

Date: 20 March 2018

## RHB SMALL CAP OPPORTUNITY UNIT TRUST

### 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 Small Cap Opportunity Unit Trust and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

The authorisation of the RHB Small Cap Opportunity Unit Trust and lodgement of this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends the RHB Small Cap Opportunity Unit Trust 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 Small Cap Opportunity Unit Trust 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 Small Cap Opportunity Unit Trust. 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 Small Cap Opportunity Unit Trust ("Fund").	<b>Fund Category</b>	Equity fund (Small-cap fund).
<b>Manager</b>	RHB Asset Management Sdn Bhd.	<b>Launch Date</b>	20 April 1998.
<b>Trustee</b>	HSBC (Malaysia) Trustee Berhad.	<b>Financial Year End</b>	31 December.

### PRODUCT SUITABILITY

This Fund is suitable for fairly aggressive investors who are willing to accept higher risk in order to obtain higher growth of their capital over a long term\* period.

### KEY PRODUCT FEATURES

#### INVESTMENT OBJECTIVE

This Fund aims to achieve long term\* capital appreciation through investments in companies with market capitalisation of not more than RM750 million.

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

#### INVESTMENT STRATEGY

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

95% - 98% of Net Asset Value ("NAV") - Investments in securities of companies with market capitalisation of not more than RM750 million.

2% - 5% of NAV - Investments in liquid assets including bonds, money market instruments and deposits with financial institutions.

Restriction on market capitalisation mentioned above is determined at the point of purchase. 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 very much depend on market opportunities.

For investments in foreign markets, the Manager in managing the principal risks such as country risk and currency risk will always take into consideration its evaluation of the historical developments and its prior experience in such markets. Such practice will be managed through active management and constant review of the economic and political developments of the countries invested. Investments will ultimately be made based on risk-reward.

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, 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 equity value and other available equity 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 the Fund's equity investments into other asset classes such as fixed income securities, money market instruments and deposits with any 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. In its reallocation, the level of equity investments would normally not be below 20% of the NAV.

#### BENCHMARK

FTSE Bursa Malaysia Fledgling Index ("FBM Fledgling Index").

#### DISTRIBUTION

**DISTRIBUTION POLICY** - Consistent with the Fund's objective to achieve capital growth, distributions will therefore be of secondary importance. Distributions, if any, after deduction of taxation and expenses, are generally declared annually and will be reinvested.

**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 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.

\*\*Note: Business Day refers to a day (other than Saturdays, Sundays and public holidays) in which Bursa Malaysia is open for trading.

#### KEY RISKS

As the Fund invests only in small to medium sized companies, it may therefore be subject to a higher level of risk than a portfolio diversifying its holdings to include larger sized companies. Moreover, the acquisition or disposal of securities of small to medium size companies may require a longer time period as there are generally less ready buyers or sellers as compared to the securities of larger, more established companies. Hence there is a risk that securities may not be sold at or near fair value depending on the volume traded on the market. Furthermore, as the size of the Fund grows larger, there may be insufficient securities of small to medium sized companies as a larger number of these securities is required to be acquired or disposed before there is any impact on the Fund. Other risks associated with investments in equities are as elaborated below:

**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 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 or 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.

As this Fund may invest up to 30% of its NAV in foreign markets, it may be subject to further risks, such as currency risk and country risk, when compared to a portfolio which concentrates its holdings in a single market or economy.

#### FUND PERFORMANCE

##### AVERAGE TOTAL RETURNS OF THE FUND

Average total returns for the following periods ended 31 December 2017

	1 Year	3 Years	5 Years	10 Years
RHB Small Cap Opportunity Unit Trust (%)	13.44	8.54	13.10	5.72
Benchmark^ (%)	17.05	9.70	14.86	7.92

##### ANNUAL TOTAL RETURNS OF THE FUND

Annual total returns for the following financial years ended 31 December

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
RHB Small Cap Opportunity Unit Trust (%)	13.44	-10.09	25.39	9.27	32.48	20.74	-0.02	9.70	12.56	-36.79
Benchmark^ (%)	17.05	-4.54	18.18	11.07	36.33	6.21	0.08	17.43	44.62	-40.48

Source: Lipper IM, 18 January 2018. ^ The benchmark's performances are computed (where applicable) based on the following composition: KLESE Second Board Index from 31 December 2002 – 31 October 2007, FBM Second Board Index from 31 October 2007 – 31 July 2009 and FBM Fledgling Index from 31 July 2009 onwards. The abovementioned Fund performance is computed on NAV to NAV basis and has been adjusted to reflect distributions and unit splits, if any and are annualised.

The Fund recorded an annual gain of 13.44% while its benchmark registered an annual gain of 17.05% in the latest financial year.

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

PTR (times)	Financial Year Ended 31 December		
	2017	2016	2015
	0.35	0.30	1.02

The PTR for the latest financial year was higher compared with the previous financial year as there were more investment activities during the latest financial year.

##### DISTRIBUTION RECORD

	Financial Year Ended 31 December		
	2017	2016	2015
	Gross distribution per unit (sen)	8.1000	9.6000
Net distribution per unit (sen)	8.1000	9.6000	14.1500

For the latest financial year, the Fund has declared a gross distribution of 8.1000 sen per unit.

#### PAST PERFORMANCE OF THE FUND IS NOT AN INDICATION OF ITS FUTURE PERFORMANCE.

#### FEES & CHARGES

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

Charges	
Sales charge <sup>1</sup> by distribution channels	
Institutional Unit Trust Adviser (IUTA)	Up to 6.38% of investment amount.
Tied (Retail) Agent	Up to 6.38% of investment amount.
Direct Sales (Direct Investment with the Manager)	Up to 6.38% 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 ("Employees Provident Fund") Members' Investment Scheme will be levied a sales charge of up to 3.00% of the investment amount (or such other rate that may be determined by the EPF from time to time). Please note that there may be changes to the

status of the eligibility of the Fund under the EPF Members' Investment Scheme from time to time. Investors may refer to <http://www.kwsp.gov.my> for updated information on the eligibility of the Fund under the EPF Members' Investment Scheme.

<b>Repurchase charge</b>	None.
<b>Dilution fee or transaction cost factor</b>	None.

**Other charges payable directly by the investors**

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.

*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>	1.50% per annum of NAV before deducting the Manager's and Trustee's fees for that particular day.
Annual trustee fee <sup>1</sup>	Up to 0.07% per annum of NAV before deducting the Manager's and Trustee's fees for that particular day.
Expenses directly related to the Fund	Auditors' fees, custodial charges, other relevant professional fees, cost of distribution of interim and annual reports, tax certificates, reinvestment statements or distribution cheques (where applicable) and other notices to unit holders of the Fund ("Unit Holder(s)"), 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 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 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	RM200 or such other amount as the Manager may from time to time accept.
Minimum Additional Investment	Any amount.
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>a</sup> which shall be effective from the date of receipt of the application by the Manager, subject to eligibility. <sup>a</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 <sup>**</sup> 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<sup>\*\*</sup>. 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<sup>\*\*</sup> 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<sup>\*\*</sup> would be available. As such, the daily price of the Fund for a particular Business Day<sup>\*\*</sup> 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 directly or visiting our website, [www.rhbgroup.com](http://www.rhbgroup.com).

<sup>\*\*</sup>Note: Business Day refers to a day (other than Saturdays, Sundays and public holidays) in which Bursa Malaysia is open for trading.

**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 : [rhbam@rhbgroup.com](mailto:rhbam@rhbgroup.com)
  - (e) via website at : [www.rhbgroup.com](http://www.rhbgroup.com)
  - (f) 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):
  - (a) via phone to : 03-2282 2280
  - (b) via fax to : 03-2282 3855
  - (c) via e-mail to : [info@sidrec.com.my](mailto:info@sidrec.com.my)
  - (d) 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:
  - (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 : 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:
  - (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