

Date: 3 September 2017

## **RHB US FOCUS EQUITY FUND**

### **RESPONSIBILITY STATEMENT**

This Product Highlights Sheet has been reviewed and approved by the directors of RHB Asset Management Sdn Bhd and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, they confirm to the best of their knowledge and belief, 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 US Focus Equity Fund and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

The authorisation of the RHB US Focus Equity Fund and lodgement of this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends the RHB US Focus 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 RHB Asset Management Sdn Bhd responsible for the RHB US Focus 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.

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

## PRODUCT HIGHLIGHTS SHEET

### RHB US FOCUS EQUITY FUND

<b>Name of Fund</b>	RHB US Focus Equity Fund ("Fund").
<b>Manager</b>	RHB Asset Management Sdn Bhd.
<b>Trustee</b>	HSBC (Malaysia) Trustee Berhad.
<b>Fund Category</b>	Feeder fund.
<b>Commencement Date</b>	15 October 2010.
<b>Financial Year End</b>	31 October.

#### PRODUCT SUITABILITY

This Fund is suitable for investors who:

- (i) seek investment opportunities in the US market;
- (ii) have medium to high risk appetite; and
- (iii) seek capital growth.

#### KEY PRODUCT FEATURES

##### INVESTMENT OBJECTIVE

The Fund will invest in a target fund which aims to provide capital growth primarily through investment in equity securities of smaller and medium-sized US companies. Smaller and medium-sized US companies are considered companies which, at the time of purchase, form the bottom 40% by market capitalisation of the US market.

##### INVESTMENT STRATEGY

The Fund will invest principally in one of the funds under the Schroder International Selection Fund ("Schroder ISF") that is, the Schroder International Selection Fund US Small & Mid-Cap Equity ("Schroder ISF USSME"), which is managed by the management company, Schroder Investment Management (Luxembourg) S.A. and whose investment manager is Schroder Investment Management North America Inc. Schroder Investment Management North America Inc. is regulated by the Securities Exchange Commission, USA under the Investment Company Act of 1940. The Fund will invest into the Schroder ISF USSME - X Accumulation Share Class (denominated in US Dollars). Schroder ISF USSME, launched on 10 December 2004 is a collective investment scheme domiciled in Luxembourg and is regulated by the Commission de Surveillance du Secteur Financier (Luxembourg Financial Sector Supervising Authority) under the Luxembourg Law on Undertakings for Collective Investment dated 17 December 2010. Schroder ISF USSME invests primarily in equity securities of smaller and medium-sized US companies. These are US companies which, at the time of purchase, form the bottom 40% by market capitalisation of the US market.

Its asset allocation is as follows:

At least 95% of Net Asset Value

- Investments in the X Accumulation Shares of Schroder ISF USSME.

2% - 5% of Net Asset Value

- Investments in liquid assets including money market instruments and deposits with financial institutions.

Since the Fund's commencement date on 15 October 2010, the Fund has invested into the A Share Class of the target fund, i.e. Schroder ISF USSME – A Accumulation Share Class (denominated in US Dollars). However, effective 31 March 2011, the management company of Schroder ISF USSME has closed off the subscription of the A Share Class of Schroder ISF USSME as it had reached its optimum size. Prior to the closure and as of 25 March 2011, the management company of Schroder ISF USSME has established the X Share Class of Schroder ISF USSME, i.e. the Schroder ISF USSME – X Accumulation Share Class, to co-exist alongside the A Share Class and to allow the Fund to continue to invest in Schroder ISF USSME. This X Share Class has all the same features as that of the A Share Class of Schroder ISF USSME (i.e. the Schroder ISF USSME – A Accumulation Share Class) except for the difference in the management fee of Schroder ISF USSME. This difference however does not prejudice nor affect the interests of all Unit Holders as any management fee charged to Schroder ISF USSME is fully refunded to the Fund, which means that **there is no double charging of management fee and the Unit Holder will incur only one management fee and only at the Fund's level.**

Although the Fund is passively managed, the investments in the Fund will be rebalanced from time to time to meet sales and redemptions transactions and to enable the proper and efficient management of the Fund.

The Manager does not adopt a temporary defensive position for the Fund in response to adverse market, economic, political, or any other conditions as such defensive strategies are expected to be implemented at the target fund level, i.e. Schroder ISF USSME when deemed necessary by Schroder ISF USSME's manager. This will allow the Fund to best track the performance of Schroder ISF USSME. It also follows that if Schroder ISF USSME fails to adopt a successful defensive position in response to adverse market and economic conditions, there is a risk that the Fund will mirror the Schroder ISF USSME's negative performance, if any. Also, investors should note that at all times the Fund is always subject to currency.

This Fund is a feeder fund that invests at least 95% of its Net Asset Value in Schroder ISF USSME. The risk management strategies and techniques employed will be at the Schroder ISF USSME level.

Notwithstanding anything stated herein, the Manager may, in consultation with the Trustee and with the Unit Holders' approval, replace Schroder ISF USSME with another fund of a similar objective if, in the Manager's opinion, Schroder ISF USSME no longer meets this Fund's investment objective, or when acting in the interest of the Unit Holders.

### BENCHMARK

Russell 2500 TR Lagged (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 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.

**Distribution Policy** Consistent with the Fund's objective to achieve capital growth, distribution will therefore be of secondary importance. Distribution, if any, after deduction of taxation and expenses, will be reinvested.

### KEY RISKS

As this Fund invests at least 95% of its Net Asset Value in the target fund, Schroder ISF USSME, it is subject to the management risk of the management company and investment manager of Schroder ISF USSME. Poor management of Schroder ISF USSME will jeopardise the investment of this Fund in Schroder ISF USSME and in turn, the Unit Holders' investment through the loss of capital invested in this Fund.

In addition, as Schroder ISF USSME is domiciled in Luxembourg and denominated in US Dollars, this Fund may be subject to currency and country risk. Changes in rates of exchange between currencies may cause the value of this Fund's investment in Schroder ISF USSME to diminish or increase which in turn will affect the value of Unit Holders' investments. The Fund's investments in Schroder ISF USSME may be adversely affected by political instability as well as exchange controls, changes in taxation, foreign investment policies, restrictions on repatriation of investments and other restrictions and controls which may be imposed by the relevant authorities in Luxembourg.

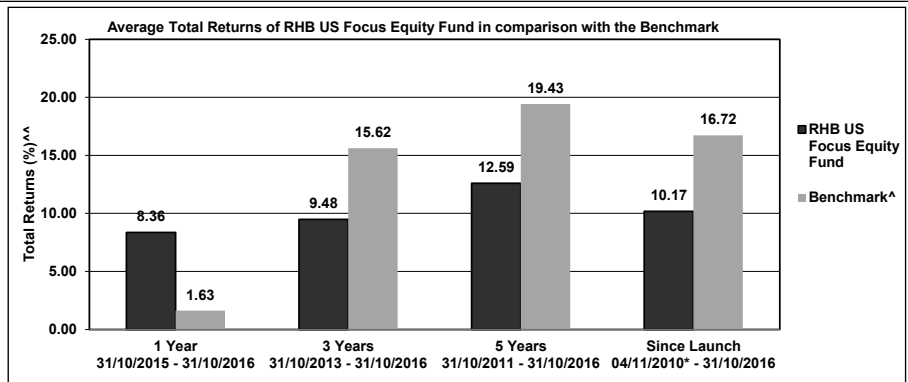
Furthermore, investments of Schroder ISF USSME are subject to the following risks:

- *General risks*
- *Investment objective risk*
- *Regulatory risk*
- *Risk of suspension of share dealings*
- *Liquidity risk*
- *Derivatives risk*
- *Warrants risk*
- *Counterparty risk*
- *Custody risk*
- *Smaller companies risk*
- *Initial public offerings risk*
- *Emerging and less developed markets securities risk*
- *Specific risks linked to securities lending and repurchase transactions*
- *Potential conflicts of interest*

These specific risks of the Schroder ISF USSME are elaborated in the Disclosure Documents.

### FUND PERFORMANCE

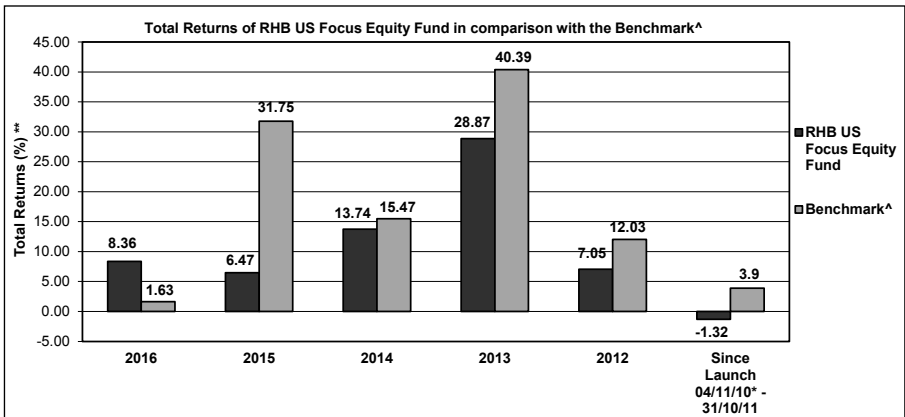
#### AVERAGE TOTAL RETURNS OF THE FUND



Source: Lipper IM. ^ Russell 2500 TR Lagged (RM). ^^The abovementioned Fund performance is computed on NAV to NAV basis and has been adjusted to reflect distributions and unit splits, if any. \* Being the last day of the Fund's initial offer period.

Since launch, the Fund recorded an annualised return of 10.17% compared to its benchmark which recorded an annualised return of 16.72%. The Fund has met its objective of achieving capital growth from its investments in the target fund, Schroder ISF USSME.

## ANNUAL TOTAL RETURNS OF THE FUND



Source: Lipper IM. <sup>^</sup> Russell 2500 TR Lagged (RM). <sup>^^</sup> The abovementioned Fund performance is computed on NAV to NAV basis and has been adjusted to reflect distributions payments and unit splits, if any. \* Being the last day of the Fund's initial offer period.

For the latest financial year, the Fund recorded a gain of 8.36% whilst its benchmark recorded a gain of 1.63%. In previous financial years and periods, the Fund has underperformed its benchmark. Since launch, the Fund has registered five positive returns with the highest return of 28.87% recorded in 2013 (underperforming the benchmark return of 40.39%) and the worst performance of -1.32% was recorded in 2011 (underperforming the benchmark return of 3.9%).

### PORTFOLIO TURNOVER RATIO

Portfolio Turnover Ratio ("PTR")	Financial Year Ended 31 October		
	2016	2015	2014
	0.36 times	0.66 times	0.48 times

The PTR for the financial year was lower compared with previous financial year due to lesser investments activities during the financial year under review.

### ASSET ALLOCATION

As at the latest financial period (i.e. 31 October 2016), the Fund was 96.33% invested in the target fund, Schroder ISF USSME, a foreign collective investment scheme and the remaining 3.67% was invested in liquid assets, other net current liabilities, deposits or held as cash.

	As at 31/10/2016	As at 31/10/2015	As at 31/10/2014
	%	%	%
<b>Foreign collective investment scheme (Schroder ISF USSME)</b>	96.33	109.49	97.50
<b>Liquid Assets and Other Net Current Liabilities/ Cash and Deposits</b>	3.67	† (9.49)	2.50
	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

† The excess of liabilities over its cash at the reporting date due to forward foreign currency contracts have not been mature. This negative cash does not affect the Fund's ability of meet its liabilities.

### DISTRIBUTION RECORD

This Fund has not declared any distribution as yet.

**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 charge <sup>1</sup> by distribution channels	
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.	
Repurchase charge	None.
Dilution fee / 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 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>	1.80% per annum of Net Asset Value before deducting the Manager's and Trustee's fees for that particular day. There is no <b>DOUBLE CHARGING OF MANAGEMENT FEE</b> . This means that the Unit Holders will incur <b>ONLY ONE MANAGEMENT FEE and ONLY AT THE FUND'S LEVEL</b> .
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 (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, and taxes.
Other fees payable indirectly by an investor (if any)	None levied by the Manager. However, as this Fund will invest in the shares of Schroder ISF USSME, there are also fees indirectly incurred by this Fund such as fiduciary fees, custody safekeeping and transaction fees together with fund accounting and valuation fees which are incurred at the Schroder ISF USSME level.

<sup>1</sup>The implementation of GST is effective from 1 April 2015 at the rate of 6% and the fees or 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	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"> <li>• Minimum amount for a switch is RM1,000.</li> <li>• There are no restrictions as to the number or frequency of switching.</li> </ul> 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 <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.

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.
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**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](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 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 Unit Holders Services Toll-Free Hotline: 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 [rham@rhbgroup.com](mailto:rham@rhbgroup.com) or visit our website, [www.rhbgroup.com](http://www.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 : [rham@rhbgroup.com](mailto:rham@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 email 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 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 in which the Bursa Malaysia is open for trading and a day which is a business day in New York and Luxembourg (i.e. a day other than Saturdays, Sundays, public holidays and any day determined to be a non-business day by the managers of the target fund, the Schroder International Selection Fund US Small & Mid-Cap Equity).
Disclosure Documents	The Fund's prevailing prospectus and its supplementary(ies) (if any).
Fund	RHB US Focus Equity Fund.
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 of units of the Fund and includes person(s) jointly so registered, and where applicable includes the Manager.