

RHB ASIA HIGH INCOME BOND 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 Asia High Income Bond 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 Asia High Income Bond Fund, including this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends the RHB Asia High Income Bond 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 Asia High Income Bond 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 Asia High Income Bond 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 Asia High Income Bond Fund ("Fund").	Fund Category	Feeder fund.
Manager	RHB Asset Management Sdn Bhd.	Launch Date of the Fund	18 June 2018.
Trustee	HSBC (Malaysia) Trustee Berhad.	Financial Year End	30 April.
Target Fund	HSBC Asia High Income Bond Fund.	Base Currency of the Fund	USD.
Target Fund's Manager	HSBC Investment Funds (Hong Kong) Limited.		
Target Fund's Investment Adviser	HSBC Global Asset Management (Hong Kong) Limited.		

Classes under the Fund	Currency denomination of the Class	Launch Date of the Class	Initial Offer Period	Initial Offer Price
USD Class	USD	18 June 2018.	21 days (i.e. 18 June 2018 – 8 July 2018)	USD 1.0000 per Unit
RM-Hedged Class	RM	18 June 2018.	21 days (i.e. 18 June 2018 – 8 July 2018)	RM 1.0000 per Unit
SGD-Hedged Class	SGD	18 June 2018.	21 days (i.e. 18 June 2018 – 8 July 2018)	SGD 1.0000 per Unit
AUD-Hedged Class	AUD	18 June 2018.	21 days (i.e. 18 June 2018 – 8 July 2018)	AUD 1.0000 per Unit
GBP-Hedged Class	GBP	18 June 2018.	21 days (i.e. 18 June 2018 – 8 July 2018)	GBP 1.0000 per Unit
EUR-Hedged Class	EUR	To be determined.	21 days (To be determined.)	EUR 1.0000 per Unit
RMB-Hedged Class	RMB	To be determined.	21 days (To be determined.)	RMB 1.0000 per Unit

Each hedged class seeks to reduce the effect of currency fluctuations between the currency of the Class and the base currency of the Fund.

PRODUCT SUITABILITY

Subscription of Units is ONLY open to sophisticated investors who:

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 capital appreciation over the medium to long term* by investing in one (1) target fund.

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

INVESTMENT STRATEGY

The Fund will invest principally in the USD denominated class AM2 units of the HSBC Asia High Income Bond Fund ("Target Fund").

The investment objective of the Target Fund is to invest in fixed income securities which provide higher yield compared to their peers and the potential for capital appreciation over the medium to long term. A minimum of 70% of the Target Fund's net asset value will be invested in a diversified portfolio of fixed income securities issued or guaranteed by government, government agencies or supranational bodies in Asia, or issued by companies which are domiciled in, based in or carry out the larger part of their business in Asia.

The Target Fund is one (1) of the sub-funds of the HSBC Collective Investment Trust, an umbrella unit trust established under the laws of Hong Kong by trust deed between HSBC Investment Funds (Hong Kong) Limited as manager and HSBC Institutional Trust Services (Asia) Limited as trustee. HSBC Collective Investment Trust is authorised and regulated by the Securities and Futures Commission of Hong Kong ("SFC HK") pursuant to Section 104 of the Securities and Futures Ordinance. The investment management duties of the Target Fund are delegated to the investment adviser, HSBC Global Asset Management (Hong Kong) Limited. The manager and investment adviser of the Target Fund are regulated by the SFC HK. The trustee of the Target Fund is registered as a trust company under the Trustee Ordinance (Cap.29 of the Laws of Hong Kong).

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. 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.

The Fund is a feeder fund that invests at least 95% of its Net Asset Value ("NAV") in the Target Fund. The risk management strategies and techniques employed will be at the Target Fund level.

When appropriate for all Classes (except USD Class), the Manager may participate 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 various currency Classes. The benefit of any upside of currency movement is limited when hedging the various currency Class exposures to foreign currency risk as the primary interest is to protect the value of the portfolio of the various currency Classes.

UNIT HOLDERS ARE ADVISED TO READ AND UNDERSTAND THE TARGET FUND'S INVESTMENT OBJECTIVE, POLICY AND STRATEGY 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 denominated class AM2 units of the Target Fund.

The balance of the NAV shall be invested in liquid assets including money market instruments, deposits that are not embedded with or linked to financial derivative instruments ("Deposits") and collective investment schemes investing in money market instruments and Deposits.

BENCHMARK

65% J.P. Morgan Asia Credit Diversified Investment Grade Index and 35% J.P. Morgan Asia Credit Diversified Non-Investment Grade Index.

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 – Incidental. Distribution, if any, is declared at the end of each financial year, or for any other period.

DISTRIBUTION MODE - Distributions, if any, after deduction of taxation and expenses (i.e. net distributions) will be reinvested, unless the Unit Holder specifically requests for distribution to be paid out to the Unit Holder by indicating in the purchase/ switch form. For distribution reinvestment, distribution will be reinvested based on NAV per Unit of the Class as at the first Business Day when Units of that Class 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 300.00 or such other amount which will be determined by the Manager in the currency of the Class subscribed will be automatically reinvested based on the NAV per Unit of that Class as at the first Business Day when Units of that Class are quoted ex-entitlement. For Unit Holder who specifically requests for distribution to be paid out, it will be credited into the bank account opened with licensed financial institutions in Malaysia. In the absence of a valid and active bank account, the distribution will be reinvested based on NAV per Unit of the Class subscribed on a Business Day determined at the discretion of the Manager.

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 manager and investment adviser of the Target Fund. Poor management of the Target Fund by the Target Fund's manager and investment adviser 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 Hong Kong, 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 Hong Kong. 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 the non-USD Classes may result in depreciation of the investor's holdings as expressed in the base currency of the Fund.

KEY RISKS OF THE TARGET FUND

Investments in the Target Fund are associated to the following risks:

- Emerging and less developed markets securities risk, including risks relating to investing in China market i.e. China market risks, People's Republic of China tax risks, RMB currency risks and risks associated with investing in the China Interbank Bond Market
- Geographical concentration risk
- Debt securities risk, Sovereign debt risk, convertible bonds risk, contingent convertible securities risks and collateralised and/or securitised products risk
- Credit risk and below investment grade (in case of internationally recognised credit rating agencies) or BB+ or below (in case of People's Republic of China local credit rating agencies) or unrated securities risk
- Credit ratings risks and credit rating agency risks
- Downgrading Risk
- Foreign exchange and currency conversion risk
- Volatility and liquidity risk
- Valuation risk
- Interest Rate Risk
- Derivative risk
- Hedging risk
- Distribution out of capital risk
- Investor risk
- Cross-class liability risks
- Prohibited securities risks

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

FEES & CHARGES

	USD Class	RM-Hedged Class	SGD-Hedged Class	AUD-Hedged Class	GBP-Hedged Class	EUR-Hedged Class	RMB-Hedged Class
Subscription fee ¹ / Sales charge ¹	<p>Up to 3.00% of investment amount.</p> <p>An investor can expect differing sales charge to be levied when buying Units from the various distribution channels and within each distribution channel (i.e. directly from the Manager or from any of its authorised sales agents or participating Institutional Unit Trust Scheme Adviser ("IUTAs") or Corporate Unit Trust Scheme Adviser ("CUTAs")), subject to the maximum sales charge stipulated above. This is due to the different levels of services provided by each distribution channel and/or the size of the investment undertaken.</p> <p>Please note that this Fund's investments in the units of the Target Fund will be at net asset value per unit of the Target Fund. The sales charge for investing in the Target Fund will be waived by the Target Fund's manager.</p>						
Redemption Charge	None.						
Switching Fee ¹	USD10.00 per switch or the difference in sales charge between switching funds, where applicable.	RM25.00 per switch or the difference in sales charge between switching funds, where applicable.	SGD10.00 per switch or the difference in sales charge between switching funds, where applicable.	AUD10.00 per switch or the difference in sales charge between switching funds, where applicable.	GBP10.00 per switch or the difference in sales charge between switching funds, where applicable.	EUR10.00 per switch or the difference in sales charge between switching funds, where applicable.	RMB50.00 per switch or the difference in sales charge between switching funds, where applicable.
	The Manager however, reserves the right to vary this fee or to vary the terms of the switching facility.						
Transfer Fee ¹ (per transfer)	USD5.00	RM5.00	SGD5.00	AUD5.00	GBP5.00	EUR5.00	RMB10.00
Annual Management Fee ¹	<p>Up to 1.20% per annum of NAV calculated on a daily basis before deducting the Manager's and Trustee's fees for that particular day.</p> <p>The above management fee charged to the Fund, is in addition to the management fee charged at the Target Fund's level. Accordingly, <u>THERE IS DOUBLE CHARGING OF THE MANAGEMENT FEE</u>.</p> <p>Nevertheless, Unit Holders will incur an effective annual management fee at the rate of up to one point two per cent (1.20%) 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 fees and charges).						
Expenses directly related to the Fund	Auditors' fees, other relevant professional fees, custodial charges, cost of distribution of quarterly and annual reports and other notices to Unit Holders, tax certificates, reinvestment statements, other transaction costs and taxes will be charged to the Fund.						
Other expenses indirectly paid by an investor	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. trustee fee, administration fee, accounting and valuation fee which are incurred at the Target Fund level. The Target Fund level is subject to trustee fee of 0.07% per annum of net asset value of the Target Fund.						

¹ All fees and charges payable to the Manager and the Trustee are subject to any applicable taxes and/or duties and at such rate as may be imposed by the government from time to time.

Note: Any bank charges imposed by the relevant banks/ financial institutions will be borne by the Unit Holders.

TRANSACTION INFORMATION

	USD Class	RM-Hedged Class	SGD-Hedged Class	AUD-Hedged Class	GBP-Hedged Class	EUR-Hedged Class	RMB-Hedged Class
Minimum Initial Investment	USD1,000	RM1,000	SGD1,000	AUD1,000	GBP1,000	EUR1,000	RMB1,000
Minimum Additional Investment	USD500	RM500	SGD500	AUD500	GBP500	EUR500	RMB500
Minimum Investment Balance	100 Units.						

TRANSACTION INFORMATION

	USD Class	RM-Hedged Class	SGD-Hedged Class	AUD-Hedged Class	GBP-Hedged Class	EUR-Hedged Class	RMB-Hedged Class
Minimum Repurchase Units	Any number of Units.						
Restriction on Frequency of Repurchase	No restrictions.						
Switching Facility and Frequency of Switching	Available (except during the initial offer period of the Class). 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 500 Units or such other quantity as the Manager may from time to time decide.						
Transfer Facility	Transfer of Units is only allowed between Sophisticated Investors. The Manager may decline to register any partial transfer of Units if the registration would result in the transferor or the transferee holding less than one hundred (100) Units or such other quantity as the Manager may from time to time decide (the minimum investment balance).						
An investor may request for a lower minimum initial investment, lower minimum additional investment amount, lower minimum investment balance, lower minimum repurchase Units or lower minimum amount for a switch which the Manager may accept at its absolute discretion from time to time.							
Subscription Settlement	Payment must be made in the currency of the Class subscribed on subscription date.						
Cooling-off Period	Unit Holders have the right to request for a refund of their investment within six (6) business days (these are the working days when the Manager is open for business) which shall be effective from the date of receipt of the application by the Manager, subject to eligibility.						
Business Day	A day (other than a Saturday or a Sunday or a public holiday) in which Bursa Malaysia is open for trading and a day on which banks in Hong Kong are open for business (or such other day as may from time to time be determined by the manager and the trustee of the Target Fund).						
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 the orders are received before the next valuation point.						
Other Information	<ul style="list-style-type: none">◆ Classes differ in terms of currency denomination.◆ Unit Holders of each Class have the same rights and obligations under the Deed.◆ Unit Holders should note that the assets of the Fund are pooled and invested as a single fund and are not segregated in respect of each Class.◆ Any gains/ losses or expenses from hedging each of the non-USD Class against the base currency of the Fund (i.e. USD) will be borne by the respective Classes.◆ Pursuant to the Deed, the Manager may from time to time launch new Class(es) with different and/or similar features such as fees, charges, currency and/or distribution policy, provided that the issuance of the new Class(es) shall not in the opinion of the Manager prejudice the rights of the Unit Holder of the current available Classes.						

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 initial offer period of each Class, the repurchase price for all Classes are fixed at 1.0000 per Unit in the currency of the Class subscribed. After the initial offer period of each Class, the repurchase price shall be the NAV per unit 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.

There are no restrictions on the number of Units 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 after the redemption must be 100 Units or such other quantity as the Manager may from time to time decide (the "minimum investment balance"). Units 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.

The NAV of the Fund or a Class is determined by deducting the value of all the Fund's liabilities (or the liabilities relating to the Class) from the value of all the Fund's assets (or assets relating to that Class), at the valuation point. The NAV per unit is determined when the NAV attributable to a Class is divided by the total number of Units in circulation for that Class at that valuation point.

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.

[#]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@rhbggroup.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 e-mail to:** rhbam@rhbggroup.com ❖ **via website to:** www.rhbggroup.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 e-mail 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 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:

❖ **via phone to the Aduan Hotline at:** 03-6204 8999 ❖ **via fax to:** 03-6204 8991 ❖ **via e-mail 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 e-mail 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.