

## **RHB ASIAN HIGH YIELD FUND – AUD**

### **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 Asian High Yield Fund – AUD, 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 Asian High Yield Fund – AUD, including this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends the RHB Asian High Yield Fund – AUD 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 Asian High Yield Fund – AUD 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.

This Product Highlights Sheet only highlights the key features and risks of RHB Asian High Yield Fund – AUD. Investors are advised to request, read and understand the Disclosure Documents before deciding to invest.

## PRODUCT HIGHLIGHTS SHEET

### RHB ASIAN HIGH YIELD FUND – AUD

<b>Name of Fund</b>	RHB Asian High Yield Fund – AUD ("Fund").
<b>Manager</b>	RHB Asset Management Sdn Bhd.
<b>Trustee</b>	HSBC (Malaysia) Trustee Berhad.
<b>Fund Category</b>	Feeder (fixed income) fund.
<b>Target Fund</b>	Fidelity Funds – Asian High Yield Fund.
<b>Target Fund's Management Company</b>	FIL Investment Management (Luxembourg) S.A.
<b>Launch Date</b>	8 June 2015.
<b>Base Currency of Fund</b>	AUD.

#### PRODUCT SUITABILITY

Subscription of Units 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 1965 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. 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
14. A licensed institution as defined in the Financial Services Act 2013; or
15. An Islamic bank as defined in the Islamic Financial Services Act 2013; or
16. An insurance company registered under the Financial Services Act 2013; or
17. A takaful operator registered under the Islamic Financial Services Act 2013; or
18. A bank licensee or insurance licensee as defined under the Labuan Financial Services and Securities Act 2010; or
19. An Islamic bank licensee or takaful licensee as defined under the Labuan Islamic Financial Services and Securities Act 2010; or
20. 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<sup>^</sup> and long-term\* capital growth by investing in one target fund.

Note: <sup>^</sup> The income is in the form of Units, unless the Unit Holder specifically requests for the distribution to be paid out to the Unit Holder

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

## INVESTMENT STRATEGY

The Fund will invest principally in the AUD denominated class A (hedged) shares of the Target Fund. The Target Fund is one of the sub-funds under the umbrella fund, Fidelity Funds. Fidelity Funds is an open-ended investment company established in Luxembourg as a Société d'Investissement à Capital Variable ("SICAV") and qualifies as an undertaking for collective investment in transferable securities ("UCITS") under Luxembourg laws. Fidelity Funds is managed by the management company, FIL Investment Management (Luxembourg) S.A. and its regulatory authority is the Commission de Surveillance du Secteur Financier (Luxembourg Financial Sector Supervising Authority) under Chapter 15 of the Luxembourg Law of 17 December 2010. The investment manager of the Target Fund is FIL Fund Management Limited (domiciled in Bermuda) and its regulatory authority is Bermuda Monetary Authority. The investment manager of the Target Fund is subject to the Bermuda Investment Business Act of 2003. The sub-investment manager of the Target Fund is FIL Investment Management (Hong Kong) Limited whose regulatory authority is the Securities and Futures Commission of Hong Kong under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong). The Target Fund was inception on 2 April 2007 and the AUD denominated class A (hedged) shares of the Target Fund was launched on 9 April 2014.

The investment objective of the Target Fund seeks a high level of current income and capital appreciation by investing primarily in high-yielding sub investment grade\* securities of issuers, or in high-yielding securities of sub investment grade\* issuers, all having their principal business activities in the Asian region. The type of debt securities in which the Target Fund will primarily invest will be subject to high risk and will not be required to meet a minimum rating standard. Not all securities will be rated for creditworthiness by an internationally recognized rating agency. The Target Fund may invest its net assets directly in onshore China fixed income securities\*\* listed or traded on exchanges in China.

\* Reference to sub investment grade securities or issuers shall mean securities or issuers with a rating of BB+ or less from Standard & Poor's or equivalent rating from an internationally recognised rating agency.

\*\* The Target Fund's direct investments in onshore China fixed income securities listed or traded on exchanges in China will be made through the Qualified Foreign Institutional Investors ("QFII") quota of the Target Fund's sub-investment manager, FIL Investment Management (Hong Kong) Limited ("Fidelity Hong Kong").

**Unit Holders are advised to read and understand the Target Fund's investment objective and policy disclosed in the Disclosure Documents.**

Although the Fund is not actively managed, the investments of the Fund will be rebalanced from time to time to meet Unit sales and Unit redemptions transactions. This is to enable proper and efficient management of the Fund.

This Fund is a feeder fund that invests at least 95% of NAV in the Target Fund. The risk management strategies and techniques employed will be at the Target Fund level.

## ASSET ALLOCATION

At least 95% of NAV

- Investments in the AUD denominated class A (hedged) shares of the Target Fund.

2% to 5% of NAV

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

## BENCHMARK

BofA/ Merrill Lynch Blended Index: ACCY, 20% Level 4 Cap 3% Constrained.

The benchmark chosen best represents the investments of the Target Fund. An investor may refer to the Manager or to Bloomberg L.P. for this benchmark indicator.

*The benchmark index is customized for the Target Fund by the index provider, Bank of America Merrill Lynch ("BofA/ Merrill Lynch"). It is based on the index provider's Asian Dollar High Yield Index ("ACCY") with sector exposure (in the index provider's terminology, sector classification is referred to as "Level 4") capped at 20% and issuer exposure capped at 3%. ACCY tracks the performance of sub-investment grade USD denominated sovereign, quasi-government, corporate, securitized and collateralized debt publicly issued in the US domestic and Eurobond markets by Asian issuers*

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

## DISTRIBUTION

Distribution Policy	Subject to the level of income, distribution, if any, after deduction of taxation and expenses (i.e. net distributions) is declared quarterly. Any distribution made, will be out of the Fund's realised gains or realised income.
Distribution Mode	Distributions, if any, after deduction of taxation and expenses (i.e. net distributions) will be reinvested in additional Units of the Fund, unless the Unit Holder specifically requests for the distribution to be paid out to the Unit Holder. For distribution reinvestment, additional Units will be reinvested based on the NAV per Unit as at the first Business Day when Units are quoted ex-entitlement. Allotment of such Units shall be within two (2) weeks thereafter. Distribution which is less than or equal to the amount of AUD 300 will be automatically reinvested in additional Units based on the NAV per Unit as at the first Business Day when Units are quoted ex-entitlement.

## KEY RISKS

### KEY RISKS OF THE FUND

Management risk	As the Fund invests at least 95% of its NAV in the Target Fund, it is subject to the management risk of the management company of the Target Fund. Poor management of the Target Fund by the target fund's management company will jeopardise the investments of the Fund in the Target Fund and in turn, the Unit Holders' investments through the risk of loss of capital invested in the Fund.
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Currency risk	<p>Though the Fund's base currency is denominated in AUD and the Fund will invest in the AUD denominated shares of the Target Fund, the Fund is subject to currency risk, as the Target Fund's base currency is denominated in USD and the underlying portfolio holdings of the Target Fund may be denominated in USD and other currencies.</p> <p>Thus, the fluctuation in foreign exchange rates between the currencies of the underlying portfolio holdings of the Target Fund as well as changes in rates of exchange between AUD (i.e. the currency denomination of the shares of the Target Fund) and USD (i.e. the base currency of the Target Fund) may cause the value of the Fund's investments in the AUD denominated shares of the Target Fund to diminish or increase which in turn will affect the value of Unit Holders' investments in the Fund.</p>
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.
Pricing and valuation risk	The Fund's assets will comprise at least 95% of NAV in AUD denominated class A (hedged) shares of the Target Fund where a valuation price will be obtained from the Target Fund's corporate representative and distributor, Fidelity Singapore while the remaining portfolio of the Fund are in liquid assets including money market instruments and Placements of Cash. The risk arises if there are errors of pricing from Fidelity Singapore or should the valuation of the Target Fund be suspended or deferred or should there be any restriction on subscription of shares of the Target Fund. Should any of these events occur, the pricing and valuation of the Fund will likewise be suspended. And in some cases, the Fund's redemption dealing may also be affected and time to payment of a Unit Holder's redemption request may be delayed. In any of these events, the Manager will notify and keep Unit Holders informed of the situation.

#### KEY RISKS OF THE TARGET FUND

- Bonds, Debt Instruments & Fixed Income (including High Yielding Securities)
- Lower Rated/ Unrated Securities
- Qualified Foreign Institutional Investors Risks
- Emerging and frontier markets risk
- Currency risk
- Distribution out of capital risk
- Securitized or structured debt instruments
- Derivatives related risks (market risk, liquidity risk, counterparty credit risk, settlement risk, fund management risk and other risks)
- Risks relating to specific derivative instruments (exchange traded and OTC options, credit default swaps, interest rate swaps, bond futures and interest rate futures, inflation index swaps and forward contracts)

The risks of the Target Fund are elaborated in the Disclosure Documents.

#### FEES & CHARGES

Subscription fee / Sales charge <sup>1</sup>	Up to 5.50% of the investment amount.
Repurchase charge	None.
Switching fee	Not applicable. Switching is not allowed for this Fund.
Transfer fee <sup>1</sup>	AUD 5.00 per transfer.
Annual management fee <sup>1</sup>	<p>1.50% per annum of NAV calculated on a daily basis before deducting the Manager's fee and Trustee's fee for that particular day.</p> <p>A portion of this fee is paid to the Target Fund's management company, FIL Investment Management (Luxembourg) S.A. As the Fund invests in shares of 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, there is <b><u>NO DOUBLE CHARGING OF MANAGEMENT FEE</u></b>. This means that Unit Holders will incur <b><u>ONLY ONE MANAGEMENT FEE and ONLY AT THE FUND'S LEVEL</u></b>, i.e. at one point five per cent (1.50%) per annum of NAV.</p>
Annual trustee fee <sup>1</sup>	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 or distribution cheques (where applicable), other transaction costs and taxes will be charged to the Fund.
Other expenses indirectly paid by an investors when investing in the Fund	<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. annual depositary fee and annual agency and services fee which are incurred at the Target Fund level.</p> <p>The annual depositary fee of the Target Fund is between 0.003% to 0.35% of the net asset value of the Target Fund (excluding transaction charges, reasonable disbursements and out-of-pocket expenses) and the annual agency and services fee of the Target Fund is up to 0.35% of the net asset value of the Target Fund (excluding reasonable out-of-pocket expenses).</p>

<sup>1</sup>The implementation of GST is effective from 1 April 2015 at the rate of 6% and the fees and charges payable is exclusive of GST.

**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. 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 Fidelity Singapore.

As such, the daily price of the Fund for a particular Business Day will not be published in the media 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 media.

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

The repurchase price shall be the NAV per Unit as at the next valuation point of the relevant Business Day ("forward pricing") after the repurchase request is received by the Manager.

A repurchase charge may be computed separately based on the withdrawal amount/repurchase amount. The minimum redemption Units of the Fund is 10,000 Units or such other lower quantity as the Manager may from time to time decide and for any partial redemption, the balance of Units of the Fund after the redemption must be 10,000 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 branches, or to any of its authorized sales agents or participating Corporate Unit Trust Advisers (CUTAs) or Institutional Unit Trust Advisers (IUTAs) on any day other than Saturdays, Sundays and public holidays before their respective cut-off times.

The NAV is determined by deducting the value of all the Fund's liabilities from the value of all the Fund's assets, at the valuation point. The NAV per Unit is determined when the NAV is divided by the total number of the Units in circulation at that valuation point.

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

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

<sup>##</sup>For information concerning suspension or deferment of redemption by the Target Fund, see "Temporary suspension and restrictions of certain dealings with the Target fund" in the Disclosure Documents.

### CONTACT INFORMATION

#### HOW CAN YOU CONTACT US?

To contact the Manager or to find out about the distribution channels of the Fund, you may call Unit Holders Services Toll-Free Hotline: 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](mailto:rhbam@rhbgroup.com) or visit our website, [www.rhbgroup.com](http://www.rhbgroup.com)

#### HOW DO YOU LODGE A COMPLAINT?

1. For internal dispute resolution, you may contact:

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|--|---|
| (a) via phone to                                   | : 03-9205 8000  |
| (b) via Unit Holders Services Toll-Free Hotline at | : 1-800-88-3175   |
| (c) via fax to                                     | : 03-9205 8100  |
| (d) via e-mail to                                  | : <a href="mailto:rhbam@rhbgroup.com">rhbam@rhbgroup.com</a>  |
| (e) via website at                                 | : <a href="http://www.rhbgroup.com">www.rhbgroup.com</a>  |
| (f) via letter to                                  | : RHB Asset Management Sdn Bhd<br>Level 8, Tower 2 & 3, RHB Centre<br>Jalan Tun Razak<br>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):

- |                   |  |
|-------------------|--|
| (a) via phone to  | : 03-2282 2280   |
| (b) via fax to    | : 03-2282 3855   |
| (c) via email to  | : <a href="mailto:info@sidrec.com.my">info@sidrec.com.my</a>   |
| (d) via letter to | : Securities Industry Dispute Resolution Center (SIDREC)<br>Unit A-9-1, Level 9, Tower A<br>Menara UOA Bangsar<br>No. 5, Jalan Bangsar Utama 1<br>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 Investor Affairs & Complaints Department:

- (a) via phone to the Aduan Hotline at : 03-6204 8999  
 (b) via fax to : 03-6204 8991  
 (c) via e-mail to : [aduan@seccom.com.my](mailto:aduan@seccom.com.my)  
 (d) via online complaint form available at : [www.sc.com.my](http://www.sc.com.my)  
 (e) via letter to : Investor Affairs & Complaints Department  
 Securities Commission Malaysia  
 No 3 Persiaran Bukit Kiara  
 Bukit Kiara  
 50490 Kuala Lumpur

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

- (a) via phone to : 03-2092 3800  
 (b) via fax to : 03-2093 2700  
 (c) via e-mail to : [complaints@fimm.com.my](mailto:complaints@fimm.com.my)  
 (d) via online complaint form available at : [www.fimm.com.my](http://www.fimm.com.my)  
 (e) 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

## GLOSSARY

AUD	Australian Dollars, the lawful currency of Australia.
Business Day	A day on which Bursa Malaysia is open for trading or banks in Kuala Lumpur are open for business and a day which is a business day in Singapore (i.e. a day other than Saturdays, Sundays, public holidays and any day determined to be a non-business day by the manager of Fidelity Funds – Asian High Yield Fund).
Fidelity Singapore	Corporate representative and distributor of the Target Fund in Singapore is FIL Investment Management (Singapore) Limited.
Fund	RHB Asian High Yield Fund – AUD.
GST	Goods and Services Tax.
Disclosure Documents	The Fund's prevailing information memorandum and its supplementary(ies) (if any).
Net Asset Value (NAV)	The net asset value of the Fund is determined by deducting the value of all the Fund's liabilities from the value of all the Fund's assets, at the valuation point.
Placements of Cash	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.
RM	Ringgit Malaysia, the lawful currency of Malaysia.
Target Fund	Fidelity Funds – Asian High Yield Fund.
Unit Holder(s)	The person(s) for the time being registered under the provisions of the Deed as the holder of Units and person(s) jointly registered.
USD	United States Dollars, the lawful currency of the United States of America.