

## RHB THEMATIC GROWTH FUND

### RESPONSIBILITY STATEMENT

This Product Highlights Sheet has been reviewed and approved by the directors of RHB Asset Management Sdn Bhd (“RHBAM”) and they have collectively and individually accepted full responsibility for the accuracy of the information. Having made all reasonable enquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements, or omission of other facts which would make any statement in the Product Highlights Sheet false or misleading.

### STATEMENT OF DISCLAIMER

The Securities Commission Malaysia has authorised the issuance of RHB Thematic Growth Fund and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

The authorisation of the RHB Thematic Growth Fund and lodgement of this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends the RHB Thematic Growth Fund or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Product Highlights Sheet.

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

## PRODUCT HIGHLIGHTS SHEET

**This Product Highlights Sheet only highlights the key features and risks of RHB Thematic Growth Fund. Investors are advised to request, read and understand the Fund’s prevailing prospectus and its supplementary(ies) (if any) before deciding to invest.**

<b>Name of Fund</b>	RHB Thematic Growth Fund (“Fund”).	<b>Fund Category</b>	Mixed asset fund.
<b>Manager</b>	RHB Asset Management Sdn Bhd.	<b>Launch Date</b>	26 September 2007.
<b>Trustee</b>	HSBC (Malaysia) Trustee Berhad.	<b>Financial Year End</b>	31 December.

### PRODUCT SUITABILITY

This Fund is suitable for investors who:

- (i) seek participation in Malaysian companies that will benefit from evolving domestic and/or global trends;
- (ii) seek a dynamic and flexible investment mandate;
- (iii) prefer capital growth rather than income over a medium to long term\* period; and
- (iv) are willing to accept moderate risk in their investments.

### KEY PRODUCT FEATURES

#### INVESTMENT OBJECTIVE

This Fund aims to provide investors with medium to long term\* capital appreciation through investments in securities of Malaysian companies that will benefit from evolving domestic and/or global trends.

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

#### INVESTMENT STRATEGY

This Fund will focus on a minimum of 3 themes from the evolving domestic and/or global trends identified by the Manager as having strong potential to outperform the benchmark return of 8.00% growth per annum in Net Asset Value (“NAV”) of a unit. Hence, the name “Thematic Growth”.

The Manager views Malaysia as dynamic, with a high-growth and rapidly expanding economy, undergoing long term structural changes. Depending on which stage of the economic cycle we are in, the Manager will look for the appropriate themes which the Manager will seek to take advantage of. For example, during periods of economic slowdown, the Manager will look for defensive themes such as high dividend yielding stocks and companies with sustainable earnings growth. Other themes would also include counter-cyclical sectors as well as mergers & acquisitions. Conversely, during economic up-cycles, the Manager will look for growth stocks, possibly in export oriented sectors (e.g., manufacturing, technology and electronics) as well as consumer discretionary like properties, automobiles and other luxury goods. The Manager’s strategy is to identify the said themes in its early phase to capitalise on its growth. After identifying the most promising themes, the Manager will proceed to select companies with strong fundamentals and attractive valuations. Undervalued securities are uncovered through intensive and independent fundamental research.

Within a theme, the focus is generally on companies with sustainable business model, ability to expand locally and/or regionally, ability to deliver above average growth, consistently strong underlying profitability, reasonable valuations and strong balance sheet.

The Manager will rebalance the asset allocation and stock selection and reposition the Fund accordingly to reap the benefits of the change in market dynamics, economic cycle and specific factors influencing each sector.

This Fund’s portfolio will be structured as follows:

Up to 98% of NAV - Investments in equity and equity-related securities of Malaysian companies that will benefit from evolving domestic and/or global trends.

2% - 100% of NAV - Investments in fixed income securities, money market instruments, cash and deposits with financial institutions.

Hence, the Fund will generally have an equity exposure of up to 98% of its NAV to generate returns to the Fund. However, the Manager may lower the equity exposure of the Fund in favour of fixed income securities such as government bonds and corporate debt securities which include money market instruments in order to help achieve the benchmark return and/or to help preserve capital<sup>#</sup>.

<sup>#</sup> Note: Although the Fund aims to preserve its value, the Fund is not a capital guaranteed or a capital protected fund.

Accordingly, the Fund’s exposure to fixed income securities may increase up to 100% of the NAV.

Although the Fund is actively managed, how active or the frequency of its trading strategy will depend on market opportunities.

The risk management strategies and techniques employed by the Manager include diversification of the Fund’s investments in terms of its exposure to various industries, sectors and asset classes and/or type of investments (i.e. equity, fixed income securities and money market

instruments). Financial derivatives may also be used for hedging purposes where appropriate. Generally, the assets of the Fund will be invested over a medium to long term period with disposal of the investments when necessary to control risk as well as to optimise capital gains. This is especially so when the full growth potential of an investment is deemed to have been reduced over a prolonged rise in market value and other available investments may present attractive valuations and potential higher returns. The Fund also complies with the permitted investments and restrictions imposed by the Securities Commission. Adherence to the permitted investments and restrictions also helps the Manager to risk-manage the Fund's portfolio in terms of diversification. Moreover, the Manager in making its investment decisions shall at all times comply with the investment restrictions of the Fund and requirements as set out in the deed of the Fund.

#### BENCHMARK

8.00% growth per annum in NAV of a unit over the medium to long term.

This is not a guaranteed return and is only a measurement of the Fund's performance. The Fund may not achieve the aforesaid 8% per annum growth rate in any particular financial year but targets to achieve this growth over the medium to long term\*.

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

#### DISTRIBUTION

**DISTRIBUTION POLICY** - Consistent with the Fund's objective which aims to achieve medium to long term\* capital appreciation, distributions will therefore be of secondary importance. Distributions, if any, after deduction of taxation and expenses will be reinvested.

**DISTRIBUTION MODE** - Distribution, if any, after deduction of taxation and expenses (i.e. net distribution), will be reinvested to purchase additional units of the Fund based on the NAV per unit as at the first Business Day\*\* when units in the Fund are quoted ex-entitlement. Allotment of such units shall be within two (2) weeks thereafter.

\*\*Note: Business Day refers to a day (other than Saturdays, Sundays and public holidays) in which Bursa Malaysia is open for trading.

#### KEY RISKS

As the Fund's dynamic mandate allows it to generally have an equity exposure of up to 98% of its NAV or an exposure to fixed income securities of up to 100% of its NAV, the risks peculiar to this Fund are:

**MARKET RISK** - Market risk is a risk that arises when the prices of investments in the marketplace are affected by circumstances such as political or economic events. These circumstances, which may be a local or global event can affect the markets where the Fund is invested in or global markets and subsequently the value of the Fund's investments.

**PARTICULAR SECURITIES RISK** - The fluctuation in the performance of each individual security that the Fund invests in will affect the price of the units of the Fund. Not all companies issuing these securities are successful. The success or failure of the companies will cause its securities value to rise or fall. Valued collectively, the performance of individual securities comprising the Fund's portfolio will cause the unit price of the Fund to rise or fall accordingly.

**INTEREST RATE RISK** - Prices of fixed income securities and debentures generally move in opposite direction with interest rates. When interest rates rise, prices of fixed income securities and debentures will generally fall. This rise in interest rates will cause the investor to face the risk of capital loss. However, when interest rates fall, prices of fixed income securities and debentures will generally increase, thus investors will see capital gains.

**CREDIT / DEFAULT RISK** - This refers to the creditworthiness of the fixed income securities and debentures issuer and its expected ability to repay debt. Default happens when the issuer is not able to make timely coupon payments and/or repay or pay the principal in a timely manner thus lowering the value of the Fund's investments and subsequently the value of the investments of unit holders of the Fund ("Unit Holder(s)").

#### FUND PERFORMANCE

##### AVERAGE TOTAL RETURNS OF THE FUND

Average total returns for the following periods ended 31 December 2017

	1 Year	3 Years	5 Years	10 Years
RHB Thematic Growth Fund (%)	13.58	6.61	6.52	6.55
Benchmark <sup>^</sup> (%)	8.00	7.99	8.00	7.99

##### ANNUAL TOTAL RETURNS OF THE FUND

Annual total returns for the following financial years ended 31 December

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
RHB Thematic Growth Fund (%)	13.58	1.91	4.69	4.44	8.35	14.82	4.05	26.89	18.79	-23.60
Benchmark <sup>^</sup> (%)	8.00	7.98	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00

Source: Lipper IM, 18 January 2018. <sup>^</sup> The benchmark of the Fund is the 8.00% growth per annum in NAV of a unit over the medium to long term. The abovementioned Fund performance is computed on NAV to NAV basis and has been adjusted to reflect distributions and unit splits, if any, and are annualized.

In the latest financial year, the Fund recorded a positive return of 13.58% compared to its benchmark return of 8.00%.

##### PORTFOLIO TURNOVER RATIO ("PTR")

PTR (times)	Financial Year Ended 31 December		
	2017	2016	2015
	0.40	0.60	0.56

The PTR for the latest financial year was lower compared with the previous financial year due to lesser investment activities during the latest financial year.

##### DISTRIBUTION RECORD

	Financial Year Ended 31 December		
	2017	2016	2015
	Gross distribution per unit (sen)	1.2000	1.1000
Net distribution per unit (sen)	1.2000	1.1000	1.9650

For the latest financial year, the Fund has declared a total gross distribution of 1.2000 sen per unit.

**PAST PERFORMANCE OF THE FUND IS NOT AN INDICATION OF ITS FUTURE PERFORMANCE.**

## FEES & CHARGES

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

<b>Charges</b>	
<b>Sales charge<sup>1</sup> by distribution channels</b>	
Institutional Unit Trust Adviser (IUTA)	Up to 5.00 % of investment amount.
Tied (Retail) Agent	Up to 5.00 % of investment amount.
Direct Sales (Direct Investment with the Manager)	Up to 5.00 % of investment amount.
An investor can expect differing sales charge to be levied when buying units of the Fund from the various distribution channels and within each distribution channel, subject to the maximum sales charge stipulated herein. This is due to the different levels of services provided by each distribution channel and/or the size of the investment undertaken. Investments via the EPF ("Employees Provident Fund") Members' Investment Scheme will be levied a sales charge of up to 3.00% of the investment amount (or such other rate that may be determined by the EPF from time to time). Please note that there may be changes to the status of the eligibility of the Fund under the EPF Members' Investment Scheme from time to time. Investors may refer to <a href="http://www.kwsp.gov.my">http://www.kwsp.gov.my</a> for updated information on the eligibility of the Fund under the EPF Members' Investment Scheme.	
<b>Repurchase charge</b>	None.
<b>Dilution fee or transaction cost factor</b>	None.
<b>Other charges payable directly by the investors</b>	
Switching fee <sup>1</sup>	RM25.00 per switch or the difference in sales charge which is deductible from the redemption amount of the units to be switched, where applicable.
Transfer fee <sup>1</sup>	RM5.00 per transfer.

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

<b>Fees and Expenses</b>	
Annual management fee <sup>1</sup>	1.50% per annum of NAV before deducting the Manager's and Trustee's fees for that particular day.
Annual trustee fee <sup>1</sup>	Up to 0.08% per annum of NAV before deducting the Manager's and Trustee's fees for that particular day.
Expenses directly related to the Fund	Auditors' fees and other relevant professional fees, custodial charges, cost of distribution of interim and annual reports, tax certificates, reinvestment statements or distribution cheques (where applicable) and other notices to Unit Holders, commissions paid to brokers, other transaction costs and taxes.
Other fees payable indirectly by an investor (if any)	None.

<sup>1</sup>The implementation of Goods and Services Tax ("GST") is effective from 1 April 2015 at the rate of 6% and the fees or charges payable are exclusive of GST.

**Note:** The Manager may, for any reason at any time, waive or reduce the amount of its management fee only or all charges directly payable by the Unit Holder and/or investor in respect of the Fund, either generally (for all Unit Holders and/or investors) or specifically (for any particular Unit Holder and/or investor) and for any period or periods of time at its absolute discretion.

## TRANSACTION INFORMATION

Minimum Initial Investment	RM1,000 or such other amount as the Manager may from time to time accept.
Minimum Additional Investment	RM100 or such other amount as the Manager may from time to time accept.
Minimum Repurchase Units	Any number of units.
Restriction on Frequency of Repurchase	No restrictions.
Switching Facility and Frequency of Switching	The minimum amount for a switch to another fund is RM1,000.00. There are no restrictions as to the number of switches a Unit Holder may perform or the frequency of switching.
Minimum Investment Balance	100 units or such other lower quantity as the Manager may from time to time decide.
Transfer Facility	Available. In the event of a partial transfer, both the transferor and the transferee must each hold a minimum investment balance of one hundred (100) units after the transfer.
Redemption Period	Redemption monies to be paid within ten (10) days after receipt by the Manager of the request to repurchase. For EPF Unit Holders, the repurchase proceeds will be remitted to Kumpulan Wang Simpanan Pekerja ("KWSP") by crediting into the members' provident account.
Cooling-off Period	Unit Holders have the right to request for a refund of their investment within six (6) business days <sup>#</sup> which shall be effective from the date of receipt of the application by the Manager, subject to eligibility. <sup>#</sup> These are the working days when the Manager is open for business.
Dealing Hours	9:00 a.m. to 4:00 p.m. (Malaysia time) on any Business Day** or such later time as the Manager may determine provided always that complete applications for the Fund are received before the next valuation point.

**YOU SHOULD NOT MAKE PAYMENT IN CASH TO A UNIT TRUST CONSULTANT OR ISSUE A CHEQUE IN THE NAME OF A UNIT TRUST CONSULTANT.**

## VALUATIONS AND EXITING FROM INVESTMENT

### VALUATION OF ASSETS

The Fund must be valued at least once every Business Day\*\*. The valuation of the Fund for a Business Day\*\* will be conducted at the close of Bursa Malaysia for that Business Day\*\*. Thus, the daily price of the Fund for a particular Business Day\*\* will be published in the major

newspapers on the next day. Investors may obtain the most current computed price by contacting the Manager directly or visiting our website, [www.rhbgroup.com](http://www.rhbgroup.com).

**\*\*Note:** Business Day refers to a day (other than Saturdays, Sundays and public holidays) in which Bursa Malaysia is open for trading.

#### EXITING FROM THIS INVESTMENT

Units of the Fund can be redeemed by forwarding the completed form of request to repurchase to the Manager's registered office or any of its branch offices, or to any of its participating IUTAs or to any other authorised distributors before their respective cut-off times. The redemption monies will be paid within ten (10) days after receipt by the Manager of the request to repurchase. For partial redemption, the balance of units held after the redemption must be at least one hundred (100) units or such other lower quantity as the Manager may from time to time decide (the "minimum investment balance"). There are no restrictions on the number of units a Unit Holder can redeem out of his investments or the frequency of redemptions in a year. However, the Manager shall not be bound to comply with any request for redemption of units if the balance of units held after the redemption is less than the minimum investment balance. For EPF Unit Holders, the repurchase proceeds will be remitted to KWSP by crediting into the members' provident account.

#### CONTACT INFORMATION

To contact the Manager or to find out about the distribution channels of the Fund, you may call us at 1-800-88-3175 at any time during office hours: Mondays through Fridays from 9.00 a.m. – 5.00 p.m. or e-mail your enquiries to [rhbam@rhbggroup.com](mailto:rhbam@rhbggroup.com).

#### HOW DO YOU LODGE A COMPLAINT?

1. For internal dispute resolution, you may contact:

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|--|---|
| (a) via phone to                                   | : 03-9205 8000  |
| (b) via Unit Holders Services Toll-Free Hotline at | : 1-800-88-3175   |
| (c) via fax to                                     | : 03-9205 8100  |
| (d) via e-mail to                                  | : <a href="mailto:rhbam@rhbggroup.com">rhbam@rhbggroup.com</a>  |
| (e) via website at                                 | : <a href="http://www.rhbgroup.com">www.rhbgroup.com</a>  |
| (f) via letter to                                  | : RHB Asset Management Sdn Bhd<br>Level 8, Tower 2 & 3, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur |

2. If you are dissatisfied with the outcome of the internal dispute resolution process, please refer your dispute to the Securities Industry Dispute Resolution Center (SIDREC):

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|-------------------|--|
| (a) via phone to  | : 03-2282 2280   |
| (b) via fax to    | : 03-2282 3855   |
| (c) via e-mail to | : <a href="mailto:info@sidrec.com.my">info@sidrec.com.my</a>   |
| (d) via letter to | : Securities Industry Dispute Resolution Center (SIDREC)<br>Unit A-9-1, Level 9, Tower A, Menara UOA Bangsar<br>No. 5, Jalan Bangsar Utama 1, 59000 Kuala Lumpur |

3. You can also direct your complaint to the Securities Commission Malaysia ("SC") even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the SC's Consumer & Investor Office:

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| (a) via phone to the Aduan Hotline at      | : 03-6204 8999  |
| (b) via fax to                             | : 03-6204 8991  |
| (c) via e-mail to                          | : <a href="mailto:aduan@seccom.com.my">aduan@seccom.com.my</a>  |
| (d) via online complaint form available at | : <a href="http://www.sc.com.my">www.sc.com.my</a>  |
| (e) via letter to                          | : Consumer & Investor Office, Securities Commission Malaysia<br>No 3 Persiaran Bukit Kiara, Bukit Kiara, 50490 Kuala Lumpur |

4. Federation of Investment Managers Malaysia (FIMM)'s Complaints Bureau:

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| (a) via phone to                           | : 03-2092 3800  |
| (b) via fax to                             | : 03-2093 2700  |
| (c) via e-mail to                          | : <a href="mailto:complaints@fimm.com.my">complaints@fimm.com.my</a>  |
| (d) via online complaint form available at | : <a href="http://www.fimm.com.my">www.fimm.com.my</a>  |
| (e) via letter to                          | : Legal, Secretarial & Regulatory Affairs<br>Federation of Investment Managers Malaysia<br>19-06-1, 6 <sup>th</sup> Floor Wisma Tune<br>No. 19 Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur |