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INFORMATION MEMORANDUM RHB ASIA HIGH INCOME BOND FUND

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RHB Asset Management Sdn Bhd (174588-X)
(A member of RHB Banking Group)

TRUSTEE

HSBC (Malaysia) Trustee Berhad (1281-T)
(A member of the HSBC Group)

This information memorandum is dated 18 June 2018.

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE INFORMATION MEMORANDUM AND IF IN DOUBT, TO OBTAIN PROFESSIONAL ADVICE BEFORE SUBSCRIBING TO UNITS OF RHB ASIA HIGH INCOME BOND FUND.

UNITS OF RHB ASIA HIGH INCOME BOND FUND CAN ONLY BE SOLD TO SOPHISTICATED INVESTORS.

RHB Group    

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Responsibility Statement

This information memorandum in relation to the RHB Asia High Income Bond Fund has been seen and approved by the directors of RHB Asset Management Sdn Bhd and they collectively and individually accept full responsibility for the accuracy of all information contained herein and confirm, having made all enquiries which are reasonable in the circumstances, that to the best of their knowledge and belief, there are no other facts omitted which would make any statement herein misleading.

Statements of Disclaimer

The Securities Commission Malaysia will not be liable for any non-disclosure on the part of RHB Asset Management Sdn Bhd and takes no responsibility for the contents of this information memorandum, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from, or in reliance upon the whole or any part of the contents of this information memorandum.

Additionally, prospective investors should not treat the contents of this information memorandum as advice relating to investment, law or taxation and must rely on their own legal counsel, accountants and/or other professional advisers as to legal, tax and related matters concerning the Fund and investments therein.

TABLE OF CONTENTS

DEFINITIONS	1
1. KEY DATA	5
2. INVESTMENT OBJECTIVE	10
3. INVESTMENT STRATEGY	10
3.1 Investment Strategy	10
3.2 Asset Allocation	11
3.3 Benchmark	11
3.4 Leverage	11
4. INFORMATION ON THE TARGET FUND	11
4.1 About the Target Fund	11
4.2 Investment objective, policy and strategy of the Target Fund	11
4.3 Risk management of the Target Fund	13
4.4 Suspension of dealings in the Target Fund	14
4.5 Restrictions on redemption of units in the Target Fund	15
5. PERMITTED INVESTMENTS AND RESTRICTIONS	16
6. RISK FACTORS OF THE FUND	16
6.1 General Risks of Investing in a Wholesale Fund	16
6.2 Specific Risks when Investing in this Fund	16
6.3 Specific Risks of the Target Fund	17
7. PRICING POLICY	28
8. VALUATION OF ASSETS	29
9. CROSS TRADES & POLICY ON REBATES AND SOFT COMMISSION	30
9.1 Cross Trades	30
9.2 Policy on Rebates and Soft Commission	30
10. PARTIES TO THE FUND	30
10.1 Manager	30
10.2 Trustee	31
10.3 Auditors of the Manager and the Fund	33
11. RIGHTS AND LIABILITIES OF UNIT HOLDERS	33
11.1 Rights of the Unit Holders	33
11.2 Liabilities of Unit Holders	34
11.3 Power to Call for a Meeting by Unit Holders	34
11.4 Termination of the Fund	34
11.5 Classes of Units	34

DEFINITIONS

In this information memorandum, the following abbreviations or words shall have the following meaning unless otherwise stated:

AUD	Australian Dollars, the lawful currency of Australia.
AUD-Hedged Class	Class denominated in AUD which seeks to reduce the effect of currency fluctuations between the currency of the Class and the Base Currency.
Base Currency	The currency in which the Fund is denominated i.e. USD.
Bursa Malaysia	The stock exchange managed or operated by Bursa Malaysia Securities Berhad.
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 trustee of the Target Fund).
Class(es)	Any number of class(es) of Unit(s) representing similar interests in the assets of the Fund and such class(es) of Unit(s) that may be issued by the Fund from time to time and “Class” means any one (1) class of Units.
Deed	Deed dated 8 June 2018 as may be modified or varied by supplemental deeds from time to time.
Deposits	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.
EUR	Euro, the lawful currency of the European Union’s member states.
EUR-Hedged Class	Class denominated in EUR which seeks to reduce the effect of currency fluctuations between the currency of the Class and the Base Currency.
financial institution(s)	(a) If the institution is in Malaysia – (i) institutions authorised to carry on banking business or investment banking business under the Financial Services Act 2013; or (ii) institutions authorised to carry on Islamic banking business under the Islamic Financial Services Act 2013; or (b) If the institution is outside Malaysia, any institution that is licensed, registered, approved or authorised to provide financial services by the relevant banking regulator.
Fund	RHB Asia High Income Bond Fund.

RHB ASIA HIGH INCOME BOND FUND

GBP	British Pound Sterling, the lawful currency of United Kingdom.
GBP-Hedged Class	Class denominated in GBP which seeks to reduce the effect of currency fluctuations between the currency of the Class and the Base Currency.
Manager	RHB Asset Management Sdn Bhd.
Net Asset Value (NAV)	The net asset value 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.
NAV per Unit	The NAV attributable to a Class divided by the total number of Units in circulation for that Class at that valuation point.
RM	Ringgit Malaysia, the lawful currency of Malaysia.
RM-Hedged Class	Class denominated in RM which seeks to reduce the effect of currency fluctuations between the currency of the Class and the Base Currency.
RMB	Renminbi, the lawful currency of the People's Republic of China. For avoidance of doubt, this refers to the offshore RMB currency, the CNH.
RMB-Hedged Class	Class denominated in RMB which seeks to reduce the effect of currency fluctuations between the currency of the Class and the Base Currency.
Sophisticated Investor	<ol style="list-style-type: none">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; or2. An individual who has a gross annual income exceeding RM300,000 or its equivalent in foreign currencies per annum in the preceding twelve months; or3. 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; or4. A corporation with total net assets exceeding RM10 million or its equivalent in foreign currencies based on the last audited accounts; or5. A partnership with total net assets exceeding RM10 million or its equivalent in foreign currencies; or6. A unit trust scheme or prescribed investment scheme; or

7. A private retirement scheme; or
8. A closed-end 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.

SGD

Singapore Dollars, the lawful currency of Singapore.

SGD-Hedged Class

Class denominated in SGD which seeks to reduce the effect of currency fluctuations between the currency of the Class and the Base Currency.

RHB ASIA HIGH INCOME BOND FUND

Target Fund	HSBC Asia High Income Bond Fund.
Trustee	HSBC (Malaysia) Trustee Berhad.
Unit(s)	A unit of the Fund or the relevant Class and includes fractions of a unit of the Fund or the relevant Class.
Unit Holder(s)	The person(s) for the time being registered under the provisions of the Deed as the holder(s) of Units of a Class and person(s) jointly registered. In relation to the Fund, means all the Unit Holders of every Class in the Fund.
USD	United States Dollars, the lawful currency of the United States of America.
USD Class	Class denominated in USD.

1. KEY DATA

	Class(es) of Units						
	USD Class	RM-Hedged Class	SGD-Hedged Class	AUD-Hedged Class	GBP-Hedged Class	EUR-Hedged Class	RMB-Hedged Class
INFORMATION ON THE FUND							
Name of Fund	RHB Asia High Income Bond Fund.						
Fund Category	Feeder fund.						
Base Currency	USD.						
Initial Offer Price	USD 1.0000 per Unit.	RM 1.0000 per Unit.	SGD 1.0000 per Unit.	AUD 1.0000 per Unit.	GBP 1.0000 per Unit.	EUR 1.0000 per Unit.	RMB 1.0000 per Unit.
Launch Date	18 June 2018.					To be determined.	
Initial Offer Period	21 days (i.e. 18 June 2018 – 8 July 2018).					21 days (To be determined).	
Investment Objective	The Fund aims to provide capital appreciation over the medium to long term* by investing in one (1) target fund. <i>Note: “medium to long term” in this context refers to a period of between 3 – 7 years.</i>						
Asset Allocation	At least 95% of NAV - Investments in the USD denominated class AM2 units of HSBC Asia High Income Bond Fund (“Target Fund”). The balance of the NAV shall be invested in liquid assets including money market instruments, Deposits and collective investment schemes investing in money market instruments and Deposits.						
Principal Investment Strategy	<p>The Fund will invest principally in the USD denominated class AM2 units of the 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.</p> <p>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).</p> <p>Although the Fund is passively managed, the investments in the Fund will be rebalanced from time to time to meet sale and redemption transactions.</p>						

	Class(es) of Units						
	USD Class	RM-Hedged Class	SGD-Hedged Class	AUD-Hedged Class	GBP-Hedged Class	EUR-Hedged Class	RMB-Hedged Class
	<p>This is to enable proper and efficient management of the Fund.</p> <p>The Fund is a feeder fund that invests at least 95% of its NAV in the Target Fund. The risk management strategies and techniques employed will be at the Target Fund level.</p> <p>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.</p> <p>Unit Holders are advised to refer to section 4.2 to read and understand the Target Fund's investment objective, policy and strategy.</p>						
Benchmark	<ul style="list-style-type: none"> 65% J.P. Morgan Asia Credit Diversified Investment Grade Index 35% J.P. Morgan Asia Credit Diversified Non-Investment Grade Index <p>An investor may refer to the Manager for this benchmark indicator.</p> <p>The risk profile of the Fund is different from the risk profile of the benchmark.</p>						
Financial Year End	30 April.						
Distribution Policy	Incidental. Distribution, if any, is declared at the end of each financial year, or for any other period.						
Distribution Mode	<p>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.</p> <p>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.</p> <p>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.</p>						
Reporting to Investors	<p>The Manager will send to the Unit Holders monthly statement of accounts; and quarterly and annual reports.</p> <p>The monthly statement of accounts details all transactions made by the Unit Holders in relation to the Fund whereas the quarterly and annual reports, in hard or soft copy format, consist of, amongst others, audited financial statements (annual reports only), information on Fund performance, key risk factors, market outlook and asset allocation of the Fund.</p>						

	Class(es) of Units						
	USD Class	RM-Hedged Class	SGD-Hedged Class	AUD-Hedged Class	GBP-Hedged Class	EUR-Hedged Class	RMB-Hedged Class
FEES AND CHARGES							
Subscription Fee / Sales Charge¹	<p>Up to 3.00% of the 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 Advisers (IUTAs) or Corporate Unit Trust Scheme Advisers (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 Fee¹	<p>USD 10.00 per switch or the difference in sales charge between switching funds, where applicable</p>	<p>RM 25.00 per switch or the difference in sales charge between switching funds, where applicable</p>	<p>SGD 10.00 per switch or the difference in sales charge between switching funds, where applicable</p>	<p>AUD 10.00 per switch or the difference in sales charge between switching funds, where applicable</p>	<p>GBP 10.00 per switch or the difference in sales charge between switching funds, where applicable</p>	<p>EUR 10.00 per switch or the difference in sales charge between switching funds, where applicable</p>	<p>RMB 50.00 per switch or the difference in sales charge between switching funds, where applicable</p>
	The Manager however, reserves the right to vary this fee or to vary the terms of the switching facility.						
Transfer Fee¹	<p>USD 5.00 per transfer</p>	<p>RM 5.00 per transfer</p>	<p>SGD 5.00 per transfer</p>	<p>AUD 5.00 per transfer</p>	<p>GBP 5.00 per transfer</p>	<p>EUR 5.00 per transfer</p>	<p>RMB 10.00 per transfer</p>
Annual Management Fee¹	<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 Fee¹	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.						

RHB ASIA HIGH INCOME BOND FUND

	Class(es) of Units						
	USD Class	RM-Hedged Class	SGD-Hedged Class	AUD-Hedged Class	GBP-Hedged Class	EUR-Hedged Class	RMB-Hedged Class
Other expenses indirectly paid by an investor when investing in the Fund	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 DETAILS							
Minimum Initial Investment	USD 1,000.00	RM 1,000.00	SGD 1,000.00	AUD 1,000.00	GBP 1,000.00	EUR 1,000.00	RMB 1,000.00
Minimum Additional Investment	USD 500.00	RM 500.00	SGD 500.00	AUD 500.00	GBP 500.00	EUR 500.00	RMB 500.00
Minimum Investment Balance	100 Units.						
Minimum Redemption of Units	Any number of Units.						
Frequency of Redemption of Units	No restrictions.						
Switching Facility	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 redemption 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.						
Redemption Settlement	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.						

	Class(es) of Units						
	USD Class	RM-Hedged Class	SGD-Hedged Class	AUD-Hedged Class	GBP-Hedged Class	EUR-Hedged Class	RMB-Hedged Class
	<p>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	<p>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.</p> <p>[#] These are the working days when the Manager is open for business.</p>						
Dealing Hours	<p>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.</p>						
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 (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. 						

Prospective investors should read and understand the contents of the information memorandum and, if necessary, should consult their adviser(s).

There are fees involved and investors are advised to consider the fees before investing in the Fund.

For information concerning risk factors of the Fund which should be considered by prospective investors, see “Risk Factors of the Fund” commencing on page 16. Prospective investors should also note risk factors relating to the Target Fund which may use financial derivative instruments for the purposes of hedging.

2. 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.*

3. INVESTMENT STRATEGY

3.1 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.

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 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.

Notwithstanding anything contained herein,

- the Manager may, in consultation with the Trustee and with the approval of the Unit Holders, replace the Target Fund with another fund of a similar objective; or
- the Manager may close the Fund,

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.

Note: It is intended that the class AM2 units will declare a dividend based upon the estimated annualised yield of the Target Fund’s underlying portfolio which is attributable to the class AM2. Further, distribution of dividends for class AM2 units of the Target Fund may be made out of income and/or capital gains and/or capital. Such distributions may result in a reduction of the net asset value per unit of class AM2 of the Target Fund over time.

3.2 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 and collective investment schemes investing in money market instruments and Deposits.

3.3 Benchmark

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

3.4 Leverage

The Fund may borrow cash on a temporary basis (i.e. not more than one (1) month) from financial institutions to meet redemption requests. Such borrowing shall not exceed ten (10) percent of the NAV at the time the borrowing is incurred, and assets of the Fund may only be pledged as collateral with financial institutions for borrowing of this nature.

4. INFORMATION ON THE TARGET FUND**4.1 About the Target Fund**

The Target Fund was launched on 24 February 2017. The Target Fund is one (1) of the sub-funds under the umbrella of the HSBC Collective Investment Trust. The base currency of the Target Fund is USD.

HSBC Collective Investment Trust is 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. It has been authorised by the Securities and Futures Commission of Hong Kong ("SFC HK") pursuant to Section 104 of the Securities and Futures Ordinance. It is regulated by the SFC HK.

The manager of the Target Fund is HSBC Investment Funds (Hong Kong) Limited and is regulated by the SFC HK. The trustee of the Target Fund is HSBC Institutional Trust Services (Asia) Limited. It is registered as a trust company under the Trustee Ordinance (Cap.29 of the Laws of Hong Kong) and approved by the Mandatory Provident Fund Schemes Authority as trustee of registered mandatory provident fund schemes under the Mandatory Provident Fund Schemes Ordinance (Cap.485 of the Laws of Hong Kong). The investment management duties of the Target Fund are delegated to the investment adviser, HSBC Global Asset Management (Hong Kong) Limited. HSBC Global Asset Management (Hong Kong) Limited is regulated by the SFC HK.

4.2 Investment objective, policy and strategy of the Target Fund**Investment objective**

The Target Fund aims 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.

Investment policy

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's primary currency exposure is to the USD through including but not limited to foreign exchange positions (i.e. use of financial derivative instruments for hedging purposes only, cash and/or deposits). The Target Fund may also have exposure to non-USD currencies including Asian currencies (up to 30% of its net asset value) through direct holding of fixed income securities, cash and/or deposits. For the avoidance of doubt, the Target Fund may only invest up to 10% of its net asset value in cash, deposits or money market instruments for liquidity purposes.

The Target Fund does not have explicit restrictions on the minimum credit ratings of securities it may hold. Investment grade fixed income securities are rated at least Baa3 / BBB- by Moody's, Standard & Poor's, or any other internationally recognised credit rating agency.

The aggregate investment in securities that are:-

1. rated below investment grade as defined above;
2. rated BB+ or below (in case where the credit rating is designated / assigned by a People's Republic of China (excluding Hong Kong, Macau and Taiwan) ("PRC") local credit rating agency); or
3. unrated (i.e. a bond for which neither the bond itself nor its issuer has a credit rating),

is up to 45% of the Target Fund's net asset value.

The Target Fund may invest up to 20% of its net asset value in bonds traded on the China Interbank Bond Market ("CIBM") in the PRC via the CIBM Initiative and/or Bond Connect and/or other means as may be permitted by the relevant regulations from time to time.

The Target Fund will not invest more than 10% of its net asset value in debt securities issued and / or guaranteed by any single sovereign issuer (including its government, public or local authority) which is below investment grade (by an internationally recognised credit rating agency).

The Target Fund may invest up to 10% of its net asset value in convertible bonds (excluding contingent convertible securities).

The Target Fund may invest up to 10% of its net asset value in contingent convertible securities; however, such investment is not expected to exceed 5%.

The Target Fund may also invest up to 10% of its net asset value in collateralised and/or securities products such as asset backed securities, mortgage backed securities and asset backed commercial papers.

The Target Fund may use financial derivative instruments e.g. options, futures, swaps (such as credit default swaps) and foreign exchange forwards (including non-deliverable forwards), etc. for hedging purposes only.

Note: (a) the reference to "high income" in the name of the Target Fund is to indicate that the Target Fund aims to invest in fixed income securities which provide higher yield compared to their peers; (b) it does not indicate that a high level of income or otherwise will be received by the investors; (c) this strategy does not mean that the Target Fund itself will make distributions in all circumstances; (d) the reference to "high income" is not indicative of the

Target Fund's performance or returns; (e) the Target Fund does not have any guarantees; and (f) the Target Fund may not achieve such a desired result under all circumstances and/or market conditions.

Investment strategy

The manager of the Target Fund's investment process combines qualitative top down analysis of macroeconomic and market dynamics, with structured bottom up research into individual bond issuers and fixed income securities. In order to achieve the objective of investing in fixed income securities which generate higher yield compared with their peers, the manager of the Target Fund aims to invest in fixed income securities which provide higher yield compared to bonds of the same type or in the same category.

4.3 Risk management of the Target Fund

The manager of the Target Fund has established a liquidity risk management policy with the aim to enable it to identify, monitor, manage and mitigate the liquidity risks of the Target Fund and to ensure that the liquidity profile of the investments of the Target Fund will facilitate compliance with the Target Fund's obligation to meet redemption requests. Such policy, combined with the governance framework in place and the liquidity management tools of the manager of the Target Fund, also seeks to achieve fair treatment of unit holders and safeguard the interests of remaining or existing unit holders in case of sizeable redemptions or subscriptions.

The manager of the Target Fund's liquidity risk management policy takes into account the investment strategy; the dealing frequency; the underlying assets' liquidity (and whether they are priced at fair value); and the ability to enforce redemption limitations of the Target Fund.

The liquidity risk management policy involves monitoring the profile of investments held by the Target Fund on an on-going basis with the aim to ensure that such investments are appropriate to the redemption policy and will facilitate compliance with the Target Fund's obligation to meet redemption requests. Further, the liquidity management policy includes details on periodic stress testing carried out by the manager of the Target Fund to manage the liquidity risk of the Target Fund in times of exceptional market conditions.

The manager of the Target Fund's risk management function is independent from the investment portfolio management function and is responsible for performing monitoring of the Target Fund's liquidity risk in accordance with the manager of the Target Fund's liquidity risk management policy. Exceptions on liquidity risk related issues are escalated to the manager of the Target Fund's risk management committee with appropriate actions properly documented.

The manager of the Target Fund may employ one or more tools to manage liquidity risks including, but not limited to:

- the manager of the Target Fund is entitled, with the approval of the trustee of the Target Fund, to limit the number of units redeemed on any dealing day to 10% of the total number of units in issue;
- the manager of the Target Fund may, if it considers it in the interest of unit holders, when the net subscription or redemption requests in the Target Fund exceed a predefined threshold, require the trustee of the Target Fund to adjust the issue price / redemption price in order to mitigate the effects of transaction costs, in particular but not limited to, bid-offer spreads, brokerage, taxes and government charges; and/or
- the manager of the Target Fund may suspend, with the prior approval of the trustee of the Target Fund, the redemption of units and/or delay the payment of redemption

proceeds during any period in which the determination of the net asset value of the Target Fund is suspended.

4.4 Suspension of dealings in the Target Fund

The manager or the trustee of the Target Fund may, after giving notice to the other party, declare a suspension of the determination of the net asset value of the Target Fund for the whole or any part of any period during which:

- (a) there is a closure of or the restriction or suspension of trading on any commodities market or securities market on which a substantial part of the investments of the Target Fund is normally traded or a breakdown in any of the means normally employed by the Manager in ascertaining the prices of investments or the net asset value of the Target Fund or the issue price / redemption price; or
- (b) for any other reason the prices of a substantial part of the investments held or contracted for by the manager of the Target Fund for the account of the Target Fund cannot, in the opinion of the manager of the Target Fund, reasonably, promptly or fairly be ascertained; or
- (c) circumstances exist as a result of which, in the opinion of the manager or the trustee of the Target Fund, it is not reasonably practicable to realise any investments held or contracted for the account of the Target Fund or it is not possible to do so without seriously prejudicing the interests of unit holders of the Target Fund; or
- (d) the remittance or repatriation of funds which will or may be involved in the redemption of, or in the payment for, the investments of the Target Fund or the issue or redemption of units is delayed or cannot, in the opinion of the manager or the trustee of the Target Fund, be carried out promptly at normal rates of exchange; or
- (e) when a breakdown in the systems and/or means of communication usually employed in ascertaining the value of a substantial part of the investments or other assets of the Target Fund or the net asset value of the Target Fund or the issue price / redemption price takes place or when for any other reason the value of a substantial part of the investments or other assets of the Target Fund or the net asset value of the Target Fund or the issue price / redemption price cannot in the opinion of the manager of the Target Fund reasonably or fairly be ascertained or cannot be ascertained in a prompt or accurate manner; or
- (f) when, in the opinion of the manager of the Target Fund, such suspension is required by law or applicable legal process; or
- (g) where the Target Fund is invested in one or more underlying funds and the realisation of interests in any relevant underlying fund(s) (representing a substantial portion of the assets of the Target Fund) is suspended or restricted; or
- (h) when the business operations of the manager, the trustee or the registrar of the Target Fund or any of their delegates in relation to the operations of the Target Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riot, strikes or acts of God; or
- (i) when the unit holders or the manager of the Target Fund have resolved or given notice to terminate the Target Fund.

Such suspension shall take effect forthwith upon the declaration thereof and thereafter there shall be no determination of the net asset value of the Target Fund until the manager or the trustee of the Target Fund shall declare the suspension at an end, except that the suspension

shall terminate in any event on the day following the first business day on which (i) the condition giving rise to the suspension shall have ceased to exist and (ii) no other condition under which suspension is authorised shall exist.

Whenever the manager or the trustee of the Target Fund declares such a suspension it shall as soon as may be practicable after any such declaration notify the SFC HK of the suspension and at least once a month during the period of such suspension, publish a notice in the newspapers in which the issue price / redemption price of each class of units are published and/or notify unit holders and all those (whether unit holders or not) whose applications to subscribe for or redeem units shall have been affected by such suspension stating that such declaration has been made.

No units in the Target Fund may be created, issued or redeemed during such a period of suspension.

4.5 Restrictions on redemption of units in the Target Fund

The manager of the Target Fund may suspend, with the prior approval of the trustee of the Target Fund, the redemption of units and/or delay the payment of redemption proceeds during any period in which the determination of the net asset value of the Target Fund is suspended.

With a view to protecting the interests of unit holders, the manager of the Target Fund is entitled, with the approval of the trustee of the Target Fund, to limit the number of units redeemed on any dealing day (whether by sale to the manager of the Target Fund or by cancellation by the trustee of the Target Fund) to 10% of the total number of units in issue. In this event, the limitation will apply pro rata so that all unit holders wishing to redeem their units on that dealing day will redeem the same proportion of such units and units not redeemed (but which would otherwise have been redeemed) will be carried forward for redemption, subject to the same limitation, on the next dealing day. If requests for redemption are so carried forward, the manager of the Target Fund will within seven (7) days of such dealing day inform the unit holders concerned. Any part of a redemption request to which effect is not given by reason of the exercise of this power will be treated as if the request had been made with priority in respect of the next dealing day and all following dealing days (in relation to which the manager of the Target Fund have the same power) until the original request has been satisfied in full.

The manager of the Target Fund may also impose such restrictions as it may think necessary or desirable for the purpose of ensuring that no units are acquired or held directly, indirectly or beneficially by any person or persons (each a "Restricted Person"):

- (i) who is an "Ineligible Investor" (i.e. any person, corporation, or other entity to whom units of the Target Fund may not be offered or sold); or
- (ii) in circumstances (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to be relevant) which might result in the manager of the Target Fund, the trustee of the Target Fund, the Target Fund or any class of units incurring or suffering any liability to taxation or suffering any other potential or actual pecuniary disadvantage or would subject the manager of the Target Fund, the trustee of the Target Fund, the Target Fund or any class of units to any additional regulation which they or any of them might not otherwise have incurred or suffered or been subject to; or
- (iii) in breach of any applicable law or applicable requirements of any country or governmental authority.

If it comes to the notice of the manager or the trustee of the Target Fund that units are owned directly or beneficially by any Restricted Person, the manager or the trustee of the Target Fund may give a request for the transfer or the redemption of such units. If the request is not complied with, the manager or the trustee of the Target Fund may require the units held to be compulsorily redeemed in accordance with the provisions of the trust deed. The manager or the trustee of the Target Fund shall observe relevant legal requirements (as applicable) and shall act in good faith and on reasonable grounds in exercising such power of compulsory redemption.

5. PERMITTED INVESTMENTS AND RESTRICTIONS

The Fund will invest in HSBC Asia High Income Bond Fund, financial derivatives, money market instruments, Deposits, units/ shares of collective investment schemes and any other investments as agreed between the Trustee and the Manager from time to time, provided that there is no inconsistency with the Fund's objective.

In undertaking the Fund's investments, the Fund must not invest in a fund-of-funds, a feeder fund, or any sub-fund of an umbrella scheme which is a fund-of-funds or a feeder fund.

6. RISK FACTORS OF THE FUND

6.1 General Risks of Investing in a Wholesale Fund

The following are general risks involved in investing in this Fund:

(a) Redemption risk

The ability of the Fund to honour request for redemption in a timely manner is subject to the Fund's holding of adequate liquid assets and/or its ability to borrow on a temporary basis as permitted by the relevant laws. In the event there is insufficient liquid assets, the Manager may have to liquidate the Fund's investment at an unfavourable price.

(b) Returns are not guaranteed

There is no guarantee on the investment returns to Unit Holders.

6.2 Specific Risks when Investing in this Fund

(a) 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.

(b) 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 by the manager of the Target Fund or its appointed agents.

(c) 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.

(d) Currency risk

The impact of the exchange rate movement between the Base Currency (i.e. USD) and the differing currency of the non-USD Classes may result in a depreciation of the investor's holdings as expressed in the Base Currency.

6.3 Specific Risks of the Target Fund

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

(a) Geographical Concentration risk

The Target Fund invests primarily in the Asia markets which involve higher concentration risks. The net asset value of the Target Fund may be more volatile than that of a fund having a more diverse portfolio of investments. The net asset value of the Target Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the specific geographical market.

(b) Emerging and less developed markets securities risk

The Target Fund invests primarily in the Asia markets which include countries considered as emerging markets. Investing in emerging markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity, market volatility (such as interest rate and price volatility), settlement risks, custody risk, legal and regulatory risks.

Emerging or developing countries may have relatively unstable governments, economies based on a less diversified industrial base and securities markets that trade a smaller number of securities. Companies in emerging markets may generally be smaller, less experienced and more recently organized than many companies in more developed markets. Prices of securities traded in the securities markets of emerging or developing countries tend to be volatile. Furthermore, foreign investors are often subject to restrictions in emerging or developing countries. These restrictions may require, among other things, governmental approval prior to making investments or repatriating income or capital, or may impose limits on the amount or type of securities held by foreigners or on the companies in which the foreigners may invest.

The economies of individual emerging countries may differ favourably or unfavourably from developed economies in such respects as growth of gross domestic product, rates of inflation, currency depreciation, capital reinvestment, resource self-sufficiency and balance of payment position and may be based on a substantially less diversified industrial base. Further, the economies of developing countries generally are heavily dependent upon international trade and, accordingly, have been, and may continue to be, adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. These economies also have been, and may continue to be, adversely affected by economic conditions in the countries with which they trade.

Risks of emerging market securities may include: greater social, economic and political uncertainty and instability; greater settlement and custody risks; more substantial governmental involvement in the economy; less governmental supervision and regulation; unavailability of currency hedging techniques; companies that are newly organized and small; differences in auditing and financial reporting standards, which may result in unavailability of material information about issuers; and less developed legal systems. In addition, taxation of interest and dividend and capital gains received by non-residents varies among emerging and less developed markets and, in some cases may be comparatively high. There may also be less well-defined tax laws and procedures and such laws may permit retroactive taxation so that the Target Fund could in the future become subject to local tax liabilities that had not been anticipated in conducting investment activities or valuing assets.

The Target Fund's investment in emerging markets may be subject to significant losses. The net asset value of the Target Fund may be adversely affected, and, as result, investors may suffer a loss in their investment in the Target Fund.

Risks relating to investing in China market

- ***China market risks:*** Investing in the China market is subject to the risks of investing in emerging markets generally and the risks specific to the China market. Since 1978, the Chinese government has implemented economic reform measures which emphasise decentralisation and the utilisation of market forces in the development of the Chinese economy, moving from the previous planned economy system. However, many of the economic measures are experimental or unprecedented and may be subject to adjustment and modification. Any significant change in mainland China's political, social or economic policies may have a negative impact on investments in the China market. The Chinese government's macro-economic policies and controls will have significant influence over the capital markets in China. Changes in fiscal policies, such as interest rates policies, may have an adverse impact on the pricing of debt instruments, and thus the return of the Target Fund. The regulatory and legal framework for capital markets and joint stock companies in mainland China may not be as well developed as those of developed countries. The Chinese government's macro-economic policies and controls will have significant influence over the capital markets in China. The Target Fund may be subject to the risks associated with changes in fiscal policies, PRC laws and regulations (including tax laws) and such changes may have retrospective effect and may adversely affect the Target Fund. Chinese accounting standards and practices may deviate significantly from international accounting standards. The settlement and clearing systems of the Chinese securities markets may not be well tested and may be subject to increased risks of error or inefficiency. The Chinese government's control of currency conversion and movements in the RMB exchange rates may adversely affect the operations and financial results of companies in mainland China.
- ***PRC tax risks:*** Various tax reform policies have been implemented by the Chinese government in recent years, and existing tax laws and regulations may be revised or amended in the future. There is a possibility that the current tax laws, regulations and practice in mainland China will be changed with retrospective effect in the future and any such change may have an adverse effect on the net asset value of the Target Fund. Moreover, there is no assurance that tax incentives currently offered to foreign companies, if any, will not be abolished and the existing tax laws and regulations will not be revised or amended in the future. Any changes in tax policies may reduce the after-tax profits of the companies in mainland China in which the Target Fund may invest in, thereby reducing the income from, and/or value of the units of the Target Fund. Investors should also be aware that changes in mainland China taxation legislation could affect the amount of income which

may be derived, and the amount of capital returned, from the investments of the Target Fund. Laws governing taxation will continue to change and may contain conflicts and ambiguities.

- **RMB currency risks:** Starting from 2005, the exchange rate of the RMB is no longer pegged to the USD. The RMB has now moved to a managed floating exchange rate based on market supply and demand with reference to a basket of foreign currencies. The daily trading price of the RMB against other major currencies in the inter-bank foreign exchange market is allowed to float within a narrow band around the central parity published by the People's Bank of China. As the exchange rates are based primarily on market forces, the exchange rates for RMB against other currencies, including USD and Hong Kong Dollars, are susceptible to movements based on external factors. It should be noted that the RMB is currently not a freely convertible currency as it is subject to foreign exchange control policies and restrictions of the Chinese government. Trading in the RMB may be subject to possible delay in the settlement process. The possibility that the appreciation of RMB will be accelerated cannot be excluded. On the other hand, there can be no assurance that the RMB will not be subject to devaluation. The Target Fund's base currency is USD, and the Target Fund may invest in RMB denominated investments. Any devaluation of the RMB could adversely affect the value of investors' investments in the Target Fund (as measured in terms of the Target Fund's base currency).
- **Risks associated with investing in the China Interbank Bond Market ("CIBM"):** The Target Fund may invest in bonds traded on the China Interbank Bond Market (the "CIBM") via the CIBM Initiative* and/or the Bond Connect** and/or other means as may be permitted by the relevant regulations from time to time.

* *Since February 2016, PBOC has permitted foreign institutional investors to invest in CIBM ("CIBM Initiative") subject to meeting any other rules and regulations as promulgated by the PRC authorities. The rules and regulations, as may be amended from time to time, that the Target Fund must abide by include: (i) Appointing an onshore settlement agent who will be responsible for making relevant filings and account opening with relevant authorities; and (ii) Generally, only repatriating cash out of the PRC in a currency ratio approximately proportionate to the currency ratio of remitted cash into the PRC. There are currently no quota restrictions.*

** *Since July 2017, mutual bond market access between Hong Kong and PRC ("Bond Connect") was established by China Foreign Exchange Trade System & National Interbank Funding Centre ("CFETS") and Hong Kong Exchanges and Clearing Limited (amongst others). Bond Connect is governed by rules and regulations as promulgated by the PRC authorities. The rules and regulations, as may be amended from time to time, that the Target Fund must abide by include: (i) Appointing CFETS or other institutions recognised by the PBOC as registration agents to apply for registration with the PBOC; and (ii) Transacting via an offshore custody agent recognised by the Hong Kong Monetary Authority (currently, the Central Money Markets Unit). There are currently no quota restrictions.*

Trading through CIBM Initiatives: Market volatility and potential lack of liquidity due to low trading volume of certain debt securities in the CIBM may result in prices of certain debt securities traded on such market fluctuating significantly. The Target Fund investing in such market is therefore subject to liquidity and volatility risks. The bid and offer spreads of the prices of such securities may be large, and the Target Fund may therefore incur significant trading and realisation costs and may even suffer losses when selling such investments. To the extent that the Target

Fund transacts in the CIBM, the Target Fund may also be exposed to risks associated with settlement procedures and default of counterparties. There are various transaction settlement methods in the CIBM, such as the delivery of security by the counterparty after receipt of payment by the Target Fund; payment by the Target Fund after delivery of security by the counterparty, or simultaneous delivery of security and payment by each party. Although the investment adviser of the Target Fund may endeavour to negotiate terms which are favourable to the Target Fund (e.g. requiring simultaneous delivery of security and payment), there is no assurance that settlement risks can be eliminated. The counterparty which has entered into a transaction with the Target Fund may default in its obligation to settle the transaction by delivery of the relevant security or by payment for value. For investments via the CIBM Initiative, since trading is via an onshore settlement agent, the Target Fund is subject to counterparty risks of the onshore settlement agent. registration with PBOC and account opening has to be carried out by other third parties (e.g. settlement agent, offshore custody agent, registration agent, etc) then the Target Fund is subject to the risks of errors on their part. In addition, the CIBM is also subject to regulatory risks and the relevant rules and regulations on investment in the CIBM is subject to change which may have potential retrospective effect. In the event that the relevant Chinese authorities suspend account opening or trading on the CIBM, the Target Fund's ability to invest in the CIBM will be limited and, after exhausting other trading alternatives, the Target Fund may suffer substantial losses as a result.

Trading through Bond Connect is performed through newly developed trading platforms and operational systems. There is no assurance that such systems will function properly or will continue to be adapted to changes and developments in the market. In the event that the relevant systems fails to function properly, trading through Bond Connect may be disrupted. The Target Fund's ability to trade through Bond Connect (and hence to pursue its investment strategy) may therefore be adversely affected. In addition, where the Target Fund invests in the CIBM through Bond Connect, it may be subject to risks of delays inherent in the order placing and/or settlement systems.

(c) *Foreign exchange and currency conversion risk*

The Target Fund's assets and liabilities may be denominated in currencies different from the Target Fund's base currency (USD). An investor's return (as measured in terms of the base currency) may be affected unfavourably by exchange control regulations or changes in the exchange rates between the Target Fund's base currency and other currencies. Changes in currency exchange rates may influence the value of the Target Fund's units, the dividends or interest earned, and the gains and losses realised by the Target Fund. Exchange rates between currencies are determined by supply and demand in the currency exchange markets, the international balance of payments, governmental intervention, speculation and other economic and political conditions. If the currency in which a security is denominated appreciates against the base currency of the Target Fund, the value of the security will increase in terms of the Target Fund's base currency. Conversely, a decline in the exchange rate of the currency in which a security is denominated would adversely affect the value of the security in terms of the Target Fund's base currency. Depending on this, in terms of the Target Fund's base currency, an investor (i) may suffer losses even if there are gains or no losses in the value of the non-base currency denominated underlying securities; or (ii) may suffer additional losses if the non-base currency denominated underlying investments of the Target Fund fall in value. Further, dividends (for the distribution classes of units only) will be paid in the relevant class currency, which may involve currency conversion of the proceeds obtained from realisation of the Target Fund's assets. Currency conversion involves foreign exchange risks as the exchange rates are subject to fluctuations.

The manager of the Target Fund may (where appropriate) convert cash (including subscription proceeds) into RMB for investment in RMB assets at the applicable exchange rate and subject to the applicable spread. The manager of the Target Fund may then (where appropriate) sell RMB assets and convert the proceeds into a non-RMB currency at the applicable exchange rate and subject to the applicable spread for the purposes of meeting redemptions and for re-investing in non-RMB assets. Such transactions could incur considerable currency conversion costs.

As RMB is not freely convertible and is subject to exchange controls and restrictions, currency conversion is subject to availability of RMB at the relevant time. The Target Fund may not have sufficient RMB for its investments. Currency conversion is also subject to the Target Fund's ability to convert the proceeds into or out of RMB which may also affect the Target Fund's ability to meet redemption requests from unit holders or to make distributions, and may delay the payment of redemption proceeds or dividends. In case of sizeable redemption requests the manager of the Target Fund has the absolute discretion to delay any payment in respect of redemptions (for a period not exceeding one calendar month of receipt of a properly documented redemption request).

The RMB is traded in both the onshore and offshore markets. While both onshore RMB ("CNY") and offshore RMB ("CNH") represent the same currency, they are traded in different and separate markets which operate independently. Therefore, CNY and CNH do not necessarily have the same exchange rate and their movement may not be in the same direction. Any divergence between CNH and CNY may adversely impact investors.

(d) Credit risk and below investment grade or unrated securities risk

Investment in fixed income securities is subject to the credit and default risk of the issuers which may be unable or unwilling to make timely payments on principal and/or interest. On the other hand, the value of the Target Fund may be affected if any of the financial institutions with which the cash is invested or deposited suffers insolvency or other financial difficulties.

In the event that any issuer of such securities defaults, becomes insolvent or experiences financial or economic difficulties, the value of the securities will be adversely affected. The Target Fund may suffer losses in its investment in such securities. There is no certainty in the credit worthiness of issuers of debt securities. Unstable market conditions may mean there are increased instances of default amongst issuers. In case of default, the Target Fund may also encounter difficulties or delays in enforcing its rights against the issuers of securities as such issuers may be incorporated outside Hong Kong and subject to foreign laws.

The fixed income securities that the Target Fund invests in may be offered on an unsecured basis without collateral. In such circumstances, the Target Fund will rank equally with other unsecured creditors of the relevant issuer. As a result, if the issuer becomes bankrupt, proceeds obtained from the liquidation of the issuer's assets will be paid to holders of the fixed income securities only after all secured claims have been satisfied in full. The Target Fund is therefore fully exposed to the credit/insolvency risk of issuers as an unsecured creditor.

Generally, a fixed income security that is rated below investment grade (in case of internationally recognised credit rating agencies) or rated BB+ or below (in case of PRC local credit rating agencies) or unrated will be subject to a higher credit risk of its issuer. Such securities are generally subject to lower liquidity, higher volatility and greater risk of loss of principal and interest than high-rated debt securities.

(e) *Downgrading risk*

Debt securities may be subject to the risk of being downgraded (i.e. lowering of credit ratings assigned to the securities). In the event of downgrading in the credit ratings of a security or an issuer relating to a security, the Target Fund's investment value in such security may be adversely affected. The manager of the Target Fund may or may not be able to dispose of the securities that are being downgraded.

(f) *Interest rate risk*

Changes in market interest rates will affect the value of securities held by the Target Fund. Generally, the prices of debt instruments rise when interest rates fall, and vice versa. Long-term securities are generally more sensitive to changes in interest rates and, therefore, are subject to a greater degree of market price volatility. To the extent that the Target Fund holds long-term fixed income securities, its net asset value will be subject to a greater degree of fluctuation than if it held fixed income securities of a shorter duration. Fluctuations in interest rates may cause the Target Fund to suffer a loss in its investments if it disposes of such fixed income securities before their maturity.

(g) *Volatility and liquidity risk*

The debt instruments in which the Target Fund invests may not be listed on a stock exchange or a securities market where trading is conducted on a regular basis. The debt securities in emerging markets may be subject to higher volatility and lower liquidity compared to more developed markets. The prices of securities traded in such markets may be subject to fluctuations. Even if the debt securities are listed, the market for such securities may be inactive and the trading volume may be low. In the absence of an active secondary market, the Target Fund may need to hold the debt securities until their maturity date. If sizeable redemption requests are received, the Target Fund may need to liquidate its investments at a substantial discount in order to satisfy such requests and the Target Fund may suffer losses in trading such securities. The price at which the debt securities are traded may be higher or lower than the initial subscription price due to many factors including the prevailing interest rates. Further, the bid and offer spreads of the price of debt instruments in which the Target Fund invests may be high, and the Target Fund may therefore incur significant trading costs and may even suffer losses when selling such investments.

(h) *Valuation risk*

Valuation of the Target Fund's investments may involve uncertainties and judgmental determinations, and independent pricing information may not at all times be available. If such valuations should prove to be incorrect, the net asset value of the Target Fund may be adversely affected.

The value of investments of the Target Fund may be affected by changing market conditions or other significant market events affecting valuation. For example, in the event of downgrading of an issuer, the value of the relevant debt securities may decline rapidly. In particular, the value of below investment grade (in case of internationally recognised credit rating agencies) or BB+ or below (in case of PRC local credit rating agencies) rated corporate bonds is affected by investors' perceptions. When economic conditions appear to be deteriorating, or where an adverse event happens to the issuer, the bond may not be objectively priced and below investment grade (in case of internationally recognised credit rating agencies) or BB+ or below (in case of PRC local credit rating agencies) rated or unrated corporate bonds may decline in market value due to investors' heightened concerns and perceptions over credit quality.

(i) *Credit ratings risks and credit rating agency risks*

Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times. The credit ratings assigned by credit rating agencies are a generally accepted barometer of credit risk of a fixed income security. They are, however, subject to certain limitations. For example, the rating of an issuer is heavily weighted by past developments and does not necessarily reflect probable future conditions. There is often a time lag in updating the credit ratings in response to recent credit events.

In addition, the Target Fund may invest in securities the credit ratings of which are assigned by the Chinese local credit rating agencies. However, the rating criteria and methodology used by such agencies may be different from those adopted by most of the established international credit rating agencies. Therefore, such rating system may not provide an equivalent standard for comparison with securities rated by international credit rating agencies. Investors should be cautious when they refer to ratings assigned by Chinese local credit agencies, noting the differences in rating criteria mentioned above. If assessments based on credit ratings do not reflect the credit quality of and the risks inherent in a security, investors may suffer losses, possibly greater than originally envisaged.

(j) *Debt securities risk, sovereign debt risk, convertible bonds risk, contingent convertible securities risks and collateralised and/or securitised products risk*

- **Debt securities risk:** The principal factors that may affect the value of the Target Fund's securities holdings include: (i) changes in interest rates, (ii) the credit worthiness of the issuers of securities, (iii) unanticipated prepayment, and (iv) the decline of bond prices in general in the relevant bond market. The Target Fund may invest in securities which are rated below investment grade (in case of internationally recognised credit rating agencies) or rated BB+ or below (in case of PRC local credit rating agencies) or are unrated. Such securities are considered to have a higher risk exposure than securities which have a higher credit rating with respect to payment of interest and the return of principal, and may also have a higher chance of default. Low rated or unrated debt securities generally offer a higher current yield than higher grade issues. However, low rated or unrated debt securities involve higher risks and are more sensitive to adverse changes in general economic conditions and in the industries in which the issuers are engaged, as well as to changes in the financial condition of the issuers and changes in interest rates. Valuation of these securities is more difficult and thus the Target Fund's price may be more volatile. Additionally, the market for below investment grade (in case of internationally recognised credit rating agencies) or BB+ or below (in case of PRC local credit rating agencies) or unrated debt securities generally is less active than that for higher quality securities and the Target Fund's ability to liquidate its holdings in response to changes in the economy or the financial markets may be further limited by such factors as adverse publicity and investor perceptions.
- **Sovereign debt risk:** The Target Fund's investment in securities issued or guaranteed by governments may be exposed to political, social and economic risks. In adverse situations, the sovereign issuers may not be able or willing to repay the principal and/or interest when due or may request the Target Fund to participate in restructuring such debts. The Target Fund may suffer significant losses when there is a default of sovereign debt issuers.
- **Convertible bonds risks:** Convertible bonds are a hybrid between debt and equity which give an investor an option to exchange the bond for a pre-determined number of shares at a given price and a specified future date. As such, convertibles will be exposed to equity movement and greater volatility than straight bond

investments. Convertible bonds are subject to risks which typically apply to bonds including interest rate risk, credit risk, liquidity risk and prepayment risk associated with comparable straight bond investments. The value of convertible bonds tends to decline as interest rates increase and increase as interest rates decline. If the credit quality of the convertible bonds deteriorates or the issuer of the convertible bonds defaults, the performance of the Target Fund will be adversely affected. On the other hand, the prices of convertible bonds will be affected by the changes in the price of the underlying equity securities which, in turn, may have an unfavourable impact on the net asset value of the Target Fund.

- ***Contingent convertible securities risks:*** Contingent convertible securities are hybrid capital securities that absorb losses when the capital of the issuer falls below a certain level. Upon the occurrence of a predetermined event (known as a trigger event), contingent convertible securities can be converted into shares of the issuing company, potentially at a discounted price, or the principal amount invested may be lost on a permanent or temporary basis. Contingent convertible securities are risky and highly complex instruments. Coupon payments on contingent convertible securities are discretionary and may at times also be ceased or deferred by the issuer. Trigger events can vary but these could include the capital ratio of the issuing company falling below a certain level, or the share price of the issuer falling to a particular level for a certain period of time. Contingent convertible securities are also subject to additional risks specific to their structure including:
 - i. ***Trigger level risk:*** Trigger levels differ and determine exposure to conversion risk. It might be difficult for the investment adviser of the Target Fund invested in contingent convertible securities to anticipate the trigger events that would require the debt to convert into equity or the write down to zero of principal investment and/or accrued interest. Trigger events may include: (i) a reduction in the issuing bank's Core Tier 1/Common Equity Tier 1 (CT1/CET1) ratio or other ratios, (ii) a regulatory authority, at any time, making a subjective determination that an institution is "non-viable", i.e. a determination that the issuing bank requires public sector support in order to prevent the issuer from becoming insolvent, bankrupt or otherwise carry on its business and requiring or causing the conversion of the contingent convertible securities into equity or write down, in circumstances that are beyond the control of the issuer or (iii) a national authority deciding to inject capital.
 - ii. ***Coupon Cancellation risk:*** Coupon payments on some contingent convertible securities are entirely discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time. The discretionary cancellation of payments is not an event of default and there are no possibilities to require re-instatement of coupon payments or payment of any passed missed payments. Coupon payments may also be subject to approval by the issuer's regulator and may be suspended in the event there are insufficient distributable reserves. As a result of uncertainty surrounding coupon payments, contingent convertible securities may be volatile and their price may decline rapidly in the event that coupon payments are suspended.
 - iii. ***Capital structure inversion risk:*** Contrary to the classic capital hierarchy, investors in contingent convertible securities may suffer a loss of capital when equity holders do not, for example when the loss absorption mechanism of a high trigger/write down of a contingent convertible security is activated. This is contrary to the normal order of the capital structure where equity holders are expected to suffer the first loss.
 - iv. ***Call extension risk:*** Some contingent convertible securities are issued as perpetual instruments and only callable at pre-determined levels upon approval

of the competent regulatory authority. It cannot be assumed that these perpetual contingent convertible securities will be called on a call date. Contingent convertible securities are a form of permanent capital. The investor may not receive return of principal as expected on call date or indeed at any date.

- v. *Conversion risk:* Trigger levels differ between specific contingent convertible securities and determine exposure to conversion risk. It might be difficult at times for the investment adviser of the Target Fund to assess how the contingent convertible securities will behave upon conversion. In case of conversion into equity, the investment adviser of the Target Fund might be forced to sell these new equity shares since the investment policy of the Target Fund may not allow the holding of equity securities. Given the trigger event is likely to be some event depressing the value of the issuer's common equity, this forced sale may result in the Target Fund experiencing some loss.
- vi. *Valuation and write-down risk:* Contingent convertible securities often offer attractive yield which may be viewed as a complexity premium. The value of contingent convertible securities may need to be reduced due to a higher risk of overvaluation of such asset class on the relevant eligible markets. Therefore, the Target Fund may lose its entire investment or may be required to accept cash or securities with a value less than its original investment.
- vii. *Market Value fluctuations due to unpredictable factors:* The value of contingent convertible securities is unpredictable and will be influenced by many factors including, without limitation (i) creditworthiness of the issuer and/or fluctuations in such issuer's applicable capital ratios; (ii) supply and demand for the contingent convertible securities; (iii) general market conditions and available liquidity and (iv) economic, financial and political events that affect the issuer, its particular market or the financial markets in general.
- viii. *Liquidity risk:* Contingent convertible securities are relatively new instruments and the outstanding amount and trading volume of contingent convertible securities tend to be small. In certain circumstances finding a buyer ready to invest in contingent convertible securities may be difficult and the seller may have to accept a significant discount to the expected value of the bond in order to sell it.
- ix. *Sector concentration risk:* Contingent convertible securities are issued by banking and insurance institutions. The performance of the Target Fund which invests significantly in contingent convertible securities will depend to a greater extent on the overall condition of the financial services industry than for the Target Fund following a more diversified strategy.
- x. *Subordinated instruments:* Contingent convertible securities will, in the majority of circumstances, be issued in the form of subordinated debt instruments in order to provide the appropriate regulatory capital treatment prior to a conversion. Accordingly, in the event of liquidation, dissolution or winding-up of an issuer prior to a conversion having occurred, the rights and claims of the holders of the contingent convertible securities, such as the Target Fund, against the issuer in respect of or arising under the terms of the contingent convertible securities shall generally rank junior to the claims of all holders of unsubordinated obligations of the issuer.
- xi. *Unknown risk:* The structure of contingent convertible securities is innovative yet untested. In a stressed environment, when the underlying features of these instruments will be put to the test, it is uncertain how they will perform.

- ***Collateralised and/or securitised products risks (such as asset-backed securities and mortgage-backed securities):*** In general, asset-backed securities including asset-backed commercial papers (“ABS”) and mortgage-backed securities (“MBS”) are debt securities with interest and capital payments backed by a pool of financial assets such as mortgages and loans, with collateral backing often provided by physical assets such as residential or commercial property. Consequently, holders of ABS (such as the Target Fund) must rely solely on distributions on the underlying assets or proceeds thereof for payment. Investment in ABS and MBS is subject to greater credit risk and interest rate risk compared to other debt securities due to, for example, a debtor’s or obligor’s default in paying the loan or other debt obligations constituting the underlying assets. If distributions on the underlying assets are insufficient to make payments on the ABS and MBS, no other assets will be available for payment of the deficiency and following realisation of the underlying assets, and the obligations of the issuer of the related security to pay such deficiency will be extinguished. In addition, ABS and MBS are often exposed to extension and prepayment risks and risks that the payment obligations relating to the underlying assets are not met, which may adversely impact the returns of the securities. Underlying assets are usually illiquid and private in nature and are subject to risks including those relating to their liquidity and market value. Prices of ABS and MBS are volatile and will generally fluctuate due to a variety of factors that are difficult to predict, including but not limited to changes in interest rates, prevailing credit spreads, general economic conditions, and the financial condition of the debtors or obligors of the underlying assets. The Target Fund will be subject to fluctuations in its value insofar as investment is made in ABS and MBS.

(k) Derivatives risk

Investment in derivative instruments can be illiquid, if there is no active market in these instruments. Such instruments are complex in nature and will be subject to insolvency or default risk of the issuers or counterparties. The Target Fund may suffer significant losses if the issuers or counterparties of the derivative instruments default in their obligations, or if the use of derivatives becomes ineffective in hedging. Other risks associated with investment in derivative instruments include credit risk, valuation risk, volatility risk and over-the-counter (“OTC”) transaction risk.

Besides, many derivative instruments involve an embedded leverage. This is because such instruments provide significantly larger market exposure than the money paid or deposited when the transaction is entered into, so a relatively small adverse market movement could expose the Target Fund to the possibility of a loss exceeding the original amount invested.

(l) Hedging risk

Hedging a risk typically attempts to preclude the Target Fund from both benefitting and suffering from any return associated with the hedged risk (e.g. currency risk between non-base currency assets and the base currency). If there is positive return associated with a hedged risk then the Target Fund's performance will fare relatively poorer than if it had not hedged the risk. Conversely, if there is negative return associated with a hedged risk then the Target Fund 's performance will fare relatively better than if it had not hedged the risk.

There is no guarantee that the desired hedging instruments will be available or hedging techniques will achieve their desired result. In adverse situations, the Target Fund's hedging technique may become ineffective and the Target Fund may suffer significant losses. Furthermore, the return of a hedge will be impacted by various factors including transaction costs and, for currency hedging, interest rate differentials between the currency being hedged and the currency it is being hedged into. These impacts may be

significant depending on prevailing market conditions and they will be reflected in the net asset value of the Target Fund. This may adversely affect the returns of investors in the Target Fund. Hedging may involve the use of derivatives (e.g. forward contracts).

(m) *Distribution out of capital risk*

Under the trust deed, distributions of the Target Fund may be paid from capital of the Target Fund. The manager of the Target Fund may in its discretion distribute from capital if the income generated from the Target Fund's investments attributable to the relevant class of units during the relevant period is insufficient to pay distributions as declared. The manager of the Target Fund may also at its discretion pay dividend out of gross income while charging/paying all or part of the Target Fund's fees and expenses to/out of the capital of the Target Fund (resulting in an increase in distributable income for the payment of dividends by the Target Fund), and thereby effectively pay distributions out of capital of the Target Fund.

Investors should note that the payment of distributions out of capital or effectively out of capital represents a return or withdrawal of part of the amount they originally invested or from any capital gains attributable to the original investment. Any distributions involving payment of dividends out of the Target Fund's capital or effectively out of the Target Fund's capital will result in an immediate reduction in the net asset value of the relevant class of units.

(n) *Investor risk*

Substantial redemptions of units (which are more likely in times of adverse market conditions) could require the manager of the Target Fund to liquidate investments of the Target Fund more rapidly than otherwise desirable in order to raise the necessary cash to fund the redemptions. This could adversely affect the net asset value of both units being redeemed and of the remaining units.

The manager of the Target Fund is entitled under certain circumstances to suspend dealings in the units. In this event, valuation of the net asset value will be suspended, and any affected redemption applications and payment of redemption proceeds will be deferred. The risk of decline in net asset value of the units during the period up to the redemption of the units will be borne by the redeeming unit holders.

The manager of the Target Fund may compulsorily redeem all or a portion of the unit holder's units in the Target Fund. Such compulsory redemption may create adverse tax and/or economic consequences to the unit holder depending on the timing thereof. No person will have any obligation to reimburse any portion of an investor's losses upon termination of the Target Fund, compulsory redemption or otherwise.

(o) *Cross-class liability risks*

Multiple classes of units may be issued in relation to the Target Fund, with particular assets and liabilities of the Target Fund attributable to particular classes. For instance, currency hedged unit classes of the Target Fund will have assets and liabilities related to the hedge which are attributable to the relevant currency hedged unit classes. Moreover, these assets and liabilities may be denominated in various currencies, introducing currency risk. Where the liabilities of a particular class exceed the assets pertaining to that class, creditors pertaining to one class may have recourse to the assets attributable to other classes. Although for the purposes of internal accounting, a separate account will be established for each class, in the event of an insolvency or termination of the Target Fund (i.e., when the assets of the Target Fund are insufficient to meet its liabilities), all assets will be used to meet the Target Fund's liabilities, not just the amount standing to the credit of any individual class.

(p) Prohibited securities risks

In accordance with the HSBC Group policy, the Target Fund will not invest in the securities of companies that are involved directly and indirectly in the use, development, manufacturing, stockpiling, transfer or trade of cluster munitions and/or anti-personnel mines. As this policy aims to prohibit investment in certain types of securities, investors should be aware that this reduces the investment universe and prevents the Target Fund from benefitting from any potential returns from these companies.

Investors are advised to read the information memorandum and obtain professional advice before subscribing to Units.

It is important to note that events affecting the investments cannot always be foreseen. Therefore, it is not always possible to protect your investment against all risks.

The investments of the Fund carry risks and we recommend that you read the whole information memorandum to assess the risks of the Fund.

7. PRICING POLICY

Selling Price is the price (before adding any sales charge) payable by an investor or a Unit Holder for the purchase of a Unit ("Selling Price"). During the initial offer period of each Class, the Selling 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 Selling Price shall be the NAV per Unit of the respective Classes as at the next valuation point of the relevant Business Day ("forward pricing") after the application for Units is received by the Manager.

A sales charge will be computed separately based on the investment amount/purchase amount, net of bank charges, if any.

Repurchase Price is the price (before deducting any repurchase charge) payable by the Manager to a Unit Holder pursuant to the repurchase of a Unit ("Repurchase Price"). 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 Classes 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 net asset value 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 the Units in circulation for that Class at that valuation point.

The NAV per Unit for each Class will be made available on our website, <http://www.rhbgroup.com>.

8. 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 on 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 major newspapers.

Investors may however obtain the most current computed price by contacting the Manager directly or visiting our website, <http://www.rhbgroup.com>.

In undertaking any of the Fund's investments, the Manager will ensure that all the assets of the Fund will be valued appropriately, that is, at market value, failing which, such assets will be valued at fair value and at all times in compliance with the relevant laws (including approved accounting standards).

Accordingly:

- (i) The units of the Target Fund, will be valued by reference to the Target Fund's manager last published repurchase price of a unit of the Target Fund for the relevant Business Day.
- (ii) Financial derivatives positions will be "marked-to-market" at the close of each Business Day.
- (iii) Deposits will be valued by reference to the principal value of such investments and the interest accrued thereon for the relevant period.
- (iv) Money market instruments will be valued based on the accretion of discount or amortisation of premium or on a yield to maturity basis.
- (v) Collective investment schemes which are quoted on an approved exchange shall be valued daily based on the market price. However, if:
 - (a) a valuation based on the market price does not represent fair value of the units of the collective investment scheme, for example during abnormal market conditions; or
 - (b) no market price is available, including in the event of a suspension in the quotation of the units of the collective investment scheme for a period exceeding 14 days, or such shorter period as agreed by the Trustee,

then the said units of the collective investment scheme would be valued at fair value, as determined in good faith by the Manager based on the methods or bases approved by the Trustee after appropriate technical consultation.

- (vi) Unlisted collective investment schemes shall be valued based on the manager's last published repurchase price of a unit for that unlisted collective investment scheme.
- (vii) Foreign exchange translation of assets not denominated in the Base Currency into USD (i.e. the base currency of the Fund) for a particular Business Day is determined based on the bid rate quoted by Bloomberg or Reuters at 4.00 p.m. (United Kingdom time) or such other time as may be prescribed from time to time by the relevant laws.

9. CROSS TRADES & POLICY ON REBATES AND SOFT COMMISSION

9.1 Cross Trades

The Fund may conduct cross trades with another fund under the management of the Manager provided that:

- the sale and purchase decisions are in the best interest of both funds;
- transactions are executed on arm's length and fair value basis;
- reason for such transactions is documented prior to execution; and
- transaction is executed through a dealer or financial institution.

Cross trades between staff personal account and the Fund's account(s), and cross trades between proprietary accounts and the Fund's account(s) are prohibited.

9.2 Policy on Rebates and Soft Commission

It is the Manager's policy to credit all rebates to the account of the Fund.

However, goods and services ("soft commission") provided by any broker or dealer may be retained by the Manager or the fund manager only if the goods and services are of demonstrable benefit to the Unit Holders and in the form of research and advisory services that assist in the decision making process relating to the Fund's investments, such as research materials and computer software, which are incidental to the investment management activities of the Fund and any dealing with the broker or dealer is executed on terms which are the most favourable for the Fund.

10. PARTIES TO THE FUND

10.1 Manager

RHB Asset Management Sdn Bhd (174588-X)

Registered and principal office:

Level 8, Tower 2 & 3

RHB Centre, Jalan Tun Razak

50400 Kuala Lumpur

Hotline: 1-800-88-3175

Tel: 03-9205 8000

Fax: 03-9205 8100

E-mail: rham@rhbgroupp.com

Website: www.rhbgroupp.com

10.1.1 Functions of the Manager

The Manager is responsible for the day-to-day administration of the Fund in accordance with the provisions of the Deed. The main responsibilities of the Manager include:

- Selecting and managing investments of the Fund;
- Executing, supervising and valuing investments of the Fund;
- Arrangement of sale and repurchase of Units;
- Keeping of proper records of the Fund;
- Issuing the Fund's annual and quarterly reports to Unit Holders;
- Distribution of income to Unit Holders (if any); and
- Marketing the Fund to potential investors.

In fulfilling these functions, the Manager has in place a strong and cohesive team of staff who are experienced in various aspects of the unit trust industry, i.e. in the administration, marketing and fund management functions.

10.1.2 Manager's Delegate (Valuation and Fund Accounting)

The delegate of the Manager for the fund valuation and fund accounting functions for the Fund is HSBC (Malaysia) Trustee Berhad ("HSBCT").

HSBCT is a company incorporated in Malaysia since 1937 and registered as a trust company under the Trust Companies Act 1949, with its registered address at 13th Floor, Bangunan HSBC, South Tower, No 2, Leboh Ampang, 50100 Kuala Lumpur. Since 1993, HSBCT has acquired experience in the administration of unit trusts.

HSBCT will be responsible for the Fund's valuation i.e. daily calculation of the NAV and NAV per Unit and the fund accounting function i.e. maintenance of financial statements and records of the Fund for the purpose of audit and preparation of annual and quarterly report.

10.2 Trustee

HSBC (Malaysia) Trustee Berhad
13th Floor, Bangunan HSBC, South Tower
No. 2, Leboh Ampang
50100 Kuala Lumpur
Tel: 03-2075 7800
Fax: 03-2179 6511

10.2.1 Duties and Responsibilities of the Trustee

The Trustee's main functions are to act as trustee and custodian of the assets of the Fund and to safeguard the interests of Unit Holders. In performing these functions, the Trustee has to exercise all due care, diligence and vigilance and is required to act in accordance with the provisions of the Deed, the Capital Markets and Services Act 2007 ("CMSA") and the Securities Commission Malaysia's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework ("Guidelines"). Apart from being the legal owner of the Fund's assets, the Trustee is also responsible for ensuring that the Manager performs its duties and obligations in accordance with the provisions of the Deed, the CMSA and the Guidelines. In respect of monies paid by an investor for the application of Units, the Trustee's responsibility arises when the monies are received in the relevant account of the Trustee for the Fund and in respect of redemption, the Trustee's responsibility is discharged once it has paid the redemption amount to the Manager.

10.2.2 Trustee's Statement of Disclaimer

The Trustee is not liable for doing or failing to do any act for the purpose of complying with law, regulation or court orders.

10.2.3 Trustee's Statement of Responsibility

The Trustee has given its willingness to assume the position as trustee of the Fund and all the obligations in accordance with the Deed, all relevant laws and rules of law. The Trustee shall be entitled to be indemnified out of the Fund against all losses, damages or expenses incurred by the Trustee in performing any of its duties or exercising any of its powers under the Deed. The right to indemnify shall not extend to loss occasioned by breach of trust, wilful default, negligence, fraud or failure to show the degree of care and diligence required of the Trustee having regard to the provisions of the Deed.

10.2.4 Anti-money Laundering Provisions

The Trustee has in place policies and procedures across the HSBC Group, which may exceed local regulations. Subject to any local regulations, the Trustee shall not be liable for any loss resulting from compliance of such policies, except in the case of negligence, wilful default or fraud of the Trustee.

10.2.5 Related-Party Transactions and Conflict of Interest

HSBC Investment Funds (Hong Kong) Limited, HSBC Global Asset Management (Hong Kong) Limited, HSBC Institutional Trust Services (Asia) Limited, and the Trustee are members of the HSBC Group and are ultimately owned by HSBC Holdings plc.

In addition to the abovementioned, there may be related party transaction involving or in connection with the Fund in the following events:-

- 1) Where the Fund invests in instruments offered by the related party of the Trustee (e.g placement of monies, structured products, etc);
- 2) Where the Fund is being distributed by the related party of the Trustee as Institutional Unit Trust Adviser (IUTA);
- 3) Where the assets of the Fund are being custodised by the related party of the Trustee both as sub-custodian and/or global custodian of the Fund (Trustee's delegate); and
- 4) Where the Fund obtains financing from the related party of the Trustee.

The Trustee has in place policies and procedures to deal with conflict of interest, if any. The Trustee will not make improper use of its position as the owner of the Fund's assets to gain, directly or indirectly, any advantage or cause detriment to the interests of Unit Holders of the Fund. Any related party transaction is to be made on terms which are best available to the Fund and which are not less favourable to the Fund than an arms-length transaction between independent parties.

Subject to the above and any local regulations, the Trustee and/or its related group of companies may deal with each other, the Fund or any of its Unit Holder or enter into any contract or transaction with each other, the Fund or any of its Unit Holder or retain for its own benefit any profits or benefits derived from any such contract or transaction or act in the same or similar capacity in relation to any other scheme.

10.2.6 Consent to Disclosure

The Trustee shall be entitled to process, transfer, release and disclose from time to time any information relating to the Fund, Manager and Unit Holders for purposes of performing its duties and obligations in accordance to the Deed, the CMSA, Guidelines and any other legal and/or regulatory obligations such as conducting financial crime risk management, to the Trustee's parent company, subsidiaries, associate companies, affiliates, delegates, service providers, agents and any governing or regulatory authority, whether within or outside Malaysia (who may also subsequently process, transfer, release and disclose such information for any of the above mentioned purposes) on the basis that the recipients shall continue to maintain the confidentiality of information disclosed, as required by law, regulation or directive, or in relation to any legal action, or to any court, regulatory agency, government body or authority.

10.2.7 Trustee's Delegates

The Trustee has appointed The Hongkong And Shanghai Banking Corporation Ltd as custodian of both local and foreign assets of the Fund. For quoted and unquoted local investments of the Fund, the assets are held through their nominee company, HSBC Nominees (Tempatan) Sdn Bhd. The Hongkong and Shanghai Banking Corporation Ltd is a

wholly owned subsidiary of HSBC Holdings Plc, the holding company of the HSBC Group. The custodian's comprehensive custody and clearing services cover traditional settlement processing and safekeeping as well as corporate related services including cash and security reporting, income collection and corporate events processing. All investments are registered in the name of the Trustee for the Fund or to the order of the Trustee. The custodian acts only in accordance with instructions from the Trustee.

The Trustee shall be responsible for the acts and omissions of its delegate as though they were its own acts and omissions.

However, the Trustee is not liable for the acts, omissions or failure of third party depository such as central securities depositories, or clearing and/or settlement systems and/or authorised depository institutions, where the law or regulation of the relevant jurisdiction requires the Trustee to deal or hold any asset of the Fund through such third parties.

Particulars of the Trustee's Delegates-

For foreign assets:

The Hongkong And Shanghai Banking Corporation Limited
6/F, Tower 1, HSBC Centre,
1 Sham Mong Road, Hong Kong.
Telephone No: (852) 2288 6111

For local assets:

The Hongkong And Shanghai Banking Corporation Limited (As Custodian) and assets held through HSBC Nominees (Tempatan) Sdn Bhd (Co. No. 258854-D)
No 2 Leboh Ampang
50100 Kuala Lumpur
Telephone No: 03- 2075 3000
Fax No: 03- 2179 6488

10.3 Auditors of the Manager and the Fund

Messrs PricewaterhouseCoopers
Level 10, 1 Sentral, Jalan Rakyat
Kuala Lumpur Sentral
50706 Kuala Lumpur.
Tel: 03-2173 1188
Fax: 03-2173 1288

11. RIGHTS AND LIABILITIES OF UNIT HOLDERS

11.1 Rights of the Unit Holders

Unit Holders shall have the right in respect of the Fund in which they hold Units, among others, to the following:

- (a) to receive distributions of the Fund (if any), to participate in any increase in the value of the Units and to other rights and privileges as set out in the Deed;
- (b) to call for the Unit Holders' meetings, and to vote for the removal of the Trustee or the Manager through a special resolution as provided for in the Deed; and
- (c) to receive quarterly and annual reports of the Fund.

No Unit Holder shall be entitled to require the transfer to him of any of the assets of the Fund or be entitled to interfere with or question the exercise by the Trustee, or the Manager on his behalf, of the rights of the Trustee as the registered owner of such assets.

11.2 Liabilities of Unit Holders

The liability of Unit Holders shall be limited to their investment participation in the Fund. Unit Holders shall not be liable to indemnify the Trustee and/or the Manager against any liabilities whatsoever arising in respect of their duties and obligations as trustee and manager of the Fund. Any claims against the Fund shall be entirely restricted to the Fund.

11.3 Power to Call for a Meeting by Unit Holders

Unit Holders have the right to request the Manager to call for a Unit Holders' meeting provided any such request is made in writing by not less than fifty (50) or one-tenth (1/10) of all the Unit Holders or Unit Holders of a particular Class, whichever is the lesser number and the request must state the purpose of the proposed meeting.

Unit Holders may request the Manager to call for a Unit Holders' meeting for the purpose of:

- (a) requiring the retirement or removal of the Manager;
- (b) requiring the retirement or removal of the Trustee;
- (c) considering the most recent financial statements of the Fund;
- (d) giving to the Trustee such directions as the meeting thinks proper; or
- (e) considering any matter in relation to the Deed.

11.4 Termination of the Fund

The Fund is of unlimited duration and shall continue until terminated:

- (a) by the Manager in accordance with the Deed.
- (b) by the Trustee if a Unit Holders' meeting is summoned by the Trustee to pass a special resolution in order to terminate and wind-up the Fund and therefore the Trustee must obtain an order from the court to confirm the said special resolution.
- (c) by the Unit Holders if a Unit Holders' meeting is summoned by the Unit Holders in accordance with the Deed to pass a special resolution to terminate and wind-up the Fund.

Pursuant to the Deed, the Manager may in its absolute discretion terminate the Fund and a particular class of Units, provided always that such termination does not prejudice the interests of any other Class.

A special resolution requires majority in number representing at least three-fourths (3/4) of the value of Units held by the Unit Holders voting at a Unit Holders' meeting. Resolutions passed at the meeting shall bind all Unit Holders whether or not they were present at the meeting.

11.5 Classes of Units

The Manager shall have the sole and absolute right to issue other Classes to the Fund with different and/or similar features including but not limited to currency denomination, fees and charges and transaction details without the need to obtain or seek the Unit Holders' approval provided that the issuance of other Classes shall not in the opinion of the Manager prejudice the rights of the Unit Holder of the current available Classes.

ACCOUNT APPLICATION FORM
WHOLESALE FUND
Individual / Corporate☐ Individual ☐ Joint ☐ Corporate ☐ Staff Application

This Form should not be circulated unless accompanied by the relevant Information Memorandum(s) and its Supplementary(ies) (if any). Investor(s) should read and understand the contents of the relevant Information Memorandum(s) and its Supplementary(ies) (if any) before completing this form. **Please complete in BLOCK LETTERS only, and tick(✓) where applicable. For 1st time Investor(s), this Form is required to be completed.**

PARTICULARS OF INDIVIDUAL APPLICANT / CORPORATE APPLICANT

You MUST be 18 years old and above as at the date of this application. Please provide a copy of your NRIC or Passport.

Name of Individual/ Corporate Applicant
(as in NRIC/Passport No./Certificate of Incorporation)

NRIC No. (new) - - NRIC No.(old)/Passport No./Company Registration No.

Date of Birth / Incorporation (DD/MM/YYYY) - - Country of Birth / Incorporation

Nationality / Country of Incorporation ☐ Malaysia(n) ☐ Others (please specify country)Permanent Resident Status ☐ Malaysian ☐ Others (please specify country) Permanent Resident No.Permanent Address
(as in NRIC/Passport No./Certificate of Incorporation)

Post Code Town / City

State Country

Correspondence/
Mailing Address
(complete if different from permanent address)

Post Code Town / City

State Country

Tel No. Country Code Area Code Residence / House Mobile -

Country Code Area Code Office ext Fax No.

Email Address

By providing your email address to RHB Asset Management Sdn Bhd ("RHBAM"), you have consented to receive communications and/or information from RHBAM relating to your investment via email. Notices delivered via email to applicant are deemed sent and received on the date such email is sent.

(To be completed if Individual Applicant)

Mother's Maiden Name

Gender ☐ Male ☐ Female Bumiputera Status ☐ Yes ☐ NoRace ☐ Malay ☐ Chinese ☐ Indian ☐ OthersMarital Status ☐ Single ☐ Married ☐ Widowed ☐ Divorced No. of Dependents (please indicate if any)Education Level ☐ Primary ☐ Secondary ☐ STPM / Diploma /PreU ☐ Degree ☐ Post Graduate ☐ OthersSource of Income ☐ Employed (Permanent/Contract) ☐ Own business ☐ Savings/ Inheritance ☐ Others (please specify)

Employer's/Company's Name

Employer's/Company's Tel No. Occupation/ Designation

Employer's/Company's Office ☐ In Malaysia ☐ Outside Malaysia (please specify)Nature of Business of Applicant/ Applicant's Employer ☐ Financial/Banking/Investment ☐ Legal/Tax ☐ Telecommunications ☐ Hotel/ Restaurant ☐ Consultancy ☐ Government/ Government related ☐ Medical/Health/Science ☐ Education ☐ Real Estate/ Property ☐ Manufacturing ☐ Construction ☐ Others (please specify)Annual Income ☐ Below RM20,000 ☐ RM20,001 - RM60,000 ☐ RM60,001 - RM120,000 ☐ RM120,001 - RM180,000 ☐ RM180,001 - RM240,000 ☐ RM240,001 and aboveEstimated Net Worth ☐ Below RM50,000 ☐ RM50,001 - RM100,000 ☐ RM100,001 - RM200,000 ☐ RM200,001 - RM500,000 ☐ RM500,001 - RM1,000,000 ☐ RM1,000,001 - RM3,000,000 ☐ Above RM3,000,000

(To be completed if Corporate Applicant)

Does your company own total net assets of more than RM10 million or its equivalent in foreign currencies?

☐ Yes☐ No

Nature of Business of Applicant/Applicant's Employer

☐ Financial/Banking/Investment☐ Legal/Tax☐ Telecommunications☐ Hotel/ Restaurant☐ Consultancy☐ Government/ Government related☐ Medical/Health/Science☐ Education☐ Real Estate/ Property☐ Manufacturing☐ Construction☐ Others (please specify) _____

Company Status

☐ Bumiputra Controlled☐ Non-Bumiputra Controlled☐ Non-Malaysian Controlled

Company Source of Income

☐ Disposal of non-core business/asset/investments☐ Fund raising exercise such as right issue☐ Cash in hand/surplus funds/working capital**Contact Person (1)**

Designation

Department

Tel No.

ext

Fax No.

Office Email Address

Contact Person (2)

Designation

Department

Tel No.

ext

Fax No.

Email Address

PARTICULARS OF JOINT INDIVIDUAL APPLICANT

Name of Joint Applicant

(as in NRIC/Passport/Birth Certificate)

NRIC No. (new)

NRIC No.(old)/Passport No./Birth Certificate No.

Date of Birth (DD/MM/YYYY)

Country of birth

Nationality

☐ Malaysian☐ Others (please specify) _____

Permanent Resident Status

☐ Malaysian☐ Others (please specify) _____

Permanent Resident No.

Bumiputera Status

☐ Yes☐ No

Gender

☐ Male☐ Female

Relationship to Individual Applicant

☐ Parent☐ Spouse☐ Child☐ Sibling☐ Others _____

Employer's/Company's Tel No.

Occupation/ Designation

Employer's/Company's Office

☐ In Malaysia☐ Outside Malaysia (please specify) _____

Nature of Business of Applicant/Applicant's Employer

☐ Financial/Banking/Investment☐ Legal/Tax☐ Telecommunications☐ Hotel/ Restaurant☐ Consultancy☐ Government/ Government related☐ Medical/Health/Science☐ Education☐ Real Estate/ Property☐ Manufacturing☐ Construction☐ Others (please specify) _____

Annual Income

☐ Below RM20,000☐ RM20,001 - RM60,000☐ RM60,001 - RM120,000☐ RM120,001 - RM180,000☐ RM180,001 - RM240,000☐ RM240,001 and above

Estimated Net Worth

☐ Below RM50,000☐ RM50,001 - RM100,000☐ RM100,001 - RM200,000☐ RM200,001 - RM500,000☐ RM500,001 - RM1,000,000☐ RM1,000,001 - RM3,000,000☐ Above RM3,000,000

Permanent Address (as in NRIC/Passport No.)

Post Code

Town / City

State

Country

Correspondence/ Mailing Address (complete if different from permanent address)

Post Code

Town / City

State

Country

Tel No.

Country Code

Area Code

Residence / House

Mobile

INVESTMENT OBJECTIVE & EXPERIENCE**Investment Objective**☐ Capital Growth☐ Regular Income☐ Capital Protection☐ Education☐ Wealth Accumulation☐ Retirement**Investment Experience**☐ Unit Trust _____ year(s)☐ Trading on Bursa Malaysia _____ year(s)☐ Futures / Options _____ year(s)☐ Others _____ year(s)**Investment Time Frame**☐ Long Term (> 5 years)☐ Medium (3-5 years)☐ Short Term (< 3 years)☐ No experience

RHB PRIVACY NOTICE

I/We understand that RHB Asset Management Sdn Bhd ("RHBAM") will use, collect, record, store, share and/or process my/our personal information, including, without limitation, my/our contact details, background information, financial data, tax residency and other information relevant to my/our application for the product and / or service which

- (a) I/we have provided in this form or through any other contact with RHB Banking Group (which shall include its holding company, subsidiary(s), and any associated company(s), including any company as a result of any restructuring, merger, sale or acquisition), or
- (b) has been obtained from analysis of my/our payment and other transactions/services within the RHB Banking Group, or
- (c) has been obtained from third parties such as employers, joint applicants/account holders, guarantors, legal representatives, industry/financial related associations, government/regulatory authorities, credit bureaus or credit reporting agencies, retailers, social networks and fraud prevention agencies or other organizations

for any and/or all of the following purposes ("Purpose"), if applicable:

- (i) providing this product and/or service and notifying me/us about important changes or developments to the features;
- (ii) updating and managing the accuracy of RHB Banking Group's records;
- (iii) prevention, detection or prosecution of crime, and complying with legal and regulatory obligations;
- (iv) assessment and analysis including credit / lending / insurance risks / behaviour scoring / market and product analysis and market research;
- (v) communications and ensuring customer satisfaction, which may include conducting surveys to improve the quality of our products and services, responding to inquiries and complaints and to generally resolve disputes;
- (vi) determining the amount of my/our indebtedness and recovering debt that I/we owe to RHBAM;
- (vii) maintaining my/our credit history for present and future reference;
- (viii) enabling an actual or proposed assignee of RHBAM, or participant or sub-participant of RHBAM to evaluate my/our transactions which are intended to be the subject of the assignment, participation or sub-participation;
- (ix) cross-selling, marketing and promotions of products and/or services of RHB Banking Group and its strategic alliances;
- (x) for RHBAM's corporate events (including networking events, launching of products, etc) /contests, of which photographs / images of I/we may be captured and may be used for RHBAM's publications; or
- (xi) protecting RHB Banking Group's interests and other ancillary or related purposes.

I/We understand and acknowledge that it is necessary for RHBAM to process my/our personal information for the Purpose, without which RHBAM will not be able to provide the product/service that I/we have requested from RHBAM and to notify I/we about important changes or developments to the products/services. Where I/we have provided RHBAM with sensitive personal information (in particular, information consisting my/our physical/mental health for applications of insurance products/services), I/we hereby provide RHBAM with my/our express consent to process the same in the manner described in this Privacy Notice. I/we may exercise my/our options in respect of receiving marketing materials (including cross-selling, marketing and promotions as described above) at any time by contacting our Customer Service at 03 - 9205 8000.

I/We understand that RHBAM may disclose my/our personal information (or sensitive personal information, if applicable) to other companies within the RHB Banking Group, service providers, merchants and strategic partners, vendors including debt collection agencies, professional advisers, industry/financial related associations, credit bureaus or credit reporting agencies and fraud prevention agencies, governmental agencies, other financial institutions and any of their respective agents, servants and/or such persons, whether located within or outside Malaysia for the Purpose, if applicable, subject at all times to any laws (including regulations, standards, guidelines and/or obligations) applicable to RHBAM. I/We further understand that I/we may request for correction (if my/our personal information is inaccurate, outdated, incomplete, etc), access to (a prescribed fee may be charged), or deletion (if I/we no longer have any existing products/services with RHB Banking Group) of my/our personal information or limit the processing thereof at any time hereafter by submitting such request via post, email or fax to the following address:

Customer Service

RHB Asset Management Sdn Bhd

Level 8, Tower 2 & 3, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia

Contact: +603-9205 8000 Facsimile: +603-9205 8100 Email: rhbam@rhbgroup.com

I/We acknowledge that RHB Banking Group may modify or update its Privacy Notice from time to time, a copy of which is available at www.rhbgroup.com and that I/we may channel any complaints or inquiries I/we may have in the manner indicated above.

ACKNOWLEDGEMENT AND CONSENT

- By providing my/our personal information and signature, I/we consent to RHBAM processing my/our personal information for any necessary disclosures and overseas transfers of my/our personal information to relevant third parties, for the Purpose, if applicable.
- I/We agree to the disclosure and/or transfer of my/our personal information to relevant third parties as a result of any restructuring, sale or acquisition of any company within the RHB Banking Group, provided that the recipient uses my/our personal information for the Purpose, if applicable.
- I/We also represent and warrant that I/we have sufficiently obtained the consent of third party individual(s) (e.g. family, spouse, related parties, supplementary cardholder and/or emergency contact persons, etc) whose personal information I/we have disclosed to RHBAM to allow RHBAM to process the same in relation to the Purpose, if applicable.

[This paragraph is only applicable to the authorized signatory(s)/contact person(s) of RHBAM's corporate customer(s), if any]

- As the authorized signatory(s)/contact person(s) of RHBAM's corporate customer, you understand that personal information of the directors, individual shareholders, employees, other authorised signatories, individual guarantors, individual security providers, suppliers/vendors and/or related parties etc, may be collected and processed by RHBAM for the purpose of the commercial transactions between the corporate customer and RHBAM. You represent and warrant that you are entitled to provide the said personal information to RHBAM and/or the appropriate consent have been obtained to allow RHBAM to process the said personal information for the purpose.

[This paragraph is only applicable to parent/legal guardian/next-of-kin/authorized representative of Junior Account holder(s), if any]

- If you are providing consent as parent / legal guardian / next-of-kin / authorized representative of a junior applicant, you understand that the personal information of the junior applicant will be processed by RHBAM for the Purpose described above.

NOTIS PRIVASI RHB

Saya/Kami faham bahawa RHB Asset Management Sdn Bhd ("RHBAM") akan menggunakan, mengumpul, merekod, menyimpan, berkongsi dan/atau memproses maklumat peribadi saya/kami, termasuk, tanpa had, butir-butir pengenalan saya/kami, maklumat latar belakang, data kewangan, penduduk cukai dan maklumat lain yang berkaitan dengan permohonan anda untuk produk dan / atau perkhidmatan yang

- (a) telah saya/kami berikan di dalam borang ini atau melalui sebarang perhubungan lain dengan Kumpulan Perbankan RHB (termasuk syarikat induk, syarikat-syarikat subsidiari, dan mana-mana syarikat yang berkenaan, termasuk mana-mana syarikat yang terhasi daripada mana-mana penyusunan semula, penggabungan, jualan atau pengambilalihan) atau
- (b) diperolehi daripada analisis pembayaran saya/kami dan urusniaga/perkhidmatan yang lain dalam Kumpulan Perbankan RHB, atau
- (c) diperolehi daripada pihak ketiga seperti majikan, pemohon bersama/pemegang-pemegang akaun, penjamin-penjamin, wakil-wakil perundangan, persatuan-persatuan berkaitan industri/kewangan, pihak-pihak berkuasa kerajaan, biro-biro kredit atau agensi-agensi pelaporan kredit, penjual-penjual, rangkaian-rangkaian sosial dan agensi-agensi pencegahan penipuan atau organisasi-organisasi lain,

untuk mana-mana dan/atau semua tujuan-tujuan yang berikut ("Tujuan"), jika berkaitan:

- (i) menyediakan produk dan/atau perkhidmatan ini dan memaklumkan saya/kami tentang sebarang perubahan penting atau perkembangan tentang ciri-ciri produk dan/atau perkhidmatan tersebut;
- (ii) mengemaskini dan menguruskan ketepatan rekod Kumpulan Perbankan RHB;
- (iii) pencegahan, pengesanan atau pendakwaan jenayah, dan pematuhan obligasi-obligasi perundangan dan peraturan;
- (iv) penilaian dan analisis termasuk pemarkahan kredit / pinjaman / risiko insurans / kelakuan, analisis pasaran dan produk dan penyelidikan pasaran;
- (v) perhubungan dan memastikan kepuasan pelanggan, yang mungkin termasuk menjalankan kajian-kajian meningkatkan kualiti produk-produk dan perkhidmatan-perkhidmatan kami, membalas kepada pertanyaan dan aduan serta untuk menyelesaikan percanggahan secara umumny;
- (vi) menentukan jumlah hutang saya/kami dan pemungutan hutang yang saya/kami berhutang kepada RHBAM;
- (vii) mengekalkan sejarah kredit anda untuk rujukan semasa dan akan datang;
- (viii) membolehkan pemegang serah hak sebenar atau yang dicadangkan oleh RHBAM, atau peserta atau sub peserta RHBAM untuk menilai urus niaga saya/kami yang bertujuan untuk menjadi subjek penyerahhakn, penyertaan atau sub penyertaan;
- (ix) melindungi kepentingan Kumpulan Perbankan RHB dan tujuan sampingan atau tujuan lain yang berkenaan;
- (x) penjualan silang, pemasaran dan promosi produk dan/atau perkhidmatan Kumpulan Perbankan RHB dan rakan-rakan kongsi strategik; atau
- (xi) bagi acara-acara korporat RHBAM (termasuk acara rangkaian, pelancaran produk, dan lain-lain) / pertandingan, di mana gambar / imej saya/kami mungkin akan ditangkap dan boleh digunakan untuk penerbitan RHBAM.

Saya/Kami faham dan mengakui bahawa RHBAM perlu memproses maklumat peribadi saya/kami untuk Tujuan tersebut, tanpanya RHBAM tidak akan dapat menyediakan produk/perkhidmatan yang saya/kami minta daripada RHBAM dan untuk memaklumkan saya/kami tentang sebarang perubahan penting atau perkembangan tentang produk/perkhidmatan tersebut. Di mana saya/kami telah memberi RHBAM maklumat peribadi sensitif (khususnya, maklumat tentang kesihatan fizikal / mental saya/kami untuk permohonan bagi produk insurans / perkhidmatan), saya/kami dengan ini memberikan RHBAM persetujuan nyata saya/kami untuk memproses mengikut cara yang dinyatakan dalam Notis Privasi ini. Saya/Kami boleh menjalankan pilihan saya/kami berkenaan dengan menerima bahan-bahan pemasaran (termasuk penjualan silang, pemasaran dan promosi seperti yang dinyatakan di atas) pada bila-bila masa dengan menghubungi Khidmat Pelanggan pada nombor 03-9205 8000.

Saya/Kami faham bahawa RHBAM mungkin akan mendedahkan maklumat peribadi saya/kami (atau maklumat peribadi sensitif, jika berkenaan) kepada syarikat-syarikat lain di dalam Kumpulan Perbankan RHB, penyedia-penyedia perkhidmatan, peniaga-peniaga dan rakan-rakan kongsi strategik, pembekal-pembekal termasuk agensi-agensi pemungutan hutang, penasihat-penasihat profesional, persatuan-persatuan berkaitan industri/kewangan, biro-biro kredit atau agensi-agensi pelaporan kredit dan pencegahan penipuan, agensi-agensi kerajaan, institusi-institusi kewangan yang lain dan mana-mana ejen, pekerja, dan/atau mana-mana orang mereka, sama ada bertempat di dalam atau di luar Malaysia untuk Tujuan tersebut, jika berkenaan, tertakluk pada setiap masa kepada mana-mana undang-undang (termasuk peraturan-peraturan, piawaian, garis panduan dan / atau obligasi) yang terpakai kepada RHBAM.

Saya/Kami juga faham bahawa saya/kami boleh meminta untuk membuat pembetulan (jika maklumat peribadi saya/kami adalah tidak tepat, ketinggalan zaman, tidak lengkap, dan lain-lain), akses kepada (fi yang ditetapkan mungkin dikenakan), atau untuk menghapuskan (jika saya/kami tidak lagi mempunyai apa-apa produk/perkhidmatan yang sedia ada dengan Kumpulan Perbankan RHB) ke atas maklumat peribadi saya/kami atau menahkakan pemprosesan itu pada bila-bila masa selepas ini dengan mengemukakan permintaan tersebut melalui pos, e-mel atau faks kepada alamat berikut:

Khidmat Pelanggan

RHB Asset Management Sdn Bhd

Level 8, Tower 2 & 3, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia

Nombor Telefon: 03-9205 8000 Nombor Fax: 03-9205 8100 Email: rhbam@rhbgroup.com

Saya/Kami mengakui bahawa Kumpulan Perbankan RHB boleh mengubahsai atau mengemas kini Notis Privasi ini dari masa ke semasa, di mana salinannya boleh didapati di www.rhbgroup.com dan anda boleh menyalurkan sebarang aduan atau pertanyaan yang saya/kami mungkin ada dengan cara yang ditunjukkan di atas.

PENGIKTIRAFAN DAN KEBENARAN

- Dengan memberikan maklumat peribadi saya/kami berserta tandatangan, saya/kami mengizinkan RHBAM memproses maklumat peribadi saya/kami untuk mana-mana pendedahan yang diperlukan dan pemindahan maklumat peribadi saya/kami ke luar negara kepada pihak ketiga yang berkaitan, jika berkenaan.
- Saya/Kami bersetuju dengan pendedahan dan/atau pemindahan maklumat peribadi saya/kami kepada pihak ketiga yang berkaitan akibat daripada apa-apa penyusunan semula, penjualan atau pengambilalihan mana-mana syarikat dalam Kumpulan Perbankan RHB, dengan syarat bahawa penerima menggunakan maklumat peribadi saya/kami untuk Tujuan tersebut sahaja.
- Saya/Kami juga menyatakan dan menjamin bahawa saya/kami telah cukup memperoleh persetujuan individu-individu pihak ketiga (contohnya keluarga, pasangan, pihak-pihak berkaitan, pemegang kad tambahan dan/atau orang hubungan keceemasan, lain-lain) di mana maklumat peribadi mereka telah saya/kami dedahkan kepada RHBAM untuk membenarkan RHBAM membuat pemprosesan yang sama berhubung dengan Tujuan, jika berkenaan.

[Perenggan ini hanya terpakai kepada penandatangan yang diberi kuasa/orang yang boleh dihubungi daripada pelanggan-pelanggan korporat RHBAM, jika ada]

- Sebagai penandatangan yang diberi kuasa/orang yang boleh dihubungi daripada pelanggan korporat RHBAM, anda memahami bahawa maklumat peribadi pengarah-pengarah, pemegang-pemegang saham individu, pekerja-pekerja, penandatangan lain yang diberi kuasa, penjamin individu, penyedia keselamatan individu, pembekal-pembekal dan/atau pihak-pihak berkaitan dan lain-lain, boleh dikumpul dan diproses oleh RHBAM untuk tujuan transaksi komersial antara pelanggan korporat dengan RHBAM. Anda menyatakan dan menjamin bahawa anda berhak untuk memberikan maklumat peribadi tersebut kepada RHBAM dan / atau persetujuan yang sesuai telah diperoleh untuk membolehkan RHBAM memproses maklumat peribadi untuk tujuan tersebut.

[Perenggan ini hanya terpakai kepada ibu bapa/penjaga undang-undang/waris/wakil bagi pemegang-pemegang Akaun Junior, jika ada]

- Jika saya/kami memberikan persetujuan sebagai ibu bapa/penjaga undang-undang/waris/wakil bagi pemohon kanak-kanak, saya/kami faham bahawa maklumat peribadinya akan diproses oleh RHBAM untuk Tujuan yang dinyatakan di atas.

FOREIGN ACCOUNT TAX COMPLIANCE ACT ("FATCA") AND COMMON REPORTING STANDARD ("CRS")

- **"Foreign Account Tax Compliance Act (FATCA)"** which was passed as part of the Hiring Incentives to Restore Employment (HIRE) Act, generally requires that foreign financial Institutions and certain other non-financial foreign entities report on the foreign assets held by their U.S. account holders or be subject to withholding on withholdable payments. The HIRE Act also contained legislation requiring U.S. persons to report, depending on the value, their foreign financial accounts and foreign assets.
- RHB Asset Management Sdn Bhd ("RHBAM") and its related companies and affiliates are subject to and required to, or have agreed to comply with FATCA ("FATCA Reporting Requirement"). In view of this, RHBAM is required to collect information about each of its customers under the FATCA Reporting Requirement. If you are a U.S. Person, we may need to give the Inland Revenue Board of Malaysia ("IRBM") your account information, which may then be shared with the U.S. IRS.
- **"Common Reporting Standard (CRS)"** means the Standard for Automatic Exchange of Financial Account Information ("AEOI") in Tax Matters and was developed in response to the G20 request and approved by the Organisation for Economic Co-operation and Development (OECD) Council on 15 July 2014, calls on jurisdictions to obtain information from their financial institutions and automatically exchange that information with other jurisdictions on an annual basis. It sets out the financial account information to be exchanged, the financial institutions required to report, the different types of accounts and taxpayers covered, as well as common due diligence procedures to be followed by financial institutions.
- RHBAM and its related companies and affiliates are required to comply with the CRS Rules ("CRS Reporting Requirement") In view of this RHBAM is required to collect information about your tax residence(s) under applicable tax regulations. If you are not a tax resident of Malaysia, we may need to give the IRBM your account information, which may then be shared with other tax authorities of the CRS Participating countries.
- Each jurisdiction has its own rules for defining tax residences, and jurisdiction have provided information on how to determine if you are resident in a jurisdiction on the following website: - <http://www.oecd.org/tax/automatic-exchange/crs-implementation-and-assistance/tax-residency/>
- RHBAM are not allowed to give tax advice. Please consult your tax adviser if you require assistance in determining your tax residence(s).

EXCHANGE CONTROL DECLARATION BY NON-MALAYSIAN RESIDENT(S)/REGISTERED ORGANISATION(S)

<input type="checkbox"/>	I/We declare that I am/ we are Malaysian resident(s)/ Malaysian organisation	
<input type="checkbox"/>	I/We declare that I am/ we are non-Malaysian resident(s) and I am/ we are permanent resident(s) of	(Country)
<input type="checkbox"/>	We declare that we are a non-Malaysian organisation and our organisation is incorporated in	(Country)

DECLARATION ON TAX RESIDENT STATUS

For Individual Applicant

I have been briefed and I hereby confirm I understand my tax residency/FATCA/CRS requirements. I hereby declare that I am :

For FATCA Status

- ☐ Non-US individual with no US indicia
- ☐ * Non-US individual with US indicia
- ☐ * US individual

For CRS Status

- ☐ Tax resident in Malaysia and do not have any foreign tax residency and/or foreign indicia
- ☐ * A foreign tax resident with foreign indicia (including Malaysia, if applicable)

* Please complete the Individual Self-Certification form provided

For Joint Individual Applicant

I have been briefed and I hereby confirm I understand my tax residency/FATCA/CRS requirements. I hereby declare that I am :

For FATCA Status

- ☐ Non-US individual with no US indicia
- ☐ * Non-US individual with US indicia
- ☐ * US individual

For CRS Status

- ☐ Tax resident in Malaysia and do not have any foreign tax residency and/or foreign indicia
- ☐ * A foreign tax resident with foreign indicia (including Malaysia, if applicable)

For Corporate Applicant, please complete the Entity Self-Certification/W8-Ben-E form (if applicable) provided

It is important for you to provide RHBAM with complete and accurate information in this form. If your circumstances change and any of the information provided in this form becomes incorrect please let RHBAM know immediately and provide an updated Self-Certification form.

DECLARATION FOR PERSONAL DATA PROTECTION ACT 2010 (Applicable for Individual / Corporate Applicant)

- I/We shall fully comply with the provisions of the Personal Data Protection Act 2010 ("the Act") applicable to the processing of personal data as defined in the Act and specifically, that all necessary consents have been obtained from individuals whose personal data may be disclosed to RHBAM or its representatives ("Disclosed Data") in respect of such disclosure to and processing by RHBAM and its representatives and that I/We will always furnish RHBAM or its representatives with up-to-date Disclosed Data.
- I/We shall procure any third party that processes Disclosed Data for or on behalf of me/us to agree in writing to the same terms that I/We agree in line with the Act and in this declaration.
- I/We shall immediately notify RHBAM in the event of any claim or complaint from any data subject of Disclosed Data and/or where there has been an event of non-compliance with the Act by me/us, whether discovered by me/us or forming the subject of an investigation and/or action by the relevant authorities.
- I/We shall indemnify RHBAM Banking Group against all proceedings, costs, expenses, liabilities or damages arising from my/our failure to comply with the Act with respect to Disclosed Data and the terms of this declaration. The remedies available to RHBAM contained in this clause are without prejudice to and in addition to any warranties, indemnities, remedy or other rights provided by law or any prior agreement.
- Based on the above declaration, I/We undertake that this declaration shall not be assigned without RHBAM's prior written consent; will be binding upon my/our servants, Unit Trust Scheme Consultant ("UTSC"), personal representatives, assigns and successors-at-law; will inure to the benefit of RHBAM and its successors and assigns; and shall supersede all prior representations, negotiations, arrangements, understandings or agreements and all other communications between RHBAM and me/us in connection with the processing and disclosure of Disclosed Data to RHBAM.

No delay or omission by RHBAM in exercising any right under this declaration will operate as a waiver of that or any other right. The covenants set out in this declaration are separate and severable and enforceable accordingly and whilst the restrictions are considered by the parties to be reasonable in all the circumstances as at the date hereof, it is acknowledged that restrictions of such a nature may be invalid because of a change in circumstances or other unforeseen reasons and accordingly, if any restrictions shall be adjudged to be void or ineffective for whatever reason but would be adjudged to be valid and effective if part of the wording thereof were deleted or the periods thereof reduced, such modifications shall be applied as may be necessary to make them valid and effective.

DECLARATIONS AND SIGNATURES (INDIVIDUAL / CORPORATE APPLICANT)

- I/We acknowledge that I/We have received, read and understood the relevant Information Memorandum(s) and its Supplementary(ies) (if any) for the Fund(s) to be invested in, the Terms and Conditions of this Form and I/We undertake to be bound by them for my/our all transactions with RHB Asset Management Sdn. Bhd. ("RHBAM").
- I/We acknowledge that I/We are aware of the fees and charges that I/We will incur directly or indirectly when investing in the Fund(s).
- I/We undertake to be bound by the provisions of the documents constituting the Fund(s) subscribed to as if I was/we were a party thereto.
- I am/We are 18 years old and above as at the date of this application. Copy/Copies of my/our NRIC/Passport is/are enclosed (applicable to individual).
- I/We declare and represent that as at the date hereof, I am/we are not an undischarged bankrupt nor has any petition for bankruptcy been filed against me/us (applicable to individual).
- I am/We are duly authorised officer(s) of the Corporate, and warrant that the Corporate has the power and capacity to execute this account opening application and undertake transactions involving the Fund(s). Attached is a certified true copy of the Corporate's list of authorised signatories (applicable to corporate).
- I/We declare that I am/ we are neither engaged in any unlawful activity nor are my/our monies obtained from any illegal source or related to any illegal activity.
- I/We, as directors(s) of the Corporate do hereby declare that the Corporate is a legally incorporated Corporate. Copy of my/our Certificate of Incorporation is enclosed (applicable to corporate).
- I/We declare that I am/ we are in compliance and undertake that I/we will continue to comply with all applicable laws and regulations.
- I/We undertake to provide RHBAM with all information as it may require for the purpose of and in connection with completing the Account Application Form, including but not limited to, my/our/the Corporate and its group of companies' information on financial position, condition, operation, business or prospect, where applicable.
- I/We acknowledge that I/we shall keep RHBAM informed of any changes of the information stated in this Account Application Form.
- I/We undertake to provide such information and documents that RHBAM may require for the purpose of due diligence/enhanced due diligence as required under the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 ("AMLATFPUAA 2001").
- In the absence of written explicit instructions, I/We acknowledge that instructions must be given by both of us (for joint application only).
- (Distribution Instruction as per Purchase/Switch Form) Depending on the Fund invested and subject to each respective Fund's Information Memorandum(s) and its Supplementary(ies) (if any), income distribution will either be reinvested into further units in the relevant fund or be paid out.
- I/We hereby declare and acknowledge that I/We have sole legal and proprietary right over all monies accompanying this application.
- I/We hereby agree to indemnify RHBAM against all actions, suits, proceedings, claims, damages and losses which may be suffered by RHBAM as a result of any inaccuracy of the declarations herein.
- We, the undersigned and representatives for the Corporate, do declare and represent that as at the date hereof, the Corporate is not wound up, no petition for winding-up has been filed against the Corporate nor any receiver has been appointed over any of its assets (applicable to corporate).

DECLARATIONS AND SIGNATURES (INDIVIDUAL / CORPORATE APPLICANT) (Continued)

- Pursuant to the requirements of the Capital Market and Services Act 2007, I/we further confirm that I/we/the Company am/are/is a sophisticated investor as defined in the Information Memorandum and thus, I/we/the Company am/are/is qualified to invest in the Wholesale Fund.
- I/We declare that I/we have read and clearly understood the RHB Privacy Notice / Privasi Notis RHB in relation to the protection of personal data and hereby inscribe my / our signature as an attestation of my / our agreement and acknowledgement of the RHB Privacy Notice / Privasi Notis RHB.
- If there are any updates/changes that affect my/our tax residency/FATCA/CRS status, I/we further hereby agree to notify and furnish RHBAM with relevant foreign Tax Identification Number (TIN) and/or documentary evidence within 30 days of such change.
- I/We consent to and authorise RHBAM to perform any of the following, if applicable:
 - Withhold any applicable payments in the account(s);
 - Report/disclose/exchange any information/ documents relating to my/our accounts/affairs to Inland Revenue Board Malaysia or any foreign tax authorities/inland revenue authorities in compliance with any tax requirements;
 - Terminate (with prior notice of 7 Business Days) my/our contractual relationship(s) with RHBAM.

BANK ACCOUNT DETAILS (MANDATORY FOR E-PAYMENT OF INCOME DISTRIBUTION / REDEMPTION) - MYR Class Fund Only

Bank Name																														
Account Holder Name																														
Bank Account No.																														
Account Type	<input type="checkbox"/> Savings Account	<input type="checkbox"/> Current Account	Account Ownership	<input type="checkbox"/> Single	<input type="checkbox"/> Joint																									

Note:

- Only one MYR currency bank account will be maintained in RHBAM's record at any one time.
- Payment to third party is strictly not allowed.
- For joint investment, bank account provided must consist of both applicants name and/or either one of the applicant's name as stated in this Account Application Form.

BANK ACCOUNT DETAILS (MANDATORY FOR E-PAYMENT OF INCOME DISTRIBUTION / REDEMPTION) - Foreign Currency Class Fund Only

Bank Name																														
Account Holder Name																														
Bank Account No.																														
Account Type	<input type="checkbox"/> Savings Account	<input type="checkbox"/> Current Account	Account Ownership	<input type="checkbox"/> Single	<input type="checkbox"/> Joint																									

Note:

- Only one foreign currency bank account will be maintained in RHBAM's record at any one time.
- Payment to third party is strictly not allowed.
- For joint investment, bank account provided must consist of both applicants name and/or either one of the applicant's name as stated in this Account Application Form.

ALL APPLICANTS MUST SIGN THIS FORM

Individual Applicant / Authorised Signatory (ies) Name : Date :		Joint Individual Applicant / Authorised Signatory (ies) Name : Date :		Company Stamp / Common Seal		For Joint Application, please tick (✓) account operating mode for future transactions <input type="checkbox"/> For Individual Applicant Only <input type="checkbox"/> For Joint Individual Applicant Only <input type="checkbox"/> Either Applicant to sign <input type="checkbox"/> Both Applicants to sign

FOR UTSC/DISTRIBUTOR USE ONLY**FOR OFFICE USE ONLY**

RHBAM / Distributor / Branch Code / Stamp Name of Staff / UTSC / Distributor Staff / UTSC Code Signature of Staff / UTSC / Distributor FiMM Code	Account No. Transaction Sequence No. Price of Transaction (RM / relevant currency)
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TERMS AND CONDITIONS

You are advised to read and understand the relevant Information Memorandum(s) and its Supplementary(ies) (if any) and deed(s) which shall be made available upon request before investing in the fund(s).

- 1 Minimum Investment
 - Initial and subsequent investment must be for a minimum amount stated in the relevant Information Memorandum(s) and its Supplementary(ies) (if any).
- 2 Individual Applicant (Main Applicant)
 - Applicant must be 18 years old and above.
 - Please enclose a photocopy of your identity card or passport.
- 3 Joint Individual Applicant
 - Please enclose a photocopy of your identity card or passport.
 - If aged 18 years old and above, he/she is also required to sign the application form.
 - In the case of death of a joint-holder, the surviving holder will be the only person recognised by the Manager and the Trustee as having any title to or interest in the units held.
 - In the absence of written explicit instructions, I/we acknowledge that instructions must be given by both of us.
 - The Individual Applicant (Main Applicant) are held liable should there be any discrepancy in the instruction and/or information given by the Joint Individual Applicant to RHBAM.
- 4 Corporate Applicant
 - Please enclose a copy of the Memorandum and Articles of Association, Company's latest audited accounts, list of Authorised Signatories and Specimen Signatures.
 - For a Corporate, the Common Seal or the Company stamp will have to be affixed. If the Company stamp is used, an Authorised Officer must sign and state his/her representative capacity.
 - Certified True Copy (by company secretary, if applicable) of the Board Resolution, Form 11, Form 9, Form 13 (if applicable), Form 24, Form 44, Form 49, and latest Annual Return / latest Audited Financial Statement.
- 5 Rights of the Manager
 - The Manager reserves the right to accept or reject any application in whole or in part thereof and reject any Fund Application Form which is not completed in full and supported by the requested documents and payments.
- 6 Customer Care
 - If you require further information or clarification, please contact our Customer Service for assistance.
- 7 General Consent
 - I/We consent to and authorise RHB Banking Group (which shall include RHB Bank, its subsidiaries and associated companies), its respective directors, officers, employees and agents to disclose, share and/or verify information or documents pertaining to my/our company's information and data maintained with RHBAM, affairs, account(s), facility(ies), directors and/or substantial shareholders to and/or with the following parties including, without limitation:
 - i any companies within RHB Banking Group, whether within or outside Malaysia for any purpose including, without limitation to cross-selling, marketing and promotions of Services of the RHB Banking Group;
 - ii any authorities/regulators/parties as may be authorised by law or regulations to obtain such information or by court of law;
 - iii any party(ies) providing security for purposes of facility(ies) granted to you; agents of the RHB Banking Group, including without limitation, vendors, merchants and/or third party service providers by the RHB Banking Group wherever applicable;
 - iv auditors, legal counsels and/or other professional advisers in relation to the provision of services by the RHB Banking Group pursuant to this engagement, or in connection with the preparation of any facility or security documents, if applicable, or any action or proceeding for the recovery of monies due and payable by you, wherever applicable;
 - v credit bureaus and/or credit reporting agencies, fraud prevention agencies, debt collection agencies and industry/financial related associations; and
 - vi any potential assignee or other person proposing to enter into any contractual arrangement which requires the disclosure of such information.

All notices and other communications sent by or to the applicant shall be sent at the risk of the applicant. Unless due to wilful default or negligence of the Manager, the Manager shall not be responsible for any inaccuracy, interruption, error, delay or failure in transmission or delivery of any notices via whatever means, or for any equipment failure or malfunction. The Manager shall not be liable for any direct or indirect consequential losses arising from the foregoing.

DEFINITION AND INTERPRETATION

"Controlling Person" are the natural person(s) who exercise control over an entity. Where that entity is treated as a Passive Non-Financial Entity ("Passive NFE") then a Financial Institution is required to determine whether or not these Controlling Persons are Reportable Persons. This definition corresponds to the term "beneficial owner" described in Recommendation 10 and the Interpretative Note on Recommendation 10 of the Financial Action Task Force Recommendations (as adopted in February 2012).

In the case of a trust, the Controlling Person(s) are the settlor(s), the trustee(s), the protector(s) (if any), the beneficiary(ies) or class(es) of beneficiaries, or any other natural person(s) exercising ultimate effective control over the trust (including through a chain of control or ownership). Under the CRS the settlor(s), the trustee(s), the protector(s) (if any), and the beneficiary(ies) or class(es) of beneficiaries, are always treated as Controlling Persons of a trust, regardless of whether or not any of them exercises control over the activities of the trust.

Where the settlor(s) of a trust is an Entity then the CRS requires Financial Institutions to also identify the Controlling Persons of the settlor(s) and when required report them as Controlling Persons of the trust.

In the case of a legal arrangement other than a trust, Controlling Person(s) means persons in equivalent or similar positions.

"Entity" means a legal person or a legal arrangement, such as corporation, organisation, partnership, trust or foundation.

"Participating Jurisdiction" means a jurisdiction with which an agreement is in place pursuant to which it will provide the information required on the automatic exchange of financial account information set out in the Common Reporting Standard.

"Personal Information" in respect of your and any Controlling Person, means: (i) where your and any Controlling Person is an individual, his/her full name, date and place of birth, residential address, mailing address, contact information (including telephone number), and any taxpayer identification number ("TIN"), social security number, citizenship(s), residency(ies) and tax residency(ies) or (if applicable) such other information as the RHB Banking Group may reasonably require regarding such Customer and any Controlling Person; (ii) where the Customer and any Controlling Person is a corporate/entity, its full name, date and place of incorporation or formation, registered address, address of place of business, tax identification number, tax status, tax residency, registered address, address of place of business, certification of its CRS status/classification or (if applicable) such other information as the RHB Banking Group may reasonably require regarding each of its substantial shareholders and controlling persons.

"Reportable Jurisdiction" is a jurisdiction with which an obligation to provide financial account information is in place.

"Tax Information" in respect of a Customer and any Controlling Person, means: (i) any documentation or information (and accompanying statements, forms, representations, waivers and consents as the RHB Banking Group may from time to time require or as the Customer and any Controlling Person from time to time give) relating, directly or indirectly, to the tax status of the Customer and any Controlling Person; (ii) Personal Information of the Customer and any Controlling Person; (iii) Account Information; and (iv) any other information received by any member of the RHB Banking Group in relation to the Customer, including (but not limited to) information collected and maintained pursuant to Anti-Money Laundering/ Know Your Customer (AML/KYC) procedures.

"Tax Resident" refers to the definition of tax residence by each participating jurisdiction as provided on [\[https://www.oecd.org/tax/automatic-exchange/crs-implementation-and-assistance/tax-residency/#id.en.347760\]](https://www.oecd.org/tax/automatic-exchange/crs-implementation-and-assistance/tax-residency/#id.en.347760). In general, you will find that tax residence is the country/jurisdiction in which you live. Special circumstances may cause you to be resident elsewhere or resident in more than one country/jurisdiction at the same time (dual residency). For more information on tax residence, please consult your tax adviser or the information at the OECD automatic exchange of information portal mentioned above.

"TIN" (including "functional equivalent") means Taxpayer Identification Number or a functional equivalent in the absence of a TIN. A TIN is a unique combination of letters or numbers assigned by a jurisdiction to an individual or an Entity and used to identify the individual or Entity for the purposes of administering the tax laws of such jurisdiction. Further details of acceptable TINs can be found at the following link [\[https://www.oecd.org/tax/automatic-exchange/crs-implementation-and-assistance/tax-identification-numbers\]](https://www.oecd.org/tax/automatic-exchange/crs-implementation-and-assistance/tax-identification-numbers).

Some jurisdictions do not issue a TIN. However, these jurisdictions often utilize some other high integrity number with an equivalent level of identification (a "functional equivalent"). Examples of that type of number include, for Entities, a Business/company registration code/number.

"US Person" refers to a US Person as defined in Section 7701 (a) (30) of the Internal Revenue Code and includes an individual who is a citizen or resident of the US.

(for existing unit holders only)

Please tick (✓) if this is staff purchase

☐ Purchase ☐ Switch ☐ Staff Application

Page 1 of 2

DETAILS OF SWITCHING APPLICATION

Please ensure you maintain the minimum amount required in the original Fund as stated in the relevant Information Memorandum(s) and its Supplementary(ies).

SWITCH FROM	
Fund Name	No. of Units
1	
2	
3	
4	
5	

SWITCH TO	
Fund Name	*Distribution Instruction
1	<input type="checkbox"/> Reinvest <input type="checkbox"/> *Credit into bank account
2	<input type="checkbox"/> Reinvest <input type="checkbox"/> *Credit into bank account
3	<input type="checkbox"/> Reinvest <input type="checkbox"/> *Credit into bank account
4	<input type="checkbox"/> Reinvest <input type="checkbox"/> *Credit into bank account
5	<input type="checkbox"/> Reinvest <input type="checkbox"/> *Credit into bank account

*Bank Account details for income distribution to be credited will be as per existing details maintained with RHBAM. If there is any changes to the Bank Account details, kindly provide the latest details by filling up the Updating of Client's Particulars Form.

LOAN FINANCING RISK DISCLOSURE STATEMENT

Investing in a unit trust fund with borrowed money is more risky than investing with your own savings. You should assess if loan financing is suitable for you in light of your objectives, attitude to risk and financing circumstances. You should be aware of the risk, which would include the following:-

- The higher the margin of financing (that is, the amount of money you borrow for every Ringgit of your own money that you put in as deposit or down payment) the greater the loss or gain on your investment.
- You should assess whether you have the ability to service the repayments on the proposed loan. If your loan is a variable rate loan, and if interest rates rise, your total repayment amount will be increased.
- If unit prices fall beyond a certain level, you may be asked to provide additional acceptable collateral (where units are used as collateral) or pay additional amounts on top of your normal instalments. If you fail to comply within the prescribed time, your units may be sold towards the settlement of your loan.

(iv) Returns on unit trusts are not guaranteed and may not be earned evenly over time. This means that there may be some years where returns are high and other years where losses are incurred instead. Whether you eventually realise a gain or incur loss may be affected by the timing of the sale of your units. The value of units may fall just when you want your money back even though the investment may have done well in the past.

This brief statement cannot disclose all the risks and other aspects of loan financing. You should therefore carefully study the terms and conditions before you decide to take the loan. If you have doubts in respect of any aspect of this Risk Disclosure Statement or the terms of the loan financing, you should consult the institution offering the loan.

I / We acknowledge that I / We have read and understood the contents of the investment Loan Financing Risk Disclosure Statement. I / We do declare and represent that as at the date hereof, I / We am / are not an undischarged bankrupt nor has any petition for bankruptcy been filed against me/us. With the completion of this form, it constitutes that I have read, understood and agreed to be bound by the notes, terms and conditions stated in this form. I also accept and acknowledge that RHB Asset Management Sdn Bhd has absolute discretion to reply on facsimile confirmation from me and undertake to indemnify and hold harmless RHB Asset Management Sdn Bhd, its employees and UTSC at all costs, expenses, loss of liabilities, claims and demands arising out of this confirmation.

DECLARATIONS AND SIGNATURES

- I / We acknowledge that I / We have received, read and understood the relevant Information Memorandum(s) and its Supplementary (ies) (if any) for the Fund(s) to be invested in, the Terms and Conditions of this Form and I/We undertake to be bound by them for my / our initial and subsequent transactions with RHB Asset Management Sdn Bhd ("RHBAM").
- I/We undertake to be bound by the provisions of the documents constituting the Fund(s) subscribed to as if I was/We were a party thereto.
- I/We acknowledge that I/We are aware of the fees and charges that I/We will incur directly or indirectly when investing in the Fund(s).
- I/We hereby declare and acknowledge that I/We have sole legal and proprietary right over all monies accompanying this application.
- I/We hereby agree to indemnify RHBAM against all actions, costs (including any legal cost incurred), suits, proceedings, claims, damages and losses which may be suffered by RHBAM as a result of any inaccuracy of the declarations and inaccurate information provided herein.

ALL APPLICANTS MUST SIGN THIS FORM

<div></div> <div>Individual Applicant / Authorised Signatory (ies) Name: Date :</div>	<div></div> <div>Joint Individual Applicant / Authorised Signatory (ies) Name: Date:</div>	<div></div> <div>Company Stamp / Common Seal</div>
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