

Date: 3 August 2017

## **RHB MALAYSIA DIVIDEND 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 Malaysia Dividend Fund and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

The authorisation of the RHB Malaysia Dividend Fund and lodgement of this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends the RHB Malaysia Dividend 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 Malaysia Dividend 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.

This Product Highlights Sheet only highlights the key features and risks of RHB Malaysia Dividend Fund. Investors are advised to request, read and understand the Disclosure Documents before deciding to invest.

## PRODUCT HIGHLIGHTS SHEET

### RHB MALAYSIA DIVIDEND FUND

<b>Name of Fund</b>	RHB Malaysia Dividend Fund ("Fund").
<b>Manager</b>	RHB Asset Management Sdn Bhd.
<b>Trustee</b>	HSBC (Malaysia) Trustee Berhad.
<b>Fund Category</b>	Equity fund.
<b>Commencement Date</b>	4 March 2008.
<b>Financial Year End</b>	31 March.

#### PRODUCT SUITABILITY

This Fund is suitable for investors who:

- (i) seek a diversified domestic investment portfolio;
- (ii) seek capital growth and recurring income in the medium to long term\* period;
- (iii) seek a steady investment; and
- (iv) are willing to accept a moderate risk in their investment.

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

#### KEY PRODUCT FEATURES

##### INVESTMENT OBJECTIVE

This Fund aims to provide investors with capital growth and recurring income<sup>^</sup> in the medium to long term\* through investments in securities of and securities relating to Malaysian companies which offer attractive yields and sustainable dividend payments.

Note: <sup>^</sup> The income is in the form of units. Please refer to the Fund's distribution mode.

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

##### INVESTMENT STRATEGY

The Fund aims to achieve its objective through investments in companies that focus on shareholder value in the form of sustainable dividend returns or have the potential to offer dividend yields combined with the prospect for growth.

Hence, the Manager's strategy is to identify companies that offer or have the potential to offer dividend yields and whose cash flow generated by business and management activities are expected to support such dividend payment. The Manager may also invest in growth or recovery stocks which have the potential to adopt a strong dividend payout policy.

The Fund will also invest in fixed income securities where the potential returns from these securities are favourable as compared to equities. The Fund's investment in fixed income securities will be that of debt securities issued by corporations, financial institutions and government (comprising amongst others of convertible debt securities, redeemable debt securities, bonds / securities that are issued and/or guaranteed by the government or quasi-government agencies, corporate bonds carrying at least BBB ratings by RAM Rating Services Berhad or its equivalent rating by any other rating establishment) as well as fixed income collective investment scheme, money market instruments, cash and deposits with financial institutions.

The Manager employs fundamental and bottom-up valuation analysis as an integral part of their investment process. This includes evaluation of company management, products & services, competitive positioning, operating outlook, earnings prospects, risk factors and corporate governance standards, looking at discounted cashflow models, comparative multiples (eg. price earnings ratio, price to book value) and profitability measures (eg. returns on equity).

This Fund's portfolio will be structured as follows:

70% to 98% of Net Asset Value

- Investment in equity and equity-related securities of Malaysian companies which offer attractive yields<sup>#</sup> and sustainable dividend payments.

2% - 30% of Net Asset Value

- Investment in liquid assets, fixed income securities, money market instruments and deposits with financial institutions.

Note: <sup>#</sup> This refers to Malaysian companies that have the potential to offer dividend yields combined with the prospect for growth.

Subject to the range stipulated above, the asset allocation will be reviewed from time to time depending on the judgement of the Manager as to the general market and economic conditions. 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 cheaper 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.

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.

### BENCHMARK

FTSE Bursa Malaysia Emas Index.

### DISTRIBUTION

Distribution Policy	Consistent with the Fund's objective to provide medium to long term* capital growth and recurring income <sup>^</sup> , the Fund will distribute a substantial portion of its returns to the Unit Holders. Distributions, if any, will be declared annually and will be reinvested after deduction of taxation and expenses. Note: * "medium to long term" in this context refers to a period between 3 - 7 years. <sup>^</sup> The income is in the form of units. Please refer to the Fund's distribution mode.
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 Net Asset Value 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.

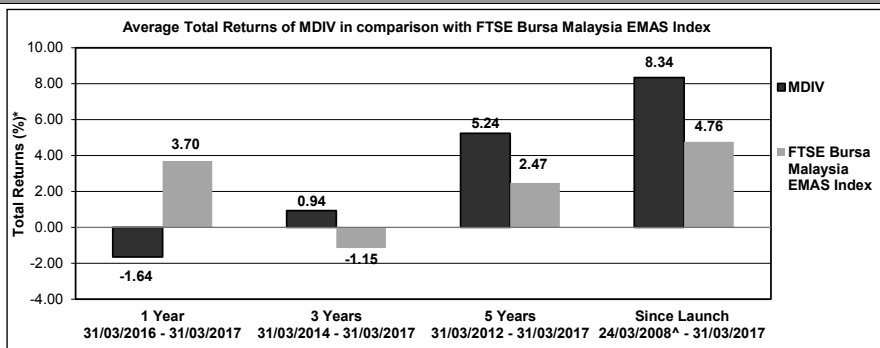
### KEY RISKS

As the Fund invests in a portfolio mix mainly of equity and equity-related securities which offer attractive yields and sustainable dividend payments and fixed income securities, money market instruments and deposits with financial institutions or liquid assets, certain specific 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 Unit Holders' investments.

### FUND PERFORMANCE

#### AVERAGE TOTAL RETURNS OF THE FUND



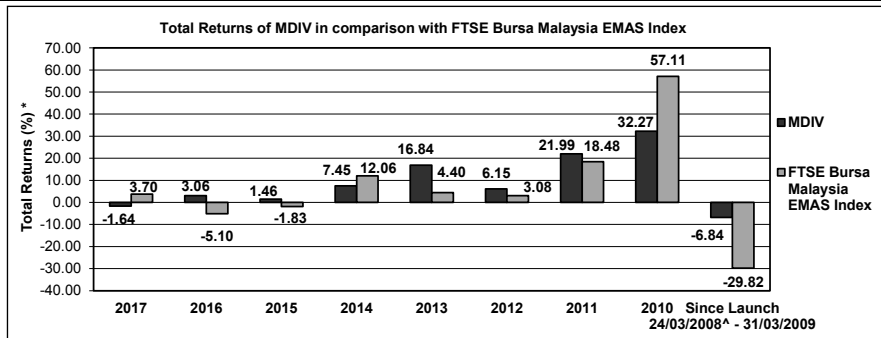
Source: Lipper IM.

<sup>^</sup> Being the last day of the Fund's initial offer period.

\* The abovementioned Fund performance is computed on Net Asset Value to Net Asset Value basis and has been adjusted to reflect distributions and unit splits, if any and are annualised.

Since launch, the Fund has achieved an annualised return of 8.34% compared to its benchmark annualised return of 4.76%. As such, the Fund has met its objective of providing investors with capital growth and recurring income.

#### ANNUAL TOTAL RETURNS OF THE FUND



Source: Lipper IM.

<sup>a</sup>Being the last day of the Fund's initial offer period.

\* The abovementioned Fund performance is computed on Net Asset Value to Net Asset Value basis and has been adjusted to reflect distributions and unit splits, if any.

For the last financial year, the Fund recorded a loss of 1.64% in NAV terms while its benchmark recorded a gain of 3.70%. The Fund has achieved its objective of providing capital growth and recurring income during the last financial year.

#### PORTFOLIO TURNOVER RATIO

Portfolio Turnover Ratio ("PTR")	Financial Year Ended 31 March		
	2017	2016	2015
	0.39 times	0.66 times	0.77 times

The PTR for the financial year was lower compared with the previous financial year as there were lesser investment activities during the financial year.

#### ASSET ALLOCATION

As at the latest financial year end (i.e. 31 March 2017), the Fund was 93.95% invested in equities and the remaining 6.05% invested in deposits or held as cash.

	As at 31/03/2017 %	As at 31/03/2016 %	As at 31/03/2015 %
<b>Equities</b>			
Construction	-	2.20	5.67
Consumer Products	28.63	19.53	4.90
Finance	2.97	9.74	21.53
Industrial Products	24.24	21.40	5.58
Infrastructure Project Companies	4.09	3.88	5.12
Properties	-	-	7.80
Technology	-	3.17	2.78
Trading/Services	33.87	36.63	39.43
TSR & Warrants	0.15	0.14	-
Real Estate Investment Trust (REITs)	-	-	2.17
	93.95	96.69	94.98
Liquid assets and other net current assets	6.05	3.31	5.02
	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

The asset allocation was reflective of the manager's stance to risk manage its portfolio in an environment of volatile markets.

<b>DISTRIBUTION RECORD</b>			
	<b>Financial Year Ended 31 March</b>		
	<b>2017</b>	<b>2016</b>	<b>2015</b>
Gross distribution per unit (sen)	1.4000	3.2500	-
Net distribution per unit (sen)	1.4000	3.2500	-
The distribution was reinvested to purchase additional units of the Fund based on the Net Asset Value per unit as at the first Business Day when units in the Fund were quoted ex-entitlement.			
<b>PAST PERFORMANCE OF THE FUND IS NOT AN INDICATION OF ITS FUTURE PERFORMANCE.</b>			
<b>FEES &amp; CHARGES</b>			
<i>This table describes the charges that you may directly incur when you buy or redeem units of this Fund:</i>			
<b>Charges</b>			
<b>Sales charge<sup>1</sup> by distribution channels</b>			
Institutional Unit Trust Adviser (IUTA)	Up to 5.50% of investment amount.		
Tied (Retail) Agent	Up to 5.50% of investment amount.		
Direct Sales (Direct Investment with the Manager)	Up to 5.50% 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 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).			
<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.		
<i>This table describes the fees that you may indirectly incur when you invest in the Fund:</i>			
<b>Fees and Expenses</b>			
Annual management fee <sup>1</sup>	1.50% per annum of Net Asset Value 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 Net Asset Value 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 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 GST is effective from 1 April 2015 at the rate of 6% and the fees and charges payable are exclusive of GST. <b>Note:</b> 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.			
<b>TRANSACTION INFORMATION</b>			
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>8</sup> which shall be effective from the date of receipt of the application by the Manager, subject to eligibility. <sup>8</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).

### 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 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@rhbgroup.com](mailto:rhbam@rhbgroup.com).

#### HOW DO YOU LODGE A COMPLAINT?

1. For internal dispute resolution, you may contact:

- |  |   |
|--|---|
| (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@rhbgroup.com">rhbam@rhbgroup.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<br>RHB Centre, Jalan Tun Razak<br>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):

- |                   |  |
|-------------------|--|
| (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<br>Menara UOA Bangsar<br>No. 5, Jalan Bangsar Utama 1<br>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 Investor Affairs & Complaints Department:
- (a) via phone to the Aduan Hotline at : 03-6204 8999
  - (b) via fax to : 03-6204 8991
  - (c) via e-mail to : [aduan@seccom.com.my](mailto:aduan@seccom.com.my)
  - (d) via online complaint form available at : [www.sc.com.my](http://www.sc.com.my)
  - (e) via letter to : Investor Affairs & Complaints Department  
Securities Commission Malaysia  
No 3 Persiaran Bukit Kiara  
Bukit Kiara  
50490 Kuala Lumpur
4. Federation of Investment Managers Malaysia (FIMM)'s Complaints Bureau:
- (a) via phone to : 03-2092 3800
  - (b) via fax to : 03-2093 2700
  - (c) via e-mail to : [complaints@fimm.com.my](mailto:complaints@fimm.com.my)
  - (d) via online complaint form available at : [www.fimm.com.my](http://www.fimm.com.my)
  - (e) 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

## GLOSSARY

Business Day	A day (other than Saturdays, Sundays and public holidays) in which Bursa Malaysia is open for trading.
Disclosure Documents	The Fund's prevailing prospectus and its supplementary(ies) (if any).
EPF	Employees Provident Fund.
Fund	RHB Malaysia Dividend Fund ("MDIV").
GST	Goods and services tax.
Net Asset Value (NAV)	The net asset value of the Fund is determined by deducting the value of all the Fund's liabilities from the value of all the Fund's assets, at the valuation point.
RM or Ringgit Malaysia	The lawful currency of Malaysia.
Unit Holder(s)	The person(s) for the time being registered under the provisions of the deed as the holder(s) of units and person(s) jointly so registered.