

RHB DANA HIKMAH

RESPONSIBILITY STATEMENT

This Product Highlights Sheet has been reviewed and approved by the directors of RHB Islamic International Asset Management Berhad (“RHBIIAM”) 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 Dana Hikmah and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

The authorisation of the RHB Dana Hikmah and lodgement of this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends the RHB Dana Hikmah 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 RHBIIAM responsible for the RHB Dana Hikmah 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.

The Fund has been certified as Shariah-compliant by the Shariah adviser appointed for the Fund i.e. RHB Islamic Bank Berhad.

PRODUCT HIGHLIGHTS SHEET

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

Name of Fund	RHB Dana Hikmah (“Fund”).	Fund Category	Equity fund (Shariah-compliant).
Manager	RHB Islamic International Asset Management Berhad.	Launch Date	5 April 2018.
Trustee	HSBC (Malaysia) Trustee Berhad.	Financial Year End	30 April.
Initial Offer Price	RM0.5000 per unit during the initial offer period.		
Shariah Adviser	RHB Islamic Bank Berhad.		
Initial Offer Period	5 April 2018 – 25 April 2018 (21 days).		

PRODUCT SUITABILITY

This Fund is suitable for investors who:

- (i) have a high conviction in the equity markets; and
- (ii) have an aggressive risk appetite in their investments.

KEY PRODUCT FEATURES

INVESTMENT OBJECTIVE

The Fund aims to provide investors with capital growth and income[^] over medium to long term* by investing in a concentrated portfolio of Shariah-compliant stocks.

Note: [^] Income (if any) is in the form of units.

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

INVESTMENT STRATEGY

The Fund aims to achieve its investment objective through investments in a concentrated portfolio of Shariah-compliant stocks (15-25 Shariah-compliant stocks). Hence, the Manager will adopt a highly disciplined approach in Shariah-compliant stock selection to identify companies that focus on shareholder value in the form of sustainable dividend returns combined with the prospects of significant share price growth. The Manager may also invest in undervalued or recovery Shariah-compliant stocks which have the potential to adopt a strong dividend payout policy. In its Shariah-compliant stock selection, the Manager is not restricted to any industry or sector and the Manager may select Shariah-compliant stocks of companies of any market capitalization.

The Manager employs rigorous research to determine the Shariah-compliant securities to be included in the investment portfolio. The Manager believes long term investment performance can be achieved by employing a rigorous research process that enables it to identify companies that generate superior cash flows as well as companies that are undervalued. When making investments, the Manager may invest up to 30% of Net Asset Value (“NAV”) in foreign markets. The Fund will invest in Shariah-compliant securities of companies listed in Asia Pacific markets (including but without limitation, China, Hong Kong, India, Indonesia, South Korea, the Philippines, Singapore, Taiwan, Thailand, Australia, New Zealand, Japan) and Shariah-compliant securities of Asia Pacific companies[#] listed in such other markets which are deemed appropriate by the Manager.

[#] These are companies with revenues derived from Asia Pacific countries and/or have business operations located in the Asia Pacific countries.

This Fund’s portfolio will be structured as follows:

70% to 98% of NAV - Investments in Shariah-compliant equities.

The balance of the NAV shall be invested in Shariah-compliant liquid assets including Islamic money market instruments, Islamic Deposits^{***} and collective investment schemes investing in Islamic money market instruments and/or Islamic Deposits^{***}.

Hence, the Fund will generally have a Shariah-compliant equity exposure of 70% to 98% of its NAV to generate returns to the Fund. However, the Manager may lower the Shariah-compliant equity exposure of the Fund in favour of liquid assets which include Islamic money market instruments and Islamic Deposits^{***} in order to help achieve the benchmark return and/or to help preserve capital. Accordingly, the Fund’s exposure to liquid assets may increase up to 30% of the NAV.

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 the Fund's Shariah-compliant equity investments into other asset classes such as Islamic money market instruments and Islamic Deposits***, which are defensive in nature. In its reallocation, the level of Shariah-compliant equity investments would normally not be below 20% 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. Shariah-compliant equity, Islamic money market instruments and Islamic Deposits***). Islamic financial derivatives may also be used for currency hedging purposes where appropriate**.

** The Fund's foreign currency exposure may be hedged against the Malaysian Ringgit, if deemed 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 equity values and the alternative asset type may present attractive valuations.

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.

***Note: Islamic Deposits refers to any Islamic deposits with licensed financial institutions that are not embedded with or linked to financial derivative instruments (structured deposits).

BENCHMARK

The performance of this Fund is benchmarked against the FBM EMAS Shariah Index.

DISTRIBUTION

DISTRIBUTION POLICY - Subject to the availability of income, the Fund will declare distributions semi-annually.

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

KEY RISKS

LIQUIDITY RISK - This risk refers to the ease with which the Fund's investment can be sold at a favourable price. Should the Fund's investment become illiquid, it may be sold at an unfavourable price which may then lower the value of the Fund's investments and subsequently the value of the investments of the unit holders of the Fund ("Unit Holder(s)").

PARTICULAR SECURITY 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 and failure of the companies will cause its securities value to rise or fall. Valued collectively, the performance of individual securities will cause the Fund's unit price to rise or fall accordingly.

EQUITY RISK - The performance of the equities held by the Fund is also dependent on company specific factors like the company's business situation. If the company-specific factors deteriorate, the price of the specific equity may drop significantly and permanently. Such event could possibly occur even in a positive equity market trend. The risk will be managed via portfolio diversification of the Fund's investments in terms of its exposure to equity from various industries, sectors and countries. In addition, where necessary, exposure to a particular equity will also be reduced in the event of an anticipated weakness in that particular equity.

RECLASSIFICATION OF SHARIAH STATUS RISK - This risk refers to the risk that the currently held Shariah-compliant equities in the Fund may be reclassified as Shariah non-compliant in the periodic review of the equities by the SACSC, the Shariah Adviser or the Shariah boards of the relevant Islamic indices. If this occurs, the Manager will take the necessary steps to dispose of such equities in accordance with the Fund's Shariah investment guidelines.

CONCENTRATION RISK - The Fund holds fewer Shariah-compliant stocks (i.e. 15-25 stocks) than a typical portfolio of Shariah-compliant stocks. As such, a decline in the performance of any of the securities in the Fund's concentrated portfolio may cause the Fund's overall value to decline to a greater degree than if the Fund was exposed to a less concentrated portfolio. The Fund may therefore be subject to a higher level of risk than a portfolio with more securities or a more diversified exposure.

FOREIGN INVESTMENT RISKS SUCH AS CURRENCY RISK AND COUNTRY RISK - Currency risk is associated with investments that are quoted in foreign currency denomination. When a security is denominated in a currency which fluctuates unfavorably against the Fund's currency (i.e. Ringgit Malaysia), the investment in the Fund may face currency loss in addition to the capital gains or losses. This may lead to a lower NAV.

As the Fund will be investing in foreign markets, the foreign investments portion of the Fund may be affected by risks specific to the country that the Fund invests in. Such risks include changes in the country's economic fundamentals, social and political stability, currency movements and foreign investments policies. These factors may impact the prices of the securities that the Fund invests in and ultimately lower the NAV. Further, there are countries which may require prior approvals before investments can be made in such countries. For example, if and when the Fund invests in countries such as China, Taiwan, South Korea and India, such countries require the application of an investment licence or registration of an investor code before investments can be made in these countries. As such, if investments in such countries are undertaken, there may be a risk that such registration or licence may be revoked or not renewed by the relevant authority and the Fund's investments in these countries may be affected. The effect on the Fund's investments will depend on the regulatory requirements of the respective countries. For example, if a country requires the Fund to obtain an investment licence which is subject to renewal and if such investment licence is not renewed in a timely manner, this may result in the Fund's investment account in that country being frozen by the regulator resulting in investment activities for the Fund in that country being suspended. To mitigate this, the Manager will monitor closely the adherence of investment regulatory requirements in such countries.

FEES & CHARGES

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

Charges

Sales charge¹ by distribution channels

Corporate Unit Trust Adviser (CUTA)	Up to 5.50% of the investment amount.
Institutional Unit Trust Adviser (IUTA)	Up to 5.50% of the investment amount.
Tied (Retail) Agent	Up to 5.50% of the investment amount.
Direct Sales (Direct investment with the Manager)	Up to 5.50% of the investment amount.

An investor can expect differing sales charge to be levied when buying units 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.

Repurchase charge	None.
Dilution fee or transaction cost factor	None.

Other charges payable directly by the investors

Switching fee ¹	RM25.00 per switch or the difference in sales charge between switching funds on the amount to be switched, where applicable. However, no switching is allowed during the Fund's initial offer period.
Transfer fee ¹	RM5.00 per transfer.

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

Fees and Expenses

Annual management fee ¹	1.80% per annum of NAV before deducting the Manager's and Trustee's fees for that particular day.
Annual trustee fee ¹	0.06% per annum of NAV calculated on a daily basis before deducting the Manager's and Trustee's fees for that particular day (excluding foreign custodian fees and charges).
Expenses directly related to the Fund	Auditors' fees and other relevant professional fees, foreign custodial charges, cost of distribution of interim and annual reports, tax certificates, reinvestment statements and other notices to Unit Holders. In addition, there are expenses that are directly related and necessary to the business of the Fund as set out in the Deed, such as commissions or fees paid to brokers, other transaction costs and taxes, if any, that are also paid out of the Fund.
Other fees payable indirectly by an investor (if any)	None.

¹The implementation of Goods and Services Tax ("GST") is effective from 1 April 2015 at the rate of 6% and the fees and 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 other 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. Any bank charges imposed by the relevant banks / financial institutions will be borne by the Unit Holders.

TRANSACTION INFORMATION

Minimum initial investment	RM500 or such other lower amount as the Manager may from time to time accept.
Minimum additional investment	RM100 or such other lower amount as the Manager may from time to time accept.
Minimum repurchase units	Any number of units.
Restriction on Frequency of Redemption	No restrictions.
Minimum investment balance	100 units or such other lower quantity as the Manager may from time to time decide.
Redemption period	Redemption monies will be paid within ten (10) days after receipt by the Manager of the request to repurchase.
Cooling-off period	Unit Holders have the right to request for a refund of their investments within six (6) business days [#] which shall be effective from the date of receipt of the application by the Manager, subject to eligibility. [#] These are the working days when the Manager is open for business.
Switching facility and frequency of switching	Available. There are no restrictions as to the frequency of switching.
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 or such other lower quantity as the Manager may from time to time decide after the transfer.
Business day	A day (other than Saturdays, Sundays and public holidays) in which 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 assets of the Fund must be valued at least once every Business Day, except during the Fund's initial offer period. As certain foreign markets in which the Fund may invest in have different time zones from that of Malaysia, the valuation of the Fund for a Business Day will be conducted by 5:00 p.m. (or such other time as may be determined by the Manager from time to time) on the following day in which the Manager is open for business.

Accordingly, the price of the Fund for a particular Business Day will not be published in the major newspapers on the next day but will instead be published the next following day (i.e. price will be two (2) days old). This will be specifically indicated in the major newspapers.

Investors may obtain the most current computed price by contacting the Manager at 03-9205 8000.

EXITING FROM THIS INVESTMENT

During the Fund's initial offer period, the repurchase price is fixed at the initial offer price of RM0.5000. After the Fund's initial offer period, the repurchase price shall be the NAV per unit as at the next valuation point of the Fund's relevant Business Day after the request for repurchase is received by the Manager ("forward pricing"). The Manager does not charge any repurchase charge for this Fund.

For partial redemption, the balance of units after the redemption must be at least one hundred (100) units or such other lower quantity as the Manager may from time to time accept (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.

Units 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 IUTAs or any other authorized distributors on any day other than Saturdays, Sundays and public holidays before their respective cut-off times.

Redemption monies will be paid within ten (10) days after receipt by the Manager of the request to repurchase.

CONTACT INFORMATION

To contact the Manager or to find out about the distribution channels of the Fund, you may call us at 03-9205 8000 at any time during office hours: Mondays through Fridays from 9.00 a.m. – 5.00 p.m. or e-mail your enquiries to rhbiim.enquiry@rhbgroup.com.

HOW DO YOU LODGE A COMPLAINT?

1. For internal dispute resolution, you may contact:

❖ **via phone to:** 03-9205 8000 ❖ **via fax to:** 03-9205 8107 ❖ **via email to:** rhbiim.enquiry@rhbgroup.com

❖ **via letter to:** RHB Islamic International Asset Management Berhad, 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 ❖ **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

❖ **via online complaint form available at:** 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

❖ **via online complaint form available at:** www.fimm.com.my ❖ **via letter to:** Legal, Secretarial & Regulatory Affairs, Federation of Investment Managers Malaysia, 19-06-1, 6th Floor Wisma Tune, No. 19 Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur.