

# 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 accept 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, the management company 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.

## PRODUCT HIGHLIGHTS SHEET

**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 Fund's prevailing prospectus and its supplementary(ies) (if any) before deciding to invest.**

|                     |                                      |                           |                    |
|---------------------|--------------------------------------|---------------------------|--------------------|
| <b>Name of Fund</b> | RHB Malaysia Dividend Fund ("Fund"). | <b>Fund Category</b>      | Equity fund.       |
|                     |                                      | <b>Fund Type</b>          | Growth and income. |
| <b>Manager</b>      | RHB Asset Management Sdn Bhd.        | <b>Launch Date</b>        | 4 March 2008.      |
| <b>Trustee</b>      | HSBC (Malaysia) Trustee Berhad.      | <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: ^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 any domestic rating agencies or its equivalent rating by a reputable 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 ("NAV") - Investment in equity and equity-related securities of Malaysian companies which offer attractive yields<sup>#</sup> and sustainable dividend payments.

2% - 30% of NAV - Investment in liquid assets, fixed income securities, money market instruments and deposits with financial institutions.

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 Malaysia. 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 of the Fund.

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

## KEY PRODUCT FEATURES

nature. These are deposits that are not embedded with or linked to financial derivative instruments and (where applicable) these are current accounts, short term money market deposits and short term deposits with financial institutions.

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

### 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 of the Fund ("Unit Holder(s)"). Distributions, if any, will be declared annually and will be reinvested after deduction of taxation and expenses.

*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.*

**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. No sales charge will be imposed for any reinvestment of distribution into the Fund.

## KEY RISKS

As this 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 generally move in opposite direction with interest rates. When interest rates rise, prices of fixed income securities 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 will generally increase, thus investors will see capital gains.

**CREDIT / DEFAULT RISK** - This refers to the creditworthiness of the fixed income securities 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.

*Note: If your investments are made through an institutional unit trust scheme adviser ("IUTA") which adopts the nominee system of ownership, you would not be deemed to be a Unit Holder under the deed of the Fund and as a result, you may not exercise all the rights ordinarily conferred to a Unit Holder (e.g. the right to call for Unit Holders' meetings and the right to vote at a Unit Holders' meeting). Accordingly, the Manager will only recognise the IUTA as a Unit Holder and the IUTA shall be entitled to all the rights conferred to it under the deed of the Fund.*

## FUND PERFORMANCE

### AVERAGE TOTAL RETURNS OF THE FUND

Average total returns for the following periods ended 31 March 2023

|                                | 1 Year | 3 Years | 5 Years | 10 Years |
|--------------------------------|--------|---------|---------|----------|
| RHB Malaysia Dividend Fund (%) | -1.58  | 13.41   | 0.32    | -0.74    |
| Benchmark <sup>^</sup> (%)     | -8.50  | 4.09    | -4.39   | -0.91    |

### ANNUAL TOTAL RETURNS OF THE FUND

Annual total returns for the following financial years ended 31 March

|                                | 2023  | 2022  | 2021  | 2020   | 2019   | 2018   | 2017  | 2016  | 2015  | 2014  |
|--------------------------------|-------|-------|-------|--------|--------|--------|-------|-------|-------|-------|
| RHB Malaysia Dividend Fund (%) | -1.58 | 5.11  | 40.99 | -17.32 | -15.73 | -17.36 | -1.64 | 3.06  | 1.46  | 7.45  |
| Benchmark <sup>^</sup> (%)     | -8.50 | -1.96 | 25.70 | -20.03 | -11.43 | -17.36 | -1.64 | -5.10 | -1.83 | 12.06 |

For the latest financial year, the Fund recorded a return of -1.58% whilst its benchmark recorded a return of -8.50%.

*Source: Lipper IM, 12 April 2023. <sup>^</sup>The benchmark of the Fund is FTSE Bursa Malaysia Emas Index. The abovementioned Fund performance is computed on NAV to NAV basis and has been adjusted to reflect distributions payments and unit splits, if any and are annualised.*

### PORTFOLIO TURNOVER RATIO ("PTR")

| PTR (times) | Financial Year Ended 31 March |      |      |
|-------------|-------------------------------|------|------|
|             | 2023                          | 2022 | 2021 |
|             | 0.99                          | 1.00 | 1.36 |

The PTR for the latest financial year was lower compared with the previous financial year due to lesser investment activities for the latest financial year.

### DISTRIBUTION RECORD

|                                   | Financial Year Ended 31 March |      |      |
|-----------------------------------|-------------------------------|------|------|
|                                   | 2023                          | 2022 | 2021 |
| 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

|   |  |
|---|--|
| Sales charge <sup>1</sup>               | Up to 5.50% of investment amount.<br><br>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.<br><i>Note: If the Fund is an Employees Provident Fund ("EPF") Members' Investment Scheme ("MIS") approved fund and you invest via EPF-MIS, you will be levied a sales charge of up to 3.00% of the investment amount or any other rate as may be determined by the EPF from time to time.</i> |
| Repurchase charge                       | None.  |
| Dilution fee or 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 between switching funds, where applicable.<br>The Manager reserves the right to vary this switching fee or to vary the terms of the switching facility. |
| 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 the NAV of the Fund calculated on a daily basis 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 the NAV of the Fund calculated on a daily basis before deducting the Manager's and Trustee's fees for that particular day.   |
| Expenses directly related to the Fund                 | Auditors' fees and other relevant professional fees, custodial charges, cost of distribution of semi-annual 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> All fees and charges payable to the Manager and the Trustee are subject to any applicable taxes and/or duties and at such rate as may be imposed by the Malaysian government from time to time.

*Note 1: 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.*

*Note 2: Any bank charges imposed by the relevant financial institutions will be borne by the Unit Holders.*

## TRANSACTION INFORMATION

|   |  |
|---|--|
| Minimum Initial Investment                    | RM100 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 Investment Balance                    | 100 units or such other lower quantity as the Manager may from time to time decide.  |
| Minimum Redemption of Units                   | Any number of units.   |
| Frequency of Redemption of Units              | No restriction.  |
| Switching Facility and Frequency of Switching | Available. Unit Holders may switch to units of any unit trust fund under the management of the Manager that are of the same currency and that allows for switching. The minimum amount for a switch into another fund is RM100.00 or such other amount as the Manager may from time to time decide. There is no restriction as to the number of switches a Unit Holder may perform or the frequency of switching. The minimum investment balance must be at least one hundred (100) units or such other lower quantity as the Manager may from time to time decide after the switch. Following a switching transaction, if the quantity of units held by a Unit Holder in the Fund falls below its minimum investment balance, the Manager can switch the entire investment and forward the proceeds to the fund that the Unit Holder intends to switch into. The Manager however, reserves the right to vary these terms. |
| Transfer Facility                             | Available. Unit Holders may transfer their holdings of units to another investor by forwarding the completed form of transfer to the Manager's registered/principal office or any of its branches or to any of its participating IUTAs and any other authorised distributors before their respective cut-off times on any Business Day. However, the Manager may refuse to register any partial transfer of units if the registration would result in the transferor or the transferee holding less than the minimum investment balance of one hundred (100) units or such other lower quantity as the Manager may from time to time decide. The Manager may also refuse an entry of transfer during the fourteen (14) days preceding an income distribution date.   |

An investor may request for a lower minimum initial investment, lower minimum additional investment, lower minimum investment balance or lower minimum amount for a switch which the Manager may accept at its absolute discretion from time to time.

*Note: If the Fund is an EPF-MIS approved fund and you invest via EPF-MIS, the minimum initial investment shall be RM1,000.00 (or any other amount as may be determined by EPF).*

|                         |  |
|-------------------------|--|
| Subscription Settlement | Payment must be made on the subscription date.   |
| Redemption Settlement   | 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 branches, or to any of its participating IUTAs and any other authorised distributors before their respective cut-off times on any Business Day. All redemption requests will be processed in accordance with the redemption conditions for the Fund. The redemption monies will be paid within seven (7) Business Days after receipt by the Manager of the request to repurchase.<br><i>Note: If you have invested via the EPF-MIS, the redemption monies will be credited back into your EPF accounts.</i> |
| Cooling-off Period      | Unit Holders have the right to request for a refund of their investment within six (6) Business Days which shall be effective from the date of receipt of the application by the Manager, subject to eligibility.<br><i>Note: If you have invested via the EPF-MIS, the cooling-off period shall be subject to EPF's terms and conditions.</i>   |
| Business Day            | A day (other than Saturdays, Sundays and public holidays) in which the stock exchange managed and operated by Bursa Malaysia Securities Berhad is open for trading.  |

## TRANSACTION INFORMATION

|                   |  |
|-------------------|--|
| 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. The Manager may also vary the dealing hours as it may deem appropriate. Investors will be notified on the change of dealing hours via email or notification published on the Manager's website.   |
| Other Information | <ul style="list-style-type: none"><li>• US Person is not eligible to subscribe to the units of the Fund. If a Unit Holder is a US Person or subsequently becomes a US Person, the Manager will issue a notice to that US Person requiring him/her to either redeem all the units of the Fund or transfer all the units of the Fund to a non-US Person, within thirty (30) days from the date of the notice. The Manager shall have the right to compulsorily redeem all the units held by the said US Person after thirty (30) days from the date of notice if the US Person fails to redeem or transfer his/her units within the stipulated period.</li><li>• If the Fund is eligible to be invested via the EPF-MIS and you transfer your moneys from your EPF account to invest in the Fund, the investments made by the Fund as well as your investment in the Fund from your EPF account will be subject to the EPF's requirements. Please refer to the website at <a href="http://www.kwsp.gov.my">http://www.kwsp.gov.my</a> for updated information.</li></ul> |

**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 Securities Berhad for that Business Day. Thus, the daily price of the Fund for a particular Business Day will be published online on the Manager's website on the next day. Investors may obtain the most current computed price by contacting the Manager directly or visiting the Manager's website, [www.rhbgroup.com](http://www.rhbgroup.com).

### EXITING FROM THIS INVESTMENT

The repurchase price shall be the NAV per unit as at the next valuation point of the Fund's relevant Business Day after the request for repurchase is received by the Manager ("forward pricing"). The Manager will not impose any repurchase charge on the redemption amount. 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 branches, or to any of its participating IUTAs and any other authorised distributors before their respective cut-off times on any Business Day. All redemption requests will be processed in accordance with the redemption conditions for the Fund. The redemption monies will be paid within seven (7) Business Days after receipt by the Manager of the request to repurchase. Where applicable, if you have invested via the EPF-MIS, the redemption monies will be credited back into your EPF accounts.

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 is no restriction on the minimum number of units a Unit Holder can redeem out of the Unit Holder's investments or the frequency of redemptions in a year. If the balance of units held after the redemption is less than the minimum investment balance, the Manager can withdraw the entire investment and forward the proceeds to the Unit Holder.

## 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 [rham@rhbgroup.com](mailto:rham@rhbgroup.com).

### HOW DO YOU LODGE A COMPLAINT?

1. For internal dispute resolution, you may contact:

❖ **via phone to:**  
03-9205 8000

❖ **via Unit Holders Services Toll-Free  
Hotline at:** 1-800-88-3175

❖ **via fax to:**  
03-9205 8100

❖ **via e-mail to:** [rham@rhbgroup.com](mailto:rham@rhbgroup.com)

❖ **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):

❖ **via phone to:** 03-2282 2280

❖ **via fax to:** 03-2282 3855

❖ **via e-mail 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 e-mail 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, 3 Persiaran Bukit Kiara, Bukit Kiara, 50490 Kuala Lumpur.

4. Federation of Investment Managers Malaysia (FIMM)'s Complaints Bureau:

❖ **via phone to:**  
03-7890 4242

❖ **via e-mail 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.