

## RHB CAPITAL 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 Capital Fund and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

The authorisation of the RHB Capital Fund and lodgement of this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends the RHB Capital 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 Capital 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 Capital 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 Capital Fund ("Fund").    | <b>Fund Category</b>      | Equity fund.   |
| <b>Manager</b>      | RHB Asset Management Sdn Bhd. | <b>Launch Date</b>        | 12 April 1995. |
| <b>Trustee</b>      | Maybank Trustees Berhad.      | <b>Financial Year End</b> | 30 April.      |

### PRODUCT SUITABILITY

This Fund is suitable for investors who:

- (i) want a professionally managed portfolio of shares and fixed income securities;
- (ii) have a medium to long term investment horizon of 3 to 5 years or more;
- (iii) want to achieve potential capital growth (accumulation) at an acceptable level of risk; and
- (iv) want to invest in shares but do not have the time to manage their own portfolio.

### KEY PRODUCT FEATURES

#### INVESTMENT OBJECTIVE

To achieve long term growth through capital appreciation with all income including profits on realisation of investments being automatically reinvested for its compounding effect.

#### INVESTMENT STRATEGY

This Fund seeks to achieve its investment objective by structuring a portfolio as follows:

- Minimum of 60% and up to 95% of Net Asset Value ("NAV") will be invested in equities.
- Minimum of 5% of NAV will be invested in fixed income securities and/or liquid assets.

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

The Fund seeks long term capital appreciation. To pursue this goal, the Fund invests primarily in Malaysian public listed companies with strong growth potential. The Manager utilises a strategy that seeks attractively priced companies in undervalued sectors, or in sectors that have strong upward stock price momentum which demonstrate strong increases in earnings per share and continue to strengthen their fundamental capabilities and competitive positions, amongst others.

The Manager uses fundamental valuation parameters to determine the relative value of the company compared to its peer universe. These numbers include price/earnings multiple of the company, earnings growth rates, relative price earnings to growth, cashflow, balance sheet strength, quality of management, relative positioning of the company in the industry in which it operates, return on equity, return on assets and return on investments, among others. Quarterly earnings expectations and results are carefully followed. Subject to the range stipulated above, and the Fund's asset allocation and stock selection could differ if any of the key macro and micro factors materially changes.

In addition to those described above, the Fund may invest in fixed income securities to preserve the value<sup>#</sup> of the Fund.

The Manager may take temporary defensive positions that may be inconsistent with the Fund's principal strategy in attempting to respond to adverse economic, political or any other market conditions. In such circumstances, the Manager may reallocate up to 100% of the Fund's equity investments into other asset classes such as fixed income securities, money market instruments and deposits with financial institutions, which are defensive in nature. These are deposits that are not embedded with or linked to financial derivative instruments (structured deposits) and (where applicable) these are current accounts, short term money market deposits and short term deposits with financial institutions.

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

#### BENCHMARK

FTSE Bursa Malaysia KLCI Index.

#### DISTRIBUTION

**DISTRIBUTION POLICY** - Distribution is incidental, subject to the availability of income at the end of the financial year.

**DISTRIBUTION MODE** - Distribution (if any) which is less than or equal to the amount of RM300.00, will be automatically reinvested into the Fund based on the NAV per unit seven (7) Business Days after the ex-dividend date. No Sales Charge or costs shall be incurred or payable by the unit holders of the Fund ("Unit Holder(s)") for the reinvestment.

Distribution (if any) which is more than the amount of RM300.00, will be automatically paid out to the Unit Holders via cheque, unless the Unit Holder specifically requests for the distribution to be reinvested into the Fund by selecting the appropriate option in the application form. Unit

Holders who opt for their distribution to be reinvested into the Fund will have their distribution reinvested into the Fund based on the NAV per unit seven (7) Business Days after the ex-dividend date. No Sales Charge or costs shall be incurred or payable by the Unit Holders for the reinvestment.

In the absence of the Unit Holder's written instructions, income distribution from the Fund will be automatically paid out to the Unit Holders via cheque. A Unit Holder must notify the Manager in writing seven (7) Business Days prior to each date fixed for the distribution of any change in his distribution instructions.

### KEY RISKS

**STOCK MARKET RISK** - Securities may decline in value due to factors affecting securities markets generally or particular industries represented in the securities markets. The value of a security may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investors' sentiment generally. They may also decline due to factors that affect a particular industry or industries, such as labour shortages or increased production costs and competitive conditions within an industry. Equity securities generally have greater price volatility than fixed income securities. The market price of securities owned by the Fund might go down or up, sometimes rapidly or unpredictably.

**LIQUIDITY RISK** - Liquidity risk exists when particular investments are difficult to sell, possibly preventing the Fund from selling such illiquid securities at a favourable price. The Fund's principal investment strategies that involve securities or securities with substantial market and/or credit risk tend to have greater exposure to liquidity risk. As part of its risk management, The Manager will attempt to manage the liquidity of the Fund through asset allocation and diversification strategies within the portfolio. The Manager will also conduct constant fundamental research and analysis to forecast future liquidity of its investments.

**INDIVIDUAL STOCK RISK** - The performance of each individual stock that the Fund invests in is dependent upon the management quality of the particular company and its growth potential. Hence, this would have an impact on the Fund's prices and its dividend income. The Manager aims to reduce all these risks by using diversification that is expected to reduce the volatility as well as the risk for the Fund's portfolio. In addition, the Manager will also perform continuous fundamental research and analysis to aid its active asset allocation management especially in its stock selection process.

**ISSUER RISK** - The value of each individual fixed income securities that the Fund invests in may decline for a number of reasons which is directly related to the issuer, such as, the management performance, financial leverage and reduced demand for the issuer's goods or services. The Manager aims to reduce all these risks by using diversification that is expected to reduce the volatility as well as the risk for the Fund's portfolio.

### FUND PERFORMANCE

#### AVERAGE TOTAL RETURNS OF THE FUND

Average total returns for the following periods ended 30 April 2018

|                            | 1 Year | 3 Years | 5 Years | 10 Years |
|----------------------------|--------|---------|---------|----------|
| RHB Capital Fund (%)       | -5.04  | 0.76    | 2.99    | 5.76     |
| Benchmark <sup>^</sup> (%) | 5.79   | 0.95    | 1.72    | 3.86     |

#### ANNUAL TOTAL RETURNS OF THE FUND

Annual total returns for the following financial years ended 30 April

|                            | 2018  | 2017  | 2016  | 2015  | 2014  | 2013 | 2012 | 2011  | 2010  | 2009   |
|----------------------------|-------|-------|-------|-------|-------|------|------|-------|-------|--------|
| RHB Capital Fund (%)       | -5.04 | 14.04 | -5.53 | -5.16 | 19.40 | 9.42 | 2.38 | 18.03 | 37.20 | -16.68 |
| Benchmark <sup>^</sup> (%) | 5.79  | 5.70  | -8.00 | -2.85 | 8.96  | 9.36 | 2.32 | 14.01 | 35.90 | -22.59 |

Source: Lipper IM, 16 May 2018. <sup>^</sup> The benchmark of the Fund is FTSE Bursa Malaysia KLCI Index. The abovementioned Fund performance is computed on NAV to NAV basis and has been adjusted to reflect distributions payments and unit splits, if any.

For the latest financial year, the Fund recorded a loss of -5.04% whilst its benchmark recorded a gain of 5.79%.

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

| PTR (times) | Financial Year Ended 30 April |      |      |
|-------------|-------------------------------|------|------|
|             | 2018                          | 2017 | 2016 |
|             | 0.41                          | 0.39 | 0.65 |

The PTR for the latest financial year was higher compared with the previous financial year mainly due to the increase in investment activities for the latest financial year.

#### DISTRIBUTION RECORD

|                                   | Financial Year Ended 30 April |        |         |
|-----------------------------------|-------------------------------|--------|---------|
|                                   | 2018                          | 2017   | 2016    |
| Gross distribution per unit (sen) | 1.1400                        | 6.5000 | 10.3500 |
| Net distribution per unit (sen)   | 1.1400                        | 6.5000 | 10.3500 |

For the latest financial year, the Fund has declared a total net distribution of 1.1400 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 this Fund:**

#### Charges

##### Sales charge<sup>1</sup> by distribution channels

|   |                              |
|---|------------------------------|
| Institutional Unit Trust Adviser (IUTA)           | Up to 6.00% of NAV per unit. |
| Tied (Retail) Agent                               | Up to 6.00% of NAV per unit. |
| Direct Sales (Direct Investment with the Manager) | Up to 6.00% of NAV per unit. |

Note: Investors may negotiate for a lower sales charge.

Investments via the Employees Provident Fund ("EPF") 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 <http://www.kwsp.gov.my> 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>Any other charges payable directly by the investors</b> |  |
| Switching fee <sup>1</sup>                                 | RM25.00 per switch or the difference in sales charge between switching funds on the amount to be switched, where applicable. |
| Transfer fee   | None.  |

***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>                    | Up to 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>                       | 0.06% 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, custodial charges, other relevant professional fees, cost of distribution of interim and annual reports, tax certificates, reinvestment statements, distribution cheques (where applicable) and other notices to Unit Holders, commissions or fees paid to brokers, other transaction costs and taxes. |
| Other fees payable indirectly by an investor (if any) | None.  |

<sup>1</sup> All fees and charges payable to Manager and the Trustee are subject to any applicable taxes and/or duties and at such rate as may be imposed by the government from time to time.

### 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 | Available. Following a switch transaction, if the quantity of holdings of a Unit Holder in the Fund falls below its minimum holding, the Manager can withdraw the entire investment and forward the proceeds to the Unit Holder.   |
| Minimum Investment Balance                    | 1,000 units or such other lower quantity as the Manager may from time to time decide.  |
| Transfer Facility                             | Available. Following a transfer transaction, if the quantity of holdings of a Unit Holder in the Fund falls below its minimum holding, the Manager can withdraw the entire investment and forward the proceeds to the Unit Holder.   |
| Redemption Period                             | Unit Holder may receive the repurchase proceeds within ten (10) days from the date the Manager is in receipt of the duly completed repurchase forms.<br>For EPF Unit Holders, the repurchase proceeds will be remitted to EPF 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.<br><sup>#</sup> These are the working days when the Manager is open for business. |
| Business Day                                  | A day on which either the Bursa Malaysia is open for trading or banks in Kuala Lumpur are 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. Accordingly, 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).

#### 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/principal office or any of its branch offices, or to any of its participating Institutional Unit Trust Advisers (IUTAs) or to any other authorised distributors before their respective cut-off times. The Manager does not impose any minimum amount for any repurchase transaction but subject to the minimum holding requirement. There are no restrictions on the number of units of the Fund 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 one thousand (1,000) units or such other lower quantity as the Manager may from time to time decide (the "minimum investment balance"). For the avoidance of doubt, the Manager will deem an automatic request for a full repurchase of units to have been made by the Unit Holder should a request for partial redemption leave the balance of units held after the redemption less than the applicable minimum holding. Unit Holders may receive the repurchase proceeds within ten (10) days from the date the Manager is in receipt of the duly completed repurchase forms. For EPF Unit Holders, the repurchase proceeds will be remitted to EPF 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@rhbgrou.com](mailto:rhbam@rhbgrou.com).

### HOW DO YOU LODGE A COMPLAINT?

1. For internal dispute resolution, you may contact:

❖ **via phone to:** 03-9205 8000      ❖ **via Unit Holders Services Toll-Free Hotline at:** 1-800-88-3175      ❖ **via fax to:** 03-9205 8100  
❖ **via email to:** [rhbam@rhbgrou.com](mailto:rhbam@rhbgrou.com)      ❖ **via website to:** [www.rhbgrou.com](http://www.rhbgrou.com)      ❖ **via letter to:** RHB Asset Management Sdn Bhd,  
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):

❖ **via phone to:** 03-2282 2280      ❖ **via fax to:** 03-2282 3855      ❖ **via email to:** [info@sidrec.com.my](mailto:info@sidrec.com.my)      ❖ **via letter to:** Securities Industry  
Dispute Resolution Center (SIDREC), Unit A-9-1, Level 9, Tower A, Menara UOA Bangsar, 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:

❖ **via phone to the Aduan Hotline at:** 03-6204 8999      ❖ **via fax to:** 03-6204 8991      ❖ **via email to:** [aduan@seccom.com.my](mailto:aduan@seccom.com.my)  
❖ **via online complaint form available at:** [www.sc.com.my](http://www.sc.com.my)      ❖ **via letter to:** Consumer & Investor Office, Securities Commission Malaysia,  
No 3 Persiaran Bukit Kiara, Bukit Kiara, 50490 Kuala Lumpur.

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

❖ **via phone to:** 03-2092 3800      ❖ **via fax to:** 03-2093 2700      ❖ **via email to:** [complaints@fimm.com.my](mailto:complaints@fimm.com.my)  
❖ **via online complaint form available at:** [www.fimm.com.my](http://www.fimm.com.my)      ❖ **via letter to:** Legal, Secretarial & Regulatory Affairs, Federation of  
Investment Managers Malaysia, 19-06-1, 6<sup>th</sup> Floor Wisma Tune, No. 19 Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur.