

## RHB GLOBAL SUKUK FUND

### RESPONSIBILITY STATEMENT

This Product Highlights Sheet has been reviewed and approved by the directors of RHB Islamic International Asset Management Berhad ("RHBIIAM") 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 Global Sukuk Fund and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

The authorisation of the RHB Global Sukuk Fund and lodgement of this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends the RHB Global Sukuk 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 RHBIIAM responsible for the RHB Global Sukuk 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.

The Fund has been certified as Shariah-compliant by the Shariah adviser appointed for the Fund i.e. RHB Islamic Bank Berhad.

## PRODUCT HIGHLIGHTS SHEET

**This Product Highlights Sheet only highlights the key features and risks of RHB Global Sukuk 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 Global Sukuk Fund ("Fund").	<b>Fund Category</b>	Sukuk.
<b>Manager</b>	RHB Islamic International Asset Management Berhad.	<b>Launch Date</b>	8 September 2017.
<b>Trustee</b>	HSBC (Malaysia) Trustee Berhad.	<b>Financial Year End</b>	31 August
<b>Shariah Adviser</b>	RHB Islamic Bank Berhad	<b>Base Currency of the Fund</b>	RM.

Classes under the Fund	Currency denomination of the Class	Launch Date
RM Class A	RM	8 September 2017
RM Class B	RM	8 September 2017
USD Class A	USD	8 September 2017
USD Class B	USD	8 September 2017
SGD Class A	SGD	8 September 2017
SGD Class B	SGD	8 September 2017

### PRODUCT SUITABILITY

This Fund is suitable for investors who:

- (i) have a moderate risk appetite;
- (ii) seek returns from the income distributed and/or capital appreciation from a global Shariah-compliant fixed income instruments portfolio; and
- (iii) have a medium to long term\* investment horizon.

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

### KEY PRODUCT FEATURES

#### INVESTMENT OBJECTIVE

The aim of the Fund is to provide income<sup>A</sup> and medium to long-term\* capital growth by investing into global sukuk.

Note: <sup>A</sup>The income is in the form of units. \*\*medium to long term\* in this context refers to a period of between 3 – 7 years.

#### INVESTMENT STRATEGY

In managing the Fund, the Manager will actively seek out global Shariah-compliant fixed income instruments such as sukuk, Islamic commercial papers, Islamic bankers' acceptances and Islamic notes that are able to offer attractive yields (i.e. yields, net of the Fund's expenses that are greater than the Fund's benchmark) and/or capital appreciation. These are Shariah compliant fixed income instruments issued by corporations, financial institutions, supra-nationals, governments and their agencies globally. The Fund's investments may also include Islamic money market instruments and placements of cash in Islamic accounts.

The Manager will invest in a portfolio of global Shariah-compliant fixed income instruments, with at least 80% of the Fund's Net Asset Value ("NAV") in sukuk to lock-in the yield. The Manager may trade the Shariah compliant fixed income instruments as and when opportunities arise and/or to risk manage the credit/default risk of the Shariah-compliant fixed income instruments' issuers or in response to external adverse events affecting any of the Shariah-compliant fixed income instruments in the Fund's portfolio.

This Fund's portfolio will be structured as follows:

90% to 100% of its NAV

- Investments in global Shariah-compliant fixed income instruments of which at least 80% of its NAV in sukuk.

Up to 10% of its NAV

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

Although the Fund is actively managed, how active or the frequency of its trading strategy will very much depend on market opportunities. The Fund will be managed with a focus on providing a yield at an acceptable risk level. The Manager aims to create a portfolio comprising Shariah-compliant fixed income instruments denominated in any currency. These can be Shariah-compliant fixed income instruments issued by corporations, financial institutions, supra-nationals, governments and their agencies globally. Shariah-compliant fixed income instruments that are issued by Malaysian corporations or financial institutions shall carry a rating of at least A3 at the point of purchase by RAM or its equivalent rating by a reputable rating establishment. Foreign Shariah-compliant fixed income instruments shall carry a rating of Ba3 or higher at the point of purchase by Moody's or its equivalent rating by a reputable rating agency. Shariah-compliant fixed income instruments issued by supra-nationals, governments and their agencies need not be rated. However, the Fund will only invest in unrated Shariah-compliant fixed income instruments issued by supra-nationals, governments and their agencies if these instruments are determined by the Manager to be of

## KEY PRODUCT FEATURES

comparable quality to Shariah-compliant fixed income instruments with a minimum rating of A3 by RAM or Ba3 by Moody's or its equivalent rating by a reputable rating agency.

In managing the portfolio, should a Shariah-compliant fixed income instrument be downgraded to below the above stated ratings by the respective rating agencies, the Manager will as soon as reasonably practicable dispose this Shariah-compliant fixed income instrument. When the Manager disposes a Shariah-compliant fixed income instrument (whether in the ordinary course of managing this Fund or as a result of downgrading of a Shariah-compliant fixed income instrument), the proceeds will be used to invest in other Shariah-compliant fixed income instruments in accordance with the stated objective, strategy, restrictions and limits.

The Manager may take temporary defensive positions that may be inconsistent with the Fund's investment strategy in response to adverse economic, political or any market conditions. In such circumstances, the Fund may hold up to 100% of its assets in Shariah-compliant liquid assets as a defensive strategy.

Other 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 countries. The Fund also complies with the permitted investments and restrictions imposed by the Securities Commission. Adherence to these permitted investments and restrictions helps the Manager to risk-manage the Fund's portfolio in terms of its 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.

## BENCHMARK

Maybank Islamic Berhad's 12-months Islamic Fixed Deposit-l.

## DISTRIBUTION

**DISTRIBUTION POLICY** - The Fund will declare distributions, if any, to unit holders of the Fund ("Unit Holder(s)") depending on the level of income generated at each relevant period. Distribution, if any, after deduction of taxation and expenses (i.e. net distribution) is declared annually.

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

## KEY RISKS

**CREDIT / DEFAULT RISK** - This risk refers to the creditworthiness of the issuers of Shariah-compliant fixed income instruments and the expected ability of the issuers to make timely payment of profit and/or principal. Shariah-compliant fixed income instruments are subject to both actual and perceived measures of creditworthiness. The downgrading of a rated Shariah-compliant fixed income instrument or adverse publicity and investor perception (whether in relation to the Shariah-compliant fixed income instrument itself or the issuer of the Shariah-compliant fixed income instrument) could decrease the value and liquidity of the Shariah-compliant fixed income instrument, particularly in a thinly traded market. An economic recession may adversely affect an issuer's financial condition and the market value of Shariah-compliant fixed income instruments issued by such an entity. The issuer's ability to service its payment obligations may be adversely affected by specific issuer developments, or the issuer's inability to meet specific projected business forecasts. All these factors may impact the value of the Fund or result in the Fund experiencing losses.

**CURRENCY RISK** - As the Fund may invest 90% to 100% of its NAV in global Shariah-compliant fixed income instruments denominated in any currency, the Fund is therefore subject 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 Unit Holders' investments. The Fund may participate in Shariah-compliant currency hedging instruments to mitigate the currency risk, whenever necessary.

**INTEREST RATE RISK** - Interest rate is a general indicator that will have an impact on the management of a fund regardless whether it is a Shariah-compliant fund or otherwise. It does not in any way suggest that the Fund will invest in fixed income instruments which are Shariah non-compliant. Thus, interest rate changes would affect the performance of the Fund's portfolio of Shariah-compliant fixed income instruments. In the event of rising interest rates, prices of such affected Shariah-compliant fixed income instruments will generally decrease and vice versa. Meanwhile Shariah-compliant fixed income instruments with longer tenures and lower profit rates are more sensitive to interest rate changes. This risk will be mitigated via the management of the duration structure of the portfolio of Shariah-compliant fixed income instruments for the Fund.

**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 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 in. 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 that 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 to be frozen by the regulator resulting in investment activities for the Fund in that country to be suspended. To mitigate this risk, the Manager will monitor closely the adherence of investment regulatory requirements in such countries.

**INFLATION RISK** - Inflation is defined as increase of 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 the purchasing power of money. In an inflationary environment, Shariah-compliant fixed income instruments are exposed to higher inflation risks than equities due to its fixed returns nature as compared to equities where returns are variable. As the Fund primarily invests in Shariah-compliant fixed income instruments where the returns are fixed, inflation will have an impact of reducing the fixed income real return (return of fixed income instrument less inflation rate) and correspondingly the Fund's real return.

**RECLASSIFICATION OF SHARIAH STATUS RISK** - This risk refers to the risk that the currently held Shariah-compliant fixed income instruments invested by the Fund may be declared as Shariah non-compliant by the relevant authority. In the event the sukuk and Islamic money market instruments held by the Fund are declared as Shariah non-compliant by Shariah Adviser of the Fund, the instruments will be disposed in accordance with rules and decision by the Shariah Adviser.

## FUND PERFORMANCE

### AVERAGE TOTAL RETURNS OF THE FUND

Average total returns for the following periods ended 31 August 2020

RM Class B	1 Year	Since Launch (28/09/2017* – 31/08/2020)
RHB Global Sukuk Fund (%)	5.34	5.95
Benchmark^ (%)	2.62	3.05

USD Class B	1 Year		Since Launch (28/09/2017* – 31/08/2020)
RHB Global Sukuk Fund (%)	-1.38		-
Benchmark <sup>^</sup> (%)	3.61		2.15
ANNUAL TOTAL RETURNS OF THE FUND			
Annual total returns for the following financial years ended 31 August			
RM Class B	2020	2019	2018 <sup>^</sup>
RHB Global Sukuk Fund (%)	5.36	10.90	1.34
Benchmark <sup>^</sup> (%)	2.63	3.28	3.01
USD Class B	2020	2019	2018 <sup>^</sup>
RHB Global Sukuk Fund (%)	-1.38	1.40	-
Benchmark <sup>^</sup> (%)	3.62	-1.10	-

Source: Lipper IM, 11 September 2020. \* The last day of the Fund's initial offer period. <sup>^</sup> The benchmark of the Fund is Maybank Islamic Berhad's 12-months Islamic Fixed Deposit-i. The abovementioned Fund performance is computed on NAV to NAV basis and has been adjusted to reflect distributions payments and unit splits, if any.

For the financial year, the Fund recorded a return of 5.36% outperforming its benchmark return of 2.63% for RM Class B and a return of -1.38% whilst its benchmark recorded a return of 3.62% for USD Class B.

PORTFOLIO TURNOVER RATIO ("PTR")			
PTR (times)	Financial Year Ended 31 August		
	2020	2019	2018
	0.59	0.41	0.64

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

DISTRIBUTION RECORD			
	Financial Year Ended 31 August		
	2020	2019	2018
	Gross distribution per unit (sen)	6.6000	3.1000
Net distribution per unit (sen)	6.6000	3.1000	-

For the financial year under review, the Fund has declared a total net distribution of 6.6000 sen per unit for RM Class B, which is equivalent to a net distribution yield of 6.16% based on the average net asset value for the financial year.

### 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 this Fund:*

Charges	RM Class A	RM Class B	USD Class A	USD Class B	SGD Class A	SGD Class B
Sales charge <sup>1</sup>	Up to 3.00% of the investment amount. An investor can expect differing sales charge to be levied when buying units from the various distribution channels and within each distribution channel, 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.					
Repurchase charge	None.					
Dilution fee or transaction cost factor	None.					
Any other charges payable directly by the investors						
Switching fee <sup>1</sup>	RM 25.00 per switch or the difference in sales charge between switching funds on the amount to be switched, whichever applicable.		USD 10.00 per switch or the difference in sales charge between switching funds on the amount to be switched, whichever applicable.		SGD 10.00 per switch or the difference in sales charge between switching funds on the amount to be switched, whichever applicable.	
Transfer fee	RM5.00 per transfer.		USD 5.00 per transfer.		SGD 5.00 per transfer.	

*This table describes the fees that you may indirectly incur when you invest in the Fund:*

Fees and Expenses	RM Class A	RM Class B	USD Class A	USD Class B	SGD Class A	SGD Class B
Annual management fee <sup>1</sup>	Up to 0.50 % of the NAV of the Class per annum.	1.00% of the NAV of the Class per annum.	Up to 0.50 % of the NAV of the Class per annum.	1.00% of the NAV of the Class per annum.	Up to 0.50 % of the NAV of the Class per annum.	1.00% of the NAV of the Class per annum.
Annual trustee fee <sup>1</sup>	Up to 0.06% per annum of the NAV of the respective class, calculated on a daily basis before deducting the Manager's and Trustee's fees for that particular day (excluding foreign custodian fees and charges).					
Other expenses directly related to the Fund	Auditors' fees and other relevant professional fees, foreign custodial charges, cost of distribution of interim and annual reports, tax certificates, reinvestment statements and other notices to Unit Holders, commissions or fees paid to brokers, 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 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 other charges directly payable by the Unit Holder and/or investor in respect of the Fund, either generally (for all Unit Holders of a class) or specifically (for any particular Unit Holder of a class) and for any period or periods of time at its absolute discretion.

**TRANSACTION INFORMATION**

	<b>RM Class A</b>	<b>RM Class B</b>	<b>USD Class A</b>	<b>USD Class B</b>	<b>SGD Class A</b>	<b>SGD Class B</b>
Minimum Initial Investment	RM500,000.00 or such other amount as the Manager may from time to time accept.	RM1,000.00 or such other amount as the Manager may from time to time accept.	USD500,000.00 or such other amount as the Manager may from time to time accept.	USD1,000.00 or such other amount as the Manager may from time to time accept.	SGD500,000.00 or such other amount as the Manager may from time to time accept.	SGD1,000.00 or such other amount as the Manager may from time to time accept.
Minimum Additional Investment	RM250,000.00 or such other amount as the Manager may from time to time accept.	RM100.00 or such other amount as the Manager may from time to time accept.	USD250,000.00 or such other amount as the Manager may from time to time accept.	USD100.00 or such other amount as the Manager may from time to time accept.	SGD250,000.00 or such other amount as the Manager may from time to time accept.	SGD100.00 or such other amount as the Manager may from time to time accept.
Minimum Repurchase Units	Any number of units.					
Restriction on Frequency of Repurchase	No restrictions.					
Minimum Investment Balance	100 units or such other quantity as the Manager may from time to time decide.					
Payment of Redemption period	Redemption monies will 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# which shall be effective from the date of receipt of the application by the Manager, subject to eligibility. #These are the working days when the Manager is open for business.					
Switching facility and frequency of switching	Available. The minimum amount for a switch into another fund is one thousand (1,000) Units. 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. The Manager however, reserves the right to vary these terms.					
Transfer facility	Available only between Unit Holders of the same class. In the event of a partial transfer, both the transferor and transferee must each hold a minimum investment balance of one hundred (100) units or such other lower quantity as the Manager may from time to time decide after the transfer.					
Business Day	A day (other than Saturdays, Sundays and public holidays) in which Bursa Malaysia is open for trading; and the markets in which at least 50% of the NAV (in aggregate) invested therein, are also open for trading.					
Dealing Hours	9:00 a.m. to 4:00 p.m. (Malaysia time) on any Business Day or such later time as the Manager may determine provided always the 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 email or notification published on the Manager's website.					
Other Information	United States Person is not eligible to subscribe to the Units of the Fund. If a Unit Holder is a United States Person or subsequently becomes a United States Person, the Manager will issue a notice to that United States Person requiring him/her to either redeem all the Units of the Fund or transfer all the Units of the Fund to a non-United States 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 United State Person after (30) days from the date of the notice if the United State Person fails to redeem or transfer his/her Units within the stipulated period.					

**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 assets of the Fund must be valued at least once every Business Day, except during the Fund's initial offer period. As 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 in which the Manager is open for business.

Accordingly, the 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. price will be two (2) days old). This will be specifically indicated in the major newspapers. Investors may obtain the most current computed price by contacting the Manager directly at 03-9205 8000.

**EXITING FROM THIS INVESTMENT**

During the Fund's initial offer period, the Repurchase Price is fixed at the initial offer price of the respective class during the Fund's initial offer period of the respective class. After the Fund's initial offer period, the Repurchase Price shall be the NAV per unit of the respective class as at the next valuation point of the Fund's relevant Business Day after the request for repurchase of units is received by the Manager ("forward pricing"). The Manager does not charge any repurchase charge for this Fund.

For partial redemption, the balance of units after the redemption must be at least one hundred (100) units or such other 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 the Unit Holder's 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.

Units can be redeemed by forwarding the completed form of request to repurchase to the Manager's registered/principal office or any of its branches, or to any of its participating IUTAs and any other authorized distributors before their respective cut-off times. All redemption requests will be processed in accordance with the redemption conditions for the Fund. The redemption monies will be paid within ten (10) days after receipt by the Manager of the request to repurchase.

## 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 [rhbiim.enquiry@rhbgroup.com](mailto:rhbiim.enquiry@rhbgroup.com).

### HOW DO YOU LODGE A COMPLAINT?

1. For internal dispute resolution, you may contact:

❖ **via phone to:** 03-9205 8000

❖ **via fax to:** 03-9205 8107

❖ **via email to:**

[rhbiim.enquiry@rhbgroup.com](mailto:rhbiim.enquiry@rhbgroup.com)

❖ **via letter to:** RHB Islamic International Asset Management Berhad, 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 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 e-mail to:**

[aduan@seccom.com.my](mailto:aduan@seccom.com.my)

❖ **via online complaint form available at:** [www.sc.com.my](http://www.sc.com.my)

❖ **via letter to:** Consumer & Investor Office, Securities Commission Malaysia, No 3 Persiaran Bukit Kiara, Bukit Kiara, 50490 Kuala Lumpur.

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

❖ **via phone to:**

03-2092 3800

❖ **via fax to:**

03-2093 2700

❖ **via e-mail to:**

[complaints@fimm.com.my](mailto:complaints@fimm.com.my)

❖ **via online complaint form available at:** [www.fimm.com.my](http://www.fimm.com.my)

❖ **via letter to:** Legal, Secretarial & Regulatory Affairs, Federation of Investment Managers Malaysia, 19-06-1, 6<sup>th</sup> Floor, Wisma Tune, No. 19 Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur.