

## RHB INCOME FUND 2

### RESPONSIBILITY STATEMENT

This Product Highlights Sheet has been reviewed and approved by the directors of RHB Asset Management Sdn Bhd and they collectively and individually accept 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 Income Fund 2 and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

The authorisation of the RHB Income Fund 2 and lodgement of this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends the RHB Income Fund 2 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, the management company responsible for the RHB Income Fund 2 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 Income Fund 2. 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 Income Fund 2 ("Fund").	<b>Fund Category</b>	Bond fund.
		<b>Fund Type</b>	Income.
<b>Manager</b>	RHB Asset Management Sdn Bhd.	<b>Launch Date</b>	26 February 2003.
<b>Trustee</b>	HSBC (Malaysia) Trustee Berhad.	<b>Financial Year End</b>	31 March.

### PRODUCT SUITABILITY

This Fund is suitable for conservative investors who seek a steady income<sup>^</sup> stream from their investments and have a low to moderate risk tolerance with a medium to long term\* investment horizon.

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

*<sup>^</sup>The income is in the form of units. Please refer to the Fund's distribution mode.*

### KEY PRODUCT FEATURES

#### INVESTMENT OBJECTIVE

This Fund aims to provide investors with higher than average income<sup>^</sup> returns compared to fixed deposits over a medium to long term\* period through investments in a portfolio of predominantly quality fixed income securities with minimum risk to capital invested.

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

*<sup>^</sup>The income is in the form of units. Please refer to the Fund's distribution mode.*

#### INVESTMENT STRATEGY

This Fund seeks to achieve its investment objective by investing substantially all of its assets in fixed income securities (comprising amongst others of convertible debt securities, redeemable debt securities, bonds/securities that are issued and/or guaranteed by the government or quasi-government agencies, corporate bonds carrying at least BBB ratings by any domestic rating agencies or its equivalent rating by a reputable rating establishment and fixed income collective investments schemes), money market instruments, cash and deposits with any financial institutions. At least 60% of Net Asset Value ("NAV") will be invested in bonds. Although the Fund is actively managed, how active or the frequency of its trading strategy will very much depend on market opportunities.

For investments in foreign markets, the Manager in managing the principal risks such as country risk and currency risk will always take into consideration 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 risk-reward.

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 and asset classes and/or type of investments (i.e. fixed income securities and 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. The Fund also complies with the permitted investments and restrictions 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.

#### BENCHMARK

RHB Bank Berhad's 12-month fixed deposit rate.

#### DISTRIBUTION

**DISTRIBUTION POLICY** - Consistent with the Fund's objective to provide investors with higher than average income<sup>^</sup> returns compared to fixed deposits, the Fund will distribute a substantial portion of its returns to unit holders of the Fund ("Unit Holder(s)"). Distributions, if any, after deduction of taxation and expenses, are generally declared annually and will be reinvested.

<sup>^</sup>Note: The income is in the form of units. Please refer to the Fund's distribution mode.

**DISTRIBUTION MODE** - Distribution, 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. No sales charge will be imposed for any reinvestment of distribution into the Fund.

## KEY RISKS

As this Fund invests primarily in fixed income securities, certain risks are therefore peculiar to this Fund. They are:

**INTEREST RATE RISK** - Prices of fixed income securities generally move in opposite direction with interest rates. When interest rates rise, prices of fixed income securities will generally fall. This rise in interest rate would cause the investor to face the risk of capital loss. But when interest rates fall, prices of fixed income securities would generally increase, therefore, investors would see capital gains.

**CREDIT / DEFAULT RISK** - This refers to the creditworthiness of the fixed income securities issuer and its expected ability to repay debt. Default happens when the issuer is not able to make timely coupon payments and/or repay or pay the principal in a timely manner thus lowering the value of the Fund's investments and subsequently the value of Unit Holders' investments.

**LIQUIDITY RISK** - Liquidity is the ability to convert an investment portfolio to cash without suffering a noticeable loss in value. The Malaysian fixed income securities market is not as liquid as the equity market and this may affect the price of any fixed income securities.

**INFLATION / PURCHASING POWER RISK** - Inflation can be defined as increases of the price level of goods and services and is commonly reported using the consumer price index as a measure. Inflation is one of the major risks to investors and results in uncertainty over the future value of the investments. Inflation reduces purchasing power of money. In an inflationary environment, fixed income securities are exposed to higher inflation risks than equities due to its fixed returns nature as compared to equities whose returns are variable.

As this Fund may invest up to 30% of its NAV in 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. The country risk and currency risk are as elaborated below

**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. This risk can be mitigated through 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, for example, 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 investment can take place. For example, if and when the Fund invests in countries such as China, Taiwan, South Korea, India and Vietnam, such countries require the application of an investment licence or registration of an investor code before any investment can be made in these countries. As such, if investments in such countries are undertaken, there may be a risk that such registration or license may be revoked or not renewed by the relevant authority and the Fund's investments in these countries may be affected. The effect on the Fund's investments will depend on the regulatory requirements of the respective countries. For example, if a foreign market requires the Fund to obtain an investment 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.

*Note: If your investments are made through an institutional unit trust scheme adviser ("IUTA") which adopts the nominee system of ownership, you would not be deemed to be a Unit Holder under the deed of the Fund and as a result, you may not exercise all the rights ordinarily conferred to a Unit Holder (e.g. the right to call for Unit Holders' meetings and the right to vote at a Unit Holders' meeting). Accordingly, the Manager will only recognise the IUTA as a Unit Holder and the IUTA shall be entitled to all the rights conferred to it under the deed of the Fund.*

## FUND PERFORMANCE

The Fund has been in operation since 26 February 2003 and its financial year end was previously 28 February. Effective year 2008, the Fund's financial year end has been changed to 31 March. For ease of comparison, the Fund's performance has been re-computed based on the new financial year end. The Fund's benchmark has been replaced from Maybank's 12-month fixed deposit rate to RHB Bank Berhad's 12-month fixed deposit rate with effect from 28 April 2023, which is used in all performance reporting.

### AVERAGE TOTAL RETURNS

Average total returns for the following periods ended 31 March 2024

	1 Year	3 Years	5 Years	10 Years
RHB Income Fund 2 (%)	-18.52	-0.32	-0.16	2.23
Benchmark^ (%)	2.64	2.32	2.40	2.82

### ANNUAL TOTAL RETURNS

Annual total returns for the following Financial Year Ended 31 March

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
RHB Income Fund 2 (%)	-18.52	5.76	14.92	-2.95	3.20	4.76	4.44	5.30	3.73	5.14
Benchmark^ (%)	2.64	2.49	1.85	1.97	3.07	3.35	3.14	3.16	3.29	3.23

For the latest financial year, the Fund recorded a return of -18.52% while its benchmark recorded a return of 2.64%.

Source: Lipper IM, 15 April 2024. ^The benchmark of the Fund is Maybank's 12-month fixed deposit rate from 26 February 2003 – 27 April 2023 and RHB Bank Berhad's 12-month fixed deposit rate from 28 April 2023 onwards. The abovementioned performance is computed on NAV to NAV basis and has been adjusted to reflect distribution payments and unit splits, if any, and are annualised.

### PORTFOLIO TURNOVER RATIO ("PTR")

Financial Year Ended 31 March

	2024	2023	2022
PTR (times)	0.01	0.15	0.55

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

### DISTRIBUTION RECORD

Financial Year Ended 31 March

	2024	2023	2022
Gross distribution per unit (sen)	0.9000	-	7.2000
Net distribution per unit (sen)	0.9000	-	7.2000

For the latest financial year, the Fund has declared a total gross distribution of 0.9000 sen per unit. Distribution was in the form of units.

**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 2.00% of investment amount. An investor can expect differing sales charge to be levied when buying units of the Fund from the various distribution channels and within each distribution channel, subject to the maximum sales charge stipulated herein. This is due to the different levels of services provided by each distribution channel and/or the size of the investment undertaken. <i>Note: If the Fund is an Employees Provident Fund ("EPF") Members' Investment Scheme ("MIS") approved fund and you invest via EPF-MIS, you will be levied a sales charge of up to 3.00% of the investment amount or any other rate as may be determined by the EPF from time to time.</i>
Repurchase charge	None.
Dilution fee or transaction cost factor	None.

### Other charges payable directly by the investors

Switching fee <sup>1</sup>	RM25.00 per switch or the difference in sales charge between switching funds, where applicable. The Manager reserves the right to vary this switching fee or to vary the terms of the switching facility.
Transfer fee <sup>1</sup>	RM5.00 per transfer.

***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>	1.00% per annum of the NAV of the Fund calculated on a daily basis before deducting the Manager's and Trustee's fees for that particular day.
Annual trustee fee <sup>1</sup>	Up to 0.07% per annum of the NAV of the Fund calculated on a daily basis before deducting the Manager's and Trustee's fees for that particular day.
Expenses directly related to the Fund	Auditors' fees and other relevant professional fees, custodial charges, cost of distribution of semi-annual and annual reports, tax certificates, reinvestment statements or distribution cheques (where applicable) and other notices to Unit Holders, commissions paid to brokers, other transaction costs and taxes.
Other fees payable indirectly by an investor (if any)	None.

<sup>1</sup> 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 Malaysian government from time to time.

*Note 1: 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.*

*Note 2: Any bank charges imposed by the relevant financial institutions will be borne by the Unit Holders.*

## TRANSACTION INFORMATION

Minimum Initial Investment	RM100 or such other amount as the Manager may from time to time accept.
Minimum Additional Investment	RM100 or such other amount as the Manager may from time to time accept.
Minimum Investment Balance	100 units or such other lower quantity as the Manager may from time to time decide.
Minimum Redemption of Units	Any number of units.
Frequency of Redemption of Units	No restriction.
Switching Facility and Frequency of Switching	Available. Unit Holders may switch to units of any unit trust fund under the management of the Manager that are of the same currency and that allows for switching. The minimum amount for a switch into another fund is RM100.00 or such other amount as the Manager may from time to time decide. There is no restriction as to the number of switches a Unit Holder may perform or the frequency of switching. The minimum investment balance must be at least one hundred (100) units or such other lower quantity as the Manager may from time to time decide after the switch. Following a switching transaction, if the quantity of units held by a Unit Holder in the Fund falls below its minimum investment balance, the Manager can switch the entire investment and forward the proceeds to the fund that the Unit Holder intends to switch into. The Manager however, reserves the right to vary these terms.
Transfer Facility	Available. Unit Holders may transfer their holdings of units to another investor by forwarding the completed form of transfer to the Manager's registered/principal office or any of its branches or to any of its participating IUTAs and any other authorised distributors before their respective cut-off times on any Business Day. However, the Manager may refuse to register any partial transfer of units if the registration would result in the transferor or the transferee holding less than the minimum investment balance of one hundred (100) units or such other lower quantity as the Manager may from time to time decide. The Manager may also refuse an entry of transfer during the fourteen (14) days preceding an income distribution date.
An investor may request for a lower minimum initial investment, lower minimum additional investment, lower minimum investment balance or lower minimum amount for a switch which the Manager may accept at its absolute discretion from time to time. <i>Note: If the Fund is an EPF-MIS approved fund and you invest via EPF-MIS, the minimum initial investment shall be RM1,000.00 (or any other amount as may be determined by EPF).</i>	
Subscription Settlement	Payment must be made on the subscription date.
Redemption Settlement	Units of the Fund can be redeemed by forwarding the completed form of request to repurchase to the Manager's registered/principal office or any of its branches, or to any of its participating IUTAs and any other authorised distributors before their respective cut-off times on any Business Day. All redemption requests will be processed in accordance with the redemption conditions for the Fund. The redemption monies will be paid within seven (7) Business Days after receipt by the Manager of the request to repurchase. <i>Note: If you have invested via the EPF-MIS, the redemption monies will be credited back into your EPF accounts.</i>
Cooling-off Period	Unit Holders have the right to request for a refund of their investment within six (6) Business Days which shall be effective from the date of receipt of the application by the Manager, subject to eligibility. <i>Note: If you have invested via the EPF-MIS, the cooling-off period shall be subject to EPF's terms and conditions.</i>
Business Day	A day (other than Saturdays, Sundays and public holidays) in which the stock exchange managed and operated by Bursa Malaysia Securities Berhad is open for trading.

## TRANSACTION INFORMATION

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. The Manager may also vary the dealing hours as it may deem appropriate. Investors will be notified on the change of dealing hours via e-mail or notification published on the Manager's website.
Other Information	<ul style="list-style-type: none"><li>• US Person is not eligible to subscribe to the units of the Fund. If a Unit Holder is a US Person or subsequently becomes a US Person, the Manager will issue a notice to that US Person requiring him/her to either redeem all the units of the Fund or transfer all the units of the Fund to a non-US Person, within thirty (30) days from the date of the notice. The Manager shall have the right to compulsorily redeem all the units held by the said US Person after thirty (30) days from the date of notice if the US Person fails to redeem or transfer his/her units within the stipulated period.</li><li>• If the Fund is eligible to be invested via the EPF-MIS and you transfer your moneys from your EPF account to invest in the Fund, the investments made by the Fund as well as your investment in the Fund from your EPF account will be subject to the EPF's requirements. Please refer to the website at <a href="http://www.kwsp.gov.my">http://www.kwsp.gov.my</a> for updated information.</li></ul>

**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. The valuation of the Fund for a Business Day will be conducted by 5:00 p.m. (or such other time as may be determined by the Manager from time to time) on the following day on which the Manager is open for business. Accordingly, the price of the Fund for a particular Business Day will not be published online on the Manager's website 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 on the Manager's website. Investors may obtain the most current computed price by contacting the Manager directly or visiting the Manager's website, [www.rhbgroup.com](http://www.rhbgroup.com).

### EXITING FROM THIS INVESTMENT

The repurchase price shall be the NAV per unit as at the next valuation point of the Fund's relevant Business Day after the request for repurchase is received by the Manager ("forward pricing"). The Manager will not impose any repurchase charge on the redemption amount. Units of the Fund can be redeemed by forwarding the completed form of request to repurchase to the Manager's registered/principal office or any of its branches, or to any of its participating IUTAs and any other authorised distributors before their respective cut-off times on any Business Day. All redemption requests will be processed in accordance with the redemption conditions for the Fund. The redemption monies will be paid within seven (7) Business Days after receipt by the Manager of the request to repurchase. Where applicable, if you have invested via the EPF-MIS, the redemption monies will be credited back into your EPF accounts.

For partial redemption, the balance of units held after the redemption must be at least one hundred (100) units or such other lower quantity as the Manager may from time to time decide (the "minimum investment balance"). There is no restriction on the minimum number of units a Unit Holder can redeem out of the Unit Holder's investments or the frequency of redemptions in a year. If the balance of units held after the redemption is less than the minimum investment balance, the Manager can withdraw the entire investment and forward the proceeds to the Unit Holder.

## CONTACT INFORMATION

To contact the Manager or to find out about the distribution channels of the Fund, you may call us at 03-9205 8000 at any time during office hours: Mondays through Fridays from 9:00 a.m. – 5:00 p.m. or e-mail your enquiries to [rhbam@rhbgroup.com](mailto:rhbam@rhbgroup.com).

### HOW DO YOU LODGE A COMPLAINT?

1. For internal dispute resolution, you may contact:

- ❖ **via Unit Holders Services Toll-Free Hotline at:** 1-800-88-3175
- ❖ **via phone to:** 03-9205 8000
- ❖ **via fax to:** 03-9205 8100
- ❖ **via e-mail to:** [rhbam@rhbgroup.com](mailto:rhbam@rhbgroup.com)
- ❖ **via letter to:** RHB Asset Management Sdn Bhd, Level 8, Tower 2 & 3, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur

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

- ❖ **via phone to:** 03-2282 2280
- ❖ **via fax to:** 03-2282 3855
- ❖ **via e-mail to:** [info@sidrec.com.my](mailto:info@sidrec.com.my)
- ❖ **via letter to:** Securities Industry Dispute Resolution Center (SIDREC), Unit A-9-1, Level 9, Tower A, Menara UOA Bangsar, No. 5, Jalan Bangsar Utama 1, 59000 Kuala Lumpur

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

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

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

- ❖ **via phone to:** 03-7890 4242
- ❖ **via e-mail to:** [complaints@fimm.com.my](mailto:complaints@fimm.com.my)
- ❖ **via online complaint form available at:** [www.fimm.com.my](http://www.fimm.com.my)
- ❖ **via letter to:** Legal & 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.