

## RHB EUROPEAN SELECT 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 inquiries, 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 relevant information and document in relation to the RHB European Select Fund, including a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia under the Lodge and Launch Framework.

The lodgement of the relevant information and document in relation to the RHB European Select Fund, including this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends the RHB European Select 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 European Select 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 European Select Fund. Investors are advised to request, read and understand the Fund's prevailing information memorandum and its supplementary(ies) (if any) before deciding to invest.**

<b>Name of Fund</b>	RHB European Select ("Fund").	<b>Fund Category</b>	Feeder fund.
<b>Manager</b>	RHB Asset Management Sdn. Bhd.	<b>Launch Date</b>	3 March 2015.
<b>Trustee</b>	TMF Trustees Malaysia Berhad.	<b>Financial Year End</b>	28/29 February.
<b>Target Fund</b>	Threadneedle European Select Fund ("Threadneedle ESF").	<b>Base Currency of the Fund</b>	RM.
<b>Target Fund's Manager</b>	Threadneedle Investment Services Limited.	<b>Target Fund's Investment Manager</b>	Threadneedle Asset Management Limited.

### PRODUCT SUITABILITY

Subscription of units of the Fund is **ONLY** open to the following sophisticated investors:

1. A unit trust scheme, private retirement scheme or prescribed investment scheme; or
2. Bank Negara Malaysia; or
3. A licensed person or a registered person; or
4. An exchange holding company, a stock exchange, a derivatives exchange, an approved clearing house, a central depository or a recognized market operator; or
5. A corporation that is licensed, registered or approved to carry on any regulated activity or capital market services by an authority in Labuan or outside Malaysia which exercises functions corresponding to the functions of the Securities Commission Malaysia.; or
6. A bank licensee or an insurance licensee as defined under the Labuan Financial Services and Securities Act 2010; or
7. An Islamic bank licensee or a takaful licensee as defined under the Labuan Islamic Financial Services and Securities Act 2010; or
8. A chief executive officer or a director of any person referred to in paragraphs 3, 4, 5, 6 and 7; or
9. A closed-end fund approved by the Securities Commission Malaysia; or
10. A company that is registered as a trust company under the Trust Companies Act 1949 and has assets under its management exceeding ten million ringgit or its equivalent in foreign currencies; or
11. A corporation that—
  - (a) is a public company under the Companies Act 2016 which is approved by the Securities Commission Malaysia to be a trustee under the Capital Markets and Services Act 2007 and has assets under its management, exceeding ten million ringgit or its equivalent in foreign currencies; or
  - (b) is carrying on the regulated activity of fund management solely for the benefit of its related corporations and

- has assets under its management exceeding ten million ringgit or its equivalent in foreign currencies; or
12. A corporation with total net assets exceeding ten million ringgit or its equivalent in foreign currencies based on the last audited accounts; or
  13. A partnership with total net assets exceeding ten million ringgit or its equivalent in foreign currencies; or
  14. A statutory body<sup>a</sup> established under any laws unless otherwise determined by the Securities Commission Malaysia; or  
*<sup>a</sup>Pursuant to Technical Note No.1/2021 issued by the Securities Commission Malaysia, a "joint management body" established under section 17 of the Strata Management Act 2013 is not qualified to be a "statutory body" for the purposes of Paragraph 14, Part I of Schedules 6 and 7 of the Capital Markets and Services Act 2007, given that the function or mandate of a "joint management body" does not include investing in capital market products. Such entity should not therefore be treated as a high-net worth entities.*
  15. A pension fund approved by the Director General of Inland Revenue under the Income Tax Act 1967; or
  16. An individual—
    - (a) whose total net personal assets, or total net joint assets with his or her spouse, exceeding three million ringgit or its equivalent in foreign currencies, excluding the value of the individual's primary residence;
    - (b) who has a gross annual income exceeding three hundred thousand ringgit or its equivalent in foreign currencies in the preceding twelve months;
    - (c) who, jointly with his or her spouse, has a gross annual income exceeding four hundred thousand ringgit or its equivalent in foreign currencies in the preceding twelve months; or
    - (d) whose total net personal investment portfolio<sup>a</sup> or total net joint investment portfolio<sup>a</sup> with his or her spouse, in any capital market products exceeding one million ringgit or its equivalent in foreign currencies.  
*<sup>a</sup>Pursuant to Technical Note No.1/2021 issued by the Securities Commission Malaysia, total net investment portfolio would be the total investments in any capital market products less any borrowings under any margin account for and/or any other borrowings taken for the capital market products in which the individual has invested.*

## KEY PRODUCT FEATURES

### INVESTMENT OBJECTIVE

The Fund aims to achieve capital growth over the long-term\* by investing in one target fund, i.e. the Threadneedle European Select Fund.

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

### INVESTMENT STRATEGY

The Fund will invest principally in one of the sub-funds of the Threadneedle Investment Funds ICVC, that is Threadneedle ESF which is managed by Threadneedle Investment Services Limited. The Threadneedle ESF is an open-ended collective investment scheme domiciled in the United Kingdom and was launched in November 1986. The Fund will invest in the class of units denominated in Singapore Dollars ("SGD") i.e. the SGD Hedged Net Accumulation Shares - Class 1 of the Threadneedle ESF. Threadneedle ESF is authorised and regulated by the Financial Conduct Authority of the United Kingdom ("FCA") under the Financial Services and Markets Act 2000.

Threadneedle Investment Funds ICVC is an open-ended investment company with variable capital incorporated in England and Wales and authorised by the FCA with effect from 18 June 1997. Threadneedle Investment Funds ICVC has been certified by the FCA and is a Undertakings for Collective Investment in Transferable Securities ("UCITS") scheme under the FCA rules. The manager of Threadneedle ESF, Threadneedle Investment Services Limited is registered by the FCA.

The investment objective of Threadneedle ESF is to achieve above average capital growth<sup>1</sup> and its investment policy is to invest mainly<sup>2</sup> in a relatively concentrated<sup>3</sup> portfolio of equities of companies domiciled in Continental Europe<sup>4</sup> or which have significant Continental European operations<sup>5</sup>.

Although the Fund is passively managed, the investments of 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. the Threadneedle ESF, when deemed necessary by Threadneedle ESF's manager. The Manager does not adopt any temporary defensive positions for the Fund as this will allow the Fund to best track the performance of the Threadneedle ESF. It also follows that if the Threadneedle ESF 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 Threadneedle ESF's negative performance, if any. Also, investors should note that at all times the Fund is always subject to currency risk.

This Fund is a feeder fund that invests at least 95% of its net asset value ("NAV") in the Threadneedle ESF. The risk management strategies and techniques employed will be at the Threadneedle ESF level.

Notwithstanding anything contained herein, the Manager may, in consultation with the trustee of the Fund ("Trustee") and with the approval of the unit holders of the Fund ("Unit Holders"), replace the Threadneedle ESF with another fund of a similar objective if, in the Manager's opinion, the Threadneedle ESF no longer meets the Fund's investment objective, or when acting in the interest of the Unit Holders.

Explanatory notes:

## KEY PRODUCT FEATURES

<sup>1</sup>Threadneedle ESF targets to outperform the benchmark, FTSE World Europe Ex UK by 3% per annum over a rolling 3-year period.

<sup>2</sup>"mainly" means not less than two-thirds of the net asset value of Threadneedle ESF. Up to one-third of the net asset value of Threadneedle ESF may be invested in bonds (including asset-backed securities), equities from other companies that are not domiciled in Continental Europe or have significant Continental European operations and money market securities.

<sup>3</sup>The Threadneedle ESF portfolio will hold between 35 – 60 stocks.

<sup>4</sup>Continental Europe refers to the Eurozone (Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, Netherlands, Portugal, Slovakia, Slovenia, Spain), Scandinavia (Denmark, Norway, Sweden) and Switzerland.

<sup>5</sup>"significant Continental Europe operations" refers to the companies that have at least 50% of its revenue derived from Continental Europe and/or have at least 50% of its business operations located in the Continental Europe.

**UNIT HOLDERS ARE ADVISED TO READ AND UNDERSTAND THE TARGET FUND'S INVESTMENT OBJECTIVE, FOCUS AND APPROACH DISCLOSED IN THE FUND'S PREVAILING INFORMATION MEMORANDUM AND ITS SUPPLEMENTARY(IES) (IF ANY).**

## ASSET ALLOCATION

At least 95% of Fund's NAV

- Investments in units of Threadneedle ESF.

2% to 5% of Fund's NAV

- Investments in liquid assets including money market instruments and Placements of Cash\*.

\*Note: These are placements of cash in any deposits or investment accounts with any financial institution(s) that are not embedded with or linked to financial derivative instruments.

## BENCHMARK

FTSE World Europe ex UK (RM).

The benchmark chosen best represents the investments of the Threadneedle ESF. The Ringgit Malaysia ("RM") equivalent of the benchmark that is translated by Bloomberg L.P. is obtained by the Manager from the Bloomberg L.P. An investor may refer to the Manager or to Bloomberg L.P for this benchmark indicator.

Note: The risk profile of the Fund is different from the risk profile of the benchmark.

## DISTRIBUTION

**DISTRIBUTION POLICY** - Distributions are of secondary importance and distributions, if any, after deduction of taxation and expenses will be reinvested.

**DISTRIBUTION MODE** - Distribution, if any, after deduction of taxation and expenses (i.e. net distribution), will be reinvested to purchase additional units of the Fund based on the NAV per unit of the Fund as at the first Business Day when units of the Fund are quoted ex-entitlement. Allotment of such units shall be within two (2) weeks thereafter.

Note: The Fund's source of distributions is from the capital gains from its investment in the Threadneedle ESF

## KEY RISKS

### KEY RISKS OF THE FUND

**MANAGEMENT RISK** - As this Fund invests at least 95% of NAV in the target fund, Threadneedle ESF, it is subject to the expertise of the manager and the investment manager of Threadneedle ESF. Poor management of the Threadneedle ESF will jeopardise the investment of this Fund in the Threadneedle ESF and in turn, the Unit Holders' investment through the risk of reduced returns and in some cases the Unit Holders may also lose their capital invested in this Fund.

**CURRENCY AND COUNTRY RISK** - As the Fund invests in SGD denominated shares of Threadneedle ESF that is domiciled in the United Kingdom, the Fund is subject to currency and country risk. Changes in rates of exchange between the currencies of SGD and RM may cause the value of this Fund's investment in the Threadneedle ESF to diminish or increase, which in turn will affect the value of the Unit Holders' investments. The Fund's investments in the Threadneedle ESF may be adversely affected by political instability as well as any exchange controls, changes in taxation, foreign investment policies and restrictions on repatriation of investments, which may be imposed by the relevant authorities in United Kingdom.

### KEY RISKS OF THE TARGET FUND

Investments in the Threadneedle ESF are associated to the following risks:

- Market risk
- Currency risk
- Hedged share classes
- Effect of portfolio concentration
- Restrictive geographical market

**These risks of the Threadneedle ESF are elaborated in the Fund's prevailing information memorandum and its supplementary(ies)(if any)**

FEES & CHARGES		
Subscription fee <sup>1</sup> / Sales charge <sup>1</sup>	<p>Up to 5.00% of the investment amount or any other rate as may be imposed by the Manager at the Manager's sole discretion.</p> <p>An investor can expect differing sales charge to be levied when buying units from the various distribution channels and within each distribution channel (i.e. directly from the Manager or from any of its authorised sales agents or participating Institutional Unit Trust Scheme Advisers ("IUTAs") or Corporate Unit Trust Scheme Advisers ("CUTAs")), subject to the maximum sales charge stipulated above. This is due to the different levels of services provided by each distribution channel and/or the size of the investment undertaken.</p> <p><b>Please note that this Fund's investments in Threadneedle ESF will be at its net asset value per unit. The sales charge for investing in Threadneedle ESF will be waived by the manager of Threadneedle ESF.</b></p>	
Repurchase Charge	None.	
Switching fee <sup>1</sup>	A switching fee of RM 25.00 will be imposed and deducted from the redemption amount of the units to be switched from a switch between funds that impose a similar sales charge or a switch to a fund that impose a lower sales charge. Unit Holders switching to a fund that imposes a higher sales charge will pay the difference in sales charge which is deductible from the redemption amount of the units to be switched from. The Manager however, reserves the right to vary this fee or to vary the terms of the switching facility.	
Transfer fee <sup>1</sup>	RM 5.00 per transfer.	
Annual management fee <sup>1</sup>	1.80% per annum of NAV calculated on a daily basis before deducting the Manager's fee and Trustee's fee for that particular day. A portion of this fee is paid to Threadneedle Investment Services Limited. As this Fund invests in units of Threadneedle ESF, any management fee charged to the Threadneedle ESF by the Threadneedle ESF's manager in relation to the Fund's investments in the Threadneedle ESF will be fully refunded to this Fund. Accordingly, there is <b>NO DOUBLE CHARGING OF MANAGEMENT FEE</b> . This means that Unit Holders will incur <b>ONLY ONE MANAGEMENT FEE and ONLY AT THE FUND'S LEVEL</b> , i.e. at one point eight per cent (1.80%) per annum of NAV.	
Annual trustee fee <sup>1</sup>	Up to 0.06% per annum of NAV before deducting the Manager's and Trustee's fees for that particular day (excluding foreign custodian fees and charges).	
Expenses directly related to the Fund	Auditors' fees, other relevant professional fees, custodial charges, cost of distribution of quarterly and annual reports and other notices to unit holders, tax certificates, reinvestment statements, other transaction costs and taxes will be charged to the Fund.	
Other expenses indirectly paid by an investor when investing in the Fund	None levied by the Manager. However, as this Fund will invest in the units of Threadneedle ESF, there are fees indirectly incurred by this Fund i.e. depository's fee, custodian's fees, on-going registration and general expenses which are incurred at the Threadneedle ESF level. Details are as follows:	
	Depository's fee	0.0008% per annum of net asset value of the Threadneedle ESF.
	Custodian's fees	The custodian's fees payable by the Threadneedle ESF is calculated based on value of assets according to such rate as determined by the territory or country in which the assets of Threadneedle are held. Currently, the lowest rate is 0.002% and the highest rate is 0.38%. In addition, the Threadneedle ESF's custodian makes a transaction charge determined by the territory or country in which the transaction is effected. Currently, these transaction charges range from £3.80 to £60 per transaction.
	Registration and general expenses	0.15% per annum of net asset value of the Threadneedle ESF.
<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 government from time to time. Note: Any bank charges imposed by the relevant financial institutions will be borne by the unit holders.		
TRANSACTION INFORMATION		
Minimum initial investment	RM 1,000.00 or such other amount as the Manager may from time to time decide.	
Minimum additional investment	RM 500.00 or such other amount as the Manager may from time to time decide.	
Minimum investment balance	500 units or such other quantity as the Manager may from time to time decide.	
Minimum redemption of units	Any number of units.	

TRANSACTION INFORMATION	
Frequency of redemption of units	No restrictions.
Switching facility	Available (except during the Fund's initial offer period). Units of the Fund can only be switched to other funds under the management of the Manager that are of the same currency units and that allow switching. The minimum amount for a switch is five hundred (500) units or such other quantity as the Manager may from time to time decide.
Transfer facility	Transfer of units is allowed between sophisticated investors. 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 five hundred (500) units or such other quantity as the Manager may from time to time decide.
An investor may request for lower minimum initial investment, lower minimum additional investment, lower minimum investment balance or lower minimum amount for a switch which the Manager may accept or agree to at its absolute discretion from time to time.	
Subscription settlement	Payment must be made on the subscription date.
Redemption settlement	Redemption monies are to be paid within ten (10) business days <sup>#</sup> after receipt by the Manager of the request to repurchase and payable to the Unit Holders' bank account. However, the time taken to pay the redemption proceeds to Unit Holders may be extended or delayed if the Threadneedle ESF is suspended and/or the redemption from the Threadneedle ESF is deferred. Should this occur, the Manager will pay the redemption proceeds to investors within ten (10) business days <sup>#</sup> after receipt by the Manager of the redemption proceeds from the manager of the Threadneedle ESF. <i><sup>#</sup> These are the working days when the Manager is open for business.</i>
Business Day	A day (other than Saturdays, Sundays and public holidays) on which either the stock exchange managed or operated by Bursa Malaysia Securities Berhad is open for trading or banks in Kuala Lumpur are open for business, and a day which is a dealing day as determined by the manager of the Threadneedle ESF.
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 the 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	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 the notice if the US Person fails to redeem or transfer his/her units within the stipulated period. Note: <i>*US Person is defined in Section 7701 (a) (30) of the Internal Revenue Code and includes an individual who is a citizen or resident of the United States of America.</i>

**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 THIS INVESTMENT

### VALUATION OF ASSETS

The Fund must be valued at least once every Business Day except during the Fund's initial offer period. As the target fund that the Fund invests in, Threadneedle ESF, is domiciled in United Kingdom, the valuation of the Threadneedle ESF for a relevant dealing day is performed on a different time zone from Malaysia.

Accordingly, the valuation of the Fund for the relevant Business Day will be conducted before 5.00 p.m. on the following day in which the Manager is open for business, when the valuation of the Threadneedle ESF for the day in question would have been obtained from the manager of the Threadneedle ESF.

As such, the daily price of the Fund for a particular Business Day will not be published in the newspaper 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 however obtain the most current computed price by contacting the Manager directly or visiting the Manager's website, <http://www.rhbgroup.com>.

### EXITING FROM THIS INVESTMENT

During the initial offer period, the repurchase price shall be RM 0.5000 per unit. After the Fund's initial offer period, the repurchase price shall be the NAV per unit of the Fund as at the next valuation point of the Fund's relevant Business Day ("forward pricing") after the repurchase request is received by the Manager.

The minimum redemption of units is 1,000 units or such other quantity as the Manager may from time to time decide.

## VALUATIONS AND EXITING FROM THIS INVESTMENT

and for any partial redemption, the balance of units after the redemption must be 1,000 units or such other quantity as the Manager may from time to time decide.

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 CUTAs or IUTAs on any day other than Saturdays, Sundays and public holidays before their respective cut-off times.

Redemption monies in the base currency of the Fund (i.e. RM) are to be paid within ten (10) business days<sup>#</sup> after receipt by the Manager of the request to repurchase and payable to the Unit Holders' bank account. However, the time taken to pay the redemption proceeds to Unit Holders may be extended or delayed if the Threadneedle ESF is suspended and/or the redemption from the Threadneedle ESF is deferred<sup>##</sup>.

<sup>#</sup>These are the working days when the Manager is open for business.

<sup>##</sup>Information concerning deferment of redemption by the Threadneedle ESF is disclosed in the Fund's prevailing information memorandum and its supplementary(ies) (if any).

## CONTACT INFORMATION

To contact the Manager or to find out about the distribution channels of the Fund, you may call us at 1-800-88-3175 at any time during office hours: Mondays through Fridays from 9:00 a.m. – 5:00 p.m. or e-mail your enquiries to [rhbm@rhbgroup.com](mailto:rhbm@rhbgroup.com).

### HOW DO YOU LODGE A COMPLAINT?

1. For internal dispute resolution, you may contact:

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

❖ **via phone to:** 03-9205 8000

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

❖ **via fax to:** 03-9205 8100

❖ **via website to:** [www.rhbgroup.com](http://www.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 e-mail to:** [info@sidrec.com.my](mailto:info@sidrec.com.my)

❖ **via fax to:** 03-2282 3855

❖ **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 e-mail to:** [aduan@seccom.com.my](mailto:aduan@seccom.com.my)

❖ **via fax to:** 03-6204 8991

❖ **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.

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

❖ **via phone to:** 03-2092 3800

❖ **via online complaint form available at:** [www.fimm.com.my](http://www.fimm.com.my)

❖ **via fax to:** 03-2093 2700

❖ **via e-mail to:** [complaints@fimm.com.my](mailto:complaints@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.