

## **RHB EQUITY TRUST**

### **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 Equity Trust and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

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

**This Product Highlights Sheet only highlights the key features and risks of RHB Equity Trust. Investors are advised to request, read and understand the Master Prospectus and its supplementary(ies) (if any) before deciding to invest.**

## PRODUCT HIGHLIGHTS SHEET

### RHB EQUITY TRUST

<b>Name of Fund</b>	RHB Equity Trust ("Fund").
<b>Fund Category</b>	Equity fund.
<b>Fund Type</b>	Growth fund.
<b>Commencement Date</b>	8 August 1996.
<b>Capital Protected</b>	No.

#### PRODUCT SUITABILITY

##### WHO IS THE PRODUCT SUITABLE FOR?

This Fund is suitable for investors who:

- (i) wish to participate in the upside of the Asia ex-Japan markets;
- (ii) are willing to accept moderate to high risk in their investments; and
- (iii) prefer capital growth rather than income over a medium to long term\* period.

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

#### KEY PRODUCT FEATURES

##### WHAT ARE YOU INVESTING IN?

This Fund aims to provide investors with capital growth through investments in stocks with high growth potential over a medium to long term\* period.

##### Investment Strategy

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

90% - 98% of Net Asset Value

- Investments in securities of companies that have good growth potential. In managing these investments, the Fund may invest up to 50% of the Net Asset Value in Asia ex-Japan markets.

2% - 10% of Net Asset Value

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

The above asset allocation is only indicative and 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 the reference benchmark as well as 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 the risk-reward principle.

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, countries and asset classes/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 values and the available alternative investment may present cheaper valuations and potential higher returns. The Fund also complies with the permitted investments and restrictions imposed by the Securities Commission Malaysia. Adherence to these 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 Net Asset Value.

##### Benchmark

Composite Benchmark comprising:

70% FBM KLCI or such other equivalent index as may be substituted by BMSB;

30% MSCI AC Asia Ex-Japan Index.

### 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.

### 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.

### Parties Involved

#### WHO ARE YOU INVESTING WITH?

Manager	RHB Asset Management Sdn Bhd.
Trustee	HSBC (Malaysia) Trustee Berhad.
Trustee's delegate (local)	HSBC Nominees (Tempatan) Sdn Bhd.
Trustee's delegate (foreign)	HSBC Institutional Trust Services (Asia) Limited.
Tax adviser	KPMG Tax Services Sdn Bhd.
Auditor of the Manager and the Fund	PricewaterhouseCoopers.
Solicitor	Messrs Naqiz & Partners.

### KEY RISKS

#### WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

As this Fund may invest up to 50% of its Net Asset Value 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. The country risk and currency risk are as elaborated below:

##### 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; and

##### 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 also 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 investment can take place. For example, if and when the Fund invests in countries such as China, Taiwan, South Korea, India and Vietnam, such countries require the prior application / registration of an investment licence / 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 license may be revoked or not renewed by the relevant authority and the Fund's investments 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.

Furthermore, share investments are susceptible to the movements of share prices which can rise or fall for a number of reasons, such as industry trends, economic factors, changes in a company's operations, management and financial performance as well as market perception of that particular company. 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 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 comprising the Fund's portfolio will cause the unit price of the Fund to rise or fall accordingly.

## FEES & CHARGES

### WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

*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 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.	
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 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	
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 0.07% 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 and other notices to Unit Holders, commissions paid to brokers, other transaction costs and taxes.
Other fees payable indirectly by an investor	None.

<sup>1</sup>The implementation of GST is effective 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 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.

## VALUATIONS AND EXITING FROM INVESTMENT

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 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 local 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 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)

### HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

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 held after the redemption must be at least one hundred (100) units or such other 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

### HOW CAN YOU CONTACT US?

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 [rhbam@rhbgroup.com](mailto:rhbam@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 : 03-2164 3036
  - (b) via Unit Holders Services Toll-Free Hotline at : 1-800-88-3175
  - (c) via fax to : 03-2164 4226
  - (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  
19th Floor, Plaza OSK  
Jalan Ampang  
50450 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

## GLOSSARY

Business Day	A day in which Bursa Malaysia is open for trading.
FBM KLCI	FTSE Bursa Malaysia Kuala Lumpur Composite Index.
Fund	RHB Equity Trust.
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.
Master Prospectus	Master Prospectus for the Funds dated 3 August 2015 which expires on 2 August 2016, supersedes the master prospectus dated 26 October 2014 which expires on 25 October 2015; and its supplementary(ies) (if any).
MSCI AC Asia Ex-Japan	Morgan Stanley Capital International All Country Asia Ex-Japan
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 person(s) jointly so registered.