

## RHB INCOME FUND 2

### 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 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 of 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 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>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 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.*

*^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^ 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.

#### 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 RAM Rating Services Berhad or its equivalent rating by any other rating establishment and fixed income collective investments schemes), money market instruments, cash and deposits with any financial institutions. At least 60% of Net Asset

## KEY PRODUCT FEATURES

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, 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

12-month fixed deposit rate by Maybank Berhad.

## 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.

## KEY RISKS

**INTEREST RATE RISK** - Prices of fixed income securities and debentures generally move in opposite direction with interest rates. When interest rates rise, prices of fixed income securities and debentures 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 and debentures would generally increase, therefore, investors would see capital gains.

**CREDIT / DEFAULT RISK** - This refers to the creditworthiness of the fixed income securities and debentures 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 and debentures market is not as liquid as the equity market and this may affect the price of any fixed income securities and debentures.

**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.

## 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.

### AVERAGE TOTAL RETURNS OF THE FUND

Average total returns for the following periods ended 31 March 2022

	1 Year	3 Years	5 Years	10 Years
RHB Income Fund 2 (%)	14.92	4.80	4.72	4.51
Benchmark^ (%)	1.85	2.29	2.67	2.93

### ANNUAL TOTAL RETURNS OF THE FUND

Annual total returns for the following financial years ended 31 March

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
RHB Income Fund 2 (%)	14.92	-2.95	3.20	4.76	4.44	5.30	3.73	5.14	2.33	5.09
Benchmark^ (%)	1.85	1.97	3.07	3.35	3.14	3.16	3.29	3.23	3.15	3.17

For the latest financial year, the Fund recorded a return of 14.92% outperforming its benchmark return of 1.85%.

Source: Lipper IM, 05 April 2022. ^ The benchmark of the Fund is 12-month fixed deposit rate by Maybank Berhad. 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		
	2022	2021	2020
	0.55	0.54	0.89

The PTR for the financial year was higher compared with the previous financial year due to lower average net asset value during the latest financial year.

### DISTRIBUTION RECORD

	Financial Year Ended 31 March		
	2022	2021	2020
	Gross distribution per unit (sen)	7.2000	7.2000
Net distribution per unit (sen)	7.2000	7.2000	7.2000

For the latest financial year, the Fund has declared a net distribution of 7.2000 sen per unit.

## 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

Sales charge <sup>1</sup>	Up to 2.00% 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.

## FEES & CHARGES

Investments via the Employees Provident Fund (“EPF”) Members’ Investment Scheme will be levied a sales charge of up to 2.00% of the investment amount (or such other rate that may be determined by the EPF from time to time). Please note that there may be changes to the status of the eligibility of the Fund under the EPF Members’ Investment Scheme from time to time. Investors may refer to <http://www.kwsp.gov.my> for updated information on the eligibility of the Fund under the EPF Members’ Investment Scheme.

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 which is deductible from the redemption amount of the units to be switched, where applicable.
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 NAV 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 NAV before deducting the Manager’s and Trustee’s fees for that particular day.
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 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 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.
Minimum Additional Investment	RM1,000 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.
Switching Facility and Frequency of Switching	The minimum amount for a switch to another fund is RM1,000. There are no restrictions as to the number of switches a Unit Holder may perform or the frequency of switching.
Minimum Investment Balance	100 units or such other lower quantity as the Manager may from time to time decide.

## TRANSACTION INFORMATION

Transfer Facility	Available. In the event of a partial transfer, both the transferor and the 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. For EPF Unit Holders, the repurchase proceeds will be remitted to EPF by crediting into the members' provident account.
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>* These are the working days when the Manager is open for business.</i>
Business Day	A day (other than Saturdays, Sundays and public holidays) in which Bursa Malaysia is 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 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.

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 local 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 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 participating IUTAs or to any other authorised distributors 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 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.

For EPF Unit Holders, the repurchase proceeds will be remitted to EPF by crediting into the members' provident account.

## 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> rhbam@rhbgroup.com  | ❖ <b>via website to:</b> www.rhbgroup.com  |                                      |
| ❖ <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>info@sidrec.com.my |
| ❖ <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>aduan@seccom.com.my |
| ❖ <b>via online complaint form available at:</b> www.sc.com.my   |                                      |  |
| ❖ <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>complaints@fimm.com.my |
| ❖ <b>via online complaint form available at:</b> www.fimm.com.my   |                                      |   |
| ❖ <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. |                                      |   |