

## RHB GLOBAL FOOD ISLAMIC EQUITY FUND

### 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 Global Food Islamic Equity Fund and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

The authorisation of the RHB Global Food Islamic Equity Fund and lodgement of this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends the RHB Global Food Islamic Equity 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 RHBIIAM responsible for the RHB Global Food Islamic Equity 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.

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 Global Food Islamic Equity 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 Global Food Islamic Equity Fund ("Fund").	<b>Fund Category</b>	Equity.
<b>Manager</b>	RHB Islamic International Asset Management Berhad.	<b>Launch Date</b>	11 August 2011.
<b>Trustee</b>	HSBC (Malaysia) Trustee Berhad.	<b>Financial Year End</b>	31 August.
<b>Shariah Adviser</b>	RHB Islamic Bank Berhad.		

### PRODUCT SUITABILITY

This Fund is suitable for investors who:

- (i) seek global Shariah-compliant equity investment exposure;
- (ii) wish to participate in the potential gains from investing in Shariah-compliant securities of companies involved in food and food related businesses;
- (iii) are willing to accept a higher risk in their investments to obtain potentially higher returns in the medium to long term\*; and
- (iv) seek capital appreciation.

### KEY PRODUCT FEATURES

#### INVESTMENT OBJECTIVE

This Fund aims to achieve medium to long term\* capital appreciation, through investments in Shariah-compliant securities of companies that are involved in the food based and/or food-related businesses globally.

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

#### INVESTMENT STRATEGY

This Fund will focus on investing its assets in Shariah-compliant equities and equity-linked securities such as warrants and preferred shares of companies that are involved in the food based and/or food related businesses identified by the Manager as having strong potential to outperform the benchmark return of 7% growth per annum in Net Asset Value ("NAV") of a unit.

As such, this Fund will tap into the massive potential growth in the food industry by investing into:

- (i) companies exposed to the fast growing sub-segment of the food industry in general and/or in particular countries;
- (ii) companies involved in food and food related business; and
- (iii) food companies from developed countries which are global brand names and which are beneficiaries of the growing demand of the emerging economies.

When investing in foreign markets, these are companies identified by the Manager that are listed in foreign markets under the supervision of regulatory authorities who are members of the International Organisation of Securities Commissions (IOSCO), which offer growth potential and/or having the potential to pay dividend.

In line with the aspirations of an investor who seek to invest in an Islamic fund, this Fund will only invest in Shariah-compliant companies approved by the Shariah Adviser. This will exclude companies involved in non halal food such as tobacco, pork products and alcohol.

This Fund's portfolio will be structured as follows:

70% to 98% of NAV - Investment in Shariah-compliant equities and equity-linked securities such as warrants and preferred shares of companies that are involved in the food and food-related businesses and which offers growth potential and/or dividend.

2% to 30% of NAV - Investments in sukuk, Islamic money market instruments, cash and any deposits that are not embedded with or linked to financial derivative instruments (structured deposits) and (where applicable) these are current accounts, short term Islamic money market deposits and short term Islamic deposits with financial institutions ("Islamic Deposits").

Generally, the Fund will have a Shariah-compliant equity exposure of 70% to 98% of the NAV to generate returns to the Fund. However, the Manager may take temporary defensive positions that may be inconsistent with the Fund's investment 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 sukuk, Islamic money market instruments and Islamic Deposits.

## BENCHMARK

7.00% growth per annum in NAV of a unit over a medium to long term.

**This is only a measurement of the Fund's performance and is not a guaranteed return. The Fund may not achieve the aforesaid 7% per annum growth rate in any particular financial year but targets to achieve this growth over the medium to long term.**

## 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. Net distributions, if any, will be reinvested.

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

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

## KEY RISKS

**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 a local market where the Fund is invested in or global markets and subsequently, the value of the Fund's investments.

**PARTICULAR SECURITIES RISK** - The Fund's portfolio comprise primarily of equities and sukuk. 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.

**RECLASSIFICATION OF SHARIAH STATUS RISK** - This is an inherent risk of an Islamic fund i.e. where the currently held Shariah-compliant securities in the portfolio may be reclassified to be Shariah non-compliant securities in the periodic review of the securities by the SACSC, the Shariah Adviser or the Shariah Board of the relevant Islamic indices providers. If this occurs, the value of the Fund may be adversely affected where the Manager will take the necessary steps to dispose of such securities. Any capital gains arising from the disposal of the Shariah non-compliant securities made at the time of the announcement can be kept by the Fund. However, any excess capital gains derived from the disposal after the announcement day at the market price that is higher than the closing price on the announcement day should be channelled to baitulmal or charitable bodies as advised by the Shariah Adviser.

**SINGLE SECTOR RISK** - Investors should also be aware that investments in single sector which may present greater opportunities and potential for capital appreciation may be subject to higher risks as they may be less diversified than a typical portfolio that is not sector specific. Further, as the Fund invests in the global food and food related sector, the Fund may be impacted more negatively than a fund that is diversely invested in many sectors.

**INTEREST RATE RISK** - The price for sukuk moves in opposite direction with interest rates. When interest rates rise, price for sukuk will generally fall. This rise in interest rates will cause the investor to face the risk of capital loss. However, when interest rates fall, price for sukuk will generally increase, thus investors will see capital gains.

*\*(Note: interest rate is a general indicator that will have an impact on the management of a fund regardless of whether it is a Shariah-compliant fund or otherwise. It does not in any way suggest that the Fund will invest in securities or instruments, which are Shariah non-compliant. All investments carried out for the Fund are in accordance with the requirements of the Shariah.)*

**CREDIT/DEFAULT RISK** - This refers to the creditworthiness of the sukuk issuer and its expected ability to pay principal and/or profit due. Default happens when the issuer is not able to make profit payments and/or pay the principal payment in a timely manner thus affecting the value of the Fund's investments and subsequently the value of investments of the unit holders of the Fund ("Unit Holder(s)").

**CURRENCY RISK** - Where a percentage of the value of the Fund is invested in foreign currency or assets denominated in a foreign currency, the Fund may be exposed to currency risk. Fluctuation in foreign exchange rates will affect the value of the Fund's foreign investments when converted into local currency and subsequently the value of Unit Holders' investments. This risk can be minimised through investing in a wide range of foreign currency denominated asset thus diversifying the risk of single currency exposure. Hedging may be applied to mitigate the currency risk, if necessary.

**COUNTRY RISK** - In addition to currency risk, the Fund is also subject to country risk, for example the value of the assets of the Fund may be affected by the economic and political climate, restriction on currency repatriation or other developments in the law or regulations of the countries in which the Fund may invest. Further, when investing in foreign markets, there are countries which may require prior approvals before investments can take place. 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 any investment 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 investment 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 foreign market 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.

**EQUITY RELATED SECURITIES RISK** - The Fund may also invest in equity related securities i.e. derivatives such as warrants. As warrants are linked to the particular equity securities from which they are derived, the warrants inherit the risks linked to that underlying equity security such as market risk, currency risk, country risk, industry risk and liquidity risk. Thus, the value of the investments in warrants is also subject to the day to day movement in the prices of their underlying equity securities. Warrants also have a limited life and if they are not exercised at the maturity, they will expire. While warrants become worthless if they are not exercised before maturity, causing the value of the Fund's investments to fall and like any other investments, the fall in the value of the Fund's investments will ultimately lower the NAV.

## FUND PERFORMANCE

### AVERAGE TOTAL RETURNS OF THE FUND

Average total returns for the following periods ended 31 August 2018

	1 Year	3 Years	5 Years	Since Launch (31/08/2011* - 31/08/2018)
RHB Global Food Islamic Equity Fund (%)	4.90	5.34	4.00	5.50
Benchmark^ (%)	7.00	6.99	7.00	6.99

### ANNUAL TOTAL RETURNS OF THE FUND

Annual total returns for the following financial years ended 31 August

	2018	2017	2016	2015	2014	2013	Since Launch (31/08/2011* - 31/08/2012)
RHB Global Food Islamic Equity Fund (%)	4.90	-4.04	16.08	3.84	0.22	12.44	6.42
Benchmark^ (%)	7.00	6.99	6.99	7.00	7.00	7.00	7.05

Source: Lipper IM, 20 September 2018. \* The last day of the Fund's initial offer period. ^ The benchmark of the Fund is 7.00% growth per annum in NAV of a unit over a medium to long term. 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 financial year, the Fund recorded a gain of 4.90% whilst its benchmark recorded a gain of 7.00%.

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

PTR (times)	Financial Year Ended 31 August		
	2018	2017	2016
	1.67	1.74	0.34

The PTR for the financial year was lower compared with previous financial year as there were less investment activities carried out during the latest financial year.

#### DISTRIBUTION RECORD

	Financial Year Ended 31 August		
	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 this Fund:*

##### Charges

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

Institutional Unit Trust Adviser (IUTA)	Up to 5.50% of the investment amount.
CIMB Wealth Advisors Berhad	Up to 6.50% 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 <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 <sup>1</sup>	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 <sup>1</sup>	1.80% per annum of NAV before deducting the Manager's and Trustee's fees for that particular day.
Annual trustee fee <sup>1</sup>	0.08% per annum of NAV 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, custodial charges, other relevant professional fees, cost of distribution of interim and annual reports, tax certificates, reinvestment statement and other notices to Unit Holders, commission 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 the 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 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.

#### 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 Redemption	No restrictions.
Minimum investment balance	100 units or such other lower quantity as the Manager may from time to time accept.
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 investments 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.
Switching facility and frequency of switching	<ul style="list-style-type: none"> <li>▪ Available.</li> <li>▪ Minimum amount for a switch is RM1,000.00.</li> <li>▪ There are no restrictions as to the number of switches a Unit Holder may perform or the</li> </ul>

	<p>frequency of switching.</p> <ul style="list-style-type: none"> <li>▪ Minimum investment balance at all times must be one hundred (100) units or such other lower quantity as the Manager may from time to time decide after the switch.</li> </ul>
Transfer facility	Available. In the event of a partial transfer, both the transferor and the transferee must each hold a minimum investment balance (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 and the foreign markets* are open for trading. *foreign markets in which investments of the Fund having in aggregates values amounting to at least 50% of the Fund's NAV are invested therein.
Dealing hours	9:00a.m. to 4:00p.m. (Malaysia time) on any Business Day.

**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, 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

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 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.

Units can be redeemed by forwarding the completed form of request to repurchase to the Manager's registered/principal office or to the Manager's participating IUTAs on any day other than Saturdays, Sundays and public holidays before their respective cut-off times.

Redemption monies to 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 [rhbiiam.enquiry@rhbggroup.com](mailto:rhbiiam.enquiry@rhbggroup.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:** [rhbiiam.enquiry@rhbggroup.com](mailto:rhbiiam.enquiry@rhbggroup.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](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.