

RHB EMERGING INCOME FUND

RESPONSIBILITY STATEMENT

This Product Highlights Sheet has been reviewed and approved by the directors of RHB Asset Management Sdn Bhd 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 relevant information and document in relation to the RHB Emerging Income Fund, including a copy of this Product Highlights Sheet have 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 Emerging Income Fund, including this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends the RHB Emerging Income 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 Emerging Income 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 Emerging Income 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.

Name of Fund	RHB Emerging Income Fund ("Fund").	Fund Category	Feeder fund.
Manager	RHB Asset Management Sdn Bhd.	Launch Date of the Fund	4 July 2017.
Trustee	HSBC (Malaysia) Trustee Berhad.	Financial Year End	31 August.
Target Fund	Schroder International Selection Fund Emerging Multi-Asset Income.	Base Currency of the Fund	USD.
Target Fund's Manager	Schroder Investment Management (Luxembourg) S.A.		

Classes under the Fund	Currency denomination of the Class	Launch Date of the Class	Initial Offer Period	Initial Offer Price
RM Class	RM	4 July 2017	21 days (i.e. 4 July 2017 – 24 July 2017)	RM 1.0000 per unit of the Fund
USD Class	USD	4 July 2017	21 days (i.e. 4 July 2017 – 24 July 2017)	USD 1.0000 per unit of the Fund

PRODUCT SUITABILITY

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

1. An individual whose total net personal assets, or total net joint assets with his or her spouse, exceed RM3 million or its equivalent in foreign currencies, excluding the value of the individual's primary residence; or
2. An individual who has a gross annual income exceeding RM300,000 or its equivalent in foreign currencies per annum in the preceding twelve months; or
3. An individual who, jointly with his or her spouse, has a gross annual income exceeding RM400,000 or its equivalent in foreign currencies per annum in the preceding twelve months; or
4. A corporation with total net assets exceeding RM10 million or its equivalent in foreign currencies based on the last audited accounts; or
5. A partnership with total net assets exceeding RM10 million or its equivalent in foreign currencies; or
6. A unit trust scheme or prescribed investment scheme; or
7. A private retirement scheme; or
8. A closed-ended fund; approved by the Securities Commission Malaysia; or
9. A company that is registered as a trust company under the Trust Companies Act 1949 which has assets under management exceeding RM10 million or its equivalent in foreign currencies; or
10. A corporation that 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 management exceeding RM10 million or its equivalent in foreign currencies; or
11. A statutory body established by an Act of Parliament or an enactment of any State; or
12. A pension fund approved by the Director General of Inland Revenue under section 150 of the Income Tax Act 1967; or
13. Central Bank of Malaysia established under the Central Bank of Malaysia Act 2009; or
14. A holder of a capital markets services licence or an executive director or a chief executive officer of a holder of a capital markets services licence; or
15. A licensed institution; as defined in the Financial Services Act 2013; or
16. An Islamic bank; as defined in the Islamic Financial Services Act 2013; or
17. An insurance company registered under the Financial Services Act 2013; or
18. A takaful operator registered under the Islamic Financial Services Act 2013; or
19. A bank licensee or insurance licensee as defined under the Labuan Financial Services and Securities Act 2010; or
20. An Islamic bank licensee or takaful licensee as defined under the Labuan Islamic Financial Services and Securities Act 2010; or
21. Any other investor as may be defined by the Securities Commission Malaysia from time to time.

KEY PRODUCT FEATURES

INVESTMENT OBJECTIVE

The Fund aims to provide income and capital growth by investing in one (1) target fund i.e. Schroder International Selection Fund Emerging Multi-Asset Income.

INVESTMENT STRATEGY

The Fund will invest principally in one (1) of the sub-funds of the Schroder International Selection Fund*, that is, the USD AX distribution share class of the Target Fund.

* *Schroder International Selection Fund is an open-ended investment company organised as a “société anonyme” under the laws of the Grand Duchy of Luxembourg and qualified as a Société d’investissement à Capital Variable (“SICAV”). The Target Fund is managed by Schroder Investment Management (Luxembourg) S.A. and the fund management is delegated to Schroder Investment Management Limited (London, United Kingdom). Schroder Investment Management (Luxembourg) S.A. is regulated by Commission de Surveillance du Secteur Financier (Luxembourg Financial Sector Supervisory Authority) (“CSSF”) under chapter 15 of the law on undertakings for collective investment dated 17 December 2010, as amended and the Target Fund is authorised in Luxembourg and regulated by the CSSF.*

The investment objective of the Target Fund is to provide a variable income distribution of 4% to 6% per annum and capital growth over a market cycle by investing in a diversified range of assets and markets worldwide. The Target Fund aims to provide a volatility (a measure of how much the Target Fund’s returns may vary over a year) of between 8% to 16% per annum.

Although the Fund is passively managed, the investments in the Fund will be rebalanced from time to time to meet sale and redemption transactions. This is to enable proper and efficient management of the Fund.

The Manager does not adopt any temporary defensive positions for the Fund in response to adverse market, economic, political or any other condition as such defensive strategies are expected to be implemented at the Target Fund’s level when deemed necessary by the Target Fund’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 Target Fund. It also follows that if the Target Fund fails to adopt a successful defensive position in response to adverse market and economic positions, there is a risk that the Fund will mirror the Target Fund’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 Net Asset Value (“NAV”) in the Target Fund. The risk management strategies and techniques employed will be at the Target Fund level.

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

When appropriate for RM class, the Manager may trade in financial derivatives, which include but is not limited to forwards and swaps, for the purpose of hedging the currency risk exposure (if any) of the RM class. The benefit of any upside of currency movement is limited when hedging the class exposure to foreign currency risk as the primary interest is to protect the value of the portfolio of the class.

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 NAV - Investments in the USD AX distribution share class of the Target Fund.

2% - 5% of NAV - Investments in liquid assets including money market instruments and placements of cash.

BENCHMARK

50% MSCI Emerging Markets Index (USD), 25% EMBI Global Diversified (USD), 25% GBI-EM Global Diversified (USD).

An investor may refer to the Manager for this benchmark indicator.

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

DISTRIBUTION

DISTRIBUTION POLICY - Subject to the level of income, distributions, if any, after deduction of taxation and expenses (i.e. net distribution) is declared quarterly. Any distribution made, will be out of the Fund’s realised gain or realised income.

DISTRIBUTION MODE - Distributions, if any, after deduction of taxation and expenses (i.e. net distributions) 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 of the Fund shall be within two (2) weeks thereafter.

KEY RISKS

KEY RISKS OF THE FUND

MANAGEMENT RISK - As the Fund invests at least 95% of NAV in the Target Fund, it is subject to the management risk of the manager of the Target Fund. Poor management of the Target Fund by the Target Fund’s manager will jeopardise the investments of the Fund in the Target Fund and in turn, the Unit Holders’ investments through the risk of reduced returns and in some cases loss of capital invested in the Fund.

LIQUIDITY RISK - The Fund is also exposed to liquidity risk as there is no secondary market for the Target Fund. Investments in the Target Fund can only be liquidated with the manager of the Target Fund or its appointed agents.

COUNTRY RISK - As the Target Fund is domiciled in Luxembourg, the Target Fund is subject to country risk. The Fund’s investments in the Target Fund may be adversely affected by political instability as well as exchange controls, changes in taxation, foreign investment policies, restrictions on repatriation of investments and other restrictions and controls which may be imposed by the relevant authorities in Luxembourg. This in turn may cause the NAV to fall.

CURRENCY RISK - The impact of the exchange rate movement between the base currency of the Fund (i.e. USD) and the differing currency of a class (i.e. RM class) may result in a depreciation of the investor’s holdings as expressed in the base currency of the Fund.

KEY RISKS OF THE TARGET FUND

Investments of the Target Fund are subject to the following risks:

- Capital risk due to distribution policy of Target Fund
- Capital risk due to negative yields
- China country risk
- Counterparty risk for derivatives
- Counterparty risk for money market and deposit
- Credit risk
- Currency risk
- Derivatives risk
- Emerging markets and frontier risk
- Equity risk
- High yield bond risk
- Interest rate risk
- Leverage risk
- Liquidity risk
- Operational risk

These risks of the Target Fund are elaborated in the Fund’s prevailing information memorandum and its supplementary(ies) (if any).

FEES & CHARGES

Subscription fee ¹ / Sales charge ¹ by distribution channels		
	RM class	USD class
Corporate Unit Trust Adviser (CUTA)	Up to 5.50% of investment amount.	
Institutional Unit Trust Adviser (IUTA)	Up to 5.50% of investment amount.	
Tied (Retail) Agent	Up to 5.50% of investment amount.	
Direct Sales (Direct investment with the Manager)	Up to 5.50% of investment amount.	
<p>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 (i.e. directly from the Manager or from any of its authorised sales agents or participating IUTAs or 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. Please note that this Fund's investments in the shares of the Target Fund will be at the NAV per share. The sales charge for investing in the Target Fund will be waived by the Target Fund's manager.</p>		
Redemption charge	Nil.	
Switching fee ¹	RM 25.00 per switch or the difference in sales charge between switching funds, where applicable.	USD 10.00 per switch or the difference in sales charge between switching funds, where applicable.
Transfer fee ¹	RM 5.00 per transfer.	USD 5.00 per transfer.
Annual management fee ¹	<p>1.80% per annum of NAV calculated on a daily basis before deducting the Manager's and Trustee's fees for that particular day.</p> <p>A portion of this fee is paid to the Target Fund's manager i.e. Schroder Investment Management (Luxembourg) S.A. As the Fund invests in the Target Fund, any management fee charged to the Target Fund by the Target Fund's manager in relation to the Fund's investments in the Target Fund will be fully refunded to this Fund. Accordingly, <u>THERE IS NO DOUBLE CHARGING OF MANAGEMENT FEE</u>. This means that the Unit Holders will incur <u>ONLY ONE MANAGEMENT FEE and ONLY AT THE FUND'S LEVEL</u>, i.e. 1.80% per annum of NAV.</p>	
Annual trustee fee ¹	0.06% 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 quarterly and annual reports, tax certificates, reinvestment statements and other notices to Unit Holders, other transaction costs and taxes will be charged to the Fund.	
Other expenses indirectly paid by an investor	<p>None levied by the Manager. However, as this Fund will invest in the Target Fund, there are fees indirectly incurred by this Fund, i.e. custody fee, administration fee and accounting and valuation fee which are incurred at the Target Fund level.</p> <p>The Target Fund level is subject to custody fee up to a maximum of 0.30% per annum and USD150.00 per transaction, administration fee of up to an annual rate of 0.25% by reference to the NAV of the Target Fund and accounting and valuation fee of up to an annual rate of 0.015% of the NAV of the Target Fund.</p>	

¹ The implementation of Goods and Services Tax ("GST") is effective from 1 April 2015 at the rate of 6% and the fees and charges payable are exclusive of GST.

TRANSACTION INFORMATION

	RM class	USD class
Minimum Initial Investment	RM 1,000.00 or such other amount as the Manager may from time to time accept.	USD 1,000.00 or such other amount as the Manager may from time to time accept.
Minimum Additional Investment	RM 500.00 or such other amount as the Manager may from time to time accept.	USD 500.00 or such other amount as the Manager may from time to time accept.
Minimum Repurchase Units	Any number of units.	
Restriction on Frequency of Repurchase	No restrictions.	
Switching Facility and Frequency of Switching	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. Minimum amount for a switch is 1,000 units or such other quantity as the Manager may from time to time decide.	
Minimum Investment Balance	100 units or such other lower quantity as the Manager may from time to time decide.	
Transfer Facility	Transfer is only allowed between sophisticated investors.	
Redemption Period	<p>Redemption monies are to be paid within ten (10) business days[#] after receipt by the Manager of the request to repurchase and are payable to the Unit Holders' bank account. Redemption monies will be paid in the currency of the class subscribed. However, the time taken to pay the redemption proceeds to investors may be extended or delayed if the Target Fund is suspended and/or the redemption from the Target Fund is deferred. Should this occur, the Manager will pay the redemption proceeds to investors within ten (10) business days[#] after receipt by the Manager of the redemption proceeds from the manager of the Target Fund.</p> <p>[#] These are the working days when the Manager is open for business.</p>	
Cooling-off Period	Investors do not have any cooling-off rights in respect of any investment in this Fund.	
Business Day	<p>A day (other than a Saturday or a Sunday or a public holiday) in which Bursa Malaysia is open for trading and</p> <p>(i) a day which is a business day in Singapore (i.e. a day other than Saturdays, Sundays and public holidays); and</p> <p>(ii) a day which is a business day in Luxembourg for banks and the Luxembourg stock exchange, and such other days as the directors of the Schroder International Selection Fund may decide.</p>	

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.
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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. However, the Target Fund in which the Fund invests in performs its valuation for its relevant business day on the day following its relevant business day. 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 Target Fund would have been obtained from the manager of the Target Fund. 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 our website, <http://www.rhbgroup.com>.

EXITING FROM THIS INVESTMENT

During the Fund's initial offer period, the repurchase price for both the RM class and USD class are fixed at RM1.0000 per unit and USD1.0000 per unit. After the Fund's initial offer period, the repurchase price shall be the NAV per unit of the Fund of the respective class as at the next valuation point of the relevant Business Day ("forward pricing") after the repurchase request is received by the Manager.

A redemption charge[#] may be computed separately based on the withdrawal amount / repurchase amount. There are no restrictions on the number of units of the Fund a Unit Holder can redeem out of the Unit Holder's investments or the frequency of redemptions in a year. For partial redemption, the balance of units of the Fund after the redemption must be at least 100 units or such other quantity as the Manager may from time to time decide (the "minimum holding at all times").

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 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 are to be paid within ten (10) business days^{###} after receipt by the Manager of the request to repurchase and are payable to the Unit Holders' bank account. Redemption monies will be paid in the currency of the class subscribed. However, the time taken to pay the redemption proceeds to investors may be extended or delayed if the Target Fund is suspended^{###} and/or the redemption from the Target Fund is deferred^{###}. Should this occur, the Manager will pay the redemption proceeds to investors within ten (10) business days^{###} after receipt by the Manager of the redemption proceeds from the manager of the Target Fund.

[#] The redemption charge herein is a penalty in nature and is not subject to GST. However, the Manager reserves the right to charge GST without prior notification when directed to do so by the Royal Malaysian Customs or when there is a change in the interpretation of the nature of repurchase charge by the Royal Malaysian Customs.

^{###} These are the working days when the Manager is open for business.

^{###} Information concerning suspension or deferral of redemption by the Target Fund 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 rhbam@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 email to:** rhbam@rhbgroup.com ❖ **via website to:** 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 fax to:** 03-2282 3855 ❖ **via email to:** 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
❖ **via online complaint form available at:** 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 fax to:** 03-2093 2700 ❖ **via email to:** complaints@fimm.com.my
❖ **via online complaint form available at:** www.fimm.com.my ❖ **via letter to:** Legal, Secretarial & Regulatory Affairs, Federation of
Investment Managers Malaysia, 19-06-1, 6th Floor Wisma Tune, No. 19 Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur.