

# RHB ISLAMIC ASEAN MEGATREND 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 Islamic ASEAN Megatrend Fund and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

The authorisation of the RHB Islamic ASEAN Megatrend Fund and lodgement of this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends the RHB Islamic ASEAN Megatrend 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 Islamic ASEAN Megatrend 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 Islamic ASEAN Megatrend 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 Islamic ASEAN Megatrend Fund (“Fund”).         | <b>Fund Category</b>             | Equity fund (Shariah-compliant). |
| <b>Manager</b>         | RHB Islamic International Asset Management Berhad. | <b>Launch Date</b>               | 16 February 2016.                |
| <b>Trustee</b>         | HSBC (Malaysia) Trustee Berhad.                    | <b>Financial Year End</b>        | 31 May.                          |
| <b>Shariah Adviser</b> | RHB Islamic Bank Berhad.                           | <b>Base Currency of the Fund</b> | USD.                             |

| Classes under the Fund | Currency denomination of the Class | Launch Date      |
|------------------------|------------------------------------|------------------|
| USD-A1 Class           | United States Dollar               | 16 February 2016 |
| USD-A Class            | United States Dollar               | 16 February 2016 |
| USD-B Class            | United States Dollar               | 26 April 2016    |
| RM Class               | Ringgit Malaysia                   | 26 April 2016    |

## PRODUCT SUITABILITY

This Fund is suitable for investors who:

- (i) wish to participate in the potential and investment opportunities in Shariah-compliant securities of the fast growing ASEAN economies; and
- (ii) are willing to accept higher risk in their investments in order to achieve medium to long term\* capital growth.

\*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 achieve medium to long term\* capital appreciation through investments in Shariah-compliant securities of companies with high growth potential.

### INVESTMENT STRATEGY

The Fund seeks to achieve its investment objective by investing primarily<sup>^</sup> in the Shariah-compliant securities of companies that are expected to benefit from the on-going development and growth of the ASEAN region (i.e. Malaysia, Singapore, Thailand, Philippines, Indonesia, Vietnam, Myanmar, Cambodia, Laos and Brunei) and opportunistically<sup>^</sup> from the on-going development and growth in Asia (i.e. India, China, Hong Kong, South Korea, Taiwan and Japan). In managing the Fund, the Manager will seek out companies that are exposed to the key development and growth trends that the Manager identifies as drivers of business and security markets performance.

<sup>^</sup> "primarily" refers to at least 70% of Net Asset Value Value ("NAV") in the securities of companies that are expected to benefit from the on-going development and growth of the ASEAN region and "opportunistically" means investing up to 30% of NAV in the securities of companies which are exposed to the investment themes identified by the Manager that influence the performance of the Asian capital markets.

This Fund's portfolio will be structured as follows:

70% - 98% of NAV - Investments in Shariah-compliant equities and equity related securities.

2% - 30% of NAV - Investments in liquid assets including Islamic money market instruments and Islamic deposits with financial institutions.

### BENCHMARK

FTSE Shariah ASEAN Index (Islamic).

### DISTRIBUTION

**DISTRIBUTION POLICY** - Subject to the availability of income, distribution, if any will be declared annually.

**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

**RESTRICTIVE GEOGRAPHICAL MARKET RISK** - As the Fund will invest in Shariah-compliant securities issued by companies whose businesses are in ASEAN and Asian countries, it may be subject to a higher level of risk than an equities portfolio which is not restricted to a particular geographical region or market. Thus, there is a risk that the Fund will perform poorly during an economic downturn or in the event of adverse news affecting the said region or market.

**EQUITY RISK** - The performance of the Shariah-compliant equities held by the Fund is dependent on company specific factors like the company's business situation. If the company-specific factors deteriorate, the price of the specific equity may drop significantly and permanently. Such event could possibly occur even in a positive equity market trend. The risk will be managed via portfolio diversification of the Fund's investments in terms of its exposure to equity from various industries, sectors and countries. In addition, where necessary, exposure to a particular equity will also be reduced in the event of an anticipated weakness in that particular equity.

**FOREIGN INVESTMENT RISKS SUCH AS CURRENCY RISK AND COUNTRY RISK** - Currency risk is associated with investments that are quoted in foreign currency denomination. When a security is denominated in a currency which fluctuates unfavorably against the Fund's base currency and/or the currency denomination of the respective Classes, the investment in the Fund may face currency loss in addition to the capital gains or losses. This may lead to a lower NAV.

As the Fund will be investing in foreign markets, the foreign investments portion of the Fund may be affected by risks specific to the country that the Fund invests in. Such risks include changes in the country's economic fundamentals, social and political stability, currency movements and foreign investments policies. These factors may impact the prices of the securities that the Fund invests in

## KEY RISKS

and ultimately lower the NAV. Further, there are countries which may require prior approvals before investments can be made in such countries. 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 investments 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 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 country 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.

**RECLASSIFICATION OF SHARIAH STATUS RISK** - This risk refers to the risk that the currently held Shariah-compliant equities in the Fund may be reclassified as Shariah non-compliant in the periodic review of the equities by the SACSC, the Shariah Adviser or the Shariah boards of the relevant Islamic indices. If this occurs, the Manager will take the necessary steps to dispose of such equities in accordance with the Fund's Shariah investment guidelines.

**EQUITY RELATED SECURITIES RISK** - The Fund may also invest in equity related securities such as warrants provided that the underlying securities comply with Shariah requirements. 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. Warrants become worthless if they are not exercised before maturity, causing the value of the Fund's investments to fall. 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 USD-A1 Class periods ended 31 May 2021

| USD-A1 Class                            | 1 Year | 3 Years | 5 Years | Since Launch<br>(16/02/2016* – 21/10/2020) |
|---|--------|---------|---------|--|
| RHB Islamic ASEAN<br>Megatrend Fund (%) | 16.14  | -11.54  | -5.80   | -4.63                                      |
| Benchmark^ (%)                          | 5.27   | -6.42   | -0.10   | 0.75                                       |

Average total returns for the following periods ended 31 May 2022

| USD-A Class                             | 1 Year | 3 Years | 5 Years | Since Launch<br>(07/03/2016* – 31/05/2022) |
|---|--------|---------|---------|--|
| RHB Islamic ASEAN<br>Megatrend Fund (%) | -1.89  | -2.52   | -6.19   | -2.66                                      |
| Benchmark^ (%)                          | -0.10  | -0.35   | 0.33    | 1.36                                       |
| USD-B Class                             | 1 Year | 3 Years | 5 Years | Since Launch<br>(16/05/2016* – 31/05/2022) |
| RHB Islamic ASEAN<br>Megatrend Fund (%) | 22.47  | 4.57    | -2.37   | -0.28                                      |
| Benchmark^ (%)                          | -0.10  | -0.35   | 0.33    | 1.66                                       |
| RM Class                                | 1 Year | 3 Years | 5 Years | Since Launch<br>(16/05/2016* – 31/05/2022) |
| RHB Islamic ASEAN<br>Megatrend Fund (%) | 3.62   | -1.28   | -6.10   | -2.37                                      |
| Benchmark^ (%)                          | 6.05   | 1.11    | 0.79    | 3.06                                       |

| <b>FUND PERFORMANCE</b>  |                             |             |             |             |             |             |
|--|-----------------------------|-------------|-------------|-------------|-------------|-------------|
| <b>ANNUAL TOTAL RETURNS OF THE FUND</b>  |                             |             |             |             |             |             |
| Annual total returns for the following financial years ended 31 May  |                             |             |             |             |             |             |
| <b>USD-A1 Class</b>  | <b>2022</b>                 | <b>2021</b> | <b>2020</b> | <b>2019</b> | <b>2018</b> | <b>2017</b> |
| RHB Islamic ASEAN Megatrend Fund (%)   | -                           | 6.04        | -18.65      | -13.57      | -8.34       | 17.23       |
| Benchmark^ (%)   | -                           | 2.03        | -12.85      | -4.06       | 7.12        | 13.35       |
| For the latest financial year, no fund performance was recorded.<br>Source: Lipper IM, 09 June 2022. * The last day of the Fund's initial offer period. ^ The benchmark of the Fund is the FTSE Shariah ASEAN Index (Islamic). The abovementioned Fund performance is computed on NAV to NAV basis and has been adjusted to reflect distributions payments and unit splits, if any.  |                             |             |             |             |             |             |
| <b>USD-A Class</b>   | <b>2022</b>                 | <b>2021</b> | <b>2020</b> | <b>2019</b> | <b>2018</b> | <b>2017</b> |
| RHB Islamic ASEAN Megatrend Fund (%)   | -1.89                       | 16.65       | -19.06      | -14.00      | -8.82       | 16.39       |
| Benchmark^ (%)   | -0.10                       | 13.64       | -12.85      | -4.06       | 7.12        | 6.97        |
| For the latest financial year, the Fund recorded a return of -1.89% whilst its benchmark recorded a return of -0.10%.<br>Source: Lipper IM, 09 June 2022. * The last day of the Fund's initial offer period. ^ The benchmark of the Fund is the FTSE Shariah ASEAN Index (Islamic). The abovementioned Fund performance is computed on NAV to NAV basis and has been adjusted to reflect distributions payments and unit splits, if any. |                             |             |             |             |             |             |
| <b>USD-B Class</b>   | <b>2022</b>                 | <b>2021</b> | <b>2020</b> | <b>2019</b> | <b>2018</b> | <b>2017</b> |
| RHB Islamic ASEAN Megatrend Fund (%)   | 22.47                       | 15.98       | -19.49      | -14.56      | -9.22       | 10.83       |
| Benchmark^ (%)   | -0.10                       | 13.64       | -12.85      | -4.06       | 7.12        | 8.63        |
| For the latest financial year, the Fund recorded a return of 22.47% outperforms its benchmark return of -0.10%.<br>Source: Lipper IM, 09 June 2022. * The last day of the Fund's initial offer period. ^ The benchmark of the Fund is the FTSE Shariah ASEAN Index (Islamic). The abovementioned Fund performance is computed on NAV to NAV basis and has been adjusted to reflect distributions payments and unit splits, if any.       |                             |             |             |             |             |             |
| <b>RM Class</b>  | <b>2022</b>                 | <b>2021</b> | <b>2020</b> | <b>2019</b> | <b>2018</b> | <b>2017</b> |
| RHB Islamic ASEAN Megatrend Fund (%)   | 3.62                        | 15.71       | -19.76      | -9.96       | -15.73      | 18.53       |
| Benchmark^ (%)   | 6.05                        | 7.82        | -9.58       | 1.01        | -0.39       | 15.37       |
| For the latest financial year, the Fund recorded a return of 3.62% whilst its benchmark recorded a return of 6.05%.<br>Source: Lipper IM, 09 June 2022. * The last day of the Fund's initial offer period. ^ The benchmark of the Fund is the FTSE Shariah ASEAN Index (Islamic). The abovementioned Fund performance is computed on NAV to NAV basis and has been adjusted to reflect distributions payments and unit splits, if any.   |                             |             |             |             |             |             |
| <b>PORTFOLIO TURNOVER RATIO ("PTR")</b>  |                             |             |             |             |             |             |
| PTR (times)  | Financial Year Ended 31 May |             |             |             |             |             |
|  | 2022                        | 2021        | 2020        | 2019        | 2018        | 2017        |
|  | 1.17                        | 1.98        | 1.15        |             |             |             |
| The PTR for the latest financial year was lower compared with previous financial year due to lesser investment activities during the latest financial year.  |                             |             |             |             |             |             |

**FUND PERFORMANCE****DISTRIBUTION RECORD****Financial Year Ended 31 May**

|                                   | 2022 | 2021 | 2020 |
|-----------------------------------|------|------|------|
| 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                                 | Class USD-A1 | Class USD-A | Class USD-B   | Class RM |
|---|--------------|-------------|---|----------|
| Sales charge <sup>1</sup>               | None         | 1%          | Up to 5% 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 for Class USD-B and Class RM, 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.        |             |   |          |

Any other charges payable directly by the investors

Switching fee Not applicable.

|                           |                |                       |                      |
|---------------------------|----------------|-----------------------|----------------------|
| Transfer fee <sup>1</sup> | Not applicable | USD5.00 per transfer. | RM5.00 per transfer. |
|---------------------------|----------------|-----------------------|----------------------|

*This table describes the fees that you may indirectly incur when you invest in the Fund:*

| Fees and Expenses                           | Class USD-A1   | Class USD-A            | Class USD-B             | Class RM |
|---|--|------------------------|-------------------------|----------|
| Annual management fee <sup>1,2</sup>        | Up to 0.75% of NAV per annum.  | 1.25% of NAV per annum | 1.80% of NAV per annum. |          |
| Annual Trustee fee <sup>1</sup>             | Up to 0.06% per annum of NAV of the respective Class, calculated on a daily basis before deducting the Manager's and Trustee's fees for that particular day (excluding foreign custodian fees and charges).  |                        |                         |          |
| Other expenses directly related to the Fund | Auditors' fees and other relevant professional fees, foreign custodial charges, cost of distribution of interim and annual reports, tax certificates, reinvestment statements and other notices to unit holders of the Fund ("Unit Holder(s)"), commissions or fees paid to broker, transaction costs and taxes. |                        |                         |          |

## FEES & CHARGES

Other fees payable indirectly by an investor (if any) None.

<sup>1</sup> All fees and charges payable to 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.

<sup>2</sup> Each Class is charged the abovementioned annual management fee per annum respectively based on the NAV of the respective Class before deducting the respective Manager's fee of each Class and Trustee's fees for that particular day.

Note: The Manager may, for any reason at any time, waive or reduce the amount of any 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

|                               | Class USD-A1   | Class USD-A   | Class USD-B   | Class RM   |
|-------------------------------|--|---|---|--|
| Minimum initial investment    | USD5,000,000.00 or such other amount as the Manager may from time to time accept.  | USD500,000.00 or such other amount as the Manager may from time to time accept. | USD1,000.00 or such other amount as the Manager may from time to time accept. | RM1,000.00 or such other amount as the Manager may from time to time accept. |
| Minimum additional investment | USD1,000,000.00 or such other amount as the Manager may from time to time accept.  | USD250,000.00 or such other amount as the Manager may from time to time accept. | USD100.00 or such other amount as the Manager may from time to time accept.   | RM100.00 or such other amount as the Manager may from time to time accept.   |
| Minimum repurchase units      | Any number of units.   |   |   |  |
| Minimum investment balance    | 1,000 units or such other lower quantity as the Manager may from time to time decide.  |   |   |  |
| 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.<br><sup>#</sup> These are the working days when the Manager is open for business. |   |   |  |
| Switching facility            | No switching is allowed.   |   |   |  |
| 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 thousand (1,000) units after the transfer.  |   |   |  |
| Business Day                  | A day on which Bursa Malaysia is open for trading.   |   |   |  |
| 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 the 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 assets of the Fund must be valued at least once every Business Day. As 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 directly at 03-9205 8000.

### EXITING FROM THIS INVESTMENT

The repurchase price shall be the NAV per unit of the respective Class as at the next valuation point of the Fund's relevant Business Day after the request for units 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 thousand (1,000) units or such other lower quantity as the Manager may from time to time accept (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 principal office or any of its branches, or to any of its authorized sales agents or 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@rhbgroup.com](mailto:rhbiiam.enquiry@rhbgroup.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@rhbgroup.com](mailto:rhbiiam.enquiry@rhbgroup.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.

## CONTACT INFORMATION

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.