

# RHB ASIAN REAL ESTATE FUND

## RESPONSIBILITY STATEMENT

This Product Highlights Sheet has been reviewed and approved by the directors of RHB Asset Management Sdn Bhd ("RHBAM") and they have collectively and individually accepted full responsibility for the accuracy of the information. Having made all reasonable enquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements, or omission of other facts which would make any statement in the Product Highlights Sheet false or misleading.

## STATEMENT OF DISCLAIMER

The Securities Commission Malaysia has authorised the issuance of RHB Asian Real Estate Fund and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

The authorisation of the RHB Asian Real Estate Fund and lodgement of this Product Highlights Sheet, should not be taken to indicate that the Securities Commission of Malaysia recommends the RHB Asian Real Estate Fund or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Product Highlights Sheet.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of RHBAM responsible for the RHB Asian Real Estate Fund and takes no responsibility for the contents of this Product Highlights Sheet. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Product Highlights Sheet, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

## PRODUCT HIGHLIGHTS SHEET

**This Product Highlights Sheet only highlights the key features and risks of RHB Asian Real Estate Fund. Investors are advised to request, read and understand the Fund's prevailing prospectus and its supplementary(ies) (if any) before deciding to invest.**

<b>Name of Fund</b>	RHB Asian Real Estate Fund ("Fund").	<b>Fund Category</b>	Equity fund.
<b>Manager</b>	RHB Asset Management Sdn Bhd.	<b>Launch Date</b>	22 August 2007.
<b>Trustee</b>	Maybank Trustees Berhad.	<b>Financial Year End</b>	31 March.

## PRODUCT SUITABILITY

This Fund is suitable for investors who:

- (i) wish to participate in the opportunities offered by the Asian real estate markets;
- (ii) are willing to accept moderate to high risk in their investments; and
- (iii) prefer capital growth rather than income over a long term<sup>^</sup> period.

<sup>^</sup>Note: "long term" in this context refers to a period of between 5 – 7 years.

## KEY PRODUCT FEATURES

### INVESTMENT OBJECTIVE

This Fund aims to achieve long term<sup>^</sup> capital appreciation through investments in the real estate market.

### INVESTMENT STRATEGY

The Fund seeks to achieve its investment objective through a diversified portfolio of primarily Asian real estate securities and listed Real Estate Investment Trusts (REITs). The Fund's investments in Asian real estates are those of REITs and of companies\* whose securities (including equity and equity related securities, preferred shares, Senior Securities and debt securities) are listed on the Asian markets (except Japan and Vietnam) such as China, Hong Kong, India, Indonesia, Korea, Malaysia, Philippines, Thailand, Singapore and Taiwan Stock Exchanges. These are REITs/companies\* that

## KEY PRODUCT FEATURES

have at least 50% of its business operations in, or which derive at least 50% of its revenue from, or have at least 50% of its assets located in, the Asian region (except Japan and Vietnam). Although, Japan and Vietnam are part of Asia, these countries have been excluded to reflect the benchmark selected for the Fund.

*\* These companies include property investment companies that derive revenue from rental income and/or capital appreciation from real estate, property development companies as well as companies investing in REITs.*

The Fund may also invest opportunistically in REITs and the securities of companies\* listed in Australia, New Zealand, Japan and Vietnam Stock Exchanges to capitalise on the potential of the Asian real estate markets including those of Australia, New Zealand, Japan and Vietnam. These are REITs/companies\* that have at least 50% of its business operations in, or which derive at least 50% of its revenue from, or have at least 50% of its assets located in, the Asian region including Australia, New Zealand, Japan and Vietnam. However, the Fund's investment in these exchanges shall not in aggregate exceed 30% of the Net Asset Value ("NAV"). In managing the Fund, the Manager will employ a multi-step investment process, combining a bottom-up investment process that involves rigorous company research with a top-down process to review the asset allocation at both the regional/country and sector levels. Asset allocation and geographical weightings are derived after analysing macro-economic trends and country dynamics. Country and portfolio exposure limits are in place to mitigate the risks of the investments. The Manager believes that long-term<sup>^</sup> investment performance can be achieved by employing a rigorous research process that enables them to identify the companies\*/REITs that generate superior returns as well as by identifying companies\* that are undervalued. <sup>^</sup>*Note: "long term" in this context refers to a period of between 5 - 7 years.*

Thus, this Fund's portfolio will be structured as follows:

Up to 98% of NAV (with at least 70% of NAV in equity) - Investments in primarily Asian real estate securities and listed REITs.

2% - 5% of NAV - Investments in liquid assets including money market instruments and deposits with financial institutions.

Subject to the range stipulated above, the above asset allocation is only indicative and will be reviewed from time to time depending on the judgment of the Manager as to the general market and economic conditions. Although the Fund is actively managed, how active or the frequency of its trading strategy will very much depend on market opportunities. The risk management strategies and techniques employed by the Manager include diversification of the Fund's investments in terms of its exposure to various industries/sectors, countries and asset classes and/or type of investments (i.e. equity, REITs, money market instruments). Financial derivatives may also be used for hedging purposes where appropriate. Generally, the assets of the Fund will be invested over a medium to long term period with disposal of the investments when necessary to control risk as well as to optimise capital gains. This is especially so when the full growth potential of an investment is deemed to have been reduced over a prolonged rise in equity values and the available alternative investments may present cheaper valuations and potential higher returns. The Fund also complies with the permitted investments and restriction imposed by the Securities Commission Malaysia. Adherence to these permitted investments and restrictions also helps the Manager to risk-manage the Fund's portfolio in terms of diversification. Moreover, the Manager in making its investment decisions shall at all times comply with the investment restrictions of the Fund and requirements as set out in the deed of the Fund. For investments in foreign markets, the Manager in managing the principal risks such as country risk and currency risk will always take into consideration the reference benchmark as well as its evaluation of the historical developments and its prior experience in such markets. Such practice will be managed through active management and constant review of the economic and political developments of the countries invested. Investments will ultimately be made based on the risk-reward.

The Manager may take temporary defensive positions that may be inconsistent with the Fund's principal strategy in attempting to respond to the adverse economic, political or any other market conditions. In such circumstances, the Manager may reallocate up to 100% of the Fund's equity investments into other asset classes such as debt securities, money market instruments and deposits with any financial institutions, which are defensive in nature. These are deposits that are not

## KEY PRODUCT FEATURES

embedded with or linked to financial derivative instruments (structured deposits) and (where applicable) these are current accounts, short term money market deposits and short term deposits with financial institutions.

### BENCHMARK

MSCI AC Asia ex-Japan Real Estate Index (RM).

### DISTRIBUTION

**DISTRIBUTION MODE** - Distributions, if any, after deduction of taxation and expenses (i.e. net distribution), will be reinvested to purchase additional units of the Fund based on the NAV per unit as at the first Business Day when units in the Fund are quoted ex-entitlement. Allotment of such units shall be within two (2) weeks thereafter.

**DISTRIBUTION POLICY** - Consistent with the Fund's objective which aims to achieve capital growth, distributions will therefore be of secondary importance. Distributions, if any, after deduction of taxation and expenses, are generally declared annually.

## KEY RISKS

As this Fund may invest up to 98% of its NAV in securities of foreign markets, it may be subject to further risks, such as currency risk and country risk, when compared to a portfolio which concentrates its holdings in a single market or economy.

**CURRENCY RISK** - Where a percentage of the value of the Fund is invested in foreign currency or assets denominated in a foreign currency, the Fund may be exposed to currency risk. Fluctuation in foreign exchange rates will affect the value of the Fund's foreign investments when converted into local currency and subsequently the value of the investments of the unit holders of the Fund ("Unit Holder(s)"). This risk can be mitigated by investing in a wide range of foreign currency denominated asset thus diversifying the risk of single currency exposure. Hedging may be applied to mitigate the currency risk, if necessary.

**COUNTRY RISK** - In addition to currency risk, the Fund is also subject to country risk. The value of the assets of the Fund may also be affected by the economic and political climate, restriction on currency repatriation or other developments in the law or regulations of the countries in which the Fund may invest. Further, when investing in foreign markets, there are countries which may require prior approvals before investments can take place. For example, if and when the Fund invests in countries such as China, Taiwan, South Korea, India and Vietnam, such countries require the application of an investment licence or registration of an investor code before any investment can be made in these countries. As such, if investments in such countries are undertaken, there may be a risk that such registration or licence may be revoked or not renewed by the relevant authority and the Fund's investment in these countries may be affected. The effect on the Fund's investments will depend on the regulatory requirements of the respective countries. For example, if a foreign market requires the Fund to obtain an investment licence which is subject to renewal and if such investment licence is not renewed in a timely manner, this may result in the Fund's investment account in that country being frozen by the regulator resulting in investment activities for the Fund in that country being suspended. To mitigate this, the Manager will monitor closely the adherence of investment regulatory requirements in such countries. Furthermore, share investments are susceptible to the movements of share prices which can rise or fall for a number of reasons such as industry trends, economic factors, changes in a company's operations, management and financial performance as well as market perception of that particular company. Other risks associated with investments in equities and equity related securities are as below:

**MARKET RISK** - Market risk is a risk that arises when the prices of investments in the marketplace are affected by circumstances such as political or economic events. These circumstances, which may be a local or global event can affect the markets where the Fund is invested in and subsequently the value of the Fund's investments.

**PARTICULAR SECURITY RISK** - The fluctuation in the performance of each individual security that the Fund invests in will affect the price of the units of the Fund. Not all companies issuing these securities are successful. The success or failure of the companies will cause its securities value to rise

## KEY RISKS

or fall. Valued collectively, the performance of individual securities comprising the Fund's portfolio will cause the unit price of the Fund to rise or fall accordingly.

**EQUITY RELATED SECURITIES RISK** - The Fund may also invest in equity related securities such as warrants. As warrants are linked to the particular equity securities from which they are derived, the warrants inherit the risks linked to that underlying equity such as market risk, currency risk, country risk, industry risk and liquidity risk. A movement in the prices of the underlying equity securities of the warrants will generally result in a larger movement in the prices of the warrants, thus the higher volatility of investments in warrants. In the event of a decline in the market, warrants can lose a substantial amount of their values, far more than equity securities and vice versa. Warrants also have a limited life and if they are not exercised at the maturity, they will expire and become worthless causing the value of the Fund's investments to fall. Like any other investment, the fall in the value of the Fund's investments will ultimately lower the NAV.

## FUND PERFORMANCE

### AVERAGE TOTAL RETURNS OF THE FUND

Average total returns for the following periods ended 31 March 2021

	1 Year	3 Years	5 Years	10 Years
RHB Asian Real Estate Fund (%)	7.50	1.70	8.13	6.22
Benchmark^ (%)	9.76	-1.46	6.16	4.44

### ANNUAL TOTAL RETURNS OF THE FUND

Annual total returns for the following financial years ended 31 March

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
RHB Asian Real Estate Fund (%)	7.50	-13.41	13.01	7.08	31.28	-7.28	29.31	-10.48	29.43	-10.90
Benchmark^ (%)	9.76	-21.60	11.18	8.95	29.37	-11.60	29.50	-8.06	24.54	-12.62

For the latest financial year, the Fund recorded a return of 7.50% whilst its benchmark recorded a return of 9.76%.

Source: Lipper IM, 8 April 2021. ^ The benchmark of the Fund is MSCI AC Asia ex-Japan Real Estate Index (RM). The abovementioned Fund performance is computed on NAV to NAV basis and has been adjusted to reflect distributions payments and unit splits, if any.

### PORTFOLIO TURNOVER RATIO ("PTR")

PTR (times)	Financial Year Ended 31 March		
	2021	2020	2019
	0.93	0.75	0.35

The PTR for the latest financial year was higher compared with the previous financial year due to more investment activities during the latest financial year.

### DISTRIBUTION RECORD

	Financial Year Ended 31 March		
	2021	2020	2019
Gross distribution per unit (sen)	-	-	-
Net distribution per unit (sen)	-	-	-

For the latest financial year, no distribution has been proposed by the Fund.

**PAST PERFORMANCE OF THE FUND IS NOT AN INDICATION OF ITS FUTURE PERFORMANCE.**

## FEES & CHARGES

***This table describes the charges that you may directly incur when you buy or redeem units of the Fund:***

### Charges

Sales charge <sup>1</sup>	Up to 5.00% of investment amount.
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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 herein. This is due to the different levels of services provided by each distribution channel and/or the size of the investment undertaken.

Repurchase charge	None.
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Dilution fee / transaction cost factor, if any	None.
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### Other charges payable directly by the investors

Switching fee <sup>1</sup>	RM25.00 per switch or the difference in sales charge which is deductible from the redemption amount of the units to be switched, where applicable.
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Transfer fee <sup>1</sup>	RM5.00 per transfer.
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***This table describes the fees that you may indirectly incur when you invest in the Fund:***

### Fees and Expenses

Annual management fee <sup>1</sup>	1.80% per annum of NAV before deducting the Manager's and Trustee's fees for that particular day.
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Annual trustee fee <sup>1</sup>	0.08% per annum of NAV before deducting the Manager's and Trustee's fees for that particular day, subject to a minimum of RM18,000 per annum.
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Expenses directly related to the Fund	Auditors' fees, custodial charges, other relevant professional fees, cost of distribution of interim and annual reports, tax certificates, reinvestment statements and other notices to Unit Holders, commissions paid to brokers, other transaction costs and taxes.
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Other fees payable indirectly by an investor (if any)	None.
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<sup>1</sup> All fees and charges payable to 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: The Manager may, for any reason at any time, waive or reduce the amount of its management fee only or all charges directly payable by the Unit Holder and/or investor in respect of the Fund, either generally (for all Unit Holders and/or investors) or specifically (for any particular Unit Holder and/or investor) and for any period or periods of time at its absolute discretion.

## TRANSACTION INFORMATION

Minimum Initial Investment	RM1,000 or such other amount as the Manager may from time to time accept.
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Minimum Additional Investment	RM100 or such other amount as the Manager may from time to time accept.
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Minimum Repurchase Units	Any number of units.
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Switching Facility and Frequency of Switching	<ul style="list-style-type: none"> <li>• Available.</li> <li>• Minimum amount for a switch is RM1,000.</li> <li>• There are no restrictions as to the number of switches or the frequency of switching.</li> </ul>
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## TRANSACTION INFORMATION

	<ul style="list-style-type: none"><li>Minimum investment balance at all times must be one hundred (100) units after the switch.</li></ul>
Minimum Investment Balance	100 units or such other lower quantity as the Manager may from time to time decide.
Transfer Facility	Available. In the event of a partial transfer, both the transferor and transferee must each hold a minimum investment balance of one hundred (100) units after the transfer.
Redemption Period	Redemption monies to be paid within ten (10) days after receipt by the Manager of the request to repurchase.
Cooling-off Period	Unit Holders have the right to request for a refund of their investment within six (6) business days <sup>#</sup> which shall be effective from the date of receipt of the application by the Manager, subject to eligibility. <i># These are the working days when the Manager is open for business.</i>
Business Day	A day in which Bursa Malaysia Securities Berhad / Bursa Malaysia and the foreign markets* are open for trading. <i>* foreign markets in which investments of the Fund having in aggregate values amounting to at least 50% of the Fund's NAV are invested therein.</i>
Dealing Hours	9:00 a.m. to 4:00 p.m. (Malaysia time) on any Business Day or such later time as the Manager may determine provided always that complete applications for the Fund are received before the next valuation point.

**YOU SHOULD NOT MAKE PAYMENT IN CASH TO A UNIT TRUST CONSULTANT OR ISSUE A CHEQUE IN THE NAME OF A UNIT TRUST CONSULTANT.**

## VALUATIONS AND EXITING FROM INVESTMENT

### VALUATION OF ASSETS

The Fund must be valued at least once every Business Day. However, certain foreign markets in which the Fund may invest in have different time zones from that of Malaysia. Accordingly, the valuation of the Fund for a Business Day will be conducted before 5:00 p.m. on the following day in which the Manager is open for business, when the closing prices of the foreign markets for that Business Day would be available.

As such, the daily price of the Fund for a particular Business Day will not be published in the major newspapers on the next day but will instead be published the next following day (i.e. the price will be two (2) days old). This will be specifically indicated in the major newspapers. Investors may however obtain the most current computed price by contacting the Manager directly or visiting our website, [www.rhbgroup.com](http://www.rhbgroup.com).

### EXITING FROM THIS INVESTMENT

Units of the Fund can be redeemed by forwarding the completed form of request to repurchase to the Manager's principal office or any of its branch offices, or to any of its authorised sales agents or participating IUTAs before their respective cut-off times. The redemption monies will be paid within ten (10) days after receipt by the Manager of the request to repurchase.

For partial redemption, the balance of units of the Fund held after the redemption must be at least one hundred (100) units or such other lower quantity as the Manager may from time to time decide (the "minimum investment balance"). There are no restrictions on the number of units a Unit Holder can redeem out of his investments or the frequency of redemptions in a year. However, the Manager shall not be bound to comply with any request for redemption of units if the balance of units held after the redemption is less than the minimum investment balance.

## CONTACT INFORMATION

To contact the Manager or to find out about the distribution channels of the Fund, you may call us at 1-800-88-3175 at any time during office hours: Mondays through Fridays from 9.00 a.m. – 5.00 p.m. or e-mail your enquiries to [rham@rhbgroup.com](mailto:rham@rhbgroup.com).

### HOW DO YOU LODGE A COMPLAINT?

1. For internal dispute resolution, you may contact:

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|---|--|--------------------------------------|
| ❖ <b>via phone to:</b><br>03-9205 8000  | ❖ <b>via Unit Holders Services</b><br><b>Toll-Free Hotline at:</b> 1-800-88-3175 | ❖ <b>via fax to:</b><br>03-9205 8100 |
| ❖ <b>via e-mail to:</b> <a href="mailto:rham@rhbgroup.com">rham@rhbgroup.com</a>  | ❖ <b>via website to:</b> <a href="http://www.rhbgroup.com">www.rhbgroup.com</a>  |                                      |
| ❖ <b>via letter to:</b> RHB Asset Management Sdn Bhd, Level 8, Tower 2 & 3, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur |  |                                      |

2. If you are dissatisfied with the outcome of the internal dispute resolution process, please refer your dispute to the Securities Industry Dispute Resolution Center (SIDREC):

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| ❖ <b>via phone to:</b><br>03-2282 2280   | ❖ <b>via fax to:</b><br>03-2282 3855 | ❖ <b>via e-mail to:</b><br><a href="mailto:info@sidrec.com.my">info@sidrec.com.my</a> |
| ❖ <b>via letter to:</b> Securities Industry Dispute Resolution Center (SIDREC), Unit A-9-1, Level 9, Tower A, Menara UOA Bangsar, No. 5, Jalan Bangsar Utama 1, 59000 Kuala Lumpur |                                      |   |

3. You can also direct your complaint to the Securities Commission Malaysia even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the Securities Commission Malaysia's Consumer & Investor Office:

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| ❖ <b>via phone to the Aduan</b><br><b>Hotline at:</b> 03-6204 8999   | ❖ <b>via fax to:</b><br>03-6204 8991 | ❖ <b>via e-mail to:</b><br><a href="mailto:aduan@seccom.com.my">aduan@seccom.com.my</a> |
| ❖ <b>via online complaint form available at:</b> <a href="http://www.sc.com.my">www.sc.com.my</a>  |                                      |   |
| ❖ <b>via letter to:</b> Consumer & Investor Office, Securities Commission Malaysia, No 3 Persiaran Bukit Kiara, Bukit Kiara, 50490 Kuala Lumpur. |                                      |   |

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

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| ❖ <b>via phone to:</b><br>03-2092 3800   | ❖ <b>via fax to:</b><br>03-2093 2700 | ❖ <b>via e-mail to:</b><br><a href="mailto:complaints@fimm.com.my">complaints@fimm.com.my</a> |
| ❖ <b>via online complaint form available at:</b> <a href="http://www.fimm.com.my">www.fimm.com.my</a>  |                                      |   |
| ❖ <b>via letter to:</b> Legal, Secretarial & Regulatory Affairs, Federation of Investment Managers Malaysia, 19-06-1, 6 <sup>th</sup> Floor Wisma Tune, No. 19 Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur. |                                      |   |