

RHB ENERGY 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 Energy Fund and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

The authorisation of the RHB Energy Fund and lodgement of this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends the RHB Energy 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 Energy 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 Energy Fund. 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 Energy Fund (“Fund”).	Fund Category	Fixed income fund.
Manager	RHB Asset Management Sdn Bhd.	Launch Date	23 March 2009.
Trustee	HSBC (Malaysia) Trustee Berhad.	Financial Year End	31 March.

PRODUCT SUITABILITY

This Fund is suitable for investors who:

- | | |
|--|--|
| (i) seek investment opportunities in the global energy sector; | (iii) have a long term* investment horizon; and |
| (ii) seek capital growth; | (iv) have an appetite for risk to gain higher returns. |

KEY PRODUCT FEATURES

INVESTMENT OBJECTIVE

The Fund aims to achieve long term* capital appreciation through an investment that is linked to the global energy sector.

*Note: “long term” in this context refers to a period of between 5 - 7 years.

INVESTMENT STRATEGY

The Fund seeks to achieve its investment objective by investing up to 100% of its Net Asset Value (“NAV”) into Malaysian fixed income instruments and up to 10% of its NAV as capital payment for exposure to an over-the-counter (OTC) derivative instrument in the form of a one month rolling swap agreement with a counterparty that offers exposure to the performance of a commodity based index [selected from a pool of 4 commodity based indices, namely, the JPMCCI Energy Excess Return Index and 3 other indices based on the JP Morgan Contag Beta Energy Excess Return Index (collectively, the “Contag Indices”), to be determined by the Manager], an exchange traded fund and an equity index. Henceforth, the Fund will have exposure to the following basket of underlying assets (“Underlying”):

60% of a commodity based index selected from the following:

- | | |
|---|---|
| i) JPMCCI Energy Excess Return Index | iii) Contag Beta Energy Excess Return Index-Alpha Index |
| ii) Contag Beta Energy Excess Return Index-Beta Index | iv) Contag Beta Energy Excess Return Index-Alpha Beta Index |

20% of Energy Select Sector SPDR Fund (exchange traded fund)

20% of MSCI World Energy Index (an equity index)

The selected commodity based index will provide investors with an exposure to global energy futures. The US-based exchange traded funds will give investors exposure to companies in the conventional energy sector and the equity index will provide investors with exposure to oil related companies. Collectively, the Underlying is reflective of the global energy sector.

The Fund’s portfolio will be structured as follows:

90% to 100% of NAV - Investments in Malaysian bonds, money market instruments and deposits with financial institutions.

Up to 10% of NAV - As capital payment for exposure to a derivative instrument in the form of a swap agreement that will provide the Fund with exposure to the global energy sector. With this capital payment, the Fund can have a notional amount of up to 100% of its NAV exposed to the Underlying which are linked to the global energy sector.

To gain exposure to this Underlying, the Fund will enter into monthly swap agreements (each a “Swap Agreement” and collectively the “Swap Agreements”) with J.P. Morgan Chase Bank Berhad (the “Swap Counterparty”) an indirect wholly owned subsidiary of JPMorgan Chase Bank N.A. The Swap Agreements are denominated in Ringgit Malaysia (“RM”).

BENCHMARK

Composite Benchmark comprising:

- | | |
|-----|---|
| 60% | S&P GSCI Energy Official Close Excess Return Index (RM) |
| 40% | MSCI World Energy Index (RM) |

DISTRIBUTION

DISTRIBUTION MODE - Distributions, 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.

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

*Note: "long term" in this context refers to a period of between 5 - 7 years.

KEY RISKS

As the Fund will invest in Malaysian fixed income securities and a particular type of derivative instrument certain risks are therefore peculiar to this Fund. They are:

CREDIT AND DEFAULT RISK - The possibility that the issuer of a fixed income security and debenture will be unable to make coupon or profit payments and/or repay or pay the principal in a timely manner thus lowering the value of the Fund's investment and subsequently the value of the investments of the unit holders of the Fund ("Unit Holder(s)").

INTEREST RATE RISK - The interest rate is a general indicator that will have an impact on the management of a fund. This risk refers to the effect of interest rate changes on the market value of a fixed income portfolio. In the event of rising interest rates, prices of debt securities will generally decrease and vice versa. Meanwhile, debt securities with longer maturities and lower coupon or profit rates are more sensitive to interest rate changes. This risk will be mitigated via the management of the duration structure of the fixed income portfolio.

COUNTERPARTY CREDIT RISK ASSOCIATED WITH DERIVATIVES - The Fund will enter into a financial derivative instrument, which exposes the Fund to the credit risk of the counterparty of the derivative and its ability to satisfy the terms of such instrument. As the Fund will generally enter into monthly Swap Agreements with the Swap Counterparty, the return payable under each Swap Agreement will therefore be subject to the risk that the Swap Counterparty will default on its obligations. If such a default occurred, the Fund will have contractual remedies pursuant to the relevant Swap Agreement. However, such remedies may be subject to the credit risk of the Swap Counterparty. In addition, the Fund will be subject to bankruptcy and insolvency laws which could affect the Fund's rights as a creditor. For example, the Fund may not receive the net amount of payments that it contractually is entitled to receive. In the event of a bankruptcy or insolvency of the Swap Counterparty, the Fund could experience delays in liquidating the position and thereby incur significant losses, including declines in the value of its investment during the period in which the Fund seeks to enforce its rights. The Fund may also suffer significant losses from the inability to realise any gains on its investment during such period and the incurrance of fees and expenses in enforcing its rights.

DERIVATIVE RISK - The Manager invests up to 10% of its NAV as capital payment for exposure to an over-the-counter (OTC) derivative instrument in the form of a one month rolling swap agreement. The Manager may also use derivatives for hedging existing positions in fixed income, efficient portfolio management and/or to meet the investment objectives of the Fund. While the prudent and judicious use of derivatives by professional investment managers can be beneficial, derivatives involve risks different from, and, in some cases, greater than, the risks presented by more traditional securities investments. Some of the risks associated with derivatives are market risk, management risk, credit risk, liquidity risk and leverage risk.

Investments in "over-the-counter" (OTC) instruments may be illiquid and are sometimes subject to larger spreads than exchange-traded derivative instruments. Participants in such OTC markets are typically subject to less regulatory supervision than members of exchange-based markets. Investments in derivatives may require the deposit of initial margin and additional deposit of margin on short notice if the market moves against the investment positions. If no provision is made for the required margin within the prescribed time, the Fund's investments may be liquidated at a loss. Therefore, it is essential that such investments in derivatives are monitored closely.

LEGAL/REGULATORY RISK - The risk that any changes in national or economic policies or regulations may have an adverse effect on the capital markets and could consequently have an impact on the investment of the Fund. Further, the Swap Agreement (the derivative asset of the Fund) is subject to the various legal provisions and the ability to perform is dependent on the absence of any legal/regulatory impediments and obstacles that may prohibit the Swap Counterparty or the Manager from performing or discharging its obligations. The Swap Agreement is executed pursuant to the prevailing rules and regulations governing the Swap Counterparty and the Manager by its respective regulatory authorities of its home jurisdiction. If such rules are amended in any way, the performance of the Fund may be affected.

RETURNS ARE NOT GUARANTEED - There is no guarantee on the investment returns to Unit Holders. Unlike fixed deposits which carry a specific rate of return, the Fund does not provide a fixed rate of return. In addition, as the Fund can have a notional amount of up to 100% of its NAV exposed to the performance of the Underlying through the execution of a Swap Agreement with the Swap Counterparty, there is a risk that the Fund may suffer losses up to the NAV. Consequently, in the worst case scenario investors may lose all their investments.

Specific Risks relating to the Underlying

SECTOR RISK - The risk that the Fund's investment may be exposed to risks associated to only a specific sector. As the Fund can have a notional amount of up to 100% of its NAV exposed to the Underlying which is in the global energy sector, the Fund is therefore exposed to the risks specific to the energy sector. This is the risk of adverse changes in supply and demand factors specific to the sector. The risks that affect this sector are varied, ranging from mining risk, economic risk, market risk, regulatory risk and geopolitical risk. Furthermore, with the Fund's exposure to the Underlying, this may result in a likelihood of a high volatility in the NAV per unit of the Fund.

CURRENCY RISK - This is also known as foreign exchange risk. This risk is associated with investments that are denominated in foreign currencies. As the Underlying of the derivative assets of the Fund are originally US Dollar based, the Fund's Underlying performance is subject to currency risk. When the foreign currencies fluctuate unfavourably against Ringgit Malaysia, the performance of the Underlying may be reduced or even result in losses after the adjustment for currency movements. This will lead to a lower NAV. Hedging may be applied to mitigate the currency risk, if necessary.

MANAGEMENT RISK - As the Fund has exposure to the performance of exchange traded fund, it is therefore subject to the management risk of the management company and investment manager of the exchange traded fund. Poor management of the exchange traded fund will jeopardize the investment of this Fund and in turn, the Unit Holders' investment through the losses sustained.

RISK LINKED TO THE MSCI WORLD ENERGY INDEX - The MSCI World Energy Index is an equity index. The fluctuation in the performance of the securities comprised within this index will affect the level of the index. Not all companies issuing the 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 of these companies which comprise the index will cause the level of the index to rise or fall accordingly.

Specific Risks relating to both the JPMCCI Energy Excess Return Index and the Contag Indices (collectively, the "Indices")

- *Diversification*
- *Amendment to the rules of the Indices*
- *Continuity of the Indices*
- *Potential Conflicts of Interest*

Specific Risks relating to the JPMCCI Energy Excess Return Index ("JPMCCI")

- *Price Return Risk*
- *The level of the JPMCCI*
- *Weighting Limitations*
- *Index Calculation Agent Discretion*

Specific Risks relating to the Contag Indices

- *Synthetic Exposure to Commodities*
- *Backwardation Seeking*
- *Contag Indices are "excess return" indices*
- *Investment in deferred futures contracts*
- *Commodity prices impacted by global macro-economic and political factors*
- *Index Calculation Agent discretion*

These specific risks of the JPMCCI Energy Excess Return Index and the Contag Indices are elaborated in the Fund's prevailing prospectus and its supplementary(ies) (if any).

FUND PERFORMANCE

AVERAGE TOTAL RETURNS OF THE FUND

Average total returns for the following periods ended 31 March 2018

	1 Year	3 Years	5 Years	Since Launch (12/04/2009* – 31/03/2018)
RHB Energy Fund (%)	1.66	7.93	-0.79	0.16
Benchmark [^] (%)	-0.51	-2.65	-6.27	-1.53

ANNUAL TOTAL RETURNS OF THE FUND

Annual total returns for the following financial years ended 31 March

	2018	2017	2016	2015	2014	2013	2012	2011	Since Launch (12/04/2009* – 31/03/2010)
RHB Energy Fund (%)	1.66	12.84	9.61	-28.14	6.36	-4.78	-17.70	22.45	10.01
Benchmark [^] (%)	-0.51	29.20	-28.17	-29.88	11.80	-1.52	-4.29	11.65	14.42

Source: Lipper IM, 12 April 2018. * The last day of the Fund's initial offer period. [^] Composite benchmark comprising 60% S&P GSCI Energy Official Close Excess Return Index (RM) and 40% MSCI World Energy Index (RM). 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 gain of 1.66% whilst its benchmark recorded a loss of -0.51%.

PORTFOLIO TURNOVER RATIO ("PTR")

PTR (times)	Financial Year Ended 31 March		
	2018	2017	2016
	2.25	1.36	1.18

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

DISTRIBUTION RECORD

	Financial Year Ended 31 March		
	2018	2017	2016
Gross distribution per unit (sen)	-	-	-
Net distribution per unit (sen)	-	-	-

For the latest financial year, no distribution has been proposed by the Fund.

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:

Charges

Sales charge¹ by distribution channels

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.

Repurchase charge

None.

Dilution fee/transaction cost factor

None.

Other charges payable directly by the investors

Switching fee ¹	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 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	1.50% per annum of NAV before deducting the Manager's and Trustee's fees for that particular day.
Annual trustee fee ¹	Up to 0.08% per annum of NAV before deducting the Manager's and Trustee's fees for that particular day (excluding foreign custodian fee and charges).
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 and other notices to Unit Holders, commissions paid to brokers, other transaction costs and taxes.
Other fees payable indirectly by an investor (if any)	In consideration of the swap transaction entered into with the Swap Counterparty, the counterparty will charge a swap transaction fee of 1.50% p.a. The fee is computed based on the notional amount exposed by the Fund.

¹ 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.

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.
Switching Facility and Frequency of Switching	Available. <ul style="list-style-type: none"> • Minimum amount for a switch is RM1,000. • There are no restrictions as to the number of switches or the frequency of switching. Minimum investment balance at all times must be one hundred (100) units after the switch.
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 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.
Cooling-off Period	Unit Holders have the right to request for a refund of their investment 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.
Business Day	A day (other than Saturdays, Sundays and public holidays) in which: <ul style="list-style-type: none"> (i) Bursa Malaysia is open for trading; and (ii) the banks in Kuala Lumpur, London, New York and Hong Kong are open for trading or business as the case may be.
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. However, certain foreign markets in which the Fund may invest in have different time zones from that of Malaysia.

Accordingly, the valuation of the Fund for a Business Day will be conducted before 5:00 p.m. on the following day in which the Manager is open for business, when the closing prices of the foreign markets for that Business Day would be available.

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

Investors may however obtain the most current computed price by contacting the Manager directly or visiting our website, 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 office or any of its branch offices, or to any of its authorised sales agents or participating IUTAs 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 of the Fund 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.

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.

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 ❖ **via website to:** www.rhbgroup.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 ❖ **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.