

RHB MULTI ASSET REGULAR INCOME 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 Multi Asset Regular Income Fund and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

The authorisation of the RHB Multi Asset Regular Income Fund and lodgement of this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends the RHB Multi Asset Regular 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 RHBAM responsible for the RHB Multi Asset Regular 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 Multi Asset Regular Income Fund. Investors are advised to request, read and understand the Fund’s prevailing prospectus and its supplementary(ies) (if any) before deciding to invest.

Name of Fund	RHB Multi Asset Regular Income Fund (“Fund”).	Fund Category	Mixed asset fund.
Manager	RHB Asset Management Sdn Bhd.	Launch Date	7 December 2012.
Trustee	HSBC (Malaysia) Trustee Berhad.	Financial Year End	31 January.

PRODUCT SUITABILITY

This Fund is suitable for investors who seek regular income[^] and capital growth over the medium to long term^{*}; are willing to accept moderate risk in their investments; and wish to benefit from investment exposure in the Asia and Asia Pacific (ex Japan) region.

KEY PRODUCT FEATURES

INVESTMENT OBJECTIVE

The Fund aims to provide regular income[^] and medium to long term^{*} capital growth through a multi asset strategy.

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 of between 3-7 years.

INVESTMENT STRATEGY

The Manager intends to achieve the investment objective of the Fund by allocating assets of the Fund between three yielding[#] asset classes i.e. Asian (ex Japan) fixed income instruments, Asia Pacific (ex Japan) dividend equities[#] and Asia Pacific (ex Japan) Real Estate Investment Trusts (REITs). The Fund is actively managed. However, how active or the frequency of its trading strategy will very much depend on market opportunities. Investments in fixed income instruments can be fixed income instruments issued by corporations, financial institutions, supra-nationals, governments and their agencies and the investments in such fixed income instruments may be of investment grade, non-investment grade and fixed income instruments that are not rated. The Fund’s investment in fixed income instruments will generally be in the Asia (ex Japan) markets, i.e. according to the benchmark universe. However, the Manager may invest up to 30% of the Net Asset Value (“NAV”) in fixed income instruments outside the benchmark universe, i.e. in the markets of Australia, New Zealand and Japan only, and only when in their judgment, it is opportunistic to do so. Fixed income instruments that are issued by corporations and financial institutions which are of investment grade are those fixed income instruments having a credit rating of at least Baa3 by Moody’s Investors Service, or its equivalent. The Fund can also invest in fixed income instruments issued by corporations and financial institutions which are not rated by any rating agency. These are fixed income instruments issued by issuers where the local regulatory do not require mandatory rating of the instruments and / or the issuers. When making such investments, the Manager will consider the fundamental aspects of the issuer both in terms of quantitative and qualitative aspects and also the structure of the fixed income instruments issued. Investments in fixed income instruments issued by supra-nationals, governments and their agencies need not be rated. The Fund may also invest in fixed income instruments of non-investment grade. These are fixed income instruments which are rated by international rating agencies such as Moody’s to be below Baa3 or its equivalent. Thus, this Fund’s portfolio will be structured as follows:

65% - 98% of NAV - Investments in Asian (ex Japan) fixed income instruments, Asia Pacific (ex Japan) dividend equities[#] and Asia Pacific (ex Japan) REITs.

2% - 35% of NAV - Investments in liquid assets including money market instruments and deposits with financial institutions.

Note: [#]“yield” here refers to interest income, interest payout and other interest payment or its equivalent, dividend and distributions, whereas “dividend equities” are equity investments that pay out dividends.

For investments in foreign markets, the Manager will always take into consideration the composite benchmark as well as its evaluation of the historical developments and its prior experience in such markets. Such practice will be managed through active management and constant review, drawing on its resources and infrastructure. Investments will ultimately be made based on the risk-reward.

Risk would be managed through the principle of diversification across different asset classes; across the Asia and Asia Pacific, (ex Japan) region; sectors and market capitalisation. Financial derivatives may also be used for hedging purposes where appropriate. Generally, the asset 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 equity value and other available equity investments may present better opportunity cost and potential higher returns. The Fund also complies with the permitted investments and restrictions imposed by the Securities Commission. Adherence to these permitted investments and restrictions also helps the Manager to risk-manage the Fund’s portfolio in terms of diversification. Moreover, the Manager in making their investment decisions shall at all times comply with the investment restrictions of the Fund and requirements as set out in the deed.

Notwithstanding the above, 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 asset classes such as debt securities, money market instruments and deposits with any financial institutions, which are defensive in nature.

BENCHMARK

Composite benchmark comprising 50% JP Morgan Asia Credit Index Total Return Composite (RM); 30% MSCI AC Asia Pacific ex Japan Index (RM); and 20% MSCI AC Asia Pacific ex Japan REITS Index (RM).

DISTRIBUTION

DISTRIBUTION POLICY - The Fund will declare distributions, if any, to unit holders of the Fund ("Unit Holder(s)") depending on the level of income generated at each relevant period. Distributions, if any, after deduction of taxation and expenses (i.e. net distributions) are declared quarterly.

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.

KEY RISKS

As the Fund employs a multi asset strategy which allocates its assets in fixed income instruments, dividend equities[#] and REITs across the Asia and Asia Pacific region (excluding Japan), certain risks are therefore peculiar to this Fund. They are:

CURRENCY RISKS - The Fund is denominated in Ringgit Malaysia. Where investments are made by the Fund in the form of foreign currency denominations, fluctuations in the exchange rates of other currencies against the base currency of the Fund may affect the value of units of the Fund. In the management of the Fund, the Manager adopts an active currency management approach. However, the foreign currency exposure of the Fund may not be fully hedged depending on the circumstances of each case. Such considerations shall include but are not limited to the outlook on the relevant currency, the costs of hedging and the market liquidity of the relevant currency.

COUNTRY RISK - In addition to currency risk, the Fund is also subject to country risk, for example, the value of the assets of the Fund may also be affected by 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 license may be revoked or not renewed by the relevant authority and the Fund's investments in these countries may be affected. The effect on the Fund's investments will depend on the regulatory requirements of the respective countries. For example, if a foreign market requires the Fund to obtain an investment license which is subject to renewal and if such investment license 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.

REGIONAL RISK - Investments in a regional fund though may present greater opportunities and potential for capital appreciation, such a fund may also be subject to higher risks as they may be less diversified than a global portfolio. In respect of this Fund, the Fund is subject to the risks specific to the respective regions the Fund will be investing in, namely, Asia (ex Japan) for bonds and Asia Pacific (ex Japan) for investments in dividend equities[#] and REITs. [#]Note: "dividend equities" are equity investments that pay out dividends.

LIQUIDITY RISK - Liquidity risk here refers to the ease in which a security can be sold at or near its fair value in the market. Factors leading to the liquidity of a particular security may include tightly controlled securities which limit the free-float shares in the market and undeveloped services such as custodian and settlement in certain emerging markets. These factors may result in the Fund holding illiquid investment, which may lead to difficulties in obtaining accurate quotation of the value of the illiquid investment. Ultimately, this may negatively impact the value of the Fund and thus, Unit Holders' investment in the Fund.

DEFAULT AND CREDIT RISK - Investments in fixed income instruments are subject to adverse changes in the financial conditions of the issuer, or in adverse changes to general economic conditions, or both. For example, an unanticipated rise in interest rates may impair the ability of the issuer to make payments of interest and principal especially if the issuer is highly leveraged. Such issuer's ability to meet its debt obligations may also be adversely affected by specific corporate developments, or the issuer's inability to meet specific projected business forecasts, or the unavailability of additional financing. Also, an economic downturn or an increase in interest rates may increase the potential for default by the issuers of these securities.

INTEREST RATE RISK - Investments in fixed income instruments are also subject to risk of interest rate fluctuations and the prices of fixed income instruments may go up or down in response to such fluctuations in interest rates. In the event of rising interest rates, prices of fixed income instruments will generally decrease and vice versa. Meanwhile, fixed income instruments with longer maturities and lower coupon / profit rates are more sensitive to interest rate changes.

RISK OF USING RATING AGENCIES AND OTHER THIRD PARTIES - Credit ratings of instruments invested into by the Fund represent the rating agencies' opinion regarding the credit quality of the instrument or the institution and are not a guarantee of quality. Rating methodologies generally rely on historical data, which may not be predictive of future trends and adjustments to credit ratings in response to subsequent change of circumstances may take time. The Manager is entitled to rely, without independent investigation, upon pricing information and valuations furnished by third parties, including pricing services and independent brokers/dealers. Their accuracy depends on these parties' methodology, due diligence and timely response to changing conditions. The Manager cannot be held responsible for any failures by such parties in their valuations.

REITS MANAGEMENT RISK - As this Fund invests up to 20% of its NAV in REITs, it is subject to the management risk of the management company and investment manager of the REITs the Fund invests in. Poor management of the REITs will jeopardise the investment of this Fund.

REAL ESTATE RISK - The real estate risks of the REITs which the Fund invests in are subject to varying degrees of risk. The yields available from investments in REITs depend on the amount of income and capital appreciation generated by the related properties. Income and real estate values may also be adversely affected by such factors as applicable laws, interest rate levels and the quality of tenants. If the properties do not generate sufficient income to meet operating expenses, including, where applicable, debt service, ground lease payments, tenant improvements, third-party leasing commissions and other capital expenditures, the income and ability of the real estate company to make payments of any interest and principal on its debt securities or dividends on its equity securities will be adversely affected.

DERIVATIVES RISK - As the Fund may participate in financial derivative instruments for efficient portfolio management or hedging purposes, it will be subject to risks associated with such investments. These financial derivative instruments include among others, foreign exchange forward contracts and equity index future contracts. Investments in financial derivative instruments may require the deposit of initial margin and additional deposit of margin on short notice if the market moves against the investment positions. If no provision is made for the required margin within the prescribed time, the Fund's investments may be liquidated at a loss. Therefore, it is essential that such investments in financial derivative instruments are monitored closely. The Manager has the necessary controls for investments in financial derivative instruments and has in place systems to monitor the derivative positions for the Fund.

FUND PERFORMANCE					
AVERAGE TOTAL RETURNS OF THE FUND					
Average total returns for the following periods ended 31 January 2018					
	1 Year	3 Years	5 Years	Since Launch (27/12/2012* - 31/01/2018)	
RHB Multi Asset Regular Income Fund (%)	-2.17	4.82	6.67	6.59	
Benchmark [^] (%)	2.79	10.32	11.15	11.62	
ANNUAL TOTAL RETURNS OF THE FUND					
Annual total returns for the following financial years ended 31 January					
	2018	2017	2016	2015	Since Launch (27/12/2012* - 31/01/2014)
RHB Multi Asset Regular Income Fund (%)	-2.17	13.67	3.53	18.99	1.04
Benchmark [^] (%)	2.79	20.26	8.61	22.40	6.58
<p>Source: Lipper IM, 15 February 2018. * The last day of the Fund's initial offer period. ^ Composite benchmark comprising 50% JP Morgan Asia Credit Index Total Return Composite (RM), 30% MSCI AC Asia Pacific ex Japan Index (RM); and 20% MSCI AC Asia Pacific ex Japan REITS 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.</p> <p>For the latest financial year, the Fund recorded a loss of -2.17% whilst its benchmark recorded a gain of 2.79%.</p>					
PORTFOLIO TURNOVER RATIO ("PTR")					
PTR (times)	Financial Year Ended 31 January				
	2018	2017	2016	2015	
	0.68	0.58	0.72		
The PTR for the financial year was higher compared with the previous financial year as there were more investment activities during the financial year.					
DISTRIBUTION RECORD					
	Financial Year Ended 31 January				
	2018	2017	2016	2015	
	4.6500	5.8800	3.2550		
Gross distribution per unit (sen)	4.6500	5.8800	3.2550		
Net distribution per unit (sen)	4.6500	5.8800	3.2550		
For the latest financial year, the Fund has declared a net distribution of 4.6500 sen per unit.					

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 the Fund:

Sales charge¹ by distribution channels

Institutional Unit Trust Adviser (IUTA)	Up to 5.00% of investment amount.
Tied (Retail) Agent	Up to 5.00% of investment amount.
Direct Sales (Direct Investment with the Manager)	Up to 5.00% of investment amount.

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. Investments via the EPF ("Employees Provident Fund") 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 <http://www.kwsp.gov.my> for updated information on the eligibility of the Fund under the EPF Members' Investment Scheme.

Repurchase charge

None.

Dilution fee or transaction cost factor

None.

Other charges payable directly by the investors

Switching fee ¹	RM25.00 per switch or the difference in sales charge which is deductible from the redemption amount of the units to be switched, where applicable.
Transfer fee ¹	RM5.00 per transfer.

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

Annual management fee ¹	1.80% per annum of NAV before deducting the Manager's and Trustee's fees for that particular day.
Annual trustee fee ¹	Up to 0.08% 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, commissions or fees paid to brokers, transaction costs and other notices to Unit Holders and taxes.
Other fees payable indirectly by an investor (if any)	None.

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

Note: The Manager may, for any reason at any time, waive or reduce the amount of its management fee or other 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 lower amount as the Manager may from time to time accept.
Minimum Additional Investment	RM100 or such other lower 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. Minimum amount for a switch is RM1, 000. There are no restrictions as to the number of switches a Unit Holder may perform 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 repurchase proceeds will be remitted to Kumpulan Wang Simpanan Pekerja ("KWSP") 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 [#] which shall be effective from the date of receipt of the application by the Manager, subject to eligibility. [#] <i>These are the working days when the Manager is open for business.</i>
Business Day	A day (other than Saturdays, Sundays and public holidays) in which Bursa Malaysia and the foreign markets* are open for trading. <i>* foreign markets in which investments of the Fund having in aggregate values amounting to at least 50% of the Fund's NAV are invested therein.</i>
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 major newspapers on the next day in which the Manager is open for business 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 major newspapers. Investors may however obtain the most current computed price by contacting the Manager directly or visiting our website, 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 registered/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. 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 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. 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 repurchase proceeds will be remitted to KWSP by crediting into the members' provident account.

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?

- 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
- 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
- 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.
- 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.