

# RHB GLOBAL NEW STARS 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 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 Global New Stars Fund and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

The authorisation of the RHB Global New Stars Fund and lodgement of this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends the RHB Global New Stars 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 responsible for the RHB Global New Stars 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 Global New Stars 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 Global New Stars Fund ("Fund").	<b>Fund Category</b>	Equity fund.
<b>Manager</b>	RHB Asset Management Sdn Bhd.	<b>Launch Date</b>	24 January 2007.
<b>Trustee</b>	HSBC (Malaysia) Trustee Berhad.	<b>Financial Year End</b>	31 December.

## PRODUCT SUITABILITY

This Fund is suitable for investors who:

- (i) are optimistic about investments in companies in the early growth stages;
- (ii) wish to participate in the potential upside of initial public offerings ("IPOs");
- (iii) seek an investment well diversified across global markets;
- (iv) are fairly aggressive and willing to accept moderate to high risk in their investments; and
- (v) prefer capital growth rather than income over a medium to long term\* period.

## KEY PRODUCT FEATURES

### INVESTMENT OBJECTIVE

This Fund aims to achieve medium to long term\* capital appreciation by investing in IPOs, pre-IPO securities, post-IPO listed securities, debt securities and/or deposits.

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

### INVESTMENT STRATEGY

There is no target industry or sector for the investments of this Fund and it may invest across all approved markets and sectors. This Fund will invest in post-IPO listed securities, IPOs and pre-IPO securities as follows:

- Post-IPO Portion - A portion of the Fund invests in listed securities of approved markets issued within three (3) years of their IPOs at the time of investment and the Manager has absolute discretion in deciding when to sell such listed securities and may hold such listed securities beyond three years of their IPOs to participate in, but shall not be limited to, share dividends and bonus share issues.
- IPO Portion - A portion of the Fund invests in securities offered through IPOs which have been approved for listing in the approved markets. This may also include new listing for companies already listed on other exchanges.
- Pre-IPO Portion - A portion of the Fund may be invested from time to time in privately placed pre-IPO securities of companies which are established in the approved markets, that is pre-IPO deals of which the investee companies are targeting to obtain a listing on an approved stock exchange, and other corporate finance deals.

In the event the Manager finds that there are no suitable investment opportunities for any portion of the Fund at any time, part or all of that portion may be invested in equities, debt securities and/or deposits or held as cash until such time when investment opportunities in the instruments listed above are available. When investing in equities under these circumstances, the Manager can invest in the global equities market of companies that have been listed beyond the three (3) year limit of the Post-IPO Portion. Debt instruments/bonds that are issued by corporations and financial institutions are of investment grade, that is, those instruments/bonds having a credit rating of Baa3 or higher at the point of purchase by Moody's Investors Service or its equivalent rating by any other domestic or global rating agency. The Manager can also invest in debt instruments/bonds issued by corporations and financial institutions which are not rated by any rating agency. Such un-rated debt instruments/bonds are only applicable to un-rated debt instruments/bonds from countries where their regulatory authorities do not require mandatory rating for the issuance of such debt securities. The Manager's investments in these un-rated investments shall always be based on the Manager's investment philosophy of fundamental analysis. However, debt instruments/bonds issued by supra-nationals, governments and their agencies need not be rated. Depending on investment conditions and opportunities, the Manager intends to maintain an asset allocation for the Fund as follows:

- Up to 98% of Net Asset Value ("NAV") in the IPO Portion and Post-IPO Portion.
- Up to 10% of NAV in the Pre-IPO Portion.
- 2% - 5% of NAV in liquid assets.

Subject to the range stipulated above, the above asset allocation will be reviewed from time to time depending on the judgement of the Manager as to the general market and economic conditions save that the Fund's investment in the Pre-IPO Portion will not exceed 10% of the NAV. Although the Fund is actively managed, how active or the frequency of its trading strategy will very much 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 countries. Financial derivatives are also used for hedging purposes where appropriate. Generally, the assets of the Fund will be invested over a medium to long term period with disposal 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 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.

For investments in foreign markets, the Manager in managing the principal risks such as country risk and currency risk, will always take into

## KEY PRODUCT FEATURES

consideration 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. 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 investments into other asset classes such as fixed income securities, money market instruments and deposits with 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.

### BENCHMARK

MSCI AC World Index (RM).

### DISTRIBUTION

**DISTRIBUTION MODE** - Distributions, if any, after deduction of taxation and expenses (i.e. net distribution), will be reinvested to purchase additional units of the Fund based on the 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.

**DISTRIBUTION POLICY** - Consistent with the Fund's objective to achieve medium to long term\* capital appreciation, distributions will therefore be of secondary importance. Distributions, if any, after deduction of taxation and expenses are generally declared annually and will be reinvested.

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

### KEY RISKS

The prices of Initial Public Offerings and pre-IPO securities are often subject to greater and more unpredictable price changes than more established securities due to factors such as the absence of a prior public market, unseasoned trading, the limited number of shares available for trading and limited information about the issuer. The performance of the pre-IPO securities is dependent on the Manager's ability to make the right investment decisions and to invest in investee companies which are able to provide satisfactory returns within acceptable timeframes. However, as all investment decisions are a matter of qualitative and quantitative judgement, there is no assurance that the Manager will be able to make the right investments in a timely manner all or most of the time. The Manager's ability to secure favourable investments for the Fund may be materially affected by conditions in the financial markets as well as economic conditions globally. Unfavourable financial or economic conditions would likely reduce the available number of new IPO private placement, corporate finance or private equity transactions for investment by the Fund, which may adversely affect the performance of the Fund. As this Fund may invest up to 98% of its NAV 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 the investments of unit holders of the Fund (Unit Holder(s)). This risk can be mitigated by 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.

**COUNTRY RISK** - In addition to currency risk, the Fund is also subject to country risk. 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 investments 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 application of an investment licence or registration of an 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 licence may be revoked or not renewed by the relevant authority and the Fund's investment 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.

## FUND PERFORMANCE

### AVERAGE TOTAL RETURNS OF THE FUND

Average total returns for the following periods ended 31 December 2021

	1 Year	3 Years	5 Years	10 Years
RHB Global New Stars Fund (%)	15.83	18.31	7.19	4.87
Benchmark^ (%)	20.97	18.62	10.68	12.71

### ANNUAL TOTAL RETURNS OF THE FUND

Annual total returns for the following financial years ended 31 December

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
RHB Global New Stars Fund (%)	15.83	16.50	22.78	-22.60	10.38	1.77	6.38	-9.28	-3.34	19.76
Benchmark^ (%)	20.97	12.43	22.79	-9.31	9.72	10.36	17.57	8.99	28.80	9.37

For the latest financial year, the Fund recorded a return of 15.83% while its benchmark recorded a return of 20.97%.

Source: Lipper IM, 5 January 2022. ^ The benchmark of the Fund is MSCI AC World Index (RM). The abovementioned Fund performance is computed on NAV to NAV basis and has been adjusted to reflect distributions payments and unit splits, if any.

### PORTFOLIO TURNOVER RATIO ("PTR")

PTR (times)	Financial Year Ended 31 December		
	2021	2020	2019
	0.31	0.38	0.40

## FUND PERFORMANCE

The PTR for the latest financial year was lower compared with the previous financial year due to higher average net asset value for the latest financial year.

## DISTRIBUTION RECORD

	Financial Year Ended 31 December		
	2021	2020	2019
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 6.00% of 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 (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 herein. This is due to the different levels of services provided by each distribution channel and/or the size of the investment undertaken.	
Investments via the Employees Provident Fund ("EPF") Members' Investment Scheme will be levied a sales charge of up to 3.00% of investment amount (or such other rate that may be determined by the EPF from time to time). Please note that there may be changes to the status of the eligibility of the Fund under the EPF Members' Investment Scheme from time to time. Investors may refer to <a href="http://www.kwsp.gov.my">http://www.kwsp.gov.my</a> for updated information on the eligibility of the Fund under the EPF Members' Investment Scheme.	
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 between switching funds on the amount to be switched, where applicable.
Transfer fee <sup>1</sup>	RM5.00 per transfer.

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

Fees and Expenses	
Annual management fee <sup>1</sup>	1.80% per annum of NAV 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 NAV before deducting the Manager's and Trustee's fees for that particular day (excluding foreign custodian fee and charges).
Expenses directly related to the Fund	Auditors' fees, 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 (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 government from time to time.

Note: The Manager may, for any reason at any time, waive or reduce the amount of its management fee only or all charges directly payable by the Unit Holder and/or investor in respect of the Fund, either generally (for all Unit Holders and/or investors) or specifically (for any particular Unit Holder and/or investor) and for any period or periods of time at its absolute discretion.

## TRANSACTION INFORMATION

Minimum Initial Investment	RM1,000 or such other amount as the Manager may from time to time accept.
Minimum Additional Investment	RM100 or such other amount as the Manager may from time to time accept.
Minimum Repurchase Units	Any number of units.
Switching Facility and Frequency of Switching	Available. Minimum amount for a switch is RM1,000. There are no restrictions as to the number of switches or the frequency of switching. Minimum investment balance at all times must be one hundred (100) units after the switch.
Minimum Investment Balance	100 units or such other lower quantity as the Manager may from time to time decide.
Transfer Facility	Available. In the event of a partial transfer, both the transferor and the transferee must each hold a minimum investment balance of one hundred (100) units after the transfer.
Redemption Period	Redemption monies to be paid within ten (10) days after receipt by the Manager of the request to repurchase. For EPF Unit Holders, the redemption monies will be remitted to EPF by crediting into the members' provident account.
Cooling-off Period	Unit Holders have the right to request for a refund of their investment within six (6) business days <sup>#</sup> which shall be effective from the date of receipt of the application by the Manager, subject to eligibility. <sup>#</sup> These are the working days when the Manager is open for business.
Business Day	A day in which Bursa Malaysia Securities Berhad / Bursa Malaysia and the foreign markets* are open for trading. * foreign markets in which investments of the Fund having in aggregate values amounting to at least 50% of the Fund's Net Asset Value are invested therein.
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.

**YOU SHOULD NOT MAKE PAYMENT IN CASH TO A UNIT TRUST CONSULTANT OR ISSUE A CHEQUE IN THE NAME OF A UNIT TRUST CONSULTANT.**

## VALUATIONS AND EXITING FROM INVESTMENT

### VALUATION OF ASSETS

The Fund must be valued at least once every Business Day. However, certain foreign markets in which the Fund may invest in have different time zones from that of Malaysia.

Accordingly, the valuation of the Fund for a Business Day will be conducted before 5:00 p.m. on the following day in which the Manager is open for business, when the closing prices of the foreign markets for that Business Day would be available. As such, the daily price of the Fund for a particular Business Day will not be published in the newspapers on the next day but will instead be published the next following day (i.e. the price will be two (2) days old). This will be specifically indicated in the newspapers. Investors may however obtain the most current computed price by contacting the Manager directly or visiting our website, [www.rhbgroup.com](http://www.rhbgroup.com).

### EXITING FROM THIS INVESTMENT

Units of the Fund can be redeemed by forwarding the completed form of request to repurchase to the Manager's principal 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 EPF Unit Holders, the redemption monies will be remitted to EPF by crediting into the members' provident account.

For partial redemption, the balance of units of the Fund held after the redemption must be at least one hundred (100) units or such other lower quantity as the Manager may from time to time decide (the "minimum investment balance").

There are no restrictions on the number of units a Unit Holder can redeem out of his investments or the frequency of redemptions in a year. However, the Manager shall not be bound to comply with any request for redemption of units if the balance of units held after the redemption is less than the minimum investment balance.

### CONTACT INFORMATION

To contact the Manager or to find out about the distribution channels of the Fund, you may call 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 [rham@rhbgroup.com](mailto:rham@rhbgroup.com).

#### HOW DO YOU LODGE A COMPLAINT?

1. For internal dispute resolution, you may contact:

- |   |  |                                      |
|---|--|--------------------------------------|
| ❖ <b>via phone to:</b><br>03-9205 8000  | ❖ <b>via Unit Holders Services</b><br><b>Toll-Free Hotline at:</b> 1-800-88-3175 | ❖ <b>via fax to:</b><br>03-9205 8100 |
| ❖ <b>via e-mail to:</b> <a href="mailto:rham@rhbgroup.com">rham@rhbgroup.com</a>  | ❖ <b>via website to:</b> <a href="http://www.rhbgroup.com">www.rhbgroup.com</a>  |                                      |
| ❖ <b>via letter to:</b> 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):

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|--|--------------------------------------|---|
| ❖ <b>via phone to:</b><br>03-2282 2280   | ❖ <b>via fax to:</b><br>03-2282 3855 | ❖ <b>via e-mail to:</b><br><a href="mailto:info@sidrec.com.my">info@sidrec.com.my</a> |
| ❖ <b>via letter to:</b> 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 even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the Securities Commission Malaysia's Consumer & Investor Office:

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|--|--------------------------------------|---|
| ❖ <b>via phone to the Aduan</b><br><b>Hotline at:</b> 03-6204 8999   | ❖ <b>via fax to:</b><br>03-6204 8991 | ❖ <b>via e-mail to:</b><br><a href="mailto:aduan@seccom.com.my">aduan@seccom.com.my</a> |
| ❖ <b>via online complaint form available at:</b> <a href="http://www.sc.com.my">www.sc.com.my</a>  |                                      |   |
| ❖ <b>via letter to:</b> 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:

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|--|--------------------------------------|---|
| ❖ <b>via phone to:</b><br>03-2092 3800   | ❖ <b>via fax to:</b><br>03-2093 2700 | ❖ <b>via e-mail to:</b><br><a href="mailto:complaints@fimm.com.my">complaints@fimm.com.my</a> |
| ❖ <b>via online complaint form available at:</b> <a href="http://www.fimm.com.my">www.fimm.com.my</a>  |                                      |   |
| ❖ <b>via letter to:</b> 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. |                                      |   |