040	0.040
Public Money Market Fund	Money Market	1.50	0.384	0.388
Public Series of Shariah-Based Funds				
Public Ittikal Fund	Equity	3.75	2.693	2.741
Public Islamic Equity Fund	Equity	6.00	1.547	4.407
Public Islamic Opportunities Fund	Equity	1.50	0.350	0.959
Public Islamic Dividend Fund	Equity	9.00	2.198	6.149
Public Asia Ittikal Fund	Equity	5.00	0.440	1.556
Public Islamic Asia Dividend Fund	Equity	6.50	0.678	2.817
Public Islamic Sector Select Fund	Equity	4.375	0.885	2.902
Public China Ittikal Fund	Equity	7.50	0.837	3.931
Public Islamic Select Treasures Fund	Equity	3.375	0.948	2.939

THE MANAGER (CONT'D)

	Category of Fund	Approved Size of Fund (Billion Units)	Net Asset Value as at 22.4.11 (RM Billion)	Units In Circulation as at 22.4.11 (Billion Units)
Public Series of Shariah-Based Funds (cont'd)				
Public Islamic Optimal Growth Fund	Equity	5.00	1.116	3.932
Public Islamic Select Enterprises Fund	Equity	1.50	0.455	1.243
Public Islamic Asia Leaders Equity Fund	Equity	1.50	0.080	0.303
Public Islamic Alpha-40 Growth Fund	Equity	1.50	0.124	0.476
Public Islamic Balanced Fund	Balanced	3.00	0.504	1.770
Public Islamic Asia Balanced Fund	Balanced	1.50	0.092	0.401
Public Islamic Bond Fund	Bond	1.80	0.753	0.720
Public Islamic Enhanced Bond Fund	Bond	0.50	0.075	0.071
Public Islamic Select Bond Fund	Bond	0.50	0.091	0.087
Public Islamic Income Fund	Fixed Income	0.50	0.225	0.215
Public Islamic Infrastructure Bond Fund	Bond	0.50	0.053	0.052
Public Islamic Strategic Bond Fund	Bond	0.50	0.060	0.059
Public Islamic Money Market Fund	Money Market	1.00	0.462	0.449
PB Series of Funds				
PB Growth Fund	Equity	0.90	0.585	0.647
PB Asia Equity Fund	Equity	2.00	0.157	0.488
PB Islamic Equity Fund (Shariah-based)	Equity	2.00	0.180	0.668
PB Islamic Asia Equity Fund (Shariah-based)	Equity	2.00	0.168	0.712
PB ASEAN Dividend Fund	Equity	2.25	0.281	0.991
PB Euro Pacific Equity Fund	Equity	2.25	0.167	0.785
PB Islamic Asia Strategic Sector Fund (Shariah-based)	Equity	1.50	0.070	0.367
PB China Pacific Equity Fund	Equity	5.00	0.452	2.366
PB China ASEAN Equity Fund	Equity	1.50	0.106	0.267
PB China Australia Equity Fund	Equity	1.50	0.144	0.452
PB Singapore Advantage-30 Equity Fund	Equity	1.50	0.143	0.501
PB Asia Pacific Enterprises Fund	Equity	1.50	0.049	0.190
PB Balanced Fund	Balanced	0.50	0.377	0.416
PB Asia Real Estate Income Fund	Balanced	1.50	0.039	0.150
PB Australia Dynamic Balanced Fund	Balanced	1.50	0.092	0.278
PB Indonesia Balanced Fund	Balanced	1.50	0.143	0.562
PB Fixed Income Fund	Bond	1.0125	0.687	0.636
PB Infrastructure Bond Fund	Bond	0.50	0.086	0.082
PB Islamic Bond Fund (Shariah-based)	Bond	0.45	0.371	0.317
PB Cash Management Fund	Money Market	2.00	0.117	0.114
PB Islamic Cash Management Fund (Shariah-based)	Money Market	1.00	0.046	0.045
Wholesale Funds				
PBB MTN Fund 1	Bond	0.20	0.050	0.047
PB Cash Plus Fund	Money Market	3.00	2.020	2.007
PB Islamic Cash Plus Fund (Shariah-based)	Money Market	3.00	1.254	1.246
Capital Protected Funds				
Public Capital Protected Select Portfolio Fund	Fixed Income	0.30	0.017	0.015
PB Capital Protected Dragon Fund	Fixed Income	0.30	0.089	0.082
PB Capital Protected Resources Fund	Fixed Income	0.20	0.013	0.012
TOTAL		210.8875	43.267	99.443

THE MANAGER (CONT'D)

7.4 FUNCTIONS, DUTIES AND RESPONSIBILITIES OF THE MANAGER

The Manager of a unit trust scheme pools together the collective investments of unitholders and professionally invests the monies within prescribed limits, restrictions and guidelines to meet the objective of the unit trust scheme. The Manager is under a fiduciary duty to act in good faith and to avoid advancing a conflicting interest and to exercise due care and diligence when managing the monies of a unitholder and when making any investments for the unit trust scheme. The fund management function of funds under the management of Public Mutual is carried out internally by Public Mutual.

The general functions, duties and responsibilities of the Manager include, but is not limited to, the following:-

- to ensure that a unit trust scheme is managed within the ambit of the Deed, the CMSA 2007, the Securities Laws and the relevant guidelines at all times;
- any application to the Securities Commission e.g. to increase the size of the unit trust scheme, the renewal of the Prospectus etc.;
- the success in the launch and sales of any unit trust scheme, and to provide customer support and distribution agency networks to best serve the unitholders of the scheme;
- to keep the unitholders informed of the management and performance of the unit trust scheme through the interim and annual reports;
- to ensure that the interest of the unitholders is best served and protected at all times.

7.5 COMPLIANCE UNIT

The Internal Audit and Compliance Department in Public Mutual maintains strict oversight of the compliance practices within each unit trust scheme and also that of the Manager in order to ensure compliance with the stringent requirements of the CMSA 2007 and Guidelines on Unit Trust Funds. The department, thus, is responsible for ensuring that Public Mutual and its unit trust schemes observe, comply, and practise high standards of regulatory and operational compliance in keeping with the fiduciary duties and responsibilities.

The profile of the designated person responsible for compliance matters is as set out below:

Assistant General Manager - Internal Audit and Compliance

En. Abdul Samad B. Jaafar, is a Certified Internal Auditor and chartered member of the Institute of Internal Auditors Malaysia. He holds a BA (Hons) degree in Accounting and Management Control from Sheffield Hallam University, UK and a Master in Business Administration from International Islamic University Malaysia. He joined Public Mutual in 1998. He has more than fifteen years working experience in audit, compliance, finance and treasury operations. He first joined Public Mutual as the Internal Audit Manager and assumed his present post in 2010.

7.6 FINANCIAL PERFORMANCE OF PUBLIC MUTUAL

The following is a summary of the past performance of Public Mutual based on the audited financial statements for the past three (3) financial years ended 31 December:

	2008 RM'000	2009 RM'000	2010 RM'000
Paid-Up Capital	6,000	6,000	6,000
Shareholders' Funds	48,530	73,943	99,388
Turnover	539,752	580,908	736,621
Pretax Profit	183,325	218,881	273,838
Profit After Tax	155,367	187,413	235,445

As at 22 April 2011, the Manager is not engaged in any material litigation and arbitration, either as plaintiff or defendant, and is not aware of any proceedings, pending or threatened or of any facts likely to give rise to any proceedings which might materially and adversely affect its business or financial position.

THE MANAGER (CONT'D)

7.7 THE BOARD OF DIRECTORS

Responsibility of the Board

The Board of Directors meets monthly, and is involved in determining the corporate policies and direction of the Company. The detailed day-to-day running of the Company is left largely with the management of Public Mutual.

There are eight members on the Board, of which four are Independent Directors. The profiles of the Directors are set out below.

Board Members

Tan Sri Dato' Sri Dr. Teh Hong Piow - Non Independent Director (Chairman)
Tan Sri Datuk Seri Utama Thong Yaw Hong - Independent Director (Co-Chairman)
Tan Sri Dato' Sri Tay Ah Lek - Non Independent Director
Dato' Sri Lee Kong Lam - Non Independent Director
Dato' (Dr) Haji Mohamed Ishak Bin Haji Mohamed Ariff - Independent Director
Dato' Haji Abdul Aziz Bin Dato' Dr. Omar - Independent Director
Mr. Quah Poh Keat - Independent Director
Ms. Yeoh Kim Hong – Chief Executive Officer / Executive Director

Director (Chairman) – Non Independent

Tan Sri Dato' Sri Dr. Teh Hong Piow is a Director of Public Mutual since September 2006. He began his banking career in 1950 and has 61 years experience in the banking and finance industry. He founded Public Bank in 1965 at the age of 35. He was appointed as a Director of Public Bank on 30 December 1965 and had been the Chief Executive Officer of Public Bank since its commencement of business operations in August 1966. He was re-designated as Chairman of Public Bank and Chairman of Public Bank Group with effect from 1 July 2002.

Tan Sri Dato' Sri Dr. Teh Hong Piow had won both domestic and international acclaim for his outstanding achievements as a banker and the Chief Executive Officer of a leading financial services group. Awards and accolades that he had received include:

- Asia's Commercial Banker of the Year 1991
- The ASEAN Businessman of the Year 1994
- Malaysia's Business Achiever of the Year 1997
- Malaysia's CEO of the Year 1998
- Best CEO in Malaysia 2004
- The Most PR Savvy CEO 2004
- The Asian Banker Leadership Achievement Award 2005 for Malaysia
- Award for Outstanding Contribution to the Development of Financial Services in Asia 2006
- Lifetime Achievement Award 2006
- Award for Lifetime Achievement in Corporate Excellence, Dedication and Industry 2006
- Asia's Banker of High Distinction Award 2006
- The BrandLaureate Brand Personality Award 2007
- ASEAN Most Astute Banker Award 2007
- Lifetime Entrepreneurship Achievement Award 2007
- The Pila Recognition Award 2007
- Asian Banker Par Excellence Award 2008
- Best CEO in Malaysia 2009
- Asia's Banking Grandmaster 2010
- Asian Corporate Director Recognition Award 2010
- Value Creator: Malaysia's Outstanding CEO 2010
- The BrandLaureate – Tun Dr. Mahathir Mohamad Man of Year 2010-2011
- Asia's Best CEO (Investor Relations) 2011

THE MANAGER (CONT'D)

Tan Sri Dato' Sri Dr. Teh Hong Piow was awarded the Medal 'For the Course of Vietnamese Banking' by the State Bank of Vietnam in 2002 for his contributions to the Vietnamese banking industry over the past years. Tan Sri Dato' Sri Dr. Teh Hong Piow was conferred the Recognition Award 2007 by the National Bank of Cambodia in appreciation of his excellent achievement and significant contribution to the banking industry in Cambodia.

In recognition of his contributions to society and the economy, he was conferred the Doctor of Laws (Honorary) from University of Malaya in 1989.

He had served in various capacities in public service bodies in Malaysia; he was a member of the Malaysian Business Council from 1991 to 1993; a member of the National Trust Fund from 1988 to 2001; a founder member of the Advisory Business Council since 2003; and is a member of the IPRM Accreditation Privy Council. He is a Fellow of several institutes which include the Institute of Bankers Malaysia; the Chartered Institute of Bankers, United Kingdom; the Institute of Administrative Management, United Kingdom; the Institute of Chartered Secretaries and Administrators, Australia and the Malaysian Institute of Management.

Independent Director (Co-Chairman)

Tan Sri Datuk Seri Utama Thong Yaw Hong is a Director of Public Mutual since September 2006. He was appointed as a Director of Public Bank on 23 June 1986 and was made its Chairman in October 1986. He was re-designated as Co-Chairman of Public Bank with effect from 1 July 2002.

He graduated with a Bachelor of Arts (Hons) degree in Economics from University of Malaya and a Master's degree in Public Administration from Harvard University. He attended the Advanced Management Program at Harvard Business School. In June 1998, he was appointed a Pro-Chancellor of University Putra Malaysia from which he had retired in end June 2006. In September 2006, he was conferred the Doctor of Economics (Honorary) from University Putra Malaysia.

He has had a distinguished career with the Government of Malaysia, primarily in the fields of socio-economic development planning and finance. He had served in the Economic Planning Unit in the Prime Minister's Department since 1957 and became its Director-General from 1971 to 1978 and served as Secretary-General, Ministry of Finance from 1979 until his retirement in 1986.

Tan Sri Datuk Seri Utama Thong Yaw Hong also serves as member on the Boards of Trustees of Program Pertukaran Fellowship Perdana Menteri Malaysia, Tun Razak Foundation and the Malaysian Institute of Economic Research, among others. He is a member of the National Economic Council and is also a Senior Member of the Working Group of the Executive Committee for the National Economic Council. Tan Sri Datuk Seri Utama Thong Yaw Hong is a Distinguished Fellow of the Institute of Strategic and International Studies (ISIS) Malaysia and is also a Fellow of the Institute of Bankers Malaysia.

Director – Non Independent

Tan Sri Dato' Sri Tay Ah Lek is a Director of Public Mutual since August 1995. He has 50 years experience in the banking and finance industry. He was appointed as an Executive Director of Public Bank on 18 June 1997 and was re-designated as Managing Director with effect from 1 July 2002. He joined the Public Bank Group as a pioneer staff in 1966. He was the Executive Vice-President of Public Bank from 1995 to 1997 and prior to this appointment, he was the Executive Vice-President of the former Public Finance Bhd.

Tan Sri Dato' Sri Tay Ah Lek holds a Master's degree in Business Administration from Henley, United Kingdom and attended the Advanced Management Program at Harvard Business School. He is a Fellow of CPA Australia, the Financial Services Institute of Australasia, the Institute of Bankers Malaysia and the Malaysian Institute of Management.

He is presently the Chairman of the Association of Finance Companies of Malaysia and the Association of Hire Purchase Companies Malaysia. He is a Member of the National Payments Advisory Board.

Director – Non Independent

Dato' Sri Lee Kong Lam is a Director of Public Mutual since July 1999. He has 43 years experience in the banking and finance industry. He was appointed as an Executive Director of Public Bank on 28 November 2001. He joined Public Bank in November 1996 as General Manager and was subsequently appointed Senior General Manager in 1997 and Executive Vice-President in 1998.

THE MANAGER (CONT'D)

Prior to joining Public Bank, he was with Bank Negara Malaysia (BNM) and was involved primarily in the supervision and examination of banking institutions. He retired in August 1996 as the Head of BNM's Examination Department and as a member of BNM's Management Committee.

He is a Fellow of CPA Australia and the Chartered Institute of Bankers, United Kingdom; and a Chartered Accountant of the Malaysian Institute of Accountants.

Independent Director

Dato' (Dr) Haji Mohamed Ishak Bin Haji Mohamed Ariff is a Director of Public Mutual since December 1993. He is a qualified Professional Chartered Town Planner and a Professional Landscape Architect from the University of Newcastle-upon-Tyne, England. He was honoured by the University of Newcastle-upon-Tyne, England with the Honorary Degree of Doctor in Civil Law in May 1993. He is a Fellow of the Royal Town Planning Institute London; Fellow of Malaysian Institute of Planners; and Fellow of Institute of Landscape Architects Malaysia.

He had served in various State and Federal Governments before retiring in 1993. He was a member of the Advisory Board of the City of Kuala Lumpur (Dewan Bandaraya Kuala Lumpur) until December 2004. Over the years and through his involvement as a Director of several public listed companies, he has accumulated vast experiences in various sectors namely, property and housing development, hotel management, food manufacturing and expressway management.

Dato' Mohamed Ishak is the Chairman of Yee Lee Corporation Berhad. He is also a Trustee of Yayasan Seni Selangor (Galeri Shah Alam) and Director of MIMA Holdings Enterprise Sdn Bhd.

Independent Director

Dato' Haji Abdul Aziz Bin Dato' Dr. Omar is a Director of Public Mutual since December 1993. He qualified as a Chartered Accountant from the Institute of Chartered Accountants in England & Wales, and is also a Chartered Accountant of the Malaysian Institute of Accountants.

During his previous banking experiences, he became a Fellow of the Institute of Bankers Malaysia. His other past experiences had been in the areas of audit and accounting, taxation, property, plantation, hotelling, trading and manufacturing.

Dato' Haji Abdul Aziz sits as an Independent Non-Executive Director on the Boards of Directors of Public Bank, Public Investment Bank Bhd, Public Islamic Bank Bhd, PB Trustee Services Berhad, LPI Capital Bhd, Lonpac Insurance Bhd and ING PUBLIC Takaful Ehsan Berhad. In addition, he is the Co-Chairman of the Audit Committee, Risk Management Committee and Credit Risk Management Committee of Public Bank and also Co-Chairman of Audit Committee of Public Investment Bank Bhd and Public Islamic Bank Bhd.

Independent Director

Mr. Quah Poh Keat, is a Director of Public Mutual since 1 September 2009. He is a Fellow of the Malaysian Institute of Taxation and the Association of Chartered Certified Accountants; and a Member of the Malaysian Institute of Accountants, the Malaysian Institute of Certified Public Accountants and the Chartered Institute of Management Accountants.

He was a partner of KPMG since October 1982 and appointed Senior Partner (also known as Managing Partner in other practices) in October 2000 until 30 September 2007. He retired from the firm on 31 December 2007. He is experienced in auditing, tax and insolvency practices and had worked in Malaysia and United Kingdom; his experiences include restructuring, demergers and privatisation. He is active in the banking and service sectors and was one of the tax advisers to the Association of Banks in Malaysia on taxation of interest-in-suspense. He was involved in providing tax and audit services to various domestic and foreign banks in Malaysia.

Mr Quah also sits as an Independent Non-Executive Director on the Boards of Directors of Public Bank, Public Investment Bank Bhd, Public Islamic Bank Bhd, Public Financial Holdings Ltd, Public Bank (Hong Kong) Ltd, Cambodian Public Bank Plc, CampuBank Lonpac Insurance Plc, LPI Capital Bhd, Lonpac Insurance Bhd, IOI Corporation Bhd, PLUS Expressways Bhd and Telekom Malaysia Bhd.

THE MANAGER (CONT'D)

Chief Executive Officer / Executive Director – Non Independent

Ms. Yeoh Kim Hong, CA(M), CPA, CFP, is a Member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants. She is an Executive Director of Public Mutual since September 2004.

Ms Yeoh has more than 15 years of experience in the unit trust industry. She joined Public Mutual in 1996 and was promoted to General Manager - Finance & Operations in 1999. In 2004, she was promoted to the position of Senior General Manager and was involved in the strategic planning of marketing and sales of unit trusts, customer administration and services, information technology, finance, product research and development and other areas of operations of the company. Ms. Yeoh assumed her position as Chief Executive Officer of Public Mutual in July 2007.

Prior to joining Public Mutual, Ms. Yeoh was with an international public accounting firm for more than 12 years during which she gained exposures in auditing and management consultancy and advisory, both locally and in the United States. She is currently a council member of the FIMM.

7.8 PROFILE OF KEY MANAGEMENT STAFF

Chief Executive Officer / Executive Director

Ms. Yeoh Kim Hong – Please refer to her profile as set out in *Section 7.7 (page 40)* of this Chapter.

Senior General Manager - Investment

Mr. Lum Ming Jang, holds an honours degree in Accountancy from the National University of Singapore and is a Chartered Financial Analyst. He joined Public Mutual in 2001 as Senior Manager – Investment Research and assumed the position of Senior Manager – Fund Management and co-designated fund manager of various funds in 2003. He was promoted to General Manager – Investment in 2004 and subsequently Senior General Manager - Investment in 2007.

Mr. Lum has more than 20 years of experience in investment research and stock broking. Prior to joining Public Mutual, Mr. Lum held management positions at various established local and foreign stock broking houses, overseeing their investment research functions and institutional sales. Mr. Lum's investment research experience include assessing corporate earnings growth prospects, evaluating management track record, computation of stock valuations and financial analysis of listed companies on the Bursa Securities. He is also familiar with analysis of financial and economic trends which affect stockmarket movements. On the fund management side, Mr. Lum has served as a co-fund manager of selected trust funds managed by Public Mutual since 2003 before assuming the position of General Manager – Investment in 2004 and subsequently Senior General Manager - Investment in 2007.

General Manager - Information Technology

Mr. Richard Tan Koon Eam, holds a diploma in Computer Science and has over 20 years experience in the information technology sector. Mr. Tan possesses a wide knowledge base which includes software design & development, project management, consultancy and web-based application development. He joined Public Mutual in 2000. Prior to joining Public Mutual, he was a Chief Technical Officer of a MSC status company specialising in E-commerce solutions. He is responsible for Public Mutual's information technology strategies and operations.

General Manager – Agency Operations

Mr. Lee Kean Gie, CFP, ChFC, graduated with an honours degree in Economics and Chinese Studies from the University of Malaya. He joined Public Mutual as Sales Manager in 1994. Prior to joining Public Mutual, he was with a leading insurance company involved in the marketing of insurance products and agency development. He was promoted to Deputy Senior Manager in 1996 and subsequently Senior Manager - Sales and Training in 1999. He was appointed as General Manager – Sales & Training in 2004 and re-designated as General Manager – Agency Operations in 2006. He currently oversees areas relating to nationwide agency development and monitoring performance of branches network.

THE MANAGER (CONT'D)

General Manager - Marketing & Financial Planning

Mr. Alex Sito Kok Chau, ChFC, CFP, M.MKTG, has accumulated 20 years of experience in the unit trust industry. He is a Chartered Financial Consultant from The American College, USA, a Certified Financial Planner licensee of the Financial Planning Standards Board Ltd., USA, and holds a Master's Degree in Marketing from the University of Newcastle, Australia. Alex has 8 years of experience distributing unit trust and insurance products in the USA, where he helped develop a successful distribution channel for a large commercial bank. Alex joined Public Mutual in 1996. He is responsible for Public Mutual's marketing & events, advertising & promotions, market research, website-marketing, and financial planning products and services. Alex is a member of the Board of Governors for FPAM (Financial Planning Association Malaysia) and a member of the AMA (American Marketing Association).

General Manager – Customer Administration & Service

Ms. Hang Siew Eng, is a member of the Institute of Administrative Management. She joined Public Mutual in 1980 and was appointed as General Manager, Customer Administration and Service in 2007. Ms. Hang is responsible for the overall fundholder administration and the management of customer transactions and records. In addition, she is in charge of Customer Service and Mutual Gold for Public Mutual. She has more than 20 years experience in the various aspects of unit trust management.

General Manager – Investment

Mr. Tan Yan Heong, holds a B.Sc. (Hons) Degree in Actuarial Science from University of Kent, Canterbury, England. He joined Public Mutual in early 1994 as an Investment Analyst and has since accumulated more than 15 years of working experience in investment research and management. In early 2000, he was promoted to Manager, Investment and assumed the position of co-fund manager of various equity and bond funds. Mr. Tan was promoted to Senior Manager, Investment and designated fund manager of selected funds in 2004. He assumed the position of Deputy General Manager, Investment in 2005 and subsequently General Manager - Investment in 2007.

Mr. Tan has gained experience in managing equity portfolios being involved in all aspects of the work ranging from performing stock analyses and investment valuations to making strategic asset allocation decisions. In managing the bond portfolios, he is experienced in performing credit analysis and cash flow discounting as well as overseeing the day-to-day money management tasks.

General Manager – Finance & Operations

Ms. Tang Pueh Fong, CA(M), CPA, is a member of the Malaysian Institute of Certified Public Accountants and a Chartered Accountant of the Malaysian Institute of Accountants. Ms. Tang joined Public Mutual as Deputy General Manager – Finance & Operations on 1 July 2007 and assumed her position as General Manager – Finance & Operations in January 2010. Ms. Tang is responsible for the day to day operations of finance, funds accounts, securities, product development, business process re-engineering, administration and properties management and secretariat of the company.

Prior to joining Public Mutual, Ms. Tang was a director with an international public accounting firm for more than 15 years during which she gained extensive knowledge and experience in auditing and business process advisory services with specialisation in fund management operations.

Deputy General Manager – Agency Development & Training

Ms. Evelyn Chu Swee Yin, CFP, graduated with an honours degree in Food Science & Nutrition from University Kebangsaan Malaysia. She is a Certified Financial Planner licensee, Member of MAPS (Malaysian Association of Professional Speakers), MAFa (Malaysian Association of Facilitators) and Neuro-Linguistic Programming (NLP) practitioner. Evelyn has more than 19 years of agency training and development exposure in both the insurance and unit trust industries. Prior to joining Public Mutual, she was with a multi-national insurance company and was involved in training, agency development and financial planning. She subsequently headed the training and financial planning operations of an agency based unit trust management company. Ms. Evelyn is responsible for Public Mutual's agency development and training operations.

THE MANAGER (CONT'D)

7.9 PROFILE OF KEY INVESTMENT PERSONNEL

Senior General Manager - Investment

Mr. Lum Ming Jang – Mr. Lum obtained his Capital Markets Services Representative's license on 31 December 2004. Mr. Lum's profile is set out in Section 7.8 (page 40) of this Chapter.

General Manager – Investment

Mr. Tan Yan Heong – Mr. Tan obtained his Capital Markets Services Representative's license on 31 December 2004. Mr. Tan's profile is set out in Section 7.8 (page 41) of this Chapter.

Assistant General Manager – Investment, Equities Section

Mr. Chiang Kang Pey – Mr. Chiang obtained his Capital Markets Services Representative's license on 8 February 2005.

Mr. Chiang holds a Master of Financial Management (Dean's Honours List) degree from the Rotterdam School of Management, Erasmus University in the Netherlands and a Bachelor of Economics in Accounting from Monash University in Australia. He is a CFA charterholder and has over 13 years of experience in investment analysis and portfolio management. Mr. Chiang joined Public Mutual in 2004 as Manager – Investment Research and was subsequently re-designated as Manager – Investment, Equities Section where he was involved in managing selected equity funds. He was promoted to the position of Senior Portfolio Manager – Investment, Equities Section in 2005 and assumed the position of co-fund manager of various equity funds. From 2006 onwards, Mr. Chiang was appointed as the designated fund manager of selected equity funds. He was promoted to the position of Assistant General Manager in 2008. In this capacity, he actively constructs, monitors and rebalances the equity portfolios to achieve the stated objective of the respective funds.

Mr. Chiang commenced his investment career in 1995 as an equity analyst at a stockbroking firm and subsequently, joined the investment department of a life insurance company. Prior to joining Public Mutual, he was attached to an asset management company initially as Assistant Fund Manager responsible for analysing and valuing listed companies. He was later made Fund Manager, jointly managing Asia Pacific (ex-Japan) portfolios where he specialised in Malaysian and Thailand equities.

Assistant General Manager – Investment, Fixed Income Section

Mr. Chan Kam Khoon – Mr. Chan obtained his Capital Markets Services Representative's license on 8 February 2005.

Mr. Chan joined Public Bank in 1974 and has more than 30 years of banking experience. He was mainly involved in various aspects of Treasury activities involving foreign exchange trading, swaps and other derivative products. In 1985, he became Head of the Swap Desk and also managed the Asian Currency Unit desk of the bank. In 1990, he was transferred to Public Finance Bhd and assumed the position of Head of Money Market Department. His functions include the optimum utilisation of funds available and he also led a team into active bond trading activities, both in private debt securities and Malaysian government securities. Apart from this, he was also an active member of the Public Finance Management team where he assisted in formulating the various funding policies of the company. In 2002, Mr. Chan was transferred back to Public Bank to head the Funding and Fixed Income Sections of the Treasury Division. In 2004, Mr. Chan assumed the position of Senior Manager – Investment in Public Mutual, overseeing the Fixed Income Section of the Investment Department. He was promoted to Assistant General Manager in 2005.

Senior Portfolio Manager – Investment, Fixed Income Section

En. Zaharudin bin Ghazali – En. Zaharudin obtained his Capital Markets Services Representative's license on 12 September 2005.

En. Zaharudin, CFP, holds a Bachelor in Library Science from Universiti Teknologi MARA. He joined Public Mutual in early 1991 as an Executive in the Investment Department. In late 1992, he was assigned to assist the fund managers in the cash management operations of the funds. En. Zaharudin was promoted to Assistant Manager – Investment in 1997 and later to Manager – Fixed Income Management in 2001. He was subsequently re-designated as Manager – Investment, Fixed Income Section in 2004 and later promoted to Senior Portfolio Manager – Investment, Fixed Income Section in 2006. Through his 15 years of involvement in fixed income management, he has contributed to the development and advancement of operations and system capabilities of the Investment Department.

THE MANAGER (CONT'D)

Senior Portfolio Manager – Investment, Equities Section

Ms. Tan Chee Chin - Designated fund manager of PSGEF in addition to other Public Mutual funds. Ms. Tan obtained her Capital Markets Services Representative's license on 8 February 2005.

Ms. Tan graduated with a Bachelor of Commerce (Hons) in Accounting and Finance from the University of Western Australia and is a CFA charterholder. She joined Public Mutual in 2003 as Assistant Manager, Investment Research. She was made Deputy Manager - Investment, Equities Section and designated co-fund manager of selected funds managed by Public Mutual in 2005. Ms. Tan assumed her position of Portfolio Manager - Investment, Equities Section in 2006 and Senior Portfolio Manager - Investment, Equities Section in 2008.

Ms Tan previously worked in a foreign financial institution with a global presence before embarking into a career in the financial markets. She was an investment analyst for an established local stockbroking house for a period of time before moving on to the asset management industry. Ms. Tan has over 10 years experience in the Malaysian equity market.

Senior Portfolio Manager – Investment, Equities Section

En. Mat Radzuan bin Abd Razak - En. Mat Radzuan obtained his Capital Markets Services Representative's license on 8 February 2005.

En. Mat Radzuan holds a Bachelor of Science Degree in Actuarial Science and Finance from Roosevelt University, USA. He is a CFA charterholder and a member of the CFA Institute and CFA Malaysia. He joined Public Mutual Berhad in 2004 as Assistant Manager – Investment, Equities Section and was subsequently made co-fund manager of selected funds managed by Public Mutual in 2005. En. Mat Radzuan assumed his position of Portfolio Manager - Investment, Equities Section in 2006 and Senior Portfolio Manager – Investment, Equities Section in 2008.

En. Mat Radzuan has more than 10 years of experience in the Malaysian equity market. Prior to joining Public Mutual, En. Mat Radzuan had worked with various companies including asset management, insurance, stock broking and futures broking companies.

Portfolio Manager – Investment, Fixed Income Section

Cik Haniza binti Yang Razali - Cik Haniza obtained her Capital Markets Services Representative's license on 8 February 2005.

Cik Haniza holds a Masters in Business Administration majoring in Finance from International Islamic University Malaysia (IIUM) and BA (Hons) in Accounting & Finance from SouthBank University, London. She joined Public Mutual in 2004 as Assistant Manager-Investment, Fixed Income Section and assumed her present capacity as co-fund manager in 2005. She was re-designated as Portfolio Manager – Investment, Fixed Income Section in 2006.

Prior to joining Public Mutual, Cik Haniza was attached to an investment advisory company and was involved in providing portfolio management and investment services. She was also previously attached to a local unit trust management company as a designated fund manager and was responsible for the portfolio management and asset allocation decisions for bond and Islamic equity funds. She also has experience in developing procedures and internal guidelines and monitoring of trading activities to ensure compliance with stipulated procedures and regulations.

Portfolio Manager – Investment, Equities Section

Ms. Chen Yuet Fong - Ms. Chen obtained her Capital Markets Services Representative's license on 19 October 2005.

Ms. Chen graduated with a Bachelor of Economics from the University of Malaya. She is a CFA charterholder. She joined Public Mutual in 2005 as Assistant Manager, Investment and assumed her present position of Portfolio Manager – Investment, Equities Section in 2006. Prior to joining Public Mutual, Ms. Chen was attached to a local asset management company as a Fund Manager. Her fund management experience includes setting the investment strategy for the assets under management and management of equity and fixed income portfolios. Ms. Chen was also previously an investment analyst for a local stock broking house and her investment research experience includes assessing corporate earnings growth prospects, computation of stock valuations and financial analysis of listed companies.

THE MANAGER (CONT'D)

Portfolio Manager – Investment, Equities Section

Ms. Lum Peck Woon - Ms. Lum obtained her Capital Markets Services Representative's license on 15 January 2007.

Ms. Lum holds an honours degree in Accounting and Financial Management and Economics from the University of Sheffield, England. She is a CFA charterholder. She joined Public Mutual in 2005 as Senior Analyst, Investment and was promoted to Assistant Manager – Investment, Equities Section in 2007. Ms. Lum assumed her position of Deputy Manager – Investment, Equities Section in 2008 and subsequently Manager – Investment, Equities Section in 2011. Prior to joining Public Mutual, Ms. Lum was attached to a local asset management company as an Assistant Manager in equity investment and was responsible for assisting in portfolio management and equity research. Ms. Lum was also previously an investment analyst for a local venture capital company and her investment research experience includes assessing corporate earnings growth prospects and financial analysis of listed and unlisted companies.

Portfolio Manager – Investment, Equities Section

En. Shahnaz bin Saiful Mulok - En. Shahnaz obtained his Capital Markets Services Representative's license on 5 October 2006.

En. Shahnaz holds a Bachelor of Accountancy (Hons) from Universiti Teknologi MARA and is an affiliate of The Association of Chartered Certified Accountants (ACCA), United Kingdom. He joined Public Mutual in 2006 as Assistant Manager – Investment, Equities Section and was promoted to Deputy Manager – Investment, Equities Section in 2008.

Prior to joining Public Mutual, En. Shahnaz was attached to a local asset management company. He started off in the asset management company as an investment analyst. His investment research experience include assessing corporate earnings growth prospects, evaluating management track record, computation of stock valuations and financial analysis of listed companies on the Bursa Securities. His fund management experience include formulating investment strategy and management of equity and fixed income portfolios.

Portfolio Manager – Investment, Equities Section

Mr. Loo See Seong – Mr. Loo obtained his Capital Markets Services Representative's license on 20 January 2008.

Mr. Loo graduated with a Bachelor of Economics from the University of Putra. He joined Public Mutual in 2001 as an Executive in the Investment Department. He was assigned to supervise the generation of statistics reports on stock valuation, fund and benchmark returns and fund attribution analysis. In 2004, his responsibilities were widened to include analysis of domestic and regional telecommunications stocks. He was subsequently promoted to Assistant Manager – Investment in 2005 and his stock coverage was expanded. In 2008, his job scope was further expanded to include portfolio management and he was promoted to the position of Deputy Manager – Investment in 2011.

Portfolio Manager – Investment, Equities Section

Mr. Lum Meng Seng – Co-designated fund manager of PSGEF in addition to other Public Mutual funds. Mr. Lum obtained his Capital Markets Services Representative's license on 25 October 2008.

Mr. Lum holds a Bachelor of Economics (Hons) from the University of Malaya. He joined Public Mutual in 2007 as Assistant Manager – Investment, Equities Section. Mr. Lum has more than nine years of experience in the Malaysia equity and fixed income markets. Prior to joining Public Mutual, Mr. Lum was attached to a local investment management company as an Assistant Manager in Investment, responsible for assisting in management of equity and fixed income portfolios. He started off his career as an investment analyst in an asset management company in 2000, responsible for equity research in the Malaysian capital market.

Portfolio Manager – Investment, Equities Section

Mr. Liew Mun Hon – Mr. Liew obtained his Capital Market Services Representative's license on 7 November 2008.

Mr. Liew holds an honours degree in Business from the Nanyang Technological University of Singapore and is a Chartered Financial Analyst. He joined Public Mutual in 2008 as Deputy Manager – Investment, Equities Section. Mr. Liew assumed his position of Portfolio Manager – Investment, Equities Section in 2008. Prior to joining Public Mutual, Mr. Liew was attached to a foreign insurance company as a Fund Manager. His fund management experience includes setting the investment strategy, constructing and rebalancing various investment mandates to achieve its stated objectives. Mr. Liew was also previously an Investment Analyst/Fund Manager at a local unit trust and asset management company where he was actively involved in the areas of portfolio management and equity research. Mr. Liew has more than 10 years of experience in the Malaysian equity market.

THE MANAGER (CONT'D)

Portfolio Manager – Investment, Equities Section

Mr. Andrew Seah Saik Weng – Mr. Seah obtained his Capital Market Services Representative's license on 25 October 2008.

Mr. Seah graduated with a Bachelor of Social Science, majoring in Economics from Universiti Sains Malaysia. He joined Public Mutual in 2008 as Deputy Manager – Investment, Equities Section and assumed his present position of Portfolio Manager – Investment, Equities Section in 2008.

Mr. Seah has worked in various local stockbroking companies and a regional research house as an equity analyst before moving on to the fund management industry. Prior to joining Public Mutual, Mr. Seah was attached to a foreign owned insurance company as a Fund Manager, where he specialised in Malaysian and Singapore equities. Mr. Seah has more than 10 years of experience in the Malaysian equity market.

Portfolio Manager – Investment, Equities Section

En. Mohd Isa bin Ibrahim – En. Mohd Isa obtained his Capital Market Services Representative's license on 19 September 2008.

En. Mohd Isa holds a Masters in Business Administration majoring in Applied Finance & Investment from Universiti Kebangsaan Malaysia (UKM) and BBA (Hons) in Finance from Universiti Teknologi MARA. He joined Public Mutual in August 2008 as Deputy Manager – Investment, Equities Section. En. Mohd Isa assumed his position of Manager – Investment, Equities Section in 2011.

En. Mohd Isa has more than 10 years of experience in the Malaysian equity and fixed income markets. Prior to joining Public Mutual, he was attached to a local life insurance company as a designated Fund Manager and responsible for the portfolio management and asset allocation decisions for fixed income and equity funds. En. Mohd Isa was also previously attached to a local asset management company as a designated Fund Manager for Islamic equity funds as well as responsible in managing money market and fixed income portfolios. In his previous position, he was also involved in equity research which include assessing corporate earnings growth prospects, computation of stock valuations and financial analysis of listed companies on Bursa Securities.

Portfolio Manager – Investment, Fixed Income Section

En. Azahari bin Ariffin - En. Azahari obtained his Capital Market Services Representative's license on 12 February 2009.

En. Azahari bin Ariffin holds a Bachelor of Finance (Hons) degree from Universiti Teknologi MARA. He joined Public Mutual in December 2007 as Assistant Manager – Investment, Fixed Income Section.

Prior to joining Public Mutual, En. Azahari was attached to a local asset management company where he assisted in the portfolio management and asset allocation decisions for the money market fund. His experience also involved proposing various investment strategies for the assets under management and liaising with corporate clients on matters related to the fixed income funds. He was also attached to a local investment bank where he was responsible for dealing in money market and fixed income instruments of both conventional and Shariah-based markets.

Portfolio Manager – Investment, Fixed Income Section

Mr. Ng Boon Hoa – Mr. Ng obtained his Capital Market Services Representative's license on 3 June 2009.

Mr. Ng is a CFA charterholder, a member of the Malaysian Institute of Certified Public Accountants and a Chartered Accountant of the Malaysian Institute of Accountants. He joined Public Mutual in 2007 as Deputy Manager – Investment, Fixed Income Section overseeing the credit analysis and fixed income research functions of the section. He assumed his present position of Portfolio Manager – Investment, Fixed Income Section in 2010.

Mr. Ng has more than 10 years of working experience in various capacities which include serving as the Financial Controller of a subsidiary in a public listed group and subsequently as the Financial Controller of an international public relations company. Mr. Ng commenced his career in a local public accounting firm in 1994 before joining an international public accounting firm in 1995. His previous work experience includes auditing, business process advisory, due diligence review, debt restructuring as well as managing the financial, taxation, human resources and administrative matters of various companies.

THE MANAGER (CONT'D)

Portfolio Manager – Investment, Equities Section

Mr. Tan Kok Keong - Mr. Tan obtained his Capital Market Services Representative's license on 23 December 2010.

Mr. Tan graduated with a Bachelor of Business from the Charles Sturt University, Australia. He joined Public Mutual in 2007 as a Senior Analyst in the Investment Department. Mr. Tan was promoted to Assistant Manager – Investment, Equities Section in 2011.

Prior to joining Public Mutual, Mr. Tan was attached to a local stock broking house and an asset management company as an investment analyst responsible for equity research in the Malaysian capital market.

Portfolio Manager – Investment, Equities Section

Mr. Julian Ng Eng Lee - Mr. Ng obtained his Capital Market Services Representative's license on 9 March 2011.

Mr. Ng graduated with an Honours degree in Accounting and Finance from the Liverpool John Moores University, United Kingdom and a MBA in Finance from the University of Hull, United Kingdom. He joined Public Mutual in 2010 as Manager – Investment, Equities Section and assumed his present position of Portfolio Manager – Investment, Equities Section in 2011.

Mr. Ng has 17 years of experience in the local and foreign financial services industry. Prior to joining Public Mutual, he was attached to established local and foreign stockbroking firms and involved in institutional sales in local and foreign markets. He was also previously attached to a local asset management company covering ASEAN and regional markets.

Senior Manager – Investment, Economic Research & Communications Section

Mr. Long Shih Rome - Mr. Long obtained his Capital Markets Services Representative's license on 26 September 2007.

Mr. Long holds a Bachelor of Science Honours degree majoring in International Trade & Economic Development from the London School of Economics, London. He joined Public Mutual in 2003 as Manager in the Investment Department and assumed his present capacity as Senior Manager in 2007. Mr Long oversees the economics team which has developed statistical models and databases for economic research covering various regional economies. On the communications front, Mr Long is responsible for updating the company's agents and unitholders with investment talks and regular publications about the market and economic outlook for local and foreign markets.

Prior to joining Public Mutual, Mr Long was the managing editor of an established investment magazine and had written articles covering stock market investments, unit trusts, financial planning and economics. Mr Long was also previously a senior investment analyst with 10 years of experience covering various sectors of the Malaysia and Singapore equity markets.

7.10 AWARDS WON BY PUBLIC MUTUAL

In May 2010, Public Mutual won AsianInvestor's "Best Malaysia Onshore Fund House" award for the third consecutive year. AsianInvestor is a Hong Kong-based leading publication dedicated to the region's asset management industry. AsianInvestor – Investment Performance Awards was introduced to celebrate the excellence in investment performance by fund managers in Asia Pacific.

Public Mutual was awarded the Platinum Award of the Reader's Digest Trusted Brands Award for the Investment Fund Company category in Malaysia in May 2010. The Reader's Digest Trusted Brands Awards are awarded to brands which came in top positions in the Reader's Digest annual survey, which measures a broad spectrum of consumers' brand preferences. The Platinum Trusted Brands Award is awarded to brands which scored more than three times that of their nearest competitor.

Since January 2011, Public Mutual has garnered a total of 17 awards:-

- Public Mutual was awarded the BrandLaureate SMEs Chapter Masters Awards 2010 – The Masters Award in the unit trust category. Voted by Malaysian SMEs, Public Mutual was recognised as the most preferred brand in the unit trust category.
- Public Mutual again emerged as the biggest winner in The Edge-Lipper Malaysia Fund Awards 2011 for the eighth consecutive year, winning a total of 9 awards including the Best Overall Fund Group Award.

THE MANAGER (CONT'D)

Group Award
Best Overall Fund Group Award

Fund Awards	Years	Category
PB Asia Equity Fund	3	Equity Asia Pacific
Public SmallCap Fund	3	Equity Malaysia Small and Mid Caps
Public Far-East Select Fund	5	Equity Asia Pacific Ex Japan
Public Islamic Bond Fund	5	Bond Malaysian Ringgit – Islamic
Public SmallCap Fund	5	Equity Malaysia Small and Mid Caps
Public Bond Fund	10	Bond Malaysian Ringgit
Public SmallCap Fund	10	Equity Malaysia Small and Mid Caps
Public Ittikal Fund	10	Equity Malaysia – Islamic

- Public Mutual was awarded the 2010 Asia Asset Management Awards for Best House for Offshore Funds – Malaysia for the fourth consecutive year.
- Public Mutual won the 2011 Morningstar Fund Awards Malaysia in the Malaysian Ringgit Islamic Bond category for PB Islamic Bond Fund.
- Public Mutual was awarded the BrandLaureate 2010-2011 for corporate branding in the Best Brands in Financial Services – Unit Trust category for the fifth consecutive year.
- Public Mutual won the following four fund awards at the 6th Annual Failaka Islamic Fund Awards 2010.

Fund Awards	Years	Category
PB Islamic Bond Fund	1	Best Malaysian Sukuk Fund
Public Islamic Bond Fund	5	Best Malaysian Sukuk Fund
Public Islamic Sector Select Fund	1	Malaysian Equity Fund
Public Ittikal Fund	10	Malaysian Equity Fund

7.11 INVESTMENT MANAGEMENT FUNCTION OF THE MANAGER

Public Mutual's investment team comprises a group of portfolio managers and investment research analysts who possess the necessary expertise and experience to undertake the fund management of its unit trust funds. The investment methodology that is applied is mainly based on fundamental analysis. The overall responsibility to oversee and review the portfolio strategies recommended by the Fund Managers rests with the Investment Committee.

Investment Committee

The Investment Committee oversees the investment process of the funds, particularly with regard to reviewing the asset allocation and investment strategies proposed by the Fund Manager and his team. The members of the Investment Committee comprises the Board of Directors of Public Mutual.

For profiles of the members of the Investment Committee, please refer to *pages 37 to 40*.

THE MANAGER (CONT'D)

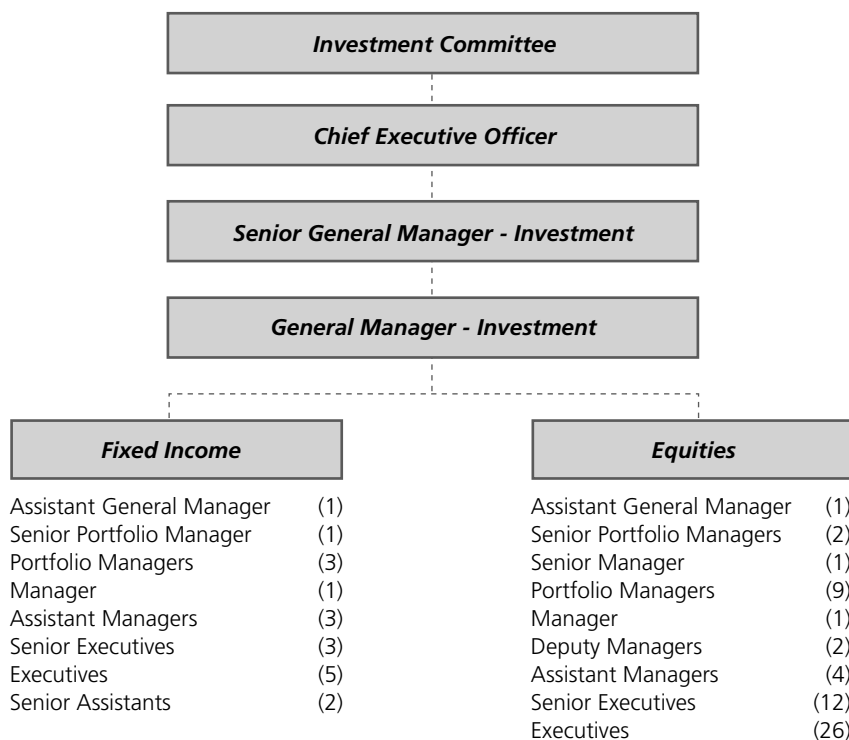
The Committee meets twice a month and keeps in purview the achievement of the long-term investment objective of the funds. The detailed functions of the Investment Committee are as follows:

- Review the performance and portfolios of the funds.
- Review the performance of the markets and their respective outlook.
- Review and approve the portfolio strategies recommended by the Investment Department.
- Review the foreign portfolio strategies of the funds.
- Review the reports on weekly sale and purchase of investments.

Fund Management and the Investment Process

The investment management of the unit trust funds under the management of Public Mutual is undertaken by the Investment Department which is headed by Mr. Lum Ming Jang, Senior General Manager – Investment. He reports directly on the management of the funds to the Chief Executive Officer. Mr. Lum is assisted by Mr. Tan Yan Heong, General Manager – Investment, Mr. Chiang Kang Pey, Assistant General Manager – Investment, Equities Section and Mr. Chan Kam Khoon, Assistant General Manager – Investment, Fixed Income Section. The team also includes several Senior Portfolio Managers and Portfolio Managers who are involved in the portfolio management of the various unit trust funds managed by Public Mutual. Additional team members comprising Senior Managers, Manager, Deputy Managers, Assistant Managers, Senior Executives and Executives provide further support in the monitoring of macro-economic variables and developments and financial analysis of various listed companies.

Organisation Structure of the Investment Department



THE MANAGER (CONT'D)

Key Job Functions of the Investment Department

Chief Executive Officer

- Responsible for the overall direction and asset allocation of the unit trust funds under Public Mutual.
- Reviews and monitors the performance of the funds.
- Evaluates and approves strategic investment decisions and policies recommended by the Senior General Manager - Investment.
- Oversees the daily management of the funds.

Senior General Manager – Investment

- Responsible for the daily portfolio management of the unit trust funds under Public Mutual.
- Recommends strategic investment decisions and policies to the Chief Executive Officer for approval.
- Responsible in ensuring that the investments of the funds comply with their investment guidelines.
- Oversees and supervises the administration of the Investment Department.
- Presents economic and stockmarket views at investment seminars for the agency force and unitholders.

General Manager – Investment

- Assists the Senior General Manager – Investment in overseeing the key portfolio management functions of the Investment Department.
- Responsible for providing feedback on the fundamental outlook of the equity and fixed income markets.
- Assists the Senior General Manager – Investment in overseeing and supervising the administration of the Investment Department.
- Oversees the information management system of the Investment Department.

Assistant General Manager – Investment, Equities Section

- Assists the Senior General Manager – Investment in overseeing the key portfolio management functions of the Investment Department.
- Responsible for providing feedback on the fundamental outlook of the equity markets.
- Presents market updates and outlook at investment seminars for the agency force and unitholders.

Assistant General Manager – Investment, Fixed Income Section

- Oversees the key management functions of the fixed income portfolios of the funds.
- Responsible for providing feedback on the fundamental outlook of the domestic fixed income market.
- Oversees the preparation of fixed income investment reports to unit trust holders.
- Presents updates and outlook on the bond market at investment seminars for the agency force and unitholders.

Senior Portfolio Managers and Portfolio Managers – Investment, Equities Section

- Involves in the daily and key portfolio management functions.
- Analyses and prepares reports on the performance of the funds for distribution to unitholders and unit trust consultants.
- Provides research and market intelligence feedback on the market and stocks.

Senior Portfolio Manager and Portfolio Managers – Investment, Fixed Income Section

- Assists in the daily management of the fixed income portfolios of the funds.
- Manages the daily placement and withdrawal of funds with approved financial institutions.
- Provides feedback on the trading activities in the money markets to facilitate the management of the bond portfolios.

Senior Managers, Manager, Deputy Managers, Assistant Managers, Senior Executives and Executives – Investment

- Carries out the financial analysis of listed companies and monitors the performance of the economy to facilitate portfolio rebalancing and other investment decisions.
- Monitors corporate developments and performs in-depth evaluation of companies through site visits and meetings with the management.
- Assists in the preparation of investment reports for the investment team and for dissemination to unit trust holders and unit trust consultants.

THE MANAGER (CONT'D)

7.12 RELATED PARTY TRANSACTIONS/CONFLICT OF INTEREST

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

The related-party transactions of the Fund may include:

- dealings on sale and purchase of investment securities and instruments by the Fund.
- money market deposits and placements by the Fund.
- holding of units in the Fund by related parties.

All related-party transactions of the Fund are transacted at arms length and are established on terms and conditions that are stipulated in the applicable regulations of respective stock exchanges and/or other applicable laws and market convention.

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).

Employees of the Manager who are directly involved in the investment management of the fund(s) or who have direct and timely access to the daily trades done by the Fund Managers, are required to declare their dealings in securities.

7.13 POLICIES AND PROCEDURES ON MONEY LAUNDERING ACTIVITIES

The Manager has established a set of policies and procedures to counter the risk involving money laundering and financing of terrorism, in compliance with the provisions of Anti-Money Laundering Act, 2001 (AMLA). The policies and procedures encompassed the following key initiatives:

- Provision of training and education on the subject matter to all employees, with emphasis on front-line personnel and members of the agency force;
- Setting up specific measures and controls with regard to customer identification and acceptance which include verification of the identity of customer via relevant identification documents;
- Ensuring prompt reporting of suspicious transactions to the Financial Intelligence Unit of Bank Negara Malaysia.

7.14 DOCUMENTS AVAILABLE FOR INSPECTION

For a period of not less than 12 months from the date of this prospectus, the following documents or copies of them or other documents as may be required by the SC (where applicable) is available for inspection at the registered office of the Manager or such other place as the SC may determine:

- (a) The Master Deed and Supplemental Deeds;
- (b) Each material contract or document referred to in this Prospectus (if any);
- (c) The latest annual and interim reports of the Fund;
- (d) The audited financial statements of the Fund and the Manager for the current financial year (where applicable) and last 3 financial years or from the date of establishment/incorporation, if less than 3 years, preceding the date of this Prospectus;
- (e) All reports, letters or other documents, valuation and statements by any expert referred to in this Prospectus (if any);
- (f) Writ and relevant cause papers for all current material litigation and arbitration disclosed in this Prospectus (if any); and
- (g) All consents given by experts disclosed in this Prospectus.

8 THE TRUSTEE

8.1 THE TRUSTEE'S WILLINGNESS TO ASSUME POSITION

AmanahRaya Trustees Berhad ("ART") has indicated its willingness to assume the position of Trustee to PSGEF and to undertake all the obligations that are attached to it under the Deed, all relevant written laws and rule of law.

8.2 DUTIES AND RESPONSIBILITIES OF THE TRUSTEE

The Trustee of the Fund will perform among others, the following duties and responsibilities:

1. To act as the custodian of the Fund and safeguard the interest of the unitholders;
2. To exercise all due diligence and vigilance in carrying out its functions and duties in accordance with the Deed, SC Guidelines, CMSA 2007 and securities laws;
3. To ensure that the Manager manages and administers the Fund in accordance with the Deed, SC Guidelines, CMSA 2007 and securities laws;
4. To ensure proper records are kept of all transactions, dividends, interest and income received and distributed in respect of the Fund;
5. To ensure that the Manager keeps the Trustee fully informed of the details of the Manager's policies in investments and any changes thereof;
6. To ensure the accounts are audited at the end of each accrual period by the auditors and the Manager, on behalf of the Trustee forwards to the unitholders (at their last known registered address) a copy of the audited annual accounts within two months after the financial year end.

8.3 PROFILE OF AMANAHRAYA TRUSTEES BERHAD ("ART")

ART was incorporated under the Companies Act 1965 on 23 March 2007 and registered as a trust company under the Trust Companies Act 1949. ART is a subsidiary of Amanah Raya Berhad (ARB) which is wholly owned by the Minister of Finance (Incorporated). ART took over the corporate trusteeship functions of ARB and acquired ARB's experience of more than 44 years in trustee business. ART has been registered and approved by the SC to act as trustee to unit trust funds and has 153 unit trust funds under ART's trusteeship. As at 22 April 2011, ART has 80 staff (57 Executives and 23 Non-Executives).

ART has an authorised capital of RM5,000,000. Its issued and paid-up share capital is RM2,000,000 and RM1,000,000 respectively.

The shareholders of ART are:

	<u>% of equity</u>
Amanah Raya Berhad (344986-V)	20
Amanah Raya Nominees (Tempatan) Sdn Bhd (434217-U)	20
Amanah Raya Capital Sdn Bhd (549057-K)	20
AmanahRaya Capital Group Sdn Bhd (760289-U)	20
AmanahRaya Modal Sdn Bhd (760322-X)	10
Amanah Raya Nominees (Asing) Sdn Bhd (684546-P)	10

THE TRUSTEE (CONT'D)

Financial Performance

The following is a summary of ART's performance based on its audited financial statements for the financial years ended 31 December since incorporation on 23 March 2007:

	2008	2009	2010 (Unaudited)
	RM'000	RM'000	RM'000
Paid-up share capital	1,000	1,000	1,000
Shareholders' funds	5,999	3,624	3,974
Turnover	17,282	20,024	24,847
Pretax profit	11,783	14,340	18,265
After tax profit	8,597	10,625	14,350

As at 22 April 2011, the Trustee and its delegate are not engaged in any material litigation and arbitration, either as plaintiff or defendant, and the Trustee and its delegate are not aware of any proceedings, pending or threatened or of any facts likely to give rise to any proceedings which might materially and adversely affect their financial position or business.

Board of Directors

Datuk Idrus Bin Harun – Chairman

Hajjah Habsah Binti Bakar – Director / Chief Executive Officer

Dato' Ahmad Rodzi Bin Pawanteh – Director

Datin Aminah Binti Pit Abd Raman – Director

Puan Alina Binti Hashim – Director

Tuan Haji Ab. Gani Bin Haron – Director

Dato' Haji Ahmad Kamal Bin Abdullah Al-Yafii – Director

Encik Zainudin Bin Hj. Suhaimi – alternate to Hajjah Habsah Binti Bakar

Delegation of Custodian Function

ART has delegated its custodian function for the foreign investments of the Fund to Citibank N.A, Singapore branch. Citibank N.A in Singapore began providing a security service in the mid-1970's and a fully operational global custody product was launched in the early 1990's. To date their securities services business claims a global client base of premier banks, fund managers, broker dealers and insurance companies.

The roles and duties of the trustee's delegate, Citibank N.A, Singapore, are as follows:

- To act as sub-custodian for the selected cross-border investment of the Fund including the opening of cash and custody accounts and to hold in safe keeping the assets of the Fund such as equities, bonds and other assets.
- To act as paying agent for the selected cross-border investment which include trade settlement and fund transfer services.
- To provide corporate action information or entitlements arising from the above underlying assets and to provide regular reporting on the activities of the invested portfolios.

9 SALIENT TERMS OF THE DEED

9.1 UNITHOLDERS' RIGHTS AND LIABILITIES

A unitholder is a person registered in the register as a holder of units or fractions of units in a fund which automatically accord him rights and interests in the fund.

Unitholders shall be entitled to receive the distributions of the Fund (if any), participate in any increase in the capital value of the units, and to other rights and privileges as are provided for in the Deed.

Unitholders are vested with the powers to call for a unitholders' meeting, and to vote for the removal of the Trustee or the Manager through an Extraordinary Resolution.

Investors who are investing with Public Mutual for the first time are entitled to a cooling-off period of 6 Business Days from the date of receipt of the application form and payment by Public Mutual. During this period of cooling-off, the unitholder, upon changing his mind about the unit trust investment that he had made, may exercise his cooling-off right by issuing a cooling-off request to Public Mutual and he will be paid a full refund of his investment principal within 10 days. This cooling-off right, however, shall not extend to a corporation or institution, the staff of Public Mutual, and persons registered to deal in its unit trust funds.

In addition, unitholders shall receive annual and interim reports of the Fund which are sent out within two months from the close of each financial year/period.

No unitholder shall be entitled to require the transfer to him of any of the assets comprised in the Fund or be entitled to interfere with or question the exercise by the Trustee or the Manager on his behalf of the rights of the Trustee as owner of such assets.

No unitholders shall by reason of the provisions of the Deed and the relationship created thereby between the unitholders, the Trustee and the Manager be liable for any amount in excess of the purchase price paid for the unit, and shall not be under any obligation to indemnify the Trustee and/or the Manager in the event that the liabilities incurred by the Trustee and the Manager in the name of or on behalf of the Fund pursuant to and/or in the performance of the provisions of the Deed exceed the Gross Asset Value of the Fund, and any right of indemnity of the Trustee and/or Manager will be limited to recourse to the Fund.

9.2 JOINTHOLDERS

Units may be registered in the name of more than one unitholder subject to a maximum number of two jointholders. If the units are held by jointholders of whom one is a minor, the first registered unitholder must be an adult who is not less than 18 years of age.

In the event of the demise of a jointholder, the Manager shall only recognise the surviving jointholder as the rightful person having title or right of interest to the units in the account. However, if the surviving jointholder is a minor, the units in the account shall be vested in the estate of the deceased jointholder upon receipt by the Manager of the necessary documentation.

9.3 MAXIMUM FEES AND CHARGES PERMITTED BY THE DEED

The maximum fees and charges permitted by the deed are as follows:

Management Fee

2.0% per annum of the NAV.

Trustee Fee

Not exceeding 0.08% per annum, calculated daily on the NAV, but subject to a minimum fee of RM18,000 per annum (inclusive of the custodian fee).

Service Charge

7% of NAV per unit.

SALIENT TERMS OF THE DEED (CONT'D)

Repurchase Charge

3% of NAV per unit.

A lower fee and/or charges than what is stated in the deed may be charged. All current fees and charges are disclosed in the prospectus.

Any increase of the fees and/or charges above that stated in the current prospectus may be made provided that a supplemental prospectus is issued and the maximum stated in the deed shall not be breached.

Any increase of the fees and/or charges above the maximum stated in the deed shall require unitholders' approval.

9.4 PERMITTED EXPENSES PAYABLE OUT OF THE FUND

Only expenses directly related and necessary in operating and administering a fund may be paid out of the fund. The major expenses that are recoverable directly from the Fund include:

- (i) commission/fees paid to brokers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes or difference accounts;
- (ii) (where the custodial function is delegated by the relevant Trustee for foreign markets investment), charges/fees paid to the sub-custodian;
- (iii) tax and other duties charged on the Fund by the Government and other authorities;
- (iv) the fee and other expenses properly incurred by the Auditor and all professional and accounting fees and disbursements approved by the relevant Trustee;
- (v) fees for the valuation of any investment of the Fund by independent valuers for the benefit of the Fund;
- (vi) costs incurred for the modification of the deed other than those for the benefit of the Manager or the Trustee;
- (vii) costs incurred for any meeting of unitholders other than those convened by the Manager or Trustee for its own benefit;
- (viii) the costs of printing and dispatching to unitholders the accounts of the Fund, tax certificates, distribution warrants, notices of meeting of unitholders, newspaper advertisement and such other similar costs as may be approved by the relevant Trustee; and
- (ix) any other expenses properly incurred by the relevant Trustee in the performance of its duties and responsibilities.

9.5 RETIREMENT, REMOVAL AND REPLACEMENT OF THE MANAGER

The Manager may retire upon giving twelve (12) months notice to the Trustee of its desire to do so, or such shorter period as the Manager and the Trustee shall agree upon, in favour of some other corporation.

The Manager may be removed and another corporation appointed as manager by Extraordinary Resolution of the unitholders at a Unitholders' Meeting convened in accordance with the Deed either by the Trustee or the unitholders.

The Trustee shall take reasonable steps to remove and replace the Manager as soon as practicable after becoming aware of any such circumstances:

- (a) An Extraordinary Resolution to that effect has been duly passed by the unitholders at a meeting called for that purpose;
- (b) The Manager is in breach of its obligations under the Deed;
- (c) The Manager has failed or neglected to carry out its duties to the satisfaction of the Trustee and the Trustee considers that it would be in the interests of unitholders for it to do so, after the Trustee has given notice and reasons and has considered any representations made by the Manager in respect of that opinion, and after consultation with the relevant authorities and with the approval of the unitholders; or
- (d) The Manager has gone into liquidation (except a voluntary liquidation for the purpose of amalgamation or reconstruction or some similar purpose) or has had a receiver appointed or has ceased to carry on business,

and the Manager shall not accept any extra payment or benefit in relation to such removal or replacement or retirement.

SALIENT TERMS OF THE DEED (CONT'D)

In any of the cases aforesaid the Manager for the time being shall upon receipt of such notice by the Trustee cease to be the Manager and the Trustee shall by writing under its seal appoint some other corporation to be the Manager of the fund subject to such corporation entering into a Deed or Deeds with the Trustee and thereafter act as Manager during the remainder period of the fund.

9.6 RETIREMENT, REMOVAL AND REPLACEMENT OF THE TRUSTEE

The Trustee may retire upon giving twelve (12) months notice to the Manager of its desire to do so, or such shorter period as the Manager and the Trustee shall agree upon, and may appoint a new Trustee in his stead or as additional Trustee.

The Manager shall take reasonable steps to remove and replace a Trustee as soon as practicable after becoming aware of any such circumstances:

- (a) The Trustee has ceased to exist;
- (b) The Trustee has not been validly appointed;
- (c) The Trustee is not eligible to be appointed or to act as Trustee under section 290 of the CMSA 2007;
- (d) The Trustee has failed or refused to act as Trustee in accordance with the provisions or covenants of the Deed or the provision of the CMSA 2007;
- (e) A receiver is appointed over the whole or a substantial part of the assets or undertaking of the existing Trustee and has not ceased to act under the appointment, or a petition is presented for the winding up of the existing Trustee (other than for the purpose of and followed by a reconstruction, unless during or following such reconstruction the existing Trustee becomes or is declared to be insolvent); or
- (f) The Trustee is under investigation for conduct that contravenes Trust Companies Act 1949, the Trustee Act 1949, the Companies Act 1965 or any securities law.

In addition to the above, the Trustee may be removed and another Trustee appointed by Extraordinary Resolution of the unitholders at a Unitholders' Meeting convened in accordance with the Deed either by the Manager or the unitholders.

9.7 TERMINATION OF THE FUND

A fund may be terminated or wound-up upon the occurrence of any of the following events:-

- (a) the Securities Commission's approval is revoked under Section 212(7)(A) of the CMSA 2007;
- (b) an Extraordinary Resolution is passed at a unitholders' meeting to terminate or wind-up that fund, following the occurrence of events stipulated under Section 301(1) of the CMSA 2007 and the court has confirmed the resolution, as required under Section 301(2) of the CMSA 2007;
- (c) an Extraordinary Resolution is passed at a unitholders' meeting to terminate or wind-up the fund; or
- (d) the effective date of an approved transfer scheme, as defined under the Guidelines, has resulted in the fund, which is the subject of the transfer scheme, being left with no asset/property.

9.8 UNITHOLDERS' MEETING

A unitholders' meeting may be called by the Manager, Trustee and/or Unitholders. Any such meeting must be convened in accordance with the deed and/or the Guidelines.

Every question arising at any meeting shall be decided in the first instance by a show of hands unless a poll is demanded or if it be a question which under the deed requires an Extraordinary Resolution, in which case a poll shall be taken. On a show of hands every unitholder who is present in person or by proxy shall have one vote.

SALIENT TERMS OF THE DEED (CONT'D)

The quorum for a meeting of unitholders of a fund is five (5) unitholders of that fund, whether present in person or by proxy, provided always that for a meeting which requires an Extraordinary Resolution the quorum for that meeting shall be five (5) unitholders, whether present in person or by proxy, holding in aggregate at least twenty five percent (25%) of the units in issue for that fund at the time of the meeting. If the fund has five (5) or less unitholders, the quorum required shall be two (2) unitholders, whether present or by proxy and if the meeting requires an Extraordinary Resolution the quorum for that meeting shall be two (2) unitholders, whether present in person or by proxy, holding in aggregate at least twenty five percent (25%) of the units in issue for that fund at the time of the meeting.

9.9 THE DEED

Copies of the Deed may be obtained from the Manager at a cost of RM20 each or may be inspected free of charge during normal working hours at the offices of the Manager.

All unitholders of units will be entitled to the benefit of, be bound by and be deemed to have notice of the provisions of the Deed, copies of which are available as mentioned above.

EXEMPTIONS/VARIATIONS GRANTED BY THE SC

As this prospectus will be the first prospectus of PSGEF upon the launch of the Fund, an exemption has been obtained from having to comply with Part III clauses 3.02(a) and 3.03 of the Prospectus Guidelines for Collective Investment Schemes issued by the SC, pertaining to the requirement on a statement (to appear in bold) where such document is a replacement prospectus and supersedes/replaces the principal prospectus on the front cover and on each page of the replacement prospectus respectively.

TAXATION OF THE FUND AND UNITHOLDERS

(Prepared for inclusion in this Prospectus)

The Board of Trustees
AmanahRaya Trustees Berhad
c/o Public Mutual Berhad
Block B, Sri Damansara Business Park
Persiaran Industri
Bandar Sri Damansara
52200 Kuala Lumpur

4 May 2011

Dear Sirs

Re: Taxation of the Fund and Unit Holders

This letter has been prepared for inclusion in this Replacement Prospectus in connection with the offer of units in the Public Singapore Equity Fund ("the Fund").

Taxation of the Fund

The Fund is a unit trust for Malaysian tax purposes. The taxation of the Fund is therefore governed principally by Sections 61 and 63B of the Income Tax Act, 1967 ("the Act").

Subject to certain exemptions, the income of the Fund in respect of investment income derived from or accruing in Malaysia is liable to income tax at the prevailing rate of 25%.

Gains from the realisation of investments by the Fund will not be subject to income tax.

Taxable dividend income earned by the Fund would have suffered a tax deduction at source at the rate of 25% for Year of Assessment ("YA") 2010 and subsequent YAs. The tax deducted will be available for set off either wholly or partly against the tax liability of the Fund. Any excess over the tax liability will be refundable to the Fund.

Based on the Finance Act 2007, only dividends paid in the form of cash from ordinary shares (held continuously for 90 days or more – the 90 days condition does not apply for dividends received from shares in public listed companies) would be entitled to tax credits. These tax credits are available for set off against the Fund's tax liability.

Interest income earned by the Fund from the following are exempt from tax:-

- any savings certificates issued by the Government; or
- securities or bonds issued or guaranteed by the Government; or
- debentures or Islamic Securities, other than convertible loan stock, approved by the Securities Commission; or
- Bon Simpanan Malaysia issued by the Central Bank of Malaysia; or
- bonds or securities issued by Pengurusan Danaharta Nasional Berhad; or
- a bank or financial institution licensed under the Banking and Financial Institutions Act 1989 or Islamic Banking Act 1983; or
- Islamic securities (including sukuks) originating from Malaysia, other than convertible loan stocks, issued in any currency other than Ringgit and approved by the Securities Commission or Labuan Financial Services Authority.

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

Any income received by the Fund from a Sukuk Issue which has been issued by the Malaysia Global Sukuk Inc will be exempt from tax.

Any income received by the Fund from a Sukuk Ijarah, other than convertible loan stock, issued in any currency by 1Malaysia Sukuk Global Berhad will be exempt from tax (with effect from YA 2010).

Discount or profit received by the Fund from sale of bonds or securities issued by Pengurusan Danaharta Nasional Berhad or Danaharta Urus Sendirian Berhad is exempt from tax.

TAXATION OF THE FUND AND UNITHOLDERS (CONT'D)

Discounts earned by the Fund from the following are also exempt from tax:-

- securities or bonds issued or guaranteed by the Government; or
- debentures or Islamic Securities, other than convertible loan stock, approved by the Securities Commission; or
- Bon Simpanan Malaysia issued by the Central Bank of Malaysia.

Subject to the single-tier system that was effective 1 January 2008 (savings and transitional provisions for the single-tier system apply during the period from 1 January 2008 to 31 December 2013), deductions in respect of the Fund's expenses such as manager's remuneration, expenses on maintenance of a register of unit holders, share registration expenses, secretarial, audit and accounting fees, telephone charges, printing and stationery costs and postage ("permitted expenses") are allowed based on the formula subject to a minimum of 10% and a maximum of 25% of the total permitted expenses.

Single tier dividends received by the Fund are exempt from tax and expenses incurred by the Fund in relation to such dividend income are disregarded.

Taxation of Unit Holders

Unit holders 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 may carry with it applicable tax credits proportionate to each unit holder's share of the total taxable income in respect of the tax paid by the Fund. Unit holders will be entitled to utilise the tax credit as a set off against the tax payable by them. Any excess over their tax liability will be refunded to the unit holders. No other withholding tax will be imposed on the income distribution of the Fund.

Corporate unit holders, resident or non resident in Malaysia, would be taxed at the corporate tax rate of 25% for YA 2010 and subsequent YAs on distributions of income from the Fund to the extent of an amount equivalent to their share of the total taxable income of the Fund. Corporate unit holders with paid-up capital in the form of ordinary shares of RM2.5 million and below will be subject to a tax rate of 20% on chargeable income of up to RM500,000. For chargeable income in excess of RM500,000, the tax rate of 25% for YA 2010 and subsequent YAs is still applicable. However, the said tax rate of 20% on chargeable income of up to RM500,000 would not apply if more than 50% of the paid up capital in respect of ordinary shares of that corporate unit holder is directly or indirectly owned by a related company which has a paid up capital exceeding RM2.5 million in respect of ordinary shares, or vice versa, or more than 50% of the paid up capital in respect of ordinary shares of both companies are directly or indirectly owned by another company.

Individuals and other non-corporate unit holders who are resident in Malaysia will be subject to income tax at scale rates. The prevailing scale rates range from 1% to 26% with effect from YA 2010.

Individuals and other non-corporate unit holders who are not resident in Malaysia, for tax purposes, will be subject to Malaysian income tax (the prevailing rate is 26%). Non resident unit holders 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 single-tier dividends and tax exempt income by the Fund will not be subject to tax in the hands of the unit holders in Malaysia. Distribution of foreign income will also be exempt in the hands of the unit holders.

Units split by the Fund will be exempt from tax in Malaysia in the hands of the unit holders.

Any gains realised by the unit holders (other than financial institutions, insurance companies and those dealing in securities) from the transfers or redemptions of the units are treated as capital gains which are not subject to income tax in Malaysia.

The tax position is based on the Malaysian tax laws and provisions as they stand at present. All prospective investors should not treat the contents of this letter as advice relating to taxation matters and are advised to consult their own professional advisers concerning their respective investments.

Yours faithfully

Chew Theam Hock
Executive Director

KPMG Tax Services Sdn Bhd

NETWORK OF PUBLIC MUTUAL BRANCH OFFICES

Head Office

Block B, Sri Damansara Business Park,
Persiaran Industri, Bandar Sri Damansara,
52200 Kuala Lumpur.
Tel: 03-62796800 Fax: 03-62779800
Hotline: 03-62075000
Web : <http://www.publicmutual.com.my>

Mutual Gold Centre

No. 1 & 3, 3rd Floor,
Jalan Solaris 1,
Solaris Mont Kiara,
50480 Kuala Lumpur.
Tel: 03-62075000
Fax: 03-62036682

Financial Planning Centre

15th Floor, Bangunan PBB,
No. 6 Jalan Sultan Sulaiman,
50000 Kuala Lumpur
Tel: 03-20316300
Fax: 03-22732188

Branches

West Malaysia

Northern Region

Alor Star

1888A & 1888B, Jalan Stadium,
05100 Alor Star, Kedah.
Tel: 04-7291500 Fax: 04-7310178
Senior Branch Manager: Khaw Bee Ruh

Ipoh

37 & 39, Persiaran Greentown 4,
Greentown Business Centre, 30450 Ipoh, Perak.
Tel: 05-2106500 Fax: 05-2559859
Senior Branch Manager: Foong Kuan Mun

Sungai Petani

9D & 9E, Jalan Kampung Baru,
08000 Sungai Petani, Kedah.
Tel: 04-7291500 Fax: 04- 4230663
Branch Manager: Tong Suat Kee

Butterworth

4223, Jalan Bagan Luar,
12000 Butterworth, Penang.
Tel: 04-7291500 Fax: 04-3317775
Senior Branch Manager: Charmane Chew Hui Hsia

Penang

16, Lintang Burma,
10250 Pulau Tikus, Penang.
Tel: 04-7291500 Fax: 04-2295171
Senior Branch Manager: Vincent Seow Weng Sim

Bukit Mertajam

2646 - 2648, 2nd Floor
Jalan Che Bee Noor, 14000 Bukit Mertajam
Seberang Prai Tengah, Penang
Tel: 04-7291500 Fax: 04-5376580

Central Region

Bangsar

11 & 15, Jalan Bangsar Utama 3,
Bangsar Utama, 59000 Kuala Lumpur.
Tel: 03-62075000 Fax: 03-22835739
Senior Branch Manager: Chooi Chan Yen

Damansara Perdana

1 & 3, Jalan PJU 8/5 I,
Perdana Business Centre,
Bandar Damansara Perdana,
47820 Petaling Jaya, Selangor.
Tel: 03-62075000 Fax: 03-77222475
Branch Manager: Dennis Loong Tien Poh

Cheras

44-2, 44-3, 44-4 & 42-4,
Cheras Commercial Centre, Jalan 5/101C,
Off Jalan Kaskas, 56100 Cheras, Kuala Lumpur.
Tel: 03-62075000 Fax: 03-91321022
Senior Branch Manager: Khoo Peng Seng

Klang

28, 30 & 32, Lorong Batu Nilam 3B,
Bandar Bukit Tinggi,
41200 Klang, Selangor
Tel: 03-62075000 Fax: 03-33235632

NETWORK OF PUBLIC MUTUAL BRANCH OFFICES (CONT'D)

Central Region (cont'd)

Shah Alam

54 & 56, Jalan Pahat G15/G,
Kompleks Otomobil,
Persiaran Selangor,
Seksyen 15,
40200 Shah Alam, Selangor.
Tel: 03-62075000 Fax: 03-55139288
Senior Branch Manager: Ong Chen Hung

Southern Region

Batu Pahat

119, Jalan Chengal,
Taman Makmur
83000 Batu Pahat
Johor.
Tel: 07-4325688 Fax: 07-4326588
Branch Manager: Gigi Kong Siew Ping

Kluang

3, Jalan Dato Teoh Siew Khor
86000 Kluang, Johor.
Tel: 07-7736193/4 Fax: 07-7736195
Branch Manager: Tan Kheng Aun

Muar

46, Jalan Sayang,
84000 Muar, Johor.
Tel: 06-9542323/5323 Fax: 06-9536830
Branch Manager: Angie Ng Seow Mai

East Coast Region

Kota Bharu

PT304 and PT305, Jalan Kebun Sultan,
15300 Kota Bharu, Kelantan.
Tel: 09-7476021 Fax: 09-7476026
Branch Manager: Puan Abiesharni Abdul Kadir

Kuantan

73, Jalan Haji Abdul Aziz,
25000 Kuantan, Pahang.
Tel: 09-5178115 Fax: 09-5161223
Branch Manager: Bryan Koh Yi Earl

Johor Bahru

30th Floor, Public Bank Tower,
19, Jalan Wong Ah Fook,
80000 Johor Bahru, Johor.
Tel: 07-2281098 Fax: 07-2271098
Senior Branch Manager: Teng Lee Yen

Melaka

173, 173-A, 173-B, 172 & 172-A,
Jalan Merdeka, Taman Melaka Raya,
75000 Melaka.
Tel: 06-2837654 Fax: 06-2837354
Senior Branch Manager: Carl Wong Yon Lian

Seremban

No. 1A & 1B,
Jalan Tuanku Munawir,
70000 Seremban, Negeri Sembilan.
Tel: 06-7616663 Fax: 06-7644237
Branch Manager: Michael Wong Cheong Tee

Kuala Terengganu

1-C, Jalan Air Jernih,
20300 Kuala Terengganu, Terengganu.
Tel: 09-6317020 Fax: 09-6317030
Branch Manager: Wee Suat Hwee

Temerloh

10, 11 & 12, 2nd Floor,
Jalan Ahmad Shah,
Bandar Sri Semantan,
28000 Temerloh, Pahang.
Tel: 09-2968068 Fax: 09-2968060
Branch Manager: Suresh Kumar a/l Sundram

NETWORK OF PUBLIC MUTUAL BRANCH OFFICES (CONT'D)

East Malaysia

Sabah

Kota Kinabalu

Lot 1-0-10
Ground & 1st Floor
Lorong Api-Api 1
Api-Api Centre,
88000 Kota Kinabalu, Sabah.
Tel: 088-231080/2 Fax: 088-238389
Branch Manager: Lim Shaw Siang

Tawau

TB 4437, Lot 28, Block D,
Sabindo Square
Jalan Dunlop,
91000 Tawau, Sabah.
Tel: 089-765325 Fax: 089-765326
Branch Manager: Janice Chong Mui Lin

Sandakan

Lot 16, Block B, Ground Floor
Bandar Maju Commercial Centre
Mile 1.5, North Road
90000 Sandakan, Sabah.
Postal Address :
Public Mutual Berhad, Sandakan Branch
P.O. Box No. 3488, 90739 Sandakan, Sabah.
Tel: 089-222922 Fax: 089-222889
Senior Branch Manager: Jonathan Yong Lok Sang

Sarawak

Bintulu

4, Lot 2646
Jalan Tun Ahmad Zaidi,
97000 Bintulu, Sarawak.
Tel: 086-334718 Fax: 086-330221
Branch Manager: Lilian Lo Fui Ping

Miri

Lot 1380 (Ground & 1st Floor) & Lot 1381 (1st Floor)
Block 10, Center Point Commercial Centre,
Phase II, Jalan Kubu,
98000 Miri, Sarawak.
Tel: 085-429066 Fax: 085-416195
Branch Manager: Allan Ngo Say Khiang

Kuching

Lot 205 & 206, Section 49,
Jalan Tunku Abdul Rahman,
93100 Kuching, Sarawak.
Tel: 082-239285 Fax: 082-239825
Senior Branch Manager: Jones Chen Chung Sze

Sibu

10, Lorong 2,
Jalan Tuanku Osman,
96000 Sibu, Sarawak.
Tel: 084-317463 Fax: 084-330269
Branch Manager: Jessie Wong Toh Shing

Public Mutual offices are open on Mondays to Fridays, except public holidays, from 9:00 a.m. to 5:00 p.m.

NETWORK OF PUBLIC MUTUAL AGENCY OFFICES

Penang (Bayan Baru)

Liang Wing Sim Agency Office
104, 1st Floor, Jalan Mayang Pasir,
Taman Sri Tunas,
Bayan Baru,
11950 Bayan Lepas, Penang.
Tel: 04-6422170/1 Fax: 04-6411268

Selangor (Petaling Jaya)

Raymond Chan Agency Office
25A, Jalan SS22/19,
Damansara Jaya,
47400 Petaling Jaya, Selangor.
Tel: 03-77289522 Fax: 03-77289336

MANAGER OF THE FUND

Public Mutual Berhad (23419-A)

(Incorporated in Malaysia under the Companies Act 1965)

HEAD OFFICE ADDRESS

Block B, Sri Damansara Business Park
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03 6277 9800

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03 6207 5000